



## **SALIRAN GROUP BERHAD**

Registration No. 202001022591 (1378911-A)  
(Incorporated in Malaysia)

### **INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2025**

**Malacca Securities Sdn. Bhd. ("Malacca Securities"), the Sponsor of Saliran Group Berhad has reviewed this interim financial report in accordance with Rule 4.27 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") prior to the issuance of this interim financial report. Malacca Securities assumes no responsibility for the contents of this interim financial report.**

**Malacca Securities was also the Principal Adviser for the admission of Saliran Group Berhad to the ACE Market of Bursa Securities on 13 March 2025.**

**SALIRAN GROUP BERHAD**

Registration No. 202001022591 (1378911-A)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 30 JUNE 2025<sup>(1)</sup>**

		<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
		<u>Current</u> <u>Quarter</u> <b>30.06.2025</b> <b>Unaudited</b> <b>RM'000</b>	<u>Preceding</u> <u>Corresponding</u> <u>Quarter<sup>(2)</sup></u> <b>30.06.2024</b> <b>Unaudited</b> <b>RM'000</b>	<u>Current</u> <u>Year-to-date</u> <b>30.06.2025</b> <b>Unaudited</b> <b>RM'000</b>	<u>Preceding</u> <u>Year-to-date<sup>(2)</sup></u> <b>30.06.2024</b> <b>Unaudited</b> <b>RM'000</b>
	<b>Note</b>				
Revenue		116,341	N/A	211,344	N/A
Cost of sales		(106,567)	N/A	(185,375)	N/A
Gross profit		9,774	N/A	25,969	N/A
Other operating income		679	N/A	1,316	N/A
Administrative expenses		(6,127)	N/A	(16,803)	N/A
Operating profit		4,326	N/A	10,482	N/A
Finance costs		(1,905)	N/A	(3,681)	N/A
Profit before tax	B12	2,421	N/A	6,801	N/A
Tax expenses	B5	(1,015)	N/A	(2,758)	N/A
Profit after tax/ Total comprehensive income		1,406	N/A	4,043	N/A
Profit attributable to:					
- Owners of the Company		1,406	N/A	4,043	N/A
Total comprehensive profit attributable to:					
- Owners of the Company		1,406	N/A	4,043	N/A
Basic and diluted earnings per share ("EPS") (sen) <sup>(3)</sup>	B11	0.37	N/A	1.06	N/A

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FIRST QUARTER ENDED 30 JUNE 2025<sup>(1)</sup> (CONT'D)****Notes:**

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income are detailed in Note A1 and should be read in conjunction with the audited financial statements for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to this interim financial report.
- (2) This interim financial report for the second quarter ended 30 June 2025 is in compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Listing Requirements**"). Therefore, there are no comparative figures for the preceding corresponding quarter and year-to-date as no interim financial report was prepared for the comparative financial period concerned.
- (3) Basic and diluted EPS is calculated based on the Company's enlarged issued share capital of 382,900,000 ordinary shares ("**Shares**") in issue. Diluted EPS is equivalent to the basic EPS as there were no potential dilutive securities in issue during the financial quarter under review (refer to Note B11).

N/A Not applicable.

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**SALIRAN GROUP BERHAD**

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025<sup>(1)</sup>**

		<b>Unaudited</b>	<b>Audited</b>
		<b>As at</b>	<b>As at</b>
		<b>30.06.2025</b>	<b>31.12.2024</b>
	<b>Note</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Non-current assets</b>			
Property, plant and equipment		23,363	23,065
Investment properties		14,297	14,403
Other investments		3,000	2,500
		<u>40,660</u>	<u>39,968</u>
<b>Current assets</b>			
Inventories		10,016	10,416
Trade receivables		85,408	75,578
Other receivables, deposits and prepayments		1,032	1,462
Fixed deposits with licensed banks		23,479	17,436
Cash and bank balances		56,526	38,279
		<u>176,461</u>	<u>143,171</u>
<b>Total assets</b>		<b><u>217,121</u></b>	<b><u>183,139</u></b>
<b>Equity attributable to owners of the Company</b>			
Share capital		50,234	30,252
Merger reserve		(26,770)	(26,770)
Retained earnings		43,996	39,953
<b>Total equity</b>		<u>67,460</u>	<u>43,435</u>
<b>Non-current liabilities</b>			
Borrowings	B8	31,678	31,396
Lease liabilities		63	120
Deferred tax liabilities		474	121
		<u>32,215</u>	<u>31,637</u>
<b>Current liabilities</b>			
Trade payables		26,453	19,800
Other payables and accruals		1,827	4,152
Borrowings	B8	82,306	77,447
Lease liabilities		207	215
Current tax liabilities		6,653	6,453
		<u>117,446</u>	<u>108,067</u>
<b>Total liabilities</b>		<u>149,661</u>	<u>139,704</u>
<b>Total equity and liabilities</b>		<b><u>217,121</u></b>	<b><u>183,139</u></b>
Net assets per share (RM) <sup>(2)</sup>		<u>0.18</u>	<u>0.14</u>

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025<sup>(1)</sup> (CONT'D)****Notes:**

- (1) The basis of preparation of the above Unaudited Condensed Consolidated Statements of Financial Position are detailed in Note A1 and should be read in conjunction with the audited financial statements for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to this interim financial report.
- (2) Net assets per share is calculated based on the Company's enlarged issued share capital of 382,900,000 Shares as at 30 June 2025 and 302,500,000 Shares as at 31 December 2024 respectively. (refer to Note A11).

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2025<sup>(1)</sup>**

	Share capital RM'000	Merger reserve RM'000	Retained earnings RM'000	Total equity RM'000
<b>Balance as at 1 January 2025</b>	30,252	(26,770)	39,953	43,435
Issuance of shares pursuant to IPO	21,708	-	-	21,708
Share issuance expenses	(1,726)	-	-	(1,726)
Total comprehensive income for the financial period	-	-	4,043	4,043
<b>Balance as at 30 June 2025 (Unaudited)</b>	<b>50,234</b>	<b>(26,770)</b>	<b>43,996</b>	<b>67,460</b>

**Notes:**

- (1) The basis of preparation of the above Unaudited Condensed Consolidated Statements of Changes in Equity are detailed in Note A1 and should be read in conjunction with the audited financial statements for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to this interim financial report.
- (2) This interim financial report for the second quarter ended 30 June 2025 is in compliance with the Listing Requirements. Therefore, there are no comparative figures for the preceding corresponding quarter and year-to-date as no interim financial report was prepared for the comparative financial period concerned

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2025<sup>(1)</sup>**

	<b>Current Period-to-date 30.06.2025 RM'000</b>	<b>Preceding Period-to- date<sup>(2)</sup> 30.06.2024 RM'000</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	6,801	N/A
Adjustments for:		
Depreciation of:		
- property, plant and equipment	642	N/A
- investment properties	106	N/A
- right-of-use assets	177	N/A
Property, plant and equipment written off	6	N/A
Interest expenses	3,681	N/A
Interest income	(175)	N/A
Impairment loss on trade receivables	232	N/A
Unrealised loss on foreign exchange	360	N/A
<b>Operating profit before changes in working capital</b>	<b>11,830</b>	<b>N/A</b>
Changes in working capital:		
Inventories	400	N/A
Trade receivables	(10,731)	N/A
Other receivables, deposits and prepayments	430	N/A
Trade payables	6,962	N/A
Other payables and accruals	(2,325)	N/A
<b>Cash generated from operations</b>	<b>6,566</b>	<b>N/A</b>
Interest paid	(3,681)	N/A
Interest received	175	N/A
Tax paid	(2,205)	N/A
<b>Net cash from operating activities</b>	<b>855</b>	<b>N/A</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(1,073)	N/A
Purchase of right-of-use assets	(50)	N/A
Purchase of other investments	(500)	N/A
<b>Net cash used in investing activities</b>	<b>(1,623)</b>	<b>N/A</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net drawdown of bankers' acceptances	241	N/A
Net drawdown of invoicing financing	12,718	N/A
Net repayment of trust receipts	(6,837)	N/A
Net repayment of revolving credit	(16)	N/A
Net drawdown of hire purchase	604	N/A
Repayment of lease liabilities	(65)	N/A
Repayment of term loans	(640)	N/A
Increase in fixed deposits pledged	(6,043)	N/A
Net proceeds from issuance of shares	19,982	N/A
<b>Net cash generated from financing activities</b>	<b>19,944</b>	<b>N/A</b>

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2025<sup>(1)</sup> (CONT'D)**

	<b>Current Period-to-date 30.06.2025 RM'000</b>	<b>Preceding Period-to-date<sup>(2)</sup> 30.06.2024 RM'000</b>
<b>Net changes in cash and cash equivalents</b>	19,176	N/A
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD</b>	33,853	N/A
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	<b>53,029</b>	<b>N/A</b>
<b>Cash and cash equivalents comprised of:</b>		
Cash and bank balances	56,526	N/A
Fixed deposits with licensed banks	23,479	N/A
	80,005	N/A
Less:		
Fixed deposits pledged to licensed banks	(23,479)	N/A
Bank overdraft	(3,497)	N/A
	<b>53,029</b>	<b>N/A</b>

**Notes:**

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Cash Flows is disclosed in Note A1 and should be read in conjunction with the audited financial statements for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to this interim financial report.
- (2) This interim financial report for the second quarter ended 30 June 2025 is in compliance with the Listing Requirements. Therefore, there are no comparative figures for the preceding corresponding quarter and year-to-date as no interim financial report was prepared for the comparative financial period concerned.

N/A Not applicable.

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## **SALIRAN GROUP BERHAD**

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### **PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING**

#### **A1. BASIS OF PREPARATION**

The interim financial report of Saliran and its subsidiaries (“**Group**”) are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standards (“**MFRS**”) 134: Interim Financial Reporting issued by Malaysian Accounting Standards Board (“MASB”) and Rule 9.22 and Appendix 9B of the Listing Requirements.

This is the second interim financial report being announced in compliance with the Listing Requirements, therefore there are no comparative figures for the preceding corresponding quarter and period-to-date.

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2024 and the accompanying notes attached to this interim financial report.

#### **A2. MATERIAL ACCOUNTING POLICIES**

The material accounting policies adopted by the Group in this interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2024. During the current financial period, the Group has adopted the following new amendment to MFRSs :

##### **Effective for annual periods beginning on or after 1 January 2025**

- *Amendments to MFRS 121, The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

The initial application of the above standards are not expected to have any material impact to the consolidated financial statements of the Group upon its first adoption.

The Group has not applied in advance the following new MFRSs and amendments to MFRSs that have been issued by the MASB but are not yet effective for the financial period ended 30 June 2025 : -

##### **Effective for annual periods beginning on or after 1 January 2026**

- *Amendments to MFRS 7, Financial Instruments : Disclosures and MFRS 9, Financial Instruments – Amendments to the Classification and Measurement of Financial Instruments*
- *Amendments to MFRS 7, Financial Instruments : Disclosures and MFRS 9, Financial Instruments – Contracts Referencing Nature-dependent Electricity*
- *Annual Improvements to MFRS Accounting Standards – Volume 11*

##### **Effective for annual periods beginning on or after 1 January 2027**

- *MFRS 18, Presentation and Disclosures in Financial Statements*
- *MFRS 19, Subsidiaries without Public Accountability : Disclosures*

##### **Effective for date yet to be confirmed**

*Amendments to MFRS 10, Consolidated Financial Statements and MFRS 128, Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The initial application of the above standards are not expected to have any material impact to the consolidated financial statements of the Group upon its first adoption.

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**PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING (CONT’D)****A3. AUDITORS’ REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS**

There were no qualifications on the audited financial statements of the Group for the financial year ended 31 December 2024.

**A4. SEASONAL OR CYCLICAL FACTORS**

The Group’s operation was not significantly affected by any unusual seasonal or cyclical factors.

**A5. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE**

There were no extraordinary and exceptional items of unusual nature affecting assets, liabilities, equity, net income, or cash flows in the current quarter and financial year-to-date under review.

**A6. MATERIAL CHANGES IN ESTIMATES**

There were no material changes in estimates in the current quarter and financial year-to-date under review.

**A7. DEBT AND EQUITY SECURITIES**

Save for the public issue of 80,400,000 new ordinary shares pursuant to the listing of the Company on the ACE Market of Bursa Securities on 13 March 2025, there was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current financial quarter under review.

**A8. DIVIDEND PAID**

There was no dividend paid or declared by the Company during the current financial quarter under review.

**A9. SEGMENTAL INFORMATION**

The Group operates predominantly in two operating segments, namely the supply and distribution of pipes, fittings and flanges, steel products, related parts and accessories and manufacturing of fittings and flanges products.

Majority of the assets and liabilities of the Group are derived from Malaysia. Hence, no additional disclosure is made on geographical breakdown/detail of the segment assets of the Group.

**Revenue contribution by business segment**

	<u>Quarter Ended</u>		<u>Period-to-Date Ended</u>	
	<b>30.06.2025</b>	<b>30.06.2024<sup>(1)</sup></b>	<b>30.06.2025</b>	<b>30.06.2024<sup>(1)</sup></b>
	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>
	<b>RM’000</b>	<b>RM’000</b>	<b>RM’000</b>	<b>RM’000</b>
Supply and distribution segment	115,735	N/A	209,642	N/A
Manufacturing segment	606	N/A	1,702	N/A
<b>Total</b>	<b>116,341</b>	<b>N/A</b>	<b>211,344</b>	<b>N/A</b>

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**PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING (CONT’D)****A9. SEGMENTAL INFORMATION (CONT’D)****Notes:**

- (1) This is the second interim financial report being announced in compliance with the Listing Requirements, therefore there are no comparative figures for the preceding corresponding quarter and period-to-date.

N/A Not applicable.

**A10. VALUATION OF PROPERTY, PLANT AND EQUIPMENT**

There was no valuation of property, plant and equipment in the current financial quarter under review.

**A11. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD**

There are no other material events subsequent to the end of the current quarter and financial period-to-date that have not been reflected in this interim financial report.

**A12. CHANGES IN COMPOSITION OF THE GROUP**

There were no other material changes in the composition of the Group and for the current financial quarter under review.

**A13. CONTINGENT LIABILITIES OR CONTINGENT ASSETS**

Save for the material litigation as disclosed in Note B9, there were no contingent liabilities or contingent assets in the Group as at the date of this interim report.

**A14. CAPITAL COMMITMENTS**

Saved as disclosed in the utilisation of proceeds from the IPO in Note B7, there is no material commitment for capital expenditure, which upon becoming enforceable, may have a material effect on the Group’s financial position as at the date of this interim financial report.

**A15. RELATED PARTY TRANSACTIONS DISCLOSURES**

The Group has not carried out any transactions with any related parties during the financial period.

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**PART B – ADDITIONAL INFORMATION REQUIRED BY ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****B1. REVIEW OF PERFORMANCE**

	<u>Quarter Ended</u>		<u>Period-To-Date Ended</u>	
	<b>30.06.2025</b>	<b>30.06.2024<sup>(1)</sup></b>	<b>30.06.2025</b>	<b>30.06.2024<sup>(1)</sup></b>
	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	116,341	N/A	211,344	N/A
Profit before tax	2,421	N/A	6,801	N/A
Profit after tax	1,406	N/A	4,043	N/A

**Notes:**

- (1) This is the second interim financial report being announced in compliance with the Listing Requirements, therefore there are no comparative figures for the preceding corresponding quarter and period-to-date.

N/A Not applicable.

The Group recorded a revenue of RM116.34 million in the current financial quarter and RM211.34 million in the financial period-to-date ended 30 June 2025 respectively.

The Group recognised a profit before tax of RM2.42 million and RM6.80 million for the current financial quarter and financial period-to-date ended 30 June 2025 respectively after deducting expenses which are mainly attributed to staff costs and directors' remuneration, impairment losses on trade receivables, realised losses on foreign exchange, depreciation of property, plant and equipment, investment properties and right-of-use assets, and listing expenses attributable to the IPO. Excluding the one-off listing expenses attributed to the IPO recognised during this period which amounted to RM0.69 million, the Group's PBT would have been RM7.49 million in the financial period-to-date ended 30 June 2025.

**B2. COMPARISON WITH IMMEDIATE-PRECEDING QUARTER'S RESULTS**Current Financial Period ("2Q 2025") vs Preceding Financial Period ("1Q 2025")

The Group recorded a revenue of RM116.34 million in 2Q 2025 as compared to RM95.00 million in 1Q 2025, representing an increase of RM21.34 million or 22.46%, mainly due to higher sales orders received by our local customers as a result of increase in demand in their local projects, which contributed to an increased in our local revenue to 77.51% in 2Q 2025 from 72.46% in 1Q 2025.

Albeit increased sales to Indonesia market in 2Q 2025 as compared to 1Q 2025 by 0.26%, our revenue contribution from Indonesia market, has decreased to 22.43% in 2Q 2025 as compared to 27.40% in 1Q 2025, due to the increase in our overall revenue.

The Group recorded a lower profit before taxation of RM2.42 million in 2Q 2025 as compared to a profit before taxation of RM4.38 million in 1Q 2025 representing a decrease of RM1.96 million or 44.75% mainly due to reduction in gross profit margins to 8.40% in 2Q 2025 as compared to 17.05% in 1Q 2025. The reduction in our gross profit margins were mainly due to the revitalised customer acquisition strategies in order for our existing customers retention and to secure new customers accounts.

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**PART B – ADDITIONAL INFORMATION REQUIRED BY ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)****B3. PROSPECTS OF THE GROUP**

The recent imposition of trade tariffs by the United States on its global trading partners, has raised concerns of a slowed down in global economy and impeding global recession. These tariffs widespread implications will lead to higher costs in business activities hence may lead to global inflations.

Malaysia's economic growth, however, may be affected by the recent tariff hikes imposed by the United States, of 19% reciprocal tariff on Malaysian imports. In the first quarter of 2025, Malaysia's GDP growth reduced to 4.4%, down from 5.0% in the preceding quarter, affected by the anticipation of the U.S. tariffs. Bank Negara Malaysia noted that annual growth may fall below the earlier projected range of 4.5%–5.5%, and the economic outlook remains weak due to the persistent geopolitical uncertainties.

The Group will however, remain cautious of any global macroeconomic challenges, and geopolitical tensions, trade policy risks, fluctuations in foreign exchange currencies which may affect global supply chain. The Group will be cautious in cost management and in its business expansion, whilst improving operational efficiency.

Barring any unforeseen circumstances, 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, and strategies to expand into Indonesia, enhance quality assurance and control procedures, expand its fleet of delivery trucks and further develop and grow the supply and distribution of the Group's jointly-owned brand products, i.e. "THF" products.

**B4. VARIANCE OF ACTUAL PROFITS FROM FORECAST PROFITS**

The Group did not issue any profit forecast or profit guarantee in the current financial quarter under review.

**B5. INCOME TAX EXPENSES**

	<u>Quarter Ended</u>		<u>Period-to-Date Ended</u>	
	<u>30.06.2025</u>	<u>30.06.2024<sup>(1)</sup></u>	<u>30.06.2025</u>	<u>30.06.2024<sup>(1)</sup></u>
	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Income tax expenses	1,015	N/A	2,758	N/A
Effective tax rate (%)	41.92	N/A	40.55	N/A
Statutory tax rate (%)	24.00	N/A	24.00	N/A

**Notes:**

(1) This is the second interim financial report being announced in compliance with the Listing Requirements, therefore there are no comparative figures for the preceding corresponding quarter and period-to-date.

N/A Not applicable.

The Group's effective tax rate was higher than statutory tax rate mainly due to deferred tax recognised and certain expenses not being deductible for tax purposes such as listing expenses.

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**PART B – ADDITIONAL INFORMATION REQUIRED BY ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)****B6. STATUS OF CORPORATE PROPOSALS**

There were no corporate proposals announced but not completed as at the date of this interim report.

**B7. UTILISATION OF PROCEEDS FROM IPO**

The status of the utilisation of gross proceeds raised from the IPO amounting to RM21.71 million is as follows:

<b>Utilisation of proceeds<sup>(1)</sup></b>	<b>Proposed Utilisation RM'000</b>	<b>Actual Utilisation<sup>(2)</sup> RM'000</b>	<b>Balance to be utilised RM'000</b>	<b>Estimated timeframe for utilisation from Listing</b>
Establishment of a sales office in Indonesia	1,200	(34)	1,166	Within 42 months
Purchase of machinery and delivery trucks	1,440	-	1,440	Within 24 months
Repayment of bank borrowings	7,000	-	7,000	Within 24 months
General working capital	8,368	(6,889)	1,479	Within 12 months
Estimated listing expenses	3,700	(3,700)	-	Within 1 month
<b>Total</b>	<b>21,708</b>	<b>(10,623)</b>	<b>11,085</b>	

**Notes:**

- (1) The utilisation of proceeds as disclosed above should be read in conjunction with the Prospectus dated 19 February 2025.
- (2) The actual amount utilised as at 30 June 2025.

**B8. GROUP BORROWINGS AND DEBTS SECURITIES**

The Group's bank borrowings were as follows:

	<b><u>Unaudited</u> As at 30.06.2025 RM'000</b>	<b><u>Audited</u> As at 31.12.2024 RM'000</b>
<b><u>Current</u></b>		
<i>Secured</i>		
Bank overdrafts	3,497	4,426
Bankers' acceptances	1,803	1,562
Invoice financing	41,463	28,745
Revolving credit	1,292	1,308
Trust receipts	31,660	38,497
Term loans	2,099	2,275
Hire Purchase	492	634
	<u>82,306</u>	<u>77,447</u>
<b><u>Non-current</u></b>		
<i>Secured</i>		
Term loans	29,722	30,186
Hire Purchase	1,956	1,210
	<u>31,678</u>	<u>31,396</u>
<b>Total</b>	<b><u>113,984</u></b>	<b><u>108,843</u></b>

The bank borrowings are secured and denominated in Ringgit Malaysia.

## **SALIRAN GROUP BERHAD**

Registration No. 202001022591 (1378911-A)

(Incorporated in Malaysia)

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### **PART B – ADDITIONAL INFORMATION REQUIRED BY ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)**

#### **B9. MATERIAL LITIGATION**

Save as disclosed below, the Group is not engaged in any material litigation, claim or arbitration either as plaintiff or defendant and there is no proceeding pending or threatened or any fact likely to give rise to any proceeding which might materially or adversely affect its position or business as at the date of this interim report:

- (i) Shah Alam High Court Winding-Up Petition No. BA-28NCC-548-10/2023 (“**Petition**”)

Saliran Industrial Supplies Sdn Bhd, a wholly-owned subsidiary of the Company (“**Saliran Industrial Supplies**”)

Orient Arotek Engineering & Trading Sdn Bhd (“**Respondent**”)

On 27 June 2023, Saliran Industrial Supplies through its solicitor, issued a letter of demand to the Respondent, demanding the sum of RM2,813,139.93 which represents the outstanding sum for the goods sold and delivered by Saliran Industrial Supplies to the Respondent during the period between 14 December 2022 to 1 June 2023 (“**Owing Sum**”). The Respondent failed, neglected, and refused to pay the Owing Sum or any part thereof. Consequently, on 9 November 2023, Saliran Industrial Supplies filed a winding-up petition against the Respondent for the Owing Sum. Saliran Industrial Supplies sought for and is claiming for the following:

- (a) the Respondent be wound-up;
- (b) the appointment of the official receiver as liquidator of the Respondent;
- (c) the allowance of costs and incidentals to the Petition to be paid out of the assets of the Respondent; and
- (d) any other orders the High Court deems fit.

On 8 January 2024, the Respondent’s solicitors filed a notice of intention to appear on petition for and on behalf of the Respondent. On the same day, the Respondent filed its affidavit in reply and denied the amount claimed by Saliran Industrial Supplies and stated the following:-

- (aa) Saliran Industrial Supplies had failed to fulfill the replacement request by the Respondent in relation to the damaged and defective goods supplied by Saliran Industrial Supplies;
- (bb) the amount claimed in the Petition was allegedly wrong and not bona fide as the same did not take into account a property made in favor of Saliran Industrial Supplies to contra and/or set-off debt owed by the Respondent; and
- (cc) the Petition is flawed as the Respondent had obtained an order from the High Court on 23 November 2023 for a scheme of arrangement and obtained a draft restraining order from the High Court on 4 January 2024 to restrain all creditors, including Saliran Industrial Supplies, from proceeding with legal action against the Respondent.

For information, the Respondent was wound up on 15 May 2024 in relation to a petition filed by third-party, Tegap Urus Trading & Construction Sdn Bhd. In relation thereto, the Petition was struck-out by the High Court on 1 July 2024 with liberty to file afresh with no order as to cost and the deposit of RM3,000.00 paid to the Director of General of Insolvency Department is to be refunded to Saliran Industrial Supplies.

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**PART B – ADDITIONAL INFORMATION REQUIRED BY ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)****B9. MATERIAL LITIGATION (CONT'D)**

Saliran Industrial Supplies had registered the Proof of Debt with the Insolvency Department on 26 May 2025 claiming for the Owing Sum, and pending further decision from the Malaysia Insolvency Department.

**B10. DIVIDENDS**

No dividend has been proposed or paid for the current financial quarter under review.

**B11. EARNINGS PER SHARE**

The basic and diluted EPS for the current quarter and financial period-to-date are computed as follows:

	<u>Quarter Ended</u>		<u>Period-to-Date Ended</u>	
	<b>30.06.2025</b>	<b>30.06.2024<sup>(1)</sup></b>	<b>30.06.2025</b>	<b>30.06.2024<sup>(1)</sup></b>
	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit attributable to the Owners of the Company (RM'000)	1,406	N/A	4,043	N/A
Number of ordinary shares in issue ('000)	382,900	N/A	382,900	N/A
Basic and diluted EPS (sen) <sup>(2)</sup>	0.37	N/A	1.06	N/A

**Notes:**

(1) This is the second interim financial report being announced in compliance with the Listing Requirements, therefore there are no comparative figures for the preceding corresponding quarter and period-to-date.

(2) Basic and diluted EPS is calculated based on the Company's enlarged share capital of 382,900,000 Shares in issue. Diluted EPS is equivalent to the basic EPS as there were no potential dilutive securities in issue during the financial quarter under review.

N/A Not applicable.



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**PART B – ADDITIONAL INFORMATION REQUIRED BY ACE MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONT'D)****B12. NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	<u>Quarter Ended</u>		<u>Period-to-Date Ended</u>	
	<b>30.06.2025</b>	<b>30.06.2024<sup>(1)</sup></b>	<b>30.06.2025</b>	<b>30.06.2024<sup>(1)</sup></b>
	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>	<b>Audited</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Profit for the period was derived after taking into consideration of the following:</b>				
Interest expense	1,905	N/A	3,681	N/A
Depreciation charges	487	N/A	925	N/A
Impairment loss on trade receivables	232	N/A	232	N/A
Realised loss on foreign exchange	141	N/A	141	N/A
Unrealised (gain)/loss on foreign exchange	(214)	N/A	360	N/A
<b>and after crediting:</b>				
Interest income	(36)	N/A	(51)	N/A
Realised gain on foreign exchange	(34)	N/A	(326)	N/A

**Notes:**

- (1) This is the second interim financial report being announced in compliance with the Listing Requirements, therefore there are no comparative figures for the preceding corresponding quarter and period-to-date.

N/A Not applicable.

**B13. AUTHORISATION FOR ISSUE**

The interim financial report was authorised for issue by the Board of Directors of the Company on 26 August 2025.

**BY ORDER OF THE BOARD**  
**SALIRAN GROUP BERHAD**

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