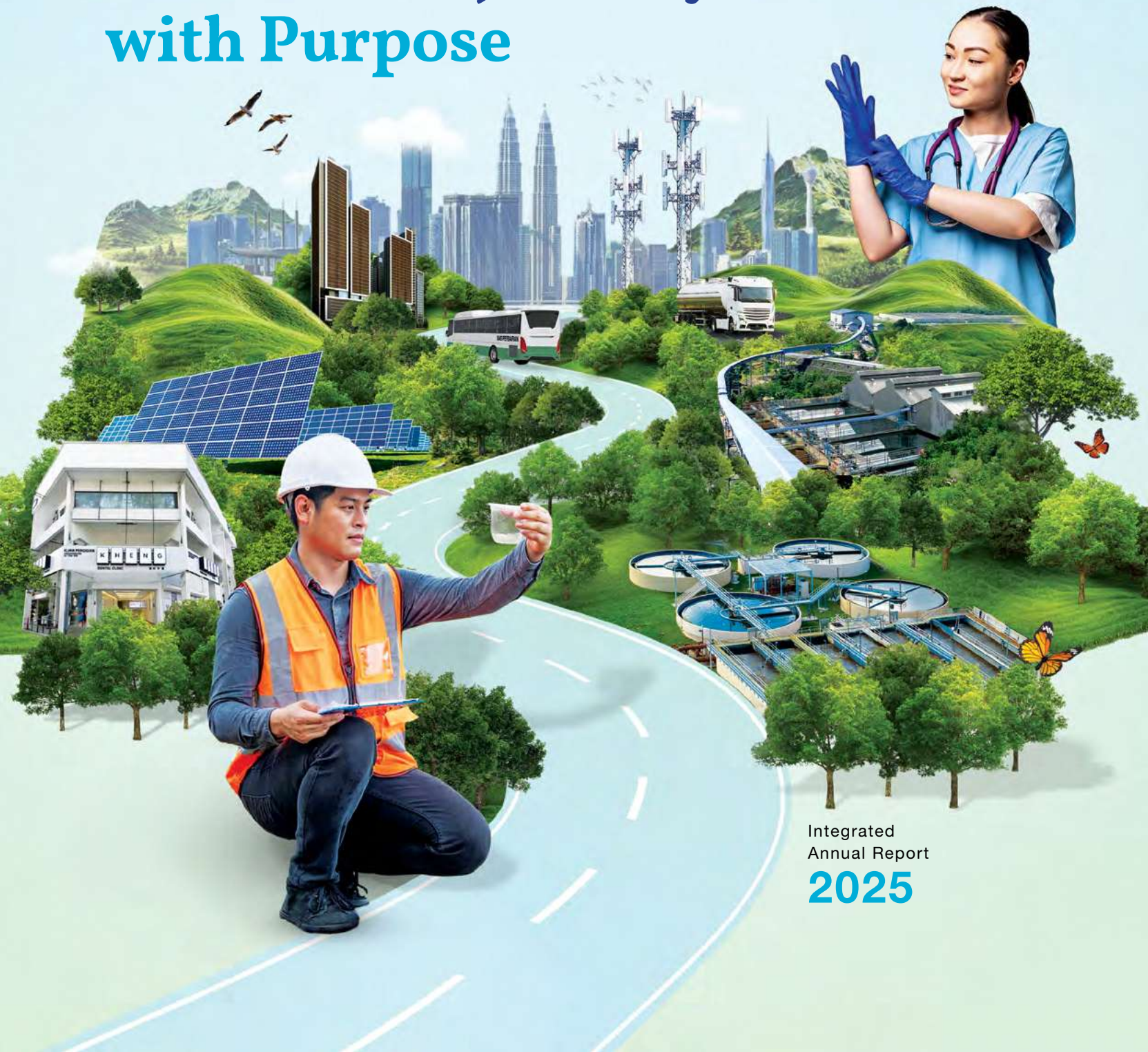




Empowering Sustainable Journey with Purpose



Integrated
Annual Report
2025

Empowering Sustainable Journey with Purpose

The cover design captures Salcon’s solid foundation in the water and wastewater industry while depicting its purposeful journey of growth and diversification. The road element serves as a visual metaphor for continuous progress, guiding the viewer through milestones that mark Salcon’s expansion into healthcare, renewable energy, and other emerging businesses.

In line with the theme “**Empowering Sustainable Journey with Purpose,**” the design conveys resilience and forward momentum, reflecting Salcon’s unwavering commitment to creating sustainable value. It reflects the Group’s focus on purposeful progress and confidence in charting a path toward long-term growth and broader impact across industries.

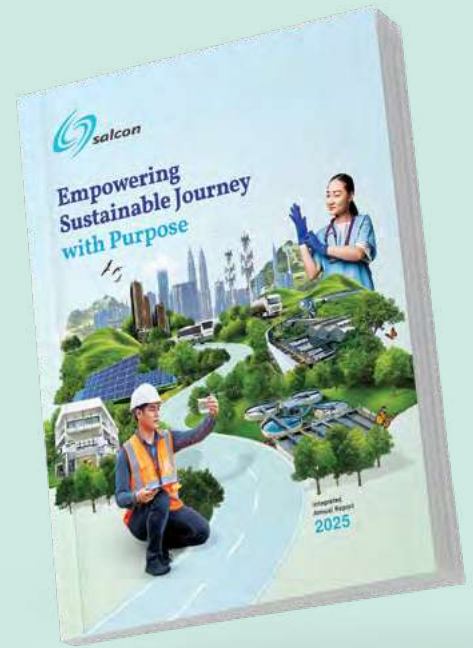


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23rd

Annual General Meeting



Date and Time

11 June 2026 (Thursday),
10:30 a.m.



Venue

Hilton Shah Alam Glenmarie

Ballroom A, No. 1, Jalan Usahawan U1/8
Seksyen U1, 40250 Shah Alam
Selangor Darul Ehsan



To receive a hard copy of the latest Annual Report, please fill out the request form or alternatively download the full PDF version using the QR code on the left.

Our website:

www.salcon.com.my



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About This Report

This Integrated Annual Report (“IAR2025”) presents the financial and non-financial performance of Salcon Berhad (“Salcon” or “the Company”) and its subsidiaries (“the Group”) for the financial year ended 31 December 2025 (“FY2025”) and outlines how the Group creates long-term sustainable value.

This report provides a clear overview of the Group’s governance, strategy, key risks, future outlook and demonstrates how the Group manages its impacts on the economy, environment and society in line with stakeholders’ expectations.

Scope and Boundary

This IAR2025 covers the principal activities and operations of Salcon Berhad (“Salcon” or “the Company”) and its subsidiaries (“the Group”) including key subsidiaries and international operations from 1 January 2025 to 31 December 2025, unless otherwise stated. The Sustainability Statement mainly covers the operations in Malaysia, where the majority of the Group’s workforce, environmental and social impacts are concentrated.

Financial statements have been prepared in accordance with the Companies Act (“CA 2016”) and Malaysian Financial Reporting Standards (“MFRS”).

Reporting Framework

The preparation of this IAR is guided by the following statutory provisions, guidelines and recognised international frameworks including:

Key Frameworks / Standards	CD	SD	FD
Integrated Reporting <IR> Framework by International Integrated Reporting Council (“IIRC”)	✓		
Malaysian Code on Corporate Governance 2021 (“MCCG”)	✓		
Bursa Malaysia Securities Berhad (“Bursa Malaysia”) Main Market Listing Requirements (“MMLR”)	✓		✓
Companies Act 2016 (“CA 2016”)	✓		✓
Malaysian Financial Reporting Standards (“MFRS”)			✓
Bursa Malaysia Corporate Governance Guide (4 th edition)	✓	✓	
FTSE4Good Bursa Malaysia requirements		✓	
Global Reporting Initiative (“GRI”) Standards		✓	
Sustainability Accounting Standards Board (“SASB”) Standards		✓	
United Nations Sustainable Development Goals (“UNSGD”)		✓	

CD Corporate Disclosure

SD Sustainability Disclosure

FD Financial Disclosure


Materiality

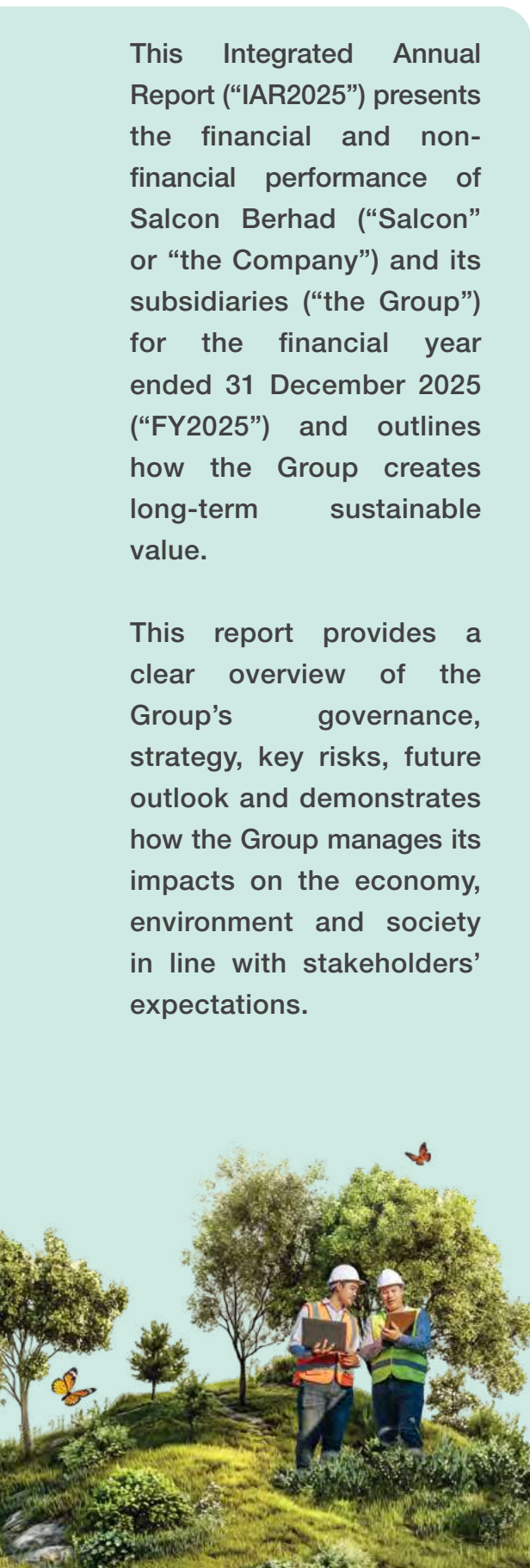
Our materiality assessment takes into account stakeholders’ expectations, risks and internal analysis to identify matters that significantly impact our value creation. These material matters help shape the Group’s strategic priorities and decision making.

We have identified 11 material matters and grouped them into the following 5 focus areas:

- BMI** Business Model and Innovation
- LAG** Leadership and Governance
- HC** Human Capital
- E** Environment
- SC** Social Capital

The Group reports on these material matters to reflect stakeholder priorities and deliver sustainable outcomes.

 For more information on the Material Matters, please refer to Materiality Matrix on page 25 of this report.



About This Report

Assurance Statement

Our financial statements were audited by our external auditor, KPMG. Internal assurance was provided by our Internal Audit and Risk Management department for the Sustainability Statement. Certain key ESG indicators reported in this report such as total energy consumption, water consumption, Scope 1 emission, Scope 2 emission and % of employees who have received training on anti-corruption have been subjected to internal review.

Forward-looking Statements

This report contains certain forward-looking statements concerning our business strategies, performance, operations, and prospects. Such forward-looking statements are formed

based on reasonable assumptions and are subject to changes due to risks and uncertainties that may cause actual results to differ from those projected or implied.

Board Responsibility Statement

The Board of Directors of Salcon Berhad acknowledges its responsibility for the integrity of this IAR and is of its opinion that the IAR2025 addresses the Group’s material matters and fairly presents the Group’s performance for FY2025.

Feedback

We value feedback from our stakeholders to help improving our reporting journey. Should you have any feedback or inquiries, please contact us at corporate@salcon.com.my.



Navigation Icons

Capitals

- FC** Financial Capital
- HC** Human Capital
- MC** Manufactured Capital
- IC** Intellectual Capital
- NC** Natural Capital
- SRC** Social and Relationship Capital

Five Focus Areas

- BMI** Business Model and Innovation
- LAG** Leadership and Governance
- HC** Human Capital
- E** Environment
- SC** Social Capital

Key Material Matters

- | | |
|---|--|
| <ul style="list-style-type: none"> MI1 Business Management and Delivery MI3 Supply Chain Management MI5 Occupational Health and Safety MI7 Talent Attraction and Engagement MI9 Climate Change MI11 Labour Rights and Practices | <ul style="list-style-type: none"> MI2 Business Ethics and Corporate Governance MI4 Technology and Innovation MI6 Systemic Risk Management MI8 Environmental Impact Management MI10 Community Engagement |
|---|--|

Key Risks

- | | |
|---|---|
| <ul style="list-style-type: none"> KR1 Market Risk KR3 Project Management and Construction Risk KR5 People Risk KR7 Occupational Safety and Health (“OSH”) Risk KR9 Integrity and Corruption Risk | <ul style="list-style-type: none"> KR2 Reputation Risk KR4 Compliance Risk KR6 Sustainability Risk KR8 Financial Risk KR10 Technological Risk |
|---|---|

Stakeholders

- | | | | | | |
|-----------|-------------------------------|-----------------------------------|----------------------------|--------------------------------|-------------------------|
| Clients | Business Associates/ Partners | Regulators/Government Authorities | Industry Associations | Non-governmental Organisations | |
| Employees | Bankers | Media | Suppliers/ Sub-contractors | Local Community | Shareholders/ Investors |

United Nations Sustainable Development Goals



Cross References

- Indicates where additional information can be found within the report
- Indicates where additional information can be found online at www.salcon.com.my.

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Section 03

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About Us

Salcon is a diversified infrastructure and services group with a strong foundation in water and wastewater engineering established in 1974 and listed on the Main Market of Bursa Securities in 2003.



Please scan this QR code for more information on our business.

Over the past 50 years, Salcon has strategically diversified into various sectors, including glove manufacturing, technology services, healthcare, renewable energy, transportation and property development to strengthen resilience and drive sustainable growth.

Operating across Malaysia, the United Kingdom, Vietnam, Thailand and Sri Lanka, the Group delivers essential infrastructure and services that enhance water security, public health, connectivity and community development while creating value for stakeholders and contributing to socio-economic progress.

Vision

To be a respected and synergistic corporation transforming lives for the better.

Mission

To enrich lives by providing top quality products and services through operational excellence and sustainability.

Core Values



COMMITMENT

We deliver consistent and high-quality products and services through the most efficient use of resources.



TEAMWORK

We believe that unified efforts bring about greater synergy and productivity in our pursuit of excellence.



OWNERSHIP

We take full responsibility and accountability for all our actions.



RESPECT

We respect our employees regardless of gender, race or religion and inspire them to be their best.



RESULTS ORIENTED

We strive towards maximising stakeholders' values and returns.



ENRICH

We enhance quality of life through our products and services whilst ensuring long-term, sustainable value creation for shareholders.



SUSTAINABLE

We build sustainable businesses that create long-term value seek to ensure that every company in our company portfolio fulfills our requirements and makes a positive contribution to a most sustainable world.



OPPORTUNITIES

We pursue growth opportunities across new markets and sectors while managing risk.

Our Purpose

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Our Business


Engineering and Construction

We deliver end-to-end water and wastewater solutions across the full asset lifecycle, including:

- Raw water management
- Design and construction of water and wastewater treatment facilities
- Operation and maintenance of water and wastewater treatment facilities
- Non-revenue water reduction
- Customer service, billing and collection
- Investment in water and wastewater infrastructures

Where we operate:



 Kindly refer to pages 41 to 46.

Glove Manufacturing


We manufacture:

- Medical gloves
- Industrial grade gloves

for sectors including dentistry, food industry, healthcare, industrial applications and laboratory use.

Where we operate:



 Kindly refer to pages 47 to 50.


Technology Services

We provide:

- Ultra-low latency managed backhaul services
- Metro ethernet solutions
- Infrastructure leasing
- Ethernet bandwidth access

Where we operate:



 Kindly refer to pages 51 to 53.



Our Business




Renewable Energy

Where we operate:



We invest in and develop renewable energy projects, including:

- Solar projects (rooftop and ground-mounted)
- Hydropower projects
- Hybrid renewable energy solutions with Battery Energy Storage System (“BESS”)

 Kindly refer to pages 54 to 57.


Transportation

Where we operate:



We deliver integrated transportation solutions, including

- Employee shuttle services for multinational companies
- Inbound and outbound tour services
- Tanker solution for edible oil transportation

 Kindly refer to pages 58 to 60.


Healthcare

Where we operate:



We offer integrated healthcare services across:

- Dental care
- Aesthetic services
- General practitioner services
- Spa and wellness


 Kindly refer to pages 61 to 65.

Property Development

Where we operate:



- We offer niche property developments aligned with market demand and community needs.

 Kindly refer to pages 66 to 67.

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At A Glance

Business Overview

Established in 1974		350 Male	
704 employees		354 Female	
Presence in 5 countries			


Creating Meaningful Impact

PEOPLE 0 employee work-related injuries or fatalities	ENVIRONMENT 59.11 tonnes of waste collected
18.5% of women in senior management	3,715.6 MWh of renewable energy generated
COMMUNITIES RM109,463 invested for community development	GOVERNANCE 0 substantiated bribery/corruption bases

Segmental Highlights

<p>ENGINEERING AND CONSTRUCTIONS</p> <ul style="list-style-type: none"> Delivered Langat 2 Package 3 Residuals Management System for Langat 2 Water Treatment Plant - Malaysia's longest pipe conveyor system (1,918m) for effective water treatment residual handling Secured several major contracts in water and wastewater with a combined value of RM337 million 				
<p>RENEWABLE ENERGY</p> <p>Secured a 7-megawatt project in Sungai Siput, Kuala Kangsar, Perak under the Corporate Green Power Programme ("CGPP")</p>				
<p>HEALTHCARE SERVICES</p> <p>Expanded healthcare footprint across Klang Valley, Melaka, Penang and Negeri Sembilan, including:</p> <table border="0"> <tr> <td>46 dental clinics (2024:14)</td> <td>25 GP clinics</td> </tr> <tr> <td>10 aesthetic clinics</td> <td>2 spa and wellness centres</td> </tr> </table>	46 dental clinics (2024:14)	25 GP clinics	10 aesthetic clinics	2 spa and wellness centres
46 dental clinics (2024:14)	25 GP clinics			
10 aesthetic clinics	2 spa and wellness centres			

Awards and Recognitions

<p>ENGINEERING AND CONSTRUCTIONS</p> <p>MWA Excellence Awards by Malaysia Water Association ("MWA"):</p> <ol style="list-style-type: none"> Best Contractor for Construction of Water Treatment Plant's Residual Management System (Package 3 – Design and Build of the Sludge Disposal System for Langat 2 Water Treatment Plant) Best Contractor for Project Value more than RM100 million (Package 2A – Construction and Completion of 1,130 MLD Langat 2 Water Treatment Plant) 	<p>Malaysia Book of Record - 2 MBOR awards:</p> <ol style="list-style-type: none"> Longest Pipe Conveyor System for Water Treatment Residual (total length of 1,918m) Longest Shaftless Screw Conveyor System for Water Treatment Residuals (total length of 46m) 	<p>GLOVE MANUFACTURING</p> <p>Best Employee Award by Employees Provident Fund ("EPF")</p>
<p>SUSTAINABILITY</p> <p>Asia Integrated Reporting Awards – Silver</p>		

Corporate Information

Board of Directors

Tan Sri Abdul Rashid bin Abdul Manaf

Chairman, Independent
Non-Executive Director

Tan Sri Dato' Tee Tiam Lee

Executive Deputy Chairman

Dato' Leong Kok Wah

Executive Director

Datin Goh Phaik Lynn

Non-Independent
Non-Executive Director

Chan Seng Fatt

Senior Independent
Non-Executive Director

Dato' Rosli bin Mohamed Nor

Independent
Non-Executive Director

Low Han Kee

Independent
Non-Executive Director

Audit and Risk Management Committee

Chan Seng Fatt (Chairman)
Dato' Rosli bin Mohamed Nor
Datin Goh Phaik Lynn
Low Han Kee

Nomination Committee

Chan Seng Fatt (Chairman)
Dato' Rosli bin Mohamed Nor
Datin Goh Phaik Lynn
Low Han Kee

Remuneration Committee

Chan Seng Fatt (Chairman)
Dato' Rosli bin Mohamed Nor
Datin Goh Phaik Lynn
Low Han Kee

Sustainability Committee

Dato' Rosli bin Mohamed Nor (Chairman)
Datin Goh Phaik Lynn
Leong Yi Shen
Jamiluddin Amini bin Sulaiman
Lee Lai Peng

Company Secretaries

Wong Siew Yeen
(SSM PC No.: 202008001471)
(MAICSA 7018749)

Tan Lai Hong
(SSM PC No.: 202008002309)
(MAICSA 7057707)

Registered Office

15th Floor, Menara Summit
Persiaran Kewajipan, USJ 1
47600 UEP Subang Jaya
Selangor Darul Ehsan

Tel : 603-8024 8822
Fax : 603-8024 8811
Email : corporate@salcon.com.my

Head Office

15th Floor, Menara Summit
Persiaran Kewajipan, USJ 1
47600 UEP Subang Jaya
Selangor Darul Ehsan

Tel : 603-8024 8822
Fax : 603-8024 8811
Email : corporate@salcon.com.my

Auditors

KPMG PLT
Chartered Accountants
Level 10, KPMG Tower
8 First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan

Principal Bankers

HSBC Bank (Malaysia) Berhad
CIMB Bank Berhad
Malayan Banking Berhad
Hong Leong Bank Berhad
AmBank (M) Berhad
United Overseas Bank (Malaysia) Berhad
RHB Bank Berhad

Share Registrar

Tricor Investor & Issuing House Services
Sdn. Bhd.
[197101000970 (11324-H)]
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

Tel : 603-2783 9299
Email : is.enquiry@vistra.com

Stock Exchange Listing

Main Market of Bursa Malaysia
Securities Berhad
(Listed since 3 September 2003)

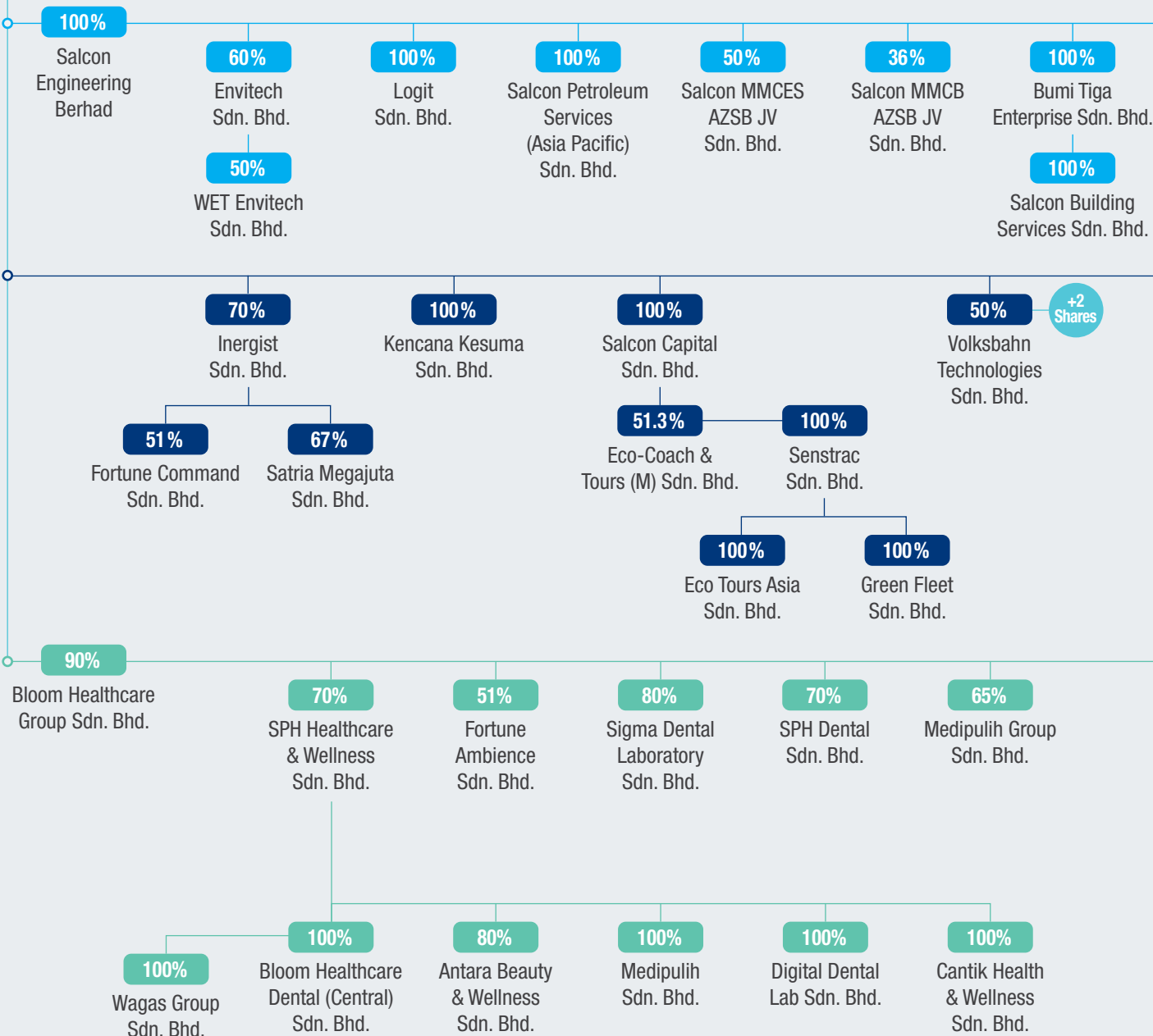
Sector : Utilities
Stock Name : SALCON
Stock Code : 8567

Website

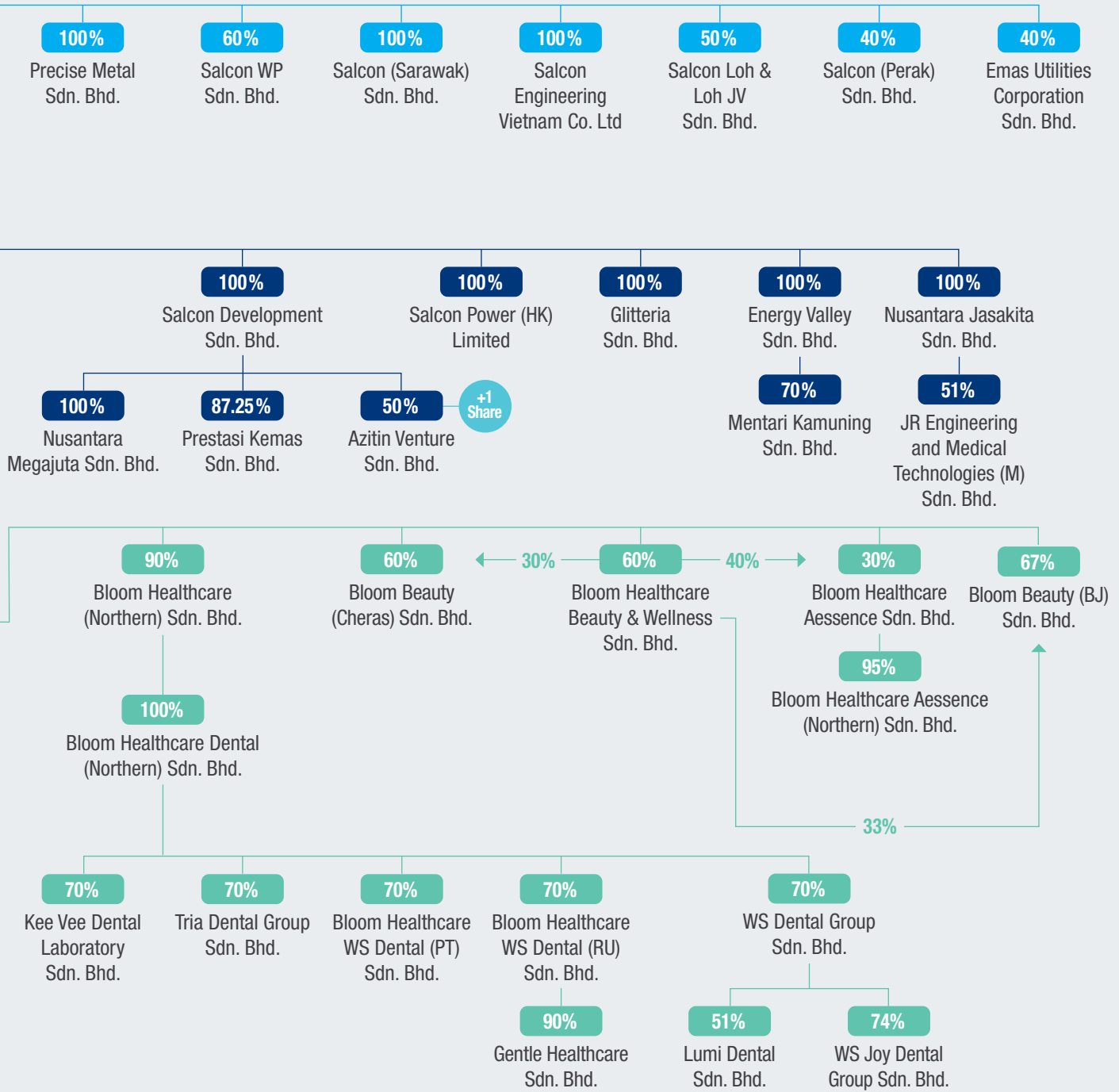
www.salcon.com.my

Corporate Structure

SALCON BERHAD



Corporate Structure



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Chairman’s Statement

Dear Valued Shareholders,

On behalf of the Board of Salcon Berhad, I am pleased to present the Integrated Annual Report and Audited Financial Statements of the Company and its subsidiaries (“the Group”) for the financial year ended 31 December 2025, reflecting a year of strategic progress and investment for future growth.



REVENUE

RM374.2
MILLION

RM298.4 MILLION
IN FY2024



PROFIT BEFORE TAXATION

RM5.3
MILLION


RM17.3 MILLION
IN FY2024

Resilient Performance in a Transitional Year

FY2025 was a year of resilience and strategic positioning for the Group. Despite continued uncertainties arising from geo-political tensions and tariffs imposed by the US, Malaysia’s growth remained supported by resilient domestic demand and sustained national investment in infrastructure and water security. Against this backdrop of subdued global growth and external headwinds, Salcon remained focused on its strategic priorities, maintaining disciplined financial management while continuing to strengthen its core competencies.

During the financial year under review, the Group recorded revenue growth by 25.4% to 374.2 million while PBT moderated by 69.4% to RM5.3 million in FY2025 compared to previous year. This reflects deliberate investments to strengthen the Group’s long-term growth platform, particularly in healthcare and new business segments.

Despite this, the Group maintains a strong financial position, supported by a sound balance sheet and healthy cash and cash equivalents of RM137.3 million.

 Further details on the Group’s financial performance are set out in the Group CFO’s Statement on pages 33 to 40.

Strengthening Our Core While Advancing Growth


The Malaysia Government continued investment in water and wastewater infrastructure reinforces strong fundamentals for the Group’s core business. These initiatives aim to ensure a sustainable and reliable supply of treated water, safeguard the environment and enhance resilience against extreme weather conditions. Aligned with these national priorities, Salcon remains committed to delivering projects that create sustainable outcomes and contribute to Malaysia’s long term development.

Chairman’s Statement



This year, the Engineering and Construction Division secured several major contracts in water and wastewater with a combined value of approximately RM337 million. These wins reinforce Salcon’s strategic position and provide momentum for sustainable growth.

In June 2025, shareholders approved the diversification into healthcare and energy-related businesses, expanding the Group’s growth platform beyond its core water infrastructure segment. The Group’s principal activities to include healthcare and energy-related businesses. This strategic expansion broadens our growth platform while remaining closely aligned with our core capabilities. As these new segments progress through their early development stages, robust governance and strategic oversight continue to underpin disciplined and sustainable growth.

 Further details on our sustainability initiatives and commitments are set out on pages 68 to 113 of this report.

Advancing Our Sustainability with Purpose

Sustainability is embedded in our strategy and operations to our strategy, shaping how we operate, innovate and create long-term value. Through our projects, products and services, the Group contributes to advancing the United Nations Sustainable Development Goals (UNSDGs).

In April 2025, we successfully completed Langat 2 Package 3: Residuals Management System for Langat 2 Water Treatment Plant, a landmark project with a handling capacity of 120 tonnes per hour. This achievement sets new benchmarks in engineering innovation, sustainability and operational excellence, thereby supporting national objectives in water security and advancing Malaysia’s transition towards sustainable residual management and lower carbon footprint.

The achievement was recognised by Malaysia Book of Records (“MBOR”) and the Malaysian Water Association (“MWA”), reflecting both technical innovation and operational excellence, via:


- MBOR awards for the Longest Pipe Conveyor System and the Longest Shaftless Screw Conveyor System for Water Treatment Residual; and
- MWA Excellence Award 2025 – Best Contractor for the Construction of Water Treatment Plant Residual Management System.

In recognising our other achievement in sustainable water supply, we have been accorded MWA Excellence Award 2025 for Best Contractor for Project Value more than RM100 million through Package 2A – Construction of 1,130 MLD Langat 2 Water Treatment Plant project which was completed and commercially operational since 2020.

Looking Ahead

As we progress, we recognise challenges that we face in the external environment and the need to continue building resilient businesses for the future. Our focus remains on strengthening our core business while carefully pursuing growth in new sectors. Guided by our four key drivers: cost and operational effectiveness, strategic diversification, technology and innovation and embedding sustainability across the Group, we are well positioned to navigate near-term uncertainties and deliver long-term value creation.

The Group expects its recent investments and expansion initiatives to progressively contribute to earnings in the near future.

 Further details on our Market and Strategic Growth Drivers set out on pages 16 to 19.

Acknowledgments and Appreciation

On behalf of the Board, I extend our sincere appreciation to the Government, regulators, industry partners and agencies for their continued support and collaboration. I also wish to thank my fellow Board members for their guidance and strategic foresight.

To our employees, thank you for your determination and commitment throughout the year. To our shareholders, customers, partners and suppliers, we are grateful for your ongoing trust and support.

We remain committed to executing our strategy, delivering sustainable growth and creating long-term value for our stakeholders.

Thank you.

TAN SRI ABDUL RASHID BIN ABDUL MANAF

Chairman
Independent Non-Executive Director

► Strategic Review

Value Creation Business Model

Strategic Inputs

FC Financial Capital

- Total equity: RM455.8 million
- Cash and cash equivalents: RM137.3 million
- Total borrowings: RM28.9 million
- Total capital expenditure: RM29.4 million

HC Human Capital

- 704 employees
- 56 protégé
- RM254,225 invested in training and development

MC Manufactured Capital

- 1 manufacturing plant
- 186 transportation vehicles/distribution fleet
- 46 dental clinics, 10 aesthetic clinics, 25 GP clinics, 2 spa and wellness centres
- Fibre optic cables
- 5.35 acres of landbank

IC Intellectual Capital

- Strong industry knowledge and expertise
- Technology and innovation initiatives
- ISO 9001 Quality Management System
- ISO 14001 Environmental Management System
- ISO 45001 Occupational Health and Safety Management System
- ISO13485 Quality Management System for Medical Devices
- Risk management system

NC Natural Capital

- 4,088,292 kWh of energy consumption
- 170,439 m³ of water consumption

SRC Social and Relationship Capital

- 388 local vendors in Malaysia
- 92 hours of employee volunteering
- RM109,463 invested in community engagement activities

Strategy

Vision

To be a respected and synergistic corporation transforming lives for the better.

Mission

To enrich lives by providing top quality products and services through operational excellence and sustainability.

Core Values

- Commitment
- Ownership
- Results Oriented
- Teamwork
- Respect

Strategic Growth Drivers

- Strategic Diversification
- Embracing Technology and Innovation
- Cost and Organisational Efficiency
- Embedding Sustainability across the Group

Business Division

Engineering and Construction

- Raw water management
- Design and build of water and wastewater treatment plant
- Non-revenue water solutions
- Pipelaying and reservoirs
- Consumer billing and collection
- Wastewater collection and treatment
- Hydro power plant

Glove Manufacturing

- Glove manufacturing

Transportation

- Transport solution for worker commuting
- Palm oil and soy oil product transporting services



Renewable Energy

- Solar photovoltaic system installation

Technology Services

- Fiber optic cables laying and operation

Healthcare

- Dental care
- Aesthetic services
- General practitioner services
- Spa and wellness

Property Development

- Residential property construction and development


Value Creation Business Model

Business Environment

Value Created


Operating Environment

- Economic uncertainty
- Competitive landscape
- Technology and innovation
- Rising ESG (“Environmental, Social, and Governance”) Expectations

 For more information on Market and Strategic Growth drivers, please refer to pages 16 to 19 of this report.

Key Risks

- Market Risk
- Sustainability Risk
- Project Management and Construction Risk
- Reputation Risk
- Compliance Risk
- Occupational Safety and Health (“OSH”) Risk
- People Risk
- Financial Risk
- Integrity and Corruption Risk
- Technological Risk

 For more information on Key risk and mitigation, please refer to pages 29 to 32 of this report.

Focus Areas and Material Issues

A: Business Model and Innovation

1. Business Management and Delivery
2. Supply Chain Management
3. Technology and Innovation

B: Leadership and Governance

1. Business Ethics and Corporate Governance
2. Systemic Risk Management

C: Human Capital

1. Occupational Health and Safety
2. Talent Attraction and Engagement
3. Labour Rights and Practices

D: Environment

1. Environmental Impact Management
2. Climate Change

E: Social Capital

1. Community Engagement

OUTPUT

OUTCOME

Financial Capital

- Profit after tax: RM813k
- Tax expense: RM4.46 million
- Interest expense: RM5.04 million

- Sustainable earnings growth and profitability
- Ongoing access to funding to support operations and growth
- Enhanced stakeholder confidence
- Made positive contributions to national economic development through tax contributions and job creation

Stakeholders Involved:

Investors, Shareholders, Regulators, Suppliers, Business Partners, Clients

Human Capital

- RM41.5million paid in salaries and rewards
- 38.5% of employees are women
- 33.3% of middle and senior management are held by women
- 3,693 of employee training hours
- 14,885,373 manhours without loss time injuries (“LTI”)

- Supportive environment and work life balance
- Improved talent retention and stronger organisational culture
- Stronger safety culture

Stakeholders Involved:

Employees

Manufactured Capital

- Produce over 147.4 million pieces of gloves
- Delivered cells sites along the LRT corridor
- Outstanding order book of RM405.7 million of water and wastewater projects
- 3.72 GWh of renewable energy generated from renewable energy division

- Won two MWA Excellence Awards from Malaysia Water Association (“MWA”) for L2P3 and L2 WTP
- Achieved two Malaysia Book of Records for Longest Pipe Conveyor System for Water Treatment Residual and Longest Shaftless Screw Conveyor System for Water Treatment Residuals
- Enhanced market positioning
- Long-term strategic partnership
- Enhanced products and services quality

Stakeholders Involved:

Business Partners, Employees, Clients

Intellectual Capital

- Intermittent Decanted Extended Aeration (“IDEA”) System installation with a capacity of more than 337,368 PE
- 4 new glove products launched

- Innovative product and services
- Increased operational efficiencies
- Strengthened brand and market reputation through innovation

Stakeholders Involved:

Clients, Investors, Business Partners

Natural Capital

- Zero environmental fines
- 5,632.55 tonnes CO₂e of GHG emission
- 0.11 tonnes waste diverted from landfill through enhanced recycling initiatives
- 59.11 of scheduled waste managed

- Sustained licence to operate and regulatory confidence
- Reduced environmental footprint
- Responsible resource and waste management

Stakeholders Involved:

Regulators

Social and Relationship Capital

- Conducted 4 Salcon Smart Water Programmes held, benefiting 158 students
- Supported 652 beneficiaries from philanthropic and river programme activities
- 100% of procurement sourced locally

- Contribution to nation building and economic development
- Social licence to operate
- Enhanced reputation and community trust

Stakeholders Involved:

Community, Suppliers, Sub-contractors, Regulators, Employees

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► *Strategic Review*

Market and Strategic Growth Drivers

During the year under review, the Group demonstrated resilience amid volatile market conditions and ongoing geopolitical uncertainties. Against this backdrop, Salcon remained focused on creating sustainable value for stakeholders, guided by four strategic growth drivers that strengthen its competitive positioning and support long-term growth.

1 ECONOMIC UNCERTAINTY

Business Environment

Volatile macroeconomic conditions, including persistent inflationary pressures, rising energy tariffs and elevated labour and material costs, continued to affect the Group's operating environment. In the Malaysia, rising healthcare costs and higher electricity tariffs further intensified cost pressures across key sectors.

Impact

- Margin compression from higher input costs
- Greater emphasis on cost efficiency and resource optimisation

Strategic Growth Drivers

Cost and Organisational Efficiency

The Group drives continuous improvement across operations through resource optimisation, supplier management, workforce development and performance monitoring. These initiatives improve cost efficiency, productivity and operational resilience.

2025 Key Developments/Initiatives



Engineering and Construction

Continue to leverage its expertise to secure strategic projects



Glove Manufacturing

Diversified income streams through consultation services and focused on higher value products segments



Healthcare

Expanded network while centralising administrative functions to improve operational efficiency



Transportation

Rationalised fleet operations and asset deployment strategies to improve utilisation and reduce maintenance costs

2026 Priorities

- Reinforce cost optimisation and prudent cash management to preserve margins
- Enhance operational efficiencies to maximise returns and deliver quality services to customers
- Expand into sustainable higher value products and solutions to capture emerging growth opportunities

Divisions



Market and Strategic Growth Drivers

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2 COMPETITIVE LANDSCAPE

Business Environment

Markets remain highly competitive with pricing pressures, industry consolidation and new entrants reshaping sector dynamics across the Group's businesses.

Impact

- Margin pressure from intensified pricing competition
- Challenges in sustaining and expanding market share

Strategic Growth Drivers

Strategic Diversification

The Group is expanding into new business segments and geographical markets to mitigate competitive risks. By leveraging across sector opportunities and reducing reliance on single business segment, the Group strengthens long-term growth and resilience in evolving market conditions.

2025 Key Developments/Initiatives



Engineering and Construction

Secured contracts through competitive positioning and technical expertise



Technology Services

Secured long-term contracts with CelcomDigi and U Mobile for bandwidth services, strengthening its market presence



Renewable Energy

Prioritised contracts under national programmes



Glove Manufacturing

Strengthen market position through optimised product and pricing strategies



Healthcare

Extended integrated service offerings across dental, aesthetic, GP and wellness to drive cross referrals

2026 Priorities

- Diversify and expand the Group's revenue through new projects, strategic acquisitions and JVs
- Deepen engagement with industry stakeholders to capture emerging opportunities

Divisions



Market and Strategic Growth Drivers

3 TECHNOLOGY AND INNOVATION

Business Environment

Rapid digitalisation, expanded connectivity and emerging technologies are transforming industry structures and customer expectations. Demand for high-capacity solutions continues to grow alongside the expansion of data centres and 5G infrastructure.

Impact

- Growing demand for advanced technological solutions
- Opportunities to improve operational efficiency through digitalisation
- Greater emphasis on R&D to meet the changing needs

Strategic Growth Drivers

Embracing Technology and Innovation

The Group is actively integrating advanced technologies into its business operations to enhance customer experience, operational efficiencies and long-term value in an increasingly digital business landscape.

2025 Key Developments/Initiatives



Engineering and Construction

Designed and built advanced water treatment plant residual management system that enhances operational efficiency, workplace safety and reduces GHG emissions



Glove Manufacturing

Upgraded production facilities and lines through adoption of new technologies to improve competitiveness



Technology Services

Strengthened network resilience and service reliability through 24-hour network monitoring system and helpdesk



Healthcare

Leveraged digital platforms to enhance patient experience and operational efficiency

2026 Priorities

- Continue to integrate technologies across operations and businesses to improve efficiency
- Prioritise R&D on customer centric innovation
- Invest in new technologies and product development to deliver customised customer solutions
- Develop bespoke, high-capacity connectivity solutions for data centre and enterprise customers

Divisions



Market and Strategic Growth Drivers

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4 RISING ESG EXPECTATIONS

Business Environment

Sustainability considerations are increasingly prominent, driven by evolving regulatory requirements, national transition framework and heightened stakeholder expectations. Greater emphasis on environmental stewardship, labour standard and governance continues to shape operations and investment decisions.

Impact

- Enhanced stakeholder confidence through responsible business practices
- New growth opportunities in sustainability driven markets

Strategic Growth Drivers

Embedding sustainability across the Group

The company integrates sustainability into its operations, reinforcing responsible corporate practices while fostering long-term business resilience and growth in an evolving business landscape.

2025 Key Developments/Initiatives



Engineering and Construction

Secured infrastructure projects that support community development and water security



Renewable Energy

Secured a solar contract under the Corporate Green Power Programme (“CGGP”)



Glove Manufacturing

Maintained compliance with international standards and ISO certifications

2026 Priorities

- Advanced our sustainability agenda across operations and growth
- Explore opportunities in new markets
- Embed sustainability practices across operations

Divisions



► *Strategic Review*

Stakeholder Engagement

Effective stakeholder engagement is critical to the Group’s ability to create sustainable long-term value. We actively engage stakeholders and incorporate their feedback into strategies, risk management and operational decision making. In doing so, we strengthen relationships and support sustainable outcomes.

Our approach to stakeholder engagement



Frequency

- AR As required
- A Annually
- M Monthly
- P Periodic
- Q Quarterly
- TTY Throughout the year
- W Weekly
- Y Yearly



Clients

Why we engage?

- To understand their expectations and needs
- To deliver quality, innovative solutions
- To build long-term partnership
- To secure new contracts

Key Priorities and Concerns	Engagement Channels and Frequency	Outcomes/Benefits
<ul style="list-style-type: none"> • Timely delivery of quality products and services within budget • Innovative and sustainable solutions • Ethical business practices <p> Pages 74 to 84</p>	<ul style="list-style-type: none"> P Meetings AR Site visits A Client Satisfaction Survey AR Industry conferences, forums and events 	<ul style="list-style-type: none"> • Support sustainable growth and profitability • Enhanced track record for new and recurring contracts

Linkages

Focus Area: BMI Material Matters: MI1 MI2 MI4 Capitals: FC IC MC

Stakeholder Engagement

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Employees

Why we engage?

- To create a safe, healthy and supportive workplace that fosters productive workforce

Key Priorities and Concerns	Engagement Channels and Frequency	Outcomes/Benefits
<ul style="list-style-type: none"> • Physical safety and well being • Career advancement opportunities • Competitive remuneration and attractive benefits • Fair labour practices <p> Pages 86 to 94</p>	<ul style="list-style-type: none"> W Toolbox session P Safety, Health and Environment (“SHE”) programmes AR Employee events and engagement activities AR Training and workshops AR Policies and Procedures reviews 	<ul style="list-style-type: none"> • Improved talent retention and engagement • Stronger workforce capabilities • Enhanced workplace culture and employee well-being

Linkages

Focus Area: **LAG** **HC** Material Matters: **MI2** **MI5** **MI7** **MI11** Capitals: **HC**



Business Partners (including strategic partners in subsidiaries)

Why we engage?

- To collaborate effectively and align business objectives
- To build trusted and long-term business relationship

Key Priorities and Concerns	Engagement Channels and Frequency	Outcomes/Benefits
<ul style="list-style-type: none"> • Company performance and growth opportunities • Shared values, governance and ethical standards <p> Pages 74 to 84</p>	<ul style="list-style-type: none"> M Board meetings P Meetings 	<ul style="list-style-type: none"> • Strengthened long-term and mutually beneficial relationship • Better alignment on performance expectations and governance

Linkages

Focus Area: **BMI** **LAG** Material Matters: **MM1** Capitals: **FC** **MC** **IC**

Stakeholder Engagement



Government and Regulators (including SPAN, DOE and LDHN)

Why we engage?

- To comply with applicable laws and regulations
- To support national development objectives

Key Priorities and Concerns	Engagement Channels and Frequency	Outcomes/Benefits
<ul style="list-style-type: none"> • Compliance with laws and regulations • Sustainable infrastructure development <p> Pages 74 to 81</p>	<ul style="list-style-type: none"> Statutory submissions Workshops/Site visits 	<ul style="list-style-type: none"> • Continued compliance with applicable regulatory requirements • Support for sustainable infrastructure development • Maintain trust and constructive engagement with regulators

Linkages

Focus Area: Material Matters: Capitals:



Shareholders/Investors/Financial Institutions

Why we engage?

- To provide transparent and timely disclosure of corporate information
- To facilitate access to financing and capital

Key Priorities and Concerns	Engagement Channels and Frequency	Outcomes/Benefits
<ul style="list-style-type: none"> • Financial performance • Business strategy and outlook • ESG performance <p> Pages 74 to 81</p>	<ul style="list-style-type: none"> Annual General Meeting Corporate website Announcements via Bursa website Integrated Annual Report 	<ul style="list-style-type: none"> • Enhanced investor confidence • Improved transparency and timely communication

Linkages

Focus Area: Material Matters: Capitals:

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Suppliers/Sub-contractors



Why we engage?

- To deliver quality projects within agreed timelines
- To maintain reliable and resilient supply chain

Key Priorities and Concerns	Engagement Channels and Frequency	Outcomes/Benefits
<ul style="list-style-type: none"> • Long-term business relationship • Timely payments • ESG risk and opportunities <p> Pages 78 to 79</p>	<ul style="list-style-type: none"> Y Policies and Procedures P Meetings A Supplier/sub-contractor performance reviews and audits 	<ul style="list-style-type: none"> • Improved reliability of project implementation • Reduced supply chain disruptions • Improved supplier performance

Linkages

Focus Area: **BMI** **SC** Material Matters: **MI1** **MI2** **MI3** **MI4** **MI11** Capitals: **FC** **MC** **SRC**

Industry Associations (including Malaysia Water Association, International Water Association, CIDB etc)



Why we engage?

- To share knowledge and stay updated on latest industry developments
- To collectively drive improvements across the sector

Key Priorities and Concerns	Engagement Channels and Frequency	Outcomes/Benefits
<ul style="list-style-type: none"> • Market insights and knowledge sharing of best practices • Economic development • Compliance with industry standards and regulations <p> Pages 77 to 78</p>	<ul style="list-style-type: none"> AR Conferences AR Exhibitions AR Workshop and dialogues 	<ul style="list-style-type: none"> • Strengthened networks with peers • Continuous access to industry insights and support • Adherence with industry standards and regulations

Linkages

Focus Area: **BMI** Material Matters: **MI1** **MI4** Capitals: **MC** **IC**

Stakeholder Engagement



Media

Why we engage?

- To communicate corporate developments transparently
- To strengthen public awareness and trust

Key Priorities and Concerns	Engagement Channels and Frequency	Outcomes/Benefits
<ul style="list-style-type: none"> • Company reputation • Business performance and corporate developments • Sustainability initiatives and impacts 	<ul style="list-style-type: none"> AR Press releases AR Media visit 	<ul style="list-style-type: none"> • Consistent and transparent communication of the Group's latest corporate developments • Positive relationships with media

Linkages

Focus Area: **BMI** **E** **SC** Material Matters: **MI1** **MI8** **MI10** Capitals: **FC** **MC** **IC** **NC** **SRC**



Non-governmental Organisations (“NGOs”) and Local Communities

Why we engage?

- To contribute positive economic, social and environmental outcomes aligned with our operations
- To promote inclusive employment through opportunities and programmes for talents

Key Priorities and Concerns	Engagement Channels and Frequency	Outcomes/Benefits
<ul style="list-style-type: none"> • Socioeconomic development • Environmental stewardship <p> Pages 109 to 113</p>	<ul style="list-style-type: none"> AR Corporate Social responsibilities activities AR Protégé programme 	<ul style="list-style-type: none"> • Strengthened social license to operate • Job creation from socio-economic programme • Enhanced environmental awareness and stewardship within local communities

Linkages

Focus Area: **E** **SC** Material Matters: **MI8** **MI10** Capitals: **NC** **SRC**

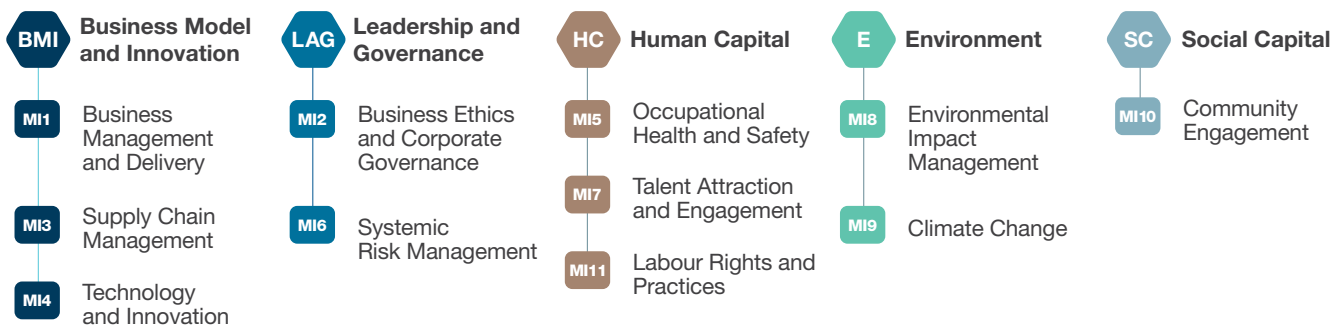
Materiality Assessment

The Group conducts a comprehensive materiality assessment every three years alongside annual review to assess the continued relevance of identified material matters in relation to the Group’s business strategy, risk profile and operational priorities.

In FY2023, we undertook a survey among our stakeholders and performed a comprehensive materiality assessment to prioritise key material matters to both our stakeholders and business. In FY2024 - FY2025, the Sustainability Working Group reviewed the identified material matters and confirmed that they remained relevant. These findings were endorsed by the Sustainability Steering Committee and approved by the Board. The next materiality assessment will be conducted when we embark on meeting the disclosure requirements of IFRS S1 and S2.

The identified material matters continue to reflect management priorities and remain aligned with stakeholder priorities and the Group’s strategy.

The materiality matrix below shows the result of our materiality assessment highlighting the significance of each material matter to our stakeholders and its potential impacts on our business.



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Materiality Assessment








Material Issues	Relevant Key Risks	Relevant Stakeholders	How We Address the Issue	Key Performance Indicators
Focus Area: BMI BUSINESS MODEL AND INNOVATION Relevant SDGs: UNGC Principles: 9 Capitals: FC MC IC 				
MI1 Business Management and Delivery Efficient project execution and service delivery across business segments, encompassing business planning, financial management and project delivery.	KR8 Financial Risk KR1 Market Risk KR2 Reputation Risk KR3 Project Management and Construction Risk		<ul style="list-style-type: none"> Strengthen engagements and visits with clients and consultants Enhance project management and prudent cost management Pages 74 to 78	<ul style="list-style-type: none"> Client satisfaction score
MI3 Supply Chain Management Managing a sustainable, resilient and ethical supply chain with suppliers, sub-contractor and business partners.	KR3 Project Management and Construction Risk		<ul style="list-style-type: none"> Embed ESG requirements into subcontractors screening and selection process Enforce adherence to our Supplier Code of Conduct among suppliers/ subcontractors/business partner Assess suppliers on ESG performance Continue to prioritise spending on local vendors. Pages 78 to 79	<ul style="list-style-type: none"> Suppliers and sub-contractors performance score
MI4 Technology and Innovation Leveraging technology and innovation to enhance operational efficiency and competitiveness, thereby supporting long-term growth.	KR10 Technological Risk KR1 Market Risk		<ul style="list-style-type: none"> Identify strategic opportunities to strengthen relationships with industry partners Maintain open communication with customers about product offerings and updates Develop and introduce products/solutions tailored to customer needs Pages 80 to 81	<ul style="list-style-type: none"> Technology and innovation initiatives adopted

Stakeholders:



Materiality Assessment

Material Issues	Relevant Key Risks	Relevant Stakeholders	How We Address the Issue	Key Performance Indicators
Focus Area: LAG LEADERSHIP & GOVERNANCE				
Relevant SDGs:  UNGC Principles: 10 Capitals: FC HC SRC				
MI2 Business Ethics and Corporate Governance Strong governance practices and ethical conduct underpin trust, accountability and sustainable value creation.	KR4 Compliance Risk KR9 Integrity and Corruption Risk		<ul style="list-style-type: none"> Maintain strong corporate governance and ethical business practices Ongoing training and awareness programmes for employees Pages 82 to 84	<ul style="list-style-type: none"> Fines or non-monetary sanctions for legal non-compliance % of new employees and suppliers/ sub-contractors communicated on the relevant Company's policies
MI6 Systemic Risk Management Our structured approach to Identifying, assessing and managing risks supports informed decision making and business resilience.	KR4 Compliance Risk KR6 Sustainability Risk		<ul style="list-style-type: none"> Implement the Group Enterprise Risk Management Framework across business operations Strengthen risks mitigation Page 84	<ul style="list-style-type: none"> Annual performance review on enterprise risks

Focus Area: HC HUMAN CAPITAL				
Relevant SDGs:      UNGC Principles: 1 2 3 4 5 6 Capitals: HC SRC				
MI5 Occupational Health and Safety The safety and health of our employees, suppliers, and subcontractors underpin operational continuity, workforce wellbeing and productivity.	KR7 OSH Risk		<ul style="list-style-type: none"> Ongoing safety awareness programmes Monitor safety performance for continuous improvement Pages 86 to 88	<ul style="list-style-type: none"> Lost Time Injury Rate ("LTI") % completion of safety and health training
MI7 Talent Attraction and Engagement Attracting, developing and retaining talent supports organizational capability, continuity and long-term performance.	KR5 People Risk		<ul style="list-style-type: none"> Improve competitive compensation packages and benefits Employee engagement Support continuous learning and development Pages 89 to 93	<ul style="list-style-type: none"> Training hours Turnover rate % of employee participation in the Company's activities % of female employees in managerial positions and on the Board

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Materiality Assessment

Material Issues	Relevant Key Risks	Relevant Stakeholders	How We Address the Issue	Key Performance Indicators
Focus Area: HC HUMAN CAPITAL Relevant SDGs: UNGC Principles: 1 2 3 4 5 6 Capitals: HC SRC				
MI11 Labour Rights and Practices Fair labour practices foster a positive work environment and support regulatory compliance.	KR5 People Risk	 	<ul style="list-style-type: none"> Enforcement of employment policies that aligned with applicable labour laws Monitor whistleblowing reports and grievances Page 94	<ul style="list-style-type: none"> Non-compliance with the Employment Act and Labour Laws Number of whistleblowing cases
Focus Area: E ENVIRONMENT Relevant SDGs: UNGC Principles: 7 8 9 Capitals: FC NC				
MI8 Environmental Impact Management Managing environmental impacts arising from operations to support regulatory compliance and responsible stewardship of natural resources.	KR7 OSH Risk KR6 Sustainability Risk KR4 Compliance Risk	 	<ul style="list-style-type: none"> Monitor and manage water and energy consumption Manage waste generation and pollution control measures Comply with relevant environmental regulations Pages 95 to 102	<ul style="list-style-type: none"> Energy consumption intensity Water consumption intensity Compliance with environmental laws and regulations
MI9 Climate Change Managing climate-related risks and emissions to support business resilience and transition efforts.	KR6 Sustainability Risk	 	<ul style="list-style-type: none"> Monitor emissions and implement initiatives to reduce GHG emissions Invest in renewable energy to decrease GHG emissions and our carbon footprint Pages 103 to 108	<ul style="list-style-type: none"> GHG emission intensity
Focus Area: SC SOCIAL CAPITAL Relevant SDGs: UNGC Principles: 1 Capitals: NC SRC				
MI10 Community Engagement Fostering constructive relationships with local communities and contributing to social and environmental outcomes aligned with our Core Business Activities.	KR2 Reputation Risk KR6 Sustainability Risk		<ul style="list-style-type: none"> Drive social impact through our three main pillars of Education, Environment and Community Implement programmes that enrich local communities Provide sponsorships, donations and internship programmes for local talent development Pages 109 to 113	<ul style="list-style-type: none"> Number of engagement programs conducted Number of beneficiaries

Key Risks and Mitigations

Salcon’s commitment to sustainable value creation is underpinned by a comprehensive Enterprise Risk Management (“ERM”) framework, aligned with the ISO 31000:2018 Risk Management Guidelines. The Board, supported by the Audit and Risk Management Committee (“ARMC”), maintains a vigilant oversight of the Group’s risk profile, ensuring a balance between risk-taking and the pursuit of strategic opportunities.

By meticulously evaluating inherent and residual risks, the Group has institutionalized various initiatives to strengthen our resilience at both the corporate and business unit levels. This proactive stance ensures that we remain agile in navigating a volatile operating environment while safeguarding the interests of our stakeholders.

For a detailed overview of our risk management framework, please refer to the SORMIC on page 140. The following section highlights the principal risks identified within the Group’s risk universe and the strategic measures deployed to safeguard our operational integrity and financial resilience.

Risk Movements 2025  Upward  Remain  Downward

Market Risk

KR1


Risk Rating: HIGH Related Material Matters: MI4 Capital: FC

Description	Potential Impact on Value
The Group operates in highly competitive markets and is exposed to pricing pressures. Our performance is also influenced by government regulations and shifts in market demand, which may adversely affect the Group’s financial results.	<ol style="list-style-type: none"> 1. Fluctuations in revenue. 2. Changes in the market landscape leading to increased competition or pricing pressures. 3. Loss of market share.
Mitigation Measures	
<ul style="list-style-type: none"> ▶ Constant monitoring of current industry trends, insights and competitor activities through market research. ▶ Explore new business ventures to prevent over-reliance on single revenue stream. ▶ Allocate adequate resources for research and development. 	

Reputation Risk

KR2

Risk Rating: HIGH Related Material Matters: MI1 MI6 Capital: FC SRC

Description	Potential Impact on Value
Damages to the Group reputation and branding due to low stakeholder satisfaction or negative media coverage related to involvement in litigation proceedings.	<ol style="list-style-type: none"> 1. Strained stakeholder relationship due to loss of trust and confidence. 2. Reduced Group revenue and profitability. 3. Long-term erosion of brand value and market positioning.
Mitigation Measures	
<ul style="list-style-type: none"> ▶ Maintain timely and transparent communication with the Group stakeholders. ▶ Systematically obtain and gauge the stakeholder feedbacks through regular evaluation surveys. 	

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Key Risks and Mitigations

KR3

Project Management and Construction Risk


Risk Rating: **HIGH** Related Material Matters: **MI1 MI3 MI6** Capital: **MC FC**

Description	Potential Impact on Value
Risk associated with the management of construction and project activities, including potential cost overruns, supply chain disruptions, project delays and quality defects in project delivery.	<ol style="list-style-type: none"> 1. Potential imposition of Liquidated Ascertained Damages (“LAD”) due to project delay. 2. Lower profit margins. 3. Quality deficiencies. 4. Project cost overruns. 5. Loss of customers.
Mitigation Measures	
<ul style="list-style-type: none"> ▶ Third-party due diligence and selection of qualified sub-contractors, suppliers and consultants. ▶ Strengthened in-house training for Project Management Team. ▶ Close monitoring throughout project execution. 	

KR4

Compliance Risk


Risk Rating: **MEDIUM** Related Material Matters: **MI1 MI2 MI8 MI11** Capital: **MC FC SRC**

Description	Potential Impact on Value
Risk of non-compliance with applicable laws, regulations and industry standards, including failure to uphold ethical business conduct.	<ol style="list-style-type: none"> 1. Imposition of penalties and imprisonment. 2. Revocation of licenses. 3. Failure of certification renewals. 4. Operational disruptions, including suspension or disqualification of product exports.
Mitigation Measures	
<ul style="list-style-type: none"> ▶ Continuous monitoring of regulatory requirements. ▶ Regular compliance review for improvements. 	

KR5

People Risk

Risk Rating: **MEDIUM** Related Material Matters: **MI7** Capital: **HC IC**

Description	Potential Impact on Value
Challenges in retaining talent and attracting competent employees with specific skills and required knowledge pose a threat to the Group’s intellectual property.	<ol style="list-style-type: none"> 1. Compromised business continuity. 2. High employee turnover rate. 3. Loss of the Group’s competitive edge to competitors in the market.
Mitigation Measures	
<ul style="list-style-type: none"> ▶ Develop succession planning for key roles. ▶ Provide learning and development opportunities for employees. ▶ Revision of employee benefits and remuneration packages. 	

Key Risks and Mitigations

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Sustainability Risk

KR6

Risk Rating: **MEDIUM** Related Material Matters: **MI8 MI9 MI11** Capital: **NC MC SRC FC**

Description	Potential Impact on Value
Challenges in embedding sustainable principles into the Group’s operations in line with the latest sustainability reporting requirements.	<ol style="list-style-type: none"> 1. Increasing exposure to litigation and fines for non-compliance. 2. Unexpected operational disruptions caused by climate change. 3. Misalignment with the Group’s commitment towards a long-term sustainable future.

Mitigation Measures

- Annual recertification for ISO 14001:2015 Environmental Management Systems.
- Periodic Sustainability Working Group meetings are held.
- Conduct awareness initiatives and external trainings to foster ESG culture within the Group.



Occupational Safety and Health (“OSH”) Risk

KR7

Risk Rating: **MEDIUM** Related Material Matters: **MI1 MI5 MI11** Capital: **HC MC FC**

Description	Potential Impact on Value
Safety risk may arise when workplace hazards are not effectively mitigated, potentially leading to employee injuries or fatalities.	<ol style="list-style-type: none"> 1. Unsafe working environment leading to minor injuries or fatalities. 2. Stop work orders issued by authorities. 3. Significant fines and / or imprisonment due to safety non-compliances. 4. Adverse market perception towards the Group.

Mitigation Measures

- Communication of the Health and Safety Policies to employees, including the Emergency Response Plan and Crisis Management Plan.
- Implement stringent health and safety standards across operations.
- Provide and enforce the use of appropriate personal protective equipment.
- Annual recertification for ISO 45001:2018 Occupational Health and Safety Management Systems.
- Conduct safety toolbox meetings and external trainings to reinforce safety practices among the employees.



Key Risks and Mitigations

KR8

Financial Risk

Risk Rating: **LOW** Related Material Matters: **MI1** **MI6** Capital: **FC**

Description	Potential Impact on Value
Risk arising from market, credit, liquidity, foreign exchange and interest rates movements etc.	<ol style="list-style-type: none"> 1. Write-off of bad debts arising from defaulting customers. 2. High interest expense. 3. Increased financing costs. 4. Lower profitability. 5. Realised losses from foreign transactions.

Mitigation Measures	
<ul style="list-style-type: none"> ➤ Close monitoring of forex movements to assess the need for hedging. ➤ Ongoing monitoring of credit exposures and limits. 	

KR9

Integrity and Corruption Risk

Risk Rating: **LOW** Related Material Matters: **MI2** Capital: **HC** **SRC** **FC**

Description	Potential Impact on Value
Corruption, fraud, misconducts and unethical dealings may result in financial losses and reputational repercussions.	<ol style="list-style-type: none"> 1. Penalties and imprisonment due to law violations. 2. Exposure to litigation risks. 3. Loss of investor confidence.

Mitigation Measures	
<ul style="list-style-type: none"> ➤ Conduct Anti-Bribery and Anti-Corruption (“ABAC”) Training on a groupwide basis. ➤ Whistleblowing channel made accessible for reporting of any concerns related to misconducts. ➤ Annual e-newsletter publication to reinforce awareness on integrity and anti-corruption matters. 	

KR10

Technological Risk

Risk Rating: **LOW** Related Material Matters: **MI4** Capital: **IC** **MC** **FC**

Description	Potential Impact on Value
Absence of robust cybersecurity protection measures to safeguard against data breaches, system failures and malware intrusions, potentially compromising the Group’s data security.	<ol style="list-style-type: none"> 1. Non-compliance with the Personal Data Protection (Amendment) Act 2024. 2. Disruption to business operations in the event of cyberattack. 3. Leakage of confidential data or information.

Mitigation Measures	
<ul style="list-style-type: none"> ➤ Appointed Data Protection Officer to govern the personal data protection measures across the Group. ➤ Strengthen employees awareness on cybersecurity threats, including phishing scams. ➤ Enhance data security controls and conduct regular IT maintenance. 	

Group CFO's Statement

Dear valued stakeholders,

FY2025 was a year of strong revenue growth alongside deliberate investments into new growth areas, particularly the Healthcare Division. While these investments impacted short-term profitability, the Group strengthened its operating cash flow and balance sheet, positioning us for sustainable long-term growth.

I am pleased to present the Group's financial performance for the financial year ended 31 December 2025.

Group Financial Performance

RM'000	2025	2024	Var
Revenue	374,242	298,372	25.4%
Profit Before Tax	5,275	17,260	-69.4%
Net Profit	813	16,896	-95.4%

The Group recorded revenue of RM374.2 million in FY2025, representing an increase of 25% from RM298.4 million in FY2024. The growth was primarily driven by the recognition of landowner's entitlement in the Property Development Division, alongside contributions from ongoing business operations.

The Group recorded a profit before tax of RM5.3 million and a profit after tax of RM0.8 million, compared to RM17.3 million and RM16.9 million, respectively, in the preceding year.

The decline in profitability was primarily attributable to lower fair value gains recognised during the year, as well as higher start-up and operating costs incurred in the Healthcare Division as part of its expansion phase.

Excluding these non-operational and front-loaded investment factors, the Group's underlying operating performance remained resilient.

Looking ahead, the Group's financial priorities are focused on strengthening operating margins, improving cash conversion, and scaling the Healthcare Division towards profitability, while maintaining a disciplined capital structure.

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Group CFO's Statement

Consolidated Cash Flow Analysis for FY 2025

RM'000	2025	2024
Net cash from/(used in) operating activities	26,147	(11,348)
Net cash (used in)/from investing activities	(16,553)	4,555
Net cash (used in)/from financing activities	(13,674)	443
Effects of exchange rate changes	(2,264)	(5,774)
Net decrease in cash at year end	(4,081)	(6,350)
Cash and bank balances	137,326	143,669

In FY2025, the Group recorded a net cash inflow from operating activities of RM26.1 million, compared to a net cash outflow of RM11.3 million cash outflow in FY2024. This improvement was primarily due to better working capital management and stronger collections.

Net cash used in investing activities amounted to RM16.6 million, compared to a net cash inflow of RM4.56 million in the preceding year. This was mainly attributable to acquisitions and capital deployment into the Healthcare Division in line with the Group's expansion strategy.

Net cash used in financing activities was RM13.7 million in FY2025, compared to a net cash inflow of RM0.4 million in FY2024, largely due to repayment of borrowings during the year.

As at 31 December 2025, cash and bank balances stood at RM137.3 million, providing the Group with strong liquidity to support ongoing operations and future investments.

Total Borrowings

RM'000	Borrowing due for repayment in		Total
	<1 year	>1 year	
Total borrowings	12,964	15,948	28,912

The Group's total borrowings reduced significantly to RM28.9 million in FY2025 from RM63.5 million in the previous financial year.

The reduction was primarily due to the repayment of revolving credits amounting to RM31.2 million during the year.

As at the reporting date, the Group has no exposure to foreign currency-denominated borrowings, thereby minimising foreign exchange risk.

Group CFO's Statement

Capital Management

RM'000	2025	2024
Total borrowings	28,912	63,482
Lease liabilities	35,567	12,724
Less: Total cash and bank balances	(137,326)	(143,669)
Net borrowings	(72,847)	(67,463)
Owners' equity and non-controlling interests	455,847	420,573

The Group continues to adopt a prudent approach to cash flow management, maintaining a strong balance sheet and healthy liquidity position.

This reflects the Group's disciplined financial management and provides capacity to fund future growth initiatives while ensuring the ability to meet both short-term and long-term obligations.

Shareholder's equity increased to RM455.8 million, supported by earnings contribution during the year.

Consolidated Financial Position Analysis for FY2025

RM'000	2025	2024	Var
Non-current assets	355,011	235,385	50.8%
Current assets	310,526	429,082	27.6%
Total assets	665,537	664,467	0.2%
Non-current liabilities	74,445	52,791	41.0%
Current liabilities	135,245	191,103	-29.2%
Total liabilities	209,690	243,894	-14.0%
Owners' equity	449,036	411,450	9.1%
Current ratio (times)	2.29	2.25	1.77%
Net assets per share attributable to equity holders (RM)	0.40	0.40	0.0%

Total assets

The Group's total assets increased marginally by 0.2% to RM665.5 million in FY2025, compared to RM664.5 million in FY2024. The increase was primarily attributed to additions in intangible assets and property, plant, and equipment, resulting from acquisitions and expansion within the Healthcare Division.

Total liabilities

The Group's total liabilities decreased by 14% to RM209.69 million, mainly due to reductions in borrowings and trade payables.

Group CFO's Statement

Owner's equity

Owner's equity increased by 9.1% to RM449.04 million, mainly due to the gains recognised from landowner's entitlement during the year.

Current ratio

The Group's current ratio improved to 2.29 times, compared to 2.25 times in FY2024, indicating a strong liquidity position and the ability to meet short-term obligations.

This indicates that the Group maintains a strong liquidity position and is well placed to meet its short-term obligations.

Dividend Payout

No dividend was paid in FY2025 (FY2024: Nil).

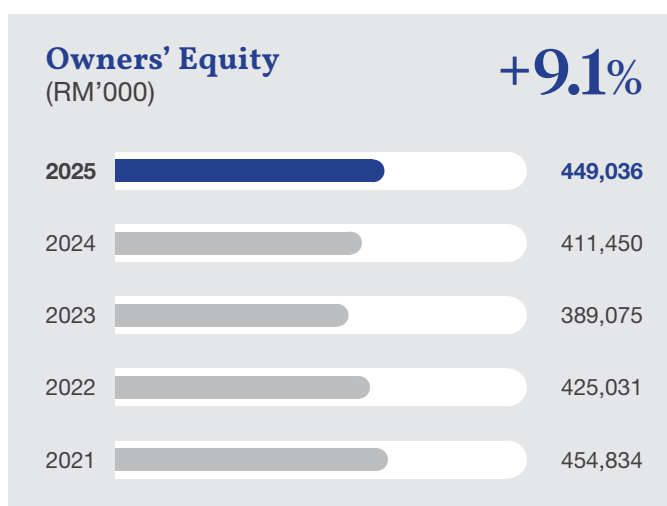
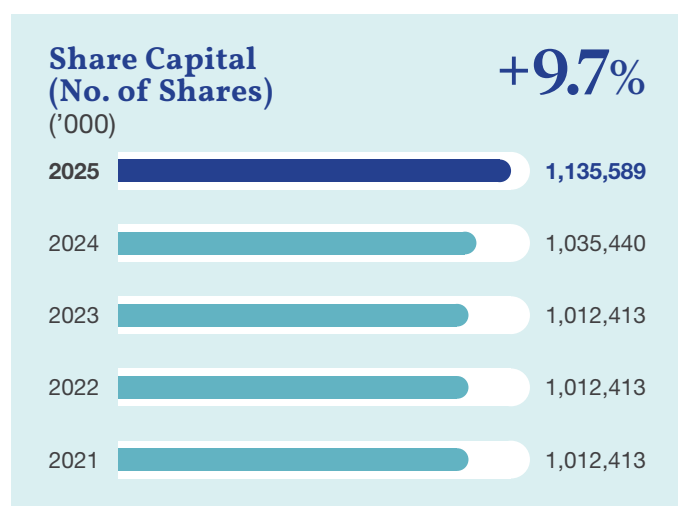
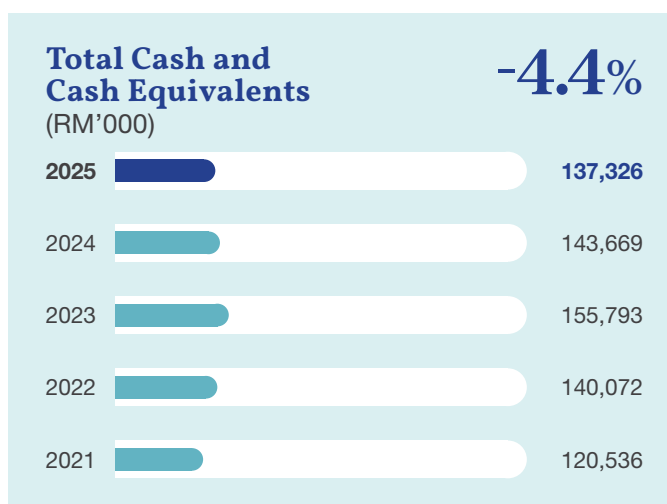
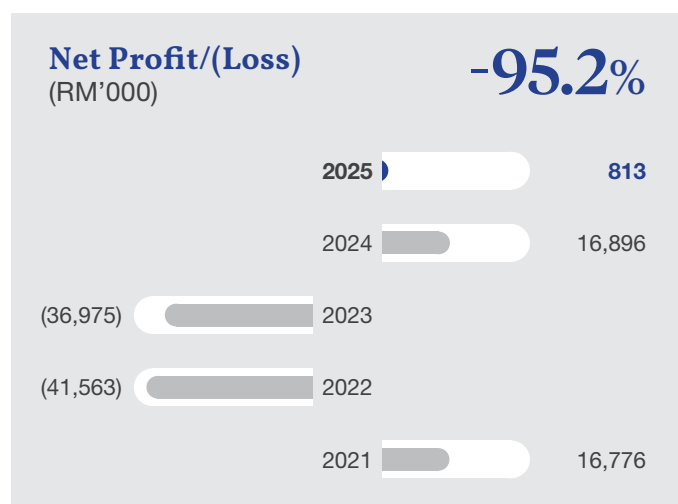
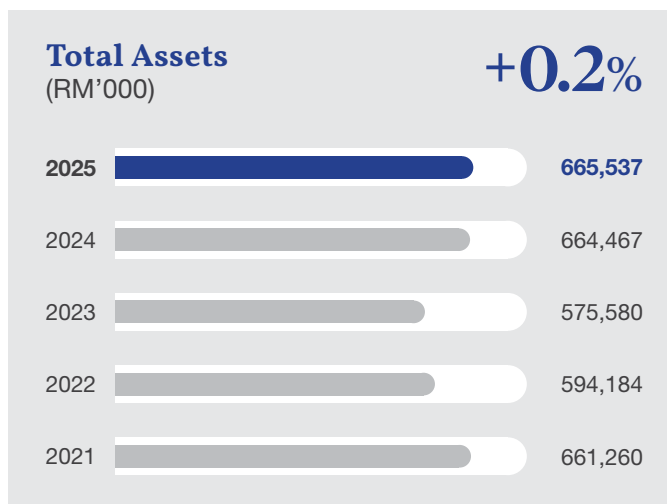
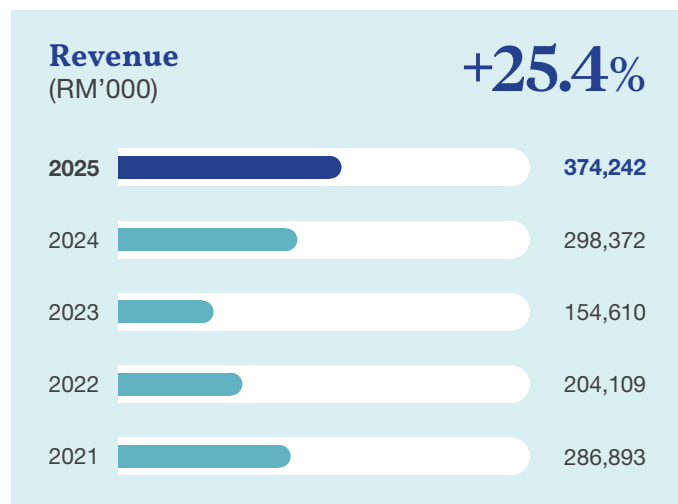
The Board has opted to conserve capital to support ongoing expansion initiatives, particularly within the Healthcare Division, while maintaining financial flexibility for future opportunities.

Divisional Financial Review

RM'000	Financial Year Ended December				
	2025	2024	2023	2022	2021
Financial Results					
Revenue	374,242	298,372	154,610	204,109	286,893
Profit/(Loss) Before Tax	5,275	17,260	(38,397)	(51,640)	27,478
Net Profit/(Loss)	813	16,896	(36,975)	(41,326)	16,776
Key Information of Financial Position					
Total Cash and Cash Equivalents	137,326	143,669	155,793	140,072	120,536
Total Assets	665,537	664,467	575,580	594,184	661,260
Total Liabilities	209,690	243,894	178,985	146,554	166,831
Total Borrowings	28,912	63,482	58,334	25,537	39,432
Share Capital (No. of Shares) ('000)	1,135,589	1,035,440	1,012,413	1,012,413	1,012,413
Owners' Equity	449,036	411,450	389,075	425,031	454,834
Total Equity	455,847	420,573	396,595	447,630	494,429
Financial Ratios					
Basic Earnings/(Loss) Per Share (sen)	1.11	1.58	(2.11)	(2.40)	1.19
Share Price at Year End (RM)	0.25	0.275	0.285	0.230	0.250
Price Earnings Ratio (times)	0.23	0.17	(0.14)	(0.10)	0.21
Return on Owners' Equity (%)	2.69%	3.92%	-5.45%	-5.72%	2.63%
Return on Total Assets (%)	1.80%	2.42%	-3.68%	-4.09%	1.81%
Dividend Payout to Earning Ratio (%)	0.00%	0.00%	-22.84%	-23.00%	31.26%

Group CFO's Statement

Group Financial Highlights



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Group CFO's Statement

Group Segmental Performance

RM'000	Financial Year Ended December				
	2025	2024	2023	2022	2021
Group Revenue					
Engineering and Construction	157,348	230,219	102,484	134,679	136,134
Property Development	128,667	-	-	-	2,177
Trading and Services	12,442	14,577	13,519	17,080	15,574
Glove Manufacturing	49,085	47,928	38,535	52,267	132,844
Healthcare	26,521	5,072	-	-	-
Investment Holdings	179	576	72	83	164
Revenue	374,242	298,372	154,610	204,109	286,893
Group Profit/(Loss) Before Tax					
Engineering and Construction	(505)	3,757	4,077	4,571	23,080
Property Development	23,087	(2,215)	(2,337)	(2,405)	(2,422)
Trading and Services	475	6,297	6,433	3,888	668
Glove Manufacturing	(1,226)	(811)	(26,990)	(43,694)	18,857
Healthcare	(17,096)	(1,293)	-	-	-
Investment Holdings	540	11,524	(19,580)	(13,979)	(12,705)
Profit/(Loss) Before Tax	5,275	17,260	(38,397)	(51,620)	27,478
Group Net Profit/(Loss)					
Engineering and Construction	(673)	4,046	4,832	5,224	20,617
Property Development	23,081	(2,227)	(2,339)	(2,404)	(2,372)
Trading and Services	(1,370)	6,090	5,972	3,227	(1,948)
Glove Manufacturing	(1,827)	(516)	(25,253)	(32,946)	13,421
Healthcare	(18,716)	(1,369)	-	-	-
Investment Holdings	318	10,872	(20,187)	(14,427)	(12,942)
Net Profit/(Loss)	813	16,896	(36,975)	(41,326)	16,776

Group CFO's Statement

Segmental Analysis

Engineering and Construction Division

The Division recorded a loss before tax of RM0.5 million, compared to a profit in the preceding financial year. This was mainly due to lower profit margins and impairment losses on trade receivables.

Notwithstanding this, the Division continues to be supported by a stable order book, providing earnings visibility over the near term.

Property Development Division

The Division recorded a profit before tax of RM23.1 million in the current financial year, compared to a loss in the preceding financial year, mainly due to the gain from landowner's entitlement recognised in the current year.

Trading and Services Division

The Division recorded a profit before tax of RM0.5 million, compared to RM6.3 million in the preceding financial year. The decline was due to higher operating expenses and deferred tax adjustments recognised in the current period.

Glove Manufacturing Division

The Division recorded a loss before tax of RM1.2 million, compared to a loss of RM0.8 million in the preceding year. The higher loss was mainly attributable to lower profit margins in the current financial year.

Healthcare Division

The Division recorded a loss before tax of RM17.1 million, compared to a loss of RM1.3 million in the preceding year. The increase in losses was mainly due to the expansion of new outlets across dental, general practitioner, aesthetic and wellness services.

The Division remains in an investment and scaling phase, with many outlets operating under 6 months. Losses is expected to progressively narrow as utilization improves and outlets mature.

Investment Holdings Division

During the current financial year, the Division recorded a profit before tax of RM0.5 million, compared to a profit before tax of RM11.5 million in the preceding financial year. The notable difference was primarily due to higher fair value gain from other investments recorded in the preceding financial year. As such the current year reflects a shift towards more operational and cash-backed performance, supported by stronger operating cash flow generation.

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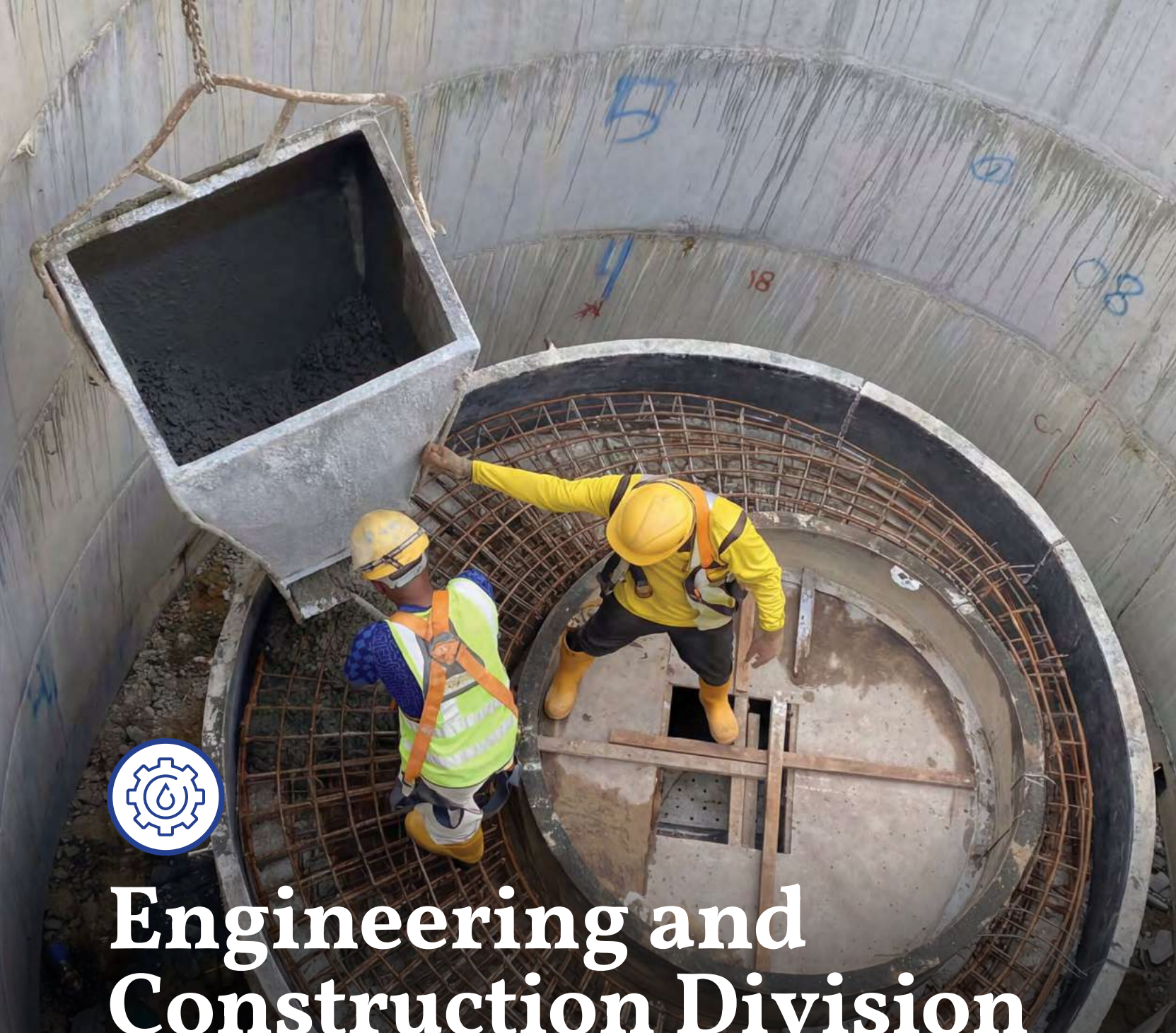
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Group CFO's Statement

Statement of Value Added and Distribution

The statement of value added shows the total wealth created by the Group and its distribution to stakeholders, with the balance retained in the Group for reinvestment and future growth.

RM'000	2025	2024
Value Added:		
Revenue	374,242	298,372
Purchases of goods and services	(307,411)	(242,657)
Value added by the Group	66,831	55,715
Share of profit of associated companies and joint ventures	4,609	4,626
Total value added for distribution	71,440	60,341
Distribution:		
To employees		
- Salaries and other staff costs	41,476	29,717
To Governments		
- Taxation	4,462	364
To Rakyat		
- Community Investment	109	36
To providers of capital		
- Dividends	-	-
- Finance cost	5,037	4,721
- Non-controlling interest	(11,281)	787
Retained for future reinvestment and growth		
- Depreciation and amortization	19,543	8,607
- Retained profit/(loss)	12,094	16,109
Total Distributed	71,440	60,341
Reconciliation:		
Net Profit/(Loss) for the year attributable equity holders	12,094	16,109
Add: Depreciation and amortization	19,543	8,607
Finance cost	5,037	4,721
Staff costs	41,476	29,717
Community Investment	109	36
Taxation	4,462	364
Non-controlling interest	(11,281)	787
Total Value Added	71,440	60,341



Engineering and Construction Division

About the Division

THE ENGINEERING AND CONSTRUCTION DIVISION (“E&C”) PROVIDES CUSTOMISED, INTEGRATED AND END-TO-END WATER AND WASTEWATER SOLUTIONS IN MALAYSIA AND INTERNATIONAL MARKETS.

The Division is committed to advancing national water security, enhancing climate resilience and developing sustainable infrastructure. Aligned with Malaysia’s Water Sector Transformation 2040 Agenda, E&C designs, constructs and delivers quality potable water and wastewater treatment facilities that enable safe, reliable and affordable access to water for communities while supporting the nation’s economic growth.



MWA Excellence Award (Malaysia Water Association)

Best Contractor for Construction of Water Treatment Plant Residual Management System

Best Contractor for Project Value more than **RM100 million**









Malaysia Book of Records:

Longest Shaftless Screw Conveyor System (46 metres)

Longest Pipe Conveyor System for Water Treatment Residual (1.918km)

Engineering and Construction Division

Core Capabilities

<p>Water and Wastewater Treatment</p> <p>End-to-end services encompassing the engineering, procurement, construction, commissioning, operation and maintenance of treatment plants</p> 	<p>Non-Revenue Water Management</p> <p>Specialised solutions for leakage detection, pressure management, pipe replacement and network optimisation</p> 	<p>Infrastructure Development</p> <p>Implementation of pipelaying, reservoir construction and raw water management infrastructure projects</p> 
<p>Wastewater Solutions</p> <p>Engineering, procurement, construction and commissioning of sewage collection networks, treatment systems and residuals management services</p> 	<p>Raw Water Management</p> <p>Optimisation of water resource utilisation to enhance supply reliability and security</p> 	<p>Customer Services</p> <p>Metering, billing, collection and customer support services for water operators</p> 

Key subsidiaries

<p>Salcon Engineering Berhad (“SEB”)</p> <p>Oversees water engineering, infrastructure development and NRW reduction related projects</p>	<p>Envitech Sdn. Bhd. (“Envitech”)</p> <p>Specialises in wastewater engineering, sewerage systems and treatment solutions</p>
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Key Drivers	Potential Impact	Strategic Response
<p>Government Policies and Funding</p> <ul style="list-style-type: none"> ► Under Budget 2026, the Government has allocated RM3 billion to support NRW reduction programmes, focusing on replacement of ageing pipelines ► Continued prioritisation of water resource management and flood mitigation with planned investments of RM13 billion over five years in water treatment and supply projects 	<ul style="list-style-type: none"> ► Increased tender and contract opportunities in water and wastewater infrastructure projects 	<ul style="list-style-type: none"> ► Leverage the Group’s proven track record and technical expertise to secure new contracts ► Deepen engagement with government agencies and strategic partners ► Focus on tendering efforts on projects aligned with national water security, NRW reduction and flood mitigation objectives

Engineering and Construction Division

Key Drivers	Potential Impact	Strategic Response
Climate Change and Water Security		
<ul style="list-style-type: none"> ► Increasing climate variability (intense rainfall, prolonged dry spells, heatwaves and flash floods) poses significant risks to water supply operations and distribution systems ► The growing risks to water security is prompting water operators to prioritise investments in resilient and climate-adaptive water infrastructure 	<ul style="list-style-type: none"> ► Growing demand for operations and maintenance (“O&M”) services and climate resilient infrastructure projects ► Increased need for adaptive solutions to enhance network and system resilience 	<ul style="list-style-type: none"> ► Leverage SEB’s proven expertise in NRW management, pipe rehabilitation and network optimisation to support water operators in meeting their targets ► Strengthen engagement with government agencies for climate resilient opportunities ► Innovate and deploy sustainable solutions and technologies to enhance operational efficiency while reducing carbon footprints
Competitive Landscape		
<ul style="list-style-type: none"> ► Intensifying competition from existing players and new entrants, with aggressive pricing strategies 	<ul style="list-style-type: none"> ► Potential loss of market share ► Potential pressure on margins 	<ul style="list-style-type: none"> ► Strengthen business development through networking, robust market intelligence and relationship management ► Continue to submit innovative and competitive proposals for infrastructure projects ► Selectively pursue expansion into new markets and infrastructure segments

Operation Review

In line with the Government’s national water agenda, the E&C Division has continued to play its role in upgrading and improving Malaysia’s water and wastewater infrastructure. These initiatives are fundamental to bolstering national water security, improving the quality of life for the people of Malaysia, protecting the environment and supporting sustainable economic growth.

During the year, the Division strategically focused on capacity enhancement, network renewal and wastewater infrastructure upgrades. Our project portfolio reflects this focus, encompassing the construction of new treatment facilities, rehabilitation and replacement of ageing pipelines and the expansion of sewerage networks to support growing urban and industrial developments.

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Engineering and Construction Division

Major new projects secured in FY2025

Project	Value (RM million)	Scope	Strategic Contribution	Expected completion
Jernih Raw Water Pipeline and Water Treatment Plant in Melaka for Pengurusan Asset Air Berhad (“PAAB”)	167.0	Construction of Raw Water Pipeline and Water Treatment Plant	Capacity expansion (90 MLD) of Potable Water	Oct 2027
Replacement of Old / Dilapidated Pipes in Kota Bharu, Kelantan for PAAB	70.5	Design and Replacement of old Distribution Pipes	NRW reduction	Mar 2027
Batu Kawan Industrial Park Sewer Upgrade, Penang for Penang Development Corporation (“PDC”)	88.8	Engineering, Construction, Completion, Testing, Commissioning and Handing Over of Sewerage Reticulation Works (Design and Build)	Wastewater management	Oct 2026
Sewerage Reticulation Works for Taman Bukit Cheras Sewerage Treatment Plant Redevelopment Project, Kuala Lumpur	11.0	Execution, Construction, Completion, Testing, Commissioning and Handing Over of Sewerage Reticulation Works	Wastewater management	Nov 2028

These projects reinforced the Division’s alignment with national priorities in NRW reduction, capacity expansion and the development of resilience water and wastewater infrastructure.

Completed projects in FY2025

In FY2025, the Division successfully completed several strategic water and wastewater projects, reinforcing our technical capabilities, supporting regulatory compliance and contributing to environmental protection.

Project	Description	Capacity
Package 3: Design and Build Dewatered Residual Disposal System for Langat 2 WTP for PAAB	Design and construction of sludge conveyance and disposal system including landfill and operation and maintenance (“O&M”) services	120 tonnes per hour of dewatered residuals
Existing STP and NPS works for Proposed Developments at Taman Bunga Raya, Mukim Serendah, Selangor	Design, build, testing, commissioning and maintenance of existing Sewage Treatment Plant and Network Pumping Station	STP: 85,500 PE NPS: 48,500 PE
Sewer reticulation project in Seberang Perai, Penang	External main sewer reticulation works for STP5 on Lot 21145, Mukim 13, Bandar Cassia, Batu Kawan, Seberang Perai, Pulau Pinang	Pipes ranging from 600mm – 1800mm in size

Engineering and Construction Division

Project Spotlight: L2P3 Residual Management System



Key Facts



Safety
Zero Lost Time Injuries (LTI)



Duration
923 days



Capacity
120 tonnes per hour

Key Achievements:

MWA Excellence Award (Malaysia Water Association)

- Best Contractor for Construction of Water Treatment Plant Residual Management System (via Package 3 – Design and Build of Sludge Disposal System for Langat 2 Water Treatment Plant)



Malaysia Book of Records:

- Longest Pipe Conveyor System for Water Treatment Residual (1.918km)
- Longest Shaftless Screw Conveyor System (46 metres)



The project features Malaysia’s first and longest pipe conveyor system for water treatment residuals, spanning 1.918 km, setting a new benchmark for efficient and sustainable residuals management infrastructure.

In collaboration with PAAB and consultants CSRK and SZY, this project enhances operational efficiency while minimising environmental impact, reflecting the Group’s commitment to engineering excellence and sustainability. The project underscores the Group’s capability in delivering complex engineering solutions and its commitment to sustainable infrastructure development.

Engineering and Construction Division

Major on-going projects in FY2025

Project	Description	Status (as of Feb 2026)	Targeted/(Revised) completion
Customer Call Center, Sandakan for Sandakan Water Department	Operation and Maintenance of the customer call center, Monitoring and Maintaining District Meter Zones, Meter Reading and Billing Activities	98.6%	Apr 2026
10.44 MW Small Hydro Power Plant @ Sg. Selangor Dam	EPCC works including civil, structural, mechanical, electrical, instrumentation and SCADA systems	11.40%	May 2026
Replacement of Old / Dilapidated Pipes in Kota Bharu, Kelantan	Design and Replacement of old Distribution Pipes	16.3%	Mar 2027
Jernih Raw Water Pipeline and Water Treatment Plant in Melaka	Construction of Raw Water Pipeline and Water Treatment Plant	15.3%	Oct 2027
Design and Build of STP 1A at North Hummock Estate, Mukim Raja, Petaling, Selangor	Design, Installation, Completion, Testing, Commissioning and Handing Over for Sewage Treatment Plant (Module 3 - 70,000 PE)	73.0%	Apr 2026
Sewerage Treatment Plant and three pumping stations at Setia Alaman, Kapar, Selangor	Design, build, testing, commissioning and handing over of a Sewerage Treatment Plant and three associated sewage pumping stations	49.99%	Sep 2026
Sewerage Pipeworks @ Batu Kawan Industrial Park for PDC	Engineering, Construction, Completion, Testing, Commissioning and Handing Over of Sewerage Reticulation Works (Design and Build)	55%.	Oct 2026

Outlook

The Group remains optimistic on the water sector's prospects underpinned by the Government's sustained focus on water security, aggressive NRW reduction targets and climate resilience infrastructure.

Looking ahead, the Division will strategically prioritise:

- NRW programmes – capitalising on national allocations for pipe replacement and network optimization;
- O&M services – securing revenue streams through long term O&M contracts;
- delivery of strategic water and wastewater infrastructure projects including STPs, flood mitigation initiatives; and
- development of innovative climate-resilient water infrastructure.

As at 31 December 2025, the Division's outstanding order book stood at RM405.7 million, providing strong earnings visibility. Furthermore, with a pipeline of tenders valued at RM4.385 billion for both local and international projects, the E&C Division is well-positioned to support national water security objectives and deliver sustainable, long-term value for our stakeholders.