

(Registration No. 202001022591 (1378911-A)) (Incorporated in Malaysia under the Companies Act 2016)

ANNUAL REPORT





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Malacca Securities Sdn. Bhd., the Sponsor of Saliran Group Berhad has reviewed this Annual Report pursuant to Rule 4.27 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad prior to the issuance of this Annual Report. Malacca Securities Sdn. Bhd. was also the Principal Adviser for the admission of Saliran Group Berhad to the ACE Market of Bursa Malaysia Securities Berhad.

CORPORATE OVERVIEW

OUR VISION



To be a world-class Industrial Services Solutions Provider

OUR MISSION



We are committed to delivering high-quality total solutions to our customers while actively contributing to global community development.

We are also dedicated to create value for our stakeholders, driving sustainable growth for our Group and making a positive impact on society.

ABOUT US

Saliran Group is principally involved in the supply and distribution of pipes, fittings, flanges and related parts and accessories as well as steel products, where its products are primarily used in the oil and gas industry.

We are ISO certified stockholders of piping materials which includes flanges, forgings, fittings, pipes and valves. Our comprehensive line of products come in a multitude of material grades and dimensions. We have since etched strong ties and developed meaningful relationships with the likes of world class manufacturers, business partners and associates that have enabled us to offer our full range of products that meet the industry's needs and demands.

We are a dynamic business organisation led by a group of expert executives who are distinguished leaders in their respective fields. Our executive and dedicated team of workmen come well-armed with industrial knowledge and technology expertise to execute and fully deliver our commitment in the name of fulfilling our clients' best interests and desires. We aim to grow through innovation and productivity—to be the forefront in providing industrial products globally.

PRINCIPAL ACTIVITIES AND BUSINESS MODEL

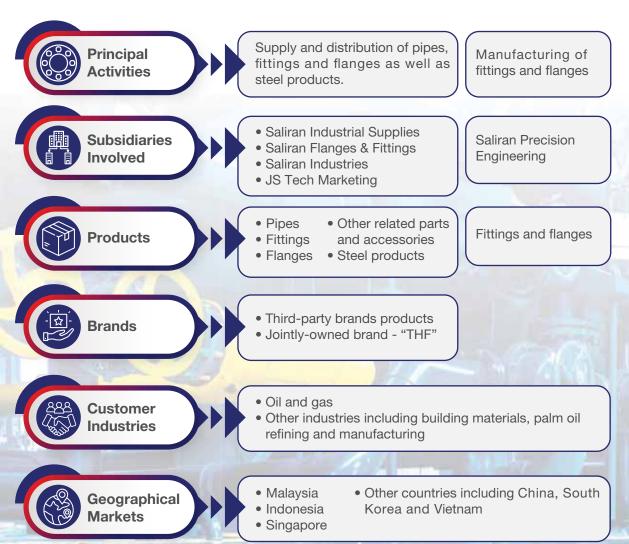
PRINCIPAL ACTIVITIES

Our Group is principally involved in the supply and distribution of pipes, fittings and flanges as well as steel products primarily for the oil and gas industry. We also undertake the manufacturing of fittings and flanges to complement our supply and distribution business.

Our products can be categorised into the following:

- (i) Pipes, fittings and flanges as well as related parts and accessories, which are used for the transfer of fluid and gaseous substances in production and refining / processing activities.
- (ii) **Steel products**, which include steel beams, steel bars, steel plates and steel sections which are used as structural support for the installation of our pipes, fittings and flanges and/or for the construction of process plants.

BUSINESS MODEL



CORPORATE MILESTONE

2011

- Saliran Industrial Supplies was founded and commenced operations at a rented shoplot in Kompleks Suria Kinrara, Puchong, Selangor, with an approximate built-up area of 1,500 sq ft as our operating office to begin trading pipes, fittings and flanges as well as related parts and accessories.
- We marked our overseas sales to Indonesia.

2012

 We relocated our business operations to a larger rented shoplot located in Bandar Puchong Jaya with an approximate built-up area of 1,528 sq ft and expanded our product offerings and began supplying steel products to a customer in Singapore involving in the oil and gas industry, which marked our expansion to customer in Singapore.

2021

- We entered into an OEM Agreement with Tae Heung Forging Co Ltd ("Tae Heung"), whereby Tae Heung serves as our contract manufacturer to manufacture, test, deliver and provide support to us for the sale of fittings and flanges under the brands of "THF".
- We successfully registered the trademark of "THF" brand in Malaysia. Notwithstanding this, under the OEM Agreement, "THF" is jointly-owned by our Group as well as Tae Heung.

2020

- Saliran Group Sdn Bhd was founded with the intention to serve as the holding company for all our subsidiaries.
- Saliran Industrial Supplies and Saliran Precision Engineering obtained ISO 9001 certifications for the stockholding and trading of piping material (flanges, forgings, fittings, pipes and valves), and manufacturing of precision metal parts, respectively.
- We rented another double-storey semi-detached factory ("Puchong Premise 2") with an approximate built-up area of 4,560 sq ft adjacent to our Puchong Premise 1, which provides us with expanded storage space to store our inventory.

2022

- Saliran Industries was founded to undertake the business of supply and distribution of pipes, fittings and flanges.
- As part of our business expansion, we purchased a factory located in Taman Perindustrian Putra ("Puchong Premise 3"), with an approximate built-up area of 22,268 sq ft, with the intention to establish it as our storage facility for our inventory.

2023

 JS Tech Marketing was founded to undertake the business of supply and distribution of pipes, fittings and flanges.

CORPORATE MILESTONE

cont'd

2014

- We transitioned from trading to the supply and distribution of pipes, fittings and flanges, thus requiring us to carry inventory where we rented an additional shoplot located in Taman Perindustrian Puchong to store our inventory.
- Saliran Precision Engineering was founded to venture into the manufacturing of fittings and flanges in customised specifications based on customer requirements and commenced operations in the rented shoplot located in Taman Industri Pusat Bandar Puchong. This complements our pipes, fittings and flanges supply and distribution business as we expanded our offerings to include customised fittings and flanges.

2016

We expanded to a larger rented double-story semi-detached factory with an approximate built-up area of 4,560 sq ft in Taman Perindustrian Pusat Bandar Puchong ("Puchong Premise 1"), that provided us with greater space to house our supply and distribution as well as manufacturing operations.

2019

 We relocated our manufacturing activities from Puchong Premise 1 to 2 rented shoplots located in Taman Perindustrian Pusat Bandar Puchong, with a total approximate built-up area of 3,200 sq ft while our operations for our supply and distribution business as well as administrative operations remained in Puchong Premise 1.

2018

 We purchased Puchong Premise 1 and we have since continued to operate from this location as our headquarters.

2024

- We began utilising Puchong Premise 3 as our storage facility to store inventory for our supply and distribution business. Concurrently, Puchong Premise 1 and Puchong Premise 2 ceased carrying inventory and have since solely served as our headquarters and administrative office. With the new expanded storage facility, we have more storage space to support the growth of our business.
- We expanded our physical presence to the northern region of Malaysia by setting up a sales office at Ipoh Office (a rented shoplot in Taman Mas, Ipoh, that has an approximate built-up area of 1,329 sq ft), to support and better facilitate our business operations in the northern region.
- We obtained our listing approval from Bursa Malaysia Securities Berhad on November 2024.

2025

 Listed on ACE Market of Bursa Malaysia Securities Berhad on 13 March 2025.



SALIRAN GROUP BERHAD 2025 IPO LISTING









CORPORATE INFORMATION

BOARD OF DIRECTORS

DATO' LOW SUET MOI (f)
Independent Non-Executive Chairperson

LIAW CHOON WEI Managing Director

CHAN KOON WAI

Executive Director

DATUK KHOO TECK KEE
Independent Non-Executive Director

KOK TAI MENG

Independent Non-Executive Director

OOI GIN HUI (f)
Independent Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

Kok Tai Meng (Chairman) Datuk Khoo Teck Kee (Member) Ooi Gin Hui (Member)

REMUNERATION COMMITTEE

Ooi Gin Hui (Chairperson) Datuk Khoo Teck Kee (Member) Kok Tai Meng (Member)

NOMINATING COMMITTEE

Datuk Khoo Teck Kee (Chairman) Kok Tai Meng (Member) Ooi Gin Hui (Member)

COMPANY SECRETARIES

Chua Siew Chuan

(CCM PC No. 201908002648) (MAICSA 0777689)

Yeow Sze Min

(CCM PC No. 201908003120) (MAICSA 7065735)

Lim Lih Chau

(CCM PC No. 201908001454) (LS0010105)

REGISTERED OFFICE

Level 7, Menara Milenium Jalan Damanlela Pusat Bandar Damansara Damansara Heights 50490 Kuala Lumpur

Tel : +603 2084 9000 Fax : +603 2094 9940 : info@sshsb.com.mv Fmail

PRINCIPAL PLACE OF BUSINESS

No. 14 & 16. Jalan Industri PBP 5 Taman Perindustrian Pusat Bandar Puchona 47100 Puchong Selangor

: +603 5879 1328

Website: https://www.saliran.com.my/

Email: info@saliran.com.my

SHARE REGISTRAR

Securities Services (Holdings) Sdn Bhd

(Registration No.197701005827

(36869-T))

Level 7, Menara Milenium

Jalan Damanlela

Pusat Bandar Damansara

Damansara Heights

50490 Kuala Lumpur

Tel : +603 2084 9000 : +603 2094 9940 Fax : info@sshsb.com.my

AUDITORS

Kreston John & Gan

(AF 0113) Unit B-10-8 Megan Avenue II Jalan Yap Kwan Seng 50450 Kuala Lumpur

: +603 2381 2828

SPONSOR

Malacca Securities Sdn Bhd

(Registration No.197301002760 (16121-H))

BO1-A-13A, Level 13A, Menara 2 No. 3, Jalan Bangsar

KL Eco City

59200 Kuala Lumpur

: +603 2201 2100

STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia Securities Berhad

Stock Name: SALIRAN

Stock Code : 0346 Sector

: Industrial Products &

Services - Industrial

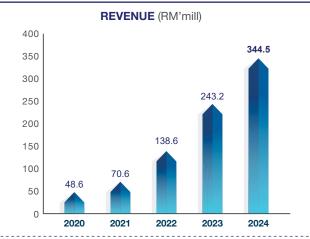
Services

CORPORATE STRUCTURE



FIVE YEARS FINANCIAL HIGHLIGHTS

	2020	2021	2022	2023	2024
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	48.6	70.6	138.6	243.2	344.5
Gross Profit	10.4	16.1	26.1	41.1	58.9
Profit Before Tax	3.5	6.1	9.0	14.1	20.1
Profit After Tax	2.3	4.6	6.3	10.1	13.2
EBIT	4.3	7.4	11.7	18.9	26.3
EBITDA	5.0	8.7	13.3	20.8	28.1

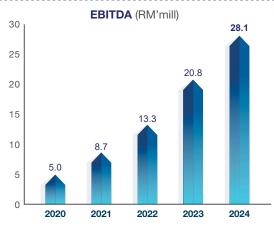












PROFILE OF DIRECTORS

DATO' LOW SUET MOI

Independent Non-Executive Chairperson











Date of Appointment 6 June 2024

Number of Board Meetings Attended Not Applicable*

Dato' Low Suet Moi, a Malaysian, aged 57, is our Independent Non-Executive Chairperson. She was appointed to our Board on 6 June 2024.

She holds a MBA from the University of Hull, United Kingdom. She obtained her designation of Certified Internal Auditor (CIA) in 2001, Certified Fraud Examiner in 2008 and Certification in Risk Management Assurance in 2012. In July 2014, she was admitted as a member of the Information Systems Audit and Control Association as a Certified Information Systems Auditor (CISA). She was certified as a Human Resources Development Fund (HRDF) Certified Trainer in July 2020 and Human Resources Development Fund (HRDF) Accredited Trainer in September 2024.

In 1989, she joined Ernst & Young (now known as EY Malaysia), an accounting firm as an Audit Articled Clerk and was promoted to the position of Audit Assistant in January 1994. She later joined Overall Management Sdn Bhd (formerly known as Jasa Kita Management Sdn Bhd) as an Internal Auditor responsible for the company's internal audit. Subsequently, she has been leading the group internal audit functions of several listed companies and an international business advisory firm. She is now the CEO of Sephine Consulting PLT.

Dato' Low Suet Moi does not hold any directorships in other public companies or listed issuers. She has no family relationship with any Director and/or major shareholders of the Company and has no conflict of interest with the Group.

Dato' Low Suet Moi has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and there have not been any public sanctions nor penalties imposed upon her by any relevant regulatory bodies.

LIAW CHOON WEI

Managing Director









Gender

Date of Appointment 7 August 2020

Number of Board Meetings Attended Not Applicable

Liaw Choon Wei, a Malaysian, aged 40, is our Managing Director. He is responsible for the establishment of our Group's vision and mission, setting strategic plans as well as business development. He was appointed to our Board on 7 August 2020. He was subsequently re-designated as our Managing Director on 6 June 2024.

In December 2002, he completed his secondary education and obtained a Sijil Pelajaran Malaysia at Sekolah Menengah Kebangsaan Engku Husain, Kampung Baru Semenyih, Semenyih, Selangor. In July 2005, he completed the introductory level of the Certified Accounting Technician examinations from the Association of Chartered Certified Accountants.

In April 2007, he joined Asia Bolts & Nuts Sdn Bhd as a sales executive. Seeing the growth potential of the industrial hardware sector, he decided to venture out to start his own trading company and started to do several months of market research after leaving Asia Bolts & Nuts Sdn Bhd in October 2010. In March 2011, he started our Group to supply pipes, fitting and flanges products as well as related parts and accessories.

Liaw Choon Wei does not hold any directorships in other public companies or listed issuers. He has no family relationship with any Director and/or major shareholders of the Company and has no conflict of interest with the

Liaw Choon Wei has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and there have not been any public sanctions nor penalties imposed upon him by any relevant regulatory

PROFILE OF DIRECTORS

CHAN KOON WAI

Executive Director











Date of Appointment 7 August 2020

Number of Board Meetings Attended Not Applicable*

Chan Koon Wai, a Malaysian, aged 42, is our Executive Director. He is responsible for overseeing operations to ensure alignment with our Company's strategy, developing business strategies and plans, managing employees to increase production efficiency, and reviewing financial and non-financial reports for improvement of our Group. He was appointed to our Board on 7 August 2020. He was subsequently re-designated as our Executive Director on 6 June 2024.

He holds a Bachelor in Commerce & Administration from the New Era University College.

In January 2004, he joined Kwang Hua Private School, Klang, Selangor, as a teacher. He left his teaching profession and joined Formosa Prosonic Technics Sdn Bhd in 2005, a wholly-owned subsidiary of Formosa Prosonic Industries Berhad (a company listed on Main Market of Bursa Malaysia Securities Berhad), as a purchasing officer. He later joined Chip Ngai Engineering Works Sdn Bhd, a wholly-owned subsidiary of CN Asia Corporation Bhd (a company listed on Main Market of Bursa Malaysia Securities Berhad) as a senior procurement executive. In 2012, he joined Saliran Industrial Supplies Sdn Bhd as the General Manager and subsequently appointed as the Director of Saliran Industrial Supplies Sdn Bhd in June 2016, a position which he presently assumes.

Chan Koon Wai does not hold any directorships in other public companies or listed issuers. He has no family relationship with any Director and/or major shareholders of the Company and has no conflict of interest with the Group.

Chan Koon Wai has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and there have not been any public sanctions nor penalties imposed upon him by any relevant regulatory bodies.

DATUK KHOO TECK KEE

Independent Non-Executive Director











Date of Appointment

6 June 2024

Number of Board Meetings Attended Not Applicable*

Datuk Khoo Teck Kee, a Malaysian, aged 50, is our Independent Non-Executive Director. He is the Chairman of our Nominating Committee and member of our Audit and Risk Management Committee and Remuneration Committee. He was appointed to our Board on 6 June 2024.

He holds a Bachelor of Arts (Honours) in Accountancy Studies from the University of Portsmouth, United Kingdom. He is also an ASEAN Chartered Professional Accountant, a fellow member of the Association of Chartered Certified Accountants, a member of the Malaysian Institute of Accountants, Malaysian Institute of Chartered Secretaries and Administrators and Chartered Tax Institute of Malaysia.

He joined KPMG Malaysia as an audit assistant in 1999. He left KPMG Malaysia in January 2003 and later in April 2002, he set up his own accounting, tax and corporate secretarial firm, Venture Ace Management Consultancy and VAMC Group of Companies where he holds the position of the Group Managing Partner, a position he presently assumes. In 2019, he joined Milux Corporation Berhad (a company listed on Main Market of Bursa Malaysia Securities Berhad) as the Group Managing Director. Effective 1 July 2024, he was re-designated to Non-Independent Non-Executive Director. He resigned from Milux Corporation Berhad in December 2024.

Datuk Khoo Teck Kee does not hold any directorship in other public companies and listed issuers. He has no family relationship with any Director and/or major shareholders of the Company and has no conflict of interest with the Group.

Datuk Khoo Teck Kee has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and there have not been any public sanctions nor penalties imposed upon him by any relevant regulatory bodies.

PROFILE OF DIRECTORS

KOK TAI MENG

Independent Non-Executive Director









Malaysian



Number of Board Meetings Attended Not Applicable*

Kok Tai Meng, a Malaysian, aged 58, is our Independent Non-Executive Director. He is the Chairman of our Audit and Risk Management Committee and a member of our Remuneration Committee and Nominating Committee. He was appointed to our Board on 6 June 2024.

He graduated with Diploma in Book-keeping, Cost Accounting, Business and Industrial Administration from the London Chamber of Commerce and Industry (LCCI). He is a fellow member of the Association of Chartered Certified Accountants and also a member of Malaysian Institute of Accountants (MIA).

He started his career in Lim, Cheh & Chang, an accounting firm as an Audit Assistant. He joined L'Oreal Malaysia Sdn Bhd, as an Accounts Supervisor in 1985 and was promoted to Division Controller for the Professional Products Division in L'Oreal Malaysia Sdn Bhd in 2001.

He joined F&N Coca-Cola (M) Sdn Bhd (currently known as F&N Beverages Marketing Berhad, a wholly-owned subsidiary of Fraser & Neave Holdings Bhd (a company listed on Main Market of Bursa Malaysia Securities Berhad) in October 2007 as a Commercial Manager under the Modern Trade Division. In February 2009, he joined Asia Brands Corporation Berhad as Senior Finance Manager and was promoted as the Chief Financial Officer of Asia Brands Berhad (a company listed on Main Market of Bursa Malaysia Securities Berhad), a position he presently assumes.

Kok Tai Meng does not hold any directorship in other public companies and listed issuers. He has no family relationship with any Director and/or major shareholders of the Company and has no conflict of interest with the Group.

Kok Tai Meng has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and there have not been any public sanctions nor penalties imposed upon him by any relevant regulatory bodies.

OOI GIN HUI

Independent Non-Executive Director











Gender Female

Date of Appointment 6 June 2024

Number of Board Meetings Attended Not Applicable

Other Directorships in Public Companies and Listed Corporations OB Holdings Berhad (INED) Systech Bhd (INED)

Ooi Gin Hui, a Malaysian, aged 45, is our Independent Non-Executive Director. She is the Chairman of our Remuneration Committee and member of our Audit and Risk Management Committee and Nominating Committee. She was appointed to our Board on 6 June 2024.

She graduated with a Bachelor of Commerce (Honours) in Accounting from University Tunku Abdul Rahman.

In February 2006, she began her career with an audit firm, Leslie Yap & Co, before joining GHL Systems Berhad (a company listed on Main Market of Bursa Malaysia Securities Berhad) in 2009 as an assistant accountant, progressed through the ranks and promoted to the position of Finance Manager.

In 2012, she joined Tanco Holdings Berhad (a company listed on Main Market of Bursa Malaysia Securities Berhad) as Finance Manager and was promoted to Group Financial Controller in January 2014. In November 2018, she joined ACO Group Berhad (a company listed on ACE Market of Bursa Malaysia Securities Berhad) as the Chief Financial Officer. In September 2023, she joined BTM Resources Berhad (a company listed on Main Market of Bursa Malaysia Securities Berhad) as Chief Financial Officer and left in July 2024.

Currently she is an Independent Non-Executive Director of Systech Bhd (a company listed on the ACE Market of Bursa Malaysia Securities Berhad) and OB Holdings Berhad (a company listed on the ACE Market of Bursa Malaysia Securities Berhad). She has no family relationship with any Director and/or major shareholders of the Company and has no conflict of interest with the Group.

Ooi Gin Hui has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and there have not been any public sanctions nor penalties imposed upon her by any relevant regulatory bodies.

Note:

The Company was listed on 13 March 2025. There was no Board of Directors' Meeting conducted during the financial year ended 31 December 2024.

PROFILE OF KEY MANAGEMENT PERSONNEL



LIM BAK TEIK Chief Operation Officer



Age



Nationality Malaysian



Gender Male



Date of Appointment: 02 May 2022

Lim Bak Teik, a Malaysian, aged 44, is our Chief Operation Officer. He directs manufacturing, engineering, production, and implementing Standard Operating Procedures (SOPs) to maintain quality standards and operational continuity.

He graduated with a Bachelor Degree in Electronic Engineering from the National Kaohsiung University of Applied Sciences, Taiwan.

He started his career in Expert System Technologies Sdn Bhd as an Automation Engineer. and joined Maxway Industrial Supply as Sales Manager in 2008. In March 2011, he co-founded Saliran Industrial Supplies Sdn Bhd and was appointed as a director, a position which he presently assumes, and was also the Operation Manager to oversee all daily operational activities, including sales and marketing, procurement, logistics, warehouse, and production management. He assumed the position of Chief Operation Officer of Saliran Industrial Supplies Sdn Bhd since May 2022.

Lim Bak Teik does not hold any directorship in other public companies and listed issuers. He has no family relationship with any Director and/or major shareholders of the Company and has no conflict of interest with the Group.

Lim Bak Teik has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and there have not been any public sanctions nor penalties imposed upon him by any relevant regulatory bodies.



YONG WAI KIN Chief Financial Officer



Age



Nationality Malaysian



Gender Male



Date of Appointment: 02 May 2022

Yong Wai Kin, a Malaysian, aged 56, is our Chief Financial Officer. He is primarily responsible for the financial and accounting functions of our Group.

He graduated with a Higher Diploma in Accounting from the London Chamber of Commerce and Industry (LCCI) at Advance Tertiary College. He is a fellow member of the Association of Chartered Certified Accountants and a member of the Malaysian Institute of Accountants (MIA).

In February 1990, he joined Moore Stephens Ismail Chong Gomez (now known as Moore Malaysia) as an Audit Junior and was subsequently promoted to the position of an Audit Supervisor before he left in December 1993.

He began his career paths in commercial sector, in FACB Industries Incorporated Berhad (a company listed on Main Market of Bursa Malaysia Securities Berhad) as an Assistant Accountant and subsequently held senior accounting and finance roles in several companies, including Syarikat Kit Loong Sdn Bhd, Hyumal Motor Sdn Bhd, Wizard Worldwide Media Sdn Bhd and Pristana Management Services Sdn Bhd. Later, he took on the accounting and finance managerial positions in several companies.

In 2009, he joined MSM Metal Industries Sdn Bhd as the Chief Financial Officer to manage the group's accounts and assisted the group in their listing of their holding company, Mann Seng Metal International Ltd ("Mann Seng") on the Catalist Market of the Singapore Exchange Securities Trading. He was subsequently appointed as an Executive Director of Mann Seng and continued as Chief Financial Officer of the Mann Seng group until March 2011. Later, he served as a Chief Financial Officer of a manufacturing paints company before he joined Green Ocean Corporation Berhad (a company listed on the ACE Market of Bursa Malaysia Securities Berhad) as the Chief Financial Officer, a position he held until August 2018.

He joined Econframe Berhad in May 2019 (a company listed on the ACE Market of Bursa Malaysia Securities Berhad) as the Chief Financial Officer and was instrumental in their listing exercise in October 2020. He left Econframe Berhad in January 2022. He joined our Group as Chief Financial Officer in May 2022.

Yong Wai Kin does not hold any directorship in other public companies and listed issuers. He has no family relationship with any Director and/or major shareholders of the Company and has no conflict of interest with the Group.

Yong Wai Kin has not been convicted of any offences within the past five (5) years other than traffic offences, if any, and there have not been any public sanctions nor penalties imposed upon him by any relevant regulatory bodies.



Since our humble founding in 2011, we have built a strong reputation for delivering high-quality and reliable products that serve industries such as oil and gas, industrial processing, and construction. Our co-owned brand fittings and flanges products, THF, has played a key role in meeting our customer needs and strengthening our position in the pipes, fittings and flanges market. Today, we proudly serve clients not just in Malaysia but across Southeast Asia. This highlights our growth and our commitment to being a key player in the supply of pipes, fittings, flanges, and steel products in the region.

With the funds raised from this Initial Public Offering, we aim to expand our inventory, upgrade our facilities, grow our presence, particularly in Indonesia whilst we pare down some of our borrowings. These efforts will allow us to serve our customers better and reinforce our role as a trusted partner in the industrial supply chain.

The achievement of our successful listing on the ACE Market of Bursa Malaysia Securities Berhad would not be possible without the dedication of our Saliran management team, the trust of our customers and partners, and the support of our stakeholders.

I wish to commend again our outstanding management team, and every member of the Saliran family for your remarkable dedication and efforts, and being a driving force in our Group's successful achievements.

Together, let us drive progress, embrace opportunity, and shape a brighter future for Saliran Group Berhad and the industries we serve.



OVERVIEW OF THE GROUP BUSINESS AND OPERATIONS

We are principally involved in the supply and distribution of pipe, fittings and flanges as well as steel products. The pipes, fittings and flanges distributed by our Group comprise third-party brands products and products labelled under our jointly-owned brand, namely "THF". In connection with our joint collaboration with Tae Heung Forging Co., Ltd (referred to as "Tae Heung") on 4 January 2021, our Group holds exclusive rights to market and distribute fittings and flanges products under the "THF" brand in Southeast Asia markets, including Malaysia, Indonesia, Singapore, Thailand, Vietnam and The Philipines.

To complement our supply and distribution business, we are also involved in the manufacturing of fittings and flanges based on customer specifications.

On 13 March 2025, our Group successfully listed on the ACE Market of Bursa Malaysia Securities Berhad, marking a key milestone in our journey to become a reputable supplier and distributor of pipes, fittings and flanges as well as related parts and accessories and steel products.

Our Group's revenue derived mainly from the supply and distribution segment and was primarily contributed by the Malaysian market. At the same time, we have also supplied our products to other geographical markets such as Indonesia, Singapore and other countries.

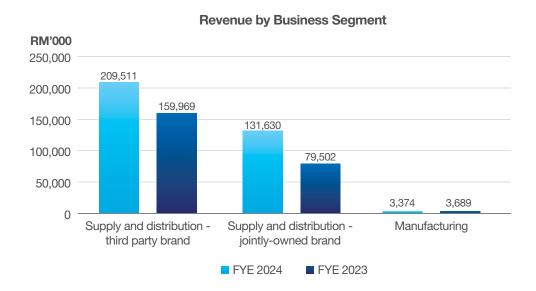
FINANCIAL PERFORMANCE

Financial year ended 31 December	2024 (RM'000)	2023 (RM'000)	V ariance %
Revenue	344,515	243,160	41.69
Gross profit ("GP")	58,910	41,059	43.48
Profit before tax ("PBT")	20,076	14,090	42.49
Profit after tax ("PAT")	13,204	10,149	30.11
GP margin	17.10	16.89	0.21
PBT margin	5.83	5.80	0.03
PAT margin	3.84	4.18	-0.34

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REVENUE

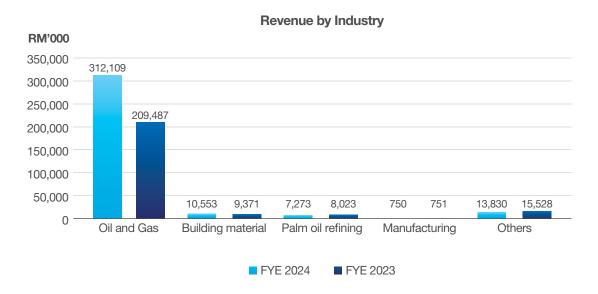
Revenue by business segment (RM'000)



Analysis of revenue by geographical location (RM'000)



Analysis of revenue by industry (RM'000)

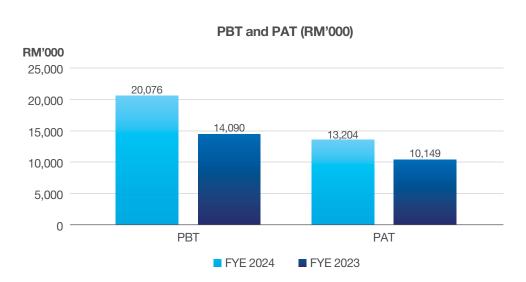


Our Group's revenue increased by RM101.36 million or 41.69% to RM344.52 million for the financial year ended 31 December 2024 ("FYE 2024") (financial year ended 31 December 2023 ("FYE 2023"): RM243.16 million), primarily contributed by higher revenue from the supply and distribution segment, which recorded RM341.14 million or 99.02% of our Group's total revenue for FYE 2024 (FYE 2023: RM239.47 million or 98.49%).

The Malaysian market continued to be the primary revenue contributor for FYE 2024, which recorded RM227.52 million or 66.04% of our total revenue (FYE 2023: RM203.05 million or 83.51% of our total revenue). Revenue from the Indonesian market increased by RM77.46 million or 206.01% to RM115.06 million for FYE 2024 (FYE 2023: RM37.60 million), mainly contributed by the increased demand for both third-party and our jointly-owned brand fittings and flanges products for FYE 2024.

We sold our products mainly to customers involved in the oil and gas industry, which contributed RM312.11 million or 90.60% of our total revenue for FYE 2024 (FYE 2023: RM209.49 million or 86.16% of our total revenue).

PBT AND PAT



cont'd

Our Group recorded a PBT of RM20.08 million for FYE 2024, compared to RM14.09 million in FYE 2023, representing an increase of RM5.99 million. This increase was primarily attributable to the higher revenue generated for FYE 2024. The abovementioned increase in PBT was partially offset by the higher administrative expenses in FYE 2024, mainly due to higher collection-commission paid to our salespersons as a result of the improved collections from our customers; as well as increase in legal and professional fees in relation to listing expenses.

Our Group recorded a PAT of RM13.20 million in FYE 2024 as compared to RM10.15 million in FYE 2023, mainly due to higher gross profit generated from higher revenue recorded, net off by the higher administrative expenses as explained above.

FINANCIAL POSITION

As at 31 December	2024 (RM'000)	2023 (RM'000)	Variance (RM'000)	V ariance %
Total assets	183,139	147,850	35,289	23.87
Total liabilities	139,704	117,619	22,085	18.78
Total shareholders' equity	43,436	30,231	13,205	43.68
Cash and bank balances	38,279	18,254	20,025	109.71
Fixed deposits with licensed banks	17,436	9,246	8,190	88.58
Cash and cash equivalents	33,853	13,292	20,561	154.69
Borrowings	108,843	84,882	23,961	28.23

TOTAL ASSETS

Our Group's total assets increased by RM35.29 million or 23.87% to RM183.14 million in FYE 2024 (FYE 2023: RM147.85 million), mainly due to an increase in cash and bank balances, contributed primarily by internally generated funds from our business growth in FYE 2024. Our Group recorded an increase in trade receivables in tandem with our revenue growth. In addition, our Group recorded an increase in fixed deposits placed with licensed banks mainly due to additional fixed deposits pledged to secure new banking facilities for the Group.

TOTAL LIABILITIES

Our Group's total liabilities increased by RM22.09 million or 18.78%, mainly due to increase in borrowings resulting from the higher drawdown of trust receipts and invoice financing facilities for payments to our suppliers, net off by the decrease in term loans and hire purchase resulting from the repayments during FYE 2024.

TOTAL SHAREHOLDERS' EQUITY

Our Group's total shareholders' equity increased by RM13.20 million or 43.68% to RM43.44 million as at 31 December 2024 (as at 31 December 2023: RM30.23 million), mainly due to the increase in our retained earnings resulted from the net profits recorded for FYE 2024.

LIQUIDITY AND CAPITAL RESOURCES

The cash and cash equivalent increased by RM20.56 million or 154.69% to RM33.85 million as at 31 December 2024 (as at 31 December 2023: RM13.29 million), mainly due to the increase in cash and bank balances due to internally generated funds from our business growth in FYE 2024. Our borrowings increased by RM23.96 million or 28.23% to RM108.84 million as at 31 December 2024 (as at 31 December 2023: RM84.88 million), mainly due to higher drawdown of trust receipts and invoice financing facilities for payments to our suppliers, net off by the decrease in term loans and hire purchase resulting from the repayments during FYE 2024.

ANTICIPATED OR KNOWN RISK

(i) We faced competition from other industry players

The pipes, fittings and flanges industry in Malaysia is competitive and our Group competes with other companies offering similar products based on product range, product quality, pricing, service and location, amongst others. The competition that we face from other industry players may impact our revenue and profitability as we may be forced to be more price-competitive to secure sales orders. Further, our products need to be of the required quality and amount, and as such, we must strive to ensure that we are able to supply our products in accordance with the specifications required by our customers.

Our Group must continuously ensure that we meet the above requirements as failure to do so may negatively impact our Group's track record and industry reputation, leading to a loss of business to our competitors and damage to our overall business performance.

(ii) We are exposed to fluctuation in steel prices

Our pipes, fittings and flanges as well as steel products are mainly manufactured from stainless steel and carbon steel. This exposes our Group to the risk of fluctuations in steel prices which could lead to higher costs for our pipes, fittings and flanges as well as steel products, thereby affecting the demand for our products. Any increases in steel prices in future may affect our financial performance if we are unable to pass down the increase to our customers. Further, even if we are able to effectively pass down the increase in steel prices to our customers by increasing our product pricing, we may experience a decline in the demand for our pipes, fittings and flanges as well as steel products due to higher prices, consequently lowering orders from our customers which could, in turn, affect our financial performance.

(iii) Our business and financial performance is primarily dependent on the performance of the oil and gas industry

We primarily supply and distribute our products to customers involved in the oil and gas industry to support production and refining / processing activities. Any slowdown in the oil and gas industry may lead to a decrease in the demand for pipes, fittings and flanges as well as steel products. This would impact the overall demand for our Group's products, thereby affecting our Group's business and financial performance.

(iv) We are exposed to foreign exchange fluctuation which may impact our profitability

For FYE 2024, our Group's sales were primarily derived from local customers, which are denominated in RM. Nevertheless, in FYE 2024, we experienced an increase in sales from Indonesia customers whereby the sales were transacted in USD. We are exposed to transactional currency exposure as 33.52% of our total revenue were denominated in USD for FYE 2024.

On the other hand, we purchased some of our supplies from foreign suppliers and our overseas contract manufacturers for FYE 2024, whereby 41.13% of our purchases were denominated in USD for FYE 2024. As such, any fluctuations in foreign currency exchange rates used for our overseas purchases may impact our financial performance by affecting our profit margins if we are unable to factor in the fluctuations to our customers through adjustment of our product pricing. For FYE 2024, we did not experience any material increase in raw material prices due to fluctuations in foreign exchange that negatively impacted our financial results, saved for our net loss incurred from foreign exchange fluctuation.

(v) We are exposed to credit risk and default payments by customers

We generally grant our customers credit periods from 30 to 120 days. In the event of delay or default payment by our customers, our operating cash flows or financial results of operations may be adversely affected. Further, any delay or default in payment by customers may also lead to impairment losses on trade receivables or writing off of trade receivables as bad debts, which may adversely affect our financial performance. The impairment loss on trade receivables incurred during FYE 2024 was RM0.009 million.



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(vi) Our supply and distribution business is subject to availability of financing for working capital requirements.

As a supplier and distributor, we offer an extensive range of pipes, fittings and flanges as well as steel products. The nature of our business requires us to keep a sufficient level of inventory to provide timely delivery to our customers. We also provide 30 to 120 days credit to our customers who require credit terms from us. Therefore, we use a significant amount of financing to bridge the gap between our purchase of stocks (which are typically on cash terms for overseas purchases) and the holding of inventory until we sell the inventory and collect the sales proceeds from our customers. To do this, we rely on internally generated funds as well as external borrowings, i.e. trade line financing such as bankers' acceptances, invoice financing and trust receipts, revolving credit and trade financing to support our working capital.

Our ability to obtain external borrowings are subject to various factors, including our results of operations, financial condition, cash flows, our gearing level, the performance of the Malaysian economy and the markets for our products, the cost of financing, the condition of financial markets, and the continued willingness of banks to provide new loans. We cannot assure that any required financing, either on a short-term or long-term basis, will be made available to us on terms satisfactory to us or at all. If we are unable to secure adequate borrowings at competitive rates, interest costs will be higher and borrowings will be less feasible to undertake, which will negatively impact our cash flows, operations, growth and expansion plans.

FUTURE PROSPECT

The global steel market continues to face challenges, with the World Steel Association projecting a 0.9% contraction in 2024 as published in October 2024. The decline is primarily caused by subdued demand in China due to ongoing weakness in its real estate and manufacturing sectors. The concluded United States Presidential election may also have future implications which may affect global economic policies, and trade relations amongst other countries.

Malaysia's growth outlook, however, remains positive and supported by domestic spending, and governments frugal policies. The government's latest forecast projects Malaysia's economy to grow between +4.5 to 5.5% in 2025. The positive market outlook, fuelled by sustained growth from our domestic oil and gas industry and infrastructure development is expected to drive sales growth. This confidence is bolstered by the anticipated increase activities in the construction sector which is supported by the RM86 billion allocation for Development Expenditures in the recent Budget 2025. The impending carbon tax on the steel industry, announced in Budget 2025 and set for implementation by 2026, presents both challenges and opportunities. The upstream Joint Venture entity is closely assessing how to align with these new environmental regulations, which could impact operational costs.

Nevertheless, the Group believes that its prospects in the supply and distribution of pipes, fittings and flanges as well as steel products primarily for the oil and gas industry are favourable taking into consideration the Group's competitive strengths.

DIVIDEND POLICY

Our Group presently does not have any formal dividend policy, and the declaration of dividends and other distributions are subject to the discretion of our Board. The Board does not recommend or pay any dividend in respect of FYE 2024.





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ABOUT THIS SUSTAINABILITY REPORT

This Report ("the Report") provides a comprehensive overview of Saliran Group's sustainability performance, focusing on key Economic, Environment, and Social ("EES") aspects. It offers an overview of our sustainability disclosure initiatives for the financial year, potential risks and opportunities we face, as well as our forward-looking action plans. For a complete understanding of how we integrate financial and non-financial performance with sustainability objectives, this Report should be read alongside our 2024 Annual Report. As an initial year of sustainability disclosure, we would looking forward to have sustainable growth for the Group in the subsequent years.

We are grateful for the opportunity to share our sustainability disclosure for our stakeholders through this Report.

Reporting Period, Scope and Boundary

This Report covers the financial year from 1 January 2024 to 31 December 2024 (FYE 2024). The scope of this Report includes key entities within the Group:

- Saliran Group Berhad
- Saliran Industrial Supplies Sdn Bhd
- Saliran Industries Sdn Bhd
- Saliran Precision Engineering Sdn Bhd
- Saliran Flanges & Fittings Sdn Bhd
- JS Tech Marketing Sdn Bhd

These entities represent the significant components of the Group's operations in terms of sustainability impact and stakeholder interest. Unless otherwise stated, the data and information presented in this Report pertain exclusively to these entities, with particular emphasis on operations within Malaysia.

This Report reaffirms our commitment to transparency and responsible governance across EES dimensions. The sustainability data disclosed is consistent with the Group's Annual Report to ensure a unified and cohesive reporting approach.

Reporting Standards, Guidelines and Indices

This Report was prepared with reference to the following guide and reporting standard, covering the reporting period for FYE 2024:

Bursa Malaysia Securities Berhad Sustainability Reporting Guide 2022 (3rd edition)

Assurance Statement

This Report has not been subjected to an assurance process. Our current focus and commitment are to ensure its data collection and processes are continually being improved and as we progressively mature in our sustainability journey, we will also work towards strengthening the credibility of our reporting.

Feedback

We value and appreciate all feedback that helps us enhance the relevance of our Report to better meet the needs of our stakeholders. For any questions related to our sustainability initiatives or reporting, or if you have any queries, suggestions, comments, or feedback, please feel free to reach out to us at whistleblowing@Saliran.com.

* All references to the "Company", "Organisation" or "Saliran" refer specifically to Saliran Group Berhad, the investment holding entity. All references to the "Group" or "Saliran Group" refer collectively to Saliran Group Berhad and its subsidiaries included in the reporting scope for FYE 2024. The terms "we", "us", "our", and "ourselves" refer to Saliran Group Berhad and, where applicable by context, the Group as defined above.

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SUSTAINABILITY GOVERNANCE

As part of our commitment to improving sustainability oversight and accountability, Saliran Group Berhad is in the midst of developing a formal sustainability governance structure. While no dedicated sustainability committee or cross-functional Environmental, Social and Governance ("ESG") team has been officially established as of FYE 2024, internal preparations are underway to implement a structured governance framework in the upcoming reporting cycle.

This framework is expected to define clear roles and responsibilities at the Board of Directors, senior management, and operational levels, ensuring that sustainability matters are integrated into strategic decision-making and risk management processes. Once established, the structure will guide oversight of ESG initiatives, monitor performance across key indicators, and align the Group's practices with Bursa Malaysia Securities Berhad's expectations on sustainability governance.

We aim to introduce this governance model in the financial year ending 31 December 2025 ("FYE 2025"), reinforcing our long-term objective of embedding ESG into the Group's overall corporate governance framework.

APPROACH TO SUSTAINABILITY

Sustainability Matters with Potential Risks and Opportunities

Economic		
Sustainability Matters	Potential Risks	Potential Opportunities
Supply Chain Management A resilient, responsible supply chain supports operational continuity, quality assurance, and reputational protection.	Exposure to supply chain sustainability risks, and environmental concerns.	 Build resilient, diversified, and ESG-compliant supplier networks. Promote sustainability procurement policies for competitive advantage and client retention.
Anti-Corruption	Absent of annual ABC training may	Improve internal awareness and
Having ethical standards is to preserving Saliran Group's corporate integrity and stakeholder trust. Implementing a zero-tolerance approach to corruption strengthens corporate governance and ensures compliance with anti-bribery and corruption ("ABC") laws.	lead to employee unawareness, increasing the risk of unintentional misconduct or failure to report unethical behaviour.	reporting culture through regular ABC training programs.
Environmental		
Sustainability Matters	Potential Risks	Potential Opportunities
Climate Change The manufacturing industries contribute significantly to carbon emissions and energy consumption. Addressing climate change through sustainable practices and carbon reduction initiatives is essential for ensuring business continuity and regulatory compliance.	Rising electricity and fuel costs; exposure to carbon taxes or emissions regulations.	Energy efficiency programs; solar installation; carbon credits from energy savings.
Water Management	Regulatory non-compliance on	Water recycling systems; improved
Water remains a vital resource for maintaining a safe, clean, and efficient workplace. Responsible water management helps us minimise unnecessary consumption, reduce operating costs, and comply with regulatory requirements.	water discharge; water scarcity affecting operations.	efficiency and cost savings.

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Social		
Sustainability Matters	Potential Risks	Potential Opportunities
Employee Health and Safety A safe workplace protects workers, boosts morale, and meets regulatory standards.	 Lack of annual Occupational Health and Safety training may lead to employee unawareness, increasing the risk of workplace accidents; legal liabilities; loss of skilled labour. 	Strong safety culture increases productivity and morale; potential for safety certifications.
Labour Practices and Standards	Non-compliance with labour laws	Enhance retention and reputation.
Fair treatment of workers enhances morale, compliance, and corporate reputation.	or mistreatment of workers can lead to fines, poor morale, or reputational issues.	
Local Community	Weak community relationships can	Engage through CSR programs,
Strong community ties are key to social license to operate, especially in industrial zones or areas of expansion.	trigger social conflict or resistance to expansion projects. • Neglect of Corporate Social Responsibility ("CSR") can reduce social license to operate.	local hiring, and skills development.Strengthen community goodwill and local stakeholder support.
Diversity	Gender or racial imbalance may	Diverse workforce fosters innovation
A diverse workforce improves decision-making and innovation; aligns with global expectations and standards.	result in talent loss or negative public image.	 and global competitiveness. Policies on equity and inclusion can enhance brand image and investor interest.
Data Privacy and Security Protecting stakeholder data is essential for regulatory compliance and maintaining client and employee trust.	 Lack of annual Data Privacy and Security training may lead to employee unawareness, increasing the risk of data breaches or misuse of personal/employee/ client data can lead to regulatory penalties and stakeholder distrust. 	Show commitment to secure operations and data protection to partners and clients.

Materiality Assessment

Saliran Group Berhad recognises the importance of identifying and prioritising sustainability topics that are most relevant to our business operations and stakeholders. For this initial reporting cycle, key sustainability matters have been identified based on internal discussions, operational relevance, and reference to Bursa Malaysia's Common Sustainability Indicators.

As FYE 2024 marks the Group's first year of initiating structured sustainability disclosures aligned with Bursa Malaysia's Common Sustainability Indicators, Saliran Group Berhad has focused on building foundational ESG reporting capacity. While we have identified key sustainability matters relevant to our operations and stakeholders, a formal materiality assessment methodology—such as stakeholder prioritisation, double materiality scoring, or matrix plotting—was not implemented during this initial phase.

We recognise the importance of applying a structured and transparent materiality process to guide our sustainability strategy. As such, we plan to conduct a formal materiality assessment in FYE 2025, incorporating stakeholder engagement insights, business impact evaluation, and alignment with global ESG frameworks such as the Global Reporting Initiative (GRI) Standards and Bursa Malaysia Securities Berhad's Sustainability Reporting Guide. This will allow us to validate and prioritise our material matters more effectively in future disclosures.

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Stakeholder Engagement

Engaging with our stakeholders is fundamental to our sustainability strategy. By maintaining continuous and inclusive dialogues with key groups—including clients, employees, suppliers, regulators, and local communities—we gain valuable insights that inform our decision-making processes. This collaborative approach enables us to address industry challenges effectively and adapt to the evolving landscape.

Through proactive stakeholder engagement, we identify areas where we can make the most significant impact and uncover opportunities for improvement. This ongoing interaction ensures that our sustainability initiatives are aligned with stakeholder expectations and contribute to our overarching goal of sustainable growth and operational excellence.

Why They Matter	Engagement Platform	Area of Interest/Concern	How Saliran Group Creates Value for this Stakeholder
They provide the financial resources and strategic confidence necessary for Saliran Group's growth, while also expecting transparency, sound governance, and sustainable returns on their investment	 Annual general meetings Annual Report Financial performance announcement Analyst briefing Ongoing media release Financial reports and announcements Investor Relations section on Company's website 	 Financial and operational performance Compliance with rules and regulations Corporate governance and ethical management Maximising shareholders' value Return on investment/ equity 	Managing resources effectively to maximise profits Integration of Anti-Corruption into business activities and governance structure
Employees are essential stakeholders as they drive the day-to-day operations, uphold the Company's values, and contribute directly to the success of Saliran Group's sustainability goals through their skills, commitment, and engagement	Internal and external training and development programs Electronic communication Occupational safety and health programs Social and recreational events and activities Operational and management meeting Performance review	Upskilling knowledge, skill and ability Workplace safety Workplace culture and Anti-Corruption Health and wellbeing Performance driven workforce Career development and progression	Offering opportunities for career advancement and personal development Prioritising workplace safety and promotes a strong ethical culture Focusing on the health and wellbeing of employee
Clients are crucial stakeholders as their trust, satisfaction, and continued support directly impact Saliran Group's reputation, business continuity, and ability to deliver sustainable and high-quality infrastructure and services	Electronic communication via email, social media and telephone Company's website Meetings and discussions Site visit with customer Customer survey/ feedback	 Quality service/products and delivery performance Business sustainability Equipment and cargo safety Sustainable and ethical business practices Customer service and experience 	By continuously optimising operations Commitment to ethical business practices ensures transparency, fairness, and integrity in all dealings with customers

SUSTAINABILITY STATEMENT cont'd

Why They Matter	Engagement Platform	Area of Interest/Concern	How Saliran Group Creates Value for this Stakeholder
Suppliers and contractors are important stakeholders as they play a key role in ensuring the quality, efficiency, and sustainability of Saliran Group's project delivery, while also reflecting our values and compliance standards across the supply chain	Electronic communication via email and telephone Meetings and discussions Supplier performance evaluation	Sustainable supply chain management Operational performance and customer satisfaction Efficient and transparent procurement process	Collaborates closely with suppliers and contractors to ensure that sustainability practices are integrated throughout the supply chain
They establish the legal and policy frameworks that govern our operations, influence sustainability-related compliance, and provide guidance and incentives that shape our long-term environmental and social performance	Regulatory audits and reporting Electronic communication via email and telephone Participation in government and regulatory events Dialogues and site inspections	Compliance Keeping updated on regulatory requirements and changes Sustainable and ethical business practices Emission and waste management	Continuously monitors and adapts to evolving regulatory requirements Integrates sustainability and ethical business practices into its operations, aligning with governmental goals of promoting environmentally and socially responsible industries
Communities and non-governmmental organisations ("NGO") are vital stakeholders as they represent the social and environmental interests affected by Saliran Group's operations, and their engagement helps us build trust, address local concerns, and contribute meaningfully to sustainable development	Community / NGO engagement Electronic communication via email and telephone	Local recruitment and education Health and well-being	Regularly engaging with them to understand their views, expectations and perspectives



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As a holding company listed on Bursa Malaysia Securities Berhad, Saliran Group Berhad leads a portfolio of wholly-owned subsidiaries, namely Saliran Industrial Supplies Sdn Bhd, Saliran Flanges & Fittings Sdn Bhd, Saliran Precision Engineering Sdn Bhd, Saliran Industries Sdn Bhd, and JS Tech Marketing Sdn Bhd. Together, the Group is principally involved in the supply and distribution of pipes, fittings, flanges, and steel products, with a complementary focus on the manufacturing of precision-engineered fittings and flanges tailored to client specifications.

Operating across Malaysia with a growing regional presence in Indonesia, Singapore, and other markets, the Group primarily serves the oil and gas, building materials, palm oil refining, and general manufacturing sectors. With more than 19,600 stock keeping units (SKUs) and robust supply capabilities, Saliran Group has built a resilient business model that integrates quality assurance, inventory readiness, and customer-centric solutions.

As part of our commitment to sustainable economic growth, we emphasise transparent supply chain practices, local supplier engagement, and ethical governance. The following sections outline our approach to responsible supply chain management and our anti-corruption practices, which form the foundation of our economic sustainability strategy.

Economic	
Supply Chain Management	Anti-Corruption

As Saliran Group Berhad begins its sustainability reporting journey, we recognise the importance of developing a responsible and resilient supply chain that supports our business operations and stakeholder expectations. In FYE 2024, our focus was on strengthening internal procurement practices and enhancing transparency in supplier engagements. While our supply chain processes are still evolving, we have taken initial steps to monitor supplier performance and support local sourcing where possible. These efforts reflect our ongoing commitment to improving supply chain governance and laying the groundwork for more structured and sustainable procurement practices in the future.

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Supply Chain Management

Economic

Supply Chain Management

Why Is It Important

A well-managed and responsible supply chain is essential to maintaining operational continuity, quality assurance, and stakeholder confidence. For Saliran Group Berhad, working with trusted and compliant suppliers minimises risks related to delays, non-compliance, and reputational harm. By spending over half of our purchase value with local suppliers in FYE 2024, we not only contribute to national economic growth but also create more resilient, responsive, and sustainable procurement practices. As expectations around responsible sourcing continue to grow, we are committed to evolving our approach to ensure that our supply chain supports our long-term sustainability objectives.

Our Approach

Saliran Group Berhad recognises that our responsibility for sustainability extends beyond internal operations to the broader network of suppliers and business partners we engage with. As a Group involved in industrial supplies, engineering, and manufacturing, our supply chain is integral to ensuring quality, efficiency, and responsible business conduct.

Our approach to supply chain management is guided by principles of transparency, fairness, and accountability. We prioritise engaging with suppliers who share our values, particularly those that demonstrate compliance with applicable laws, ethical labour practices, and safety and environmental standards. Although we have not yet adopted a formal Supplier Code of Conduct, our procurement activities are underpinned by internal controls, clear approval protocols, and a fair vendor evaluation process.

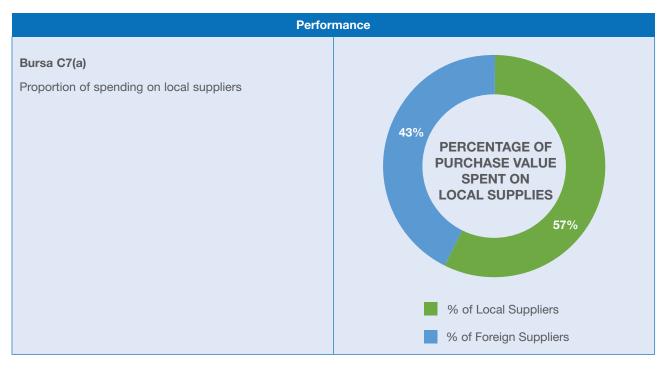
Saliran Group also actively supports the growth of local businesses through responsible sourcing. Where feasible, we prioritise local suppliers to shorten delivery times, support community-based economic development, and reduce the carbon footprint associated with transportation.

Our Performance

In FYE 2024, 57% of our total purchase value was spent on local suppliers, reflecting our commitment to local economic participation and responsible procurement. This demonstrates our intention to maintain supply chain resilience while contributing positively to the domestic supply ecosystem.

We also continued to strengthen procurement governance by enhancing internal oversight and implementing routine evaluations based on supplier performance, compliance, and delivery capabilities. While ESG-based supplier assessments are not yet in place, we are exploring options to gradually integrate sustainability considerations into our supplier selection and review processes in the future.

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Anti-Corruption

Economic

Anti-Corruption

Why Is It Important

Preventing corruption is essential to maintaining business credibility, investor confidence, and regulatory compliance. At Saliran Group Berhad, a strong anti-corruption framework helps mitigate legal, financial, and reputational risks while promoting fairness, transparency, and accountability. With zero incidents recorded in FYE 2024, we affirm our commitment to ethical conduct and responsible business practices. As expectations around corporate governance continue to rise, our proactive stance on anti-corruption enables us to operate with integrity, build trust with stakeholders, and contribute to a sustainable and well-governed business ecosystem.

Our Approach

Saliran Group Berhad upholds the highest standards of integrity, transparency, and ethical conduct in all aspects of our operations. We recognise that anti-corruption practices are not only fundamental to good governance but also critical to safeguarding stakeholder trust and protecting the Group's reputation.

Our commitment is formalised through our Anti-Bribery & Anti-Corruption Policy, which clearly outlines the Group's stance on bribery, facilitation payments, gifts, hospitality, and conflicts of interest. This is reinforced by our Code of Conduct and Business Ethics Policy, which establishes the behavioural standards expected from all employees, directors, and business partners.

Additionally, our Whistleblowing Policy offers a confidential and secure channel for reporting unethical, fraudulent, or corrupt activities, ensuring that whistleblowers are protected from retaliation. Together, these policies form a robust framework to guide ethical decision-making and promote a culture of accountability throughout the organisation.

We regularly communicate our anti-corruption expectations across all levels of the Group and take a strict zero-tolerance approach to any form of bribery, fraud, or unethical conduct. To safeguard against such risks, we have embedded internal controls, segregation of duties, and approval protocols into our daily operations.

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Our Performance

In FYE 2024, Saliran Group Berhad recorded zero cases of corruption or bribery, as reported under Bursa Malaysia C2(a). This outcome reflects our ongoing commitment to ethical governance and the strength of the internal mechanisms we have in place.

While Saliran Group Berhad recorded zero incidents of bribery or corruption in FYE 2024, we acknowledge that no formal anti-corruption training sessions or operational risk assessments were conducted during the reporting year. In line with Bursa Malaysia Securities Berhad's expectations and our internal commitment to continuous improvement, we are taking proactive steps to strengthen our anti-corruption framework.

In the coming reporting years, the Group will introduce structured anti-corruption and ethics training programs for employees across all functions, starting with high-risk departments such as procurement, finance, and operations. We also plan to initiate a formal risk assessment process to evaluate corruption-related exposures across key subsidiaries and operational units. These initiatives will be embedded into our compliance monitoring framework and supported by periodic reviews to ensure ongoing alignment with our Anti-Bribery & Anti-Corruption Policy, Code of Conduct and Business Ethics, and Whistleblowing Policy.

Performance		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by 6	employee category	
Management	Percentage	0
Executive	Percentage	0
Non-executive	Percentage	0
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0





At Saliran Group, we recognise our critical responsibility in safeguarding the environment and the ecosystems that support our industry.

Enviro	nment
Energy Consumption	Water Management

Energy Consumption

Environment	
Energy Consumption	

Why Is It Important

Energy management is a critical component of environmental responsibility and operational efficiency. For Saliran Group Berhad, monitoring and optimising energy consumption helps reduce greenhouse gas emissions, manage utility costs, and strengthen long-term business resilience. As global and local expectations rise for businesses to play a more active role in climate action, responsible energy use enables us to align with Malaysia's sustainability commitments and support the transition to a low-carbon economy. By continuously improving how we consume and manage energy, we reinforce our commitment to sustainable growth, regulatory compliance, and stakeholder trust.

Our Approach

Saliran Group Berhad recognises that energy efficiency is a key driver of operational performance and environmental responsibility. As part of our ongoing sustainability efforts, we are committed to managing and reducing our energy consumption through continuous monitoring, responsible usage, and process optimisation across our operations.



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Although the Group does not operate in a highly energy-intensive industry, we are conscious of our energy footprint and its contribution to greenhouse gas (GHG) emissions. We strive to integrate energy-efficient practices into our business processes by investing in energy-saving technologies, ensuring preventive maintenance of equipment, and encouraging behavioural change among employees.

Our energy management approach is guided by our intention to balance operational growth with environmental impact, ensuring that energy usage is efficient, cost-effective, and aligned with regulatory expectations and global sustainability trends.

Our Performance

In FYE 2024, Saliran Group recorded a total energy consumption of 242.51 megawatt-hours ("MWh"), as disclosed under Bursa Malaysia C4(a). This includes electricity consumption across our administrative and operational facilities. While our current energy sources are grid-based, we are in the early stages of assessing opportunities for renewable energy integration in selected operations.

Looking ahead, we plan to establish baseline energy intensity metrics and explore efficiency improvement projects such as LED retrofitting, equipment upgrades, and employee awareness campaigns on responsible energy use. These efforts aim to improve operational performance, reduce cost, and contribute to long-term carbon reduction goals.

Performance			
Bursa C4(a) Total energy consumption	Total electricity consumption within the organisation	242.51 MWh	

Water Management

Environment	
Water Management	

Why Is It Important

Responsible water management is integral to our commitment to environmental stewardship and sustainable resource utilisation. In our roles within the Group, we recognise that efficient water use not only conserves local water resources but also reduces our environmental footprint, supporting long-term sustainability and demonstrating our dedication to preserving essential natural resources for future generations.

Our Approach

Water is a critical resource not only for operational needs but also for ensuring the health and well-being of employees and surrounding communities. At Saliran Group Berhad, we recognise our responsibility to manage water usage efficiently and sustainably across all business activities. Although our operations are not considered water-intensive, we remain committed to monitoring water consumption, avoiding unnecessary waste, and complying with relevant regulatory requirements.

Our approach to water stewardship focuses on ensuring responsible withdrawal and usage, detecting potential inefficiencies, and identifying opportunities for reduction over time. We are gradually strengthening internal processes for monitoring, recording, and reporting water usage to align with evolving environmental expectations and stakeholder concerns.

In line with this commitment, we are working towards building a more structured water management framework that encourages conservation awareness at the operational level while supporting the Group's broader environmental performance goals.

Our Performance

In FYE 2024, Saliran Group recorded a total water usage of 2.877 megaliters. Water consumption primarily supported domestic and utility needs at our offices and operational facilities. While we did not withdraw water from alternative sources such as groundwater or surface water, we remain conscious of our water footprint and aim to implement water efficiency measures where possible.

Moving forward, we intend to explore water-saving initiatives, such as water-efficient appliances, and employee education campaigns to promote conservation. We also aim to track water intensity metrics to assess year-on-year efficiency and set meaningful improvement targets.

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Performance			
Bursa C9(a) Total volume of water used	In FYE 2024, Saliran Group withdrew 2.877 megalitres of water from local municipal supplies. There was no water withdrawn from other sources, and no additional data regarding water discharge or consumption was applicable for this reporting period.		



SOCIAL

Social					
	Employee Health and Safety	Labour Practices and Standards	Diversity	Data Privacy and Security	Local Community

Data Privacy and Security

Why Is It Important

In an increasingly digital and interconnected world, the responsible handling of data is essential to maintaining trust with our employees, customers, partners, and other stakeholders. For Saliran Group Berhad, data privacy and security are not just compliance requirements—they are fundamental to our business integrity and reputation. Protecting sensitive and personal information helps us mitigate risks related to data breaches, cyber threats, and misuse of information. It also ensures we operate in accordance with prevailing regulations such as Malaysia's Personal Data Protection Act (PDPA). By embedding sound data governance practices into our operations, we reinforce transparency, uphold confidentiality, and build stakeholder confidence in how we manage and protect critical information.

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Our Approach

At Saliran Group Berhad, safeguarding the confidentiality, integrity, and availability of data is integral to our operations and stakeholder trust. While we do not currently have a standalone data privacy policy, our commitment to data protection is embedded within our existing frameworks, notably our Whistleblowing Policy, which underscores our dedication to confidentiality and responsible information handling.

Our approach to data privacy and security encompasses:

- Confidentiality Assurance: We ensure that all personal and sensitive information obtained through our operations
 is handled with the utmost confidentiality, in line with applicable laws and regulations.
- Access Control: Access to sensitive data is restricted to authorised personnel only, minimising the risk of unauthorised disclosure or misuse.
- Data Retention and Disposal: We maintain records related to whistleblowing cases and other sensitive information for a minimum period of seven years, after which they are securely disposed of to prevent unauthorised access.
- Continuous Improvement: We regularly review and update our data handling practices to align with evolving legal requirements and industry best practices, ensuring ongoing compliance and effectiveness.

By embedding data privacy and security into our operational ethos, Saliran Group Berhad aims to foster a culture of accountability and trust, reinforcing our commitment to ethical conduct and stakeholder confidence.

Performance

In FYE 2024, we upheld our commitment to customer privacy and data security, ensuring strict compliance with data protection regulations and internal governance frameworks. As a testament to our robust data protection measures, we received zero substantiated complaints from external parties, regulatory bodies, or internal investigations concerning breaches of customer privacy or losses of customer data.

We have received zero incidents under Bursa C8(a) in FYE 2024, we reaffirm our commitment to safeguarding customer trust, strengthening regulatory compliance, and upholding the highest standards of data privacy. Moving forward, we will continue to enhance our privacy frameworks, monitoring mechanisms, and cybersecurity strategies to ensure sustained excellence in data governance.

Performance

Bursa C8(a)

Number of substantiated complaints concerning breaches of customer privacy and losses of customer data.

In FYE 2024, we received zero complaints from external parties, substantiated by the organisation, or from regulatory bodies.

cont'd

Employee Health and Safety

Social

Employee Health and Safety

Why Is It Important

Ensuring occupational health and safety is not only a regulatory obligation but a moral and strategic priority for Saliran Group Berhad. A safe and healthy work environment protects our most valuable asset—our people—while enabling business continuity and operational excellence. We are proud to report zero work-related fatalities in FYE 2024, a testament to the effectiveness of our proactive safety culture across all operations. By embedding risk management, incident prevention, and mental well-being into our daily practices, we aim to reduce hazards, enhance employee confidence, and build a culture of accountability. Ultimately, prioritising safety helps safeguard lives, strengthens stakeholder trust, and supports our long-term sustainability as a responsible and resilient organisation.

Our Approach

At Saliran Group Berhad, the safety and well-being of our employees, contractors, customers, and the communities in which we operate are paramount. Guided by our Group Health, Safety, and Environment (HSE) Policy, we are committed to upholding the highest safety standards while fostering a culture of accountability and responsibility.

Our "Zero Harm - No Loss" philosophy is achieved through:

- Zero Lost Time Injury Rate (LTIR): We set and maintain a zero lost time injury as a shared sustainability Key Performance Indicator (KPI) for all executives, reinforcing our collective responsibility for workplace safety.
- Risk Mitigation & Hazard Prevention: We implement robust safety protocols, conduct risk assessments, and proactively manage hazards to safeguard employees in high-risk environments.
- Integration of Workplace Safety & Mental Well-Being: Recognising that mental health is as critical as physical safety, we provide support programs and resources to promote holistic employee well-being.

In adherence to the Occupational Safety and Health Act 1994, our health and safety policies are regularly reviewed, updated, and benchmarked against industry best practices to ensure ongoing compliance and effectiveness. These policies are deeply embedded into our daily operations, guiding every decision, process, and activity.

Performance

A total of 5 employees received specialised training, accumulating 105 hours of instruction designed to enhance competencies in key safety areas. We maintain strict compliance with national safety laws and relevant industry frameworks. Employees are equipped with the knowledge and tools to actively identify, report, and mitigate workplace hazards, reinforcing a culture of proactive risk management. We continue to review and improve our safety policies to ensure they align with evolving workplace needs and standards, underscoring our commitment to continuous improvement and excellence in occupational safety.

Our commitment to employee safety remains a top priority. We will continue to enhance our health and safety initiatives, ensuring a safe, inclusive, and compliant work environment. Moving forward, we plan to expand our training programs, strengthen our safety culture, and invest in employee well-being, continuously improving our workplace health and safety practices.

Performance		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	
Bursa C5(c) Number of employees trained on health and safety standards	Number	5

cont'd

Labour Practices and Standards

Social

Labour Practices and Standards

Why Is It Important

Promoting fair labour practices and a safe, inclusive work environment is essential for driving employee satisfaction, operational excellence, and long-term business sustainability. At Saliran Group Berhad, we recognise that our people are our greatest asset. Ensuring that they work in an environment that values safety, respect, and equal opportunity directly influences productivity, talent retention, and employee morale. By continuously improving our workplace practices, we are not only complying with legal and industry requirements but also building a culture rooted in fairness, accountability, and trust—elements that are vital to our resilience, reputation, and ability to grow responsibly.

Our Approach

Our Commitment to Ethical and Fair Employment

At Saliran Group, we upholds ethical labour practices as a cornerstone of its operational philosophy. The Group is dedicated to fostering a work environment that prioritises fairness, inclusivity, and employee well-being.

Guided by our Diversity Policy, we are committed to creating a workplace that values and respects individual differences. This policy ensures that all employment practices are free from discrimination, promoting equal opportunities for career advancement and personal growth across all levels of the organisation.

Besides, the safety and health of our employees are paramount. We have implemented robust Occupational Safety and Health (OSH) measures to provide a secure and compliant working environment. Regular training and adherence to safety protocols are integral to our operations, ensuring that employees are well-equipped to perform their duties safely.

While we do not have a standalone human rights policy, our Code of Conduct and Business Ethics, along with our Whistleblowing Policy, serve as frameworks to uphold ethical standards within the organisation. These policies provide mechanisms for employees to report any unethical behaviour or misconduct without fear of retaliation, reinforcing our commitment to integrity and transparency.

Advancing Diversity at Saliran Group

At Saliran Group, we believe that trust, innovation, and long-term success are rooted in our ability to embrace and reflect the diversity of the communities we serve. We are committed to cultivating a workplace where diversity is not only welcomed but celebrated—where every individual feels respected, engaged, and empowered to reach their full potential.

To attract and retain exceptional talent, we actively seek individuals from diverse backgrounds, experiences, and perspectives. By fostering an inclusive culture grounded in collaboration, representation, and equal opportunity, we ensure that all employees have fair access to career advancement, leadership development, and personal growth. Through this approach, we empower our people to thrive and contribute meaningfully to the Group's collective success.

Performance

Professional fulfilment through a comprehensive benefits framework that reflects industry best practices and the evolving expectations of today's workforce. Our benefits are designed not only to support the personal and professional growth of our employees but also to foster a positive, high-performing, and purpose-driven workplace culture.

The Group's benefits offerings are regularly reviewed and benchmarked against market standards to ensure they remain competitive, relevant, and impactful. These benefits are applicable across all subsidiaries under Saliran Group Berhad, and are structured to promote holistic well-being, covering physical health, financial security, work-life balance, and recognition.

The employee benefits provided include the following:

Types of Benefits	Descriptions	
Leaves	Annual Leave, Medical Leave, Maternity Leave, Paternity Leave, Compassionate Leave, Marriage Leave, Emergency Leave, and Public Holiday entitlement.	
Allowances	Hotel Allowance, Meal Allowance, Outstation Allowance, Phone Allowance, and Travel Allowance.	
Health Insurance & Medical Coverage	Hospital & Surgical Insurance, Personal Accident Insurance, SOCSO, Outpatient and Specialist Treatment, Medical Check-ups, Optical and Dental Care.	
Rewards & Recognition	Performance Bonus and Long Service Awards.	
Training & Development	Programs eligible under the Human Resources Development Fund (HRDF).	
Physical Wellness	Weekly Sports Day to promote health and team bonding.	
Retirement Scheme	Contributions to the Employees Provident Fund (EPF).	
Company Equipment	Provision of work-related tools such as laptops, mobile phones, and corporate attire.	
Others	Reimbursement of business-related expenses, including mileage claims, parking and toll fees, and entertainment expenses.	

By continuously enhancing our employee benefits, we ensure that our people feel valued, motivated, and well-supported—empowering them to contribute meaningfully to the Group's growth while enjoying a rewarding employee experience.

Training

At Saliran Group Berhad, we place strong emphasis on continuous learning and professional development as a strategic priority to empower our workforce. We believe that training is not merely an operational requirement, but a long-term investment in nurturing a competent, agile, and future-ready team.

In FYE 2024, our employees collectively completed **504 training hours**, reflecting the Group's commitment to enhancing workforce capabilities and aligning skillsets with both our operational goals and the evolving demands of the industry. Training sessions were thoughtfully curated to ensure that employees remain equipped with the necessary competencies to excel in their roles, meet regulatory requirements, and adapt to industry advancements.

Our training programs spanned both technical and soft skills, with a strong emphasis on Occupational Safety and Health (OSH) compliance, operational effectiveness, and interpersonal development. Notable training modules conducted during the year included:

- Effective Communication and Relationship Building
- E-Invoicing Implementation and Practices
- HR Interrupted: Managing Discipline with AuntyHR
- Occupational Safety and Health Coordinator (OSH-C)
- 7 QC Tools Towards Problem Solving

These initiatives reflect our belief that a well-trained workforce enhances both productivity and employee engagement. As we move forward, we aim to further strengthen our learning culture by identifying emerging skills requirements and offering targeted development opportunities across all subsidiaries.

For a detailed breakdown by gender, age group, ethnicity, and employee category, please refer to the performance tables provided.

cont'd

Bursa C6(a) Total hours of training by employee category		
Management	Hours	28
Executive	Hours	469
Non-executive	Hours	7
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	1%
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	1
Executive	Number	31
Non-executive	Number	18
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0

Diversity

Workplace	
Diversity	

Why Is It Important

Diversity and inclusion are essential for building a resilient, innovative, and forward-looking organisation. At Saliran Group Berhad, we recognise that a workforce made up of individuals from different backgrounds, experiences, and perspectives enhances our ability to problem-solve, adapt to change, and serve a diverse customer base more effectively. Embracing diversity is not just a matter of fairness—it is a strategic advantage that drives collaboration, boosts employee morale, and strengthens stakeholder trust. As we continue to grow alongside our subsidiaries, fostering an inclusive culture remains fundamental to attracting top talent, enhancing operational performance, and achieving long-term, sustainable success.

Our Approach

Saliran Group Berhad, together with its subsidiaries—Saliran Industrial Supplies Sdn Bhd, Saliran Industries Sdn Bhd, Saliran Precision Engineering Sdn Bhd, Saliran Flanges & Fittings Sdn Bhd, and JS Tech Marketing Sdn Bhd—recognises diversity and inclusion as key enablers of organisational resilience, innovation, and sustainable growth. We are committed to fostering a work environment that values and respects individual differences, while ensuring that all employees are given equal opportunities to thrive and succeed.

Guided by our Diversity Policy, the Group is dedicated to maintaining fair and inclusive employment practices. The policy affirms our commitment to ensuring that no individual is discriminated against on the basis of gender, age, race, religion, nationality, disability, or any other protected characteristic. This policy underpins our recruitment, career progression, and leadership development initiatives, reinforcing a culture of equality and meritocracy across the organisation.

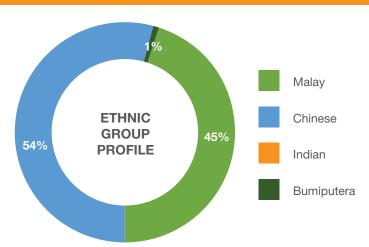
As of FYE 2024, Saliran Group's workforce comprises 114 employees, with a near-balanced gender profile of 58 male employees (51%) and 56 female employees (49%). This gender distribution reflects our ongoing commitment to inclusivity and the equal representation of both men and women across operational and administrative functions. In terms of age diversity, 46% of our workforce is under the age of 30, 53% falls within the 30 to 50 age range, and 1% is above 50. This generational spread enhances our ability to combine fresh perspectives with industry experience, contributing to a dynamic and collaborative work culture.

Looking forward, we aim to enhance the implementation of our Diversity Policy through the development of measurable diversity benchmarks, particularly in leadership and technical roles. By actively promoting inclusive hiring and leadership pipelines, Saliran Group strives to reflect the diverse communities in which we operate while strengthening our commitment to long-term value creation for all stakeholders.

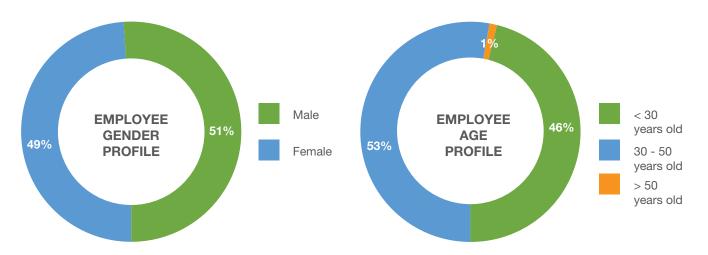
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Performance		
Bursa C3(a)	Bursa C3(b)	
Percentage of employees by gender and age group, for each employee category	Percentage of directors by gender and age group	

Employee Ethnic Group, Gender, and Age Profile



Ethnic Group	Pax
Malay	51
Chinese	62
Indian	0
Bumiputera	1

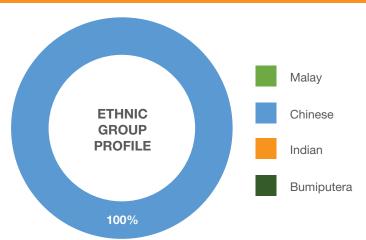


Gender	Pax
Male	58
Female	56

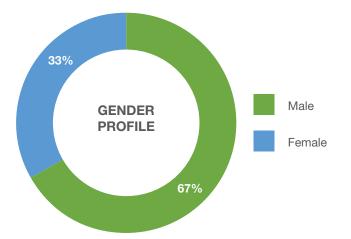
Age Range	Pax
< 30 years old	53
30 - 50 years old	60
> 50 years old	1

cont'd

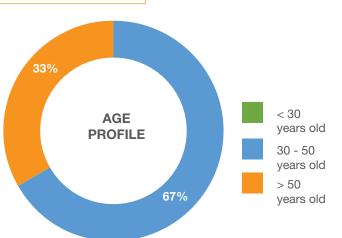
Director's Ethnic Group, Gender, and Age Profile



Ethnic Group	Pax
Malay	0
Chinese	6
India	0
Bumiputera	0

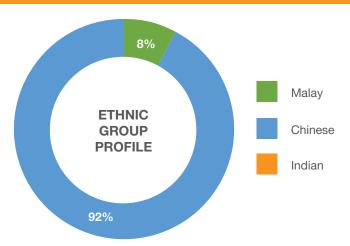


Gender	Pax
Male	4
Female	2

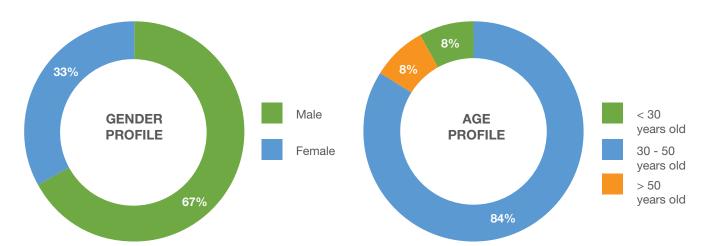


Age Range	Pax
< 30 years old	0
30 - 50 years old	4
> 50 years old	2

*Management's Ethnic Group, Gender, and Age Profile



Ethnic Group	Pax
Malay	1
Chinese	11
India	0



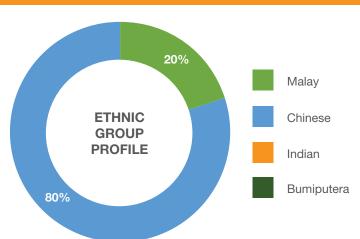
Gender	Pax
Male	8
Female	4

^{*} Inclusive of Directors

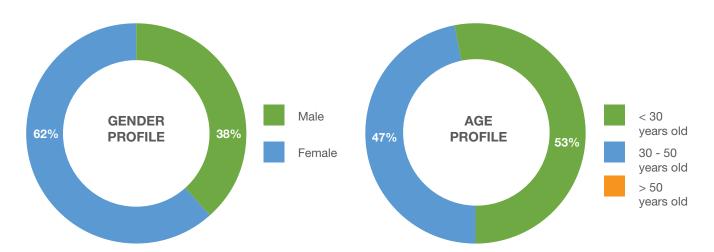
Age Range	Pax
< 30 years old	1
30 - 50 years old	10
> 50 years old	1

cont'd

Executive's Ethnic Group, Gender, and Age Profile



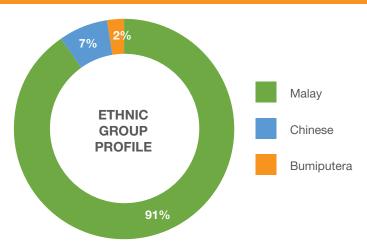
Ethnic Group	Pax
Malay	12
Chinese	48
India	0
Bumiputera	0



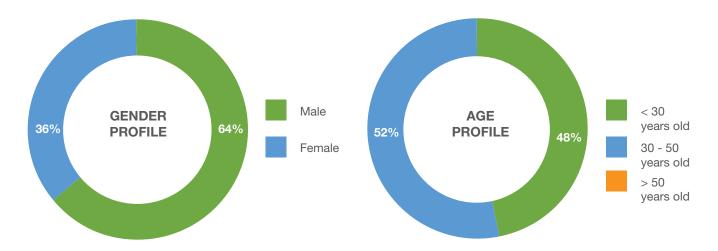
Gender	Pax
Male	23
Female	37

Age Range	Pax
< 30 years old	32
30 - 50 years old	28
> 50 years old	0

Non-Executive's Ethnic Group, Gender, and Age Profile



Ethnic Group	Pax
Malay	38
Chinese	3
Bumiputera	1



Gender	Pax
Male	27
Female	15

Age Range	Pax
< 30 years old	20
30 - 50 years old	22
> 50 years old	0

cont'd

Local Community

Community

Local Community

Why Is It Important

Supporting local communities is a fundamental part of Saliran Group Berhad's responsibility as a corporate citizen. As a business that operates within diverse local contexts, we recognise that our actions can influence the social fabric of the areas we serve such as:

- Investing in community well-being helps us.
- Build trust and goodwill with local stakeholders, including residents, government bodies, and future talent.
- Contribute to social progress by addressing critical community needs such as education and social equity.
- Strengthen our licence to operate, especially in areas where our operations may have an indirect impact on community life.

Beyond compliance and reporting, we view community engagement as an opportunity to align our business success with inclusive and sustainable development—ensuring we grow together with the people around us.

Our Approach

At Saliran Group Berhad, we believe that long-term business success goes hand in hand with uplifting the communities in which we operate. Guided by our values and sustainability commitments, our approach to community engagement is built on inclusivity, relevance, and meaningful impact.

We aim to contribute positively to local communities through focused support in the areas of education, youth empowerment, and social well-being, while maintaining transparent and respectful relationships with our stakeholders. We believe that corporate responsibility is not just about giving—it's about creating long-term value and trust.

Our initiatives are grounded in three key principles:

- Responsiveness Engaging with community stakeholders to understand their evolving needs.
- Collaboration Working alongside local organisations, educational institutions, and NGOs for collective impact.

Through this approach, we strive to ensure our operations not only minimise negative social impacts but actively contribute to the betterment of society.

Performance

Saliran Group Berhad recognises the importance of being a responsible corporate citizen by contributing positively to the communities in which we operate. Our approach to community engagement is guided by our commitment to fostering long-term, inclusive relationships that support social well-being and education.

In FYE 2024, the Group contributed RM5,000 to the Chong Hwa KL Foundation, supporting educational development and access to quality learning opportunities for underprivileged students. This initiative reflects our belief in the transformative power of education and our commitment to creating shared value for society.

While our operations do not directly pose significant negative social impacts to local communities, we are committed to continuously identifying opportunities to support the needs of surrounding communities through donations, sponsorships, and active engagement. Our focus areas include education, youth development, and supporting underserved groups.

Moving forward, Saliran Group plans to further develop its community investment strategy by:

- Identifying key local stakeholders and engaging them in dialogue to understand community needs.
- Aligning community investment with national and local development priorities.

Through these efforts, we aim to uphold our responsibility as a socially conscious organisation, while strengthening community trust and supporting a more inclusive and equitable society.

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Performance		
Bursa C2(a)		
Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR 5,000	
Bursa C2(b)		
Total number of beneficiaries of the investment in communities	Number 1	

ADDITIONAL INFORMATION

Sustainability Performance Data Table (Common Indicators)

Indicator	Measurement Unit	2024
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti- corruption by employee category		2024
Management	Percentage	0
Executive	Percentage	0
Non-executive	Percentage	0
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	5,000
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	1
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management Under 30	Percentage	8
Management Between 30-50	Percentage	84
Management Above 50	Percentage	8
Executive Under 30	Percentage	53
Executive Between 30-50	Percentage	47
Executive Above 50	Percentage	0
Non-executive Under 30	Percentage	48
Non-executive Between 30-50	Percentage	52
Non-executive Above 50	Percentage	0
Management Male	Percentage	67
Management Female	Percentage	33
Executive Male	Percentage	38

cont'd

Indicator	Measurement Unit	2024
Executive Female	Percentage	62
Non-executive Male	Percentage	64
Non-executive Female	Percentage	36
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	67
Female	Percentage	33
Under 30	Percentage	0
Between 30-50	Percentage	67
Above 50	Percentage	33
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megajoules	242.51
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0
Bursa C5(c) Number of employees trained on health and safety standards	Number	5
Bursa (Labor practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	28
Executive	Hours	469
Non-executive	Hours	7
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	1
Bursa C6(c) Total number of employee turnover by employee category	Number	50
Management	Number	1
Executive	Number	31
Non-executive	Number	18
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	57
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megaliters	2.877

Internal assurance External assurance No assurance (*) Restated

The Board of Directors ("the Board") is pleased to present the Corporate Governance ("CG") Overview Statement for the financial year ended 31 December 2024 ("FYE 2024"), which has been prepared in compliance with Rule 15.25 of the ACE Market Listing Requirements ("AMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and has set out an overview on the application of the principles of CG as promulgated by the Malaysian Code on Corporate Governance issued in April 2021 ("MCCG 2021"). This CG Overview Statement should be read in conjunction with the Company's CG Report, which has set out details on how the Company has applied the Practices as set out in MCCG 2021 and the said documents are available on our website at https://saliran.com.my/corporate-governance/ as well as via announcement on the website of Bursa Securities.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

The Group acknowledges the vital role played by the Board in the stewardship of governance and the direction of the Group and ultimately the enhancement of long-term shareholders' value. To fulfil this role, the Board is responsible for the overall CG of the Group, including its strategic direction, establishing goals for management and monitoring the achievement of these goals, consideration of significant financial matters, review of the financial and operating performance of the Group and undertaking of major investments and capital expenditures.

I) BOARD RESPONSIBILITIES

The Board is collectively responsible for overseeing the Group's strategic planning, CG risk management, leadership, succession planning, financial control and reporting, sustainability, social responsibility and operational management.

The Board Charter has been formalised and adopted by the Board, which sets out the function, authority, roles and responsibilities of the Board and its Board Committees, the role of the requirements of Directors in carrying out their roles and discharging their duties towards the Company as well as the Board's operating practices. This oversight ensures that obligations towards shareholders and other stakeholders are fulfilled. Governed by their respective Terms of References ("TOR"), the Chairman of the respective Board Committees shall report to the Board on their meeting proceedings and deliberations as well as make recommendations to the Board on the matters under their purview. The Board ensures all Directors have unrestricted access to the advice and services of Senior Management and Company Secretaries and may obtain independent professional advice at the Company's expense in order to discharge their duties effectively.

The positions of the Chairman and Managing Director are held by two (2) different individuals to promote accountability and facilitate the division of responsibilities between them. In this regard, no one individual can influence the Board's discussions and decision-making. The Chairman leads the Board in setting the Group's policies and strategic plans and ensures that the Board fulfills its obligations under the Board Charter and the relevant regulations. The Managing Director leads the Executive Director in making and implementing day-to-day operational business decisions, managing resources and risks in pursuing the corporate objectives of the Group. The Non-Executive Directors contribute significantly in areas such as policy, strategy and performance.

The Board is supported by three (3) licensed Company Secretaries, two (2) of whom are the Fellow members of the Malaysian Institute of Chartered Secretaries. They are responsible for carrying out the company secretarial function for the Group. The Company Secretaries have the requisite credentials and are qualified to act as Company Secretaries under Section 235(2) of the Companies Act 2016. The Company Secretaries assists the Board in discharging its duties in regard to compliance with regulatory requirements, guidelines, legislations and the principles of best CG practices.

In line with the corporate liability provision under Section 17A of the Malaysian Anti-Corruption Commission Act 2009, the Board has reviewed and adopted the Anti-Bribery and Anti-Corruption Policy on 7 July 2024 to provide guidance to the Group, all its personnel and business associates in order to promote better governance culture and ethical behaviour within the Group and to prevent the occurrence of corrupt practices. Management will carry out regular assessment on the policy to ensure that it continues to remain relevant, appropriate and effective. As an additional measure to safeguard the integrity of the Group, the Board has defined its Whistleblowing Policy to provide guidance for stakeholders to report genuine concerns of any possible improprieties pertaining to financial reporting, compliance, malpractices and unethical business conduct within the Group. In addition, the Board has also defined its Code of Conduct and Ethics which serves as a tool for the Board to convey and instill its values into the organisation.

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

I) BOARD RESPONSIBILITIES (cont'd)

The Board Charter, TOR of the Board Committees, Director's Fit and Proper Policy, Anti-Bribery and Anti-Corruption Policy, Whistleblowing Policy and Code of Conduct and Ethics are also available on the Company's website at https://saliran.com.my/corporate-governance/.

II) BOARD COMPOSITION

As at the date of this report, the Board consists of six (6) Directors, comprising one (1) Managing Director, one (1) Executive Director, one (1) Independent Non-Executive Chairman and three (3) Independent Non-Executive Directors. The Independent Non-Executive Directors fulfilled the criteria of "Independence" as prescribed under the AMLR of Bursa Securities. This is in compliance with Paragraph 15.02(1) of the AMLR of Bursa Securities which requires at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, are Independent Directors. All Independent Non-Executive Directors are independent of management and have no family or business relationships with the Executive Directors and major shareholders which would interfere with the exercise of their independent judgement.

The Board is committed to maintaining a diverse workplace to recognise the benefits arising from Board and employee diversity. Diversity includes, but not limited to age, gender, experience, education, background, expertise, origin, disability, race, nationality, and culture. Inclusion is a sense of belonging and behaviours to respond to the people in order to ensure that individual feel included, engaged and connected in the workplace. As the date of this Annual Report, the Board comprised six (6) Directors, of whom two (2) are female, providing a representation rate of 33.33% which complies with the new requirement of AMLR of Bursa Securities to have at least one (1) woman Director on the Board.

Nominating Committee

The Board has established Nominating Committee ("NC") to assist the Board in their responsibilities in nomination new nominees to the Board and to assess the performance of the Board, the Board Committees and the Directors of the Company on an ongoing basis. Full details of the NC's duties and responsibilities are stated in its TOR which is available on the Company's website.

The NC comprises three (3) members, all of whom are Independent Non-Executive Directors, as listed below:

Datuk Khoo Teck Kee	Chairman
Kok Tai Meng	Member
Ooi Gin Hui	Member

The NC is responsible for the Board evaluation process covering the Board, the Board Committees and individual Directors.

There was no NC meeting held during FYE 2024 as the Company was only listed on the ACE Market of Bursa Securities on 13 March 2025. There has yet to have a full year of activity for annual and performance evaluation on the Board, Board Committees and individual Directors.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

II) BOARD COMPOSITION (cont'd)

Directors' Training

Training programmes and seminars attended by the Directors of the Company during FYE 2024 are as follows:

Name of Directors	Date	Training programmes /Seminars/ Workshops/ Conferences attended
Dato' Low Suet Moi	24/6/2024	1) Anti Bribery Management System ISO
	12/8/2024	2) Workshop on ISSB Standards (IFRS S1 and S2)
	21-22/8/2024	3) CIAG Conference 2024
	27-28/8/2024	4) SSM National Conference 2024-Enhancing Corporate Transparency, Building Resilience
Liaw Choon Wei	20-21/1/2024	Effective Communication & Relationship Building
	28/6/2024	2) Introduction to E-invoicing Implementation
Chan Koon Wai	20-21/1/2024	Effective Communication & Relationship Building
	28/6/2024	2) Introduction to E-invoicing Implementation
Kok Tai Meng	25-26/9/2024	Transfer Pricing Documentation DIY Course
	15/11/2024	2) Essential Fire Fighting
Datuk Khoo Teck Kee	20-21/3/2024	1) Member Voluntary Winding Up of a Company (Part 1 & 2)
	29/5/2024	2) Identification of Beneficial Owner
	4/10/2024	3) Rights of Members
	25/10/2024	4) Budget 2025
	14/11/2024	5) E-Invoice Implementation in Malaysia & Navigating the My Invoice Portal
	9-12/12/2024	6) Mandatory Accreditation Programme Part II
Ooi Gin Hui	30-31/1/2024	Bursa Malaysia Mandatory Accreditation Programme
	21-22/8/2024	2) Mandatory Accreditation Programme (Part II)

III) DIRECTORS' REMUNERATION

The Remuneration Committee ("RC") comprises three (3) members, all of whom are Independent Non-Executive Directors, as listed below:

Ooi Gin Hui	Chairperson
Datuk Khoo Teck Kee	Member
Kok Tai Meng	Member

cont'd

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

III) DIRECTORS' REMUNERATION (cont'd)

The remuneration of Directors is determined at levels which enable the Company to attract and retain Directors with the relevant experience and expertise to manage the business of the Group effectively. The RC oversees the remuneration of Directors. The remuneration for Directors is in line with the Board's aim to retain, attract and reward talent based on industry benchmarks.

The remuneration packages for Executive Directors would be reviewed by the RC and recommended to the Board for approval. It would then decided by the Board without the respective Executive Directors' participation in determining their remuneration.

Pursuant to Section 230(1) of the Companies Act, 2016, fees and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting.

The remuneration of Directors of the Company, including the remuneration for services rendered to the Group and the Company for FYE 2024 are as follows:

	Salaries & Bonuses	Fees	Statutory Contributions (EPF, SOCSO and EIS)	Total
	RM	RM	RM	RM
Executive Directors				
Liaw Choon Wei	448,162	168,795	51,997	668,954
Chan Koon Wai	409,328	148,030	47,337	604,695
Independent Non-Executive Directors				
Dato' Low Suet Moi	-	35,000	-	35,000
Datuk Khoo Teck Kee	-	28,000	-	28,000
Kok Tai Meng	-	35,000	-	35,000
Ooi Gin Hui	-	28,000	-	28,000

The remuneration of the top two (2) senior management (excluding the Managing Director and Executive Director of the Company) of the Group for the FYE 2024 was disclosed in Corporate Governance Report in bands of RM50.000.

The Board believes that disclosing the individual remuneration details of the Group's top two (2) senior management on a named basis is not in the Group's best interests, due to the highly competitive nature of the professional talent market and concerns regarding data privacy and personal security.

There was no RC meeting held during FYE 2024 as the Company was only listed on the ACE Market of Bursa Securities on 13 March 2025.

cont'd

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I) EFFECTIVE AUDIT AND RISK MANAGEMENT COMMITTEE

The Audit Risk Management Committee ("ARMC") comprises three (3) members, all of whom are Independent Non-Executive Directors, as listed below:

Kok Tai Meng	Chairman
Datuk Khoo Teck Kee	Member
Ooi Gin Hui	Member

The ARMC is primarily entrusted to oversee the Group's accounting, auditing, internal controls and risk management functions. To ensure an objective and independent discharge of duties, position of the ARMC Chairman is distinct and separate from that of the Board Chairman. The Group has not appointed any former partner of its external audit firm to be a member of the ARMC.

The ARMC Chairman, Kok Tai Meng, possesses a strong level of professional qualification in leading the ARMC. He is a member of the Malaysian Institute of Accountants (MIA) and a fellow member of the Association of Chartered Certified Accountants (ACCA). The present composition of the ARMC allows it to possess the requisite level of financial literacy and business acumen to have a sound understanding of the financial matters of the Group as well as an understanding of the latest developments in financial reporting, accounting and auditing standards.

Before the commencement of the current financial year audit, the ARMC had reviewed and deliberated with the External Auditors on their audit planning memorandum, covering the audit risk areas, approach, emphasis and timeline. The ARMC also noted the External Auditors' independence check and confirmation procedures carried out in the firm as well as no conflict of interest for rendering their non-audit services to the Group presently.

For further information on the ARMC with regards to its composition and activities, please refer to the ARMC Report in this Annual Report.

II) RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board affirms its responsibilities over the Group's system of risk management and internal control and acknowledges that such system is an integral part of effective management practice. To this end, the Board confirms that the Group has implemented an ongoing process of identifying, evaluating, monitoring and managing the significant risks faced by the Company and the Group under its risk management and internal control framework. Details of the Group's risk management and internal control framework are set out in the Statement on Risk Management and Internal Control in the Annual Report.

The Company also engage outsourced Internal Auditors to provide independent assessments on the adequacy, efficiency and effectiveness of the Company's internal control system. The Internal Auditors report directly to the ARMC and internal audit plans are tabled to the ARMC for review and approval by the Board to ensure adequate coverage.

The Board has delegated the review on the adequacy and effectiveness of the Group's risk management and internal control framework to the ARMC.

cont'd

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I) ENGAGAMENT WITH STAKEHOLDERS

The Board is committed to ensure effective, transparent and timely communication with the stakeholders. Shareholders and other stakeholders are kept informed of the latest developments of the Group via announcements to Bursa Securities, annual reports, quarterly financial results, circulars to shareholders and press releases.

In addition, the Company maintains a corporate website at https://www.saliran.com.my/ to promote accessibility of information to the Group's diverse stakeholder groups. The Board ensures that the website is regularly updated with recent announcements, past and current reports to shareholders as well as news and press releases pertaining to the Group.

II) CONDUCT OF GENERAL MEETINGS

The Annual General Meeting ("AGM") represents the principal forum for dialogue and interaction with shareholders. At the AGM, the Board presents the performance and progress of the Company and provides ample opportunity for the shareholders to interact with the Board.

As recommended by the MCCG 2021, the notice of the upcoming AGM will be issued to the shareholders at least twenty-eight (28) days before the AGM, ensuring that shareholders have sufficient time to consider the agenda and proposed resolutions that will be discussed and voted during the AGM. All Directors will also attend the upcoming AGM and ensure that the AGM supports meaningful engagement between the Board, senior management and shareholders.

Upon completion of the AGM, the Board will ensure that the minutes of the AGM will be published on the Company's website within thirty (30) business days in order for the shareholders to have a timely recap on the meeting proceedings.

As the Company was only listed on 13 March 2025, the upcoming AGM will be the Company's first AGM as a public listed company. Barring unforeseen circumstances, all Directors will present at the forthcoming AGM of the Company to enable the shareholders to raise questions and concerns directly to the Board.

COMPLIANCE STATEMENT

Other than as disclosed and/or explained in this Annual Report and CG Report for FYE 2024, the Board is of the view that the Group has complied with and shall remain committed to attaining the highest possible standards through the continuous adoption of the principles and best practices set out in MCCG and all other applicable laws, where applicable and appropriate.

Moving forward, the Board will continue to enhance the corporate disclosure requirements in the best interest of the Company's shareholders and stakeholders. The areas to be prioritised by the Board will be principles that have yet to be adopted by the Company as disclosed in CG report.

This CG Overview Statement was approved by the Board on 25 April 2025.

STATEMENT OF DIRECTORS' RESPONSIBILITY

The Directors are required under the provisions of the Companies Act 2016 to prepare financial statements which give a true and fair view of the state of affairs of the Group and Company as at the end of each financial year. The Directors are satisfied that in preparing the financial statements of the Group for the FYE 2024, appropriate accounting policies have been adopted, consistently applied and supported by reasonable and prudent judgements and estimates. The Directors also consider that all the relevant approved accounting standards have been followed in the preparation of these statements. The Directors are also responsible for safeguarding the assets of the Group and of the Company and have taken reasonable steps in the prevention and detection of fraud and other irregularities.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Board of Directors ("the Board") of Saliran Group Berhad ("Company") is delighted to present the Audit and Risk Management Committee ("ARMC") Report, offering insights into the oversight and risk measurement measures implemented by the ARMC for the Group throughout the financial year ended 31 December 2024 ("FYE 2024").

Composition

The ARMC was established by the Board on 6 June 2024 as part of its preparation for listing of the Company on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities"). The ARMC assists the Board in its oversight of the Group's financial statements and reporting in fulfilling its fiduciary responsibilities relating to internal controls, financial reporting practices, risk management framework and policies. The ARMC comprises three (3) members, all of whom are Independent Non-Executive Directors. The composition meets the requirements of Rule 15.09(1)(a) and (b) of the ACE Market Listing Requirements of Bursa Securities and the Step-up Practice 9.4 of the Malaysian Code on Corporate Governance.

The members of the ARMC and their respective designations are as follows:

	Designation
Chairman Kok Tai Meng	Independent Non-Executive Director
Members Datuk Khoo Teck Kee Ooi Gin Hui	Independent Non-Executive Director Independent Non-Executive Director

The members of the ARMC have the relevant experience and expertise in finance and accounting and have carried out their duties in accordance with the terms of reference of the ARMC. None of the members were former key audit partners of the Company's existing External Auditors, Messrs. Kreston John & Gan. The ARMC Chairman, Kok Tai Meng, is a member of the Malaysian Institute of Accountants (MIA) and a fellow member of the Association of Chartered Certified Accountants (ACCA), hence complies with Rule 15.09(1)(c)(i) of the ACE Market Listing Requirements of Bursa Securities.

Terms of Reference

The duties and responsibilities of the ARMC are set out in the Terms of Reference of the ARMC which was adopted by the Board on 6 June 2024, and published on our website at https://saliran.com.my/corporate-governance/.

Summary Activities of the ARMC During the Year

There was no ARMC meetings held during FYE 2024 as the Company was only listed on the ACE Market of Bursa Securities on 13 March 2025.

Internal Audit Function

In preparation for the Listing, the Company had engaged an independent internal audit consulting firm, as its Internal Control Consultant to review the adequacy and sufficiency of systems, procedures and controls of the Group. The details of internal audit function are stated in the Statement on Risk Management and Internal Control of this Annual Report.

The total costs incurred by the Group's internal audit function in respect of FYE 2024 amounted to RM105,000 (exclude out of pocket expenses and service tax).

The Company outsourced the internal audit function to an independent professional firm to assist the Board and ARMC in providing an independent assessment on the adequacy, efficiency and effectiveness of the Group's internal control system. The Internal Auditors will report directly to the ARMC on its activities based on the approved internal audit plans.



STATEMENT ON RISK MANAGEMENT

AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors ("Board") of Saliran Group Berhad is pleased to present its Statement on Risk Management and Internal Control ("Statement") for the financial year ended 31 December 2024 ("FYE 2024"). The Statement was prepared pursuant to Rule 15.26(b) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements") and Principle B of the Malaysian Code of Corporate Governance with guidance from the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("the Guidelines"), outlines the key elements of risk management and internal control systems within the Company and its subsidiaries ("Group") for the current financial year.

BOARD RESPONSIBILITY

The Board acknowledges its overall responsibility for maintaining a sound risk management and internal control system and reviewing its adequacy and effectiveness to safeguard shareholders' investments and the Group's assets, as well as reviewing its effectiveness, adequacy and integrity on a regular basis. In acknowledging that having a sound risk management and internal control system is imperative, the Board has established a governance structure that ensures effective oversight of risks and internal controls within the Group at all levels.

The Board focuses on effective risk oversight, which is critical in setting the tone and culture towards effective risk management and internal control. The Board has established an ongoing process for identifying, evaluating, managing and monitoring the significant risks faced by the Group, and this process includes enhancing the system of risk management and internal control as and when there are changes to the business environment or regulatory guidelines.

It is important to note that the system of risk management and internal control is designed to manage the Group's risks within an acceptable risk profile, rather than to eliminate the risk of failure to achieve the business objectives. Hence, the system, by its nature, can only provide reasonable assurance, and not absolute assurance against any material misstatement of financial information and records, financial losses, errors, or fraud.

RISK MANAGEMENT FRAMEWORK AND SYSTEM

The Board is assisted by the Audit and Risk Management Committee ("ARMC") to provide oversight, direction and counsel to the Group's risk management process by identifying and assessing risks and making recommendations to monitor, evaluate, manage and mitigate such risks throughout the business operations particularly, in respect of key risks which the Group faces on a regular basis.

As part of our Risk Management processes, our Group has adopted an Enterprise Risk Management Policy to provide clear guidelines for the risk management process, including risk identification, assessment, evaluation, monitoring, and reporting. This policy ensures a standardised approach to managing risks across the Group. Management is actively engaged in assuming roles and responsibilities related to compliance and risk management. Management personnel including Head of Departments, are also involved in identifying and managing business risks fosters a risk-aware culture and ensures that risk management is embedded in day-to-day operations.

The principal business risks have been identified, assessed, evaluated, and are continuously monitored by Key Executive Management. This ongoing monitoring allows for timely responses to emerging risks and ensures that risk mitigation measures are effective and up-to-date.

The Board regards risk management as an integral part of the Group's business operations and has oversight over the critical areas through the ARMC. This helps to reduce the uncertainties surrounding the Group's internal and external environment, thus allowing it to maximise and minimise adverse incidences that may arise.

STATEMENT ON RISK MANAGEMENT

AND INTERNAL CONTROL

INTERNAL AUDIT FUNCTION ("IAF")

The Board views that the internal audit function as an essential part of the Group's governance framework. In preparation for the Company's listing on ACE Market of Bursa Securities, the Company had engaged Wensen Consulting Asia (M) Sdn Bhd ("Wensen") as its Internal Control Consultant to review the adequacy and sufficiency of systems, procedures and controls of the Group. The assessment and review were carried out in accordance with the International Standards for the Professional Practices of Internal Auditing, 2017 of the International Professional Practices Framework adopted and recommended by the Institute of Internal Auditors Malaysia.

As part of the Group's continuous efforts to enhance its internal control measures, the Board had on 11 March 2025 appointed Wensen as the outsourced Internal Auditors to carry out the internal audit function. The Internal Auditors will provide an independent evaluation and reasonable assurance of the effectiveness of the Group's internal control systems. The Internal Auditors shall report directly to the ARMC during the ARMC meeting. The Internal Auditors shall be independent and free from any relationships with the Board and Management or conflict of interest in the operations and activities of the Group, which could impair their objectivity and independence of the internal audit function.

As at the date of this Annual Report, the Internal Auditors developed and presented a comprehensive internal audit plan for the financial year ending 31 December 2025 ("FYE 2025") to the ARMC. This internal audit plan had outlined the scope of internal audit activities along with their implementation schedule as follows:

Scope of Review	Timeframe
To review and assess the adequacy and effectiveness of internal control systems pertaining to Sales and Collection Management, and Credit Control Management for:	Quarter 2 of FYE 2025
(1) Saliran Industrial Supplies Sdn Bhd; and(2) Saliran Flanges & Fittings Sdn Bhd.	
To review and assess the adequacy and effectiveness of internal control systems pertaining to Procurement to Payment Management, and Quality Control Management for:	Quarter 4 of FYE 2025
(1) Saliran Industrial Supplies Sdn Bhd; and(2) Saliran Flanges & Fittings Sdn Bhd.	

After thorough deliberation, the ARMC approved the plan to ensure alignment with the Group's governance and control objectives.

Subsequently, the Internal Auditors will conduct the internal audit review in accordance with the approved plan. Upon completion of the audit engagement, the Internal Auditors will present the internal audit findings, along with root-cause analysis and recommendation to the ARMC for their perusal and deliberation. Management will then be responsible for implementing the necessary corrective actions to address identified internal control weaknesses. Additionally, the Internal Auditors will conduct follow-up reviews on the prior findings to ensure that all recommendations and corrective actions were implemented within the stipulated timeframe.

INTERNAL CONTROL SYSTEM

Internal controls are important in supporting our Group's risk management system. Our Group will continually evaluate the adequacy of internal control procedures from time to time with the recommendation by the Internal Auditors.

The other key elements of the Group's internal control system include:

- (i) Well-defined organisational structure with clear lines of authority, limits of authority, accountability and responsibilities of the Board and Management;
- (ii) Clearly defined terms of reference, authorities and responsibilities of the various Board Committees which include the ARMC, Remuneration Committee and Nominating Committee to oversee the financial, compliance and operational performance of the Management;



STATEMENT ON RISK MANAGEMENT

AND INTERNAL CONTROL cont'd

INTERNAL CONTROL SYSTEM (cont'd)

- (iii) Code of Conduct and Ethics, clearly defined and formalised policies and procedures and guidelines are in place to support the Group in achieving its corporate objectives. These policies and procedures including Anti-Bribery and Anti-Corruption Policy and Whistleblowing Policy to provide a basis for ensuring compliance with applicable laws and regulations, and also internal controls with respect to the conduct of business;
- (iv) The Group has put in place effective and efficient information and communication infrastructures and channels to ensure operation data and management information can be communicated timely and securely to dedicated personnel within the Group for decision making and for communication with relevant external stakeholders for execution and information collection; and
- (v) The Board and Management meetings are carried out on a scheduled basis to review financial and operational performances.

REVIEW OF STATEMENT BY THE EXTERNAL AUDITORS

In accordance with Rule 15.23 of the Listing Requirements of Bursa Securities, the External Auditors have reviewed this Statement for inclusion in the Annual Report for FYE 2024. Their review was performed in accordance with the Audit and Assurance Practice Guide 3 issued by the Malaysian Institute of Accountants.

Based on their review, the External Auditors have reported to the Board that, procedures performed and evidence obtained, nothing has come to their attention that causes them to believe that the Statement is not prepared, in all material respects, in accordance with the disclosures required under Paragraphs 41 and 42 of the Guidelines, nor is the Statement factually inaccurate.

CONCLUSION

The risk management and internal control system are satisfactory and have no internal control failure nor any significant weaknesses that resulted in any loss to the Group during the financial year under review. The Board is also cognisant that the Group's risk management framework and system of internal control must be continuously reviewed and evolved to meet the changing business environment. The Group is committed to continuing to take all necessary measures to strengthen the risk management and internal control system to further enhance its effectiveness to ensure all identified risks are managed on a timely basis and are within tolerance limits.

The Board has received assurance from the Managing Director and Chief Financial Officer that the Company's risk management and internal control system are operating adequately and effectively, in all material aspects, based on the risk management and internal control system adopted by the Group.

The Board is satisfied that the Group's risk management framework and system of internal control are operating adequately and effectively in all material aspects for FYE 2024.

This Statement is made in accordance with a resolution of the Board dated 25 April 2025.

ADDITIONAL COMPLIANCE INFORMATION

UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSAL

There is no utilisation of proceeds raised from corporate proposal during the financial year ended 31 December 2024 ("FYE 2024") as the Company was listed on the ACE Market of Bursa Malaysia Securities Berhad on 13 March 2025.

In conjunction with the listing exercise, the Company undertook a public issue of 80,400,000 new ordinary shares at an issue price of RM0.27 per share, raising gross proceeds of RM21.71 million which shall be utilised in the following manner:

Purposes	Proposed utilisation RM'000	Actual utilisation RM'000	Estimated timeframe for utilisation from the Listing date
Establishment of a sales office in Indonesia	1,200	N/A	Within 42 months
Purchase of machinery and delivery trucks	1,440	N/A	Within 24 months
Repayment of bank borrowings	7,000	N/A	Within 24 months
General working capital	8,368	N/A	Within 12 months
Estimated listing expenses	3,700	N/A	Within 1 month
Total	21,708	N/A	

MATERIAL CONTRACTS

There were no material contracts entered into by the Group, involving the interests of the Directors, Chief Executive and major shareholders, either still subsisting at the end of FYE 2024 or entered into since the end of the previous period.

CONTRACTS RELATE TO A LOAN

There were no material contracts which relate to a loan entered into by the Company and its subsidiaries during FYE 2024.

RECURRENT RELATED PARTY TRANSACTIONS

During FYE 2024, the Group has not entered into any recurrent related party transactions.

AUDIT AND NON-AUDIT FEES

The amount of the external audit fees and non-audit fees incurred for FYE 2024 were as follows:

	The Group	The Company
	RM'000	RM'000
Statutory audit fees	332,200	80,200
Non-statutory audit fee-professional fee for initial public offering exercise	356,000	242,000



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For the financial year ended 31 December 2024

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding activities whilst the principal activities of the subsidiary companies are set out in Note 8 to the financial statements.

CONVERSION OF COMPANY STATUS

On 19 June 2024, the Company was converted from a private limited liability company to a public limited liability company and assumed its present name of Saliran Group Berhad.

RESULTS

	Group	Company
	RM	RM
Profit/(Loss) for the financial year	13,204,297	(3,887,485)

DIVIDEND

No dividend has been paid or declared by the Company since the end of previous financial year. The directors do not recommend any final dividend in respect of the financial year ended 31 December 2024.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making allowance for doubtful debts and were of the opinion that it had satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render the amount written off for bad debts, or the amount of the allowance for doubtful debts, in the financial statements of the Group and of the Company inadequate to any substantial extent.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ensure that any current assets, other than debts, which were unlikely to be realised in the ordinary course of business, including their values as shown in the accounting records of the Group and of the Company, had been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances that would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.



For the financial year ended 31 December 2024 (Cont'd)

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist: -

- a) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; and
- b) any contingent liabilities in respect of the Group or of the Company which has arisen since the end of the financial year.

In the opinion of the directors, no contingent liability or other liability of the Group or of the Company has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which will or may substantially affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

CHANGES OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances, not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company for the financial year were not, in the opinion of the directors, substantially affected by any item, transactions or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report, any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

SHARES AND DEBENTURES

During the financial year, the issued and paid-up share capital of the Company was increased from RM2,500 to RM30,252,250 by way of issuance of 302,497,500 new ordinary shares at a price of RM0.10 per ordinary share for a total consideration of RM30,249,750 for the acquisition of 100% equity interest in Saliran Industrial Supplies Sdn. Bhd., pursuant to the share sale agreement dated 7 June 2024. The acquisition was completed on 14 November 2024. The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

For the financial year ended 31 December 2024 (Cont'd)

DIRECTORS OF THE COMPANY

The directors in office during the financial year and from the end of the financial year to the date of this report are:-

Liaw Choon Wei* (First Director)
Chan Koon Wai* (First Director)

Dato' Low Suet Moi (Appointed on 6 June 2024)
Datuk Khoo Teck Kee (Appointed on 6 June 2024)
Kok Tai Meng (Appointed on 6 June 2024)
Ooi Gin Hui (Appointed on 6 June 2024)

Lim Bak Teik* (First Director; Resigned on 6 June 2024)

Other than as stated above, the names of the directors of the subsidiaries of the Company in office during the financial year an during the year from the end of the financial year to the date of this report are:

Tan Peng Choon

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, the interests of directors in office at the end of the financial year in the ordinary shares of the Company and its related corporations during the financial year were as follows:

	✓ No. of ordinary shares —				
	At			At	
	1.1.2024	Allotments	Sold	31.12.2024	
Interest in the Company					
<u>Direct interest</u>					
Liaw Choon Wei	1,275	-	(1,275)	-	
Chan Koon Wai	1,075	-	(1,075)	-	
Indirect interest					
Liaw Choon Wei ^	-	302,500,000	-	302,500,000	
Chan Koon Wai ^	-	302,500,000	-	302,500,000	

[^] Deemed interested through shares held by Maju Alliance Sdn. Bhd. pursuant to Section 8(4) of the Companies Act 2016.

By virtue of Liaw Choon Wei and Chan Koon Wai interests in the ordinary shares of the Company, these Directors are deemed to be interested in the ordinary shares of all the subsidiary companies to the extent that the Company has an interest.

Other than those disclosed above, none of the other directors holding office at the end of the financial year held any interest in the ordinary shares of the Company and of its related corporations during the financial year.

^{*} Directors of the Company and of its subsidiary companies



For the financial year ended 31 December 2024 (Cont'd)

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" of this report), by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest, except for any benefits which may deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 29 to the financial statements.

The details of the directors' remuneration paid to or receivable by the directors of the Group and of the Company during the financial year are as follows: -

	Group	Company	
	RM	RM	
Fees	562,470	442,825	
Salaries, bonus and allowances	1,316,578	857,490	
Employees provident fund	151,991	96,900	
Employment insurance system	500	250	
Social security costs	4,368	2,184	
	2,035,907	1,399,649	

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other corporate.

ULTIMATE HOLDING COMPANY

The Directors regard, Maju Alliance Sdn. Bhd., a company incorporated and domiciled in Malaysia, as the holding company and ultimate holding company.

INDEMNIFYING TO DIRECTORS, OFFICERS AND AUDITORS

No indemnities was given to nor was there any insurance effected for the directors, officers and auditors of the Group and of the Company during the financial year.

SIGNIFICANT EVENTS

The details of significant events during the financial year were set out in Note 39 to the financial statements.

For the financial year ended 31 December 2024 (Cont'd)

SUBSEQUENT EVENTS

The details of subsequent events during the financial year were set out in Note 40 to the financial statements.

AUDITORS

a) The auditors' remuneration of the Group and of the Company during the financial year ended 31 December 2024 are as follows: -

	Group	Company
	RM	RM
Audtiors' remuneration : -		
- Statutory audit		
- current year	285,000	80,000
- prior year	47,200	200
- Non-statutory audit		
- current year	60,000	1,000
- prior year	5,000	-
- Non-audit services	291,000	241,000
	688,200	322,200

b) The auditors, Kreston John & Gan, Chartered Accountants, have indicated their willingness to accept re-appointment.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors

Liaw Choon Wei Chan Koon Wai

Kuala Lumpur, Date: 25 April 2025



INDEPENDENT AUDITORS' REPORT

to the members of Saliran Group Berhad (Formerly known as Saliran Group Sdn. Bhd.) (Incorporated in Malaysia, Registration No. 202001022591 (1378911-A))

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Saliran Group Berhad, which comprise the statements of financial position as at 31 December 2024, of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 67 to 133.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws* (on *Professional Ethics, Conduct and Practice*) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants* (including International Independence *Standards*) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of the most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue Recognition

(Refer to summary of Material accounting policy information in Note 3(g) and the disclosure of revenue in Note 24 to the financial statements)

Revenue is the most significant account in the financial statements and also an important driver of the Group's operating results. We identified revenue recognition to be an area of audit focus as it is to be a possible cause of higher risk of material misstatements in the timing and amount of revenue recognised. Specifically, we focused our audit efforts to determine possibility of overstatement of revenue.

Our procedures to address this area of audit focus include, amongst others, the following: -

- Evaluated whether the accounting policy adopted by the management is consistent with the requirements of MFRS 15, Revenue from Contracts with Customers;
- Gained an understanding of the Group's internal controls over the timing and amount of revenue recognition;
- Verified the supporting documents for transactions selected based on sampling basis which evidenced the delivery of goods to customers; and
- Checked the sales prior and subsequent to the year end to assess whether the revenue was recognised in the correct period.

INDEPENDENT AUDITORS' REPORT

to the members of Saliran Group Berhad (Formerly known as Saliran Group Sdn. Bhd.) (Incorporated in Malaysia, Registration No. 202001022591 (1378911-A)) (Cont'd)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (cont'd)

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the Directors' Report and Statement on Risk Management and Internal Control included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon, which we obtained prior to the date of this auditors' report, and the remaining parts of the annual report, which are expected to be made available to us after that date.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the remaining parts of the annual report, if we conclude that there is material misstatement therein, we are required to communicate the matter to the Directors of the Company and take appropriate actions in accordance with approved standards on auditing in Malaysia and International Standards on Auditing.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are
 appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the
 Group's and the Company's internal control.



INDEPENDENT AUDITORS' REPORT

to the members of Saliran Group Berhad (Formerly known as Saliran Group Sdn. Bhd.) (Incorporated in Malaysia, Registration No. 202001022591 (1378911-A)) (Cont'd)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: - (cont'd)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

- (a) As disclosed in Note 41 to the financial statements, the comparative information of the Group have been prepared in relation to the listing of the ordinary shares of Saliran Group Berhad on the ACE Market of Bursa Malaysia Securities Berhad.
- (b) This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Kreston John & Gan (AF 0113) Chartered Accountants

Kuala Lumpur, Date: 25 April 2025 Yong Chung Sin Approval No: 02892/04/2026 J Chartered Accountant

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

		2024	2023
	Note	RM	RM
ASSETS			
Non-Current Assets			
Property, plant and equipment	5	23,064,836	24,113,734
Investment properties	6	14,403,062	14,614,284
Other investments	7	2,500,000	2,457,990
Total Non-Current Assets		39,967,898	41,186,008
Current Assets			
Inventories	9	10,416,561	12,477,008
Trade receivables	10	75,578,116	65,967,803
Other receivables, deposits and prepayments	11	1,440,545	719,046
Amount due from ultimate holding company	12	21,146	-
Fixed deposits with licensed banks	13	17,436,496	9,246,123
Cash and bank balances		38,278,650	18,253,879
Total Current Assets		143,171,514	106,663,859
Total Assets		183,139,412	147,849,867
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	14 (a)	30,252,250	2,500
Invested equity	14 (b)	-	3,480,000
Merger deficit	14 (c)	(26,769,750)	-
Retained profits	15	39,953,114	26,748,817
		43,435,614	30,231,317
Non-controlling interests	16	-	-
Total Equity		43,435,614	30,231,317
Non-Current Liabilities			
Deferred tax liabilities	17	120,643	32,980
Borrowings	18	31,396,377	32,757,602
Lease liabilities	20	120,406	90,594
Total Non-Current Liabilities		31,637,426	32,881,176
Current Liabilities			
Trade payables	21	19,799,883	22,989,091
Other payables and accruals	22	4,152,008	5,226,750
Borrowings	18	77,446,840	52,124,594
Lease liabilities	20	214,603	104,148
Current tax liabilities		6,453,038	4,292,791
Total Current Liabilities		108,066,372	84,737,374
Total Liabilities		139,703,798	117,618,550
Total Equity and Liabilities		183,139,412	147,849,867

The accompanying accounting policies and explanatory notes form an integral part of the financial statements



CONSOLIDATED STATEMENT OF PROFIT OR LOSS

AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 December 2024

		2024	2023
	Note	RM	RM
Revenue	24	344,514,779	243,159,905
Cost of sales		(285,604,658)	(202,101,310)
Gross profit		58,910,121	41,058,595
Other operating income	25	2,076,005	1,526,018
Administrative expenses		(34,112,075)	(23,629,536)
Profit from operations		26,874,051	18,955,077
Finance costs	26	(6,797,663)	(4,864,981)
Profit before taxation	27	20,076,388	14,090,096
Taxation	30	(6,872,091)	(3,940,774)
Profit for the financial year, representing total comprehensive income for the financial year		13,204,297	10,149,322
Profit for the financial year, representing total comprehensive income for the financial year attributable to:-			
- Owners of the Company		13,204,297	9,919,949
- Non-controlling interests		-	229,373
		13,204,297	10,149,322
Earnings per share (sen)			
- Basic	31	4.37	3.28
- Diluted	31	4.37	3.28

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2024

		← Non-Di	Mon-Distributable →	Distributable		Non-	
	Share capital	Invested equity	Merger deficit	Retained profits	Total	controlling interest	Total equity
	RM	RM	RM	RM	RM	RM	RM
At 1 January 2023	2,500	3,480,000	I	16,626,690	20,109,190	210,478	20,319,668
Acquisition of additional shares in a subsidiary from non-controlling interests	1	ı	ı	202,178	202,178	(439,851)	(237,673)
Profit for the financial year, representing total comprehensive income for the financial year	ı	I	ı	9,919,949	9,919,949	229,373	10,149,322
At 31 December 2023	2,500	3,480,000	,	26,748,817	30,231,317	,	30,231,317
Issuance of ordinary shares for:							
- Acquisition of subsidiaries in business combinations under common control (Note 14)	30,249,750	(3,480,000)	(26,769,750)	1	ı	1	1
Profit for the financial year, representing total comprehensive income for the	,	,	,	13 204 207	13 204 297	1	13 204 207
At 31 December 2024	30,252,250	1	(26,769,750)	39,953,114	43,435,614	1	43,435,614

The accompanying accounting policies and explanatory notes form an integral part of the financial statements

CONSOLIDATED STATEMENT OF CASH FLOWSFor the financial year ended 31 December 2024

	Note	2024 RM	2023 RM
Cash flows from operating activities			
Profit before taxation		20,076,388	14,090,096
Adjustments for : -			
Bad debt written off		-	31,556
Depreciation of property, plant and equipment		545,076	456,572
Depreciation of investment properties		211,222	211,222
Depreciation of right-of-use assets		1,017,174	1,181,849
Gain on disposal of rights-of-use assets		-	(307,396)
Gain on lease modification		-	(32,128)
Impairment loss on trade receivables		9,160	2,807,699
Interest expense		6,797,663	4,864,981
Interest income		(562,194)	(27,910)
Loss on disposal of other investment		91,462	-
Loss on disposal of property, plant and equipment		2,500	-
Property, plant and equipment written off		-	174,412
Reversal of impairment loss on trade receivables		(130,566)	-
Unrealised gain on foreign exchange		(630,273)	-
Operating profit before working capital changes		27,427,612	23,450,953
Changes in working capital : -			
Inventories		2,060,447	(591,251)
Trade receivables		(8,846,721)	(24,275,894)
Other receivables, deposit and prepayment		(721,499)	3,995,299
Amount due from ultimate holding company		(21,146)	-
Trade payables		(3,157,182)	7,414,994
Other payables and accruals		(1,074,742)	3,055,718
Net cash generated from operations		15,666,769	13,049,819
Income tax paid		(4,624,181)	(2,307,774)
Interest paid		(6,797,663)	(4,864,981)
Interest received		562,194	27,910
Net cash from operating activities		4,807,119	5,904,974
Balance carried forward		4,807,119	5,904,974

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2024 (Cont'd)

		2024	2023
	Note	RM	RM
Balance brought forward		4,807,119	5,904,974
Cash flows from investing activities			
Acquisition of additional shares in a subsidiary from non-controlling interests		-	(237,673)
Addition on property, plant and equipment	32	(61,039)	(1,471,644)
Purchase of other investment		(500,000)	(1,000,000)
Proceeds from disposal of other investments		366,528	-
Proceeds from disposal of property, plant and equipment		20,000	-
Proceeds from disposal of right-of-use assets		-	370,839
Net cash used in investing activities		(174,511)	(2,338,478)
Cash flows from financing activities			
Repayment to directors		-	(251,470)
Increase in fixed deposits pledged		(8,190,373)	(4,423,673)
Drawdown of term loans		5,610,000	2,013,230
Repayment of term loans		(6,458,198)	(1,844,316)
Net drawdown of bankers' acceptances		111,000	458,000
Repayment of hire purchase		(811,070)	(1,067,562)
Net drawdown of invoice financing		13,281,403	6,895,596
Net repayment of revolving credit		(87,275)	(4,654)
Net drawdown of trust receipts		12,734,410	12,636,639
Repayment of lease liabilities		(218,546)	(372,760)
Net cash from financing activities		15,971,351	14,039,030
Net increase in cash and cash equivalents		20,603,959	17,605,526
Cash and cash equivalents at beginning of the financial year		13,292,492	(4,313,034)
Effect of foreign exchange		(43,939)	
Cash and cash equivalents at end of the financial financial year	34	33,852,512	13,292,492



STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

		2024	2023
	Note	RM	RM
ASSETS			
Non-Current Assets			
Investment in subsidiary companies	8	30,249,750	-
Total Non-Current Assets		30,249,750	-
Current Assets			
Other receivables, deposits and prepayments	11	39,150	-
Cash and bank balances		2,982	2,500
Total Current Assets		42,132	2,500
Total Assets		30,291,882	2,500
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	14 (a)	30,252,250	2,500
Accumulated losses		(3,910,435)	(22,950)
Total Equity		26,341,815	(20,450)
Current Liabilities			
Other payables and accruals	22	505,464	11,000
Amount due to a subsidiary company	23	3,444,603	11,950
Total Current Liabilities		3,950,067	22,950
Total Liabilities		3,950,067	22,950
Total Equity and Liabiltiies		30,291,882	2,500

STATEMENT OF PROFIT OR LOSS AND

OTHER COMPREHENSIVE INCOME

For the financial year ended 31 December 2024

		2024	2023
	Note	RM	RM
Revenue	24	-	-
Administrative expenses		(3,887,485)	(9,710)
Loss before taxation	27	(3,887,485)	(9,710)
Taxation	30	-	-
Loss for the financial year, representing total comprehensive loss for the			
financial year		(3,887,485)	(9,710)



STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2024

	Non- Distributable	Distributable	
	Share capital	Accumulated losses	Total
	RM	RM	RM
At 1 January 2023	2,500	(13,240)	(10,740)
Loss for the financial year, representing total comprehensive loss for the financial year	-	(9,710)	(9,710)
At 31 December 2023	2,500	(22,950)	(20,450)
Issuance of ordinary shares for:			
 Acquisition of subsidiaries in business combinations under common control (Note 14) 	30,249,750	-	30,249,750
Loss for the financial year, representing total comprehensive loss for the financial year	-	(3,887,485)	(3,887,485)
At 31 December 2024	30,252,250	(3,910,435)	26,341,815

STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2024

		2024	2023
	Note	RM	RM
Cash flows from operating activities			
Loss before taxation represents operating loss before changes in working capital		(3,887,485)	(9,710)
Changes in working capital: -			
Other receivables, deposits and prepayments		(39,150)	-
Amount due to a subsidiary company		3,432,653	11,950
Other payables and accruals		494,464	(2,240)
Net cash from operating activities		482	-
Net increase in cash and cash equivalents		482	-
Cash and cash equivalents at beginning of the financial year		2,500	2,500
Cash and cash equivalents at end of the financial year	34	2,982	2,500

31 December 2024

1. GENERAL INFORMATION

The Company is a public liability company, incorporated and domiciled in Malaysia.

The Company was incorporated in Malaysia under the Companies Act 2016 on 7 August 2020 as a private limited liability company. On 19 June 2024, the Company converted its legal form from a private limited liability company to a public limited liability company and assumed its current name, Saliran Group Berhad.

Bursa Malaysia Securities Berhad ("Bursa Securities"), has vide its letter dated 17 February 2025, approved admission of the Company to the Official List and the listing of and quotation for the entire enlarged issued share capital of the Company comprising 382,900,000 shares on the ACE Market of Bursa Securities ("Listing"). The ordinary shares were listed on the ACE Market of Bursa Securities on 13 March 2025.

The addresses of the registered office and principal place of business of the Company are as follows: -

Registered office : Level 7, Menara Milenium, Jalan Damanlela

Pusat Bandar Damansara Damansara Heights 50490 Kuala Lumpur

Wilayah Persekutuan Kuala Lumpur

Principal place of business : No 14 & 16, Jalan Industri PBP 5

Taman Industri Pusat Bandar Puchong

47100 Puchong Selangor Darul Ehsan

The ultimate holding company of the Company is Maju Alliance Sdn. Bhd., a company incorporated in Malaysia.

The Company is principally engaged in the investment holding activities. The principal activities of the subsidiary companies are set out in Note 8 to the financial statements.

These financial statements were authorised for issued in accordance with a resolution by the Board of Directors on 25 April 2025.

2. BASIS OF PREPARATION

a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

b) Adoption of amendments to MFRSs

The Group and the Company have adopted the following applicable amendments to MFRSs for the current financial year: -

Amendments to MFRSs

MFRS 7 Financial Instruments

MFRS 16 Leases

MFRS 101 Presentation of Financial Statements

MFRS 107 Statements of Cash Flows

The adoption of the above amendments to MFRSs did not have any significant effect on the financial statements of the Group and of the Company and did not result in significant changes to the Group's and the Company's existing accounting policies.

31 December 2024 (Cont'd)

Effective for financial

1 January 2025

Deferred

2. BASIS OF PREPARATION (cont'd)

- c) New MFRSs and amendments to MFRSs that have been issued, but yet to be effective
 - i) The Company has not adopted the following new MFRSs and amendments to MFRSs that have been issued but yet to be effective: -

		periods beginning on or after
New MFRS	<u>Ss</u>	
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
Amendmen	nts to MFRSs	
MFRS 7	Financial Instruments: Disclosure	1 January 2026
MFRS 9	Financial Instruments	1 January 2026
MFRS 10	Consolidated Financial Statements	Deferred

Annual Improvements to MFRS Accounting Standards - Volume 11

Investment in Associates and Joint Ventures

The Effect of Changes in Foreign Exchange Rates

Amendment to MFRSs

MFRS 121

MFRS 128

MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2026
MFRS 7	Financial Instruments : Disclosure	1 January 2026
MFRS 9	Financial Instruments	1 January 2026
MFRS 10	Consolidated Financial Statements	1 January 2026
MFRS 107	Statement of Cash Flows	1 January 2026

ii) The Group and the Company plan to adopt the above applicable new MFRSs and amendments to MFRSs when they become effective. A brief discussion on the above significant new MFRSs and amendment to MFRSs that may be applicable to the Company are summarised below.

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 18 replaces MFRS 101 Presentation of Financial Statements. It retains many requirements from MFRS 101 without modification.

MFRS 18 introduces two subtotals which are to be presented in the statement of profit or loss – including "operating profit", which has been specifically defined. Income and expenses shall be presented in five categories: operating, investing, financing, income taxes and discontinued operations.

MFRS 18 requires disclosure of explanations of the entity's company-specific measures that are related to the statement of profit or loss, referred to as management-defined performance measures ("MPMs"). The entity is required to reconcile MPMs to a total or subtotal required by MFRS 18 or another MFRS Accounting Standards. MFRS 18 also requires other disclosures, including how each MPM is calculated, what the MPM communication about the entity's financial performance, and any changes made to the MPMs in the year.

31 December 2024 (Cont'd)

2. BASIS OF PREPARATION (cont'd)

- c) New MFRSs and amendments to MFRSs that have been issued, but yet to be effective (cont'd)
 - ii) The Group and the Company plan to adopt the above applicable new MFRSs and amendments to MFRSs when they become effective. A brief discussion on the above significant new MFRSs and amendment to MFRSs that may be applicable to the Company are summarised below. (cont'd)

MFRS 18 Presentation and Disclosure in Financial Statements (cont'd)

MFRS 18 adds new principles for aggregation and disaggregation of information. It requires the entity to classify the expenses in the "operating" category in the profit or loss by nature or function, or both. The entity that classifies operating expenses by functions are required to disclose in the notes to the financial statements, the amount of depreciation, amortisation, employee benefits, impairment losses and write-downs of inventories included in each line in the operating category. Subject to materiality, MFRS 18 requires items presented or disclosed as "other" to be labelled and/or described in as faithfully representative and precise a way as possible.

The initial application of new MFRS and amendments to MFRSs are not expected to have any significant impact on the financial statements of the Group and of the Company.

d) Basis of measurement

The financial statements have been prepared on the historical cost basis unless otherwise as disclosed in Note 3.

e) Functional and presentation currency

The financial statements are presented in Ringgit Malaysia ("RM"), which is the Group's and the Company's functional currency.

3. MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies set out below have been applied consistently to the periods presented in these financial statements and have been applied consistently by the Company, unless otherwise stated.

- a) Basis of consolidation
 - i) Business combination

The Group applies the acquisition method except for combinations of entities or business under common control, to account for business combinations from the acquisition date when the acquired set of activities meets the definition of a business and control is transferred to Group.

Subsidiaries arising from common control combinations are consolidated using the principles of merger accounting. The common control combinations are business combinations in which all the combining entities have common ultimate controlling parties prior to and immediately after such combinations.

Under the principles of merger accounting, the assets and liabilities of the combining entities are consolidated using the existing book values from the controlling parties' perspective and the results of each of the combining entity are presented as if the combination had been effected throughout the current and previous comparative periods presented.

On consolidation, the cost of investment is matched against the nominal value of ordinary shares acquired and any resulting credit difference (merger reserve) is classified under equity as a non-distributable reserve and any resulting debit difference (merger deficit) is adjusted against suitable consolidated reserves.

31 December 2024 (Cont'd)

3. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

The accounting policies set out below have been applied consistently to the periods presented in these financial statements and have been applied consistently by the Company, unless otherwise stated. (cont'd)

a) Basis of consolidation (cont'd)

Non-controlling interests

At the acquisition date, components of non-controlling interests of the Group are measured at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

b) Separate financial statements

In the Company's statement of financial position, investment in subsidiary companies is measured at cost less any accumulated impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

Contributions to subsidiary companies are amounts for which the settlement is neither planned nor likely to occur in the foreseeable future are, in substance, considered as part of the Company's investment in the subsidiary companies.

c) Financial instruments

Financial assets - subsequent measurements and gains and losses

Financial assets at fair value through profit or loss

All financial assets not measured at amortised cost or fair value through other comprehensive income are subsequently measured at fair value. Net gains and losses, including any interest and dividend income, are recognised in profit or loss.

Debt instruments at amortised cost

Financial assets that are held within a business model whose objective is hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are subsequently measured at amortised cost using the effective interest method. The gross carrying amount is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities - subsequent measurements and gains and losses

The Group and the Company classify the financial liabilities at amortised cost. Financial liabilities are subsequently measured at amortised cost under the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

d) Property, plant and equipment

Property, plant and equipment (other than land and buildings and right-of-use assets) are measured at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land has an unlimited useful life and therefore is not depreciated.

31 December 2024 (Cont'd)

3. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

d) Property, plant and equipment (cont'd)

All other property, plant and equipment (other than right-of-use assets as disclosed in Note 5 are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives.

	Rate (%)
Air-conditioners	10
Buildings	2
Computer software	10
Electrical installation	10
Furniture and fittings	10
Motor vehicles	20
Office and warehouse equipment	10
Plant and machineries	10
Renovation	10
Signboards	10

e) Leases

i) Lessee accounting

The Group presents lease liabilities as separate lines in the statements of financial position.

Short-term leases and leases of low value assets

The Group has elected not to recognse right-of-use assets and lease liabilities for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. Accordingly, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Right-of-use assets

The right-of-use assets are measured at cost less accumulated depreciation and any accumulated impairment losses, and adjust for any remeasurement of the lease liabilities. The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Lease liabilities

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the incremental borrowing rate.

The Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

ii) Lessor accounting

The Group recognises lease payments received from investment properties under operating leases as income on a straight-line basis over the lease term as part of "other operating income".

31 December 2024 (Cont'd)

3. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

f) Investment properties

Investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land has an unlimited useful life and therefore is not depreciated. All other investment properties are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives.

Rate (%)

Land

Over the remaining lease periods

Buildings

2

g) Inventories

Inventories are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of inventories is measured by using the First-in First-Out method.

h) Revenue and other income

i) Revenue from contract with customers

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

The Group transfers control of a good or service at a point in time unless one of the following overtime criteria is met: -

- the customer simultaneously receives and consumes the benefits provided as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the Group's performance does not create an asset with an alternative use and the Group and the Company have an enforceable right to payment for performance completed to date.

If control of the assets is transferred over time, revenue is recognised over the period of the contract by reference to the progress towards the satisfaction of each of those performance obligations. Otherwise, revenue is recognised at a point in time when the customer obtain control over the goods or service.

Sale of goods

Revenue from the sale of goods is recognised upon delivery of goods where the control of the goods has been passed to the customers, net of goods and services taxes and discounts.

Deferred costs are recognised when the goods delivered to customers but pending installation and/or testing rendered to customers.



31 December 2024 (Cont'd)

3. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

h) Revenue and other income (cont'd)

ii) Rental income

Rental income is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Rental income from sub-leased property is recognised as other income.

iii) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset which is accounted for in accordance with accounting policy on borrowing costs

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity that have the most significant effect on the Group's and the Company's financial statements, or areas where assumptions and estimates that have a significant risk of resulting in a material adjustment to the Group's and the Company's financial statements within the next financial year are disclosed as follows:

i) Impairment of financial assets

The impairment provisions for the financial assets is based on assumptions about risk of default and expected loss rate. The Group uses judgement in making these assumptions and selecting inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimated at the end of each reporting period.

The assessment of the correlation between historical observed default rates, forward-looking estimates and expected credit losses is a significant estimate. The amount of expected credit losses is sensitive to changes in circumstances and forecast of economic conditions over the expected lives of the financial assets. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The information about impairment gains or losses on the Group's financial assets is disclosed in Note 36 to the financial statements.

31 December 2024 (Cont'd)

	At 1 January	Additions	Disposals	Reclassification	Derecognition due to lease modification	Written	At 31 December
	RM	RM	RM	RM	RM	RM	RM
Group							
2024							
At cost							
Freehold land	2,690,000	ı	1	1	ı	1	2,690,000
Buildings	4,693,251	ı	1	1	ı	1	4,693,251
Air-conditioners	51,486	I	ı	ı	ı	I	51,486
Computer software	26,333	ı	1	ı	1	I	26,333
Electrical installation	120,331	I	ı	ı	ı	I	120,331
Furniture and fittings	417,379	ı	ı	ı	ı	1	417,379
Motor vehicles	314,106	ı	ı	2,937,160	ı	1	3,251,266
Office and warehouse equipment	1,602,246	8,294	(25,000)	298,470	ı	ı	1,884,010
Plant and machineries	512,368	ı	•	2,557,912	ı	•	3,070,280
Renovation	754,214	7,380	ı	1	ı	1	761,594
Right-of-use assets	17,552,556	520,178	ı	(5,793,542)	ı	1	12,279,192
Signboards	20,750	ı	ı	1	1	ı	20,750
	28,755,020	535,852	(25,000)	ı	1	I	29,265,872

NOTES TO THE FINANCIAL STATEMENTS 31 December 2024

(Cont'd)

	At	Charge for the financial			Derecognition due to lease	Written	Ąţ
	1 January	year	Disposals	Reclassification	modification	off	31 December
	RM	RM	RM	RM	RM	RM	RM
Group (cont'd)							
2024							
Accumulated depreciation							
Buildings	218,509	93,866	1	I	1	1	312,375
Air-conditioners	11,100	5,150	1	ı	1	1	16,250
Computer software	4,758	1,704	I	ı	ı	1	6,462
Electrical installation	35,464	12,035	I	ı	ı	1	47,499
Furniture and fittings	133,486	39,934	ı	ı	ı	1	173,420
Motor vehicles	179,397	31,600	1	1,608,752	ı	1	1,819,749
Office and warehouse	428 98N	156 012	(0.500)	64 667	ı	1	647 159
Plant and machineries	411,469	133,095		1,026,965	1	ı	1,571,529
Renovation	257,856	69,535	1	1	1	1	327,391
Right-of-use assets	2,958,623	1,017,174	1	(2,700,384)	1	ı	1,275,413
Signboards	1,644	2,145	1	1	1	1	3,789
	4,641,286	1,562,250	(2,500)	ı	ı	1	6,201,036

PROPERTY, PLANT AND EQUIPMENT (cont'd)

31 December 2024 (Cont'd)

	At	-		-	Derecognition due to lease	Written	At
	i January RM	Additions	Disposals	Reciassification RM	modification RM	RM	si December
Group (cont'd)							
2023							
At cost							
Freehold land	2,690,000	ı	1	1	1	ı	2,690,000
Buildings	4,693,251	ı	1	ı	1	1	4,693,251
Air-conditioners	35,940	1,550	1	13,996	1	1	51,486
Computer software	9,288	17,045	ı	ı	ı	1	26,333
Electrical installation	120,331	10,036	ı	ı	ı	(10,036)	120,331
Furniture and fittings	263,355	154,024	ı	ı	ı	1	417,379
Motor vehicles	200,106	114,000	1	ı	ı	ı	314,106
Office and warehouse	1.210.375	393.431	1		ı	(1.560)	1,602,246
Plant and machineries	512,368	ı	1	1	1	1	512,368
Renovation	451,846	475,563	1	(13,996)	ı	(159,199)	754,214
Right-of-use assets	17,431,515	2,070,860	(869,700)	ı	(1,080,119)	1	17,552,556
Signboards	8,510	34,500	1	1	1	(22,260)	20,750
	27,626,885	3,271,009	(869,700)	I	(1,080,119)	(193,055)	28,755,020

NOTES TO THE FINANCIAL STATEMENTS 31 December 2024

(Cont'd)

	At	Charge for the financial	-		Derecognition due to lease		At
	l January RM	year	Disposais	Reclassification	modification	Written off	31 December RM
Group (cont'd)							
2023							
Accumulated depreciation							
Buildings	124,644	93,865	1	1	1	ı	218,509
Air-conditioners	6,379	3,788	I	933	1	I	11,100
Computer software	3,715	1,043	I	ı	1	I	4,758
Electrical installation	23,430	12,954	I	ı	ı	(920)	35,464
Furniture and fittings	97,480	36,006	I	ı	1	I	133,486
Motor vehicles	145,785	33,612	I	ı	ı	I	179,397
Office and warehouse equipment	281,129	149,151	I	1	1	(1,300)	428,980
Plant and machineries	360,232	51,237	1	1	1	ı	411,469
Renovation	199,878	72,242	1	(933)	1	(13,331)	257,856
Right-of-use assets	3,115,352	1,181,849	(806,257)	I	(532,321)	I	2,958,623
Signboards	2,062	2,674	1	1	1	(3,092)	1,644
	4,360,086	1,638,421	(806,257)	1	(532,321)	(18,643)	4,641,286

PROPERTY, PLANT AND EQUIPMENT (cont'd)

31 December 2024 (Cont'd)

5. PROPERTY, PLANT AND EQUIPMENT (cont'd)

		Group
	2024	2023
	RM	RM
Carrying amounts		
Freehold land	2,690,000	2,690,000
Buildings	4,380,876	4,474,742
Air-conditioners	35,236	40,386
Computer software	19,871	21,575
Electrical installation	72,832	84,867
Furniture and fittings	243,959	283,893
Motor vehicles	1,431,517	134,709
Office and warehouse equipment	1,236,851	1,173,266
Plant and machineries	1,498,751	100,899
Renovation	434,203	496,358
Right-of-use assets	11,003,779	14,593,933
Signboards	16,961	19,106
	23,064,836	24,113,734

- (a) The freehold land and buildings of the Group at carrying amount of RM7,070,876 (2023 RM7,164,742) have been pledged to licensed banks as securities for credit facilities granted to the Group as disclosed in Notes 18 and 19 to the financial statements.
- (b) The motor vehicles with carrying amount of RM1,328,408 (2023 RM1,641,779) were held under hire purchase arrangements. These assets have been pledged as security for the hire purchase payables of the Group as disclosed in Notes 18 and 20 to the financial statements.
- (c) The plant and machineries with carrying amount of RM1,073,480 (2023 RM1,704,872) were held under hire purchase arrangements. These assets have been pledged as security for the hire purchase payables of the Group as disclosed in Notes 18 and 20 to the financial statements.
- (d) The office and warehouse equipment with carrying amount of RM233,803 (2023 RM263,649) were held under hire purchase arrangements. This asset has been pledged as security for the hire purchase payables of the Group as disclosed in Notes 18 and 20 to the financial statements.



31 December 2024 (Cont'd)

5. PROPERTY, PLANT AND EQUIPMENT (cont'd)

The details of right-of-use assets are as follows: -

	At 1 January	Additions	Reclassification	Derecognition due to lease modification	At 31 December
	RM	RM	RM	RM	RM
Group					
2024					
At cost					
Leasehold land	11,000,000	-	-	-	11,000,000
Motor vehicles	2,775,795	161,365	(2,937,160)	-	-
Office and warehouse equipment	298,470		(298,470)		
Plant and machineries	2,557,912		(2,557,912)	_	
Workshop	360,911	_	(2,337,312)	_	360,911
Office and warehouse	559,468	358,813	_	_	918,281
Office and wateriouse	17,552,556	520,178	(5,793,542)		12,279,192
	17,002,000	320,170	(5,735,542)	_	12,213,132
	At	Charge for the		Derecognition due to lease	At
	1 January	_	Reclassification	modification	31 December
	RM	RM	RM	RM	RM
Accumulated depreciation					
Leasehold land	199,535	122,791	-	-	322,326
Motor vehicles	1,134,016	474,736	(1,608,752)	-	-
Office and warehouse equipment	34,821	29,846	(64,667)	_	_
Plant and machineries	853,040	173,925	(1,026,965)	_	_
Workshop	221,624	52,393	-	-	274,017
Office and warehouse	515,587	163,483	-	-	679,070
	2,958,623	1,017,174	(2,700,384)	-	1,275,413

31 December 2024 (Cont'd)

5. PROPERTY, PLANT AND EQUIPMENT (cont'd)

The details of right-of-use assets are as follows: - (cont'd)

	At 1 January RM	Additions RM	Disposal RM	Derecognition due to lease modification RM	At 31 December RM
Group (cont'd)					
2023					
At cost					
Leasehold land	11,000,000	-	-	-	11,000,000
Motor vehicles	2,214,096	1,431,399	(869,700)	-	2,775,795
Office and warehouse equipment	298,470	-	-	-	298,470
Plant and machineries	2,063,432	494,480	-	-	2,557,912
Workshop	215,930	144,981	-	-	360,911
Office and warehouse	1,639,587	-	-	(1,080,119)	559,468
	17,431,515	2,070,860	(869,700)	(1,080,119)	17,552,556
	At 1 January	Charge for the financial year	Disposal	Derecognition due to lease modification	At 31 December
	RM	RM	RM	RM	RM
Accumulated depreciation					
Leasehold land	76,744	122,791	-	-	199,535
Motor vehicles	1,504,294	435,979	(806,257)	-	1,134,016
Office and warehouse equipment	4,974	29,847	-	-	34,821
Plant and machineries	615,894	237,146	-	-	853,040
Workshop	172,204	49,420	-	-	221,624
Office and warehouse	741,242	306,666		(532,321)	515,587
	3,115,352	1,181,849	(806,257)	(532,321)	2,958,623
					Group
				2024	2023
				RM	RM
Carrying amounts					
Leasehold land				10,677,674	10,800,465
Motor vehicles				-	1,641,779
Office and warehouse equipment	t			-	263,649
Plant and machineries				-	1,704,872
Workshop				86,894	139,287
Office and warehouse				239,211	43,881
				11,003,779	14,593,933

The leasehold land of the Group at carrying amount of RM10,677,674 (2023 – RM10,800,465) has a remaining lease period of 87 years (2023 – 88 years) expiring in year of 2111 and it has been pledged to licensed banks as securities for credit facilities granted to the Group as disclosed in in Notes 18 and 19 to the financial statements.



31 December 2024 (Cont'd)

6. INVESTMENT PROPERTIES

	Freehold	Leasehold	Duildings	Total
	land RM	land RM	Buildings RM	RM
	KIVI	RIVI	RIVI	RIVI
Group				
2024				
At cost				
At 1 January/31 December	1,600,000	8,750,000	4,903,752	15,253,752
Accumulated depreciation				
At 1 January	-	301,725	337,743	639,468
Charge for the financial year	-	113,147	98,075	211,222
At 31 December	-	414,872	435,818	850,690
Carrying amount	1,600,000	8,335,128	4,467,934	14,403,062
2023				
At cost				
At 1 January/31 December	1,600,000	8,750,000	4,903,752	15,253,752
Accumulated depreciation				
At 1 January	-	188,578	239,668	428,246
Charge for the financial year	-	113,147	98,075	211,222
At 31 December	-	301,725	337,743	639,468
Carrying amount	1,600,000	8,448,275	4,566,009	14,614,284

The freehold land, leasehold land and buildings of the Company at carrying amount of RM14,403,062 (2023 – RM14,614,284) have been pledged to licensed banks as securities for credit facilities granted to the Group as disclosed in Notes 18 and 19 to the financial statements.

The following are recognised in profit or loss in respect of investment properties : -

		Group
	2024	2023
	RM	RM
Rental income	728,628	790,486
Direct operating expenses from property that generated rental income	45,652	24,614

31 December 2024 (Cont'd)

7. OTHER INVESTMENTS

		Group
	2024	2023
	RM	RM
Non-current		
Financial assets at fair value through profit or loss		
Keyman insurance contracts	2,500,000	2,457,990

Keyman insurance contracts relates to life insurance policies insured for all Directors of the Group.

The keyman insurance contracts represent the expected cash value from the life insurance policies which have been assigned to licensed banks as security for banking facilities granted to the Group as disclosed in Notes 18 and 19 to the financial statements.

8. INVESTMENT IN SUBSIDIARY COMPANIES

		Company
	2024	2023
	RM	RM
Unquoted shares, at cost	30,249,750	

The details of the subsidiary companies are as follows: -

Name of subsidiary companies	Principal place of business Principal activities		Effective ownership interest	
			2024	2023
			%	%
Subsidiary company of the Company				
Saliran Industrial Supplies Sdn. Bhd.	Malaysia	Supply and distribution of pipes, fittings, and flanges as well as steel products	100	-
Subsidiary companies of Saliran Industrial	Supplies Sdn	. Bhd.		
Saliran Flanges & Fittings Sdn. Bhd.	Malaysia	Supply and distribution of pipes, fittings, and flanges as well as steel products	100	-
Saliran Precision Engineering Sdn. Bhd.	Malaysia	Manufacturing of fittings and flanges	100	-
Saliran Industries Sdn. Bhd.	Malaysia	Supply and distribution of pipes, fittings, and flanges as well as steel products	100	-
JS Tech Marketing Sdn.Bhd.	Malaysia	Supply and distribution of pipes, fittings, and flanges as well as steel products	100	-



31 December 2024 (Cont'd)

8. INVESTMENT IN SUBSIDIARY COMPANIES (cont'd)

Acquisition of subsidiary company ("Pre-IPO Reorganisation")

On 7 June 2024, the Company entered into a share sale agreement to acquire the entire issued equity interest in Saliran Industrial Supplies Sdn. Bhd. ("**SISSB**") for a total purchase consideration of RM30,249,750 which was wholly satisfied by the issuance of 302,497,500 shares in the Company at RM0.10 per shares.

The Pre-IPO Reorganisation was completed on 14 November 2024 and SISSB became the Company's wholly owned subsidiary company.

9. INVENTORIES

		Group
	2024	2023
	RM	RM
At cost		
Trading goods	10,273,884	12,325,851
Finished goods	142,677	151,157
	10,416,561	12,477,008
Recognised in profit or loss : -		
Inventories recognised as cost of sales during the financial year	316,371,951	232,739,815

10. TRADE RECEIVABLES

		Group
	2024	2023
	RM	RM
Trade receivables	80,137,334	70,648,427
Less: impairment losses (Note 36(b)(i))	(4,559,218)	(4,680,624)
	75,578,116	65,967,803

The Group's normal trade credit terms range from 30 to 120 days (2023 – 30 to 120 days). Other credit terms are assessed and approved on a case-by-case basis.

11. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

		Cor	Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Other receivables	186,718	48,033	-	-
Deposits	1,061,218	544,941	39,150	-
Prepayments	192,609	126,072	-	-
	1,440,545	719,046	39,150	-

31 December 2024 (Cont'd)

12. AMOUNT DUE FROM ULTIMATE HOLDING COMPANY

The amount due from ultimate holding company which arose mainly from inter-company advances and payments made on behalf is unsecured, interest free and repayable on demand.

13. FIXED DEPOSITS WITH LICENSED BANKS

- a) The fixed deposits with licensed banks of the Group at the end of the reporting period bore effective interest rates ranging from 2.00% to 3.00% (2023 1.50% to 2.85%) per annum. The fixed deposits have maturity periods ranging from 1 to 12 (2023 1 to 12) months.
- b) Included in the fixed deposits with licensed banks of the Group at the end of the reporting period was a sum of RM17,436,496 (2023 RM9,246,123) which have been pledged to licensed banks as securities for bank credit facilities granted to the Group as disclosed in Notes 18 and 19 to the financial statements.

14. SHARE CAPITAL, INVESTED EQUITY AND MERGER DEFICIT

a) Share capital

	Number of ordinary shares Amo	Amount
	Unit	RM
Group and Company		
Issued and fully paid : -		
Ordinary shares with no par value		
At 1 January 2023/31 December 2023/1 January 2024	2,500	2,500
Issuance of ordinary shares for:		
- acquisition of subsidiary company in business combination under common control	302,497,500	30,249,750
At 31 December 2024	302,500,000	30,252,250

During the financial year, the issued and fully paid-up ordinary share capital of the Company was increased from RM2,500 to RM30,252,250 by way of issuance of 302,497,500 new ordinary shares at an issue price of RM0.10 per share pursuant to the acquisition of subsidiary company as disclosed in Note 8 to the financial statements.

The new ordinary shares issued during the financial year rank pari passu in all respects with the existing ordinary shares of the Company.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per ordinary share at meetings of the Company. All ordinary shares rank pari passu with regard to the Company's residual assets.

31 December 2024 (Cont'd)

14. SHARE CAPITAL, INVESTED EQUITY AND MERGER DEFICIT (cont'd)

b) Invested equity

	2024		2023	
	Number of ordinary shares	Amount	Number of ordinary shares	Amount
Group	Unit	RM	Unit	RM
Issued and fully paid: -				
Ordinary shares				
At beginning of the financial year	3,480,000	3,480,000	3,480,000	3,480,000
Elimination of issued and paid ordinary share capital of the subsidiary company as an effect of business combination	(3.480.000)	(3.480.000)		
under common control (Note 8)	(3,480,000)	(3,480,000)		
At end of the financial year	-	-	3,480,000	3,480,000

Invested equity for the financial year ended 31 December 2023 comprised the aggregate number of issued and paid-up ordinary shares of the combined entities of the Group. During the financial year, the amount has been reversed pursuant to the completion of the acquisitions of subsidiaries.

c) Merger deficit

The merger deficit arose from the difference between the carrying value of the investment in subsidiaries and the nominal value of shares of the Company's subsidiaries upon consolidation under the merger accounting principles.

15. RETAINED PROFITS

The Company may distribute dividends out of its retained profits under the single tier system to its shareholders without tax consequences.

31 December 2024 (Cont'd)

16. NON-CONTROLLING INTERESTS

	2024	2023
Group	RM	RM
At 1 January	-	210,478
Profit allocated	-	229,373
Effect of acquisition of non-controlling interests	-	(439,851)
At 31 December	-	-

The Group's subsidiary companies that had non-controlling interest (" ${f NCI}$ ") was as follows : -

	2023
Saliran Precision Engineering Sdn. Bhd.	
NCI percentage of ownership and voting interest (%)	NA
Carrying amount of NCI (RM)	-
Profit allocated to NCI (RM)	229,373

Summarised financial information for each subsidiary company that had non-controlling interests before intergroup elimination : -

17.11.2023

	RM
Saliran Precision Engineering Sdn. Bhd.	
Non-current assets	1,530,749
Current assets	1,442,310
Non-current liabilities	(721,872)
Current liabilities	(698,690)
Net assets	1,552,497
Revenue	3,032,051
Profit for the financial period, representing total comprehensive income for the financial period	764,575
Profit attributable to owners of the Company	535,202
Non-controlling interest	229,373
	764,575
Cash flows from operating activities	277,093
Cash flows from investing activities	6,888
Cash flows used in financing activities	(592,819)
Net decrease in cash and cash equivalents	(308,838)
Dividend paid to NCI	-



31 December 2024 (Cont'd)

17. DEFERRED TAX LIABILITIES

The components of deferred tax liabilities during the financial year is as follows: -

	Group	
	2024	2023
	RM	RM
Deferred tax liabilities		
Accelerated capital allowance	120,643	32,980

The movements of deferred tax liabilities during the financial year is as follows: -

	Group	
	2024	2023
	RM	RM
Deferred tax liabilities		
At beginning of the financial year	32,980	217,257
Recognised in profit or loss	87,663	(184,277)
At end of the financial year	120,643	32,980

As at the reporting period, the Group has the following temporary differences which are not recognised as deferred tax assets in the financial statements as it is not probable that future taxable income will be available to allow the assets to be utilised: -

	Group	
	2024 RM	2023 RM
Unabsorbed capital allowances	126,251	92,695
Unutilised tax losses		
- Expires in YA 2033	1,026,209	1,026,209
- Expires in YA 2034	831,768	-
Taxable temporary differences	(46,106)	(68,424)
	1,938,122	1,050,480

31 December 2024 (Cont'd)

18. BORROWINGS

Group	2024 RM	2023 RM
Non-Current Liabilities	DIM	Tivi
Secured		
Hire purchase	1,210,661	1,749,163
Term loans	30,185,716	31,008,439
	31,396,377	32,757,602
Current Liabilities		
Secured		
Bankers' acceptances	1,562,000	1,451,000
Bank overdraft	4,426,138	4,961,387
Hire purchase	633,813	790,381
Invoice financing	28,745,379	15,463,976
Revolving credit	1,308,071	1,395,346
Term loans	2,274,512	2,299,987
Trust receipts	38,496,927	25,762,517
	77,446,840	52,124,594
Total Borrowings		
Secured		
Bankers' acceptances (Note 18(a))	1,562,000	1,451,000
Bank overdraft (Note 18(b))	4,426,138	4,961,387
Hire purchase (Note 18(c))	1,844,474	2,539,544
Invoice financing (Note 18(d))	28,745,379	15,463,976
Revolving credit (Note 18(e))	1,308,071	1,395,346
Term loans (Note 19)	32,460,228	33,308,426
Trust receipts (Note 18(f))	38,496,927	25,762,517
	108,843,217	84,882,196

	Group	
	2024 RM	2023
		RM
Bankers' acceptance 1	1,164,000	1,451,000
Bankers' acceptance 2	398,000	-
	1,562,000	1,451,000

31 December 2024 (Cont'd)

18. BORROWINGS (cont'd)

a) Bankers' acceptances (cont'd)

Bankers' acceptance 1 is secured by the followings: -

- i) jointly and severally guaranteed by certain directors of the Group;
- ii) life insurance under the name of a director of the Group and of the Company;
- iii) Syarikat Jaminan Pembiayaan Perniagaan Berhad (SJPP) guarantee under Working Capital Guarantee Scheme; and
- iv) fixed deposit pledged as disclosed in Note 13 to the combined financial statements.

Bankers' acceptance 2 is secured by the followings: -

- i) jointly and severally guaranteed by certain directors of the Group and of the Company;
- ii) corporate guarantee by the subsidiary company, Saliran Industrial Supplies Sdn. Bhd.; and
- iii) guarantee by Syarikat Jaminan Pembiayaan Perniagaan Berhad (SJPP).

The bankers' acceptances of the Group bear interest rate ranged from 5.58% to 5.75% (2023 – 5.55% to 5.80%) per annum.

b) Bank overdrafts

	Group	
	2024	2023
	RM	RM
Bank overdraft 1	1,394,916	1,428,199
Bank overdraft 2	358,544	281,831
Bank overdraft 3	889,486	853,260
Bank overdraft 4	332,787	416,898
Bank overdraft 5	697,051	389,487
Bank overdraft 6	-	1,099,571
Bank overdraft 7	-	24,413
Bank overdraft 8	25,408	109,518
Bank overdraft 9	207,840	237,571
Bank overdraft 10	38,757	120,639
Bank overdraft 11	481,349	
	4,426,138	4,961,387

31 December 2024 (Cont'd)

18. BORROWINGS (cont'd)

b) Bank overdrafts (cont'd)

Bank overdraft 1 is secured by the followings: -

- first party legal charge over the investment properties, freehold land and buildings as disclosed in Notes 5 and 6 to the financial statements;
- ii) jointly and severally guaranteed by certain directors of the Group and of the Company;
- iii) Level term assurance under the name of certain directors of the Group and of the Company; and
- iv) fixed deposit pledged as disclosed in Note 13 to the financial statements.

Interest of bank overdraft 1 is charged at 1.25% per annum above the licensed bank's prevailing Base Lending Rate. Interest of bank overdraft 1 was charged at BNM's Funding Rate of 6.00% per annum.

Bank overdraft 2 is secured by the followings: -

- i) jointly and severally guaranteed by certain directors of the Group and of the Company;
- ii) life insurance under the name of a director of the Group and of the Company;
- iii) Syarikat Jaminan Pembiayaan Perniagaan Berhad (SJPP) guarantee under Working Capital Guarantee Scheme; and
- iv) fixed deposit pledged as disclosed in Note 13 to the financial statements.

Interest of bank overdraft 2 is charged at 0.50% (2023 – 0.50%) per annum above the licensed bank's prevailing Base Lending Rate.

Bank overdraft 3 is secured by the followings: -

- i) jointly and severally guaranteed by certain directors of the Group and of the Company;
- ii) Syarikat Jaminan Pembiayaan Perniagaan Berhad (SJPP) guarantee under Working Capital Guarantee Scheme; and
- iii) fixed deposit pledged as disclosed in Note 13 to the financial statements.

Interest of bank overdraft 3 is charged at 1.50% (2023 – 1.50%) per annum above the licensed bank's prevailing Base Lending Rate.

Bank overdraft 4 is secured by the followings: -

- i) jointly and severally guaranteed by certain directors of the Group and of the Company;
- ii) Syarikat Jaminan Pembiayaan Perniagaan Berhad (SJPP) guarantee under Government Guarantee Scheme; and
- iii) fixed deposit pledged as disclosed in Note 13 to the financial statements.

Interest of bank overdraft 4 is charged at 1.00% (2023 – 1.00%) per annum above the licensed bank's prevailing Base Financing Rate.



31 December 2024 (Cont'd)

18. BORROWINGS (cont'd)

b) Bank overdrafts (cont'd)

Bank overdraft 5 is secured by the followings: -

- i) jointly and severally guaranteed by certain directors of the Group and of the Company; and
- ii) fixed deposit pledged as disclosed in Note 13 to the financial statements.

Interest of bank overdraft 5 is charged at 1.50% (2023 – 1.50%) per annum above the licensed bank's prevailing Base Lending Rate.

Bank overdraft 6 is secured by the followings: -

- i) jointly and severally guaranteed by certain directors of the Group and of the Company;
- ii) level term assurance under the name of certain directors of the Group and of the Company;
- iii) Syarikat Jaminan Pembiayaan Perniagaan Berhad (SJPP) guarantee under Government Guarantee Scheme; and
- iv) fixed deposit pledged as disclosed in Note 13 to the financial statements.

Interest of bank overdraft 6 is charged at 1.00% (2023 – 1.00%) per annum above the licensed bank's prevailing Base Lending Rate.

Bank overdraft 7 is secured by the followings: -

- first party legal charge over the freehold land, leasehold lands and buildings as disclosed in Notes 5 and 6 to the financial statements;
- ii) level term assurance under the name of certain directors of the Group and of the Company;
- iii) joint and severally guaranteed by certain directors of the Group and of the Company; and
- iv) fixed deposit pledged as disclosed in Note 13 to the financial statements.

Interest of bank overdraft 7 is charged at 1.25% (2023 – 1.25%) per annum above the licensed bank's prevailing Base Lending Rate.

Bank overdraft 8 is secured by the followings: -

- i) jointly and severally guaranteed by certain directors of the Group and of the Company;
- ii) corporate guaranteed by the subsidiary company, Saliran Industrial Supplies Sdn. Bhd.; and
- iii) Syarikat Jaminan Pembiayaan Perniagaan Berhad (SJPP) under Working Capital Scheme-i.

Interest of bank overdraft 8 is charged at 3.00% (2023 – 3.00%) per annum above the licensed bank's prevailing Base Financing Rate.

31 December 2024 (Cont'd)

18. BORROWINGS (cont'd)

b) Bank overdrafts (cont'd)

Bank overdraft 9 is secured by the followings: -

- i) corporate guarantee by the subsidiary company, Saliran Industrial Supplies Sdn. Bhd.; and
- ii) fixed deposit pledged as disclosed in Note 13 to the financial statements.

Interest of bank overdraft 9 is charged at 1.50% (2023 – 1.50%) per annum above the licensed bank's prevailing Base Financing Rate on daily rest.

Bank overdraft 10 is secured by the followings: -

- i) Pemulih Government Guarantee Scheme (PGGS);
- ii) life assurance under the name of a director of the Group and of the Company;
- iii) joint and severally guaranteed by certain directors of the Group and of the Company; and
- iv) monthly sinking fund.

Interest of bank overdraft 10 is charged at 1.50% (2023 – 1.50%) per annum above the licensed bank's prevailing Base Lending Rate.

Bank overdraft 11 is secured by the followings: -

- i) jointly and severally guaranteed by certain directors of the Group and of the Company;
- ii) Syarikat Jaminan Pembiayaan Perniagaan Berhad (SJPP) guarantee under Government Guarantee Scheme; and
- iii) fixed deposit pledged as disclosed in Note 13 to the financial statements.

Interest of bank overdraft 11 is charged at 1.00% (2023 - Nil) per annum above the licensed bank's prevailing Base Financing Rate.



31 December 2024 (Cont'd)

18. BORROWINGS (cont'd)

c) Hire purchase

	Group	
	2024	2023
	RM	RM
Minimum hire purchase payments : -		
- not later than one year	733,039	926,597
- later than one year and not later than two years	465,986	698,678
- later than two years and not later than five years	810,635	977,587
- later than five years	78,965	298,901
	2,088,625	2,901,763
Less: Future interest charges	(244,151)	(362,219)
Present value of hire purchase payables	1,844,474	2,539,544
Repayable as follows : -		
Non-Current Liabilities		
- later than one year and not later than two years	400,624	607,037
- later than two years and not later than five years	732,330	855,186
- later than five years	77,707	286,940
	1,210,661	1,749,163
Current liabilities		
- not later than one year	633,813	790,381
	1,844,474	2,539,544

The hire purchase liabilities of the Group bear interest rates ranging from 2.18% to 4.75% (2023 - 2.18% to 4.74%) per annum.

d) Invoice financing

		Group	
	2024	2023	
	RM	RM	
Invoice financing 1	10,561,572	2,922,000	
Invoice financing 2	15,494,750	9,709,081	
Invoice financing 3	2,689,057	2,832,895	
	28,745,379	15,463,976	

31 December 2024 (Cont'd)

18. BORROWINGS (cont'd)

d) Invoice financing (cont'd)

Invoice financing 1 is secured by the followings: -

- jointly and severally guaranteed by certain directors of the Group and of the Company;
- ii) Syarikat Jaminan Pembiayaan Perniagaan Berhad (SJPP) guarantee under Government Guarantee Scheme; and
- iii) fixed deposit pledged as disclosed in Note 13 to the financial statements.

Interest of invoice financing 1 is charged at 1.00% (2023 - 1.00%) per annum above the licensed bank's Cost of Funds.

Invoice financing 2 is secured by the followings: -

- i) first party legal charge over the freehold land, leasehold lands and buildings as disclosed in Notes 5 and 6 to the financial statements;
- ii) level term assurance under the name of certain directors of the Group and of the Company;
- iii) joint and severally guaranteed by certain directors of the Group and of the Company; and
- iv) fixed deposit pledged as disclosed in Note 13 to the financial statements.

Interest of invoice financing 2 is charged at 1.25% (2023 – 1.25%) per annum above the licensed bank's Cost of Funds.

Invoice financing 3 is secured by the followings: -

- i) corporate guarantee by the subsidiary company, Saliran Industrial Supplies Sdn. Bhd.; and
- ii) fixed deposit pledged as disclosed in Note 13 to the financial statements.

Interest of invoice financing 3 is charged at 1.50% (2023 - 1.50%) per annum above the licensed bank's Cost of Funds.

e) Revolving credit

The revolving credit of the Group is secured by the followings: -

- i) jointly and severally guaranteed by certain directors of the Group and of the Company;
- ii) corporate guarantee by the subsidiary company, Saliran Industrial Supplies Sdn. Bhd.;
- iii) Syarikat Jaminan Pembiayaan Perniagaan Berhad (SJPP) guarantee under Pemulih Government Guarantee Scheme (PGGS); and
- iv) fixed deposit pledged as disclosed in Note 13 to the financial statements.

Interest of revolving credit of the Group is charged at 1.50% (2023 – 1.50%) per annum above the licensed bank's prevailing Base Financing Rate on daily rest.



31 December 2024 (Cont'd)

18. BORROWINGS (cont'd)

f) Trust receipts

	Group	
	2024	2023
	RM	RM
Trust receipt 1	1,541,149	1,572,000
Trust receipt 2	3,320,055	3,396,605
Trust receipt 3	26,630,870	14,058,092
Trust receipt 4	2,338,000	1,972,000
Trust receipt 5	4,666,853	4,763,820
	38,496,927	25,762,517

Trust receipt 1 is secured by the followings: -

- i) first party legal charge over the investment properties, freehold land and buildings of the Group as disclosed in Notes 5 and 6 to the financial statements; and
- ii) joint and several guarantee by certain directors of the Group and of the Company; and
- iii) fixed deposit pledged as disclosed in Note 13 to the financial statements.

Trust receipt 2 is secured by the followings: -

- i) jointly and severally guaranteed by certain directors of the Group and of the Company;
- ii) Syarikat Jaminan Pembiayaan Perniagaan Berhad (SJPP) guarantee under Working Capital Guarantee Scheme; and
- iii) fixed deposit pledged as disclosed in Note 13 to the financial statements.

Trust receipt 3 is secured by the followings: -

- i) jointly and severally guaranteed by certain directors of the Group and of the Company;
- ii) level term assurance under the name of certain directors of the Group and of the Company;
- iii) Syarikat Jaminan Pembiayaan Perniagaan Berhad (SJPP) guarantee under Government Guarantee Scheme; and
- iv) fixed deposit pledged as disclosed in Note 13 to the financial statements.

Trust receipt 4 is secured by the followings: -

- i) Pemulih Government Guarantee Scheme (PGGS);
- ii) life assurance under the name of a director of the Group and of the Company;
- iii) joint and severally guaranteed by certain directors of the Group and of the Company; and
- iv) monthly sinking fund.

31 December 2024 (Cont'd)

18. BORROWINGS (cont'd)

f) Trust receipts (cont'd)

Trust receipt 5 is secured by the followings : -

- i) jointly and severally guaranteed by certain directors of the Group and of the Company; and
- ii) fixed deposit pledged as disclosed in Note 13 to the financial statements.

The trust receipts of the Group bear interest rates ranging from 7.81% to 8.35% (2023 – 7.81% to 8.35%) per annum.

19. TERM LOANS

	G	
	2024	2023
	RM	RM
Repayable as follows: -		
Non-Current Liabilities		
Later than one year and not later than two years	2,075,147	2,544,501
Later than two years and not later than five years	4,901,169	5,889,189
Later than five years	23,209,400	22,574,749
	30,185,716	31,008,439
Current Liabilities		
Not later than one year	2,274,512	2,299,987
	32,460,228	33,308,426



31 December 2024 (Cont'd)

19. TERM LOANS (cont'd)

		Group
	2024	2023
	RM	RM
Term loan 1	-	1,451,279
Term loan 2	-	73,520
Term loan 3	432,792	561,634
Term loan 4	-	171,058
Term loan 5	-	2,930,245
Term loan 6	263,627	568,138
Term loan 7	12,477	37,032
Term loan 8	899,705	914,610
Term loan 9	371,488	468,447
Term loan 10	10,092,316	10,242,575
Term loan 11	11,961,261	12,266,686
Term loan 12	179,714	225,300
Term loan 13	72,618	85,770
Term loan 14	925,115	995,854
Term loan 15	539,142	721,882
Term loan 16	572,424	642,855
Term loan 17	376,430	435,470
Term loan 18	57,744	100,539
Term loan 19	327,003	415,532
Term loan 20	431,982	-
Term loan 21	4,274,844	-
Term loan 22	669,546	-
	32,460,228	33,308,426

The term loans 1,2,4 and 5 were secured by the followings: -

- a) first party legal charge over the investment properties, freehold land and buildings of the Group as disclosed in Notes 5 and 6 to the financial statements; and
- b) joint and several guarantee by certain directors of the Group and of the Company.

The term loan 1, 2, 4 and 5 were fully settled during the financial year ended 31 December 2024.

Interest of term loan 1 was charged at 1.75% per annum below the licensed bank's prevailing Base Lending Rate. Interest of term loan 2 was charged at 1.00% per annum above the licensed bank's prevailing Base Lending Rate. Interest of term loan 4 was charged at 1.00% per annum above the licensed bank's prevailing Base Lending Rate. Interest of term loan 5 was charged at 2.00% per annum below the licensed bank's prevailing Base Lending Rate.

31 December 2024 (Cont'd)

19. TERM LOANS (cont'd)

The term loan 3 is secured by the followings: -

- a) corporate guarantee by Credit Guarantee Corporation Malaysia Berhad;
- b) joint and several guarantee by certain the directors of the Group and of the Company; and
- c) fixed deposit pledged as disclosed in Note 13 to the financial statements.

Interest of term loan 3 is charged at 2.00% (2023 – 2.00%) per annum above the licensed bank's prevailing Base Lending Rate.

The term loan 6 is secured by the followings: -

- a) corporate guarantee by Syarikat Jaminan Pembiayaan Perniagaan Berhad (SJPP) under the Working Capital Guarantee Scheme (WCG5);
- b) fixed deposit pledged as disclosed in Note 13 to the financial statements; and
- joint and several guarantee by certain directors of the Group and of the Company.

Interest of term loan 6 is charged at 3.00% (2023 – 3.00%) per annum above the licensed bank's prevailing Islamic Base Rate.

The term loan 7 is secured by the followings: -

- a) corporate guarantee by Syarikat Jaminan Pembiayaan Perniagaan Berhad (SJPP) under Working Capital Guarantee Scheme;
- b) life insurance under name of a director of the Group and of the Company;
- c) fixed deposit pledged as disclosed in Note 13 to the financial statements; and
- d) joint and several guarantee by certain directors of the Group and of the Company.

Interest of term loan 7 is charged at the licensed bank's prevailing Base Lending Rate per annum on daily rest.

The term loans 8, 11 and 14 are secured by the followings: -

- a) corporate guarantee by Syarikat Jaminan Pembiayaan Perniagaan Berhad (SJPP) under Government Guarantee Scheme;
- b) fixed deposit pledged as disclosed in Note 13 to the financial statements;
- c) first party legal charge over the leasehold land and buildings as disclosed in Notes 5 and 6 to the financial statements; and
- d) joint and several guarantee by certain directors of the Group and of the Company.

Interest of term loan 8 is charged at the licensed bank's prevailing Base Lending Rate per annum on monthly rest. Interest of term loan 11 is charged at 1.95% (2023 – 1.95%) per annum below the licensed bank's prevailing Base Lending Rate on monthly rest. Interest of term loan 14 is charged at the licensed bank's prevailing Base Lending Rate per annum on monthly rest.



31 December 2024 (Cont'd)

19. TERM LOANS (cont'd)

The term loan 9 is secured by the followings: -

- a) guarantee by Syarikat Jaminan Pembiayaan Perniagaan Berhad (SJPP) under the Government Guarantee Scheme COVID19 (GGS Prihatin); and
- b) joint and several guarantee by certain directors of the Group and of the Company.

Interest of term loan 9 is charged at 4.00% (2023 – 4.00%) per annum above the licensed bank's prevailing Base Financing Rate.

The term loan 10, 20 and 21 are secured by the followings: -

- a) first party legal charge over the freehold land, leasehold lands and buildings as disclosed in Notes 5 and 6 to the financial statements;
- b) level term assurance under the name of certain directors of the Group and of the Company;
- joint and severally guaranteed by certain directors of the Group and of the Company; and
- d) fixed deposit pledged as disclosed in Note 13 to the financial statements.

Interest of term loan 10 is charged at 2.25% (2023 – 2.25%) per annum below the licensed bank's prevailing Base Lending Rate on monthly rest. Interest of term loan 20 is charged at the licensed bank's prevailing Base Lending Rate on monthly rest. Interest of term loan 21 is charged at the 1.25% (2023 – Nil) above the licensed bank's Effective Cost Of Fund.

The term loan 12 is secured by the followings: -

- a) life insurance under name of a director of the Group and of the Company;
- b) joint and severally guaranteed by certain directors of the Group and of the Company; and
- c) PGGS Guarantee by Government of Malaysia PGGS.

Interest of term loan 12 is charged at the licensed bank's prevailing Base Lending Rate per annum.

The term loan 13 is secured by the followings: -

- a) fixed deposit pledged as disclosed in Note 13 to the financial statements; and
- b) joint and several guarantee by certain directors of the Group and of the Company.

Interest of term loan 13 is charged at 1.00% (2023 – 1.00%) per annum above the licensed bank's prevailing Base Lending Rate.

The term loans 15,16 and 19 are secured by the followings: -

- a) corporate guarantee by Credit Guarantee Corporation Malaysia Berhad; and
- b) joint and several guarantee by certain directors of the Group and of the Company.

31 December 2024 (Cont'd)

19. TERM LOANS (cont'd)

Interest of term loan 15 is charged at 5.05% (2023 – 5.05%) per annum above the licensed bank's prevailing Base Lending Rate on monthly rest. Interest of term loan 16 is charged at 4.30% (2023 – 4.30%) per annum above the licensed bank's prevailing Base Lending Rate on monthly rest. Interest of term loan 19 is charged at 5.75% (2023 – 5.75%) per annum above licensed bank's prevailing Base Lending Rate on daily rest.

The term loan 17 is secured by the followings: -

- a) joint and several guarantee by certain directors of the Group and of the Company;
- b) guarantee by Syarikat Jaminan Pembiayaan Perniagaan Berhad (SJPP) under PEMULIH Government Guarantee Scheme ("PGGS");
- c) earmark of 6 months instalment from the disbursement amount until full settlement financing; and
- d) corporate guarantee by the subsidiary company, Saliran Industrial Supplies Sdn. Bhd..

Interest of term loan 17 is charged at 2.00% (2023 - 2.00%) per annum above the licensed bank's prevailing Base Financing Rate.

The term loan 18 is secured by the followings: -

- a) Asset sale agreement;
- b) Letter of Guarantee from Syarikat Jaminan Pembiayaan Perniagaan Berhad (SJPP);
- c) joint and several guarantee by certain directors of the Group and of the Company; and
- d) corporate guarantee by the subsidiary company, Saliran Industrial Supplies Sdn. Bhd..

Interest of term loan 18 is charged at 4.50% (2023 – 4.50%) per annum above the licensed bank's prevailing Base Financing Rate on monthly rest.

The term loan 22 is secured by the followings: -

- a) joint and several guarantee by certain directors of the Group and of the Company; and
- b) corporate guarantee by subsidiary company, Saliran Industrial Supplies Sdn. Bhd.; and
- c) Syarikat Jaminan Pembiayaan Perniagaan Berhad (SJPP) guarantee under Government Guarantee Scheme Madani (GGSM).

Interest of term loan 22 is charged at 1.50% (2023 - Nil) per annum above the licensed bank's prevailing Base Financing Rate.



31 December 2024 (Cont'd)

20. LEASE LIABILITIES

	Workshop rental	Office and warehouse rental	Total
Group	RM	RM	RM
2024			
Minimum lease payments : -			
- not later than one year	36,600	192,000	228,600
- later than one year and not later than two years	30,000	64,000	94,000
- later than two years and not later than five years	30,000	-	30,000
	96,600	256,000	352,600
Less: Future interest charges	(6,006)	(11,585)	(17,591)
Present value of lease liabilities	90,594	244,415	335,009
Repayable as follows : -			
Non-Current Liabilities			
- later than one year and not later than two years	27,996	63,128	91,124
- later than two years and not later than five years	29,282	-	29,282
	57,278	63,128	120,406
Current liabilities			
- not later than one year	33,316	181,287	214,603
	90,594	244,415	335,009
2023			
Minimum lease payments : -			
- not later than one year	56,400	53,600	110,000
- later than one year and not later than two years	36,600	-	36,600
- later than two years and not later than five years	60,000	-	60,000
	153,000	53,600	206,600
Less: Future interest charges	(11,129)	(729)	(11,858)
Present value of lease liabilities	141,871	52,871	194,742
Repayable as follows : -			
Non-Current Liabilities			
- later than one year and not later than two years	33,317	-	33,317
- later than two years and not later than five years	57,277	-	57,277
	90,594	-	90,594
Current liabilities			
- not later than one year	51,277	52,871	104,148
	141,871	52,871	194,742

31 December 2024 (Cont'd)

20. LEASE LIABILITIES (cont'd)

a) Workshop rental

The workshop rental I is for 2 years with the option for renewal of one term of 1 year up to 14 March 2025 (2023 – 14 March 2025). The workshop rental II is for 2 years with the option for renewal of one term of 2 years up to 31 December 2025 (2023 – 31 December 2025). The Group applied the incremental borrowing rate of the lease liabilities of 4.50% (2023 – 4.50%) per annum.

b) Office and warehouse rental

The offices and warehouses rental are for 2 years with the option for renewal of one term of 1 to 2 years. The Group applied the incremental borrowing rates of the lease liabilities of 6.60% (2023 - 5.45% to 6.60%) per annum.

21. TRADE PAYABLES

The normal credit terms of trade payables granted to the Group ranging from cash terms to 90 days (2023 – cash terms to 90 days). However, the credit terms may vary dependent on negotiation with the suppliers.

22. OTHER PAYABLES AND ACCRUALS

		Group		ompany
	2024	2023	2024	2023
	RM	RM	RM	RM
Other payables	447,650	4,806	379,464	-
Deposits	616,316	2,896,979	-	-
Accruals	3,088,042	2,324,965	126,000	11,000
	4,152,008	5,226,750	505,464	11,000

Included in the deposits of the Group are customer deposits relating to deposits made by customers for the purchase of distribution products, amounting to RM419,267 (2023 – RM2,718,733), which were partially delivered or have yet to be delivered by the Company at the reporting date. The Group applies the practical expedient in MFRS 15, Revenue from Contract with Customers, on not disclosing the aggregate amount of the revenue expected to be recognised in the future as the performance obligation is a part of a contract that has an original expected duration of less than one year.

23. AMOUNT DUE TO A SUBSIDIARY COMPANY

The amount due to a subsidiary company which arose mainly from inter-company advances and payments made on behalf, is unsecured, interest free (2023 – interest free) and repayable on demand.



31 December 2024 (Cont'd)

24. REVENUE

	2024	2023
Group	RM	RM
Sales of goods	344,514,779	243,159,905
Timing of revenue recognition : -		
- at point in time	344,514,779	243,159,905
Geographical markets :		
- Malaysia	227,515,060	203,045,471
- Indonesia	115,059,786	37,598,320
- Singapore	1,591,103	1,809,524
- China	1,469	690,796
- Thailand	292,550	-
- Bahrain	10,654	-
- Vietnam	44,157	15,794
	344,514,779	243,159,905

25. OTHER OPERATING INCOME

		Group
	2024	2023
	RM	RM
Gain on disposal of right-of-use assets	-	307,396
Gain on lease modification	-	32,128
Interest income	562,194	27,910
Interest income on late charges	18,550	281,750
Other income	3,334	22,480
Realised gain on foreign exchange	42	-
Rectification back charge to suppliers	2,418	63,868
Rental income	728,628	790,486
Reversal of impairment loss on trade receivables	130,566	-
Unrealised gain on foreign exchange	630,273	-
	2,076,005	1,526,018

31 December 2024 (Cont'd)

26. FINANCE COSTS

		Group
	2024	2023
	RM	RM
Interest expenses on : -		
- bankers' acceptances	86,006	78,317
- bank overdrafts	764,028	577,277
- hire purchase	141,519	105,015
- invoice financing	1,264,360	931,262
- lease liabilities	19,456	42,138
- revolving credit	117,575	95,942
- term loans	2,036,357	1,609,151
- trust receipts	2,368,362	1,425,879
	6,797,663	4,864,981

27. PROFIT/(LOSS) BEFORE TAXATION

	Group		Con	npany
	2024	2023	2024	2023
	RM	RM	RM	RM
This is arrived at after charging: -				
Auditors' remuneration : -				
- statutory audit : -				
- current year	285,000	133,000	80,000	4,000
- prior year	47,200	-	200	-
- non-statutory audit : -				
- current year	60,000	108,000	1,000	-
- prior year	5,000	-	-	-
- non-audit service	291,000	38,000	241,000	-
Bad debts written off	-	31,556	-	-
Depreciation of property, plant and equipment	545,076	456,572	-	-
Depreciation of right-of-use assets	1,017,174	1,181,849	-	-
Depreciation of investment properties	211,222	211,222	-	-
Employee benefits expenses (Note 28)	10,060,397	10,106,439	1,399,649	-
Finance costs (Note 26)	6,797,663	4,864,981	-	-
Impairment loss on trade receivables	9,160	2,807,699	-	-
Loss on disposal of other investment	91,462	-	-	-
Loss on disposal of property, plant and equipment	2,500	-	-	_
Property, plant and equipment written off	-	174,412	-	-
Realised loss on foreign exchange	2,113,684	371,559	-	-
Short term lease on : -				
- office and warehouse	17,300	254,558	-	-
- warehouse equipment	4,632	5,200	-	-



31 December 2024 (Cont'd)

27. PROFIT/(LOSS) BEFORE TAXATION (cont'd)

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
and crediting: -				
Gain on disposal of right-of-use assets	-	(307,396)	-	-
Gain on lease modification	-	(32,128)	-	-
Interest income	(562,194)	(27,910)	-	-
Realised gain on foreign exchange	(42)	-	-	-
Rental income	(728,628)	(790,486)	-	-
Reversal of impairment loss on trade receivables	(130,566)	-	-	-
Unrealised gain on foreign exchange	(630,273)	-	-	-

28. EMPLOYEE BENEFITS EXPENSES

		Group		ompany
	2024	2023	2024	2023
	RM	RM	RM	RM
Salaries, bonus and allowance	8,527,574	8,580,524	1,300,315	-
Defined contribution plan	1,206,630	1,083,463	99,334	-
Others	326,193	442,452	-	-
	10,060,397	10,106,439	1,399,649	-

Employee benefits expense included directors' remuneration of the Group and of the Company (exclude benefits-in-kind) amounting to RM2,035,907 (2023 – RM1,314,699) and RM1,399,649 (2023 – Nil) respectively as disclosed in Note 29 to the financial statements.

29. DIRECTORS' REMUNERATION

	Group		Coi	mpany
	2024	2023	2024	2023
	RM	RM	RM	RM
Fees	562,470	548,961	442,825	-
Salaries, bonus and allowances	1,316,578	611,980	857,490	-
Employees provident fund	151,991	70,752	96,900	-
Employment insurance system	500	475	250	-
Social security costs	4,368	4,159	2,184	-
Other benefits	-	78,372	-	-
	2,035,907	1,314,699	1,399,649	-

31 December 2024 (Cont'd)

30. TAXATION

	Group		Company		
	2024	2024	2023	2024	2023
	RM	RM	RM	RM	
Income tax expense : -					
- current year	6,311,209	3,808,600	-	-	
- under provision in prior years	473,219	316,451	-	-	
Deferred tax : -					
- current year	88,200	(22,266)	-	-	
- over provision of deferred tax in prior years	(537)	(162,011)	-	-	
	6,872,091	3,940,774	-	-	

Income tax is calculated at the Malaysian statutory tax rates of 24% (2023 - 24%) of the estimated assessable profit for the financial years.

The numerical reconciliation between tax expense and the product of accounting profit multiplied by the applicable tax rate is as follows: -

	Group		Con	npany
	2024	2023	2024	2023
	RM	RM	RM	RM
Profit/(Loss) before taxation	20,076,388	14,090,096	(3,887,485)	(9,710)
Tax at statutory income tax rate of 24% (2023 – 24%)	4,818,333	3,381,623	(932,996)	(2,330)
Non-deductible expenses	1,440,671	213,527	932,996	2,330
Non-taxable income	(154,761)	(68,348)	-	-
Deferred tax assets not recognised	295,166	259,532	-	-
Under provision of taxation in prior years	473,219	316,451	-	-
Over provision of deferred tax in prior years	(537)	(162,011)	-	-
	6,872,091	3,940,774	-	-



31 December 2024 (Cont'd)

31. EARNINGS PER SHARES

Basic: -

Basic earnings per share is calculated by dividing the profit for the financial year attributable to equity holders of the Group by the weighted average number of ordinary shares in issue during the financial year.

		Group
	2024	2023
	RM	RM
Profit for the financial year attributable to ordinary equity holders of the Company (RM)	13,204,297	9,919,949
Number of ordinary shares in issue (Unit)	302,500,000	302,500,000#
Basic earnings per share (sen)	4.37	3.28

[#] For computation of earnings per share for the financial year ended 31 December 2023, it is assumed that the number of ordinary shares arising from the acquisitions of subsidiaries were in issue throughout the financial year.

Diluted: -

The diluted earnings per share equals basic earnings per ordinary share as the Company has no potential dilutive ordinary share.

32. ADDITIONS OF PROPERTY, PLANT AND EQUIPMENT

		Group
	2024	2023
	RM	RM
Additions on property, plant and equipment (Note 5)	535,852	3,271,009
Financed by lease agreement (Note 33)	(474,813)	(1,799,365)
Cash payment on additions of property, plant and equipment	61,039	1,471,644

31 December 2024 (Cont'd)

33. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

(a) The table below details changes in the liabilities of the Group arising from financing activities, including both cash and non-cash changes as follows: -

	At			Net change	
	beginning of the financial	Acquisition of new	Derecognition	from financing	At end of the financial
	year	lease	of lease	cash flow	year
Group	RM	RM	RM	RM	RM
2024					
Bankers' acceptances	1,451,000	-	-	111,000	1,562,000
Hire purchase	2,539,544	116,000	-	(811,070)	1,844,474
Invoice financing	15,463,976	-	-	13,281,403	28,745,379
Lease liabilities	194,742	358,813	-	(218,546)	335,009
Revolving credit	1,395,346	-	-	(87,275)	1,308,071
Term loans	33,308,426	-	-	(848,198)	32,460,228
Trust receipts	25,762,517	-	-	12,734,410	38,496,927
	80,115,551	474,813	-	24,161,724	104,752,088
2023					
Bankers' acceptances	993,000	-	-	458,000	1,451,000
Hire purchase	1,952,722	1,654,384	-	(1,067,562)	2,539,544
Invoice financing	8,568,380	-	-	6,895,596	15,463,976
Lease liabilities	1,002,447	144,981	(579,926)	(372,760)	194,742
Revolving credit	1,400,000	-	-	(4,654)	1,395,346
Term loans	33,139,512	-	-	168,914	33,308,426
Trust receipts	13,125,878	-	-	12,636,639	25,762,517
	60,181,939	1,799,365	(579,926)	18,714,173	80,115,551

(b) Cash outflows for leases as a lessee

	Group	
	2024	2023
	RM	RM
Included in net cash from operating activities :		
Payment relating to short-term leases	17,300	254,558
Payment relating to leases of low value assets	4,632	5,200
Interest paid in relation to lease liabilities	19,456	42,138
Included in net cash from financing activities :		
Payment of lease liabilities	218,546	372,760
Total cash outflows for leases	259,934	674,656

31 December 2024 (Cont'd)

34. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statements of cash flows comprise the following amounts : -

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Cash and bank balances	38,278,650	18,253,879	2,982	2,500
Fixed deposit with licensed banks	17,436,496	9,246,123	-	-
Bank overdraft	(4,426,138)	(4,961,387)	-	-
	51,289,008	22,538,615	2,982	2,500
Less: Pledged deposit	(17,436,496)	(9,246,123)	-	-
	33,852,512	13,292,492	2,982	2,500

35. SEGMENTAL INFORMATION

a) Business segments

The management determines the business segments based on the reports reviewed and used by the directors for strategic decisions making and resources allocation.

The Group operates in two primary business segments, which include trading and manufacturing. The Group is involved in trading of industrial products, manufacturing and distribute flanges, fittings, and component parts.

	Investment holding	Trading	Manufacturing	Total
	RM	RM	RM	RM
2024				
Revenue from external customers	-	341,140,706	3,374,073	344,514,779
Finance income	-	562,194	-	562,194
Depreciation of property, plant and equipment	-	(436,155)	(108,921)	(545,076)
Depreciation of investment properties	-	(211,222)	-	(211,222)
Depreciation of right-of-use asset	-	(812,468)	(204,706)	(1,017,174)
Finance costs	-	(6,715,094)	(82,569)	(6,797,663)
Taxation	-	(6,647,713)	(224,378)	(6,872,091)
Others	(3,887,485)	30,562,397	1,410,417	28,085,329
Segment results	(3,887,485)	16,301,939	789,843	13,204,297
Segment assets	42,132	180,324,227	2,773,053	183,139,412
Segment liabilities	505,464	137,634,407	1,563,927	139,703,798

31 December 2024 (Cont'd)

35. SEGMENTAL INFORMATION (cont'd)

a) Business segments (cont'd)

	Investment holding	Trading	Manufacturing	Total
	RM	RM	RM	RM
2023				
Investment external customers	_	239,471,422	3,688,483	243,159,905
Finance income	-	27,855	55	27,910
Depreciation of property, plant and equipment	-	(429,509)	(27,063)	(456,572)
Depreciation of investment properties	-	(211,222)	-	(211,222)
Depreciation of right-of-use asset	-	(898,250)	(283,599)	(1,181,849)
Finance costs	-	(4,741,537)	(123,444)	(4,864,981)
Taxation	-	(3,925,188)	(15,586)	(3,940,774)
Others	(9,710)	19,914,162	872,358	20,776,810
Segment results	(9,710)	9,736,311	422,721	10,149,322
Segment assets	2,500	145,997,828	1,849,539	147,849,867
Segment liabilities	10,000	115,716,182	1,892,368	117,618,550

b) Geographical segments

Revenue information based on the geographical location of the customers is disclosed in Note 24 to the financial statements.

The Group's non-current assets are maintained entirely in Malaysia. Hence, no additional disclosure is made on geographical details of the segment assets of the Group.

c) Major customers

The following are major customers from the Group's trading segment with revenue equal to or more than 10% of the Group's total revenue for the relevant reporting period : -

	2024	2023
	RM	RM
Customer A	133,005,957	90,559,666
Customer B	110,400,010	37,129,835



31 December 2024 (Cont'd)

36. FINANCIAL INSTRUMENTS

a) Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows: -

- (i) Financial assets measured at amortised cost ("FAAC");
- (ii) Financial liabilities measured at amortised cost ("FLAC"); and
- (iii) Financial assets measured at fair value through profit or loss ("FVTPL").

	Carrying Amount	FAAC	FLAC	FVTPL
	RM	RM	RM	RM
Group				
2024				
Financial assets				
Other investments	2,500,000	-	-	2,500,000
Trade receivables	75,578,116	75,578,116	-	-
Other receivables and deposits	1,247,936	1,247,936	-	-
Amount due from ultimate holding company	21,146	21,146	-	-
Fixed deposits with licensed banks	17,436,496	17,436,496	-	-
Cash and bank balances	38,278,650	38,278,650	-	-
	135,062,344	132,562,344	-	2,500,000
Financial liabilities				
Trade payables	(19,799,883)	-	(19,799,883)	-
Other payables and accruals	(4,152,008)	-	(4,152,008)	-
Borrowings	(108,843,217)	-	(108,843,217)	-
Lease liabilities	(335,009)	-	(335,009)	-
	(133,130,117)	-	(133,130,117)	-
2023				
Financial assets				
Other investments	2,457,990	-	-	2,457,990
Trade receivables	65,967,803	65,967,803	-	-
Other receivables and deposits	592,974	592,974	-	-
Fixed deposits with licensed banks	9,246,123	9,246,123	-	-
Cash and bank balances	18,253,879	18,253,879	-	-
	96,518,769	94,060,779	-	2,457,990
Financial liabilities				
Trade payables	(22,989,091)	-	(22,989,091)	-
Other payables and accruals	(5,226,750)	-	(5,226,750)	-
Borrowings	(84,882,196)	-	(84,882,196)	-
Lease liabilities	(194,742)	-	(194,742)	-
	(113,292,779)	-	(113,292,779)	-

31 December 2024 (Cont'd)

36. FINANCIAL INSTRUMENTS (cont'd)

a) Categories of financial instruments (cont'd)

	Carrying Amount	FAAC	FLAC	FVTPL
	RM	RM	RM	RM
Company				
2024				
Financial assets				
Other receivables and deposits	39,150	39,150	-	-
Cash and bank balances	2,982	2,982	-	-
	42,132	42,132	-	-
Financial liabilities				
Other payables and accruals	(505,464)	-	(505,464)	-
Amount due to a subsidiary company	(3,444,603)	-	(3,444,603)	-
	(3,950,067)	-	(3,950,067)	-
2023				
Financial assets				
Cash and bank balances	2,500	2,500	-	-
Financial liabilities				
Other payables and accruals	(11,000)	-	(11,000)	-
Amount due to a subsidiary company	(11,950)	-	(11,950)	-
	(22,950)	-	(22,950)	-

b) Financial risk management

The Group and the Company have exposure to the following risks from its use of financial instruments: -

- Credit risk
- Liquidity risk
- Market risk



31 December 2024 (Cont'd)

36. FINANCIAL INSTRUMENTS (cont'd)

- b) Financial risk management (cont'd)
 - i) Credit risk

Credit risk is the risk of a financial loss to the Group and the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's and the Company's exposure to credit risk arises principally from its receivables from customers.

Trade receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit valuations are performed on customers requiring credit over a certain amount.

At each reporting date, the Group assesses whether any of the trade receivables are credit impaired.

When an account is more than 120 days past due, the credit risk is considered to have increased significantly since the initial recognition. The Group identifies as a default account if it is more than 365 days past due and the customer is having significant financial difficulties. The Group classifies an impaired receivable when a customer is in default, in liquidation or other financial reorganisation.

The gross carrying amounts of credit impaired trade receivables are written off (either partially or fully) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

There are no significant changes as compared to previous year.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables is represented by the carrying amounts in the statement of financial position.

The trade receivables are not secured by any collateral or supported by any other credit enhancements.

Concentration of credit risk

The following shows the total amount due from top five receivables as at the reporting date which represents approximately 79% (2023 – 70%) of the total trade receivables.

		Group	
	2024	2023	
	RM	RM	
Trade receivables	59,340,017	45,904,593	

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are measured at their realisable value. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables. Any past due receivables having significant balances, which are deemed to have higher credit risk, are monitored individually.

31 December 2024 (Cont'd)

36. FINANCIAL INSTRUMENTS (cont'd)

- b) Financial risk management (cont'd)
 - i) Credit risk (cont'd)

Trade receivables (cont'd)

Recognition and measurement of impairment losses

The Group uses an allowance matrix to measure the expected credit losses ("ECLs") of trade receivables from individual customers, which comprise a very large number of insignificant balances outstanding.

To measure the ECLs, trade receivables have been grouped based on credit risk and days past due.

Where a trade receivable has a low credit risk, it is excluded from the allowance matrix and its ECL is assessed individually by considering historical payment trends and financial strength of the receivable.

The following tables provides information about the exposure to credit risk and ECLs for trade receivables:-

	Gross	Individual impairment	Collective impairment	Net
	RM	RM	RM	RM
Group				
2024				
Not past due	50,088,080	-	-	50,088,080
1 – 30 days past due	22,355,858	-	-	22,355,858
31 - 60 days past due	1,790,238	-	-	1,790,238
Past due over 60 days	5,903,158	(4,559,080)	(138)	1,343,940
	80,137,334	(4,559,080)	(138)	75,578,116
2023				
Not past due	28,140,201	-	-	28,140,201
1 - 30 days past due	13,557,248	-	-	13,557,248
31 - 60 days past due	10,712,949	-	-	10,712,949
Past due over 60 days	18,238,029	(4,549,920)	(130,704)	13,557,405
	70,648,427	(4,549,920)	(130,704)	65,967,803



31 December 2024 (Cont'd)

36. FINANCIAL INSTRUMENTS (cont'd)

- b) Financial risk management (cont'd)
 - i) Credit risk (cont'd)

Trade receivables (cont'd)

Recognition and measurement of impairment losses (cont'd)

The movements in the allowance for impairment in respect of trade during the financial year are shown below: -

	Lifetime ECL	Credit impaired	Total
	RM	RM	RM
	11111	11111	
Group			
2024			
At 1 January	130,704	4,549,920	4,680,624
Addition	-	9,160	9,160
Reversal	(130,566)	-	(130,566)
At 31 December	138	4,559,080	4,559,218
2023			
At 1 January	253,206	1,619,719	1,872,925
Addition	-	2,930,201	2,930,201
Reversal	(122,502)	-	(122,502)
At 31 December	130,704	4,549,920	4,680,624

Trade receivables that are neither past due nor impaired are creditworthy customers with good payment record with the Group. None of the Group's trade receivables that are either past due or impaired have been renegotiated during the financial year.

Trade receivables that are past due but not impaired are due to the management is of the view that these debts will be collected in due course and the probability of default by these trade receivables were negligible.

Other receivables

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

As at the end of the reporting period, the Group and the Company did not recognise any allowance for impairment loss as there was no indication that the other receivables are not recoverable.

Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

31 December 2024 (Cont'd)

36. FINANCIAL INSTRUMENTS (cont'd)

b) Financial risk management (cont'd)

i) Credit risk (cont'd)

Cash and cash equivalents (cont'd)

These banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

ii) Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises principally from its various payables and borrowings.

The Group and the Company maintain a level of cash and cash equivalents deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet their liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

Maturity analysis

The table below summarises the maturity profile of the Group's financial liabilities as at the end of the reporting period based on contractual undiscounted cash flow:

	Carrying amount	Interest rate	Contractual undiscounted cash flows	Under 1 year	1 - 2 years	2 - 5 years	More than 5 years
Group	RM	%	RM	RM	RM	RM	RM
2024							
Non-derivative financial liabilities							
Trade payables	19,799,883	-	19,799,883	19,799,883	-	-	-
Other payables and accruals	4,152,008	_	4,152,008	4,152,008	-	-	-
Bankers' acceptances	1,562,000	5.58 - 5.75	1,562,000	1,562,000	-	-	-
Bank overdraft	4,426,138	6.00 - 9.65	4,426,138	4,426,138	-	-	-
Hire purchase	1,844,474	2.18 - 4.75	2,088,625	733,039	465,986	810,635	78,965
Invoice financing	28,745,379	4.72 - 6.97	28,745,379	28,745,379	-	-	-
Lease liabilities	335,009	4.50 - 6.60	352,600	228,600	94,000	30,000	-
Revolving credit	1,308,071	8.50	1,308,071	1,308,071	-	-	-
Term loans	32,460,228	4.64 - 12.51	49,885,204	3,999,183	3,637,059	8,801,785	33,447,177
Trust receipts	38,496,927	7.81 – 8.35	38,496,927	38,496,927	-	-	
	133,130,117		150,816,835	103,451,228	4,197,045	9,642,420	33,526,142



31 December 2024 (Cont'd)

36. FINANCIAL INSTRUMENTS (cont'd)

- b) Financial risk management (cont'd)
 - ii) Liquidity risk (cont'd)

Maturity analysis (cont'd)

The table below summarises the maturity profile of the Group's financial liabilities as at the end of the reporting period based on contractual undiscounted cash flow: -(cont'd)

	Carrying amount	Interest rate	Contractual undiscounted cash flows	Under 1 year	1 - 2 years	2 - 5 years	More than 5 years
Group (cont'd)	RM	%	RM	RM	RM	RM	RM
2023							
Non-derivative financial liabilities							
Trade payables	22,989,091	-	22,989,091	22,989,091	-	-	-
Other payables and accruals	5,226,750	_	5,226,750	5,226,750	-	-	-
Bankers' acceptances	1,451,000	5.50 - 5.80	1,451,000	1,451,000	-	-	-
Bank overdraft	4,961,387	6.00 - 9.65	4,961,387	4,961,387	-	-	-
Hire purchase	2,539,544	2.18 - 4.74	2,901,763	926,597	698,678	977,587	298,901
Invoice financing	15,463,976	4.00 - 5.13	15,463,976	15,463,976	-	-	-
Lease liabilities	194,742	4.50 - 6.60	206,600	110,000	36,600	60,000	-
Revolving credit	1,395,346	8.50	1,395,346	1,395,346	-	-	-
Term loans	33,308,426	4.64 - 12.51	43,687,492	3,505,569	3,457,908	8,653,050	28,070,965
Trust receipts	25,762,517	7.81 – 8.35	25,762,517	25,762,517	-	-	-
	113,292,779	•	124,045,922	81,792,233	4,193,186	9,690,637	28,369,866

31 December 2024 (Cont'd)

36. FINANCIAL INSTRUMENTS (cont'd)

- b) Financial risk management (cont'd)
 - ii) Liquidity risk (cont'd)

Maturity analysis (cont'd)

The table below summarises the maturity profile of the Company's financial liabilities as at the end of the reporting period based on contractual undiscounted cash flow : -

	Carrying amount	Interest rate	Contractual undiscounted cash flows	Under 1 year	1 – 2 years	2 - 5 years	More than 5 years
Company	RM	%	RM	RM	RM	RM	RM
2024							
Non-derivative financial liabilities							
Other payables and accruals	505,464	_	505,464	505,464	_	_	-
Amount due to a subsidiary company	3,444,603	_	3,444,603	3,444,603	-	-	-
	3,950,067		3,950,067	3,950,067	-	-	-
2023							
Non-derivative financial liabilities							
Other payables and accruals	11,000	_	11,000	11,000	-	-	-
Amount due to a subsidiary company	11,950	-	11,950	11,950	-	-	
	22,950		22,950	22,950	-	-	-

ii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices that will affect the Group's financial position or cash flows.

Interest rate risk

The Group's fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Short-term investments such as deposits with licensed bank are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

The Group's policy is to borrow principally on the floating rate basis but to retain a proportion of fixed rate debt. The objectives for the mix between fixed and floating rate borrowings are set to reduce the impact of an upward change in interest rates while enabling benefits to be enjoyed if interest rates fall.



31 December 2024 (Cont'd)

36. FINANCIAL INSTRUMENTS (cont'd)

- b) Financial risk management (cont'd)
 - ii) Market risk (cont'd)

Interest rate risk (cont'd)

Exposure to interest rate risk

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts as at the end of each reporting period are as follows:

	In	terest rate
Group	RM	%
2024		
Fixed rate instruments		
Fixed deposits with licensed banks	17,436,496	2.00 - 3.00
Hire purchase	1,844,474	2.18 - 4.75
Lease liabilities	335,009	4.50 - 6.60
Floating rate instruments		
Bankers' acceptances	1,562,000	5.58 - 5.75
Bank overdraft	4,426,138	6.00 - 9.65
Invoice financing	28,745,379	4.72 - 6.97
Revolving credit	1,308,071	8.50
Term loans	32,460,228	4.64 - 12.51
Trust receipts	38,496,927	7.81 – 8.35
2023		
Fixed rate instruments		
Fixed deposits with licensed banks	9,246,123	1.50 – 2.85
Hire purchase	2,539,544	2.18 - 4.74
Lease liabilities	194,742	4.50 - 6.60
Floating rate instruments		
Bankers' acceptances	1,451,000	5.50 - 5.80
Bank overdraft	4,961,387	6.00 - 9.65
Invoice financing	15,463,976	4.00 - 5.13
Revolving credit	1,395,346	8.50
Term loans	33,308,426	4.64 - 12.51
Trust receipts	25,762,517	7.81 – 8.35

31 December 2024 (Cont'd)

36. FINANCIAL INSTRUMENTS (cont'd)

- b) Financial risk management (cont'd)
 - ii) Market risk (cont'd)

Interest rate risk (cont'd)

Exposure to interest rate risk (cont'd)

Interest rate risk sensitivity analysis: -

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

At the reporting date, if interest rate had been 100 basis points lower/higher, with all other variables held constant, the Group's profit net of tax would have been RM813,190 (2023 – RM625,804) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

Currency risk

The Group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the functional currency of the Group entities. The currencies giving rise to this risk are primarily Singapore Dollar ("SGD") and US Dollar ("USD").

Risk management objectives, policies and processes for managing the risk

The exposure to currency risk is monitored by the management and it is not expected to have a material impact on the financial performance of the Group.



31 December 2024 (Cont'd)

36. FINANCIAL INSTRUMENTS (cont'd)

- b) Financial risk management (cont'd)
 - ii) Market risk (cont'd)

Currency risk (cont'd)

Exposure to foreign currency risk

The Group's exposure to foreign currency (a currency which is other than the functional currency of the Group entities) risk based on carrying amounts as at the end of the reporting period was: -

	Deno	ominated in
	SGD	USD
	RM	RM
Balance recongised in the statements of financial position : -		
Group		
2024		
Trade receivables	127,628	38,806,076
Cash at banks	-	300,134
Trade payables	(840,187)	(1,528,676)
	(712,559)	37,577,534
2023		
Trade receivables	-	18,315,983
Cash at banks	-	56,191
Trade payables	(677,367)	(3,193,618)
	(677,367)	15,178,556

A 5% (2023 - 5%) strengthening of the RM against the following currencies at the end of the reporting period would have decreased equity and post-tax profit by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remained constant.

	2024	2023
	RM	RM
Group		
Changes in equity	1,400,869	551,045
Changes in post-tax profit	1,400,869	551,045

A 5% (2023 – 5%) weakening of RM against the above currencies at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

31 December 2024 (Cont'd)

36. FINANCIAL INSTRUMENTS (cont'd)

c) Fair value information

The carrying amounts of the Group's and the Company's financial assets (other than keyman insurance contracts as disclosed below) and financial liabilities as at the end of the reporting period approximate their fair values due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

The carrying amounts of the non-current portion of the lease liabilities are reasonable approximation of their fair value due to the insignificant impact of discounting.

The Group classifies its keyman insurance contract as financial assets at fair value through profit or loss as disclosed in Note 7 to the financial statements. These are categorised within level 2 of the fair value hierarchy. The fair values are determined from the net cash surrender value, which is based on annual valuation statement provided by the insurer. The value is comparable with similar insurance plans from other insurance providers.

37. CAPITAL MANAGEMENT

The Group manages its capital to ensure that the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders' value. To achieve this objective, the Group may takes adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio. The debt-to-equity ratio is calculated as total borrowings from financial institutions divided by total equity.

		Group
	2024	2023
Total borrowings (RM)	108,843,217	84,882,196
Total equity (RM)	43,435,614	30,231,317
Debt-to-equity ratio (times)	2.51	2.81

There was no change in the Group's and the Company's approach to capital management during the financial year.

Under the requirement of borrowing facilities, the Group and the Company is required to maintain several financial covenants. As at the reporting date, the Group and the Company had complied with all the financial covenants.



31 December 2024 (Cont'd)

38. RELATED PARTIES

Identity of related parties

For the purpose of these financial statements, parties are considered to be related to the Group and the Company if the Group and the Company have the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the directors of the Group and the Company, and certain members of the senior management of the Group and the Company.

a) Significant related party transactions

There has been no related party transaction during the financial year (2023 - Nil). The related party balances are shown in Notes 12 and 23 to the financial statements.

b) Compensation of key management personnel

The key management personnel of the Group and of the Company include executive directors and non-executive directors of the Company and certain members of senior management of the Group and of the Company.

They key management personnel compensation during the financial year are as follows:

RM RM RM RM R Fees 562,470 548,961 442,825 Salaries, bonus and allowances 1,676,582 611,980 857,490 Employees provident fund 188,003 70,752 96,900			Group	Com	ipany
Fees 562,470 548,961 442,825 Salaries, bonus and allowances 1,676,582 611,980 857,490 Employees provident fund 188,003 70,752 96,900		2024	2023	2024	2023
Salaries, bonus and allowances 1,676,582 611,980 857,490 Employees provident fund 188,003 70,752 96,900		RM	RM	RM	RM
Employees provident fund 188,003 70,752 96,900	es	562,470	548,961	442,825	-
	laries, bonus and allowances	1,676,582	611,980	857,490	-
	ployees provident fund	188,003	70,752	96,900	-
Employment insurance system 625 475 250	nployment insurance system	625	475	250	-
Social security costs 5,460 4,159 2,184	cial security costs	5,460	4,159	2,184	-
Other benefits - 78,372 -	ner benefits	-	78,372	-	-
2,433,140 1,314,699 1,399,649		2,433,140	1,314,699	1,399,649	-

39. SIGNIFICANT EVENTS

a) In conjuction to the Listing, the Company had entered into a conditional share sale agreement on 7 June 2024 with Mr. Liaw Choon Wei, Mr. Chan Koon Wai and Mr. Lim Bak Teik (collectively, referred to as the "Vendors") to acquire the entire issued share capital of Saliran Industrial Supplies Sdn. Bhd. comprising 3,480,000 ordinary shares ("Acquisition") prior to the Listing.

The purchase consideration for the above Acquisition is RM30,249,750 which shall be satisfied by the issuance of 302,497,500 new ordinary shares in the Company at RM0.10 per share to Maju Alliance Sdn. Bhd., an investment holding company owned by the Vendors collectively.

The said acquisition of Saliran Industrial Supplies Sdn. Bhd. was completed on 14 November 2024.

31 December 2024 (Cont'd)

40. SUBSEQUENT EVENTS

On 19 February 2025, the Company issued the Prospectus for the Initial Public Offering ("IPO") in conjunction with the Company's listing on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities") comprising:

- a) Public issue of 80,400,000 new shares in the following manner:
 - 19,145,000 Issue Shares to the Malaysian Public (including 9,572,500 Issue Shares to be made available to Bumiputera public investor) (via balloting);
 - 7,658,000 Issue Shares to the eligible Directors and employees of the Group;
 - 47,862,500 Issue Shares to the selected Bumiputera investors approved by Ministry of Investment, Trade and Industry, Malaysia (via private placement); and
 - 5,734,500 Issue Shares to the selected investors (via private placement)
- b) Offer for sale of 38,290,000 existing shares by way of private placement to selected investors

at an issue/offer price of RM0.27 per share.

The listing and quotation of the Company's enlarged issued share capital comprising 382,900,000 ordinary shares on the ACE Market of Bursa Securities was completed on 13 March 2025.

41. COMPARATIVE FIGURES

During the financial year, the Group applied merger method of accounting on a restrospective basis arising from the acquisition of the entire equity interest of Saliran Industrial Supplies Sdn. Bhd. by the Company in business combinations under common control. Consequently, the Group presented comparative information as if the business combinations had taken place before the start of the earliest period presented in the financial statements.

Consequently, the following accounting treatment has been applied in the consolidated financial statements arising from the business combinations under common control:

- Assets and liabilities of Saliran Industrial Supplies Sdn. Bhd. and its subsidiaries are recognised and measured at their pre-business combination carrying amount without restatement to fair value;
- b) Retained earnings of the Group as at 1 January 2023 are those of SISSB and its subsidiaries;
- c) Invested equity as at 1 January 2023 reflects the share capital of SISSB; and
- d) The statements of financial position as at 31 December 2024 represent the financial position of the Group after reflecting effects of the acquisitions during the financial year.



STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act 2016

We, Liaw Choon Wei and Chan Koon Wai, being two of the directors of Saliran Group Berhad, do hereby state on behalf of the directors that in our opinion, the financial statements set out on pages 67 to 133 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company at 31 December 2024 and of the financial performance and the cash flows of the Group and of the Company for the financial year ended on that date.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors

Liaw Choon Wei Chan Koon Wai

Kuala Lumpur Date: 25 April 2025

STATUTORY DECLARATION

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Yong Wai Kin, NRIC No. 690219-10-6311, being the officer primarily responsible for the financial management of Saliran Group Berhad, do solemnly and sincerely declare that the financial statements set out on pages 67 to 133, to the best of my knowledge and belief, are correct.

And, I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared at Kuala Lumpur on this 25 April 2025

Yong Wai Kin

(MIA Membership No: 21813)

Before me

Commissioner for Oaths

ANALYSIS OF SHAREHOLDINGS

As at 15 April 2025

Total Number of Issued Shares : 382,900,000 ordinary shares

Issued Share Capital : RM51,960,250 Class of Shares : Ordinary shares

Voting Rights : One (1) vote per ordinary share on a poll

DISTRIBUTION OF SHAREHOLDINGS

	No. of		No. of	
Size of Holdings	Shareholders	%	Shares	%
1 – 99	2	0.10	100	0.00
100 – 1,000	256	12.16	157,100	0.04
1,001 – 10,000	912	43.33	5,555,300	1.45
10,001 – 100,000	801	38.05	29,250,600	7.64
100,001 - 19,144,999 (*)	133	6.32	83,726,900	21.87
19,145,000 AND ABOVE (**)	1	0.05	264,210,000	69.00
TOTAL	2,105	100.00	382,900,000	100.00

REMARK : * LESS THAN 5% OF ISSUED SHARES

: ** 5% AND ABOVE OF ISSUED SHARES

SUBSTANTIAL SHAREHOLDERS

(Based on the Register of Substantial Shareholders)

		Direct		Indirect	
No.	Name	No. of Shares	(%)	No. of Shares	(%)
1.	Maju Alliance Sdn Bhd	264,210,000	69.00	-	-
2.	Liaw Choon Wei	-	-	264,210,000(1)	69.00
3.	Chan Koon Wai	-	-	264,210,000(1)	69.00

DIRECTORS' SHAREHOLDINGS

(Based on the Register of Directors' Shareholdings)

		Direct	Direct		
No.	Name	No. of Shares	%	No. of Shares	%
1	Dato' Low Suet Moi	150,000	0.04	-	-
2	Liaw Choon Wei	-	-	264,210,000(1)	69.00
3	Chan Koon Wai	-	-	264,210,000(1)	69.00
4	Datuk Khoo Teck Kee	150,000	0.04	-	-
5	Kok Tai Meng	150,000	0.04	-	-
6	Ooi Gin Hui	150,000	0.04	-	-

Note: -

⁽¹⁾ Deemed interested in the shares held by Maju Alliance Sdn Bhd pursuant to Section 8 of the Companies Act 2016



ANALYSIS OF SHAREHOLDINGS

As at 15 April 2025 (Cont'd)

LIST OF THIRTY (30) LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	Maju Alliance Sdn Bhd	264,210,000	69.00
2	Tan Swee Yeong	16,310,000	4.26
3	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lee Choon Hee	5,539,500	1.45
4	AllianceGroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Wee Chek Aik	3,700,000	0.97
5	TASEC Nominees (Tempatan) Sdn Bhd TA First Credit Sdn Bhd for Lim Sun Chau	3,000,000	0.78
6	Chun Siok Kiau	2,210,000	0.58
7	Ting Ming Wei	2,100,000	0.55
8	AMSEC Nominees (Tempatan) Sdn Bhd Pledged Securities Account - AmBank (M) Berhad for Honsin Apparel Sdn Bhd	1,849,600	0.48
9	Phillip Nominees (Tempatan) Sdn Bhd Exempt AN for City Exotic Sdn Bhd	1,647,000	0.43
10	SJ SEC Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Francis Ho Ik Sing	1,610,000	0.42
11	BIMSEC Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Permodalan Risda Berhad	1,500,000	0.39
12	BIMSEC Nominees (Tempatan) Sdn Bhd Pledged Securities Account - Permodalan Risda Berhad For Yayasan Negeri Sembilan	1,500,000	0.39
13	BIMSEC Nominees (Tempatan) Sdn Bhd Pledged Securities Account - Permodalan Risda Berhad for Yayasan Islam Perlis	1,500,000	0.39
14	BIMSEC Nominees (Tempatan) Sdn Bhd Pledged Securities Account - Permodalan Risda Berhad for Lembaga Tabung Amanah Melaka	1,500,000	0.39
15	BIMSEC Nominees (Tempatan) Sdn Bhd Pledged Securities Account - Permodalan Risda Berhad for Kumpulan Melaka Berhad	1,500,000	0.39
16	BIMSEC Nominees (Tempatan) Sdn Bhd Pledged Securities Account - Permodalan Risda Berhad for Yayasan Melaka	1,500,000	0.39
17	Ng Huey Kun	1,200,000	0.31
18	Khoo Yu Ching	960,000	0.25
19	Koay Ben Ree	925,000	0.24
20	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Hau Yang	900,000	0.24
21	Lee Kok Chuan	851,400	0.22
22	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Lim Chin Guan	800,000	0.21

ANALYSIS OF SHAREHOLDINGS

As at 15 April 2025 (Cont'd)

LIST OF THIRTY (30) LARGEST SHAREHOLDERS (cont'd)

NO.	NAME	NO. OF SHARES	%
23	Lee Wai Mun	763,400	0.20
24	Leong Seer Ying	753,000	0.20
25	Lee Choon Teng	740,000	0.19
26	Loh Yeong Shiuan	740,000	0.19
27	Tan Hon Je	740,000	0.19
28	Lai Yin Shan	702,000	0.18
29	Kenanga Investment Bank Berhad Exempt AN for Sentosa Jaya Capital Sdn Bhd	660,000	0.17
30	Tan Peng Choon	653,000	0.17
	TOTAL	322,563,900	84.24



LIST OF PROPERTIES

Postal Address	Description of property/ Existing use/ Tenure (if any)/ Category of land use	Beneficial owner	Land area/ Built-up area (sq ft)	Date of purchase/ Date of CCC	Encumbrance	Audited NBV as at 31 December 2024 (RM'000)
(i) Puchong Premise 1 No. 16, Jalan Industri PBP 5, Taman Perindustrian Pusat Bandar Puchong, 47100 Puchong, Selangor	Description: A double- storey semi- detached factory Existing Use: Headquarters and administrative office Tenure: Freehold Category of Land Use: Industrial	Saliran Industrial Supplies Sdn Bhd	Land area: 7,200 Built-up area: 4,560	Date of Purchase: 28 December 2018 Date of CCC: 3 August 1998	Charged to Hong Leong Bank Berhad	3,550
(ii) Puchong Premise 3 No. 42, Jalan TPP5, Taman Perindustrian Putra, 47130 Puchong, Selangor	Description: A 1-storey detached factory annexed with a 3-storey building Existing Use: Storage of inventory to support our supply and distribution business Tenure: Leasehold 99 years, expiring on 16 December 2111 Category of Land Use: Industrial	Saliran Industrial Supplies Sdn Bhd	Land area: 49,336 Built-up area: 22,268	Date of Purchase: 17 May 2022 Date of CCC: 3 October 2017	Charged to Affin Bank Berhad	14,198

LIST OF PROPERTIES (Cont'd)

Postal Address	Description of property/ Existing use/ Tenure (if any)/ Category of land use	Beneficial owner	Land area/ Built-up area (sq ft)	Date of purchase/ Date of CCC	Encumbrance	Audited NBV as at 31 December 2024 (RM'000)
(iii) Investment Property 1 No. 36, Jalan P10/21, Taman Industri Selaman, Bangi, 43650 Bandar Baru Bangi, Selangor	1 Description: A 3-storey detached factory Existing Use: Rented to TRL Trading and Export Sdn Bhd (non-related party) as coldroom, warehouse and office for food production Tenure: Leasehold 99 years, expiring on 19 August 2098 Category of Land Use: Industrial	Saliran Industrial Supplies Sdn Bhd	Land area: 42,022 Built-up area: 34,290	Date of Purchase: 21 April 2021 Date of CCC: 5 October 2004	Charged to Hong Leong Bank Berhad	12,322
(iv) Investment Property 2 No. 75, Jalan Puteri 5/7, Bandar Puteri, 47100 Puchong, Selangor	Description: A 3-storey intermediate terraced shop office Existing Use: Rented to Excinno Sdn Bhd, Connectway Logistics Sdn Bhd and Lee Kok How as business premises. (non-related parties) Tenure: Freehold Category of Land Use: Building	Saliran Industrial Supplies Sdn Bhd	Land area: 1,647 Built-up area: 4,727	Date of Purchase: 9 September 2014 Date of CCC: 19 September 2007	Charged to Hong Leong Bank Berhad	2,081

Note:

^{1.} CCC - Certificate of Completion and Compliance

^{2.} NBV - Net book value



NOTICE OF THE FIRST ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the First ("1st") Annual General Meeting ("**AGM**") of Saliran Group Berhad ("**the Company**") will be held at Brooklyn & Longwood, Hilton Garden Inn Puchong, Jalan DM2, Taman Desa Millennia, 47150 Puchong, Selangor Darul Ehsan on Thursday, 19 June 2025 at 10:00 a.m. for the transaction of the following business:

AGENDA

ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31

December 2024 together with the Reports of the Directors and Auditors thereon.

Please refer to Explanatory Note (a)

2. To approve the payment of Directors' fees to the Non-Executive Directors of the Company of up to RM216,000/- for the financial year ending 31 December 2025.

3. To approve the payment of Directors' fees to the Non-Executive Directors of the Company of up to RM216,000/- for the financial year ending 31 December 2026.

4. To approve the benefits payable to the Non-Executive Directors up to RM50,000/for the period from 1 January 2025 until the next AGM of the Company in year 2026
pursuant to Section 230(1)(b) of the Companies Act 2016 ("Act").

 To re-elect the following Directors who retire pursuant to Clause 110 of the Constitution of the Company and being eligible, have offered themselves for reelection:-

(a) Dato' Low Suet Moi; Ordinary Resolution 4

(b) Mr. Liaw Choon Wei; Ordinary Resolution 5

(c) Mr. Chan Koon Wai; Ordinary Resolution 6

(d) Datuk Khoo Teck Kee; Ordinary Resolution 7

(e) Mr. Kok Tai Meng; and Ordinary Resolution 8

(f) Ms. Ooi Gin Hui; Ordinary Resolution 9

6. To re-appoint Messrs. Kreston John & Gan as Auditors of the Company until the conclusion of the next AGM and to authorise the Board of Directors of the Company to determine their remuneration.

SPECIAL BUSINESS

To consider and, if thought fit, with or without any modification, to pass the following Resolution:

7. ORDINARY RESOLUTION - AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016 ("the Act")

"THAT pursuant to Sections 75 and 76 of the Act, ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Constitution of the Company, and subject to the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered to issue and allot shares in the Company, at any time to such persons and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this Resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being and the Directors be and are also empowered to obtain approval for the listing of and quotation for the additional shares so issued on Bursa Securities;

Ordinary Resolution 11

NOTICE OF THE FIRST ANNUAL GENERAL MEETING (Cont'd)

THAT pursuant to Section 85 of the Act to be read together with Clause 56 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued shares arising from any issuance of new shares in the Company pursuant to the Act;

AND THAT such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next AGM of the Company."

 To transact any other business that may be transacted at an AGM, due notice of which shall have been given in accordance with the Act and the Constitution of the Company.

BY ORDER OF THE BOARD

CHUA SIEW CHUAN (MAICSA 0777689) (SSM PC No. 201908002648) YEOW SZE MIN (MAICSA 7065735) (SSM PC No. 201908003120) LIM LIH CHAU (LS0010105) (SSM PC No. 201908001454) Company Secretaries

Kuala Lumpur 30 April 2025

Notes:

- 1. For the purpose of determining a member who shall be entitled to attend the 1st AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Clause 64 of the Constitution of the Company and Section 34(1) of the Securities Industry (Central Depositories) Act 1991 ("SICDA") to issue a General Meeting Record of Depositors as at 12 June 2025. Only a depositor whose name appears on the Record of Depositors as at 12 June 2025 shall be entitled to attend the 1st AGM or appoint proxies to attend and/or speak and/or vote on his/her behalf.
- 2. A member entitled to attend and vote at the 1st AGM shall not be entitled to appoint more than two (2) proxies to attend and vote in his stead. Where a member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
- 3. A proxy may, but need not, be a member of the Company and a member may appoint any person to be his proxy. There shall be no restrictions on the qualifications of the proxy and a proxy appointed to attend and vote at a general meeting shall have the same rights as the member to speak at the meeting.
- 4. Where a member of the Company is an Authorised Nominee as defined under the SICDA, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each Securities Account it holds to which shares in the Company standing to the credit of the said account.
- 5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one 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.
- 6. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.
- 7. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a certified copy of such power or authority by a notary public, shall be deposited at the office of the share registrar of the Company, Securities Services (Holdings) Sdn. Bhd., Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan, Malaysia or lodged electronically via SS e-Portal at https://sshsb.net.my/ not less than forty-eight (48) hours before the time appointed for holding the 1st AGM or adjournment thereof. Kindly refer to the Procedures for Electronic Submission of Proxy Form in Appendix A.



NOTICE OF THE FIRST ANNUAL GENERAL MEETING

(Cont'd

- 8. Any Notice of Termination of Authority to act as Proxy must be received by the Company before the commencement of the 1st AGM or at any adjournment thereof, failing which, the termination of the authority of a person to act as proxy will not affect the following in accordance with Section 338 of the Act:
 - (a) the constitution of the quorum at such meeting;
 - (b) the validity of anything he did as chairman of such meeting;
 - (c) the validity of a poll demanded by him at such meeting; or
 - (d) the validity of the vote exercised by him at such meeting.

Explanatory Notes:

(a) Audited Financial Statements for the financial year ended 31 December 2024

This Agenda item is meant for discussion only, as the provision of Section 340(1)(a) of the Act does not require a formal approval for the Audited Financial Statements from the shareholders. Therefore, this Agenda item is not put forward for voting.

(b) Ordinary Resolutions 1 and 2 - Directors' fees

The proposed Directors' fees payable to the Non-Executive Directors of the Company for the financial years ending 31 December 2025 and 31 December 2026 shall be up to a total of RM216,000/- only for the respective financial year, comprised the following rates based on responsibilities assumed:

 Office
 Amount (RM) per annum

 Board Chairman
 60,000/

 Non-Executive Directors
 156,000/

 216,000/ 200/

The Ordinary Resolutions 1 and 2, if approved, will authorise the payment of Directors' fees pursuant to Clause 111 of the Constitution of the Company.

(c) Ordinary Resolution 3 - Directors' benefits payable to Non-Executive Directors

The benefits payable to the Non-Executive Directors pursuant to Section 230(1)(b) of the Act has been reviewed by the Remuneration Committee and the Board of Directors of the Company, which recognises that the benefits payable is in the best interest of the Company for the applicable period of between 1 January 2025 to the next Annual General Meeting of the Company in year 2026.

The total estimated amount of Directors' benefits payable is calculated based on the number of the Board of Directors' and Board Committees' meetings scheduled to be held for the financial year ending 31 December 2025 and until the next AGM and other benefits. This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next AGM of the Company.

(d) Ordinary Resolutions 4 to 9 - Re-election of Directors

Pursuant to Clause 110 of the Constitution of the Company, the following Directors shall retire at the conclusion of the 1st AGM but shall be eligible for re-election:

- (i) Dato' Low Suet Moi;
- (ii) Mr. Liaw Choon Wei;
- (iii) Mr. Chan Koon Wai;
- (iv) Datuk Khoo Teck Kee;
- (v) Mr. Kok Tai Meng; and
- (vi) Ms. Ooi Gin Hui.

(collectively, the "Retiring Directors")

All the Retiring Directors have consented to their re-election and have abstained from deliberation and voting in relation to their individual re-election at the Nominating Committee and/or Board of Directors' meetings. The Nominating Committee and Board of Directors were satisfied with the performance of the Retiring Directors.

The profiles of the Retiring Directors are set out in the Annual Report 2025.

NOTICE OF THE FIRST ANNUAL GENERAL MEETING (Cont'd)

(e) Ordinary Resolution 11 - Authority to issue shares pursuant to the Companies Act 2016

The Company wishes to obtain the mandate on the authority to issue shares of not more than 10% of the total issued shares capital for the time being pursuant to the Act at the 1st AGM of the Company ("General Mandate").

The purpose to seek the General Mandate is to enable the Directors of the Company to issue and allot shares at any time to such persons in their absolute discretion without convening a general meeting as it would be both time and cost-consuming to organise a general meeting. This authority unless revoked or varied by the Company in general meeting, will expire at the next AGM. The proceeds raised from the General Mandate will provide flexibility to the Company for any possible fund-raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/or acquisition(s).

Pursuant to Section 85 of the Act read together with Clause 56 of the Constitution of the Company, shareholders have preemptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company or other securities.

The Ordinary Resolution 11, if passed, would allow the Directors to issue new shares to any person under the authority to issue shares pursuant to the Act without having to offer the new shares to be issued equally to all existing shareholders of the Company prior to issuance.

This is the first General Mandate to be sought by the Company since its listing on the ACE Market of Bursa Securities on 13 March 2025.

Statement accompanying Notice of Annual General Meeting:

1. Pursuant to Rule 8.29 of the ACE Market Listing Requirements of Bursa Securities

There are no Directors standing for election as Director of the Company at the 1st AGM.

2. Pursuant to Rule 6.04(3) of the ACE Market Listing Requirements of Bursa Securities

Details on the authority to issue and allot shares in the Company pursuant to Sections 75 and 76 of the Act are set out in Explanatory Note (e) of the Notice of the 1st AGM.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, participate, speak and vote at the 1st 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.



APPENDIX A



SECURITIES SERVICES e-PORTAL

	(A) Sign up for a user accour	nt at	Securities Services e-Portal
Step 1	Visit https://sshsb.net.my/	•	This is a ONE-TIME registration. If you already have
Step 2	Sign up for a user account		a user account, you need not register again.
Step 3	Wait for our notification email that will be sent within one (1) working day	•	Your email address is your User ID.
Step 4	Verify your user account within seven (7) days of the notification email and log in	•	Please proceed to (B) once you are a registered user.
	REGISTER AS A USER BY 12 JUN	1E 20)25 TO SUBMIT E-PROXY FORM
	(B) Submit	e-Pr	oxy Form

Thursday, 19 June 2025 at 10:00 a.m. Tuesday, 17 June 2025 at 10:00 a.m.

Log in to https://sshsb.net.my/ with your registered email and password.

- Look for <u>Saliran Group Berhad</u> under Company Name and <u>1st AGM on 19 June 2025 at 10:00 a.m. Submission of Proxy Form</u> under Event and click ">" to submit your proxy forms online for the meeting by the submission closing date and time above.
- Step 1 Check if you are submitting the proxy form as -

Meeting Date and Time

- Individual shareholder
- Corporate or authorised representative of a body corporate For body corporates, the appointed corporate/authorised representative is to upload the evidence of authority (e.g. Certificate of Appointment of Corporate Representative, Power of Attorney, letter of authority or other documents proving authority). All documents that are not in English or Bahasa Malaysia have to be accompanied by a certified translation in English in 1 file. The original evidence of authority and translation thereof, if required, have to be submitted to The Company's Share Registrar at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan for verification before the proxy form submission closing date and time above or handover the said document to the registrar at the registration counter.

Proxy Form Submission Closing Date and Time

- Step 2 Enter your CDS account number or the body corporate's CDS account number and corresponding number of securities. Then enter the information of your proxy(ies) and the securities to be represented by your proxy(ies).
 - You may appoint the Chairman of the meeting as your proxy where you are not able to participate.
- Step 3 Proceed to indicate how your votes are to be casted against each resolution.
- Step 4 Review and confirm your proxy form details before submission.
- A copy of your submitted e-Proxy Form can be accessed via My Records (refer to the left navigation panel).
- You need to submit your e-Proxy Form for **every CDS account(s)** you have or represent.



FORM OF PROXY

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Contact no.:			Email address:				
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Notes:

- 1. For the purpose of determining a member who shall be entitled to attend the 1st AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Clause 64 of the Constitution of the Company and Section 34(1) of the Securities Industry (Central Depositories) Act 1991 ("SICDA") to issue a General Meeting Record of Depositors as at 12 June 2025. Only a depositor whose name appears on the Record of Depositors as at 12 June 2025 shall be entitled to attend the 1st AGM or appoint proxies to attend and/or speak and/or vote on his/her behalf.
- 2. A member entitled to attend and vote at the 1st AGM shall not be entitled to appoint more than two (2) proxies to attend and vote in his stead. Where a member appoints two (2) proxies, the appointments shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
- 3. A proxy may, but need not, be a member of the Company and a member may appoint any person to be his proxy. There shall be no restrictions on the qualifications of the proxy and a proxy appointed to attend and vote at a general meeting shall have the same rights as the member to speak at the meeting.
- 4. Where a member of the Company is an Authorised Nominee as defined under the SICDA, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each Securities Account it holds to which shares in the Company standing to the credit of the said account.
- 5. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one 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.
- 6. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.

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POSTAGE STAMP

The Registrar

SALIRAN GROUP BERHAD

[Registration No. 202001022591 (1378911-A)] c/o Securities Services (Holdings) Sdn. Bhd. Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan

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- 7. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a certified copy of such power or authority by a notary public, shall be deposited at the office of the share registrar of the Company, Securities Services (Holdings) Sdn. Bhd., Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan, Malaysia or lodged electronically via SS e-Portal at https://sshsb.net.my/ not less than forty-eight (48) hours before the time appointed for holding the 1st AGM or adjournment thereof. Kindly refer to the Procedures for Electronic Submission of Proxy Form in Appendix A.
- 8. Any Notice of Termination of Authority to act as Proxy must be received by the Company before the commencement of the 1st AGM or at any adjournment thereof, failing which, the termination of the authority of a person to act as proxy will not affect the following in accordance with Section 338 of the Act:
 - (a) the constitution of the quorum at such meeting;
 - (b) the validity of anything he did as chairman of such meeting;
 - (c) the validity of a poll demanded by him at such meeting; or
 - (d) the validity of the vote exercised by him at such meeting.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and /or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of the 1st Annual General Meeting dated 30 April 2025.

