



SALIRAN GROUP BERHAD

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

INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 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”) (“Listing Requirements”) 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 FOURTH QUARTER ENDED 31 DECEMBER 2025⁽¹⁾

	Note	<u>Individual Quarter</u>		<u>Cumulative Quarter</u>	
		Current Quarter 31.12.2025 Unaudited RM'000	Preceding Corresponding Quarter 31.12.2024 Unaudited RM'000	Current Year-to-date 31.12.2025 Unaudited RM'000	Preceding Year-to-date 31.12.2024 Audited RM'000
Revenue		139,140	95,565	486,056	344,515
Cost of sales		(129,381)	(79,027)	(435,254)	(285,605)
Gross profit		9,759	16,538	50,802	58,910
Other operating income		728	1,488	2,513	2,076
Administrative expenses		(6,446)	(10,187)	(29,893)	(34,112)
Operating profit		4,041	7,839	23,422	26,874
Finance costs		(2,444)	(1,785)	(8,228)	(6,798)
Profit before tax	B12	1,597	6,054	15,194	20,076
Tax expenses	B5	(115)	(2,331)	(4,945)	(6,872)
Profit after tax/ Total comprehensive income		1,482	3,723	10,249	13,204
Profit attributable to:					
- Owners of the Company		1,482	3,723	10,249	13,204
Total comprehensive profit attributable to:					
- Owners of the Company		1,482	3,723	10,249	13,204
Basic and diluted earnings per share ("EPS") (sen) ⁽²⁾	B11	0.39	1.23	2.79	4.36

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2025⁽¹⁾ (CONT'D)

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income 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) Earnings per share is calculated based on the weighted average number of ordinary shares as disclosed in Note B11.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025⁽¹⁾

		<u>Unaudited</u> As at 31.12.2025 RM'000	<u>Audited</u> As at 31.12.2024 RM'000
Non-current assets			
Property, plant and equipment		22,517	23,065
Investment properties		14,192	14,403
Investment in associate company	A12	*	-
Other investments		3,540	2,500
		<u>40,249</u>	<u>39,968</u>
Current assets			
Inventories		19,510	10,416
Trade receivables		73,848	75,578
Other receivables, deposits and prepayments		1,748	1,462
Fixed deposits with licensed banks		27,260	17,436
Cash and bank balances		80,187	38,279
		<u>202,553</u>	<u>143,171</u>
Total assets		<u>242,802</u>	<u>183,139</u>
Equity attributable to owners of the Company			
Share capital		50,234	30,252
Merger reserve		(26,770)	(26,770)
Retained earnings		50,202	39,953
Total equity		<u>73,666</u>	<u>43,435</u>
Non-current liabilities			
Borrowings	B8	30,874	31,396
Lease liabilities		36	120
Deferred tax liabilities		298	121
		<u>31,208</u>	<u>31,637</u>
Current liabilities			
Trade payables		16,215	19,800
Other payables and accruals		5,139	4,152
Borrowings	B8	111,427	77,447
Lease liabilities		117	215
Current tax liabilities		5,030	6,453
		<u>137,928</u>	<u>108,067</u>
Total liabilities		<u>169,136</u>	<u>139,704</u>
Total equity and liabilities		<u>242,802</u>	<u>183,139</u>
Net assets per share (RM)		<u>0.19⁽²⁾</u>	<u>0.14⁽³⁾</u>

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025⁽¹⁾ (CONT'D)

Notes:

- * Denotes less than RM1,000/-.
- (1) The basis of preparation of the above Unaudited Condensed Consolidated Statements of Financial Position 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) Net assets per share is calculated based on the Company's enlarged number of shares of 382,900,000 shares following the completion of the initial public offering ("**IPO**").
- (3) Net assets per share is calculated based on the ordinary shares in issuance of 302,500,000 shares before the public shares of 80,400,000 new ordinary shares under the IPO exercise.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2025⁽¹⁾

	Share capital RM'000	Invested equity RM'000	Merger reserve RM'000	Retained earnings RM'000	Total equity RM'000
Balance as at 1 January 2024	2	3,480	-	26,749	30,231
Acquisition of subsidiaries	-	(3,480)	(26,770)	-	(30,250)
Issuance of shares	30,250	-	-	-	30,250
Total comprehensive income for the financial year	-	-	-	13,204	13,204
Balance as at 31 December 2024 (Audited)	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 year	-	-	-	10,249	10,249
Balance as at 31 December 2025 (Unaudited)	50,234	-	(26,770)	50,202	73,666

Note:

- (1) The basis of preparation of the above Unaudited Condensed Consolidated Statements of Changes in Equity 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.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2025⁽¹⁾

	Current Year-to-date 31.12.2025 RM'000	Preceding Year-to-date 31.12.2024 RM'000
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	15,194	20,076
Adjustments for:		
Depreciation of:		
- property, plant and equipment	1,315	545
- investment properties	211	211
- right-of-use assets	355	1,017
Property, plant and equipment written off	6	-
Loss on disposal of other investment	-	91
(Gain)/loss on disposal of property, plant and equipment	(91)	3
Interest expenses	8,228	6,798
Interest income	(533)	(562)
Impairment loss on other investments	460	-
Impairment loss on trade receivables	1,270	9
Reversal of impairment loss on trade receivables	-	(130)
Unrealised loss/(gain) on foreign exchange	672	(630)
Operating profit before changes in working capital	27,087	27,428
Changes in working capital:		
Inventories	(9,094)	2,061
Trade receivables	(196)	(8,847)
Other receivables, deposits and prepayments	(286)	(743)
Trade payables	(3,601)	(3,157)
Other payables and accruals	987	(1,075)
Cash generated from operations	14,897	15,667
Interest paid	(8,228)	(6,798)
Interest received	533	562
Tax paid	(6,191)	(4,624)
Net cash from operating activities	1,011	4,807
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,161)	(61)
Investment in associate company	*	-
Purchase of other investments	(1,500)	(500)
Proceeds from disposal of other investment	-	367
Proceeds from disposal of property, plant and equipment	124	20
Net cash used in investing activities	(2,537)	(174)
Balance carried forward	(1,526)	4,633

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2025⁽¹⁾ (CONT'D)

	Current Year-to-date 31.12.2025 RM'000	Preceding Year-to-date 31.12.2024 RM'000
Balance brought forward	(1,526)	4,633
CASH FLOW FROM FINANCING ACTIVITIES		
Net drawdown of bankers' acceptances	186	111
Net drawdown of invoice financing	28,922	13,281
Net drawdown of trust receipts	4,740	12,734
Net repayment of revolving credit	(26)	(87)
Net drawdown/(repayment) of hire purchase	270	(811)
Repayment of lease liabilities	(182)	(219)
Net repayment of term loans	(1,080)	(848)
Increase in fixed deposits pledged	(9,824)	(8,190)
Net proceeds from issuance of shares	19,982	-
Net cash generated from financing activities	42,988	15,971
Net changes in cash and cash equivalents	41,462	20,604
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	33,853	13,293
Effect of foreign exchange	-	(44)
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	75,315	33,853
Cash and cash equivalents comprised of:		
Cash and bank balances	80,187	38,279
Fixed deposits with licensed banks	27,260	17,436
	107,447	55,715
Less:		
Fixed deposits pledged to licensed banks	(27,260)	(17,436)
Bank overdraft	(4,872)	(4,426)
	75,315	33,853

Notes:

* Denotes less than RM1,000/-.

- (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.

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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.

The interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2024 as enclosed in the Annual Report 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 year, 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 year ended 31 December 2025: -

Effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures – Amendments to the Classification and Measurement of Financial Instruments
- Annual Improvements to MFRS – Volume 11:
 - Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards
 - Amendments to MFRS 7, Financial Instruments: Disclosures
 - Amendments to MFRS 9, Financial Instruments
 - Amendments to MFRS 10, Consolidated Financial Statements
 - Amendments to MFRS 107, Statement of Cash Flows
 - Amendments to MFRS 9, Financial Instruments and MFRS 7, Financial Instruments: Disclosures – Contracts Referencing Nature-dependent Electricity

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*
- *Amendments to 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 applications 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

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

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>Year-to-Date Ended</u>	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
	Unaudited	Unaudited	Unaudited	Audited
	RM’000	RM’000	RM’000	RM’000
Supply and distribution segment	137,585	94,269	481,894	341,141
Manufacturing segment	1,555	1,296	4,162	3,374
Total	139,140	95,565	486,056	344,515

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PART A – EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING (CONT’D)

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 year-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, save as disclosed below.

	31.12.2025
	Unaudited
	RM
Unquoted shares at cost*	<u>30</u>

Note:-

* Being investment in associate, the details of which are as follows:-

Name of associate	Country of incorporation	Principal activities	Effective equity interest
Saltech Energy Sdn Bhd	Malaysia	Development and project management services for oil and gas, petrol chemical, and renewable energy industries	30%

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 year.

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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>Year-To-Date Ended</u>	
	<u>31.12.2025</u>	<u>31.12.2024</u>	<u>31.12.2025</u>	<u>31.12.2024</u>
	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>	<u>Audited</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Revenue	139,140	95,565	486,056	344,515
Profit before tax	1,597	6,054	15,194	20,076
Profit after tax	1,482	3,723	10,249	13,204

Current Financial Period ("4Q 2025") vs Preceding Year Corresponding Period ("4Q 2024")

The Group recorded a higher revenue of RM139.14 million in 4Q 2025 as compared to RM95.57 million in 4Q 2024, representing an increase of RM43.57 million or 45.59%, mainly attributable to higher revenue from the supply and distribution segment due to higher customers' accounts secured via the Group's customer acquisition implementation strategy whilst the manufacturing segment contributed to the Group's revenue of RM0.26 million.

The Group recorded a lower profit before tax of RM1.60 million in 4Q 2025 as compared to RM6.05 million in 4Q 2024 representing a decrease of RM4.45 million or 73.55%, mainly due to lower gross profit margin recorded due to the Group's customer acquisition strategy by price adjustments in order to secure more customers, impairment in trade receivables of RM0.43 million, and impairment loss on other investments of RM0.46 million.

Financial Year Ended 31 December 2025 ("FYE 2025") vs Financial Year Ended 31 December 2024 ("FYE 2024")

The Group recorded a higher revenue of RM486.06 million in FYE 2025 as compared to RM344.52 million in FYE 2024, representing an increase of RM141.54 million or 41.08%, mainly attributable to higher revenue from the supply and distribution segment of RM140.75 million, as a result of the Group's customer acquisition strategy. The Group recorded an increase of RM0.79 million in revenue from its manufacturing segment due to increase in its customers' orders.

The Group's profit before tax in FYE 2025 was RM15.19 million, as compared to RM20.08 million in FYE 2024, representing a decrease of RM4.89 million. The decrease was mainly due to lower gross profit margin resulted from exposure in lower margin products and price adjustments as part of the customer acquisition strategy. Excluding the one-off listing expenses attributed to the IPO recognised during this year which amounted to RM0.69 million, the Group's PBT would have been RM15.88 million in FYE 2025.

B2. COMPARISON WITH IMMEDIATE-PRECEDING QUARTER'S RESULTS

	<u>Quarter Ended</u>	
	<u>31.12.2025</u>	<u>30.09.2025</u>
	<u>Unaudited</u>	<u>Unaudited</u>
	<u>RM'000</u>	<u>RM'000</u>
Revenue	139,140	135,572
Profit before tax	1,597	6,796
Profit after tax	1,482	4,724

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

B2. COMPARISON WITH IMMEDIATE-PRECEDING QUARTER'S RESULTS (CONT'D)

Quarter ended 31 December 2025 ("4Q 2025") vs Quarter ended 30 September 2025 ("3Q 2025")

The Group recorded a revenue of RM139.14 million in 4Q 2025 as compared to RM135.57 million in 3Q 2025, representing an increase of RM3.57 million or 2.63%, mainly due to higher sales orders received from our local customers as a result of increase in demand in their projects which contributed to our local revenue contribution of 93.50% in 4Q 2025 as compared to 92.21% in 3Q 2025.

The balance 6.50% of our revenue in 4Q 2025 was derived from our overseas customers from Indonesia, Singapore, Vietnam, Thailand, Korea and Middle East.

The Group recorded a lower profit before taxation of RM1.60 million in 4Q 2025 as compared to a profit before taxation of RM6.80 million in 3Q 2025 representing a decrease of RM5.20 million or 76.47% mainly due to decrease in gross profit margin to 7.01% in 4Q 2025 as compared to 11.12% in 3Q 2025, due to exposure in lower margin products and price adjustments, and higher interest expenses to finance higher inventories to support customers' orders, higher impairment loss on trade receivables, and impairment loss on other investments.

B3. PROSPECTS OF THE GROUP

The imposition of trade tariffs by the United States on its global trading partners, has raised concerns of a 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 19.0% reciprocal tariff on Malaysian imports. In the second quarter of 2025, Malaysia's gross domestic product growth remained at 4.4% (1Q 2025: 4.4%), underpinned by robust domestic demand and improved investment momentum. Domestic spending strengthened in line with favourable labour-market conditions and income-support measures of the revised minimum wage and civil-service remuneration. With the economy recording cumulative growth of 4.4% in the first half of 2025, Malaysia remains on track to achieve full year growth within the forecast range of 4.0% – 4.8%, and predicted to this momentum to carry to year 2026 to see a growth of 4.0% – 4.5%. With the Monetary Policy Committee of Bank Negara Malaysia maintaining the Overnight Policy Rate at 2.75%, to support for domestic demand with to ensure financial stability while the global environment is still uncertain, Bank Negara Malaysia noted that annual growth may fall below the earlier projected range of 4.5% – 5.5%, and the economic outlook may remain 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.

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.

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

B5. TAX EXPENSES

	Quarter Ended		Year-to-Date Ended	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
	Unaudited	Unaudited	Unaudited	Audited
	RM'000	RM'000	RM'000	RM'000
Tax expenses	115	2,331	4,945	6,872
Effective tax rate (%)	7.20	38.50	32.55	34.23
Statutory tax rate (%)	24.00	24.00	24.00	24.00

The lower effective tax rate in the current quarter under review was due to reversal of tax due to overprovision in previous quarters. The effective tax rate for the preceding year corresponding quarter was higher than statutory tax rate mainly due to certain expenses not being deductible for tax purposes such as listing expenses and deferred tax assets charged out during the year due to realisation of realised losses on foreign exchange. The Group's effective tax rate for the year was higher than statutory tax rate mainly due to certain expenses not being deductible for tax purposes such as impairment on trade receivables, unrealised losses on foreign exchanges, listing expenses, and impairment loss on other investments.

B6. STATUS OF CORPORATE PROPOSALS

Save as disclosed below, there were no corporate proposals announced but not completed as at the date of this interim report.

- (i) On 6 August 2025, the Company has entered into a Memorandum of Understanding (“MOU”) with Maoming Port Group Co., Ltd and PCA Group Sdn Bhd to establish a basis of cooperation and collaboration in the oil & gas sector, and explore, develop and promote initiatives that will enhance the technical know-how of the Group and expand the Group's footprint within the supply-chain as well as to other international markets.

The MOU will remain effective for a duration of one (1) year from the date of execution and it is not expected to have any material immediate effect on the earning per share, net assets per share and gearing of the Group for the financial year ended 31 December 2025.

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:

	Proposed Utilisation	Actual Utilisation ⁽²⁾	Balance to be utilised	Estimated timeframe for utilisation from Listing
	RM'000	RM'000	RM'000	
Utilisation of proceeds ⁽¹⁾				
Establishment of a sales office in Indonesia	1,200	(239)	961	Within 42 months
Purchase of machinery and delivery trucks	1,440	(50)	1,390	Within 24 months
Repayment of bank borrowings	7,000	(2,021)	4,979	Within 24 months
General working capital	8,368	(8,368)	-	Within 12 months
Estimated listing expenses	3,700	(3,700)	-	Within 1 month
Total	21,708	(14,378)	7,330	

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

B7. UTILISATION OF PROCEEDS FROM IPO (CONT'D)

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 31 December 2025.

B8. GROUP BORROWINGS AND DEBTS SECURITIES

The Group's bank borrowings were as follows:

<u>Current</u>	<u>Unaudited</u> As at 31.12.2025 RM'000	<u>Audited</u> As at 31.12.2024 RM'000
<i>Secured</i>		
Bank overdrafts	4,872	4,426
Bankers' acceptances	1,748	1,562
Invoice financing	57,667	28,745
Revolving credit	1,282	1,308
Trust receipts	43,237	38,497
Term loans	2,097	2,275
Hire purchase	524	634
	<u>111,427</u>	<u>77,447</u>
<u>Non-current</u>		
<i>Secured</i>		
Term loans	29,284	30,186
Hire purchase	1,590	1,210
	<u>30,874</u>	<u>31,396</u>
Total	<u>142,301</u>	<u>108,843</u>

The bank borrowings are secured and denominated in Ringgit Malaysia.

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**").

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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)

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.

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.

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

B11. EARNINGS PER SHARE

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

	<u>Quarter Ended</u>		<u>Year-to-Date Ended</u>	
	<u>31.12.2025</u>	<u>31.12.2024</u>	<u>31.12.2025</u>	<u>31.12.2024</u>
	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>	<u>Audited</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Profit after tax attributable to the owners of the Company (RM'000)	1,482	3,723	10,249	13,204
Weighted average number of ordinary shares in issue ('000)	382,900	302,500 ⁽¹⁾	367,261 ⁽²⁾	302,500 ⁽¹⁾
Basic and diluted EPS (sen) ⁽³⁾	0.39	1.23	2.79	4.36

Notes:

- (1) Based on the ordinary shares in issuance of 302,500,000 shares before the public shares of 80,400,000 new ordinary shares under the IPO exercise.
- (2) Computed based on weighted average number of ordinary shares (FYE 2025: 367,260,548).
- (3) Diluted EPS is equivalent to the basic EPS as there were no potential dilutive securities in issue during the financial quarter under review.

B12. NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	<u>Quarter Ended</u>		<u>Year-to-Date Ended</u>	
	<u>31.12.2025</u>	<u>31.12.2024</u>	<u>31.12.2025</u>	<u>31.12.2024</u>
	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>	<u>Audited</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Profit for the period was derived after taking into consideration of the following:				
Interest expense	2,444	1,785	8,228	6,798
Depreciation charges	476	448	1,881	1,773
Property, plant and equipment written off	-	-	6	-
Impairment loss on trade receivables	431	-	1,270	9
Impairment loss on other investments	460	-	460	-
Loss on disposal of other investment	-	-	-	91
Loss on disposal of property, plant and equipment	-	-	-	3
Realised loss on foreign exchange	48	472	367	2,114
Unrealised (gain)/loss on foreign exchange	(7)	(630)	672	(630)

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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 (CONT'D)**

	<u>Quarter Ended</u>		<u>Year-to-Date Ended</u>	
	<u>31.12.2025</u>	<u>31.12.2024</u>	<u>31.12.2025</u>	<u>31.12.2024</u>
	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>	<u>Audited</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Interest income	(93)	(515)	(533)	(562)
Realised gain on foreign exchange	-	-	(326)	(42)
Gain on disposal of property, plant and equipment	-	-	(91)	-
Reversal of impairment loss on trade receivables	-	(130)	-	(130)

B13. AUTHORISATION FOR ISSUE

The interim financial report was authorised for issue by the Board of Directors of the Company on 23 February 2026.

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

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