



SALIRAN GROUP BERHAD

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



2025
Annual Report

TABLE OF CONTENTS



Corporate Overview	2	Corporate Governance Overview Statement	51
Principal Activities and Business Model	3	Audit and Risk Management Committee Report	61
Corporate Milestone	4	Statement on Risk Management and Internal Control	63
Corporate Information	6	Additional Compliance Information	67
Corporate Structure	7	Disclosure Of Financial Data For Shariah Screening	68
Five Years Financial Highlights	8	Directors' Responsibility Statement for Preparing the Financial Statements	70
Profile of Directors	9	Financial Statements	71
Profile of Key Management Personnel	12	Analysis of Shareholdings	142
Executive Chairman's Statement	13	List of Properties	145
Management Discussion and Analysis	14	Notice of the Second Annual General Meeting	148
Sustainability Statement	21	Appendix A	152
		Proxy Form	

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 organization 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

 Principal Activities	Supply and distribution of pipes, fittings and flanges as well as steel products	Manufacturing of fittings and flanges
 Subsidiaries Involved	<ul style="list-style-type: none"> • Saliran Industrial Supplies Sdn. Bhd. • Saliran Flanges & Fittings Sdn. Bhd. • Saliran Industries Sdn. Bhd. • Saliran Trading Sdn. Bhd. <i>(formerly known as JS Tech Marketing Sdn. Bhd.)</i> 	Saliran Precision Engineering Sdn. Bhd.
 Products	<ul style="list-style-type: none"> • Pipes • Fittings • Flanges • Other related parts and accessories • Steel products 	Fittings and flanges
 Brands	<ul style="list-style-type: none"> • Third-party brands products • Jointly-owned brand - "THF" 	
 Customer Industries	<ul style="list-style-type: none"> • Oil and gas • Other industries including building materials, palm oil refining and manufacturing 	
 Geographical Markets	<ul style="list-style-type: none"> • Malaysia • Indonesia • Singapore • Other countries including China, South Korea and Vietnam 	

CORPORATE MILESTONE

- Saliran Industrial Supplies Sdn. Bhd. 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.

2011

- 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.

2012

- 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.

2021

- Saliran Group Sdn Bhd was founded with the intention to serve as the holding company for all our subsidiaries.
- Saliran Industrial Supplies Sdn. Bhd. and Saliran Precision Engineering Sdn. Bhd. 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.

2020

- Saliran Industries Sdn. Bhd. 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.

2022

- Saliran Trading Sdn. Bhd. (*formerly known as JS Tech Marketing Sdn. Bhd.*) was founded to undertake the business of supply and distribution of pipes, fittings and flanges.

2023

CORPORATE MILESTONE

cont'd

- 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 shopplot located in Taman Perindustrian Puchong to store our inventory.
- Saliran Precision Engineering Sdn. Bhd. was founded to venture into the manufacturing of fittings and flanges in customised specifications based on customer requirements and commenced operations in the rented shopplot 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.

2014

- 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.

2016

- We relocated our manufacturing activities from Puchong Premise 1 to 2 rented shopplots 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.

2019

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

2018

- 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 shopplot 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 7 November 2024.

2024

- Listed on ACE Market of Bursa Malaysia Securities Berhad on 13 March 2025.
- Entered into a Memorandum of Understanding ("**MOU**") on 6 August 2025 with Maoming Port Group Co., Ltd and PCA Group Sdn Bhd to establish a basis of cooperation and collaboration in the oil & gas sector.

2025

CORPORATE INFORMATION

BOARD OF DIRECTORS

LIAW CHOON WEI
Executive Chairman
(Redesignated on 5 January 2026)

CHAN KOON WAI
Executive Director

YONG WAI KIN
Executive Director cum
Chief Financial Officer
(Appointed on 17 July 2025)

DATUK KHOO TECK KEE
Independent Non-Executive Director

DATO' LOW SUET MOI (F)
Independent Non-Executive Director
(Redesignated on 5 January 2026)

OOI GIN HUI (f)
Independent Non-Executive Director

KOK TAI MENG
Independent Non-Executive Director
(Resigned on 26 December 2025)

AUDIT AND RISK MANAGEMENT COMMITTEE

Datuk Khoo Teck Kee (Chairman)
(Redesignated on 5 January 2026)
Dato' Low Suet Moi (Member)
(Appointed on 5 January 2026)
Ooi Gin Hui (Member)
Kok Tai Meng (Chairman)
(Ceased on 26 December 2025)

REMUNERATION COMMITTEE

Dato' Low Suet Moi (Chairperson)
(Appointed on 5 January 2026)
Datuk Khoo Teck Kee (Member)
Ooi Gin Hui (Member)
(Redesignated on 5 January 2026)
Kok Tai Meng
(Ceased on 26 December 2025)

NOMINATING COMMITTEE

Ooi Gin Hui (Chairperson)
(Redesignated on 5 January 2026)
Datuk Khoo Teck Kee (Member)
(Redesignated on 5 January 2026)
Dato' Low Suet Moi (Member)
(Appointed on 5 January 2026)
Kok Tai Meng
(Ceased on 26 December 2025)

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
Email : info@sshshb.com.my

PRINCIPAL PLACE OF BUSINESS

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

Tel : +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
Fax : +603 2094 9940
Email : info@sshshb.com.my

AUDITORS

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

Tel : +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

Tel : +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



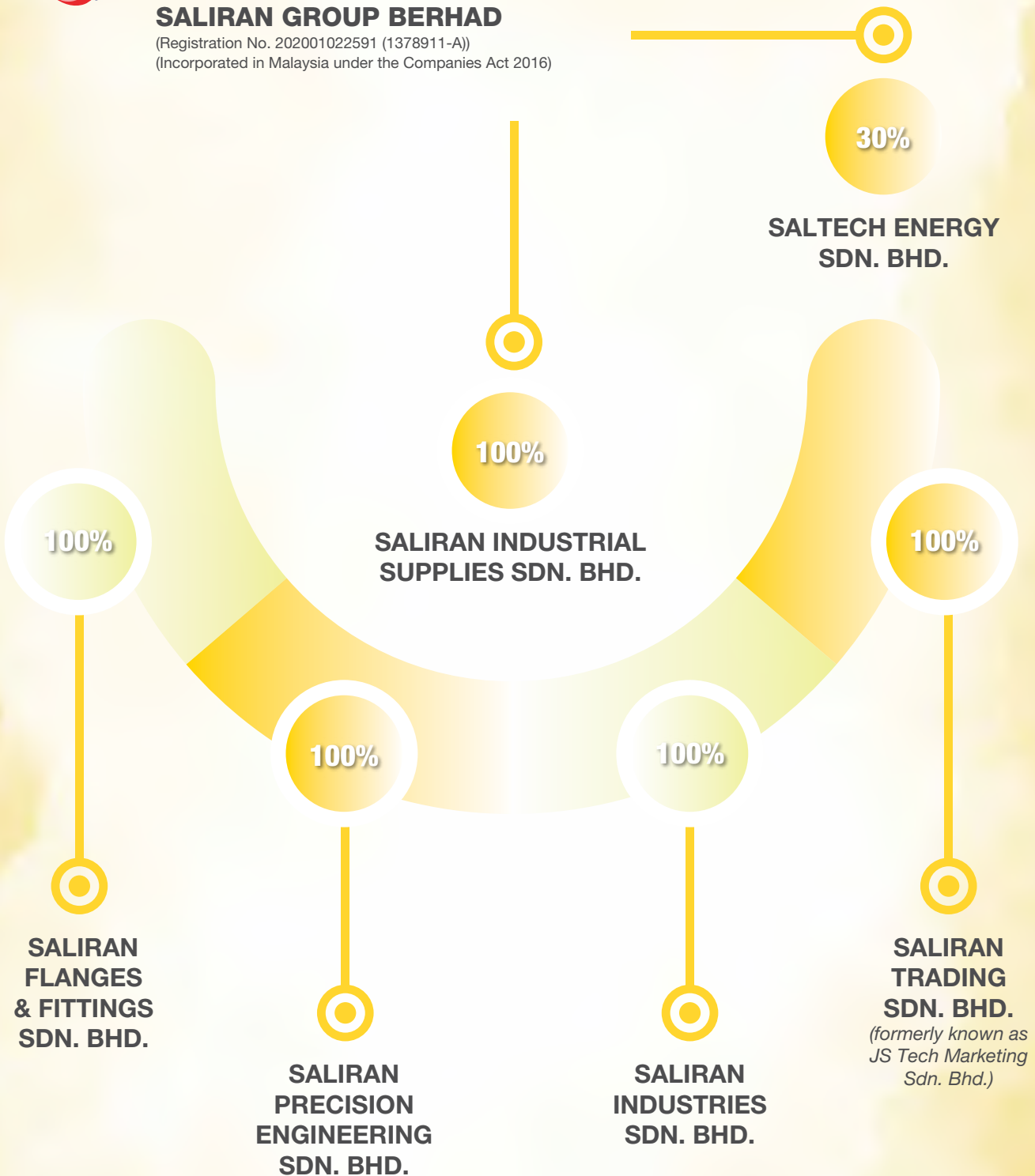
CORPORATE STRUCTURE



SALIRAN GROUP

SALIRAN GROUP BERHAD

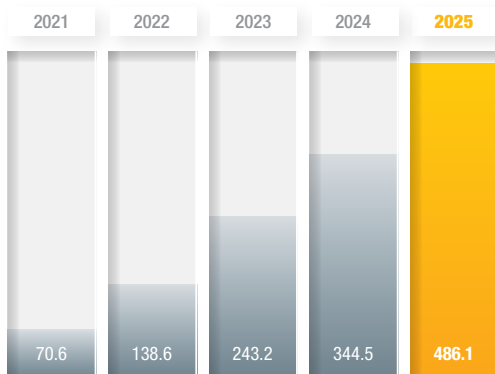
(Registration No. 202001022591 (1378911-A))
(Incorporated in Malaysia under the Companies Act 2016)



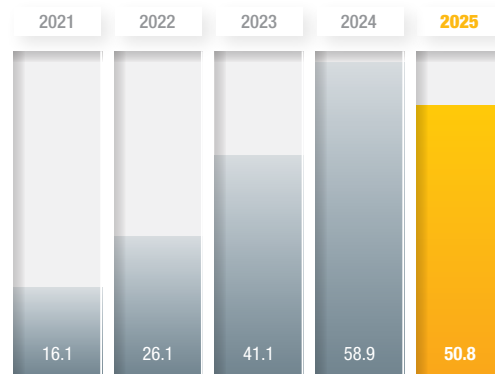
FIVE YEARS FINANCIAL HIGHLIGHTS

	2021	2022	2023	2024	2025
	RM'mil	RM'mil	RM'mil	RM'mil	RM'mil
Revenue	70.6	138.6	243.2	344.5	486.1
Gross Profit	16.1	26.1	41.1	58.9	50.8
Profit Before Tax	6.1	9.0	14.1	20.1	15.2
Profit After Tax	4.6	6.3	10.1	13.2	10.2
EBIT	7.4	11.7	18.9	26.3	22.9
EBITDA	8.7	13.3	20.8	28.1	24.8

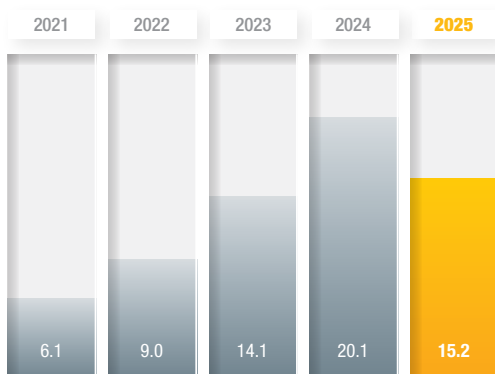
REVENUE (RM'mil)



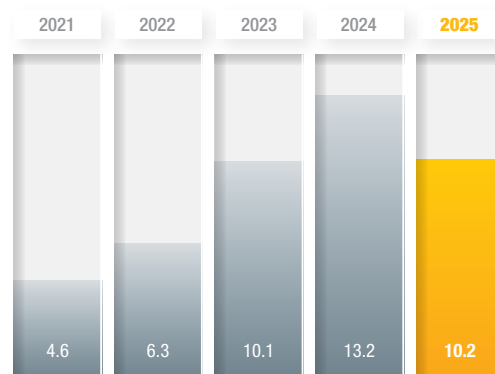
GROSS PROFIT (RM'mil)



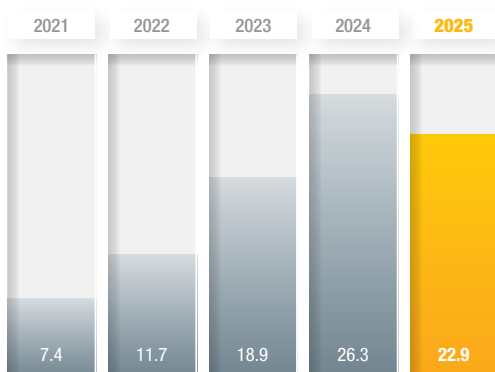
PROFIT BEFORE TAX (RM'mil)



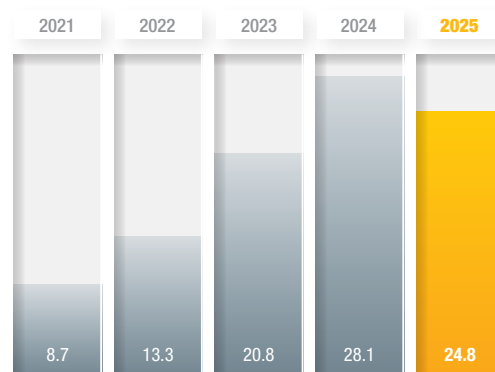
PROFIT AFTER TAX (RM'mil)



EBIT (RM'mil)



EBITDA (RM'mil)



PROFILE OF DIRECTORS

LIAW CHOON WEI
Executive Chairman



 Age
41

 Nationality
Malaysian

 Gender
Male

Date of Appointment 7 August 2020	Number of Board Meetings Attended 6/6
---	---

Liaw Choon Wei, a Malaysian, aged 41, is our Executive Chairman. 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 re-designated as our Executive Chairman from Managing Director on 5 January 2026.

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 our Company and has no conflict of interest with our Group.

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 bodies.

CHAN KOON WAI
Executive Director



 Age
43

 Nationality
Malaysian

 Gender
Male

Date of Appointment 7 August 2020	Number of Board Meetings Attended 6/6
---	---

Chan Koon Wai, a Malaysian, aged 43, 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 Securities), 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 Securities) 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 our Company and has no conflict of interest with our 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.

PROFILE OF DIRECTORS

cont'd

YONG WAI KIN
Executive Director cum Chief Financial Officer

 **Age**
57

 **Nationality**
Malaysian

 **Gender**
Male



Date of Appointment
17 July 2025

Number of Board Meetings Attended
2/2

DATUK KHOO TECK KEE
Independent Non-Executive Director

 **Age**
51

 **Nationality**
Malaysian

 **Gender**
Male



Date of Appointment
6 June 2024

Number of Board Meetings Attended
6/6

Yong Wai Kin, a Malaysian, aged 57, is our Executive Director cum Chief Financial Officer. He was appointed to our Board on 17 July 2025. 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 member of 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 Securities) 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 Securities) 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 Securities) 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 issuer. He has no family relationship with any Director and/or major shareholders of our Company and has no conflict of interest with our 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.

Datuk Khoo Teck Kee, a Malaysian, aged 51, is our Independent Non-Executive Director. He was appointed to our Board on 6 June 2024. He was redesignated as Chairman of our Audit and Risk Management Committee on 5 January 2026. He is also a member of our Remuneration Committee and Nominating Committee.

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, and 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 Securities) 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 issuer. He has no family relationship with any Director and/or major shareholders of our Company and has no conflict of interest with our 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

cont'd

DATO' LOW SUET MOI
Independent Non-Executive Director

 **Age**
58

 **Nationality**
Malaysian

 **Gender**
Female



Date of Appointment 6 June 2024	Number of Board Meetings Attended 6/6
---	---

Other Directorship in public companies and listed corporations

1. Emits Berhad

Dato' Low Suet Moi, a Malaysian, aged 58, is our Independent Non-Executive Director. She was appointed to our Board on 6 June 2024. She was re-designated as our Independent Non-Executive Director from Independent Non-Executive Chairperson on 5 January 2026. In addition, she was also appointed as Chairman of our Remuneration Committee and member of our Nominating Committee and Audit and Risk Management Committee on same date.

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 is an Independent Non-Executive Director of Emits Berhad. She has no family relationship with any Director and/or major shareholders of our Company and has no conflict of interest with our 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.

OOI GIN HUI
Independent Non-Executive Director

 **Age**
46

 **Nationality**
Malaysian

 **Gender**
Female



Date of Appointment 6 June 2024	Number of Board Meetings Attended 6/6
---	---

Other Directorship in public companies and listed corporations

1. OB Holdings Berhad
2. Pioneer Heat Holdings Berhad

Ooi Gin Hui, a Malaysian, aged 46, is our Independent Non-Executive Director. She was appointed to our Board on 6 June 2024. She was redesignated as Chairman of our Nominating Committee on 5 January 2026. She is also a member of our Audit and Risk Management Committee and Remuneration Committee.

She graduated with a Bachelor of Commerce (Honours) in Accounting from University Tunku Abdul Rahman. In February 2006, she began her career in and audit firm, Leslie Yap & Co before joining GHL Systems Berhad (a company listed on Main Market of Bursa Securities) 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 Securities) as Finance Manager and was promoted to Group Financial Controller in January 2014 which she managed the overall finance and accounting functions, internal control and oversaw the project development and corporate exercises undertaken by the company. In November 2018, she joined ACO Group Berhad (a company listed on ACE Market of Bursa Securities) as the Chief Financial Officer. In September 2023, she joined BTM Resources Berhad (a company listed on Main Market of Bursa Securities) as Chief Financial Officer and left in July 2024.

Currently she is an Independent Non-Executive Director of OB Holdings Berhad (a company listed on the ACE Market of Bursa Securities) and an Independent Non-Executive Director of Pioneer Heat Holdings Berhad. She does not have any conflict of interest with our Group nor any family relationship with any Director, member of key management of major shareholders of our 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.

PROFILE OF KEY MANAGEMENT PERSONNEL



LIM BAK TEIK
Chief Operation Officer



Age
45



Nationality
Malaysian



Gender
Male



Date of Appointment:
02 May 2022

Lim Bak Teik, a Malaysian, aged 45, is our Chief Operation Officer. He directs our company's 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 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 since May 2022.

Lim Bak Teik does not hold any directorship in other public companies and listed issuer. 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.

EXECUTIVE CHAIRMAN'S STATEMENT



“

Dear Valued Shareholders,

On behalf of our Board of Directors, it is my great honour for me to present Saliran Group Berhad (“**Saliran**” or “**Group**”) Annual Report for the financial year ended 31 December 2025. This second annual report showcased our endeavour efforts in our continued successful growth for our Group, following our successful listing on the ACE Market of Bursa Securities on 13 March 2025. We are indeed deeply grateful for all our shareholders trust and investment in our Group.

”

With my re-designation as Executive Chairman of Saliran, entrusted by my fellow Board members, I will put in my best efforts with my guided experience to steer our Group to new and greater heights. Since our humble beginnings in 2011, we have built a strong reputation for delivering high-quality and reliable products and services that serve industries such as oil and gas, industrial processing, and construction. Today, we proudly serve clients not just in Malaysia but across Southeast Asia, and our commitment to being a key player in the supply of pipes, fittings, flanges, and steel products in the region.

We continue to utilise the funds raised from our IPO, in expanding our inventory, upgrade our facilities, grow our presence in Indonesia and to 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.

I wish to extend my gratitude and appreciation to our 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, and also to our customers and partners, suppliers, financial institutions, shareholders and stakeholders for the trust and support shown in us.

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

MANAGEMENT DISCUSSION AND ANALYSIS



OVERVIEW OF THE GROUP BUSINESS AND OPERATIONS

We are principally involved in the supply and distribution of pipes, fittings and flanges as well as steel products. The pipes, fittings and flanges distributed by our Group comprise of 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 Philippines.

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 was successfully listed on the ACE Market of Bursa Malaysia Securities Berhad (“**Bursa Securities**”), 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.

BUSINESS AND STRATEGY

Our diverse products comprised pipes, fittings and flanges as well as related parts and accessories and steel products supplied are supplied through our Trading and Manufacturing operations. We also provide advisory services and solutions to our customers. We have a central warehouse strategically located and equipped with over 19,000 SKUs of pipes, fittings and flanges as well as related parts and accessories and steel products, that able to minimise time-to-market, ensuring a competitive advantage and increased our customers confidence in our products and services.

We also have a dedicated sales team that covers the entire nation, equipped with products knowledge, and experienced to cater to all our customers needs and requirements.

In addition, all our products undergo rigorous quality checks to ensure compliance with international accepted standards and have full traceability. This provides further assurance to our customers in our pursuit of products and services excellence. Although our Group’s revenue are mainly derived from the trading segment contributed by the Malaysian market, we also begin to continue our expansion into overseas markets so as to expand our geographical reach such as in Indonesia, Singapore and other countries.

MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

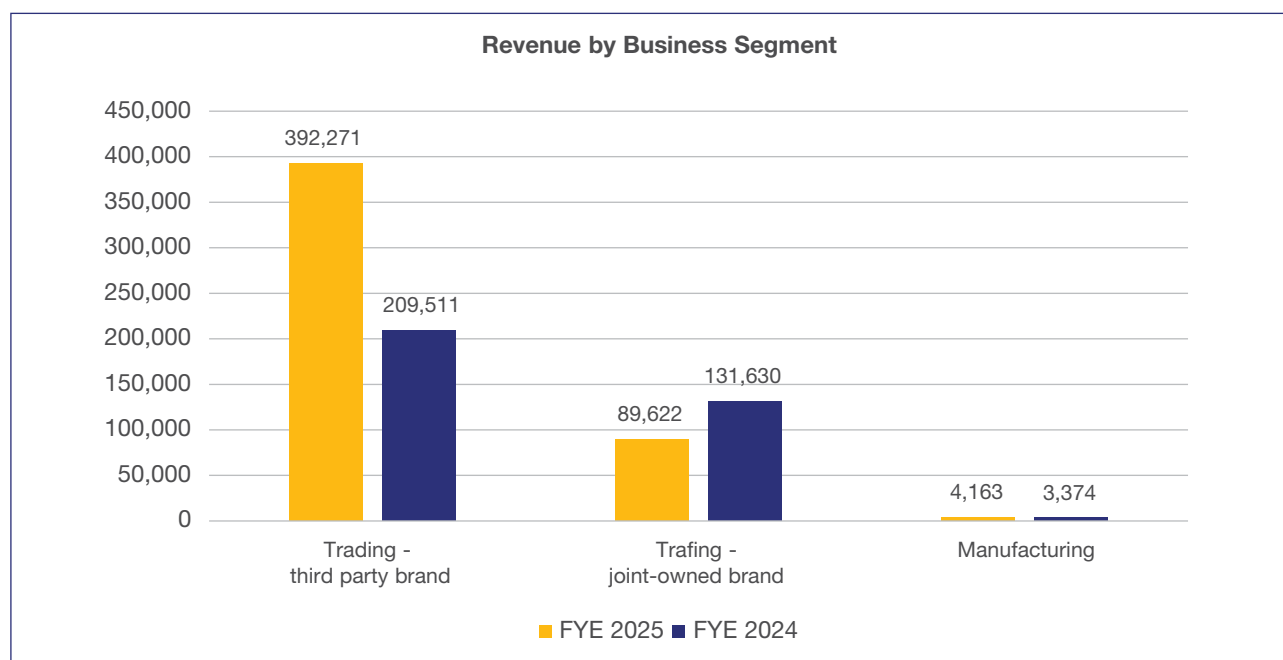
Our approach ensures we remain agile and able to adapt to the markets requirements, and products developments especially in the energy sector. This commitment extends to considering the economic, environmental, and social impacts of our business. We are confident that these strategies will propel us towards greater international recognition whilst we delivering enduring values to all our shareholders and stakeholders.

FINANCIAL PERFORMANCE

Financial year ended 31 December	2025 (RM'000)	2024 (RM'000)	Variance %
Revenue	486,056	344,515	41.09
Gross profit ("GP")	50,802	58,910	-13.76
Profit before tax ("PBT")	15,194	20,076	-24.32
Profit after tax ("PAT")	10,249	13,204	-22.38
GP margin (%)	10.45	17.10	-38.89
PBT margin (%)	3.13	5.83	-46.31
PAT margin (%)	2.11	3.83	-44.91

REVENUE

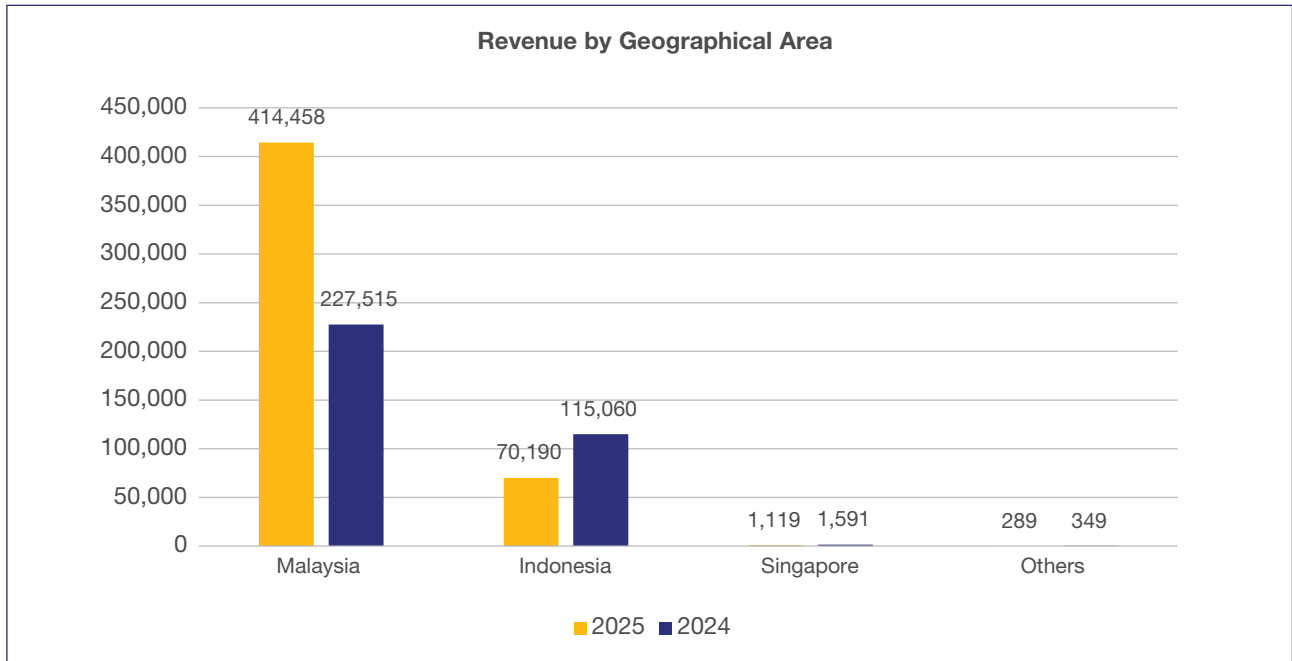
Revenue by business segment (RM'000)



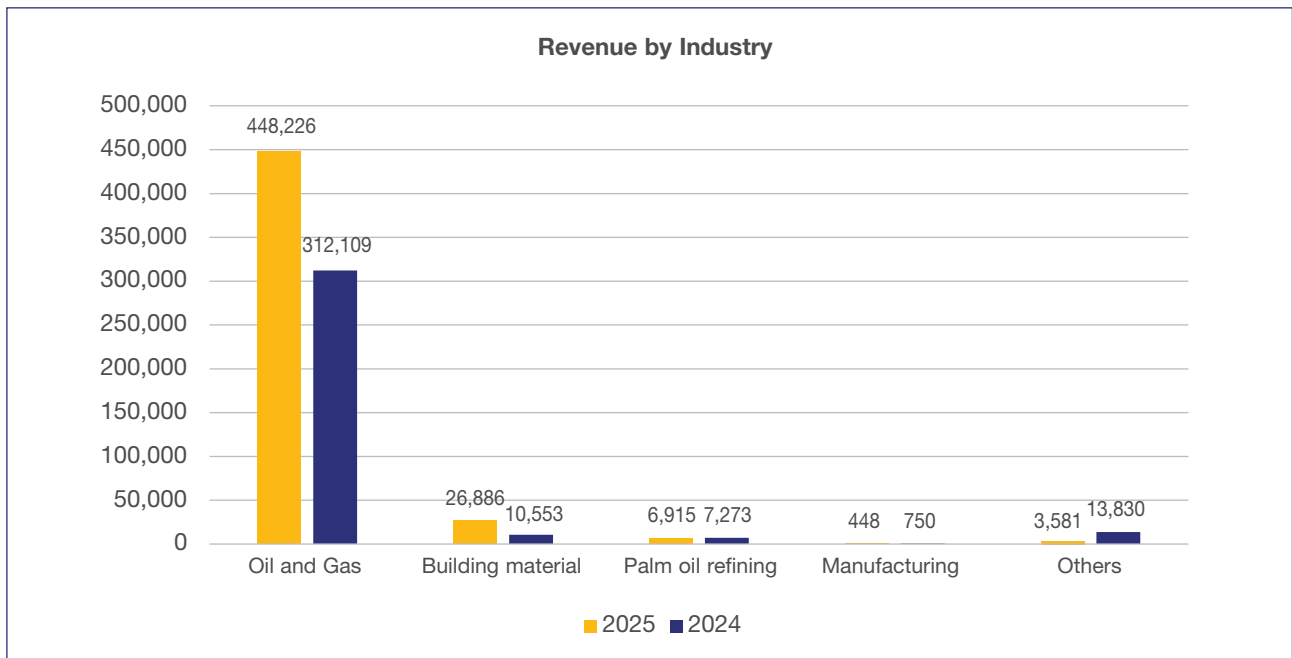
MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

Analysis of revenue by geographical location (RM'000)



Analysis of revenue by industry (RM'000)



Our Group's revenue increased by RM141.54 million or 41.09% to RM486.06 million for FYE 2025 (FYE 2024: RM344.51 million), primarily contributed by higher revenue from the supply and distribution segment, which recorded RM481.89 million or 99.14% of our Group's total revenue for FYE 2025 (FYE 2024: RM341.14 million or 99.02%).

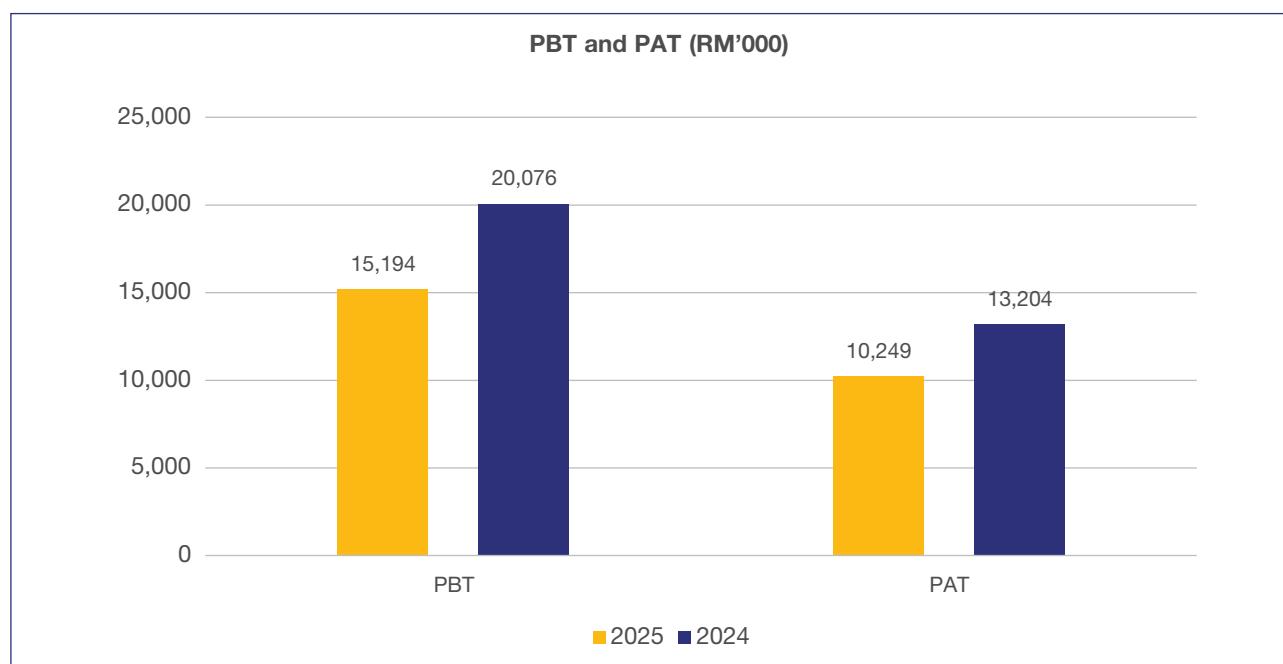
The Malaysian market continued to be the primary revenue contributor for FYE 2025, which recorded RM414.46 million or 85.27% of our total revenue (FYE 2024: RM227.52 million or 66.04% of our total revenue). Revenue from the Indonesia markets reduced by RM44.87 million or 39.00% to RM70.19 million for FYE 2025 (FYE 2024: RM115.06 million), mainly due to completion of projects by our Indonesia customers in FYE 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

We sold our products mainly to customers involved in the oil and gas industry, which contributed RM448.23 million or 92.22% of our total revenue for FYE 2025 (FYE 2024: RM312.11 million or 90.60% of our total revenue).

PBT AND PAT



Our Group recorded a PBT of RM15.19 million for FYE 2025, compared to RM20.08 million in FYE 2024, representing a decrease of RM4.89 million. This decrease was mainly due to a shift in our revenue mix which resulted in lower gross profit margin exposure in lower margin products and price adjustments as part of our customer acquisition strategy. Nevertheless, our administrative expenses of RM29.89 million in FYE 2025 was lower as compared to RM34.11 million in FYE 2024 due to our cost management initiatives. Our finance costs increased to RM8.23 million in FYE 2025 as compared to RM6.80 million in FYE 2024 due to higher utilisation of bank borrowings to repay our suppliers and increase in inventories to cater for our customers orders.

Our Group recorded a lower PAT of RM10.25 million in FYE 2025 as compared to RM13.20 million in FYE 2024, mainly due to the Group's shift in revenue mix and customer acquisition strategy in order to secure more customers, higher finance costs and impairment in trade receivables as explained above.

FINANCIAL POSITION

As at 31 December	2025 (RM'000)	2024 (RM'000)	Variance (RM'000)	Variance %
Total assets	242,802	183,139	59,663	32.58
Total liabilities	169,136	139,704	29,432	21.07
Total shareholders' equity	73,666	43,436	30,230	69.60
Cash and bank balances	80,187	38,279	41,908	109.48
Fixed deposits with licensed banks	27,260	17,436	9,824	56.34
Cash and cash equivalents	75,315	33,853	41,462	122.48
Borrowings	142,301	108,843	33,458	30.74

MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

TOTAL ASSETS

Our Group's total assets increased by RM59.66 million or 32.58% to RM242.80 million in FYE 2025, mainly due to an increase in cash and bank balances, contributed primarily by internally generated funds from our business growth, proceeds from our IPO, and increase in our inventories in FYE 2025. Our Group recorded an increase in inventories to cater for our customers orders, and our fixed deposits placed with licensed banks have increased due to additional fixed deposits pledged to secure new banking facilities for the Group to cater for our business growth.

TOTAL LIABILITIES

Our Group's total liabilities increased by RM29.43 million or 21.07%, mainly due to increase in borrowings resulting from the higher drawdown of trust receipts and invoice financing facilities for payments to our suppliers to meet the increase in our purchases in tandem with the increase in our revenue, net off by the decrease in term loans resulting from the repayments during FYE 2025.

TOTAL SHAREHOLDERS' EQUITY

Our Group's total shareholders' equity increased by RM30.23 million or 69.60% to RM73.67 million as at 31 December 2025 (as at 31 December 2024: RM43.44 million), mainly due to the increase in our share capital pursuant to the issuance of new shares from our IPO and increase in our retained earnings resulted from the net profits recorded for FYE 2025.

LIQUIDITY AND CAPITAL RESOURCES

The cash and cash equivalent increased by RM41.47 million or 122.48% to RM75.32 million as at 31 December 2025 (as at 31 December 2024: RM33.85 million), mainly due to the increase in cash and bank balances due to internally generated funds from our business growth in FYE 2025. Our borrowings increased by RM33.46 million or 30.74% to RM142.30 million as at 31 December 2025 (as at 31 December 2024: RM108.84 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 resulting from the repayments during FYE 2025.

For our capital expenditures expansion, we have allocated RM1.44 million from our initial public offerings proceeds for the purchase of 1 unit of optical emission spectrometer machine to enhance our quality assurance/quality control procedures and 5 units of delivery trucks to meet our short distance and outstation deliveries.

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.

MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

(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 2025, our Group's sales were primarily derived from local customers, which are denominated in RM. In FYE 2025, we recorded a lower foreign exchange losses as we experienced a more stable fluctuations in USD exchange rate during the year.

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 factoring the fluctuations to our customers through adjustment of our product pricing. For FYE 2025, 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 2025 was RM1.27 million.

(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.

MANAGEMENT DISCUSSION AND ANALYSIS

cont'd

FUTURE PROSPECT

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.

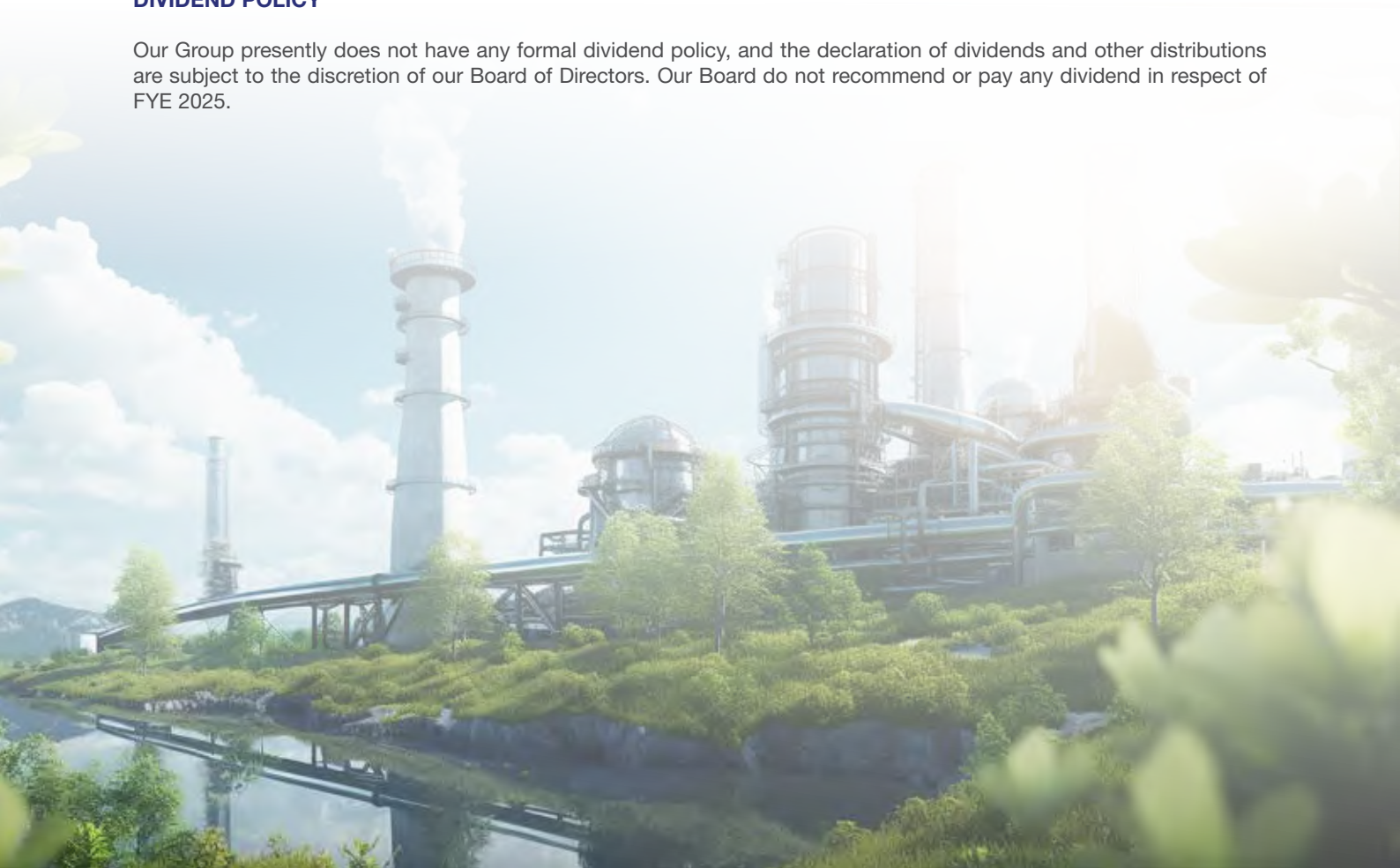
Malaysia's economic growth, however, may be affected by the recent tariff hikes imposed by the United States, of 19.0% reciprocal tariff on Malaysian imports. In February 2026, the US President Donald Trump imposed a temporary 10.0% global tariff on foreign goods imported into the US. Malaysia's Gross Domestic Product ("GDP") grew by 6.3 per cent in the fourth quarter of 2025 as compared to 5.4 per cent in the preceding quarter, 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. For the year as a whole, Malaysia's economy grew at 5.2 per cent in 2025, exceeding the 5.1 per cent growth in 2024.

Malaysia's economic outlook for 2026 is expected to remain resilient, supported by domestic demand, particularly household spending and investment activities. Visit Malaysia 2026 is anticipated to serve as a key catalyst for the expansion of the services sector, boosting tourism's contribution to the national GDP through higher tourist arrivals, domestic spending and related activities such as transportation, accommodation and retail. At the same time, data centre activities continue to grow as a strategic industry, supported by capital-intensive investments, the availability of digital infrastructure and a stable energy supply. This comprehensive network of projects attracts large-scale investments, generates high-skilled job opportunities and drives demand in the utilities, ICT and professional services sub-sectors. Collectively, these developments enhance economic resilience, broaden domestic value chains and solidify Malaysia's role as a regional hub for services, tourism and digital investment.

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.

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 of Directors. Our Board do not recommend or pay any dividend in respect of FYE 2025.



SUSTAINABILITY **STATEMENT**

2025

**Forging Sustainable
Connections.**

**Strengthening
Responsible Growth**

SUSTAINABILITY STATEMENT

cont'd

ABOUT THIS REPORT

This Report (“the Report”) provides a comprehensive overview of Saliran Group’s sustainability performance, focusing on key Environmental, Social and Governance (“ESG”) 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 2025 Annual Report. As this is the Group’s initial year of sustainability disclosure, we look forward to strengthening our sustainability practices and supporting the Group’s sustainable growth in the years ahead. We are pleased to share this sustainability disclosure with our stakeholders through this Report.

Reporting Period, Scope and Boundary

This Report covers the financial year from 1 January 2025 to 31 December 2025 (FY2025). 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
- Saliran Trading Sdn Bhd

These entities represent all 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 ESG 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 reporting guidelines and standards for the period from 1 January 2025 to 31 December 2025 (FY2025):

- Bursa Malaysia Securities Berhad Sustainability Reporting Guide (3rd Edition)
- Bursa Malaysia ACE Market Listing Requirements

Data Validation and Assurance

This Report has not been subjected to an external assurance process. The information and performance data presented in this Report have been verified for accuracy using internal sources. We are continuously working towards standardising our datasets and improving our data tracking and collection methods. These efforts aim to address challenges in gathering ESG-related data and to strengthen the reporting of non-financial information. We have not undertaken third-party verification for the non-financial data disclosed in this Report. External assurance may be considered for future reports. This Report was approved by the Board of Directors of the Group (“the Board”) in April 2026.

Additional Information

This Report is accessible for online viewing or PDF download on Saliran Group’s corporate website. Supplementary information can be found in the sustainability section of our website.

SUSTAINABILITY STATEMENT

cont'd

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 FY2025. The terms “we”, “us”, “our”, and “ourselves” refer to Saliran Group Berhad and, where applicable by context, the Group as defined above.

SUSTAINABILITY GOVERNANCE





The Sustainability Committee comprises the subsidiaries’ executive directors and senior management members, while the Sustainability Working Group consists of various department heads within the Group.

Party	Key Responsibilities
Board of Directors (BOD)	<ul style="list-style-type: none"> Provides top level direction and endorses sustainability policies and targets. Ensures sustainability is embedded in corporate strategy and decision-making. Reviews ESG performance and disclosures annually.
Sustainability Management Committee (SMC)	<ul style="list-style-type: none"> Oversees ESG-related risks and internal controls. Reviews the adequacy and effectiveness of sustainability data governance. Recommends ESG disclosures and reports for Board approval. Develops and executes sustainability strategies. Coordinates cross-departmental collaboration through ESG Units. Tracks performance indicators and prepares the Sustainability Statement. Reports progress to the BOD.
Environmental Management Committee	<ul style="list-style-type: none"> Strategically directs environmental initiatives, focusing on carbon emissions reduction, water stewardship, and enterprise-wide energy efficiency. Ensures compliance with environmental regulations and ISO 14001 standards. Supports carbon management and reporting.
Economic Management Committee	<ul style="list-style-type: none"> Evaluates supply chain sustainability and responsible procurement. Oversees economic value creation and anti-corruption initiatives. Integrates sustainability into business continuity and risk management.
Social Management Committee	<ul style="list-style-type: none"> Drives initiatives on employee welfare, training, diversity, and community investment. Ensures compliance with labour standards and safety regulations.
Governance Management Committee	<ul style="list-style-type: none"> Strengthens ethical conduct, transparency, and stakeholder engagement. Oversees compliance with corporate governance principles and sustainability frameworks.

SUSTAINABILITY STATEMENT

cont'd

UNSDG Target Setting

UNSDG	UNSD Goal/Target	UNSD Indicator	Company KPIs/Targets	Progress in FY2025	Key Impacted Stakeholders
 <p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>	8.8 Protect labour rights and promote safe and secure working environments.	8.8.1 Frequency rates of fatal and non-fatal occupational injuries.	<ul style="list-style-type: none"> Maintain zero work-related fatalities and maintain the total recordable fatal and non-fatal occupational injuries below 1%. To protect labour rights and promote safe and secure working environments for all workers, including migrant workers. 	The total recordable fatal and non-fatal occupational injury rate was 0%.	<ul style="list-style-type: none"> Employees
 <p>Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels</p>	16.5 Substantially reduce corruption and bribery in all their forms.	16.5.1 Proportion of persons who had at least one contact with a public official and who paid a bribe.	<ul style="list-style-type: none"> Progressively roll out anti-corruption awareness training across all employee categories from FY2026 onwards. Maintain a Zero-tolerance policy with 0 incidents per annum. 	<ul style="list-style-type: none"> Anti-corruption awareness training to be rolled out from FY2026 onwards. Maintain a Zero-tolerance policy with 0 incidents. 	<ul style="list-style-type: none"> Employees Government and regulatory authorities Shareholders and investors

SUSTAINABILITY STATEMENT

cont'd

APPROACH TO SUSTAINABILITY

Sustainability Matters with Potential Risks and Opportunities

Based on internal discussions and management's review of operational priorities, the Group identified the following sustainability matters, together with their potential risks and opportunities.

Governance		
Sustainability Matters	Potential Risks	Potential Opportunities
<p>Supply Chain Management</p> <p><i>A resilient, responsible supply chain supports operational continuity, quality assurance, and reputational protection.</i></p>	<ul style="list-style-type: none"> Absence of formal sustainable procurement commitments and policies. 	<ul style="list-style-type: none"> Build resilient, diversified, and sustainability-compliant supplier networks. Promote sustainability procurement policies for competitive advantage and client retention.
<p>Anti-Corruption</p> <p><i>Maintaining ethical standards is essential 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.</i></p>	<ul style="list-style-type: none"> Limited annual anti-bribery and anti-corruption ("ABC") training may reduce employee awareness, increasing the risk of unintentional misconduct or failure to report unethical behaviour. 	<ul style="list-style-type: none"> Improve internal awareness and Reporting culture through regular ABC training programs.
Environmental		
Sustainability Matters	Potential Risks	Potential Opportunities
<p>Climate Change</p> <p><i>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.</i></p>	<ul style="list-style-type: none"> Rising electricity and fuel costs; exposure to carbon taxes or emissions regulations. 	<ul style="list-style-type: none"> Energy efficiency programs; solar installation; carbon credits from energy savings.
<p>Water Management</p> <p>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.</p>	<ul style="list-style-type: none"> Water use may not be a primary operational driver for Saliran compared with heavy manufacturing sectors. 	<ul style="list-style-type: none"> Water recycling systems; improved efficiency and cost savings.

SUSTAINABILITY STATEMENT

cont'd

Social		
Sustainability Matters	Potential Risks	Potential Opportunities
<p>Employee Health and Safety</p> <p><i>A safe workplace protects workers, boosts morale, and meets regulatory standards.</i></p>	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Strong safety culture increases productivity and morale; potential for safety certifications.
<p>Labour Practices and Standards</p> <p><i>Fair treatment of workers enhances morale, compliance, and corporate reputation.</i></p>	<ul style="list-style-type: none"> Risks may arise if workforce policies and practices are mainly focused on meeting minimum regulatory requirements, with room for further strengthening in areas such as training, grievance handling, working hours management and oversight of operational and support staff. For a growing industrial supply group, this may affect employee morale, retention, service quality and overall business performance. 	<ul style="list-style-type: none"> Progressively strengthening workforce policies and practices beyond basic compliance may support improved employee morale, retention, and service quality, while contributing to more effective workforce management and overall business performance.
<p>Local Community</p> <p><i>Strong community ties are key to social license to operate, especially in industrial zones or areas of expansion.</i></p>	<ul style="list-style-type: none"> Weak community relationships can trigger social conflict or resistance to expansion projects. Limited Corporate Social Responsibility (“CSR”) awareness and initiatives. 	<ul style="list-style-type: none"> Engage through CSR programs, local hiring, and skills development. Strengthen community goodwill and local stakeholder support.
<p>Diversity</p> <p><i>A diverse workforce improves decision-making and innovation; aligns with global expectations and standards.</i></p>	<ul style="list-style-type: none"> No significant risks identified in relation to diversity. 	<ul style="list-style-type: none"> Diverse workforce fosters innovation and global competitiveness. Policies on equity and inclusion can enhance brand image and investor interest.
<p>Data Privacy and Security</p> <p><i>Protecting stakeholder data is essential for regulatory compliance and for maintaining the trust of clients and employees.</i></p>	<ul style="list-style-type: none"> The lack of annual data privacy and security training may reduce employee awareness, increasing the risk of data breaches or misuse of personal, employee, or client data, which may lead to regulatory penalties and stakeholder distrust. 	<ul style="list-style-type: none"> Show commitment to secure operations and data protection to partners and clients.

SUSTAINABILITY STATEMENT

cont'd

Materiality Assessment

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

As FY2025 represents the Group's first year of undertaking structured sustainability disclosures in line with Bursa Malaysia's Common Sustainability Indicators, Saliran Group Berhad has focused on establishing its foundational sustainability reporting approach. While the Group has identified key sustainability matters relevant to its operations and stakeholders, a formal materiality assessment process, including stakeholder prioritisation, double materiality assessment, and materiality matrix development, was not undertaken during this initial phase.

The Group recognises the importance of adopting a structured and transparent materiality assessment process to strengthen its sustainability strategy and reporting approach. Accordingly, Saliran Group Berhad intends to undertake a formal materiality assessment in FY2026, incorporating stakeholder engagement, evaluation of business impacts, and alignment with recognised sustainability reporting frameworks, including the National Sustainability Reporting Framework ("NSRF") and Bursa Malaysia Securities Berhad's Sustainability Reporting Guide. This will enable the Group to validate and prioritise its material sustainability matters more effectively in future disclosures.

Stakeholder Engagement

Saliran Group Berhad recognises the importance of maintaining open and constructive engagement with its stakeholders, as their views and expectations provide valuable input in shaping the Group's business direction and sustainability priorities. As part of the Group's commitment to responsible business practices, Saliran engages with key stakeholder groups through various communication platforms to better understand their concerns, address relevant matters, and strengthen long-term relationships built on trust and transparency. The table below summarises Saliran Group Berhad's key stakeholder groups, the manner in which the Group engages with them, their key areas of interest or concern, and how the Group seeks to create value for each stakeholder group. Suppliers and contractors, clients, and employees are engaged on a regular basis, while the remaining stakeholder groups are engaged on an as-needed basis.

Engagement Strategies	Keep Informed	Inform/engage	Consult/involve	Collaborate/empower
-----------------------	---------------	---------------	-----------------	---------------------

Note: The colour gradient indicates the increasing level of stakeholder engagement, from basic information-sharing to deeper consultation, collaboration and empowerment, where appropriate.

Stakeholders	Why They Matter	Engagement Platform	Area of Interest/Concern	How Saliran Group Creates Value for this Stakeholder
Financial Institutions	<ul style="list-style-type: none"> ➤ 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 	<ul style="list-style-type: none"> ➤ Annual general meetings ➤ Annual Report ➤ Financial performance announcement ➤ Analyst briefing ➤ Ongoing media release ➤ Financial Reports and announcements ➤ Investor Relations section on Company website 	<ul style="list-style-type: none"> ➤ Financial and operational performance ➤ Compliance with rules and regulations ➤ Corporate governance and ethical management ➤ Maximising shareholders' value ➤ Return on investment/ equity 	<ul style="list-style-type: none"> ➤ Managing resources effectively to maximise profits ➤ Integration of Anti-Corruption into business activities and governance structure

SUSTAINABILITY STATEMENT

cont'd

Stakeholders	Why They Matter	Engagement Platform	Area of Interest/ Concern	How Saliran Group Creates Value for this Stakeholder
Employees	<ul style="list-style-type: none"> ➤ 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 	<ul style="list-style-type: none"> ➤ 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 	<ul style="list-style-type: none"> ➤ Upskilling knowledge, skill and ability ➤ Workplace safety ➤ Workplace culture and anti-corruption ➤ Health and wellbeing ➤ Performance driven workforce ➤ Career development and progression 	<ul style="list-style-type: none"> ➤ Offering opportunities for career advancement and personal development ➤ Prioritising workplace safety and promoting a strong ethical culture ➤ Focusing on the health and wellbeing of employees
Clients	<ul style="list-style-type: none"> ➤ 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 	<ul style="list-style-type: none"> ➤ Electronic communication via email, social media and telephone ➤ Company's website ➤ Meetings and discussions ➤ Site visit with customer ➤ Customer survey/ feedback 	<ul style="list-style-type: none"> ➤ Quality service/ products and delivery performance ➤ Business sustainability ➤ Equipment and cargo safety ➤ Sustainable and ethical business practices ➤ Customer service and experience 	<ul style="list-style-type: none"> ➤ By continuously optimising operations ➤ Commitment to ethical business practices ensures transparency, fairness, and integrity in all dealings with customers
Suppliers and contractors	<ul style="list-style-type: none"> ➤ 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 	<ul style="list-style-type: none"> ➤ Electronic communication via email and telephone ➤ Meetings and discussions ➤ Supplier performance evaluation 	<ul style="list-style-type: none"> ➤ Sustainable supply chain management ➤ Operational performance and customer satisfaction ➤ Efficient and transparent procurement process 	<ul style="list-style-type: none"> ➤ Collaborates closely with suppliers and contractors to ensure that sustainability practices are integrated throughout the supply chain

SUSTAINABILITY STATEMENT

cont'd

Stakeholders	Why They Matter	Engagement Platform	Area of Interest/ Concern	How Saliran Group Creates Value for this Stakeholder
Governments and Regulatory Bodies	<ul style="list-style-type: none"> ➤ 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 	<ul style="list-style-type: none"> ➤ Regulatory audits and Reporting ➤ Electronic communication via email and telephone ➤ Participation in government and regulatory events ➤ Dialogues and site inspections 	<ul style="list-style-type: none"> ➤ Compliance ➤ Keeping updated on regulatory requirements and changes ➤ Sustainable and ethical business practices ➤ Emission and waste management 	<ul style="list-style-type: none"> ➤ 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-governmental organisations (“NGOs”)	<ul style="list-style-type: none"> ➤ Communities and non-governmental organisations (“NGOs”) 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 	<ul style="list-style-type: none"> ➤ Community/NGO engagement ➤ Electronic communication via email and telephone 	<ul style="list-style-type: none"> ➤ Local recruitment and education ➤ Health and well-being 	<ul style="list-style-type: none"> ➤ Regularly engaging with them to understand their views, expectations and perspectives

SUSTAINABILITY STATEMENT

cont'd



We recognise the importance of protecting the environment and preserving the natural ecosystems that underpin our industry. In line with this commitment, the Group monitors key environmental areas, namely energy consumption and water consumption, to enhance operational efficiency, manage environmental impacts, and support its long-term sustainability agenda.



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 effective energy management is essential to both operational efficiency and environmental responsibility. In line with its sustainability commitments, the Group is focused on managing and reducing energy consumption through ongoing monitoring, prudent usage and continuous improvement across its operations.

Although the Group is not involved in a highly energy-intensive industry, it remains conscious of its energy footprint and the resulting greenhouse gas (“GHG”) emissions associated with its activities. To address this, Saliran continues to promote energy-efficient practices by adopting appropriate energy-saving technologies, maintaining equipment proactively and fostering greater awareness among employees on responsible energy use.

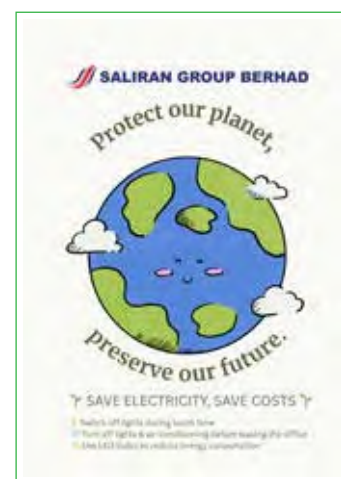
SUSTAINABILITY STATEMENT

cont'd

Through this approach, the Group aims to balance business growth with environmental stewardship, while ensuring that energy consumption is managed in an efficient, economical and responsible manner, consistent with regulatory expectations and broader sustainability trends.

Our Performance

The Group seeks to manage its energy consumption responsibly by encouraging efficient electricity usage across its operations. As part of this effort, Saliran implemented internal awareness measures to promote simple yet effective energy-saving practices, such as switching off lights during lunch hours, turning off lighting and air-conditioning systems before leaving the office, and adopting LED bulbs to reduce electricity usage. These initiatives support the Group's broader objective of enhancing operational efficiency and fostering environmentally responsible workplace practices. The Group monitors its electricity consumption as part of its efforts to improve energy efficiency and promote responsible energy use across its operations. The performance for the financial year is set out below.



Performance	FY2024	FY2025
Bursa C4(a)		
Total energy consumption	242.51 MWh	225.70 MWh

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 costs, and contribute to long-term carbon reduction goals.

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. 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.

SUSTAINABILITY STATEMENT

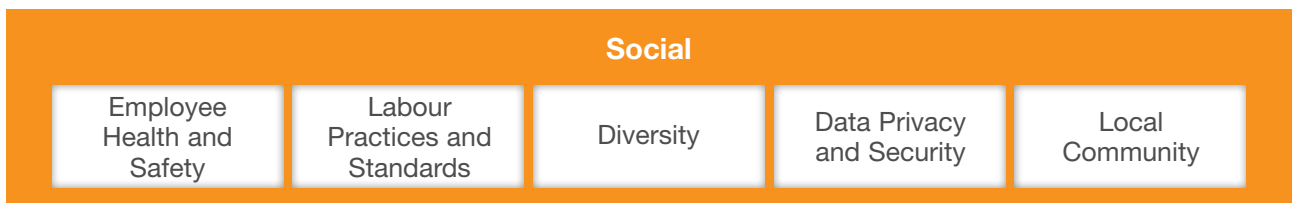
cont'd

Our Performance

Water was used primarily for domestic and utility purposes at the Group’s offices and operational facilities. The Group did not rely on alternative water sources, such as groundwater or surface water, and remains conscious of its water footprint by implementing water efficiency measures where feasible. The following table summarises the Group’s water efficiency initiatives and internal awareness programmes on water conservation.

Performance	
Bursa C9(a) Total volume of water used	In FY2025, Saliran Group withdrew 1.9815 megalitres of water from local municipal supplies, representing a 31.12% decrease compared to FY2024 (2.877 megalitres). No water was withdrawn from other sources during the reporting period. Additionally, no data on water discharge or water consumption was applicable for this reporting period.

Moving forward, the Group will continue to strengthen water conservation awareness and identify practical opportunities to improve water use efficiency across its operations. The Group also aims to enhance its monitoring of water intensity metrics to assess year-on-year performance and support the development of meaningful improvement targets.



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.

SUSTAINABILITY STATEMENT

cont'd

Our Approach

Safeguarding the confidentiality, integrity, and availability of data is integral to our operations and stakeholder trust. While we do not currently maintain a standalone data privacy policy, relevant confidentiality and information-handling expectations are reflected in selected internal policies and practices, including access controls and record retention measures, 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.

Our Performance

The Group recorded zero substantiated complaints concerning breaches of customer privacy and losses of customer data in both FYE 2025 and FYE 2024. This reflects Saliran's continued commitment to safeguarding customer information and maintaining responsible data management practices across its operations. Moving forward, the Group will continue to uphold appropriate controls and awareness measures to protect customer data and preserve stakeholder trust.

Performance	FY2024	FY2025
Bursa C8(a)		
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	0	0

Employee Health and Safety

Why Is It Important

Occupational health and safety is a key priority for Saliran Group Berhad, underpinning our responsibility to provide a safe and healthy working environment for all employees. Beyond regulatory compliance, we recognise that effective health and safety management is essential to protecting our people, ensuring business continuity, and sustaining operational performance. We continue to strengthen our approach to risk management, incident prevention, and mental well-being as part of our daily operations, with the aim of minimising workplace hazards, building employee confidence, and fostering a strong sense of accountability. Through these efforts, we seek to safeguard lives, maintain stakeholder confidence, and support the Group's long-term sustainability as a responsible and resilient organisation.

Our Approach

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.

SUSTAINABILITY STATEMENT

cont'd

Our 'Zero Harm – No Loss' philosophy is guided by the following practices:

- **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.

Our Performance

In FY2025, Saliran Group strengthened its commitment to occupational health and safety by expanding employee participation in targeted training programmes. A total of eight (8) employees underwent specialised health and safety training, accumulating 112 training hours during the financial year. The programmes covered key competency areas, including 7 QC Tools Towards Problem Solving, First Aid at the Workplace, and a Radiation Safety Refresher Course, aimed at enhancing workplace safety practices, emergency preparedness, and operational risk management. In comparison, in FY2024, five (5) employees completed specialised safety training, with a total of 105 training hours focused on strengthening core safety competencies. The increase in both participation rate and total training hours in FY2025 reflects the Group's continued emphasis on building internal capabilities, reinforcing a proactive safety culture, and supporting compliance with applicable health and safety standards.

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	UOM	FY2024	FY2025
Bursa C5(a) Number of work-related fatalities	Number	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0	0
Bursa C5(c) Number of employees trained on health and safety standards	Number	5	8

Labour Practices and Standards

Why Is It Important

Promoting fair labour practices and fostering a safe, inclusive workplace are fundamental to enhancing employee well-being, supporting operational excellence and sustaining long-term business growth. We recognise that our employees are our most valuable asset, and that providing a work environment grounded in safety, respect and equal opportunity is essential to maintaining productivity, strengthening talent retention and boosting employee morale. By continuously improving our workplace practices, the Group not only seeks to comply with applicable legal and industry requirements, but also to nurture a culture built on fairness, accountability and trust. These values are integral to reinforcing our organisational resilience, safeguarding our reputation and supporting Saliran's ability to grow responsibly and sustainably.

Our Approach

Our Commitment to Ethical and Fair Employment

We uphold ethical labour practices as a cornerstone of our operational philosophy. The Group is dedicated to fostering a work environment that prioritises fairness, inclusivity, and employee well-being.

SUSTAINABILITY STATEMENT

cont'd

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.

In addition, 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

We believe that trust, innovation and long-term success are strengthened by a workforce that reflects the diversity of the communities we serve. We are committed to fostering an inclusive workplace where diversity is valued, respected and celebrated, and where every individual feels empowered to contribute and realise their full potential.

In attracting and retaining talent, the Group seeks to build a workforce comprising individuals with diverse backgrounds, experiences and perspectives. By cultivating an inclusive culture founded on collaboration, representation and equal opportunity, Saliran aims to ensure that all employees are provided with fair access to career progression, leadership development and personal growth. Through this commitment, we empower our people to thrive and to contribute meaningfully to the Group’s sustained success.

Our Performance

Saliran Group is committed to supporting employee well-being and professional fulfilment through a comprehensive benefits framework that reflects industry practices and evolving workforce expectations. 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.

SUSTAINABILITY STATEMENT

cont'd

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.

In addition, Saliran is guided by formal internal policies and memoranda that support fair employment practices, employee welfare and consistent workplace standards across the Group. These include the Employee Handbook, which outlines key employment terms, employee benefits and leave provisions, as well as supporting memoranda covering outstation and overseas travel allowances, driver outstation allowances, and company attire requirements. Collectively, these documents provide employees with clear guidance on their rights, benefits, responsibilities and expected standards of conduct at work.

Training

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 FY2025, our employees collectively completed 948 training hours, representing a significant increase from 504 training hours in FY2024. This 88.1% year-on-year increase reflects the Group's strengthened commitment to capacity building, continuous professional development, and alignment of workforce competencies with evolving regulatory, technological, and market demands.

Our training programmes in FY2025 were structured to cover both technical and soft skill development, with a strong emphasis on Occupational Safety and Health (OSH) compliance, operational effectiveness, digital transformation, and leadership capability. The expanded training portfolio demonstrates a proactive approach to equipping employees with future-ready skills while ensuring regulatory compliance and operational resilience.

Notable training modules conducted during the financial year included:

- 7 QC Tools Towards Problem Solving
- AI-Powered Talent Search & Sourcing Tools
- Climate Change Procedure
- Digital Marketing Masterclass
- E-Invois, Implikasi Cukai dan Perancangan
- First Aid at Workplace
- Get to Know E-Invoice in Malaysia
- Info-Tech Year End Workshop
- Leadership Management – Power of Us
- Malaysia Sales & Service Tax (SST)
- Mastering E-Invoicing in Malaysia
- Microsoft Excel (Intermediate & Advanced)
- Navigating Budget & Transfer Pricing
- Payroll & Tax Computation
- Radiation Safety Refresher Course

Overall, the substantial increase in training hours in FY2025 underscores the Group's continued investment in human capital development, reinforcing a culture of continuous learning and supporting long-term organisational sustainability.

SUSTAINABILITY STATEMENT

cont'd

For a detailed breakdown by employee category, please refer to the performance tables provided.

Bursa C6(a) Total hours of training by employee category	Hours	FY2024	FY2025
Management	Hours	28	284
Executive	Hours	469	531
Non-executive	Hours	7	133
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	1%	0%
Bursa C6(c) Total number of employee turnover by employee category			
Management	Number	1	0
Executive	Number	22	15
Non-executive	Number	10	7
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0

Diversity

Why Is It Important

Diversity and inclusion are key enablers of organisational resilience, innovation and long-term growth. We believe that a diverse workforce brings broader perspectives, richer experiences and stronger capabilities that enhance decision-making, adaptability and service delivery. Beyond promoting fairness and equal opportunity, embracing diversity provides the Group with a strategic advantage by encouraging collaboration, improving employee engagement and strengthening stakeholder trust. As Saliran continues to expand together with its subsidiaries, fostering an inclusive culture remains central to attracting high-quality talent, enhancing operational effectiveness and achieving sustainable long-term success.

Our Approach

We recognise diversity and inclusion as important drivers of organisational resilience, innovation and sustainable growth. The Group is committed to fostering a workplace that values and respects individual differences, while ensuring that all employees are provided with equal opportunities to develop, contribute and succeed.



SUSTAINABILITY STATEMENT

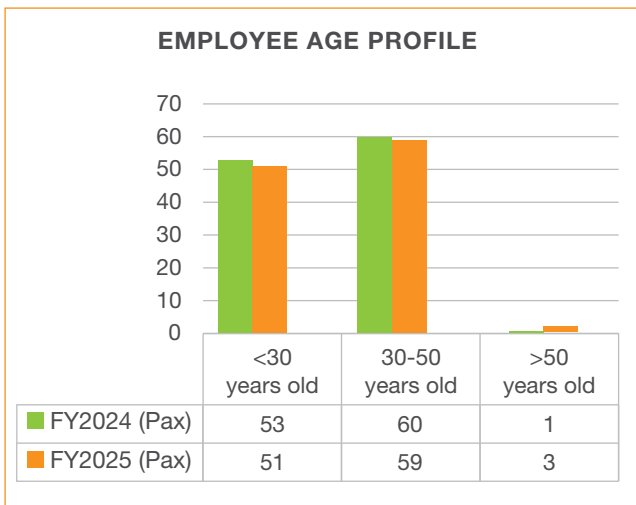
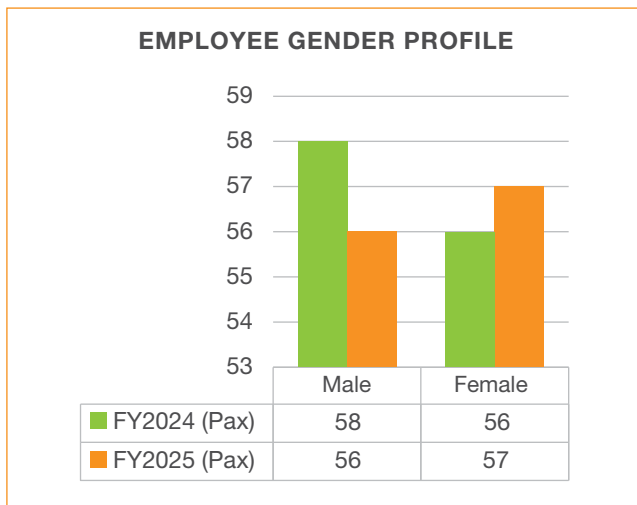
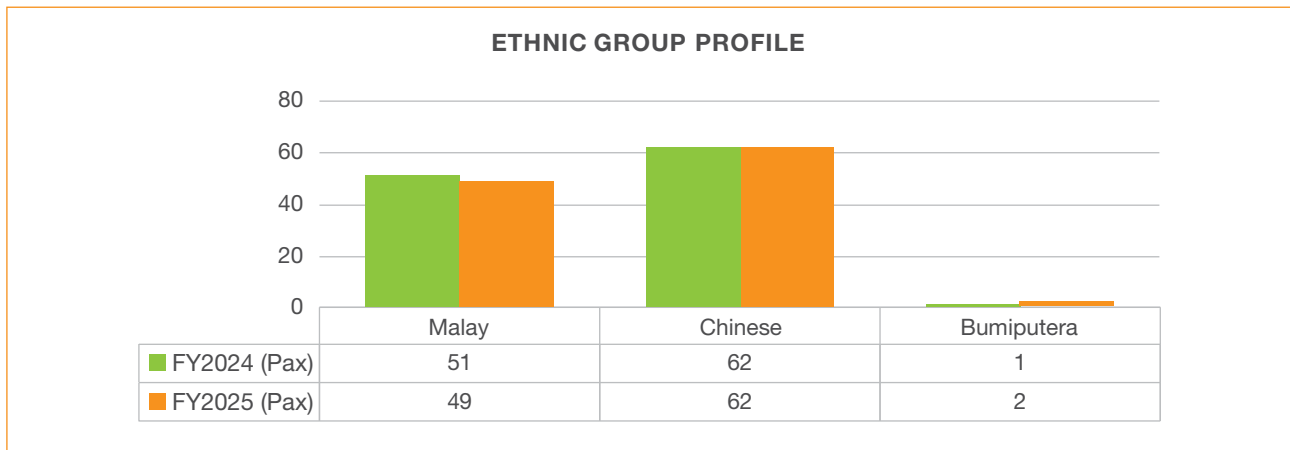
cont'd

Saliran also recognises the importance of fostering an inclusive and respectful workplace that embraces the diverse cultural and religious backgrounds of its employees. In support of this commitment, the Group organised festive celebrations in conjunction with Chinese New Year, Hari Raya and Christmas during the year under review. These celebrations provided employees with the opportunity to appreciate different traditions, strengthen interpersonal relationships and promote a sense of belonging across the workforce. Through such initiatives, Saliran continues to cultivate an inclusive workplace culture that values diversity, mutual respect and workplace harmony.

Guided by its Diversity Policy, Saliran is committed to upholding fair and inclusive employment practices across the Group. The policy affirms the Group’s commitment to providing a workplace free from discrimination on the basis of gender, age, race, religion, nationality, disability or any other protected characteristic. This commitment is embedded across key areas of employment, including recruitment, career progression and leadership development, thereby reinforcing a culture of equality, inclusion and meritocracy throughout the organisation.

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

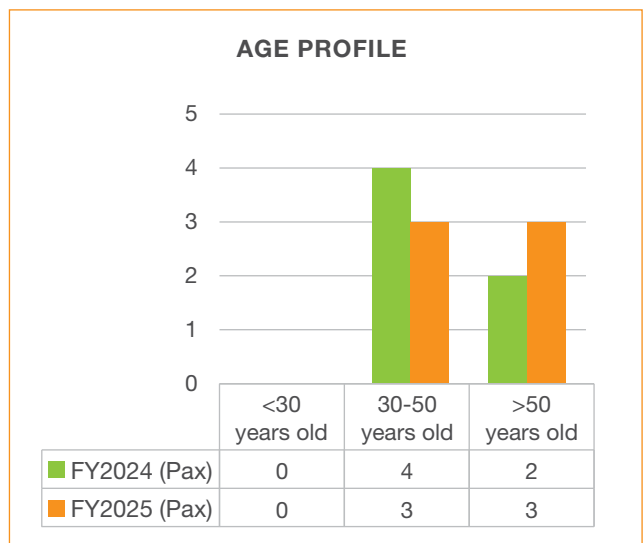
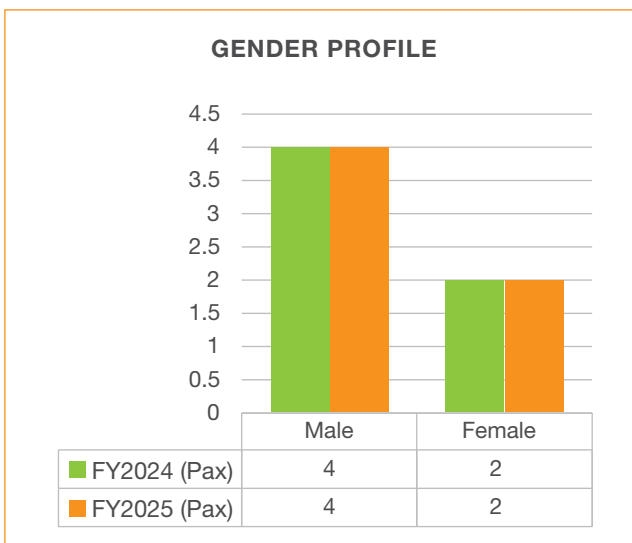
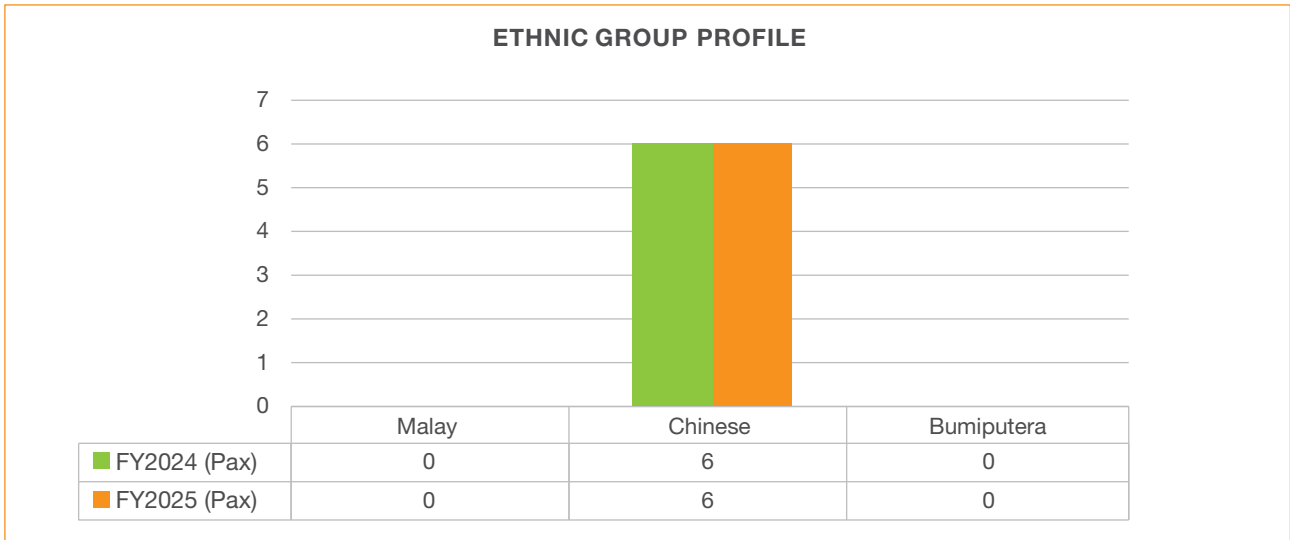
Employee Ethnic Group, Gender, and Age Profile



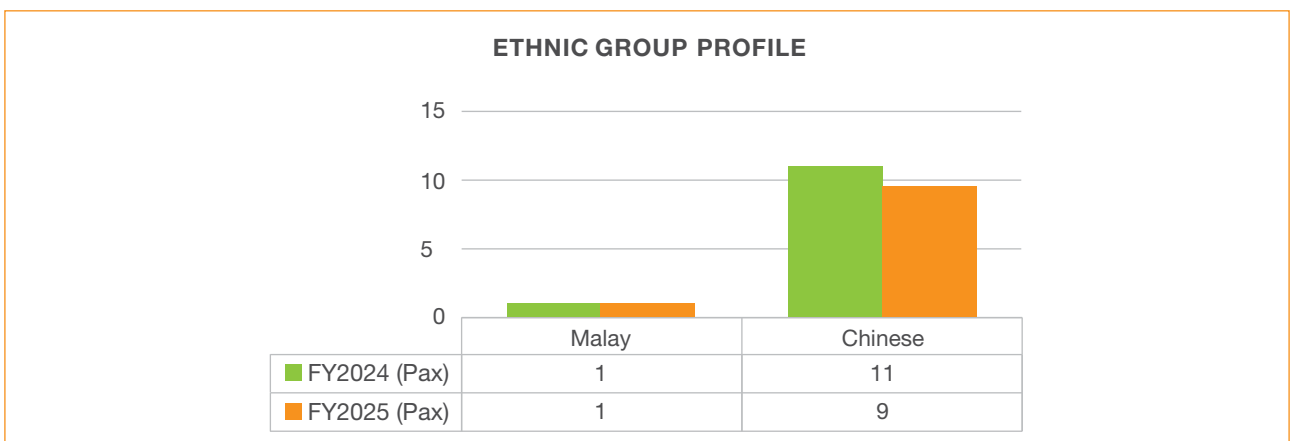
SUSTAINABILITY STATEMENT

cont'd

Director's Ethnic Group, Gender, and Age Profile

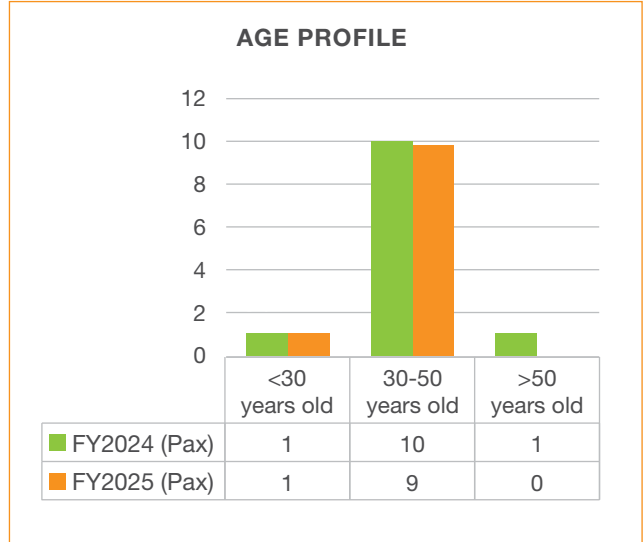
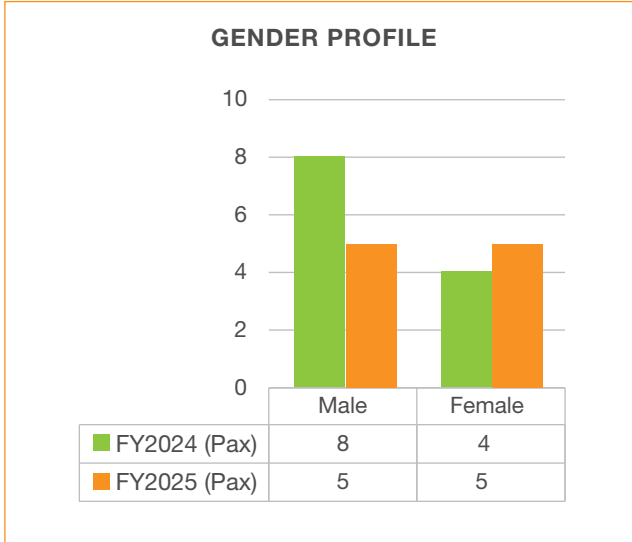


Management's Ethnic Group, Gender, and Age Profile

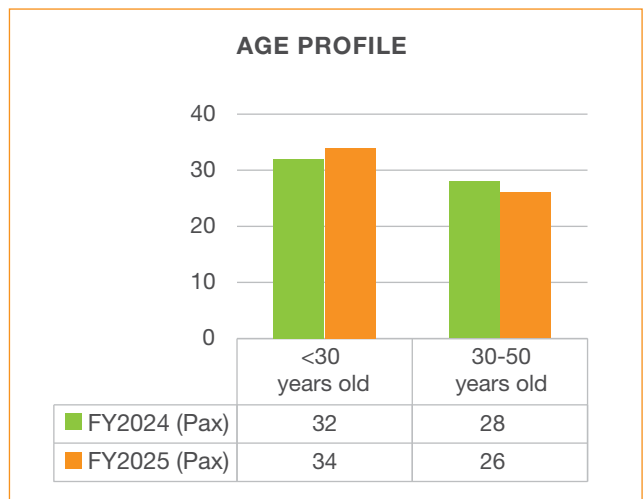
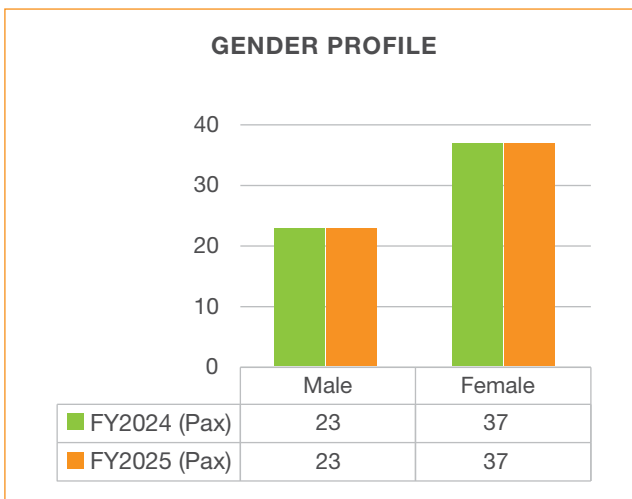
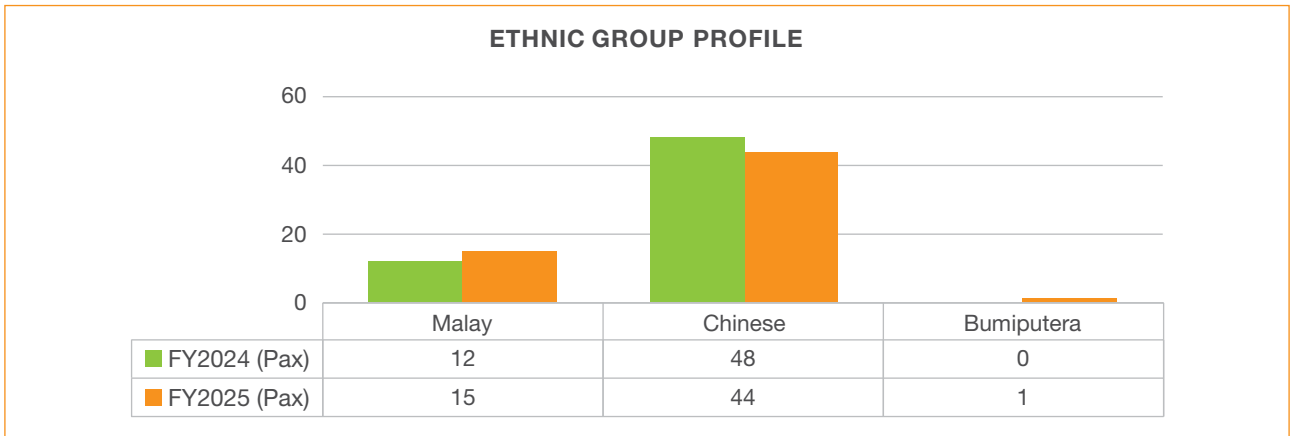


SUSTAINABILITY STATEMENT

cont'd



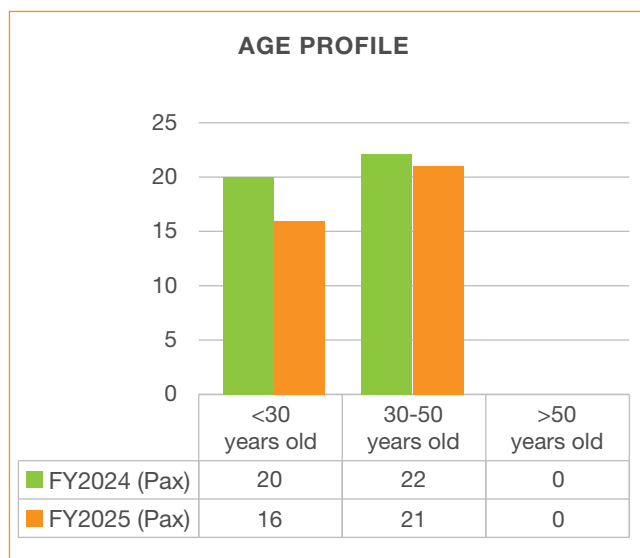
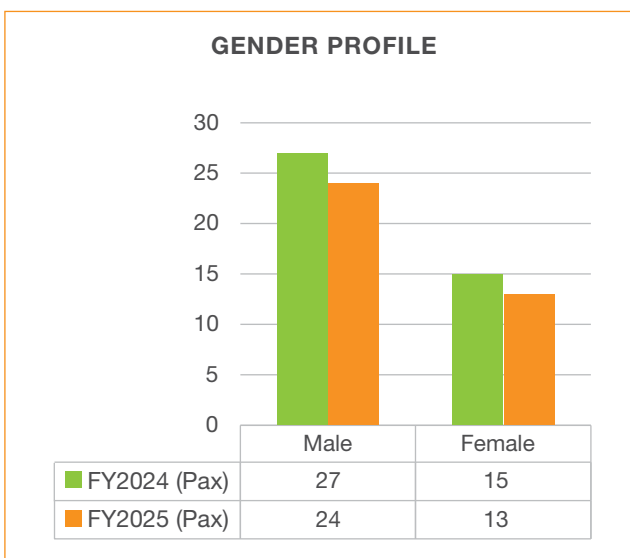
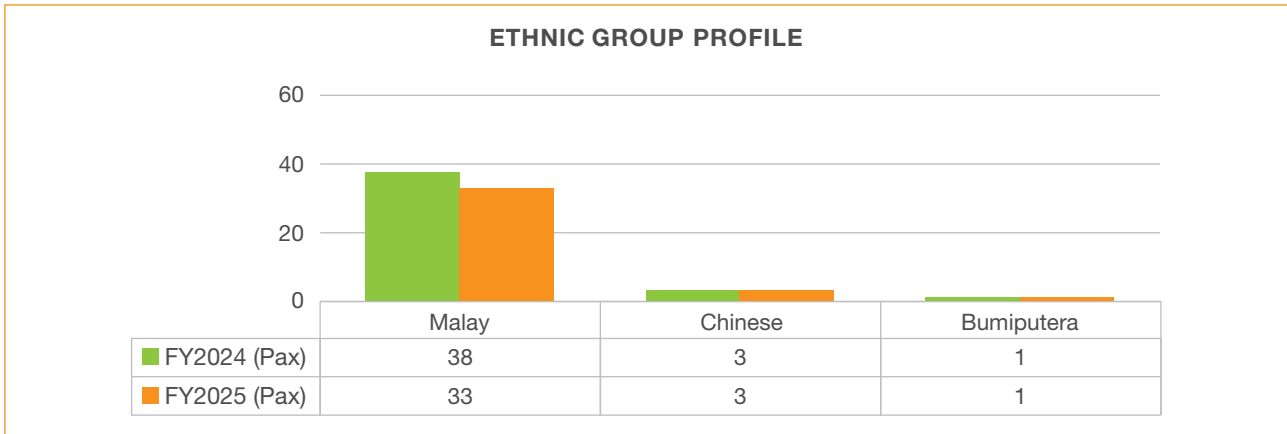
Executive's Ethnic Group, Gender, and Age Profile



SUSTAINABILITY STATEMENT

cont'd

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



Moving forward, Saliran Group aims to strengthen the implementation of its Diversity Policy by establishing measurable diversity benchmarks, particularly across leadership and technical roles. Through the continued promotion of inclusive hiring practices and leadership development pipelines, the Group seeks to better reflect the diverse communities in which it operates while reinforcing its commitment to long-term value creation for all stakeholders.

SUSTAINABILITY STATEMENT

cont'd

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 communities in which we operate through employment, local sourcing, and community engagement.

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, Saliran views community engagement as a meaningful avenue to align business growth with inclusive and sustainable development, thereby ensuring that the Group grows alongside the communities in which it operates.

Our Approach

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.

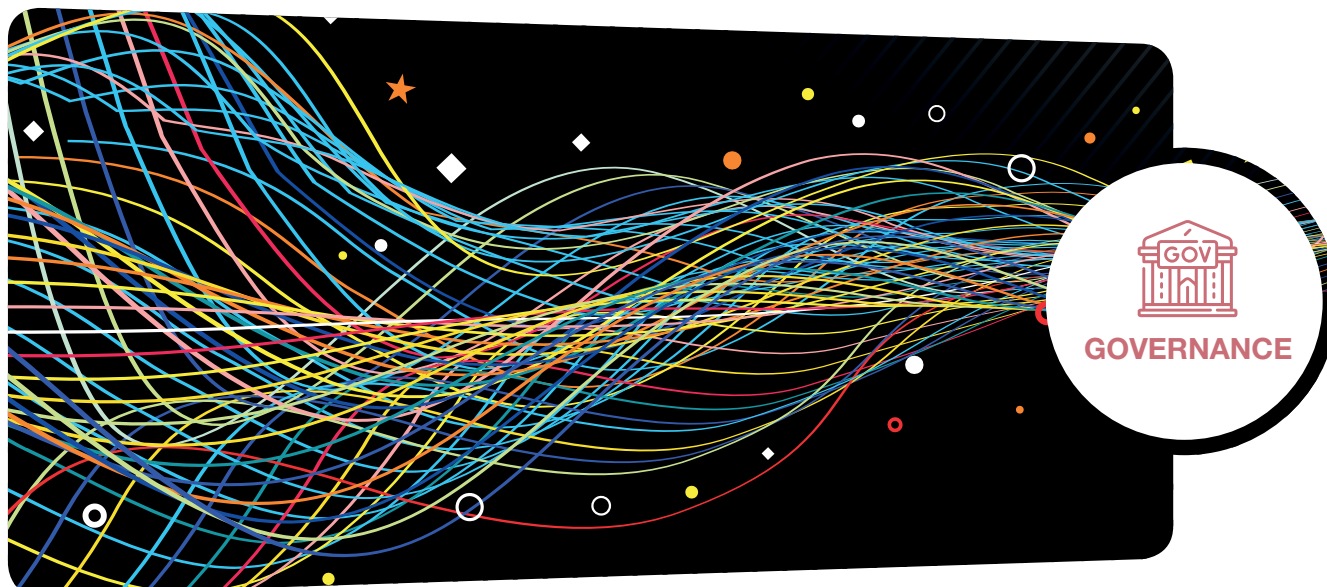
Our Performance

Performance

Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	500
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	1

SUSTAINABILITY STATEMENT

cont'd



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 Saliran Trading 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 Reporting journey, we recognise the importance of developing a responsible and resilient supply chain that supports our business operations and stakeholder expectations. In FY2025, 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.

SUSTAINABILITY STATEMENT

cont'd

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 FY2025, 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 FY2025, 83% of the Group’s total purchase value was attributed to local suppliers, compared to 43% in the previous year. This reflects the Group’s continued commitment to supporting local economic participation through responsible procurement practices, while also strengthening supply chain resilience and contributing positively to the domestic supply ecosystem.

Performance

Bursa C7(a)

Proportion of spending on local suppliers

PERCENTAGE OF PURCHASE VALUE SPENT ON LOCAL SUPPLIERS



We also continued to strengthen procurement governance by enhancing internal oversight and conducting routine evaluations based on supplier performance, compliance, and delivery capabilities. While sustainability-based supplier assessments have not yet been formally implemented, the Group is exploring opportunities to gradually incorporate sustainability considerations into its supplier selection and review processes over time.

SUSTAINABILITY STATEMENT

cont'd

Anti-Corruption

Why Is It Important

Preventing corruption is essential to maintaining business credibility, investor confidence, and regulatory compliance. A strong anti-corruption framework helps mitigate legal, financial, and reputational risks while promoting fairness, transparency, and accountability. With zero incidents recorded in FY2025, 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 is committed to high 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 provide a 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 maintain a zero-tolerance stance 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.

Our Performance

In FY2025, Saliran Group Berhad recorded zero cases of corruption or bribery, as Reported under Bursa Malaysia C1(c). 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 FY2025, 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

FY		2024	2025
Bursa C1(c)	Number	0	0
Confirmed incidents of corruption and action taken			

SUSTAINABILITY STATEMENT

cont'd

ADDITIONAL INFORMATION

PERFORMANCE TARGETS

As part of Saliran's commitment to sustainability excellence, the Board of Directors has approved the Group's sustainability targets to guide performance improvement from FY2026 onwards. These targets reflect the Group's priorities for the coming financial years and are reviewed annually, with ongoing assessments conducted across the Group to monitor progress and ensure alignment with its long-term sustainability objectives.

Indicators		Our Targets
Anti-Corruption	C1(a) Percentage of employees who have received training on anti-corruption by employee category	Achieve 100% awareness training for all employee categories from FY2026 onwards
	C1(b) Percentage of operations assessed for corruption-related risks	To progressively enhance anti-corruption risk assessment coverage across operations over time
	C1(c) Confirmed incidents of corruption and action taken	Maintain 0 corruption incidents
Health and Safety	C5(a) Number of work-related fatalities	Maintain 0 work-related fatalities
	C5(b) Lost time incident rate	Maintain zero lost time incident rate from FY2024 levels
	Percentage of employees and contractors who have received mandatory safety induction prior to site deployment	Ensure 100% of employees and contractors receive mandatory safety induction before site deployment
Labour Practices and Standards	C6(d) Number of substantiated complaints concerning human rights violations	Maintain 0 substantiated complaints on human rights violations
Data Privacy and Security	C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Maintain 0 incidences of data privacy and security breaches

Responsible Growth, Enduring Corporate Value

Saliran Group is building more than industrial solutions, it is building a brand defined by precision, trust and responsible growth. Across the Sustainability Statement, the Group demonstrates that sustainability is embedded into how it operates: improving water use efficiency, monitoring energy consumption, maintaining zero work-related fatalities, recording zero confirmed corruption incidents, increasing employee training hours, and strengthening local economic value through local supplier spending. For an industrial group, these actions create meaningful brand value by enhancing customer confidence, investor trust, regulatory credibility and employer attractiveness. In this way, sustainability becomes a clear brand differentiator, showing that Saliran Group delivers not only dependable products and services, but also responsible business leadership.

SUSTAINABILITY STATEMENT

cont'd

Sairan Group Berhad

BMLR Transition Period

Date & Time: 2026-04-10 10:21:34
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Anti-Corruption	Confirmed incidents of corruption and action taken	Number	0	0	No assurance
Anti-Corruption	Anti-Corruption Training by Employee Category: Management	Percentage	0	-	No assurance
Anti-Corruption	Anti-Corruption Training by Employee Category: Executive	Percentage	0	-	No assurance
Anti-Corruption	Anti-Corruption Training by Employee Category: Non-Executive	Percentage	0	-	No assurance
Anti-Corruption	Percentage of employees who have received training on anti-corruption by employee category	Percentage	0	-	No assurance
Data Privacy and Security	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	No assurance
Supply Chain Management	Supply Chain Management- Proportion of spending on local suppliers	Percentage	83	-	No assurance
Energy Management and Climate Action	Total Energy Consumption	MWh	22570	-	No assurance
Water Management	Total volume of water used	Megalitre	1,9815	-	No assurance
Health and Safety	Number of work-related fatalities	Number	0	0	No assurance
Health and Safety	Lost time incident rate ("LTIR")	Rate	0	0	No assurance
Health and Safety	Number of employees trained on health and safety standards	Number	8	-	No assurance
Diversity	Gender of Management Employees: Male	Percentage	56	-	No assurance
Diversity	Gender of Management Employees: Female	Percentage	44	-	No assurance

SUSTAINABILITY STATEMENT

cont'd

Date & Time: 2026-04-10_10:21:34
FYE 31/12/2025

Saliran Group Berhad
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Diversity	Gender of Executive Employees: Male	Percentage	38	-	No assurance
Diversity	Gender of Executive Employees: Female	Percentage	62	-	No assurance
Diversity	Gender of Non-Executive Employees: Male	Percentage	65	-	No assurance
Diversity	Gender of Non-Executive Employees: Female	Percentage	35	-	No assurance
Diversity	Age Group of Management Employees: Under 30	Percentage	6	-	No assurance
Diversity	Age Group of Management Employees: 30-50	Percentage	75	-	No assurance
Diversity	Age Group of Management Employees: Above 50	Percentage	19	-	No assurance
Diversity	Age Group of Executive Employees: Under 30	Percentage	57	-	No assurance
Diversity	Age Group of Executive Employees: 30-50	Percentage	43	-	No assurance
Diversity	Age Group of Executive Employees: Above 50	Percentage	0	-	No assurance
Diversity	Age Group of Non-Executive Employees: Under 30	Percentage	43	-	No assurance
Diversity	Age Group of Non-Executive Employees: Under 30-50	Percentage	57	-	No assurance
Diversity	Age Group of Non-Executive Employees: Above 50	Percentage	0	-	No assurance
Diversity	Percentage of Directors by Gender: Male	Percentage	67	-	No assurance

SUSTAINABILITY STATEMENT

cont'd

Date & Time: 2026-04-10_10:21:34
FYE 31/12/2025

Sairan Group Berhad
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Diversity	Percentage of Directors by Gender: Female	Percentage	33	-	No assurance
Diversity	Percentage of Directors by Age Group: Under 30	Percentage	0	-	No assurance
Diversity	Percentage of Directors by Age Group: Between 30-50	Percentage	50	-	No assurance
Diversity	Percentage of Directors by Age Group: Above 50	Percentage	50	-	No assurance
Diversity	Percentage of employees that are contractors or temporary staff	Percentage	0	-	No assurance
Labour Practices and Standards	Total Hours of Training by Employee Category: Management	Hours	284	-	No assurance
Labour Practices and Standards	Total Hours of Training by Employee Category: Executive	Hours	531	-	No assurance
Labour Practices and Standards	Total Hours of Training by Employee Category: Non-Executive	Hours	133	-	No assurance
Labour Practices and Standards	Number of substantiated complaints concerning human rights violations	Number	0	0	No assurance
Labour Practices and Standards	Total Number of Employee Turnover by Employee Category: Management	Number	0	-	No assurance
Labour Practices and Standards	Total Number of Employee Turnover by Employee Category: Executive	Number	15	-	No assurance
Labour Practices and Standards	Total Number of Employee Turnover by Employee Category: Non-Executive	Number	7	-	No assurance
Local Community	Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	500	-	No assurance

This report was generated on the Bursa Malaysia CSI Platform on 2026-04-10_10:21:34

Page 3 of 4

SUSTAINABILITY STATEMENT

cont'd

Saliran Group Berhad
BMLR Transition Period

Date & Time: 2026-04-10_10:21:34
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Local Community	Total number of beneficiaries of the investment in communities	Number	1	-	No assurance

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“**the Board**”) is pleased to present the Corporate Governance (“**CG**”) Overview Statement for the Financial Year Ended 31 December 2025 (“**FYE 2025**”), 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 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.

Applicable Period

This CG Overview Statement covers the period up to 31 December 2025 or where applicable, up to 31 March 2026 (as indicated therein), being the latest practicable date (hereinafter referred to as “**Applicable Period**”).

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 corporate governance 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, corporate governance 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, 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 Board is led by an Executive Chairman who is not involved in the day-to-day management of the Group to promote accountability and facilitate the division of responsibilities. In this regard, no one individual can influence the Board’s discussions and decision-making. The Executive 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. In the absence of a designated Chief Executive Officer, the responsibility for the day-to-day operational of the Group is undertaken by one of the Executive Director, who leads the implementation of the Board’s strategies and decisions, manages 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 corporate governance practices.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

I) BOARD RESPONSIBILITIES (cont'd)

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 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. The 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.

The Board Charter, Terms of Reference 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 comprises six (6) Directors, comprising of one (1) Executive Chairman, two (2) Executive Directors, and three (3) Independent Non-Executive Directors. The Independent Non-Executive Directors fulfilled the criteria of "Independence" as prescribed under the AMLR. This is in compliance with Paragraph 15.02(1) of the AMLR 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 judgment.

The Board are 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 behaviors to respond to the people in order to ensure that individual feel included, engaged and connected in the workplace. As at 31 March 2026, the Board comprised of six (6) Directors, of whom two (2) are female, providing a representation rate of 33.33% which complies with the new requirement of AMLR 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 on-going basis. Full details of the NC 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 as below:

Ooi Gin Hui (Redesignated on 5 January 2026)	Chairperson
Datuk Khoo Teck Kee (Redesignated on 5 January 2026)	Member
Dato' Low Suet Moi (Appointed on 5 January 2026)	Member
Kok Tai Meng (Resigned on 26 December 2025)	Member

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

II) BOARD COMPOSITION (cont'd)

Nominating Committee (cont'd)

The NC held its first meeting during the FYE 2025. The details of the member's attendance were as follows:-

Name of Directors	Attendance	Percentage of attendance (%)
Ooi Gin Hui	1/1	100
Datuk Khoo Teck Kee	1/1	100
Dato' Low Suet Moi*	0/0	0
Kok Tai Meng (Resigned on 26 December 2025)	1/1	100

Note:

* Dato' Low Suet Moi was re-designated from Independent Non-Executive Chairperson on 5 January 2026 and appointed as Chairman of Remuneration Committee ("RC") and member of NC and Audit and Risk Management Committee ("ARMC") on same date, therefore she did not attend the Committees' meetings in FYE 2025.

The following works were undertaken by the NC during the Applicable Period:-

- (i) Assessed the suitability of the Directors who stand for re-election at the First Annual General Meeting ("AGM") of the Company and recommended the same to the Board for approval;
- (ii) Assessed the fit and properness and suitability of Mr. Yong Wai Kin's appointment as an additional Executive Director of the Company and recommended the same to the Board for approval;
- (iii) Reviewed the re-designation of Liaw Choon Wei from Managing Director to Executive Chairman and recommended the same to the Board for approval;
- (iv) Reviewed the re-designation of Dato' Low Suet Moi from Independent Non-Executive Chairperson to Independent Non-Executive Director and recommended the same to the Board for approval;
- (v) Reviewed the re-designation of Datuk Khoo Teck Kee as the member/chairman of the Board Committees and recommended the same to the Board for approval;
- (vi) Reviewed the re-designation of Ms. Ooi Gin Hui as the member/chairperson of the Board Committees and recommended the same to the Board for approval;
- (vii) Reviewed the nomination of Dato' Low Suet Moi as the member/chairperson of the Board Committees and recommended the same to the Board for approval;
- (viii) Reviewed and confirmed the minutes of the preceding NC meeting;
- (ix) Examined the composition of the Board and Board Committees;
- (x) Reviewed the required mix of skills, experience, gender diversity and other qualities of the Board;
- (xi) Reviewed the meetings attendance of the Board and Board Committees for the FYE 2025 and the sufficiency of time commitment of the Directors in discharging their roles and responsibilities in the Company;
- (xii) Evaluated the contribution and performance of each individual Director;
- (xiii) Assessed the effectiveness of the Board as a whole and the Board Committees;
- (xiv) Reviewed the term of office of the ARMC and assessed its effectiveness as a whole;
- (xv) Reviewed the length of service and independence of the Independent Non-Executive Directors and assessed their ability to bring independent and objective judgement to Board deliberations and proposals;
- (xvi) Reviewed the training programmes attended by the Directors for the FYE 2025 and identified the training needs of the Directors for the financial year ending 31 December 2026 ("FYE 2026"); and
- (xvii) Assessed the fit and properness and suitability of the Director(s) who will be standing for re-election at the forthcoming Second AGM ("2nd AGM") of the Company and recommended the same to the Board for approval.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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 the financial year ended 31 December 2025 are as follows:

Name of Directors	Date	Training programmes /Seminars/ Workshops/ Conferences attended
Liaw Choon Wei	24-26/3/2025	1) Bursa Malaysia Mandatory Accreditation Programme Part I
	3/7/2025	2) Sabah Oil, Gas & Energy Conference & Exhibition
	22-24/9/2025	3) A Plus Boss-Condensed EMBA
	16-17/12/2025	4) Novas Academy: Leadership Management-Power of Us
Chan Koon Wai	24-26/3/2025	1) Bursa Malaysia Mandatory Accreditation Programme Part I
	3/7/2025	2) Sabah Oil, Gas & Energy Conference & Exhibition
	22-24/9/2025	3) A Plus Boss-Condensed EMBA
	16-17/12/2025	4) Novas Academy: Leadership Management-Power of Us
Yong Wai Kin	23-24/4/2025	1) Bursa Malaysia Mandatory Accreditation Programme Part I
	3/7/2025	2) Sabah Oil, Gas & Energy Conference & Exhibition
	22/7/2025	3) SST Training
	4/11/2025	4) Navigating Budget 2026 and Transfer Pricing: Key Updates and Compliance Insights by Kreston Tax
	16-17/12/2025	5) Novas Academy: Leadership Management-Power of Us
Dato' Low Suet Moi	19-20/8/2025	1) SSM National Conference 2025 – Leading Governance for Sustainable Growth
	22-23/9/2025	2) Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
	10/12/2025	3) Key Disclosure Obligations Of A Listed Company
Datuk Khoo Teck Kee	30/4/2025	1) E-Invoice Workshop
	16/5/2025	2) Preference shares – from issuance to redemption/conversion
	17-18/9/2025	3) MBRS 2.0 For preparers – financial statements
	11/11/2025	4) 2026 Budget seminar
Ooi Gin Hui	23/4/2025	1) Briefing on the Key Amendments to Listing Requirements of Bursa Securities
	5/6/2025	2) The Real Deal: Addressing Issues and Challenges of IFRS S1 and S2 Reporting in Malaysia
	29/10/2025	3) Tax Seminar on Budget 2026

Training Needs of the Directors for the FYE 2026

During the Applicable Period, the NC conducted a review of the training needs of the Directors for the FYE 2026, and each Director shall attend at least one (1) training programme for FYE 2026 to aid in the discharge of their fiduciary/statutory duties as Directors.

Annual Assessment on effectiveness of the Board and Individual Directors

The Board has delegated to the NC to carry out annual assessment on the effectiveness of the Board, its Committees and each individual Director.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

II) BOARD COMPOSITION (cont'd)

Annual Assessment on effectiveness of the Board and Individual Directors (cont'd)

During the Applicable Period, the Board, through the NC, had conducted the following annual assessments to determine the effectiveness of the Board, its Committees and each individual Director in respect of the FYE 2025. The evaluation results were compiled by the Company Secretaries and tabulated at the NC Meeting, for the NC's review:-

(i) Directors' self-evaluation

The Directors' self-evaluation was assessed by way of self-assessment and the performance of the individual Directors was assessed based on the following criteria:-

- Fit and proper;
- Contribution and performance; and
- Calibre and personality.

Based on the assessment conducted for the FYE 2025, the NC is satisfied with the performance of the individual Directors.

(ii) Evaluation of the Board and Board Committees

The evaluation of the Board and the Board Committees was assessed based on the following criteria:-

- Board mix and composition;
- Quality of information and decision making;
- Boardroom activities;
- Board's relationship with the Management;
- Environmental, Social and Governance ("ESG") issues or Sustainability; and
- Board Committees Performance Evaluation.

The NC is satisfied with the performance of the Board and the Board Committees for the FYE 2025, and acknowledged that the Board and the Board Committees have discharged their duties with care and diligence.

Annual Assessment on Independence of Directors

The Independence assessment was carried out based on the criteria as prescribed by the AMLR of Bursa Securities.

Based on the assessment conducted for the FYE 2025, the NC is satisfied that all the Independent Non-Executive Directors had fulfilled the definition of Independent Director prescribed by the AMLR of Bursa Securities and would not impede their independence in carrying out their duties in the Board and Board committees' meetings and their ability to act in the best interest of the Company.

The Board considers that its Independent Non-Executive Directors provide objective and independent views on various issues dealt with at the Board and Board Committee level. All Independent Non-Executive Directors are independent and free from management.

Assessment on retiring Directors

The NC is responsible for making recommendations to the Board on the eligibility of the Directors to stand for re-election at the AGM.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

II) BOARD COMPOSITION (cont'd)

Assessment on retiring Directors (cont'd)

During the Applicable Period, the NC conducted assessment on Mr. Yong Wai Kin, Mr. Liaw Choon Wei and Dato' Low Suet Moi ("**Retiring Directors**") who would retire at the forthcoming 2nd AGM of the Company pursuant to Clauses 110 and 101 of the Constitution of the Company, based on the following criteria:-

- Character;
- Experience;
- Integrity;
- Competence;
- Time commitment to discharge their roles;
- Results from evaluation of individual director performance; and
- Results from Director's fit and properness evaluation.

Upon review, the NC, being satisfied with the fit and properness of the Retiring Directors, recommended to the Board on their re-election at the forthcoming 2nd AGM.

The profiles of the Directors who are due to retire are set out in the **Profile of Directors** of this Annual Report.

III) DIRECTOR REMUNERATION

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

Dato' Low Suet Moi <i>(Appointed on 5 January 2026)</i>	Chairperson
Datuk Khoo Teck Kee	Member
Ooi Gin Hui <i>(Redesignated on 5 January 2026)</i>	Member
Kok Tai Meng <i>(Resigned on 26 December 2025)</i>	Member

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 are reviewed by the RC and recommended to the Board for approval. It is 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

III) DIRECTOR REMUNERATION (cont'd)

The remuneration of Directors and Key Senior Management of the Company, including the remuneration for services rendered to the Group and the Company for the FYE 2025 are as follows:

Group	Salary RM	Bonuses RM	Fees RM	Allowance RM	Statutory Contributions (EPF, SOCSO and EIS) RM	Total RM
Executive Directors						
Liaw Choon Wei	630,000	45,000	-	-	82,393	757,393
Chan Koon Wai	525,000	40,000	-	-	69,193	634,193
Yong Wai Kin	425,001	21,667	-	15,000	54,996	516,664
Independent Non-Executive Directors						
Datuk Khoo Teck Kee	-	-	48,000	5,500	-	53,500
Dato' Low Suet Moi	-	-	60,000	2,500	-	62,500
Ooi Gin Hui	-	-	48,000	5,500	-	53,500
Kok Tai Meng	-	-	60,000	5,500	-	65,500
Key Senior Management						
Lim Bak Teik	420,000	35,000	-	-	55,993	510,993
Company						
Company	Salaries RM	Bonuses RM	Fees RM	Allowance RM	Statutory Contributions (EPF, SOCSO and EIS) RM	Total RM
Executive Directors						
Liaw Choon Wei	630,000	45,000	-	-	82,393	757,393
Chan Koon Wai	525,000	40,000	-	-	69,193	634,193
Yong Wai Kin	-	-	-	-	-	-
Independent Non- Executive Directors						
Datuk Khoo Teck Kee	-	-	48,000	5,500	-	53,500
Dato' Low Suet Moi	-	-	60,000	2,500	-	62,500
Ooi Gin Hui	-	-	48,000	5,500	-	53,500
Kok Tai Meng	-	-	60,000	5,500	-	65,500
Key Senior Management						
Lim Bak Teik	-	-	-	-	-	-

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

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

III) DIRECTOR REMUNERATION (cont'd)

The RC held its first meeting during the FYE 2025. The details of the member's attendance were as follows:-

Name of Directors	Attendance	Percentage of attendance (%)
Dato' Low Suet Moi*	0/1	0
Datuk Khoo Teck Kee	1/1	100
Ooi Gin Hui	1/1	100
Kok Tai Meng (Resigned on 26 December 2025)	1/1	100

Note:

* Dato' Low Suet Moi was re-designated from Independent Non-Executive Chairperson on 5 January 2026 and appointed as Chairman of our RC and member of our NC and ARMC on same date, therefore she did not attend the Committees' meetings in FYE 2025.

The following works were undertaken by the RC during the Applicable Period:-

- (i) Reviewed the Directors' fees payable to the Directors of the Company for the FYE 2025, FYE 2026 and financial year ending 31 December 2027 and recommended the same to the Board for approval;
- (ii) Reviewed the benefits payable to the Non-Executive Directors of the Company and recommended the same to the Board for approval;
- (iii) Reviewed and confirmed the minutes of the preceding RC meeting;
- (iv) Reviewed the remuneration package of the Executive Directors for the FYE 2026 and bonus paid for the FYE 2025 and recommended the same to the Board for approval and/or ratification.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I) EFFECTIVE AUDIT AND RISK MANAGEMENT COMMITTEE

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

Datuk Khoo Teck Kee (Redesignated on 5 January 2026) Kok Tai Meng (Resigned on 26 December 2025)	Chairperson
Dato' Low Suet Moi (Appointed on 5 January 2026)	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 Chairperson, Datuk Khoo Teck Kee, possesses a strong level of professional qualification in leading the ARMC. He is a member of the Malaysian Institute of Accountants (MIA), a fellow member of the Association of Chartered Certified Accountants (ACCA), a member of Malaysian Institute of Chartered Secretaries and Administrators and a member of Chartered Tax Institute of Malaysia.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT *(cont'd)*

I) EFFECTIVE AUDIT AND RISK MANAGEMENT COMMITTEE *(cont'd)*

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.

Assessment on External Auditors

During the Applicable Period, the ARMC carried out the annual assessment to assess the suitability, objectivity and independence of the External Auditors of the Company and the details are explained in the CG Report. The outcome of the assessment would form a basis for the ARMC in making recommendation to the Board on the re-appointment of the External Auditors for the ensuing year at the AGM.

The ARMC noted for the FYE 2025, Messrs. Kreston John & Gan, the External Auditors of the Company had confirmed in writing that the engagement partner, engagement quality control reviewer and members of the audit engagement team were independent for the purpose of the audit in accordance with the terms of relevant professional and regulatory requirements.

Upon completion of its assessment, the ARMC was satisfied with Messrs. Kreston John & Gan's technical competency, i.e. suitability and independence during the financial year under review and recommended to the Board the re-appointment of Messrs. Kreston John & Gan as External Auditors for the FYE 2026. The Board has in turn, recommended the same for shareholders' approval at the forthcoming 2nd AGM of the Company.

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

cont'd

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH

I) ENGAGEMENT 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.

The Company held its first AGM as a public listed company on 19 June 2025.

COMPLIANCE STATEMENT

The Board is satisfied that during FYE 2025, the Company has substantially complied with the best practices of the MCCG on the application of the principles and best practices in corporate governance.

This CG Statement was approved by the Board on 21 April 2026.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Board of Directors (“**the Board**”) of Saliran Group Berhad (“**SGB**” or “**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 2025 (“**FYE 2025**”).

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	Meeting attendance
Chairman Datuk Khoo Teck Kee (Redesignated on 5 January 2026)	Independent Non-Executive Director	5/5
Mr. Kok Tai Meng (Resigned on 26 December 2025)		5/5
Members Dato’ Low Suet Moi* Ooi Gin Hui	Independent Non-Executive Director Independent Non-Executive Director	N/A 5/5

Note:

* Dato’ Low Suet Moi was re-designated from Independent Non-Executive Chairperson on 5 January 2026 and appointed as Chairperson of Remuneration Committee and member of Nominating Committee and Audit and Risk Management Committee on same date, therefore she did not attend the Committees’ meetings in FYE 2025.

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, Kreston John & Gan. The ARMC Chairman, Datuk Khoo Teck Khee, 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 Listing Requirement 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 Audit Committee During the Year

The Chairman of the ARMC tabled key issues for discussion at the ARMC meetings to deliberate and recommend whilst discharging its duties and responsibilities. The summary of the key matters discussed during FYE 2025 are as follows:

1. Financial Reporting

- Reviewed and discussed the unaudited quarterly financial results of SGB and recommended for Board’s consideration and approved before releasing to Bursa Securities; and
- Reviewed and discussed the audited financial statements together with directors’ and auditor’s statements with external auditors and the Management and recommended for Board’s consideration and approvals.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

cont'd

Summary Activities of the Audit Committee During the Year (cont'd)

2. Internal Audit

- Reviewed and approved the Audit Plan for financial year 2026 to ensure adequacy and comprehensive coverage of the activities; and
- Discussed and approved the Internal Audit Reports the findings and management's responses.

3. External Audit

- Reviewed the External Auditors' terms of engagement, audit plan, scope of work, audit fees and non-audit fees for the year under review;
- Reviewed the independence, performance of External Auditors and recommend the Board on their re-appointment and remuneration;
- Reviewed and discussed any significant issues arising from the audits; and
- Held one (1) private discussion with the external auditors without the presence of Executive Directors and Management to ensure no restrictions on the scope of their audit and any matters arising.

4. Risk Management

- Reviewed, evaluated and recommend the Board on the following matters:-
 - Adequacy and effectiveness of SGB's Risk Management Framework to ensure appropriate systems and processes in place; and
 - SGB's Enterprise Risk Management, Risk Profile for monitoring and effective management.

5. Related Party Transactions

- Reviewed quarterly if there is any related party transactions and recurrent related party transactions entered by the Group carried out on arm's length basis.

6. Conflict of Interest

- Reviewed if there is any conflict of interest/potential conflict of interest situations.

7. Other Activities

- Reviewed the Statement of Risk Management and Internal Control and recommend for the Board's approval; and
- Reviewed the Corporate Governance Overview Statement and Corporate Governance Report.

Internal Audit Function

In preparation for the Listing, the Company had engaged an independent internal audit consulting firm, 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 details of internal audit function are stated in the Statement on Risk Management and Internal Control of this Annual Report.

The Company outsourced the internal audit function to Wensen 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.

Total costs incurred on the outsourced internal audit function of the Group for FYE 2025 was approximately at RM27,500.

This ARMC Report is made in accordance with the Resolution passed by the Board on 21 April 2026.

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 for the financial year ended 31 December 2025 (“**FYE 2025**”). The Statement on Risk Management and Internal Control (“**SORMIC**” or “**Statement**”) was prepared pursuant to Rule 15.26(b) of the ACE Market Listing Requirements of Bursa Securities (“**Listing Requirements**”) and Principle B of the Malaysian Code of Corporate Governance (“**MCCG**”) with guidance from the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers (“**SORMIC Guide 2025**”) which emphasises Board accountability, outcome-based disclosures and the articulation of assurance supporting the Board’s conclusion on key elements of risk management and internal control systems within the 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 a 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 standardized approach to managing risks across the group. The Management is actively engaged in assuming roles and responsibilities related to compliance and risk management. Management personnel including Heads 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.

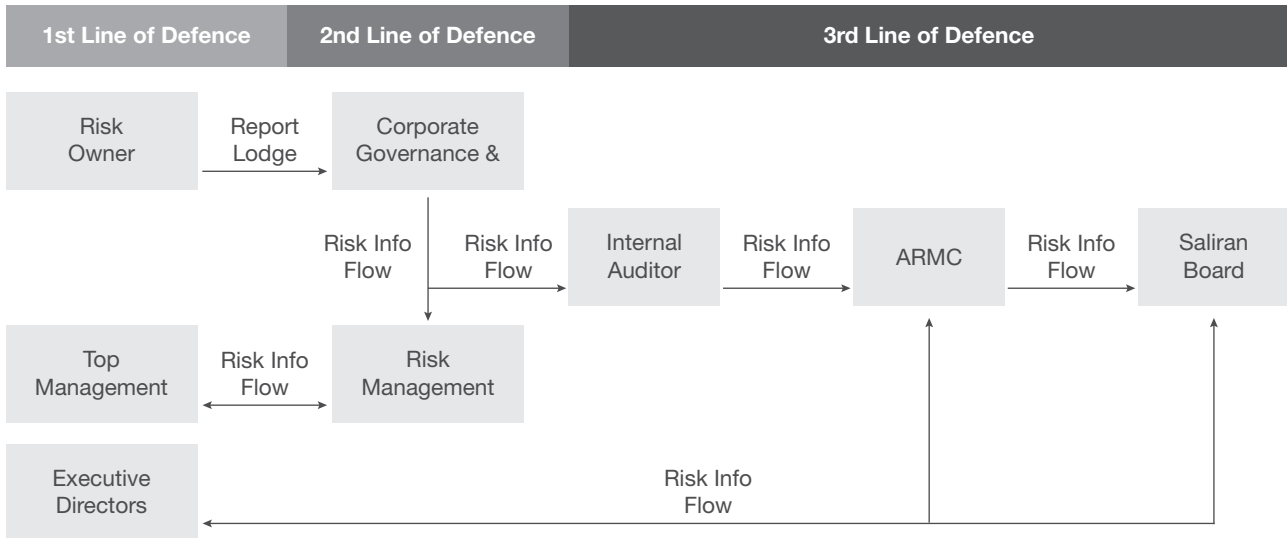
The Board regards risk management as an integral part of the Group’s business operations and has oversight over the critical areas through the ARMC. This helps to reduce the uncertainties surrounding the Group’s internal and external environment, thus allowing it to maximise and minimise adverse incidences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

Our risk management framework also implements the implementation of the three lines of defence to ensure clear functional responsibilities and accountabilities for the management of risk.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

cont'd

RISK STRUCTURE



SUSTAINABILITY MATTERS WITH POTENTIAL RISKS AND OPPORTUNITIES

The Group had identified the following sustainability matters, together with their potential risks and opportunities.

Economic		
Sustainability Matters	Potential Risks	Potential Opportunities
Supply Chain Management <i>Resilient, responsible supply chain.</i>	<ul style="list-style-type: none"> Absence of formal sustainable commitments and policies. 	<ul style="list-style-type: none"> Build resilient, diversified, and sustainability-compliant supplier networks.
Environmental		
Sustainability Matters	Potential Risks	Potential Opportunities
Climate Change <i>Addressing climate change through sustainable practices and carbon reduction initiatives is essential for ensuring business continuity and regulatory compliance.</i>	<ul style="list-style-type: none"> Rising electricity and fuel costs; exposure to carbon taxes or emissions regulations. 	<ul style="list-style-type: none"> Energy efficiency programs; solar installation; carbon credits from energy savings.
Water Management <i>Responsible water management helps us minimise unnecessary consumption, reduce operating costs, and comply with regulatory requirements.</i>	<ul style="list-style-type: none"> Water use may not be a primary operational driver for Saliran compared with heavy manufacturing sectors. 	<ul style="list-style-type: none"> Water recycling systems; improved efficiency and cost savings.
Social		
Sustainability Matters	Potential Risks	Potential Opportunities
Employee Health and Safety <i>A safe workplace protects workers, boosts morale, and meets regulatory standards.</i>	<ul style="list-style-type: none"> Lack of annual Occupational Health and Safety training may lead increasing the risk of workplace accidents; legal liabilities; loss of skilled labour. 	<ul style="list-style-type: none"> Strong safety culture increases productivity and morale; potential for safety certifications.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

cont'd

SUSTAINABILITY MATTERS WITH POTENTIAL RISKS AND OPPORTUNITIES (cont'd)

The Group had identified the following sustainability matters, together with their potential risks and opportunities. (cont'd)

Social (cont'd)		
Sustainability Matters	Potential Risks	Potential Opportunities
Labour Practices and Standards <i>Fair treatment of workers enhances morale, compliance, and corporate reputation.</i>	<ul style="list-style-type: none"> Risks may arise if workforce policies and practices affect employee morale, retention, service quality and overall business performance. 	<ul style="list-style-type: none"> Progressively strengthening workforce policies and practices beyond basic compliance.
Data Privacy and Security <i>Protecting stakeholder data is essential for regulatory compliance.</i>	<ul style="list-style-type: none"> The lack of annual data privacy and security training may reduce employee awareness, increasing the risk of data breaches. 	<ul style="list-style-type: none"> Show commitment to secure operations and data protection to partners and clients.

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 Auditor shall report directly to the ARMC during the ARMC meeting. The Internal Auditor 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 2026 (“**FYE 2026**”) 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 Internal Review on Sustainability Reporting Process and Anti-Bribery & Corruption Policy Compliance Review for: (1) Saliran Group Berhad	Quarter 2 of FYE 2026
To review and assess the adequacy and effectiveness of internal control systems pertaining to Procurement to Payment Management and Quality Control Management (Incoming) for: (1) Saliran Industrial Supplies Sdn Bhd (“ SIS ”) (2) Saliran Flanges & Fittings Sdn Bhd (“ SFF ”)	Quarter 4 of FYE 2026

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. The 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.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

cont'd

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 auditor.

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;
- (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 AUDITOR

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 2025. Their review was performed in accordance with the Malaysian Approved Standard on Assurance Engagements ISAE 3000 (Revised), Assurance Engagement Other Than Audits or Reviews of Historical Financial Information and Audit and Assurance Practice Guide 3 ("AAPG 3") – Guidance for Auditors on Engagement to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants. AAPG 3 does not require the auditors to form an opinion on the adequacy and effectiveness of the risks management and internal control systems of the Group.

Based on their review, the External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that the Statement on Risk Management and Internal Control is not prepared, in all material respects, in accordance with the disclosures required under by Section 7 of the SORMIC Guide 2025.

MANAGEMENT ASSURANCE

The Boards have received assurances from the Executive Directors and Chief Executive Officer that the Group's risk management and internal control system is operating effectively in all material aspects based on the processes as approved by the Board.

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 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 2025.

This statement is made in accordance with a resolution of the Board dated 21 April 2026.

ADDITIONAL COMPLIANCE INFORMATION

UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSAL

The status of the utilisation as at 31 March 2026 of gross proceeds raised from the IPO amounting to RM21.71 million is as follows:

Utilisation of proceeds	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance to be utilised RM'000	Estimated timeframe for utilisation from Listing
Establishment of a sales office in Indonesia	1,200	(306)	894	Within 42 months
Purchase of machinery and delivery trucks	1,440	(334)	1,106	Within 24 months
Repayment of bank borrowings	7,000	(2,500)	4,500	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	(15,208)	6,500	

MATERIAL CONTRACTS

There were no material contracts entered into by the Group, involving the interests of the Directors and major shareholders, either still subsisting at the end of FYE 2025 or entered into since the end of the previous period.

CONTRACTS RELATE TO A LOAN

There were no contracts which relate to a loan entered into by the Company and its subsidiaries during the financial year ended 31 December 2025.

RECURRENT RELATED PARTY TRANSACTIONS

During the FYE 2025, 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 2025 were as follows:

	The Group RM	The Company RM
Statutory audit fees	400,000	125,000
Non-audit fees	13,000	13,000

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

This section provides financial information in the prescribed template for Shariah screening disclosures in accordance with the ACE Market Listing Requirements of Bursa Malaysia, specifically Paragraphs 9.25A.

The data is intended for Shariah-compliance screening by the Shariah Advisory Council (SAC) of the Securities Commission Malaysia (SC).

These include financial data on Shariah non-permissible income arising from the Group's business activities and on the Group's interest-based financial position. The securities will be classified as Shariah-compliant if the percentage contribution from activity-based and financial ratios is less than the SAC's established benchmarks. This ensures compliance with two-tier quantitative benchmarks:

- (a) business activity (non-halal income < 5%): total income from Shariah non-compliant businesses/activities (e.g., gambling, alcohol, pork, interest-based banking, tobacco) must be less than 5% of the Group's total income; and
- (b) financial ratios (interest-bearing debt/cash < 33%):
 - (i) Cash-over-Total Assets: total cash in conventional accounts must be less than 33% of total assets; and
 - (ii) Debt-over-Total Assets: total interest-bearing debt must be less than 33% of total assets.

The financial data that are relevant for the purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia are as follows:

(a) Group Total Income and Total Assets

	Group	
	2025 RM	2024 RM
Total Income		
Revenue	486,055,800	344,514,777
Other income	2,078,485	2,076,005
Total	488,134,285	346,590,782
Total Assets	242,802,491	183,139,412

(b) Business Activities

	Group	
	2025 RM	2024 RM
Shariah Non-Compliant Activities		
Interest income	184,739	136,805
Total	184,739	136,805

(c) Component of Financial Position

(i) Cash Component

	Group	
	2025 RM	2024 RM
Islamic Account/Instruments		
Cash and bank balances (excluding cash on hand)	78,658	17,563,399
Deposits with licensed banks	12,248,691	4,660,373
Total	12,327,349	22,223,772

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

cont'd

The financial data that are relevant for the purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia are as follows: (cont'd)

(c) **Component of Financial Position** (cont'd)

(i) **Cash Component** (cont'd)

Conventional Account/Instruments	Group	
	2025 RM	2024 RM
Cash and bank balances (excluding cash on hand)	80,072,001	20,687,236
Deposits with licensed banks	15,011,425	12,776,123
Total	95,083,426	33,463,359

(ii) **Debt Component**

	Group	
	2025 RM	2024 RM
Islamic Financing		
Current		
Bank overdrafts	1,237,334	332,787
Revolving credit and loans	1,282,177	1,308,071
Invoice financing	41,712,363	13,250,628
Hire purchase payables	88,024	154,190
Term loans	350,139	617,882
Non-Current		
Hire purchase payables	8,777	56,397
Term loans	472,128	1,120,950
Total Financing	45,150,942	16,840,905
Conventional Borrowing		
Current		
Bank overdrafts	3,634,513	4,093,351
Banker's acceptances	1,748,000	1,562,000
Invoice financing	15,954,485	15,494,751
Trust receipts	43,237,026	38,496,927
Hire purchase payables	453,279	479,623
Term loans	1,747,749	1,656,630
Non-Current		
Hire purchase payables	1,564,767	1,154,264
Term loans	28,811,139	29,064,766
Total Debt	97,150,956	92,002,312

DIRECTORS' RESPONSIBILITY STATEMENT FOR PREPARING THE FINANCIAL STATEMENTS

In accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia, the Directors are required to prepare annual financial statements that give a true and fair view of the financial position and the results and cash flows of the Company and its subsidiaries ("**the Group**") and of the Company for that financial year then ended.

The Directors consider that in preparing the audited financial statements:-

- the Group and the Company had used appropriate accounting policies which are consistently applied;
- reasonable and prudent judgments and estimates were made; and
- complete disclosures of all information required under the Companies Act 2016 and the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad have been made and complied with.

The Directors are responsible for ensuring that the Group and the Company maintains accounting records which disclose with reasonable accuracy of the financial position of the Group and the Company, and which enable them to ensure that the financial statements comply with the provisions of the Companies Act 2016.

The Directors have general responsibilities for taking such steps that are reasonably available to them to safeguard the assets of the Group and the Company, to prevent and detect frauds and other irregularities.

This Statement of Directors' Responsibility for preparing the financial statements is approved by the Board of Directors on 21 April 2026.



FINANCIAL STATEMENTS

Directors' Report	72
Independent Auditors' Report	77
Consolidated Statement of Financial Position	80
Consolidated Statement of Profit or Loss and Other Comprehensive Income	81
Consolidated Statement of Changes in Equity	82
Consolidated Statement of Cash Flows	83
Statement of Financial Position	85
Statement of Profit or Loss and Other Comprehensive Income	86
Statement of Changes in Equity	87
Statement of Cash Flows	88
Notes to the Financial Statements	89
Statement by Directors	141
Statutory Declaration	141

DIRECTORS' REPORT

For the financial year ended 31 December 2025

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 2025.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding activities. The principal activities of its subsidiaries include supply and distribution of pipes, fittings and flanges as well as steel products and the manufacturing of fitting and flanges.

There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM	Company RM
Profit/(Loss) for the financial year	10,248,603	(1,210,619)

DIVIDEND

No dividend has been paid or declared by the Company since the end of previous financial year.

The directors do not recommend the payment of any dividends in respect of the financial year ended 31 December 2025.

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 prepared, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and 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 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, 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.

DIRECTORS' REPORT

For the financial year ended 31 December 2025
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 MATERIAL AND UNUSUAL NATURE

In the opinion of the directors,

- (i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transactions or event of a material and unusual nature; and
- (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely 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.

AUDITORS' REMUNERATION AND INDEMNITY

The auditor's remuneration of the Group and the Company during the financial year were RM413,000 and RM125,000 respectively.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company issued 80,400,000 new ordinary shares at a price of RM0.27 per ordinary share for a total consideration of RM21,708,000 pursuant to the Initial Public Offering in conjunction with the listing of the Group on the ACE Market of Bursa Malaysia Securities Berhad on 13 March 2025.

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

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up the unissued shares of the Company during the financial year.

DIRECTORS' REPORT

For the financial year ended 31 December 2025
cont'd

DIRECTORS OF THE COMPANY

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

Liaw Choon Wei*
Chan Koon Wai*
Dato' Low Suet Moi
Datuk Khoo Teck Kee
Ooi Gin Hui
Yong Wai Kin (Appointed on 17 July 2025)
Kok Tai Meng (Resigned on 26 December 2025)

* Directors of the Company and of its subsidiary companies

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

Lim Bak Teik
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 shares of the Company and its related corporations during the financial year were as follows:

	No. of ordinary shares			At 31.12.2025
	At 1.1.2025	Bought	Sold	
Interest in the Company				
<i>Direct interest</i>				
Liaw Choon Wei	-	2,491,700	-	2,491,700
Dato' Low Suet Moi	-	150,000	-	150,000
Datuk Khoo Teck Kee	-	150,000	-	150,000
Ooi Gin Hui	-	150,000	-	150,000
Yong Wai Kin	-	300,000	-	300,000
<i>Indirect interest</i>				
Liaw Choon Wei ^	302,500,000	2,072,000	(38,290,000)	266,282,000
Chan Koon Wai ^	302,500,000	2,072,000	(38,290,000)	266,282,000

^ 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' REPORT

For the financial year ended 31 December 2025
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 benefits included in the aggregate amount of emoluments received or due and receivable, by the directors as shown below) 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.

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 RM	Company RM
Fees	216,000	216,000
Salaries, bonus and allowances	1,830,500	1,240,000
Employees provident fund	219,660	148,800
Employment insurance system	571	285
Social security costs	4,999	2,500
Other benefits	85,950	85,950
	2,357,680	1,693,535

Neither during, nor at the end of the financial year, was the Company a party to any arrangements where the 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 body corporate.

INDEMNITY TO DIRECTORS AND OFFICERS

During the financial year, no indemnity was given to or insurance effected for, any director or officer of the Company.

SUBSIDIARIES

Details of subsidiary companies are as follows:

Name of subsidiary companies	Principal place of business	Principal activities	Effective ownership interest	
			2025 %	2024 %
<i>Subsidiary company of the Company</i>				
Saliran Industrial Supplies Sdn. Bhd.	Malaysia	Supply and distribution of pipes, fittings, and flanges as well as steel products	100	100
<i>Subsidiary companies of Saliran Industrial Supplies Sdn. Bhd.</i>				
Saliran Flanges & Fittings Sdn. Bhd.	Malaysia	Supply and distribution of pipes, fittings, and flanges as well as steel products	100	100
Saliran Precision Engineering Sdn. Bhd.	Malaysia	Manufacturing of fittings and flanges	100	100

DIRECTORS' REPORT

For the financial year ended 31 December 2025
cont'd

SUBSIDIARIES (cont'd)

Details of subsidiary companies are as follows: (cont'd)

Name of subsidiary companies	Principal place of business	Principal activities	Effective ownership interest	
			2025	2024
			%	%
Saliran Industries Sdn. Bhd	Malaysia	Supply and distribution of pipes, fittings, and flanges as well as steel products	100	100
Saliran Trading Sdn.Bhd.	Malaysia	Supply and distribution of pipes, fittings, and flanges as well as steel products	100	100

SIGNIFICANT EVENTS

There were no significant events during the financial year that have materially affected the results or financial position of the Company.

SUBSEQUENT EVENTS

There were no material events subsequent to the end of the financial year that have not been disclosed in the financial statements.

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.

AUDITORS

The auditors, Kreston John & Gan, Chartered Accountants, have expressed their willingness to continue in office.

This report was approved and signed on behalf of the Board of Directors in accordance with a resolution of the directors.

Liaw Choon Wei
Director

Chan Koon Wai
Director

Kuala Lumpur,
Date: 21 April 2026

INDEPENDENT AUDITORS' REPORT

To the members of Saliran Group Berhad
(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 2025, 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 80 to 140.

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 2025, 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"), as applicable to audit of financial statements by public interest entities, 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 most significance in our audit of the financial statements of the Group and of the Company for the current 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.

Expected Credit Loss on Trade Receivables

As at 31 December 2025, the Group recorded trade receivables totaling RM73,847,565.

The recoverability of trade receivables and the level of allowance for impairment losses of doubtful receivables are considered to be key audit matter due to the pervasive nature of its balance to the financial statements.

The level of allowance of impairment losses is based upon the debtor's credit risk evaluation, historical payment trends and subsequent to financial year end collections. The evaluation is however inherently judgemental and requires material estimates, including the loss rate used in the calculation of Expected Credit Loss ("ECL").

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

- Obtained an understanding of the Group's control over the receivable collection process and how the Group identifies and assesses the impairment of receivables.
- Reviewed the ageing analysis of receivables and tested the reliability thereof.
- Reviewed subsequent cash collections, customer correspondences, repayment schedule and considering explanation on recoverability with significantly overdue amounts.
- Reviewed the reasonableness and adequacy of the allowance for expected credit losses made against doubtful receivables.

INDEPENDENT AUDITORS' REPORT

To the members of Saliran Group Berhad
(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 information included in the annual report but does not include the financial statements of the Group and of the Company and our auditor's report thereon.

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.

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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

INDEPENDENT AUDITORS' REPORT

To the members of Saliran Group Berhad
(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)*

- 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 group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the 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 financial year and are therefore the key audit matters. We describe these matters in our auditor's 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

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: 21 April 2026

Loo Weng Chun
Approval No: 03897/07/2027 J
Chartered Accountant

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Note	2025 RM	2024 RM
ASSETS			
Non-Current Assets			
Property, plant and equipment	5	22,518,260	23,064,836
Investment properties	6	14,191,841	14,403,062
Other investments	7	3,540,084	2,500,000
Investment in associates	9	30	-
Total Non-Current Assets		40,250,215	39,967,898
Current Assets			
Inventories	10	19,509,716	10,416,561
Trade receivables	11	73,847,565	75,578,116
Other receivables, deposits and prepayments	12	1,428,032	1,461,691
Fixed deposits with licensed banks	13	27,260,116	17,436,496
Cash and bank balances		80,186,847	38,278,650
Total Current Assets		202,232,276	143,171,514
Total Assets		242,482,491	183,139,412
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	14 (a)	50,234,250	30,252,250
Merger deficit	14 (b)	(26,769,750)	(26,769,750)
Retained profits		50,201,717	39,953,114
Total Equity		73,666,217	43,435,614
Non-Current Liabilities			
Deferred tax liabilities	15	298,026	120,643
Borrowings	16	30,856,811	31,396,377
Lease liabilities	18	35,834	120,406
Total Non-Current Liabilities		31,190,671	31,637,426
Current Liabilities			
Trade payables	19	16,209,872	19,799,883
Other payables and accruals	20	4,823,756	4,152,008
Borrowings	16	111,445,087	77,446,840
Lease liabilities	18	116,604	214,603
Current tax liabilities		5,030,284	6,453,038
Total Current Liabilities		137,625,603	108,066,372
Total Liabilities		168,816,274	139,703,798
Total Equity and Liabilities		242,482,491	183,139,412

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 2025

	Note	2025 RM	2024 RM
Revenue	22	486,055,800	344,514,779
Cost of sales		(435,253,275)	(285,604,658)
Gross profit		50,802,525	58,910,121
Other operating income	23	2,078,485	2,076,005
Administrative expenses		(29,457,399)	(34,112,075)
Profit from operations		23,423,611	26,874,051
Finance costs	24	(8,229,103)	(6,797,663)
Profit before taxation	25	15,194,508	20,076,388
Taxation	28	(4,945,905)	(6,872,091)
Profit for the financial year, representing total comprehensive income for the financial year		10,248,603	13,204,297
Profit attributable to : -			
- Owners of the Company		10,248,603	13,204,297
Earnings per share (sen)			
- Basic	29	2.79	4.37
- Diluted	29	2.79	4.37

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the financial year ended 31 December 2025

Group level	Note	Non-Distributable			Distributable		Total equity RM
		Share capital RM	Invested equity RM	Merger deficit RM	Retained profits RM		
At 1 January 2024		2,500	3,480,000	-	26,748,817	30,231,317	
Acquisition of subsidiaries in business combinations under common control	14	30,249,750	(3,480,000)	(26,769,750)	-	-	
Profit for the financial year, representing total comprehensive income for the financial year		-	-	-	13,204,297	13,204,297	
At 31 December 2024		30,252,250	-	(26,769,750)	39,953,114	43,435,614	
Issuance of ordinary shares pursuant to Initial Public Offering (IPO) exercise	14	19,982,000	-	-	-	19,982,000	
Profit for the financial year, representing total comprehensive income for the financial year		-	-	-	10,248,603	10,248,603	
At 31 December 2025		50,234,250	-	(26,769,750)	50,201,717	73,666,217	

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

CONSOLIDATED STATEMENT OF CASH FLOWS

for the financial year ended 31 December 2025

	2025	2024
Note	RM	RM
Cash flows from operating activities		
Profit before taxation	15,194,508	20,076,388
Adjustments for : -		
Depreciation of property, plant and equipment	1,314,737	545,076
Depreciation of investment properties	211,221	211,222
Depreciation of right-of-use assets	354,556	1,017,174
Gain on disposal of property, plant and equipment	(90,999)	-
Impairment loss on trade receivables	1,270,496	9,160
Fair value loss on other investment	459,916	-
Interest expense	8,229,103	6,797,663
Interest income	(532,884)	(562,194)
Loss on disposal of other investment	-	91,462
Loss on disposal of property, plant and equipment	-	2,500
Reversal of impairment loss on trade receivables	-	(130,566)
Net unrealised (gain)/loss on foreign exchange	671,553	(630,273)
Operating profit before working capital changes	27,082,207	27,427,612
Changes in working capital : -		
Inventories	(9,093,155)	2,060,447
Trade receivables	(196,009)	(8,846,721)
Other receivables, deposit and prepayment	33,659	(742,645)
Trade payables	(3,605,500)	(3,157,182)
Other payables and accruals	671,748	(1,074,742)
Net cash generated from operations	14,892,950	15,666,769
Income tax paid	(6,191,276)	(4,624,181)
Interest received	532,884	562,194
Net cash from operating activities	9,234,558	11,604,782
Balance carried forward	9,234,558	11,604,782

CONSOLIDATED STATEMENT OF CASH FLOWS

for the financial year ended 31 December 2025

cont'd

	Note	2025 RM	2024 RM
Balance brought forward		9,234,558	11,604,782
Cash flows from investing activities			
Addition on property, plant and equipment		(223,918)	(61,039)
Purchase of other investment		(1,500,000)	(500,000)
Investment in associates		(30)	-
Proceeds from disposal of other investments		-	366,528
Proceeds from disposal of property, plant and equipment		130,320	20,000
Net cash used in investing activities		(1,593,628)	(174,511)
Cash flows from financing activities			
Increase in fixed deposits pledged		(9,823,620)	(8,190,373)
Drawdown of term loans		1,500,000	5,610,000
Repayment of term loans		(2,579,075)	(6,458,198)
Net drawdown of bankers' acceptances		186,000	111,000
Net repayment of hire purchase		(617,344)	(811,070)
Net drawdown of invoice financing		28,921,469	13,281,403
Net repayment of revolving credit		(25,894)	(87,275)
Net drawdown of trust receipts		4,740,099	12,734,410
Repayment of lease liabilities		(232,974)	(218,546)
Interest paid		(8,229,103)	(6,797,663)
Proceeds from issuance of shares		19,982,000	-
Net cash from financing activities		33,821,558	9,173,688
Net increase in cash and cash equivalents		41,462,488	20,603,959
Cash and cash equivalents at beginning of the financial year		33,852,512	13,292,492
Effect of foreign exchange		-	(43,939)
Cash and cash equivalents at end of the financial financial year	32	75,315,000	33,852,512

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

STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Note	2025 RM	2024 RM
ASSETS			
Non-Current Assets			
Equipment	5	4,004	-
Investment in subsidiary companies	8	30,249,750	30,249,750
Investment in associates	9	30	-
Total Non-Current Assets		30,253,784	30,249,750
Current Assets			
Other receivables, deposits and prepayments	12	39,293	39,150
Amount due from subsidiary companies	21	11,388,439	-
Cash and bank balances		3,608,842	2,982
Total Current Assets		15,036,574	42,132
Total Assets		45,290,358	30,291,882
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	14 (a)	50,234,250	30,252,250
Accumulated losses		(5,121,054)	(3,910,435)
Total Equity		45,113,196	26,341,815
Current Liabilities			
Other payables and accruals	20	177,162	505,464
Amount due to a subsidiary company	21	-	3,444,603
Total Current Liabilities		177,162	3,950,067
Total Liabilities		177,162	3,950,067
Total Equity and Liabilities		45,290,358	30,291,882

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

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the financial year ended 31 December 2025

	Note	2025 RM	2024 RM
Revenue	22	1,320,000	-
Other operating income	23	101,483	-
Administrative expenses		(2,632,102)	(3,887,485)
Loss before taxation	25	(1,210,619)	(3,887,485)
Taxation	30	-	-
Loss for the financial year, representing total comprehensive loss for the financial year		(1,210,619)	(3,887,485)

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

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2025

	Non-Distributable Share capital RM	Distributable Accumulated losses RM	Total RM
At 1 January 2024	2,500	(22,950)	(20,450)
- Acquisition of subsidiaries in business combinations under common control	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
Issuance of ordinary shares pursuant to Initial Public Offering (IPO) exercise	19,982,000	-	19,982,000
Loss for the financial year, representing total comprehensive loss for the financial year	-	(1,210,619)	(1,210,619)
At 31 December 2025	50,234,250	(5,121,054)	45,113,196

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

STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2025

	Note	2025 RM	2024 RM
Cash flows from operating activities			
Loss before taxation		(1,210,619)	(3,887,485)
Adjustments for : -			
Depreciation of property, plant and equipment		286	-
Interest income		(101,483)	-
Operating loss before working capital changes		(1,311,816)	(3,887,485)
Changes in working capital : -			
Other receivables, deposits and prepayments		(143)	(39,150)
Amount due to/from subsidiary companies		(14,833,042)	3,432,653
Other payables and accruals		(328,302)	494,464
Net cash (used in)/generated from operations		(16,473,303)	482
Interest received		101,483	-
Net cash (used in)/generated from operating activities		(16,371,820)	482
Cash flows from investing activities			
Addition on property, plant and equipment		(4,290)	-
Investment in associates		(30)	-
Net cash used in investing activities		(4,320)	-
Cash flows from financing activity			
Issuance of shares		19,982,000	-
Net cash from financing activity		19,982,000	-
Net increase in cash and cash equivalents		3,605,860	482
Cash and cash equivalents at beginning of the financial year		2,982	2,500
Cash and cash equivalents at end of the financial year	32	3,608,842	2,982

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

1. GENERAL INFORMATION

Saliran Group Berhad (“the Company”) is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the ACE Market of Bursa Malaysia Securities Berhad.

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 consolidated financial statements of the Company as at and for the financial year ended 31 December 2025 comprise the Company and its subsidiary companies (together referred to as the “Group” and individually referred to as “Group entities”).

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

The Company is principally engaged in 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 21 April 2026.

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 MFRS

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

- Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates

The adoption of the above-mentioned amendments to MFRS did not have any significant impact on the financial statements of the Group and the Company and did not result in significant changes to the Group’s and Company’s existing accounting policies.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

cont'd

2. BASIS OF PREPARATION (cont'd)

c) New MFRSs and amendments to MFRSs that have been issued, but yet to be effective

The Group and the Company have not adopted the following new MFRSs and amendments to MFRSs that have been issued, but yet to be effective:

	Effective for financial periods beginning on or after
<u>New MFRS</u>	
MFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
<u>Amendments to MFRSs</u>	
MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards	1 January 2026
MFRS 7 Financial Instruments: Disclosures	1 January 2026
MFRS 9 Financial Instruments	1 January 2026
MFRS 10 Consolidated Financial Statements	1 January 2026
MFRS 107 Statement of Cash Flow	1 January 2026
MFRS 121 The Effects of Changes in Foreign Exchange Rates	1 January 2027

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 amendments to MFRSs that may be applicable to the Group and the Company are summarised below.

MFRS 18 Presentation and Disclosure in Financial Statement

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 disclosures 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 measure (“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.

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 if inventories included in each line in the operating category. Subject to immateriality, MFRS 18 requires items presented or disclosed as “other” to be labeled and/or described in as faithfully representative and precise a way as possible.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

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)

Amendments to MFRS 7 Financial Instruments: Disclosures

Amendments to MFRS 7 introduces new disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features that do not relate directly to basic lending risks and costs.

Amendments to MFRS 9 Financial Instruments: Disclosures

These narrow scope amendments to MFRS 9 clarify the classification and measurement requirements, including:

- clarify how the contractual cash flows on financial assets with environmental, social and corporate governance and similar features should be assessed, specifically the assessment of interest focuses on what an entity is being compensated for, rather than how much compensation it receives. Nonetheless, the amount of compensation the entity receives may indicate that it is being compensated for something other than basic lending risks and costs.
- clarify the date on which a financial asset or a financial liability settled via electronic payment systems is derecognised. The Amendments permit an entity to derecognise a financial liability before it delivers cash on the settlement date if specified criteria are met.

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 material accounting policies set out below have been applied consistently to the periods presented in these financial statements and have been applied consistently by the Group and 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.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

cont'd

3. MATERIAL ACCOUNTING POLICY INFORMATION *(cont'd)*

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

a) Basis of consolidation *(cont'd)*

i) Business combination *(cont'd)*

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.

b) Separate financial statements

In the Company's statement of financial position, investment in subsidiaries and associate are 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) Associate

Investment in associate is accounted for in the consolidated financial statements of the Group using the equity method.

Investment in associate is measured in the Company's statement of financial position at cost less any impairment losses.

d) 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.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

cont'd

3. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

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

e) 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.

All other property, plant and equipment (other than right-of-use assets) 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

f) Leases

a) 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 recognise 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.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

cont'd

3. MATERIAL ACCOUNTING POLICY INFORMATION *(cont'd)*

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

f) Leases *(cont'd)*

b) 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".

g) 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

h) 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.

i) 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.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

cont'd

3. MATERIAL ACCOUNTING POLICY INFORMATION *(cont'd)*

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

i) Revenue and other income *(cont'd)*

i) Revenue from contract with customers *(cont'd)*

The following describes the performance obligation in contracts with customers: -

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 are delivered to customers but pending installation and/or testing rendered to customers.

Management fee income

Management fee income is recognised in profit or loss over time as the services are rendered, in accordance with the terms of the underlying agreements.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

cont'd

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 34 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

cont'd

5. PROPERTY, PLANT AND EQUIPMENT

	At 1 January RM	Additions RM	Disposals RM	Reclassification RM	At 31 December RM
Group					
2025					
At cost					
Freehold land	2,690,000	-	-	-	2,690,000
Buildings	4,693,251	-	-	-	4,693,251
Air-conditioners	51,486	-	(13,997)	-	37,489
Computer software	26,333	-	-	-	26,333
Electrical installation	120,331	-	-	-	120,331
Furniture and fittings	417,379	13,018	(15,575)	-	414,822
Motor vehicles	3,251,266	1,048,996	(324,163)	-	3,976,099
Office and warehouse equipment	1,884,010	10,781	(22,467)	-	1,872,324
Plant and machineries	3,070,280	-	-	-	3,070,280
Renovation	761,594	34,550	-	-	796,144
Right-of-use assets	12,279,192	50,403	-	-	12,329,595
Signboards	20,750	4,290	-	-	25,040
	29,265,872	1,162,038	(376,202)	-	30,051,708

	At 1 January RM	Charge for the financial year RM	Disposals RM	Reclassification RM	At 31 December RM
Group					
2025					
Accumulated depreciation					
Buildings	312,375	93,865	-	-	406,240
Air-conditioners	16,250	4,682	(3,383)	-	17,549
Computer software	6,462	1,704	-	-	8,166
Electrical installation	47,499	12,154	-	-	59,653
Furniture and fittings	173,420	39,958	(3,764)	-	209,614
Motor vehicles	1,819,749	635,711	(324,162)	-	2,131,298
Office and warehouse equipment	647,159	177,199	(5,572)	-	818,786
Plant and machineries	1,571,529	275,365	-	-	1,846,894
Renovation	327,391	71,668	-	-	399,059
Right-of-use assets	1,275,413	354,556	-	-	1,629,969
Signboards	3,789	2,431	-	-	6,220
	6,201,036	1,669,293	(336,881)	-	7,533,448

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

cont'd

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

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

	At 1 January RM	Charge for the financial year RM	Disposals RM	Reclassification RM	At 31 December RM
Group					
2024					
Accumulated depreciation					
Buildings	218,509	93,866	-	-	312,375
Air-conditioners	11,100	5,150	-	-	16,250
Computer software	4,758	1,704	-	-	6,462
Electrical installation	35,464	12,035	-	-	47,499
Furniture and fittings	133,486	39,934	-	-	173,420
Motor vehicles	179,397	31,600	-	1,608,752	1,819,749
Office and warehouse equipment	428,980	156,012	(2,500)	64,667	647,159
Plant and machineries	411,469	133,095	-	1,026,965	1,571,529
Renovation	257,856	69,535	-	-	327,391
Right-of-use assets	2,958,623	1,017,174	-	(2,700,384)	1,275,413
Signboards	1,644	2,145	-	-	3,789
	4,641,286	1,562,250	(2,500)	-	6,201,036

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

cont'd

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

	At 1 January RM	Additions RM	At 31 December RM
Company			
2025			
At cost			
Signboards	-	4,290	4,290

	At 1 January RM	Charge for the financial year RM	At 31 December RM
Company			
2025			
Accumulated depreciation			
Signboards	-	286	286

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<u>Carrying amounts</u>				
Freehold land	2,690,000	2,690,000	-	-
Buildings	4,287,011	4,380,876	-	-
Air-conditioners	19,940	35,236	-	-
Computer software	18,167	19,871	-	-
Electrical installation	60,678	72,832	-	-
Furniture and fittings	205,208	243,959	-	-
Motor vehicles	1,844,801	1,431,517	-	-
Office and warehouse equipment	1,053,538	1,236,851	-	-
Plant and machineries	1,223,386	1,498,751	-	-
Renovation	397,085	434,203	-	-
Right-of-use assets	10,699,626	11,003,779	-	-
Signboards	18,820	16,961	4,004	-
	22,518,260	23,064,836	4,004	-

- (a) The buildings of the Group at carrying amount of RM4,287,011 (2024 – RM4,380,876) have been pledged to licensed banks as securities for credit facilities granted (Term Loan 6, 16 and 17) to the Group as disclosed in Notes 16 and 17 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

cont'd

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

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

	At 1 January RM	Additions RM	Reclassification RM	At 31 December RM
Group				
2025				
At cost				
Leasehold land	11,000,000	-	-	11,000,000
Workshop	360,911	50,403	-	411,314
Office and warehouse	918,281	-	-	918,281
	12,279,192	50,403	-	12,329,595

	At 1 January RM	Charge for the financial year RM	Reclassification RM	At 31 December RM
Group				
2025				
Accumulated depreciation				
Leasehold land	322,326	122,791	-	445,117
Workshop	274,017	52,358	-	326,375
Office and warehouse	679,070	179,407	-	858,477
	1,275,413	354,556	-	1,629,969

	At 1 January RM	Additions RM	Disposal RM	At 31 December 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	-	-	360,911
Office and warehouse	559,468	358,813	-	918,281
	17,552,556	520,178	(5,793,542)	12,279,192

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

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	Charge for the financial year RM	Disposal RM	At 31 December RM
Group				
2024				
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

	Group	
	2025 RM	2024 RM
Carrying amounts		
Leasehold land	10,554,883	10,677,674
Workshop	84,939	86,894
Office and warehouse	59,804	239,211
	10,699,626	11,003,779

6. INVESTMENT PROPERTIES

	Freehold land RM	Leasehold land RM	Buildings RM	Total RM
Group				
2025				
At cost				
At 1 January/31 December	1,600,000	8,750,000	4,903,752	15,253,752
Accumulated depreciation				
At 1 January	-	414,872	435,818	850,690
Charge for the financial year	-	113,147	98,074	211,221
At 31 December	-	528,019	533,892	1,061,911
Carrying amount	1,600,000	8,221,981	4,369,860	14,191,841

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

cont'd

6. INVESTMENT PROPERTIES (cont'd)

	Freehold land RM	Leasehold land RM	Buildings RM	Total RM
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

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

	Group	
	2025 RM	2024 RM
Rental income	776,340	728,628
Direct operating expenses from property that generated rental income	34,723	45,652

7. OTHER INVESTMENTS

	Group	
	2025 RM	2024 RM
Non-current		
<u>Financial assets at fair value through profit or loss</u>		
Keyman insurance contracts	3,540,084	2,500,000
Movement		
At 1 January	2,500,000	2,457,990
Addition	1,500,000	500,000
Disposal	-	(457,990)
Fair value (loss)/gain on other investment	(459,916)	-
At 31 December	3,540,084	2,500,000

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.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

cont'd

8. INVESTMENT IN SUBSIDIARY COMPANIES

	Company	
	2025	2024
	RM	RM
Unquoted shares, at cost	30,249,750	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	
			2025	2024
			%	%
<i>Subsidiary company of the Company</i>				
Saliran Industrial Supplies Sdn. Bhd.	Malaysia	Supply and distribution of pipes, fittings, and flanges as well as steel products	100	100
<i>Subsidiary companies of Saliran Industrial Supplies Sdn. Bhd.</i>				
Saliran Flanges & Fittings Sdn. Bhd.	Malaysia	Supply and distribution of pipes, fittings, and flanges as well as steel products	100	100
Saliran Precision Engineering Sdn. Bhd.	Malaysia	Manufacturing of fittings and flanges	100	100
Saliran Industries Sdn. Bhd.	Malaysia	Supply and distribution of pipes, fittings, and flanges as well as steel products	100	100
Saliran Trading Sdn. Bhd.	Malaysia	Supply and distribution of pipes, fittings, and flanges as well as steel products	100	100

9. INVESTMENT IN ASSOCIATE

	Group / Company	
	2025	2024
	RM	RM
Unquoted shares, at cost	30	-

The details of the associate is as follows:

Name of associate	Principal place of business/ Country of	Principal activities	Effective ownership interest	
			2025	2024
			%	%
Saltech Energy Sdn. Bhd.	Malaysia	Development and project management services for oil and gas, petrol chemical, and renewable energy industries	30	-

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

cont'd

10. INVENTORIES

	Group	
	2025 RM	2024 RM
<u>At cost</u>		
Trading goods	19,388,559	10,273,884
Finished goods	121,157	142,677
	19,509,716	10,416,561
<u>Recognised in profit or loss :-</u>		
Inventories recognised as cost of sales during the financial year	434,539,972	316,371,951

11. TRADE RECEIVABLES

	Group	
	2025 RM	2024 RM
Trade receivables	79,677,279	80,137,334
Less : impairment losses (Note 34(b)(i))	(5,829,714)	(4,559,218)
	73,847,565	75,578,116

The Group's normal trade credit terms range from 30 to 120 days (2024 – 30 to 120 days). Other credit terms are assessed and approved on a case-by-case basis.

12. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Other receivables	367,617	207,864	-	-
Amount due from associate (Note 12a)	5,369	-	-	-
Deposits	853,666	1,061,218	-	39,150
Prepayments	201,380	192,609	39,293	-
	1,422,663	1,461,691	39,293	39,150

a) The amount due from an associate is unsecured, interest free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

cont'd

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 1.50% to 3.10% (2024 – 2.00% to 3.00%) per annum. The fixed deposits have maturity periods ranging from 1 to 12 (2024 – 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 RM27,260,116 (2024 – RM17,436,496) which have been pledged to licensed banks as securities for bank credit facilities granted to the Group as disclosed in Notes 16 and 17 to the financial statements.

14. SHARE CAPITAL AND MERGER DEFICIT

- a) Share capital

	Number of ordinary shares (Unit)		Amount (RM)	
	2025 '000	2024 '000	2025	2024
Group and Company				
Issued and fully paid up (no par value):				
At 1 January	302,500	2	30,252,250	2,500
- Acquisition of subsidiaries in business combinations under common control	-	302,498	-	30,249,750
- Issuance of ordinary shares pursuant to IPO exercise	80,400	-	19,982,000	-
At 31 December	382,900	302,500	50,234,250	30,252,250

Financial year 2025

The issued and fully paid-up ordinary share capital of the Company was increased from RM30,252,250 to RM50,234,250 by way of issuance of 80,400,000 new ordinary shares at an issue price of RM0.27 per share pursuant to the completion of initial public offering ("IPO") during the year.

Net proceeds from the IPO exercise amounted to RM19,982,000, derived from gross proceeds of RM21,708,000 after deducting share issuance expenses of RM1,726,000.

Financial year 2024

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 companies.

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.

- b) 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.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

cont'd

15. DEFERRED TAX LIABILITIES

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

	Group	
	2025	2024
	RM	RM
Deferred tax liabilities		
Accelerated capital allowance	298,026	120,643

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

	Group	
	2025	2024
	RM	RM
Deferred tax liabilities		
At beginning of the financial year	120,643	32,980
Recognised in profit or loss	177,383	87,663
At end of the financial year	298,026	120,643

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	
	2025	2024
	RM	RM
Unabsorbed capital allowances	222,202	126,251
Unutilised tax losses		
- Expires in YA 2033	1,354,596	1,026,209
- Expires in YA 2034	1,097,934	831,768
Taxable temporary differences	(23,788)	(46,106)
	2,650,944	1,938,122

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

cont'd

16. BORROWINGS

Group	2025 RM	2024 RM
Non-Current Liabilities		
<u>Secured</u>		
Hire purchase	1,573,544	1,210,661
Term loans	29,283,267	30,185,716
	30,856,811	31,396,377
Current Liabilities		
<u>Secured</u>		
Bankers' acceptances	1,748,000	1,562,000
Bank overdraft	4,871,847	4,426,138
Hire purchase	541,303	633,813
Invoice financing	57,666,848	28,745,379
Revolving credit	1,282,177	1,308,071
Term loans	2,097,886	2,274,512
Trust receipts	43,237,026	38,496,927
	111,445,087	77,446,840
Total Borrowings		
<u>Secured</u>		
Bankers' acceptances (Note 16(a))	1,748,000	1,562,000
Bank overdraft (Note 16(b))	4,871,847	4,426,138
Hire purchase (Note 16(c))	2,114,847	1,844,474
Invoice financing (Note 16(d))	57,666,848	28,745,379
Revolving credit (Note 16(e))	1,282,177	1,308,071
Trust receipts (Note 16(f))	43,237,026	38,496,927
Term loans (Note 17)	31,381,153	32,460,228
	142,301,898	108,843,217

a) Bankers' acceptances

	Group	
	2025 RM	2024 RM
Bankers' acceptance 1	1,233,000	1,164,000
Bankers' acceptance 2	515,000	398,000
	1,748,000	1,562,000

Bankers' acceptance 1 is secured by the following: -

- i) jointly and severally guaranteed by certain directors of the Group;
- ii) Syarikat Jaminan Pembiayaan Perniagaan Berhad (SJPP) guarantee under Working Capital Guarantee Scheme.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

cont'd

16. BORROWINGS (cont'd)

a) Bankers' acceptances (cont'd)

Bankers' acceptance 2 is secured by the following: -

- 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) Syarikat Jaminan Pembiayaan Perniagaan Berhad (SJPP) guarantee under Working Capital Guarantee Scheme.

The bankers' acceptances of the Group bear interest rate ranged from 5.50% to 6.00% (2024 – 5.58% to 5.75%) per annum.

b) Bank overdrafts

	Group	
	2025 RM	2024 RM
Bank overdraft 1	1,462,914	1,394,916
Bank overdraft 2	482,684	358,544
Bank overdraft 3	626,066	889,486
Bank overdraft 4	19,907	332,787
Bank overdraft 5	787,708	697,051
Bank overdraft 6	-	25,408
Bank overdraft 7	193,660	207,840
Bank overdraft 8	81,481	38,757
Bank overdraft 9	-	481,349
Bank overdraft 10	1,217,427	-
	4,871,847	4,426,138

Bank overdraft 1 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 1 is charged at 1.25% (2024 – 1.25%) per annum above the licensed bank's prevailing Base Lending Rate.

Bank overdraft 2 is secured by the followings: -

- i) jointly and severally guaranteed by certain directors of the Group and of the Company;
- ii) Corporate Guarantee executed by Saliran Industrial Supplies Sdn Bhd;
- iii) Syarikat Jaminan Pembiayaan Perniagaan Berhad (SJPP) guarantee under Working Capital Guarantee Scheme;

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

cont'd

16. BORROWINGS (cont'd)

b) Bank overdrafts (cont'd)

Interest of bank overdraft 2 is charged at 0.50% (2024 – 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) Sinking funds.

Interest of bank overdraft 3 is charged at 1.50% (2024 – 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;
- iii) fixed deposit pledged as disclosed in Note 13 to the financial statements; and
- iv) Sinking funds.

Interest of bank overdraft 4 is charged at 1.00% (2024 – 1.00%) per annum above the licensed bank's prevailing Base Financing Rate.

Bank overdraft 5 is secured by the followings: -

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

Interest of bank overdraft 5 is charged at 1.50% (2024 – 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) Corporate Guarantee executed by Saliran Industrial Supplies Sdn Bhd;
- iii) Syarikat Jaminan Pembiayaan Perniagaan Berhad (SJPP) guarantee under Working Capital Guarantee Scheme;

Interest of bank overdraft 6 is charged at 3.00% (2024 – 3.00%) per annum above the licensed bank's prevailing Base Lending Rate.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

cont'd

16. BORROWINGS (cont'd)

b) Bank overdrafts (cont'd)

Bank overdraft 7 is secured by the followings : -

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

Interest of bank overdraft 7 is charged at 1.50% (2024 – 1.50%) per annum above the licensed bank's prevailing Base Financing Rate on daily rest.

Bank overdraft 8 is secured by the followings : -

- i) Syarikat Jaminan Pembiayaan Perniagaan Berhad (SJPP) guarantee under Government Guarantee Scheme;
- ii) life assurance under the name of a director of the Group and of the Company;
- iii) jointly and severally guaranteed by certain directors of the Group and of the Company; and
- iv) monthly sinking fund.

Interest of bank overdraft 8 is charged at 1.50% (2024 – 1.50%) per annum above the licensed bank's prevailing Base Lending Rate.

Bank overdraft 9 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 9 is charged at 1.00% (2024 – 1.00%) per annum above the licensed bank's prevailing Base Lending Rate.

Bank overdraft 10 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 10 is charged at 3.00% (2024 – Nil) per annum above the licensed bank's prevailing Base Financing Rate.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

cont'd

16. BORROWINGS (cont'd)

c) Hire purchase

	Group	
	2025 RM	2024 RM
Minimum Hire Purchase Payments : -		
- not later than one year	642,236	733,039
- later than one year and not later than two years	883,630	465,986
- later than two years and not later than five years	804,189	810,635
- later than five years	53,142	78,965
	2,383,197	2,088,625
Less: Future interest charges	(268,350)	(244,151)
Present value of hire purchase payables	2,114,847	1,844,474
Repayable as follows : -		
Non-Current Liabilities		
- later than one year and not later than two years	784,399	400,624
- later than two years and not later than five years	736,425	732,330
- later than five years	52,720	77,707
	1,573,544	1,210,661
Current liabilities		
- not later than one year	541,303	633,813
	2,114,847	1,844,474

The hire purchase liabilities of the Group bear interest rates ranging from 2.18% to 4.75% (2024 – 2.18% to 4.74%) per annum.

d) Invoice financing

	Group	
	2025 RM	2024 RM
Invoice financing 1	32,809,597	10,561,572
Invoice financing 2	15,954,485	15,494,750
Invoice financing 3	8,902,766	2,689,057
	57,666,848	28,745,379

Invoice financing 1 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;
- iii) fixed deposit pledged as disclosed in Note 13 to the financial statements; and
- iv) singking funds.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

cont'd

16. BORROWINGS (cont'd)

d) Invoice financing (cont'd)

Interest of invoice financing 1 is charged at 1.00% (2024 – 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 buildings as disclosed in Notes 5 and 6 to the financial statements;
- ii) joint and severally guaranteed by certain directors of the Group and of the Company; and
- iii) fixed deposit pledged as disclosed in Note 13 to the financial statements.

Interest of invoice financing 2 is charged at 1.25% (2024 – 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.;
- ii) fixed deposit pledged as disclosed in Note 13 to the financial statements; and
- iii) sinking fund.

Interest of invoice financing 3 is charged at 1.50% (2024 – 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% (2024 – 1.50%) per annum above the licensed bank's prevailing Base Financing Rate on daily rest.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

cont'd

16. BORROWINGS (cont'd)

f) Trust receipts

	Group	
	2025	2024
	RM	RM
Trust receipt 1	1,769,184	1,541,149
Trust receipt 2	3,462,999	3,320,055
Trust receipt 3	26,883,021	26,630,870
Trust receipt 4	2,444,363	2,338,000
Trust receipt 5	4,987,650	4,666,853
Trust receipt 6	3,689,809	-
	43,237,026	38,496,927

Trust receipt 1 is secured by the followings : -

- i) Guarantee by Syarikat Jaminan Pembiayaan Perniagaan (SJPP);
- 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) Sinking fund.

Trust receipt 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 Government Guarantee Scheme; and
- iii) fixed deposit pledged as disclosed in Note 13 to the financial statements.

Trust receipt 4 is secured by the followings : -

- i) Syarikat Jaminan Pembiayaan Perniagaan Berhad (SJPP) guarantee under Government Guarantee Scheme;
- 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.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

cont'd

16. 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;
- ii) fixed deposit pledged as disclosed in Note 13 to the financial statements; and
- iii) Corporate guarantee by Saliran Group Berhad.

Trust receipt 6 is secured by the followings : -

- i) Corporate guarantee by Saliran Group Berhad.

The trust receipts of the Group bear interest rates ranging from 7.81% to 8.35% (2024 – 7.81% to 8.35%) per annum.

17. TERM LOANS

	Group	
	2025	2024
	RM	RM
Repayable as follows : -		
Non-Current Liabilities		
Later than one year and not later than two years	3,442,343	2,075,147
Later than two years and not later than five years	4,325,371	4,901,169
Later than five years	21,515,553	23,209,400
	29,283,267	30,185,716
Current Liabilities		
Not later than one year	2,097,886	2,274,512
	31,381,153	32,460,228

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

cont'd

17. TERM LOANS (cont'd)

	Group	
	2025 RM	2024 RM
Term loan 1	299,008	432,792
Term loan 2	-	263,627
Term loan 3	1,012	12,477
Term loan 4	869,511	899,705
Term loan 5	282,418	371,488
Term loan 6	9,794,254	10,092,316
Term loan 7	11,627,973	11,961,261
Term loan 8	131,540	179,714
Term loan 9	55,130	72,618
Term loan 10	849,261	925,115
Term loan 11	333,737	539,142
Term loan 12	493,843	572,424
Term loan 13	-	376,430
Term loan 14	-	57,744
Term loan 15	226,300	327,003
Term loan 16	843,776	431,982
Term loan 17	4,040,202	4,274,844
Term loan 18	548,744	669,546
Term loan 19	984,444	-
	31,381,153	32,460,228

The term loan 1 is secured by the followings : -

- a) Guarantee by Syarikat Jaminan Pembiayaan Perniagaan (SJPP);
- 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% (2024 – 2.00%) per annum above the licensed bank's prevailing Base Lending Rate.

The term loan 2 is secured by the followings : -

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

Interest of term loan 2 is charged at 3.00% (2024 – 3.00%) per annum above the licensed bank's prevailing Islamic Base Rate.

Term loan 2 was fully settled during the financial year ended 31 December 2025.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

cont'd

17. TERM LOANS (cont'd)

The term loan 3 is secured by the followings : -

- a) corporate guarantee by Syarikat Jaminan Pembiayaan Perniagaan Berhad (SJPP) under Working Capital Guarantee Scheme;
- b) Corporate guarantee executed by Saliran Industrial Supplies Sdn. Bhd.; and
- c) joint and several guarantee by certain directors of the Group and of the Company.

Interest of term loan 3 is charged at the licensed bank's prevailing Base Lending Rate per annum on daily rest.

The term loans 4, 7 and 10 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; and
- c) joint and several guarantee by certain directors of the Group and of the Company.

Interest of term loan 4 is charged at the licensed bank's prevailing Base Lending Rate per annum on monthly rest. Interest of term loan 7 is charged at 1.95% (2024 – 1.95%) per annum below the licensed bank's prevailing Base Lending Rate on monthly rest. Interest of term loan 10 is charged at the licensed bank's prevailing Base Lending Rate per annum on monthly rest.

The term loan 5 is secured by the followings : -

- a) guarantee by Syarikat Jaminan Pembiayaan Perniagaan Berhad (SJPP) under the Government Guarantee Scheme COVID19 (GGP 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% (2024 – 4.00%) per annum above the licensed bank's prevailing Base Financing Rate.

The term loan 6, 16 and 17 are secured by the followings : -

- a) first party legal charge over buildings as disclosed in Notes 5 and 6 to the financial statements;
- b) joint and severally guaranteed by certain 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 6 is charged at 2.25% (2024 – 2.25%) per annum below the licensed bank's prevailing Base Lending Rate on monthly rest. Interest of term loan 16 is charged at the licensed bank's prevailing Base Lending Rate on monthly rest. Interest of term loan 17 is charged at the 1.25% (2024 – Nil) above the licensed bank's Effective Cost of Fund.

The term loan 8 is secured by the followings : -

- a) Syarikat Jaminan Pembiayaan Perniagaan Berhad (SJPP) guarantee under Government Guarantee Scheme;
- b) life insurance under name of a director of the Group and of the Company;
- c) joint and severally guaranteed by certain directors of the Group and of the Company; and
- d) Monthly sinking fund.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

cont'd

17. TERM LOANS (cont'd)

Interest of term loan 8 is charged at the licensed bank's prevailing Base Lending Rate per annum.

The term loan 9 is secured by the followings : -

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

Interest of term loan 9 is charged at 1.00% (2024 – 1.00%) per annum above the licensed bank's prevailing Base Lending Rate.

The term loans 11,12 and 15 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.

Interest of term loan 11 is charged at 5.05% (2024 – 5.05%) per annum above the licensed bank's prevailing Base Lending Rate on monthly rest. Interest of term loan 12 is charged at 4.30% (2024 – 4.30%) per annum above the licensed bank's prevailing Base Lending Rate on monthly rest. Interest of term loan 15 is charged at 5.75% (2024 – 5.75%) per annum above licensed bank's prevailing Base Lending Rate on daily rest.

The term loan 13 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) corporate guarantee by the subsidiary company, Saliran Industrial Supplies Sdn. Bhd..

Interest of term loan 13 is charged at 2.00% (2024 – 2.00%) per annum above the licensed bank's prevailing Base Financing Rate.

The term loan 14 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..

Term Loan 14 was fully settled during the financial year ended 31 December 2025.

Interest of term loan 14 was charged at 4.50% (2024 – 4.50%) per annum above the licensed bank's prevailing Base Financing Rate on monthly rest.

The term loan 19 is secured by the followings : -

- a) corporate guarantee by Saliran Group Berhad.

Interest of term loan 19 is charged at 1.00% per annum above the licensed bank's prevailing Base Financing Rate on monthly rest.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

cont'd

18. LEASE LIABILITIES

Group	Workshop rental RM	Office and warehouse rental RM	Total RM
2025			
Minimum lease payments : -			
- not later than one year	56,400	64,000	120,400
- later than one year and not later than two years	36,600	-	36,600
	93,000	64,000	157,000
Less: Future interest charges	(3,692)	(870)	(4,562)
Present value of lease liabilities	89,308	63,130	152,438
Repayable as follows : -			
Non-Current Liabilities			
- later than one year and not later than two years	35,834	-	35,834
	35,834	-	35,834
Current liabilities			
- not later than one year	53,474	63,130	116,604
	89,308	63,130	152,438
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

a) Workshop rental

The workshop rental is for 2 years with the option for renewal of one term of 1 year. The Group applied the incremental borrowing rate of the lease liabilities of 4.50% (2024 – 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% (2024 – 6.60%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

cont'd

19. TRADE PAYABLES

The normal credit terms of trade payables granted to the Group ranging from cash terms to 90 days (2024 – cash terms to 90 days). However, the credit terms may vary dependent on negotiation with the suppliers.

20. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Other payables	2,957,602	447,650	4,994	379,464
Deposits	1,174,374	616,316	-	-
Accruals	691,780	3,088,042	172,168	126,000
	4,823,756	4,152,008	177,162	505,464

Included in the deposits of the Group are customer deposits relating to deposits made by customers for the purchase of distribution products, amounting to RM3,059,848 (2024 – RM419,267), 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.

21. AMOUNT DUE TO/FROM SUBSIDIARY COMPANY

The amount due to/from subsidiary company is unsecured, interest free and repayable/ receivable on demand.

22. REVENUE

Group	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Sales of goods	486,055,800	344,514,779	-	-
Management fee income	-	-	1,320,000	-
Timing of revenue recognition : -				
- at point in time	486,055,800	344,514,779	1,320,000	-
Geographical markets :				
- Malaysia	414,457,750	227,515,060	1,320,000	-
- Indonesia	70,190,360	115,059,786	-	-
- Singapore	1,119,143	1,591,103	-	-
- China	-	1,469	-	-
- Thailand	252,712	292,550	-	-
- Bahrain	-	10,654	-	-
- Korea	12,563	-	-	-
- Vietnam	23,272	44,157	-	-
	486,055,800	344,514,779	1,320,000	-

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

cont'd

23. OTHER OPERATING INCOME

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Gain on disposal of property, plant and equipment	90,999	-	-	-
Interest income	532,884	562,194	101,483	-
Interest income on late charges	-	18,550	-	-
Other income	130,548	3,334	-	-
Realised gain on foreign exchange	326,531	42	-	-
Rectification back charge to suppliers	-	2,418	-	-
Rental income	776,340	728,628	-	-
Reversal of impairment loss on trade receivables	-	130,566	-	-
Unrealised gain on foreign exchange	221,183	630,273	-	-
	2,078,485	2,076,005	101,483	-

24. FINANCE COSTS

	Group	
	2025 RM	2024 RM
Interest expenses on : -		
- bankers' acceptances	63,810	86,006
- bank overdrafts	778,423	764,028
- hire purchase	125,580	141,519
- invoice financing	2,373,740	1,264,360
- lease liabilities	15,424	19,456
- revolving credit	125,426	117,575
- term loans	1,725,603	2,036,357
- trust receipts	3,021,097	2,368,362
	8,229,103	6,797,663

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

cont'd

25. PROFIT/(LOSS) BEFORE TAXATION

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
This is arrived at after charging : -				
Auditors' remuneration : -				
- statutory audit	400,000	332,200	125,000	80,200
- non-statutory audit	13,000	65,000	13,000	1,000
- non-audit service	-	291,000	-	241,000
Bad debts written off	-	31,556	-	-
Depreciation of property, plant and equipment	1,314,737	545,076	286	-
Depreciation of right-of-use assets	354,556	1,017,174	-	-
Depreciation of investment properties	211,221	211,222	-	-
Employee benefits expenses	12,024,249	10,060,397	1,693,535	1,399,649
Finance costs	8,229,103	6,797,663	-	-
Impairment loss on trade receivables	1,270,496	9,160	-	-
Loss on disposal of other investment	-	91,462	-	-
Loss on disposal of property, plant and equipment	-	2,500	-	-
Realised loss on foreign exchange	367,295	2,113,684	-	-
Unrealised loss on foreign exchange	892,736	-	-	-
Fair value loss on other investment	459,916	-	-	-
Short term lease on : -				
- office and warehouse	-	17,300	-	-
- warehouse equipment	-	4,632	-	-
and crediting : -				
Interest income	(532,884)	(562,194)	(101,483)	-
Realised gain on foreign exchange	(326,531)	(42)	-	-
Rental income	(776,340)	(728,628)	-	-
Unrealised gain on foreign exchange	(221,183)	(630,273)	-	-

26. EMPLOYEE BENEFITS EXPENSES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Salaries, bonus and allowance	8,681,660	8,527,574	1,456,000	1,300,315
Defined contribution plan	1,278,935	1,206,630	151,585	99,334
Others	2,063,654	326,193	85,950	-
	12,024,249	10,060,397	1,693,535	1,399,649

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

cont'd

27. DIRECTORS' REMUNERATION

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Fees	216,000	562,470	216,000	442,825
Salaries, bonus and allowances	1,830,500	1,316,578	1,240,000	857,490
Employees provident fund	219,660	151,991	148,800	96,900
Employment insurance system	571	500	285	250
Social security costs	4,999	4,368	2,500	2,184
Other benefits	85,950	-	85,950	-
	2,357,680	2,035,907	1,693,535	1,399,649

28. TAXATION

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Income tax expense : -				
- current year	4,698,287	6,311,209	-	-
- under provision in prior years	70,235	473,219	-	-
Deferred tax : -				
- current year	177,383	88,200	-	-
- over provision of deferred tax in prior years	-	(537)	-	-
	4,945,905	6,872,091	-	-

Income tax is calculated at the Malaysian statutory tax rates of 24% (2024 – 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		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Profit/(Loss) before taxation	15,194,508	20,076,388	(1,210,619)	(3,887,485)
Tax at statutory income tax rate of 24% (2024 – 24%)	3,646,682	4,818,333	(290,549)	(932,996)
Non-deductible expenses	1,057,911	1,440,671	290,549	932,996
Non-taxable income	-	(154,761)	-	-
Deferred tax assets not recognised	171,077	295,166	-	-
Under provision of taxation in prior years	70,235	473,219	-	-
Over provision of deferred tax in prior years	-	(537)	-	-
	4,945,905	6,872,091	-	-

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

cont'd

29. 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	
	2025	2024
	RM	RM
Profit for the financial year attributable to ordinary equity holders of the Company (RM)	10,248,603	13,204,297
Weighted average number of shares (unit)	367,260,548	302,500,000
Basic earnings per share (sen)	2.79	4.37

Diluted: -

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

30. ADDITIONS OF PROPERTY, PLANT AND EQUIPMENT

	Group	
	2025	2024
	RM	RM
Additions on property, plant and equipment	1,162,038	535,852
Financed by lease agreement	(938,120)	(474,813)
Cash payment on additions of property, plant and equipment	223,918	61,039

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

cont'd

31. 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: -

Group	At beginning of the financial year RM	Acquisition of new lease RM	Net change from financing cash flow RM	At end of the financial year RM
2025				
Bankers' acceptances	1,562,000	-	186,000	1,748,000
Hire purchase	1,844,474	887,717	(617,344)	2,114,847
Invoice financing	28,745,379	-	28,921,469	57,666,848
Lease liabilities	335,009	50,403	(232,974)	152,438
Revolving credit	1,308,071	-	(25,894)	1,282,177
Term loans	32,460,228	-	(1,079,075)	31,381,153
Trust receipts	38,496,927	-	4,740,099	43,237,026
	104,752,088	938,120	31,892,281	137,582,489
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

- (b) Cash outflows for leases as a lessee

	Group	
	2025 RM	2024 RM
Included in net cash from operating activities :		
Payment relating to short-term leases	-	17,300
Payment relating to leases of low value assets	-	4,632
Interest paid in relation to lease liabilities	15,424	19,456
Included in net cash from financing activities :		
Payment of lease liabilities	232,974	218,546
Total cash outflows for leases	248,398	259,934

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

cont'd

32. CASH AND CASH EQUIVALENTS

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

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Cash and bank balances	80,186,847	38,278,650	3,608,842	2,982
Fixed deposit with licensed banks	27,260,116	17,436,496	-	-
Bank overdraft	(4,871,847)	(4,426,138)	-	-
	102,575,116	51,289,008	3,608,842	2,982
Less: Pledged deposit	(27,260,116)	(17,436,496)	-	-
	75,315,000	33,852,512	3,608,842	2,982

33. 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 RM	Trading RM	Manufacturing RM	Total RM
2025				
Revenue from external customers	-	481,893,182	4,162,618	486,055,800
Finance income	101,483	431,401	-	532,884
Depreciation of property, plant and equipment	(286)	(1,076,494)	(237,957)	(1,314,737)
Depreciation of investment properties	-	(211,221)	-	(211,221)
Depreciation of right-of-use assets	-	(302,198)	(52,358)	(354,556)
Finance costs	-	(8,185,054)	(44,049)	(8,229,103)
Taxation	-	(4,739,815)	(206,090)	(4,945,905)
Others	(2,631,816)	25,844,533	1,558,524	24,771,241
Segment results	(2,530,619)	11,761,152	1,018,070	10,248,603
Segment assets	34,227,288	206,415,470	2,159,733	242,802,491
Segment liabilities	177,162	167,931,364	1,027,748	169,136,274

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

cont'd

33. SEGMENTAL INFORMATION (cont'd)

a) Business segments (cont'd)

	Investment holding RM	Trading RM	Manufacturing RM	Total 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 assets	-	(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

b) Geographical segments

Revenue information based on the geographical location of the customers is disclosed in Note 22 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 : -

	2025 RM	2024 RM
Customer A	244,350,661	133,005,957
Customer B	64,877,907	110,400,010

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

cont'd

34. 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 RM	FAAC RM	FLAC RM	FVTPL RM
Group				
2025				
Financial assets				
Other investments	3,540,084	-	-	3,540,084
Trade receivables	73,847,565	73,847,565	-	-
Other receivables and deposits	1,226,652	1,226,652	-	-
Fixed deposits with licensed banks	27,260,116	27,260,116	-	-
Cash and bank balances	80,186,847	80,186,847	-	-
	186,061,264	182,521,180	-	3,540,084
Financial liabilities				
Trade payables	(16,209,872)	-	(16,209,872)	-
Other payables and accruals	(4,823,756)	-	(4,823,756)	-
Borrowings	(142,301,898)	-	(142,301,898)	-
Lease liabilities	(152,438)	-	(152,438)	-
	(163,487,964)	-	(163,487,964)	-
2024				
Financial assets				
Other investments	2,500,000	-	-	2,500,000
Trade receivables	75,578,116	75,578,116	-	-
Other receivables and deposits	1,269,082	1,269,082	-	-
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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

cont'd

34. FINANCIAL INSTRUMENTS (cont'd)

a) Categories of financial instruments (cont'd)

	Carrying Amount RM	FAAC RM	FLAC RM	FVTPL RM
2024				
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)	-

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

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.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

cont'd

34. FINANCIAL INSTRUMENTS (cont'd)

b) Financial risk management (cont'd)

i) Credit risk (cont'd)

Trade receivables (cont'd)

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 74% (2024 – 90%) of the total trade receivables.

	Group	
	2025	2024
	RM	RM
Trade receivables	56,122,061	59,340,017

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

cont'd

34. 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 following tables provide information about the exposure to credit risk and ECLs for trade receivables: -

	Gross RM	Individual impairment RM	Collective impairment RM	Net RM
Group				
2025				
Not past due	34,641,939	-	-	34,641,939
1 - 60 days past due	14,683,896	-	-	14,683,896
61 - 120 days past due	15,738,367	-	-	15,738,367
121 - 180 days past due	5,772,379	-	-	5,772,379
181 - 240 days past due	220,021	-	-	220,021
241 - 365 days past due	65,484	-	-	65,484
> 365 days past due	8,555,193	(4,559,080)	(1,270,634)	2,725,479
	79,677,279	(4,559,080)	(1,270,634)	73,847,565
2024				
Not past due	50,088,080	-	-	50,088,080
1 - 60 days past due	22,355,858	-	-	22,355,858
61 - 120 days past due	1,790,238	-	-	1,790,238
121 - 180 days past due	-	-	-	-
181 - 240 days past due	-	-	-	-
241 - 365 days past due	-	-	-	-
> 365 days past due	5,903,158	(4,559,080)	(138)	1,343,940
	80,137,334	(4,559,080)	(138)	75,578,116

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

cont'd

34. 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 RM	Credit impaired RM	Total RM
Group			
2025			
At 1 January	138	4,559,080	4,559,218
Addition	1,270,496	-	1,270,496
At 31 December	1,270,634	4,559,080	5,829,714
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

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.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

cont'd

34. FINANCIAL INSTRUMENTS *(cont'd)*

b) Financial risk management *(cont'd)*

i) Credit risk *(cont'd)*

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

cont'd

34. FINANCIAL INSTRUMENTS (cont'd)

b) Financial risk management (cont'd)

ii) Liquidity risk (cont'd)

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: -

Group	Carrying amount RM	Interest rate %	Contractual undiscounted cash flows RM	Under 1 year RM	1 – 2 years RM	2 – 5 years RM	More than 5 years RM
2025							
<i>Non-derivative financial liabilities</i>							
Trade payables	16,209,872	-	16,209,872	16,209,872	-	-	-
Other payables and accruals	5,143,756	-	5,143,756	5,143,756	-	-	-
Bankers' acceptances	1,748,000	5.50 – 6.00	1,748,000	1,748,000	-	-	-
Bank overdraft	4,871,847	6.00 – 9.65	4,871,847	4,871,847	-	-	-
Hire purchase	2,114,847	2.18 – 4.75	2,383,197	642,236	883,630	804,189	53,142
Invoice financing	57,666,848	4.72 – 6.97	57,666,848	57,666,848	-	-	-
Lease liabilities	152,438	4.50 – 6.60	157,000	120,400	36,600	-	-
Revolving credit	1,282,177	8.50	1,282,177	1,282,177	-	-	-
Term loans	31,381,153	4.64 – 12.51	49,885,204	3,999,183	3,637,059	8,801,785	33,447,177
Trust receipts	43,237,026	7.81 – 8.35	43,237,026	43,237,026	-	-	-
	163,807,964		182,584,927	134,921,345	4,557,289	9,605,974	33,500,319

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

cont'd

34. 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)

Group (Cont'd)	Carrying amount RM	Interest rate %	Contractual undiscounted cash flows RM	Under 1 year RM	1 – 2 years RM	2 – 5 years RM	More than 5 years RM
2024							
<i>Non-derivative financial liabilities</i>							
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 – 4.74	2,088,625	733,039	465,986	810,635	78,965
Invoice financing	28,745,379	4.00 – 5.13	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	43,687,492	3,505,569	3,457,908	8,653,050	28,070,965
Trust receipts	38,496,927	7.81 – 8.35	38,496,927	38,496,927	-	-	-
	133,130,117		144,619,123	102,957,614	4,017,894	9,493,685	28,149,930

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025
cont'd

34. 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: -

Company	Carrying amount RM	Interest rate %	Contractual undiscounted cash flows RM	Under 1 year RM	1 – 2 years RM	2 – 5 years RM	More than 5 years RM
2025							
<i>Non-derivative financial liabilities</i>							
Other payables and accruals	177,162	-	177,162	177,162	-	-	-
	<u>177,162</u>		<u>177,162</u>	<u>177,162</u>	<u>-</u>	<u>-</u>	<u>-</u>
2024							
<i>Non-derivative financial liabilities</i>							
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	-	-	-
	<u>3,950,067</u>		<u>3,950,067</u>	<u>3,950,067</u>	<u>-</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

cont'd

34. FINANCIAL INSTRUMENTS (cont'd)

b) Financial risk management (cont'd)

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.

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 : -

Group	Interest rate	
	RM	%
2025		
<u>Fixed rate instruments</u>		
Fixed deposits with licensed banks	27,260,116	2.00 – 3.00
Hire purchase	2,114,847	2.18 – 4.75
Lease liabilities	152,438	4.50 – 6.60
<u>Floating rate instruments</u>		
Bankers' acceptances	1,748,000	5.50 - 6.00
Bank overdraft	4,871,847	6.00 – 9.65
Invoice financing	57,666,848	4.72 – 6.97
Revolving credit	1,282,177	8.50
Term loans	31,381,153	4.64 – 12.51
Trust receipts	43,237,026	7.81 – 8.35

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

cont'd

34. 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)

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 : - (cont'd)

Group (cont'd)	Interest rate	
	RM	%
2024		
<u>Fixed rate instruments</u>		
Fixed deposits with licensed banks	17,436,496	1.50 – 2.85
Hire purchase	1,844,474	2.18 – 4.74
Lease liabilities	335,009	4.50 – 6.60
<u>Floating rate instruments</u>		
Bankers' acceptances	1,562,000	5.58 – 5.75
Bank overdraft	4,426,138	6.00 – 9.65
Invoice financing	28,745,379	4.00 – 5.13
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

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 RM1,065,422 (2024 – RM813,190) 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.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

cont'd

34. FINANCIAL INSTRUMENTS (cont'd)

b) Financial risk management (cont'd)

ii) Market risk (cont'd)

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.

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 : -

	Denominated in	
	SGD RM	USD RM
Balance recognised in the statements of financial position : -		
Group		
2025		
Trade receivables	14,485	376,349
Cash at banks	-	192,573
Trade payables	(1,008,722)	(33,336)
	(994,237)	535,586
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

A 5% (2024 – 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.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

cont'd

34. FINANCIAL INSTRUMENTS (cont'd)

b) Financial risk management (cont'd)

ii) Market risk (cont'd)

Currency risk (cont'd)

Exposure to foreign currency risk (cont'd)

	2025	2024
	RM	RM
Group		
Changes in equity	(6,024)	1,400,869
Changes in post-tax profit	(6,024)	1,400,869

A 5% (2024 – 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.

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.

35. 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	
	2025	2024
Total borrowings (RM)	142,301,898	108,843,217
Total equity (RM)	73,666,217	43,435,614
Debt-to-equity ratio (times)	1.93	2.51

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

cont'd

35. CAPITAL MANAGEMENT (cont'd)

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.

36. 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 (2024 – Nil). The related party balances are shown in Note 21 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.

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

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Fees	216,000	562,470	216,000	442,825
Salaries, bonus and allowances	1,830,500	1,676,582	1,240,000	857,490
Employees provident fund	219,660	188,003	148,800	96,900
Employment insurance system	571	625	285	250
Social security costs	4,999	5,460	2,500	2,184
Other benefits	85,950	-	85,950	-
	2,357,680	2,433,140	1,693,535	1,399,649

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 accompanying financial statements 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 as at 31 December 2025 and of their financial performance and cash flows for the financial year ended.

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: 21 April 2026

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 to the best of my knowledge and belief, the accompanying financial statements 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 21 April 2026

Yong Wai Kin
(MIA Membership No.: 21813)

Before me

Commissioner for Oaths

ANALYSIS OF SHAREHOLDINGS

As at 31 March 2026

Total Number of Issued Shares	:	382,900,000 Ordinary Shares
Issued Shares Capital	:	RM51,960,250
Class of Shares	:	Ordinary shares
Voting Rights	:	One (1) vote per ordinary share on a poll

DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Shareholders	%	No. of Shares	%
1-99	3	0.25	100	0.00
100-1,000	207	17.56	116,900	0.03
1,001-10,000	515	43.68	3,076,300	0.80
10,001-100,000	376	31.89	13,176,700	3.44
100,001-19,144,999 (*)	76	6.45	110,248,000	28.79
19,145,000 and above (**)	2	0.17	256,282,000	66.93
Total	1,179	100.00	382,900,000	100.00

Remark: * Less than 5% of issued holdings
 ** 5% and above of issued holdings

SUBSTANTIAL SHAREHOLDERS

(Based on the Register of Substantial Shareholders)

No.	Name	Direct		Indirect	
		No. of shares	(%)	No. of shares	(%)
1.	Maju Alliance Sdn. Bhd.	266,282,000	69.54	-	-
2.	Liaw Choon Wei	7,628,400	1.99	266,282,000 ⁽¹⁾	69.54
3.	Chan Koon Wai	-	-	266,282,000 ⁽¹⁾	69.54

DIRECTORS' SHAREHOLDINGS

(Based on the Register of Directors' Shareholdings)

No.	Name	Direct		Indirect	
		No. of shares	(%)	No. of shares	(%)
1.	Liaw Choon Wei	7,628,400	1.99	266,282,000 ⁽¹⁾	69.54
2.	Chan Koon Wai	-	-	266,282,000 ⁽¹⁾	69.54
3.	Yong Wai Kin	300,000	0.08	-	-
4.	Datuk Khoo Teck Kee	150,000	0.04	-	-
5.	Dato' Low Suet Moi	150,000	0.04	-	-
6.	Ooi Gin Hui	150,000	0.04	-	-

Note: -

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

ANALYSIS OF SHAREHOLDINGS

As at 31 March 2026
cont'd

LIST OF THIRTY (30) LARGEST SHAREHOLDERS

No.	Name	Shareholdings	%
1.	Maju Alliance Sdn. Bhd.	172,305,000	45.00
2.	Malacca Equity Nominees (Tempatan) Sdn. Bhd. – Pledged Securities Account for Maju Alliance Sdn. Bhd.	83,977,000	21.93
3.	Tan Swee Yeong	16,250,000	4.24
4.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. – Pledged Securities Account for Ong King Seng	14,000,000	3.66
5.	AMSEC Nominees (Tempatan) Sdn. Bhd. – Pledged Securities Account – AmBank (M) Berhad for Maju Alliance Sdn. Bhd.	10,000,000	2.61
6.	TA Nominees (Tempatan) Sdn. Bhd. – Pledged Securities Account for Lee Choon Hee	6,302,900	1.65
7.	Malacca Equity Nominees (Tempatan) Sdn. Bhd. – Pledged Securities Account for Liaw Choon Wei	5,792,000	1.51
8.	Lim Swee Kim	5,500,000	1.44
9.	TA Nominees (Tempatan) Sdn. Bhd. – Pledged Securities Account for Impress 31 Sdn. Bhd.	5,170,000	1.35
10.	Loh Yeong Shiuan	3,241,000	0.85
11.	AllianceGroup Nominees (Tempatan) Sdn. Bhd. – Pledged Securities Account for Chan Soon Tat	3,070,000	0.80
12.	Chun Siok Kiau	2,535,000	0.66
13.	TA Nominees (Tempatan) Sdn. Bhd. – Pledged Securities Account for Chin Yin Seong	2,015,200	0.53
14.	Cartaban Nominees (Asing) Sdn. Bhd. – Exempt AN for Barclays Capital Securities Ltd.	1,950,600	0.51
15.	AMSEC Nominees (Tempatan) Sdn. Bhd. – Pledged Securities Account – AmBank (M) Berhad for Honsin Apparel Sdn. Bhd.	1,849,600	0.48
16.	Cartaban Nominees (Tempatan) Sdn. Bhd. – Exempt AN for Standard Chartered Bank Malaysia Berhad	1,600,000	0.42
17.	BIMSEC Nominees (Tempatan) Sdn. Bhd. – Pledged Securities Account for Permodalan Risda Berhad	1,500,000	0.39
18.	TA Nominees (Tempatan) Sdn. Bhd. – Pledged Securities Account for Fong Sheng Nie	1,469,400	0.38
19.	Si Tho Yoke Meng	1,400,000	0.37
20.	Ng Huey Kun	1,200,000	0.31
21.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. – Pledged Securities Account for Leong Kim Fong	1,174,400	0.31
22.	TA Nominees (Tempatan) Sdn. Bhd. – Pledged Securities Account for Lim Pei Vern	1,000,000	0.26

ANALYSIS OF SHAREHOLDINGS

As at 31 March 2026

cont'd

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

No.	Name	Shareholdings	%
23.	Khoo Yu Ching	960,000	0.25
24.	TA Nominees (Tempatan) Sdn. Bhd. – Pledged Securities Account for Lim Hau Yang	900,000	0.24
25.	Ramesh A/L Palaniyandy	860,000	0.22
26.	Yik Lip Yueng	834,000	0.22
27.	TA Nominees (Tempatan) Sdn. Bhd. – Pledged Securities Account for GC Equity Holdings Berhad	816,900	0.21
28.	Yeoh Siew Kok	792,100	0.21
29.	AMSEC Nominees (Tempatan) Sdn. Bhd. – Pledged Securities Account – AmBank (M) Berhad for Liaw Choon Wei	787,400	0.21
30.	Tan Hon Je	740,000	0.19
	TOTAL	349,992,500	91.41

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/ Age of building	Encumbrance	Audited NBV as at 31 December 2025 (RM'000)	Date of last valuation
(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	Land area: 7,200 Built-up area: 4,560	Date of Purchase: 28 December 2018 Date of CCC: 3 August 1998 Age of building: 27 years	Charged to Hong Leong Bank Berhad	3,530	28 April 2023
(ii) Puchong Premise 3 No. 42, Jalan TPP 5, 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	Land area: 49,336 Built-up area: 22,268	Date of Purchase: 17 May 2022 Date of CCC: 3 October 2017 Age of building: 8 years	Charged to Affin Bank Berhad	14,001	14 June 2022

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/ Age of building	Encumbrance	Audited NBV as at 31 December 2025 (RM'000)	Date of last valuation
(iii) Investment Property 1 No. 36, Jalan P10/21, Taman Industri Selaman, Bangi, 43650 Bandar Baru Bangi, Selangor	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	Land area: 42,022 Built-up area: 34,290	Date of Purchase: 21 April 2021 Date of CCC: 5 October 2004 Age of building: 21 years	Charged to Hong Leong Bank Berhad	12,122	23 January 2024
(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	Land area: 1,647 Built-up area: 4,727	Date of Purchase: 9 September 2014 Date of CCC: 19 September 2007 Age of building: 18 years	Charged to Hong Leong Bank Berhad	2,069	28 April 2023

LIST OF PROPERTIES

cont'd

RIGHT-OF-USE ASSETS

Postal Address	Landlord/ Tenant	Description/ Existing use	Date of CCC/ Age of building	Floor area (sq ft)	Period of tenancy	Carrying Value as at 31 December 2025 (RM'000)
(i) Puchong Premise 2 No. 14, Jalan Industri PBP 5, Taman Perindustrian Pusat Bandar Puchong, 47100 Puchong, Selangor	Landlord: Kiseki Resources Sdn Bhd (non-related party) Tenant: Saliran Industrial Supplies	Description: A double-storey semi-detached factory Existing use: Headquarters and administrative office	Date of CCC: 3 August 1998 Age of building: 27 years	4,560	1 May 2024 to 30 April 2026	60
(ii) Manufacturing Site 1 No. 7, Jalan Industri PBP 7, Taman Perindustrian Pusat Bandar Puchong, 47100 Puchong, Selangor	Landlord: Yoshiden (M) Sdn Bhd (non-related party) Tenant: Saliran Precision Engineering	Description: A 1-storey factory Existing use: Manufacturing facility to support our fittings and flanges manufacturing business	Date of CCC: 22 November 2001 Age of building: 24 years	1,600	1 January 2026 to 31 December 2027	54
(iii) Manufacturing Site 2 No. 21, Jalan Industri PBP 7, Taman Perindustrian Pusat Bandar Puchong, 47100 Puchong, Selangor	Landlord: Wong Man (non-related party) Tenant: Saliran Precision Engineering	Description: A 1-storey factory Existing use: Manufacturing facility to support our fittings and flanges manufacturing business	Date of CCC: 22 November 2001 Age of building: 24 years	1,600	15 March 2025 to 14 March 2027	31
(iv) Ipoh Office No. 5A, Jalan Mas 2, Taman Mas, 30100 Ipoh, Perak	Landlord: Lin Chooi Meng (non-related party) Tenant: Saliran Industries	Description: First floor of a double-storey shoplot Existing use: Sales office	Date of CCC: 10 April 2014 Age of building: 11 years	1,329	3 May 2025 to 2 May 2026	-

NOTICE OF THE SECOND ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Second (“2nd”) Annual General Meeting (“**AGM**”) of Saliran Group Berhad (“**the Company**”) will be held at The Heron Room, Level 2, Four Points by Sheraton Puchong, 1201, Tower 3, Puchong Financial Corporate Centre, Jalan Puteri 1/2, Bandar Puteri, 47100 Puchong, Selangor Darul Ehsan on Friday, 19 June 2026 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 2025 together with the Reports of the Directors and Auditors thereon. | <i>Please refer to Explanatory Note (a)</i> |
| 2. | To approve the payment of Directors’ fees to the Non-Executive Directors of the Company of up to RM252,000/- for the financial year ending 31 December 2027. | Ordinary Resolution 1 |
| 3. | To approve the benefits payable to the Non-Executive Directors up to RM29,500/- for the period from 20 June 2026 until the next AGM of the Company in year 2027 pursuant to Section 230(1)(b) of the Companies Act 2016 (“ the Act ”). | Ordinary Resolution 2 |
| 4. | To re-elect Mr. Yong Wai Kin who retire pursuant to Clause 110 of the Constitution of the Company and being eligible, has offered himself for re-election. | Ordinary Resolution 3 |
| 5. | To re-elect the following Directors who retire pursuant to Clause 101 of the Constitution of the Company and being eligible, have offered themselves for re-election:- | |
| | (a) Mr. Liaw Choon Wei; and | Ordinary Resolution 4 |
| | (b) Dato’ Low Suet Moi. | Ordinary Resolution 5 |
| 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. | Ordinary Resolution 6 |

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 ACT | Ordinary Resolution 7 |
|----|--|------------------------------|

“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;

NOTICE OF THE SECOND 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.”

8. 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

29 April 2026

Notes:

1. *For the purpose of determining a member who shall be entitled to attend the 2nd 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 2026. Only a depositor whose name appears on the Record of Depositors as at 12 June 2026 shall be entitled to attend the 2nd 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 2nd 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 2nd AGM or adjournment thereof. Kindly refer to the Procedures for Electronic Submission of Proxy Form in Appendix A.*

NOTICE OF THE SECOND 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 2nd 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 2025

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 Resolution 1 – Directors' fees

The proposed Directors' fees payable to the Non-Executive Directors of the Company for the financial year ending 31 December 2027 shall be up to a total of RM252,000/- only.

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

(c) Ordinary Resolution 2 – 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 20 June 2026 to the next AGM of the Company in year 2027.

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 2026 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 3, 4 & 5 – Re-election of Directors

In determining the eligibility of the Directors to stand for re-election at the forthcoming 2nd AGM, the Nominating Committee ("NC"), guided by the Directors' Fit and Proper Policy has considered the criteria as stated in the said Policy as well as the requirements of ACE Market Listing Requirements of Bursa Securities and recommended the re-election of the following Directors pursuant to Clauses 110 and 101 of the Constitution of the Company: -

- (i) Mr. Yong Wai Kin;
- (ii) Mr. Liaw Choon Wei; and
- (iii) Dato' Low Suet Moi.

(collectively, the "Retiring Directors")

The Board of Directors, vide the NC, has conducted a separate assessment and being satisfied with the performance/ contribution/fit and properness of the Retiring Directors, has recommended the same be tabled to the shareholders for approval at the forthcoming 2nd AGM of the Company under Ordinary Resolutions 3, 4 and 5 respectively. The fit and proper as well as evaluation criteria adopted as well as the process of assessment by the Board of Directors have been duly elaborated in the Corporate Governance Overview Statement of the Annual Report 2025.

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 NC and/or Board of Directors' meetings, respectively.

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

(e) Ordinary Resolution 6 - Re-appointment of Auditors

The Audit and Risk Management Committee ("ARMC") have assessed the suitability, objectivity and independence of the External Auditors and recommended the re-appointment of Messrs. Kreston John & Gan as External Auditors of the Company for the financial year ending 31 December 2026. The Board of Directors has in turn reviewed the recommendation of the ARMC and recommended the same be tabled to the shareholders for approval at the 2nd AGM of the Company under Ordinary Resolution 6. The evaluation criteria adopted as well as the process of assessment by the ARMC and the Board of Directors, respectively, have been duly elaborated in the Corporate Governance Overview Statement of the Annual Report 2025.

NOTICE OF THE SECOND ANNUAL GENERAL MEETING

cont'd

(f) Ordinary Resolution 7 - Authority to issue shares pursuant to the Act

*The Company had been granted a general mandate on the authority to issue shares pursuant to the Act by its shareholders at the First AGM of the Company held on 19 June 2025 (“**Previous Mandate**”). The Company wishes to renew the mandate on the authority to issue shares of not exceeding 10% of the total number of issued shares of the Company for the time being pursuant to the Act at the 2nd AGM (“**General Mandate**”).*

As at the date of this notice, the Previous Mandate granted by shareholders has not been utilised and hence no proceeds were raised therefrom.

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 solely for such issuance and allotment of shares. 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 7, 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.

Statement accompanying Notice of AGM:

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 2nd 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 (f) of the Notice of the 2nd AGM.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, participate, speak and vote at the 2nd 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 account at Securities Services e-Portal

<p>Step 1 Visit https://sshbsb.net.my/</p> <p>Step 2 Sign up for a user account</p> <p>Step 3 Wait for our notification email that will be sent within one (1) working day</p> <p>Step 4 Verify your user account within seven (7) days of the notification email and log in</p>	<ul style="list-style-type: none"> • This is a ONE-TIME registration. If you already have a user account, you need not register again. • Your email address is your User ID. • Please proceed to (B) once you are a registered user.
---	---

REGISTER AS A USER BY 11 JUNE 2026 TO SUBMIT E-PROXY FORM

(B) Submit e-Proxy Form

Meeting Date and Time	Proxy Form Submission Closing Date and Time
Friday, 19 June 2026 at 10:00 a.m.	Wednesday, 17 June 2026 at 10:00 a.m.
<p>➤ Log in to https://sshbsb.net.my/ with your registered email and password.</p> <p>➤ Look for Saliran Group Berhad under Company Name and 2nd AGM on 19 June 2026 at 10:00 a.m. – Submission of Proxy Form under Event and click “>” to submit your proxy forms online for the meeting by the submission closing date and time above.</p>	
<p>Step 1 Check if you are submitting the proxy form as –</p> <ul style="list-style-type: none"> ■ Individual shareholder ■ Corporate or authorised representative of a body corporate <p><i>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 <u>original</u> 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.</i></p> <p>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.</p> <p>Step 3 Proceed to indicate how your votes are to be casted against each resolution.</p> <p>Step 4 Review and confirm your proxy form details before submission.</p> <ul style="list-style-type: none"> • 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. 	



SALIRAN GROUP BERHAD
[Registration No. 202001022591 (1378911-A)]

FORM OF PROXY

*I/We:

Full Name (In Block)	CDS account no.:	No. of Shares held:
Address:	NRIC/Passport/Registration no.:	
Contact no.:	Email address:	

being a *member/members of **SALIRAN GROUP BERHAD** ("Company"), do hereby appoint:

First Proxy "A"

Full Name (In Block)	NRIC/ Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address	Email:		
	Contact:		

*and/or

Second Proxy "B"

Full Name (In Block)	NRIC/ Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address	Email:		
	Contact:		

or failing him/her, the CHAIRMAN OF THE MEETING as *my/our proxy to vote for *me/us on *my/our behalf at the Second Annual General Meeting ("2nd AGM") of the Company to be held at The Heron Room, Level 2, Four Points by Sheraton Puchong, 1201, Tower 3, Puchong Financial Corporate Centre, Jalan Puteri 1/2, Bandar Puteri, 47100 Puchong, Selangor Darul Ehsan on Friday, 19 June 2026 at 10:00 a.m. or any adjournment thereof.

Please indicate with an "X" in the appropriate space(s) provided below on how you wish your votes to be cast. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion.

Resolution No.	Ordinary Resolution	For	Against
1	To approve the payment of Directors' fees to the Non-Executive Directors of the Company of up to RM252,000/- for the financial year ending 31 December 2027		
2	To approve the benefits payable to the Non-Executive Directors up to RM29,500/- for the period from 20 June 2026 until the next Annual General Meeting of the Company in year 2027		
3	To re-elect Mr. Yong Wai Kin as Director		
4	To re-elect Mr. Liaw Choon Wei as Director		
5	To re-elect Dato' Low Suet Moi as Director		
6	To re-appoint Messrs. Kreston John & Gan as Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Board of Directors of the Company to determine their remuneration		
As Special Business			
7	Authority to issue shares pursuant to the Companies Act 2016		

**strike out whichever not applicable*

Dated this _____ day of _____ 2026.

Signature of Member/Common Seal

Fold this flap for sealing

Notes:

1. For the purpose of determining a member who shall be entitled to attend the 2nd 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 2026. Only a depositor whose name appears on the Record of Depositors as at 12 June 2026 shall be entitled to attend the 2nd 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 2nd 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.

Please fold along this line (1)

**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

Please fold along this line (2)

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 2nd 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 2nd 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 2nd AGM dated 29 April 2026.



SALIRAN GROUP BERHAD

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

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

 (603) 5879 1328

 (603) 5879 1628