

# Sustainability Statement

**Salcon is committed to creating long-term value across the economic, environmental, social, and governance aspects of our operations. We envision ourselves as a respected and synergistic corporate partner, transforming lives for the better. To this end, we strive to embed sustainability into our business strategies, balancing the needs of our stakeholders with the impacts of our actions on the communities we serve.**

This year, we have deepened our sustainability commitment across three strategic areas: supply chain management, our people and environmental initiatives.

In supply chain management, we moved beyond supplier engagement to strengthen oversight of our subcontractors. Following the integration of ESG criteria into supplier evaluations in FY2024, we extended this practice in FY2025 by incorporating social and environmental criteria including fair labour practices, occupational safety and health, environmental management and ethical business conduct into our subcontractor performance evaluations. This progressive approach ensures that sustainability expectations are consistently upheld across our entire value chain.

We also advanced our people initiatives through expanded employee benefits, enhanced safety training and continued support for the Protégé programme, with 56 graduates hired during the year.

During the year, we reviewed our key environmental performance indicators to ensure they remain relevant and aligned with our operational realities. Targets were recalibrated to reflect current business activities and to provide more meaningful performance measurement. A notable highlight was the delivery of Malaysia's first and longest enclosed pipe conveyor system for water treatment residuals at Langat 2, which earned two Malaysia Book of Records titles and an Excellence Award by MWA, while reducing daily greenhouse gas emissions by 450 kg CO<sub>2</sub>e.

By working closely with our suppliers, subcontractors and partners, we will foster ethical practices, reduce environmental impact and uphold labour and human rights standards across all our operations.

We are pleased to share Salcon's Sustainability Statement FY2025, illustrating our progress, performance and initiatives transparently for all stakeholders.



# Sustainability Statement

## Reporting Period and Cycle

1 January 2025 to 31 December 2025

## Reporting Scope and Boundaries

This statement covers the sustainability performance of Salcon Berhad and its active subsidiaries from 1 January 2025 to 31 December 2025, unless stated otherwise. The scope encompasses the following business divisions and operations:



### ENGINEERING AND CONSTRUCTION (“E&C”)

#### Water Engineering

Salcon Engineering Berhad (“SEB”)

#### Wastewater Engineering

Envitech Sdn. Bhd. (“Envitech”)



### GLOVE MANUFACTURING

JR Engineering and Medical Technologies (M) Sdn. Bhd. (“JREMT”)



### TECHNOLOGY SERVICES

Volksbahn Technologies Sdn. Bhd. (“VBT”)



### RENEWABLE ENERGY

Inergist Sdn. Bhd. (“Inergist”)



### TRANSPORTATION

Eco-Coach & Tours (M) Sdn. Bhd. (“ECT”)

Green Fleet Sdn. Bhd. (“GF”)

Our healthcare division is excluded from the FY2025 reporting scope to allow sufficient time for the division to establish data collection systems and align its sustainability reporting processes with the Group practices.

## Accessibility

This Sustainability Statement is publicly accessible via our corporate website at <https://www.salcon.com.my/sustainability/sustainability-statement>.

## Feedback

For enquiries or feedback on our sustainability approaches or disclosures in this Sustainability Statement, please contact us at [corporate@salcon.com.my](mailto:corporate@salcon.com.my).

## Awards and Accolades



Salcon won the Silver award in Asia’s Best Integrated Report (SME) category at the 10<sup>th</sup> Asia Integrated Reporting Awards (AIRA) by CSRWorks International

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# Sustainability Statement

## Sustainability at Salcon

Salcon is committed to embedding sustainability into our business strategy and decision-making processes. We are guided by five (5) Pillars under our sustainability framework:



These pillars provide a structured approach to identifying and managing sustainability risks and opportunities while strengthening the Group’s long-term resilience and sustainable value creation.

## Salcon’s Sustainability Framework

# Mission

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



## Goals

- MI1
- MI3
- MI4

Delivering innovative products and services through operational excellence

- MI2
- MI6

Becoming a trusted and reliable working partner

- MI5
- MI7
- MI11

Building a thriving workplace for employees

- MI8
- MI9

Protecting the environment

- MI10

Engaging and uplifting the community

## Key SDGs Alignment



## UNGC Alignment

Principle	Principle	Principle	Principle	Principle
9	10	1,2,3,4,5 and 6	7 and 8	1

## ESG Targets, Performance and Initiatives






Principle	Principle	Principle	Principle	Principle
Pages 74-81	Pages 82-84	Pages 85-94	Pages 95-108	Pages 109-113

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## Contribution to the United Nations Sustainable Development Goals (UNSDGs)

Salcon aligns with 10 of 17 UNSDGs and all 10 principles of the United Nations Global Compact (“UNGC”) that are most relevant to our business and sustainability priorities. We focus on areas where we can deliver meaningful impact in water security, environmental stewardship, responsible business practices and community development.

The table below summarises our key contributions during the financial year.

Relevant SDGs	Targets	FY2025 Contribution
	<b>Target 1.4</b> By 2030, ensure equal rights and access to economic resources, basic services, property, technology and financial services	<ul style="list-style-type: none"> <li>Contributed RM109,463 in philanthropic donations to support underprivileged groups through sponsorship, financial contribution and in-kind donations</li> </ul>
	<b>Target 3.8</b> Achieve universal health coverage, including financial protection, access to essential health-care services	<ul style="list-style-type: none"> <li>Promoted employees’ well-being and safety through annual safety and health campaigns</li> <li>Enhanced dental and wellness benefits for employees</li> <li>Facilitated complimentary health screenings at local mosques and community centres</li> <li>Organised blood donation drive with Pusat Darah Negara (PDN) and Natural Health Naturopathic Academy (NHNA), collecting 67 pints of blood, potentially saving 201 lives</li> </ul>
	<b>Target 5.5</b> Ensure women’s effective participation for leadership at all levels in political, economic and public life	<ul style="list-style-type: none"> <li>Promoted gender equality in the workplace with 38.5% of female employees</li> </ul>
	<b>Target 6.3</b> By 2030, improve water quality by reducing pollution, and substantially increasing recycling and safe reuse globally  <b>Target 6.4</b> By 2030, substantially increase water-use efficiency and ensure sustainable withdrawals and supply of freshwater	<ul style="list-style-type: none"> <li>Delivered Malaysia’s first and longest enclosed pipe conveyor system for water treatment residuals at L2P3, reducing daily GHG emissions by 450 kg CO<sub>2</sub>e</li> <li>Organised 4 Salcon Smart Water Programmes (“SSWP”) with 4 schools benefitting 158 students</li> </ul>
	<b>Target 7.1</b> By 2030, ensure universal access to affordable, reliable and modern energy services	<ul style="list-style-type: none"> <li>Developing a 7-megawatt solar power project in Sungai Siput, Kuala Kangsar, Perak under the Corporate Green Power Programme (“CGPP”)</li> <li>Installed solar lights at E&amp;C project sites</li> </ul>

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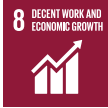




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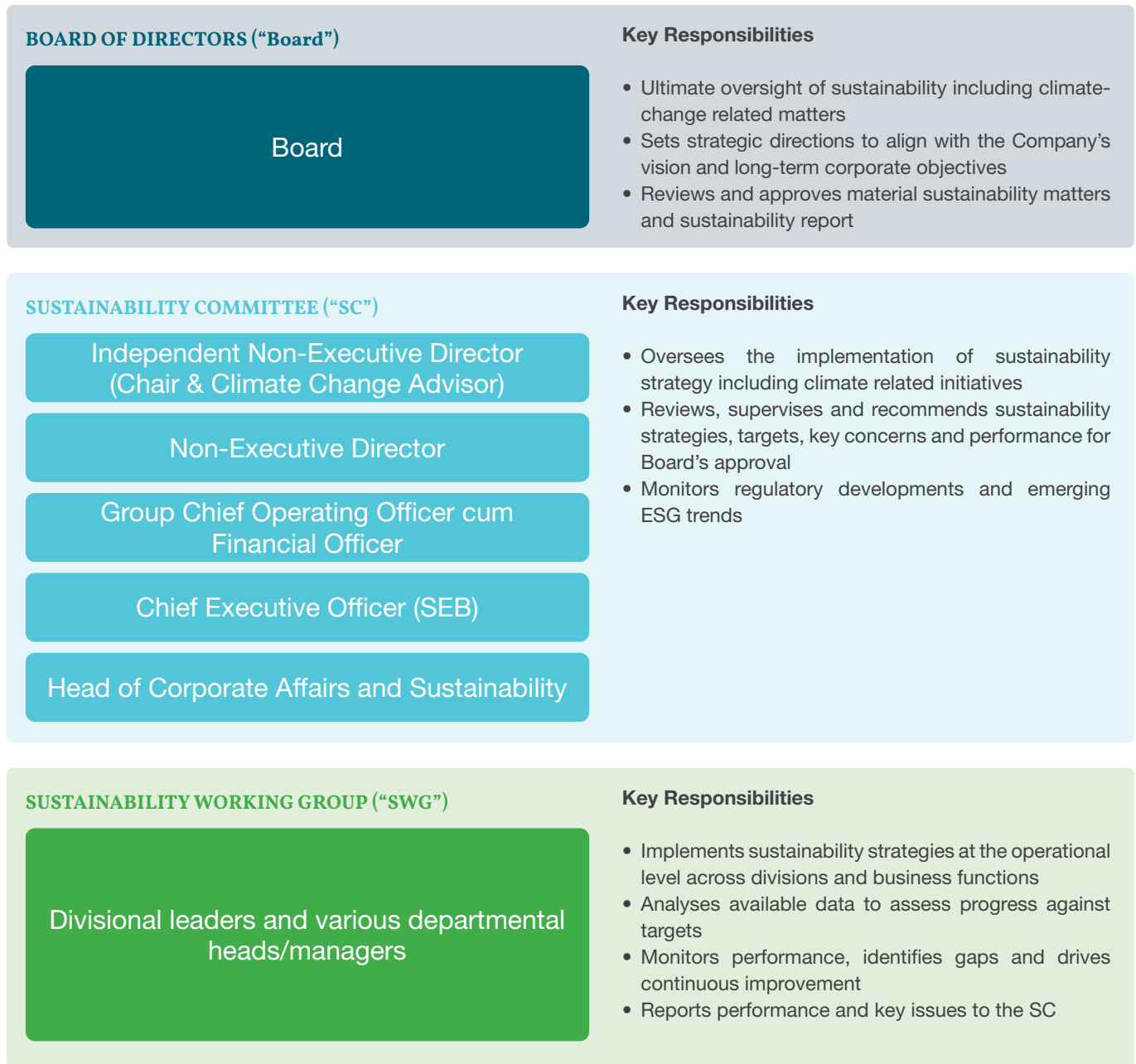
Relevant SDGs	Targets	FY2025 Contribution
	<p><b>Target 8.3</b> Promote formalisation and growth of micro-, small- and medium-sized enterprises</p> <p><b>Target 8.5</b> By 2030, achieve productive employment and decent work and equal pay for work of equal value</p>	<ul style="list-style-type: none"> <li>Enhanced local economic opportunities by engaging 388 number of suppliers and subcontractors</li> <li>Achieved 100% of local procurement for all divisions</li> <li>71.2% of employees hired locally</li> <li>Hired 56 protégé under the Malaysian Government initiative</li> </ul>
	<p><b>Target 12.5</b> By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse</p>	<ul style="list-style-type: none"> <li>Advanced sustainable waste management through annual recycling initiatives, with a total of 3,690 kg of materials collected for recycling</li> </ul>
	<p><b>Target 13.2</b> Integrate climate change measures into national policies, strategies and planning</p>	<ul style="list-style-type: none"> <li>Expanded emissions reporting to include segregated employee commuting data (Scope 3, Category 7) to provide a more comprehensive carbon footprint coverage</li> <li>Received zero environmental fines</li> </ul>
	<p><b>Target 16.5</b> Substantially reduce corruption and bribery in all their forms</p>	<ul style="list-style-type: none"> <li>Zero incidents of bribery or corruption</li> <li>Zero anti-competitive behaviour incidents</li> <li>Conducted ABAC training to 122 employees</li> </ul>
	<p><b>Target 17.7</b> Encourage and promote effective public, public-private and civil society partnerships</p>	<ul style="list-style-type: none"> <li>Foster collaboration with NGOs to drive ESG initiatives, including:                             <ul style="list-style-type: none"> <li>Watch Water Penang (“WWP”) for SSWP</li> <li>PDN for blood donation drive</li> <li>SZ Slim Scrap Metal and Kloth Cares for annual recycling programme</li> </ul> </li> </ul>

# Sustainability Statement

## Sustainability Governance

Robust governance underpins the integration of sustainability across Salcon’s operations and value chain, reinforcing accountability and transparency across the organisation.

## Governance Structure



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# Sustainability Statement

## Business Model And Innovation



Delivering innovative products and services through operational excellence

### UNSDGs:



### Material Matters:



### Key Achievements:

- ISO Certifications Maintained
- 100% Projects Completed on Time
- 4 New Products Developed
- 0 Cyber Security Complaints

### Why It Matters:

Sustained financial performance underpins Salcon’s ability to innovate, invest and create long-term value. We integrate operational excellence, disciplined capital management and sustainability principles to remain resilient in a dynamic operating environment. By prioritising quality, cost efficiency, environmental stewardship and ethical conduct, we strengthen stakeholder confidence, enhance competitiveness and drive responsible growth.

### Our Commitment:

We are committed to align our operations with internationally recognised standards in order to enhance our business and financial performance.

### Our Approach:

- Upholding stringent policies and a robust framework of business ethics
- Optimise our processes to improve efficiency and operational excellence
- Enhance quality of our products and services to exceed market expectations
- Invest in advanced technologies and cultivate a culture of continuous innovation
- Embedding ESG in supply chain
- Protecting our system and data through robust cyber security and data privacy measures

# Sustainability Statement

Policies and Certifications	Key Purposes
Statement of Policies and Business Ethics (“SPBE”)	Defines requirements for suppliers and contractors concerning their responsibilities towards stakeholders and the environment.
<b>ISO Certifications</b> – SEB & Glove Manufacturing  <b>ISO 9001:2015</b> Quality Management System – SEB & Glove Manufacturing  <b>ISO 14001:2015</b> Environmental Management System – SEB & Glove Manufacturing  <b>ISO 45001:2018</b> Occupational Health and Safety Management System – SEB & Glove Manufacturing  <b>ISO 13485:2016</b> Quality Management System for Medical Devices – Glove Manufacturing	Establishes standards and operating procedures to: <ul style="list-style-type: none"> <li>- Enhance credibility;</li> <li>- Improve operational efficiency;</li> <li>- Ensure consistent quality;</li> <li>- Meet regulatory and legal requirements;</li> <li>- Manage environmental impact responsibly;</li> <li>- Enhance customer satisfaction;</li> <li>- Facilitate international market access; and</li> <li>- Promote continuous improvement.</li> </ul>

 please refer the ISO certifications at <https://www.salcon.com.my/sustainability/QualitySafetyHealthEnvironment> and <https://jrmedical.my/certifications>.

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## MI1 Business Management and Delivery

Salcon is committed to achieving operational excellence through enhancing operational efficiency, optimising our value chain and continuous innovation. This drives sustainable value for stakeholders while maintaining strong market presence, ethical business practices and resilience in a dynamic operating environment.

In FY2025, The Group recorded revenue of RM374.24 million, representing an increase of 25.1% from RM298.37 in FY2024. This reflects the Group’s continued efforts to strengthen its business operations and deliver value to stakeholders.

As a responsible corporate citizen, we contribute to the local economy by creating job opportunities and supporting the communities in which we operate.

### Quality and Safety

Product quality and safety are central to our operations.





In addition to above ISO certifications, our glove manufacturing plant maintains the following certifications with:

- United States Food and Drug Administration (“USFDA”)
- CE Marking (Conformité Européenne)
- Supplier Ethical Data Exchange (“SEDEX”)
- Good Manufacturing Practice (“GMP”)
- Hazard Analysis and Critical Control Point (“HACCP”)

We implement these standards through rigorous Quality Assurance and Quality Control processes including internal audits and third-party assessments to ensure high compliance of our quality and safety assurance systems.

# Sustainability Statement

## Divisional Performance against targets

Divisions	Targets	FY2025 Achievements
 E&C (Water)	<ul style="list-style-type: none"> <li>• 100% of projects to be completed on time and within the budget</li> <li>• Maintain ISO certification</li> <li>• Minimum 98% compliance to Quality Assurance and Quality Control standards</li> </ul>	<ul style="list-style-type: none"> <li>• 100% of projects completed on time</li> <li>• Achieved ISO 9001:2015 recertifications</li> <li>• 100% compliance to quality assurance and quality control standards</li> </ul>
 E&C (Wastewater)	<ul style="list-style-type: none"> <li>• Maintain ISO certifications</li> <li>• 100% of projects to be completed on time and within budget</li> </ul>	<ul style="list-style-type: none"> <li>• Achieved ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 recertifications</li> <li>• All projects completed on time and within budget</li> </ul>
 Technology Services	<ul style="list-style-type: none"> <li>• Achieve targeted revenue as per for budgeted</li> </ul>	<ul style="list-style-type: none"> <li>• Exceeded budgeted revenue</li> </ul>
 Glove Manufacturing	<ul style="list-style-type: none"> <li>• Maintain rejected gloves at less than 2% of total production</li> <li>• Develop a minimum of 3 new products to expand product portfolio</li> </ul>	<ul style="list-style-type: none"> <li>• Maintained rejected gloves below 2%</li> <li>• Developed 4 new products</li> </ul>

 For more information on our economic contributions, please refer to statement of value added and distribution on page 40 of this report.

## Customer Satisfaction

We recognise that a customer centric approach is fundamental to enhancing customer experience and building long term trust. Improving customer satisfaction remains a key priority as we strive to deliver operational excellence and value.

To monitor the customer perceptions and service quality, Salcon conducts an annual customer satisfaction survey covering project management, technical competency, quality, timeliness, customer service, complaints and overall satisfaction.

## Customer satisfaction score vs targets

Division	Customer Satisfaction Score			
	Target	FY2023	FY2024	FY2025
E&C (Water)	75%	67.5%	77.3%	71.1%
E&C (Wastewater)	65%	77.5%	83.3%	81.6%
Transportation	75%	96%	90%	N/A

The E&C (Water) Division’s customer satisfaction score declined in FY2025. We are reviewing feedback and implement improvement initiatives to strengthen our customer engagement and service levels.

## Customer services

As a service provider in Sandakan, we are committed to respond to customer complaints within 5 minutes. Our dedicated customer service centre in Sandakan provides billing, collection and support services to consumers.

Customers may submit inquiries and complaints by phone or email. Our team actively listens to customer concerns and works with relevant operational teams to address issues promptly. Most customer complaints relate to pipe leakage, low water pressure and airlock.

# Sustainability Statement

## Customer services and complaints

Year	Complaints	Targeted Average Response Time ("ART")	Actual ART
FY2023	8,771	2 min per call	10 min per call
FY2024	8,720	5 min per call	5 min per call
FY2025	6,246	5 min per call	5 min per call

Through continuous service improvements, complaints declined by 28.4% to 6,246 cases in FY2025, reflecting progress in strengthening service reliability and customer responsiveness. During this year, we successfully answered 6,246 calls and achieved our targeted response time.



Customer service centre in Sandakan

## Memberships and associations

Salcon maintains active membership in local and international associations to stay informed on regulatory developments, access to valuable resources and expertise and foster collaboration to address industry challenges.

E&C	Glove Manufacturing	Transportation
Malaysia Federation of Employers	Malaysian Occupational Safety and Health Practitioners Association	Malaysia Association Tours and Travel Agent
The Malaysia Water Association	Malaysian Rubber Council	Malaysian Palm Oil Association
International Water Association	Malaysian Rubber Glove Manufacturers Association	Car Rental Association
Malaysia South-South Association		
Construction Industry Development Board (CIDB) Malaysia		
The Association of Environmental Consultants and Companies of Malaysia		

# Sustainability Statement

## Conferences attended in FY2025

Water Malaysia 2025 Specialised Conference & Exhibition

MAICSA Annual Conference 2025

Asia ESG Summit

Asiawater Versi Sabah 2025 Conference

OSHCN 2025 Conference

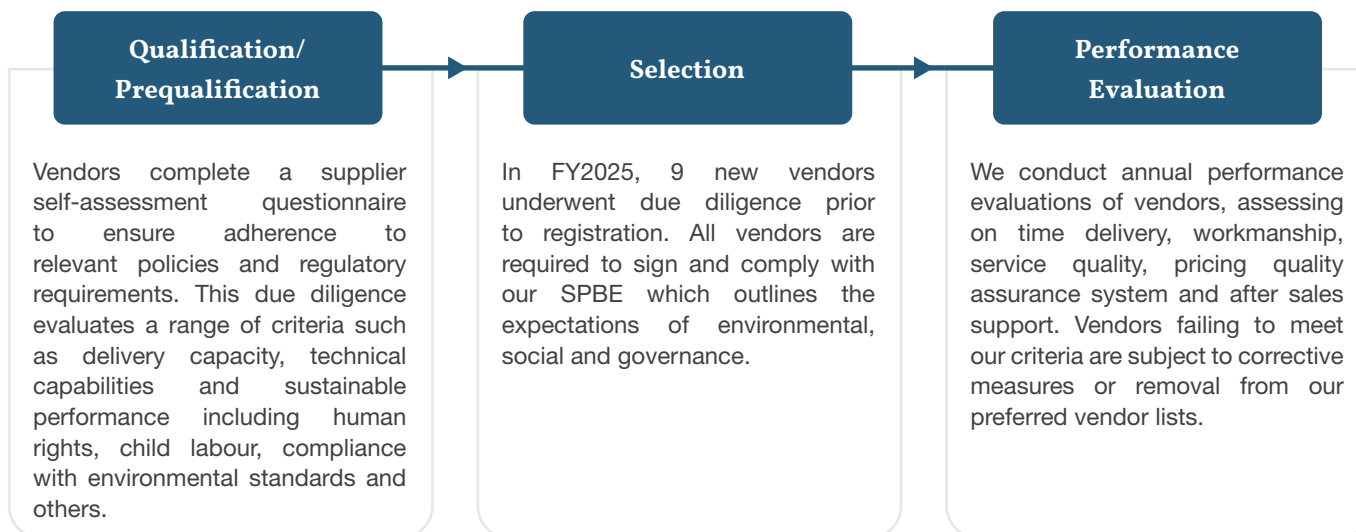
OSH Revolution in Construction (OSHREC) 2025

Conference on Data Centres towards Net Zero



## MI3 Supply Chain Management

Salcon is committed to managing a responsible and sustainable supply chain by integrating sustainability into our procurement process. We apply a structured supply management process covering qualification, selection and performance evaluation.



This year, we incorporated social and environmental aspects into our annual performance evaluation of our sub-contractors, assessing the following criteria:

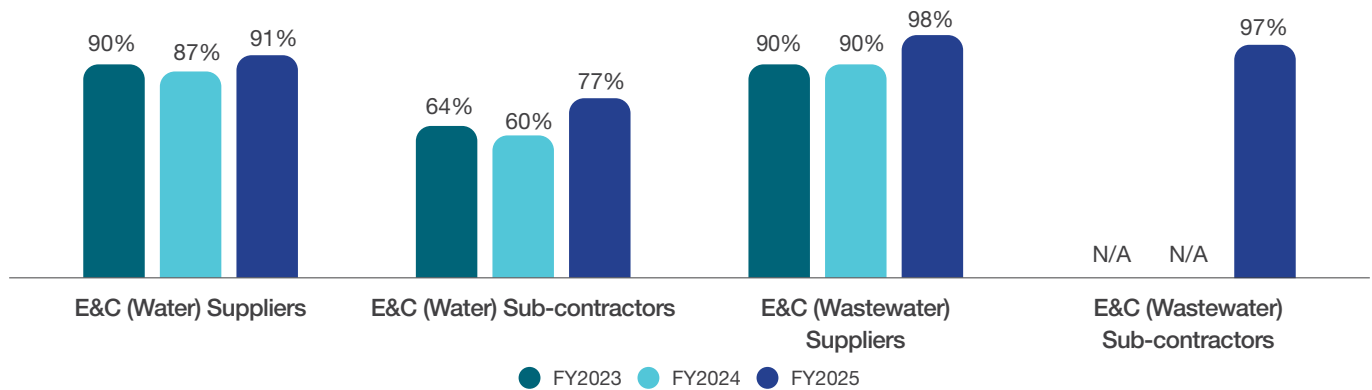


## Suppliers & Sub-Contractors Evaluation Score vs Target

Division	Target	FY2023	FY2024	FY2025
E&C (Water) Suppliers	90%	90%	87%	91%
E&C (Water) Sub-contractors	90%	64%	60%	77%
E&C (Wastewater) Suppliers	90%	90%	90%	98%
E&C (Wastewater) Sub-contractors	90%	N/A	N/A	97%

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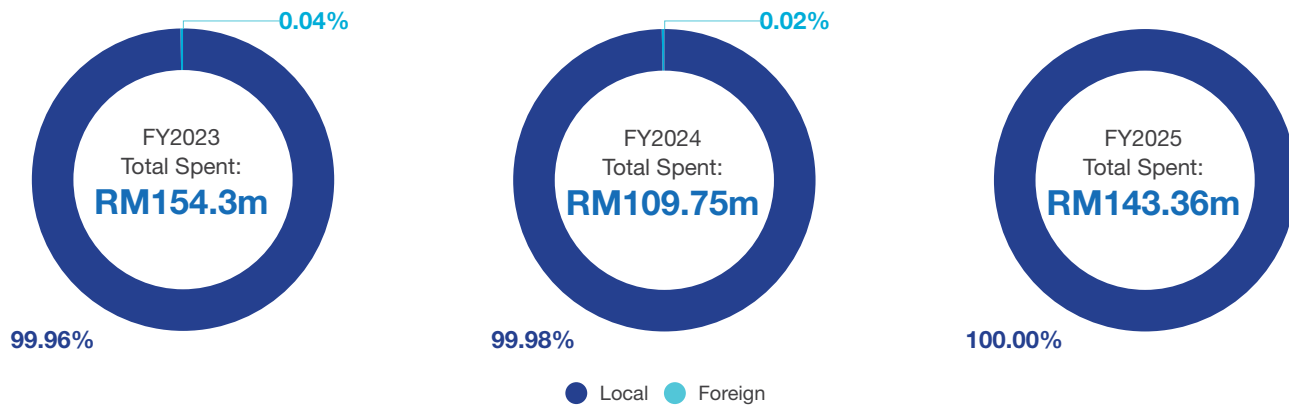
## Suppliers/Sub-Contractors' Evaluation Score



## Local Procurement

Salcon prioritises local vendors wherever possible in line with project requirements. In FY2025, 100% of our suppliers were local, reflecting our commitment to supporting the local economy and reducing environmental impacts.

## Local vs Foreign Suppliers (FY2023- FY2025)



Division	Country	Total procurement spent on local suppliers (%)
E&C (Water)	 Malaysia	 100%
E&C (Wastewater)		
Glove Manufacturing		
Technology Services		
Renewable Energy		
Transportation		

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# Sustainability Statement

## MI4 Technology and Innovation

Innovation is a key driver of progress at Salcon. We recognise its potential to enhance sustainability, operational efficiency and value creation for the Group, our stakeholders and society. By embracing technology and innovation we improve efficiency, meet evolving market demands and foster strategic collaboration with technology partners.

Division	Initiatives
 <b>E&amp;C</b>	<ul style="list-style-type: none"> <li>Identifying advanced water treatment technology to enhance operational efficiency</li> </ul>
 <b>Glove Manufacturing</b>	<ul style="list-style-type: none"> <li>Developed new products including polyisoprene surgical gloves, elbow length ambidextrous, hand specific gloves and gauntlet gloves</li> </ul>
 <b>Renewable Energy</b>	<ul style="list-style-type: none"> <li>Deploying flexible mounting systems on hilly terrain under CGPP project to maximise energy output and enhance efficiency</li> </ul>

### Impact Story

#### Langat 2 Package 3 Residual Management System

Salcon's delivery of the L2P3 Water Treatment Plant Residuals Management System represents a landmark achievement in engineering innovation and sustainability, earning two MBOR titles.



*This project set three national records and established a new benchmark for sustainable residual management in Malaysia's water treatment industry.*

#### Key Achievements

- 1.918 km Pipe Conveyor Length
- 120 tonne per hour system capacity
- 450 kg Daily CO<sub>2</sub>e Reduction
- 0 LTI
- 2 MBOR Titles
- An MWA Excellence Award by MWA

#### Key innovation:

The facility features Malaysia's first and longest enclosed pipe conveyor system for water treatment residuals, officially recognised by the MBOR. This fully integrated mechanical handling system safely transports dewatered residuals from Langat 2 Water Treatment Plant to the Residual Storage Shelter for final disposal at the adjacent landfill in an enclosed, environmentally controlled manner.

# Sustainability Statement

Component	Function
Shaftless Screw Conveyors	Receive dewatered residuals from centrifuges and transfer to pipe conveyors
Pipe Conveyor System	Fully enclosed 1.918 km conveyor prevents dust emission, spillage and environmental contamination
Stacking Belt Conveyors	Primary and secondary movable conveyors to distribute dewatered residuals into controlled stockpiles within the Residual Storage Shelter

A major engineering achievement was overcoming the site’s natural terrain through steel-cord belts, optimised idlers and Variable Frequency Drive (VFD)-controlled motors, ensuring both safety and energy efficiency.

### Purpose-Built Engineered Landfill

Designed with geosynthetic clay liners, reinforced embankments, aggregate drainage layers and effluent detention ponds, the dedicated landfill ensures secure isolation of dewatered residuals from soil and groundwater fully complying with Department of Environment (DOE) standards.

### Sustainability and Community Impact

By replacing traditional truck haulage with an automated conveyor system, the project:

Eliminates multiple daily truck trips, reducing 450 kg CO <sub>2</sub> e GHG emissions per day	Removes heavy trucks from local roads, improving community safety	Minimises dust generation and spillage	Incorporates rainwater harvesting, natural ventilation and energy-efficient motors
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### Cyber Security and Data Privacy

The rapid acceleration of digital adoption has increased exposure to cyber threats. Salcon continuously strengthens its IT infrastructure to safeguard its system, networks and data.

All employees are bound by our Code of Conduct and Ethic which requires strict protection of confidential data at all times. Any breach of these may result in disciplinary action.

Following the new Personal Data Protection Amendment Act 2024, Salcon has appointed a Data Protection Officer to further strengthen internal data protection governance. A data protection checklist was circulated during the year to identify potential gaps and areas for improvements.

Protecting assets and critical information to avoid breaches and damage to the Company’s system and data remains a priority. Our cyber security measures are rigorously monitored, managed and tracked as part of our daily practice. We continuously identify areas for enhancement to remain vigilant against evolving threats.

In FY2025, we recorded zero breaches of customer privacy and zero cyber security complaints.

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# Sustainability Statement

## Leadership and Governance



Becoming a trusted and reliable working partner  
Material Matters

UNSDGs:



**Material Matters:**

- MI2
- MI6

**Key Achievements:**

- 0 incidents of bribery or corruption
- 122 employees attended ABAC training
- 4,322 ABAC training hours

**Why It Matters:**

Strong leadership and ethical business conduct are the foundations of Salcon’s sustainable performance. A robust governance framework promotes accountability, transparency and ethical decision making across our operations. By embedding high standards of integrity, we strengthen stakeholder trust and underpin long-term value creation.

**Our Commitment:**

We are committed to ethical excellence in all that we do. We strive not only to meet but exceed the expectations of our stakeholders by fostering a culture of sustainability, integrity and responsible decision-making throughout our organisation.

**Our Approach:**

- Upholding high standard of integrity
- Maintaining robust governance structures with clear oversight
- Promoting transparency and responsible stakeholder engagement
- Embedding ethical conduct at all levels

# Sustainability Statement

## Framework and Policies

Policies	Key Purposes
Anti-Bribery and Anti-Corruption (“ABAC”) Policy and Procedures	Establishes the Group’s position on bribery and sets out principles and controls to prevent corrupt and bribery practices
Code of Ethics and Conduct (“COEC”)	Defines the standards of ethical behaviour and professional conduct expected of all employees and external parties
Whistleblowing Policy	Provides confidential and secure channels for reporting improper conduct such as fraud, corruption, misconduct, unethical behaviour or policy breaches
Board Diversity Policy	Sets out the Group’s approach to achieving diversity in Board composition
Directors’ Fit and Proper Policy	Governs the appointment and re-election of directors to safeguard Board’s quality and integrity
Remuneration Policy	Establishes a transparent framework for determining the remuneration of Directors and Senior Management, aligned with the Malaysian Code on Corporate Governance
Integrated Risk Management Policy and Procedure (“IRMPP”)	Provides a systematic approach to identifying, assessing, mitigating and monitoring significant risks

This table above forms the foundation of our responsible business practices. For more information regarding these policies, please refer to our corporate website at <https://www.salcon.com.my/About-Us/corporate-governance>.

## MI2 Business Ethics and Corporate Governance

Salcon is committed to conducting our business in accordance with the Malaysian Code on Corporate Governance, the Corporate Liability provision under Section 17A of the Malaysian Anti- Corruption Commission (“MACC”) Act 2009 and applicable laws and regulations in the jurisdictions where we operate.

To uphold high ethical practices in carrying out business, all employees and business partners are required to adhere to the COEC and ABAC. These policies define the standards of ethical behaviour expected of all employees and business partners.

### Anti-Bribery and Anti-Corruption

We maintain a zero-tolerance approach to bribery and corruption, as stated in the ABAC Policy. The Board provides oversight of fraud, bribery and corruption risks, supported by the Integrity Committee. Chaired by the Chief Compliance Officer (who is our Group Chief Operating cum Financial Officer), the committee comprises:

- Chief Executive Officer of SEB
- Head of Internal Audit
- Head of Human Resource & Admin
- Head of Corporate Affairs & Sustainability

The Integrity Committee is responsible for managing all ABAC compliance matters within the Company.

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## Whistleblowing Mechanism

Our Whistleblowing Policy provides a secure and confidential avenue for employees or external parties to report suspected unethical, unlawful conduct or non-compliance with laws or regulations directly to the Chairman of the Audit Committee through the following channels:

- a) Mail: 15<sup>th</sup> Floor, Menara Summit, Persiaran Kewajipan, USJ 1, 47600 UEP Subang Jaya, Selangor Darul Ehsan;
- b) Email: [chansf8@yahoo.com](mailto:chansf8@yahoo.com); or
- c) Facsimile: 03-8024 8811

The policy is available on our corporate website [https://www.salcon.com.my/sites/default/files/corporate-governance/pdf/Whistle\\_Blowing\\_Policy%20%28updated%29.pdf](https://www.salcon.com.my/sites/default/files/corporate-governance/pdf/Whistle_Blowing_Policy%20%28updated%29.pdf)

## FY2025 outcomes

0

- whistleblowing complaints received
- confirmed incidents of bribery or corruption
- incidents of anti-competitive behaviour or violations of anti-trust or monopoly legislation
- political contributions made during the year

To strengthen ethical culture, we conducted ABAC training for employees across the Group covered ABAC policies and whistleblowing channels.

**122 employees**  
participation in ABAC trainings

**4,322**  
training hours

 For more information on Corporate Governance Overview Statement, please refer to pages 128 to 136 of this report.

## MI6 Systemic Risk Management

Effective risk management is essential to safeguarding business continuity. The Group's Enterprise Risk Management practices are guided by our IRMPP and ERM framework, which are aligned with ISO 31000 Risk Management.

The Audit Committee and Risk Management Committee oversees the effectiveness of our risk management controls and governance practices. The Integrity Committee focuses on corruption-related risks.

Corruption risk assessments are integrated into the ERM framework and are conducted annually.

## In FY2025:

**100% of operations** were assessed for corruption-related risks

 For more information on the Key Risks and Mitigation section and the Statement of Risk Management and Internal Control, please refer to pages 140 to 145 of this report.

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## Human Capital

HC

Building a thriving workplace for employees

UNSDGs:



### Material Matters:

MI5 MI7 MI11

### Key Achievements:

0 fatalities

Maintain ISO 45001:2018 Certification

Invested RM254,225 in training

0 Discrimination incidents

### Why It Matters:

Our employees are the fundamental drivers of our long-term success. A positive and conducive work environment drives engagement, strengthens organisational resilience and enables the Group to deliver sustainable value.

### Our Commitment:

We are dedicated to creating a thriving workplace, supporting professional growth, promoting employee well-being and offering equal opportunities that aligns with our strategic objectives, core values and the UNSDGs, particularly Goal 8, which advocate for inclusive and sustainable economic growth, full and productive employment and decent work for all.

### Our Approach:

- Fostering a culture of safety and well-being
- Investing in employees' futures through development programmes and a wide range of training
- Driving Engagement and Inclusivity

# Sustainability Statement

## Our Policies

Policies	Purpose
Quality, Safety, Health and Environment (“QSHE”) Policy	Provides the framework for managing quality, safety, health and environmental impacts across the Group’s operations
Human Resource Policies and Procedures Manual (“HRPP”)	Outlines policies and guidelines to safeguard employee welfare, and ensure consistent human resource management practices
Equal Opportunity Employment Policy (“EOEP”)	Ensures fair and consistent HR practices while promoting equal opportunities
Anti-Sexual Harassment Policy	Establishes our commitment to a respectful and harassment free workplace and provides a clear framework for reporting and addressing incidents
Human Rights Policy	Communicates our commitment to upholding internationally recognised human rights principles across our business operations and value chain
Whistleblowing Policy	Provides a secure and confidential mechanism for reporting concerns about any suspected and/or known wrongdoings

 Please refer to QSHE policy: <https://www.salcon.com.my/sustainability/QualitySafetyHealthEnvironment>

 Please refer to Anti-Sexual Harassment Policy: [https://www.salcon.com.my/sites/default/files/Salcon\\_Sexual%20Harassment%20Policy.pdf](https://www.salcon.com.my/sites/default/files/Salcon_Sexual%20Harassment%20Policy.pdf)

 Please refer to Human Rights Policy: [https://www.salcon.com.my/sites/default/files/Salcon\\_Human%20Rights%20Policy.pdf](https://www.salcon.com.my/sites/default/files/Salcon_Human%20Rights%20Policy.pdf)

 Please refer to Whistleblowing Policy: [https://www.salcon.com.my/sites/default/files/corporate-governance/pdf/Whistle\\_Blowing\\_Policy%20%28updated%29.pdf](https://www.salcon.com.my/sites/default/files/corporate-governance/pdf/Whistle_Blowing_Policy%20%28updated%29.pdf)

## MI5 Occupational Health and Safety

Salcon is committed to providing a safe and healthy workplace for employees, sub-contractors and stakeholders. Our occupational safety and health (“OSH”) practices are guided by our QSHE Policy, which is periodically reviewed and benchmarked against industry best practices.

Our OSH Management System complies with the Occupational Safety and Health (Amendment) Act 2022 and is certified under ISO 45001:2018 for SEB’s operations and the glove manufacturing division.

OSH matters are overseen by the QSHE committees. These committees are chaired by their respective heads of divisions and include employee representatives. They meet quarterly to review safety performance, monitor compliance and drive continuous improvements.

### SHE Committees’ Responsibilities

- a) Evaluating the effectiveness of health and safety management system;
- b) Conducting risk assessments and implementing preventive/corrective actions;
- c) Ensuring compliance with all relevant regulations; and
- d) Enhancing employees’ awareness and fostering a strong safety culture.

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## Fostering a Positive Health and Safety Culture

In FY2025, Salcon reinforced our commitment through a range of ongoing and enhanced initiatives:

Initiatives/Focus	Divisions
<b>Annual SHE Audit and Inspection</b> Conducted safety and health risk assessments at specific project sites to identify potential risks and implement mitigation measures	<ul style="list-style-type: none"> <li>• Group</li> </ul>
<b>Quarterly She Committee Meeting</b> Reviewed safety performance and addressed safety concerns to reinforce a strong safe culture	<ul style="list-style-type: none"> <li>• E&amp;C</li> <li>• Glove Manufacturing</li> </ul>
<b>Yearly External Audit and Inspection</b> Successfully maintained ISO 45001:2018 certification and passed external SEDEX Members Ethical Trade Audit (“SMETA”), demonstrating adherence to international standards	<ul style="list-style-type: none"> <li>• E&amp;C</li> <li>• Glove Manufacturing</li> </ul>
<b>Annual Safety, Health and Environmental Campaign</b> This event includes talks, training, programmes showcasing safety, health and environmental related programmes such as: <ul style="list-style-type: none"> <li>• Safety Training</li> <li>• Learn and Lunch on e-waste by the Department of Environment</li> <li>• Blood Donation and Health Fair including health consultation, dental check and healthy drinks</li> <li>• Ergonomic Risk Assessment</li> <li>• Safety Videography Competition</li> </ul>	<ul style="list-style-type: none"> <li>• E&amp;C</li> </ul>
<b>Regular Safety Training and Awareness</b> <ul style="list-style-type: none"> <li>• SHE induction training for new employees</li> <li>• ISO awareness training at project site</li> <li>• Conducted major hazard trainings and mandatory safety assessments as per OSHA 1994</li> <li>• Weekly toolbox briefings</li> </ul>	<ul style="list-style-type: none"> <li>• E&amp;C</li> <li>• Glove manufacturing</li> </ul>
<b>Hazard Identification, Risk Assessment And Risk Control (“Hirarc”)</b> Performed hazard identification, risks assessment and control reviews at offices and project sites	<ul style="list-style-type: none"> <li>• E&amp;C</li> </ul>
<b>Emergency Response Preparedness and House Keeping</b> Conducted fire drill and emergency response exercise @ HQ and project sites to ensure readiness	<ul style="list-style-type: none"> <li>• E&amp;C</li> </ul>

## Safety and Health Performance

In FY2025, the Group maintained its strong safety record with

0

- fatalities for employees and subcontractors
- lost time injuries
- work-related ill health incidents

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Safety Performance	HQ and Water Engineering	Wastewater Engineering	Glove Manufacturing	Technology Services	Transportation
Total working hours	822,674	384,000	422,400	33,536	21,060
Total cumulative man hours with zero LTI	7,591,434	4,304,576	2,944,487	33,536	11,340
Targeted man hours with zero LTI	7,000,000	4,800,000	3,000,000	33,536	14,040

## Safety and health training

We provided training sessions on health and safety including safety induction, hazard awareness throughout the year to equip our employees with knowledge to identify hazards and work safely.

### Safety and Health Training in FY2025

 <p><b>169</b> Total number of employees trained on safety and health standards</p>	 <p><b>2,014 hours</b> Total safety and health training hours for employees</p>
 <p><b>0 hours</b> Total safety and health training hours for sub-contractors</p>	 <p><b>47</b> Safety and Health Committee members attended safety and health related training</p>



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## MI7 Talent Attraction and Engagement

Our goal is to cultivate a high-performance culture and an inclusive workforce where employees feel valued, engaged and empowered to grow. Our strategy focuses on two key areas:

- (i) Talent Attraction and Retention; and
- (ii) Engagement and Inclusion.

### Talent attraction and retention

We benchmark our remuneration and compensation packages against industry peers to remain competitive. Our employee benefits align with labour standards and industry practices, including:

Medical Benefits

Insurance Coverage

Bonus and Incentives

Leave Entitlements

Travel and Transport Allowance

This year, we strengthened our commitment to well-being by expanding medical coverage and introducing additional dental and wellness benefits, supporting the physical and mental wellbeing of our employees.

### Parental leave

We support our employees through key life events. Our parental leave policy and high retention rates post leave demonstrate our commitment to an inclusive and supportive workplace.

Parental leave in FY2025	Female	Male
Total employees who were entitled to parental leave	80	117
Total employees who took parental leave	1	4
Total employees who returned to work in the reporting period after parental leave ended	1	4
Total employees that returned to work after parental leave ended and were still employed 12 months after returning to work	1	4
Return to work of employees who took parental leave	100%	100%
Retention rates of employees who took parental leave	100%	100%

### Learning and Development

We cultivate a skilled and agile workforce through structured development. Each employee develops an individual development plan, guided by performance discussions with the managers during goal setting and year end reviews. This ensures training aligns with both personal aspirations and business needs.

In FY2025, we invested RM254,225 in employee development, delivering 122 training sessions covering:

Soft Skills

Technical Skills

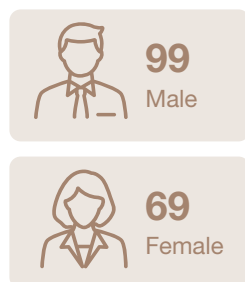
Leadership and Management

Safety, Health and Environment

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168 employees received regular performance and career development reviews during the year, strengthening the pipelines of future leaders. Employees are also empowered to take ownership of their professional growth by proposing technical or functional training to close competency gaps.

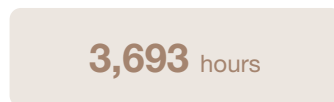
### By Gender:



### By Job Category:



### Total Training Hours (FY2025)



#### By employee category (Hours)



#### By Gender (hours)



### Average Training Hours (FY2025)



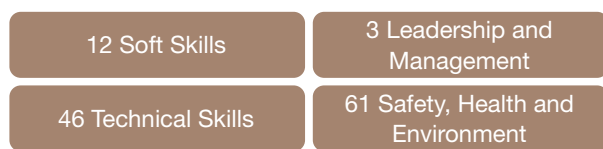
#### By employee category (Hours)



#### By Gender (hours)



### Types of Training Programmes



### Diversity and Inclusivity

Salcon is committed to a workplace where anyone can thrive. Guided by our EOEP, our employment practices are non-discriminatory and based on merit. We prioritise local talent and support underprivileged groups through initiatives such as internships and protégé programme, a government initiative that equips youth with skills and experience needed to meet current industry needs.

In FY2025, zero discrimination incidents were reported, reinforcing the strength of our inclusive culture.

### Employee Demography

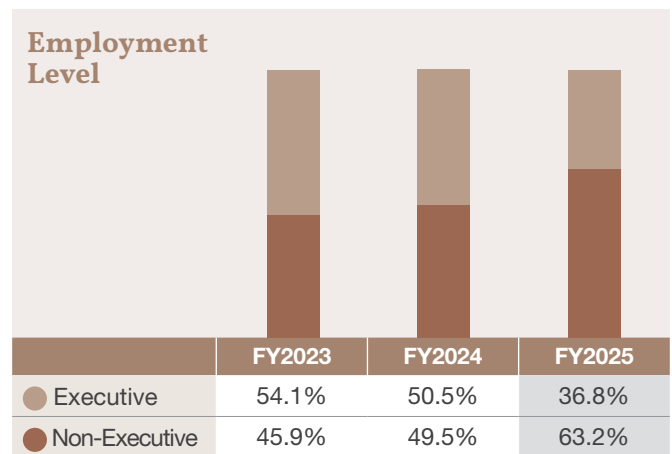
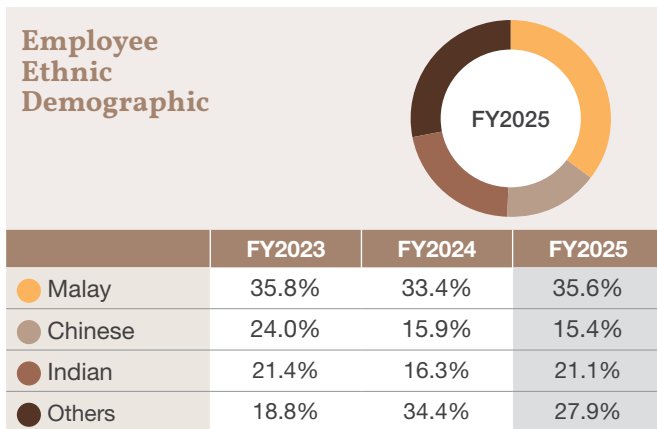
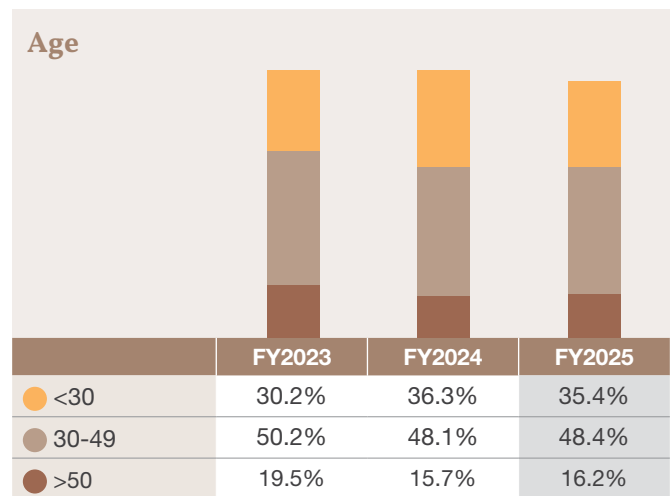
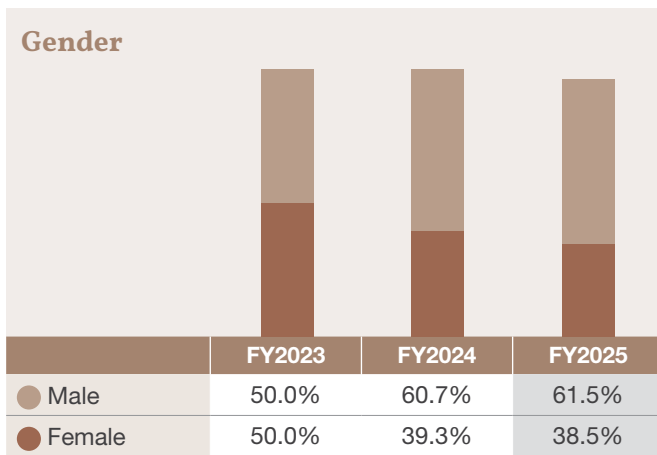
As at 31 Dec 2025, we have 517 based in Malaysia, comprising 299 permanent employees and 218 contract staff.

Gender		Permanent	Contract	Part Time
FY2023	Male	123	128	0
	Female	130	29	0
FY2024	Male	209	88	0
	Female	165	28	1
FY2025	Male	144	174	0
	Female	156	43	0

Region		Permanent	Contract	Part Time
FY2023	Malaysia	242	69	0
	Thailand	1	1	0
	Sri Lanka	5	0	0
	India	0	47	0
	Vietnam	4	0	0
	Others	0	40	0

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Region		Permanent	Contract	Part Time
FY2024	Malaysia	285	74	1
	Thailand	0	1	0
	Sri Lanka	5	0	0
	India	0	40	0
	Vietnam	5	0	0
	Others	0	80	0
FY2025	Malaysia	289	79	0
	Thailand	0	1	0
	Sri Lanka	5	0	0
	India	0	60	0
	Vietnam	5	0	0
	Others	0	78	0



The *others* category, comprises foreign workers from Bangladesh, Indonesia, Myanmar and India accounted for 27.9% of the workforce, primarily supporting glove manufacturing operations.

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# Sustainability Statement

## Employees turnover

We monitor turnover and hiring trends closely.

Employee Turnover	FY2023	FY2024	FY2025
Total employee turnover	120	137	118
Employee turnover rate	29.3%	27.9%	22.8%

Employee Turnover		FY2023	FY2024	FY2025
Employee Turnover by Gender	Male	38	65	77
	Female	82	72	41
Employee Turnover by Age Group	< 30 years old	73	80	75
	30-50 years old	43	49	37
	>50 years old	4	8	6

New Employee Hires	FY2023	FY2024	FY2025
Total new employee hires	131	146	211

New Employee Hires		FY2023	FY2024	FY2025
New employee hires by gender	Male	30	64	100
	Female	101	82	111
New employee hires by age group	< 30 years old	96	66	141
	30-50 years old	32	72	59
	>50 years old	3	8	11

 For more information on Employee Demography Data, please refer to pages 273 to 276 of this report.

## Engaging with our people

Salcon strives to create a work environment where employees feel valued, motivated and connected to their work and the organisation.

Salcon actively engages with our employees through events and celebrations. We continued to celebrate our diverse cultures together through festive celebrations including Chinese New Year, Hari Raya Aidilfitri, Deepavali and Christmas Day.

Our Salcon Recreational Club, the Company’s social club, organised sporting events, annual dinner, and family day activities to foster camaraderie.

### FY2025 Engagement Initiatives



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**Family Day**  
17 May 2025



**Salcon's 51<sup>st</sup> Annual Dinner**  
19 July 2025



**QSHE campaign - Blood Donation and Health Fair**  
18 July 2025



**Salcon Bowling Tournament**  
27 September 2025



**Deepavali Giveaway**  
14 October 2025



**Salcon Xmas Party and Gift Exchange**  
12 December 2025



**Salcon Spring Cleaning**  
29 December 2025

# Sustainability Statement

## MI11 Labour Rights and Practices

Upholding human rights and fair labour practices is fundamental to how we do business. Our Human Rights Policy aligns with international standards including the United Nations Guiding Principles on Business and Human Rights. Additionally, we comply with the Malaysian Employment Act 1995 and all other applicable labour regulations in Malaysia and in the regions we operate.

We collaborate with industry peers to address human right issues especially in relation to foreign workers. We also work closely with recruitment agencies to priorities safe working conditions and provide decent accommodation.

### Our Commitment to Labour Principles

Zero Tolerance for Child Labour, Forced Labour and Discrimination

Respect for Freedom of Association

Safe and Hygienic Working Place

Fair Compensation

In FY2025, we recorded zero fines and zero incidents of human or labour rights violations including no instances of child or forced labour within our operations.

### Grievance Mechanism

We provide a formal and secure mechanism for employees to voice concerns. Our Employee Grievance Handling Procedure outlines the procedures for handling employee grievances related to harassment, bullying, discrimination or any other employment matter. All complaints are handled promptly and confidentially, with resolutions communicated to the involved parties.

In FY2025, zero formal grievances were lodged through this mechanism.



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## Environment

### Protecting the Environment



#### UNSDGs:



#### Material Matters:



#### Key Achievements

Maintained ISO 14001:2015 Certifications

0 Environmental Fines

158 students participated in SSWP

#### Why It Matters:

The escalating impacts of climate change and environmental degradation present significant challenges to ecosystems, communities, businesses and supply chains. As a responsible organisation, Salcon recognises the importance of environmental stewardship in safeguarding natural resources, minimising negative environmental footprint and strengthening long-term business resilience.

#### Our Commitment:

We are committed to embedding sustainable environmental practices across our operations and value chain. This commitment supports:

- a) UNSDGs, Paris Climate Agreement’s objectives to limit global warming to 1.5°Celsius, Malaysia’s Net Zero 2050 Goal; and
- b) Our roles as a Corporate Friend of Climate Governance Malaysia advocacy, supporting national governance advocacy and responsible climate action.

#### Our Approach:

- Water stewardship: optimising water use and enhancing treatment processes across operations
- Energy and carbon management: improving energy efficiency while monitoring and managing greenhouse gas (“GHG”) emissions
- Waste and circular economy: promoting responsible waste management practices that minimise waste generation and maximise resource efficiency
- Pollution management: managing emissions, air pollution and noise to ensure regulatory compliance and minimise environmental impacts
- Biodiversity protection: preserving ecosystems and minimising disruption to natural habitats

# Sustainability Statement

## Frameworks and Policies

Policies	Key Purposes
Salcon Green Policy	Sets out our environmental commitment to reducing greenhouse gas emissions and pollution through responsible energy and water consumption, pollution prevention, sustainable procurement and environmental awareness initiatives
Water Management Plan (“WMP”)	Strengthens water stewardship by guiding monitoring, optimisation and responsible use of water resources to minimise wastage and support sustainable consumption
QSHE Policy	Promotes responsible practices to identify, manage and mitigate environmental impacts while ensuring compliance with regulatory requirements and driving continuous improvement
Enterprise Risk Management (“ERM”) Framework	Provides guidance to support our approach to identifying and managing climate-related risks and establishing strategies to reduce GHG emissions and strengthen climate resilience

 please refer to Salcon Green Policy: <https://www.salcon.com.my/sites/default/files/SALCON-GREEN-POLICY.pdf>

 please refer to WMP: <https://www.salcon.com.my/sites/default/files/Salcon%20Water%20Management%20Plan.pdf>

 please refer to QSHE policy: <https://www.salcon.com.my/sustainability/QualitySafetyHealthEnvironment>

## M18 Environmental Impact Management

We are committed to manage the environmental footprint at our operations through continuous improvements in energy, water and waste management. Guided by the Salcon Green Policy, we proactively identify and mitigate significant environmental impacts of our operations while promoting sustainable practices across our business operations.

 please refer to Salcon Green Policy: <https://www.salcon.com.my/sites/default/files/SALCON-GREEN-POLICY.pdf>

During the year, we revised our key environmental performance indicators to ensure they remain relevant and aligned with our operational realities.

## Water Stewardship or Water and Wastewater Management

Recognising the importance of water to the natural ecosystems and communities in which we operate, we are committed to protecting watersheds, continuously improving our operating procedures and educating our team on water management best practices. Our operations are not located in water-stressed areas.

## Water Withdrawal

Water Withdrawal by Source	FY2025
Potable water	170,439 m <sup>3</sup>

## Water Stewardship Initiatives

Key Water Stewardship Initiatives	Divisions
Regular inspections of taps and pipes to identify and address leakages	Group
Water conservation signages in toilet	Group
Strategic partnership with an NGO, Water Watch Penang to promote water conservation awareness and education	Salcon HQ
Non-Revenue Water (“NRW”) reduction projects to minimise treated water losses in Sabah	E&C
Rainwater harvesting for dust suppression and site cleaning	E&C

# Sustainability Statement

## Water Consumption Performance



Indicators	Unit of Measurement	Base year <sup>1</sup>	FY2023	FY2024	FY2025
<b>Water Consumption Intensity</b>					
E&C	m <sup>3</sup> per RM1 million revenue	21.28	15.65	5.83	15.92
Glove Manufacturing	m <sup>3</sup> per 1000 gloves produced	0.90	0.90	1.05	1.13
Transportation	m <sup>3</sup> per RM1 million revenue <sup>1</sup>	59.71 <sup>1</sup>	69.97	51.15	112.84
<b>Absolute Water Consumption</b>					
E&C <sup>2</sup>	m <sup>3</sup>	549	1,604	1,342	2,376
Glove Manufacturing	m <sup>3</sup>	91,723	112,812	141,853	166,867
Transportation	m <sup>3</sup>	17	739	638	1,196
<b>Total</b>		<b>92,289</b>	<b>115,155</b>	<b>143,833</b>	<b>170,439</b>

**Notes:**

- The targets for water consumption intensity have been updated based on a revised base year and baseline to improve the accuracy of the quantification approach.
- Data includes both office and project office site consumption, encompassing Telibong WTP, NRW Sandakan, Small Hydro, Langat 2 Package 3, Jerneh and Kota Bharu.

The increase in E&C water consumption in FY2025 by 18.5% reflects the cyclical nature of our project-based operations. Following the completion of several projects in FY2024 which resulted in temporarily lower water usage, the commencement of new projects during the year drove higher operational activity and corresponding water demand. We continue to monitor water consumption closely and strengthen water efficiency initiatives across all operations.

## Energy Management

Electricity represents the largest portion of the Group’s energy consumption. Improving energy efficiency remains a key priority as we transition towards to a low carbon economy.

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# Sustainability Statement

## Energy Management Initiatives

Key Energy Management Initiatives	Divisions
Reducing air-conditioning operating hours	Group
Replacing conventional lights with LED lighting	Group
Turning off lights and air-conditioning systems when not in use	Group
Installation of solar lights at project sites	E&C

## Energy Consumption Performance

E&C	Glove Manufacturing	Technology Services	Transportation
<p><b>FY2025 Targets</b> Reduce energy consumption intensity by <b>5%</b> to 7,686 MJ/ RM1 million revenue</p> <p><b>Performance</b> <b>41.6% reduction</b> 4,727 MJ/ RM1 million revenue</p> <p><b>Achieved</b> ✓</p>	<p><b>FY2025 Targets</b> Reduce energy consumption intensity by <b>5%</b> to 78.73 MJ/ 1,000 gloves produced</p> <p><b>Performance</b> <b>12.4% increase</b> 93.14 MJ/ 1,000 gloves produced</p> <p><b>Not achieved</b> ✗</p>	<p><b>FY2025 Targets</b> Reduce energy consumption intensity by <b>5%</b> to 9,038 MJ/ full-time employee</p> <p><b>Performance</b> <b>7.2% reduction</b> 8,829 MJ/ full-time employee</p> <p><b>Achieved</b> ✓</p>	<p><b>FY2025 Targets</b> Reduce energy consumption intensity by <b>5%</b> to 14,306 MJ/ RM 1 million revenue</p> <p><b>Performance</b> <b>6.3% increase</b> 16,008 MJ/ RM1 million revenue</p> <p><b>Not achieved</b> ✗</p>

Indicators	Unit of Measurement	Base year <sup>1</sup>	FY2023	FY2024	FY2025
<b>Energy Consumption Intensity</b>					
E&C <sup>2</sup>	MJ per RM1 million revenue	8,091	9,621	4,345	4,727
Glove Manufacturing	MJ per 1,000 gloves produced	82.88	92.46	94.24	93.14
Technology Services	MJ per full time employee	9,514	9,340	10,163	8,829
Transportation	MJ per RM1 million revenue	15,059	17,506	16,510	16,008
<b>Absolute Energy Consumption</b>					
E&C <sup>2</sup>	MJ	815,789	985,975	1,000,631	705,463
Glove Manufacturing	MJ	10,818,187	11,534,616	13,232,038	13,701,452
Technology Services	MJ	169,546	149,443	162,601	141,264
Transportation	MJ	205,463	184,896	205,949	169,672
<b>Total</b>	<b>MJ</b>	<b>12,008,985</b>	<b>12,854,930</b>	<b>14,601,219</b>	<b>14,717,851</b>

**Notes:**

- The targets for energy consumption intensity have been updated based on a revised base year and baseline to improve the accuracy of the quantification approach.
- Data includes both office and project site consumption, incorporating Telibong WTP, NRW Sandakan, Small Hydro, Langat 2 Package 3, Jerneh and Kota Bharu.

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In FY2025, the Group’s energy consumption increased by 0.80% to 14.72 million MJ, mainly driven by higher production levels in the glove manufacturing division. Despite this increase, our 16-tonne biomass plant continues to generate steam from agricultural waste, thereby reducing grid electricity reliance.

The Group will continue to review operational processes to identify further opportunities for improving energy efficiency.

## Pollution and Resources Management:

At Salcon, we integrate pollution control into our environmental stewardship approach. We will limit potential and actual negative impacts of our business activities by controlling pollution, recognising that inefficient pollution management may affect our licence to operate.

We maintain rigorous standards to mitigate environmental impacts and ensure compliance with regulatory requirements including Department of Environment (“DOE”) standards. The E&C Division is certified with ISO 14001 Environmental Management system standard, demonstrating our commitment to environmental sustainability. All our operations also comply with statutory and local government regulations.

## Our Objectives

Categories	Objectives	Status
Waste Management	<ul style="list-style-type: none"> <li>- To ensure disposal of scheduled waste generated complies with environmental laws and regulations</li> <li>- To ensure that construction waste is disposed of at authorised landfills licensed by the local authorities</li> </ul>	Achieved
Raw Materials Used	Promote prudent and responsible consumption to reduce raw material wastage	In progress
Air Quality and Noise Management	To maintain 100% compliance within approved regulatory limits set by Malaysia’s DOE at project sites	Achieved

## Waste and Effluent Management

Salcon is committed to responsible waste management across all operations, recognising that poor waste practices can adversely affect the environment and surrounding communities.

Our waste and effluent management approach complies with:

- The Environmental Quality (Scheduled Wastes) Regulations 2005
- The Environmental Quality (Industrial Effluent) Regulations 2009
- Other relevant local government regulations

We strive to limit unnecessary waste generation and divert waste from landfills with our 3R (Reduce, Reuse and Recycle) principles. Recycling bins are placed in offices and employees are encouraged to participate in recycling initiatives.

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# Sustainability Statement

## Waste Management Initiatives

Initiatives	Division
Reuse paper to minimise waste	Group
Digitalisation of business operations, processes and paperwork	Group
Increasing recycling efforts and raising awareness through recycling programmes and proper waste segregation	HQ
Recycled cube test specimens to build check dams for erosion control	E&C

## Salcon Waste Management Approaches



### General waste

sent to landfill by a licensed waste contractor



### Recyclable waste

sent to authorised recycling contractors



### Scheduled waste

disposed of by DOE licensed contractors

## Total Waste Generated and Diverted from Landfills

	FY2023 (tonnes)	FY2024 (tonnes)	FY2025 (tonnes)
<b>Total waste</b>	4.46	62.08	59.11
General waste	4.39	2.76	0.08
Scheduled waste	0.07	59.32	59.03
<b>Waste diverted from landfills</b>	3.44	1.66	0.11

In FY2025, the total amount of waste generated decreased by 4.78% to 59.11 tonnes, primarily due to efficiency improvements in glove manufacturing operations.

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## Waste Generated by Division

Division	FY2023 (tonnes)	FY2024 (tonnes)	FY2025 (tonnes)
E&C	4.46	8.94	0.89
Glove Manufacturing	-	53.14	58.22
<b>Total</b>	<b>4.46</b>	<b>62.08</b>	<b>59.11</b>

## Scheduled Waste

Division	FY2023 (tonnes)	FY2024 (tonnes)	FY2025 (tonnes)
E&C	0.07	6.18	0.81
Glove Manufacturing	-	53.14	58.22
<b>Total</b>	<b>0.07</b>	<b>59.32</b>	<b>59.03</b>

## Treatment of General Waste

Division	FY2023 (tonnes)	FY2024 (tonnes)	FY2025 (tonnes)
<b>General waste (sent for recycling)</b>			
E&C (Paper)	3.44	1.66	0.08

## Effluent Discharge

Division	FY2023 (m³)	FY2024 (m³)	FY2025 (m³)
Glove Manufacturing (Treated water)	N/A	N/A	68,434.20

## Raw Material Used

Our E&C Division prioritises partnerships with suppliers that demonstrate responsible practices in line with our Salcon Green Policy.

Raw Material Used	FY2023 (tonnes)		FY2024 (tonnes)		FY2025 (tonnes)	
	Resources	Green Materials	Resources	Green Materials	Resources	Green Materials
<b>E&amp;C (tonnes)</b>						
Reinforcement Bar	18.4	-	193.17	-	142.6	-
Concrete	1,862.5	-	938.3	-	1,666.8	-
Sand	N/A		N/A		570.0	

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Raw Material Used	FY2023 (tonnes)		FY2024 (tonnes)		FY2025 (tonnes)	
	Resources	Green Materials	Resources	Green Materials	Resources	Green Materials
<b>Glove Manufacturing (tonnes)</b>						
Nitrile & Latex	2,574.4	-	2,276.7	-	2,308.7	-
Carton & Inner	1,069.4	-	1,674.0	-	2,085.3	-

**Note:** Green materials are currently not specified based on clients' requirements.

The increase in raw material consumption for E&C Division in FY2025 was primarily due to the commencement of new projects in FY2025. We continue to engage suppliers on responsible practices as part of our commitment to sustainable operations.

## Pollution Control

To minimise the negative impacts of our operations on the environment, the E&C Division complies with Environmental Quality Act 1974 and implement strict pollution control measures across sites.

Categories	Key Initiatives	Status
Air Quality	<ul style="list-style-type: none"> <li>- Regular watering of access roads at project sites to reduce dust pollution around neighbourhoods</li> <li>- Continuous air quality monitoring at sites to ensure compliance with environmental standards</li> </ul>	E&C
Noise	<ul style="list-style-type: none"> <li>- Installation of noise monitoring devices at key locations</li> <li>- Monthly review of monitoring reports review during site meetings to implement noise control measures</li> </ul>	E&C
Sediment	<ul style="list-style-type: none"> <li>- Implementation of erosion sediment control plan at sites</li> </ul>	E&C

In FY2025, Salcon received no environmental fines or penalties.

## Biodiversity Conservation

We are committed to minimising the negative impacts of our operations on biodiversity. We proactively assess environmental risks and implement measures to protect ecosystems, integrating conservation practices into our project planning and site activities.

### Initiatives in Biodiversity Conservation

Key Initiatives	Divisions
Compliance with environmental regulations	Group
Collaborate with NGO such as WWP to promote sustainable water practices and support water conservation and biodiversity protection	HQ
Conduct Environmental Impact Assessment ("EIA") and Environmental Aspect Identification ("EAI") prior to project commencement to assess and mitigate environmental risks including those related to biodiversity	E&C
Hydroseeding to prevent soil erosion at construction site, to promote vegetation growth and soil restoration	E&C
Monthly water quality monitoring of upstream and downstream river sections to safeguard aquatic ecosystems	E&C

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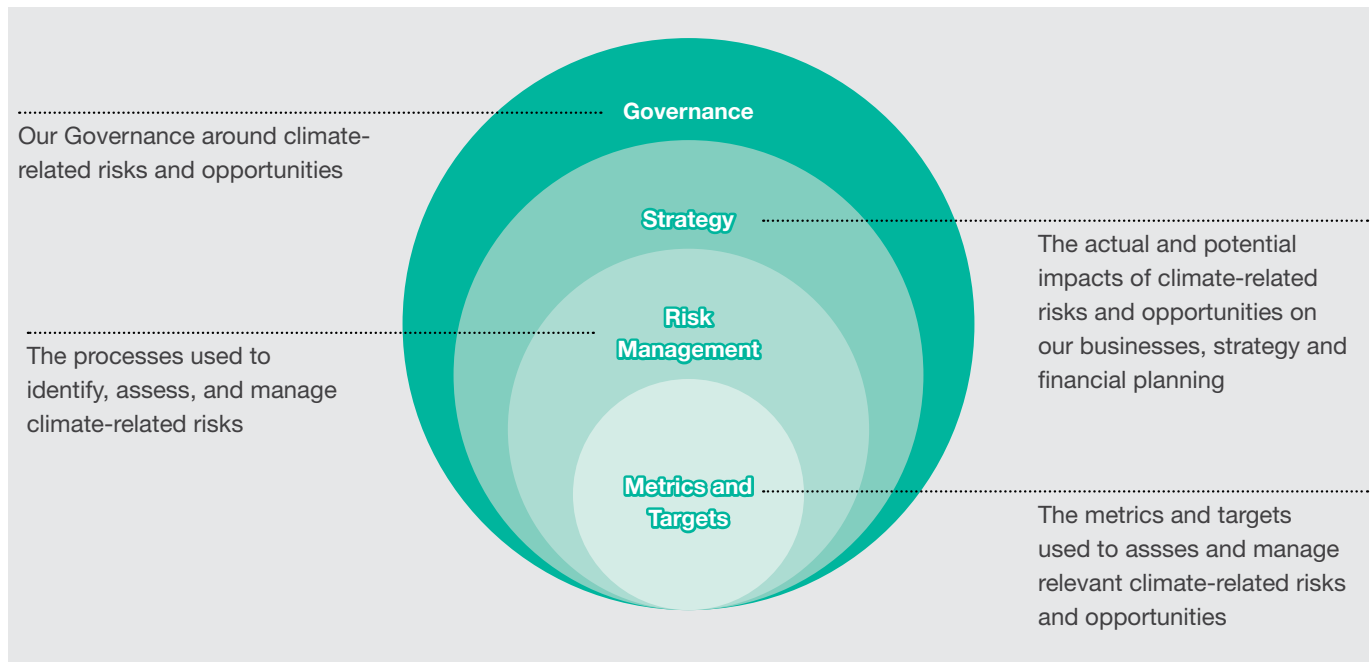
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## MI9 Climate Change

Salcon recognises the urgent need to strengthen our climate resilience while supporting the transition towards a low-carbon economy. We continue to enhance our climate governance, risk management and disclosures in line with the recommendations of the Task Force on Climate-related Financial Disclosures (“TCFD”). At the same time, we are progressively preparing to align our climate-related disclosures with the IFRS S2 Climate-related Financial Disclosures, in line with Bursa Malaysia’s sustainability reporting requirements.

### Core Elements of Recommended Climate-Related Financial Disclosure



### Climate Governance

The Board holds ultimate responsibility for the Group’s sustainability agenda, climate-related risks, reviewing strategies, action plans and performance; and approving the Group’s Sustainability Statement and climate-related disclosures.

The SC, comprising 2 Board members, supports the Board in overseeing sustainability matters and providing guidance on climate-related risks and opportunities, strategies and targets. The Chairman of the Sustainability Committee, who also serves as the Advisor on Climate Change, oversees climate and environmental risks, including target-setting and performance monitoring.

At the management level, the SWG implements the Group’s climate strategy, monitors GHG emissions and coordinates environmental initiatives with business divisions to mitigate the impacts of climate change.

In FY2025, IFRS-related training was conducted for the Board and business divisions to enhance understanding of Bursa Malaysia’s climate disclosure requirements and emerging global standards. The training also equipped divisions with the knowledge required to support climate-related data collection and reporting, including awareness of standards, risks and opportunities, thereby enabling more robust and decision-useful sustainability reporting across the Group.

 For more information on Sustainability Governance Structure, please refer to page 73 of this report.

# Sustainability Statement

## Climate Strategy

Our climate strategy focuses on strengthening operational resilience while supporting the low carbon transition.

Core components of our climate strategy include:

<div style="background-color: #00a68f; color: white; padding: 5px; text-align: center; font-weight: bold;">Alignment with the Paris Agreement</div> <div style="background-color: #e0e0e0; padding: 10px; margin-top: 5px;">Embedding climate considerations into our long-term business planning to enhance operational resilience.</div>	<div style="background-color: #00a68f; color: white; padding: 5px; text-align: center; font-weight: bold;">Investment in Low-Carbon Technologies</div> <div style="background-color: #e0e0e0; padding: 10px; margin-top: 5px;">Exploring innovative technologies and energy-efficient solutions to reduce emissions across our operations.</div>
<div style="background-color: #00a68f; color: white; padding: 5px; text-align: center; font-weight: bold;">Supporting the Transition to a Low-Carbon Economy</div> <div style="background-color: #e0e0e0; padding: 10px; margin-top: 5px;">Adapting business operations to evolving regulatory, technological and market expectations to contribute to a low carbon economy.</div>	<div style="background-color: #00a68f; color: white; padding: 5px; text-align: center; font-weight: bold;">Transparent Stakeholder Communication</div> <div style="background-color: #e0e0e0; padding: 10px; margin-top: 5px;">Enhancing climate-related disclosures to provide stakeholders with updates on strategies, progress and challenges.</div>

## Climate Risk Management

We identify and monitor climate-related risks and opportunities to mitigate their impacts on both our operations and stakeholders over the short-term (by 2025), medium term (by 2030) and long term (by 2050).

Our ERM framework, which is aligned with the international risk management standard ISO 31000, provides guidance to support our approach to climate risk management.

## Climate-related Risks, Impacts and Our Responses

Aligned with TCFD recommendations, we identify two categories of risks:

- a) Physical risks : arising from the direct impacts of climate change including extreme weather events, temperature rise and variability in weather patterns.
- b) Transition risks : arising from changes in policies, regulations, technology and market shifts towards a low carbon economy.

Risk Type	Description	Potential Financial Impact	Time Horizon	Opportunities and Our Responses
Physical Risks	Extreme weather events	- Damage to infrastructure, supply chain disruption and higher insurance cost may result in revenue losses	Short/ Medium-term	<ul style="list-style-type: none"> <li>- Implement robust emergency preparedness and adaptive response to minimise disruption</li> <li>- Conduct risk assessments to identify vulnerabilities and develop targeted mitigation plans</li> <li>- Diversify suppliers and establish contingency plans to reduce dependency on single sources</li> </ul>
	Rising global temperature	- Volatility in energy prices, rising operational costs and higher costs associated with carbon credits may impact the Group financial performance	Medium/ Long-term	<ul style="list-style-type: none"> <li>- Invest in energy-efficient technologies to reduce operational costs</li> <li>- Continuously monitor market conditions and adjust operational practices accordingly</li> </ul>

# Sustainability Statement

Risk Type	Description	Potential Financial Impact	Time Horizon	Opportunities and Our Responses
Transitional Risk	<b>Legislative</b>			
	<ul style="list-style-type: none"> <li>- Escalating GHG pricing and carbon tax</li> <li>- Enhanced obligations for emissions-reporting and disclosure</li> <li>- Exposure to litigation or regulatory actions</li> </ul>	<ul style="list-style-type: none"> <li>- Increased direct cost i.e. carbon taxes</li> <li>- Higher operational costs and compliance costs arising from enhanced regulatory requirements</li> </ul>	Medium/Long-term	<ul style="list-style-type: none"> <li>- Integrate emission reductions practices and energy efficiency initiatives across operations</li> <li>- Leverage supportive policy incentives including green bonds</li> <li>- Continuously monitor regulatory developments and maintain compliance with evolving climate change regulations</li> </ul>
	<b>Technology and Market</b>			
	Substitution of existing products and services with lower emissions options	<ul style="list-style-type: none"> <li>- Investment in R&amp;D for low-carbon and energy-efficient products and services may increase operational expenses</li> </ul>	Medium-term	<ul style="list-style-type: none"> <li>- Transition to renewable energy sources to reduce reliance on fossil fuels</li> <li>- Engage with strategic technology partners to drive innovation</li> <li>- Invest in R&amp;D for low carbon and energy efficient products and services</li> </ul>
	Changing consumer behaviour	<ul style="list-style-type: none"> <li>- Shifts in consumer preferences towards sustainable products/services may impact our revenue</li> </ul>	Medium/Long-term	<ul style="list-style-type: none"> <li>- Innovate and offer new low- emission products and services</li> <li>- Explore strategic collaborations to facilitate a smooth transition to low carbon economy</li> </ul>
	<b>Reputation</b>			
	Perception mismatch	<ul style="list-style-type: none"> <li>- Potential decline in revenue due to reduced demand for goods/services and limitations in production capacity</li> <li>- Reduced investor confidence in the Group's transition capability to a low-carbon economy</li> </ul>	Short/Medium-term	<ul style="list-style-type: none"> <li>- Commit to measurable emission reduction targets (eg, reducing emissions by 30% by 2030 and achieving net-zero by 2050)</li> <li>- Establish and monitor key performance indicators for the Climate Change Strategy</li> <li>- Promote participation in energy conservation and efficiency initiatives to enhance market reputation</li> </ul>

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# Sustainability Statement

## GHG Emissions

We report its GHG emissions in accordance with the internationally-recognised GHG protocol including emissions based on equity shares exceeding 50%. Scope 1 emission factors are derived from the US Environmental Protection Agency (US EPA) while Scope 2 emission factors are based on Combined Margin emission factor for grid electricity consumption in Malaysia.

	FY2023 (tonne CO <sub>2</sub> equivalent)	FY2024 (tonne CO <sub>2</sub> equivalent)	FY2025 (tonne CO <sub>2</sub> equivalent)
<b>Total Emissions</b>	5,277.26	5,213.38	5,632.55
Scope 1	2,881.62	2,650.62	2,045.80
Scope 2	2,088.93	2,365.90	3,025.34
Scope 3	306.71	196.86	561.41

## Breakdown of GHG Emissions FY2025

Scope	Type	Emission (tonne CO <sub>2</sub> equivalent)
Scope 1	Direct emissions from owned sources Company vehicles - Fuel	2,045.80
Scope 2	Indirect emissions from purchased electricity	3,025.34
Scope 3	Category 6: Business Travel	51.39
	Category 7: Employee commuting	510.02

## GHG Emissions Performance

E&C	Glove Manufacturing	Technology Services	Transportation
<p><b>FY2025 Targets</b> Reduce GHG emissions intensity by 5% to 3.69 tCO<sub>2</sub>e/ RM1 million revenue</p> <hr/> <p><b>Performance</b> <b>3.1% reduction</b> 3.76 tCO<sub>2</sub>e/ RM1 million revenue</p>	<p><b>FY2025 Targets</b> Reduce GHG emissions intensity by 5% to 0.007 tCO<sub>2</sub>e/ 1,000 gloves produced</p> <hr/> <p><b>Performance</b> <b>36.7% increase</b> 0.010 tCO<sub>2</sub>e/ 1,000 gloves produced</p>	<p><b>FY2025 Targets</b> Reduce GHG emissions intensity by 5% to 0.73 tCO<sub>2</sub>e/ full-time employee</p> <hr/> <p><b>Performance</b> <b>19.2% increase</b> 0.91 tCO<sub>2</sub>e/ full-time employee</p>	<p><b>FY2025 Targets</b> Reduce GHG emissions intensity by 5% to 89.43 tCO<sub>2</sub>e/ RM 1 million revenue</p> <hr/> <p><b>Performance</b> <b>19.4% reduction</b> 75.83 tCO<sub>2</sub>e/ RM1 million revenue</p>
Not achieved ❌	Not achieved ❌	Not achieved ❌	Achieved ✅

# Sustainability Statement

Indicators	Equity Shares (%)	Unit of Measurement	Base year <sup>1</sup>	FY2023	FY2024	FY2025
<b>Emission</b>						
<b>Emission Intensity</b>						
E&C <sup>2</sup>	100% (Water) 60% (Wastewater)	tonne CO <sub>2</sub> equivalent/RM mil	3.88	5.69	2.99	3.76
Glove Manufacturing	51%	tonne CO <sub>2</sub> equivalent/1,000 gloves produced	0.0074	0.0082	0.0083	0.010
Transportation	51.3%	tonne CO <sub>2</sub> equivalent/RM mil	94.14	111.24	79.57	75.83
Technology Services	50%	tonne CO <sub>2</sub> equivalent/full time employee	0.76	0.76	0.83	0.91
<b>Absolute Emission</b>						
E&C <sup>2</sup>	Total absolute emission	tonne CO <sub>2</sub> equivalent	708.48	946.87	960.41	1,137.97
	Scope 1	tonne CO <sub>2</sub> equivalent	522.21	494.27	619.85	431.73
	Scope 2	tonne CO <sub>2</sub> equivalent	186.27	160.22	155.81	145.01
	Scope 3	tonne CO <sub>2</sub> equivalent	N/A	292.38	184.75	561.22
Glove Manufacturing	Total absolute emission	tonne CO <sub>2</sub> equivalent	1,879.45	2,001.45	2,279.35	2,899.89
Transportation	Total absolute emission	tonne CO <sub>2</sub> equivalent	3,718.85	2,290.33	1,934.79	1,565.32
Technology Services	Total absolute emission	tonne CO <sub>2</sub> equivalent	26.6	38.61	38.53	29.37
<b>Total</b>		tonne CO <sub>2</sub> equivalent	<b>6,333.38</b>	<b>5,277.26</b>	<b>5,213.38</b>	<b>5,632.55</b>

**Notes:**

- The targets for emissions intensity have been updated based on a revised base year and baseline to improve the accuracy of the quantification approach.
- Data includes both office and project sites consumption, incorporating Telibong WTP, Small Hydro Project, Langat 2 Package 3, NRW Sandakan, Jerneh and Kota Bharu.

<sup>1</sup> The emission factors reference (For Scope 1 emissions) is available at <https://www.epa.gov/climateleadership/ghg-emission-factors-hub>

<sup>2</sup> The emission factors reference (For Scope 2 emissions) is available at <https://myenergystats.st.gov.my/documents/d/guest/grid-emission-factor-gef-in-malaysia-2022-2024-provisional->

In FY2025, Salcon's total carbon emissions increased compared to FY2024, driven primarily by expanded reporting of Scope 3 emissions, improved data coverage for the transportation division and higher production levels in the glove manufacturing division.

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# Sustainability Statement

## Scope 3 Emission data

Scope 3 emissions cover Category 6 (Business Travel) and Category 7 (Employee Commuting). Business travel includes both air travel and on-road vehicle use across the E&C and technology services divisions. In FY2025, data was extracted from the MIS with estimations applied where personal data privacy was considered.

Scope 3 Categories	GHG Emissions (tonne CO <sub>2</sub> e)		
	FY2023	FY2024	FY2025
Category 6: Business Travel	26.79	38.41	51.39
Category 7: Employee Commuting	279.92	158.45	510.02
<b>Total Scope 3 emission (tonne CO<sub>2</sub>e)</b>	<b>306.71</b>	<b>196.86</b>	<b>561.41</b>

## Environmental Stewardship

Salcon recognises the importance of protecting natural ecosystems and promoting responsible resource management. We collaborate with external partners and communities to advance environmental awareness, encourage sustainable behaviours and strengthen long-term water stewardship.

### Salcon Smart Water Programme with WWP

Salcon continues to champion its flagship programme, Salcon Smart Water Programme (SSWP), conducted at Sungai Penchala in Bukit Kiara Park and Taman Rimba, in collaboration with WWP.

Since its launch in 2010, this programme has focused on instilling water conservation and promoting sustainable water practices among younger generations. Through interactive learning sessions and river-based activities, students gain a deeper understanding of water ecosystems and the importance of protecting natural resources.

In FY2025, the programme continued to strengthen its impact by expanding outreach to more schools across Selangor.



**158**  
students benefited



**7.6%**  
knowledge improvement



**100%**  
participants recommendation rate



**4**  
schools engaged

Moving forward, we will further expand our outreach to deepen our commitment to water stewardship.

For further detail on the programme, please refer to the Social Capital – Community Engagement section of this report.

### Annual Recycling Initiatives with SZ Slim Scrap Metal and Kloth Cares

In FY2025, Salcon organised an interdepartmental spring cleaning and recycling competition in collaboration with SZ Slim Scrap Metal and Kloth Care. This initiative encouraged employees to practice responsible waste management by recycling and reusing materials from both homes and offices.

During the campaign, the following items were collected for recycling:

**3,137**  
kilograms of paper

**302 kg**  
of clothes were collected for donation or recycling

**198 kg**  
e-waste

**53 kg**  
of recyclable items

For further detail on the programme, please refer to the Social Capital – Community Engagement section of this report.

Salcon continues to strengthen environmental awareness among communities and employees while reinforcing our commitment to responsible resource management and long-term environmental stewardship.

# Sustainability Statement

## Social Capital

Engaging and uplifting the community



### UNSDGs:



### Material Matters:

MI10

### Key Achievements

Contributed RM109,463 to the communities we served

158 Students Benefited (SSWP)

67 pints blood donations collected

56 Protégé Hired

### Why It Matters:

Connecting with the community allows us to better understand societal needs and create meaningful impacts. Through purposeful social initiatives and community programmes, we are committed to contributing positively to society. By staying abreast of trends and developments within the areas where we operate, we ensure our actions remain relevant and impactful. Aligned with the UNSDGs, we aim to drive change where it is most required.

### Our Commitment:

We are dedicated to making a difference through targeted social initiatives that foster education, economic development and environmental sustainability.

### Our Approach:

Our community engagement efforts focus on:

- Empowering education through experiential learning and development opportunities that foster long-term knowledge retention
- Building strategic partnerships to create sustainable community benefits
- Encouraging employee volunteerism in community service and outreach programmes
- Providing financial and in-kind support to uplift vulnerable groups
- Promoting local employment to drive economic growth

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# Sustainability Statement

## Guidelines and Purposes

Guidelines	Purposes
Philanthropic and Non-commercial Sponsorship Guidelines	Sets criteria for donations and non-commercial sponsorship

## EMPOWERING EDUCATION

### Salcon Smart Water Programme (“SSWP”)

Launched in 2010, SSWP represent our long-standing engagement with WWP, a non-governmental organisation, to address freshwater biodiversity protection. Through this partnership, we provide experiential learning programmes that educate youth on river conservation and biodiversity preservation.

The programme directly contributes to efforts to reduce the loss of biodiversity by:

- participants to aquatic species (macroinvertebrates and fish populations) that serve as biological indicators of ecological health
- Teaching about water quality (pH, turbidity and dissolved oxygen levels) to demonstrate the relationship between pollution and habitat viability
- Strengthening awareness of freshwater biodiversity protection and promote responsible river stewardship

Through this NGO collaboration, we aim to foster long term behavioural change that supports biodiversity conservation within local river catchments.



**3,727**  
students benefited



**100%**  
participants recommendation rate



**162**  
schools engaged



# Sustainability Statement

## Salcon Train The Trainers (“TOT”) Programme

The TOT programme aims to expand the reach of SSWP by training teachers as facilitators, equipping them with the knowledge, skills and resources required to independently conduct the SSWP within their schools. Salcon supports these initiatives by providing transportation, programme materials and water testing kits.



**191**  
“Certified Trainers”  
trained



**20**  
schools conducted  
independent SSWP  
sessions



**39**  
programmes conducted  
by schools

## COMMUNITY OUTREACH

### Healthcare Initiatives

In FY2025, our healthcare division organised community outreach programmes across multiple locations, including local mosque and community centres. Free checks included blood pressure check, blood test sugar and Body Mass Index (BMI) calculation to help attendees understand their health status better.



**269**  
received complimentary health screenings  
and consultation



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# Sustainability Statement

## Philanthropic Giving

We extended our support to various organisations through sponsorships, financial contributions and in-kind donations. Our ongoing Corporate Social Responsibility (“CSR”) efforts have supported various charitable organisations benefiting vulnerable groups in the communities we serve.



**RM109,463**

contributed to various charities and foundations

## 15<sup>th</sup> Blood Donation and Community Health Fair

In collaboration with PDN, we organised a blood donation drive to contribute to hospital supplies. Our dental and GP divisions also provided healthcare screenings and free dental checks to the community.



**67** pints of blood  
from 67 donors



potentially save  
**201** lives



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## Persatuan Jagaan Orang Tua Lee Tiam Yew with Salcon

We visited elderly and bed-ridden residents in Klang to celebrate Chinese New Year, donating essential medical supplies and goods to enhance their well-being.



**20**  
elderly residents engaged



## Local Employment

Aligned with SDG 8 which advocates for decent work and economic growth, Salcon prioritises local recruitment to ensure job security and career advancement for employees. In FY2025, all new hires were sourced locally. We also continued to support internship and protégé programmes, fostering future talent and contributing to national employment goals.



**56 fresh graduates**  
hired in support of the Malaysian Government's protégé initiative

# Performance Data Table

Date & Time: 2026-04-30 10:53:05  
FYE 31/12/2025

Salcon Berhad  
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Bursa (Anti-Corruption)	Bursa C(a) Percentage of employees who have received training on anticorruption by employee category - Senior Manager & Above	Percentage	25.9	—	Internal
—	Bursa C(a) Percentage of employees who have received training on anticorruption by employee category - Manager	Percentage	55.4	—	Internal
—	Bursa C(a) Percentage of employees who have received training on anticorruption by employee category - Executive	Percentage	38.8	—	Internal
—	Bursa C(a) Percentage of employees who have received training on anticorruption by employee category - Non-executive	Percentage	31	—	Internal
—	Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100	—	Internal
—	Bursa C1(c) Confirmed incidents of corruption and action taken	Percentage	0	—	Internal
Bursa (Community/ Society)	Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	109,463	—	Internal
—	Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	652	—	Internal
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Senior Manager & above Male	Percentage	81.5	—	Internal

# Performance Data Table

Date & Time: 2026-04-30 10:53:05  
FYE 31/12/2025

**Salcom Berhad**  
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
—	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Senior Manager & above Female	Percentage	18.5	—	Internal
—	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Manager Male	Percentage	60.6	—	Internal
—	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Manager Female	Percentage	39.4	—	Internal
—	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Executive Male	Percentage	551	—	Internal
—	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Executive Female	Percentage	44.9	—	Internal
—	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Non-executive Male	Percentage	63.4	—	Internal
—	Non-executive Female	Percentage	36.6	—	Internal
—	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Senior Manager & above <30	Percentage	0	—	Internal

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# Performance Data Table

**Salcon Berhad**  
 BMLR Transition Period  
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 FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
—	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Senior Manager & above 30-49	Percentage	33.3	—	Internal
—	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Senior Manager & above >50	Percentage	66.7	—	Internal
—	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Manager <30	Percentage	0	—	Internal
—	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Manager 30-49	Percentage	63.6	—	Internal
—	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Manager >50	Percentage	36.4	—	Internal
—	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Executive <30	Percentage	34.0	—	Internal
—	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Executive 30-49	Percentage	50.6	—	Internal

# Performance Data Table

Date & Time: 2026-04-30 10:53:05  
FYE 31/12/2025

**Salcon Berhad**  
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
—	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Executive >50	Percentage	15.4	—	Internal
—	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Non-executive <30	Percentage	48.5	—	Internal
—	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Non-executive 30-49	Percentage	44.8	—	Internal
—	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Non-executive >50	Percentage	6.7	—	Internal
—	Bursa C3(b) Percentage of directors by gender and age group - Male	Percentage	83.3	—	Internal
—	Bursa C3(b) Percentage of directors by gender and age group - Female	Percentage	16.7	—	Internal
—	Bursa C3(b) Percentage of directors by gender and age group - <30	Percentage	0	—	Internal
—	Bursa C3(b) Percentage of directors by gender and age group - 30-49	Percentage	0	—	Internal
—	Bursa C3(b) Percentage of directors by gender and age group - >50	Percentage	100	—	Internal
Bursa (Energy Management)	Bursa C4(a) Total energy consumption	MJ	14,717,851	—	Internal

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# Performance Data Table

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FYE 31/12/2025

Salcon Berhad  
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Bursa (Health and Safety)	Bursa C5(a) Number of work-related fatalities	Number	0	—	Internal
—	Bursa C5(b) Lost time incident rate	Rate	0	—	Internal
—	Bursa C5(c) Number of employees trained on health and safety standards	Number	169	—	Internal
Bursa (Labour Practices and Standards)	Bursa C6(a) Total hours of training by employee category - Senior Manager & above	Hours	212	—	Internal
—	Bursa C6(a) Total hours of training by employee category - Manager	Hours	1,235	—	Internal
—	Bursa C6(a) Total hours of training by employee category - Executive	Hours	2,220	—	Internal
—	Bursa C6(a) Total hours of training by employee category - Non-executive	Hours	26	—	Internal
—	Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	42.2	—	Internal
—	Bursa C6(c) Total number of employee turnover by employee category - Senior Manager & above	Number	2	—	Internal
—	Bursa C6(c) Total number of employee turnover by employee category - Manager	Number	6	—	Internal
—	Bursa C6(c) Total number of employee turnover by employee category - Executive	Number	23	—	Internal

# Performance Data Table

Date & Time: 2026-04-30 10:53:05  
FYE 31/12/2025

**Salcom Berhad**  
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
—	Bursa C6(c) Total number of employee turnover by employee category - Non-executive	Number	87	—	Internal
—	Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	—	Internal
Bursa (Supply Chain Management)	Bursa C7(a) Proportion of spending on local suppliers	Percentage	100	—	Internal
Bursa (Data Privacy and Security)	Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	—	Internal
Bursa (Water)	Bursa C9(a) Total volume of water used	m <sup>3</sup>	170,439	—	Internal

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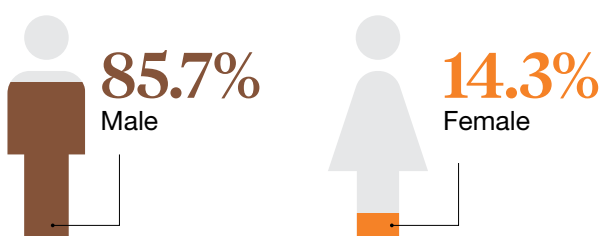
# Board of Directors' Profile

We are pleased to present the profiles of our Board of Directors and Key Senior Management, whose collective expertise, strategic leadership and steadfast commitment contribute to the Group's performance and long-term value creation.

Anchored in strong corporate governance, transparency and accountability, the leadership team brings together diverse perspectives and deep industry experience to play a key role in shaping the Group's strategic direction while driving operational excellence and delivering sustainable, long-term value to our shareholders and stakeholders.

## Board of Directors Gender

(as at 31 March 2026)



## Length of Service (Years)



1

## Tan Sri Abdul Rashid Bin Abdul Manaf

Chairman, Independent Non-Executive Director



Male



79



Malaysian

Tan Sri Abdul Rashid Bin Abdul Manaf, aged 79, male, was appointed to the Board of Salcon Berhad ("Salcon") as Chairman on 2 January 2019.

Tan Sri read law at Middle Temple, London, England and returned to Malaysia in 1970 as a Barrister-at-law.

He is currently a full-time businessman. Prior to venturing into business, Tan Sri was a senior partner in a legal firm in Kuala Lumpur until his retirement on 24 August 2006. He began his career in the Malaysian Judicial and Legal Service in 1970 and was appointed as a Magistrate in Kuala Lumpur until 1973. He was subsequently appointed President of the Sessions Court in Klang. In 1975, he became the Senior Federal Counsel in the Income Tax Department. His services with the Government ended in 1977 when he left to join private legal practice and later ventured into business.

Tan Sri Abdul Rashid previously served as Chairman of the Board of S P Setia Berhad from 1996 until 2012. He was also the Group Chairman of Cahya Mata Sarawak Berhad from October 2018 to September 2021 and Chairman, Independent Non-Executive Director of Perak Corporation Berhad from 6 July 2020 until 1 August 2022.

Tan Sri Abdul Rashid is currently the Founder and Non-Independent Non-Executive Director of Eco World Development Group Berhad.

## Board of Directors' Profile

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### Tan Sri Dato' Tee Tiam Lee Executive Deputy Chairman



Male



68



Malaysian

Tan Sri Dato' Tee Tiam Lee, aged 68, male, was appointed to the Board of Salcon on 1 January 2010.

Tan Sri Dato' Tee has an extensive career and has vast experience in various industries including insurance, water engineering/treatment, hotel management, property investment, timber industries and oil palm plantation business.

He began his career in insurance in 1976 after finishing his secondary education and has more than 30 years experience in this industry to-date.

Tan Sri Dato' Tee is a Director of Salcon Engineering Berhad and also a Director of several private limited companies including Tabir Arena Group of Companies, Jouta Plantation Sdn. Bhd. and Evergreen Comfort Sdn. Bhd., which deal in oil palm plantation business in the east coast of West Malaysia.

He is the Chairman of The Mines Residents Association ("MRA") and is also the Advisor/Director of the Chinese Chamber of Commerce in Terengganu since 1995.

Currently, Tan Sri Dato' Tee is also a Committee Member of Malaysia-China Chamber of Commerce ("MCCC"), the Founder-Member of The Federation of Malaysia Chinese Guilds Association and The Federation of Hokkien Association of Malaysia. Tan Sri Dato' Tee is also the Eminent Member of The Associated Chinese Chambers of Commerce and Industry of Malaysia ("ACCIM").

3

### Dato' Leong Kok Wah Executive Director



Male



72



Malaysian

Dato' Leong Kok Wah, aged 72, male, was appointed to the Board of Salcon on 1 January 2010.

He holds a Master's degree in Business Administration ("MBA") from University of Hull, United Kingdom ("UK") and is a member of Institute of Bankers (UK), Institute of Credit Management (UK), Institute of Marketing (UK) and Asian Institute of Chartered Bankers (formerly known as Institute of Bankers Malaysia).

Dato' Leong has an extensive career and held senior positions in the banking industry. He has vast experience in stock broking, asset management and futures and options trading. He sits on the Board of various companies in Malaysia. He was formerly a Director of S P Setia Berhad and a Non-Independent Non-Executive Director of Eco World Development Group Berhad.

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## Board of Directors' Profile

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### Datin Goh Phaik Lynn

*Non-Independent Non-Executive Director*



**Female**



**65**



**Malaysian**

Datin Goh Phaik Lynn, aged 65, female, was appointed to the Board of Salcon on 30 December 2019.

Datin Goh holds a Master of Science and Bachelor of Science Econ from London School of Economics UK.

Datin Goh has extensive experience and an illustrious career in the Corporate Banking sector. She was the General Manager, Head of Corporate Banking and Investment Division of Ban Hin Lee Bank and a member of the Board of BHLB Pacific Trust Management Bhd (Unit Trust company) and BHLB Asset Management Bhd during her tenor with the bank from 1983 to 2000.

Datin Goh is also involved in various charity projects. She is a member of the Owen-Baden Powell Society and a member of the Board of Governors of Convent Bukit Nanas Kuala Lumpur.

Datin Goh is a member of the Audit and Risk Management Committee, Nomination Committee, Remuneration Committee and Sustainability Committee of the Company.

5

### Dato' Rosli Bin Mohamed Nor

*Independent Non-Executive Director*



**Male**



**67**



**Malaysian**

Dato' Rosli Bin Mohamed Nor, aged 67, male, was appointed to the Board of Salcon on 2 July 2018.

Dato' Rosli graduated with a Bachelor of Science Degree in Civil Engineering from Brighton Polytechnic (now known as Brighton University), United Kingdom.

Dato' Rosli has built a long and steady career in construction, trading and property development. He was a design engineer at Engineering and Environmental Consultants Sdn. Bhd. and a project manager at United Engineers (M) Bhd. before starting his own construction business. His companies had undertaken construction of various projects including highways, LRT tunnels, water reservoirs and rail lines. He then moved on to other new businesses in property development and coal supply.

Dato' Rosli was formerly an Independent Non-Executive Director of Export-Import Bank of Malaysia Berhad. He had served a period of nine (9) years from 2009 to 2018, longest on record for a developmental financial institution. He was also a former Independent Non-Executive Director of Econpile Bhd. for a period of nine (9) years from December 2013 and was redesignated as Non-Independent Non-Executive Director from October 2022 until October 2023. He was reappointed as Corporate Advisor to Global Piling Solutions Co., Ltd ("GPS") in November 2023, a company incorporated under the laws of Cambodia. GPS is a wholly-owned subsidiary of Econpile Bhd. His tenure ended on 15 November 2024.

Dato' Rosli currently sits on the board of ADS Sentral Sdn. Bhd. a subsidiary of TRC Synergy Berhad and KMK Plus Sdn. Bhd. the later being his privately owned construction firm. He was also the Corporate Advisor to Hassan (Cambodia) Co. Ltd. from 2020 to 2025, a prominent shopping mall developer in Cambodia.

Currently his main focus is on corporate advisory and consultancy services under his privately owned company, Incap Ventures Sdn. Bhd. The company is promoting the cultivation of high yield cassava varieties. An investment project is currently being undertaken on a 312 ha plot in Kanchanaburi Province, Thailand.

Dato' Rosli is the Chairman of the Sustainability Committee, a member of the Audit and Risk Management Committee, Nomination Committee and Remuneration Committee of the Company. He also serves as Director overseeing on climate change matters, including risks and mitigation plans for the Group.

## Board of Directors' Profile

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### Chan Seng Fatt

Senior Independent Non-Executive Director



Male



62



Malaysian

Chan Seng Fatt, aged 62, male, a Chartered Accountant of The Malaysian Institute of Accountants was appointed to the Board of Salcon on 17 December 2014.

Mr. Chan Seng Fatt has an extensive career exposure spanning more than 35 years covering various aspects of experience namely external and management auditing, financial management, corporate finance, stockbroking and senior level operation and general management.

Mr Chan has held several senior positions in various private and public companies.

Currently, he is the Group Chief Executive Officer of Star Media Group Bhd and an Independent Non-Executive Director of Skyworld Development Berhad.

Mr Chan is the Chairman of Audit and Risk Management Committee, Nomination Committee and Remuneration Committee of the Company. He is also the Senior Independent Director of the Company.

7

### Low Han Kee

Independent Non-Executive Director



Male



66



Malaysian

Mr Low Han Kee, aged 66, male, was appointed to the Board of Salcon on 1 March 2026.

Mr Low Han Kee qualified as a Certified Public Accountant with the Malaysian Association of Certified Public Accountants (now known as Malaysian Institute of Certified Public Accountants) in 1984.

He began his career at Ernst & Whinney (now known as Ernst & Young PLT) from 1980 to 1984, before serving as Finance Manager at Mulpha International Berhad from 1985 to 1989. He then joined Amway (Malaysia) Sdn. Bhd. as Divisional Manager (Finance and Administration) in 1990, was promoted to General Manager from 1993 to 1998, and subsequently served as Managing Director from 1998 until his retirement on 31 January 2016, during which period he concurrently held the positions of Managing Director of Amway (Malaysia) Holdings Berhad ("AMHB"). He also served as Regional President of Amway Southeast Asia, Australia and New Zealand from 2005 to 31 January 2016.

Currently, he is a Non-Independent Non-Executive Director of AMHB and member of Audit Committee of AMHB. He is also the Senior Independent Non-Executive Director of Leong Hup International Berhad ("LHIB"), Chairman of the Audit and Risk Committee and a member of the Remuneration Committee of LHIB.

Mr Low is a member of the Audit and Risk Management Committee, Nomination Committee and Remuneration Committee of the Company.

Notes:-

1. All Directors are Malaysian.
2. There is no family relationship between the Directors and/or major shareholders of the Company except for Datin Goh Phaik Lynn, who is a Director and major shareholder of the Company and is the spouse of Dato' Leong Kok Wah.
3. None of the Directors has entered into any transaction, whether directly or indirectly, which has a conflict of interest or potential conflict of interest, including interest in any competing business that the Director has with the Company or its subsidiaries.
4. None of the Directors has been convicted for offences (other than traffic offences) within the past 5 years and there were no public sanctions or penalties imposed by the relevant regulatory bodies during the financial year ended 31 December 2025.

# Key Senior Management’s Profile

**Leong Yi Shen**  
*Chief Operating Officer cum Chief Financial Officer*

		
<b>Male</b>	<b>35</b>	<b>Malaysian</b>

**Date of First Appointment to Key Senior Management Position**

20 August 2021

**Name of Company**

Salcon Berhad

**Qualification(s)**

- Bachelor of Commerce (Accounting and Finance) from The University of Melbourne
- Victorian Certificate of Education from Scotch College, Melbourne

**Professional Qualification**

- Chartered Accountants (Malaysia)
- Fellow Certified Practising Accountant, Australia (FCPA, Australia)

**Working Experience**

Leong Yi Shen began his career in 2012 as an Associate at CIMB Investment Bank under “The Complete Bankers” Program. He later transitioned to CIMB Commercial Banking, where he served until 2017.

Leong Yi Shen then joined Salcon Berhad, rising to Vice President, Group Strategy and Strategic Investments, Finance. In this role, he manages the Group’s investment portfolio.

In 2021, Leong Yi Shen was appointed Chief Financial Officer of Salcon Berhad, where he leads the Group’s financial function.

He also heads the Renewable Energy division and co-heads the Healthcare division within the Group.

In 2025, he was redesignated as Chief Operating Officer cum Chief Financial Officer, overseeing corporate functions and subsidiary operations.

**Jamiluddin Amini Bin Sulaiman**  
*Chief Executive Officer*

		
<b>Male</b>	<b>58</b>	<b>Malaysian</b>

**Date of First Appointment to Key Senior Management Position**

29 June 2010

**Name of Company**

Salcon Engineering Berhad

**Qualification(s)**

- Bachelor of Science (Chemical Engineering), Brown University, Rhode Island, USA

**Working Experience**

Jamiluddin Amini Bin Sulaiman has been re-designated as Chief Executive Officer since 1 March 2025. He currently oversees the overall management and operation of various divisions and departments of the company in water and wastewater sectors. He has accumulated over 35 years of experience in water treatment/ water supply industry and environmental engineering, ranging from business operation and project management to engineering, procurement, construction, commissioning, operation and maintenance.

He started his career in the United States as Environmental Analytical Chemist at Ceimic Corporation, followed by Project Engineer at Energy & Environmental Engineering Inc. He was primarily involved in technology development of hazardous wastewater control under USEPA SBIR program and operating an inorganic testing laboratory.

Upon returning to Malaysia, he joined Erinco Sdn. Bhd., a local engineering consulting firm and was assigned to carry out detailed engineering studies, preparation of design, tender documents/ drawings and supervision of contracts for the rehabilitation of 14 water treatment plants in Johor. He later joined Salcon in 1996 as Senior Project Engineer, assigned to lead a team to implement a project under Sg. Selangor Water Supply Scheme Phase 2. In 1999, he became Head of Engineering and subsequently moved up to become General Manager, Director of Project, Director of Engineering & Proposal and Chief Operating Officer.

# Key Senior Management's Profile

## Lee Thim Loy Managing Director



Male



77



Malaysian

### Date of First Appointment to Key Senior Management Position

30 August 1984

### Name of Company

Envitech Sdn. Bhd.

### Qualification(s)

- Bachelor degree in Chemical Engineering from National Taiwan University, Taipei in 1971
- Master degree in Environmental Engineering from Asian Institute of Technology, Bangkok in 1973
- A Registered Professional Engineer with Practicing Certificate from the Board of Engineers, Malaysia
- Member of the Institution of Engineers, Malaysia

### Working Experience

Ir. Lee Thim Loy has more than 52 years of experience in the wastewater industry. His experience ranges from design and construction of network pumping stations, sewage treatment plants such as oxidation ponds, aerated lagoon system, rotating biological contactors, oxidation ditches, extended aeration activated sludge system, intermittently decanted extended aeration (IDEA) activated sludge system and sequencing batch reactor (SBR).

Ir. Lee's portfolio includes involvement in several Sewerage Master Plans and Feasibility Studies for the Townships in Shah Alam, Seremban and Bintulu in Malaysia. His capabilities extend into the treatment of palm oil wastes besides related environmental consultancy for industrial effluent surveys, wastewater flow analyses and wastewater feasibility studies.

Ir. Lee's noteworthy experience includes as a Principal Investigator in the Palm Oil Waste Treatment Project in Malaysia and in Thailand, a project sponsored by the International Development Research Centre, Canada, and undertaken by the Asian Institute of Technology, Bangkok, in association with the Department of Environment, Ministry of Science, Technology and Environment, Malaysia from 1979 to 1981.

Ir. Lee's latest experience serves as one of the Project Directors in the design, supply, installation, testing and commissioning of the mechanical and electrical equipment for the Langat Centralised Sewage Treatment Plant catering for a population equivalent of 920,000 persons or sewage flow rate of 207,000 m<sup>3</sup>/ day.

## Low Beng Peow Executive Director



Male



79



Malaysian

### Date of First Appointment to Key Senior Management Position

30 August 1984

### Name of Company

Envitech Sdn. Bhd.

### Qualification(s)

- Bachelor degree in Chemical Engineering from the National Taiwan University, Taipei in 1971
- Master degree in Environmental Engineering from the Asian Institute of Technology, Bangkok in 1973
- A Registered Professional Engineer with practising certificate in the branch of Environmental Engineering with the Board of Engineers, Malaysia
- Fellow of the Institution of Engineers Malaysia

### Working Experience

Ir. Low Beng Peow, has been in the environmental engineering industry for more than 52 years. His experience covered the study, design, construction, implementation and management of sewerage system including sewage treatment plants, pumping stations and sewer networks.

Ir. Low's noteworthy experience includes involvement in the multi-million ringgit Greater Kuala Lumpur Sewerage Project financed by the International Bank for Reconstruction and Development in year 70's, and successful completion of not less than 400 projects since the incorporation of Envitech Sdn. Bhd. in year 1984.

## Key Senior Management's Profile

### Dato' Mohammad Hakim Low Bin Abdullah

Chief Executive Officer



Male

62

Malaysian

#### Date of First Appointment to Key Senior Management Position

May 2014

#### Name of Company

Volksbahn Technologies Sdn. Bhd.

#### Qualification(s)

- Bachelor of Business Administration and International Marketing from Eastern Michigan University US

#### Working Experience

Dato' Mohammad Hakim Low Bin Abdullah has more than 25 years of Telco Industry experience in senior positions with Malaysian and International Companies such as Wembley Industries, Lucent Technologies, Sapura Digital, Commverge Solutions and KargoCard. In his various commercial roles, he spearheaded the introduction and boost of sales for new products and services for the telecommunication and consumer industry.

Besides being the Managing Director and Co-Founder of Volksbahn Technologies Sdn. Bhd., he sits on the Board of Directors of various companies as a strategic and commercial advisor.

### Vergis Mathews A/L V. V. Mathew

Chief Executive Officer



Male

65

Malaysian

#### Date of First Appointment to Key Senior Management Position

1997 - Managing Director

#### Name of Company

Eco-Coach & Tours (M) Sdn. Bhd.

#### Qualification(s)

- ACCA (UK Variance)

#### Working Experience

Vergis Mathews has extensive career experience in various industries including transportation or logistic business for more than 25 years, film production, advertising and marketing, and audit and corporate tax.

Vergis Mathews was an Associate partner in Paul Charles & Associates from 1 February 1980 to 30 June 1986 before leaving for Coopers & Lybrand, London, United Kingdom as Audit Senior from 1 July 1986 to end of 1991. He then joined the film production industry from 1 March 1992 to 30 March 2000 as Finance and Business Development Director.

In year 1997, he was seconded by Petronas NGV to assist the Chairman of Commonwealth Games 1998 Rt. Gen. Tan Sri Hashim Ali on the logistic coordination and needs for 2000 unit/fleet vehicles XVI Kuala Lumpur, 1998 Commonwealth Games.

# Key Senior Management’s Profile

## Ganesan A/L Subramaniam

Managing Director



Male



63



Malaysian

### Date of First Appointment to Key Senior Management Position

June 2001

### Name of Company

JR Engineering and Medical Technologies (M) Sdn. Bhd.

### Qualification(s)

- Diploma in Mechanical Engineering from Bradford Technical College Kuala Lumpur in 1986

### Working Experience

Ganesan ventured into the glove manufacturing business in 1991 when he joined Brightway Holdings Sdn. Bhd. and was the General Manager when he left in 2001. He has more than 34 years of experience in the glove manufacturing industry as well as expertise in the design, engineering, construction of gloves dipping lines, quality control system and management in the wastewater treatment plant and boilers.

Ganesan founded JR Engineering and Medical Technologies (M) Sdn. Bhd. in 2001 and has served as the Managing Director since inception.

Ganesan has vast experience and knowledge in setting up of glove dipping plants and know-how technical application and inputs for plants set-up. He has advised several glove companies both locally and abroad on the setting up of gloves dipping plants.

### Notes:-

1. Directorship in public companies and listed companies
  - i. Jamiluddin Amini Bin Sulaiman, Salcon Engineering Berhad.
  - ii. Vergis Mathews A/L V. V. Mathew, The Asia Nature Conservation Berhad.
2. Any family relationship with any director and/or major shareholder of Salcon Berhad
  - i. Leong Yi Shen is the son of Dato’ Leong Kok Wah and Datin Goh Phaik Lynn who are the directors and major shareholders of the Company.
  - ii. Save as disclosed above, none of other Key Senior Management has any family relationship with any Director and/or major shareholder of the Company.
3. None of the Key Senior Management has any conflict of interests or potential conflict of interests, including interest in any competing business that he has with Salcon Berhad or its subsidiaries.
4. Other than traffic offences, none of the Key Senior Management has any convictions for offences within the past 5 years and of any public sanction or penalty imposed by the relevant regulatory bodies during the year.

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# Corporate Governance Overview Statement

The Board of Directors (“the Board”) of Salcon Berhad (“Salcon” or “the Company”) recognises the importance of upholding high standards of corporate governance (“CG”) throughout Salcon and its subsidiaries (“the Group”). The Board is committed to embedding strong CG practices as part of the Group’s long-term business strategy, as it believes that effective governance is essential in driving sustainable growth, strengthening organisational resilience, and safeguarding shareholders’ interests.

By adopting a sound governance framework, the Board seeks to cultivate a culture of integrity, transparency and accountability across the Group. Robust CG practices further support the Group’s ability to operate efficiently, attract quality investments, and deliver sustainable value creation for all stakeholders.

This Corporate Governance Overview Statement (“CG Statement”) is prepared in accordance with the following:



This CG Statement provides a summary of the Group’s corporate governance practices for the financial year ended 31 December 2025 (“FY2025”), with reference to the three (3) core principles set out in the MCCG, as follows:



## Compliance with MCCG

The Company has applied the main principles and complied with the majority of the practices recommended under the MCCG for FY2025, save for the following:

- Practice 5.9 (The Board comprises at least 30% women directors)
- Practice 8.2 (The Board discloses on a named basis the top five senior management’s remuneration component including, salary, bonus, benefits in-kind and other emoluments in bands of RM50,000)
- Practice 13.3 (Listed companies should leverage technology to facilitate – voting including voting in absentia; and remote shareholders’ participation at general meetings)

This CG Statement should be read together with the Corporate Governance Report (“CG Report”), which provides detailed disclosures on how the Company has applied the practices set out in the MCCG for FY2025.

 The CG Report is available on the Company’s website at [www.salcon.com.my](http://www.salcon.com.my) and Bursa Malaysia’s website.

# Corporate Governance Overview Statement

## Principle A – Board Leadership and Effectiveness

### i. Board Responsibilities

The Board serves as the highest governing authority of the Company, entrusted with the responsibility of safeguarding and enhancing stakeholder value while steering the organisation towards its vision of becoming a respected and synergistic corporation that transforms lives for the better.

In carrying out its fiduciary duties and leadership role, the Board provides strategic direction, oversees management performance, and ensures effective monitoring of the Group’s diverse business activities. The Board also plays a central role in promoting principles of transparency, integrity, ethics, and accountability, thereby ensuring that the management team upholds the highest standards of governance, performance, and conduct.

Guided by the Company’s core values of Commitment, Teamwork, Ownership, Respect, and Results-Oriented focus, the Board remains steadfast in fostering a corporate culture that drives sustainable growth, operational excellence, and long-term value creation for all stakeholders.

### Board Charter and Terms of Reference

To promote clarity in the roles and responsibilities of both the Board and Management, a Board Charter has been established. The Charter clearly delineates the functions of the Board and Management, providing guidance on their respective authorities and accountabilities. It is periodically reviewed and updated to ensure continued relevance and alignment with the evolving needs of the Company, the Board’s objectives, and the corporate vision.

While the Board retains ultimate responsibility for key strategic decisions, it delegates specific authorities to its Board Committees to enhance oversight and operational effectiveness. Currently, four (4) Board Committees have been established, each entrusted with distinct responsibilities, as summarised below:

## BOARD COMMITTEE



### Audit and Risk Management Committee (“ARMC”)

Monitors and reviews the integrity of financial statements, the relationship with external auditors, and the effectiveness of Group’s internal control, integrity and risk management.



### Nomination Committee (“NC”)

Reviews the composition and balance of the Board to ensure the right structure and skills are in place to deliver the Group’s strategy.



### Remuneration Committee (“RC”)

Reviews the overall remuneration policy and strategy implementation of the Board and Senior Management.



### Sustainability Committee (“SC”)

Reviews the Group’s strategic direction, policies, and principles on sustainability matters.

The roles and responsibilities of the Board and Management are clearly defined and communicated to ensure proper accountability across the Group. Management is responsible for the day-to-day operations of the Group and for implementing the corporate objectives and strategies approved by the Board.

While certain authorities are delegated to the Board Committees, the Board remains fully apprised of key issues and decisions through the presentation of Committee reports and the minutes of their meetings. The specific responsibilities of the Executive Director (“ED”) are also clearly outlined in the Board Charter.

The Board periodically reviews the Terms of Reference (“TORs”) for each Board Committee, making necessary updates to ensure continued alignment with the Board’s objectives and compliance with applicable laws, regulations, and best practice standards.

### The role of the Chairman of the Board and the Executive Director

A clear separation of roles exists within the Board to ensure a balance of authority and accountability. Distinct responsibilities are assigned to the Chairman and the ED to promote effective governance and oversight.

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## Corporate Governance Overview Statement

The Chairman of the Board, Tan Sri Abdul Rashid bin Abdul Manaf, is an Independent Non-Executive Director (“INED”) who provides leadership to the Board, with a strong focus on compliance, corporate governance, and ethical business practices.

The duties and responsibilities of the Board, Chairman, and ED are clearly defined in the Board Charter. The Chairman does not serve on the ARMC, NC, RC, or SC. This separation ensures a clear distinction of roles between the Chairman and the Committees, promotes balanced distribution of authority, and facilitates objective and independent review of the Committees’ observations and recommendations.

### Company Secretaries

All Board members have full access to the Company Secretaries for guidance on secretarial and regulatory matters, which assists them in the proper discharge of their duties. The Company Secretaries ensure all Board and Board Committees’ meetings are properly convened and all deliberations and decisions made by the Board and Board Committees are accurately minuted, recorded and kept.

The Board is pleased with the performance and support provided by the Company Secretaries. In addition, the Board is regularly briefed on regulatory requirements and kept informed of legislative and regulatory developments that may affect the Group, ensuring that governance practices remain current and effective.

### Board Meetings

The Board and its Committees schedule their meetings in advance of each financial year to ensure that Directors have sufficient time to plan and coordinate their commitments. During FY2025, the Board convened five (5) times, while all Board Committee meetings were conducted separately from the Board meetings to maintain focus on their respective responsibilities.

The attendance of Directors at the Board and Board Committee meetings for FY2025 is set out below:

Director	Board	Audit and Risk Management Committee	Nomination Committee	Remuneration Committee	Sustainability Committee
Tan Sri Abdul Rashid Bin Abdul Manaf	5/5	N/A	N/A	N/A	N/A
Tan Sri Dato’ Tee Tiam Lee	5/5	N/A	N/A	N/A	N/A
Dato’ Leong Kok Wah	5/5	N/A	N/A	N/A	0/1
Mr. Chan Seng Fatt	5/5	5/5	1/1	1/1	N/A
Dato’ Rosli Bin Mohamed Nor	5/5	5/5	1/1	1/1	1/1
Datin Goh Phaik Lynn	5/5	5/5	1/1	1/1	N/A
Mr. Low Han Kee (Appointed on 1 March 2026)	-	-	-	-	N/A

**Note:** ■ Chairman

### Code of Conduct and Ethics

The Board has established and implemented a Code of Ethics and Conduct (“COEC”) across the Group, which applies to all employees, including Directors. The COEC reinforces the Group’s commitment to high ethical standards, covering integrity, objectivity, confidentiality, and professional competence. It also ensures compliance with all applicable laws and regulations governing the Group’s operations.

The COEC highlights the importance of ethical behaviour in all aspects of the Group’s activities, including

the management of conflicts of interest, protection of privacy, and safeguarding the confidentiality of information. It clearly defines prohibited actions, including the acceptance of gifts, corruption, dishonest behaviour, discrimination, and sexual harassment.

The COEC has been revised to enhance disclosure requirements relating to conflicts of interest and potential conflicts of interest, in line with the latest amendments to the Listing Requirements. This revision demonstrates the Board’s ongoing commitment to upholding high ethical standards, regulatory compliance, and best practices within the Group.


 The COEC is available at [www.salcon.com.my](http://www.salcon.com.my).

# Corporate Governance Overview Statement

## Anti-Corruption Policy

The Board is firmly committed to a zero-tolerance policy against all forms of bribery and corruption, whether direct or indirect, involving the Group or its stakeholders. In line with Section 17A of the Malaysian Anti-Corruption Commission Act 2009, the Group has adopted and implemented an Anti-Bribery and Anti-Corruption (“ABAC”) Policy, which sets out adequate procedures to prevent, detect, and address any bribery or corrupt practices within the Group.

During FY2025, Internal Audit and Risk Management Department presented the second e-newsletter to the Board and subsequently issued to the Group to further promote awareness and reinforce understanding of Governance, Risk, Audit, and Integrity practices.

 The ABAC Policy is available on the Company’s website, [www.salcon.com.my](http://www.salcon.com.my).

## Grievance Mechanism

The Company is committed to upholding high standards of corporate governance, ensuring transparency, accountability, and ethical conduct in all aspects of its operations. To support this commitment, the Company has established channels for internal and external stakeholders to raise concerns relating to misconduct or improprieties.

- Internal Grievance Mechanism: All incidents involving unfair treatment or discriminatory actions are recorded and investigated as a priority by the Human Resource and Administration Department, with escalation to higher management when necessary.
- Internal and External Grievance Mechanism: The Whistleblowing Policy (“WBP”) provides employees, vendors, contractors, suppliers, consultants, customers, and other stakeholders with a safe avenue to report improper conduct within the Group without fear of retaliation. Individuals making reports are offered protection in accordance with the WBP. Reports can be made directly to the ARMC Chairman via email at [chansf8@yahoo.com](mailto:chansf8@yahoo.com) or [whistleblowing@salcon.com.my](mailto:whistleblowing@salcon.com.my).

For FY2025, no reports or complaints of misconduct were received from employees, management, or other stakeholders, reflecting the Company’s strong commitment to ethical business practices.

 The WBP is available at [www.salcon.com.my](http://www.salcon.com.my).

## Sustainability Matters

The Board recognises the critical importance of integrating Environmental, Social, and Governance (ESG) principles across the Group’s business operations. In line with its commitment to sustainability, the Board has incorporated ESG considerations into the development and delivery of the Group’s products and services. As outlined in the Board Charter, the Board is responsible for ensuring that the Company’s strategic objectives drive long-term value creation through a holistic approach that addresses economic, environmental, and social sustainability.

To further strengthen its sustainability efforts, the Board has established a dedicated SC, which reports directly to the Board and provides oversight and guidance on ESG matters. The SC’s duties and responsibilities are detailed in its Terms of Reference (“TORs”), which are publicly available on the Company’s website at [www.salcon.com.my](http://www.salcon.com.my). Supporting the SC is the Sustainability Working Group Committee (“SWGK”), comprising key leaders from various departments and business units. The SWGC plays a pivotal role in coordinating sustainability initiatives at the operational level, ensuring that ESG considerations are embedded in daily activities and decision-making processes across the Group.

Salcon’s sustainability commitments are driven by the Group’s Sustainability Framework, which provides clear governance and direction. The Group’s material sustainability matters are structured around five (5) key focus pillars:

-  Business Model and Innovation
-  Leadership and Governance
-  Human Capital
-  Environment
-  Social Capital

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Each ESG pillar is underpinned by strategic goals aligned with the UN Sustainable Development Goals (SDGs) and the ten principles of the United Nations Global Compact. The Group establishes measurable ESG targets for each focus area and regularly tracks progress to drive continuous improvement and ensure meaningful impact.

The Board, supported by the SC and SWGC, takes a proactive role in addressing material ESG issues, including climate change, corporate governance, human rights, and occupational safety and health. These material matters are reviewed and updated annually in consultation with stakeholders, taking into account new business developments and emerging risks.

To ensure robust oversight of sustainability practices, the Board has integrated sustainability risk management and reporting into the internal audit process. Sustainability reviews are incorporated into the annual internal audit plans, with in-house auditors responsible for providing assurance by collecting, verifying, and validating sustainability data from subsidiaries in accordance with the Global Internal Audit Standards (“GIAS”), under which the International Professional Practices Framework (“IPPF”) forms a subset. This process enhances the effectiveness, reliability, and transparency of the Group’s sustainability initiatives.

The sustainability statement including the Company activities carried out in FY2025 is set out on pages 68 to 113 of this Integrated Annual Report.

### ii. Board Composition

The Board comprised four (4) Independent Directors and three (3) Non-Independent Directors. This composition fully complies with the Bursa Securities Listing Requirements, which mandate that Independent Directors constitute at least one-third (1/3) of the Board. It also aligns with MCCG Practice 5.2, which recommends that at least half of the Board comprise Independent Directors.

The Board recognises the value of diversity at both Board and Senior Management levels and has adopted a Board Diversity Policy, which includes considerations for gender diversity. Board appointments are made based on merit, objective criteria, and potential contribution, while also taking into account diversity in skills, experience, age, and gender. The Board believes that a truly diverse composition, leveraging differences in thought, perspective, knowledge, skills, professional experience, and gender, enhances decision-making and optimises Board performance.

While the Group does not currently have specific measurable objectives for achieving gender diversity at the Senior Management level, it remains committed to fostering a culture of workplace diversity, recognising its contribution to improved decision-making and competitive advantage. As of 31 December 2025, the Group’s workforce comprised 61.5% male and 38.5% female employees.

Although there is no specific policy on gender diversity for the Board and Senior Management, the Board and the Nomination Committee are mindful of their responsibility to conduct appointments in a manner that promotes diversity, in line with MCCG recommendations.

In accordance with the Company’s Constitution, one-third (1/3) of the Directors, or the number nearest to one-third if not a multiple of three, shall retire at the conclusion of each Annual General Meeting (“AGM”). Additionally, all Directors must retire at least once every three (3) years but are eligible for re-election.

In accordance with Clause 78 of the Company’s Constitution, a newly appointed Director shall hold office only until the next AGM, and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at the AGM pursuant to Clause 76 of the Constitution.

At the forthcoming AGM, Tan Sri Dato’ Tee Tiam Lee and Datin Goh Phaik Lynn will retire as Directors pursuant to Clause 76(3) of the Company’s Constitution and Mr. Low Han Kee will retire as Director pursuant to Clause 78 of the Company’s Constitution, being eligible, have offered themselves for re-election. Profiles of these Directors, along with their respective attendance at Board meetings, are included in this Annual Report. The Board’s recommendation for their re-election is provided in the Notice of AGM dated 30 April 2026.

### iii. Nomination Committee (“NC”)

The selection and appointment of new members to the Board and its Committees are determined by the Board based on recommendations from the NC.

The Board, through the NC, has established and implemented a Fit and Proper Policy for the appointment and re-election of Directors. This policy is designed to strengthen the governance of the Company by ensuring that each Director possesses the necessary character, experience, integrity, competence, time, and commitment to effectively discharge their responsibilities.

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A formal evaluation process, comprising self and peer assessments, is conducted annually by the NC to assess the effectiveness of the Board, its Committees, and individual Directors. At its meeting on 26 February 2026, the NC conducted performance evaluations for FY2025, with support from the internal secretarial team. The evaluation considered areas including Board composition, the Directors' skill matrix, the Board's responsibilities, the independence of Independent Directors, integrity in managing potential conflicts of interest, and the performance of Senior Management. The evaluation results were summarised and presented to the Board for review.

Based on the assessment results, the Board is satisfied with the performance of the Board, Board Committees, individual Directors, and Senior Management. The Board also confirmed the independence of all Independent Directors and their ability to act in the best interests of the Company during deliberations at Board and Committee meetings.

At the same NC meeting, the fit and proper status of the retiring Directors seeking re-election at the forthcoming AGM, Tan Sri Dato' Tee Tiam Lee and Datin Goh Phaik Lynn was assessed in accordance with the Fit and Proper Policy. The NC recommended, and the Board agreed, that both Directors meet the criteria outlined in the Policy and relevant Listing Requirements with regard to character, experience, integrity, competence, and time commitment. Accordingly, the Board recommends their re-election to shareholders at the forthcoming AGM.

The NC at its meeting held on 26 February 2026, also reviewed the proposed appointment of Mr Low Han Kee as an INED of the Company, as well as a member of the Board Committees. The assessment was conducted in accordance with the criteria set out in the Company's Fit and Proper Policy.

Following its evaluation, the NC was satisfied that Mr Low Han Kee possesses the requisite experience, character, integrity, competence, as well as the time and commitment necessary to effectively discharge his responsibilities as a Director and member of Board Committees. Accordingly, the NC recommended his appointment, and the Board subsequently approved his appointment to the Board and Board Committees.

The Board is confident in its composition, with Directors possessing expertise in construction and engineering, finance and accounting, banking, legal affairs, insurance, hotel management, economics, and property investment.

The NC also conducts an annual assessment of the training needs of each Director to ensure they participate in relevant programs to effectively fulfill their duties. Based on this assessment, appropriate training is recommended. Details of training attended by Directors during FY2025 are provided in the 'Additional Compliance Information' section on page 146 of this Integrated Annual Report.

#### iv. Remuneration Committee ("RC")

The Board, through the RC, has established and implemented a Remuneration Policy for Directors and Senior Management. The RC is responsible for periodically reviewing the policy to ensure it remains competitive and aligned with market practices, enabling the Company to attract, retain, and motivate its Directors and Senior Management.

Detailed information on the Directors' remuneration packages for FY2025, on a named basis, is disclosed under Practice 8.1 of the CG Report.

For FY2025, the Company has chosen to depart from Practice 8.2 of the MCCG. The Board believes that disclosing the components of Senior Management's remuneration (including salary, bonus, benefits in-kind, and other emoluments) in bands of RM50,000 is not in the best interest of the Company. This decision was made to maintain competitiveness in the market for senior talent and to support the Company's efforts to attract and retain highly skilled personnel.

### Principle B – Effective Audit and Risk Management

#### i. Audit and Risk Management Committee ("ARMC")

The ARMC assists the Board in fulfilling its fiduciary duties within the Company's governance structure, with a particular focus on overseeing the financial reporting process to ensure that the Group's results are fairly presented in the financial statements.

The ARMC complies with Paragraphs 15.09 and 15.10 of the Listing Requirements regarding its composition and the appointment of its Chairman. In line with Practice 9.1 of the MCCG, the roles of ARMC Chairman and Board Chairman are held by separate individuals to ensure proper governance and independence.

## Corporate Governance Overview Statement

The Group has implemented a comprehensive system of internal controls designed to mitigate risks and support the achievement of its objectives. The ARMC assists the Board by overseeing the Group's Risk Management Framework, regularly assessing its adequacy and effectiveness. Details of the risk management framework, internal control systems, and activities undertaken are provided in the Statement of Risk Management & Internal Control ("SORMIC") on page 140 of this Integrated Annual Report.

During FY2025, the Board is of the view that the internal control and risk management systems are sound and sufficient to safeguard the Group's assets, protect shareholders' investments, and uphold stakeholder interests. The Board is satisfied that the ARMC has effectively discharged its functions, duties, and responsibilities in accordance with its Terms of Reference. The Audit and Risk Management Committee Report, which details the Committee's composition and activities for FY2025, is disclosed on page 137 of this Integrated Annual Report.

The Board is committed to ensuring that the financial statements for each financial year provide a true and fair view of the Group's and the Company's financial position, performance, and cash flows. In discharging this responsibility, the ARMC reviews all financial results and statements before recommending them to the Board for approval.

Independent and objective assurance is provided by the Company's external auditors, KPMG PLT. During FY2025, the external auditors met with the ARMC without the presence of Executive Directors or employees to provide unbiased feedback on any issues of concern and other relevant matters.

The ARMC also evaluated the provision of non-audit services by the external auditors and concluded that such services did not compromise their independence and objectivity, as the amount of non-audit fees relative to total audit fees was not material. For FY2025, audit fees for services rendered by the external auditors amounted to RM663,000, while non-audit fees totaled RM35,000.

The Board is of the view that the financial statements have been prepared in accordance with Malaysian Financial Reporting Standards, the CA 2016, and Bursa Securities Listing Requirements.

### ii. Risk Management and Internal Control

The Group's internal audit and risk assessment functions are performed in-house by the Internal Audit and Risk Management Department ("IARMD"), which reports directly to the ARMC. The primary role of the IARMD is to conduct audits and reviews that evaluate the effectiveness of internal controls, corporate governance, and risk management processes, providing independent and reasonable assurance to the Board regarding the adequacy and integrity of the Group's internal control systems.

Mr. Lee Jian Xun serves as the Head of IARMD, reporting administratively to the Group Chief Operating Officer cum Chief Financial Officer and functionally to the ARMC to ensure impartiality and independence in executing his duties. He is a Certified Fellow Practising Accountant (FCPA Aust.), a Chartered Accountant of Malaysia, a member of ASEAN CPA, Professional Member of the Institute of Internal Auditors Malaysia (IIAM), a Certified Lead Auditor for ISO 37001 and a Certified ISO 31000 Risk Manager. With over a decade of combined experience in external auditing at mid-tier accounting firms and internal auditing for Government-Linked Companies and Public Listed Companies, including exposure to assignments in Australia and Vietnam, he brings significant expertise to the role. Salcon is a registered corporate member of both Institute of Internal Auditors ("IIAM") and Malaysian Association of Risk and Insurance Management ("Marim").

The purpose, authority, and responsibilities of the internal audit function are formally defined in the Audit Charter, which is periodically reviewed by the Head of IARMD and presented to the ARMC for endorsement. All internal audit activities are conducted through risk-based reviews in accordance with the Global Internal Audit Standards ("GIAS"), under which the International Professional Practices Framework ("IPPF") forms a subset. Risk management assessments generally comply with ISO 31000 Risk Management Guidelines, ensuring a structured and effective approach to identifying, evaluating, and mitigating risks.

### iii. Related Party Transactions and Conflict of Interest

The Board is committed to upholding the highest standards of corporate governance by ensuring transparent and ethical practices in all dealings. A rigorous framework has been implemented to identify, evaluate, and manage Related Party Transactions ("RPTs") and Conflict of Interest ("COI") situations.

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This framework is designed to protect the integrity of the Company's decision-making processes and safeguard the interests of all stakeholders, taking into consideration regulatory requirements and best practices in corporate governance:

- a. Reviews any related party transaction to ensure that the transactions are conducted on an arm's length basis, are not favourable to related parties, and not detrimental to shareholders.
- b. Mandatory quarterly or annual declaration to review COI, ensuring the nature and extent of any COI or potential COI that may arise within the Group, including any transaction, procedure, or course of conduct that could raise questions about management integrity. If any situation arises, the controls and measures taken to resolve, eliminate, or mitigate such conflicts shall be reported to the ARMC and the Board and disclosed in the ARMC report.

## Principle C – Integrity in Corporate Reporting and Meaningful Relationship with Shareholders

### i. Engagement with stakeholders

#### Communication


The Company recognises the importance of timely, transparent, and accurate communication with shareholders and stakeholders. To this end, the Board reviews and approves all significant announcements prior to their release to the public. These include annual and quarterly reports, which are disseminated through Bursa Link and/or the Company's website, with support from the Company Secretaries or the Corporate Affairs & Sustainability Department ("CA&S"). To enhance accessibility and engagement, the Company also leverages alternative platforms such as social media (e.g., Facebook and LinkedIn) to reach a wider audience, including the public, shareholders, investors, and other interested parties.

In addition, notices of general meetings, proxy forms, the Integrated Annual Report, circulars to shareholders, and minutes of general meetings are made available on the Company's website to ensure equal and convenient access to corporate information.

### Corporate Disclosures

The Company is fully committed to disseminating information to the public in a timely, precise, and transparent manner. This includes the release of corporate announcements, circulars and notices to shareholders, and annual and quarterly financial results. In compliance with regulatory requirements, the quarterly interim financial results are published within two (2) months from the end of each financial quarter, while the full-year financial results are released within four (4) months from the financial year-end. These disclosures are presented clearly, understandably, and accurately to ensure that shareholders and stakeholders are well informed.

Through these practices, the Company provides shareholders and investors with comprehensive, accurate, and high-quality information, thereby strengthening credibility and fostering shareholder confidence. All disclosures are made in accordance with the Bursa Securities Listing Requirements and the Listed Issuers Corporate Disclosure Guide.

 Information relating to investor relations can be viewed on the Company's website, [www.salcon.com.my](http://www.salcon.com.my).

### ii. Conduct of General Meetings

The AGM and Extraordinary General Meeting ("EGM") provide an important platform for effective engagement and transparent communication between the Company and its shareholders. These meetings enable shareholders to receive updates on the Group's performance and strategic direction. Shareholders are encouraged to actively participate by raising questions, seeking clarification on matters tabled for approval, and sharing their views or concerns with the Board and Management. The Company values such interactions as part of its commitment to good corporate governance and accountability.

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At the 22<sup>nd</sup> AGM and EGM both held on 12 June 2025, the Chairman of the Board presided over the proceedings and invited shareholders to raise questions prior to the tabling of each resolution for voting. All Directors, together with the Chief Operating Officer cum Chief Financial Officer, Chief Executive Officer of subsidiary, Salcon Engineering Berhad, Company Secretaries, and the External Auditors, were in attendance to address shareholders' queries and provide the necessary clarifications.

In line with good corporate governance practices, shareholders were provided with at least twenty-eight (28) days' notice prior to the AGM, and the minutes of the general meeting, along with key matters discussed, are published on the Company's website, [www.salcon.com.my](http://www.salcon.com.my).

The Company appointed an independent poll administrator and scrutineer to oversee the poll voting process during the AGM. In line with the Listing Requirements, all resolutions were voted on by poll, and the results were announced to Bursa Securities on the same day.

The minutes of the AGM were uploaded to the Company's website within thirty (30) business days after the meetings, ensuring transparency and accessibility to shareholders.

This CG Statement was reviewed and approved by the Board on 26 February 2026.

The forthcoming 23<sup>rd</sup> AGM will be conducted as a physical meeting, ensuring a balance between accessibility and meaningful engagement, and enabling shareholders and/or proxies to participate actively and effectively.

# Audit and Risk Management Committee Report

In compliance with Paragraph 15.15(1) of the Bursa Malaysia Securities Berhad (“Bursa Securities”) Main Market Listing Requirements (“Listing Requirements”), the Board of Directors (“the Board”) is pleased to present the Audit and Risk Management Committee (“ARMC”) Report, which provides an overview of how the ARMC discharged its responsibilities for the Group during the financial year ended 31 December 2025 (“FY2025”).

## Composition and Attendance

The composition of the ARMC comprises four (4) members: three (3) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. This composition meets the requirements set out in Paragraph 15.09(1)(a) and (b) of the Listing Requirements.

The ARMC members and their attendance at meetings are indicated as below:

<p><b>Mr. Chan Seng Fatt</b> <i>Chairman, Senior Independent Non-Executive Director</i></p>	<p><b>Dato’ Rosli Bin Mohamed Nor</b> <i>Member, Independent Non-Executive Director</i></p>	<p><b>Datin Goh Phaik Lynn</b> <i>Member, Non-Independent Non-Executive Director</i></p>	<p><b>Mr. Low Han Kee</b> <i>Member, Independent Non-Executive Director</i></p>
<p><b>Date of Appointment to ARMC</b> 17 December 2014</p>	<p><b>Date of Appointment to ARMC</b> 02 July 2018</p>	<p><b>Date of Appointment to ARMC</b> 30 June 2020</p>	<p><b>Date of Appointment to ARMC</b> 01 March 2026</p>
<p><b>Meetings Attendance (FY2025)</b> ●●●●● 5/5 (100%)</p>	<p><b>Meetings Attendance (FY2025)</b> ●●●●● 5/5 (100%)</p>	<p><b>Meetings Attendance (FY2025)</b> ●●●●● 5/5 (100%)</p>	<p><b>Meetings Attendance (FY2025)</b> N/A</p>

The ARMC Chairman, Mr. Chan Seng Fatt, is a Chartered Accountant of the Malaysian Institute of Accountants, thereby ensuring compliance with Paragraph 15.09(1)(c)(i) of the Listing Requirements.

The Board, through the Nomination Committee, reviews the composition of the ARMC and assesses the members performance and effectiveness on an annual basis. The Board is satisfied that the ARMC has effectively discharged its duties in accordance with its Terms of Reference (“TOR”) and has supported the Board in maintaining high standards of corporate governance.

 The TOR of ARMC is available at [www.salcon.com.my](http://www.salcon.com.my).

## Meetings

During FY2025, the ARMC held five (5) meetings. The Executive Director (“ED”), Chief Operating Officer cum Chief Financial Officer (“COO cum CFO”), Chief Executive Officer of Salcon Engineering Berhad (“CEO SEB”) and Head of Internal Audit and Risk Management Department (“IARMD”) attended the meetings to facilitate direct communication and clarification of audit matters. External Auditors (“EA”), Messrs. KPMG PLT, were also invited as needed.

Agendas were structured, and meeting materials were distributed at least five (5) business days in advance. Among the ARMC’s key responsibilities is ensuring the reliability of the Company’s annual and quarterly financial results and compliance with Malaysian Financial Reporting Standards (“MFRS”), International Financial Reporting Standards (“IFRS”), and the Companies Act 2016.

The COO cum CFO presented financial statements to the ARMC for deliberation, before recommending them to the Board for approval. In February 2025, the EA confirmed unfettered access to information and full cooperation from Management. The ARMC also met with the EA without Executive Directors, COO cum CFO or employees present to discuss any matters of concern, including audit scope, resources, and financial reporting processes.

Minutes of ARMC meetings were recorded, confirmed at subsequent meetings, and presented to the Board for notation.

# Audit and Risk Management Committee Report

## Summary of Activities of ARMC

The ARMC's activities during FY2025 comprised the following:

### a) External Audit

- Reviewed the External Audit Annual Plan for FY2025 in relation to audit services as well as on recurring non-audit services provided by the EA;
- Reviewed the Statement on Risk Management and Internal Control ("SORMIC");
- Conducted private session with the EA without the presence of EDs and employees; and
- Reviewed the overall performance of the external auditors, including assessment of their independence, technical competency, resources and reasonableness of their audit fees and non-audit fees.

### b) Internal Audit and Risk Management

- Reviewed and approved the Internal Audit Annual Plan for FY2025 as presented by the Head of IARMD;
- Reviewed adequacy scope, functions, competency and resources of the internal audit function;
- Reviewed and discussed the internal audit reports in every meeting held and follow-up audits conducted to ascertain all agreed recommendations were adequately implemented;
- Reviewed and discussed the ad-hoc assignments undertaken by the IARMD relating to vehicle sales of the subsidiary, Eco-Coach & Tours (M) Sdn. Bhd.;
- Reviewed the risk management processes, including an assessment of the risk profile, risk levels, and associated action plans;
- Reviewed the new Personal Data and Protection (Amendment) Act 2024 requirements for Board endorsement; and
- Reviewed and endorsed the timeline to implement ISO 37001 Anti-Bribery Management System.

### c) Financial Reporting

- Reviewed the quarterly financial statements during the ARMC meetings and subsequently recommended these statements to the Board for approval; and
- Reviewed the Audited Financial Statements of the Company and the Group for FY2025, and subsequently recommended them to the Board for approval.

### d) Annual Report

- Reviewed ARMC Report, Corporate Governance Overview Statement, Corporate Governance Report and SORMIC.

### e) Other Matters

- Reviewed the Recurrent Related Party Transactions ("RRPTs") entered by the Group on quarterly basis to ensure that the RRPTs are carried out on arm's length, fair and reasonable, and on normal commercial terms and are not detrimental to the interest of the minority shareholders of the Company.
- Reviewed the Conflict of Interest ("COI") situation that arose, persist or arise within the Group including any transaction, procedure or course of conduct that raises questions of management integrity, and the measures taken to resolve, eliminate, or mitigate such conflicts.

## Summary of Potential Conflict of Interest Situation

The Directors and employees shall abide by the Board Charter and the Code of Ethics and Conduct ("COEC") respectively to manage or avoid potential conflicts whenever possible. The Board Charter and the COEC provide guidelines for the disclosure and declaration of conflicts of interest or potential conflicts of interest by the Directors and employees when such conflicts arise. Measures were put in place to handle actual or potential conflict of interest.

During FY2025, the ARMC did not identify any COI situation that warrants specific disclosure.

## Internal Audit Function

The Group's internal audit is conducted by IARMD, an in-house team of four (4) members, providing independent, risk-based assurance to enhance operational efficiency. IARMD reports functionally to the ARMC and administratively to the COO cum CFO, ensuring impartiality. The team operates under the Internal Audit Charter and performs audits in accordance with the Global Internal Audit Standards (GIAS), under which the International Professional Practices Framework (IPPF) forms a subset and the Committee of Sponsoring Organizations of the Treadway Commission (COSO) internal control framework.

# Audit and Risk Management Committee Report

In alignment with the 2024 Global Internal Audit Standards, effective from 9 January 2025, IARMD has:

- Developed a strategic internal audit plan aligned with organisational objectives.
- Enhanced stakeholder engagement to ensure audit relevance and value.
- Initiated a quality assurance and improvement program (QAR) to continuously elevate audit practices by inviting Head, Technical & Quality Assurance of IIA Malaysia for preliminary assessment.

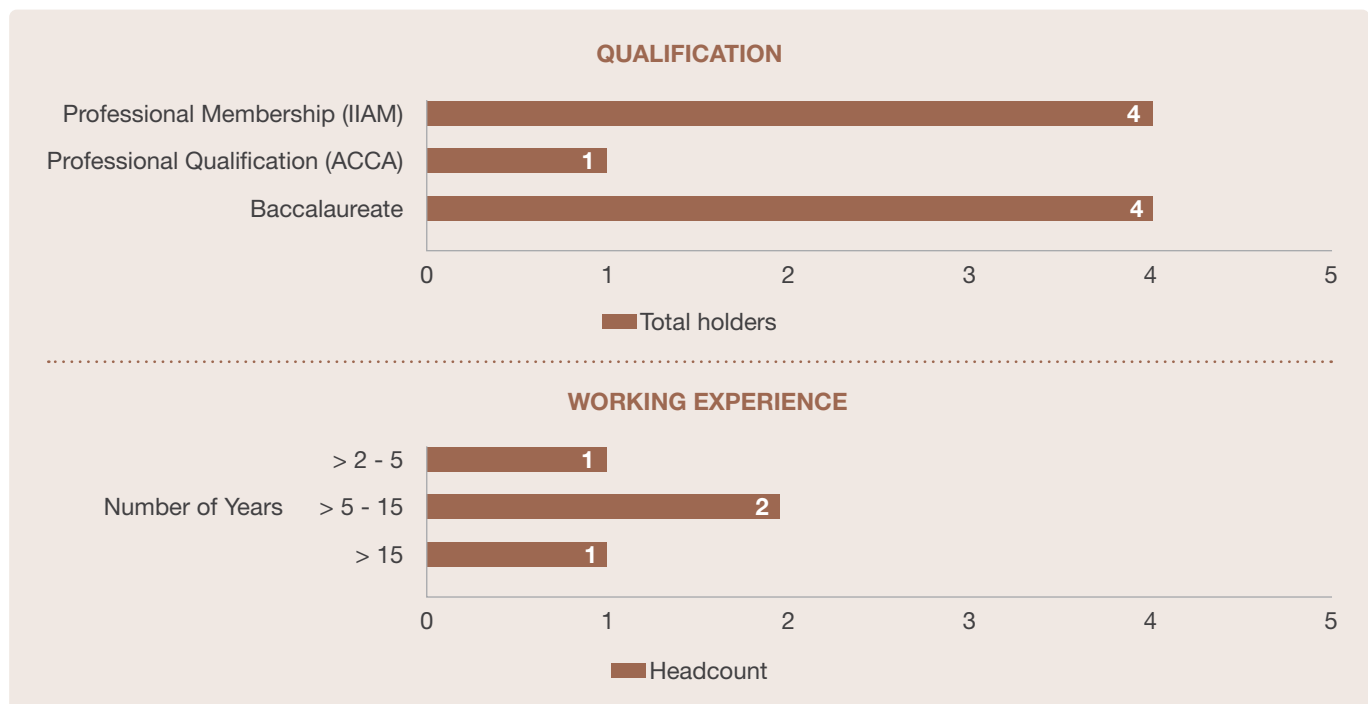
During FY2025, IARMD issued eight (8) internal audit reports, covering audit findings, recommendations, and management responses. The implementation of corrective actions is monitored against the follow-up timelines and reported to the ARMC on a quarterly basis.

During FY2025, the internal audit activities include, inter alia, the following:

- Reviewed and assessed the effectiveness of internal controls over key operational processes of the respective business units by using a risk-based methodology, according to the approved internal audit annual plan;
- Reviewed the RPT for the Group;
- Reviewed internal control over data collections to provide assurance on the accuracy and relevance of environmental, social and governance (“ESG”) data and disclosure in the sustainability report;
- Performed an ad-hoc assignment relating to vehicle sales of the subsidiary, Eco-Coach & Tours (M) Sdn. Bhd.;
- Performed enterprise risk assessment for all active business division and selected support units; and
- Issued internal audit, governance and risk management e-newsletter to enhance employee awareness and engagement.

The total cost incurred by the Group’s internal audit function for the year under review was approximately RM785,000. The details pertaining to the person responsible and number of resources for the department is available in the Corporate Governance Report, Practice 11.2.

The internal audit function is supported by a well-balanced combination of qualifications, technical expertise, and professional experience. The composition of IARMD’s team reflects the following key attributes:



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# Statement of Risk Management and Internal Control

**The Board of Directors of Salcon Berhad (“Salcon” or “the Company”) is committed to maintaining a sound, robust, and effective system of risk management and internal control across the Company and its subsidiaries (“the Group”). This system is designed to safeguard shareholder value, protect stakeholder interests, and ensure sustainable growth by embedding governance, compliance, and risk resilience throughout the Group’s operations.**

This Statement has been prepared in compliance with Paragraph 15.26(b) of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”), and guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers (“the Guidelines”) as updated in the SORMIC Guide 2025, which incorporates global best practices including COSO, ISO 31000, and the Institute of Internal Auditors (IIA) Three Lines Model (2024).

## Board Responsibilities

The Board acknowledges its ultimate responsibility for the Group’s governance, risk management, and internal control framework, and for reviewing their effectiveness, adequacy, and resilience. The system covers:

- Governance and compliance
- Strategic and operational risks
- Financial and reporting integrity
- Sustainability considerations
- Regulatory and stakeholder obligations

The Board recognises that the system is designed to manage and mitigate risks within the Group’s risk appetite, not to eliminate them entirely. Accordingly, it provides reasonable but not absolute assurance against material misstatement, loss, fraud, or failure to achieve strategic objectives.

In FY2025, the Audit and Risk Management Committee (“ARMC”) oversaw reviews of the adequacy and effectiveness of the Group’s controls and processes based on audits and risk reviews conducted by the Internal Audit and Risk Management Department (“IARMD”). Findings, recommendations, and management responses were tabled at ARMC meetings, with deliberations duly recorded in minutes.

The ARMC also exercises risk oversight by monitoring the execution of mitigation strategies and ensuring alignment with the Group’s Integrated Risk Management Policy and Procedures (“IRMPP”), which is based on the ISO 31000 Risk Management Standard.

## Internal Audit and Risk Management Function

The Group has established an independent in-house IARMD, which functionally reports to the ARMC and administratively to the Group Chief Operating Officer cum Chief Financial Officer.

Key responsibilities include:

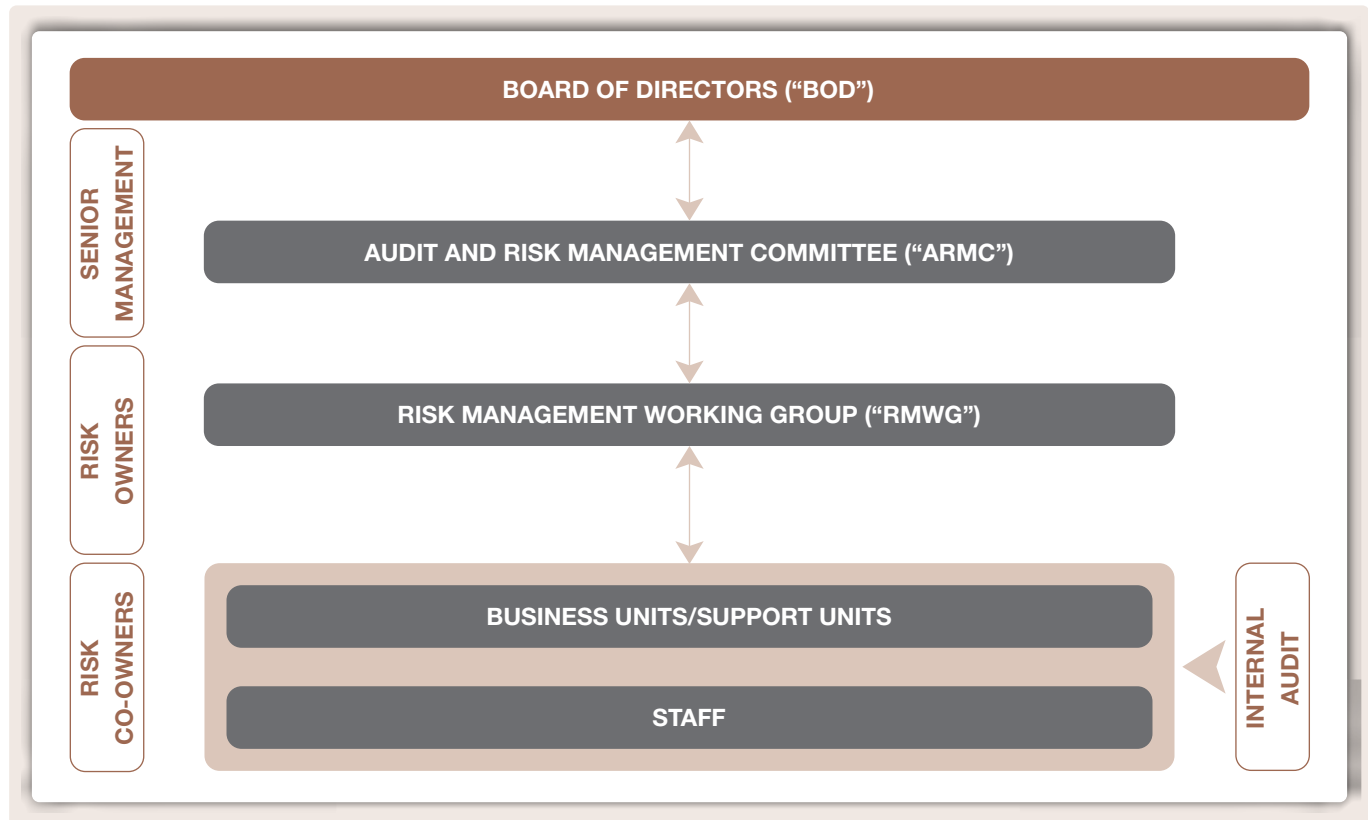
- Developing and executing a risk-based annual audit plan, aligned with the Corporate Risk Register, approved by the ARMC.
- Conducting audits across financial, operational, compliance, IT, and sustainability areas in accordance with the International Professional Practices Framework (IPPF) of the IIA.
- Reviewing risk mitigation effectiveness and providing assurance on internal controls across subsidiaries, divisions, and major projects.
- Conducting follow-up reviews to monitor the timely resolution of previously identified weaknesses.

The ARMC highlights key audit findings to the Board 5 times per year or as appropriate.

# Statement of Risk Management and Internal Control

## Risk Management and Control Processes

The Group applies the IIA’s Three Lines Model (2024) to ensure clear accountability and effectiveness of governance as depicted below:



The Group’s internal control system comprises the following key control processes:

1. International Organization for Standardization (“ISO”) certifications:
  - Salcon Engineering Berhad (“SEB”), a wholly owned subsidiary of Salcon Berhad, is certified to ISO9001:2015 - Quality Management System (“QMS”), ISO14001:2015 - Environmental Management System (“EMS”) and ISO45001:2018 – Occupational Health and Safety Management System (“OHSMS”) at both the corporate office and at project levels.
  - As required by legislation, the Company has also established a Safety and Health Committee to assist in the implementation of applicable inspections and reviews of OHSMS while emphasizing the Group’s commitment to ensure and maintain a safe working environment.

- Under ISO 9001, ISO14001 and ISO45001 requirements, internal quality audits are conducted annually by Quality, Safety, Health and Environment (“QSHE”) department to check, measure, analyse, review and improve on the performances of SEB’s certifications; on both the corporate office and applicable projects.
2. Authority and Responsibilities
    - The Board delegates certain duties and responsibilities to various Board Committees through the clearly defined Board Committee Terms of Reference (“TORs”). The TORs are reviewed as and when necessary and are available at the Company’s website, www.salcon.com.my.
    - The authority limit and signatory document is reviewed quarterly to reflect the authority and authorisation limit of the Management in all aspects of the Group’s major business operations and regulatory functions.

# Statement of Risk Management and Internal Control

## 3. Monitoring and Reporting

- Board and Board Committee meetings are scheduled to update the Group's performance 5 times annually. The Group's business plan, execution and financial performance are reviewed and discussed by the Board 5 times annually. The Minutes of Meeting are duly recorded.

## 4. Policies and Procedures

- The Group has set up and documented internal control and policies, standards and procedures to ensure compliance with relevant laws and regulations. Common Group policies such as ISO, Anti-Bribery & Anti-Corruption, Whistleblowing, Code of Ethics & Conduct, Personal Data and Protection Act are available on the Company's intranet for easy access and reference by employees.

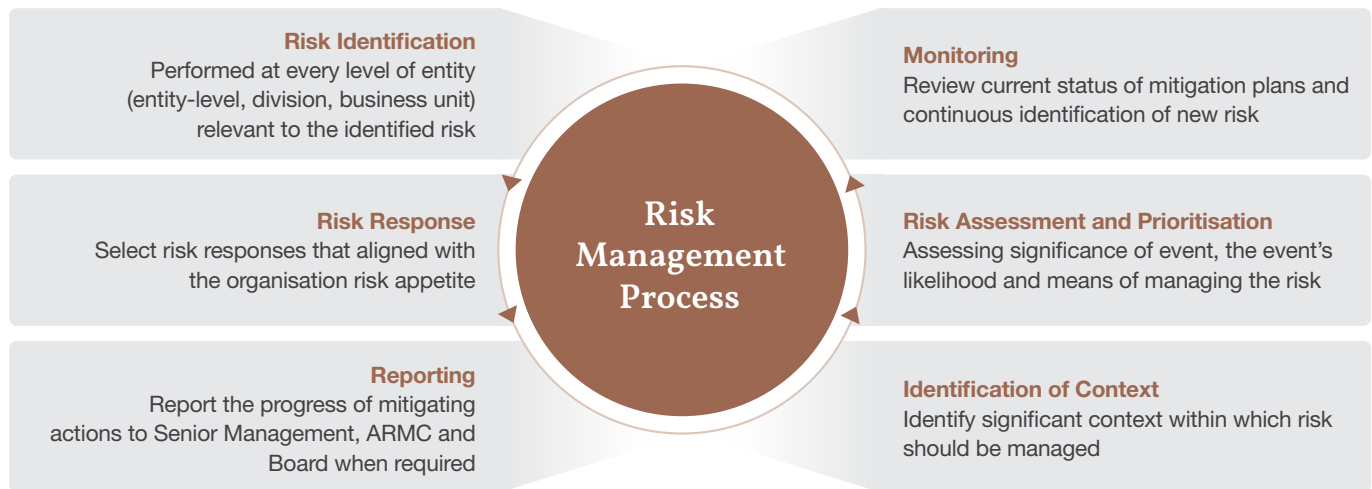
## 5. Audit

- IARMD performs assurance and compliance engagements covering financial, compliance, operational, sustainability, and information technology audits. IARMD discharges its responsibilities in accordance with the terms and principles outlined in the Audit Charter. All audit activities are conducted in adherence to the Standards and Guidelines of the International Professional Practices Framework (IPPF), as issued by the Institute of Internal Auditors and the internal control framework established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). IARMD reports its findings to the ARMC via internal audit reports. Internal audit reports will include audit findings, value added propositions, areas for improvement, audit recommendations, management replies and action plans.
- The surveillance and re-certification audits for ISO9001:2015 on 29 October 2025, ISO14001:2015 and ISO45001:2018 on 24 October 2023 and 25 October 2023 are conducted by Bureau Veritas.
- External Auditors have been engaged to provide audit and non-audit services to the Group for the year 2025. Nature of non-audit services provided is available within the Corporate Governance Overview Statement in this Annual Report.

## 6. Enterprise Risk Management

- The Group has implemented an Enterprise Risk Management ("ERM") framework to manage all relevant risks that can affect the Company's business and operations. The ERM framework is supported by a risk governance structure, comprising the ARMC, the Risk Management Working Group ("RMWG") and IARMD. The governance structure is tasked with the responsibilities and accountabilities for monitoring risk management.
- Risks are identified, assessed, and prioritised using a risk impact-likelihood matrix, with results reported at least annually to the ARMC.
- The ERM process incorporates forward-looking and ESG-related risks, consistent with IFRS S1 and S2 standards under Malaysia's National Sustainability Reporting Framework (NSRF), which include risks of Artificial Intelligence ("AI"), cyber, climate change, supply chain disruptions.
- There are established processes and procedures, which are detailed within the IRMPP for risks identifications, assessments, communication and monitoring. IARMD continues to review the risks and the effectiveness of risk mitigation strategies and controls at the corporate, divisional and projects levels including material joint ventures and associates.
- The risk tolerances are created annually via the interview with Group Chief Operating Officer cum Chief Financial Officer and subsequently presented to ARMC for endorsement.
- The IARMD reports directly to the ARMC while providing an independent assessment, and reasonable assurances of the effectiveness, adequacy and reliability; of the Group's risk management processes and internal control system, with risk registers presented to the RMWG and ARMC for deliberation at minimum once per financial year.

# Statement of Risk Management and Internal Control



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## 7. Integrity and Corporate Governance

- A Code of Ethics and Conducts (“COEC”) is established for the Group and applies to all employees, senior management, and directors. Employees are required to acknowledge the COEC on their first day of employment. The COEC sets out the ethical standards and expected conduct for all applicable staff in relation to the Group. The COEC was subsequently revised in November 2024 to align with Bursa Malaysia Listing Requirements (originally issued on 23 May 2023).
- Annual Code of Ethics and Conflict of Interest Declaration Form issued by the IPPF has been acknowledged by IARMD on annual basis.
- The Directors are required to provide a quarterly declaration on Conflict of Interest (“COI”) and/or potential COI, while employees are required to declare on annually.
- Salcon has an Insider Trading Policy (“ITP”) to provide guidance and ascertain material non-public information is not misused.

Salcon has a Whistle-blowing Policy (“WP”) to provide a platform for staff or any external party to report any breach or suspected breach of any law or regulation, including business principles and the Group policies, in a safe and confidential manner. An employee who makes a report of improper conduct in good faith shall not be subject to unfair dismissal, victimisation, demotion, suspension,

intimidation or harassment, discrimination, any action causing injury, loss or damage or any other retaliatory actions by the Company. The ARMC has the overall responsibility in overseeing the implementation of the WP for the Group. The WP is available at the Company’s website.

- Salcon has an Anti-Bribery and Corruption Policy to provide information and guidance to those working for or with Salcon on how to recognise and deal with potential bribery and corruption issues as well as understanding their roles and responsibilities.
- During 2025, the Company did not receive any report or incidences from whistle blowers on any possible or potential bribery or corruption.
- Segregation of duties is practiced to avoid conflict of interests and to reduce the scope for error and fraud.

## 8. Cybersecurity, Data Protection and Data Privacy

- The Group maintains compliance with all mandatory cybersecurity regulations and standards issued by the Malaysian Communications and Multimedia Commission (MCMC) and the National Cyber Security Agency (NACSA). This includes adherence to:
  - Personal Data Protection Act 2010 (PDPA) and Personal Data Protection (Amendment) Act 2024.

## Statement of Risk Management and Internal Control

- Immediate actions are taken to remediate any identified threats or exploitable vulnerabilities, with escalation and reporting protocols established to ensure timely mitigation and recovery.
- The Group is dedicated to safeguarding the personal data of all stakeholders, in line with the PDPA 2010 (as amended 2024).
- A Data Protection Officer (DPO) is appointed to oversees the Data Privacy and Protection Program, ensuring compliance with enhanced PDPA 2024 requirements, including:
  - Developing, implementing and monitoring the Company's PDPA Policies and Procedures;
  - Ensuring the personal data is stored, processed and disclosed by the Company in compliance with regulation;
  - Acting as main point contact for all PDPA matters, including internal staff, regulators and external parties;
  - Reviewing and advising on protection risk in personal data.
- The DPO shall report to the Commissioner any personal data breach that causes or is likely to cause significant harm to affected individuals.

### 9. Sustainability Assurance Statement or Report

- Salcon is committed to manage and nurture a sustainable and profitable business which contributes positively to the communities and sustains the environment by integrating economic, environmental and social considerations into corporate value creation strategies and performance.
- The Board Sustainability Committee had been formed since January 2018 and is chaired by an Independent Non-Executive Director and consist of a total of 5 committee members.

- The materiality assessment is guided by the Bursa Malaysia's Sustainability Reporting Guide, GRI Framework and <IR> Framework. The Company's materiality matters are based on 5 key focus areas: *Business model and innovation, Leadership and Governance, Human Capital, Environment, and Social capital*. All material issues have been identified and reviewed annually through consultation with stakeholders, taking into account any new business developments and other sources. The results of this review are disclosed/reported in the Sustainability Statement of the Annual Report in relation to each key material issue.
- Directors require reliable assurance regarding the effectiveness of sustainability risk management and reporting. Therefore, sustainability statement reviews are incorporated into annual internal audit plans. Internal auditors perform sustainability assurance by validating ESG data in accordance with COSO's Internal Control over Sustainability Reporting (ICSR) 2023 and the IIA IPPF.

### 10. Insurance

- Insurance coverage and safeguarding on assets are in place to ensure the Group's assets are adequately covered against any mishap that could result in material loss. Annual renewal policy is undertaken by Management to review the coverage based on the current fixed asset register and the respective net book values. The Company seeks professional advice to assist by conducting a risk assessment on the adequacy of the intended coverage.
- The Company purchases Workman Compensation and Contractors All Risk insurance for each project. The sum insured is in accordance with the requirement stated in the Letter of Award of each project.

# Statement of Risk Management and Internal Control

## Review of this statement

The external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in Audit and Assurance Practice Guide (“AAPG”) 3, *Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report* issued by the Malaysian Institute of Accountants (“MIA”) for inclusion in the annual report of the Group for FY 2025, and reported to the Board that nothing has come to their attention that cause them to believe that the statement intended to be included in the annual report of the Group, in all material respects:

- (a) has not been prepared in accordance with the disclosures required by Section 7 of the Statement on Risk Management and Internal Control (“SORMIC”): Guidelines for Directors of Listed Companies (“SORMIC Guide 2025”), or
- (b) is factually inaccurate.

AAPG 3 does not require the external auditors to consider whether the Directors’ Statement on Risk Management and Internal Control covers all risks and controls, or to form an

opinion on the adequacy and effectiveness of the Group’s risk management and internal control system including the assessment and opinion by the Board of Directors and management thereon. The auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.

## Conclusion

The Board opines that the internal control and risk management system in place for the year under review is sound and robust to safeguard the Group’s assets, shareholders’ investments and stakeholders’ interest. The Board has received written confirmation and assurance from the Executive Director and Group Chief Operating Officer cum Chief Financial Officer that the Group’s internal control and risk management system is operating adequately and effectively, in all material aspects, based on the framework adopted by the Group. This Statement is subsequently recommended by ARMC to the Board for approval on 16 April 2026.

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# Additional Compliance Information

## 1. Training programs attended by Directors for FY2025

Directors	Training	Date
Tan Sri Abdul Rashid Bin Abdul Manaf	Updates on Sustainability Related-Reporting Requirements	26 Nov 2025
Tan Sri Dato' Tee Tiam Lee	Updates on Sustainability Related-Reporting Requirements	26 Nov 2025
Dato' Leong Kok Wah	Updates on Sustainability Related-Reporting Requirements	26 Nov 2025
Datin Goh Phaik Lynn	Asia ESG Summit 2025 - Future-Ready Asia: Driving Sustainable Impact	5 & 6 Nov 2025
	Updates on Sustainability Related-Reporting Requirements	26 Nov 2025
Mr Chan Seng Fatt	International Regulatory Conference 2025	7 & 8 Jan 2025
	ASEAN Economic Opinion Leaders Conference	8 & 9 Jan 2025
	ASEAN-China Media and Think Tank Forum	11 Apr 2025
	Digital Media Asia 2025	23 & 24 Apr 2025
	ASEAN Business Forum	19 May 2025
	ASEAN Amidst Shifting Global Order	23 May 2025
	ASEAN Chinese Business Leaders Summit	7 Oct 2025
	Asia ESG Summit 2025 - Future-Ready Asia: Driving Sustainable Impact	5 & 6 Nov 2025
Dato' Rosli Bin Mohamed Nor	Updates on Sustainability Related-Reporting Requirements	26 Nov 2025

## 2. Material Contracts

There was no material contract entered into by the Company or its subsidiaries involving Directors and major shareholders for FY2025.

## 3. Audit and Non-Audit Fee

The amount of audit fees and non-audit fees paid or payable to the Company's external auditors and a firm affiliated to the external auditors' firm by the Company and the Group for FY2025 are as follows:

	Company RM'000	Group RM'000
Audit Fees	193	663
Non-Audit Fees	35	35
Total Fees	228	698

## 4. Utilisation of Proceeds

There were no proceeds raised by the Company from any corporate proposal during FY2025.

## Additional Compliance Information

### 5. Recurrent Related Party Transactions of a Revenue or Trading Nature (“RRPT”)

The Company did not seek any mandate from its shareholders pertaining to RRPT during FY2025.

### 6. Employee Share Scheme

The Company did not establish any employee share scheme and does not have any subsisting employee share scheme during FY2025.

### 7. Disclosure of Financial Data for Shariah Screening

Pursuant to Paragraph 9.25A of the MAIN Market Listing Requirements, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group’s business activities and interest-based financial position.

#### (A) Group Total Income and Total Assets

Total Income	Remarks	Group	
		2025 RM'000	2024 RM'000
Revenue		374,242	298,372
Other income		19,939	30,000
Share of result of associates		-	(3)
Share of result of joint ventures		4,609	4,629
<b>Total</b>		<b>398,790</b>	<b>333,000</b>
<b>Total Assets</b>		<b>665,537</b>	<b>664,467</b>

#### (B) Business Activities

Shariah Non-Compliant Activities	Remarks	Group	
		2025 RM'000	2024 RM'000
Unisex massage parlour / Spa		600	-
<b>Total</b>		<b>600</b>	<b>-</b>

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## Additional Compliance Information

### (C) Component of Financial Position

#### (i) Cash Component

Islamic Account/Instruments	Remarks	Group	
		2025 RM'000	2024 RM'000
N/A		N/A	N/A
<b>Total</b>		<b>N/A</b>	<b>N/A</b>

Conventional Account/Instruments	Remarks	Group	
		2025 RM'000	2024 RM'000
Deposits with licensed bank		95,080	81,401
Cash at bank (exclude cash in hand)		42,246	62,268
<b>Total</b>		<b>137,326</b>	<b>143,669</b>

#### (ii) Debt Component

Islamic Financing	Remarks	Group	
		2025 RM'000	2024 RM'000
<b>Current</b>			
N/A		N/A	N/A
<b>Non-Current</b>			
N/A		N/A	N/A
<b>Total</b>		<b>N/A</b>	<b>N/A</b>

## Additional Compliance Information

Conventional Borrowing	Remarks	Group	
		2025 RM'000	2024 RM'000
<b>Current</b>			
Term loans		384	382
Banker's acceptances		9,736	12,325
Revolving credit and loans		-	31,200
Advances Interest-bearing		172,262	248,615
<b>Non-Current</b>			
Term loans		4,949	5,513
<b>Total</b>		<b>187,331</b>	<b>298,035</b>

### STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE AUDITED FINANCIAL STATEMENTS

The Directors are legally required to prepare financial statements which present a true and fair view of the state of affairs of the Company and the Group and are pleased to announce that in preparing the financial statements for FY2025, the Group has:

- ensured compliance with applicable accounting standards enforced in Malaysia;
- adopted and consistently applied appropriate accounting policies; and
- made judgements and estimates that are prudent and reasonable.

The Directors are responsible for ensuring that proper accounting records are maintained, which disclose with reasonable accuracy, the financial position of the Group and also to ensure that the financial statements comply with the Companies Act 2016. In addition, the Board is responsible for the proper safeguarding of the assets of the Group and to take reasonable steps for the prevention and detection of fraud and other irregularities.

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# Directors' Report

for the year ended 31 December 2025

The Directors have pleasure in submitting 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, whilst the principal activities of the subsidiaries are stated in Note 7 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

## SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 7 to the financial statements.

	Group RM'000	Company RM'000
Profit for the year attributable to:		
Owners of the Company	12,094	6,561
Non-controlling interests	(11,281)	-
	813	6,561

## RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year under review except as disclosed in the financial statements.

## DIVIDENDS

Since the end of the previous financial year, no dividend was authorised for issue by the Directors nor paid by the Company.

# Directors' Report

for the year ended 31 December 2025

## DIRECTORS OF THE COMPANY

Directors who served during the financial year until the date of this report are:

Tan Sri Abdul Rashid bin Abdul Manaf  
 Tan Sri Dato' Tee Tiam Lee  
 Dato' Leong Kok Wah  
 Dato' Rosli bin Mohamed Nor  
 Chan Seng Fatt  
 Datin Goh Phaik Lynn  
 Low Han Kee (appointed on 1 March 2026)

## DIRECTORS OF THE SUBSIDIARIES

The following is a list of Directors of the subsidiaries (excluding Directors who are also Directors of the Company) in office during the financial year until the date of this report:

Jamiluddin Amini bin Sulaiman  
 Lee Thim Loy  
 Low Ah Chye @ Low Beng Peow  
 Vergis Mathews a/l V. V. Mathew  
 Png Chiew Chuan  
 Tan Ban Seng  
 Tan Peng Kok  
 Dato' Ding Pei Chai  
 Soh Yoke Yan  
 Sam Minh Tri  
 Leong Yi Shen  
 Tee Xun Hao  
 Pung Wei Gin  
 Peh Ju Chai  
 Dato' Lee Chung Wah @ Lee Chung Fu  
 Wong Shek  
 Ganesan A/L Subramaniam  
 Hamen A/L Ganesan  
 Yong Hau Chun  
 Yoong Li Yen (also alternate Director of Peh Ju Chai)  
 Ahmad Rafique bin Mat Tahir  
 Rubini A/P P Vijayasuriar  
 Harveen Kaur Boparoy A/P Jasbir Singh  
 Puteri Noorliyana binti Zainal  
 Dr. Zool Raimy bin Abdul Ghaffar  
 Brenda Sim Pei Ling  
 Chin Shih Choon  
 Tan Kee Vee  
 Lee Kok Yong  
 Praskash A/L Sinnappu  
 Jonathan Wu Jo-Han (resigned on 6 June 2025)  
 Dato' Lai Keng Onn (resigned on 6 June 2025)

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# Directors' Report

for the year ended 31 December 2025

## DIRECTORS' INTERESTS

The interests and deemed interests in the ordinary shares and warrants of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at financial year end (including the interests of the spouses and children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			At 31.12.2025
	At 1.1.2025	Bought <sup>#</sup>	(Sold)	
<b>The Company</b>				
<u>Direct interest</u>				
Tan Sri Dato' Tee Tiam Lee	58,545,017	20,375,600	-	78,920,617
Dato' Leong Kok Wah	5,459,250	1,900,000	-	7,359,250
<u>Deemed interest</u>				
Tan Sri Dato' Tee Tiam Lee <sup>(1)</sup>	68,666,823	23,815,990	-	92,482,813
Dato' Leong Kok Wah <sup>(2)</sup>	101,617,298	12,500,000	-	114,117,298
Datin Goh Phaik Lynn <sup>(3)</sup>	107,076,548	14,400,000	-	121,476,548

# Exercise of Warrants B

- (1) (i) Deemed interested through the shares held by child (Tee Xun Hao) pursuant to Section 59(11)(c) of the Companies Act 2016.  
(ii) Deemed interested through shares held in Infra Tropika Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.
- (2) (i) Deemed interested through the shares held by children (Leong Yi Ping and Leong Yi Ming) pursuant to Section 8 of the Companies Act 2016.  
(ii) Deemed interested through the shares held by spouse (Datin Goh Phaik Lynn) in Naga Muhibah Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.
- (3) (i) Deemed interested through the shareholding in Naga Muhibah Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.  
(ii) Deemed interested through the shares held by spouse (Dato' Leong Kok Wah) and children (Leong Yi Ping and Leong Yi Ming) pursuant to Section 8 of the Companies Act 2016.

None of the other Directors holding office at 31 December 2025 had any interest in the ordinary shares of the Company and of its related corporations during the financial year.

# Directors' Report

for the year ended 31 December 2025

## DIRECTORS' INTERESTS (CONTINUED)

Particulars of the Directors' interest in the warrants during the financial year are as follows:

	Number of Warrants 2018/2025			At 31.12.2025
	At 1.1.2025	Acquired	Exercised/ Lapsed	
<b>The Company</b>				
<u>Direct interest</u>				
Tan Sri Dato' Tee Tiam Lee	20,375,600	-	(20,375,600)	-
Dato' Leong Kok Wah	1,900,000	-	(1,900,000)	-
<u>Deemed interest</u>				
Tan Sri Dato' Tee Tiam Lee <sup>(1)</sup>	23,898,323	-	(23,898,323)	-
Dato' Leong Kok Wah <sup>(2)</sup>	35,366,176	-	(35,366,176)	-
Datin Goh Phaik Lynn <sup>(3)</sup>	37,266,176	-	(37,266,176)	-

<sup>(1)</sup> (i) Deemed interested through the warrants held by child (Tee Xun Hao) pursuant to Section 59(11)(c) of the Companies Act 2016.

(ii) Deemed interested through shares held in Infra Tropika Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

<sup>(2)</sup> (i) Deemed interested through the warrants held by children (Leong Yi Ping and Leong Yi Ming) pursuant to Section 8 of the Companies Act 2016.

(ii) Deemed interested through the shares held by spouse (Datin Goh Phaik Lynn) in Naga Muhibah Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

<sup>(3)</sup> (i) Deemed interested through the shareholding in Naga Muhibah Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

(ii) Deemed interested through the warrants held by spouse (Dato' Leong Kok Wah) and children (Leong Yi Ping and Leong Yi Ming) pursuant to Section 8 of the Companies Act 2016.

The main features of the Warrant were as follows:

- i) Each Warrant will entitle its Warrant Holders an option to subscribe for one (1) new ordinary share at the exercise price of RM0.30 per share at any time on or after 20 July 2018 to 19 July 2025, subject to adjustments in accordance with the provisions of the Deed Poll dated 29 June 2018 constituting the Warrant;
- ii) Any Warrant not exercised during the exercise period shall thereafter lapse and cease to be valid;
- iii) The new ordinary shares to be issued arising from the exercise of the Warrants shall, upon allotment and issue, rank equally in all respects with the existing ordinary shares of the Company, save and except that the new ordinary shares will not be entitled to any dividends, rights, allotments, and/or other distribution that may be declared, made or paid for which the entitlement date of which precedes the date of allotment of the new ordinary shares arising from the exercise of the Warrants; and
- iv) The outstanding Warrants remain unexercised after 19 July 2025 amounting to 213,391,436 (31 Dec 2024: 313,539,740) had lapsed and became null and void and ceased to be exercisable. The Warrants had been removed from the official list of Bursa Malaysia Securities Berhad on 21 July 2025.

# Directors' Report

for the year ended 31 December 2025

## DIRECTORS' INTERESTS (CONTINUED)

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than those fees and other benefits included in the aggregate amount of remuneration received or due and receivable by Directors as shown in the financial statements or the fixed salary of a full time employee of the Company or of related corporations) 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, other than those disclosed in Note 31 to the financial statements.

The Directors' benefits paid to or receivable by Directors in respect of the financial year ended 31 December 2025 are as follows:

	From the Company RM'000	From subsidiary companies RM'000
Directors of the Company:		
Fees	310	-
Remuneration	2,305	2,338
Estimated money value of any other benefits	-	12
	2,615	2,350

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

## ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company has issued a total of 100,148,304 (2024: 23,026,903) new ordinary shares pursuant to the exercise of Warrants 2018/2025 at the exercise price of RM0.30 per share.

As a result of the exercise of warrants, the Company's issued and paid-up share capital has increased by RM30,044,491 (2024: RM6,908,070) and the total number of shares outstanding has increased to 1,135,588,862 (2024: 1,035,440,558). The proceeds from the warrant exercise will be used for general corporate purposes, including future capital expenditure and working capital requirements.

There were no debentures issued during the financial year.

The movements in the treasury shares are disclosed in Note 17.2 to the financial statements.

## OPTIONS GRANTED OVER UNISSUED SHARES

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

## INDEMNITY AND INSURANCE COSTS

During the financial year, the total amount of indemnity insurance coverage provided and the corresponding insurance premium effected for all Directors and other officers of the Company and its subsidiaries, joint ventures and associates are RM10,000,000 and RM19,729 respectively. There were no indemnity given to or insurance effected for auditors of the Company.

# Directors' Report

for the year ended 31 December 2025

## OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

- i) all known bad debts have been written off and adequate provision made for doubtful debts, and
- ii) any current assets which were unlikely to be realised in the ordinary course of business have 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:

- i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent, or
- ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or
- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or
- iv) not otherwise dealt with in this report or the financial statements that would render any amount stated in the financial statements of the Group and of the Company misleading.

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

- i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or
- ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

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

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 31 December 2025 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

## SIGNIFICANT EVENTS

The significant events during the financial year are disclosed in Note 34 to the financial statements.

## SUBSEQUENT EVENTS

The subsequent events after the end of the financial year are disclosed in Note 35 to the financial statements.

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# Directors' Report

for the year ended 31 December 2025

## AUDITORS

The auditors, KPMG PLT, have indicated their willingness to accept re-appointment.

The auditors' remuneration of the Group and of the Company during the year are RM697,179 and RM227,500 respectively.

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

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**Tan Sri Dato' Tee Tiam Lee**  
Director

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**Dato' Leong Kok Wah**  
Director

Kuala Lumpur

Date: 28 April 2026

# Statements of Financial Position

at 31 December 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Assets</b>					
Property, plant and equipment	3	85,250	67,205	562	-
Right-of-use assets	4	33,577	11,982	-	-
Intangible assets	5	34,425	30,791	-	-
Investment properties	6	11,555	8,057	-	-
Investments in subsidiaries	7	-	-	77,846	77,350
Investments in associates	8	-	-	-	-
Investments in joint ventures	9	25,671	26,294	23,500	23,500
Other investments	10	63,602	54,692	63,602	54,692
Deferred tax assets	11	10,227	13,360	-	-
Trade and other receivables	12	90,704	23,004	150,559	207,942
<b>Total non-current assets</b>		<b>355,011</b>	<b>235,385</b>	<b>316,069</b>	<b>363,484</b>
Trade and other receivables	12	64,730	50,148	87,305	27,210
Contract assets	13	61,097	97,530	-	-
Contract costs	13	9,716	3,936	-	-
Inventories	14	12,426	115,396	-	-
Other investment	10	4,403	8,991	-	-
Current tax assets		1,801	3,485	150	92
Prepayments	12	6,959	5,482	10	6
Cash and cash equivalents	15	137,326	143,669	69,233	76,391
		298,458	428,637	156,698	103,699
Assets classified as held for sale	16	12,068	445	-	-
<b>Total current assets</b>		<b>310,526</b>	<b>429,082</b>	<b>156,698</b>	<b>103,699</b>
<b>Total assets</b>		<b>665,537</b>	<b>664,467</b>	<b>472,767</b>	<b>467,183</b>

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# Statements of Financial Position

at 31 December 2025 (continued)

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Equity</b>					
Share capital		495,228	465,184	495,228	465,184
Reserves		(6,886)	(7,072)	(71)	(71)
Accumulated losses		(39,306)	(46,662)	(24,097)	(30,658)
<b>Total equity attributable to owners of the Company</b>	17	449,036	411,450	471,060	434,455
<b>Non-controlling interests</b>		6,811	9,123	-	-
<b>Total equity</b>		455,847	420,573	471,060	434,455
<b>Liabilities</b>					
Trade and other payables	19	19,239	15,400	-	-
Loans and borrowings	18	15,948	16,672	229	-
Lease liabilities		32,116	9,972	-	-
Deferred tax liabilities	11	7,142	10,747	-	-
<b>Total non-current liabilities</b>		74,445	52,791	229	-
Trade and other payables	19	116,569	140,780	1,427	1,528
Provision	20	835	-	-	-
Contract liabilities	13	380	380	-	-
Loans and borrowings	18	12,964	46,810	51	31,200
Lease liabilities		3,451	2,752	-	-
Current tax liabilities		1,046	381	-	-
<b>Total current liabilities</b>		135,245	191,103	1,478	32,728
<b>Total liabilities</b>		209,690	243,894	1,707	32,728
<b>Total equity and liabilities</b>		665,537	664,467	472,767	467,183

The notes on pages 168-251 are an integral part of these financial statements.

# Statements of Profit or Loss and Other Comprehensive Income

for the year ended 31 December 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revenue	21	374,242	298,372	3,214	3,083
Cost of sales		(316,600)	(263,688)	-	-
<b>Gross profit</b>		57,642	34,684	3,214	3,083
Other income		19,939	30,000	16,907	26,189
Distribution expenses		(4,083)	(1,465)	(117)	(51)
Administrative expenses		(70,529)	(48,340)	(13,275)	(15,553)
Other expenses		(5,409)	(2,567)	(4,573)	(2,579)
Net reversal of/(loss on) impairment of financial instruments and contract assets		776	890	(1,164)	(34,436)
<b>Results from operating activities</b>		(1,664)	13,202	992	(23,347)
Finance income		7,367	4,153	5,855	6,202
Finance costs	23	(5,037)	(4,721)	(286)	(1,335)
<b>Operating profit/(loss)</b>		666	12,634	6,561	(18,480)
Share of profit of equity-accounted associates/ joint ventures, net of tax	8,9	4,609	4,626	-	-
<b>Profit/(Loss) before tax</b>		5,275	17,260	6,561	(18,480)
Tax expense	24	(4,462)	(364)	-	(251)
<b>Profit/(Loss) for the year</b>	25	813	16,896	6,561	(18,731)

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# Statements of Profit or Loss and Other Comprehensive Income

for the year ended 31 December 2025 (continued)

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Other comprehensive income/(expense) net of tax</b>					
<b>Item that is or maybe reclassified subsequently to profit or loss</b>					
Foreign currency translation differences for foreign operations	26	186	(654)	-	-
<b>Other comprehensive income/(expense) for the year, net of tax</b>		186	(654)	-	-
<b>Total comprehensive income/(expense) for the year</b>		999	16,242	6,561	(18,731)
<b>Profit/(Loss) attributable to:</b>					
Owners of the Company		12,094	16,109	6,561	(18,731)
Non-controlling interests		(11,281)	787	-	-
<b>Profit/(Loss) for the year</b>		813	16,896	6,561	(18,731)
<b>Total comprehensive income/(expense), attributable to:</b>					
Owners of the Company		12,280	15,455	6,561	(18,731)
Non-controlling interests		(11,281)	787	-	-
<b>Total comprehensive income/(expense) for the year</b>		999	16,242	6,561	(18,731)
<b>Basic earnings per ordinary share (sen):</b>	27	1.11	1.58		
<b>Diluted earnings per ordinary share (sen):</b>	27	1.11	1.56		

The notes on pages 168-251 are an integral part of these financial statements.

# Statements of Changes in Equity

for the year ended 31 December 2025

Group	Note	Attributable to Owners of the Company		Total equity RM'000				
		Share capital RM'000	Non-distributable					
		Share capital RM'000	Treasury shares RM'000	Translation reserve RM'000	(Accumulated losses) RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
<b>At 1 January 2024</b>		458,276	(71)	(6,347)	(62,783)	389,075	7,520	396,595
Foreign currency translation differences for foreign operations	26	-	-	(654)	-	(654)	-	(654)
<b>Total other comprehensive income for the year</b>		-	-	(654)	-	(654)	-	(654)
Profit for the year		-	-	-	16,109	16,109	787	16,896
<b>Total comprehensive (expense)/ income for the year</b>		-	-	(654)	16,109	15,455	787	16,242
Contributions by and distributions to owners of the Company								
Issuance of shares – exercise of warrants	17.4	6,908	-	-	-	6,908	-	6,908
Subscription of shares by non-controlling interest		-	-	-	-	-	156	156
Change in ownership interest in subsidiaries		-	-	-	12	12	-	12
Acquisition of subsidiaries		-	-	-	-	-	751	751
Dividends to non-controlling interest		-	-	-	-	-	(91)	(91)
<b>Total transactions with owners of the Company</b>		6,908	-	-	12	6,920	816	7,736
<b>At 31 December 2024</b>		465,184	(71)	(7,001)	(46,662)	411,450	9,123	420,573

Note 17.1      Note 17.2      Note 17.3

# Statements of Changes in Equity

for the year ended 31 December 2025 (continued)

Group	Note	Attributable to Owners of the Company						Total equity RM'000
		Share capital RM'000	Treasury shares RM'000	Translation reserve RM'000	Accumulated losses RM'000	Total RM'000	Non-controlling interests RM'000	
<b>At 1 January 2025</b>		465,184	(71)	(7,001)	(46,662)	411,450	9,123	420,573
Foreign currency translation differences for foreign operations	26	-	-	186	-	186	-	186
<b>Total other comprehensive income for the year</b>		-	-	186	-	186	-	186
Profit/(loss) for the year		-	-	-	12,094	12,094	(11,281)	813
<b>Total comprehensive (expense)/income for the year</b>		-	-	186	12,094	12,280	(11,281)	999
Contributions by and distributions to owners of the Company		-	-	-	-	-	-	-
Issuance of shares – exercise of warrants	17.4	30,044	-	-	-	30,044	-	30,044
Acquisition of non-controlling interest		-	-	-	-	-	(130)	(130)
Subscription of shares by non-controlling interest		-	-	-	-	-	3,438	3,438
Change in ownership interest in subsidiaries		-	-	-	(4,738)	(4,738)	4,738	-
Acquisition of subsidiaries		-	-	-	-	-	1,029	1,029
Dividends to non-controlling interest		-	-	-	-	-	(106)	(106)
<b>Total transactions with owners of the Company</b>		30,044	-	-	-	25,306	8,969	34,275
<b>At 31 December 2025</b>		495,228	(71)	(6,815)	(39,306)	449,036	6,811	455,847

Note 17.1

Note 17.2

Note 17.3

# Statements of Changes in Equity

for the year ended 31 December 2025 (continued)

Company	Note	Attributable to Owners of the Company			Total equity RM'000
		Share capital RM'000	Treasury shares RM'000	(Accumulated losses) RM'000	
<b>At 1 January 2024</b>		458,276	(71)	(11,927)	446,278
Loss and total comprehensive expense for the year		-	-	(18,731)	(18,731)
Contributions by and distributions to owners of the Company					
Issuance of shares – exercise of Warrants	17.4	6,908	-	-	6,908
<b>Total transactions with owners of the Company</b>		6,908	-	-	6,908
<b>At 31 December 2024/1 January 2025</b>		465,184	(71)	(30,658)	434,455
Profit and total comprehensive income for the year		-	-	6,561	6,561
Contributions by and distributions to owners of the Company					
Issuance of shares – exercise of Warrants	17.4	30,044	-	-	30,044
<b>Total transactions with owners of the Company</b>		30,044	-	-	30,044
<b>At 31 December 2025</b>		495,228	(71)	(24,097)	471,060

Note 17.1

Note 17.2

The notes on pages 168-251 are an integral part of these financial statements.

# Statements of Cash Flows

for the year ended 31 December 2025

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Cash flows from operating activities</b>				
Profit/(Loss) before tax	5,275	17,260	6,561	(18,480)
Adjustments for:				
Amortisation of intangible assets	1,320	845	-	-
Depreciation of property, plant and equipment	13,029	5,984	44	-
Depreciation of right-of-use assets	5,194	1,778	-	-
Dividend income	(8,714)	(8,083)	(3,214)	(3,083)
Finance costs	5,037	4,721	286	1,335
Finance income	(7,367)	(4,153)	(5,855)	(6,202)
Gain on bargain purchase from acquisition of subsidiaries	(72)	-	-	-
Net fair value gain on other investment	(8,910)	(22,203)	(8,910)	(22,100)
Net impairment/(reversal of) loss on:				
- investment in equity-accounted associate	1	(4)	-	-
- trade receivables	(892)	(908)	-	-
- other receivables	116	18	-	-
- amount due from subsidiaries	-	-	1,164	34,436
Gain on disposal of other investments	-	(1,468)	-	(1,468)
Fair value (gain)/loss on investment property	(39)	3	-	-
Gain on disposal of property, plant and equipment	(234)	(1,596)	(48)	(50)
Loss on disposal of equity interest in subsidiaries	-	-	-	10
Property, plant and equipment written off	435	1	-	-
Provision for onerous contract	835	-	-	-
Share of profit of equity-accounted associates/joint ventures, net of tax	(4,609)	(4,626)	-	-
Net unrealised foreign exchange differences	2,603	5,429	3,464	6,658
<b>Operating profit/(loss) before changes in working capital</b>	<b>3,008</b>	<b>(7,002)</b>	<b>(6,508)</b>	<b>(8,944)</b>

## Statements of Cash Flows

for the year ended 31 December 2025 (continued)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Cash flows from operating activities (continued)</b>				
Changes in trade and other receivables and prepayments	(86,122)	(5,450)	(3,853)	(21,806)
Changes in contract assets	36,433	(38,341)	-	-
Changes in contract costs	(5,780)	(1,928)	-	-
Changes in inventories	102,970	(2,341)	-	-
Changes in trade and other payables	(22,183)	47,266	(128)	(1,740)
Changes in contract liabilities	-	(737)	-	-
<b>Cash generated from/(used in) operations</b>	28,326	(8,533)	(10,489)	(32,490)
Interest paid	(2,944)	(1,647)	-	-
Tax refund	765	-	19	-
Tax paid	-	(1,168)	(76)	(339)
<b>Net cash from/(used in) operating activities</b>	26,147	(11,348)	(10,546)	(32,829)
<b>Cash flows from investing activities</b>				
Acquisition of intangible asset	(8,202)	-	-	-
Acquisition of property, plant and equipment (i)	(24,517)	(10,687)	(93)	-
Acquisition of subsidiaries, net of contingent consideration and cash and cash equivalent acquired	(5,591)	(7,931)	-	-
Acquisition of other investments	-	(9,454)	-	(9,035)
Allotment of shares in subsidiaries	-	-	(496)	(9)
Dividends received from:				
- Joint ventures	8,632	8,000	3,132	3,000
- Other investments	82	83	82	83
Interest received	7,367	4,153	5,855	6,202
Proceed from disposal of interest in a subsidiary	-	12	-	-
Proceeds from disposal of property, plant and equipment	1,088	1,915	48	50
Proceeds from disposal of other investments	-	15,964	-	15,694
Redemption of investment in other investment	673	2,500	-	-
Redemption of investment in fund investment	3,915	-	-	-
<b>Net cash (used in)/from investing activities</b>	(16,553)	4,555	8,528	15,985

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## Statements of Cash Flows

for the year ended 31 December 2025 (continued)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Cash flows from financing activities</b>				
Acquisition of non-controlling interest	(130)	-	-	-
Dividend paid to non-controlling interest	(106)	(91)	-	-
Drawdown from borrowings	588	2,579	-	-
Interest paid	(2,093)	(3,074)	(286)	(1,335)
Repayment of finance lease liabilities	(6,305)	(3,251)	(233)	-
Repayment of lease liabilities	(4,046)	(1,406)	-	-
Repayment of borrowings	(35,064)	(1,378)	(31,200)	(300)
Warrants exercised	30,044	6,908	30,044	6,908
Subscription of shares by non-controlling interest	3,438	156	-	-
<b>Net cash (used in)/from financing activities</b>	<b>(13,674)</b>	<b>443</b>	<b>(1,675)</b>	<b>5,273</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(4,081)</b>	<b>(6,350)</b>	<b>(3,694)</b>	<b>(11,571)</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>143,669</b>	<b>155,763</b>	<b>76,391</b>	<b>94,620</b>
Effect of exchange rate fluctuations on cash held	(2,264)	(5,774)	(3,464)	(6,658)
<b>Cash and cash equivalents at end of the year</b>	<b>137,326</b>	<b>143,639</b>	<b>69,233</b>	<b>76,391</b>

### Cash and cash equivalents

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

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Deposits placed with licensed banks	15	95,080	81,401	65,053	58,974
Cash and bank balances	15	42,246	62,268	4,180	17,417
		137,326	143,669	69,233	76,391
Pledged deposits	15	-	(30)	-	-
		137,326	143,639	69,233	76,391

### (i) Acquisition of property, plant and equipment

The Group and the Company acquired property, plant and equipment with an aggregate cost of RM29,474,000 (2024: RM12,723,000) and RM606,000 (2024: nil) respectively of which RM4,957,000 (2024: RM2,036,000) and RM513,000 (2024: nil) were acquired by means of finance leases respectively.

## Statements of Cash Flows

for the year ended 31 December 2025 (continued)

### Cash outflows for leases as a lessee

	Note	Group	
		2025 RM'000	2024 RM'000
<b>Included in net cash from operating activities</b>			
Payment relating to leases of low value assets	25	13	11
Interest paid in relation to lease liabilities	23	2,944	1,647
<b>Included in net cash from financing activities</b>			
Payment of lease liabilities		4,046	1,406
<b>Total cash outflows for leases</b>		<b>7,003</b>	<b>3,064</b>

### Reconciliation of movements of lease liabilities to cashflows arising from financing activities

Group	Lease liabilities RM'000	Total liabilities from financing activities RM'000
<b>At 1 January 2024</b>	5,576	5,576
Net changes from financing cash flows	(1,406)	(1,406)
Acquisition of new lease	8,292	8,292
Acquisition through business combination (Note 33)	262	262
<b>At 31 December 2024/1 January 2025</b>	<b>12,724</b>	<b>12,724</b>
Net changes from financing cash flows	(4,046)	(4,046)
Acquisition of new leases	26,359	26,359
Acquisition through business combination (Note 33)	530	530
<b>At 31 December 2025</b>	<b>35,567</b>	<b>35,567</b>

The notes on pages 168-251 are an integral part of these financial statements.

# Notes to the Financial Statements

Salcon Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The address of the principal place of business and registered office of the Company is as follows:

15<sup>th</sup> Floor, Menara Summit  
Persiaran Kewajipan USJ 1  
47600 UEP Subang Jaya  
Selangor Darul Ehsan  
Malaysia

The consolidated financial statements of the Company as at and for the financial year ended 31 December 2025 comprise the Company and its subsidiaries (together referred to as the “Group” and individually referred to as “Group entities”) and the Group’s interests in associates and joint ventures. The financial statements of the Company as at and for the financial year ended 31 December 2025 do not include other entities.

The Company is principally engaged in investment holding activities, whilst the principal activities of the subsidiaries are stated in Note 7 to the financial statements.

These financial statements were authorised for issue by the Board of Directors on 28 April 2026.

## 1. BASIS OF PREPARATION

### (a) Statement of compliance

The financial statements of the Group and the Company have been prepared in MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board (“MFRS Accounting Standards”), IFRS Accounting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”) and the requirements of the Companies Act 2016 in Malaysia.

The following are accounting standards, interpretations and amendments of the MFRS Accounting Standards that have been issued by the Malaysian Accounting Standards Board (“MASB”) but have not been adopted by the Group and the Company:

#### ***MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2026***

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

# Notes to the Financial Statements

## 1. BASIS OF PREPARATION (CONTINUED)

### (a) Statement of compliance (continued)

***MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2027***

- MFRS 18, *Presentation and Disclosure in Financial Statements*
- MFRS 19, *Subsidiaries without Public Accountability: Disclosures*
- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Translation to a Hyperinflationary Presentation Currency*

***MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed***

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group and the Company plan to apply the abovementioned accounting standards, interpretations and amendments:

- from the annual period beginning on 1 January 2026 for the amendments that are effective for annual periods beginning on or after 1 January 2026.
- from the annual period beginning on 1 January 2027 for the accounting standards that are effective for annual periods beginning on or after 1 January 2027, except for MFRS 19 which is not applicable to the Group and the Company.

The initial application of the abovementioned accounting standards and amendments is not expected to have any material financial impact to the current period and prior year financial statements of the Group and the Company.

### (b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following items, which are measured based on the measurement bases stated below:

Items	Measurement bases
Non-derivative financial instruments at FVTPL	Fair value
Investment properties	Fair value
Contingent consideration in a business combination	Fair value

### (c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (“RM”), which is the Company’s functional currency. All financial information is presented in RM and has been rounded to the nearest thousand, unless otherwise stated.

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# Notes to the Financial Statements

## 1. BASIS OF PREPARATION (CONTINUED)

### (d) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

- Note 4 – extension options and incremental borrowing rates in relation to leases
- Note 5 – measurement of the recoverable amounts of cash generating units
- Note 6 – valuation of investment properties
- Note 11 – recognition of deferred tax assets on unutilised tax losses
- Note 21 – revenue from construction contracts
- Note 33 – business combinations: fair value of the considerations transferred (including contingent consideration) and fair value of the assets acquired and liabilities assumed.

## 2. CHANGES IN MATERIAL ACCOUNTING POLICIES

### 2.1 Global minimum top-up tax

On 1 January 2025, Malaysia implemented the Global Minimum Tax under the OECD's Pillar Two framework. The regime applies to multinational enterprises ("MNEs") with an annual global turnover of at least EUR750 million in at least two of the four preceding fiscal years, ensuring an effective tax rate of at least 15% in each jurisdiction of operation.

The Group has assessed the impact of the implementation of the Global Minimum Tax in Malaysia and based on the current structure and effective tax rates, the application of these rules has no material impact on the financial statements of the Group for the year ended 31 December 2025.

# Notes to the Financial Statements

## 3. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Capital work-in-progress RM'000	Total RM'000
<b>Cost</b>							
At 1 January 2024	733	10,647	58,138	58,168	5,675	-	133,361
Additions	-	-	5,287	1,509	2,536	3,391	12,723
Transfer between categories	-	-	309	-	271	(580)	-
Acquisition through business combination	813	3,187	330	387	3,021	-	7,738
Disposals	(135)	(150)	-	(4,370)	(341)	-	(4,996)
Write-off	-	-	-	-	(39)	-	(39)
Effect of movements in exchange rates	-	-	(525)	(71)	(6)	-	(602)
At 31 December 2024/1 January 2025	1,411	13,684	63,539	55,623	11,117	2,811	148,185
Additions	-	-	7,227	1,337	6,689	14,221	29,474
Transfer between categories	-	-	1,233	-	2,911	(4,144)	-
Acquisition through business combination	-	-	1,451	-	1,592	-	3,043
Disposals	-	-	(93)	(5,633)	-	-	(5,726)
Write-off	-	-	-	(265)	(392)	(185)	(842)
Effect of movements in exchange rates	-	-	(342)	-	(7)	-	(348)
At 31 December 2025	1,411	13,684	73,015	51,062	21,910	12,703	173,785

## Notes to the Financial Statements

## 3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Freehold land		Buildings		Plant and machinery		Motor vehicles		Office equipment, furniture and fittings		Capital work-in-progress		Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>Depreciation and impairment loss</b>													
At 1 January 2024													
	-	2,267	21,604	35,371	4,918	-	-	-	-	-	-	-	64,160
Accumulated depreciation	-	-	15,775	69	-	-	-	-	-	-	-	-	15,844
Accumulated impairment loss	-	2,267	37,379	35,440	4,918	-	-	-	-	-	-	-	80,004
Depreciation for the year	-	720	3,786	823	655	-	-	-	-	-	-	-	5,984
Disposals	-	(41)	-	(4,295)	(341)	-	-	-	-	-	-	-	(4,677)
Write-off	-	-	-	-	(38)	-	-	-	-	-	-	-	(38)
Effect of movements in exchange rates	-	-	(289)	(2)	(2)	-	-	-	-	-	-	-	(293)
At 31 December 2024													
Accumulated depreciation	-	2,946	25,101	31,897	5,192	-	-	-	-	-	-	-	65,136
Accumulated impairment loss	-	-	15,775	69	-	-	-	-	-	-	-	-	15,844
	-	2,946	40,876	31,966	5,192	-	-	-	-	-	-	-	80,980

# Notes to the Financial Statements

### 3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Freehold	Buildings	Plant and	Motor	Office	Capital	Total
	land	RM'000	machinery	vehicles	equipment,	work-in-	
	RM'000	RM'000	RM'000	RM'000	furniture	progress	RM'000
					and fittings		
<b>Depreciation and impairment loss (continued)</b>							
At 1 January 2025	-	2,946	25,101	31,897	5,192	-	65,136
Accumulated depreciation	-	-	15,775	69	-	-	15,844
Accumulated impairment loss	-	2,946	40,876	31,966	5,192	-	80,980
Depreciation for the year	-	588	5,670	4,974	1,797	-	13,029
Disposals	-	-	(49)	(4,823)	-	-	(4,872)
Write-off	-	-	-	(265)	(142)	-	(407)
Effect of movements in exchange rates	-	-	(194)	-	(1)	-	(195)
At 31 December 2025	-	3,534	30,528	31,783	6,846	-	72,691
Accumulated depreciation	-	-	15,775	69	-	-	15,844
Accumulated impairment loss	-	3,534	46,303	31,852	6,846	-	88,535
<b>Carrying amounts</b>							
At 1 January 2024	733	8,380	20,759	22,728	757	-	53,357
At 31 December 2024/1 January 2025	1,411	10,738	22,663	23,657	5,925	2,811	67,205
At 31 December 2025	1,411	10,151	26,711	19,210	15,065	12,702	85,250

## Notes to the Financial Statements

## 3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Motor vehicles RM'000	Total RM'000
<b>Cost</b>		
At 1 January 2024	1,131	1,131
Disposals	(547)	(547)
At 31 December 2024/1 January 2025	584	584
Additions	606	606
Disposals	(584)	(584)
At 31 December 2025	606	606
<b>Depreciation</b>		
At 1 January 2024	1,131	1,131
Disposals	(547)	(547)
At 31 December 2024/1 January 2025	584	584
Depreciation for the year	44	44
Disposals	(584)	(584)
At 31 December 2025	44	44
<b>Carrying amount</b>		
At 1 January 2024	-	-
At 31 December 2024/1 January 2025	-	-
At 31 December 2025	562	562

## 3.1 Material accounting policy information

## (a) Recognition and measurement

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

## (b) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

# Notes to the Financial Statements

## 3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### 3.1 Material accounting policy information (continued)

#### (b) Depreciation (continued)

The estimated useful lives for the current and comparative periods are as follows:

- |                          |               |
|--------------------------|---------------|
| • buildings              | 10 - 50 years |
| • plant and machinery    | 2 - 50 years  |
| • motor vehicles         | 5 - 10 years  |
| • furniture and fittings | 5 - 12 years  |
| • office equipment       | 5 - 12 years  |

## 4. RIGHT-OF-USE ASSETS

Group	Note	Land RM'000	Buildings RM'000	Office equipment RM'000	Total RM'000
At 1 January 2024		-	4,986	250	5,236
Acquisition through business combination		-	248	-	248
Additions		-	8,292	-	8,292
Depreciation	4.1	-	(1,711)	(83)	(1,794)
At 31 December 2024/1 January 2025		-	11,815	167	11,982
Acquisition through business combination		-	513	-	513
Additions		2,117	24,242	-	26,359
Depreciation	4.1	(83)	(5,111)	(83)	(5,277)
At 31 December 2025		2,034	31,459	84	33,577

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## Notes to the Financial Statements

### 4. RIGHT-OF-USE ASSETS (CONTINUED)

The Group leases a few parcels of land, office spaces and warehouse facilities that run between one year and five years, with an option to renew the lease after that date. Lease payments are normally increased every three years to reflect current market rentals.

#### 4.1 Depreciation capitalised in carrying amount of another asset

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Recognised in profit or loss	5,194	-	1,778	-
Capitalised into work-in-progress of property, plant and equipment/service concession	83	-	16	-
	5,277	-	1,794	-

#### 4.2 Extension options

Some lease contracts contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where applicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

#### 4.3 Significant judgements and assumptions in relation to lease

The Group assesses at lease commencement by applying significant judgement whether it is reasonably certain to exercise the extension options. Group entities consider all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term.

The Group also applied judgement and assumptions in determining the incremental borrowing rate of the respective leases. Group entities first determine the closest available borrowing rates before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

# Notes to the Financial Statements

## 4. RIGHT-OF-USE ASSETS (CONTINUED)

### 4.4 Material accounting policy information

#### (a) Recognition and measurement

All right-of-use assets are measured at cost less any accumulated depreciation and any accumulated impairment losses.

#### (b) Lease and non-lease components

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

#### (c) Recognition exemption

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sublease as an operating lease.

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## Notes to the Financial Statements

## 5. INTANGIBLE ASSETS

Group	Goodwill RM'000	Customer relationship RM'000	Land use rights RM'000	Software and trademarks RM'000	Non-compete agreement RM'000	Service concession asset RM'000	Total RM'000
<b>Cost</b>							
At 1 January 2024	19,356	6,900	18,148	3,302	-	-	47,706
Acquisition of subsidiaries	7,494	-	-	-	1,127	-	8,621
At 31 December 2024/ 1 January 2025	26,850	6,900	18,148	3,302	1,127	-	56,327
Additions	-	-	-	-	-	8,285	8,285
Acquisition of subsidiaries	8,332	-	-	-	4,497	-	12,829
Transfer to assets classified as held for sale	-	-	(18,148)	-	-	-	(18,148)
At 31 December 2025	35,182	6,900	-	3,302	5,624	8,285	59,293

**Amortisation and impairment loss**

At 1 January 2024	-	(2,038)	(1,420)	(1,816)	-	-	(5,274)
Accumulated amortisation	(15,677)	(2,254)	-	(1,486)	-	-	(19,417)
Accumulated impairment loss	(15,677)	(4,292)	(1,420)	(3,302)	-	-	(24,691)
Amortisation for the year	-	(373)	(284)	-	(188)	-	(845)
At 31 December 2024/ 1 January 2025	-	(2,411)	(1,704)	(1,816)	(188)	-	(6,119)
Accumulated amortisation	(15,677)	(2,254)	-	(1,486)	-	-	(19,417)
Accumulated impairment loss	(15,677)	(4,665)	(1,704)	(3,302)	(188)	-	(25,536)
Amortisation for the year	-	(373)	(284)	-	(663)	-	(1,320)
Transfer to assets classified as held for sale	-	-	1,988	-	-	-	1,988

# Notes to the Financial Statements

## 5. INTANGIBLE ASSETS (CONTINUED)

Group	Goodwill RM'000	Customer relationship RM'000	Land use rights RM'000	Software and trademarks RM'000	Non-compete agreement RM'000	Service concession asset RM'000	Total RM'000
<b>Amortisation and impairment loss (continued):</b>							
At 31 December 2025	-	(2,784)	-	(1,816)	(851)	-	(7,439)
Accumulated amortisation	(15,677)	(2,254)	-	(1,486)	-	-	(19,417)
Accumulated impairment loss	(15,677)	(5,038)	-	(3,302)	(851)	-	(26,856)
<b>Carrying amounts</b>							
At 1 January 2024	3,679	2,608	16,728	-	-	-	23,015
At 31 December 2024/ 1 January 2025	11,173	2,235	16,444	-	939	-	30,791
At 31 December 2025	19,505	1,862	-	-	4,773	8,285	34,425

## Notes to the Financial Statements

### 5. INTANGIBLE ASSETS (CONTINUED)

#### Goodwill

#### Impairment testing for cash-generating units containing goodwill

Impairment testing for goodwill is performed annually. For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions of which the goodwill is monitored for internal management purposes. The aggregate carrying amounts of goodwill allocated to each unit are as follows:

Group	Wastewater projects RM'000	Healthcare RM'000	Total RM'000
At 1 January 2024	3,679	-	3,679
Acquisition of subsidiaries	-	7,494	7,494
At 31 December 2024/1 January 2025	3,679	7,494	11,173
Additions	-	8,332	8,332
At 31 December 2025	3,679	15,826	19,505

#### Wastewater projects unit

The recoverable amount has been determined based on its value-in-use. Key assumptions used in preparing the financial budgets represents management's assessment of future trends with certain reference made to both external sources and internal sources (historical data) are as follows.

- Cash flows were projected for 5 years. Cash flows for 6<sup>th</sup> year onwards were assumed using a terminal growth rate of 1% (2024: 1%).
- Revenue was projected based on the order book. No growth rate was assumed for the subsequent years (2024: nil growth rate).
- The gross profit margin is assumed at 8% - 10% (2024: 8.2% - 10%).
- A pre-tax discount rate of 13.7% (2024: 12.7%) was applied in determining the recoverable amount of the unit.

Based on the impairment assessment, there was no impairment on goodwill of wastewater projects unit during the financial year. In addition, there were also assessment on the key assumptions used and sensitivity of such assumptions to impairment loss. Sensitivity to changes in assumptions are as follows:

- A 1% increase in the discount rate used would not result in impairment loss.
- A 1% decrease in the gross profit margin would not result in impairment loss.

# Notes to the Financial Statements

## 5. INTANGIBLE ASSETS (CONTINUED)

### Goodwill (continued)

#### Impairment testing for cash-generating units containing goodwill (continued)

##### Healthcare unit

The recoverable amount has been determined based on its value-in-use. Key assumptions used in preparing the financial budgets represents management's assessment of future trends with certain reference made to both external sources and internal sources (historical data) are as follows.

- Cash flows were projected for 5 years. Cash flows for 6<sup>th</sup> year onwards were assumed using a terminal growth rate of 1%.
- Revenue was projected based on number of clinics.
- The EBITDA margin is assumed at 6% - 22%.
- A pre-tax discount rate of 11% was applied in determining the recoverable amount of the unit.

Based on the impairment assessment, there was no impairment on goodwill of healthcare unit during the financial year. In addition, there were also assessment on the key assumptions used and sensitivity of such assumptions to impairment loss. Sensitivity to changes in assumptions are as follows:

- A 1% increase in the discount rate used would not result in impairment loss.
- A 1% decrease in the EBITDA margin would not result in impairment loss.

##### Land use rights

Land use rights represent the rights acquired by a group entity over a parcel of land for a duration until year 2083. During the year, the asset has been transferred to assets classified as held for sale.

##### Service concession asset

On 8 February 2024, the Group entered into a Corporate Green Power Agreement ("CGPA") with Safran Landing Systems Malaysia Sdn. Bhd. ("Safran"). Under this agreement, the Group will sell and purchase virtual renewable energy to be generated by a Solar Photovoltaic Power Plant ("SPPP") to be built, owned, operated and maintained by the Group.

On 27 January 2025, the Group entered into a NEDA Connection Agreement ("NEDA") with Tenaga Nasional Berhad ("TNB"). Under this agreement, the Group will design, construct, own, operate and maintain a 7MW energy generating facility at Sungai Siput, Perak.

Pursuant to the CGPA, the Group is entitled to be paid for the net energy output generated by the SPPP up to the maximum annual allowable quantity.

The depreciation of right-of-use assets (see note 4.1) and interest on lease liabilities, which are directly attributable to the construction services performed under the service concession arrangement, amounting to RM83,000 and RM97,000 respectively, were capitalised as part of the service concession intangible asset under construction during the year. Capitalisation of borrowing costs will be suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use.

## Notes to the Financial Statements

### 5. INTANGIBLE ASSETS (CONTINUED)

#### Service concession asset (continued)

Intangible assets represent the fair value of the consideration receivable for the construction of the SPPP during the construction stage, on a mark-up basis of the cost incurred.

The Group amortises the intangible asset over the estimated useful life of 21 years upon the commencement of the intended use.

#### 5.1 Material accounting policy information

##### (a) Recognition and measurement

Intangible assets, other than goodwill, that are acquired by the Group, which have finite useful lives, are measured at cost less any accumulated amortisation and any accumulated impairment losses.

##### (b) Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets.

The estimated useful lives for the current and comparative periods are as follows:

• Land use rights	64 years
• Software and trademarks	8 years
• Customer relationship	10 years
• Non-compete agreements	2 - 8 years

##### (c) Service concession asset

The Group recognises an intangible asset arising from a service concession arrangement when it has a right to charge for use of the concession infrastructure. An intangible asset received as consideration for providing construction services in a service concession arrangement is measured at fair value on initial recognition with reference to the fair value of the services provided. Subsequent to initial recognition, the intangible asset is measured at cost, which includes capitalised borrowing costs, less accumulated amortisation and accumulated impairment losses.

### 6. INVESTMENT PROPERTIES

	Group	
	2025 RM'000	2024 RM'000
At beginning of year	8,057	8,060
Addition	3,459	-
Change in fair value	39	(3)
At end of year	11,555	8,057

# Notes to the Financial Statements

## 6. INVESTMENT PROPERTIES (CONTINUED)

Included in the above are:

	Group	
	2025 RM'000	2024 RM'000
<b>At fair value</b>		
Freehold land	180	89
Freehold buildings	2,421	1,131
Leasehold land and buildings with unexpired lease period of more than 50 years	8,954	6,837
	<b>11,555</b>	<b>8,057</b>

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

	Group	
	2025 RM'000	2024 RM'000
Direct operating expenses:		
- non-income generating investment properties	53	17

### 6.1 Fair value information

Fair value of investment properties are categorised as follows:

Group	2025		2024	
	Level 3 RM'000	Total RM'000	Level 3 RM'000	Total RM'000
Freehold land	180	180	89	89
Freehold buildings	2,421	2,421	1,131	1,131
Leasehold land and buildings	8,954	8,954	6,837	6,837
	<b>11,555</b>	<b>11,555</b>	<b>8,057</b>	<b>8,057</b>

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## Notes to the Financial Statements

### 6. INVESTMENT PROPERTIES (CONTINUED)

#### 6.1 Fair value information (continued)

##### Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the investment property.

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation models.

Description of valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Sales comparison approach: Sales price of comparable land and buildings in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot.	Average price per square foot: RM267 to RM555 (2024: RM206 to RM354).	The estimated fair value would increase/ (decrease) if the price per square foot is higher/(lower).

#### 6.2 Material accounting policy information

Investment properties are measured subsequently at fair value with any changes therein recognised in profit or loss for the period in which they arise.

## Notes to the Financial Statements

## 7. INVESTMENTS IN SUBSIDIARIES

	Company	
	2025 RM'000	2024 RM'000
Cost of investment	88,673	88,177
Less: Impairment losses	(10,827)	(10,827)
	77,846	77,350

Details of the subsidiaries are as follows:

Name of entity	Principal place of business/Country of incorporation	Principal activities	Effective ownership interest and voting interest	
			2025 %	2024 %
Salcon Engineering Berhad	Malaysia	- Design, construction, operation and maintenance of municipal potable water, sewage and wastewater facilities; - Provision of mechanical and electrical engineering services for general industries; and - Investment holding	100	100
Salcon Capital Sdn. Bhd. ^	Malaysia	Investment holding	100	100
Salcon Power (HK) Limited *	Hong Kong	Sales of solar power products and solar energy	100	100
Salcon Development Sdn. Bhd.	Malaysia	Investment holding	100	100
Kencana Kesuma Sdn. Bhd. ^	Malaysia	Dormant	100	100
Inergist Sdn. Bhd. ^	Malaysia	Investment holding	70	70
Nusantara Jasakita Sdn. Bhd.	Malaysia	Investment holding	100	100
Glitteria Sdn. Bhd. ^	Malaysia	Dormant	100	100
Energy Valley Sdn. Bhd. ^	Malaysia	Operation of generation facilities that produce electric energy	100	100
Bloom Healthcare Group Sdn. Bhd. ^	Malaysia	Investment holding	90	90
Fortune Ambience Sdn. Bhd. ^	Malaysia	Dormant	-	100
<b>Subsidiaries of Salcon Engineering Berhad:</b>				
Precise Metal Sdn. Bhd. ^	Malaysia	Dormant	100	100
Salcon Petroleum Services (Asia Pacific) Sdn. Bhd. ^	Malaysia	Dormant	100	100
Envitech Sdn. Bhd.	Malaysia	Design, building, operation and maintenance of wastewater and sewage treatment plants	60	60
Bumi Tiga Enterprise Sdn. Bhd. ^	Malaysia	Investment holding	100	100

## Notes to the Financial Statements

## 7. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of entity	Principal place of business/Country of incorporation	Principal activities	Effective ownership interest and voting interest	
			2025 %	2024 %
<b>Subsidiaries of Salcon Engineering Berhad: (continued)</b>				
Salcon (Perak) Sdn. Bhd. <sup>#^</sup>	Malaysia	Dormant	40	40
Logit Sdn. Bhd. <sup>^</sup>	Malaysia	Development and marketing of a web-based system	100	100
Salcon (Sarawak) Sdn. Bhd. <sup>^</sup>	Malaysia	Dormant	100	100
Salcon Engineering Vietnam Company Limited <sup>^</sup>	Vietnam	Dormant	100	100
Salcon WP Sdn. Bhd. <sup>^</sup>	Malaysia	Dormant	60	60
<b>Subsidiary of Bumi Tiga Enterprise Sdn. Bhd.:</b>				
Salcon Building Services Sdn. Bhd. <sup>^</sup>	Malaysia	Dormant	100	100
<b>Subsidiary of Salcon Capital Sdn. Bhd.:</b>				
Eco-Coach & Tours (M) Sdn. Bhd. <sup>^</sup>	Malaysia	Transportation Services	51	51
<b>Subsidiaries of Salcon Development Sdn. Bhd.:</b>				
Azitin Venture Sdn. Bhd. <sup>^#</sup>	Malaysia	Property development	50	50
Prestasi Kemas Sdn. Bhd.	Malaysia	Property development	87	70
Nusantara Megajuta Sdn. Bhd.	Malaysia	Property development	100	100
<b>Subsidiary of Eco-Coach &amp; Tours (M) Sdn. Bhd.:</b>				
Senstrac Sdn. Bhd. <sup>^</sup>	Malaysia	Provision of information technology services	51	51
<b>Subsidiaries of Senstrac Sdn. Bhd.:</b>				
Eco Tours Asia Sdn. Bhd. <sup>^</sup>	Malaysia	Transportation services	51	51
Green Fleet Sdn. Bhd. <sup>^</sup>	Malaysia	Transportation services	51	51
<b>Subsidiaries of Inergist Sdn. Bhd.:</b>				
Satria Megajuta Sdn. Bhd. <sup>^#</sup>	Malaysia	Sales of solar energy	47	47
Fortune Command Sdn. Bhd. <sup>^#</sup>	Malaysia	Operation of generation facilities that produce electric energy	36	36

## Notes to the Financial Statements

## 7. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of entity	Principal place of business/Country of incorporation	Principal activities	Effective ownership interest and voting interest	
			2025 %	2024 %
<b>Subsidiary of Nusantara Jasakita Sdn. Bhd.:</b>				
JR Engineering and Medical Technologies (M) Sdn. Bhd.	Malaysia	Gloves manufacturing, Import and export of varieties of goods	51	51
<b>Subsidiary of Energy Valley Sdn. Bhd.:</b>				
Mentari Kamuning Sdn. Bhd. ^	Malaysia	Intended to engage in operation of generation facilities that produce electric energy	70	70
<b>Subsidiaries of Bloom Healthcare Group Sdn. Bhd.:</b>				
SPH Healthcare & Wellness Sdn. Bhd.	Malaysia	Investment holding	63	63
Sigma Dental Laboratory Sdn. Bhd. ^	Malaysia	Dental laboratory services	72	54
SPH Dental Sdn. Bhd. ^	Malaysia	Dental and its related services	63	63
Bloom Healthcare Aessence (Northern) Sdn. Bhd. (formerly knowns as Bloom Healthcare Dental (Southern) Sdn. Bhd. ^#	Malaysia	Aesthetic, beauty, wellness and its related services	26	50
Medipulih Group Sdn. Bhd. ^	Malaysia	General Medical Clinic and its related services	59	59
Bloom Healthcare (Northern) Sdn. Bhd. ^	Malaysia	Healthcare, wellness and its related activities	81	77
Bloom Healthcare Beauty & Wellness Sdn. Bhd. ^	Malaysia	Aesthetic, beauty, wellness and its related services	54	54
Bloom Beauty (Cheras) Sdn. Bhd. ^	Malaysia	Aesthetic, beauty, wellness and its related services	70	77
Bloom Beauty (BJ) Sdn. Bhd. ^	Malaysia	Aesthetic, beauty, wellness and its related services	78	-
Bloom Healthcare Aessence Sdn. Bhd. ^#	Malaysia	Aesthetic, beauty, wellness and its related services	49	69
Fortune Ambience Sdn. Bhd. ^	Malaysia	Dormant	46	-

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## 7. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of entity	Principal place of business/Country of incorporation	Principal activities	Effective ownership interest and voting interest	
			2025 %	2024 %
<b>Subsidiaries of SPH Healthcare &amp; Wellness Sdn. Bhd.:</b>				
Bloom Healthcare Dental (Central) Sdn. Bhd. ^	Malaysia	Dental and its related services	63	63
Medipulih Sdn. Bhd. ^	Malaysia	General medical clinic and its related services	63	63
Antara Beauty & Wellness Sdn. Bhd. ^	Malaysia	Provision of beauty, wellness and related services	50	50
Digital Dental Lab Sdn. Bhd. ^	Malaysia	Dental laboratory and its related services	63	63
Cantik Health & Wellness Sdn. Bhd. ^	Malaysia	Aesthetic, beauty, wellness and its related services	63	63
<b>Subsidiary of Bloom Healthcare Dental (Central) Sdn. Bhd.:</b>				
Wagas Group Sdn. Bhd. ^	Malaysia	Dental and its related services	63	63
<b>Subsidiaries of Bloom Healthcare (Northern) Sdn. Bhd.:</b>				
Bloom Healthcare Dental (Northern) Sdn. Bhd. ^	Malaysia	Dental and its related services	81	77
Bloom Healthcare WS Dental (RU) Sdn. Bhd. ^	Malaysia	Dental and its related services	57	54
Bloom Healthcare WS Dental (PT) Sdn. Bhd. ^	Malaysia	Dental and its related services	57	54
Kee Vee Dental Laboratory Sdn. Bhd. ^	Malaysia	Dental laboratory and its related services	57	54
WS Dental Group Sdn. Bhd. ^	Malaysia	Dental and its related services	57	-
Tria Dental Group Sdn. Bhd. ^	Malaysia	Dental and its related services	57	-

## Notes to the Financial Statements

## 7. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Name of entity	Principal place of business/Country of incorporation	Principal activities	Effective ownership interest and voting interest	
			2025 %	2024 %
<b>Subsidiaries of WS Dental Group Sdn. Bhd.:</b>				
Lumi Dental Sdn. Bhd. <sup>^#</sup>	Malaysia	Dental and its related services	29	-
WS Joy Dental Group Sdn. Bhd. <sup>^#</sup>	Malaysia	Dental and its related services	42	-
<b>Subsidiaries of Bloom Healthcare WS Dental (RU) Sdn. Bhd.:</b>				
Gentle Healthcare Sdn. Bhd. <sup>^#</sup>	Malaysia	Dental and its related services	51	-

\* Audited by other member firms of KPMG International.

<sup>^</sup> Audited by other firms of accountants.

<sup>#</sup> Although the effective ownership interest and voting interest is less than 51%, the Group controls the entity by virtue of its majority ownership through its subsidiaries.

## 7.1 Non-controlling interests in subsidiaries

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows:

2025	Envitech Sdn. Bhd.	JR Engineering & Medical Technologies (M) Sdn. Bhd.
	RM'000	RM'000
NCI percentage of ownership interest and voting interest	40%	49%
Carrying amount of NCI	23,772	(9,395)
Profit/(Loss) allocated to NCI	647	(757)
<b>Summarised financial information before intra-group elimination</b>		
<b>As at 31 December</b>		
Non-current assets	22,803	19,746
Current assets	56,312	21,370
Non-current liabilities	(2,363)	(836)
Current liabilities	(18,258)	(60,010)
Net assets/(liabilities)	58,494	(19,730)

## Notes to the Financial Statements

## 7. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

## 7.1 Non-controlling interests in subsidiaries (continued)

<b>2025</b>	<b>Envitech Sdn. Bhd. RM'000</b>	<b>JR Engineering &amp; Medical Technologies (M) Sdn. Bhd. RM'000</b>
<b>Summarised financial information before intra-group elimination</b>		
<b>Year ended 31 December</b>		
Revenue	73,317	49,085
Profit/(loss) for the year	1,618	(1,544)
Total comprehensive income/(expense)	1,618	(1,544)
Cash flows generated from operating activities	651	1,874
Cash flows generated from/(used in) investing activities	3,511	(1,071)
Cash flows used in financing activities	(299)	(273)
Net increase in cash and cash equivalents	3,863	530
Dividends paid to NCI	-	-
<b>2024</b>		
NCI percentage of ownership interest and voting interest	40%	49%
Carrying amount of NCI	22,750	(8,500)
Profit/(Loss) allocated to NCI	1,250	(254)
<b>Summarised financial information before intra-group elimination</b>		
<b>As at 31 December</b>		
Non-current assets	16,776	24,970
Current assets	52,751	18,830
Non-current liabilities	(1,950)	(1,281)
Current liabilities	(10,701)	(59,866)
Net assets/(liabilities)	56,876	(17,347)

## Notes to the Financial Statements

## 7. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

## 7.1 Non-controlling interests in subsidiaries (continued)

2024	Envitech	JR Engineering & Medical
	Sdn. Bhd. RM'000	(M) Sdn. Bhd. RM'000
<b>Summarised financial information before intra-group elimination</b>		
<b>Year ended 31 December</b>		
Revenue	61,876	47,928
Profit/(Loss) for the year	3,125	(518)
Total comprehensive expense	3,125	(518)
Cash flows (used in)/generated from operating activities	(882)	644
Cash flows generated from/(used in) investing activities	1,528	(696)
Cash flows used in financing activities	(94)	(521)
Net increase/(decrease) in cash and cash equivalents	552	(573)
Dividends paid to NCI	-	-

## 7.2 Material accounting policy information

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses.

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## Notes to the Financial Statements

### 8. INVESTMENTS IN ASSOCIATES

	Group	
	2025 RM'000	2024 RM'000
Investment in shares	11,000	11,800
Share of post-acquisition reserves	(2,358)	(2,359)
Less: Impairment loss	(8,642)	(9,441)
	-	-

Details of the associate are as follows:

Name of entity	Principal place of business/Country of incorporation	Nature of the relationship	Effective ownership interest and voting interest	
			2025 %	2024 %
<b>Associates of Salcon Engineering Berhad:</b>				
Emas Utilities Corporation Sdn. Bhd. ("EUC") *	Malaysia	Investment holding company with 90% equity interest in Binh An Water Corporation Ltd., who engaged in production and supply of treated water in Vietnam	40	40

\* The Company is under voluntary liquidation.

The financial information of the Group's associate is not disclosed as it is not significant.

#### 8.1 Material accounting policy information

Investments in associates are measured in the Company's statement of financial position at cost less any impairment losses.

### 9. INVESTMENTS IN JOINT VENTURES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Investment in shares	29,063	29,063	23,500	23,500
Share of post-acquisition reserves	1,217	1,840	-	-
Less: Impairment loss	(4,609)	(4,609)	-	-
	25,671	26,294	23,500	23,500

# Notes to the Financial Statements

## 9. INVESTMENTS IN JOINT VENTURES (CONTINUED)

Details of joint ventures are as follows:

Name of joint venture	Principal place of business/ Country of incorporation	Principal activities	Note	Proportion of ownership interest	
				2025 %	2024 %
Volksbahn Technologies Sdn. Bhd.	Malaysia	Provision of management, technology and service consulting	9.1	50 plus 2 shares	50 plus 2 shares
<b>Joint ventures of Salcon Engineering Berhad:</b>					
Salcon MMCB AZSB JV Sdn. Bhd.	Malaysia	Engineering and construction	9.2	36	36
Salcon MMCES AZSB JV Sdn. Bhd.	Malaysia	Engineering and construction	9.3	50	50
Salcon Loh & Loh JV Sdn. Bhd.	Malaysia	Engineering and construction	9.4	50	50
<b>Joint venture of Envitech Sdn. Bhd.:</b>					
WET Envitech Sdn. Bhd.	Malaysia	Engineering and construction	9.5	30	30

9.1 On 7 May 2014, the Group has acquired 50% plus one ordinary share, representing 200,001 ordinary shares each in Volksbahn Technologies Sdn. Bhd. (“VTSB”) for a total cash consideration of RM23.5 million. VTSB had, on 22 June 2014, allotted 400,001 bonus shares to its shareholders. As a result, the Group was entitled to 200,001 shares in VTSB of which in total, the Group has had 400,002 shares representing 50% plus 2 ordinary shares in VTSB. Pursuant to the terms and nature of the shareholders agreement, the Group’s investment in VTSB constitutes a joint arrangement as the entity is jointly controlled by the Group and the other shareholder.

9.2 On 8 April 2014, the Group entered into a joint arrangement with MMC Corporation Berhad (“MMCB”) and Ahmad Zaki Sdn. Bhd. (“AZSB”), and together, they have incorporated Salcon MMCB AZSB JV Sdn. Bhd. (“L1”) on 29 September 2014.

9.3 On 23 December 2014, the Group entered into another joint arrangement with MMC Engineering Services Sdn. Bhd. (“MMCES”) and AZSB to form Salcon MMCES AZSB JV Sdn. Bhd. (“L2”). On 30 September 2016, this joint venture has come to a novation agreement whereby the Group has further acquired 14% shares in L2 resulting the Group has effective interest of 50% in L2 thereon.

Both Salcon MMCB AZSB JV Sdn. Bhd. and Salcon MMCES AZSB JV Sdn. Bhd. are set up to undertake the Langat 2 water treatment plant project.

9.4 On 30 December 2014, the Group entered into another joint arrangement with Loh & Loh Construction Sdn. Bhd. to form Salcon Loh & Loh JV Sdn. Bhd. (“SLL”).

9.5 On 23 January 2015, the Group entered into a joint arrangement with Water Engineering Technology Sdn. Bhd. to form WET Envitech Sdn. Bhd. (“WESB”). The paid-up capital of the joint arrangement is RM2, divided equally to the shareholders. On 23 May 2017, the paid-up capital has been increased by RM999,998 to RM1,000,000, divided equally to the shareholders.

## Notes to the Financial Statements

### 9. INVESTMENTS IN JOINT VENTURES (CONTINUED)

The following table summarises the financial information of the Group's material joint ventures, adjusted for any differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interests in joint ventures, which are accounted for using the equity method.

	VTSB	
	2025 RM'000	2024 RM'000
<b>Summarised financial information</b>		
<b>As at 31 December</b>		
Non-current assets	13,226	12,286
Current assets	26,772	18,912
Non-current liabilities	(1,683)	(1,864)
Current liabilities	(19,982)	(13,175)
Cash and cash equivalents	18,548	10,792
<b>Year ended 31 December</b>		
Profit from continuing operations	9,051	7,970
Total comprehensive income	9,051	7,970
<b>Included in the total comprehensive income/(expense) are:</b>		
Revenue	31,510	27,580
Interest income	182	150
Interest expense	(10)	(1)
Tax expense	(3,410)	(2,613)

## Notes to the Financial Statements

## 9. INVESTMENTS IN JOINT VENTURES (CONTINUED)

2025	VTSB RM'000	Other immaterial joint ventures RM'000	Total RM'000
<b>Reconciliation of net assets to carrying amount as at 31 December</b>			
Goodwill	14,150	434	14,584
Group's share of net assets	9,166	1,921	11,087
Carrying amount in the statement of financial position	23,316	2,355	25,671
<b>Group's share of results for the year ended 31 December</b>			
Group's share of profit	4,526	83	4,609
Group's share of total comprehensive income	4,526	83	4,609
<b>Other information</b>			
Dividends received by the Group	3,132	5,500	8,632
<b>2024</b>			
<b>Reconciliation of net assets to carrying amount as at 31 December</b>			
Goodwill	14,150	434	14,584
Group's share of net assets	8,079	3,631	11,710
Carrying amount in the statement of financial position	22,229	4,065	26,294
<b>Group's share of results for the year ended 31 December</b>			
Group's share of profit	3,985	645	4,630
Group's share of total comprehensive income	3,985	645	4,630
<b>Other information</b>			
Dividends received by the Group	3,000	5,000	8,000

## 9.6 Material accounting policy information

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

## Notes to the Financial Statements

## 10. OTHER INVESTMENTS

<b>Group</b>	<b>Shares RM'000</b>	<b>Others RM'000</b>	<b>Total RM'000</b>
<b>2025</b>			
<b>Non-current</b>			
Fair value through profit or loss			
- Quoted shares	63,602	-	63,602
<b>Current</b>			
Fair value through profit or loss			
- Deposit with licensed bank	-	1,048	1,048
- Other investment	-	3,355	3,355
	-	4,403	4,403
<b>2024</b>			
<b>Non-current</b>			
Fair value through profit or loss			
- Quoted shares	54,692	-	54,692
<b>Current</b>			
Fair value through profit or loss			
- Deposit with licensed bank	-	1,066	1,066
- Other investment	-	7,925	7,925
	-	8,991	8,991
<b>Company</b>			
<b>2025</b>			
<b>Non-current</b>			
Fair value through profit or loss			
- Quoted shares	63,602	-	63,602
<b>2024</b>			
<b>Non-current</b>			
Fair value through profit or loss			
- Quoted shares	54,692	-	54,692

# Notes to the Financial Statements

## 10. OTHER INVESTMENTS (CONTINUED)

### 10.1 Material accounting policy information

#### (a) Equity investments held for trading

At initial recognition, the Group irrevocably elects to present subsequent changes in the fair value of the investments in profit or loss. This election is made on an investment-by-investment basis.

#### (b) Deposit with licensed bank

The Group classifies deposits with licensed banks not held for working capital purposes that has a maturity of more than three months.

#### (c) Other investments

Other investment includes investment in unit trust fund and non-quoted shares.

## 11. DEFERRED TAX ASSETS AND LIABILITIES

### Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

Group	Assets		Liabilities		Net	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Land use rights	-	-	-	(4,537)	-	(4,537)
Property, plant and equipment	-	-	(5,726)	(3,880)	(5,726)	(3,880)
Other items	1,473	3,179	-	-	1,473	3,179
Tax losses carry-forward	5,712	5,712	-	-	5,712	5,712
Unabsorbed capital allowances	1,626	2,139	-	-	1,626	2,139
Tax assets/(liabilities)	8,811	11,030	(5,726)	(8,417)	3,085	2,613
Set off of tax	1,416	2,330	(1,416)	(2,330)	-	-
Net tax assets/(liabilities)	10,227	13,360	(7,142)	(10,747)	3,085	2,613

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## Notes to the Financial Statements

## 11. DEFERRED TAX ASSETS AND LIABILITIES (CONTINUED)

Movement in temporary differences during the financial year are as follows:

Group	At 1.1.2024		Acquisition of subsidiaries (Note 33)		At 31.12.2024/1.1.2025		Recognised in profit or loss (Note 24)		Acquisition of subsidiaries (Note 33)		Included in disposal group held for sale		At 31.12.2025	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Land use rights	(4,537)	-	-	-	(4,537)	-	-	-	-	-	4,537	-	-	-
Property, plant and equipment	(6,015)	2,196	(61)	(61)	(3,880)	(1,846)	-	-	-	-	-	-	(5,726)	-
Other items	3,493	(42)	(272)	(272)	3,179	(692)	(1,014)	-	-	-	-	-	1,473	-
Tax losses carry forward	5,716	(4)	-	-	5,712	-	-	-	-	-	-	-	5,712	-
Unabsorbed capital allowances	2,460	(321)	-	-	2,139	(513)	-	-	-	-	-	-	1,626	-
	1,117	1,829	(333)	(333)	2,613	(3,051)	(1,014)	(1,014)	(1,014)	4,537	4,537	3,085	3,085	

## Notes to the Financial Statements

## 11. DEFERRED TAX ASSETS AND LIABILITIES (CONTINUED)

## Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

	Group	
	2025 RM'000	2024 RM'000
Other deductible temporary differences	9,710	9,710
Unabsorbed capital allowances	843	843
Unutilised tax losses		
- Malaysia	69,903	43,462
- Outside Malaysia	8,252	8,252
	88,708	62,267

The deferred tax assets arising from other deductible temporary differences, unabsorbed capital allowances and unutilised tax losses of the Group are available for offsetting against future taxable profits of the respective entities within the Group, subject to no substantial change in shareholdings of those entities under the Income Tax Act, 1967 and guidelines issued by the tax authority. The other deductible temporary differences, unabsorbed capital allowances and unutilised tax losses outside Malaysia do not expire under the current tax legislation. The unutilised tax losses in Malaysia can only be carried forward up to 10 consecutive years of assessment. The table below shows the unutilised tax losses expires in respective year of assessment.

	Group	
	2025 RM'000	2024 RM'000
<b>Utilisation years</b>		
Expiring in Year Assessment 2028	10,141	11,499
Expiring in Year Assessment 2029	8,789	8,789
Expiring in Year Assessment 2030	3,246	3,246
Expiring in Year Assessment 2031	251	251
Expiring in Year Assessment 2032	17,754	17,754
Expiring in Year Assessment 2033	1,923	1,923
Expiring in Year Assessment 2034	27,799	-
	69,903	43,462

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

## 11.1 Material accounting policy information

Where investment properties are carried at their fair value, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying values at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

## Notes to the Financial Statements

## 12. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Non-current</b>					
<b>Trade</b>					
Trade receivables	12.1	87,972	21,504	-	-
		87,972	21,504	-	-
<b>Non-trade</b>					
Amounts due from subsidiaries	12.3	-	-	150,559	207,942
Deposits	12.6	2,732	1,500	-	-
		2,732	1,500	150,559	207,942
		90,704	23,004	150,559	207,942
<b>Current</b>					
<b>Trade</b>					
Trade receivables	12.1	43,803	35,645	-	-
Amount due from a related party		-	263	-	-
		43,803	35,908	-	-
<b>Non-trade</b>					
Amount due from joint ventures	12.2	3,223	225	-	-
Amount due from subsidiaries	12.3	-	-	84,138	27,040
Other receivables		8,392	5,377	3,167	120
Deposits	12.4	9,312	8,638	-	50
		20,927	14,240	87,305	27,210
		64,730	50,148	87,305	27,210
		155,434	73,152	237,864	235,152
<b>Prepayments</b>					
Prepayments	12.5	6,959	5,482	10	6

# Notes to the Financial Statements

## 12. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (CONTINUED)

### 12.1 Trade receivables

#### Non-current

Included in trade receivables of the Group are retention sums relating to construction work-in-progress. Retentions are unsecured, interest-free and are expected to be due for collection as follows:

	Group	
	2025 RM'000	2024 RM'000
More than		
1 – 2 years	16,213	3,095
2 – 3 years	9,268	17,398
3 – 4 years	-	1,011
	25,481	21,504

#### Current

Included in trade receivables of the Group are retention sums amounting to RM5,377,000 (2024: RM9,515,000) relating to construction work-in-progress. Retentions are unsecured, interest-free and are expected to be due for collection within 1 year.

### 12.2 Amount due from joint ventures

The amounts due from joint ventures of the Group and of the Company are unsecured, interest-free and repayable on demand.

### 12.3 Amount due from subsidiaries

Amount due from subsidiaries are unsecured. Included in the amount due from subsidiaries, there are RM150,559,000 (2024: RM207,942,000) classified as non-current asset as the Company and its subsidiaries do not expect that funds are available for repayment within twelve months after reporting date.

Amount due from subsidiaries of RM110,658,000 (2024: RM103,852,000) are subject to interest of 2% to 6% (2024: 2% to 6%) per annum.

### 12.4 Deposits

Included in deposits of the Group is restricted cash paid to escrow account for the settlement of contingent consideration of RM5,464,000 (2024: RM3,000,000).

### 12.5 Prepayment

Included in prepayment of the Group is advances paid to suppliers to purchase inventory of RM22,363,000 (2024: RM22,363,000). An allowance for impairment losses RM22,363,000 (2024: RM22,363,000) has been made.

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## Notes to the Financial Statements

### 13. CONTRACT WITH CUSTOMERS

#### 13.1 Contract assets/(liabilities)

Group	2025 RM'000	2024 RM'000
Contract assets	61,097	97,530
Contract liabilities	(380)	(380)

The contract assets primarily relate to the Group's rights to consideration for work completed on construction contracts but not yet billed at the reporting date. Typically, the amount will be billed within 60 days and payment is expected within 60 to 120 days.

The contract liabilities primarily relate to the advance consideration received from customers for construction contract, which revenue is recognised over time during the construction contracts. The contract liabilities are expected to be recognised as revenue over a period of 60 days.

#### 13.2 Contract cost

Group	2025 RM'000	2024 RM'000
Cost to fulfil a contract	9,716	3,936

Construction cost that are attributable to the construction contracts and cost incurred to obtain and fulfil a contract. These costs are expected to be recoverable and are recognised to profit or loss when the related revenue is recognised.

Significant changes to contract assets and contract liabilities balances during the period are as follows:

Group	2025 RM'000	2024 RM'000
Contract liabilities at the beginning of the period recognised as revenue	380	1,118
Contract assets at the beginning of the period not transferred to trade receivables due to change in time frame	33,442	27,552

## Notes to the Financial Statements

## 14. INVENTORIES

Current	Note	Group	
		2025 RM'000	2024 RM'000
At cost:			
Spares		111	129
Raw materials		1,675	1,074
Finished goods		1,482	4,576
Machinery		703	-
Work in progress		7,759	2,024
Packaging materials		696	591
Properties under development	14.1	-	107,002
		12,426	115,396
Recognised in profit or loss:			
Inventories recognised as cost of sales		154,474	43,589

## 14.1 Properties under development comprises:

	2025 RM'000	2024 RM'000
Land held for property development	-	106,786
Development costs	-	216
	-	107,002

The land held for property development with carrying amount of RM106,786,000 has been disposed during the financial year.

## 14.2 Material accounting policy information

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is calculated using the first-in, first out method.

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## Notes to the Financial Statements

### 15. CASH AND CASH EQUIVALENTS

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Deposits with licensed banks				
- Malaysia	30,470	22,586	444	159
- Outside Malaysia	64,610	58,815	64,609	58,815
	95,080	81,401	65,053	58,974
Cash and bank balances				
- Malaysia	31,014	53,821	1,576	10,701
- Outside Malaysia	11,232	8,447	2,604	6,716
	42,246	62,268	4,180	17,417
	137,326	143,669	69,233	76,391

In the previous financial year, included in the deposits with licensed banks of the Group is amount of RM30,000 pledged for facilities (Note 18.3) granted to the Group.

### 16. ASSETS CLASSIFIED AS HELD FOR SALE

Assets classified as held for sale	Note	Group	
		2025 RM'000	2024 RM'000
Motor vehicles	16.1	445	445
Disposal group held for sale	16.2	11,623	-
		12,068	445

16.1 The Group had entered into a sales and purchase agreement to dispose of fourteen units of motor vehicle. The sale has not been completed at financial year end.

16.2 On August 2025, Salcon Development Sdn. Bhd. ("SDSB") a wholly-owned subsidiary of the company, had entered into a sale and purchase agreement with Kota Platinum Sdn. Bhd. ("KPSB") for the disposal of its entire equity interest in Prestasi Kemas Sdn. Bhd. ("PKSB"), comprising 2,899,355 ordinary shares, representing its entire paid-up share capital of PKSB, for a total consideration of RM42,000,000, to be satisfied in cash. The proposed disposal is subject to the fulfillment of terms and conditions of the agreement.

The proposed disposal had not been completed as at year end.

As 31 December 2025, the asset and liability of the disposal group are as follows:

Asset classified as held for sale	Note	2025 RM'000
Land use rights	5	16,160
Deferred tax liabilities	11	(4,537)
		11,623

# Notes to the Financial Statements

## 17. CAPITAL AND RESERVES

### 17.1 Share capital

	Group and Company			
	Amount	Number	Amount	Number
	2025	of shares	2024	of shares
	RM'000	'000	RM'000	'000
<b>Issued and fully paid shares with no par value classified as equity instruments:</b>				
Ordinary shares				
As at 1 January	465,184	1,035,440	458,276	1,012,413
Issue of shares	30,044	100,148	6,908	23,027
As at 31 December	495,228	1,135,589	465,184	1,035,440

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets. In respect of the treasury shares that are held by the Group, all rights are suspended until those shares are reissued.

### 17.2 Treasury shares

There was no share buy-back during the year (2024 – Nil). At the end of the year, the number of treasury shares held was 322,768 (2024: 322,768) shares.

### 17.3 Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of the Group entities with functional currencies other than Ringgit Malaysia.

### 17.4 Warrants

The main features of the Warrant are as follows:

- i) Each Warrant will entitle its Warrant Holders an option to subscribe for one (1) new ordinary share at the exercise price of RM0.30 per share at any time on or after 20 July 2018 to 19 July 2025, subject to adjustments in accordance with the provisions of the Deed Poll dated 29 June 2018 constituting the Warrant;
- ii) Any Warrant not exercised during the exercise period shall thereafter lapse and cease to be valid; and
- iii) The new ordinary shares to be issued arising from the exercise of the Warrants shall, upon allotment and issue, rank equally in all respects with the existing ordinary shares of the Company, save and except that the new ordinary shares will not be entitled to any dividends, rights, allotments, and/or other distribution that may be declared, made or paid for which the entitlement date of which precedes the date of allotment of the new ordinary shares arising from the exercise of the Warrants.

## Notes to the Financial Statements

### 17. CAPITAL AND RESERVES (CONTINUED)

#### 17.4 Warrants (continued)

During the financial period, the Company has issued a total of 100,148,304 (2024: 23,026,903) new ordinary shares pursuant to the exercise of Warrants 2018/2025 at the exercise price of RM0.30 per share.

As a result of the exercise of warrants, the Company's issued and paid-up share capital has increased by RM30,044,491 (2024: RM6,908,070) and the total number of shares outstanding has increased to 1,135,588,862 (2024: 1,035,440,558). The proceeds from the warrant exercise will be used for general corporate purposes, including future capital expenditure and working capital requirements.

The outstanding Warrants remain unexercised after 19 July 2025 amounting to 213,391,436 (31 Dec 2024: 313,539,740) had lapsed and became null and void and ceased to be exercisable.

### 18. LOANS AND BORROWINGS

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Non-current</b>					
Term loans (unsecured)		4,949	5,513	-	-
Finance lease liabilities	18.2	10,999	11,159	229	-
		15,948	16,672	229	-
<b>Current</b>					
Bankers' acceptances	18.3	9,736	12,325	-	-
Other bank facilities		300	220	-	-
Revolving credits (secured)	18.4	-	31,200	-	31,200
Term loans (secured)	18.1	-	139	-	-
Term loans (unsecured)		384	382	-	-
Finance lease liabilities	18.2	2,544	2,544	51	-
		12,964	46,810	51	31,200
		28,912	63,482	280	31,200

#### 18.1 Term loans

Secured term loan was guaranteed by the following:

- Credit Guarantee Corporation Malaysia, Syarikat Jaminan Pembiayaan Perniagaan Berhad
- A director of a subsidiary

All other facilities (except finance lease liabilities) granted to the subsidiaries are guaranteed by the Company.

## Notes to the Financial Statements

## 18. LOANS AND BORROWINGS (CONTINUED)

## 18.2 Finance lease liabilities

Finance lease liabilities are payable as follows:

Group	2025			2024		
	Future minimum lease payments RM'000	Interest RM'000	Present value of minimum lease payments RM'000	Future minimum lease payments RM'000	Interest RM'000	Present value of minimum lease payments RM'000
Less than one year	2,632	(88)	2,544	2,622	(78)	2,544
Between one and five years	11,067	(68)	10,999	11,251	(92)	11,159
	13,699	(156)	13,543	13,873	(170)	13,703
<b>Company</b>						
Less than one year	62	11	51	-	-	-
Between one and five years	249	20	229	-	-	-
	311	31	280	-	-	-

18.3 The bankers' acceptances are guaranteed by corporate guarantee from the Group.

18.4 The revolving credit of the Group and of the Company was secured by land owned by a subsidiary with carrying amount of RM106,786,000.

## 18.5 Reconciliation of movement of liabilities to cash flows arising from financing activities

Group	Finance lease liabilities RM'000	Term loan RM'000	Others RM'000	Total RM'000
<b>At 1 January 2024</b>	13,528	3,403	41,403	58,334
Drawdown of borrowings	-	-	2,579	2,579
Repayment of borrowings	-	(1,141)	(237)	(1,378)
Acquisition of property, plant and equipment through finance lease liabilities	2,036	-	-	2,036
Acquisition through business combination	1,390	3,772	-	5,162
Repayment of finance lease liabilities	(3,251)	-	-	(3,251)
<b>At 31 December 2024/1 January 2025</b>	13,703	6,034	43,745	63,482
Drawdown of borrowings	-	-	588	588
Repayment of borrowings	-	(767)	(34,297)	(35,064)
Acquisition of property, plant and equipment through finance lease liabilities	4,957	-	-	4,957
Acquisition through business combination	1,188	66	-	1,254
Repayment of finance lease liabilities	(6,305)	-	-	(6,305)
<b>At 31 December 2025</b>	13,543	5,333	10,036	28,912

## Notes to the Financial Statements

## 18. LOANS AND BORROWINGS (CONTINUED)

## 18.5 Reconciliation of movement of liabilities to cash flows arising from financing activities (continued)

Company	Finance lease liabilities RM'000	Revolving credit RM'000	Total RM'000
At 1 January 2024	-	31,200	31,200
At 31 December 2024/1 January 2025	-	31,200	31,200
Acquisition new finance lease	513	-	513
Repayment of finance lease liabilities/revolving credit	(233)	(31,200)	(31,433)
At 31 December 2025	280	-	280

## 19. TRADE AND OTHER PAYABLES

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Non-current</b>					
<b>Trade</b>					
Trade payables	19.1	17,623	14,733	-	-
		17,623	14,733	-	-
<b>Non-trade</b>					
Derivative liability	19.4	1,616	667	-	-
		19,239	15,400	-	-
<b>Current</b>					
<b>Trade</b>					
Trade payables	19.1	20,483	31,811	-	-
Accrued expenses		37,932	64,138	-	-
		58,415	95,949	-	-
<b>Non-trade</b>					
Amounts due to a subsidiary	19.2	-	-	27	27
Contingent consideration	19.3	4,936	2,735	-	-
Other payables		49,445	39,238	1,117	419
Accrued expenses		3,773	2,858	283	1,082
		58,154	44,831	1,427	1,528
		116,569	140,780	1,427	1,528
		135,808	156,180	1,427	1,528

# Notes to the Financial Statements

## 19. TRADE AND OTHER PAYABLES (CONTINUED)

### 19.1 Trade payables

#### Non-current

Included in trade payables of the Group are retention sums relating to construction work-in-progress. Retentions are unsecured, interest-free and are expected to be due for payment as follows:

	Group	
	2025 RM'000	2024 RM'000
More than		
1 – 2 years	9,401	1,354
2 – 3 years	7,945	13,048
3 – 4 years	277	331
	<b>17,623</b>	<b>14,733</b>

#### Current

Included in trade payables of the Group are retention sums amounting to RM3,768,000 (2024: RM4,941,000) relating to construction work-in-progress. Retentions are unsecured, interest-free and are expected to be due for payment within 1 year.

### 19.2 Amount due from subsidiaries

The amount due to subsidiaries is unsecured, interest free and repayable upon demand.

### 19.3 Contingent consideration

The contingent consideration is recognised relating to the acquisition of subsidiaries. It is measured at fair value at the date of acquisition.

### 19.4 Derivative liability

The derivative liability is a 5-years put option granted to the remaining minority shareholders of a subsidiary acquired during the year to sell remaining shares held to the Group. It is measured at fair value at the date of acquisition.

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## Notes to the Financial Statements

### 20. PROVISION

Group	Onerous contract RM'000	Total RM'000
At 1 January 2024/31 December 2024/1 January 2025	-	-
Provision made during the year	835	835
At 31 December 2025	835	835

	Onerous contract RM'000	Total RM'000
<b>2025</b>		
Current	835	835
<b>2024</b>		
Current	-	-

An onerous contract provision is recognised during the year as the unavoidable costs of fulfilling the contract, including estimated costs to complete, exceeded the contract sum.

### 21. REVENUE

Group	Total	
	2025 RM'000	2024 RM'000
<b>Revenue from contracts with customers</b>		
Construction		
- Water projects	60,977	157,531
- Wastewater projects	73,231	62,308
- Water system repairs	4,569	4,667
- Hydro projects	10,380	5,598
- Service concession arrangement	8,105	-
- Others	86	115
Glove manufacturing	49,085	47,928
Trading and services		
- Transportation	10,205	12,475
- Solar power services	2,237	2,102
Healthcare	26,521	5,072
Property development	128,667	-
Investment holdings	179	576
<b>Total revenue</b>	<b>374,242</b>	<b>298,372</b>
<b>Company</b>		
Dividends	3,214	3,083

# Notes to the Financial Statements

## 21. REVENUE (CONTINUED)

### 21.1 Disaggregation of revenue

Group	Constructions 2025 RM'000	Manufacturing 2025 RM'000	Gloves 2025 RM'000	Trading and Services 2025 RM'000	Property Development 2025 RM'000	Investment Holdings 2025 RM'000	Healthcare 2025 RM'000	Total 2025 RM'000
<b>Primary geographical markets</b>								
Malaysia	157,348	6,995	11,256	128,667	179	26,521	330,966	
United States of America	-	20,507	-	-	-	-	20,507	
India	-	4,528	-	-	-	-	4,528	
The United Kingdom	-	3,060	1,186	-	-	-	4,246	
Other countries	-	13,995	-	-	-	-	13,995	
	157,348	49,085	12,442	128,667	179	26,521	374,242	
<b>Major products and services lines</b>								
Water projects	60,977	-	-	-	-	-	60,977	
Wastewater projects	73,231	-	-	-	-	-	73,231	
Water system repairs	4,569	-	-	-	-	-	4,569	
Hydro projects	10,380	-	-	-	-	-	10,380	
Glove Manufacturing	-	49,085	-	-	-	-	49,085	
Transportation	-	-	10,205	-	-	-	10,205	
Solar power services	-	-	2,237	-	-	-	2,237	
Service concession arrangement	8,105	-	-	-	-	-	8,105	
Healthcare	-	-	-	-	-	26,521	26,521	
Property Development	-	-	-	128,667	-	-	128,667	
Others	86	-	-	-	179	-	265	
	157,348	49,085	12,442	128,667	179	26,521	374,242	
<b>Timing of recognition</b>								
Over time	157,348	-	12,442	-	-	-	169,790	
At a point in time	-	49,085	-	128,667	179	26,521	204,452	
<b>Total revenue</b>	157,348	49,085	12,442	128,667	179	26,521	374,242	

## Notes to the Financial Statements

## 21. REVENUE (CONTINUED)

## 21.1 Disaggregation of revenue (continued)

Group	Constructions		Gloves		Trading and Services		Investment Holdings		Healthcare		Total	
	2024	RM'000	2024	RM'000	2024	RM'000	2024	RM'000	2024	RM'000	2024	RM'000
<b>Primary geographical markets</b>												
Malaysia	230,219		9,732		13,430		576		5,072		259,029	
United States of America	-		17,474		-		-		-		17,474	
India	-		8,221		-		-		-		8,221	
The United Kingdom	-		1,316		1,147		-		-		2,463	
Other countries	-		11,185		-		-		-		11,185	
	230,219		47,928		14,577		576		5,072		298,372	
<b>Major products and services lines</b>												
Water projects	157,531		-		-		-		-		157,531	
Wastewater projects	62,423		-		-		-		-		62,423	
Water system repairs	4,667		-		-		-		-		4,667	
Hydro projects	5,598		-		-		-		-		5,598	
Glove Manufacturing	-		47,928		-		-		-		47,928	
Transportation	-		-		12,475		-		-		12,475	
Solar power services	-		-		2,102		-		-		2,102	
Healthcare	-		-		-		-		5,072		5,072	
Others	-		-		-		576		-		576	
	230,219		47,928		14,577		576		5,072		298,372	
<b>Timing of recognition</b>												
Over time	230,219		-		14,577		-		-		244,796	
At a point in time	-		47,928		-		576		5,072		53,576	
<b>Total revenue</b>	230,219		47,928		14,577		576		5,072		298,372	

# Notes to the Financial Statements

## 21. REVENUE (CONTINUED)

### 21.2 Nature of goods and services

The following information reflects the typical transactions of the Group:

Nature of goods or services	Timing of recognition or method used to recognise revenue	Significant payment terms	Variable element in consideration	Obligation for returns or refunds	Warranty
Water projects	Revenue is recognised over time using the physical completion method.	Based on agreed milestones, certified by surveyor.	There would be penalty charges when the projects are late in completion.	Not applicable.	Defect liability period of 2 years is given to customers.
Wastewater projects	Revenue is recognised over time using the cost incurred method.	Based on agreed milestones, certified by surveyor.	There would be penalty charges when the projects are late in completion.	Not applicable.	Defect liability period of 2 years is given to customers.
Water system repairs	Revenue is recognised over time using the physical completion method.	Based on agreed milestones, certified by surveyor.	There would be penalty charges when the projects are late in completion.	Not applicable.	Defect liability period of 2 years is given to customers.
Glove Manufacturing	Revenue is recognised at a point in time when goods are delivered and accepted by the customers.	Credit period of 30 days from invoice date.	Not applicable.	Not applicable.	Not applicable.
Transportation	Revenue from services rendered is recognised in profit or loss during the period the obligations to provide transportation and tour services are satisfied.	Credit period of 60 days from invoice date.	Not applicable.	Not applicable.	Not applicable.
Solar power services	Revenue is recognised over time as the performance obligation is satisfied upon delivery of electricity generated from solar power as the customers simultaneously received and consumed the benefits provided.	Credit period of 60 to 120 days from invoice date.	Not applicable.	Not applicable.	Not applicable.

## Notes to the Financial Statements

## 21. REVENUE (CONTINUED)

## 21.2 Nature of goods and services (continued)

The following information reflects the typical transactions of the Group (continued):

Nature of goods or services	Timing of recognition or method used to recognise revenue	Significant payment terms	Variable element in consideration	Obligation for returns or refunds	Warranty
Hydro projects	Revenue is recognised over time using the physical completion method.	Based on agreed milestones, certified by surveyor.	There would be penalty charges when the projects are late in completion.	Not applicable.	Defect liability period of 3 years is given to customers.
Healthcare and laboratory services	Revenue is recognised at a point in time when services are satisfied.	Credit period of 0 to 30 days from invoice date.	Not applicable.	Not applicable.	Not applicable.
Property development – Sales of land	Revenue is recognised when the goods are delivered and accepted by the customers upon control transferred.	Based on the terms and conditions stated in the sales & purchase agreement.	Not applicable.	Not applicable.	Not applicable.
Service concession arrangement	Construction revenue is recognised over time using the cost incurred method. Operating revenue is recognised over time when electricity is delivered to the off-taker.	Based on the actual electricity delivered from the date of the last meter reading and period end at a pre-determined rate.	Not applicable.	Not applicable.	Not applicable.

# Notes to the Financial Statements

## 21. REVENUE (CONTINUED)

### 21.3 Transaction price allocated to the remaining performance obligations

The following table shows revenue from performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date. The disclosure is only providing information for contracts that have a duration of more than one year.

Group	More than 1 year	
	2025 RM'000	2024 RM'000
Water projects	228,472	54,948
Wastewater projects	131,509	78,666
Water system repairs	1,007	3,384
Hydro projects	44,952	55,331
Service concession arrangement	26,239	-
	432,179	192,329

The Group applies the following practical expedients:

- exemption on disclosure of information on remaining performance obligations that have original expected durations of one year or less.
- exemption not to adjust the promised amount of consideration for the effects of a significant financing component when the period between the transfer of a promised good or service to a customer and when the customer pays for that good or service is one year or less.

### 21.4 Significant judgements and assumptions arising from revenue recognition

The Group applied the following judgements and assumptions that significantly affect the determination of the amount and timing of revenue recognised from contracts with customers:

- For construction contracts, the Group measured the performance of construction work done with reference to the stage of completion. Significant judgements are required to estimate the progress towards the satisfaction of the performance obligation. In making these estimates, management relied on past experience of completed projects. A change in the estimates will directly affect the revenue to be recognised.

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## Notes to the Financial Statements

### 22. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel compensation is as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Directors:				
- Fees	310	310	310	310
- Remuneration	4,643	4,545	2,305	2,246
- Other short-term employee benefits (including estimated monetary value of benefit-in-kind)	12	273	-	211
	4,965	5,128	2,615	2,767

### 23. FINANCE COSTS

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Interest expense of financial liabilities that are not at fair value through profit or loss	2,093	3,074	286	1,335
Interest expense on lease liabilities	2,944	1,647	-	-
	5,037	4,721	286	1,335

## Notes to the Financial Statements

## 24. TAX EXPENSE

## Recognised in profit or loss

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Tax expense	4,462	364	-	251
Share of tax of equity-accounted associates and joint ventures	1,721	1,413	-	-
<b>Total tax expense</b>	<b>6,183</b>	<b>1,777</b>	<b>-</b>	<b>251</b>
Major components of income tax expense include:				
<b>Income tax expense</b>				
Malaysian - current year	1,401	2,284	-	307
- prior year	10	(91)	-	(56)
<b>Total income tax recognised in profit or loss</b>	<b>1,411</b>	<b>2,193</b>	<b>-</b>	<b>251</b>
<b>Deferred tax expense</b>				
Origination and reversal of temporary differences	2,302	(975)	-	-
Under/(Over) provision in prior year	749	(854)	-	-
<b>Total deferred tax recognised in profit or loss</b>	<b>3,051</b>	<b>(1,829)</b>	<b>-</b>	<b>-</b>
Share of tax of equity-accounted associates and joint ventures	1,721	1,413	-	-
<b>Total tax expense</b>	<b>6,183</b>	<b>1,777</b>	<b>-</b>	<b>251</b>
<b>Reconciliation of tax expense</b>				
Profit/(Loss) for the year	813	16,896	6,561	(18,731)
Total tax expense	6,183	1,777	-	251
<b>Profit/(Loss) excluding tax</b>	<b>6,996</b>	<b>18,673</b>	<b>6,561</b>	<b>(18,480)</b>
Income tax calculated using Malaysian tax rate of 24%	1,679	4,482	1,574	(4,435)
Effect of tax rates in foreign jurisdictions	(34)	(41)	-	-
Non-deductible expenses	12,572	6,695	2,989	11,895
Tax exempt income	(694)	(296)	(11)	(574)
Non-taxable income	(14,541)	(7,715)	(4,552)	(6,579)
Recognition of previously unrecognised tax losses	6,442	(865)	-	-
Current year losses for which no deferred tax asset was recognised	6,442	462	-	-
	5,424	2,722	-	307
Under/(Over) provision in prior years	759	(945)	-	(56)
	6,183	1,777	-	251

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## Notes to the Financial Statements

## 25. PROFIT FOR THE YEAR

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Profit for the year is arrived at after charging/(crediting)</b>					
<b>Auditors' remunerations</b>					
- Audit fees					
- Current year					
KPMG PLT		399	399	193	193
Overseas affiliates of KPMG PLT		41	43	-	-
Other auditors		223	140	-	-
- Non-audit fees					
- KPMG PLT		35	35	35	35
<b>Material expenses/(income)</b>					
Amortisation of intangible assets		1,320	845	-	-
Depreciation of property, plant and equipment		13,029	5,984	44	-
Depreciation of right-of-use assets		5,194	1,778	-	-
Dividend income from:					
- Other investment		(82)	(83)	(82)	(83)
- Joint ventures		(8,632)	(8,000)	(3,132)	(3,000)
Net fair value gain on other investments		(8,910)	(22,203)	(8,910)	(22,100)
Finance income:					
- Subsidiaries		-	-	(3,702)	(2,594)
- Others		(7,367)	(4,153)	(2,153)	(3,608)
Loss on disposal of equity interest in subsidiaries		-	-	-	10
Gain on disposal of other investments		-	(1,468)	-	(1,468)
Gain on bargain purchase on acquisition of subsidiaries		(72)	-	-	-
Fair value (gain)/loss on investment property		(39)	3	-	-
Gain on disposal of property, plant and equipment		(234)	(1,596)	(48)	(50)
Impairment (Reversal of impairment) losses of:					
- Investments in associate company		1	(4)	-	-
Net realised foreign exchange loss/(gain)		176	(111)	289	-
Net unrealised foreign exchange loss		2,603	5,429	3,464	6,658

## Notes to the Financial Statements

## 25. PROFIT FOR THE YEAR (CONTINUED)

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Material expenses/(income) (continued)</b>					
Personnel expenses (including key management personnel):					
- Contributions to Employees Provident Fund		3,984	2,931	723	718
- Wages, salaries and others		37,492	25,786	6,699	6,604
Property, plant and equipment written off		435	1	-	-
Provision for onerous contract		835	-	-	-
<b>Expenses arising from leases</b>					
Expenses relating to leases of low value assets	25.1	13	11	-	-
<b>Net impairment/(reversal of impairment) loss of financial instruments</b>					
Financial assets at amortised cost					
Impairment loss					
- Trade receivables		936	435	-	-
- Other receivables		116	18	-	-
- Amounts due from subsidiaries		-	-	1,164	34,480
Reversal of impairment loss					
- Trade receivables		(1,828)	(1,343)	-	-
- Amounts due from subsidiaries		-	-	-	(44)
		(776)	(890)	1,164	34,436

25.1 The Group leases office equipment and office spaces with contract terms of 1 to 3 years. These leases are short-term and/or leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

## 26. OTHER COMPREHENSIVE INCOME/(EXPENSE)

Group	Before tax RM'000	Tax RM'000	Net of tax RM'000
<b>2025</b>			
Foreign currency translation differences for foreign operations	186	-	186
<b>2024</b>			
Foreign currency translation differences for foreign operations	(654)	-	(654)

## Notes to the Financial Statements

### 27. EARNINGS PER ORDINARY SHARE

#### Basic earnings per ordinary share

The calculation of basic earnings per ordinary share at 31 December 2025 was based on the profits attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

Profit attributable to ordinary shareholders

Group	Total RM'000
<b>2025</b>	
Profit attributable to ordinary shareholders	12,094
<b>2024</b>	
Profit attributable to ordinary shareholders	16,109

	Group	
	2025 '000	2024 '000
Weighted average number of ordinary shares		
1 January	1,035,440	1,012,413
Effect of exercise of warrants	51,216	9,419
Effect of treasure shares held	(323)	(323)
31 December	1,086,333	1,021,509

	Group	
	2025 Sen	2024 Sen
Basic earnings per ordinary share	1.11	1.58

#### Diluted earnings per ordinary share

The calculation of dilution earnings per ordinary share at 31 December 2025 was based on the profits attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjustments for the effects of all dilutive potential ordinary shares, calculated as follows:

	Group	
	2025	2024
Profit attributable to ordinary shareholders (RM'000)	12,094	16,109
Weighted average number of ordinary shares at 31 December (Basic) ('000)	1,086,333	1,021,509
Effect of exercise of warrants ('000)	-	12,181
31 December ('000)	1,086,333	1,033,690
Diluted earnings per ordinary share (sen)	1.11	1.56

# Notes to the Financial Statements

## 27. EARNINGS PER ORDINARY SHARE (CONTINUED)

### Diluted earnings per ordinary share (continued)

The warrants on issue were anti-dilutive in nature for current year as their respective exercise price exceeded the average market price of the ordinary shares. Accordingly, the diluted earnings per ordinary share for current year was equal to the basic earnings per ordinary share.

The average market value of the Company's shares for the purpose of calculating the dilutive effect of share options was based on quoted market prices for the period during which the options were outstanding.

## 28. OPERATING SEGMENTS

The Group has six reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Chief Operating Decision Maker ("CODM") (i.e. the Group's Chief Operating Officer) reviews internal management reports at least on a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

- Segment 1: Comprises constructions.
- Segment 2: Comprises glove manufacturing.
- Segment 3: Comprises trading and services.
- Segment 4: Comprises property development.
- Segment 5: Comprises healthcare.
- Segment 6: Comprises investment holdings.

The sales and services are aggregated to form a reportable segment as trading and services due to similar nature and economic characteristics. The nature, processes and accounting treatment of the trading and services industry are similar.

Performance is measured based on segment profit before tax, interest, depreciation and amortisation, as included in the internal management reports that are reviewed by the CODM. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

### Segment assets

The total of segment asset is measured based on all assets (including goodwill) of a segment, as included in the internal management reports that are reviewed by the CODM. Segment total asset is used to measure the return of assets of each segment.

### Segment liabilities

Segment liabilities information is neither included in the internal management reports nor provided regularly to the CODM. Hence, no disclosure is made on segment liability.

### Segment capital expenditure

Segment capital expenditure is the total cost incurred during the financial year to acquire assets other than goodwill.

## Notes to the Financial Statements

## 28. OPERATING SEGMENTS (CONTINUED)

## Segment capital expenditure (continued)

Group	Constructions RM'000	Manufacturing RM'000	Glove Trading and Services RM'000	Property Development RM'000	Healthcare RM'000	Investment Holdings RM'000	Total RM'000
<b>2025</b>							
<b>Segment profit/(loss)</b>	330	3,476	5,912	20,728	(7,566)	11,346	34,226
Included in the measure of segment profit/(loss) are:							
Revenue from external customers	157,348	49,085	12,442	128,667	26,521	179	374,242
Share of profit of joint ventures	83	-	4,526	-	-	-	4,609
Not included in the measure of segment profit/(loss) but provided to CODM:							
Depreciation and amortisation	(1,742)	(5,168)	(4,669)	(284)	(7,719)	(45)	(19,627)
Finance costs	(440)	(487)	(770)	(1,242)	(1,812)	(286)	(5,037)
Finance income	1,321	6	2	3,885	-	2,153	7,367
Tax expense	(168)	(602)	(1,843)	(6)	(1,620)	(223)	(4,462)
<b>Segment assets</b>	181,524	31,957	105,038	59,163	127,081	160,774	665,537
Included in the measure of segment assets are:							
Investment in joint ventures	2,049	-	23,622	-	-	-	25,671
Additions to non-current assets other than financial instruments and deferred tax assets	5,891	1,115	1,274	-	51,007	5	59,292

# Notes to the Financial Statements

## 28. OPERATING SEGMENTS (CONTINUED)

### Segment capital expenditure (continued)

Group	Constructions RM'000	Glove Manufacturing RM'000	Trading and Services RM'000	Property Development RM'000	Healthcare RM'000	Investment Holdings RM'000	Total RM'000
<b>2024</b>							
<b>Segment profit/(loss)</b>	5,069	4,531	7,851	(730)	400	23,593	40,714
Included in the measure of segment profit/(loss) are:							
Revenue from external customers	230,219	47,928	14,577	-	5,072	576	298,372
Share of loss of associates	-	-	(4)	-	-	-	(4)
Share of profit of joint ventures	642	-	3,988	-	-	-	4,630
Not included in the measure of segment profit/(loss) but provided to CODM:							
Depreciation and amortisation	(1,352)	(4,913)	(680)	(284)	(1,393)	(1)	(8,623)
Finance costs	(509)	(479)	(879)	(1,228)	(290)	(1,336)	(4,721)
Finance income	507	7	6	25	-	3,608	4,153
Tax expense	289	294	(207)	(12)	(76)	(652)	(364)
<b>Segment assets</b>	<b>236,033</b>	<b>34,174</b>	<b>93,097</b>	<b>107,125</b>	<b>38,422</b>	<b>155,616</b>	<b>664,467</b>
Included in the measure of segment assets are:							
Investment in joint ventures	4,065	-	22,229	-	-	-	26,294
Additions to non-current assets other than financial instruments and deferred tax assets	235	2,485	3,293	-	15,002	-	21,015

## Notes to the Financial Statements

### 28. OPERATING SEGMENTS (CONTINUED)

#### Reconciliations of reportable segment revenue, profit or loss, assets and other material items

	Group	
	2025 RM'000	2024 RM'000
<b>Profit or loss</b>		
Total profit/(loss) for reportable segments	34,226	40,714
Depreciation and amortisation	(19,627)	(8,623)
Finance costs	(5,037)	(4,721)
Finance income	7,367	4,153
Unrealised and realised foreign exchange differences	(2,780)	(5,317)
Unallocated expenses:		
Corporate expenses	(8,874)	(8,946)
Consolidated profit/(loss)	5,275	17,260

#### Geographical segments

The constructions, glove manufacturing, trading and services, property development and healthcare are managed on a worldwide basis, but operations are in Malaysia, Thailand, India, Sri Lanka, Vietnam, the United Kingdom and other countries.

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of customers. Segment assets are based on the geographical location of the assets. The amounts of non-current assets do not include financial instruments (including investments in associates and joint ventures) and deferred tax assets.

Group	Geographical information			
	Revenue	Non-current assets	Revenue	Non-current assets
	2025 RM'000	2025 RM'000	2024 RM'000	2024 RM'000
Malaysia	348,226	159,823	259,029	112,382
United States of America	3,010	-	17,474	-
Sri Lanka	-	3	-	6
India	4,519	15	8,221	20
The United Kingdom	4,197	4,966	2,464	5,627
Other countries	14,290	-	11,184	-
	374,242	164,807	298,372	118,035

# Notes to the Financial Statements

## 28. OPERATING SEGMENTS (CONTINUED)

### Major customers

The Group did not specifically rely on concentrated customers as majority of the revenue of the Group are contract based. The following are major customers with revenue equal or more than 10% of the Group's total revenue:

	Revenue		Segment
	2025 RM'000	2024 RM'000	
- Customer A	56,178	145,814	Construction
- Customer B	128,667	-	Property development

## 29. FINANCIAL INSTRUMENTS

### 29.1 Categories of financial instruments

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

- Amortised cost ("AC")
- Fair value through profit or loss ("FVTPL")

	Carrying amount RM'000	AC RM'000	FVTPL RM'000
<b>2025</b>			
<b>Financial assets</b>			
<b>Group</b>			
Other investments	68,005	-	68,005
Trade and other receivables	155,434	155,434	-
Cash and cash equivalents	137,326	137,326	-
	360,765	292,760	68,005
<b>Company</b>			
Other investments	63,602	-	63,602
Trade and other receivables	237,864	237,864	-
Cash and cash equivalents	69,233	69,233	-
	370,699	307,097	63,602
<b>2024</b>			
<b>Financial assets</b>			
<b>Group</b>			
Other investments	63,683	-	63,683
Trade and other receivables	73,152	73,152	-
Cash and cash equivalents	143,669	143,669	-
	280,504	216,821	63,683
<b>Company</b>			
Other investments	54,692	-	54,692
Trade and other receivables	235,152	235,152	-
Cash and cash equivalents	76,391	76,391	-
	366,235	311,543	54,692

## Notes to the Financial Statements

## 29. FINANCIAL INSTRUMENTS (CONTINUED)

## 29.1 Categories of financial instruments (continued)

	Carrying amount RM'000	AC RM'000	FVTPL RM'000
<b>2025</b>			
<b>Financial liabilities</b>			
<b>Group</b>			
Loans and borrowings	(28,912)	(28,912)	-
Trade and other payables	(135,808)	(134,192)	(1,616)
	(164,720)	(163,104)	(1,616)
<b>Company</b>			
Loans and borrowings	(280)	(280)	-
Trade and other payables	(1,427)	(1,427)	-
	(1,707)	(1,707)	-
<b>2024</b>			
<b>Financial liabilities</b>			
<b>Group</b>			
Loans and borrowings	(63,482)	(63,482)	-
Trade and other payables	(156,180)	(155,513)	(667)
	(219,662)	(218,995)	(667)
<b>Company</b>			
Loans and borrowings	(31,200)	(31,200)	-
Trade and other payables	(1,528)	(1,528)	-
	(32,728)	(32,728)	-

## 29.2 Net losses and gain arising from financial instruments

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Net gain/(losses) on:				
Financial assets at fair value through profit or loss	8,910	23,671	8,601	23,568
Financial assets at amortised cost	4,645	(274)	937	(34,848)
Financial liabilities measured at amortised cost	(5,037)	(4,721)	(286)	(1,335)
	8,518	18,676	9,252	(12,615)

# Notes to the Financial Statements

## 29. FINANCIAL INSTRUMENTS (CONTINUED)

### 29.3 Financial risk management

The Group and the Company have exposure to the following risks from their financial instruments:

- Credit risk
- Liquidity risk
- Market risk

### 29.4 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 exposure to credit risk arises principally from its receivables from customers. The Company's exposure to credit risk arises principally from advances to subsidiaries and financial guarantees given to banks for credit facilities granted to the subsidiaries.

#### Trade receivables and contract assets

*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 evaluations are performed on customers requiring credit over a certain amount.

At each reporting date, the Group or the Company assesses whether any of the trade receivables and contract assets are credit impaired.

The gross carrying amounts of credit impaired trade receivables and contract assets are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group or the Company 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 and contract assets that are written off could still be subject to enforcement activities.

There are no significant changes as compared to previous year.

*Exposure to credit risk, credit quality and collateral*

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables and contract assets are represented by the carrying amounts in the statements of financial position.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values. The Group uses ageing analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than 60 days, which are deemed to have higher credit risk, are monitored individually.

# Notes to the Financial Statements

## 29. FINANCIAL INSTRUMENTS (CONTINUED)

### 29.4 Credit risk (continued)

#### Trade receivables and contract assets (continued)

##### *Concentration of credit risk*

The exposure of credit risk for trade receivables and contract assets as at the end of the reporting period by geographic region was:

	Group	
	2025 RM'000	2024 RM'000
Domestic	186,601	147,112
United States of America	3,590	4,488
India	1,155	1,629
The United Kingdom	555	188
Thailand	57	219
Japan	44	-
Uzbekistan	289	130
Bangladesh	189	376
Ethiopia	299	257
Russia	-	202
Singapore	93	78
China	-	263
	192,872	154,942

## Notes to the Financial Statements

## 29. FINANCIAL INSTRUMENTS (CONTINUED)

## 29.4 Credit risk (continued)

## Trade receivables and contract assets (continued)

*Recognition and measurement of impairment losses*

For construction contracts, the Group assessed the risk of loss of each customer individually based on their financial information, past trend of payments and external credit ratings, where applicable. All of these customers have low risk of default.

The following table provides information about the exposure to credit risk and Expected Credit Losses for trade receivables and contract assets as at the end of the reporting period.

Group	Gross carrying amount RM'000	Loss allowances RM'000	Net balance RM'000
<b>2025</b>			
Not past due	151,802	-	151,802
Past due 1 - 30 days	9,009	-	9,009
Past due 31 - 60 days	2,033	-	2,033
Past due 61 - 90 days	1,928	-	1,928
	164,772	-	164,772
<b>Credit impaired</b>			
More than 90 days past due	34,018	(5,918)	28,100
Individually impaired	8,581	(8,581)	-
	207,371	(14,499)	192,872
Trade receivables	146,089	(14,314)	131,775
Amount due from a related party	-	-	-
Contract assets	61,282	(185)	61,097
	207,371	(14,499)	192,872
<b>2024</b>			
Not past due	129,774	-	129,774
Past due 1 - 30 days	2,795	-	2,795
Past due 31 - 60 days	134	-	134
Past due 61 - 90 days	4,596	-	4,596
	137,299	-	137,299
<b>Credit impaired</b>			
More than 90 days past due	22,764	(5,121)	17,643
Individually impaired	11,414	(11,414)	-
	171,477	(16,535)	154,942
Trade receivables	73,684	(16,535)	57,149
Amount due from a related party	263	-	263
Contract assets	97,530	-	97,530
	171,477	(16,535)	154,942

# Notes to the Financial Statements

## 29. FINANCIAL INSTRUMENTS (CONTINUED)

### 29.4 Credit risk (continued)

#### Trade receivables and contract assets (continued)

##### *Recognition and measurement of impairment losses (continued)*

Although certain trade receivables have become overdue, the Directors are reasonably confident that all debts can be recovered within the next 12 months.

The movements in the allowance for impairment in respect of trade receivables and contract assets during the year are shown below.

Group	Credit impaired RM'000
At 1 January 2024	(17,443)
Net remeasurement of loss allowance	908
At 31 December 2024/1 January 2025	(16,535)
Amount written off	1,144
Net remeasurement of loss allowance	892
At 31 December 2025	(14,499)

#### Cash and cash equivalents

##### *Risk management objectives, policies and processes for managing the risk*

The Group and the Company manage their balances and deposits with banks and financial institutions by monitoring their credit ratings on an ongoing basis.

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.

##### *Exposure to credit risk, credit quality and collateral*

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 statement of financial position.

#### Financial guarantees

##### *Risk management objectives, policies and processes for managing the risk*

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries and joint ventures. The Company monitors on an ongoing basis the results of both subsidiaries and joint ventures as well as repayments made by both subsidiaries and joint ventures.

# Notes to the Financial Statements

## 29. FINANCIAL INSTRUMENTS (CONTINUED)

### 29.4 Credit risk (continued)

#### Financial guarantees (continued)

*Exposure to credit risk, credit quality and collateral*

The maximum exposure to credit risk amounts to RM75,646,000 (2024: RM58,973,000) representing the outstanding banking facilities of the subsidiaries that was supported by the financial guarantee issued by the Company as at end of the reporting period.

The financial guarantees are provided as credit enhancements to the subsidiaries' secured loans.

As at the end of the reporting period, there was no indication that the subsidiaries would default on repayment. There was no financial guarantee recognised at financial year end.

#### Other receivables

*Risk management objectives, policies and processes for managing the risk*

Credit risks on other receivables are mainly arising from deposits paid for office buildings, fixtures rented and utilities. These deposits will be received at the end of each lease term. The Group manages the credit risk together with the leasing arrangement.

*Exposure to credit risk, credit quality and collateral*

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

*Recognition and measurement of impairment loss*

The Group determines the probability of default for these debts individually. The movement in the allowance for impairment in respect of other receivables during the year is as follow:

Group	Credit impaired RM'000	Total RM'000
At 1 January 2024	(3,887)	(3,887)
Net remeasurement of loss allowance	(18)	(18)
At 31 December 2024/1 January 2025	(3,905)	(3,905)
Net remeasurement of loss allowance	(116)	(116)
At 31 December 2025	(4,021)	(4,021)

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# Notes to the Financial Statements

## 29. FINANCIAL INSTRUMENTS (CONTINUED)

### 29.4 Credit risk (continued)

#### Inter-company loans and advances

*Risk management objectives, policies and processes for managing the risk*

The Group provides unsecured advances to subsidiaries and joint ventures. The Group monitors the results of the subsidiaries and joint ventures regularly.

*Exposure to credit risk, credit quality and collateral*

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

*Recognition and measurement of impairment loss*

Generally, the Group considers loans and advances to subsidiaries and joint ventures have low credit risk. The Group considers a subsidiary and joint venture's loan or advance to be credit impaired when:

- The subsidiary or joint venture is unlikely to repay its loan or advance to the Company in full; or
- The subsidiary or joint venture is continuously loss making and is having a deficit shareholders' fund.

The Group determines the probability of default for these advances individually using internal information available.

The movement in the allowance for impairment in respect of subsidiaries' advances during the year is as follows:

Company	Credit impaired RM'000	Total RM'000
At 1 January 2024	(45,199)	(45,199)
Net remeasurement of loss allowance	(34,436)	(34,436)
At 31 December 2024/1 January 2025	(79,635)	(79,635)
Net remeasurement of loss allowance	(1,164)	(1,164)
At 31 December 2025	(80,799)	(80,799)

### 29.5 Liquidity risk

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

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

# Notes to the Financial Statements

## 29. FINANCIAL INSTRUMENTS (CONTINUED)

### 29.5 Liquidity risk (continued)

#### Maturity analysis

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

2025	Carrying amount RM'000	Contractual		Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years
		interest rate/ Discount rate RM'000	Contractual cash flows RM'000				
<b>Group</b>							
Non-derivative financial liabilities							
Term loans (unsecured)	5,333	3.97 – 5.00%	7,150	628	1,707	709	4,106
Finance lease liabilities	13,543	1.88 – 18.11%	14,628	5,547	4,715	4,366	-
Bankers' acceptance (unsecured)	9,736	4.29 – 5.16%	9,736	9,736	-	-	-
Lease liabilities	35,567	5.00 – 12.18%	44,532	8,765	7,100	18,053	10,614
Trade and other payables	134,192	-	134,192	116,568	9,401	8,223	-
	198,371		210,238	141,244	22,923	31,351	14,720
Derivative financial liability	1,616	-	6,173	-	-	-	6,173
	199,987		216,411	141,244	22,923	31,351	20,893
<b>Company</b>							
Non-derivative financial liabilities							
Finance lease liabilities	280	2.26%	312	312	-	-	-
Financial guarantees	-	-	75,646	75,646	-	-	-
Trade and other payables	1,427	-	1,427	1,427	-	-	-
	1,707		77,385	77,385	-	-	-

## Notes to the Financial Statements

## 29. FINANCIAL INSTRUMENTS (CONTINUED)

## 29.5 Liquidity risk (continued)

Maturity analysis (continued)

2024	Carrying amount RM'000	Contractual		Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years
		interest rate/ Discount rate RM'000	cash flows RM'000				
<b>Group</b>							
Non-derivative financial liabilities							
Term loans (secured)	139	10.06%	145	145	-	-	-
Term loans (unsecured)	5,895	3.85 – 3.97%	7,836	627	2,150	747	4,312
Finance lease liabilities	13,703	1.88 – 4.36%	14,245	2,754	9,484	2,007	-
Bankers' acceptance (unsecured)	12,325	4.54 – 5.16%	12,325	12,325	-	-	-
Revolving credits	31,200	6.04%	33,084	33,084	-	-	-
Lease liabilities	12,724	3.97 – 11.44%	14,081	3,529	7,757	2,692	103
Trade and other payables	155,513	-	155,513	140,780	1,354	13,048	331
	231,499		237,229	193,244	20,745	18,494	4,746
Derivative financial liability	667	-	2,340	-	-	-	2,340
	232,166		239,569	193,244	20,745	18,494	7,086
<b>Company</b>							
Non-derivative financial liabilities							
Financial guarantees	-	-	58,973	58,973	-	-	-
Revolving credits	31,200	6.04%	33,084	33,084	-	-	-
Trade and other payables	1,528	-	1,528	1,528	-	-	-
	32,728		93,585	93,585	-	-	-

# Notes to the Financial Statements

## 29. FINANCIAL INSTRUMENTS (CONTINUED)

### 29.6 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.

#### 29.6.1 Currency risk

The Group is exposed to foreign currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily Singapore Dollar ("SGD"), United States Dollar ("USD"), Sri Lankan Rupee ("LKR"), Indian Rupee ("INR"), Great Britain Pound ("GBP"), Vietnamese Dong ("VND") and Australian Dollar ("AUD").

*Risk management objectives, policies and processes for managing the risk*

The Group ensures that the net exposure is kept to an acceptable level by monitoring the fluctuation of the foreign currencies.

*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'000	USD RM'000	LKR RM'000	INR RM'000	GBP RM'000	VND RM'000	AUD RM'000
<b>2025</b>							
<b>Group</b>							
Trade receivables	-	3,590	-	1,155	555	-	-
Cash and cash equivalents	49,189	3,086	2,978	163	28,187	4	24
Trade payables	-	-	(17)	-	-	-	-
<b>Net exposure</b>	<b>49,189</b>	<b>6,676</b>	<b>2,961</b>	<b>1,318</b>	<b>28,742</b>	<b>4</b>	<b>24</b>
<b>2024</b>							
<b>Group</b>							
Trade receivables	-	4,488	-	1,629	188	-	-
Cash and cash equivalents	50,339	3,386	3,727	206	27,554	137	24
Trade payables	-	-	(19)	-	-	-	-
<b>Net exposure</b>	<b>50,339</b>	<b>7,874</b>	<b>3,708</b>	<b>1,835</b>	<b>27,742</b>	<b>137</b>	<b>24</b>

## Notes to the Financial Statements

### 29. FINANCIAL INSTRUMENTS (CONTINUED)

#### 29.6 Market risk (continued)

##### 29.6.1 Currency risk (continued)

###### *Currency risk sensitivity analysis*

A 10% (2024:10%) strengthening of the RM against the following currencies at the end of the reporting period would have increased/(decreased) post-tax profit or loss by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remained constant.

	Profit or loss	
	2025 RM'000	2024 RM'000
SGD	(3,745)	(3,826)
USD	(507)	(598)
LKR	(225)	(282)
INR	(100)	(139)
GBP	(2,184)	(2,108)
VND	(1)	(10)
AUD	(2)	(2)
	(6,764)	(6,965)

A 10 percent weakening of RM against the above currencies at the end of the reporting period would have had equal but opposite effect to the amounts shown on the above currencies, on the basis that all other variables remain constant.

##### 29.6.2 Interest rate risk

The Group's and the Company's investments in fixed rate debt securities, lease liabilities and borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's and the Company's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Investments in equity securities and short-term receivables and payables are not significantly exposed to interest rate risk.

###### *Risk management objectives, policies and processes for managing the risk*

The Group and the Company borrowed for operations at variable rates using its overdrafts, revolving credit, bankers' acceptance and term loan facilities, and use fixed rate lease liabilities and finance lease agreements to finance capital expenditure. Deposits are placed with established banks or financial institutions at the prevailing market rate.

## Notes to the Financial Statements

## 29. FINANCIAL INSTRUMENTS (CONTINUED)

## 29.6 Market risk (continued)

## 29.6.2 Interest rate risk (continued)

*Exposure to interest rate risk*

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

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Fixed rate instruments</b>				
Financial assets	95,080	81,401	175,712	183,834
Financial liabilities	(58,845)	(38,751)	-	-
	36,235	42,650	175,712	183,834
<b>Floating rate instruments</b>				
Financial assets	-	-	-	-
Financial liabilities	(5,633)	(37,454)	-	(31,200)
	(5,633)	(37,454)	-	(31,200)

*Interest rate risk sensitivity analysis**Fair value sensitivity analysis for fixed rate instruments*

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group and the Company do not designate derivatives as hedging instruments under a fair value hedge accounting model. 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*

A change of 100 basis points ("bp") in interest rates at the end of the reporting period would have increased/ (decreased) post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	Group		Company	
	Profit or loss		Profit or loss	
	100 bp increase RM'000	100 bp decrease RM'000	100 bp increase RM'000	100 bp decrease RM'000
<b>2025</b>				
Floating rate instruments	(43)	43	-	-
<b>2024</b>				
Floating rate instruments	(285)	285	(237)	237

## Notes to the Financial Statements

### 29. FINANCIAL INSTRUMENTS (CONTINUED)

#### 29.6 Market risk (continued)

##### 29.6.3 Price risk

Equity price risk mainly arises from the Group's and Company's investment in quoted shares.

*Risk management objectives, policies and processes for managing the risk*

Management of the Group monitors the investment on portfolio basis. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the authorised person.

*Equity price risk sensitivity analysis*

The price of the Group's and Company's investment move in correlation with the quoted price at Bursa Malaysia.

A 10% (2024: 10%) strengthening on the share price at the end of the reporting period would have increased post-tax profit or loss by RM5,168,000 (2024: RM4,839,000) for investments classified as fair value through profit or loss. A 10% (2024: 10%) weakening on the share price would have had equal but opposite effect on profit or loss.

#### 29.7 Fair value information

The carrying amounts of cash and cash equivalents, short term receivables and payables and short term borrowings reasonably approximate their fair values due to the relatively short term nature of these financial instruments.

# Notes to the Financial Statements

## 29. FINANCIAL INSTRUMENTS (CONTINUED)

### 29.7 Fair value information (continued)

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position.

2025	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Total fair value RM'000	Total carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000		
<b>Group</b>								
<b>Financial assets</b>								
Other investments	64,650	1,528	1,827	-	-	-	68,005	68,005
<b>Financial liabilities</b>								
Term loans (unsecured)	-	-	-	-	-	(5,125)	(5,125)	(5,333)
Finance lease liabilities	-	-	-	-	-	(13,387)	(13,387)	(13,543)
	-	-	-	-	-	(18,512)	(18,512)	(18,876)
<b>Company</b>								
<b>Financial assets</b>								
Other investments	63,602	-	-	-	-	-	63,602	63,602

## Notes to the Financial Statements

## 29. FINANCIAL INSTRUMENTS (CONTINUED)

## 29.7 Fair value information (continued)

2024	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value RM'000	Total carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000		
<b>Group</b>										
<b>Financial assets</b>										
Other investments	55,758	5,425	2,500	63,683	-	-	-	-	63,683	63,683
<b>Financial liabilities</b>										
Term loans (secured)	-	-	-	-	-	-	(132)	(132)	(132)	(139)
Term loans (unsecured)	-	-	-	-	-	-	(5,698)	(5,698)	(5,698)	(5,895)
Finance lease liabilities	-	-	-	-	-	-	(13,463)	(13,463)	(13,463)	(13,703)
	-	-	-	-	-	-	(19,293)	(19,293)	(19,293)	(19,737)
<b>Company</b>										
<b>Financial assets</b>										
Other investments	54,692	-	-	54,692	-	-	-	-	54,692	54,692

# Notes to the Financial Statements

## 29. FINANCIAL INSTRUMENTS (CONTINUED)

### 29.7 Fair value information (continued)

#### Level 1 fair value

##### Investment in equity securities

The fair values of financial assets that are quoted in an active market are determined by reference to their quoted closing bid price at the end of the reporting period.

#### Level 2 fair value

The fair value is calculated based on the net assets value of cash management fund as advised by financial institutions.

#### Level 3 fair value

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the key unobservable used in the valuation models.

Type	Description of valuation technique and input used
Other investment	Discounted cash flows using a rate based on the current market rate at the reporting date

#### *Non-derivative financial asset and liabilities*

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the interest rate determined at the end of the reporting period.

For finance leases, the market rate of interest is determined by reference to similar lease agreements. For term loans, the interest rate is determined based on the current market rate of borrowings of the subsidiary at the reporting date.

#### *Interest rates used to determine fair value*

The interest rates used to discount estimated cash flows, when applicable, are as follows:

Group	2025	2024
Finance lease liabilities	6.49%	2.76%

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# Notes to the Financial Statements

## 30. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investors, creditors and market confidence and to sustain future development of the business. The Directors monitor and are determined to maintain an optimal debt-to-equity ratio that complies with debt covenants.

The debt-to-equity ratios at 31 December 2025 and at 31 December 2024 were as follows:

	Group	
	2025 RM'000	2024 RM'000
Total loans and borrowings (Note 18)	28,912	63,482
Lease liabilities	35,567	12,724
Less: Cash and cash equivalents (Note 15)	(137,326)	(143,669)
Net cash	(72,847)	(67,463)
Total equity	455,847	420,573
Debt-to-equity ratio	-	-

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

Under the requirements of Bursa Malaysia Practice Note No. 17/2005, the Group is required to maintain a consolidated shareholders' equity equal to or not less than the 25 percent of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Group has complied with this requirement.

The Group is also required to maintain a debt-to-equity ratio at no more than 1.25 to comply with a bank covenant, failing which, the bank may call an event of default. The Group has complied with this requirement.

## 31. RELATED PARTIES

### Identity of related parties

For the purposes 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 or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. 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 and entity that provides key management personnel services to the Group. The key management personnel include all the Directors of the Group, and certain members of senior management of the Group.

The Group has related party relationships with its subsidiaries (see Note 7), associates (see Note 8), joint ventures (see Note 9) and key management personnel (see Note 22).

### Transactions with key management personnel

#### Key management personnel compensation

Key management personnel compensation is disclosed in Note 22.

# Notes to the Financial Statements

## 31. RELATED PARTIES (CONTINUED)

### Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. The significant related party transactions of the Group and the Company are shown below. The balances related to the below transactions are shown in Note 12 and 19.

	Transaction value for year ended 31 December	
	2025 RM'000	2024 RM'000
<b>Company</b>		
Subsidiaries		
- interest income	3,702	2,594
<b>Joint Venture</b>		
- dividend income	3,132	3,000

## 32. MATERIAL LITIGATIONS

The material litigations of the Group and the Company at the end of the reporting period are summarised as below:

	Note	2025 RM'000	2024 RM'000
<b>Litigation</b>			
<b>Group</b>			
- Claims related to breach of contract	32.1	173,980	173,980
- Counterclaims from defendants	32.2	28,689	31,609
- Claims related to profit guarantee shortfall	32.3	10,636	10,636
<b>Company</b>			
- Claims related to profit guarantee shortfall	32.3	10,636	10,636

**32.1** A subsidiary is defending a legal suit filed by a supplier. The supplier claimed for losses on the purported basis that the subsidiary is in breach of an agreement. The legal suit is currently pending case management hearing.

Based on the legal advice, the Directors do not expect the outcome of the action to have a material effect on the Group's financial position.

In the Directors' opinion, disclosure of any further information about the above matter would be prejudicial to the interests of the Group.

## Notes to the Financial Statements

### 32. MATERIAL LITIGATIONS (CONTINUED)

**32.2** A subsidiary is also defending an action brought by its customers. The customers counterclaim for monies paid to the subsidiary, demurrage charges, bonded warehouse charges and freight forwarding charges. The lawyer is of the view that the subsidiary has a fair chance to defend the counterclaim. The legal suit is currently pending case management hearing.

Based on the legal advice, the Directors do not expect the outcome of the action to have a material effect on the Group's financial position.

In the Directors' opinion, disclosure of any further information about the above matter would be prejudicial to the interests of the Group.

**32.3** A director of a subsidiary ("plaintiff") claims the Company, the subsidiary and certain directors of the Company that profit for the subsidiary during a certain period belong to the plaintiff and other damages.

The lawyer is in view the claim will not be successful. Based on the legal advice, the Company and the subsidiary do not expect the outcome of the action to have a material effect on the Group's financial performance.

On 12 January 2026, the parties recorded consent judgments in the suit and entered into a settlement and assignment agreement.

### 33. MATERIAL ACQUISITION OF SUBSIDIARIES AND NON-CONTROLLING INTERESTS

#### Acquisition of subsidiary – Tria Dental Sdn. Bhd.

Bloom Healthcare Dental (Northern) Sdn. Bhd. ("BHDN") a subsidiary of the Group had on 21 April 2025, entered into a conditional share sale agreement ("SSA") with Freeda Woon Binti Faiza Woon Tai Keat, Chay Siew Han, and Brenda Sim Pei Ling for the proposed acquisition by BHDN of 703 ordinary shares in Tria Dental Group Sdn. Bhd. ("Tria Dental"), representing 70% equity interest in Tria Dental Vendors, for a purchase consideration of RM3,696,000, to be satisfied entirely in cash.

Following this development, the conditions precedent of the SSAs have been fulfilled as at 30 May 2025, and payments to the Tria Dental have been made on 30 May 2025. Accordingly, the acquisitions have been completed.

The contribution of revenue and loss after tax from this subsidiary from 1 June 2025 to 31 December 2025 was RM2,434,000 and RM111,000 respectively. If the acquisition has occurred on 1 January 2025, management estimates that consolidated revenue would have been RM376,015,000 and consolidated profit for the financial year would have been RM489,000.

The principal business activity of Tria Dental is the provision of dental and its related services.

## Notes to the Financial Statements

**33. MATERIAL ACQUISITION OF SUBSIDIARIES AND NON-CONTROLLING INTERESTS (CONTINUED)****Acquisition of subsidiary – Tria Dental Sdn. Bhd. (continued)**

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date.

	<b>Group 2025 RM'000</b>
<b>Fair value of consideration transferred</b>	
Cash and cash equivalents	2,772
Contingent consideration	881
Put option	442
	<b>4,095</b>
<b>Identifiable assets acquired and liabilities assumed</b>	
Property, plant and equipment	1,657
Right-of-use assets	303
Intangible assets	1,618
Trade and other receivables	131
Cash and cash equivalents	511
Trade and other payables	(1,687)
Lease liabilities	(312)
Deferred tax liabilities	(368)
Loans and borrowings	(604)
Current tax liabilities	(29)
Total identifiable net assets	<b>1,220</b>
<b>Net cash outflow arising from acquisition of subsidiary</b>	
Purchase consideration settled in cash and cash equivalents	2,772
Contingent consideration paid to escrow account	924
Cash and cash equivalents acquired	(511)
<b>Net cash outflow arising from acquisition of subsidiary</b>	<b>3,185</b>
<b>Goodwill</b>	
Total consideration transferred	4,095
Fair value of identifiable net assets	(1,220)
Non-controlling interests, based on their proportionate interest in the recognised amounts of the assets and liabilities of the acquiree	366
Goodwill upon acquisition	<b>3,241</b>

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## Notes to the Financial Statements

### 33. MATERIAL ACQUISITION OF SUBSIDIARIES AND NON-CONTROLLING INTERESTS (CONTINUED)

#### Acquisition of subsidiary – Tria Dental Sdn. Bhd. (continued)

##### Contingent consideration

The Group has agreed to pay the selling shareholders in 2 years' time additional consideration of RM924,000 if the acquiree's cumulative profit after tax over the next two years exceeds RM1,320,000. The Group has included RM881,000 as contingent consideration related to the additional consideration, which represents its fair value at the date of acquisition. The contingent consideration has not changed significantly as at balance sheet date.

#### Acquisition of subsidiary – WS Dental Sdn. Bhd.

Bloom Healthcare Dental (Northern) Sdn. Bhd. ("BHDN") a subsidiary of the Group, had on 21 April 2025, entered into a conditional share sale agreement ("SSA") with Kenneth Wong Pak Ken, and Brenda Sim Pei Ling for the proposed acquisition by BHDN of 42,000 ordinary shares in WS Dental Group Sdn. Bhd. ("WS Dental"), representing 70% equity interest in WS Dental, for a purchase consideration of RM6,160,000, to be satisfied entirely in cash.

Following this development, the conditions precedent of the SSA have been fulfilled as at 30 May 2025, and payments to the WS Dental Vendors have been made on 30 May 2025. Accordingly, the acquisitions have been completed.

The contribution of revenue and profit after tax from this subsidiary from 1 June 2025 to 31 December 2025 was RM4,323,000 and RM265,000 respectively. If the acquisition has occurred on 1 January 2025, management estimates that consolidated revenue would have been RM376,754,000 and consolidated profit for the financial year would have been RM209,000.

The principal business activities of WS Dental is the provision of dental and its related services.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date.

	Group 2025 RM'000
<b>Fair value of consideration transferred</b>	
Cash and cash equivalents	4,620
Contingent consideration	1,468
Put option	507
	6,595
<b>Identifiable assets acquired and liabilities assumed</b>	
Property, plant and equipment	598
Right-of-use assets	210
Trade and other receivables	84
Intangible assets	2,879
Cash and cash equivalents	477
Lease liabilities	(218)
Deferred tax liabilities	(646)
Trade and other payables	(765)
Current tax liabilities	(130)
Loans and borrowings	(341)
Total identifiable net assets	2,148

## Notes to the Financial Statements

### 33. MATERIAL ACQUISITION OF SUBSIDIARIES AND NON-CONTROLLING INTERESTS (CONTINUED)

#### Acquisition of subsidiary – WS Dental Sdn. Bhd. (continued)

	Group 2025 RM'000
<b>Net cash outflow arising from acquisition of subsidiary</b>	
Purchase consideration settled in cash and cash equivalents	4,620
Contingent consideration paid to escrow account	(1,540)
Cash and cash equivalents acquired	(477)
<b>Net cash outflow arising from acquisition of subsidiary</b>	<b>2,603</b>
<b>Goodwill</b>	
Total consideration transferred	6,595
Fair value of identifiable net assets	(2,148)
Non-controlling interests, based on their proportionate interest in the recognised amounts of the assets and liabilities of the acquiree	644
<b>Goodwill upon acquisition</b>	<b>5,091</b>

#### Contingent consideration

The Group has agreed to pay the selling shareholders in 2 years' time additional consideration of RM1,540,000 if the acquiree's cumulative profit after tax over the next two years exceeds RM2,200,000. The Group has included RM1,468,000 as contingent consideration related to the additional consideration, which represents its fair value at the date of acquisition. The contingent consideration has not changed significantly as at balance sheet date.

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## Notes to the Financial Statements

### 33. MATERIAL ACQUISITION OF SUBSIDIARIES AND NON-CONTROLLING INTERESTS (CONTINUED)

#### Acquisition of subsidiary – SPH Dental Sdn Bhd

In prior year, Bloom Healthcare Group Sdn Bhd (“Bloom Healthcare Group”), a subsidiary of the Group, had on 27 April 2024, entered into a conditional share sale agreement with Dr. Harveen Kaur Boparoy A/P Jasbir Singh and Prakash A/L Sinnappu for the proposed acquisition by Bloom Healthcare Group of 35,000 ordinary shares in SPH Dental Sdn Bhd (“SPH Dental”), representing 70% equity interest in SPH Dental, for a purchase consideration of RM7,280,000, to be satisfied entirely in cash.

The contribution of revenue and loss after tax from this subsidiary from 27 April 2024 to 31 December 2024 was RM3,646,000 and RM131,000 respectively. If the acquisition has occurred on 1 January 2024, management estimates that consolidated revenue would have been RM302,246,000 and consolidated profit for the financial year would have been RM16,561,000.

The principal business activity of SPH Dental is the provision of dental services.

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date.

	Group 2024 RM'000
<b>Fair value of consideration transferred</b>	
Cash and cash equivalents	4,280
Contingent consideration	2,735
Put option	667
	7,682
<b>Identifiable assets acquired and liabilities assumed</b>	
Property, plant and equipment	6,941
Right-of-use assets	248
Intangible assets	1,127
Inventories	53
Trade receivables	30
Other receivables	212
Current tax assets	406
Cash and cash equivalents	277
Trade and other payables	(1,896)
Lease liabilities	(262)
Deferred tax liabilities	(333)
Loans and borrowings	(4,912)
Total identifiable net assets	1,891

## Notes to the Financial Statements

### 33. MATERIAL ACQUISITION OF SUBSIDIARIES AND NON-CONTROLLING INTERESTS (CONTINUED)

#### Acquisition of subsidiary – SPH Dental Sdn Bhd (continued)

	Group 2024 RM'000
<b>Net cash outflow arising from acquisition of subsidiary</b>	
Purchase consideration settled in cash and cash equivalents	4,280
Contingent consideration paid to escrow account	3,000
Cash and cash equivalents acquired	(277)
	7,003
<b>Goodwill</b>	
Total consideration transferred	7,682
Fair value of identifiable net assets	(1,891)
Non-controlling interests, based on their proportionate interest in the recognised amounts of the asset and liabilities of the acquiree	699
Goodwill upon acquisition	6,490

#### Contingent consideration

The Group has agreed to pay the selling shareholders in 2 years' time additional consideration of RM3,000,000 if the acquiree's cumulative profit after tax over the next two years exceeds RM2,600,000. The Group has included RM 2,735,000 as contingent consideration related to the additional consideration, which represents its fair value at the date of acquisition. The contingent consideration has not changed significantly as at balance sheet date.

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## Notes to the Financial Statements

### 34. SIGNIFICANT EVENTS

Significant events during the year are as follows:

#### 34.1 Supplemental Joint Venture Agreement

In January 2025, a wholly-owned subsidiary of the Company had entered into a supplemental agreement to waive, vary and supplement certain terms and conditions of the joint venture agreement with Exsim Kebun Teh Sdn. Bhd. for the development of two pieces of 99 years leasehold land located in Johor Bahru in which the subsidiary of the Company shall be entitled to the landowner's entitlement of RM140,000,000 in return for contributing the development lands pursuant to the joint venture.

#### 34.2 NEDA Connection Agreement

In January 2025, Mentari Kamuning Sdn. Bhd., a 70%-owned subsidiary of Energy Valley Sdn. Bhd. which is in turn a wholly-owned subsidiary of the Company has entered into New Enhanced Dispatch Agreement ("NEDA") Connection Agreement with Tenaga Nasional Berhad ("TNB") to operate as a Generator Company to design, construct, own, operate and maintain a solar energy generating facility with a capacity of 7 Megawatt ("MWac") located in Sungai Siput, Kuala Kangsar, Perak.

#### 34.3 Awarded Project for Pipe Replacement Contract

In February 2025, a wholly-owned subsidiary of the Company accepted the Letter of Award issued by Pengurusan Aset Air Berhad ("PAAB") to perform pipe replacement works in Kota Bharu, Kelantan. The project is scheduled to commence on 17 March 2025 and is expected to complete within 24 months. The contract sum is amounting to RM70,519,000.

#### 34.4 Awarded Projects for re-development of Wastewater Treatment Plant and Wastewater Infrastructure

In March 2025, a subsidiary of the Company accepted two Letters of Award for wastewater infrastructure projects.

The first contract was awarded by Perbadanan Pembangunan Pulau Pinang for the upgrading of sewers and related works at Batu Kawan Industrial Park, Penang. The project is expected to complete within 18 months, and the contract sum is amounting to RM88,800,000.

The second contract was awarded by Binastra Builders Sdn. Bhd. for the redevelopment of a sewage treatment plant site at Taman Bukit Cheras, Kuala Lumpur. The project is expected to complete within 36 months, and the contract sum is amounting to RM11,000,000.

#### 34.5 Awarded Project for Construction of a New Water Treatment Plant, Raw Water Pipeline, and Related Infrastructure

In March 2025, a wholly-owned subsidiary of the Company accepted the Letter of Award issued by Pengurusan Aset Air Berhad ("PAAB") for the construction, completion, and commissioning of a 1,200mm diameter raw water main pipeline and a 90 million litres per day (MLD) water treatment plant in Melaka. The project is expected to complete within 30 months from the date of site possession on April 2025, and the contract sum is amounting to RM166,998,000.

# Notes to the Financial Statements

## 34. SIGNIFICANT EVENTS (CONTINUED)

Significant events during the year are as follows (continued):

### 34.6 Acquisition of subsidiaries

Bloom Healthcare Dental (Northern) Sdn. Bhd. (“BHDN”) a subsidiary of the Group, has acquired Tria Dental and WS Dental as disclosed in Note 33.

### 34.7 Disposal of Prestasi Kemas Sdn. Bhd.

On August 2025, Salcon Development Sdn. Bhd. (“SDSB”) its wholly-owned subsidiary, had entered into a sale and purchase agreement with Kota Platinum Sdn. Bhd. (“KPSB”) for the disposal of its entire equity interest in Prestasi Kemas Sdn. Bhd. (“PKSB”), comprising 2,899,355 ordinary shares, representing its entire paid-up share capital of PKSB, for a total consideration of RM42,000,000, to be satisfied in cash. The proposed disposal is subject to the fulfillment of terms and conditions of the agreement.

As at the end of the reporting period, the proposed disposal had not been completed.

## 35. SUBSEQUENT EVENT

### Awarded Project for Water Pipeline Contract

In April 2026, a wholly-owned subsidiary of the Company accepted the Letter of Award issued by Perbadanan Bekalan Air Pulau Pinang Sdn. Bhd. to design, supply, installation and testing of a main treated water pipeline in Seberang Perai Selatan, Penang. The project is scheduled to commence on 6 April 2026 and is expected to complete within 36 months. The contract sum is amounting to RM80,399,000.

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# Statement by Directors

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

In the opinion of the Directors, the financial statements set out on pages 157 to 251 are drawn up in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board, IFRS Accounting Standards as issued by the International Accounting Standards Board 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 of 31 December 2025 and of their financial performance and cash flows for the financial year then ended.

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

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**Tan Sri Dato' Tee Tiam Lee**  
Director

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**Dato' Leong Kok Wah**  
Director

Kuala Lumpur

Date: 28 April 2026

# Statutory Declaration

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

I, **Leong Yi Shen**, the officer primarily responsible for the financial management of Salcon Berhad, do solemnly and sincerely declare that the financial statements set out on pages 157 to 251 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed Leong Yi Shen, NRIC: 900705-14-6055, MIA CA 42328 at Kuala Lumpur in the Federal Territory on 28 April 2026.

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**Leong Yi Shen**

Before me:

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# Independent Auditors' Report

to the Members of Salcon Berhad (Company No. 200201026133 (593796-T)) (Incorporated in Malaysia)

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Salcon 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 year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 157 to 251.

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 year then ended in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting 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 auditors' 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 audits of financial statements of 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.

# Independent Auditors' Report

to the Members of Salcon Berhad (Company No. 200201026133 (593796-T)) (Incorporated in Malaysia)

Revenue from construction contracts	
Refer to Note 21 - Revenue	
The key audit matter	How the matter was addressed in our audit
<p>The Group had a revenue of RM149 million from construction contracts for the year ended 31 December 2025.</p> <p>We have identified the revenue from construction contracts as a key audit matter as it requires management to exercise significant judgement with respect to estimated total costs of the contracts at completion and stage of completion of the constructions.</p>	<p>We performed the following audit procedures, among others:</p> <ul style="list-style-type: none"> <li>• Challenged senior operational, commercial and financial management's judgement by obtaining and assessing information to support the budget which includes suppliers' quotations and awarded sub-contracts;</li> <li>• Read board of directors' meetings on the progress of the projects and compared the status of the projects to the financial records;</li> <li>• Obtained and agreed the contract sums, variation orders and extension of time to supporting documentations; and</li> <li>• Discussed with management and compared the stage of completion to supporting documents and acceptance of billings by customers.</li> </ul>

We have determined that there are no key audit matters in the audit of the separate financial statements of the Company to communicate in our auditors' report.

### 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 auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the annual report 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 annual report and, in doing so, consider whether the annual report 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 the annual report, we are required to report that fact. We have nothing to report in this regard.

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# Independent Auditors' Report

to the Members of Salcon Berhad (Company No. 200201026133 (593796-T)) (Incorporated in Malaysia)

## 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 MFRS Accounting Standards, IFRS Accounting 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 ability of the Group and of the Company 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 internal control of the Group and of the Company.
- 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 Salcon Berhad (Company No. 200201026133 (593796-T)) (Incorporated in Malaysia)

## Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- 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 ability of the Group or of the Company 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 gives a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

## Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors are disclosed in Note 7 to the financial statements.

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Salcon Berhad

# Independent Auditors' Report

to the Members of Salcon Berhad (Company No. 200201026133 (593796-T)) (Incorporated in Malaysia)

## Other Matter

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.

**KPMG PLT**  
(LLP0010081-LCA & AF 0758)  
Chartered Accountants

**Chua See Guan**  
Approval Number: 03169/02/2027 J  
Chartered Accountant

Petaling Jaya, Selangor

Date: 28 April 2026

# Particulars of Group Properties

The properties of the Group as at 31 December 2025 and their net book values (“NBV”) are indicated below:

## FREEHOLD BUILDINGS AND LAND

Company	Location/Address	Size & Usage	Approximate Age of Building	Date of Acquisition/ Revaluation	NBV RM'000
Envitech Sdn. Bhd.	HS(D) 3422, Lot No. 3988, Mukim Damansara, Daerah Petaling, Selangor/No. 67, Jalan SS15/5A, 47500 Subang Jaya, Selangor Darul Ehsan	164 sq. metres of intermediate unit 3 storey terraced shop-office	46 years	15/03/2002	714
Eco-Coach & Tours (M) Sdn. Bhd.	No. 25, Jalan Seri Waja 2, Taman Industri Waja, 09000 Kulim, Kedah	1201 sq. metres of 1½ storey semi-detached factory	20 years	23/01/2013	822
Eco-Coach & Tours (M) Sdn. Bhd.	No. 26, Jalan Seri Waja 2, Taman Industri Waja, 09000 Kulim, Kedah	836 sq. metres of 1½ storey semi-detached factory	20 years	23/01/2013	822
SPH Dental Sdn. Bhd.	Lot No. 570 & 571, No.15, Jalan Thamboosamy, 50350 Kuala Lumpur	323 sq. metres of 4½ storey intermediate commercial building	42 years	30/04/2024	3,892
					6,250

## LEASEHOLD BUILDING AND LAND

Company	Location/Address	Size & Usage	Approximate Age of Building	Date of Acquisition/ Revaluation	NBV RM'000
JR Engineering And Medical Technologies (M) Sdn. Bhd.	Lot No. 8 & 10, Jalan Zurah 3 and Lot No. 1 & 3, Jalan Zurah 3A/1, Pusat Perindustrian 2, Mukim Rasa, Daerah Hulu Selangor, Selangor Darul Ehsan	89,071 sq. ft. of factory building	99 years leasehold expiring on 29/12/2115	28/02/2021	5,312
					5,312

## INVESTMENT PROPERTIES

Company	Location/Address	Size & Usage	Approximate Age of Building	Date of Acquisition/ Revaluation	NBV RM'000
Envitech Sdn. Bhd.	Bungalow Lot No. BB-034 Bandar Mahkota Banting, measuring an area approximately 465 square metres bearing postal address at No. 42, Jalan Angkasa 1A/5 Bandar Mahkota Banting, 42700 Banting, Selangor held under master title Geran 100210 Lot 19601 Mukim Tanjong Duabelas, District of Kuala Langat, State of Selangor	465 sq. metres of bungalow plot	16 years	22/10/2009	180

## Particulars of Group Properties

### INVESTMENT PROPERTIES (CONTINUED)

Company	Location/Address	Size & Usage	Approximate Age of Building	Date of Acquisition/Revaluation	NBV RM'000
Envitech Sdn. Bhd.	Unit No. 2, Corner Ground Floor, Block E Shop & Office At Pulau Melaka	3,358 sq. ft. of corner ground shop & office	15 years	1/11/2011	781
Envitech Sdn. Bhd.	Unit No. 7, Intermediate Ground Floor, Block K Shop & Office At Pulau Melaka	1,540 sq. ft. of intermediate ground shop & office	15 years	1/11/2011	367
Envitech Sdn. Bhd.	Ukay Perdana Shoplot as Lot No. SB-SG16	920 sq. ft. of intermediate shop	15 years	10/11/2011	290
Envitech Sdn. Bhd.	Ukay Perdana Shoplot as Lot No. SB-SG18	920 sq. ft. of intermediate shop	15 years	10/11/2011	290
Envitech Sdn. Bhd.	Ukay Perdana Shoplot as Lot No. SB-SG20	920 sq. ft. of intermediate shop	15 years	10/11/2011	290
Envitech Sdn. Bhd.	Ukay Perdana Shoplot as Lot No. SB-SG21	920 sq. ft. of intermediate shop	15 years	10/11/2011	290
Envitech Sdn. Bhd.	Ukay Perdana Shoplot as Lot No. SB-SG23	920 sq. ft. of intermediate shop	15 years	10/11/2011	440
Envitech Sdn. Bhd.	Ukay Perdana Shoplot as Lot No. SA-0106	920 sq. ft. of intermediate shop	15 years	10/11/2011	300
Envitech Sdn. Bhd.	Ukay Perdana Shoplot as Lot No. SB-0111	920 sq. ft. of intermediate shop	15 years	10/11/2011	400
Envitech Sdn. Bhd.	Unit No. Parcel 12A, 150 Ground Floor, Block D Shop & Office At Pulau Melaka	1,300 sq. ft. of end lot shop	13 years	22/11/2012	367
Envitech Sdn. Bhd.	Unit No. Parcel 12, Lot 151 Ground Floor, Block E Shop & Office At Pulau Melaka	1,300 sq. ft. of end lot shop	13 years	22/11/2012	372
Envitech Sdn. Bhd.	Unit No. Parcel 10, Lot 152 Ground Floor, Block E Shop & Office At Pulau Melaka	1,300 sq. ft. of intermediate shop	13 years	22/11/2012	338
Envitech Sdn. Bhd.	Unit No. Parcel 8, Lot 153 Ground Floor, Block E Shop & Office At Pulau Melaka	1,300 sq. ft. of intermediate shop	13 years	22/11/2012	338
Envitech Sdn. Bhd.	Unit No. Parcel 6, 154 Ground Floor, Block E Shop & Office At Pulau Melaka	1,300 sq. ft. of intermediate shop	13 years	22/11/2012	338
Envitech Sdn. Bhd.	Unit No. Parcel 2A, Lot 155 Ground Floor, Block E Shop & Office At Pulau Melaka	1,300 sq. ft. of intermediate shop	13 years	22/11/2012	338

## Particulars of Group Properties

### INVESTMENT PROPERTIES (CONTINUED)

Company	Location/Address	Size & Usage	Approximate Age of Building	Date of Acquisition/ Revaluation	NBV RM'000
Envitech Sdn. Bhd.	Unit No. Parcel 27-1, Lot 329 (55-1), 1 <sup>st</sup> Floor, Block U Shop & Office At Pulau Melaka	3,007 sq. ft. of corner shop	13 years	22/11/2012	301
Envitech Sdn. Bhd.	Unit No. Parcel 28-1, Lot 315 (41-1), 1 <sup>st</sup> Floor, Block S Shop & Office At Pulau Melaka	2,626 sq. ft. of corner shop	13 years	22/11/2012	323
Envitech Sdn. Bhd.	Unit No. Parcel 21-1, Lot 338 (84-1), 1 <sup>st</sup> Floor, Block W Shop & Office At Pulau Melaka	2,885 sq. ft. of corner shop	13 years	22/11/2012	289
Envitech Sdn. Bhd.	Unit No. Parcel 61-2A, Lot 207 (191-2A), 2 <sup>nd</sup> Floor, Block J Shop & Office At Pulau Melaka	1,531 sq. ft. of corner shop	13 years	22/11/2012	201
Envitech Sdn. Bhd.	Unit No. Parcel 61-2B, Lot 207 (191-2B), 2 <sup>nd</sup> Floor, Block J Shop & Office At Pulau Melaka	1,418 sq. ft. of corner shop	13 years	22/11/2012	136
Envitech Sdn. Bhd.	Lot 75980 (formerly H.S.(D) 41306, PT 44042), Mukim Tanjong Duabelas, Daerah Kuala Langat, Negeri Selangor	3,003 sq. ft. of semi-detached house	1 year	30/12/2025	1,895
Envitech Sdn. Bhd.	H.S. (D) 37017, P.T. 39227, Mukim Tanjong Duabelas, Daerah Kuala Langat, Negeri Selangor	413 sq. metres of double storey terrace house	1 year	13/11/2025	804
Envitech Sdn. Bhd.	Lot No. 97138, Pekan Pandamaran, Daerah Klang, Negeri Selangor	85 sq. metres of pangsapuri	1 year	25/06/2025	490
Salcon Engineering Berhad	B-PH-07, Casa Subang, Service Apartment Subang USJ 1	1,555 sq. ft. of service apartment	17 years	31/12/2015	550
Salcon Engineering Berhad	Lot No. 3B10-N6, 3 <sup>rd</sup> Floor, Central Shopping Plaza, 88200 Kota Kinabalu, Sabah	41.5 sq. metres of a retail lot within a shopping mall	26 years	11/06/2024	270
JR Engineering And Medical Technologies (M) Sdn. Bhd.	No. 27, Jalan SL 2/2, Bandar Sungai Long, 43000 Kajang Selangor	1,650 sq. ft. of intermediate double storey house	20 years	28/02/2021	577
					11,555

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# Analysis of Shareholdings

as at 31 March 2026

## Analysis of Shareholdings

Number of issued shares : 1,135,588,862 ordinary shares (including 322,768 treasury shares held)  
 Class of shares : Ordinary share  
 Voting right : One (1) vote per ordinary share

## Distribution of Shareholdings

Size of Shareholdings	Number of Shareholders	Number of Shares	Percentage of Issued Shares (%)
Less than 100	4,449	210,196	0.018
100 – 1,000	1,564	479,927	0.042
1,001 – 10,000	2,568	12,876,679	1.134
10,001 – 100,000	3,339	105,498,174	9.292
100,001 – less than 5% of issued shares	630	751,101,809	66.160
5% and above of issued shares	3	265,099,309	23.351
<b>Total</b>	<b>12,553</b>	<b>1,135,266,094</b>	<b>100.000</b>

## List of Substantial Shareholders

Name of Substantial Shareholders	Direct Interest		Indirect Interest	
	No. of Shares	Percentage of Issued Shares (%) <sup>@</sup>	No. of Shares	Percentage of Issued Shares (%) <sup>@</sup>
Naga Muhibah Sdn. Bhd.	113,662,369	10.012	-	-
Tan Sri Dato' Tee Tiam Lee	78,920,617	6.952	92,246,250 <sup>(1)</sup>	8.126
Datin Goh Phaik Lynn	-	-	113,662,369 <sup>(2)</sup>	10.012
	-	-	454,929 <sup>(3)</sup>	0.040
	-	-	7,359,250 <sup>(4)</sup>	0.648
Dato' Leong Kok Wah	7,359,250	0.648	454,929 <sup>(3)</sup>	0.040
			113,662,369 <sup>(5)</sup>	10.012
Tee Xun Hao	236,563	0.021	92,246,250 <sup>(1)</sup>	8.126
Infra Tropika Sdn. Bhd.	92,246,250	8.126	-	-
Berjaya Corporation Berhad	-	-	173,171,000 <sup>(6)</sup>	15.254
Berjaya Group Berhad	-	-	173,171,000 <sup>(7)</sup>	15.254
Bizurai Bijak (M) Sdn. Bhd.	-	-	114,381,000 <sup>(8)</sup>	10.075
Juara Sejati Sdn. Bhd.	19,400,000	1.709	143,771,000 <sup>(9)</sup>	12.664
Berjaya Capital Berhad	-	-	114,381,000 <sup>(10)</sup>	10.075
Berjaya IPS Equity Sdn. Bhd. (FKA Inter-Pacific Capital Sdn. Bhd.)	103,508,000	9.118	10,873,000 <sup>(11)</sup>	0.958
Tan Sri Dato' Seri Vincent Tan Chee Youn	-	-	173,171,000 <sup>(12)</sup>	15.254

### Notes:

- <sup>@</sup> Computation of percentage of shareholdings is based on the total issued shares of Salcon excludes 322,768 Shares held by Salcon as Treasury Shares.
- (1) Deemed interested through the shares held in Infra Tropika Sdn. Bhd. pursuant to Section 8 of the Companies Act, 2016.
- (2) Deemed interested through shareholding in Naga Muhibah Sdn. Bhd. pursuant to Section 8 of the Companies Act, 2016.
- (3) Deemed interested through the shares held by children (Leong Yi Ping and Leong Yi Ming) pursuant to Section 8 of the Companies Act, 2016.
- (4) Deemed interested through the shares held by spouse (Dato' Leong Kok Wah) pursuant to Section 8 of the Companies Act, 2016.
- (5) Deemed interested through the shares held by spouse (Datin Goh Phaik Lynn) in Naga Muhibah Sdn. Bhd. pursuant to Section 8 of the Companies Act, 2016.

# Analysis of Shareholdings

as at 31 March 2026

- (6) Deemed interested by virtue of their 100% interest in Berjaya Group Berhad.
- (7) Deemed interested by virtue of their interest in Berjaya Capital Berhad, the intermediate holding company of Berjaya IPS Credits Sdn. Bhd. (FKA Inter-Pacific Credits Sdn. Bhd.) and holding company of Berjaya IPS Equity Sdn. Bhd. (FKA Inter-Pacific Capital Sdn. Bhd.), their deemed interest in REDtone Digital Berhad held through Juara Sejati Sdn. Bhd. and their 100% interest in Juara Sejati Sdn. Bhd. and Teras Mewah Sdn. Bhd.
- (8) Deemed interested by virtue of their interest in Berjaya Capital Berhad, the intermediate holding company of Berjaya IPS Credits Sdn. Bhd. (FKA Inter-Pacific Credits Sdn. Bhd.) and holding company of Berjaya IPS Equity Sdn. Bhd. (FKA Inter-Pacific Capital Sdn. Bhd.).
- (9) Deemed interested by virtue of their interest in Berjaya Capital Berhad, the intermediate holding company of Berjaya IPS Credits Sdn. Bhd. (FKA Inter-Pacific Credits Sdn. Bhd.) and holding company of Berjaya IPS Equity Sdn. Bhd. (FKA Inter-Pacific Capital Sdn. Bhd.), and their interest in REDtone Digital Berhad.
- (10) Deemed interested by virtue of their interest in Berjaya IPS Equity Sdn. Bhd. (FKA Inter-Pacific Capital Sdn. Bhd.), the holding company of Berjaya IPS Credits Sdn. Bhd. (FKA Inter-Pacific Credits Sdn. Bhd.) and their 100% equity interest in Berjaya IPS Equity Sdn. Bhd. (FKA Inter-Pacific Capital Sdn. Bhd.).
- (11) Deemed interested by virtue of their 100% equity interest in Berjaya IPS Credits Sdn. Bhd. (FKA Inter-Pacific Credits Sdn. Bhd.).
- (12) Deemed interested by virtue of his deemed interest held through Berjaya Corporation Berhad.

## List of 30 Largest Shareholders

No.	Name of Shareholders	No. of Shares	Percentage of Issued Shares (%) <sup>®</sup>
1	NAGA MUHIBAH SDN. BHD.	113,662,369	10.012
2	INFRA TROPIKA SDN. BHD.	92,246,250	8.126
3	TAN SRI DATO' TEE TIAM LEE	59,190,690	5.214
4	BERJAYA EQUITY NOMINEES (TEMPATAN) SDN. BHD. EXEMPT AN FOR BERJAYA MUTUAL BERHAD	51,480,000	4.535
5	BERJAYA EQUITY NOMINEES (TEMPATAN) SDN. BHD. BERJAYA MUTUAL BERHAD FOR AMANAH RAYA BERHAD FOR COMMON FUND	49,485,000	4.359
6	RHB NOMINEES (TEMPATAN) SDN. BHD. BANK OF CHINA (MALAYSIA) BERHAD PLEDGED SECURITIES ACCOUNT FOR BERJAYA IPS EQUITY SDN. BHD.	45,000,000	3.964
7	LEE THIAM LAI	43,900,023	3.867
8	TAN HENG TA	42,873,582	3.777
9	KONG HON KONG	35,321,972	3.111
10	ONG AUN KUNG	31,187,371	2.747
11	AMSEC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR BERJAYA IPS EQUITY SDN. BHD.	30,000,000	2.643
12	BERJAYA EQUITY NOMINEES (TEMPATAN) SDN. BHD. BERJAYA IPS EQUITY SDN. BHD. (A/C 83)	28,508,000	2.511
13	RHB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN SRI DATO' TEE TIAM LEE	19,729,927	1.738
14	BERJAYA EQUITY NOMINEES (TEMPATAN) SDN. BHD. BERJAYA IPS CREDITS SDN. BHD. FOR MOHAMAD NORZA BIN ZAKARIA	17,544,000	1.545
15	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR REDTONE DIGITAL BERHAD	14,930,000	1.315
16	REDTONE DIGITAL BERHAD	14,460,000	1.274
17	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN. BHD. MAYBANK SECURITIES PTE LTD FOR WONG TOW FOCK	12,330,000	1.086
18	TENG LI LING	11,203,575	0.987
19	BERJAYA EQUITY NOMINEES (TEMPATAN) SDN. BHD. BERJAYA IPS CREDITS SDN. BHD.	10,873,000	0.958
20	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TERAS MEWAH SDN. BHD. (MY4764)	10,000,000	0.881

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# Analysis of Shareholdings

as at 31 March 2026

## List of 30 Largest Shareholders

No.	Name of Shareholders	No. of Shares	Percentage of Issued Shares (%)
21	RHB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR JUARA SEJATI SDN. BHD.	10,000,000	0.881
22	CHIN CHIN SEONG	9,774,837	0.861
23	PEMBINAAN PUNCA CERGAS SDN. BHD.	9,258,351	0.815
24	UOB KAY HIAN NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TEO SIEW LAI	8,273,825	0.728
25	LOW KHEK HENG @ LOW CHOON HUAT	6,375,841	0.561
26	RHB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR DATO' LEONG KOK WAH	5,459,250	0.481
27	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR JUARA SEJATI SDN.BHD. (MY4143)	5,000,000	0.440
28	CHIN CHIN SEONG	4,843,331	0.426
29	ABB NOMINEE (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR JUARA SEJATI SDN. BHD. (BCORP RC11 RM100M)	4,400,000	0.388
30	GOH ENG TOON	3,487,852	0.307
<b>Total</b>		<b>800,799,046</b>	<b>70.538</b>

### Notes:

@ Computation of percentage of shareholdings is based on the total issued shares of Salcon excludes 322,768 Shares held by Salcon as Treasury Shares.

## Directors' Shareholdings

Name of Directors	Direct Interest		Indirect Interest	
	No. of Shares	Percentage of Issued Shares (%) <sup>@</sup>	No. of Shares	Percentage of Issued Shares (%) <sup>@</sup>
Tan Sri Abdul Rashid bin Abdul Manaf	-	-	-	-
Tan Sri Dato' Tee Tiam Lee	78,920,617	6.952	92,482,813 <sup>(1)</sup>	8.146
Dato' Leong Kok Wah	7,359,250	0.648	454,929 <sup>(2)</sup>	0.040
Datin Goh Phaik Lynn	-	-	113,662,369 <sup>(3)</sup>	10.012
	-	-	454,929 <sup>(2)</sup>	0.040
	-	-	7,359,250 <sup>(4)</sup>	0.648
Chan Seng Fatt	-	-	-	-
Dato' Rosli bin Mohamed Nor	-	-	-	-
Low Han Kee	-	-	-	-

### Notes:

@ Computation of percentage of shareholdings is based on the total issued shares of Salcon excludes 322,768 Shares held by Salcon as Treasury Shares.

- (1) (i) Deemed interested through the shares held in Infra Tropika Sdn. Bhd. pursuant to Section 8 of the Companies Act, 2016.  
(ii) Deemed interested pursuant to Section 59(11)(c) of the Companies Act, 2016 through shares held by child (Tee Xun Hao).
- (2) Deemed interested through the shares held by children (Leong Yi Ping and Leong Yi Ming) pursuant to Section 8 of the Companies Act, 2016.
- (3) Deemed interested through the shares held by spouse (Datin Goh Phaik Lynn) in Naga Muhibah Sdn. Bhd. pursuant to Section 8 of the Companies Act, 2016.
- (4) Deemed interested through the shares held by spouse (Dato' Leong Kok Wah) pursuant to Section 8 of the Companies Act, 2016.
- (5) Deemed interested through the shares held in Naga Muhibah Sdn. Bhd. pursuant to Section 8 of the Companies Act, 2016.

# Notice of The Twenty-Third Annual General Meeting

**NOTICE IS HEREBY GIVEN THAT** the Twenty-Third (“23<sup>rd</sup>”) Annual General Meeting (“AGM”) of Salcon Berhad (“Company”) will be held at Hilton Shah Alam Glenmarie, Ballroom A, No. 1, Jalan Usahawan U1/8, Seksyen U1, 40250 Shah Alam, Selangor Darul Ehsan on Thursday, 11 June 2026 at 10.30 a.m. or at any adjournment thereof, to transact the following businesses:

## 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 1 on Ordinary Business]</i>                            |
| 2. | To approve the payment of Directors’ fees of up to RM455,000 for the period from 1 March 2026 until the next AGM of the Company to be held in 2027.                              | [Ordinary Resolution 1]<br><i>[Please refer to Explanatory Note 2 on Ordinary Business]</i> |
| 3. | To approve the payment of Directors’ benefits of up to RM240,000 for the period immediately after the 23 <sup>rd</sup> AGM until the next AGM of the Company to be held in 2027. | [Ordinary Resolution 2]<br><i>[Please refer to Explanatory Note 2 on Ordinary Business]</i> |
| 4. | To re-elect the following Directors who retire pursuant to Clause 76(3) of the Company’s Constitution:                                                                           | <i>[Please refer to Explanatory Note 3 on Ordinary Business]</i>                            |
|    | (i) Tan Sri Dato’ Tee Tiam Lee                                                                                                                                                   | [Ordinary Resolution 3]                                                                     |
|    | (ii) Datin Goh Phaik Lynn                                                                                                                                                        | [Ordinary Resolution 4]                                                                     |
| 5. | To re-elect Mr Low Han Kee, who retire pursuant to Clause 78 of the Company’s Constitution.                                                                                      | [Ordinary Resolution 5]<br><i>[Please refer to Explanatory Note 4 on Ordinary Business]</i> |
| 6. | To re-appoint Messrs KPMG PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.                                                               | [Ordinary Resolution 6]<br><i>[Please refer to Explanatory Note 5 on Ordinary Business]</i> |

### SPECIAL BUSINESS

To consider and, if deemed fit, to pass, with or without modifications, the following ordinary resolutions:

- |    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                 |
|----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|
| 7. | <b>AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <i>[Please refer to Explanatory Note 2 on Special Business]</i> |
|    | “THAT pursuant to Sections 75 and 76 of the Companies Act 2016 (“Act”), Bursa Malaysia Securities Berhad (“ <b>Bursa Securities</b> ”) Main Market Listing Requirements (“ <b>Listing Requirements</b> ”) and the approvals of the relevant governmental/regulatory authorities, where such approval is required, the Directors of the Company be and are hereby authorised to allot and issue shares in the capital of the Company, grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer (“ <b>New Shares</b> ”) from time to time, at such price, to such persons and for such purposes and upon such terms and conditions as the Directors may in their absolute discretion deem fit, provided that the aggregate number of such New Shares to be issued, to be subscribed under any rights granted, to be issued from conversion of any security, or to be allotted and issued under an agreement or option or offer, pursuant to this resolution, when aggregated with the total number of any such New Shares issued during the preceding 12 months does not exceed ten per centum (10%) of the total number of issued shares (excluding any treasury shares) of the Company for the time being (“ <b>Proposed General Mandate</b> ”). | [Ordinary Resolution 7]                                         |

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THAT such approval on the Proposed General Mandate shall continue to be in force until:

- a. the conclusion of the next Annual General Meeting of the Company held after the approval was given;
- b. the expiration of the period within which the next Annual General Meeting of the Company is required to be held after the approval was given; or
- c. revoked or varied by resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier.

THAT the Directors of the Company be and are hereby also empowered to obtain the approval from Bursa Securities for the listing of and quotation for such New Shares on the Main Market of Bursa Securities.

THAT authority be and is hereby given to the Directors of the Company, to give effect to the Proposed General Mandate with full powers to assent to any conditions, modifications, variations and/or amendments as they may deem fit in the best interest of the Company and/or as may be imposed by the relevant authorities.

AND THAT the Directors of the Company, be and are hereby authorised to implement, finalise, complete and take all necessary steps and to do all acts (including execute such documents as may be required), deeds and things in relation to the Proposed General Mandate.”

### 8. PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK

*[Please refer to Explanatory Note 2 on Special Business]*

[Ordinary Resolution 8]

“THAT subject always to the Companies Act 2016 (“**Act**”), the Constitution of the Company, Bursa Malaysia Securities Berhad (“**Bursa Securities**”) Main Market Listing Requirements (“**Listing Requirements**”) and all other applicable laws, guidelines, rules and regulations, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such number of issued shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:

- (i) the aggregate number of issued shares in the Company (“**Shares**”) purchased (“**Purchased Shares**”) and/or held as treasury shares pursuant to this ordinary resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at the point of purchase; and
- (ii) the maximum fund to be allocated by the Company for the purpose of purchasing the shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or the latest management accounts (where applicable) available at the time of the purchase,

(“**Proposed Share Buy-Back**”).

AND THAT the authority to facilitate the Proposed Share Buy-Back will commence immediately upon passing of this Ordinary Resolution and will continue to be in force until:

- (i) the conclusion of the next Annual General Meeting of the Company following at which time the authority shall lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions;

# Notice of The Twenty-Third Annual General Meeting

- (ii) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; or
- (iii) revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting,

whichever occurs first but shall not prejudice the completion of purchase(s) by the Company of its own Shares before the aforesaid expiry date and, in any event, in accordance with the Listing Requirements and any applicable laws, rules, regulations, orders, guidelines and requirements issued by any relevant authorities.

AND THAT the Directors of the Company be and are hereby authorised, at their discretion, to deal with the Purchased Shares until all the Purchased Shares have been dealt with by the Directors in the following manner as may be permitted by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force:

- (i) To cancel all or part of the Purchased Shares;
- (ii) To retain all or part of the Purchased Shares as treasury shares as defined in Section 127 of the Act;
- (iii) To distribute all or part of the treasury shares as dividends to the shareholders of the Company;
- (iv) To resell all or part of the treasury shares;
- (v) To transfer all or part of the treasury shares for the purposes of or under the employees' share scheme established by the Company and/or its subsidiaries;
- (vi) To transfer all or part of the treasury shares as purchase consideration;
- (vii) To sell, transfer or otherwise use the shares for such other purposes as the Minister charged with the responsibility for companies may by order prescribe; and/or
- (viii) To deal with the treasury shares in the manners as allowed by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force.

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary or expedient [including without limitation, the opening and maintaining of central depository account(s) under Securities Industry (Central Depositories) Act 1991, and the entering into all other agreements, arrangements and guarantee with any party or parties] to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed by the relevant authorities."

9. To consider any other business of which due notice shall have been given.

## BY ORDER OF THE BOARD

**WONG SIEW YEEN (MAICSA 7018749) (SSM PC No. 202008001471)**  
**TAN LAI HONG (MAICSA 7057707) (SSM PC No. 202008002309)**

Company Secretaries  
 Kuala Lumpur  
 30 April 2026

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## NOTES:

1. For the purpose of determining who shall be entitled to participate in this AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, a Record of Depositors as at 3 June 2026. Only a member whose name appears on this Record of Depositors shall be entitled to participate in this AGM or appoint a proxy or proxies to participate on his/her/its behalf.
2. A member who is entitled to participate in this AGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate in his place. A proxy may but need not be a member of the Company.
3. A member of the Company who is entitled to attend and vote at a general meeting of the Company may appoint not more than two (2) proxies to participate instead of the member at this AGM.
4. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 (“Central Depositories Act”), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities 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. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
6. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
7. The appointment of a proxy may be made in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote:
  - (i) In hard copy form  
In the case of an appointment made in hard copy form, the proxy form must be deposited with the Company’s Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.
  - (ii) By electronic form  
In the case of an appointment made in electronic form, the proxy form can be electronically submitted to the Company’s Share Registrar via Vistra Share Registry and IPO (MY) Portal at <https://srmy.vistra.com>.
8. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Company’s Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

# Notice of The Twenty-Third Annual General Meeting

9. Please ensure ALL the particulars as required in this proxy form are completed, signed and dated accordingly.
10. Last date and time for lodging this proxy form is on Tuesday, 9 June 2026 at 10.30 a.m.
11. For a corporate member who has appointed an authorised representative, please deposit the **ORIGINAL** certificate of appointment of authorised representative with the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur. The certificate of appointment of authorised representative should be executed in the following manner:
  - (i) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.
  - (ii) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:-
    - (a) at least two (2) authorised officers, of whom one shall be a director; or
    - (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

## EXPLANATORY NOTES ON ORDINARY BUSINESS

### 1. Item 1 of the Agenda – Audited Financial Statements for the financial year ended 31 December 2025

The Audited Financial Statements is meant for discussion only as an approval from shareholders is not required pursuant to the provision of Section 340(1)(a) of the Companies Act 2016. Hence, this item on the Agenda is not being put forward for voting by shareholders of the Company.

### 2. Ordinary Resolutions 1 and 2 – Payment of Directors' Fees and Benefits

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

The proposed Ordinary Resolution 1 is to facilitate the payment of Directors' fees for the period from 1 March 2026 up to the next AGM to be held in 2027, which have been estimated by taking into account the Director's fee for Mr Low Han Kee for the period from 1 March 2026 until the next AGM and changes on Board of Directors' composition from 23<sup>rd</sup> AGM until the next AGM to be held in 2027. In the event the proposed amount of the Directors' fees is insufficient, approval will be sought at the next AGM for additional fees to meet the shortfall.

The Directors' benefits under proposed Ordinary Resolution 2 comprises of a fixed meeting allowance payable to Non-Executive Directors for attendance at the Board and/or Board Committee meetings and other benefits for Non-Executive Directors and Executive Directors. The proposed amount is calculated based on the current Board size and the number of scheduled and/or special Board and Board Committees meetings for the period from the 23<sup>rd</sup> AGM up to the next AGM to be held in 2027.

In the event the proposed amount of Directors' benefits is insufficient (eg. due to more meetings or enlarged Board size), approval will be sought at the next AGM for the shortfall.

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### 3. **Ordinary Resolutions 3 and 4 – Re-election of Directors pursuant to Clause 76(3) of the Company’s Constitution**

Tan Sri Dato’ Tee Tiam Lee and Datin Goh Phaik Lynn are standing for re-election as Directors of the Company (“**Retiring Directors**”) and being eligible, have offered themselves for re-election at the 23<sup>rd</sup> AGM.

Pursuant to Practice 5.7 of the Malaysian Code on Corporate Governance (“**MCCG**”), the profiles of both the Retiring Directors are set out in the Directors’ profile of the Company’s Integrated Annual Report 2025.

The Board has through the Nomination Committee (“**NC**”), considered the assessment of the said Retiring Directors on their performance, contribution and competencies based on the criteria as prescribed by Paragraph 2.20A of Bursa Securities Listing Requirements on character, experience, integrity, competence and time commitment to effectively discharge their roles as Directors. The NC recommended for the Retiring Directors to be re-elected based on the following justification:

- (i) the performance and contribution of the Retiring Directors were found satisfactory and they are competent and able to discharge their duties and responsibilities as Directors of the Company; and
- (ii) met the fit and proper criteria as set out in the Company’s Fit and Proper Policy.

Based on the above, the Board collectively endorsed the recommendation of the NC on the above re-election of the Retiring Directors.

### 4. **Ordinary Resolution 5 – Re-election of Director pursuant to Clause 78 of the Company’s Constitution**

Clause 78 of the Company’s Constitution provides that a newly appointed Director shall hold office only until the next AGM, and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at the AGM pursuant to Clause 76 of the Constitution.

Mr Low Han Kee was appointed to the Board on 1 March 2026. Hence, he shall retire at this AGM pursuant to Clause 78 of the Constitution, and being eligible, he has offered himself to stand for re-election. The Board through the NC had assessed his suitability and fitness and properness during the appointment process.

The profile of Mr Low Han Kee is set out in the Directors’ profile of the Company’s Integrated Annual Report 2025.

### 5. **Ordinary Resolution 6 – Re-appointment of Auditors**

The Board has through the Audit and Risk Management Committee, considered the re-appointment of Messrs KPMG PLT as Auditors of the Company. The factors considered by the Audit and Risk Management Committee in making the recommendation to the Board to table the re-appointment of Messrs KPMG PLT at the forthcoming AGM, included an assessment of the Auditors’ independence and objectivity, calibre and quality process/ performance.

# Notice of The Twenty-Third Annual General Meeting

## EXPLANATORY NOTES ON SPECIAL BUSINESS

### 1. ***Ordinary Resolution 7 – Authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016***

The proposed Ordinary Resolution 7, if passed, would renew the mandate granted to the Directors at the 22<sup>nd</sup> AGM held on 12 June 2025 and provide flexibility to the Directors to undertake fundraising activities including but not limited to placement of shares for the purpose of funding the Company's future investment project(s), business expansion, working capital and/or acquisition(s) at any time as the Directors may deem fit provided that the aggregate number of shares issued pursuant to the mandate does not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being, without having to convene a general meeting. 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 or at the expiry of the period within which the next AGM is required to be held after the approval was given, whichever is earlier.

As at the date of this Notice, the Company did not allot any shares pursuant to the shareholders' mandate granted to the Directors at the 22<sup>nd</sup> AGM as there were no requirements for such fundraising activities, including but not limited to placing of shares, for purpose of funding future investment project(s), working capital, repayment of bank borrowings and/or acquisitions.

### 2. ***Ordinary Resolution 8 – Proposed Renewal of Authority for Share Buy-Back***

The proposed Resolution 8, if passed, will allow the Company to purchase its own shares through Bursa Securities up to ten per centum (10%) of the total number of issued shares of the Company. Please refer to the Statement to Shareholders dated 30 April 2026 in relation to the Proposed Renewal of Authority for Share Buy-Back for further details.

## STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Pursuant to Paragraph 8.27(2) of the Listing Requirements

### Directors standing for election

As at date of this notice, there are no individuals who are standing for election or appointment as Directors at the 23<sup>rd</sup> AGM.

### General mandate for issue of shares

Details of the Ordinary Resolution 7 on the Proposed General Mandate pursuant to Sections 75 and 76 of the Companies Act 2016 are set out in Explanatory Note 1 on Special Business of this Notice.

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# Key Performance Indicators

## Business Model & Innovation

Indicators	Unit of Measurement	FY2023	FY2024	FY2025
<b>Customer's Satisfaction Score</b>				
- Engineering and Construction (Water)	%	67.5%	77.3%	71.1%
- Engineering and Construction (Wastewater)	%	77.5%	83.3%	81.6%
- Transportation	%	96.5%	90.0%	N/A
<b>Supplier/Sub-con Evaluation Score</b>				
- Engineering and Construction (Water) Suppliers	%	90%	87%	91%
- Engineering and Construction (Water) Subcontractors	%	64%	60%	77%
- Engineering and Construction (Wastewater) Suppliers	%	90%	90%	98%
- Engineering and Construction (Wastewater) Subcontractors	%	-	-	97%
<b>Number of new suppliers/sub-con were screened under (Bursa S6, S7)</b>				
- Environment criterias	%	29%	100%	100%
- Social criterias	%	29%	100%	100%
<b>Proportion of Spending on Local Suppliers (Bursa c7(a))</b>				
- Engineering and Construction (Water)	%	100%	100%	100%
- Engineering and Construction (Wastewater)	%	100%	100%	100%
- Glove Manufacturing	%	100%	100%	100%
- Technology Services	%	97%	98%	100%
- Transportation	%	100%	100%	100%
- Renewable Energy	%	100%	100%	100%

## Leadership & Governance

Indicators*	Categories	Unit of Measurement	2023	2024	2025
Percentage of employees who have received training on anti-corruption by employee Category (Bursa C1(a))	Non-executive	%	21.0%	3.7%	3.1%
	Executive	%	58.0%	23.5%	38.8%
	Manager	%	56.0%	23.0%	55.4%
	Senior Manager and above	%	10.0%	8.0%	25.9%
Percentage of operations assessed for corruption-related risks (Bursa C1(b))		%	100%	100%	100%
Confirmed incidents of corruption and action taken (Bursa C1(c))		number	0	0	0
Number of Board Directors		number	6	6	6
Number of independent Directors on the board		number	2	2	2
Number of women on the board		number	1	1	1
Age of Board Directors	<30 yo	number	0	0	0
	30-49 yo	number	0	0	0
	>50 yo	number	6	6	6
Annual General Meeting: Number of days between the date of notice and date of meeting		number	54	45	41

### Notes:

- \*\* refers to Bursa Malaysia Common and/or Sector-specific Sustainability Matters.
- '-' indicates the data is not available.

## Key Performance Indicators

### Human Capital

Indicators	2023		2024		2025		
	number	%	number	%	number	%	
<b>i) Employee Count</b>							
Total Employees	410	-	491	-	517	-	
<b>ii) Employee Diversity</b>							
<b>Employee Gender</b>							
Male	205	50.0%	298	60.7%	318	61.5%	
Female	205	50.0%	193	39.3%	199	38.5%	
<b>Employee Nationality</b>							
Malaysia	Permanent	242	72.9%	285	69.9%	289	68.2%
	Contract	69	20.8%	74	18.1%	79	18.6%
	Part time	0	0.0%	1	0.2%	0	0.0%
	Intern/Protégé	21	6.3%	48	11.8%	56	13.2%
Thailand	Permanent	1	50.0%	0	0.0%	0	0.0%
	Contract	1	50.0%	1	100.0%	1	100.0%
Sri Lanka	Permanent	5	100.0%	5	100.0%	5	100.0%
	Contract	0	0.0%	0	0.0%	0	0.0%
India	Permanent	0	0.0%	39	97.5%	0	0.0%
	Contract	47	100.0%	1	2.5%	60	100.0%
Vietnam	Permanent	4	100.0%	5	100.0%	5	100.0%
	Contract	0	0.0%	0	0.0%	0	0.0%
Others	Permanent	1	i	40	50.0%	0	0.0%
	Contract	40	97.6%	40	50.0%	78	100.0%
<b>Total</b>	<b>410</b>		<b>491</b>		<b>517</b>		
<b>Ethnicity (Malaysia only)</b>							
Malay	112	35.8%	164	33.4%	180	35.6%	
Chinese	75	24.0%	78	15.9%	78	15.4%	
Indian	67	21.4%	80	16.3%	107	21.1%	
Others	59	18.8%	169	34.4%	141	27.9%	
<b>Total</b>	<b>313</b>	<b>100.0%</b>	<b>491</b>	<b>100.0%</b>	<b>506</b>	<b>100.0%</b>	
<b>Age Group</b>							
<30 yo	124	30.2%	178	36.3%	183	35.4%	
30-49 yo	206	50.2%	236	48.1%	250	48.4%	
>50 yo	80	19.5%	77	15.7%	84	16.2%	
<b>Total</b>	<b>410</b>	<b>100.0%</b>	<b>491</b>	<b>100.0%</b>	<b>517</b>	<b>100.0%</b>	

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## Key Performance Indicators

Indicators		2023		2024		2025	
		number	%	number	%	number	%
<b>Age Group by Employment Level (Bursa C3(a))*</b>							
Executives	<30 yo	36	26.1%	42	28.2%	53	34.0%
	30-49 yo	76	55.1%	85	57.0%	79	50.6%
	>50 yo	26	18.8%	22	14.8%	24	15.4%
Non-Executives	<30 yo	88	46.8%	127	52.3%	130	48.5%
	30-49 yo	85	45.2%	100	41.2%	120	44.8%
	>50 yo	15	8.0%	16	6.6%	18	6.7%
Manager	<30 yo	0	0.0%	2	2.7%	0	0.0%
	30-49 yo	37	67.3%	51	68.9%	42	63.6%
	>50 yo	18	32.7%	21	28.4%	24	36.4%
Senior Manager and above	<30 yo	0	0.0%	0	0.0%	0	0.0%
	30-49 yo	8	27.6%	7	28.0%	9	33.3%
	>50 yo	21	72.4%	18	72.0%	18	66.7%
<b>Age Group by Employment Function</b>							
Technical and Engineering	<30 yo	100	34.8%	150	43.7%	159	41.7%
	30-49 yo	139	48.4%	149	43.4%	172	45.2%
	>50 yo	48	16.7%	44	12.8%	50	13.1%
Corporate and Admin	<30 yo	23	18.7%	24	16.2%	25	18.4%
	30-49 yo	68	55.3%	91	61.5%	77	56.6%
	>50 yo	32	26.0%	33	22.3%	34	25.0%
<b>Gender by Employment Level (Bursa C3(b))*</b>							
Executives	Male	65	47.1%	71	47.3%	86	55.1%
	Female	73	52.9%	79	52.7%	70	44.9%
Non-Executives	Male	126	67.0%	171	70.7%	170	63.4%
	Female	62	33.0%	71	29.3%	98	36.6%
Manager	Male	36	65.5%	43	58.1%	40	60.6%
	Female	19	34.5%	31	41.9%	26	39.4%
Senior Manager and above	Male	22	75.9%	21	84.0%	22	81.5%
	Female	7	24.1%	4	16.0%	5	18.5%
<b>Total</b>		<b>410</b>		<b>491</b>		<b>517</b>	
<b>Gender by Employment Function</b>							
Technical and Engineering	Male	198	69.0%	246	72.1%	264	69.3%
	Female	89	31.0%	95	27.9%	117	30.7%
Corporate and Admin	Male	51	41.5%	60	40.0%	56	41.2%
	Female	72	58.5%	90	60.0%	80	58.8%
<b>Total</b>		<b>410</b>		<b>491</b>		<b>517</b>	

## Key Performance Indicators

Indicators	2023		2024		2025		
	number	%	number	%	number	%	
<b>Gender by Employment Type</b>							
Permanent	Male	123	48.6%	209	55.9%	144	48.0%
	Female	130	51.4%	165	44.1%	156	52.0%
Contract/Temporary	Male	128	81.5%	88	75.9%	175	80.3%
	Female	29	18.5%	28	24.1%	43	19.7%
Part time	Male	0	0.0%	0	0.0%	0	0.0%
	Female	0	0.0%	1	100.0%	0	0.0%
Intern/Protégé	Male	11	52.4%	21	43.8%	24	42.9%
	Female	10	47.6%	27	56.3%	32	57.1%
<b>Total</b>		<b>431</b>		<b>539</b>		<b>573</b>	
<b>Employees that are Contractors or Temporary Staff</b>							
Percentage of employees that are contractors or temporary staff (Bursa C6(b))*		157	38.3%	116	23.6%	218	42.2%
<b>New Employees Recruited</b>							
New employees recruited by gender	Male	30	22.9%	64	43.8%	100	47.4%
	Female	101	77.1%	82	56.2%	111	52.6%
New employees recruited by employee type	Permanent	40	30.5%	132	68.0%	94	44.6%
	Non-permanent	70	53.4%	14	7.2%	61	28.9%
	Interns/Protégé	21	16.0%	48	24.7%	56	26.5%
New employees recruited by age group	<30 yo	96	73.3%	66	45.2%	141	66.8%
	30-49 yo	32	24.4%	72	49.3%	59	28.0%
	>50 yo	3	2.3%	8	5.5%	11	5.2%
New employees recruited by country	Malaysia	130	99.2%	146	100.0%	211	100.0%
	Thailand	0	0.0%	0	0.0%	0	0.0%
	Sri Lanka	0	0.0%	0	0.0%	0	0.0%
	Vietnam	0	0.0%	0	0.0%	0	0.0%
	India	1	0.8%	0	0.0%	0	0.0%
<b>Employee Turnover Rate</b>							
Total turnover		120	29.3%	137	27.9%	118	22.8%
<b>Employee Turnover*</b>							
Employee turnover by employment category (Bursa C6(c))	Non-executive	82	68.3%	101	73.7%	87	73.7%
	Executive	30	25.0%	28	20.4%	23	19.5%
	Manager	8	6.7%	4	2.9%	6	5.1%
	Senior Manager and above	0	0.0%	4	2.9%	2	1.7%
Employee turnover by employment function	Technical and Engineering	85	70.8%	117	85.4%	105	89.0%
	Corporate and Admin	35	29.2%	20	14.6%	13	11.0%
Employee turnover by gender	Male	38	31.7%	65	47.4%	77	65.3%
	Female	82	68.3%	72	52.6%	41	34.7%

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## Key Performance Indicators

Indicators		2023		2024		2025	
		number	%	number	%	number	%
<b>Employee Turnover*</b>							
Employee turnover by age group	<30 yo	73	62.9%	80	62.0%	75	63.6%
	30-49 yo	43	37.1%	49	38.0%	37	31.4%
	>50 yo	4	3.3%	8	5.8%	6	5.0%
Employee turnover by country	Malaysia	120	100.0%	127	92.7%	118	100.0%
	Thailand	0	0.0%	0	0.0%	0	0.0%
	Sri Lanka	0	0.0%	0	0.0%	0	0.0%
	Vietnam	0	0.0%	0	0.0%	0	0.0%
	India	0	0.0%	7	5.1%	0	0.0%
	Others			3	2.2%	0	0.0%
Senior management's locality	Malaysian	27	77.1%	25	100.0%	26	96.3%
	Non-Malaysian	8	22.9%	0	0.0%	1	3.7%
<b>iii) Employee Attrition</b>							
Total Attrition		120	29.3%	137	27.9%	118	22.8%
<b>iv) Employee Retention</b>							
Total Retention		290	70.7%	354	72.1%	399	77.2%
<b>v) Board Diversity*</b>							
<b>Gender (Bursa C3(b))</b>							
Male		5	83.3%	5	83.3%	5	83.3%
Female		1	16.7%	1	16.7%	1	16.7%
<b>Total</b>		<b>6</b>	<b>100.0%</b>	<b>6</b>	<b>100.0%</b>	<b>6</b>	<b>100.0%</b>
<b>Age Group (Bursa C3(b))</b>							
40-50 yo		0	0.0%	0	0.0%	0	0.0%
>50 yo		6	100.0%	6	100.0%	6	100.0%
<b>Total</b>		<b>6</b>	<b>100.0%</b>	<b>6</b>	<b>100.0%</b>	<b>6</b>	<b>100.0%</b>
<b>Ethnicity</b>							
Malay		2	33.3%	2	33.3%	2	33.3%
Chinese		4	66.7%	4	66.7%	4	66.7%
Others		0	0.0%	0	0.0%	0	0.0%
<b>Total</b>		<b>6</b>	<b>100.0%</b>	<b>6</b>	<b>100.0%</b>	<b>6</b>	<b>100.0%</b>
<b>vi) Training and Development*</b>							
<b>Training Hours and Participants<sup>5</sup></b>							
Total training hours		3,768		3,113		3,693	
Total training hours by employee category (Bursa C6(a))	Executive	2,351	62.4%	1,798	57.8%	2,220	60.6%
	Non-Executive	477	12.7%	218	7.0%	26	0.7%
	Manager	684	18.2%	947	30.4%	1,235	33.0%
	Senior Manager and above	256	6.8%	150	4.8%	212	5.7%
Average training hours/employee		8.56		9.13		9.01	
Average training hours/employee	Male	8.86	52.1%	10.89	59.5%	9.64	53.6%
	Female	8.2	47.9%	7.4	40.5%	8.20	46.4%

## Key Performance Indicators

Indicators	2023		2024		2025		
	number	%	number	%	number	%	
<b>Training Hours and participants<sup>5</sup></b>							
Average training hours by employee category	Executive	8.81	26.4%	9.08	25.2%	9.33	32.6%
	Non-Executive	10.15	30.5%	5.89	16.4%	2.37	8.0%
	Manager	7.95	23.9%	10.29	28.6%	9.08	30.7%
	Senior Manager and above	6.40	19.2%	10.71	29.8%	8.47	28.6%
Total participants by gender	Male	259	58.9%	169	49.6%	231	56.2%
	Female	181	41.1%	172	50.4%	179	43.8%
Total participants by employee category	Executive	267	60.7%	198	58.1%	238	57.7%
	Non-Executive	47	10.7%	37	10.9%	11	2.7%
	Manager	86	19.5%	92	27.0%	136	33.4%
	Senior Manager and above	40	9.1%	14	4.1%	25	6.1%
<b>Training Categories</b>							
Softskills		11	13.4%	12	16.7%	12	9.8%
Technical skills		22	26.8%	22	30.6%	46	37.7%
Safety, Health and Environment		48	58.5%	37	51.4%	61	50.0%
Leadership and Management		1	1.2%	1	1.4%	3	2.5%
<b>Total Training Investment</b>							
Total training investment amount	RM	170,994	-	113,810	-	254,225	-
<b>Performance Review</b>							
Number of employees undergone review by gender	Male	87	58.4%	97	59.9%	99	58.9%
	Female	62	41.6%	65	40.1%	69	41.1%
Number of employees undergone review by job category	Executive	69	46.3%	72	44.4%	81	48.2%
	Non-Executive	35	23.5%	36	22.2%	35	20.8%
	Manager	30	20.1%	42	25.9%	42	25.0%
	Senior Manager and above	15	10.1%	12	7.4%	10	6.0%
<b>Health and Safety Trainings</b>							
Total safety and health training hours for employees		2,078	-	1,335.5	-	2,014	-
Safety and Health Committee members have attended safety and health related trainings ( <i>Bursa C5(c)</i> )		66	-	43	-	47	-
Total licensed first aiders		24	-	16	-	26	-

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## Key Performance Indicators

Indicators	2022		2023		2024		
	number	%	number	%	number	%	
<b>vii) Employee Safety and Health Data*</b>							
Number of work-related fatalities (Bursa C5(a))	0	0	0	0	0	0	
Lost time incident rate ("LTIR") (Bursa C5(b))	HQ and Water Engineering	0	0	0	0	0	
	Wastewater Engineering	0	0	0	0	0	
Percentage of sites with OHSAS 18001 certification <sup>6</sup>	-	100%	-	100%	-	100%	
Number of work-related employee fatalities, over last 3 years	0	0	0	0	0	0	
<b>viii) Human Rights*</b>							
Number of substantiated complaints concerning human rights violation (Bursa C6 (d))	0	0	0	0	0	0	
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data (Bursa C8 (a))	0	0	0	0	0	0	
Percentage of global staff with a disability	1	0.2%	0	0.0%	0	0.0%	
Percentage of women in the global workforce	205	50.0%	193	39.3%	199	38.5%	

### Notes:

1. \*\* refers to Bursa Malaysia Common and/or Sector-specific Sustainability Matters.
2. '-' indicates the data is not available.
3. Employee turnover as per GRI standards = employees who leave the company voluntarily/due to dismissal/retirement/death in service.
4. The Company commenced to track the above data from FY2022. We continue to disclose the data in the following years.
5. The training hours for FY2023 is based on new calculation method.
6. The OHSAS 18011 certification covered E&C and Glove Manufacturing Division only.

### Environment

Indicators	Unit of Measurement	Base Year <sup>1</sup>	2023	2024	2025
<b>i) Water</b>					
<b>Absolute Water Consumption (Bursa C9(a))</b>					
Engineering and Construction	m <sup>3</sup>	549	1,604	1,342	2,376
Glove Manufacturing	m <sup>3</sup>	91,723	112,812	147,853	166,867
Transportation	m <sup>3</sup>	17	739	638	1,196
Total Water Consumption	m <sup>3</sup>	92,289	115,155	149,833	170,439
<b>Water Consumption Intensity – original targets</b>					
Engineering and Construction	m <sup>3</sup> per RM1 million revenue	15.51	15.65	5.83	15.92
Glove Manufacturing <sup>3</sup>	m <sup>3</sup> per 1,000 gloves produced	0.90	0.90	1.05	1.13
Transportation <sup>5</sup>	m <sup>3</sup> per RM1 million revenue <sup>1</sup>	59.71	69.97	51.15	112.84

## Key Performance Indicators

Indicators	Unit of Measurement	Base Year <sup>1</sup>	2023	2024	2025
<b>ii) Energy</b>					
<b>Absolute Energy Consumption (Bursa C4(a))</b>					
Engineering and Construction	MJ	815,789	985,975	1,000,631	705,463
Glove Manufacturing	MJ	10,818,187	11,534,616	13,232,038	13,701,452
Technology Services	MJ	169,546	149,443	162,601	141,264
Transportation	MJ	205,463	184,896	205,949	169,672
<b>Total Energy Consumption</b>	<b>MJ</b>	<b>12,008,985</b>	<b>12,854,930</b>	<b>14,601,219</b>	<b>14,717,851</b>
<b>Energy Consumption Intensity – original targets</b>					
Engineering and Construction	MJ per RM1 million revenue	8,091	9,621	4,345	4,727
Glove Manufacturing	MJ per 1,000 gloves produced	82.88	92.46	94.24	93.14
Technology Services	MJ per full time employee	9,514	9,340	10,163	8,829
Transportation	MJ per RM1 million revenue <sup>1</sup>	15,059	17,506	16,510	16,008

Indicators	Unit of Measurement	2023	2024	2025
<b>iii) Scheduled Waste Data</b>				
Engineering and Construction	tonnes	0.07	6.18	0.81
Glove Manufacturing	tonnes	-	53.14	58.22
<b>Total</b>	<b>tonnes</b>	<b>0.07</b>	<b>59.32</b>	<b>59.03</b>
<b>iv) Total Waste Diverted from Landfill (Bursa C10 (a) (i))</b>				
Engineering and Construction	tonnes	4.09	2.13	0.11
<b>v) Recycled Waste Data</b>				
Paper	tonnes	3.87	1.66	0.07
Metal	tonnes	0.08	0.02	0.01
Reusable Items	tonnes	0.18	0.27	-
Electronic Items	tonnes	0.16	0.18	0.03
<b>Total</b>	<b>tonnes</b>	<b>4.09</b>	<b>2.13</b>	<b>0.11</b>

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## Key Performance Indicators

Indicators		Unit of Measurement	Base Year <sup>6</sup>	2023	2024	2025
<b>vi) Emission (Bursa C11 (a) (b) (c))</b>						
<b>Absolute Emission</b>						
Engineering and Construction	Total absolute emission	tonne CO <sub>2</sub>	708.48	946.87	960.41	1,137.97
	Scope 1	tonne CO <sub>2</sub>	522.21	494.27	619.85	431.73
	Scope 2	tonne CO <sub>2</sub>	186.27	160.22	155.81	145.01
	Scope 3	tonne CO <sub>2</sub>	N/A	292.38	184.75	561.22
Glove Manufacturing	Total absolute emission	tonne CO <sub>2</sub>	1,879.45	2,001.45	2,279.65	2,899.89
Technology Services	Total absolute emission	tonne CO <sub>2</sub>	26.6	38.61	38.53	29.37
Transportation	Total absolute emission	tonne CO <sub>2</sub>	3718.85	2,290.33	1,934.79	1,565.32
<b>Total Carbon Emissions</b>		<b>tonne CO<sub>2</sub></b>	<b>6,333.38</b>	<b>5,277.26</b>	<b>5,213.38</b>	<b>5,632.55</b>

Indicators	Equity Shares (%)	Unit of Measurement	Base Year	2023	2024	2025
<b>Emission Intensity based on Equity Shares – original targets</b>						
Engineering and Construction	100% (Water) 60% (Wastewater)	tonne CO <sub>2</sub> /RM mil	3.88	5.69	2.99	3.76
Glove Manufacturing	51%	tonne CO <sub>2</sub> /1,000 gloves produced	0.0074	0.0082	0.0083	0.01
Technology Services	50%	tonne CO <sub>2</sub> /full time employee	0.76	0.76	0.83	0.91
Transportation	51.30%	tonne CO <sub>2</sub> /RM mil	94.14	111.24	79.57	75.83
<b>Scope 3 Categories</b>						
Category 6: Business Travel		tonnes	-	26.79	38.41	51.39
Category 7: Employee Commuting		tonnes	-	279.92	158.45	510.02
<b>Total emission (tonnes CO<sub>2</sub>)</b>		<b>tonnes</b>	<b>-</b>	<b>306.71</b>	<b>196.86</b>	<b>561.41</b>
<b>vii) Environmental Management System<sup>7</sup></b>						
Percentage of sites covered by recognised environmental management systems i.e. ISO 14001		%		100	100	100

### Notes:

1. '\*' refers to Bursa Malaysia Common and/or Sector-specific Sustainability Matters.
2. '-' indicates the data is not available.
3. Group long-term target date was extended from 2026 to 2030 for Water & Energy Consumption to enable a more gradual transition to sustainable practices and to be in line with Group's emissions target date.
4. Base year for Engineering & Construction division for Water & Energy Consumption is 2016 whilst the base year for Glove Manufacturing is 2021 as the business was acquired during the year.
5. Base year for Transportation has been revised from 2016 to 2021 for Water Consumption to reflect operational changes due to in-house washing of vehicles instead of out-sourcing to third parties.
6. Base year for Engineering & Construction, Transportation and Technology divisions for Emission Release data is 2019 whilst the base year for Glove Manufacturing is 2021 as the business was acquired during the year.
7. The ISO 14001 certification covered E&C and Glove Manufacturing Division only.

## Key Performance Indicators

### Social Capital

Indicators	Unit of Measurement	2023	2024	2025
Total amount of community investment ( <i>Bursa C2(a)</i> )	RM	77,155	97,240	109,463
Total no. of beneficiaries ( <i>Bursa C2(b)</i> )	number	945	488	652
Total no. of employee volunteering hours	hours	142	420	92

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2-7	Employees	Sustainability Statement	N/A	N/A	89-94, 273-278
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2-12	Role of the highest governance body in overseeing the management of impacts	Corporate Governance Overview Statement	16	N/A	129-130
2-13	Delegation of responsibility for managing impacts	Corporate Governance Overview Statement	16	N/A	129-130
2-14	Role of the highest governance body in sustainability reporting	Corporate Governance Overview Statement	16	GRM 05	131-132
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2-20	Process to determine remuneration	Corporate Governance Overview Statement	16	GCG 14	133
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<b>GRI 3: Material Topics 2021</b>					
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3-2	List of material topics	Materiality Assessment	16	N/A	25-28
3-3	Management of material topics	Sustainability Statement	16	N/A	119
<b>GRI 201: Economic Performance 2016</b>					
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201-2	Financial implications and other risks and opportunities due to climate change	Sustainability Statement	8	N/A	104-105
201-3	Defined benefit plan obligations and other retirement plans	Sustainability Statement	8	N/A	89
<b>GRI 202: Market Presence 2016</b>					
202-2	Proportion of senior management hired from the local community	Key Performance Indicators	8, 11	N/A	276
<b>GRI 203: Indirect Economic Impacts 2016</b>					
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<b>GRI 303: Water and Effluents 2018</b>					
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<b>GRI 305: Emissions 2016</b>					
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<b>GRI 306: Waste 2020</b>					
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306-3	Waste generated	Sustainability Statement	12	EPR 10	100-101
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306-5	Waste directed to disposal	Sustainability Statement	12	N/A	100-101
<b>GRI 308: Supplier Environmental Assessment 2016</b>					
308-1	New suppliers that were screened using environmental criteria	Sustainability Statement	12	N/A	78-79
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<b>GRI 401: Employment 2016</b>					
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401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Sustainability Statement	8	N/A	89
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GRI Standard	Disclosure	Section of Disclosure	Mapped to SDGs	Mapped to FTSE4Good	Page
<b>GRI 403: Occupational Health and Safety 2018</b>					
403-1	Occupational health and safety management system	Sustainability Statement	3	SHS 01, 39	86-88
403-2	Hazard identification, risk assessment, and incident investigation	Sustainability Statement	3	SHS 04	86-88
403-3	Occupational health services	Sustainability Statement	3	N/A	87-88
403-4	Worker participation, consultation, and communication on occupational health and safety	Sustainability Statement	3	SHS 05	87-88
403-5	Worker training on occupational health and safety	Sustainability Statement	3	SHS 13	88
403-6	Promotion of worker health	Sustainability Statement	3		87-88
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Sustainability Statement	3	SHS 37	86-87
403-8	Workers covered by an occupational health and safety management system	Sustainability Statement	3	SHS 39	86-87
403-9	Work-related injuries	Sustainability Statement	3	SHS 38	87
<b>GRI 404: Training and Education 2016</b>					
404-1	Average hours of training per year per employee	Sustainability Statement	8	SLS 26	90, 276- 277
404-2	Programs for upgrading employee skills and transition assistance programs	Sustainability Statement	8	SLS 26, 29	89-90
404-3	Percentage of employees receiving regular performance and career development reviews	Sustainability Statement	8	SLS 29	90
<b>GRI 405: Diversity and Equal Opportunity 2016</b>					
405-1	Diversity of governance bodies and employees	Sustainability Statement	16	GCG 06, SLS 16, 32, 33	90-91
<b>GRI 406: Non-discrimination 2016</b>					
406-1	Incidents of discrimination and corrective actions taken	Sustainability Statement	10	SLS 05	90
<b>GRI 408: Child Labor 2016</b>					
408-1	Operations and suppliers at significant risk for incidents of child labor	Sustainability Statement	8	SLS 01, 02, 03	94

Section 01

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Section 05

Section 06

Section 07

## GRI Content Index

GRI Standard	Disclosure	Section of Disclosure	Mapped to SDGs	Mapped to FTSE4Good	Page
<b>GRI 409: Forced or Compulsory Labor 2016</b>					
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Sustainability Statement	10	SLS 14	94
<b>GRI 411: Rights of Indigenous Peoples 2016</b>					
411-1	Incidents of violations involving rights of indigenous peoples	Sustainability Statement	10	N/A	94
<b>GRI 413: Local Communities 2016</b>					
413-1	Operations with local community engagement, impact assessments, and development programs	Sustainability Statement	10	SHR 15	109-113
413-2	Operations with significant actual and potential negative impacts on local communities	Sustainability Statement	10	SHR 15	109-113
<b>GRI 414: Supplier Social Assessment 2016</b>					
414-1	New suppliers that were screened using social criteria	Sustainability Statement	12	N/A	78-79
414-2	Negative social impacts in the supply chain and actions taken	Sustainability Statement	12	N/A	78
<b>GRI 415: Public Policy 2016</b>					
415-1	Political contributions	Sustainability Statement	16	GAC 12	84
<b>GRI 416: Customer Health and Safety 2016</b>					
416-1	Assessment of the health and safety impacts of product and service categories	Sustainability Statement	3	N/A	86-87
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services*	Sustainability Statement	3	N/A	86-87
<b>GRI 418: Customer Privacy 2016</b>					
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Sustainability Statement	16	N/A	81

**Notes:**

- \* GRI standards included this year
- GRI standards excluded this year



# PROXY FORM

CDS Account No.

No. of shares held

I/We, ..... Tel.: .....  
 (Full name in block, NRIC/Passport/Company No.)

of .....  
 (Address)

being member(s) of **SALCON BERHAD**, hereby appoint:

Full Name (in Block as per NRIC/Passport)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address:			
Contact No.:	Email address:		

and/or\* (\*delete as appropriate)

Full Name (in Block as per NRIC/Passport)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address:			
Contact No.:	Email address:		

or failing him/her, the Chairperson of the Meeting, as \*my/our proxy/proxies to vote for \*me/us and on \*my/our behalf at the Twenty-Third (“23<sup>rd</sup>”) Annual General Meeting (“**AGM**”) of Salcon Berhad (“**the Company**”) which will be held at Hilton Shah Alam Glenmarie, Ballroom A, No. 1, Jalan Usahawan U1/8, Seksyen U1, 40250 Shah Alam, Selangor Darul Ehsan on Thursday, 11 June 2026 at 10.30 a.m., or at any adjournment thereof, and to vote as indicated below:

Ordinary Resolution	Description of Resolutions	For	Against
1	Approval for payment of Directors’ fees of up to RM455,000 for the period from 1 March 2026 until the next AGM of the Company to be held in 2027.		
2	Approval for payment of Directors’ benefits of up to RM240,000 for the period immediately after the 23 <sup>rd</sup> AGM until the next AGM of the Company to be held in 2027.		
3	Re-election of Tan Sri Dato’ Tee Tiam Lee as Director.		
4	Re-election of Datin Goh Phaik Lynn as Director.		
5	Re-election of Mr Low Han Kee as Director.		
6	Re-appointment of Messrs KPMG PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.		
7	Authority for Directors to allot and issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016.		
8	Approval for Renewal of Authority for Share Buy-Back.		

Please indicate with an “X” in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific direction, your proxy will vote or abstain as he/she thinks fit.

Signed this ..... day of .....

Signature(s) of Member(s)/Common Seal ^

^ Manner of execution:-

- (a) If you are an individual member, please sign where indicated.
- (b) If you are a corporate member which has a common seal, this proxy form should be executed under seal in accordance with the constitution of your corporation.
- (c) If you are a corporate member which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (if any) and executed by:-
  - (i) at least two (2) authorised officers, of whom one shall be a director; or
  - (ii) any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.

**NOTES:-**

1. For the purpose of determining who shall be entitled to participate in this AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, a Record of Depositors as at 3 June 2026. Only a member whose name appears on this Record of Depositors shall be entitled to participate in this AGM or appoint a proxy or proxies to participate on his/her/its behalf.
  2. A member who is entitled to participate in this AGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate in his place. A proxy may but need not be a member of the Company.
  3. A member of the Company who is entitled to attend and vote at a general meeting of the Company may appoint not more than two (2) proxies to participate instead of the member at this AGM.
  4. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities 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. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
  6. Where a member appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
7. The appointment of a proxy may be made in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote:
    - (i) In hard copy form  
In the case of an appointment made in hard copy form, the proxy form must be deposited with the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.
    - (ii) By electronic form  
In the case of an appointment made in electronic form, the proxy form can be electronically submitted to the Company's Share Registrar via Vistra Share Registry and IPO (MY) Portal at <https://srmv.vistra.com>.
  8. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited at the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or drop box located at at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

1<sup>st</sup> fold here

AFFIX  
STAMP  
HERE

**SALCON BERHAD**  
**[200201026133 (593796-T)]**

c/o Tricor Investor & Issuing House Services Sdn. Bhd.  
Unit 32-01, Level 32, Tower A  
Vertical Business Suite, Avenue 3  
Bangsar South, No. 8 Jalan Kerinchi  
59200 Kuala Lumpur

2<sup>nd</sup> fold here

9. Please ensure ALL the particulars as required in this proxy form are completed, signed and dated accordingly.
10. Last date and time for lodging this proxy form is on **Tuesday, 9 June 2026 at 10.30 a.m.**
11. For a corporate member who has appointed an authorised representative, please deposit the **ORIGINAL** certificate of appointment of authorised representative with the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur. The certificate of appointment of authorised representative should be executed in the following manner:
  - (i) If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.
  - (ii) If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:-
    - (a) at least two (2) authorised officers, of whom one shall be a director; or
    - (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.





**Salcon Berhad**

[200201026133 (593796-T)]

15<sup>th</sup> Floor, Menara Summit, Persiaran Kewajipan, USJ 1  
47600 UEP Subang Jaya, Selangor Darul Ehsan, Malaysia

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