About This Report

Salcon Berhad ("Salcon" or "the Group" or "we" or "our") is pleased to present its fifth integrated annual report ("IAR2024") for the financial year ended 31 December 2024 ("FY2024"). Since embarking on our integrated journey in 2020, we aim to provide a comprehensive overview of our philosophy, strategies and performance. This report demonstrates how we create value for our stakeholders through our capitals and resources as well as our commitment to effective governance practices whilst managing impacts of our businesses on the economy, environment and society in the short, medium and long-term.

Scope and Boundary

This report covers both financial and non-financial information from 1 January 2024 to 31 December 2024, unless otherwise stated. The scope includes operations in Malaysia, United Kingdom, Sri Lanka, Thailand, India and Vietnam. The information in our sustainability statement mainly covers operations in Malaysia.

All financial statements have been prepared in accordance with the requirements of the Companies Act ("CA 2016") and Malaysian Financial Reporting Standards ("MFRS").

Reporting Framework

This report is prepared with reference to the following local and international reporting provisions (e.g. legal requirement, standard, code, guide):

Reporting Provision Applied	Corporate Disclosure	Sustainability Disclosure	Financial Disclosure
Integrated Reporting <IR> Framework by International Integrated Reporting Council ("IIRC")	✔		
Malaysian Code on Corporate Governance 2021 ("MCCG")	✔		
Bursa Malaysia Securities Berhad ("Bursa Malaysia") Main Market Listing Requirements ("MMLR")	✔	✔	✔
Malaysian Financial Reporting Standards ("MFRS")			✔
Bursa Malaysia Sustainability Reporting Guide (3rd edition)		✔	
Bursa Malaysia Corporate Governance Guide (4th edition)	✔	✔	
Companies Act 2016 ("CA 2016")	✔		✔
Global Reporting Initiative ("GRI") Standards		✔	
Sustainability Accounting Standards Board ("SASB") Standards		✔	
Task Force on Climate-related Financial Disclosures ("TCFD") Recommendations		✔	

Corporate Disclosure Sustainability Disclosure Financial Disclosure

Materiality

This report discloses information on material matters that contribute to value creation over the short, medium and long-term. Our material matters were determined and guided by the principle of materiality that focused on our stakeholders' interest and business perspectives in accordance with Bursa Malaysia Listing Requirements. We have identified 11 material matters grouped into 5 focus areas and disclosed strategies and initiatives addressing these in order to drive value creation. Throughout this IAR2024, we present our strategic responses pertaining to these material matters.

For more information on the Material Matters, please refer to Materiality Matrix on page 20 of this report.

Assurance Statement

The financial statements in this report were audited by our external auditor, KPMG. The Sustainability Statement was reviewed by our Internal Audit and Risk Management department which has provided assurance that the sustainability information disclosed in this report is accurate and consistent.

Forward-looking Statements

This report contains certain forward-looking statements concerning Salcon's business strategies, performance, operations and prospects. These statements are formed based on reasonable assumptions and are subject to changes due to risks and uncertainties that may cause actual results to differ from those projected or implied.

Board Responsibility Statement

The Board of Directors of Salcon Berhad acknowledges its responsibility to ensure the integrity of this IAR and is of its opinion that the IAR2024 addresses the Group's material matters and fairly presents the Group's performance for FY2024.

Feedback

We are committed to continually improving our reporting quality and we value feedback from our stakeholders regarding this report. Should you have any feedback or inquiries, please contact us at corporate@salcon.com.my.

Navigation Icons

OUR CAPITALS

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

FIVE FOCUS AREAS

- **B** Business Model and Innovation
- **G** Leadership and Governance
- **H** Human Capital
- **E** Environment
- **S** Social Capital

OUR MATERIAL MATTERS

- **MI1** Business Management and Delivery
- **MI2** Business Ethics and Corporate Governance
- **MI3** Supply Chain Management
- **MI4** Technology and Innovation
- **MI5** Occupational Health and Safety
- **MI6** Systemic Risk Management
- **MI7** Talent Attraction and Engagement
- **MI8** Environmental Impact Management
- **MI9** Climate Change
- **MI10** Community Engagement
- **MI11** Labour Rights and Practices

CROSS REFERENCE

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

KEY RISKS

- **KR1** Market Risk
- **KR2** Sustainability Risk
- **KR3** Project Management and Construction Risk
- **KR4** Geopolitical Risk
- **KR5** Compliance Risk
- **KR6** Health, Safety, Security and Environment ("HSSE") Risk
- **KR7** Human Capital Risk
- **KR8** Financial Risk
- **KR9** Integrity Risk
- **KR10** Technological Risk

OUR STAKEHOLDERS

- Clients
- Employees
- Business Partners
- Suppliers/ Sub-contractors
- Government and Regulators
- Media
- Industry Associations
- Investors/ Shareholders/Financial Institutions
- Non-governmental Organisations ("NGOs") and Local Communities

THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

Who We Are

Salcon Berhad ("Salcon") is an investment holding company with core business in water and wastewater engineering established in 1974 and listed on the Main Market of Bursa Securities in 2003. Over the past 50 years, Salcon has strategically diversified its portfolio to include glove manufacturing, technology services, healthcare, renewable energy, transportation and property development. With operations across Malaysia, Vietnam, Thailand, Sri Lanka and the United Kingdom, Salcon remains committed to creating value for our stakeholders by advancing infrastructure development and contributing to socioeconomic progress.

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

Our Business

ENGINEERING AND CONSTRUCTION

We provide comprehensive end-to-end water and wastewater solutions including raw water management, design and construction of water and wastewater treatment facilities, operation and maintenance of treatment facilities, downstream activities such as reducing non-revenue water, improving customer service, managing billing and collection, and investing in the water and wastewater infrastructures.

Kindly refer to pages 35 to 37.

Where we operate:

GLOVE MANUFACTURING

We specialise in the production of medical and industrial grade gloves. Our products cater to various market segments including dentistry, food industry, healthcare, industrial applications and laboratory use.

Kindly refer to pages 38 to 40.

Where we operate:

TECHNOLOGY SERVICES

We provide ultra-low latency managed backhaul services and metro ethernet solutions for mobile carrier and enterprise markets through our exclusive fibre optic backbone. Additionally, we offer key operation and solutions including infrastructure leasing, and ethernet bandwidth access for telcos, data center and enterprises.

Kindly refer to pages 41 to 42.

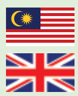
Where we operate:

RENEWABLE ENERGY

We invest in and develop renewable energy assets to support both global and national sustainability initiatives. Through innovation and strategic partnerships, we aim to provide long-term environmental and clean energy solutions to industrial and commercial sectors.

Kindly refer to pages 43 to 44.

Where we operate:



TRANSPORTATION

We are a premier transport solutions provider for multinational companies in the northern region of Malaysia. Our services include inbound and outbound tour services as well as the transportation of various agricultural products.

Kindly refer to pages 45 to 46.

Where we operate:

HEALTHCARE

We provide dental healthcare services, ranging from general dental care to specialised treatments such as aligners and orthodontics treatments, aimed at enhancing community well-being.

Kindly refer to pages 47 to 49.

Where we operate:

PROPERTY DEVELOPMENT

We offer niche property development that caters to market and community needs.

Kindly refer to pages 50 to 51.

Where we operate:

At A Glance

Business Overview

50 years of strong track record in delivering water industry

491 employees

Workplace diversity:
298 Male **193** Female

Creating Meaningful Impact

PEOPLE

0 work-related injuries or fatalities of employee

16% of women in senior management

ENVIRONMENT

1.66 tonnes of paper recycled

COMMUNITIES

74 volunteers contributed

390 volunteer hours

RM97,240 invested for community development

Segmental Overview

ENGINEERING AND CONSTRUCTIONS

Secured **RM96.9 million** of water and wastewater construction contracts

RENEWABLE ENERGY

Completed installation of an **862.5 kWp** project, generating total energy output of 742.9 MW in 6 months

TECHNOLOGY SERVICES

Signed an IRU agreement for fiber optic infrastructure for Amazon Web Services Data Center in Technology Park Malaysia

HEALTHCARE SERVICES

Owns and operates **14 Dental Clinics** across Klang Valley

Awards and Recognitions

ASIA INTEGRATED REPORTING AWARDS (AIRA)

Asia's Best Integrated Report (SME 2023)
Gold

ASIA SUSTAINABILITY REPORTING AWARDS (ASRA)

Asia's Best Sustainability Report (SME 2023)
Gold

GOLDEN BULL AWARD

Outstanding SME for 2024

Corporate Information

Board of Directors

TAN SRI ABDUL RASHID BIN ABDUL MANAF
Chairman, Independent
Non-Executive Director

TAN SRI DATO' TEE TIAM LEE
Executive
Deputy Chairman

DATO' LEONG KOK WAH
Executive Director

DATIN GOH PHAIK LYNN
Non-Independent
Non-Executive Director

CHAN SENG FATT
Senior Independent
Non-Executive Director

DATO' ROSLI BIN MOHAMED NOR
Independent
Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE
Chan Seng Fatt (Chairman)
Dato' Rosli Bin Mohamed Nor
Datin Goh Phaik Lynn

NOMINATION COMMITTEE
Chan Seng Fatt (Chairman)
Dato' Rosli Bin Mohamed Nor
Datin Goh Phaik Lynn

REMUNERATION COMMITTEE
Chan Seng Fatt (Chairman)
Dato' Rosli Bin Mohamed Nor
Datin Goh Phaik Lynn

SUSTAINABILITY COMMITTEE
Dato' Rosli Bin Mohamed Nor (Chairman)
Dato' Leong Kok Wah
Leong Yi Shen
Jamiluddin Amini Bin Sulaiman
Lee Lai Peng

COMPANY SECRETARIES
Wong Siew Yeen
(SSM PC No. 202008001471)
(MAICSA 7018749)
Tan Lai Hong
(SSM PC No. 202008002309)
(MAICSA 7057707)

REGISTERED OFFICE
15th Floor, Menara Summit
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47600 UEP Subang Jaya
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Fax : 603-8024 8811
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Fax : 603-8024 8811
Email : corporate@salcon.com.my

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

PRINCIPAL BANKERS
Hong Leong Bank Berhad
Malayan Banking Berhad
United Overseas Bank (Malaysia) Berhad
HSBC Bank (Malaysia) Berhad
RHB Bank Berhad
CIMB Bank Berhad

SHARE REGISTRAR
Tricor Investor & Issuing House Services Sdn. Bhd.
[197101000970 (11324-H)]
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel : 603-2783 9299
Fax : 603-2783 9222
Email : is.enquiry@vistra.com

STOCK EXCHANGE LISTING
Main Market of Bursa Malaysia Securities Berhad
(Listed since 3 September 2003)
Sector : Utilities
Stock Name : SALCON
Stock Code : 8567

WEBSITE
www.salcon.com.my

Corporate Structure

as at 2 April 2025

SALCON BERHAD

- 100% Salcon Engineering Berhad
  - 60% Envitech Sdn. Bhd.
    - 50% WET Envitech Sdn. Bhd.
  - 40% Salcon (Perak) Sdn. Bhd.
  - 50% Salcon Loh & Loh JV Sdn. Bhd.
  - 100% Salcon Engineering Vietnam Co. Ltd
  - 100% Salcon (Sarawak) Sdn. Bhd.
  - 60% Salcon WP Sdn. Bhd.
  - 100% Precise Metal Sdn. Bhd.
  - 36% Salcon MMCB AZSB JV Sdn. Bhd.
  - 50% Salcon MMCES AZSB JV Sdn. Bhd.
  - 100% Salcon Petroleum Services (Asia Pacific) Sdn. Bhd.
  - 100% Logit Sdn. Bhd.
  - 100% Bumi Tiga Enterprise Sdn. Bhd.
    - 100% Salcon Building Services Sdn. Bhd.
  - 40% Emas Utilities Corporation Sdn. Bhd.
- 90% Bloom Healthcare Group Sdn. Bhd. *(fka Salcon Smile Sdn. Bhd.)*
  - 70% SPH Healthcare & Wellness Sdn. Bhd. *(fka Fortress Paradigm Sdn. Bhd.)*
    - 100% Bloom Healthcare Dental (Central) Sdn. Bhd. *(fka Lotus Pinnacle Sdn. Bhd.)*
      - 100% Wagas Group Sdn. Bhd.
    - 100% Medipulih Sdn. Bhd. *(fka Jade Greenway Sdn. Bhd.)*
    - 100% Digital Dental Lab Sdn. Bhd. *(fka Lotus Noble Sdn. Bhd.)*
    - 100% Cantik Health & Wellness Sdn. Bhd. *(fka Paragon Enrich Sdn. Bhd.)*
    - 80% Antara Beauty & Wellness Sdn. Bhd. *(fka Sunrich Destiny Sdn. Bhd.)*
  - 60% Sigma Dental Laboratory Sdn. Bhd.
  - 65% Bloom Beauty (Cheras) Sdn. Bhd.
  - 60% Bloom Healthcare Beauty & Wellness Sdn. Bhd. *(fka Golden Framework Sdn. Bhd.)*
    - 35% Bloom Beauty (Cheras) Sdn. Bhd.
    - 57% Bloom Healthcare Aessence Sdn. Bhd.
  - 43% Bloom Healthcare Aessence Sdn. Bhd.
  - 55% Bloom Healthcare Aessence (Northern) Sdn. Bhd. *(fka Bloom Healthcare Dental (Southern) Sdn. Bhd.)*
  - 85% Bloom Healthcare (Northern) Sdn. Bhd.
    - 100% Bloom Healthcare Dental (Northern) Sdn. Bhd.
      - 70% Bloom Healthcare WS Dental (PT) Sdn. Bhd.
      - 70% Bloom Healthcare WS Dental (RU) Sdn. Bhd.
      - 70% Kee Vee Dental Laboratory Sdn. Bhd.
  - 70% SPH Dental Sdn. Bhd.
  - 65% Medipulih Group Sdn. Bhd.
- 70% Inergist Sdn. Bhd.
  - 51% Fortune Command Sdn. Bhd.
  - 67% Satria Megajuta Sdn. Bhd.
- 100% Kencana Kesuma Sdn. Bhd.
- 100% Salcon Capital Sdn. Bhd.
  - 51.3% Eco-Coach & Tours (M) Sdn. Bhd.
    - 100% Senstrac Sdn. Bhd.
      - 100% Eco Tours Asia Sdn. Bhd.
      - 100% Green Fleet Sdn. Bhd.
- 50% + 2 Shares Volksbahn Technologies Sdn. Bhd.
- 100% Salcon Development Sdn. Bhd.
  - 100% Nusantara Megajuta Sdn. Bhd.
  - 50% + 1 Share Azitin Venture Sdn. Bhd.
  - 70% Prestasi Kemas Sdn. Bhd.
- 100% Fortune Ambience Sdn. Bhd.
- 100% Salcon Power (HK) Limited
- 100% Glitteria Sdn. Bhd.
- 100% Energy Valley Sdn. Bhd.
  - 70% Mentari Kamuning Sdn. Bhd.
- 100% Nusantara Jasakita Sdn. Bhd.
  - 51% JR Engineering And Medical Technologies (M) Sdn. Bhd.

Strategic Review

Chairman's Statement

Dear Valued Shareholders,

On behalf of the Board of Salcon Berhad ("Company"), it is my privilege to present to you the 2024 Integrated Annual Report and Audited Financial Statements of the Company and its subsidiaries ("Group").

Celebrating 50 Years of Growth and Innovation

As we commemorate Salcon's 50th anniversary, we reflect on our journey from a water engineering and construction company in Shah Alam, Selangor, to a diversified group with a growing presence across sectors. While water remains our core business and a key strength, we have strategically expanded our presence across ASEAN and the UK, embracing advanced technologies while solidifying our position in the water and wastewater industry. Our portfolio now includes glove manufacturing, technology services, renewable energy, transportation, property development and healthcare, which is in line with our vision to transform lives for the better.

Resilience in a Challenging Global Landscape

Stepping into 2024, the world is confronted by unresolved geopolitical tensions, inflationary pressures, rising interest rates and climate-related issues. Despite these headwinds, Salcon has remained resilient, leveraging its agility to navigate uncertainties and seize emerging opportunities. While competition remains intense within the water and wastewater industry, strong relationship management has now become essential. At the same time, governmental support and infrastructure development initiatives continue to provide growth momentum.

In FY2024, we remained steadfast in rebuilding our profitability and made solid progress. Our results underscore our ability to navigate complex market conditions while staying committed to driving sustainable growth.

REVENUE GROWTH

Our revenue increased by **93.0% to RM298.4 million** in FY2024 from RM154.6 million in FY2023, primarily driven by higher project completion in the Engineering and Construction division.

PROFITABILITY

Our Profit Before Taxation ("PBT") of **RM17.3 million rose by 145.1%** in FY2024 compared to loss before taxation of RM38.4 million in FY2023.

FINANCIAL STRENGTH

Our cash and cash equivalents of **RM143.7 million** further strengthened our financial position.

These results demonstrate our steadfast commitment to delivering value to our stakeholders.

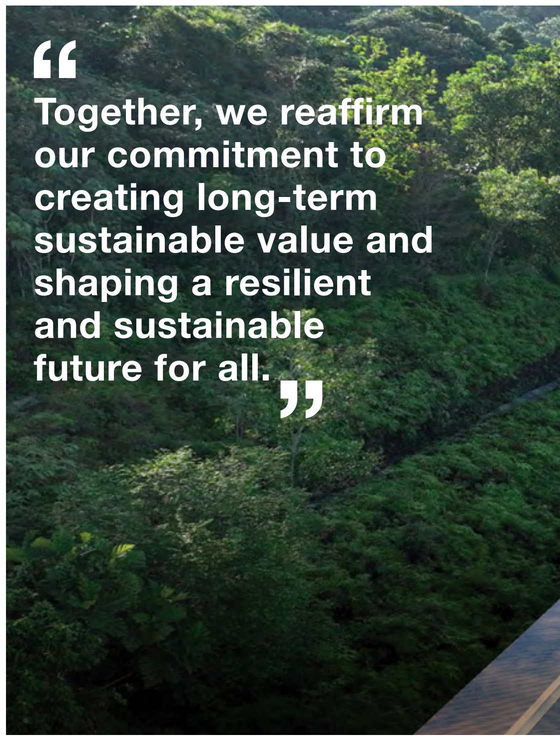
Read more on our financial performance in the Group CFO's Statement on pages 29 to 34.

Advancing Our Sustainability Journey

Our commitment to sustainability remains at the core of our growth strategy. Aligned with this commitment, we have made significant strides in diversifying our business. This year, we gained momentum in our healthcare division through the acquisition of a 70% shareholding in SPH Dental Sdn. Bhd., marking our strategic expansion into the healthcare sector with a focus on enhancing lives and well-being.

Our strong positioning in Malaysia provides an excellent opportunity for Salcon to contribute toward sustainable development initiatives in our industry. This commitment was underscored by the Langat 2 Package 3 project, which is due for completion in April 2025. This project involves the design and construction of a 2,000-metre residual conveyance and disposal system, significantly reducing carbon emissions and minimising disruptions to local communities. Moving forward, we will remain committed to advancing sustainability the principles of the UNSDGs, particularly SDG 6 (Clean Water and Sanitation), SDG 9 (Industry, Innovation and Infrastructure) and SDG 13 (Climate Action).

Read more on our Sustainability initiatives and commitments on pages 52 to 95.



Charting the Path Forward

Looking ahead, the global landscape remains fraught with continuing geopolitical tensions and economic volatility. Despite these challenges, Salcon will continue to progress with its journey to achieve its vision and shape a sustainable future that will contribute to the interest of the nation, industry and communities.

Our strategic direction is underpinned by our four key growth drivers: Cost and Operational Effectiveness, Strategic Diversification, Driving Technology and Innovation and Embedding Sustainability. These pillars will guide us in navigating tenacious uncertainties and an increasingly competitive market while reinforcing our position as a leading company in the water and wastewater industry.

Additionally, Salcon will continue to rebalance and rationalise our portfolio, prioritising capital allocation towards core businesses to drive long-term growth and resilience.

At the same time, we remain focused on maintaining a robust balance sheet that supports our sustainable future, ensuring profitable growth and strong cash generation for the short-term.

Read more on our Market and Strategic Growth Drivers on pages 12 to 13.

Acknowledgments and Appreciation

A key highlight of the year was hosting a delegation from the All-China Environment Federation ("ACEF") in September 2024. This esteemed delegation, comprised industry leaders and government officials from China, which further strengthened our international partnerships through valuable knowledge exchange and discussions on global best practices in water management.

On behalf of the Group, I would like to take this opportunity to express sincere gratitude for the support Salcon has received from the governments, its agencies, regulators and private employers and the opportunity to continue to serve in the market and partner in their development efforts. I also wish to express appreciation to our Board for their invaluable insights and guidance. To the Group's employees, our deepest gratitude for your hard work and dedication over the past year in driving Salcon's success. As for our shareholders, partners, suppliers and customers, we thank you for your continued trust and support in our journey.

Together, we reaffirm our commitment to creating long-term sustainable value and shaping a resilient and sustainable future for all.

Thank you.

TAN SRI ABDUL RASHID BIN ABDUL MANAF
Chairman
Independent Non-Executive Director

View of the sludge conveyor next to Langat 2 Water Treatment Plant

Strategic Review

Value Creation Business Model

KEY INPUTS

FC Financial Capital

- Total equity: RM420.6 million
- Cash and cash equivalents: RM143.7 million
- Total borrowings: RM63.5 million
- Total capital expenditure: RM12.7 million

HC Human Capital

- 491 employees
- 48 protégé
- RM113.8k invested in training and development

MC Manufactured Capital

- 1 manufacturing plant
- 241 transportation vehicles/distribution fleet
- 14 dental clinics
- Fibre optic cables
- 18.07 acres of landbank

IC Intellectual Capital

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

NC Natural Capital

- 4,055,894 kWh of energy consumption
- 149,833 m^3 of water consumption

SC Social and Relationship Capital

- 280 local suppliers in Malaysia
- 390 hours of employee volunteering
- RM97.24k invested in community engagement activities

Business Activities and Strategy

Vision

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

Mission

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

Core Values

Commitment, Ownership, Results Oriented, Teamwork, Respect

Strategic Growth Drivers

- Strategic Diversification
- Driving Technology and Innovation
- Cost and Organisational Efficiency
- Embedding Sustainability

BUSINESS DIVISION

Engineering and Construction

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

Glove Manufacturing

- Glove manufacturing

Technology Services

- Fiber optic cables laying and operation

Renewable Energy

- Solar photovoltaic system installation

Transportation

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

Healthcare

- Dental healthcare services

Property Development

- Residential property construction and development

Strategic Review
Value Creation Business Model

BUSINESS ENVIRONMENT

Operating Environment
- Economic uncertainty
- Competitive landscape
- Technology and innovation
- Rising ESG ("Environmental, Social, and Governance") Expectations

For more information on Market and Strategic Growth Drivers, please refer to pages 12 to 13 of this report.

Key Risks
- Market Risk
- Sustainability Risk
- Project Management and Construction Risk
- Geopolitical Risk
- Compliance Risk
- Health, Safety, Security and Environment ("HSSE") Risk
- Human Capital Risk
- Financial Risk
- Integrity Risk
- Technological Risk

For more information on Key Risks and Mitigations, please refer to pages 25 to 28 of this report.

Focus Areas and Material Issues

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

B: Leadership and Governance
1. Business Ethics and Corporate Governance
2. Systemic Risk Management

C: Human Capital
1. Occupational Health and Safety
2. Talent Attraction and Engagement
3. Labour Rights and Practices

D: Environment
1. Environmental Impact Management
2. Climate Change

E: Social Capital
1. Community Engagement

VALUE CREATED

OUTPUT	OUTCOME
Financial Capital	
• Profit after tax: RM16.9 million • Healthy gearing ratio at 0.15 • Taxation paid: RM0.36 million • Interest paid to financial institutions: RM4.7 million	• Sustained economic growth and financial stability • Strengthened business resilience and liquidity • Enhanced confidence and retention of investors, shareholders, suppliers, business partners and clients • Positive contributions to national economic development Stakeholders Involved: Investors, Shareholders, Regulators, Suppliers, Business Partners, Clients
Human Capital	
• RM29.1 million paid in salaries and rewards • 39.3% of employees are women • 35.4% of middle and senior management are held by women • 3,113 of employee training hours • 13,211,039 manhours without loss time injuries ("LTI") • 0 Lost Time Injuries Frequency Rate ("LTIFR")	• Safer and healthier working environment • Talent attraction and retention • Improved employee competencies • Reduced incidents Stakeholders Involved: Employees
Manufactured Capital	
• Completed raw water intake projects and its associated works with a total of 80 MLD capacity • Produce over 140 million pieces of gloves annually • Delivered cells sites along the LRT corridor • Outstanding order book of RM159 million of water and wastewater projects • 862.5 kWp of renewable energy generated from renewable energy segment	• Strong brand and market positioning • Long-term strategic partnership • Enhanced products and services quality Stakeholders Involved: Business Partners, Employees, Clients
Intellectual Capital	
• Intermittent Decanted Extended Aeration ("IDEA") System installation with a capacity of more than 337,368 PE • 14 new types of glove products launched	• Innovative product and services • Increased operational efficiencies • Strengthened brand and market reputation through innovation Stakeholders Involved: Clients, Investors, Business Partners
Natural Capital	
• 5,213.38 tonnes CO_2 of GHG Emission • 59.32 tonnes of scheduled waste generation • 1.66 tonnes of waste recycled	• Mitigation of environmental impact • Efficient resources consumption • Responsible waste management • Promoting innovation and sustainable growth Stakeholders Involved: Regulators
Social and Relationship Capital	
• Conducted 7 Salcon Smart Water Programmes held, benefitting 220 students and 12 teachers • Supported 543 beneficiaries from philanthropic and river programme activities • 99.97% of procurement sourced locally	• Contribution to local economic growth • Driving community empowerment through CSR • Ethical and sustainable supply chain practices • Consistent transparent communications Stakeholders Involved: Community, Suppliers, Sub-contractors, Regulators, Employees

Strategic Review

Market and Strategic Growth Drivers

During the year under review, the Group exhibited resilience in a dynamic business landscape by leveraging four strategic growth drivers to capitalise on opportunities and reinforce long-term success in a competitive marketplace.

Business Environment	Strategic Growth Drivers
Economic Uncertainty Volatile economic conditions and inflationary pressures continue to drive up operational costs including fuel expenses, energy tariffs and wages. Additionally, material costs such as steel and cement remain elevated impacted profitability. **Impact** • Profit margin affected by rising costs • Increased emphasis on cost efficiency and resource optimisation	**Cost and Organisational Efficiency** The Group fosters a culture of continuous improvement through resource optimisation, supplier negotiations, workforce development and performance monitoring. These ongoing improvements enhances cost efficiency, productivity and operational resilience.
Competitive Landscape The industries remain highly competitive with both established players and new entrants vying for market share. Oversupply in industries such as renewable energy and property development has intensified pricing pressures. **Impact** • Profit margins constrained by pricing competition • Challenges in maintaining or growing market share amid intensifying competition	**Strategic Diversification** The Group diversifies into new business segments and geographical markets to mitigate competitive risks. By leveraging cross sector opportunities and reducing reliance on single business segment, the Group strengthens long-term growth and resilience in evolving market conditions.
Technology and Innovation Rapid advancements in digitalisation, AI and sustainable technologies are reshaping consumer expectations and operational frameworks. Industries are under growing pressure to adopt innovative solutions to remain competitive. **Impact** • Increased demand for advanced technologies to meet evolving expectations • Enhanced operational efficiency through digitalisation and innovation • Rising need for Research and Development ("R&D") investments and cutting-edge technologies	**Driving Technology and Innovation** The Group remains committed to integrating advanced technologies into its business operations to enhance customer experience, operational efficiencies and long-term value in an increasingly digital business landscape.
Rising ESG Expectations Sustainability have become a key priority for stakeholders, driven by increasing regulatory requirements and growing demand for responsible business practices. Companies are expected to align operations with ESG standards and national sustainability initiatives. **Impact** • Enhanced stakeholder confidence through sustainable practices • New growth opportunities in sustainability driven markets	**Embedding Sustainability** The Group integrates sustainability into its operations, reinforcing responsible corporate practices while fostering long-term business resilience and growth in an evolving business landscape.

Market and Strategic Growth Drivers

These drivers serve as the foundation of a forward-looking strategy that balances short-term recovery with long-term sustainable growth, while strengthening the Group's adaptability, resilience and commitment to value creation.

	2024 Initiatives/Developments	2025 Priorities
	E&C: Streamlined procurement processes and supplier selection. **Glove Manufacturing**: Deployed cost-saving technologies such as gas turbine generators to improve energy efficiency. **Healthcare**: Expanded clinic network to increase accessibility and affordability while managing operational costs. **Transportation**: Rationalise fleet operations and asset deployment strategies.	• Strengthen financial planning and risk management to mitigate material cost volatility. • Explore innovative cost saving technologies and sustainable practices to improve resource efficiency. • Optimise operational processes to meet rising demand while maintaining financial resilience. • Expand into new customer segments to diversify revenue streams.
	E&C: Leverage technical expertise and competitive pricing strategies. **Technology Services**: Introduced bundled managed services to improve operational efficiency. **Property Development**: Strategic joint venture on multi-phased mixed-use developments. **Renewable Energy**: Prioritised securing contracts under Corporate Green Power Programme ("CGPP").	• Diversify into new business opportunities and markets. • Establish strategic partnerships to enhance brand positioning and strengthen long-term market positioning.
	E&C: Design and build an advanced sludge pipe conveyor system to support customer's operation to minimise manual handling, enhance workplace safety and reduce GHG emissions. **Glove Manufacturing**: Expanded product portfolios with specialised gloves to penetrate new markets. **Technology Services**: Partnered with stakeholders to pilot innovative initiatives and upgraded systems to support higher-capacity technologies including 5G infrastructure.	• Strengthen integration of technologies in infrastructure development. • Invest in R&D to enhance product quality and innovation. • Explore emerging technologies to improve operational efficiency and consumer experience.
	E&C: Secured contracts for sustainable developments that enhance the well-being of local communities. **Renewable Energy**: Offset carbon emissions through solar PV projects for our customers, supporting national initiatives through CGPP. **Glove Manufacturing**: Installed nano solar panel to generate electricity and improve operational efficiency.	• Strengthen capabilities and align operations with UNSDGs and national priorities, particularly in water security and sustainable development. • Explore opportunities in new markets. • Further embed a culture of sustainability across operations.

Strategic Review

Stakeholder Engagement

Effective stakeholder engagement is fundamental to the Group's value creation process as it provides diverse perspectives that drive comprehensive and informed decision-making. By engaging with our stakeholders through various platforms and channels, we strive to build trust through transparency, identify risks and opportunities, foster innovation through collaboration, resolve conflicts, ensure compliance and uphold a sustainable and responsible business practice.

Understanding the priorities and concerns of our stakeholders enables us to deliver meaningful positive impacts and drive continuous improvement in areas that are significant to our stakeholders' interests and the organisation's long-term growth.

Frequency

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

Clients

Why we engage?

- Clients are at the heart of our business.
- By understanding their needs, we are able to deliver high quality and innovative solutions that meet their expectations.

Key Priorities and Concerns	Our Responses	Engagement Approach and Frequency	Outcomes/benefits
• High quality products/ services • Projects completed in a timely manner and within budget • Innovative solutions • Ethical business practices *Pages 59 to 67*	• Efficient project management to ensure timely and cost-effective completion • Feedback through annual customer satisfaction surveys to gather insights for operational improvements • R&D to develop new products • Collaborate with strategic partners to develop high quality products	P Meetings AR Site visits A Client Satisfaction Survey AR Seminars on new technology	• **Strengthened trust and positive partnership:** building long-term relationships with stakeholders • **Enhanced products and services quality:** improving client satisfaction and loyalty • **Strong brand positioning:** attracting new clients and retaining existing ones

Linkages: *Focus Area:* B *Material Matters:* MI1 MI2 MI4 *Capitals:* FC IC MC

Strategic Review
Stakeholder Engagement

Employees

Why we engage?

- Employees are the Company's most valuable asset in achieving our vision.
- Engaging with them fosters a safe, inclusive and supportive workplace that enhances productivity and creates sustainable value.

Key Priorities and Concerns	Our Responses	Engagement Approach and Frequency	Outcomes/benefits
• Safe and healthy workplace • Learning and development • Fair remuneration and benefits • Fair labour practices *Pages 70 to 79*	• Provide on-the-job training, soft skills training and seminars opportunities • Industry aligned compensation and benefits • Promote proactive initiatives to reduce incidents risk and enhance safety awareness • Organise various employee engagement activities to promote diversity and inclusion	W Toolbox sessions P Safety, Health and Environment Q Committee meetings/HSE programmes AR Training, workshops and seminars P Department meetings A Review of Policies and Procedures AR Events such as Annual dinner and festive celebrations	• **Safe, healthy and conducive working environment:** ensuring employee well-being and productivity • **Reduced incidents:** fostering a safer workplace • **Talent attraction and retention:** building a skilled and motivated workforce • **Cohesive culture:** enhancing teamwork and collaboration • **Skilled workforce through capabilities-building programmes:** promoting continuous learning and development

Linkages: *Focus Area:* G H *Material Matters:* MI2 MI5 MI7 MI11 *Capitals:* HC

Business Partners

Why we engage?

- Collaboration with business partners allows us to leverage each other's expertise through joint ventures and associates.

Key Priorities and Concerns	Our Responses	Engagement Approach and Frequency	Outcomes/benefits
• Long-term business relationship • Improved Company performance • Adherence to compliance and governance standards • Ethical business practices in business dealings *Pages 59 to 67*	• Strategic business plan meeting • Regular business and performance updates	A Strategic business plan meeting Q M Board meetings P Meetings	• **Timely delivery of projects:** enhancing customer satisfaction • **Alignment of business objectives:** cultivating successful collaborations • **New business opportunities:** driving growth through innovative products/services • **Continued growth and sustainability:** driving sustained business success

Linkages: *Focus Area:* B G *Material Matters:* MI1 *Capitals:* FC MC IC

Strategic Review
Stakeholder Engagement

Government and Regulators (inluding SPAN, DOE and LDHN)

Why we engage?

- Engagement with authorities facilitates compliance with laws and regulations, fostering ethical, competitive and sustainable business practices that align with national priorities such as sustainable development, quality of life and inclusiveness.

Key Priorities and Concerns	Our Responses	Engagement Approach and Frequency	Outcomes/benefits
• Compliance with laws and regulations • Economic and social development • Meeting corporate governance best practices *Pages 58 to 65*	• Engagement sessions with relevant authorities to gain insights on their needs, requirements and latest regulatory changes • Statutory submissions and reports to government agencies	AR Statutory submissions AR Meetings/workshops AR Site visits/ conferences AR Consultative sessions	• **Supported national agenda:** promoting innovation and sustainable growth such as through AIR2040 • **Contribute towards nation-building:** enhancing economic growth and development • **Avoidance of fines and penalties:** ensuring compliance and ethical practices

Linkages: *Focus Area:* B G *Material Matters:* MI1 MI2 MI5 MI8 MI11 *Capitals:* FC HC SC

Investors/Shareholders/Financial Institutions

Why we engage?

- Transparent communication with investors, shareholders and financial institution is key to gaining trust and securing support, which in turn facilitates access to funding for future growth and helps sustain our market presence.

Key Priorities and Concerns	Our Responses	Engagement Approach and Frequency	Outcomes/benefits
• Sustained growth and future business opportunities • Consistent and sustainable financial performance *Pages 58 to 65*	• Issuance of quarterly results announcements and press statements • Update on key business developments and corporate initiatives • Disclosures of performance, financial position, strategies sustainability and governance practices in IAR	A Annual General Meeting AR Corporate website AR Announcements via Bursa website A Integrated Annual Report	• **Consistent transparent communication:** building trust with investors • **Enhanced trust and positive relationship:** sustaining market presence

Linkages: *Focus Area:* B G *Material Matters:* MI1 MI2 *Capitals:* FC MC

Suppliers/Sub-contractors

Why we engage?

- Strong relationship with suppliers ensures timely delivery of projects, adherence to quality standards and sustainability commitments.

Key Priorities and Concerns	Our Responses	Engagement Approach and Frequency	Outcomes/benefits
• Long-term business relationship • Fair and transparent business transactions • Timely response and payments • ESG risk and opportunities (Human rights, environmental compliance, safety and health concerns) *Page 63*	• Sourcing local vendors to enhance supply chain resilience • Provide fair opportunities to suppliers/sub-contractors through transparent tender process and adherence to ISO procurement standard • Communicated our supply chain policies and procedures to suppliers/subcontractors • Incorporate sustainability-related requirements in our procurement process • Supplier performance monitoring	TTY Policies and Procedures P Meetings A Supplier/ sub-contractor performance reviews A Supplier evaluation audits	• **Business growth:** promoting economic growth and stability for suppliers/subcontractors • **Reliable supply chain:** maintaining consistent on time project delivery • **Fair and timely payment:** fostering positive relationship and trust • **Compliance with relevant laws and regulations:** promoting ethical and legal business practices

Linkages: *Focus Area:* B S *Material Matters:* MI1 MI2 MI3 MI4 MI11 *Capitals:* FC MC SC

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

Why we engage?

- Active participation in industry association allows us to contribute to industry innovation, share best practices, stay updated on latest industry requirements and collectively synergise to drive improvements across the sector.

Key Priorities and Concerns	Our Responses	Engagement Approach and Frequency	Outcomes/benefits
• Knowledge and information sharing of best practices for the industry's growth • Collaborative efforts among industry players to drive the national agenda • Compliance with industry standards and regulations *Pages 61 to 62*	• Active participation in the activities organised by the industry associations • Regular engagement sessions with peers	AR Industry conferences AR Exhibitions AR Workshop and dialogues	• **Strengthen networks among industry peers:** enhancing collaboration and knowledge sharing, benefitting entire industry • **Improved industry knowledge:** keeping us updated in driving continuous improvement • **Enhanced business practices:** promoting ethical operations

Linkages: *Focus Area:* B *Material Matters:* MI1 MI4 *Capitals:* MC IC

Strategic Review
Stakeholder Engagement

Media

Why we engage?

- Media plays a key role in enhancing our brand visibility and disseminating information, fostering transparency and trust with stakeholders.

Key Priorities and Concerns	Our Responses	Engagement Approach and Frequency	Outcomes/benefits
• Sharing of timely and accurate information on key corporate developments and sustainability efforts	• Timely and responsive communication • Sharing of business developments and CSR programmes	AR Press releases AR Media visit	• **Strong brand positioning and reputation:** enhancing our visibility and credibility

Linkages: *Focus Area:* B E S *Material Matters:* MI1 MI8 MI10 *Capitals:* FC MC IC NC SC

Non-governmental Organisations ("NGOs") and Local Communities

Why we engage?

- As a responsible corporate citizen, we collaborate with NGOs and local communities to drive positive economic, social and environmental impacts, reinforcing our commitment to sustainability.

Key Priorities and Concerns	Our Responses	Engagement Approach and Frequency	Outcomes/benefits
• Environmental conservation • Support for vulnerable communities • Socioeconomic development *Page 93 to 95*	• Partnership with NGOs on environmental conservation initiatives • Providing financial and non-financial assistance to vulnerable communities • Offering internship opportunities and local employment	AR Corporate social responsibilities activities AR Protégé programme	• **Positive and long-term partnership for environmental conservation:** strengthening efforts to protect the environment • **Contribute to empowering underprivileged communities:** contributing to the well being an development of vulnerable groups • **Contribute to the creation of employment opportunities:** supporting local economies

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

Materiality Assessment

We conduct a materiality assessment every three years with an annual review to evaluate the relevance of the identified material matters in relation with the Group's business strategy and operations. The material matters presented in this report are based on our last assessment conducted in 2023.

Our materiality assessment process is guided by recognised frameworks including the Bursa Malaysia Sustainability Guide and Toolkits (3rd Edition), GRI Standards and <IR> Framework. These frameworks provide a structured approach to identifying and addressing the most pertinent sustainability issues for the Group and its stakeholders.

MATERIALITY ASSESSMENT PROCESS

Phase 1: Identification of Material Issues

Understanding Salcon's operating context:

- Organisation's operating environment, including its activities and business relationships;
- Macroeconomic trends; and
- Changes in the regulatory landscape.

These factors impact long-term value and ESG risks and opportunities.

Phase 2: Identification of Material Matters

- Identify key stakeholders and understand their needs and expectations.
- Identify a list of material issues.
- Assess impacts on the economy, environment and society ("EES").

Phase 3: Prioritisation of Material Issues

- Conduct an online survey across stakeholder groups to assess the significance of the impacts.

Phase 4: Review and Validation

- The outcome of the review and results of the materiality assessment were presented to the Sustainability Committee and Board for approval.

Strategic Review
Materiality Assessment

Materiality Matrix and Assessment

In FY2023, the Group undertook its third comprehensive materiality survey and assessment. In FY2024, we reviewed our material issues and determined that they remain relevant to our business strategies and operations.

These material issues are grouped into 5 focus areas: Business Model and Innovation, Leadership and Governance, Human Capital, Environment and Social Capital.

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

Salcon Materiality Matrix 2024

B Business Model and Innovation
- MI1 Business Management and Delivery
- MI3 Supply Chain Management
- MI4 Technology and Innovation

G Leadership and Governance
- MI2 Business Ethics and Corporate Governance
- MI6 Systemic Risk Management

H Human Capital
- MI5 Occupational Health and Safety
- MI7 Talent Attraction and Engagement
- MI11 Labour Rights and Practices

E Environment
- MI8 Environmental Impact Management
- MI9 Climate Change

S Social Capital
- MI10 Community Engagement

Materiality Assessment

Focus Area: **B** **BUSINESS MODEL AND INNOVATION** *UNGC Principles:* 9 *Relevant SDGs:* 8, 9 *Capitals:* FC MC IC

Material Issues	Change Analysis	Relevant Key Risks	Engaged Stakeholders	How We Address the Issue	Key Performance Indicators
MI1 Business Management and Delivery Efficient project execution and service delivery across business segments, encompassing business planning, financial management and project delivery.	Ranking maintained from the previous year	KR8 Financial Risk KR1 Market Risk KR4 Geopolitical Risk KR3 Project Management and Construction Risk		• Maintain regular engagements with clients and consultants • Enhance project management to ensure deliverables are within budget and timeline *Pages 59 to 62*	• Client satisfaction score
MI3 Supply Chain Management Ensuring a sustainable, resilient, and ethical supply chain with suppliers, sub-contractor and business.	Ranking maintained from the previous year	KR3 Project Management and Construction Risk		• Enforce adherence to the supplier code of conduct among our suppliers/ subcontractors/business partners • Assess supplier ESG performance • Implement a risk-based supply chain monitoring system *Pages 63 to 64*	• Suppliers and sub-contractors performance score
MI4 Technology and Innovation Leveraging technological advancements to boost efficiency and maintain a competitive advantage. Embracing innovation ensures Salcon stays at the forefront of industry developments, driving long-term value creation and growth.	Ranking maintained from the previous year	KR10 Technological Risk		• Identify strategic opportunities to strengthen relationships with industry leaders • Adopt digital transformation initiatives, and promote innovation to enhance product and service quality *Page 65*	• Technology and innovation initiatives adopted

Stakeholders:

Clients · Business Partners · Government and Regulators · Industry Associations · Non-governmental Organisation ("NGOs") and Local Communities · Investors/ Shareholders/ Financial Institutions · Employees · Suppliers/ Sub-contractors · Media

Strategic Review
Materiality Assessment

Material Issues	Change Analysis	Relevant Key Risks	Engaged Stakeholders	How We Address the Issue	Key Performance Indicators
Focus Area: G LEADERSHIP AND GOVERNANCE				*UNGC Principles:* 10 *Relevant SDGs:* 16	*Capitals:* FC HC SC
MI2 Business Ethics and Corporate Governance Good governance and ethical conduct foster trust, credibility and contribute to sustainability and value creation.	Ranking maintained from the previous year	KR5 Compliance Risk KR9 Integrity Risk		• Implement clear policies and practices to ensure ethical business conduct • Conduct an annual review of enterprise risks *Pages 67 to 68*	• Fines or non-monetary sanctions for legal non-compliance • % of new employees and suppliers/ sub-contractors communicated on the relevant Company's policies
MI6 Systemic Risk Management Identifying and mitigating business risks effectively to minimise business disruptions and seize opportunities.	Ranking maintained from the previous year	KR5 Compliance Risk KR2 Sustainability Risk		• Implement and regularly assess the Group Enterprise Risk Management Framework to guide risk management practices • Conduct an annual review of enterprise risks *Page 68*	• Annual performance review on enterprise risks
Focus Area: H HUMAN CAPITAL		*UNGC Principles:* 1 2 3 4 5 6		*Relevant SDGs:* 3 4 5 8 10	*Capitals:* HC SC
MI5 Occupational Health and Safety One of our top priorities is the safety and health of our employees, suppliers, and subcontractors. A safe working environment ensures optimum productivity and fosters trust and credibility.	Ranking maintained from the previous year	KR6 HSSE Risk		• Ongoing safety and health programmes to promote a safe working culture *Pages 70 to 72*	• Lost Time Injury Frequency Rate ("LTIFR") • % completion of safety and health training

Materiality Assessment

Material Issues	Change Analysis	Relevant Key Risks	Engaged Stakeholders	How We Address the Issue	Key Performance Indicators
Focus Area: H HUMAN CAPITAL — UNGC Principles: 1 2 3 4 5 6 — Relevant SDGs: 3, 4, 5, 8, 10 — Capitals: HC SC					
MI7 Talent Attraction and Engagement Attracting and retaining skilled talent through good corporate culture, attractive remuneration, learning opportunities, career development, equal opportunities and a conducive working environment.	Ranking maintained from the previous year	KR7 Human Capital Risk		• Provide equal opportunity and non-discriminatory recruitment and rewards • Review and improve benefit and welfare programmes to retain talents *Pages 72 to 78*	• Training hours • Turnover rate • % of employee participation in the Company's activities • % of female employees in managerial positions and on the Board
MI11 Labour Rights and Practices Upholding fair labor practices to empower workers and foster a positive work environment.	Ranking maintained from the previous year	KR7 Human Capital Risk		• Implement clear policies to guide and maintain fair labour practices • Comply with Employment Act and labour laws • Monitor and address whistleblowing cases *Page 79*	• Non-compliance with the Employment Act and labour Laws • Number of whistleblowing cases
Focus Area: E ENVIRONMENT — UNGC Principles: 7 8 9 — Relevant SDGs: 6, 7, 12, 13 — Capitals: FC NC					
MI8 Environmental Impact Management Managing environmental impacts through monitoring, preventative and remedial actions to ensure efficient and responsible use of natural resources.	Ranking maintained from the previous year	KR6 HSSE Risk		• Track, monitor and manage the use of resources such as energy and water • Track, monitor and manage the amount of waste generated • Comply with environmental regulations *Pages 81 to 86*	• Energy consumption intensity • Water consumption intensity • Compliance with environmental laws and regulations

Strategic Review
Materiality Assessment

Material Issues	Change Analysis	Relevant Key Risks	Engaged Stakeholders	How We Address the Issue	Key Performance Indicators
Focus Area: E ENVIRONMENT			UNGC Principles: 7 8 9	Relevant SDGs: 6 7 12 13	Capitals: FC NC
MI9 **Climate Change** Addressing climate-related risks and reducing carbon emissions to minimise business disruptions.	Ranking maintained from the previous year	KR2 Sustainability Risk		• Track and monitor carbon footprint and implement initiatives to reduce GHG emissions • Develop climate risk assessment, adaptation and mitigation strategies *Pages 87 to 92*	• GHG emission intensity
Focus Area: S SOCIAL CAPITAL			UNGC Principles: 1	Relevant SDGs: 1 2 4 7 14 15	Capitals: NC SC
MI10 **Community Engagement** Supporting local community development through education, financial support and job opportunities to strengthen relationships and improve quality of life.	Ranking maintained from the previous year	KR2 Sustainability Risk		• Engage with local community through three main pillars of Education, Environment and Community • Charitable giving • Provide internship programmes to support local talent development *Pages 93 to 95*	• Number of engagement programs conducted • Number of beneficiaries

Strategic Review

Key Risks and Mitigations

In line with the ISO 31000:2018 Risk Management - Principle and Guidelines, Salcon implements an Enterprise Risk Management Process that aimed to achieve business and operational resilience in the face of adverse risk events. The Board, through its Audit and Risk Management Committee ("ARMC") has undertaken various initiatives to strengthen and enhance risk management framework across the Group and at the business unit level.

The ARMC has conducted assessment of Salcon's key business risks that may impact the Group's ability to achieve its strategic objective and hinder value-creation opportunities. Additionally, the ARMC is supported by the Senior Management via the Risk Management Working Group ("RMWG") to ensure that these identified risks are managed within the Group's acceptable risk appetite and tolerance levels through continuous monitoring of key risk indicators ("KRIs").

Details of the risk management framework and processes can be found on pages 116 to 122 in the Statement of Risk Management and Internal Control ("SORMIC") of this IAR 2024. The identified common key risks to the Group and mitigation measures are as follows:

Risk Movements 2024 Increased Unchanged

Market Risk KR1

Risk Rating: **HIGH** Related Material Matters: MI1

Description	Potential Impact on Value
The Group operates in highly competitive markets and faces intense price competition that could adversely affect the Group's results.	• Lower profitability. • Financial instability due to challenges in customer retention and expansion. • Loss of market share.

Mitigation Measures

- Constant monitoring of current industry trends, competitors and market insights through market research.
- Explore new business ventures to prevent over-reliance on single revenue stream.
- Attract and retain skilled personnel to remain competitive.

Sustainability Risk KR2

Risk Rating: **HIGH** Related Material Matters: MI2 MI3 MI5 MI11 MI9

Description	Potential Impact on Value
Increasing climate-related regulations and stakeholder demands on sustainability agenda potentially affect current operations.	• Unexpected operational disruptions caused by climate change. • Increasing exposure to litigation, fines and penalties. • Negative impact on reputation among stakeholders including investors and bankers.

Mitigation Measures

- Conduct training and awareness initiatives to foster ESG culture within the Group.
- Periodic meetings to discuss on sustainability issues.

Strategic Review
Key Risks and Mitigations

Project Management and Construction Risks
KR3

Risk Rating: HIGH Related Material Matters: MI1 MI6

Description	Potential Impact on Value
Risk related to constructions and projects, including project cost overruns, schedule delays and poor quality in project delivery.	• Potential imposition of Liquidated Ascertained Damages ("LAD"). • Lower profitability. • Delay in project completion. • Cost overruns. • Quality deficiencies. • Loss of customers.

Mitigation Measures
- Third-party due diligence and selection of qualified sub-contractors, suppliers and consultants.
- Close monitoring throughout project execution.
- Strengthened in-house training for Project Management Team.
- Implementation of cost optimisation strategies.

Geopolitical Risk
KR4

Risk Rating: MEDIUM Related Material Matters: MI2 MI8 MI9

Description	Potential Impact on Value
Shifts in the political and economic landscape, resulting in stricter legal and environmental obligation or enforcements, may increase the reputational risks associated with non-compliance.	• Market volatility lead to rapid and unpredictable price movements in stocks, company investments and currencies. • Adverse impacts towards new business opportunities. • Higher borrowing costs. • Diminishing shareholder returns.

Mitigation Measures
- Foster and maintain good relationship with the stakeholders.
- Conduct political and country risk assessments.

Compliance Risk
KR5

Risk Rating: MEDIUM Related Material Matters: MI1 MI6

Description	Potential Impact on Value
Risk from failure to implement changes to comply with the latest legal or regulatory requirements, both locally and internationally.	• Imposition of penalties and fines. • Disruption to operations. • Potential imposition of LAD. • Reputational damage.

Mitigation Measures
- Continuous monitoring of regulatory requirements.
- Regular compliance review for improvements.

Health, Safety, Security and Environment ("HSSE") Risk KR6

Risk Rating: **MEDIUM** Related Material Matters: MI2 MI6 MI5

Description

Poor Occupational, Health and Safety ("OHS") management may lead to injuries which will increase operating costs and reputational loss among stakeholders.

Potential Impact on Value

- Unsafe working environment.
- Stop work orders issued by regulatory bodies.
- Significant fines and/or imprisonment due to non-compliances.
- Major reputational damage to the Group.

Mitigation Measures

- Health and safety policies and procedures including emergency response plan and crisis management plan are in place.
- Prepare Monthly Safety, Health and Environment performance report.
- External audit for ISO 45001:2018 Occupational Health and Safety Management System.
- Implement stringent health and safety standards across operations.
- Provide and enforce the use of appropriate personal protective equipment.
- Continuous trainings are being conducted to raise awareness of health and safety measures.

Human Capital Risk KR7

Risk Rating: **MEDIUM** Related Material Matters: MI5 MI11

Description

Risk of insufficient competent talents to execute the Group strategies.

Potential Impact on Value

- Higher employee turnover and costs incurred from talent acquisition.
- Potential loss of key talent and insufficient resource could impede business growth.

Mitigation Measures

- Offering competitive remuneration packages and benefit packages.
- Implemented development programmes to equip talent with skills and knowledge.
- Strengthening employee engagement through promotion of diversity and inclusion.
- Conducted succession planning for critical positions.

Financial Risk KR8

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

Description

Risk arising from market, credit, liquidity, foreign exchange and interest rates movements etc.

Potential Impact on Value

- Write-off of bad debts arising from defaulting customers.
- High interest expense.
- Increased financing costs.
- Lower profitability.
- Realised losses from foreign transactions.

Mitigation Measures

- Close monitoring of forex movements and gearing.
- Ongoing monitoring of exposures and limits.

Strategic Review
Key Risks and Mitigations

Integrity Risk
KR9

Risk Rating: LOW Related Material Matters: MI2 MI6

Description	Potential Impact on Value
Corruption, fraud, misconducts and unethical dealings may result in financial losses and reputational repercussions.	• Business disruptions. • Penalities arising from non-compliance. • Exposure to litigation risks. • Loss of investor confidence.

Mitigation Measures
- Strengthen adherence to ABAC policies and procedures, COEC and others.
- Whistleblowing channel is available for reporting of any concerns related to misconducts.
- Awareness programme for employee via newsletter to enhance awareness.

Technological Risk
KR10

Risk Rating: LOW Related Material Matters: MI4

Description	Potential Impact on Value
Inability to keep up with technological changes, exposure to data breaches and system failure could disrupt business operations.	• Reduced competitive advantage. • Disruption to business operations. • Reputational damage and loss of stakeholder trust.

Mitigation Measures
- Strengthen data security controls and regular IT maintenance.
- Identify risk impacts and develop contingency plans to address the IT risks.

Based on Salcon's existing risk rating matrix.

8 to 10	Very Significant
6 to 7	High
4 to 5	Medium
1 to 3	Low

Financial Performance Review

Group CFO's Statement

Dear valued stakeholders,

I am pleased to present the Salcon Group's financial performance for FY2024.

DIVISIONAL FINANCIAL REVIEW

Group Financial Performance

RM'000	2024	2023	Var
REVENUE	298,372	154,610	93%
PROFIT/(LOSS) BEFORE TAX	17,260	(38,397)	145%
NET PROFIT/(LOSS)	16,896	(36,975)	146%

The Group achieved a total revenue of RM298.4 million in FY2024, compared to RM154.6 million in the preceding financial year. This represents an increase of 93%, primarily driven by a higher completion of projects in the Engineering and Construction Division.

The Group recorded a profit before tax of RM17.3 million and a profit after tax of RM16.9 million in FY2024, primarily due to unrealised fair value gains from other investments. In contrast, the previous financial year saw loss before tax and loss after tax of RM38.4 million and RM37.0 million respectively, mainly attributed to impairment losses on intangible assets and property, plant and equipment.

Consolidated Cash Flow Analysis for FY2024

RM'000	2024	2023
Net cash (used in)/generated from operating activities	(11,348)	2,097
Net cash generated from/(used in) investing activities	4,711	(1,159)
Net cash generated from financing activities	287	15,880
Effects of exchange rate changes	(5,774)	(1,075)
Net (decrease)/increase in cash at year end	(6,350)	16,818
Cash and bank balances	143,669	155,793

In FY2024, the Group reported a net cash outflow from operating activities of RM11.3 million, an opposite of RM2.0 million cash inflow in FY2023. This change is primarily due to an increase in working capital.

Net cash generated from investing activities amounted to RM4.7 million in FY2024, compared to a cash outflow in FY2023. This positive shift is mainly attributed to increased dividend income and proceeds from the disposal of other investments during the year.

With respect to financing activities, net cash generated was RM0.3 million in FY2024, significantly lower than the inflows of RM15.9 million in FY2023. This decline is primarily due to a substantial drawdown of borrowings in FY2023.

Cash and bank balances as at the end of FY2024 was lower at at RM143.7 million, compared to RM155.8 million at the end of FY2023.

Financial Performace Review
Group CFO's Statement

Total Borrowings

RM'000	Borrowing due for repayment in		Total
	<1 year	>1 year	
Total borrowings	46,810	16,672	63,482

The Group's total borrowings increased to RM63.5 million in FY2024 from RM58.3 million in the previous financial year. This rise is primarily due to the acquisition of subsidiaries, which added RM5.2 million in borrowings.

As of the reporting date, there were no bank borrowings denominated in foreign currencies.

Capital Management

RM'000	2024	2023
Total borrowings	63,482	58,334
Lease liabilities	12,724	5,576
Less: Total cash and bank balances	(143,669)	(155,793)
Net Cash	(67,463)	(91,883)
Owners' equity and non-controlling interests	420,573	396,595
Net gearing ratio (times)	0.15	0.16

In line with the Group's commitment to prudent cash flow management, we maintain a robust balance sheet with low gearing. Being in a net cash position, we are able to service both short-term and long-term borrowings effectively. Owner's Equity and Non-Controlling Interest increased 6% from RM396.6 million in FY2023 to RM420.6 million in FY2024.

Consolidated Financial Position Analysis for FY2024

RM'000	2024	2023	Var
Non-current assets	235,385	187,651	25.4%
Current assets	429,082	387,929	10.6%
Total assets	664,467	575,580	15.4%
Non-current liabilities	52,791	36,261	45.6%
Current liabilities	191,103	142,724	33.9%
Total liabilities	243,894	178,985	36.3%
Owners' equity	411,450	389,075	5.8%
Current ratio (times)	2.25	2.72	-17.4%
Net assets per share attributable to equity holders (RM)	0.40	0.38	4.6%

Total assets

The Group's total assets increased by 15% reaching RM664.5 million in FY2024 compared to RM575.6 million in FY2023. This growth is primarily attributed to addition in intangible assets and property, plant and equipment, resulting from the acquisition of subsidiaries and expansion within the Healthcare Division.

Total liabilities

The Group's total liabilities increased by 36%, rising from RM179.0 million in FY2023 to RM243.9 million in FY2024. This increase is primarily attributed to a rise in trade payables and borrowings.

Financial Performace Review
Group CFO's Statement

Owner's equity

Owner's equity increased by 6% to RM411.5 million, mainly due to higher contributions from the Engineering and Construction Division in FY2024.

Current ratio

The Group's current ratio, a balance sheet measure of financial liquidity, was 2.25 times in FY2024, representing an 17% decrease compared to 2.72 times in FY2023.

Nevertheless, the ratio indicates that the Group still has adequate liquidity to cover its short-term obligations.

Dividend Payout

FY2024:
No dividend was paid in FY2024

DIVISIONAL FINANCIAL REVIEW

	Financial Year Ended December				
RM'000	**2024**	**2023**	**2022**	**2021**	**2020**
FINANCIAL RESULTS					
Revenue	298,372	154,610	204,109	286,893	194,148
Profit/(Loss) before tax	17,260	(38,397)	(51,640)	27,478	(8,750)
Net Profit/(Loss)	16,896	(36,975)	(41,326)	16,776	(8,057)
KEY INFORMATION OF FINANCIAL POSITION					
Total Cash and Cash Equivalents	143,669	155,793	140,072	120,536	142,836
Total Assets	664,467	575,580	594,184	661,260	594,247
Total Liabilities	243,894	178,985	146,554	166,831	126,484
Total Borrowings	63,482	58,334	25,537	39,432	32,065
Share Capital (No. of Shares) ('000)	1,035,440	1,012,413	1,012,413	1,012,413	1,012,413
Owners' Equity	411,450	389,075	425,031	454,834	445,514
Total Equity	420,573	396,595	447,630	494,429	467,763
FINANCIAL RATIOS					
Basic Earnings/(Loss) Per Share (sen)	1.58	(2.11)	(2.40)	1.19	(0.70)
Share Price at Year End (RM)	0.275	0.285	0.230	0.250	0.260
Price Earnings Ratio (times)	0.17	(0.14)	(0.10)	0.21	(0.37)
Return on Owners' Equity (%)	3.92%	-5.45%	-5.72%	2.63%	-1.36%
Return on Total Assets (%)	2.42%	-3.68%	-4.09%	1.81%	-1.02%
Dividend Payout to Earning Ratio (%)	0.00%	-22.84%	-23.00%	31.26%	-106.08%
Net Gearing Ratio (times)	0.15	0.16	0.06	0.08	0.07

Financial Performace Review

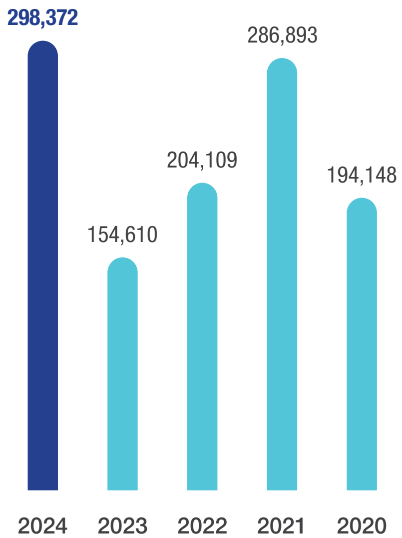
Group CFO's Statement

GROUP FINANCIAL HIGHLIGHTS

Revenue
(RM'000)

298,372

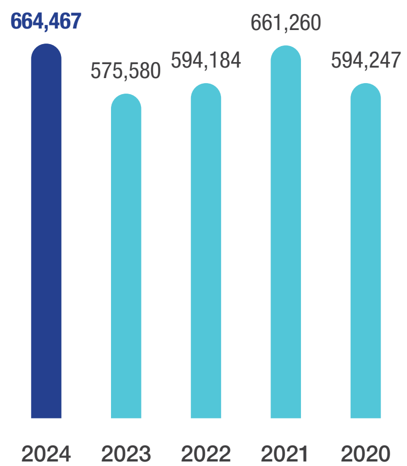
FY2023: 154,610



Total Assets
(RM'000)

664,467

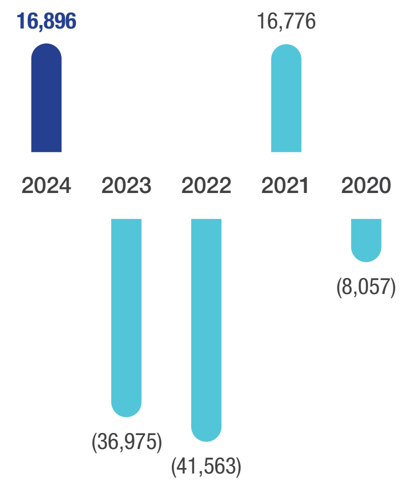
FY2023: 575,580



Net Profit/(Loss)
(RM'000)

16,896

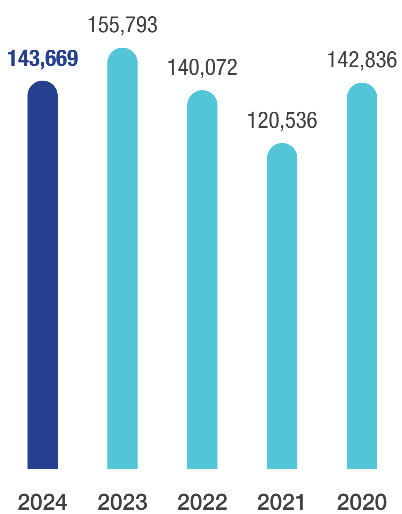
FY2023: (36,975)



Total Cash and Cash Equivalents
(RM'000)

143,669

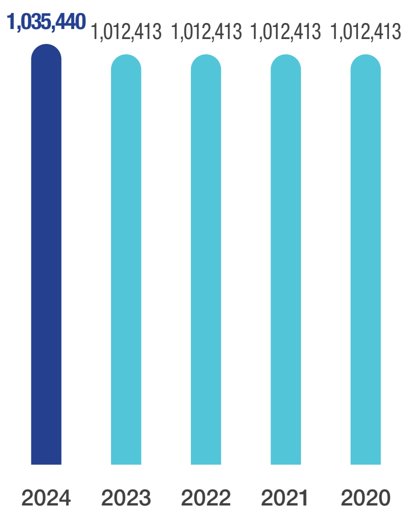
FY2023: 155,793



Share Capital (No. of Shares)
('000)

1,035,440

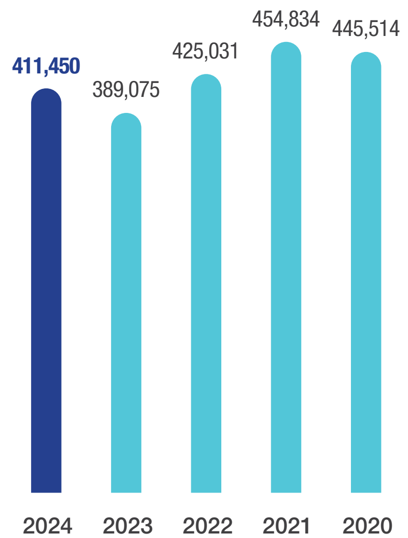
FY2023: 1,012,413



Owners' Equity
(RM'000)

411,450

FY2023: 389,075



GROUP SEGMENTAL PERFORMANCE

	Financial Year Ended December				
RM'000	2024	2023	2022	2021	2020
GROUP REVENUE					
Engineering and Construction	230,302	102,484	134,762	136,298	153,593
Property Development	-	-	-	2,177	23,763
Trading and Services	14,670	13,591	17,080	15,574	16,792
Glove Manufacturing	47,928	38,535	52,267	132,844	-
Healthcare	5,472	-	-	-	-
Revenue	**298,372**	**154,610**	**204,109**	**286,893**	**194,148**
GROUP PROFIT/(LOSS) BEFORE TAX					
Engineering and Construction	15,381	(7,863)	(2,167)	10,273	(3,411)
Property Development	(2,236)	(2,353)	(2,433)	(2,438)	(4,861)
Trading and Services	6,262	6,364	3,688	963	(478)
Glove Manufacturing	(854)	(34,545)	(50,708)	18,680	-
Healthcare	(1,293)	-	-	-	-
Profit/(Loss) Before Tax	**17,260**	**(38,397)**	**(51,620)**	**27,478**	**(8,750)**
GROUP NET PROFIT/(LOSS)					
Engineering and Construction	15,419	(9,084)	(1,832)	7,620	(4,741)
Property Development	(2,660)	(2,744)	(2,675)	(2,606)	(4,486)
Trading and Services	6,070	5,902	3,027	426	(885)
Glove Manufacturing	(564)	(32,843)	(40,109)	13,244	-
Healthcare	(1,369)	-	-	-	-
Net Profit/(Loss)	**16,896**	**(36,975)**	**(41,563)**	**16,776**	**(8,057)**

Note:

The segments have already included results contributed by investment holdings companies.

Segmental Analysis

Engineering and Construction Division

During the current financial year, the Division recorded a profit before tax of RM15.4 million, compared to a loss before tax of RM7.9 million in the preceding financial year. The strong performance in the current year was mainly due to higher profit margins and unrealised fair value gains from other investments, while the significant losses in the previous financial year were primarily attributed to impairment losses on investments in joint ventures and associate companies.

Glove Manufacturing Division

The Division recorded a loss before tax of RM854,000, compared to a loss before tax of RM34.5 million in the preceding year. The significant losses in the previous financial year were mainly due to impairment losses on intangible assets and property, plant and equipment.

Property Development Division

The Division recorded a loss before tax of RM2.2 million in the current financial year, compared to a loss before tax of RM2.4 million in the preceding financial year, mainly due to lower operating costs incurred in the current financial year.

Financial Performace Review
Group CFO's Statement

Trading and Services Division
The Division recorded a profit before tax of RM6.3 million, slightly lower than the RM6.4 million recorded in the preceding financial year.

Healthcare Division
Revenue and loss before tax for this division were RM5.47 million and RM1.3 million respectively. Since this division was formed in the current financial year, no comparable figures are available.

STATEMENT OF VALUE ADDED AND DISTRIBUTION

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

RM'000	2024	2023
VALUE ADDED:		
Revenue	298,372	154,610
Purchases of goods and services	(243,311)	(158,082)
Value added by the Group	55,061	(3,417)
Share of profit of associated companies and joint ventures	4,626	7,624
Total value added for distribution	**59,687**	**4,152**
DISTRIBUTION:		
To employees		
- Salaries and other staff costs	29,063	25,361
To Governments		
- Taxation	364	(1,422)
To Rakyat		
- Community Investment	36	65
To providers of capital		
- Dividends	-	4,840
- Finance cost	4,721	3,283
- Non-controlling interest	787	(15,782)
Retained for future reinvestment and growth		
- Depreciation and amortization	8,623	13,840
- Retained profit/(loss)	16,073	(26,033)
Total Distributed	**59,667**	**4,152**
RECONCILIATION:		
Net Profit/(Loss) for the year attributable equity holders	16,109	(21,193)
Add: Depreciation and amortization	8,607	13,840
Finance cost	4,721	3,283
Staff costs	29,063	25,361
Community Investment	36	65
Taxation	364	(1,422)
Non-controlling interest	787	(15,782)
Total Value Added	**59,687**	**4,152**

Divisional Operations Review

Engineering and Construction Division

Overview part of sludge conveyor

About the Division

Engineering and Construction Division ("E&C") offers customised, integrated and end-to-end water and wastewater solutions in Malaysia and international markets. Our areas of expertise include:

- **Water and Wastewater Treatment:** Design, construction, operation and maintenance of treatment facilities.
- **Non-Revenue Water ("NRW") Management:** Leakage detection, pressure management and replacement of aging pipes.
- **Infrastructure Development:** Pipelaying, reservoir construction and raw water management.
- **Wastewater solutions:** Collection and treatment services.
- **Raw Water Management:** Optimising water resource utilisation.
- **Customer services:** Billing, collection and customer support.

This division is driven by two key subsidiaries:

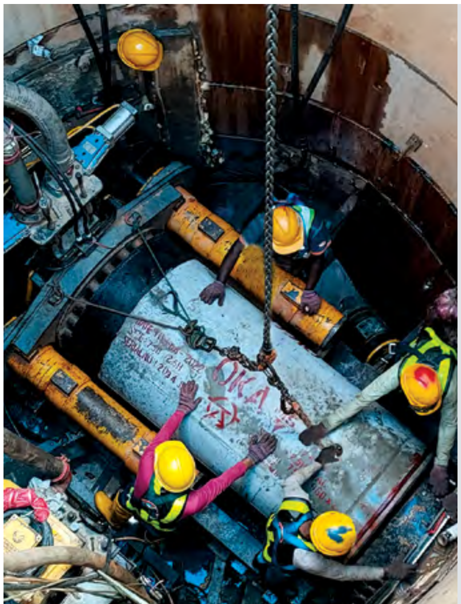
- Salcon Engineering Berhad ("SEB") which is responsible for water engineering operations.
- Envitech Sdn. Bhd. ("Envitech") which is responsible for wastewater operations.

Operating Environment	Potential Impact	Our Approach
Government Policies and Incentives		
• The 2025 budget emphasises on the development of the energy and water sectors with a total allocation of RM4.95 billion. • RM945 million was allocated for implementation of 119 flood mitigations projects for 2024.	• Opportunities for revenue growth arising from national agenda.	• Leverage on proven track record and technical expertise. • Proactively engage with government agencies to secure funding and partnerships under Budget 2025. • Collaborate with strategic partners for innovative solutions and workforce upskilling. • Continue to propose innovative solutions for large infrastructure projects such as water treatment, wastewater treatment, NRW related issues and flood mitigation projects within Malaysia.
Climate Change and Water Security		
• Malaysia sets a goal to reduce non-revenue water to 31% by 2025. Under the Pipe Replacement programme, 1,844km of ageing and critical pipes across Malaysia will be replaced. • Heightened need for robust water security measures, including flood management and sustainable energy solutions.	• Opportunities for horizontal expansion and growth.	• Leveraging on SEB's expertise in NRW and water engineering. • Engage with government agencies and private sector companies for NRW related projects, flood mitigation and green energy initiatives.

Divisional Operations Review

Engineering and Construction Division

Operating Environment	Potential Impact	Our Approach
Pressure on High Material Prices		
• Raw materials such as steel and cement prices remain elevated.	• Increasing project costs. • Delays in construction progress.	• Effective procurement and selection of suppliers and sub-contractors. • Collaborate with clients, suppliers, subcontractors and consultants to manage costs and practice prudent financial management.
Competition		
• Intense competition with many entrants tendering at competitive pricing while meeting client requirements and expectations.	• Lower revenue. • Loss of market share. • Loss of price competitiveness.	• Strengthen business development via networking, market intelligence and client relationship management. • Diversify into new business markets and new geographical areas.



Pipejacking of 750mm diameter pipes in Segambut, Kuala Lumpur

Operation Review

During the financial year under review, the E&C division secured contracts that reflect its steadfast commitment to sustainable development and national priorities.

The division secured a RM19.68 million contract by the Penang Development Corporation ("PDC") to undertake design and construction of sewer pipelines and related works in Batu Kawan Industrial Park, Penang. This project is integral to supporting the region's industrial expansion through enhanced infrastructure.

Additionally, the division secured a RM18.5 million contract for external water reticulation works for an integrated dairy farm in Gemas, Negeri Sembilan as part of our commitment to responsible development in strengthening the local agricultural ecosystem through sustainable water management.

The division was awarded a RM9.7 million contract to design and construct a sewage treatment plant in Durian Sebatang, Hilir Perak for a population of 54,000 PE. This facility is set to improve wastewater treatment, safeguard natural ecosystems and improve the well-being of local communities.

Completed projects in FY2024

Project	Description	Capacity
• Telibong II Raw Water Intake and Water Treatment Plant Upgrade	• Completed testing, commissioning and handing over of raw water intake and water treatment plant.	80 MLD
• Integrated Sewerage Network, Jalan Segambut, Kuala Lumpur	• Completed design and build the integrated sewerage network to support mixed developments.	31,449 PE
• Upgrading of Temporary Treatment Facility ("TTF") at Jalan Segambut, Kuala Lumpur	• Completed design, construction, completion, testing, commissioning, followed by decommissioning of the proposed TTF.	17,175 PE
• Sewage Pump Station at Rawang Selangor	• Completed design, construction, testing, commissioning and handing over of a sewage pump station and related works.	35,000 PE

Major on-going projects in FY2024

Project	Description	Status (as of Feb 2025)	Targeted completion
• Existing STP and NPS works for Proposed Developments at Taman Bunga Raya, Mukim Serendah, Selangor	• Design, build, testing, commissioning and maintenance of existing sewage treatment plant and Network Pumping Station.	98%	2025
• Package 3: Design and Build Dewatered Residual Disposal System for Langat 2 WTP for Pengurusan Asset Air Berhad ("PAAB")	• Design and construction of sludge conveyance and disposal system, landfill operations and operation and maintenance (O&M) services.	97%	2025
• Customer Call Centre, Sandakan for Sandakan Water Department	• Operation and maintenance of the customer call centre, monitoring and maintaining District Meter Zones, meter reading and billing activities.	90%	2025
• 10.44 MW Small Hydro Power Plant at Sg. Selangor Dam	• EEPCC works including civil, structural, mechanical, electrical, instrumentation and SCADA systems.	52%	2025
• Sewer reticulation project in Seberang Perai, Penang	• External main sewer reticulation works for STP5 on Lot 21145, Mukim 13, Bandar Cassia, Batu Kawan, Seberang Perai, Pulau Pinang.	98%	2025
• Sewerage contract at Batu Kawan Industrial Park, Penang for PDC	• Design and construction of sewerage pipelines and related works.	37%	2026
• Sewerage Treatment Plant and three pumping stations at Setia Alaman, Kapar, Selangor	• Design, build, testing, commissioning and handing over of a sewerage treatment plant and three associated sewage pumping stations.	6.2%	2026

Outlook

As of 31 December 2024, our total project tenders are valued at approximately RM1 billion across both local and overseas markets. Our outstanding order book stands at RM159 million, reflecting the highly competitive nature of the industry and the rigorous selection processes in project awards. Despite this, our strong pipeline of tenders and strategic bidding approach position us well for future contract wins.

Our focus remains on delivering high-quality, sustainable infrastructure projects in the water and wastewater sector. Leveraging our proven track record and technical expertise, we will continue to engage with government agencies and strategic partners to capitalise on opportunities arising from national agendas such as 12th Malaysia Plan and Budget 2025 initiatives. These initiatives prioritise water security, infrastructure development and climate-resilient systems which align with our strategic goals.

Moving forward, we will continue to evaluate growth potentials in international markets to further expand our capabilities and reach. With ongoing and upcoming projects, we are committed to addressing current and future demands, ensuring efficient water management, and contributing positively to local communities.

Divisional Operations Review

Glove Manufacturing Division

Quality control

About the Division

- The Glove Manufacturing Division operates under JR Engineering and Medical Technologies Sdn. Bhd. ("JREMT").
- JREMT specialises in producing and trading speciality gloves, industrial grade, medical, surgical and non-medical gloves made from natural rubber latex and nitrile butadiene rubber.
- These products cater to a diverse range of sectors, including:
  a) Healthcare and medical;
  b) Dental;
  c) Food and beverages;
  d) Industrial and manufacturing;
  e) Laboratory and research; and
  f) Spa and beauty etc.
- Since 2001, JREMT has provided global turnkey solutions and consultation services for the global markets, including plant setup, machinery sourcing as well as the testing and commissioning of production lines.
- The company operates a state-of-the-art manufacturing facility.

Operating Environment	Potential Impact	Our Approach
Demand for Gloves		
• Global demand for gloves is projected to grow, driven by restocking activities and increased hygiene awareness.	• Improved plant utilisation rates.	• Concentrate on specialty gloves to diversify revenue streams. • Participate in international healthcare exhibitions to penetrate new markets. • Enhance online branding efforts and engagement through digital and social media platforms.
Average Selling Price ("ASP")		
• In FY2024, the ASP improved by 5%-10% to USD20-22 per 1,000 pieces, indicating a modest recovery in market conditions. However, ASP remains under pressure due to intense competition and oversupply in the market.	• Increased competition among manufacturers.	• Optimise cost and enhance operational efficiencies.
Production Costs Remain Elevated		
• Raw materials, energy and labour costs remain high with rising gas prices continue to exert pressure on profitability.	• Reduced profitability. • Difficulty in passing costs to customers amidst lower ASPs.	• Invest in sustainable manufacturing processes including: - commissioning of a gas turbine generator to improve energy efficiency; and - utilising borewell water for cleaning purpose to lower operational costs.

Divisional Operations Review

Glove Manufacturing Division

Operating Environment	Potential Impact	Our Approach
Labour and Workforce Compliance		
• The sector prioritises adherence to regulatory frameworks including the Malaysia Employment Act, Labour Law and International Labour Law ("ILO") standards.	• Upholding regulatory compliance fosters stakeholder confidence and safeguards the company's positive reputation.	• Maintain compliance with the SEDEX Members Ethical Trade Audit ("SMETA") which covers labour practices, health and safety, environment and business ethics. • Enhance policies and grievance procedures to uphold and improve human rights practices.

Operation Review

The operating environment in FY2024 remained challenging, with profitability impacted by overcapacity, predatory pricing from international competitors and elevated operational costs despite a modest recovery in orders. However, the oversupply situation that has constrained the sector since pandemic driven expansion, began to ease as glove makers scaled back production capacity by decommissioning some plants and the exit of new entrants.

Despite these challenges, JREMT demonstrated resilience, achieving a total production of 140 million pieces of gloves, representing a 12.5% increase from 120 million pieces in FY2023. In response to evolving market demands and trends, JREMT expanded its product portfolio, introducing:

Medical Gloves

Latex high-risk Gloves and nitrile chemotherapy gloves.

Specialty Surgical Gloves

Nitrile surgical gloves, orthopaedic, gynaecological and micro-surgeon gloves.

Industrial and Household Gloves

Coloured, diamond grip, industrial and household gloves.

Specialty Gloves

Elbow length, decontamination, dual coloured latex and tubal latex gloves.

Divisional Operations Review

Glove Manufacturing Division

Throughout the year, JREMT participated in renowned exhibitions, leveraging these platforms to engage with industry leaders, strengthen business partnerships and showcase the company's latest innovations. These efforts expanded JREMT's global market presence, with exports reaching 22 countries worldwide, including new markets such as China, Singapore, South America, Philippines, Indonesia, Hong Kong, Japan and Ethiopia.

In October 2024, JREMT garnered recognition from the industry with the Outstanding SME Golden Bull Award for 2024. This accolade stands as a testament to the Company's resilience and commitment to optimising productivity to thrive in a demanding business environment.

In line with the Group's sustainability commitment, JREMT has implemented significant energy efficiency and conservation measures. The commissioning of the nano panel generated 21,922 kWh of clean energy supports the company's low carbon initiatives and reinforces its role to environmental stewardship.

JREMT also upholds high standards of human rights and social compliance. In FY2024, JREMT conducted independent audits and was recertified by SMETA and International Associates, adhering to international standards such as ILO and Supplier Ethical Data Exchange ("SEDEX"). This certification further strengthen JREMT's ethical business practices and strengthens stakeholder confidence.

Innovation remains crucial to maintaining market competitiveness. In FY2024, JREMT invested in R&D initiatives to enhance product quality and explore opportunities for market differentiation. These efforts focused on developing innovations such as high textured examination gloves, colour-coded nitrile gloves, latex exam gloves and textured surgical latex gloves. These ongoing R&D efforts aim to raise JREMT's competitive position in the glove manufacturing sector in addressing evolving customer needs.

JREMT received recognition during Golden Bull Award 2024

Outlook

The Malaysian glove sector is expected to benefit from a projected recovery in 2025, driven by inventory rebuilding, rising demand from the US and improving ASP. Geopolitical developments including the announced US tariffs on Chinese medical and surgical gloves to 145% in 2025 are expected to bolster the competitiveness of Malaysian manufacturers.

Leveraging its experience, JREMT remains focused on enhancing operational efficiencies, diversifying its portfolio and strengthening market presence to deliver sustainable value for stakeholders in the coming year.

Divisional Operations Review

Technology Services Division

5G pole installed at LRT Lembah Subang

About the Division

- The Technology Services Division is managed by Volksbahn Technologies Sdn. Bhd. ("VBT").
- VBT provides ultra-low latency managed backhaul services and metro ethernet solutions for mobile carrier and enterprise markets through its exclusive fibre optic backbone on Prasarana LRT, Monorail and BRT Right of Way ("RoW").
- Its comprehensive range of services, include:
  - a) Manages Mobile Backhaul Services and Telco Infrastructure Leasing/Infrastructure Space Leasing for Mobile Network Operators;
  - b) Metro-Ethernet Solutions for enterprises;
  - c) Data Centre/Disaster Recovery Managed Connectivity for Financial Institutions; and
  - d) Data Centre Interconnect Services for Data Centre players/customers and Over-The-Top players.

Operating Environment	Potential Impact	Our Approach
Establishment of the Second 5G Network Provider		
• The government decision to transition from a single wholesale network ("SWN") to a Dual Network ("DN") for 5G mobile connectivity.	• New opportunities for replicating and expanding existing 5G infrastructure.	• Actively engaging with key industry players to market VBT's RoW for 5G site deployment. • Upgrade backhaul capacity to support higher bandwidth requirements for 5G networks.
Highly Competitive Market Dynamics		
• Intense competition dominated by larger plays making it harder for smaller providers to penetrate.	• Pressure to offer competitive pricing and the need to differentiate its services.	• Provide operators with bundled managed services on a protected route to operators to enhance operational efficiency and reliable services. • Identify and target new developments within VBT's RoW to maximise outreach and strengthen market presence.
Emergence of Malaysia as a Data Centre Hub		
• The continued rise of Malaysia as a key regional digital hub driven by investments totalling US16.9 billion in 2024 from global technology giants such as Amazon Web Services, Google and Microsoft.	• Positive growth opportunities as data centres expand in the Klang Valley.	• Leveraging its experience and existing infrastructure to expand connectivity infrastructure to enhance its service for clients. • Explore partnerships with data centre operators to provide bespoke solutions that align with specific operational needs.

Divisional Operations Review
Technology Services Division

Operating Environment	Potential Impact	Our Approach
Technology and Innovation		
• The expansion of 5G networks, coupled with investments in cloud services and data centres has led to greater need for high-speed connectivity and advanced technologies.	• Growing demand for high speed, reliable connectivity solutions for enterprises and mobile operators.	• Partner with stakeholders to pilot innovative initiatives and upgrade systems to support higher-capacity technologies such as 5G. • Innovate and upgrade systems to meet market expectations. • Offering tailored services to address the specific needs of various market segments.


Relocation of 30m pole at Subang Alam

Operation Review
During the year under review, VBT secured an Indefeasible Rights of Use ("IRU") agreement to deliver a 13.5 km fibre optic infrastructure for Amazon Web Services Data Centre, a globally renowned cloud service provider. This project entails the construction of fibre optic link connecting AIMS Data Centre at Raja Chulan to AWS Data Centre (Mranti Park also known as Technology Park Malaysia) at Bukit Jalil, a premier technology and innovation hub in Malaysia. The contract reinforces VBT's capabilities in delivering high performance and resilient connectivity solutions, strengthening its reputation in the industry.

VBT continued to advance its operations by deploying new telecommunication structures while upgrading bandwidth at existing site to enhance connectivity for its clients. During the financial year, VBT successfully deployed 2 new cell sites for Digital Nasional Berhad in Subang and Ara Damansara. Both sites are now operational and contribute to the Group's recurring income for the provision of bandwidth charges and rental income.

Outlook
VBT aims to strengthen its position in the telecommunications industry by expanding its infrastructure footprint and forging strategic partnerships. The company is set to leverage rising regional demand for connectivity, increased data center capacity, and Malaysia's focus on digital transformation initiatives such as JENDELA and 5G deployment.

By continuing to enhance its presence in key regions and collaborating with industry stakeholders, VBT is positioned to drive long-term growth, contribute to the nation's evolving digital ecosystem, and support the development of a robust digital economy.

Divisional Operations Review

Renewable Energy Division

Rooftop solar panels on Heveaboard's building

About the Division

- The Renewable Energy ("RE") division operates through its wholly owned subsidiaries, Salcon Power (HK) Limited ("Salcon Power") and Energy Valley Sdn. Bhd. ("Energy Valley"), as well as Inergist Sdn. Bhd. ("Inergist"), a 70% owned subsidiary of Salcon.
- Salcon Power operates rooftop solar photovoltaic systems for residential properties in the United Kingdom, whilst Energy Valley focuses on large-scale energy project investments, including large-scale solar projects. Inergist is involved in the development and management of energy projects, encompassing rooftop solar photovoltaic systems for commercial and industrial buildings in Malaysia.

Operating Environment	Potential Impact	Our Approach
Government Support and Incentives		
• The Malaysian government has set RE targets of achieving 31% and 70% capacity by 2025 and 2050 respectively, underpinned by policies such as National Energy Transition Roadmap ("NETR"), Green Technology tax incentives, Large Scale Solar ("LSS") programme, Corporate Green Power Programme ("CGPP"), and the Corporate Renewable Energy Supply Scheme ("CRESS").	• Greater opportunities arise as corporate investments and partnership accelerate the deployment of solar technologies.	• Collaborate with authorities including the Ministry of Energy Transition and Water Transformation ("PETRA"), the Energy Commission ("EC") and the Sustainable Energy Development Authority ("SEDA") to support national decarbonisation goals. • Actively participate in government-led programmes and Green Initiatives such as LSS, CGPP and CRESS. • Explore additional opportunities in alternative RE sources.
Declining Cost of Solar Energy		
• The cost of solar energy has dramatically decreased over the past decade, driven by advancements in technology, reduction in component prices and economies of scale in manufacturing. According to the International Renewable Energy Agency ("IRENA"), the cost of electricity from utility-scale solar photovoltaic power fell by 82% between 2010 and 2019 with an additional 12% reduction between 2022 and 2023.	• Rising demand for renewable energy solutions is lowering entry barriers thereby intensifying market competition.	• Continuously monitor pricing strategies, focusing on the delivery of innovative and sustainable solutions that support high-quality projects and investments, while maintaining operational efficiency to remain competitive.

Divisional Operations Review

Renewable Energy Division

Operating Environment	Potential Impact	Our Approach
Increasing Electricity Tariffs		
• TNB has announced a 14.2% increase in the base electricity tariff to 45.62 sen per kWh for Regulatory Period 4 (2025-2027) due to escalating fuel costs for electricity generation.	• Higher electricity tariffs are driving greater demand for sustainable and cost-efficient alternative energy sources for businesses and households.	• Strengthen collaborations with multinational corporations ("MNCs") and industry players to invest in emerging technologies such as battery energy storage solutions to deliver innovative and sustainable energy offerings.

Residential solar rooftop installation in Northampton

Operation Review

In June 2024, Inergist's subsidiary successfully completed the installation of a rooftop solar system for HeveaBoard Berhad with a capacity of 862.5 kWp in Gemas, Negeri Sembilan on a built-own-operate basis for 25 years. The system commenced operations in June 2024 and is expected to generate over 1.1 million kilowatt-hours ("kWh") of solar energy per year. The project also offsets an estimated carbon dioxide emission by average of 600 tCO_2e/kWh per annum, further reinforcing its role in accelerating Malaysia's transition towards a low carbon economy.

In FY2024, the division generated a total of 2.4 million kWh of solar energy from solar PV systems in Malaysia and UK which resulted in a total CO_2 avoidance of 1,6712 metric tonnes for its customers.

In addition, Inergist is actively exploring advancements in other green ventures, such as energy efficiency and batter energy storage systems. The company is also assessing opportunities in other renewables sources such as hydro and biomass, through strategic collaboration with industry leaders to shape a more sustainable future.

Outlook

With the launch of the NETR and the Renewable Energy Transition Roadmap ("RETR") 2035, demand for renewable energy continues to grow. To capitalise on this momentum, the Group remains committed to expanding its RE portfolio through strategic partnership, project acquisitions and long-term contracts.

The Group aims to solidity its existing presence in the solar energy sector while exploring opportunities in other RE sources should viable prospects arise.

Divisional Operations Review

Transportation Division

Tour bus catering to inbound and outbound travel

About the Division

- The Transportation Division operates under Eco Coach & Tours (M) Sdn. Bhd. ("ECT") which provides transportation services, including:
  - a) Worker transportation services for multinational corporations across Malaysia's northern region; and
  - b) Inbound and outbound tour services within the region.
- Green Fleet Sdn. Bhd. ("GF"), a wholly-owned subsidiary of ECT, provides specialised logistic services for the palm oil and soy oil sectors.

Operating Environment	Potential Impact	Our Approach
Expansion of Public Transit Network and Rising Competition		
• The ongoing expansion of the LRT network is reshaping the transit needs, intensifying competition with private transportation providers. Additionally, the growing presence of ride-sharing and tech-enabled transportation companies has amplified market pressures.	• Rising competition has resulted in pricing pressures and necessitated investment in technology to remain competitive.	• Enhance customer service as key differentiator to retain existing clients and attract new clients. • Diversify services offerings to cater to broader customer segments and expand market reach.
Changes in the Semiconductor Industry		
• A global slowdown in semiconductor production has reduced demand for transportation and logistics services, particularly in regions which rely on the electronics sector such as Penang.	• Declining demand has adversely impacted revenue streams.	• Pivot towards supporting industries with growing demand to offset revenue declines. • Develop specialised logistic solutions tailored to the evolving needs of emerging industries.
Rising Operating Cost		
• Fuel price hikes, higher vehicle and maintenance costs continue to escalate operational challenges.	• Rising costs have placed pressures on operational margins.	• Utilise advanced route optimisation software to streamline delivery routes. • Optimise fleet utilisation and service planning. • Strengthen internal processes to reduce operational inefficiencies and cost overruns.

Divisional Operations Review
Transportation Division

Operating Environment	Potential Impact	Our Approach
Shortage of Trained Drivers		
• A persistent shortage of skilled drivers, exacerbated by stricter labour regulations and rising wage requirements has resulted in a 16% increase in labour costs which cause disruption to operations and delivery schedules.	• Operational inefficiencies and increased costs.	• Strengthen recruitment pipelines by sourcing drivers from outside Penang supported by accommodation and training to mitigate the labour shortage gap. • Conduct comprehensive training programmes to upskill drivers with advanced skill. • Introduce AI driven and sustainable technologies to build a sustainable workforce.

Strategic partnership to enhance employee transportation efficiency

Operation Review

In FY2024, the division encountered significant operational challenges due to increasing operational costs, including rising fuel costs, minimum wage adjustments and higher maintenance expenses. To mitigate these financial pressures, ECT is reviewing fleet resources and optimising asset deployment strategies to strengthen its financial sustainability. Simultaneously, fleet maintenance protocols were intensified and additional drivers were recruited to improve service performance and safety.

Following a global restructuring exercise undertaken by a key client, ECT refined its operational strategies to drive efficiency and cost optimisation. As part of this effort, a revised proposal was submitted to align with the client's requirements, with pending confirmation of its acceptance. Despite these setbacks, the division remains steadfast in its pursuit of adaptability and service excellence.

At the meantime, GF encountered intensified competitive pressure from established companies within the logistic sector. Nevertheless, it has retained its foothold in the palm oil and soy oil sectors in Penang and Ipoh and Malacca by delivering reliable services amidst reduced demand.

Outlook

Looking ahead, the Transportation Division remains steadfast in its pursuit of growth and innovation through enhanced customer service, strategic recruitment of skilled drivers and adoption of advanced fleet technologies. It aims to expand its customer base and diversify into emerging sectors while upholding its commitment to sustainability through green fleet solutions to reinforce competitiveness. These initiatives position the division to navigate challenges while capitalising on opportunities within the transportation sector.

Divisional Operations Review

Healthcare Division

Klinik Pergigian Tulen

About the Division

- The Healthcare Division is managed by Bloom Healthcare Group Sdn. Bhd. (formally known as Salcon Smile Sdn. Bhd.) ("Bloom").
- Bloom is principally involved in providing comprehensive dental healthcare services, ranging from general dental treatment to specialised dental services.
- The division operates under two established brands — Klinik Pergigian Kheng and Klinik Pergigian Tulen.

Operating Environment	Potential Impact	Our Approach
Rising Consumer Demand		
• Dental services market expansion is driven by increased awareness of dental health, rising disposable incomes and growing demand for aesthetic dentistry.	• Opportunities for business growth and market expansion.	• Expand geographical reach within Malaysia to meet growing demand.
Intensified Competition and Economic Pressure		
• The emergence of new entrants intensifies competition while rising living costs and inflation affect disposable income and spending patterns.	• Competitive pricing is a key differentiator.	• Leverage economies of scale through centralised marketing, procurement and operational excellence to ensure affordability without compromising quality. • Recruit specialist and expand teams to improve service quality and affordability.
Growth in Medical Tourism		
• Malaysia's reputation as a medical tourism destination continue to grow, with Malaysia Healthcare Travel Council ("MHTC") aims to generate RM2.4 billion in revenue for 2024.	• New avenues for dental tourism growth.	• Engage with corporate panels and medical tourism platforms to expand market reach.
Technology Advancement		
• Digitalisation is rapidly transforming the dental industry to enhance operational efficiency and quality of care.	• Facilitates innovation to enhance patient care.	• Upgrade digital platforms to facilitate communication among stakeholders and improve patient experiences. • Intensify digital marketing efforts and promotional offers to generate greater leads.

Divisional Operations Review

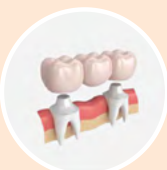
Healthcare Division

Klinik Pergigian Kheng

Operation Review

In April 2024, Salcon, through its 90% owned subsidiary, Bloom ventured into the healthcare sector via acquisition of 70% shareholding in SPH Dental Sdn. Bhd. ("SPH"). This strategic acquisition has provided Salcon Group opportunities to expand and diversify its range of healthcare services by leveraging SPH's expertise, experience and established network.

Building on this foundation, the division embarked further growth through strategic acquisition of businesses in the healthcare industry via its subsidiaries. In FY2024, the division expanded its network of clinics from four (4) to fourteen (14) dental clinics across Klang Valley and Penang, operating under the Klinik Pergigian Kheng and Klinik Pergigian Tulen brands. These clinics provide a comprehensive range of dental care services to the patients. Among some of the common types of dental services that this division provides are as follows:

Types	Description
Orthodontics 	Orthodontic treatments are used to improve the appearance and function of a patient's teeth and/or jaws by applying pressure, typically through orthodontic appliances such as braces, clear aligners, retainers and orthodontic headgear.
Crown and Bridge 	Crowns and bridges are types of dental restoration treatments that aim to fix issues, be they visual or functional, that arise from decayed, damaged or missing teeth. A crown (sometimes referred to as a "cap") is an artificial tooth that is placed on top of a damaged or decayed tooth to restore both function and appearance. This is recommended for teeth with deep decay, cracks or fractures. A bridge, on the other hand, is made up of at least three units: two crowns placed on adjacent teeth, with a pontic (or artificial tooth/teeth), that "bridges" the gap caused by a missing tooth.
Dentures 	Dentures are artificial teeth, usually made from acrylic (plastic), nylon, or metal, that are removable. They are designed to fit securely and snap into place over the gums, replacing missing teeth and addressing aesthetic and functional issues associated with gaps in the mouth.

Types	Description
Oral Surgery 	Oral surgery is a term that can refer to a number of different surgical procedures that can be performed on your teeth, gums, jaws or other dental structures.
Dental Implants 	For some oral issues, such as missing or damaged teeth, dental implants may be used as a permanent or longer-term solution. The procedure for dental implants involves the insertion of metal implants into the jawbone, serving as artificial tooth roots. After the implants heal and fuse with the jawbone, the dentist can then attach artificial teeth to them.
Restoration and Whitening 	These are both treatments that are used to enhance the colour and overall appearance of the teeth, helping to achieve a brighter and whiter smile.

To enhance service delivery and operational efficiency, the division acquired three in-house dental laboratories to support its dental clinics with a range of dental laboratory services, including crown and bridge, dentures, inlay/onlay, veneers and implant crown. This facility is staffed with skilled dental laboratory technicians and equipped with technologically advanced equipment to carry out digital dental laboratory services. This integrated approach strengthens service quality, optimises operational efficiency and enhances pricing, thereby providing greater value and convenience for patients.

Outlook

Malaysia's dental industry is poised for continued growth, driven by rising awareness of oral health, increased demand for aesthetic dentistry and the continuous expansion of private healthcare services.

To capitalise on this momentum, the division remains focus on expanding its footprint nationwide to meet growing demand for dental healthcare services in the Malaysia. It is also exploring opportunities within the broader healthcare and related sectors to strengthen its market position and deliver long-term value creation.

Divisional Operations Review

Property Development Division

Artist impression of The Asteriaz

About the Division

- The Property Development Division operates under Salcon Development Sdn. Bhd.
- It focuses on delivering niche property development tailored to meet the evolving needs of the market and community.

Operating Environment	Potential Impact	Our Approach
Government Infrastructure Projects		
• Government infrastructure initiatives such as Johor Bahru-Singapore Rapid Transit System ("RTS"), Johor-Singapore Special Economic Zone ("SEZ") and East Coast Rail Link ("ECRL") are expected to stimulate economic activity and property market.	• Rising demand for mixed-used developments for both locals and foreign buyers particularly near transit hubs. • Expansion of investment opportunities driven by economic expansion and increasing household incomes.	• Strategic joint venture with Exsim Kebun Teh Sdn. Bhd. ("Exsim") on multiple phased mixed-use development near Rapid Transit System ("RTS") station to capture transit-driven demand. • Explore Transit-Oriented Developments ("TODs") near RTS and ECRL stations to assess market potential. • Strategic land acquisition and/or partnerships to strengthen investment opportunities in high growth corridors.
Recovery in the Property Market		
• The residential property segment continues to gain traction, supported by government incentives such as tax relief, affordable housing schemes. Rising consumer preference for sustainable tech-integrated home is driving demand for green certified and smart residential developments.	• Growing demand for sustainable, smart and integrated urban developments.	• Prioritise mixed-used developments. • Maintain a balanced approach in response to algin with affordability trends and evolving consumer sentiment.

Divisional Operations Review

Property Development Division

Operating Environment	Potential Impact	Our Approach
Competitive Landscape		
• The sector remains highly competitive with established and emerging developers striving to differentiate through branding, sustainability and customer-centric offerings. While concerns over property oversupply persist, the gradual reduction in overhang is expected to improve market sentiment.	• Lower profit due to pricing competition.	• Establish strategic partnerships to enhance brand visibility and long-term market positioning.
Rising Construction Costs		
• Inflationary pressures, rising material prices and labour shortages continue to escalate construction costs.	• Higher construction costs due to inflation and labour shortages may tighten profit margins. • Financing constraints including higher interest rates and loan accessibility may delay project launches and sales.	• Streamline project planning through phrased construction and adopt industrialised building system (“IBS”) to reduce reliance on labour. • Strengthen financial resilience with fixed costs contracts and hedging through financial instruments.

Operation Review

Salcon, through its subsidiary Nusantara Megajuta Sdn. Bhd. (“NMSB”), entered into a joint venture with Exsim to undertake a multiple phased mixed-use development consisting of service apartments and retail units on leasehold lands owned by NMSB in Johor Bahru (“JV”).

In November 2024, the JV launched The Asteriaz at Kebun Teh, an 848 units 43 storey high-rise condominium. The development is set to reinvigorate demand for modern urban lifestyle. The sales for the new launch of these units priced from RM435,680 was encouraging with over 74% take up rates during the soft launch. The project is expected for completion by second quarter of 2029.

Outlook

Malaysia’s property market is set for growth in 2025, underpinned by GDP growth forecasted between 4.5% and 5.5%, rapid urbanisation and strategic investments in key sectors. The rising demand for modern sustainable developments in urban areas is expected to drive property values, presenting both opportunities and challenges.

The Group will continue to identify strategic land bank opportunities and strengthen partnership to develop quality projects that align with evolving market demands while delivering long-term value to stakeholders.

Sustainability Statement

We are committed to upholding good sustainable practices across our operations.

Guided by our mission to enrich lives by providing top quality products and services through operational excellence and sustainability, we strive to integrate sustainability into our business strategies to create long-term value for our stakeholders while balancing the impacts of our actions on the communities we serve and the needs of our stakeholders.

This year, we strengthened this commitment by embedding sustainable principles into our operations, with a particular focus on supply chain management, our people and environment initiatives. By working closely with our suppliers, contractors and partners, we aim to foster ethical practices, reduce environmental impact and uphold labour and human rights standards.

We are pleased to share Salcon's Sustainability Statement 2024 illustrating the progress, performance and initiatives of our sustainability journey transparently to our stakeholders.

Sustainability Statement

REPORTING PERIOD AND CYCLE

1 January 2024 to 31 December 2024

REPORTING SCOPE AND BOUNDARIES

This statement covers the sustainability performance of Salcon Berhad and its subsidiaries from 1 January 2024 to 31 December 2024, unless stated otherwise. The scope encompasses the following business divisions and operations:

ENGINEERING AND CONSTRUCTION (“E&C”)

Water Engineering
Salcon Engineering Berhad (“SEB”)

Waste Water 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”)

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.

AWARDS AND ACCOLADES

Salcon won the Gold award in Asia’s Best Sustainability Report (SME) category at the 9th Asia Sustainability Reporting Awards (“ASRA”).

Salcon won the Gold award in Asia’s Best Integrated Report (SME) category at the 9th Asia Integrated Reporting Awards (“AIRA”).

Sustainability Statement

SUSTAINABILITY AT SALCON

Sustainability is integral to Salcon's business strategy. The company's journey is guided by our sustainability framework which encompasses five (5) key pillars:

- **B** Business Model and Innovation
- **G** Leadership and Governance
- **H** Human Capital
- **E** Environment
- **S** Social Capital

This framework enables Salcon to manage sustainability risk and opportunities effectively, integrating sustainability into its business strategies to create value for stakeholders. It aligns with the United Nations Sustainable Development Goals ("UNSDG") and the United Nations Global Compact ("UNGC") principles, demonstrating our commitment to contributing to global sustainability efforts.

SALCON'S SUSTAINABILITY FRAMEWORK

MISSION

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

B Business Model and Innovation	G Leadership and Governance	H Human Capital	E Environment	S Social Capital
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 employee	MI8 MI9 Protecting the envionment	MI10 Engaging and uplifting the community
Key SDGs Alignment				
8 DECENT WORK AND ECONOMIC GROWTH	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	3 GOOD HEALTH AND WELL-BEING 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH	6 CLEAN WATER AND SANITATION 7 AFFORDABLE AND CLEAN ENERGY 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION	1 NO POVERTY 6 CLEAN WATER AND SANITATION 7 AFFORDABLE AND CLEAN ENERGY 17 PARTNERSHIPS FOR THE GOALS
UNGC Alignment				
Principle 9	Principle 10	Principle 1,2,3,4,5 and 6	Principle 7 and 8	Principle 1
ESG Targets, Performance and Initiatives				
Pages 58-65	Pages 66-68	Pages 69-79	Pages 80-92	Pages 93-95

CONTRIBUTION TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS ("SDGS")

Salcon continuously integrates sustainable practices into its business operations through implementation of sustainability-related initiatives and programmes. The table below is a summary of the initiatives and programs we have contributed directly or indirectly to the achievements of the SDGs as detailed below.

Relevant SDGs	Targets	FY2024 Contribution
1 NO POVERTY	**Target 1.4** By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance	• Contributed to addressing poverty through philanthropic donations of RM97,240 for underprivileged groups
3 GOOD HEALTH AND WELL-BEING	**Target 3.8** Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all	• Promoted employee's well-being and safety through annual safety and health campaign • Improved access to healthcare for employees by increasing medical benefits • Facilitated complimentary health screenings through collaborations with Pusat Darah Negara ("PDN") and Natural Health Naturopathic Academy ("NHNA")
5 GENDER EQUALITY	**Target 5.5** Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life	• Promote gender equality in the workplace with 39.3% of female employees
6 CLEAN WATER AND SANITATION	**Target 6.3** By 2030, improve water quality by reducing pollution, eliminating dumping and minimising release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally **Target 6.4** By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity	• Contributed to water infrastructure improvements by undertaking the design and construction of a sewer pipelines system for Batu Kawan Industrial Park • Enhanced access to clean water through the completion of upgrading works at Telibong II Water Treatment Plant • Raised awareness on water conservation among students and teachers by organising 7 Salcon Smart Water Programmes ("SSWP")
7 AFFORDABLE AND CLEAN ENERGY	**Target 7.1** By 2030, ensure universal access to affordable, reliable and modern energy services	• Supported clean energy adoption by completing the installation of an 862.5 kWp Rooftop Solar in Gemas, Negeri Sembilan • Provided access to renewable energy by installing solar-powered lights for homes in the Kampung Orang Asli Sungai Relang

Sustainability Statement

Relevant SDGs	Targets	FY2024 Contribution
8 DECENT WORK AND ECONOMIC GROWTH	**Target 8.3** Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalisation and growth of micro-, small- and medium-sized enterprises, including through access to financial services	• Enhanced local economic opportunities by engaging 280 number of suppliers and sub-contractors • Strengthened the local supply chain through 99.97% of local procurement • Contributed to community development by providing job opportunities, with 73.32% of employees hired locally
	Target 8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities and equal pay for work of equal value	
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	**Target 12.5** By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse	• Advanced sustainable waste management by organising annual recycling programme with 1.66 tonnes of recycled papers collected
13 CLIMATE ACTION	**Target 13.2** Integrate climate change measures into national policies, strategies and planning	• Expanded emissions reporting include waste generated in operations (Scope 3: Category 5)
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	**Target 16.5** Substantially reduce corruption and bribery in all their forms	• Promoted ethical business practices through circulation of anti-bribery and anti-corruption newsletters across the Group

17 PARTNERSHIPS FOR THE GOALS	**Target 17.17**
	
	Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships
		• Fostered collaboration with NGOs to drive ESG initiatives, including:
		  • Watch Water Penang for SSWP; and
		  • Pemuda Gema for Salcon Plog-A-Thon

Sustainability Governance Structure

At Salcon, our Board of Directors sit at the apex of the Company's sustainability governance that provides of our overall sustainability initiatives. The Board's responsibilities include reviewing material issues, overseeing the implementation of sustainability strategies and setting the strategic direction for the Company.

The Board is supported by Sustainability Committee ("SC") and the Sustainability Working Group ("SWG") which ensure the effective execution of sustainability goals.

Sustainability Committee

The SC is chaired by an Independent Non-Executive Director who also serves as Climate Change Advisor. Acting both as Chair of the SC and in the capacity of Climate Change Advisor, the Chair leverages his expertise to provide guidance and advice on climate-related strategies and policies to align with best practices and regulatory requirements.

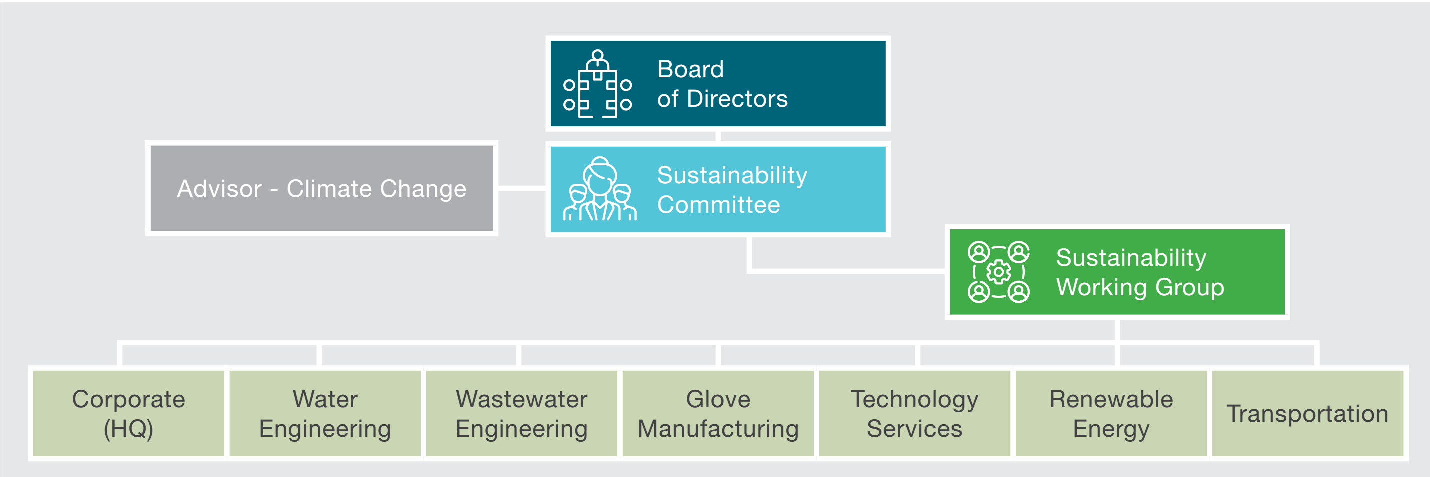
Members of the SC include:

Independent Non-Executive Director	Executive Director	Group Chief Operating Officer cum Chief Financial Officer ("GCOO cum GCFO")	Chief Executive Officer ("CEO") of SEB	Head of Corporate Affairs and Sustainability

Sustainability Working Group

The SWG consists of department heads and divisional leaders across the Group.

Key Responsibilities



Board of Directors ("Board")

- Oversee the implementation of the Company's sustainability strategy to align with the Company's vision and long-term corporate objectives.
- Approves sustainability strategies, goals and policies to drive the Company's commitment to sustainable development.

Sustainability Committee ("SC")

- Provides strategic oversight of sustainability strategies, including those related to climate change, corporate governance, human rights and occupational health and safety.
- Reviews and endorses sustainability goals and policies for Board approval.
- Monitors the performance and progress of sustainability initiatives and reports to the Board.
- Advises the Board on emerging sustainability trends and regulatory developments.

Sustainability Working Group ("SWG")

- Develops and implements sustainability strategies at the operational level within our business functions and divisions.
- Monitors progress, identifies gaps and drives continuous improvement.
- Sets targets and performance indicators for SC and Board approval.
- Engages with stakeholders to address emerging sustainability risks and opportunities and provides operational insights to the SC.

B BUSINESS MODEL AND INNOVATION

Delivering innovative products and services through operational excellence

Why It Matters:

Sustained financial health empowers Salcon to meet the expectations of its stakeholders while fostering innovation and sustainable growth. By prioritising ethical practices, environmental responsibility and social impact, we ensure our operations remain resilient, contribute to societal progress and drive long-term value creation.

Our Commitment:

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

Our Approach:

- Consistently upholding stringent policies and a robust framework of business ethics
- Optimising our processes to drive efficiency and operational excellence
- Enhancing the quality of our products and services to exceed market expectations
- Investing in advanced technologies and fostering a culture of innovation to support sustainable growth
- Safeguarding our cyber security and managing data privacy

Policies and Certifications	Key Purposes	MI
Statement of Policies and Business Ethics ("SPBE")	Defines basic requirements for suppliers and contractors concerning their responsibilities towards their stakeholders and the environment.	MI1
ISO Certifications	Establishes standards and operating procedures to: • Enhance credibility; • Improve efficiency; • Ensure quality; • Meet regulatory requirements; • Manage environmental impact; • Enhance customer satisfaction; • Facilitate international trade; and • Promote continuous improvement.	MI3

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

Sustainability Statement

MI1 Business Management and Delivery

In navigating a competitive business landscape, we remain steadfast in our commitment to achieving high levels of customer satisfaction level in securing business growth for our shareholders. This is accomplished through a robust quality management system that tracks and monitors implementation across all operations.

Robust operational performance underpins our economic presence, serving as the foundation for our growth and resilience. As a responsible corporate citizen, we are committed to create job opportunities and promoting economic growth in the communities we serve. We actively identify and seize opportunities whilst mitigating risks to expand our market reach into new geographical areas and demographics. In FY2024, the Group achieved a revenue of RM298.37 million, reflecting the effectiveness of our strategies and our commitment to reinvesting in operational improvements, driving innovation and creating value for our stakeholders through sustainable growth.

As we strive for operational excellence, we set standards through the implementation of our Salcon Quality Management System to ensure business processes align with internationally recognised standard.

To maintain consistent quality and operational standards across our operations, both our SEB and glove manufacturing plant are certified with:

ISO 9001:2015 Quality Management System	**ISO 14001:2015** Occupational Health and Safety Management System	**ISO 45001:2018** Environment Management System

Our glove manufacturing plant is further certified with:

ISO 13485:2016 Quality Management System (medical service industry)	United States Food and Drug Administration	CE Marking - Conformité Européenne	Supplier Ethical Data Exchange ("SEDEX")	Good Manufacturing Practice ("GMP")	Hazard Analysis and Critical Control Point ("HACCP")

By leveraging these internationally recognised systems and adhering to these rigorous standards, we manage our risks, optimise resources and foster continuous improvement, thus enhancing our business and financial performance. Reflecting the effectiveness of our systems and the high standards we uphold; the Group has achieved significant milestones as follows:

Divisions	Targets	FY2024 Achievements
E&C (Water)	• 100% of projects to be completed on time and within the budget	• 100% of project completed on time
	• Maintain ISO certification	• Maintained certifications for ISO 14001:2015 and ISO 45001:2018
	• Minimum 98% compliance to Quality Assurance and Quality Control criteria	• Achieved compliance target of 98% to quality standards
E&C (Wastewater)	• Maintain ISO certifications	• Maintained certifications for ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018
	• 100% of projects to be completed on time and within budget	• All projects completed on time and within budget

Sustainability Statement

Divisions	Targets	FY2024 Achievements
Technology Services	• Achieve targeted revenue as per for budgeted	• Exceeded budgeted revenue
Glove Manufacturing	• Maintain rejected gloves at less than 2% of total production • Develop a minimum of 3 new products to expand product portfolio	• Maintained rejected gloves below 2% • Exceeded target by developing 14 types of new products

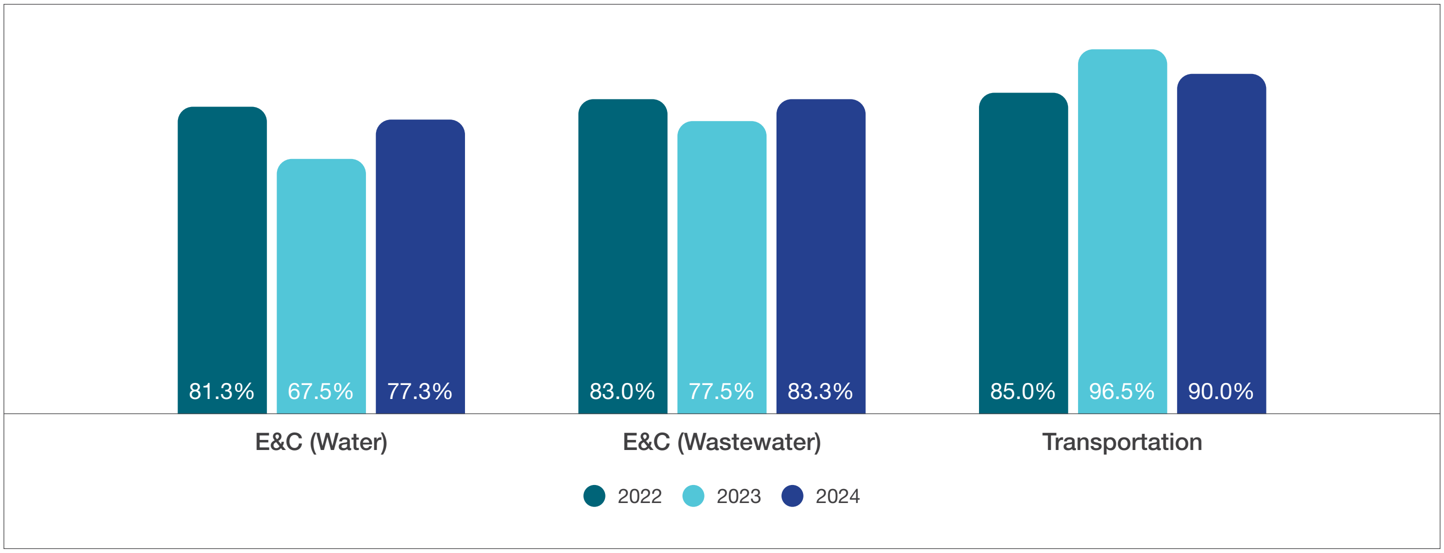
For more information our economic contributions, please refer to Statement of Value Added and Distribution on page 34 of this report.

Customer Satisfaction

Quality is important to Salcon as it reflects our commitment to excellence. Customer satisfaction surveys serve as a tool for us to improve our products and services. Our annual customer survey provides us valuable insights into customer feedback. These surveys focus on key areas such as project management, technical competency, problem solving and are distributed to our clients and consultants within our business divisions. This feedback is important for us to consistently meet and exceed customer expectations, in turn, foster positive relationships and create opportunities for future collaborations. We will continue leveraging this channel to enhance customer experience and offer innovative products and services that meet customer needs and expectations.

Customer satisfaction score vs targets

	Customer Satisfaction Score			
Division	Target	2022	2023	2024
E&C (Water)	75.0%	81.3%	67.5%	77.3%
E&C (Wastewater)	65.0%	83.0%	77.5%	83.3%
Transportation	75.0%	85.0%	96.5%	90.0%



In FY2024, the E&C (Water) division achieved a higher customer satisfaction level compared to the previous year. The Transportation division, despite a slight decline, maintained a customer satisfaction score well above its target.

Customer services

Sandakan Customer Service Center 2

The customer service centre in Sandakan, part of our E&C division provides billing and collection services to consumers. Customers are welcome to visit the centre or contact us via telephone for assistance relating to billing and collection matters.

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

In FY2024, we revised the targeted ART for telephone queries to 5 minutes per call to reflect a more realistic target that aligned with the complexity and nature of customer queries. Salcon has successfully reduced the ART from 10 minutes in FY2023 to 5 minutes per call in FY2024.

To uphold service reliability, customer inquiries received after office hours are channelled to the technical department, facilitating prompt responses and minimising disruptions. This approach reflects Salcon's commitment to delivering consistent and high-quality customer support.

Additionally, in our efforts to address customers complaints, unresolved issues at the initial point of contact are forwarded to the relevant departments for further action. The majority of customer complaints which included pipe leakage, low water pressure and water supply disruptions were managed effectively, contributing to a 0.6% reduction in total complaints to 8,720 in FY2024. We remain committed to improving responsiveness and operational efficiency by analysing recurring issues and implementing targeted solutions.

Advancing through membership and association

We are member of various local and international associations. This enables us to stay abreast of emerging industry trends, regulatory developments and evolving business landscape. Our participation facilitates the exchange of global best practices in the industry and strengthens our capabilities in delivering excellence across our operations.

Sustainability Statement

Our membership includes:

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		

In FY2024, Salcon's senior management, management and relevant executives participated in various conferences and forums to exchange knowledge, drive innovations and enhance organisational capabilities.

Conferences	Purposes
SWaM 2024 National Conference	To explore the importance of stormwater management resilience for future development.
MAICSA Annual Conference	To deepen understanding of regulatory updates landscape, best practices, and embedding sustainability into corporate strategies.
Borneo International Water and Wastewater Exhibition and Conference (BIWWEC) 2024	To share insights into water energy and digital innovations.
Water Loss Asia (WLC) Conference	To bring together experts, policy makers and industry leaders to address critical challenges of water loss and carbon emissions in Asia.
National Water Innovation Conference and Exhibition	To share the latest advancements in the country's water management and sewerage systems.

In September 2024, Salcon facilitated a business networking meeting with All-China Environment Federation ("ACEF") at Eastin Hotel.

Meeting of ACEF Delegates and Salcon at Eastin Hotel

ACEF Delegates and Salcon's Visit to Langat 2 Water Treatment Plant

This meeting provided a valuable platform for both parties to exchange industry knowledge and share practices in environmental sustainability and infrastructure development.

MI3 Supply Chain Management

A resilient and well-managed supply chain significantly contributes to the Company's success and value creation in the long run as it impacts various aspects of our business. Beyond improving business performance, close collaboration with our suppliers and sub-contractors ("vendor") plays a critical role in embedding sustainability practices into our operations.

Our procurement department oversees our procurement practices, incorporating sustainability criteria into the decision-making process. During the pre-qualification stage, vendors are required to complete a supplier self-assessment questionnaire to ensure adherence to relevant policies and regulatory requirements. This due diligence evaluates a range of criteria, including delivery capacity, technical capabilities to sustainable performance covering aspects such as human rights, child labour, compliance with environmental standards and others. In FY2024, we conducted due diligence on three new suppliers for critical items before approving their registration.

To further support a sustainable and ethical supply chain, all vendors must be registered with Salcon. Vendors are required to sign and comply with our SPBE which outlines environmental, social and governance expectations for existing and prospective vendors.

Salcon conducts annual performance evaluations of vendors that assess on time delivery, workmanship, service quality, pricing quality assurance system and after sales support. Vendors failing to meet our criteria are subject to corrective measures and may be removed from our preferred vendor lists if necessary.

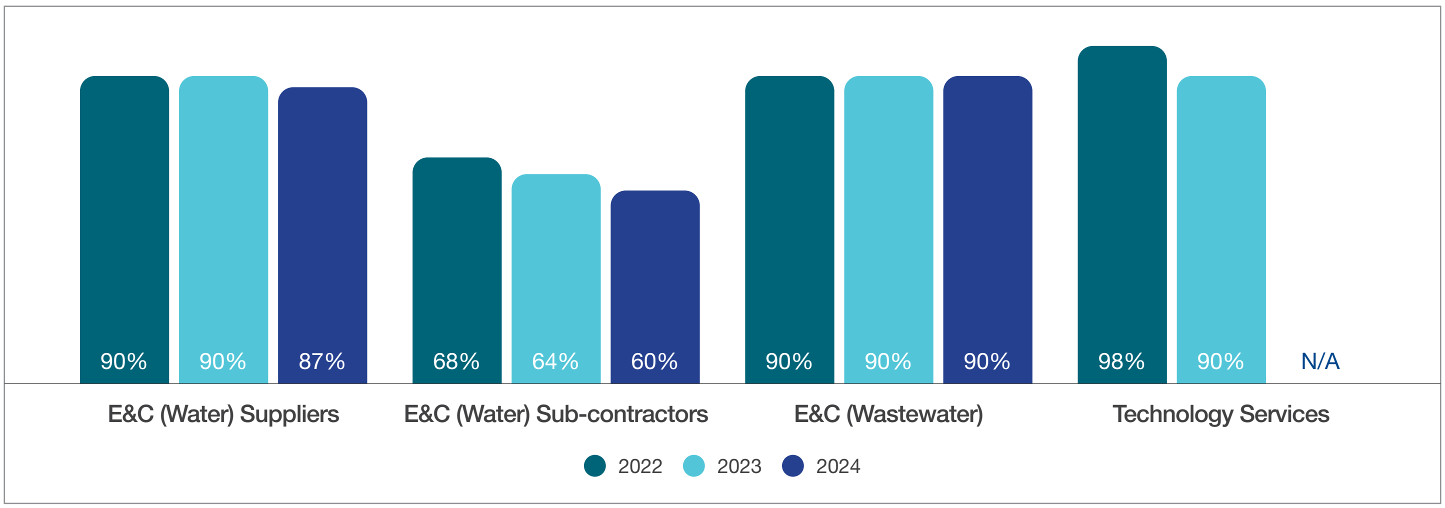
We are in the midst of revising the performance evaluation by incorporating social and environmental aspects as part of our assessment to understand and monitor how our vendors adhere to sustainable business practices in their operations. We aim to implement this to our sub-contractors in FY2025, reflecting our commitment to strengthening sustainability screening criteria as part of our supply chain management strategy.

Suppliers and sub-contractors evaluation score vs target

Divisions	Target	2022	2023	2024
E&C (Water) Suppliers	90%	90%	90%	87%
E&C (Water) Sub-contractors	90%	68%	64%	60%
E&C (Wastewater)	90%	90%	90%	90%
Technology Services	95%	98%	90%	N/A*

Note:

* *In FY2024, technology service division did not conduct supplier evaluations as the division prioritised internal process enhancements and strategic planning. The evaluation process will resume in FY2025 to further enhance operational efficiency.*

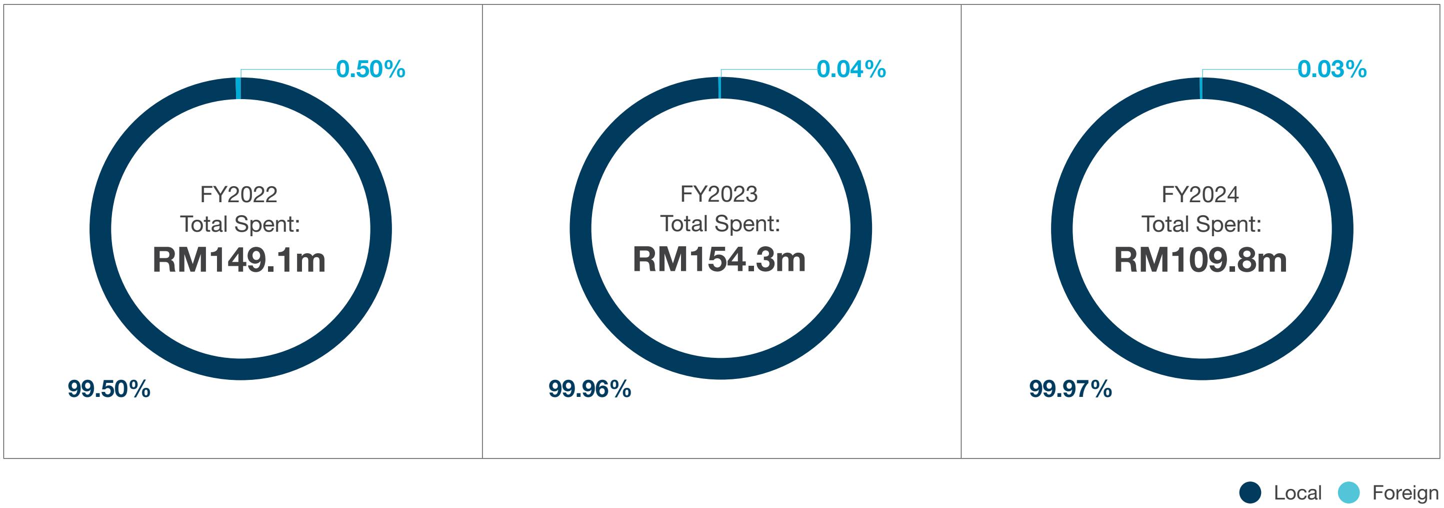


Sustainability Statement

Local Procurement

Salcon prioritises local vendors wherever possible according to the project requirements. This is part of the commitment to provide local employment and support economic growth. In FY2024, the Company spent a total of RM109.8 million on procurement with 99.97% spent on local suppliers.

Local vs foreign suppliers (FY2022 - FY2024)



Total procurement spent on local suppliers by division FY2024:

Division	Country	Total procurement spent on local suppliers (%)
E&C (Water)	Malaysia	100%
E&C (Wastewater)	Malaysia	100%
Glove Manufacturing	Malaysia	100%
Technology Services	Malaysia	98.4%
Renewable Energy	Malaysia	100%
Transportation	Malaysia	100%

MI4 Technology and Innovation

Salcon recognises that technology and innovation are key drivers of sustainable growth. By continuously exploring emerging technological advancements, we aim to enhance operational efficiency, meet market demands and foster strategic collaboration with technology partners.

In FY2024, several key initiatives were implemented across our business divisions:

Divisions	Initiatives
E&C	• Implemented an advanced sludge pipe conveyor system to support customer's operation. This innovation minimises manual handling requirements, improves workplace safety and reduce GHG.
Glove Manufacturing	• Developing innovations such as high textured examination gloves, colour-coded nitrile gloves, latex examination and textured surgical latex gloves to enhance product quality and performance. • Installed nano panel that generated 21,922 kWH of electricity, for manufacturing operations.
Renewable Energy	• In the midst of exploring cutting-edge energy storage technologies, aimed at enhancing energy efficiency and reduce GHG emissions. These technologies focus on supporting customer's transition to greener practices.

Moving forward, Salcon remains committed to pursuing innovative solutions to stay relevant and meet the evolving needs of our stakeholders.

Cyber Security and Data Privacy

Salcon continuously strengthen its IT infrastructure to enhance operational efficiency and manage our exposure to cyber security.

In FY2024, our in-house IT team implemented a new management software at corporate level to optimise help desk support, network monitoring and cyber security oversight. These advancements have strengthened data-driven decision making, enhance operational efficiency and improve cyber security across corporate functions.

Protecting assets and critical information to avoid breaches and damages 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 constantly look out for gaps and identify areas in our systems that need to be enhanced to remain vigilant against cyber threats.

In FY2024, there were no complaints concerning cyber security or breaches of customer privacy. We remain vigilant in strengthening our cyber security system and safeguarding data privacy.

Sustainability Statement

G LEADERSHIP AND GOVERNANCE

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Becoming a trusted and reliable working partner

Why It Matters:
At Salcon, leadership and governance are crucial as they ensure ethical decision making, transparency and accountability across our operations. By fostering a strong governance framework, we align with stakeholder expectations, drive sustainable growth and build trust with clients, partners and communities which is vital for our long-term resilience and success.

Our Commitment:
We are committed to ethical excellence to meet and exceed the expectations of our stakeholders, fostering sustainability, ethical practices and responsible decision making throughout our operations.

Our Approach:
- Adhering to our policies and procedures
- Upholding ethical practices in every aspect of our business
- Fostering a culture of good governance and integrity within our operations

Framework and Policies

Policies	Key Purposes	MI
Anti-Bribery and Anti-Corruption Policy ("ABAC") and Procedures	Establishes the Groups' position on bribery and provides principles, guidelines and requirements for addressing corrupt and bribery practices that may arise in the course of daily business and operations.	MI2
Code of Ethics and Conduct ("COEC")	Provides guidelines on business ethics and governance for employees to maintain an outstanding reputation.	MI2
Whistleblowing Policy	Provides a confidential and secure mechanism for reporting concerns about any suspected and/or known wrongdoings including violations of laws or regulations, fraud, misconduct, unethical behaviour or breaches of Group policies by any employee, management, director or vendor.	MI2
Board Diversity Policy	Sets out the approach to achieving diversity in the composition of the Board of Directors.	MI2
Directors' Fit and Proper Policy	Governs the appointment and re-election of directors to safeguard the Board's quality and integrity.	MI2
Remuneration Policy	Outlines the framework for determining the remuneration of Directors and Senior Management thats aligns with Malaysian Code on Corporate Governance.	MI2
Integrated Risk Management Policy and Procedure ("IRMPP")	Establishes a systemic approach to identifying, assessing, mitigating, monitoring and reporting significant risks faced by Group to achieve its business objectives.	MI6

These policies are reviewed and updated as necessary to ensure alignment with organisation's goals and compliance with current regulations. Our customers, employees, suppliers and contractors are encouraged to read, understand and uphold the intent of our policies within the Group. These policies are available at https://www.salcon.com.my/About-Us/corporate-governance.

MI2 Business Ethics and Corporate Governance

We are 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 relevant laws, regulations and industry best practices in the jurisdiction we operate.

For more information on Corporate Governance practices, please refer to pages 106 to 112 of this report.

Our approach to business conduct and ethics is guided by the COEC and ABAC, apply to all employees and third parties. These policies outline the standards of behaviour and ethical conduct expected of employees and others in carrying out business or providing services.

As part of our ongoing efforts to create awareness and nurture a culture of integrity within Salcon, the Company communicates its ABAC to all employees during orientation upon joining. All relevant policies, including the COEC, are available on the Company website. Employees are required to sign an acknowledgement form confirming their adherence to these policies as a commitment to ethical practices and standards. This also applies to our SEB's supply chain. Vendors are required to acknowledge receipt of our statement of policies and business ethics and agree to comply with its principles and policies.

ABAC Training during employees orientation

Anti-Bribery and Anti-Corruption

We maintain a zero-tolerance approach for all forms of bribery and corruption, as stated in the ABAC. Our Board maintains oversight of our approach to managing fraud, bribery and corruption risk. Our framework for managing these risks includes a 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 occurring within the Company. The whistleblowing policy is available on our corporate website at https://www.salcon.com.my/sites/default/files/corporate-governance/pdf/Whistle_Blowing_Policy%20%28updated%29.pdf.

Sustainability Statement

Disclosures of improper conducts can be made through various channels set out below, directly to the Chairman of the Audit Committee:
a) Letter addressed to 15th Floor, Menara Summit, Persiaran Kewajipan, USJ 1, 47600 UEP Subang Jaya, Selangor Darul Ehsan;
b) Email to chansf8@yahoo.com; or
c) Facsimile at 03-8024 8811.

No whistleblowing cases were received during the year.

In FY2024, we launched a newsletter on ABAC for our employees to elevate awareness levels among our employees on anti-corruption policies and procedures.

In FY2024, we recorded zero confirmed incidents of bribery and corruptions. There were no incidents of anti-competitive behaviour or violations of anti-trust or monopoly legislation. We also made no political contributions in the year.

For more information on Corporate Governance Overview Statement, please refer to pages 106 to 112 of this report.

MI6 Systemic Risk Management

Robust risk management practices are vital to protect the Company from business disruption and ensure business continuity. At Salcon, risk management approaches are guided by the Group's IRMPP and ERM framework, which are aligned with ISO 31000 Risk Management.

The Audit Committee and Risk Management Committee has oversight responsibilities over the effectiveness of risk management controls and governance practices. The Integrity Committee, chaired by Chief Compliance Officer, who is our GCOO cum GCFO, comprises CEO of SEB, Head of Internal Audit, Head of Human Resource and Admin and Head of Corporate Affairs and Sustainability. The Committee is responsible for managing all ABAC compliance matters within the Company.

Corruption risk assessment is integrated into our ERM framework that is reviewed on an annual basis. In FY2024, a review of the corruption risk assessment was carried out across 100% of all business operations. The corruption risk assessment report was then presented at the ARMC meeting.

For more information on the Key Risks and Mitigations section, please refer pages 25 to 28 and the Statement of Risk Management and Internal Control, please refer to pages 116 to 122 of this report.

Sustainability Statement

H HUMAN CAPITAL

Building a thriving workplace for employees

Why It Matters:
Our employees are our most valuable asset. A positive and conducive working environment motivates employees, fosters a sense of belonging and cultivates a culture of continuous growth and development, ensuring that our organisation remains resilient in an evolving landscape.

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:
- Maintaining high safety and health standards to protect all our stakeholders
- Implementing fair employment practices in recruitment, career development and benefit to ensure diversity and inclusion
- Investing in continuous learning, leadership development and incentives programmes that foster career advancement

Policies

Policies	Key Purposes	MI
Quality, Safety, Health and Environment ("QSHE") Policy	Promotes excellence in Occupational Safety and Health standards by outlining our commitments to sustaining project quality assurance and control, eliminating hazards, reducing risks and protecting the environment and stakeholders.	MI5
Human Resource Policies and Procedures Manual ("HRPP")	Outlines policies and guidelines to ensure employee welfare, operational efficiency and serves as a reference for addressing HR-related matters across the Group.	MI7
Equal Opportunity Employment Policy ("EOEP")	Promotes equal opportunities for all employees while providing a framework for fair, consistent and effective human resource management across the Group.	MI11
Anti-Sexual Harassment Policy	Establishes a respectful and harassment free workplace outlining a clear framework for addressing incidents and promoting mutual respect.	MI11
Human Rights Policy	Establishes and communicates its commitment to upholding and respecting human rights principles within its business operations and expectations on stakeholders.	MI11
Whistleblowing Policy	Provides a secure mechanism for reporting concerns about any suspected and/or known wrongdoings.	MI11

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.
Please refer to Human Rights Policy: 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.

Sustainability Statement

MI5 Occupational Health and Safety

Salcon is committed to maintaining a safe and secure work environment for all its stakeholders, demonstrating our responsibility as a company.

We have achieved certification for ISO 45001:2018 for SEB and our manufacturing plant in glove manufacturing division. To uphold compliance with regulations and standards, we conduct internal audits and undertake external audits performed by independent third parties.

Furthermore, all E&C project sites monitored by QSHE department, operate under the oversight of SEB which holds the ISO 45001:2018 certification. These certifications are periodically audited by Bureau Veritas to ensure strict adherence to international standards.

In the E&C division, our safety and health practices are overseen by our Quality, Safety, Health and Environment ("QSHE") department and Safety, Health and Environment ("SHE") Committee. The SHE committee is chaired by the SEB's Chief Executive Officer ("CEO") and supported by representatives from each department. The responsibilities of the SHE Committee includes but not limited to:

Reviewing relevant occupational safety, health and environment policies and procedures	Evaluating effectiveness of our health and safety management system	Conducting risk assessments and implementing preventive/ corrective actions	Ensuring compliance with relevant regulations	Ensuring adequate employee consultation and participation is carried out in SHE matters

QSHE Policy: https://www.salcon.com.my/sustainability/QualitySafetyHealthEnvironment.

In FY2024, the SHE Committee continued implementing the following programmes to oversee safety and health matters, with a focus to prevent accidents and injuries:

Initiatives	Key Actions Undertaken	Divisions
Annual SHE Audit and inspection	• Conducted safety and health risk assessments at specific project sites to identify potential risks and implement appropriate mitigation measures.	• E&C • Glove Manufacturing
Quarterly SHE committee meeting	• Regular workplace inspections to identify workplace safety and health concerns. • Carried out Emergency Response Preparedness drills for response team readiness.	• E&C • Glove Manufacturing
Yearly external audit and inspection	• Passed the SMETA conducted by international independent third-party auditors. • Maintained certifications for ISO 45001:2018.	• E&C • Glove Manufacturing
Annual Safety and Health Campaign	• Promoted healthy lifestyle through activities such as: - Kidney health talk - Mental wellness talks - Health screening - Office Ergonomic talk • Initiated and organised the 15th Salcon blood donation drive in 2024, in collaboration with Pusat Darah Negara. This initiative resulted in the collection of 39 pints of blood with Salcon providing recyclable bags as tokens of appreciation to participants. • Conducted safety committee site walk in Kuala Kubu Bharu project sites to educate office workers.	• E&C

Initiatives	Key Actions Undertaken	Divisions
Regular Safety and Health training	• Provided SHE induction training for 63 new employees to set standards, raise awareness of hazards. • Conducted major hazard trainings and mandatory safety assessments as per OSHA 1994. • Hosted climate change awareness talks highlighting impact of climate risks on workers' health. • Weekly toolbox briefings.	• E&C • Glove manufacturing
Monthly machinery inspection	• Conducted monthly machinery inspections by Safety and Health Officer.	• E&C • Glove Manufacturing
Hazard Identification, Risk Assessment and Risk Control ("HIRARC")	• Identified potential hazards and risks including ergonomic issues, physical injuries, biological risk and psychosocial stress before project commencement and performed periodic reviews at offices and project sites.	• E&C
Emergency Response Preparedness and House Keeping	• Performed lift trap drills at the headquarters in collaboration with the building management, security team and lift maintenance operator. The rescue operation was completed within 30 minutes.	• E&C

Safety and Health Performance

In FY2024, the Group achieved zero fatalities for employees and sub-contractors. The man hours without lost time injury ("LTI") for each division are as follows:

Safety data	HQ and Water Engineering	Wastewater Engineering	Glove Manufacturing
Total working hours	1,004,240	362,304	458,832
Total cumulative man hours with zero LTI	6.768,760	3,920,192	2,522,087
Targeted man hours with zero LTI	6,500,000	3,000,000	3,000,000

Man hours for transportation and technology service division are tracked but no targets are set. In FY2024, total man-hours with zero LTI for transportation and technology services divisions were 34,472 and 33,536 hours respectively.

Safety and health training

Salcon fosters a positive OSH culture by consistently updating employees and sub-contractors with relevant safety and health guidelines, responsibilities and potential workplace hazards. In FY2024,

- 59 of our SHE Committee members participated in safety and health training sessions.
- An additional 97 employees who are not part of the SHE undertook training in safety-related programmes.

Sustainability Statement

Safety and Health Trainings and Initiatives in FY2024

80
Total numbers of employees trained on health and safety standards

1,335.5 hours
Total safety and health training hours for employees

0 hours
Total safety and health training hours for sub-contractors

59
Safety and Health Committee members attended safety and health related training

MI7 Talent Attraction and Engagement

To cultivate a high-performance culture and an inclusive workforce, the Group has adopted two core approaches as part of its talent management strategy:

Talent Attraction and Retention	Engagement and Inclusion

We aim to provide a working environment that encourages work-life balance, nurtures creativity, promotes collaboration and embraces diversity. This helps our organisation to remain competitive and agile in a rapidly evolving business landscape.

Talent attraction and retention

Attracting and retaining talent is critical to our continued growth and success. To achieve this, Salcon benchmarks its remuneration and compensation packages against industry peers. This year, we revised several allowances and benefits including hotel allowances, site allowances, service awards and dental allowances to reinforce our commitment to employee well-being.

Parental leave

The table below shows a record of employees who entitled and took parental leave in 2024, as well as return to work and retention rates.

	Female	Male
Total employees who were entitled to parental leave for the year	90	116
Total employees who took parental leave for the year	2	5
Total employees who returned to work in the reporting period after parental leave ended	2	5
Total employees that returned to work after parental leave ended and were still employed 12 months after returning to work	2	5
Return to work of employees who took parental leave	100%	100%
Retention rates of employees who took parental leave	100%	100%

In addition, Salcon places strong emphasis on building leadership capabilities from non-executive to top management, to drive both personal and professional growth. In FY2024, 162 employees received regular performance and career development reviews as part of our commitment to nurturing future leaders.

Sustainability Statement

By gender

Male
97

Female
65

By job category

Senior Manager and Above
12

Executive
72

Manager
42

Non-executive
36

In FY2024, Salcon launched a campaign, spreading awareness on climate change impacts on workplace

Training and Development

Salcon conducts upskilling initiatives across our workforce. These programmes enhance our employees' competencies that aligned with the Group's strategic objectives. In FY2024, we invested RM113,810 on 72 training sessions covering areas such as soft and technical skills, leadership and management, as well as safety, health and environment programs. These sessions were conducted both externally and in house.

To promote ownership of professional growth, employees may propose technical or functional training aimed at closing competency gaps. This approach aligns with our core values by motivating individuals to undertake challenging assignments and expanded responsibilities.

Total spend on training

RM 113,810

Total training hours

3,113 hours

Average training hours

9.13 hours

Total training hours

By Gender (Hours):

Male
1,840.5

Female
1,272.5

By Employee Category (Hours):

Senior Manager and Above	150
Manager	947
Executive	1,798
Non-executive	218

Sustainability Statement

Average training hours per employee

By Gender (Hours):

Male
10.89

Female
7.4

By Employee Category (Hours):

Senior Manager and Above	10.71
Manager	10.29
Executive	9.08
Non-executive	5.89

Category of Trainings

Soft Skills
12

Technical Skills
22

Leadership and Management
1

Safety, Health and Environment
37

Diversity and inclusivity

Salcon complies with local labour laws, prioritises hiring local and does not discriminate throughout our recruitment and hiring processes. We provide equal employment opportunities to underprivileged groups and interns and actively contribute to addressing youth unemployment.

Our EOEP establishes a framework for equal treatment and opportunities for all employees, irrespective of their gender, age, race, religion, culture or nationality. At the Board level, our Board Diversity Policy sets out the approach to foster diversity in the composition of Salcon's Board. Currently, the Board comprises 5 males and 1 female director.

In FY2024, there were no discrimination incidents reported. This underscores our dedication to maintaining a diverse, inclusive and equitable working environment.

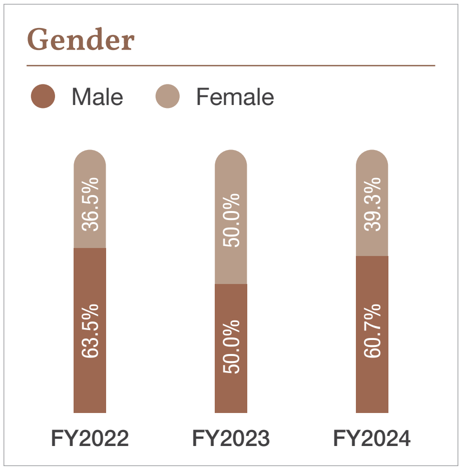
Sustainability Statement

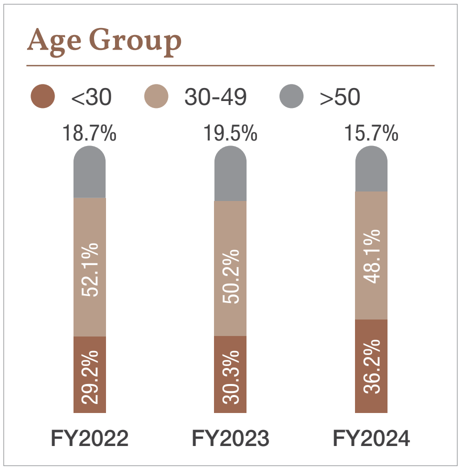
Employee demography

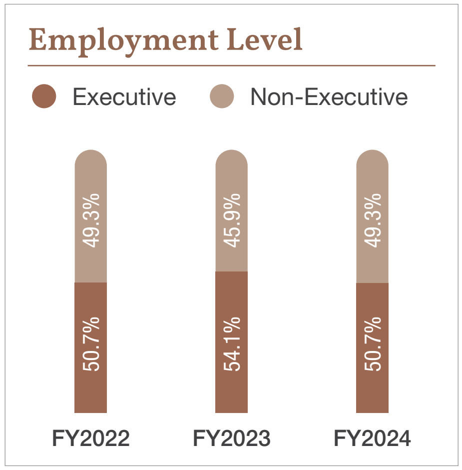
	Gender	Permanent	Contract	Part Time
FY2022	Male	128	150	0
	Female	131	28	0
FY2023	Male	123	128	0
	Female	130	29	0
FY2024	Male	209	88	0
	Female	165	28	1

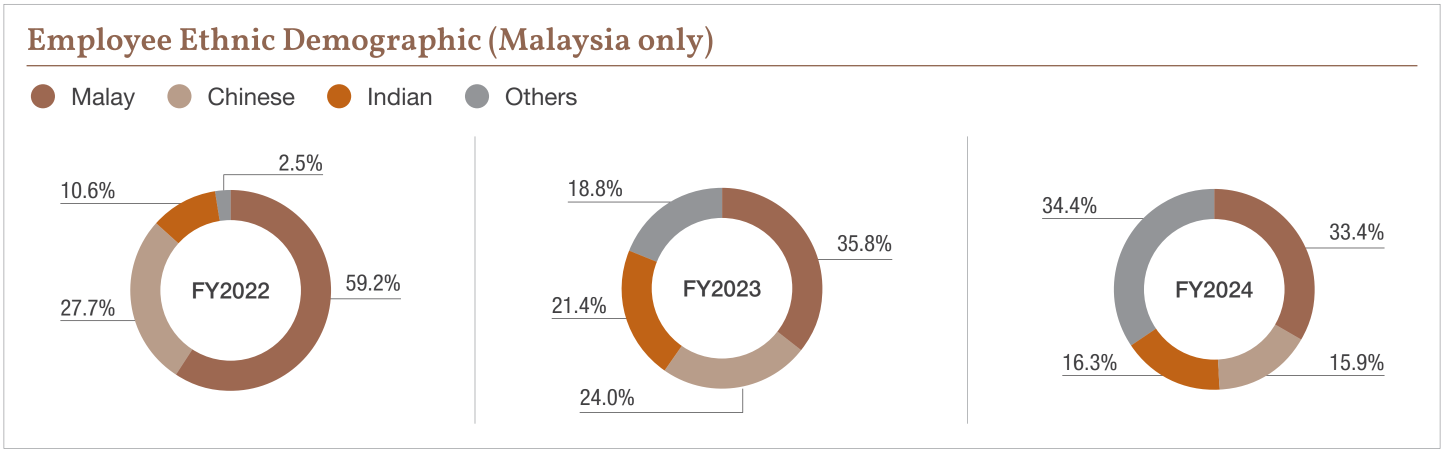
	Region	Permanent	Temporary	Part Time
FY2022	Malaysia	254	114	0
	Thailand	0	1	0
	Sri Lanka	0	6	0
	India	0	57	0
	Vietnam	5	1	0
FY2023	Malaysia	243	109	0
	Thailand	1	1	0
	Sri Lanka	5	0	0
	India	0	47	0
	Vietnam	4	0	0
FY2024	Malaysia	364	117	1
	Thailand	0	1	0
	Sri Lanka	5	0	0
	India	0	0	0
	Vietnam	4	0	0

Sustainability Statement









The others category, comprises foreign workers from Bangladesh, Indonesia, Myanmar and India significantly increase to 34.4% in FY2024. The rise was driven by workforce demands for expansion of glove manufacturing operations to meet rising production requirements.

Employees turnover

Employee Turnover	FY2022	FY2023	FY2024
Total employee turnover	113	120	137
Employee turnover rate	25.8%	29.3%	27.9%

		FY2022	FY2023	FY2024
Employee turnover by gender	Male	52	38	65
	Female	61	82	72
Employee turnover by age group	<30 years old	60	73	80
	30-50 years old	46	43	49
	>50 years old	7	4	8

Sustainability Statement

New Employee Hires	FY2022	FY2023	FY2024
Total new employee hires	163	131	146

		FY2022	FY2023	FY2024
New employee hires by gender	Male	97	30	64
	Female	66	101	82
New employee hires by age group	<30 years old	102	96	66
	30-50 years old	58	32	72
	>50 years old	3	3	8

Please refer to Employee Demography Data under Key Sustainability Performance Data from pages 248 to 256 for detailed breakdown.

Employee Engagement

We actively engaged with our employees through surveys, events and celebrations. In FY2024, we organised a variety of events to celebrate diversity, motivate employees to contribute to society and bring our people together. The Salcon Recreational Club, our social club, plays a key role in organising sporting activities, annual dinner and family day celebrations for the organisation.

Celebrations and events

20 February 24
Chinese New Year Lunch

02 March 24
Family Day

20 March 24
Ramadan Giveaway

05 June 24
World Environment Day Contest

24 June 24
Raya Luncheon

Sustainability Statement

13 July 24
50th Anniversary Annual Dinner - A Celebration of Our Legacy

14 August 24 - QSHE campaign
Talk on Kidney Diseases

20 August 24 - QSHE campaign
Treasure Hunt

23 August 24 - QSHE campaign
Blood Donation and Health Fair

30 August 24
Merdeka Day Celebration

28 September 24
Salcon Bowling Tournament

19 October 24
Salcon Plog-A-Thon

22 October 24
Deepavali Giveaway

30 November 24
Salcon Badminton Tournament

12 December 24
Christmas Gift Exchange

17 December 24
Salcon Spring Cleaning

MI11 Labour Rights and Practices

As a responsible organisation, Salcon upholds internationally recognised human rights standards including the United Nations Guiding Principles on Business and Human Rights. Additionally, we comply with Malaysian Employment Act 1995 and all other applicable labour regulations in Malaysia and in the regions in where we operate.

The Group conducts its business fairly and respects the human rights and well-being of its employees. Salcon adheres to all international agreements prohibiting child labour and forced labour and remains committed to providing freedom of political views, implementing best labour practices related to living and working conditions and ensuring fair compensation across its operations.

We also recognise that the business practices and level of commitment of our vendors and other partners may impact regulatory compliance related to human and labour rights. To mitigate these risks, Salcon places significant emphasis on monitoring human and labour rights, particularly within our supply chain.

For more information on Human Right Policy, please refer to Salcon's website: https://www.salcon.com.my/sites/default/files/Salcon_Human%20Rights%20Policy.pdf.

In FY2024, we were not fined or faced any zero incidents of human or labour rights violations, non-compliance with labour laws and risks of child labour within our operations.

Grievance Mechanism

To address employee grievances concerning discrimination, sexual harassment, unfair treatment and workplace concerns, Salcon has established a formal mechanism. Employees may escalate grievances to their immediate superiors, Department Heads or the Internal Audit and Risk Management Department. These grievances are handled in accordance with Salcon's Employee Grievance Handling Procedure which is accessible via our internal employee portal.

While open dialogues and informal resolution channels are encouraged, employees are neither restricted nor discourage from utilising formal grievance channels.

In FY2024, Salcon launched a sexual harassment poster campaign to educate employees on types of sexual harassment and outline the grievance process. As a result, no sexual harassment grievances were reported during the year, Additionally, no other grievances were raised through the formal grievance mechanism during the year.

Sustainability Statement

E ENVIRONMENT

Protecting the Environment

Why It Matters:
The escalating impacts of climate change present significant challenges to all life forms, business, industries and supply chain. As a responsible organisation, we recognise the importance of environmental stewardship in safeguarding natural resources, minimising our significant negative environmental impacts and enhancing long-term business resilience.

Our Commitment:
We are committed to protecting the environment and advancing sustainable practices through supporting:
a) UNSDGs and Paris Climate Agreement's target of limiting global warming rises beyond 1.5°Celsius; and
b) Becoming a Corporate Friend with the Climate Governance Malaysia advocacy.

Our Approach:
- Embedding environment best practices throughout our business operations and value chains
- Minimising our use of natural resources through effective resource management
- Promoting sustainable consumption to drive long-term value
- Encouraging the reuse and recycling of materials to reduce waste and foster a healthier planet for current and future generations

Frameworks and Policies

Policies	Key Purposes	MI
Salcon Green Policy	Establishes our commitment to reducing greenhouse gas emission and pollution, focusing on energy and water consumption, pollution prevention, sustainable procurement, biodiversity conservation and education.	MI8
Water Management Plan ("WMP")	Reinforces our commitment to water conservation under the Green Policy by managing water use, reducing wastage and monitoring progress for sustainable consumption.	MI8
QSHE Policy	Promotes responsible practices to identify and reduce adverse effects on the environment through continual improvement and regulatory compliance. Encourages excellence in QSHE performance to ensure sustainable and safe operations.	MI8
Enterprise Risk Management ("ERM") framework	Provides a framework for identifying climate-related risks and establishing strategies to reduce our greenhouse gas emissions.	MI9

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.

MI8 Environmental Impact Management

At Salcon, we proactively identify and mitigate significant environmental impacts of our operations. Guided by the Salcon Green Policy, we are committed to minimising our environmental impacts by preserving resources and advocating sustainable practices across our business operations.

Our environmental strategy focuses on four (4) areas:
- Water and wastewater management: optimising water usage and enhancing treatment processes;
- Energy management: improving efficiency and reducing carbon emissions;
- Pollution and resource management: implementing responsible waste management and emissions control measures; and
- Ecological conservation: preserving biodiversity and minimising disruption to natural ecosystem.

for more information on our environmental strategy, please refer to Salcon Green Policy: https://www.salcon.com.my/sites/default/files/SALCON-GREEN-POLICY.pdf.

Water and Wastewater Management

Efficient water management is integral to our core operations, where we specialise in designing and constructing water and wastewater treatment facilities. We adopt a comprehensive approach to enhance water efficiency, strengthen assets resilience and maximise value through robust water management practices.

Our Water Management Plan ("WMP") provides strategic guidance on optimising water resource management by setting long-term targets and integrating water conservation principles throughout our operations.

Salcon's operations are not located in water stressed locations. Nevertheless, we remain steadfast in commitment to optimise water consumption as part of our efforts to support long-term water security. Key initiative includes:
- Construction sites: using water collected from rainwater harvesting for activities such as dust suppression and wash-through processes.


Rainwater harvesting system installed at Kuala Kubu project site to reduce reliance on conventional water sources

Water Consumption Initiatives

Key Water Consumption Reduction Initiatives	Divisions
Periodic inspections and maintenance of water infrastructure to identify and repair leaks	Group
Water conservation signages in toilet to encourage responsible usage	Group
Strategic partnership with an NGO, WWP for holistic water conservation education	Salcon HQ
Non-Revenue Water ("NRW") reduction projects in Sabah	E&C
Rainwater harvesting for dust suppression and site cleaning	E&C

Water Consumption

Our Targets We have set the following targets for the divisions:

E&C	Glove Manufacturing	Transportation
2024 Targets To reduce water consumption by 2% per RM1 million revenue	**2024 Targets** To reduce water consumption by 4% per 1,000 gloves produced	**2024 Targets** To reduce water consumption by 5% per RM1 million revenue
62.8% reduction	**16.5% increase**	**26.9% reduction**
Achieved	Not Achieved	Achieved

Sustainability Statement

The water consumption and consumption intensity of each division are presented below:

Indicators	Unit of Measurement	Base year[1]	2022	2023	2024
Absolute Water Consumption					
E&C[2]	m^3	549	1,865	1,604	1,342
Glove Manufacturing	m^3	91,723	91,723	112,812	147,853
Transportation	m^3	17	942	739	638
Total	m^3	92,289	94,530	115,155	149,833
Water Consumption Intensity					
E&C[2]	m^3 per RM1 million revenue	15.51	13.84	15.65	5.83
Glove Manufacturing	m^3 per 1000 gloves produced	N/A	0.73	0.90	1.05
Transportation	m^3 per RM1 million revenue	1.23	62.92	69.97	51.15

Notes:
1. *The base year for E&C, Transportation and Glove Manufacturing divisions are 2016, 2021 and 2022 respectively. Base year for glove manufacturing was revised from 2016 to 2022 following the phasing out of borewell water usage. Similarly, transportation was revised from 2016 to 2021 to reflect operational changes due to transition to in house washing of vehicles instead of outsourcing to third parties.*
2. *Data includes consumption at both the offices and project site offices, encompassing Telibong WTP, NRW Sandakan, Small Hydro Project and Langat 2 Package 3.*

In FY2024, our total water consumption for E&C decreased by 16.3%. These improvements are attributed to enhanced water efficiency practices, increased employee awareness on responsible water consumption and reduction in water consumption is attributed to the completion of projects which has resulted in lower water usage.

Energy Management

Electricity use account for a major portion of the Group's total energy consumption, producing carbon dioxide (CO_2) and other greenhouse gas ("GHG") emissions. By implementing energy-efficient practices across our operations, we are able to optimise energy usage and reduce GHG emissions.

Energy Management Initiatives

Key Energy Management Initiatives	Divisions
Reducing air conditioning operation hours	**Group**
Replacing light bulbs with energy-efficient light bulbs	**Group**
Switching off lights and air conditioning systems when rooms are not occupied	**Group**
Installing a nano panel to generate electricity or its manufacturing processes	**Glove Manufacturing**

Energy Consumption

Our Targets We have set the following targets for the divisions:

E&C	Glove Manufacturing	Technology Services	Transportation
2024 Targets To reduce energy consumption intensity by 9% per RM1 million revenue	**2024 Targets** To reduce energy consumption by 15% per 1,000 gloves produced	**2024 Targets** To reduce energy consumption by 8% per full time employee	**2024 Targets** To reduce energy consumption by 11% per RM1 million revenue
54.8% reduction Achieved	**1.9% increased** Not Achieved	**8.8% increased** Not Achieved	**5.7% reduction** Achieved

Sustainability Statement

The energy consumption and consumption intensity of each division are presented below:

Indicators	Unit of Measurement	Base year[1]	2022	2023	2024
Absolute Energy Consumption					
E&C[2]	MJ	815,789	1,118,052	985,975	1,000,631
Glove Manufacturing	MJ	10,818,187	10,464,908	11,534,616	13,232,038
Technology Services	MJ	169,546	141,106	149,443	162,601
Transportation	MJ	205,463	181,786	184,896	205,949
Total	**MJ**	**12,008,985**	**11,905,852**	**12,854,930**	**14,601,219**
Energy Consumption Intensity					
E&C[2]	MJ per RM1 million revenue	9,817	8,297	9,621	4,345
Glove Manufacturing	MJ per RM1,000 gloves produced	-	83.66	92.45	94.24
Technology Services	MJ per full time employee	10,597	8,819	9,340	10,163
Transportation	MJ per RM1 million revenue	10,597	12,142	17,506	16,510

Notes:
1. *The base year for E&C, Transportation and Technology services divisions is 2016 whereas the base year for the glove manufacturing is 2021 as the business was acquired during the year.*
2. *Data includes consumption at both the offices and project site offices, encompassing Telibong WTP, NRW Sandakan, Small Hydro Project and Langat 2 Package 3.*

In FY2024, the Group's total energy consumption increased by 13.6% to 14.60 million MJ, mainly driven by the continued expansion of glove manufacturing division, which accounted for the majority of total energy consumption.

Pollution and Resources Management

We uphold stringent standards to mitigate environmental impacts while ensuring compliance with regulatory requirements and Department of Environment ("DOE") standards. Our E&C is accredited with ISO 14001 Environmental Management system, underscores our dedication to environmental sustainability and regulatory adherence across our operations. Our operations also adhere to DOE guidelines as well as all relevant local government regulations across our operations.

Our Objectives

Categories	Objectives	Status
Waste Management	• To ensure disposal of scheduled waste generated complies with environmental laws and regulations. • To ensure that construction waste is disposed of at authorised landfills licensed by the local authorities.	**Achieved**
Raw Materials Used	• 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**

Sustainability Statement

Waste Management

Poor waste management can lead to air, water and soil pollution which can harm the natural environment and the well-being of surrounding communities. Salcon is committed to responsible waste management by:

- ensuring compliance with environmental laws and regulations;
- integrating sustainable consumption practices across operations; and
- continuously monitoring scheduled waste and landfill diversion.

This approach enables us to optimise resource utilisation, minimise waste generation and promote waste management best practices.

Our waste and effluent management complies with the following:

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

Key Waste Management Initiatives

Initiatives	Divisions
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**

Salcon Waste Management Approaches

General waste sent to landfill by a licensed waste contractor

Recyclable waste sold to authorised recycling contractors

Scheduled waste disposed by DOE licensed contractors

Total Waste Generated and Diverted from Landfills

	FY2022 (tonnes)	FY2023 (tonnes)	FY2024 (tonnes)
Total waste	2.56	4.46	62.08
General waste	-	0.95	1.10
Scheduled waste	0.02	0.07	59.32
Waste diverted from landfills	2.54	3.44	1.66

The total amount of waste generated increase by 1,291.9% to 62.08 tonnes due to an increase in scheduled waste. The amount of scheduled waste generated increased by 846.4% to 59.32 tonnes mainly due to inclusion of scheduled waste data from glove manufacturing division in FY2024.

Total Waste Generated by Divisions

In FY2024, waste data were collected for the E&C and glove manufacturing as this was the first year of implementing waste tracking as part of our initiatives to enhance waste management practices.

Business Divisions	FY2022 (tonnes)	FY2023 (tonnes)	FY2024 (tonnes)
E&C	2.56	4.46	8.94
Glove Manufacturing	-	-	53.14
Total	**2.54**	**4.48**	**62.08**

Scheduled Waste

Business Divisions	FY2022 (tonnes)	FY2023 (tonnes)	FY2024 (tonnes)
E&C	0.02	0.07	6.18
Glove Manufacturing	-	-	53.14
Total	**0.02**	**0.07**	**59.32**

Treatment of General Waste

Business Divisions	FY2022 (tonnes)	FY2023 (tonnes)	FY2024 (tonnes)
General waste (sent for recycling)			
E&C	2.54	3.44	1.66
General waste (sent for landfill)			
E&C	0.00	0.95	1.10
Total	**2.54**	**4.39**	**2.76**

Waste Sent for Recycling

Items	FY2022 (tonnes)	FY2023 (tonnes)	FY2024 (tonnes)
Paper	2.54	3.44	1.66

In FY2023, Salcon recorded an increase in recycling paper mainly contributed by major cleaning undertaken by departments. However, the volume of recycled paper decreased in FY2024 as part of our ongoing efforts to reduce paper consumption and raise employee awareness of sustainable practices.

Raw Material Used

Salcon places strong emphasis on the efficient and sustainable use of raw materials across its supply chain and construction projects. Within E&C division, we collaborate closely with ISO 14001 certified suppliers to uphold ethical procurement practices and ensure adherence to environmental management standards. Guided by the Salcon Green Policy, our Environmental Purchasing Programme prioritise partnerships with environmentally responsible suppliers that promotes sustainability throughout our operations.

Sustainability Statement

The data for raw material used is presented in the table below:

Raw Material Used	FY2022		FY2023		FY2024	
	Resources	Green Materials	Resources	Green Materials	Resources	Green Materials
E&C (tonnes)						
Reinforcement Bar	33.79	-	18.41	-	193.17	-
Concrete	7,010.5	-	1,862.5	-	938.3	-
Glove Manufacturing (tonnes)						
Nitrile and Latex	3,159.77	-	2,574,438	-	2,276,650	-
Carton and Inner	1,275,674	-	1,069,418	-	1,673,954	-

The above data material used currently does not have green material based on clients' specifications.

The raw material consumption for E&C division decreased in FY2024 primarily due to reduced number of projects undertaken in FY2024. This decline in activity resulted in a corresponding reduction in the use of materials such as concrete and reinforcement bars.

Air Quality and Noise Management

Salcon is committed to protecting the environment and enhancing community well-being by managing air quality and noise pollution at project sites. To achieve this, the following initiatives are undertaken:

Categories	Key Pollution and Resource Management Initiatives	Business Divisions
Air Quality	• Regular watering of access roads at project sites to reduce dust pollution around neighbourhoods. • Ongoing air quality monitoring at operational sites to ensure compliance with environmental standards.	E&C
Noise	• Installation of noise monitoring devices at key locations to track noise levels. • Monthly monitoring reports reviewed during site meetings to implement necessary noise control measures.	E&C

These initiatives have effectively reduced dust and noise pollution whilst maintaining compliance with regulatory requirements. Continuous monitoring has reinforced Salcon's commitment to environmental protection and sustainable project management practices.

Biodiversity Impact

Salcon recognises the importance of conserving ecosystems and biodiversity at all project sites by minimising actions that can have a detrimental effect on the natural environmental. In line with our Green Policy, we implement measures to mitigate biodiversity loss and contribute to a net positive environmental impact on biodiversity.

Initiatives in Biodiversity Conservation

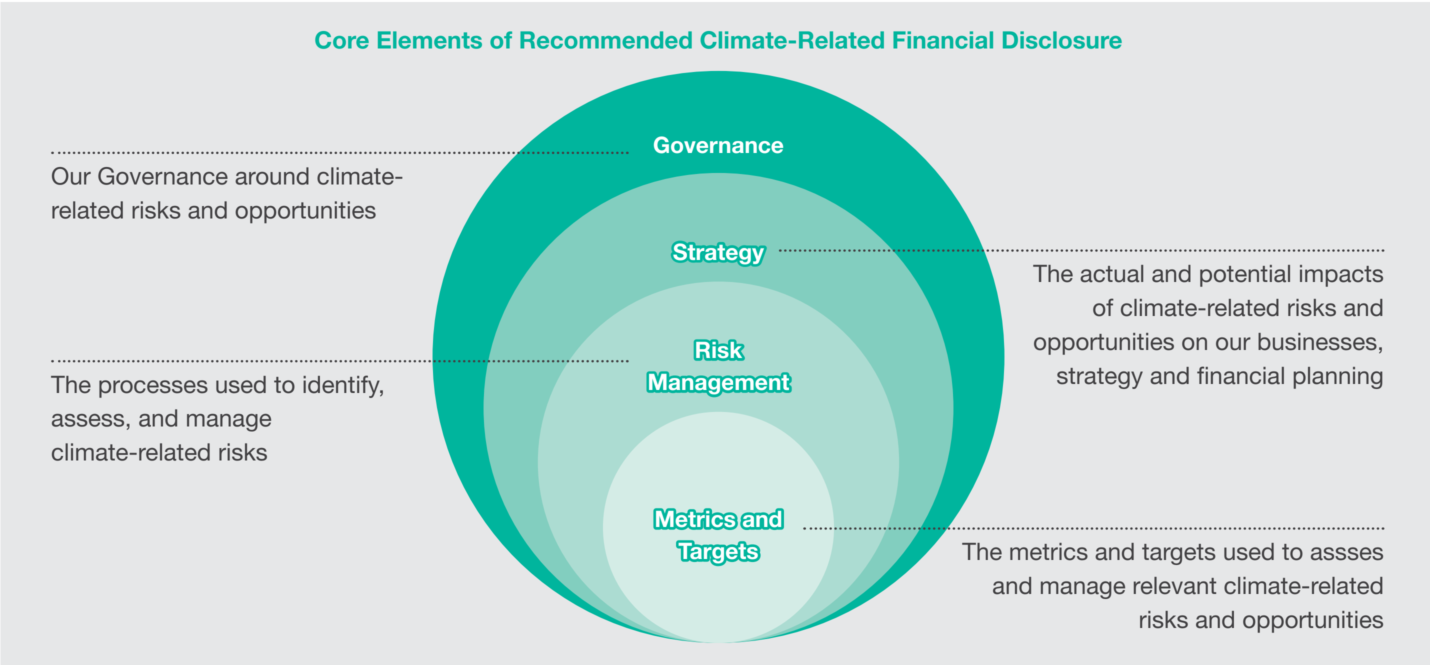
Key Biodiversity Initiatives	Divisions
Compliance with environmental regulations	**Group**
Conduct Environmental Impact Assessment ("EIA") and Environmental Aspect Identification ("EAI") prior to project commencement to assess and mitigate environmental risks including those related to biodiversity	**E&C**
Implement hydroseeding to prevent soil erosion at construction site, promoting vegetation growth and soil restoration	**E&C**
Monthly water quality monitoring of upstream and downstream river sections to ensure environmental compliance and protect ecosystem	**E&C**

MI9

Climate Change

We committed to enhancing our climate and environmental disclosures in accordance with the recommendations set forth by TCFD to promote transparency in our sustainability reporting.

Core Elements of Recommended Climate-Related Financial Disclosure



Salcon is planning its transition towards implementing the IFRS S2 standards to enhance climate-related financial disclosures which aligns with Bursa's latest requirements.

Climate Governance

Sustainability governance is a core pillar of our Salcon Sustainability Framework. The Chairman of the Sustainability Committee, who also serves as the Advisor on Climate Change, is tasked to overseeing climate and environmental risks, including targets setting and performance monitoring. Supported by the SC and the ARMC, the Board plays a pivotal role in reviewing the Group's climate-related risks and opportunities, strategies, action plans and performance. The Board also endorses the sustainability statement and TCFD disclosures.

For more information on Sustainability Governance Structure, please refer to pages 56 to 57 of this report.

The SWG is responsible for executing the Group's climate strategy and ensures that our objectives for reducing GHG emissions are met. By working closely with business divisions, the SWG implements environmental initiatives, analyses data, assesses risks and develops mitigation measures to address the impacts of climate change.

Sustainability Statement

Climate Strategy

Aligned with TCFD recommendations, our Climate Risk Management Framework identifies two categories of risks:

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

In terms of opportunities, we focus on contributing to the transition to a low-carbon society by improving energy efficiency, exploring potential decarbonisation initiatives and adapting to market shifts.

Key components of our climate strategy

1 Alignment with the Paris Agreement:

We recognise the importance of aligning our strategy with the objectives of the Paris Agreement, which aims to limit global warming to below 2° Celsius. We are progressively integrating climate resilience measures into our long-term strategy.

2 Investment in Low-Carbon Technologies:

We are actively investing in low-carbon technologies and innovative solutions to enhance energy efficiency and reduce emissions across our operations. In FY2024, we commissioned a gas turbine energy generator in glove manufacturing division to produce steam as part of our efforts to lower our carbon footprint.

3 Supporting the Transition to a Low-Carbon Economy:

We are dedicated to supporting the transition to a low-carbon economy by integrating sustainable practices and adapting to evolving regulatory, technology and market demands for a low-carbon economy.

4 Stakeholder Communication:

Transparent communication about our climate strategy including progress, challenges and future plans to our stakeholders is a priority. We engage our stakeholders including shareholders, customers and employees to foster collective awareness and understanding of climate-related issues.

These components reflect our commitment to mitigating climate change and advancing sustainable business practice. We continuously monitor climate-related risks and opportunities while refining adaptation measures.

Climate Risk Management

Following our climate scenario analysis, Salcon identified potential risks and opportunities in order to mitigate their impacts on both our operations and stakeholders. Our climate change adaptation strategies aim to address these challenges over the short-term (by 2025), medium-term (by 2030) and long-term (by 2050).

This strategic process is guided by our Enterprise Risk Management (ERM) framework which is aligned with the international risk management standard ISO 31000. Through this framework, we identify and assess climate change risk and opportunities, implement appropriate risk management strategies and establish robust internal controls to mitigate our exposure.

For more information on climate risk management, please refer to Statement of Risk Management and Internal Control on pages 116 - 122 of this report.

Climate-related Risks, Impacts and Our Responses

Risk Type	Description	Potential Financial Impact	Time Horizon	Opportunities and Our Responses
Physical Risks	Extreme weather	- Damage to infrastructure, supply chain disruption and rising insurance cost which may result in revenue losses	Short/ Medium-term	- Implement robust emergency preparedness and adaptive response to minimise disruption. - Conduct risk assessments to identify vulnerabilities and develop targeted mitigation plans. - Diversify suppliers and establish contingency plans to reduce dependency on single sources.
	Rising global temperature patterns	- Rising temperatures may lead to energy price volatility, increased operational costs and higher pricing for carbon credits	Medium/ Long-term	- Invest in energy-efficient technologies to mitigate rising costs. - Continuously monitor market conditions and adjust operational practices accordingly.
Transitional Risks	**Legislative**			
	- Increased pricing of GHG emissions - Enhanced emissions-reporting obligations - Exposure to litigation measures	- Increase in direct cost i.e. carbon taxes - Rising operational costs - Higher compliance costs	Medium/ Long-term	- Integrate emission reductions practices and energy efficiency improvement across operations. - Leverage supportive policy incentives/green bonds. - Monitor and maintain strict compliance to latest climate change regulations.
	Technology and Market			
	Substitution of existing products and services with lower emissions options	- Escalating R&D expenditures to develop low-carbon and energy-efficient products and services may increase operational expenses	Medium-term	- Transition to renewable energy sources to reduce reliance on fossil fuels. - Engage with strategic technology partners to drive innovation and cutting-edge solutions. - Invest in R&D activities for innovative products in the glove manufacturing division.
	Changing consumer behaviour	- Shifts in consumer preferences towards sustainable products/ services may impact our revenue	Medium/ Long-term	- Innovate and offer new low-emission products and services. - Identify strategic collaborations to facilitate a smooth transition to low-carbon economy.

Sustainability Statement

Climate-related Risks, Impacts and Our Responses (continued)

Risk Type	Description	Potential Financial Impact	Time Horizon	Opportunities and Our Responses
Transitional Risks	**Reputation**			
	Perception mismatch	- Decline in revenue due to reduced demand for goods/services and limitations in production capacity - Decreased investor confidence in the Group's capability to transition to a low-carbon economy	Short/ Medium-term	- Commit to measurable emission reduction targets (eg, halving emissions by 50% by 2030 and achieving net-zero by 2050). - Establish and monitor key performance indicators for the Climate Change Strategy. - Promote our participation in energy conservation and efficiency measures to enhance market reputation.

GHG Emissions

We follow the internationally recognised GHG protocol and includes emissions based on equity shares of more than 50%. Scope 1 emission factors are derived from US Environmental Protection Agency (US EPA) while Scope 2 emission factors are based on Combined Margin emission factor for fuel consumption in Malaysia.

GHG Emissions

	FY2023 (tonne CO_2 equivalent)	FY2023 (tonne CO_2 equivalent)	FY2024 (tonne CO_2 equivalent)
Total Emissions	5,002.07	5.277.25	5,213.38
Scope 1	2,817.91	2,881.62	2,650.62
Scope 2	1.931.89	2,088.93	2.365.90
Scope 3	252.27	306.70	196.86

Breakdown of GHG Emissions FY2024

Scope	Type	Emission (tonne CO_2 equivalent)
Scope 1	Fuel	**2,650.62**
Scope 2	Purchased electricity	**2,365.90**
Scope 3	Category 6: Business travel	**38.41**
	Category 7: Employee commuting	**158.45**

Our targets We have set the following targets for the divisions:

E&C	Glove Manufacturing	Technology Services	Transportation
2024 Targets To reduce carbon emission by 14% per RM1 million revenue	**2024 Targets** To reduce carbon emission by 15% per 1,000 gloves produced per annum	**2024 Targets** To reduce carbon emission by 9% per full time employee	**2024 Targets** To reduce carbon emission by 10% per RM1 million revenue
47.5% reduction	**1.2% increased**	**8.8% increase**	**28.5% reduction**
Achieved	Not Achieved	Not Achieved	Achieved

Sustainability Statement

Indicators		Unit of Measurement	Base year[1]	FY2022	FY2023	FY2024
Emission						
Absolute Emission						
E&C[2]	Total absolute emission	tonne CO_2 equivalent	708.48	584.48	654.49	775.66
	Scope 1	tonne CO_2 equivalent	522.21	405.96	494.27	619.85
	Scope 2	tonne CO_2 equivalent	186.27	178.52	160.22	155.81
Transportation	Total absolute emission	tonne CO_2 equivalent	3,718.85	2,292.08	2,290.33	1,934.79
Technology Services	Total absolute emission	tonne CO_2 equivalent	26.6	22.93	24.28	26.42
Glove Manufacturing	Total absolute emission	tonne CO_2 equivalent	1,879.45	1,850.3	2,001.45	2,279.65
		tonne CO_2 equivalent	**6,333.38**	**4,749.79**	**4,970.55**	**5,016.52**

Emission Intensity

Indicators	Equity Shares (%)	Unit of Measurement	Base year[1]	FY2022	FY2023	FY2024
E&C[2]	100% (Water) 60% (Wastewater)	tonne CO_2 equivalent/ RM million	3.82	3.87	5.69	2.99
Transportation	51.3%	tonne CO_2 equivalent/ RM million	106.77	78.54	111.24	79.57
Technology Services	50%	tonne CO_2 equivalent/ full time employee	0.78	0.72	0.76	0.83
Glove Manufacturing	51%	tonne CO_2 equivalent/ 1,000 gloves produced	0.0054	0.0075	0.0082	0.0083

Notes:

1. *Base year for E&C, Transportation and Technology divisions is 2019 whilst the base years for Glove Manufacturing is 2021 as the business was acquired during the year.*
2. *Data includes consumption at both the offices and project site offices, encompassing Telibong WTP, Small Hydro Project, Langat 2 Package 3, and NRW Sandakan.*

The emission factors reference (For Scope 1 emissions) is available at offices and project site offices - https://www.epa.gov/climateleadership/ghg-emission-factors-hub.

The emission factors reference (For Scope 2 emissions) is available at https://www.mgtc.gov.my/wp-content/uploads/2019/12/2017-CDM-Electricity-Baseline-Final-Report-Publication-Version.pdf.

In FY2024, Salcon's total carbon emissions increased compared to FY2023, primarily due to higher production levels in the glove manufacturing division, which resulted in greater energy consumption.

Sustainability Statement

Scope 3 Emission Data

Scope 3 emissions include Category 6 (Business Travel) and Category 7 (Employee Commuting). Business travel, includes both air travel and on-road vehicle use by the E&C division and technology services. Employee commuting emissions are estimated using a sampling methodology. These emissions are not currently included in our reduction targets; however, we are committed to expanding the coverage of our Scope 3 emissions in future disclosures.

Scope 3 Categories	CO_2 emission (tonne CO_2)		
	FY2022	FY2023	FY2024
Category 6: Business Travel	26.12	26.78	38.41
Category 7: Employee Commuting	226.15	279.92	158.45
Total Scope 3 emission (tonne CO_2)	**252.27**	**306.70**	**196.86**

The year-on-year data was collected using a sampling method and we will improve data collection process to ensure more comprehensive coverage.

Environmental Stewardship

At Salcon, we prioritise environmental stewardship through collaborative partnerships that amplify the impact of our initiatives.

Salcon Smart Water Programme with Water Watch Penang ("WWP")

Salcon continues to champion its flagship programme, Salcon SSWP at Sungai Penchala in Bukit Kiara Park and Taman Rimba, in partnership with WWP. Since its launch in 2010, this programme has focused on instilling water conservation and sustainability awareness among younger generations. To date, more than 3,569 students and 191 teachers have benefited from this programme.

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

Water Watch Penang
Save Water, Make Every Drop Count!

For more information 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 FY2024, Salcon conducted an interdepartmental spring cleaning and recycling competition in collaboration with SZ Slim Scrap Metal and Kloth Care. This initiative encouraged employees to recycle, reduce waste and reuse materials from both homes and offices.

kloth cares

During the campaign:

1,660
kilograms of paper were collected.

90 kg
of clothes were collected for donation or recycling.

Salcon Plog-A-Thon with Pemuda Gema

As part of our QSHE Campaign, 31 volunteers and their families participated in a beach cleaning at Bagan Lalang Beach, in collaboration with Pemuda Gema. In FY2024, our participants collected a total of 135 kg of waste to protect our coastline.

PEMUDA GEMA

S SOCIAL CAPITAL

Engaging and uplifting the community

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 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
- Establishing strategic partnerships to create sustainable community that deliver long-term benefits
- Encouraging employee volunteerism and participation in community service
- Providing financial support and in-kind donations to uplift vulnerable groups
- Promoting local employment to drive economic growth

Guidelines and Purposes

Guidelines	Key Purposes	MI
Philanthropic and Non-commercial Sponsorship Guidelines	Sets criteria for donations and non-commercial sponsorship	MI10

EMPOWERING EDUCATION

Salcon Smart Water Programme ("SSWP")

Launched in 2010, SSWP is dedicated to providing experiential learning opportunities beyond the classroom by educating youths on the importance of river and water conservation. This initiative allows students to conduct hands-on assessments on river water's physical, chemical and biological aspects. As a result, students gain practical skills and a deeper understanding of water sustainability. Students are then able to adopt innovative water conservation practices in their schools and homes, thereby fostering a culture of environmental stewardship.

220 students benefited	**100%** participants recommendation rate
16.83% knowledge improvement	**10** schools engaged

Salcon Train The Trainers ("TOT") Programme

The TOT programme, an integral part of SSWP, aims to expand the reach and deepen the impact of our environmental awareness initiatives. Teachers are trained as facilitators with knowledge, skills and resources required to independently conduct the SSWP within their schools or other educational settings. Salcon supports these initiatives by providing transportation, programme materials and water testing kits as part of our efforts to enhancing our water conservation education.

12 "Certified Trainers" trained	**1** programmes conducted by schools
1 schools conducted independent SSWP sessions	

Sustainability Statement

A group of certified teachers is well equipped with SSWP knowledge after the Train the Trainers session

Students performing chemical testing to assess river water quality

Teacher is collecting specimen for biological water test

COMMUNITY OUTREACH

Lighting Up Our Community 2.0 at Gombak, Selangor

A team of 21 volunteers improved the quality of life for 49 residents including 9 children from the Kampung Orang Asli Sungai Relang community in Gombak. The installation of sustainable energy solutions such as solar LED lights enabled children to study at night and provided residents with a safer and improved environment for evening activities. Additionally, humanitarian aid including food and school supplies was distributed to support daily needs.

11 Solar LED
Batten Lights installed in 8 houses and the community hall

49 residents
benefitting from improved nighttime safety and illumination

2 Solar LED
Street Lights installed

Group photo of Salcon's dedicated volunteers to install solar panels at Kampung Orang Asli Sg. Relang

15th Blood Donation Drive

In collaboration with PDN, Salcon continues to raise awareness of the critical importance of blood donations. The initiative underscores our commitment to public health and meaningful causes. This year's drive collected:

potentially save
117 lives

39 pints
of blood from 55 donors

15th Blood Donation & Health Fair, a collaboration between Salcon and Pusat Darah Negara

Sustainability Statement

Mesra Harmoni with Salcon

A team of 6 volunteers visited Pusat Jagaan Seri Mesra, an elderly care home in Ampang, Kuala Lumpur, where they spent quality time with the elderly residents. This initiative fostered meaningful interactions through shared activities. Essential medical supplies and goods were donated to enhance their well-being.

37 elderly residents engaged

A group photo of Salcon volunteers and some of the Mesra Home residents

PHILANTHROPIC GIVING

In FY2024, Salcon remained committed to making positive social impact through financial contributions and in-kind donations. Our ongoing CSR efforts have supported various charitable organisations that benefit vulnerable groups in the communities we serve.

RM97,240 contributed to various charities and foundations

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 FY2024, all new hires were sourced locally. We also continued to support internship and protégé programme, thereby fostering future talent and contributing to national employment goals.

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

A group of protégés celebrating Salcon's 50th Anniversary

MOVING FORWARD

In response to the evolving business environment and growing emphasis on sustainability, we remain dedicated to our vision. We aim to create value for all stakeholders, drive long-term success for the company and contribute actively to fostering a sustainable future by strengthening the five pillars of our sustainability framework.

Performance Data Table

As a Listed Issuer, Salcon is obligated to provide mandatory ESG disclosures according to the Main Market Listing Requirements, following the enhanced Sustainability Reporting Guide, 3rd Edition. The performance data table obtained from the ESG Reporting Platform outlines indicators that are pertinent to our Material Matters.

In addition, certain Material Matters within our Sustainability Report 2024 do not contain quantitative data and have been addressed in relevant sections of this report.

Indicator	Measurement Unit	2024
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Senior Manager & above	Percentage	8.00
Manager	Percentage	22.97
Executive	Percentage	23.49
Non-executive	Percentage	3.70
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	99.97
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Senior Manager & above Under 30	Percentage	0.00
Senior Manager & above Between 30-49	Percentage	28.00
Senior Manager & above Above 50	Percentage	72.00
Manager Under 30	Percentage	2.70
Manager Between 30-49	Percentage	68.90
Manager Above 50	Percentage	28.40
Executive Under 30	Percentage	28.20
Executive Between 30-49	Percentage	57.00
Executive Above 50	Percentage	14.80
Non-executive Under 30	Percentage	52.30
Non-executive Between 30-49	Percentage	41.20
Non-executive Above 50	Percentage	6.50

Performance Data Table

Indicator	Measurement Unit	2024
Bursa (Diversity)		
Gender Group by Employee Category		
Senior Manager & above Male	Percentage	84.00
Senior Manager & above Female	Percentage	16.00
Manager Male	Percentage	58.10
Manager Female	Percentage	41.90
Executive Male	Percentage	47.30
Executive Female	Percentage	52.70
Non-executive Male	Percentage	70.70
Non-executive Female	Percentage	29.30
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	83.30
Female	Percentage	16.70
Under 30	Percentage	0.00
Between 30-49	Percentage	0.00
Above 50	Percentage	100.00
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Senior Manager & above	Hours	150
Manager	Hours	947
Executive	Hours	1,798
Non-executive	Hours	218
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	23.83
Bursa C6(c) Total number of employee turnover by employee category		
Senior Manager & above	Number	4
Manager	Number	4
Executive	Number	28
Non-executive	Number	101

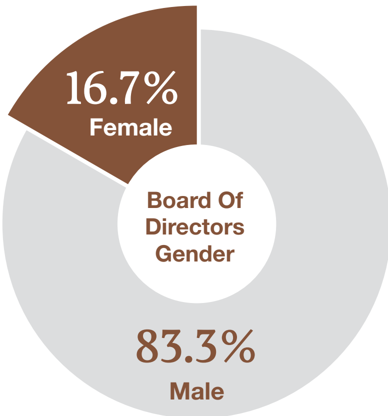
Internal assurance | External assurance | No assurance | (*)Restated

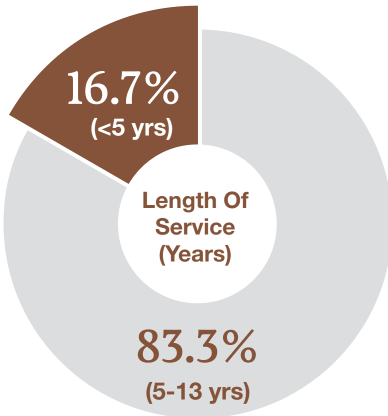
Board of Directors' Profile

We are pleased to introduce the esteemed members of our Board of Directors and Key Senior Management, whose diverse expertise, strategic insight, and unwavering commitment are integral to our organisation's success. Comprising accomplished leaders and industry professionals, they play a vital role in shaping the Company's direction and ensuring sound governance and operational excellence.

Directors' Statistics

The team is accountable to our shareholders for the responsible conduct of our business and to sustain the long-term growth of the Company by delivering profitability and a healthy economic performance.





Tan Sri Abdul Rashid Bin Abdul Manaf

Chairman, Independent Non-Executive Director

Gender: **Male** | Age: **78** | Nationality: **Malaysian**

Tan Sri Abdul Rashid Bin Abdul Manaf, aged 78, male, was appointed to the Board of Salcon Berhad ("Salcon") as Chairman on 2 January 2019.

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

Tan Sri Abdul Rashid is now a full-time businessman. Before venturing into business, he was a senior partner in a legal firm in Kuala Lumpur until his retirement on 24 August 2006. He joined the Malaysian Judicial and Legal Service in 1970 and was appointed as a Magistrate at Kuala Lumpur until 1973. He was later made the President of the Sessions Court in Klang. In 1975, he became the Senior Federal Counsel in the Income Tax Department. His services to the Government came to an end in 1977 when he left to join private practice and venture into business.

Tan Sri Abdul Rashid was the 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

Tan Sri Dato' Tee Tiam Lee

Executive Deputy Chairman | Gender: **Male** | Age: **67** | Nationality: **Malaysian**

Tan Sri Dato' Tee Tiam Lee, aged 67, 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 Adviser/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").

Dato' Leong Kok Wah

Executive Director | Gender: **Male** | Age: **71** | Nationality: **Malaysian**

Dato' Leong Kok Wah, aged 71, 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.

Dato' Leong is a Non-Independent Non-Executive Director and shareholder of Eco World Development Group Berhad.

Dato' Leong is a member of Sustainability Committee of the Company.

Board of Directors' Profile

Datin Goh Phaik Lynn

Non-Independent Non-Executive Director — Gender: **Female** | Age: **64** | Nationality: **Malaysian**

Datin Goh Phaik Lynn, aged 64, 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 and Remuneration Committee of the Company.

Dato' Rosli Bin Mohamed Nor

Independent Non-Executive Director — Gender: **Male** | Age: **66** | Nationality: **Malaysian**

Dato' Rosli Bin Mohamed Nor, aged 66, male, was appointed to the Board of Salcon on 2 July 2018.

Dato' Rosli graduated with a Bachelor of Science 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 have 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 has been 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 is also the Corporate Advisor to Hassan (Cambodia) Co. Ltd. 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. A pilot investment project is currently being undertaken on a 112 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 is the Advisor-Climate Change, overseeing climate risks and mitigation plans for the Group.

Board of Directors' Profile

Chan Seng Fatt

Senior Independent Non-Executive Director   Gender: **Male** | Age: **61** | Nationality: **Malaysian**

Chan Seng Fatt, aged 61, 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.

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 2024.

Key Senior Management's Profile

Leong Yi Shen

Chief Operating Officer cum Chief Financial Officer
Male | 34 | Malaysian

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)
- CPA Australia

WORKING EXPERIENCE(S)
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 managed 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
Male | 57 | Malaysian

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(S)
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 34 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 and 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 and Proposal and Chief Operating Officer.

Key Senior Management's Profile

Lee Thim Loy

Managing Director
Male | 76 | 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(S)
Ir. Lee Thim Loy has more than 51 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^3/day.

Low Beng Peow

Executive Director
Male | 78 | 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(S)
Ir. Low Beng Peow, has been in the environmental engineering industry for more than 51 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 | 61 | 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(S)
Dato' Mohammad Hakim Low Bin Abdullah has more than 24 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 | 64 | 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(S)
Vergis Mathews has extensive career experience in various industries including transportation or logistic business for more than 24 years, film production, advertising and marketing, and audit and corporate tax.

Vergis Mathews was an Associate partner in Paul Charles and Associates from 1 February 1980 to 30 June 1986 before leaving for Coopers and Lybrand, London, United Kingdom as Audit Senior from 1 July 1986 to end 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 appointed as Managing Director of Eco-Coach & Tours (M) Sdn. Bhd. to the Fleet Operation and 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 | 62 | 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(S)

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 33 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 been the Managing Director after the incorporation.

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.

Corporate Governance Overview Statement

The Board of Directors ("the Board") of Salcon Berhad ("Salcon" or "the Company") acknowledges the critical role of upholding high standards of Corporate Governance ("CG") practices within Salcon and its subsidiaries ("Group"). Strong CG practices are essential for the Group's long-term sustainability, and the Board views them as a key component of the Group's overall business strategy. By establishing an appropriate governance framework and parameters, the Board believes it will foster a culture of integrity, transparency, and accountability across the Group. Additionally, robust CG practices are fundamental to ensuring smooth, efficient, and transparent operations, enabling the Company to attract investments while protecting and enhancing shareholders' value.

The Corporate Governance Overview Statement ("CGS") is made pursuant to the core principles outlined in the Malaysia Code on Corporate Governance ("MCCG") issued by the Securities Commission Malaysia and guidance is drawn from Practice Note 9 of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"). This CGS provides an overview of the Group's CG practices for the financial year ended 31 December 2024 ("FY2024") with reference to the three (3) principles set out in the MCCG as follow:

A	Board Leadership and Effectiveness
B	Effective Audit and Risk Management
C	Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

Compliance with MCCG

The Company has complied with the practices while applying the main principles of the MCCG for the FY2024, except:

- 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)

This CGS is to be read together with the Corporate Governance Report ("CG Report") which it provides detailed disclosures on whether and how the Company has applied the Practices, as set out in the MCCG, for the FY2024.

The CG report is available at www.salcon.com.my.

Principle A BOARD LEADERSHIP AND EFFECTIVENESS

i. Board Responsibilities

The Board of Directors serves as the highest governing body of the Company, entrusted with the critical responsibility of safeguarding and enhancing stakeholders' value while steering the organisation toward its vision of becoming a respected and synergistic corporation, transforming lives for the better. In fulfilling its fiduciary duties and leadership role, the Board not only provides strategic guidance but also closely monitors the diverse activities and decisions of the organisation. Furthermore, the Board plays a pivotal role in upholding the principles of transparency, ethics, and accountability, ensuring that the management team adheres to the highest standards of performance and conduct.

Corporate Governance Overview Statement

Aligned with the Company's core values of commitment, teamwork, ownership, respect, and result-oriented focus, the Board remains dedicated to fostering a culture that drives positive outcomes and sustainable growth throughout the organisation.

Board Charter and Terms of Reference

To promote clarity in the roles of both the Board and Management, a Board Charter has been established, clearly defining their respective functions. This Charter is periodically reviewed and updated to reflect the evolving needs of the Company, ensuring it remains effective and aligned with the Board's goals and corporate vision.

The Board retains responsibility for certain key decisions while delegating authority in specific areas to its Board Committees. Currently, four (4) Board Committees have been appointed to support the Board's oversight role, with each Committee entrusted with distinct responsibilities as outlined below:

BOARD COMMITTEE

Sustainability Committee ("SC")
Reviews the Group's strategic direction, policies, and principles on sustainability matters.

Remuneration Committee ("RC")
Reviews the overall remuneration policy and strategy implementation of the Board and Senior Management.

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 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.

The roles and responsibilities of the Board and Management are clearly defined and communicated to ensure proper accountability. Management is tasked with overseeing the day-to-day operations of the Group and is responsible for achieving the corporate objectives and goals set by the Board.

While certain powers have been delegated to the Board Committees, the Board remains informed of key issues and decisions through the presentation of Board Committee reports and minutes of their meetings.

The specific responsibilities of the Executive Director ("ED") are also outlined in the Board Charter.

The Board periodically reviews the Terms of Reference ("TORs") for each Board Committee, making necessary revisions to maintain alignment with the Board's objectives and the relevant rules and regulations set by various authorities.

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

There is a clear separation of responsibilities to ensure a balance of authority and power, with distinct roles assigned to the Chairman and the ED. 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 emphasis on compliance and good corporate governance practices.

The duties and responsibilities of the Board, Chairman, and ED are clearly outlined in the Board Charter. The Chairman of the Board does not sit on the Audit and Risk Management Committee ("ARMC"), Nomination Committee ("NC"), Remuneration Committee ("RC"), or Sustainability Committee ("SC"). This distinct separation ensures a clear division of responsibilities between the Chairman and the Committees, enabling a balanced distribution of power, roles, responsibilities, and accountability. It also ensures an objective review by the Board when considering the observations and recommendations presented by the Board Committees.

Company Secretaries

The Board is supported by two (2) qualified and competent Company Secretaries. All Board members have access to the Company Secretaries for advice and services on secretarial matters pertaining to the Group, aiding them in the performance of their duties. The Board is pleased with the performance and support provided by the Company Secretaries in assisting with the discharge of their duties. Additionally, the Board is regularly updated and kept informed of regulatory requirements and the latest legislative and regulatory developments.

Corporate Governance Overview Statement

Board Meetings

The Board and its Committees schedule their meetings prior to the end of each financial year to ensure Directors have ample time to coordinate their commitments. The Board convenes 5 times annually with all Board Committee meetings are conducted separately from the Board meetings. The attendance of members of the Board and Board Committee meetings during the FY2024 is as follows:

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	1/1
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

Notes: *Chairman*

Code of Conduct and Ethics

The Board has reviewed and put in place a Code of Ethics and Conduct ("COEC") throughout the Group. The COEC applies to all employees, including Directors, ensuring adherence to high ethical standards of integrity, objectivity, confidentiality, and competence. It also ensures compliance with all relevant laws and regulations governing the Group's businesses and activities. The COEC underscores the importance of ethical behaviour in every aspect of the Group's operations, including addressing conflicts of interest, privacy, and the confidentiality of information. It also clearly defines prohibited actions or misconducts, such as the acceptance of gifts, corruption, dishonest behaviour, discrimination, and sexual harassment.

During the FY2024, the Board reviewed and approved a revised COEC on addressing the enhanced disclosure of conflict of interest and potential conflict of interest and ensuring it is in line with the latest amendments to the Listing Requirements. This revision reflects the Board's commitment to maintaining high ethical standards and compliance within the Group, adapting to evolving regulatory requirements and best practice.

The COEC is available at www.salcon.com.my.

Anti-Corruption Policy

The Board is firmly committed to maintaining a zero-tolerance policy against any form of bribery or corruption, whether direct or indirect, that involves its stakeholders. In accordance with Section 17A of the Malaysian Anti-Corruption Commission Act 2009, the Group has adopted and implemented an Anti-Bribery and Anti-Corruption Policy ("ABAC"). This policy establishes adequate procedures to prevent and detect bribery and corruption within the organisation. Additionally, Integrity Committee has been established, chaired by the Chief Integrity Officer, which holds periodic meetings to address integrity matters. The outcomes of these meetings are reported directly to the ARMC. The ABAC policy applies to all employees of the Group, including directors and officers, as well as any third parties providing services for or on behalf of the Group and joint-venture entities of Salcon.

In addition, the Board approved the launch of the inaugural edition of an e-newsletter posted by the Internal Audit and Risk Management Department, focused on Audit, Risk, Governance, and Integrity, aimed at raising awareness and reinforcing knowledge within the Group.

The ABAC Policy is available on the Company's website, www.salcon.com.my.

Grievance Mechanism

The Company have in place channels for internal and external stakeholders to raise any concerns they may have relating to misconduct or improprieties.

i) Internal: Grievance handling form
All incidents or issues pertaining to unfair treatment or discriminatory actions are recorded and investigated as a matter of high priority by the Human Resource and Admin Department, and may be escalated to higher authority management, if necessary.

ii) Internal and External: Whistleblowing platform
The Whistleblowing Policy ("WBP") provides an avenue for all employees, vendors, contractors, suppliers, consultants, customers and stakeholders to raise their concerns for any improper conduct within the Group, without fear of retaliation and to offer protection for the individual who report such allegations.

Any employee or stakeholder, who is aware that any improper conduct has been, is being, or is likely to be committed; is encouraged to report directly to the ARMC Chairman, via email to chansf8@yahoo.com

For FY2024, the Company did not receive any report or complaint of misconduct from employees, management, public or stakeholders.

The WBP is available at www.salcon.com.my.

Sustainability Matters

The Board recognises the critical importance of integrating Environmental, Social, and Governance ("ESG") principles throughout the Group's business operations. In line with its commitment to sustainability, the Board has embedded 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, incorporating a holistic approach that addresses economic, environmental, and social sustainability.

To further enhance its sustainability efforts, the Board has established a dedicated Sustainability Committee ("SC"), which reports directly to the Board, providing oversight and guidance on ESG matters. The SC's duties and responsibilities are set out in the TORs, which are publicly available on the Company's website, www.salcon.com.my. Supporting the SC's initiatives is the Sustainability Working Group Committee ("SWGC"), 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 sustainability is ingrained in the daily activities and decision-making processes across the organisation.

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 key focus pillars:

B	Business Model and Innovation
G	Leadership and Governance
H	Human Capital
E	Environment
S	Social Capital

Each pillar is anchored by strategic goals that align with the UN Sustainable Development Goals ("SDGs") and the United Nations Global Compact's ten principles. The Group sets measurable ESG targets for each focus area, tracking progress to ensure continuous improvement.

The Board, supported by the SC and the SWGC, plays a proactive role in addressing material ESG issues such as climate change, corporate governance, human rights, and occupational safety and health. These material matters are reviewed and updated annually in consultation with stakeholders, accounting for any new business developments or emerging risks.

To ensure reliable oversight of sustainability practices, the Board has embedded sustainability risk management and reporting into the internal audit process. Sustainability reviews are incorporated into annual internal audit plans, with in-house auditors tasked with providing assurance by collecting, verifying, and validating sustainability data from subsidiaries in line with the International Professional Practices Framework ("IPPF") standards. This process helps ensure the effectiveness and transparency of the Group's sustainability efforts.

The sustainability statement is set out on pages 52 to 97 of this Annual Report and the Company activities carried out in the FY2024.

ii. Board Composition

During the financial year under review, the Board consisted of three (3) Independent Directors and three (3) Non-Independent Directors. This composition fully complies with Bursa Securities Listing Requirements, which mandate that Independent Directors constitute at least one-third (1/3) of the Board.

Additionally, the Board has met MCCG Practice 5.2, where at least half of the Board comprises Independent Directors.

Regarding gender diversity at the Board and Senior Management levels, the Board recognises the value of diversity and has adopted a Board Diversity Policy (including a gender policy). All Board appointments are based on merit, objective criteria, contribution, and consideration of diversity in skills, experience, age, and gender. The Board believes that a truly diverse composition leverages differences in thought, perspective, knowledge, skill, professional experience, and gender, enhancing decision-making and optimising Board performance.

Currently, the Group does not have specific measurable objectives for achieving gender diversity at the senior management level. However, the Group is committed to fostering a culture of diversity in the workplace, recognising

Corporate Governance Overview Statement

its value for better decision-making and competitive advantage. As of 31 December 2024, the Group's workforce was 60.7% male and 39.3% female.

Although the Board does not have a specific policy on gender diversity for the Board and Senior Management, the Board and the Nomination Committee are mindful of their responsibility to conduct appointment processes in a manner that promotes gender diversity, in line with the recommendations of the MCCG.

The Company's Constitution stipulates that one-third (1/3) of the Directors, or the number nearest to one-third (1/3) if not a multiple of three (3), shall retire at the conclusion of each Annual General Meeting ("AGM"). Additionally, all Directors must retire from office at least once every three (3) years but are eligible for re-election.

At the forthcoming AGM, Tan Sri Abdul Rashid Bin Abdul Manaf and Dato' Rosli Bin Mohamed Nor will retire as Directors pursuant to Clause 76(3) of the Company's Constitution, and being eligible, they offer themselves for re-election.

The 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 2025.

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 within the Group. This policy aims to enhance the governance of the Company concerning the quality and integrity of the Board, ensuring that each Director possesses the character, experience, integrity, competence, time, and commitment necessary to effectively fulfill their role.

A formal evaluation, consisting of self and peer assessments, is conducted annually by the NC to evaluate the effectiveness of the Board, its Committees, and individual Directors. The NC had at its meeting on 28 February 2025 conducted performance evaluations for the Board and its Committees for the FY2024 with assistance from the internal secretarial team. The evaluation covers areas such as Board composition, the skill matrix of Directors, the Board's responsibilities, the independence of Independent Directors, integrity in managing potential conflicts of interest, and the performance of the Company's Senior Management. Following these evaluations, the results are 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, including the level of independence of all Independent Directors and their ability to act in the best interests of the Company during deliberations at Board and Committee meetings.

The Board, through the NC at its meeting held on 28 February 2025, also conducted an assessment of the fit and proper status of the retiring Directors seeking re-election at the forthcoming AGM, namely Tan Sri Abdul Rashid Bin Abdul Manaf and Dato' Rosli Bin Mohamed Nor, in accordance with the Fit and Proper Policy adopted by the Company. As recommended by the NC, the Board agreed that both retiring Directors meet the criteria outlined in the Fit and Proper Policy and the relevant Listing Requirements regarding character, experience, integrity, competence, and time commitment necessary to effectively discharge their duties as Directors. The Board recommends their re-election to shareholders at the forthcoming AGM.

The Board is satisfied with its composition, as the Directors are professionals with expertise in construction and engineering, finance and accounting, banking, legal affairs, insurance, hotel management, economics, and property investment.

The NC had also assessed the training needs of each Director annually to ensure that they attend relevant training programs to effectively fulfil their duties. Based on this assessment, the NC and the Board recommended appropriate training for the Directors. Details of the training attended by the Directors for the FY2024 are provided in the 'Additional Compliance Information' section on page 123 of this 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 reviewing the policy periodically 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 regarding the Directors' remuneration packages for the FY2024, on a named basis, is disclosed under Practice 8.1 of the Corporate Governance Report.

For the FY2024, the Company has opted to depart from Practice 8.2 of the MCCG. The Board believes that it is not in the best interest of the Company to disclose the components of Senior Management's remuneration (including salary, bonus, benefits in-kind, and other emoluments) in bands of RM50,000, considering the competitiveness of the market for senior talent and to support the Company's efforts in attracting and retaining 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, specifically overseeing the financial reporting process to ensure that the results are fairly presented in the financial statements.

The ARMC has complied with Paragraphs 15.09 and 15.10 of the Listing Requirements on the composition and chairman of the audit committee. Additionally, the Board has adopted Practice 9.1 of the MCCG, which requires that the roles of ARMC Chairman and Board Chairman be held by two different individuals.

The Group has implemented a comprehensive system of internal controls designed to mitigate risks and achieve the Group's objectives. The ARMC supports the Board by overseeing the Group's Risk Management Framework and regularly assessing its adequacy and effectiveness. Details of the risk management framework, internal control systems, and activities undertaken are outlined in the Statement of Risk Management and Internal Control ("SORMIC") on page 116 of this Annual Report.

During FY2024, the Board is of the opinion that the internal control and risk management systems in place are sound and sufficient to safeguard the Group's assets, as well as protect shareholders' investments and the interests of stakeholders. The Board is satisfied that the ARMC has effectively discharged its functions, duties, and responsibilities in accordance with the ARMC's Terms of Reference. The Audit and Risk Management Committee Report, detailing its composition and activities carried out in FY2024, is disclosed on page 113 of this Annual Report.

ii. Financial Reporting

The Board is committed to ensuring that the financial statements prepared for each financial year present a true and fair view of the Group and the Company's state of affairs, results, and cash flow. In fulfilling its responsibilities, the ARMC is tasked with reviewing all financial results and statements before recommending them to the Board for approval.

Independent and objective assurance is provided by the Company's external auditor ("EA"), KPMG PLT. During FY2024, the EA met with the ARMC without the presence of Executive Directors or employees to provide unbiased feedback on any issues of concern and relevant matters.

The ARMC has evaluated the provision of non-audit services by the EA and concluded that these services did not compromise their independence and objectivity, as the amount of non-audit fees relative to total audit fees was not significant. For FY2024, the audit fees incurred for services rendered by the EA to the Group amounted to RM582,000, while non-audit fees totaled RM35,000.

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

iii. Risk Management and Internal Control

The Group's internal audit and risk assessment functions is 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 perform 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 the IARMD, reporting administratively to the Executive Director and functionally to the ARMC to ensure impartiality and independence in the execution of his duties. He is a Certified Practising Accountant ("CPA Aust."), a Chartered Accountant of Malaysia, a member of ASEAN CPA and the Professional Member of the Institute of Internal Auditors Malaysia ("IIAM"). 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 his role. Salcon Berhad is a registered corporate member of the IIAM and MARIM.

The purpose, authority, and responsibilities of the internal audit activity are formally defined in the Audit Charter, which is periodically reviewed by the Head of IARMD and presented for endorsement by the ARMC. All internal audit activities are conducted through risk-based reviews in accordance with the guidance practices and standards of the International Professional Practices Framework. The Risk Management assessments generally comply with ISO 31000 Risk Management – Guidelines.

iv. 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 to identify, evaluate, and manage Related Party Transactions ("RPTs") and Conflict of Interest ("COI") situations has been implemented. This framework is designed to protect the integrity of our decision-making processes and safeguard

Corporate Governance Overview Statement

the interests of all stakeholders, considering: -

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 and accurate communication with shareholders and stakeholders. Therefore, the Board reviews and approves all significant announcements before public release, including annual and quarterly reports, through Bursa Link and/or the Company's website, facilitated by the Company Secretaries or Corporate Affairs Department ("CAD"). Additionally, alternative platforms such as social media (e.g., Facebook and LinkedIn) are utilised to reach a broader audience, including the public, shareholders, investors, and interested parties.

Notices of general meetings, proxy forms, the Annual Report, circulars to shareholders, and minutes of the general meetings are also published on the Company's website.

Corporate Disclosures

The Company is fully committed to disseminating information, including corporate announcements, circulars/notices to shareholders, and annual/quarterly financial results, to the general public in a timely and precise manner. The quarterly interim financial results are published for public viewing within two months from the end of each financial quarter, while the full year financial results are published within 4 months from the financial year end, ensuring that the financial results are presented clearly, understandably, and accurately.

These disclosures provide shareholders and investors with comprehensive, accurate, and high-quality information, thereby promoting and maintaining the Company's credibility and instilling confidence among shareholders. All disclosures comply with the Bursa Securities Listing Requirements and Listed Issuers Corporate Disclosure Guide.

Information relating to investor relations can be viewed on the Company's website, www.salcon.com.my.

ii. Conduct of General Meetings

The Company's AGM and Extraordinary General Meeting ("EGM") serve as essential platforms for shareholders to actively engage in the corporate governance process, fostering open communication and meaningful interaction between shareholders and the Board of Directors. Shareholders are encouraged to attend each AGM and EGM, and they are given ample time to voice their opinions, seek clarifications, and express concerns regarding matters relevant to the Company's operations, strategies, and overall performance.

The Chairman of the Board presided over the 21st AGM held on 13 June 2024. He encouraged shareholders to raise questions during the meeting before putting the resolutions to a vote. All Directors, along with the, Chief Financial Officer, Chief Operating Officer, Company Secretaries, and EA, were present to address shareholders' inquiries as needed.

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.

The Company appointed a poll administrator and a scrutineer for the poll voting process during the AGM. In accordance with the Listing Requirements, the Board ensured that all resolutions were put to a vote by poll at the meeting and announced the polling results to Bursa Securities on the same day.

The minutes of the AGM were uploaded to the Company's website within thirty (30) business days following the meeting.

This Corporate Governance Overview Statement was approved by the Board on 28 February 2025.

In compliance with the Securities Commission Malaysia's directive, the forthcoming 22nd AGM will adopt a physical meeting approach, striking the right balance between accessibility and engagement, allowing shareholders and/or proxies to follow and actively engage in the AGM effectively.

Audit and Risk Management Committee Report

In compliance with the 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 this Audit and Risk Management Committee ("ARMC") Report which provides insights as to the manner the ARMC discharged its responsibilities for the Group in year 2024.

Composition and Attendance

The composition of ARMC remains unchanged and comprises three (3) members, two (2) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. This composition meets the requirements as stated in Paragraph 15.09(1)(a) and (b) of Bursa Securities Listing Requirements.

The ARMC members and their attendance at meetings during FY2024 are indicated as below:

Mr. Chan Seng Fatt
Chairman, Senior Independent Non-Executive Director

Date of appointment to ARMC:
17 December 2014

No. of Meetings Attended:
5/5 (100%)

Dato' Rosli Bin Mohamed Nor
Independent Non-Executive Director

Date of appointment to ARMC:
02 July 2018

No. of Meetings Attended:
5/5 (100%)

Datin Goh Phaik Lynn
Non-Independent Non-Executive Director

Date of appointment to ARMC:
30 December 2019

No. of Meetings Attended:
5/5 (100%)

The ARMC Chairman, Mr. Chan Seng Fatt, is a Chartered Accountant of the Malaysian Institute of Accountant. Thus, the Company has complied with Paragraph 15.09(1)(c)(i) of the Listing Requirements.

The Board via the Nomination Committee, reviews the composition of the ARMC, assesses the members' performances and effectiveness of the ARMC and their respective term of office via annual evaluation. The Board is satisfied that the ARMC members had discharged their duties and responsibilities in accordance with the endorsed ARMC's Terms of Reference ("TOR") and the ARMC has supported the Board in ensuring the Company upholds appropriate Corporate Governance ("CG") standards.

The TOR of ARMC is available at www.salcon.com.my.

Meetings

The ARMC held five (5) meetings in the financial year ended 31 December 2024 ("FY2024"). The Executive Director ("ED"), Chief Financial Officer ("CFO") and Head of Internal Audit and Risk Management were invited to the meetings to facilitate their direct communications and provide clarifications on identified audit issues pertaining to the Group's activities. The External Auditors ("EA"), Messrs. KPMG PLT, were invited to participate in the meetings, where necessary.

The meetings were appropriately structured through agendas. The meeting's materials were distributed in advance to members, at least five (5) business days prior to the meetings.

Among of the ARMC's responsibilities are to ensure the reliability of the Company's annual/quarterly financial results and the Company's compliances with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 in Malaysia. The CFO conducts a briefing/presentation of the annual/quarterly financial statements to the ARMC for deliberation, and subsequent recommendation to the Board, for approval.

During the ARMC meeting held in February 2024, the EA confirmed that they were provided unfettered access to information and enjoyed full cooperation from the Management throughout the course of their audits. The EA were also invited to raise any matters that they considered important, for the ARMC's attention. The ARMC had met the EA, without the presence of the Company's Executive Directors and employees. During the meeting, the ARMC enquired about the Company Management's co-operation with the EA, their sharing of information and the proficiency and determine whether there are any inappropriate scope or resource limitations in financial reporting functions.

Minutes of each ARMC meeting were recorded and tabled for confirmation during the next ARMC meeting, and subsequently presented to the Board for notation.

Audit and Risk Management Committee Report

Summary of Activities of ARMC

The ARMC's activities during the FY2024 comprised the following:

a) External Audit

- Reviewed the External Audit Annual Plan for the FY2024 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 Executive Directors 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 the FY2024 as presented by the Head of Internal Audit and Risk Management Department ("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 ad-hoc assignments conducted by the IARMD. During the FY2024, IARMD has conducted an internal due-diligence prior to the acquisition of a healthcare group;
- Reviewed and approved the revised Terms of Reference of ARMC; and
- Reviewed the risk management processes, including an assessment of the risk profile, risk levels, and associated action plans.

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 the FY2024, 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 the FY2024, the ARMC did not detect any COI situation that warrants specific disclosure.

Internal Audit Function

The Group's internal audit functions are carried out by the IARMD, an in-house audit team comprising five (5) members, to evaluate and provide independent, risk-based, and objective assurance, while adding value and improving the efficiency and effectiveness of the Group's operations. IARMD reports functionally to the ARMC and administratively to the Executive Director, ensuring its impartiality and objectivity. IARMD is guided by the Internal Audit Charter approved by the ARMC and performs internal audit reviews in accordance with the International Professional Practices Framework ("IPPF"), as set forth by the Institute of Internal Auditors, and ISO 31000 standards on risk management processes.

During the FY2024, a total of twelve (12) internal audit reports, incorporating audit findings, audit recommendations and management's responses, were issued to the ARMC and the Management of the respective Business/Support Units. The Management is responsible for ensuring that corrective and/or improvement actions are taken within the stipulated timeframe and all findings identified by IARMD are tracked and followed up on a quarterly basis with the status of the implementation reported to the ARMC accordingly.

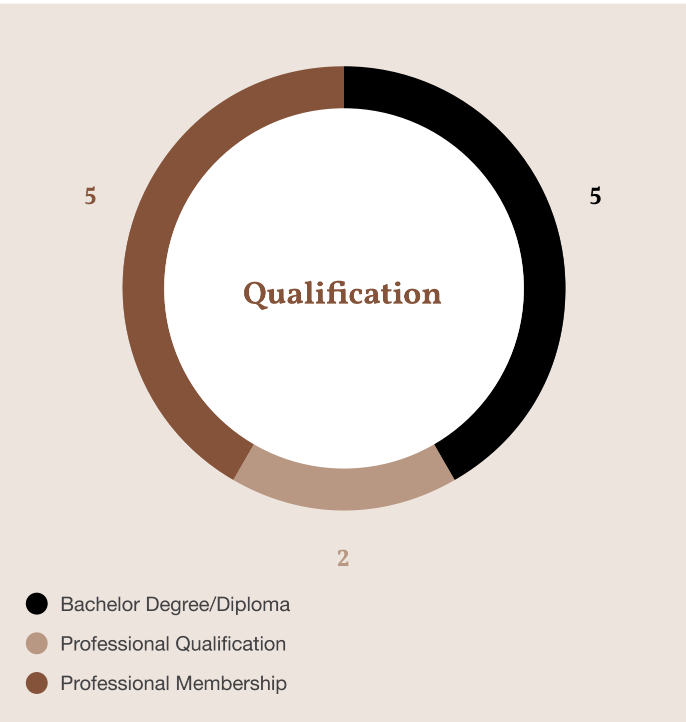
Audit and Risk Management Committee Report

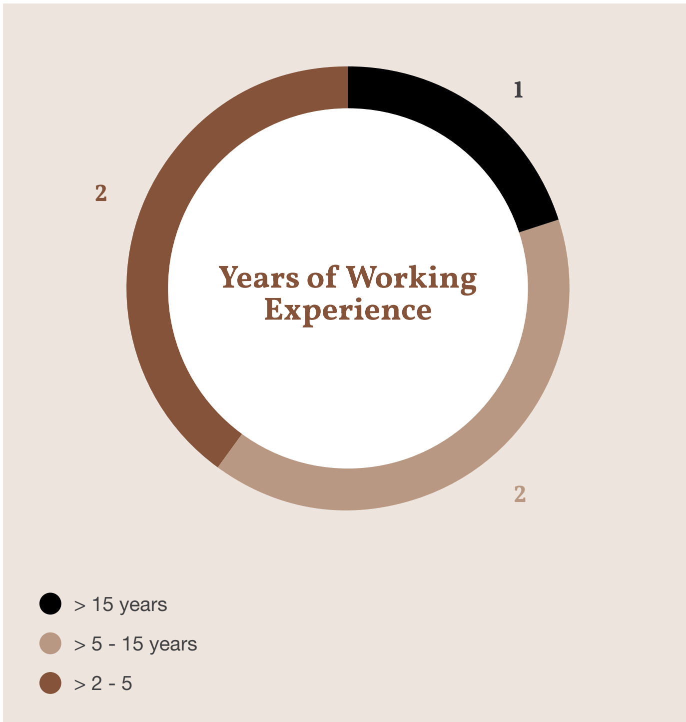
During the FY2024, the internal audit activities include, inter alia, the following:

a) 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;
b) Reviewed the cyber security risk management and Information Technology ("IT") compliance framework of the Group IT division;
c) Reviewed the related party transaction ("RPT") for the group;
d) 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;
e) Conducted internal due diligence prior to the acquisition of a healthcare group;
f) Performed enterprise risk assessment for all active business division and selected support units;
g) Revised the Terms of Reference of the ARMC and Code of Ethics and Conduct to align with amendments to the Listing Requirements; and
h) 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 RM618,000. The details pertaining to the person responsible and number of resources for the department is available in the CG 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:





Statement of Risk Management and Internal Control

The Board of Directors of Salcon Berhad ("Salcon" or "the Company") is committed to maintain a sound and effective internal control and risk management system. Throughout the Company and its subsidiaries (collectively referred to as "the Group"), individual projects and departments have established tailored control mechanisms. These are developed under the guidance of Executive Board Members and key Senior Management personnel, who bear the responsibility for ensuring good business practices and adherence to regulatory governance. This statement outlines the nature and scope of the Group's internal control and risk management in the financial year ended 31 December 2024.

The Statement of Risk Management and Internal Control was prepared pursuant to paragraph 15.26(b) of the Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("MMLR") and guided by Statement on Risk Management and Internal Control Guidelines for Directors of Listed Issuers ("the Guidelines").

Board Responsibilities

The Board acknowledges its responsibility for the Group's internal control and risk management system and reviews its effectiveness, adequacy and robustness. The internal control system covers governance, risk management, financial, strategy, organisational, operational, regulatory and compliance control matters.

The Board is aware that this system is designed to manage and mitigate, rather than eliminate, the risks of not adhering to the Group's policies, procedures and preventing in achieving goals and objectives within the risk tolerance established by the Board and Management. Therefore, the system is to provide reasonable, but not absolute, assurance against the occurrence of any material misstatement, loss or fraud.

In FY2024, the Audit and Risk Management Committee ("ARMC") reviewed the adequacy and effectiveness of internal controls based on the internal audits conducted by the in-house Internal Audit and Risk Management Department ("IARMD") during the year. Audit reports comprised audit observations, findings, value added propositions, recommendations and management replies to address the issues highlighted by IARMD, were presented to the members during the ARMC meetings with Minutes duly recorded.

ARMC also provides risk oversight and ensuring the execution of measures to mitigate risk pertaining to the Group's businesses and operations. The Group's Risk Management Framework is outlined in its Integrated Risk Management Policy and Procedures ("IRMPP") and in general conformity to ISO 31000 standard.

Internal controls and risk-related matters which require the Board's attention, were highlighted in the internal audit report and tabulated in the meetings for discussion, actions and approval.

Internal Audit and Risk Management Function

The Company complies with Bursa Securities and MMLR by setting-up an in-house IARMD. IARMD functionally reports to ARMC and administratively to Executive Director, providing feedback in managing the key risks and ascertaining the adequacy and integrity of the Group's internal control and risk management system.

The Internal Audit and Risk Management Function reviews key activities of the Group based on an annual audit plan approved by the ARMC. The plan as prepared by the IARMD, is based on the Company's Corporate Key Risk Register which is inclusive of existing projects of the operating entities, subsidiaries and departments within the Group.

The ARMC reviews all internal audit reports and the scope of works to be carried out to ensure that the necessary level of assurance; with respect to the adequacy of internal controls and the management of key risks as required by the Board, is achieved. Follow-up reviews on previous audit issues are also carried out to ascertain that appropriate actions are taken to address internal control weaknesses.

Subsequent to the reviews, the ARMC shall highlight the findings to the Board for necessary actions, on a quarterly basis or as appropriate.

Statement of Risk Management and Internal Control

Control Processes and Risks

The Group's adheres to the "Three Lines of Defense model" as the guideline for effective risk management and control within the Company as depicted below:

THREE LINES OF DEFENSE

3rd Line

Board of Directors

Audit and Risk Management Committee ("ARMC")	Nomination Committee ("NC")	Remuneration Committee ("RC")	Sustainability Committee ("SC")

Internal Audit and Risk Management ("IARMD")

THIRD LINE ROLES:

The Group's Internal Audit provides independent and objective assurance and advise on all matters related to the achievement of objectives.

2nd Line

Senior Management

Quality, Safety, Health and Environment	Risk Management	Group Finance and Accounting

SECOND LINE ROLES:

The Group's Quality, Safety, Health and Environment ("QSHE"), Group Finance and Accounting and Risk Management are responsible to establish various risk management and compliance functions to help build and/or monitor the first line of defense control.

1st Line

Process/Risk Owner and Embedded Compliance

FIRST LINE ROLES:

The business and process owners are responsible for maintaining effective internal controls and managing risk on a daily basis. They identify, assess, and mitigate risks through control procedures. The Group's internal control system does not extend to Associate Companies or Joint Ventures where it lacks full management control. However, the Group safeguards its interests through board representation in these entities, enabling participation in decision-making and strategic discussions to ensure alignment with its objective.

EXTERNAL ASSURANCE PROVIDERS

Statement of Risk Management and Internal Control

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

1. International Organisation for Standardisation ("ISO") certifications

   - Salcon Engineering Berhad ("SEB"), a wholly owned subsidiary of Salcon Berhad, is certified to ISO 9001:2015 - Quality Management System ("QMS"), ISO 14001:2015 - Environmental Management System ("EMS") and ISO 45001:2018 – 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 emphasising the Group's commitment to ensure and maintain a safe working environment.

   - Under ISO 9001, ISO 14001 and ISO 45001 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 Terms of Reference ("TOR"). 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 periodically to reflect the authority and authorisation limit of the Management in all aspects of the Group's major business operations and regulatory functions.

3. Monitoring and Reporting

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

4. Policies and Procedures

   - The Group has set up and documented internal policies, standards and procedures to ensure compliances of internal controls and relevant laws and regulations. Common Group policies such as ISO and Human Resource Policies Procedures ("HRPP") are available on the Company's intranet for easy access and reference by employees.

5. Audit

   - IARMD performs assurance and compliance engagement on financial, compliance, operational, sustainability and information technology auditing. IARMD discharges its responsibilities with the guidance of terms and principles as stated in the Audit Charter. Audit activities are carried out in adherence to the Standard and Guidelines of International Professional Practices Framework ("IPPF"), set forth by the Institute of Internal Auditors. 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 ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 are conducted by Bureau Veritas.

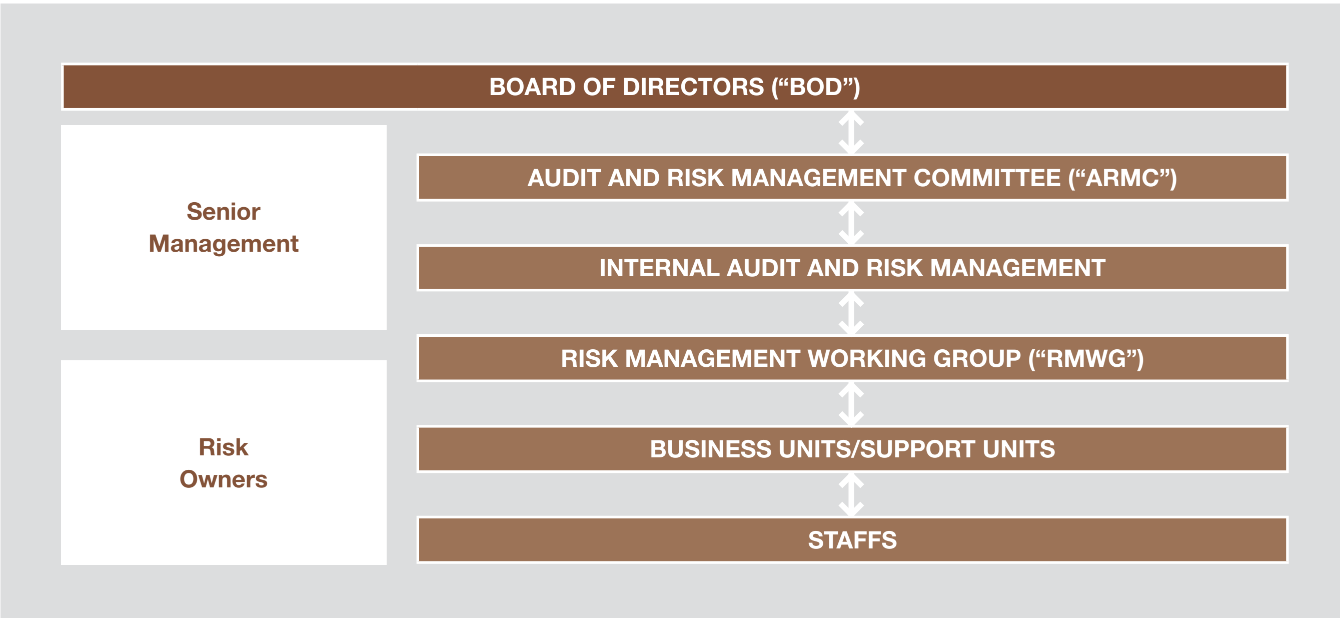
   - External Auditors have been engaged to provide audit and non-audit services to the Group for the year 2024. Nature of non-audit services provided is available within the Corporate Governance Overview Statement in this Annual Report.

Statement of Risk Management and Internal Control

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.

  The ERM Reporting structure below illustrates how the Company ensures the efficiency and effectiveness of coordinating and integrating Company's all risk management activities.



- The ARMC is established to provide oversight and assurance concerning the Group's risk profile to the Board.

- The RMWG is established to assist the Board and the ARMC to facilitate/update at business units' level on the identification and communication of present or potential critical risks identified. The RMWG is represented by Heads of subsidiaries, divisions and departments.

- 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.

- 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 presented via the use of a risk impact and likelihood matrix with reference to established tolerance boundaries so that risks deemed high or low, can be distinguished. IARMD would tabulate, report and brief the ARMC on the performances of the risk management system at least once a year.

- The Group ERM Framework is regularly reviewed and risk registers are presented to the RMWG and ARMC for deliberation at minimum once per financial year.

Statement of Risk Management and Internal Control

7. Integrity and Corporate Governance

- The Group embraces high integrity culture throughout the entire organisations by establishing an Integrity Committee that reports to ARMC.
- A Code of Ethics and Conducts ("COEC") is established for the Group and is applicable to all employees, senior management and directors. Employees of the Company were required to acknowledge COEC on the first (1) day of employment work. The COEC defines the ethical standards and work conduct required from all the applicable categories of staffs towards the Group.
- 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.

Statement of Risk Management and Internal Control

- Salcon has an Insider Trading Policy ("ITP") to provide guidance and ascertain material non-public information is not misused.

  Salcon has a Whistleblowing Policy ("WP") to provide a platform for staffs or any external party to report any breach or suspected breach of any law or regulation, including business principles and the Groups 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 2024, the Company did not receive any report or incidences from whistle blowers on any possible or potential bribery or corruption from employees, management or business associates.

- Segregation of duties is practiced to avoid conflict of interests and to reduce the scope for error and fraud.

8. 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 materially 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. In-house internal auditors will provide assurance by collating, verifying, and validating sustainability information and data from subsidiaries in accordance to IPPF standards.

9. 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 FY2024, 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 paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, 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 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 2025.

Additional Compliance Information

1. Attendance/meeting records of Directors for the financial year ended 2024 ("FY2024")

No	Name	Designation	Number of meetings attended during FY2024				
			BOD	ARMC	NC	RC	SC
1.	Tan Sri Abdul Rashid Bin Abdul Manaf	Independent Non-Executive Director/Chairman	5/5	N/A	N/A	N/A	N/A
2.	Tan Sri Dato' Tee Tiam Lee	Executive Deputy Chairman	5/5	N/A	N/A	N/A	N/A
3.	Dato' Leong Kok Wah	Executive Director	5/5	N/A	N/A	N/A	1/1
4.	Mr. Chan Seng Fatt	Senior Independent Non-Executive Director	5/5	5/5	1/1	1/1	N/A
5.	Dato' Rosli Bin Mohamed Nor	Independent Non-Executive Director	5/5	5/5	1/1	1/1	1/1
6.	Datin Goh Phaik Lynn	Non-Independent Non-Executive Director	5/5	5/5	1/1	1/1	N/A

Notes:
BOD: *Board of Directors* | **ARMC:** *Audit and Risk Management Committee* | **NC:** *Nomination Committee* | **RC:** *Remuneration Committee* | **SC:** *Sustainability Committee* |
N/A: *Not Applicable*

2. Training programs attended by Directors for FY2024

Directors	Training	Date
Tan Sri Abdul Rashid Bin Abdul Manaf	Board's Capacity Building Session - Board's Role in Health and Safety Management at the Workplace	20 Sep 2024
	Vistra Malaysia's Budget 2025 webinar	29 Oct 2024
Tan Sri Dato' Tee Tiam Lee	Conflict of Interest ("COI") and Governance of COI	27 Aug 2024
Dato' Leong Kok Wah	Board's Capacity Building Session - Board's Role in Health and Safety Management at the Workplace	20 Sep 2024
	Vistra Malaysia's Budget 2025 webinar	29 Oct 2024
Mr. Chan Seng Fatt	Digital Media Asia	25 - 26 Apr 2024
	17th World Chinese Entrepreneurs Convention	10 - 11 Sep 2024
	Board Ethics: Growing Concerns from New Technology, Stakeholder Interests and Conflict of Interest	16 Oct 2024
	ESG Summit 2024	6 - 7 Nov 2024
Dato' Rosli Bin Mohamed Nor	Bursa Malaysia Workshop on IFRS Sustainability Disclosure Standards	7 Nov 2024
	Mandatory Accreditation Programme Part II: Leading for Impact ("LIP")	27 - 28 Nov 2024
Datin Goh Phaik Lynn	Bursa Malaysia Workshop on IFRS Sustainability Disclosure Standards	7 Nov 2024
	Mandatory Accreditation Programme Part II: Leading for Impact ("LIP")	27 - 28 Nov 2024

3. Material Contracts

There were no material contracts entered into by the Company or its subsidiaries involving Directors and major shareholders for FY2024.

Additional Compliance Information

4. 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 FY2024 are as follows:

	Company RM'000	Group RM'000
Audit Fees	193	582
Non-Audit Fees	35	35
Total Fees	228	617

5. Utilisation of Proceeds

There were no proceeds raised by the Company from any corporate proposal during FY2024.

6. 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 FY2024.

7. Employee Share Scheme

The Company did not establish any employee share scheme and does not have any subsisting employee share scheme during FY2024.

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 FY2024, 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.

Financial Statements

Overview of the information about the results of business operations, financial position and statement of cash flows.

Directors' Report

for the year ended 31 December 2024

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 2024.

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/(Loss) for the year attributable to:		
Owners of the Company	16,109	(18,731)
Non-controlling interests	787	-
	16,896	(18,731)

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 2024

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

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
Tan Peng Kok
Png Chiew Chuan
Tan Ban Seng
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
Yoong Li Yen (also alternate Director of Peh Ju Chai)
Yoong Hau Chun
Jonathan Wu Jo-Han
Dato' Lai Keng Onn
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

Directors' Report

for the year ended 31 December 2024

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 1.1.2024	Bought	Sold	At 31.12.2024
The Company				
Direct interest				
Tan Sri Dato' Tee Tiam Lee	58,545,017	-	-	58,545,017
Dato' Leong Kok Wah	5,459,250	-	-	5,459,250
Deemed interest				
Tan Sri Dato' Tee Tiam Lee (1)	68,666,823	-	-	68,666,823
Dato' Leong Kok Wah (2)	101,617,298	-	-	101,617,298
Datin Goh Phaik Lynn (3)	107,076,548	-	-	107,076,548

(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 2024 had any interest in the ordinary shares of the Company and of its related corporations during the financial year.

DIRECTORS' INTERESTS (CONTINUED)

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

	Number of Warrants 2018/2025			
	At 1.1.2024	Acquired	Exercised/ Disposed	At 31.12.2024
The Company				
Direct interest				
Tan Sri Dato' Tee Tiam Lee	20,375,600	-	-	20,375,600
Dato' Leong Kok Wah	1,900,000	-	-	1,900,000
Deemed interest				
Tan Sri Dato' Tee Tiam Lee (1)	23,898,323	-	-	23,898,323
Dato' Leong Kok Wah (2)	35,366,176	-	-	35,366,176
Datin Goh Phaik Lynn (3)	37,266,176	-	-	37,266,176

(1) (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.

(2) (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.

(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 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 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.

The outstanding warrants remain unexercised at the end of the financial year amounting to 313,539,740 (2023: 336,566,643).

Directors' Report

for the year ended 31 December 2024

DIRECTORS' BENEFITS

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 2024 are as follows:

	From the Company RM'000	From subsidiary companies RM'000
Directors of the Company:		
Fees	310	-
Remuneration	2,246	2,299
Estimated money value of any other benefits	211	62
	2,767	2,361

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

There were no changes in the issued and paid-up capital of the Company during the financial year.

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 RM20,000 respectively. There were no indemnity given to or insurance effected for auditors of the Company.

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 2024 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.

Directors' Report
for the year ended 31 December 2024

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 RM617,000 and RM227,500 respectively.

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

Tan Sri Dato' Tee Tiam Lee
Director

Dato' Leong Kok Wah
Director

Kuala Lumpur

Date: 29 April 2025

Statements of Financial Position

at 31 December 2024

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Assets					
Property, plant and equipment	3	67,205	53,357	-	-
Right-of-use assets	4	11,982	5,236	-	-
Intangible assets	5	30,791	23,015	-	-
Investment properties	6	8,057	8,060	-	-
Investments in subsidiaries	7	-	-	77,350	77,351
Investments in associates	8	-	-	-	-
Investments in joint ventures	9	26,294	29,664	23,500	23,500
Other investments	10	54,692	37,783	54,692	37,783
Deferred tax assets	11	13,360	12,720	-	-
Trade and other receivables	12	23,004	17,816	207,942	239,834
Total non-current assets		235,385	187,651	363,484	378,468
Trade and other receivables	12	50,148	38,662	27,210	7,934
Contract assets	13	97,530	59,189	-	-
Contract costs	13	3,936	1,992	-	-
Inventories	14	115,396	113,002	-	-
Other investment	10	8,991	11,239	-	-
Current tax assets		3,485	4,017	92	4
Prepayments	12	5,482	3,590	6	20
Cash and cash equivalents	15	143,669	155,793	76,391	94,620
		428,637	387,484	103,699	102,578
Assets classified as held for sale	16	445	445	-	-
Total current assets		429,082	387,929	103,699	102,578
Total assets		664,467	575,580	467,183	481,046

Statements of Financial Position

at at 31 December 2024 (continued)

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Equity					
Share capital		465,184	458,276	465,184	458,276
Reserves		(7,072)	(6,418)	(71)	(71)
Accumulated losses		(46,662)	(62,783)	(30,658)	(11,927)
Total equity attributable to owners of the Company	17	411,450	389,075	434,455	446,278
Non-controlling interests		9,123	7,520	-	-
Total equity		420,573	396,595	434,455	446,278
Liabilities					
Trade and other payables	19	15,400	5,199	-	-
Loans and borrowings	18	16,672	15,360	-	-
Lease liabilities		9,972	4,099	-	-
Deferred tax liabilities	11	10,747	11,603	-	-
Total non-current liabilities		52,791	36,261	-	-
Trade and other payables	19	140,780	96,862	1,528	3,268
Contract liabilities	13	380	1,117	-	-
Loans and borrowings	18	46,810	42,974	31,200	31,500
Lease liabilities		2,752	1,477	-	-
Current tax liabilities		381	294	-	-
Total current liabilities		191,103	142,724	32,728	34,768
Total liabilities		243,894	178,985	32,728	34,768
Total equity and liabilities		664,467	575,580	467,183	481,046

The notes on pages 144 to 224 are an integral part of these financial statements.

Statements of Profit or Loss and Other Comprehensive Income

for the year ended 31 December 2024

		Group		Company	
		2024	2023	2024	2023
	Note	RM'000	RM'000	RM'000	RM'000
Revenue	20	298,372	154,610	3,083	2,500
Cost of sales		(263,688)	(147,021)	-	-
Gross profit		34,684	7,589	3,083	2,500
Other income		30,000	34,369	26,189	39,043
Distribution expenses		(1,465)	(1,441)	(51)	(82)
Administrative expenses		(48,340)	(39,105)	(15,553)	(9,954)
Other expenses		(2,567)	(37,104)	(2,579)	(19,802)
Net reversal of/(loss on) impairment of financial instruments and contract assets		890	(10,998)	(34,436)	(36,993)
Results from operating activities		13,202	(46,690)	(23,347)	(25,288)
Finance income		4,153	3,952	6,202	6,027
Finance costs	22	(4,721)	(3,283)	(1,335)	(268)
Operating profit/(loss)		12,634	(46,021)	(18,480)	(19,529)
Share of profit of equity-accounted associates/joint ventures, net of tax		4,626	7,624	-	-
Profit/(Loss) before tax		17,260	(38,397)	(18,480)	(19,529)
Tax (expense)/credit	23	(364)	1,422	(251)	(182)
Profit/(Loss) for the year	24	16,896	(36,975)	(18,731)	(19,711)

Statements of Profit or Loss and Other Comprehensive Income

for the year ended 31 December 2024 (continued)

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Other comprehensive expense, net of tax					
Item that is or maybe reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations	25	(654)	(10,683)	-	-
Other comprehensive expense for the year, net of tax		(654)	(10,683)	-	-
Total comprehensive income/(expense) for the year		16,242	(47,658)	(18,731)	(19,711)
Profit/(Loss) attributable to:					
Owners of the Company		16,109	(21,193)	(18,731)	(19,711)
Non-controlling interests		787	(15,782)	-	-
Profit/(Loss) for the year		16,896	(36,975)	(18,731)	(19,711)
Total comprehensive income/(expense), attributable to:					
Owners of the Company		15,455	(31,876)	(18,731)	(19,711)
Non-controlling interests		787	(15,782)	-	-
Total comprehensive income/(expense) for the year		16,242	(47,658)	(18,731)	(19,711)
Basic earning/(loss) per ordinary share (sen):	26	1.58	(2.11)		
Diluted earning/(loss) per ordinary share (sen):	26	1.19	(2.11)		

The notes on the pages 144 to 224 are integral part of these financial statements.

Statements of Changes in Equity

for the year ended 31 December 2024

Group	Note	Share capital RM'000	Treasury shares RM'000	Translation reserve RM'000	Retained earnings/ (Accumulated losses) RM'000	Total RM'000	Non-controlling interest RM'000	Total equity RM'000
		← Attributable to Owners of the Company						
		← Non-distributable		→	Distributable			
At 1 January 2023		458,276	(826)	4,336	(36,755)	425,031	22,599	447,630
Foreign currency translation differences for foreign operations	25	-	-	(10,683)	-	(10,683)	-	(10,683)
Total other comprehensive expense for the year		-	-	(10,683)	-	(10,683)	-	(10,683)
Loss for the year		-	-	-	(21,193)	(21,193)	(15,782)	(36,975)
Total comprehensive expense for the year		-	-	(10,683)	(21,193)	(31,876)	(15,782)	(47,658)
Contributions by and distributions to owners of the Company								
Own shares acquired	17.2	-	(4,085)	-	-	(4,085)	-	(4,085)
Change in ownership interest in subsidiaries		-	-	-	5	5	485	490
Subscription of shares by non-controlling interest		-	-	-	-	-	300	300
Dividends to non-controlling interest		-	-	-	-	-	(82)	(82)
Dividends to owners of the Company	27	-	4,840	-	(4,840)	-	-	-
Total transactions with owners of the Company		-	755	-	(4,835)	(4,080)	703	(3,377)
At 31 December 2023		458,276	(71)	(6,347)	(62,783)	389,075	7,520	396,595
		Note 17.1	Note 17.2	Note 17.3				

Statements of Changes in Equity
for the year ended 31 December 2024 (continued)

Group	Note	Share capital RM'000	Treasury shares RM'000	Translation reserve RM'000	Retained earnings/ (Accumulated losses) RM'000	Total RM'000	Non-controlling interest RM'000	Total equity RM'000
		← Attributable to Owners of the Company →						
		← Non-distributable →			Distributable			
At 1 January 2024		458,276	(71)	(6,347)	(62,783)	389,075	7,520	396,595
Foreign currency translation differences for foreign operations	25	-	-	(654)	-	(654)	-	(654)
Total other comprehensive income for the year		-	-	(654)	-	(654)	-	(654)
Profit for the year		-	-	-	16,109	16,109	787	16,896
Total comprehensive (expense)/ income for the year		-	-	(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)
Total transactions with owners of the Company		6,908	-	-	12	6,920	816	7,736
At 31 December 2024		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 2024 (continued)

Company	Note	Share capital RM'000	Treasury shares RM'000	Retained earnings/ (Accumulated Losses) RM'000	Total equity RM'000
		← Attributable to Owners of the Company →			
		← Non-distributable →		Distributable	
At 1 January 2023		458,276	(826)	12,624	470,074
Loss and total comprehensive expense for the year		-	-	(19,711)	(19,711)
Contributions by and distributions to owners of the Company					
Own shares acquired	17.2	-	(4,085)	-	(4,085)
Dividends to owners of the Company	27	-	4,840	(4,840)	-
Total transactions with owners of the Company		-	755	(4,840)	(4,085)
At 31 December 2023/1 January 2024		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
Total transactions with owners of the Company		6,908	-	-	6,908
At 31 December 2024		465,184	(71)	(30,658)	434,455
		Note 17.1	Note 17.2		

The notes on the pages 144 to 224 are integral part of these financial statements.

Statements of Cash Flows

for the year ended 31 December 2024

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash flows from operating activities				
Profit/(Loss) before tax	17,260	(38,397)	(18,480)	(19,529)
Adjustments for:				
Amortisation of intangible assets	845	1,139	-	-
Depreciation of property, plant and equipment	5,984	11,344	-	-
Depreciation of right-of-use assets	1,778	1,357	-	-
Dividend income	(83)	(599)	(3,083)	(3,099)
Finance costs	4,721	3,283	1,335	268
Finance income	(4,153)	(3,952)	(6,202)	(6,027)
Profit guarantee	-	(11,100)	-	-
Other receivables written off	-	593	-	-
Net fair value gain on other investment	(22,203)	(1,615)	(22,100)	(1,187)
Net (reversal of)/impairment loss on:				
- investment in joint ventures	-	4,287	-	-
- investment in equity-accounted associate	(4)	3,253	-	-
- investment in subsidiaries	-	-	-	3,790
- property, plant and equipment	-	15,167	-	-
- right-of-use assets	-	1,142	-	
- goodwill	-	7,511	-	-
- customer relationship	-	2,254	-	-
- profit guarantee	-	11,100	-	-
- trade receivables	(908)	(112)	-	-
- other receivables	18	10	-	-
- amount due from subsidiaries	-	-	34,436	36,993
(Gain)/Loss on disposal of other investments	(1,468)	1,398	(1,468)	1,398
Fair value loss on investment property	3	51	-	-
Gain on disposal of assets held for sale	-	(65)	-	-
Gain on disposal of property, plant and equipment	(1,596)	(227)	(50)	-
(Gain)/loss on disposal of equity interest in subsidiaries	-	(7,233)	10	11,021
Property, plant and equipment written off	1	245	-	-
Write down of inventories	-	3,037	-	-
Share of profit of equity-accounted associates/joint ventures, net of tax	(4,626)	(7,624)	-	-
Unrealised foreign exchange differences	5,429	(5,253)	6,658	(7,861)
Waiver of amount due to subsidiaries	-	-	-	(25,160)
Operating profit/(loss) before changes in working capital	998	(9,006)	(8,944)	(9,393)

Statements of Cash Flows

for the year ended 31 December 2024 (continued)

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash flows from operating activities (continued)				
Changes in trade and other receivables and prepayments	(13,450)	19,873	(21,806)	2,185
Changes in contract assets	(38,341)	(7,996)	-	-
Changes in contract costs	(1,928)	(986)	-	-
Changes in inventories	(2,341)	4,715	-	-
Changes in trade and other payables	47,266	(3,218)	(1,740)	3,568
Changes in contract liabilities	(737)	597	-	-
Cash (used in)/generated from operations	(8,533)	3,979	(32,490)	(3,640)
Interest paid	(1,647)	(1,771)	-	-
Tax paid	(1,168)	(111)	(339)	(2)
Net cash (used in)/from operating activities	(11,348)	2,097	(32,829)	(3,642)
Cash flows from investing activities				
Acquisition of property, plant and equipment (i)	(10,687)	(4,488)	-	-
Acquisition of subsidiaries	(7,931)	-	-	-
Acquisition of other investments	(9,454)	(30,630)	(9,035)	(30,630)
Redemption/(placement) of investment in other investment	2,500	(4,000)	-	-
Redemption of preference shares	-	10,024	-	-
Distribution income from fund investments	-	(1,169)	-	-
Dividend received from:				
- Joint ventures	8,000	9,500	3,000	2,500
- Associate companies	-	5,760	-	-
- Other investments	83	599	83	599
Subscription of shares by non-controlling interest	156	300	-	-
Acquisition of preference shares in a subsidiary	-	-	-	(350)
Allotment of shares in a subsidiary	-	-	(9)	(933)
Interest received	4,153	3,952	6,202	6,027
Proceed from dilution of interest in a subsidiary	12	490	-	-
Proceeds from disposal of property, plant and equipment	1,915	257	50	-
Proceeds from disposal of asset held for sale	-	1,662	-	-
Proceeds from disposal of other investments	15,964	6,584	15,694	6,158
Net cash from/(used in) investing activities	4,711	(1,159)	15,985	(16,629)

Statements of Cash Flows

for the year ended 31 December 2024 (continued)

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash flows from financing activities				
Dividend paid to non-controlling interest	(91)	-	-	-
Drawdown from borrowings	2,579	37,029	-	26,500
Interest paid	(3,074)	(1,512)	(1,335)	(268)
Repayment of finance lease liabilities	(3,251)	(2,169)	-	-
Repayment of lease liabilities	(1,406)	(1,099)	-	-
Repayment of borrowings	(1,378)	(12,284)	(300)	-
Warrants exercised	6,908	-	6,908	
Repurchase of treasury shares	-	(4,085)	-	(4,085)
Net cash from financing activities	287	15,880	5,273	22,147
Net (decrease)/increase in cash and cash equivalents	(6,350)	16,818	(11,571)	1,876
Cash and cash equivalents at beginning of the year	155,763	140,020	94,620	84,883
Effect of exchange rate fluctuations on cash held	(5,774)	(1,075)	(6,658)	7,861
Cash and cash equivalents at end of the year	143,639	155,763	76,391	94,620

Cash and cash equivalents

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

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Deposits placed with licensed banks	15	81,401	135,515	58,974	93,127
Cash and bank balances	15	62,268	20,278	17,417	1,493
		143,669	155,793	76,391	94,620
Pledged deposits	15	(30)	(30)	-	-
		143,639	155,763	76,391	94,620

(i) Acquisition of property, plant and equipment

The Group acquired property, plant and equipment with an aggregate cost of RM12,723,000 (2023: RM14,731,000) of which RM2,036,000 (2023: RM10,243,000) were acquired by means of finance lease.

Statements of Cash Flows

for the year ended 31 December 2024 (continued)

Cash outflows for leases as a lessee

	Note	Group 2024 RM'000	Group 2023 RM'000
Included in net cash from operating activities			
Payment relating to short-term leases	24	-	46
Payment relating to leases of low value assets	24	11	25
Interest paid in relation to lease liabilities	22	1,647	1,771
Included in net cash from financing activities			
Payment of lease liabilities		1,406	1,099
Total cash outflows for leases		3,064	2,941

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

Group	Lease liabilities RM'000	Total liabilities from financing activities RM'000
At 1 January 2023	1,809	1,809
Net changes from financing cash flows	(1,099)	(1,099)
Acquisition of new lease	4,919	4,919
Derecognition of lease	(53)	(53)
At 31 December 2023/1 January 2024	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
At 31 December 2024	12,724	12,724

The notes on pages 144 to 224 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:

15th 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 2024 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 2024 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 29 April 2025.

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 2025

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

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*

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*

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 2025 for the amendments that are effective for annual periods beginning on or after 1 January 2025.

- 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.

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 rate 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 20 – 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

The Group has adopted the Amendments to MFRS 112 *International Tax Reform – Pillar Two Model Rules* upon the release on 2 June 2023. The amendments provide a temporary mandatory relief from deferred tax accounting for the top-up tax which is applied retrospectively. Since the new enacted tax legislation in Malaysia will only come into effect in year 2025, there is no current tax impact for the current year ended 31 December 2024. The adoption and application of these amendments did not have any material impact to the financial statements of the Group.

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
Cost							
At 1 January 2023	733	10,622	54,227	42,148	6,007	4,461	118,198
Additions	-	25	2,709	11,717	280	-	14,731
Transfer between categories	-	-	4	4,461	(4)	(4,461)	-
Derecognition through disposal of subsidiaries	-	-	-	(84)	(15)	-	(99)
Disposals	-	-	-	-	(430)	-	(430)
Write-off	-	-	(34)	(75)	(165)	-	(274)
Effect of movements in exchange rates	-	-	1,232	1	2	-	1,235
At 31 December 2023/1 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	1,411	13,684	63,539	55,623	11,117	2,811	148,185

Notes to the Financial Statements

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Note	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
Depreciation and impairment loss								
At 1 January 2023								
Accumulated depreciation		-	1,595	15,534	30,555	5,164	-	52,848
Accumulated impairment loss		-	-	608	69	-	-	677
		-	1,595	16,142	30,624	5,164	-	53,525
Depreciation for the year		-	672	5,542	4,900	230	-	11,344
Impairment loss for the year		-	-	15,167	-	-	-	15,167
Derecognition through disposal of subsidiaries		-	-	-	(84)	(15)	-	(99)
Disposals		-	-	-	-	(400)	-	(400)
Write-off		-	-	(15)	-	(14)	-	(29)
Effect of movements in exchange rates		-	-	543	-	(47)	-	496
At 31 December 2023								
Accumulated depreciation		-	2,267	21,604	35,371	4,918	-	64,160
Accumulated impairment loss		-	-	15,775	69	-	-	15,844
		-	2,267	37,379	35,440	4,918	-	80,004

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Note	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
Depreciation and impairment loss (continued)								
At 1 January 2024								
Accumulated depreciation		-	2,267	21,604	35,371	4,918	-	64,160
Accumulated impairment loss		-	-	15,775	69	-	-	15,844
		-	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
Carrying amounts								
At 1 January 2023		733	9,027	38,085	11,524	843	4,461	64,673
At 31 December 2023/1 January 2024		733	8,380	20,759	22,728	757	-	53,357
At 31 December 2024		1,411	10,738	22,663	23,657	5,925	2,811	67,205

Notes to the Financial Statements

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Note	Motor vehicles RM'000	Total RM'000
Cost			
At 1 January 2023/31 December 2023/1 January 2024		1,131	1,131
Disposals		(547)	(547)
At 31 December 2024		584	584
Depreciation			
At 1 January 2023/31 December 2023/1 January 2024		1,131	1,131
Disposals		(547)	(547)
At 31 December 2024		584	584
Carrying amount			
At 1 January 2023		-	-
At 31 December 2023/1 January 2024		-	-
At 31 December 2024		-	-

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.

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

(c) Impairment loss

In previous financial year, the Group assessed the recoverable amount of the property, plant and equipment of its glove manufacturing segment and recognised an impairment loss of RM15,167,000. See Note 5 for further details of the key assumptions used in determining the recoverable amount.

4. RIGHT-OF-USE ASSETS

Group	Note	Land RM'000	Buildings RM'000	Office equipment RM'000	Total RM'000
At 1 January 2023		21	2,569	333	2,923
Additions		-	4,919	-	4,919
Depreciation	4.1	(21)	(1,307)	(83)	(1,411)
Derecognition		-	(53)	-	(53)
Impairment loss for the year		-	(1,142)	-	(1,142)
At 31 December 2023/1 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		-	11,815	167	11,982

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

	2024		2023	
	Group RM'000	Company RM'000	Group RM'000	Company RM'000
Recognised in profit or loss	1,778	-	1,357	-
Capitalised into work-in-progress	16	-	54	-
	1,794	-	1,411	-

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 Impairment loss

In previous financial year, the Group assessed the recoverable amount of the right-of-use assets of its glove manufacturing segment and recognised an impairment loss of RM1,142,000. See Note 5 for further details of the key assumptions used in determining the recoverable amount.

4.5 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.

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	Total RM'000
Cost						
At 1 January 2023	19,361	6,900	18,148	3,302	-	47,711
Deregistration of subsidiary	(5)	-	-	-	-	(5)
At 31 December 2023/1 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	26,850	6,900	18,148	3,302	1,127	56,327
Amortisation and impairment loss						
At 1 January 2023						
Accumulated amortisation	-	(1,348)	(1,136)	(1,651)	-	(4,135)
Accumulated impairment loss	(8,166)	-	-	(1,486)	-	(9,652)
	(8,166)	(1,348)	(1,136)	(3,137)	-	(13,787)
Amortisation for the year	-	(690)	(284)	(165)	-	(1,139)
Impairment for the year	(7,511)	(2,254)	-	-	-	(9,765)
At 31 December 2023/1 January 2024						
Accumulated amortisation	-	(2,038)	(1,420)	(1,816)	-	(5,274)
Accumulated impairment loss	(15,677)	(2,254)	-	(1,486)	-	(19,417)
	(15,677)	(4,292)	(1,420)	(3,302)	-	(24,691)
Amortisation for the year	-	(373)	(284)	-	(188)	(845)
At 31 December 2024						
Accumulated amortisation	-	(2,411)	(1,704)	(1,816)	(188)	(6,119)
Accumulated impairment loss	(15,677)	(2,254)	-	(1,486)	-	(19,417)
	(15,677)	(4,665)	(1,704)	(3,302)	(188)	(25,536)
Carrying amounts						
At 1 January 2023	11,195	5,552	17,012	165	-	33,924
At 31 December 2023/1 January 2024	3,679	2,608	16,728	-	-	23,015
At 31 December 2024	11,173	2,235	16,444	-	939	30,791

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	Glove manufacturing RM'000	Others RM'000	Total RM'000
At 1 January 2023	3,679	-	7,511	5	11,195
Deregistration of subsidiary	-	-	-	(5)	(5)
Impairment for the year	-	-	(7,511)	-	(7,511)
At 31 December 2023/1 January 2024	3,679	-	-	-	3,679
Acquisition of subsidiaries	-	7,494	-	-	7,494
At 31 December 2024	3,679	7,494	-	-	11,173

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 6th year onwards were assumed using a terminal growth rate of 1% (2023: 1%).
- Revenue was projected based on the order book. No growth rate was assumed for the subsequent years (2023: nil growth rate).
- The gross profit margin is assumed at average of 10.1% (2023: average of 17.0%).
- A discount rate of 12.7% (2023: 12.2%) 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:

(i) A 1% increase in the discount rate used would not result in impairment loss.

(ii) A 1% decrease in the gross profit margin would not result in impairment loss.

5. INTANGIBLE ASSETS (CONTINUED)

Goodwill (continued)

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

Glove manufacturing unit

In previous financial year, the recoverable amount of the unit was based on its value in use, determined by discounting future cash flows to be generated by the unit. The carrying amount of the unit amounting to RM47,425,000 was determined to be higher than its recoverable amount and an impairment loss of RM26,074,000 was recognised. The impairment loss is included in other expenses in the statement of profit or loss and other comprehension income. The impairment loss was allocated to property, plant and equipment (Note 3), right-of-use assets (Note 4), goodwill and customer relationship. The impairment loss was mainly due to general adverse market conditions subsequent to exceptional higher glove demand during COVID-19 period.

- Cash flows were projected for 5 years. Cash flows for 6^{th} year onwards were assumed using a terminal growth rate of 2%.
- The anticipated annual revenue growth was assumed to be at 10% annually.
- The gross profit margin is assumed at an average of 8% depending on type of product in the projection. The estimated margin was based on past operating result for the unit.
- A discount rate of 15.5% was applied in determining the recoverable amount of the unit.

Following an impairment in the unit, the recoverable amount is equal to the carry amount. Therefore, any adverse change in a key assumption may result in a further impairment loss.

The above estimate was particularly sensitive in the following areas:

- A 1% increase in the discount rate used would have increased the impairment loss by RM2,752,000.
- A 1% decrease in future anticipated revenues growth would have increased the impairment loss by RM904,000.
- A 1% decrease in gross profit margin would have increased the impairment loss by RM5,026,000.
- A 1% decrease in terminal growth rate would have increased the impairment loss by RM2,805,000.

Notes to the Financial Statements

5. INTANGIBLE ASSETS (CONTINUED)

Goodwill (continued)

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

Healthcare unit

For impairment testing of goodwill related to current year acquisition, the consideration paid represented the best evidence of the subsidiaries' fair value less cost to sell since there was no significant adverse events between date of acquisition until the year end.

Customer relationships

Customer relationship with estimated economic definite useful life is amortised over a period of 10 years, with remaining amortisation period of 9 years. The customers relationship relates to glove manufacturing unit was impaired by RM2,254,000 during the previous financial year.

Land use rights

Land use rights represent the rights acquired by a group entity over a parcel of land for a duration until year 2082.

Non-compete agreement

Non-compete agreement with estimated economic definite useful life is amortised over a period of 3 years, with remaining amortisation period of 2 years.

5. INTANGIBLE ASSETS (CONTINUED)

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	3 years

6. INVESTMENT PROPERTIES

	Group	
	2024 RM'000	2023 RM'000
At beginning of year	8,060	9,078
Disposal	-	(967)
Change in fair value	(3)	(51)
At end of year	8,057	8,060

Included in the above are:

	Group	
	2024 RM'000	2023 RM'000
At fair value		
Freehold land	89	89
Freehold buildings	1,131	1,134
Leasehold land and buildings with unexpired lease period of more than 50 years	6,837	6,837
	8,057	8,060

Notes to the Financial Statements

6. INVESTMENT PROPERTIES (CONTINUED)

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

	Group	
	2024 RM'000	2023 RM'000
Direct operating expenses:		
- non-income generating investment properties	17	6

6.1 Fair value information

Fair value of investment properties are categorised as follows:

	2024		2023	
Group	Level 3 RM'000	Total RM'000	Level 3 RM'000	Total RM'000
Freehold land	89	89	89	89
Freehold buildings	1,131	1,131	1,134	1,134
Leasehold land and buildings	6,837	6,837	6,837	6,837
	8,057	8,057	8,060	8,060

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.	Price per square foot: RM206 to RM354 (2023: 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.

7. INVESTMENTS IN SUBSIDIARIES

	Company	
	2024 RM'000	2023 RM'000
Cost of investment	88,177	88,178
Less: Impairment losses	(10,827)	(10,827)
	77,350	77,351

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 2024 %	2023 %
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
Integrated Water Services (M) Sdn. Bhd.	Malaysia	Dormant	-	51
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	100
Fortune Ambience Sdn. Bhd. ^	Malaysia	Dormant	100	100
Subsidiaries of Salcon Engineering Berhad:				
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
Salcon (Perak) Sdn. Bhd. @ ^	Malaysia	Dormant	40	40

Notes to the Financial Statements

7. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows: (continued)

Name of entity	Principal place of business/ Country of incorporation	Principal activities	Effective ownership interest and voting interest 2024 %	2023 %
Subsidiaries of Salcon Engineering Berhad: (continued)				
Logit Sdn. Bhd. ^	Malaysia	Development and marketing of a web-based system	100	100
Salcon (Sarawak) Sdn. Bhd. ^	Malaysia	Dormant	100	100
Salcon Engineering Vietnam Company Limited ^	Vietnam	Dormant	100	100
Salcon WP Sdn. Bhd. ^	Malaysia	Dormant	60	60
Subsidiary of Bumi Tiga Enterprise Sdn. Bhd.:				
Salcon Building Services Sdn. Bhd. ^	Malaysia	Dormant	100	100
Subsidiary of Salcon Capital Sdn. Bhd.:				
Eco-Coach & Tours (M) Sdn. Bhd. ^	Malaysia	Transportation Services	51	51
Subsidiaries of Salcon Development Sdn. Bhd.:				
Azitin Venture Sdn. Bhd. ^ @	Malaysia	Property development	50	50
Prestasi Kemas Sdn. Bhd.	Malaysia	Property development	70	70
Nusantara Megajuta Sdn. Bhd.	Malaysia	Property development	100	100
Subsidiary of Eco-Coach & Tours (M) Sdn. Bhd.:				
Senstrac Sdn. Bhd. ^	Malaysia	Provision of information technology services	51	51
Subsidiaries of Senstrac Sdn. Bhd.:				
Eco Tours Asia Sdn. Bhd. ^	Malaysia	Transportation services	51	51
Green Fleet Sdn. Bhd. ^	Malaysia	Transportation services	51	51
Subsidiaries of Inergist Sdn. Bhd.:				
Satria Megajuta Sdn. Bhd. ^ #	Malaysia	Sales of solar energy	47	47
Fortune Command Sdn. Bhd. ^ #	Malaysia	Operation of generation facilities that produce electric energy	36	36
Subsidiary of Nusantara Jasakita Sdn. Bhd.:				
JR Engineering and Medical Technologies (M) Sdn. Bhd.	Malaysia	Gloves manufacturing, Import and export of varieties of goods	51	51

7. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows: (continued)

Name of entity	Principal place of business/ Country of incorporation	Principal activities	Effective ownership interest and voting interest 2024 %	2023 %
Subsidiary of Energy Valley Sdn. Bhd.:				
Mentari Kamuning Sdn. Bhd.^	Malaysia	Intended to engage in operation of generation facilities that produce electric energy	70	70
Subsidiaries of Bloom Healthcare Group Sdn. Bhd.:				
SPH Healthcare & Wellness Sdn. Bhd. (formerly known as Fortress Paradigm Sdn. Bhd.)^	Malaysia	Healthcare, wellness, and its related services	63	100
Sigma Dental Laboratory Sdn. Bhd.^	Malaysia	Dental laboratory services	54	-
SPH Dental Sdn. Bhd.^	Malaysia	Dental and its related services	63	-
Bloom Healthcare Dental (Southern) Sdn. Bhd.^ #	Malaysia	Dormant	50	-
Medipulih Group Sdn. Bhd.^	Malaysia	General Medical Clinic and its related services	59	-
Bloom Healthcare (Northern) Sdn. Bhd.^	Malaysia	Healthcare, wellness and its related activities	77	-
Bloom Healthcare Beauty & Wellness Sdn. Bhd. (formerly known as Golden Framework Sdn. Bhd.)^	Malaysia	Aesthetic, beauty, wellness and its related services	54	-
Bloom Beauty (Cheras) Sdn. Bhd.^	Malaysia	Aesthetic, beauty, wellness and its related services	70	-
Bloom Healthcare Aessence Sdn. Bhd.^ #	Malaysia	Aesthetic, beauty, wellness and its related services	49	-
Subsidiary of Bloom Healthcare Beauty & Wellness Sdn. Bhd.:				
Bloom Healthcare Aessence Sdn. Bhd.^ #	Malaysia	Aesthetic, beauty, wellness and its related services	49	-

Notes to the Financial Statements

7. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows: (continued)

Name of entity	Principal place of business/ Country of incorporation	Principal activities	Effective ownership interest and voting interest 2024 %	2023 %
Subsidiaries of SPH Healthcare & Wellness Sdn. Bhd.:				
Bloom Healthcare Dental (Central) Sdn. Bhd. (formerly known as Lotus Pinnacles Sdn. Bhd.)^	Malaysia	Dental and its related services	63	-
Medipulih Sdn. Bhd. (formerly known as Jade Greenway Sdn. Bhd.)^	Malaysia	General medical clinic and its related services	63	-
Antara Beauty & Wellness Sdn. Bhd. (formerly known as Sunrich Destiny Sdn. Bhd.)^ #	Malaysia	Provision of beauty, wellness and related services	50	-
Digital Dental Lab Sdn. Bhd. (formerly known as Lotus Noble Sdn. Bhd.)^	Malaysia	Dental laboratory and its related services	63	-
Cantik Health & Wellness Sdn. Bhd. (formerly known Paragon Enrich Sdn. Bhd.)^	Malaysia	Aesthetic, beauty, wellness and its related services	63	-
Subsidiary of Bloom Healthcare Dental (Central) Sdn. Bhd.:				
Wagas Group Sdn. Bhd.^	Malaysia	Dental and its related services	63	-
Subsidiary of Bloom Healthcare (Northern) Sdn. Bhd.:				
Bloom Healthcare Dental (Northern) Sdn. Bhd.^	Malaysia	Dental and its related services	77	-
Subsidiaries of Bloom Healthcare Dental (Northern) Sdn. Bhd.:				
Bloom Healthcare WS Dental (RU) Sdn. Bhd.^	Malaysia	Dental and its related services	54	-
Bloom Healthcare WS Dental (PT) Sdn. Bhd.^	Malaysia	Dental and its related services	54	-
Kee Vee Dental Laboratory Sdn. Bhd.^	Malaysia	Dental laboratory and its related services	54	-

* Audited by other member firms of KPMG International.

^ Audited by other firms of accountants.

@ Although the Group owns 50% or less than 50% of the voting power of the Group Entities, the Group regards them as subsidiaries as it is able to govern the financial and operating policies of the companies by virtue of shareholders agreements entered into with the other investors of these group entities. Consequently, the Group consolidates its investments in these companies.

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. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

7.1 Non-controlling interest in subsidiaries

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

	Envitech Sdn. Bhd. RM'000	JR Engineering & Medical Technologies (M) Sdn. Bhd. RM'000
2024		
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)
Summarised financial information before intra-group elimination		
As at 31 December		
Non-current assets	16,776	24,970
Current assets	52,751	18,830
Non-current liabilities	(1,950)	(21,646)
Current liabilities	(10,701)	(39,501)
Net assets/(liabilities)	56,876	(17,347)
Year ended 31 December		
Revenue	61,876	47,928
Profit/(loss) for the year	3,125	(518)
Total comprehensive income/(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	-	-

Notes to the Financial Statements

7. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

7.1 Non-controlling interest in subsidiaries (continued)

	Envitech Sdn. Bhd. RM'000	JR Engineering & Medical Technologies (M) Sdn. Bhd. RM'000
2023		
NCI percentage of ownership interest and voting interest	40%	49%
Carrying amount of NCI	21,500	(8,246)
Loss allocated to NCI	(828)	(12,708)
Summarised financial information before intra-group elimination		
As at 31 December		
Non-current assets	19,851	27,948
Current assets	45,740	15,758
Non-current liabilities	(1,501)	(22,284)
Current liabilities	(10,339)	(38,251)
Net assets/(liabilities)	53,751	(16,829)
Year ended 31 December		
Revenue	28,810	38,535
Loss for the year	(2,070)	(33,436)
Total comprehensive expense	(2,070)	(33,436)
Cash flows (used in)/generated from operating activities	(750)	1,314
Cash flows generated from/(used in) investing activities	698	(2,196)
Cash flows (used in)/generated from financing activities	(68)	923
Net (decrease)/increase in cash and cash equivalents	(120)	41
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.

8. INVESTMENTS IN ASSOCIATES

	Group 2024 RM'000	Group 2023 RM'000
Investment in shares	11,800	11,800
Share of post-acquisition reserves	(2,359)	(2,355)
Less: Impairment loss	(9,441)	(9,445)
	-	-

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 2024 %	Effective ownership interest and voting interest 2023 %
Associates of Salcon Engineering Berhad:				
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 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.

8.2 Impairment loss

In prior year, an impairment loss of RM3,253,000 was recognised in other expense. The impairment amount was based on fair value less costs of disposal. The fair value measurement was categorised as a Level 3 fair value based on inputs in the valuation techniques used.

Notes to the Financial Statements

9. INVESTMENTS IN JOINT VENTURES

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Investment in shares	29,063	29,063	23,500	23,500
Share of post-acquisition reserves	1,840	5,210	-	-
Less: Impairment loss	(4,609)	(4,609)	-	-
	26,294	29,664	23,500	23,500

Details of joint ventures are as follows:

Name of joint venture	Principal activities	Note	Proportion of ownership interest 2024 %	2023 %
Volksbahn Technologies Sdn. Bhd.	Provision of management, technology and service consulting	9.1	50 plus 2 shares	50 plus 2 shares
Joint ventures of Salcon Engineering Berhad:				
Salcon MMCB AZSB JV Sdn. Bhd.	Engineering and construction	9.2	36	36
Salcon MMCES AZSB JV Sdn. Bhd.	Engineering and construction	9.3	50	50
Salcon Loh & Loh JV Sdn. Bhd.	Engineering and construction	9.4	50	50
Joint venture of Envitech Sdn. Bhd.:				
WET Envitech Sdn. Bhd.	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. INVESTMENTS IN JOINT VENTURES (CONTINUED)

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 further acquire 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.

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.

	WESB		VTSB	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Summarised financial information				
As at 31 December				
Non-current assets	-	4	12,286	13,806
Current assets	8,290	15,296	18,912	17,162
Non-current liabilities	-	-	(1,864)	(1,464)
Current liabilities	(151)	(314)	(13,175)	(15,316)
Cash and cash equivalents	970	7,211	10,792	13,818
Year ended 31 December				
Profit from continuing operations	75	1,229	7,970	5,507
Total comprehensive income	75	1,229	7,970	5,507
Included in the total comprehensive income/(expense) are:				
Revenue	63	1,267	27,580	23,098
Interest income	97	129	150	11
Interest expense	-	-	(1)	(3)
Tax expense	(7)	(423)	(2,613)	(2,095)

Notes to the Financial Statements

9. INVESTMENTS IN JOINT VENTURES (CONTINUED)

	WESB RM'000	VTSB RM'000	Other immaterial joint ventures RM'000	Total RM'000
2024				
Reconciliation of net assets to carrying amount as at 31 December				
Goodwill	-	14,150	434	14,584
Group's share of net assets	218	8,079	3,413	11,710
Carrying amount in the statement of financial position	218	22,229	3,847	26,294
Group's share of results for the year ended 31 December				
Group's share of profit	22	3,985	623	4,630
Group's share of total comprehensive income	22	3,985	623	4,630
Other information				
Dividends received by the Group	3,500	3,000	1,500	8,000
2023				
Reconciliation of net assets to carrying amount as at 31 December				
Goodwill	-	14,150	434	14,584
Group's share of net assets	3,696	7,094	4,290	15,080
Carrying amount in the statement of financial position	3,696	21,244	4,724	29,664
Group's share of results for the year ended 31 December				
Group's share of profit	368	2,754	2,709	5,831
Group's share of total comprehensive income	368	2,754	2,709	5,831
Other information				
Dividends received by the Group	2,000	2,500	5,000	9,500

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.

9.7 Impairment loss

In prior year, an impairment loss of RM4,287,000 was recognised and charged to other expenses. The impairment amount was based on fair value less costs of disposal. The fair value measurement was categorised as a Level 3 fair value based on inputs in the valuation techniques used.

10. OTHER INVESTMENTS

Group	Shares RM'000	Others RM'000	Total RM'000
2024			
Non-current			
Fair value through profit or loss			
- Quoted shares	54,692	-	54,692
Current			
Fair value through profit or loss			
- Fund investment	-	6,491	6,491
- Other investment	-	2,500	2,500
	-	8,991	8,991
2023			
Non-current			
Fair value through profit or loss			
- Quoted shares	37,783	-	37,783
Current			
Fair value through profit or loss			
- Fund investment	-	6,239	6,239
- Other investment	-	5,000	5,000
	-	11,239	11,239
Company			
2024			
Non-current			
Fair value through profit or loss			
- Quoted shares	54,692	-	54,692
2023			
Non-current			
Fair value through profit or loss			
- Quoted shares	37,783	-	37,783

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 elect 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) Deposits with licensed banks

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

11. DEFERRED TAX ASSETS AND LIABILITIES

Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
Group	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Land use rights	-	-	(4,537)	(4,537)	(4,537)	(4,537)
Property, plant and equipment	-	-	(3,880)	(6,015)	(3,880)	(6,015)
Other items	3,179	3,493	-	-	3,179	3,493
Tax losses carry-forward	5,712	5,716	-	-	5,712	5,716
Unabsorbed capital allowances	2,139	2,460	-	-	2,139	2,460
Tax assets/(liabilities)	11,030	11,669	(8,417)	(10,552)	2,613	1,117
Set off of tax	2,330	1,051	(2,330)	(1,051)	-	-
Net tax assets/(liabilities)	13,360	12,720	(10,747)	(11,603)	2,613	1,117

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

Group	At 1.1.2023 RM'000	Recognised in profit or loss (Note 23) RM'000	At 31.12.2023/ 1.1.2024 RM'000	Recognised in profit or loss (Note 23) RM'000	Acquisition of a subsidiary (Note 33) RM'000	At 31.12.2024 RM'000
Land use rights	(4,537)	-	(4,537)	-	-	(4,537)
Property, plant and equipment	(8,385)	2,370	(6,015)	2,196	(61)	(3,880)
Other items	9,347	(5,854)	3,493	(42)	(272)	3,179
Tax losses carry forward	1,549	4,167	5,716	(4)	-	5,712
Unabsorbed capital allowances	1,464	996	2.460	(321)	-	2,139
	(562)	1,679	1,117	1,829	(333)	2,613

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	
	2024 RM'000	2023 RM'000
Other deductible temporary differences	9,710	9,710
Unabsorbed capital allowances	843	843
Unutilised tax losses		
- Malaysia	43,462	45,143
- Outside Malaysia	8,252	8,252
	62,267	63,948

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	
	2024 RM'000	2023 RM'000
Utilisation years		
Expiring in Year Assessment 2028	11,499	15,076
Expiring in Year Assessment 2029	8,789	8,803
Expiring in Year Assessment 2030	3,246	3,259
Expiring in Year Assessment 2031	251	251
Expiring in Year Assessment 2032	17,754	17,754
Expiring in Year Assessment 2033	1,923	-
	43,462	45,143

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 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Trade and other receivables					
Non-current					
Trade					
Trade receivables	12.1	21,504	17,816	-	-
		21,504	17,816	-	-
Non-trade					
Amounts due from subsidiaries	12.4	-	-	207,942	239,834
Deposit	12.7	1,500	-	-	-
		1,500	-	207,942	239,834
		23,004	17,816	207,942	239,834
Current					
Trade					
Trade receivables	12.1	35,645	25,966	-	-
Amount due from a related party	12.2	263	-	-	-
		35,908	25,966	-	-
Non-trade					
Amounts due from joint ventures	12.3	225	440	-	-
Amounts due from subsidiaries	12.4	-	-	27,040	4,998
Other receivables	12.5	5,377	6,409	120	2,936
Deposits	12.7	8,638	5,847	50	-
		14,240	12,696	27,210	7,934
		50,148	38,662	27,210	7,934
		73,152	56,478	235,152	247,768
Prepayments					
Prepayments	12.6	5,482	3,590	6	20

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	
	2024 RM'000	2023 RM'000
1 – 2 years	3,095	7,886
2 – 3 years	17,398	9,533
3 – 4 years	1,011	397
	21,504	17,816

Current

Included in trade receivables of the Group are retention sums amounting to RM9,515,000 (2023: RM5,719,000) 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 a related party

The trade amounts due from a related party of the Group is subject to a negotiated trade terms.

12.3 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.

12.4 Amount due from subsidiaries

Included in the amount due from subsidiaries, there are RM207,942,000 (2023: RM239,834,000) 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 RM103,852,000 (2023: RM102,595,000) are subject to interest of 2% to 6% (2023: 2% to 6%) per annum.

12.5 Other receivables

Included in other receivables of the Group are allowance for impairment losses made against doubtful receivables of RM3,905,000 (2023: RM3,887,000).

Notes to the Financial Statements

12. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS (CONTINUED)

12.6 Prepayment

Included in prepayment of the Group is advances paid to suppliers to purchase inventory of RM22,363,000 (2023: RM22,363,000). An allowance for impairment losses RM22,363,000 (2023: RM22,363,000) has been made.

12.7 Deposits

Included in deposits of the Group is restricted cash paid to escrow account for the settlement of contingent consideration of RM3,000,000.

13. CONTRACT WITH CUSTOMERS

13.1 Contract assets/(liabilities)

Group	2024 RM'000	2023 RM'000
Contract assets	97,530	59,189
Contract liabilities	(380)	(1,117)

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	2024 RM'000	2023 RM'000
Cost to fulfil a contract	3,936	1,992

Construction cost that are attributable to the construction contracts, cost incurred to fulfil a JV contract and solar project are capitalised as contract costs during the current financial year. These costs are expected to be recoverable and are recognised to profit or loss when the related revenue is recognised.

14. INVENTORIES

	Note	Group 2024 RM'000	Group 2023 RM'000
Current			
At cost:			
Spares		129	172
Raw materials		1,074	556
Finished goods		4,576	604
Work in progress		2,024	1,539
Packaging materials		591	479
Properties under development	14.1	107,002	107,002
		115,396	110,352
At net realisable value			
Finished goods		-	2,650
		115,396	113,002
Recognised in profit or loss:			
Inventories recognised as cost of sales		43,589	42,656
Write down of inventories	14.2	-	3,037
14.1 Properties under development comprises:			
Land held for property development		106,786	106,786
Development costs		216	216
		107,002	107,002

The land held for property development with carrying amount of RM106,786,000 (2023: RM106,786,000) is charged to the financial institution for the facilities granted to Group entities (Note 18.4).

14.2 Write down of inventories

In previous financial year, the Group assessed the net realisable value of the finished goods which resulted in a loss of RM3,037,000.

14.3 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.

Notes to the Financial Statements

15. CASH AND CASH EQUIVALENTS

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Deposits with licensed banks				
- Malaysia	22,586	42,545	159	157
- Outside Malaysia	58,815	92,970	58,815	92,970
	81,401	135,515	58,974	93,127
Cash and bank balances				
- Malaysia	53,821	12,182	10,701	1,493
- Outside Malaysia	8,447	8,096	6,716	-
	62,268	20,278	17,417	1,493
	143,669	155,793	76,391	94,620

Included in the deposits with licensed banks of the Group is amount of RM30,000 (2023: RM30,000) pledged for facilities (Note 18.3) granted to the Group.

16. ASSETS CLASSIFIED AS HELD FOR SALE

		Group	
	Note	2024 RM'000	2023 RM'000
Assets classified as held for sale			
Motor vehicles	16.1	445	445
		445	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.

17. CAPITAL AND RESERVES

17.1 Share capital

	Group and Company			
	Amount 2024 RM'000	Number of shares 2024 '000	Amount 2023 RM'000	Number of shares 2023 '000
Issued and fully paid shares with no par value classified as equity instruments:				
Ordinary shares				
As at 1 January	458,276	1,012,413	458,276	1,012,413
Issue of shares	6,908	23,027	-	-
As at 31 December	465,184	1,035,440	458,276	1,012,413

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

In prior financial year, the Company repurchased 20,200,000 ordinary shares of its issued share capital from the open market, at an average cost of RM0.20 per share. The total consideration paid for the share buy-back including transaction costs during last financial period was RM4.08 million and was financed by internally generated funds. The shares bought back are being held as treasury shares in accordance with Section 127(4)(b) of the Companies Act 2016.

In prior financial year, the Company distributed 24,677,276 treasury shares to entitled shareholders as share dividend. At the end of the year, the number of treasury shares held was 322,768 (2023: 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.

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

Notes to the Financial Statements

17. CAPITAL AND RESERVES (CONTINUED)

17.4 Warrants (continued)

As a result of the exercise of warrants, the Company's issued and paid-up share capital has increased by RM6,908,000 and the total number of shares outstanding has increased to 1,035,440,000. 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 at the end of the financial year amounting to 313,539,740 (2023: 336,566,643).

18. LOANS AND BORROWINGS

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Non-current					
Term loans (secured)	18.1	-	139	-	-
Term loans (unsecured)		5,513	2,453	-	-
Finance lease liabilities	18.2	11,159	12,768	-	-
		16,672	15,360	-	-
Current					
Bankers' acceptances (secured)	18.3	12,325	6,163	-	-
Other bank facilities		220	220	-	-
Revolving credits (secured)	18.4	31,200	31,500	31,200	31,500
Term loans (secured)	18.1	139	241	-	-
Term loans (unsecured)		382	570	-	-
Trust receipts (secured)		-	3,520	-	-
Finance lease liabilities	18.2	2,544	760	-	-
		46,810	42,974	31,200	31,500
		63,482	58,334	31,200	31,500

18.1 Term loans

Secured term loans are guaranteed by the following:

a) Credit Guarantee Corporation Malaysia, Syarikat Jaminan Pembiayaan Perniagaan Berhad
b) A director of the subsidiary

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

18. LOANS AND BORROWINGS (CONTINUED)

18.1 Term loans (continued)

The repayment term of the term loans are as follows:

Group	2024 Under 1 year RM'000	2024 1 to 5 years RM'000	2024 More than 5 years RM'000	2023 Under 1 year RM'000	2023 1 to 5 years RM'000	2023 More than 5 years RM'000
Term loan						
- secured	139	-	-	241	139	-

18.2 Finance lease liabilities

Finance lease liabilities are payable as follows:

Group	2024 Future minimum lease payments RM'000	2024 Interest RM'000	2024 Present value of minimum lease payments RM'000	2023 Future minimum lease payments RM'000	2023 Interest RM'000	2023 Present value of minimum lease payments RM'000
Less than one year	2,622	(78)	2,544	812	(52)	760
Between one and five years	11,251	(92)	11,159	12,838	(70)	12,768
	13,873	(170)	13,703	13,650	(122)	13,528

18.3 The bankers' acceptances are secured via fixed deposits with licensed bank (see Note 15).

18.4 The revolving credit of the Group and of the Company is secured by land owned by a Group entity with carrying amount of RM106,786,000 (2023: RM106,786,000) (Note 14.1).

Notes to the Financial Statements

18. LOANS AND BORROWINGS (CONTINUED)

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
At 1 January 2023	5,454	4,346	15,715	25,515
Drawdown of borrowings	-	-	37,029	37,029
Repayment of borrowings	-	(943)	(11,341)	(12,284)
Acquisition of property, plant and equipment through finance lease liabilities	10,243	-	-	10,243
Repayment of finance lease liabilities	(2,169)	-	-	(2,169)
At 31 December 2023/1 January 2024	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)
At 31 December 2024	13,703	6,034	43,745	63,482

Company	Revolving credit RM'000	Total RM'000
At 1 January 2023	5,000	5,000
Drawdown from borrowing	26,500	26,500
At 31 December 2023/1 January 2024	31,500	31,500
Repayment of borrowing	(300)	(300)
At 31 December 2024	31,200	31,200

19. TRADE AND OTHER PAYABLES

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Non-current					
Trade					
Trade payables	19.1	14,733	5,199	-	-
		14,733	5,199	-	-
Non-trade					
Derivative liability	19.4	667	-	-	-
		15,400	5,199	-	-
Current					
Trade					
Trade payables	19.1	31,811	22,187	-	-
Accrued expenses		64,138	36,173	-	-
		95,949	58,360	-	-
Non-trade					
Amounts due to subsidiaries	19.2	-	-	27	2,027
Contingent consideration	19.3	2,735	-	-	-
Other payables		39,238	35,380	419	187
Accrued expenses		2,858	3,122	1,082	1,054
		44,831	38,502	1,528	3,268
		140,780	96,862	1,528	3,268
		156,180	102,061	1,528	3,268

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	
	2024 RM'000	2023 RM'000
1 – 2 years	1,354	3,065
2 – 3 years	13,048	2,068
3 – 4 years	331	66
	14,733	5,199

Notes to the Financial Statements

19. TRADE AND OTHER PAYABLES (CONTINUED)

19.1 Trade payables (Continued)

Current

Included in trade payables of the Group are retention sums amounting to RM4,940,556 (2023: RM8,663,000) 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 amounts due to subsidiaries are unsecured, interest free and repayable upon demand. Amounts due to subsidiaries amounted to RM25,160,000 were waived by the subsidiaries in previous year.

19.3 Contingent consideration

The contingent consideration is recognised relating to the acquisition of a subsidiary during the year. 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.

20. REVENUE

	Total	
Group	**2024 RM'000**	**2023 RM'000**
Revenue from contract with customers		
Construction		
- Water projects	157,531	64,792
- Wastewater projects	62,308	28,755
- Water system repairs	4,667	4,817
- Hydro projects	5,598	4,064
- Others	115	56
Glove manufacturing	47,928	38,535
Trading and services		
- Transportation	12,475	11,688
- Solar power services	2,102	1,816
- Others	-	15
Healthcare	5,072	-
Investment holdings	576	72
Total revenue	298,372	154,610
Company		
Dividends	3,083	2,500

20. REVENUE (CONTINUED)

20.1 Disaggregation of revenue

Group	Construction RM'000	Glove Manufacturing RM'000	Trading and Services RM'000	Investment Holdings RM'000	Healthcare RM'000	Total RM'000
2024						
Primary geographical markets						
Malaysia	230,219	9,732	13,430	576	5,072	259,029
Unites States	-	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
Major products and services lines						
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
Timing of recognition						
Over time	230,219	-	14,577	-	-	244,796
At a point in time	-	47,928	-	576	5,072	53,576
Total revenue	230,219	47,928	14,577	576	5,072	298,372

Notes to the Financial Statements

20. REVENUE (CONTINUED)

20.1 Disaggregation of revenue (continued)

Group	Construction RM'000	Glove Manufacturing RM'000	Trading and Services RM'000	Investment Holdings RM'000	Total RM'000
2023					
Primary geographical markets					
Malaysia	102,484	4,646	11,703	72	118,905
Unites States	-	13,537	-	-	13,537
India	-	11,039	-	-	11,039
The United Kingdom	-	-	1,111	-	1,111
Other countries	-	9,313	705	-	10,018
	102,484	38,535	13,519	72	154,610
Major products and services lines					
Water projects	64,792	-	-	-	64,792
Wastewater projects	28,755	-	-	-	28,755
Water system repairs	4,817	-	-	-	4,817
Hydro projects	4,064	-	-	-	4,064
Glove manufacturing	-	38,535	-	-	38,535
Transportation	-	-	11,688	-	11,688
Solar power services	-	-	1,816	-	1,816
Others	56	-	15	72	143
	102,484	38,535	13,519	72	154,610
Timing of recognition					
Over time	102,484	-	13,504	-	115,988
At a point in time	-	38,535	15	72	38,622
Total revenue	102,484	38,535	13,519	72	154,610

20. REVENUE (CONTINUED)

20.2 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.
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.

Notes to the Financial Statements

20. REVENUE (CONTINUED)

20.3 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.

	More than 1 year	
	2024	2023
Group	RM'000	RM'000
Water projects	54,948	189,953
Wastewater projects	78,666	54,013
Water system repairs	3,384	3,386
Hydro projects	55,331	60,929
	192,329	308,281

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.

20.4 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.

21. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel compensation is as follows:

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Directors:				
- Fees	310	310	310	310
- Remuneration	4,545	5,132	2,246	2,192
- Other short-term employee benefits (including estimated monetary value of benefit-in-kind)	273	446	211	229
	5,128	5,888	2,767	2,731

22. FINANCE COSTS

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Interest expense of financial liabilities that are not at fair value through profit or loss	3,074	1,512	1,335	268
Interest expense on lease liabilities	1,647	1,771	-	-
	4,721	3,283	1,335	268

23. TAX EXPENSE

Recognised in profit or loss

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Tax expense	364	(1,422)	307	182
Share of tax of equity-accounted associates and joint ventures	1,413	1,836	-	-
Total tax expense	1,777	414	307	182
Major components of income tax expense include:				
Income tax expense				
Malaysian - current year	2,284	807	307	182
- prior year	(91)	(550)	(56)	-
Total income tax recognised in profit or loss	2,193	257	251	182
Deferred tax expense				
Origination and reversal of temporary differences	(975)	(3,551)	-	-
(Over)/Under provision in prior year	(854)	1,872	-	-
Total deferred tax recognised in profit or loss	(1,829)	(1,679)	-	-
Share of tax of equity-accounted associates and joint ventures	1,413	1,836	-	-
Total tax expense	1,777	414	251	182

Notes to the Financial Statements

23. TAX EXPENSE (CONTINUED)

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Reconciliation of tax expense				
Profit/(Loss) for the year	16,896	(36,975)	(18,731)	(19,711)
Total tax expense	1,777	414	251	182
Profit/(Loss) excluding tax	18,673	(36,561)	(18,480)	19,529
Income tax calculated using Malaysian tax rate of 24%	4,482	(8,775)	(4,435)	(4,687)
Effect of tax rates in foreign jurisdictions	(41)	-	-	-
Non-deductible expenses	6,695	14,025	11,895	15,279
Tax exempt income	(296)	(65)	(574)	(573)
Non-taxable income	(7,715)	(9,768)	(6,579)	(9,837)
Recognition of previously unrecognised tax losses	(865)	(642)	-	-
Current year losses for which no deferred tax asset was recognised	462	4,261	-	-
	2,722	(964)	307	182
(Over)/Under provision in prior years	(945)	1,378	(56)	-
	1,777	414	251	182

Notes to the Financial Statements

24. PROFIT FOR THE YEAR

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Profit for the year is arrived at after charging/ (crediting)					
Auditors' remunerations					
- Audit fees					
- Current year					
KPMG PLT		399	399	193	193
Overseas affiliates of KPMG PLT		43	46	-	-
Other auditors		140	103	-	-
- Non-audit fees					
KPMG PLT		35	35	35	35
Material expenses/(income)					
Amortisation of intangible asset		845	1,139	-	-
Depreciation of property, plant and equipment		5,984	11,344	-	-
Depreciation of right-of-use assets		1,778	1,357	-	-
Dividend income from:					
- Other investment		(83)	(599)	(83)	(599)
- Joint ventures		-	-	(3,000)	(2,500)
Net fair value gain on other investments		(22,203)	(1,615)	(22,100)	(1,187)
Finance income:					
- Subsidiaries		-	-	(2,594)	(2,710)
- Others		(4,153)	(3,952)	(3,608)	(3,317)
(Gain)/Loss on disposal of equity interest in subsidiaries		-	(7,233)	10	11,021
(Gain)/Loss on disposal of other investments		(1,468)	1,398	(1,468)	1,398
Fair value loss on investment property		3	51	-	-
Gain on disposal of property, plant and equipment		(1,596)	(227)	(50)	-
Gain on disposal of assets held for sale		-	(65)	-	-
(Reversal)/Impairment losses of:					
- Investments in joint ventures		-	4,287	-	-
- Investments in subsidiaries		-	-	-	3,790
- Investments in associate company		(4)	3,253	-	-
- Property, plant and equipment		-	15,167	-	-
- Goodwill		-	7,511	-	-
- Customer relationship		-	2,254	-	-
- Right-of-use assets		-	1,142	-	-
Net realised foreign exchange (gain)/loss		(111)	(142)	-	441
Net unrealised foreign exchange loss/(gain)		5,429	(5,253)	6,658	(7,861)

Notes to the Financial Statements

24. PROFIT FOR THE YEAR (CONTINUED)

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Material expenses/(income) (continued)					
Other receivables written off		-	593	-	-
Personnel expenses (including key management personnel):					
- Contributions to Employees Provident Fund		2,931	2,508	718	644
- Wages, salaries and others		25,786	22,853	6,604	5,961
Property, plant and equipment written off		1	170	-	-
Inventory written off		-	3,037	-	-
Profit guarantee		-	(11,100)	-	-
Waiver of amount due to subsidiaries		-	-	-	(25,160)
Expenses/(income) arising from leases					
Expenses relating to short-term leases	24.1	-	46	-	-
Expenses relating to leases of low value assets	24.1	11	25	-	-
Net loss on/(reversal of) impairment of financial instruments					
Financial assets at amortised cost					
Impairment loss					
- Trade receivables		435	804	-	-
- Other receivables		18	10	-	-
- Profit guarantee		-	11,100	-	-
- Amounts due from subsidiaries		-	-	34,480	37,073
Reversal of impairment loss					
- Trade receivables		(1,343)	(916)	-	-
- Amounts due from subsidiaries		-	-	(44)	(80)
		(890)	10,998	34,436	36,993

24.1 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.

25. OTHER COMPREHENSIVE INCOME/(EXPENSE)

Group	Before tax RM'000	Tax RM'000	Net of tax RM'000
2024			
Foreign currency translation differences for foreign operations	(654)	-	(654)
2023			
Foreign currency translation differences for foreign operations	(10,683)	-	(10,683)

26. EARNINGS/(LOSS) PER ORDINARY SHARE

Basic earnings/(loss) per ordinary share

The calculation of basic earnings/(loss) per ordinary share at 31 December 2024 was based on the earnings/(loss) attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

Profit/(Loss) attributable to ordinary shareholders

Group	Total RM'000
2024	
Profit attributable to ordinary shareholders	16,109
2023	
Loss attributable to ordinary shareholders	(21,193)

	Group	
	2024 '000	2023 '000
Weighted average number of ordinary shares		
1 January	1,012,413	1,012,413
Effect of exercise of warrants	9,419	-
Effect of treasure shares held	(323)	(6,211)
31 December	1,021,509	1,006,202

	Group	
	2024 Sen	2023 Sen
Basic earnings/(loss) per ordinary share	1.58	(2.11)

Notes to the Financial Statements

26. EARNINGS/(LOSS) PER ORDINARY SHARE (CONTINUED)

Diluted earnings/(loss) per ordinary share

The calculation of dilution earnings/(loss) per ordinary share at 31 December 2024 was based on the earnings/(loss) 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	
	2024	2023
Profit attributable to ordinary shareholders (RM'000)	16,109	(21,193)
Weighted average number of ordinary shares at 31 December (Basic) ('000)	1,021,509	1,006,202
Effect of exercise of warrants ('000)	327,086	-
31 December ('000)	1,348,595	1,006,202
Diluted earnings per ordinary share (sen)	1.19	(2.11)

The diluted earnings per ordinary share in 2023 was presented the same as basic earnings per share given that the Group does not have any dilutive potential ordinary share other than the warrants in issue.

The potential ordinary shares, warrants on issue, are anti-dilutive in nature for the previous year as their respective exercise price exceeds the average market price of the ordinary shares. Accordingly, the diluted earnings/(loss) per ordinary share for the previous years are equal to the basic earnings/(loss) 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.

27. DIVIDENDS

Dividends recognised by the Company:

	Total amount RM'000	Date of payment
2023		
Interim share dividend of one (1) treasury share for every forty (40) existing ordinary shares held for financial year ended 31 December 2022	4,840	22 May 2023

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)

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
2024							
Segment profit/(loss)	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	(1,336)	(4,913)	(680)	(284)	(1,393)	(1)	(8,607)
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)
Segment assets	236,033	34,174	93,097	107,125	38,422	155,616	664,467
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

28. OPERATING SEGMENTS (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
2023							
Segment (loss)/profit	(8,206)	(26,673)	14,385	(863)	-	(385)	(21,742)
Included in the measure of segment (loss)/profit are:							
Revenue from external customers	102,484	38,535	13,519	-	-	72	154,610
Share of profit of associates	-	-	1,793	-	-	-	1,793
Share of profit of joint ventures	3,077	-	2,754	-	-	-	5,831
Not included in the measure of segment (loss)/profit but provided to CODM:							
Depreciation and amortisation	(1,108)	(6,863)	(5,584)	(284)	-	(1)	(13,840)
Finance costs	(507)	(643)	(650)	(1,215)	-	(268)	(3,283)
Finance income	597	5	8	25	-	3,317	3,952
Tax expense	754	1,736	(460)	(1)	-	(607)	1,422
Segment assets	187,977	33,226	87,904	107,397	-	159,076	575,580
Included in the measure of segment assets are:							
Investment in joint ventures	8,403	-	21,261	-	-	-	29,664
Additions to non-current assets other than financial instruments and deferred tax assets	4,602	2,657	12,386	-	-	5	19,650

Notes to the Financial Statements

28. OPERATING SEGMENTS (CONTINUED)

Reconciliations of reportable segment revenue, profit or loss, assets and other material items

	Group	
	2024 RM'000	2023 RM'000
Profit or loss		
Total profit/(loss) for reportable segments	40,714	(21,742)
Depreciation and amortisation	(8,623)	(13,894)
Finance costs	(4,721)	(3,283)
Finance income	4,153	3,952
Unrealised and realised foreign exchange differences	(5,317)	4,959
Unallocated expenses:		
Corporate expenses	(8,946)	(8,389)
Consolidated Profit/(Loss)	17,260	(38,397)

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.

	Geographical information			
Group	Revenue 2024 RM'000	Non-current assets 2024 RM'000	Revenue 2023 RM'000	Non-current assets 2023 RM'000
Malaysia	259,029	112,382	118,905	83,200
Unites States	17,474	-	13,538	-
Sri Lanka	-	6	-	75
India	8,221	20	11,038	24
The United Kingdom	2,464	5,627	1,111	6,369
Other countries	11,184	-	10,018	-
	298,372	118,035	154,610	89,668

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 2024 RM'000	Revenue 2023 RM'000	Segment
- Customer A	145,814	43,685	Construction

29. FINANCIAL INSTRUMENTS

29.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:
(a) Amortised cost ("AC")
(b) Fair value through profit or loss ("FVTPL")

	Carrying amount RM'000	AC RM'000	FVTPL RM'000
2024			
Financial assets			
Group			
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
Company			
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
2023			
Financial assets			
Group			
Other investments	49,022	-	49,022
Trade and other receivables	56,478	56,478	-
Cash and cash equivalents	155,793	155,793	-
	261,293	212,271	49,022
Company			
Other investments	37,783	-	37,783
Trade and other receivables	247,768	247,768	-
Cash and cash equivalents	94,620	94,620	-
	380,171	342,388	37,783

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
2024			
Financial liabilities			
Group			
Loans and borrowings	(63,482)	(63,482)	-
Trade and other payables	(156,180)	(155,513)	(667)
	(219,662)	(218,995)	(667)
Company			
Loans and borrowings	(31,200)	(31,200)	-
Trade and other payables	(1,528)	(1,528)	-
	(32,728)	(32,728)	-
2023			
Financial liabilities			
Group			
Loans and borrowings	(58,334)	(58,334)	-
Trade and other payables	(102,061)	(102,061)	-
	(160,395)	(160,395)	-
Company			
Loans and borrowings	(31,500)	(31,500)	-
Trade and other payables	(3,268)	(3,268)	-
	(34,768)	(34,768)	-

29.2 Net losses and gain arising from financial instruments

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Net gain/(losses) on:				
Financial assets at fair value through profit or loss	23,671	1,615	23,568	1,187
Financial assets at amortised cost	(274)	(1,283)	(34,848)	(23,545)
Financial liabilities measured at amortised cost	(4,721)	(3,283)	(1,335)	(268)
	18,676	(2,951)	(12,615)	(22,626)

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	
	2024 RM'000	2023 RM'000
Domestic	147,112	98,227
United States	4,488	2,230
China	-	190
India	1,629	924
United Kingdom	188	171
Thailand	219	1,059
Myanmar	-	34
Uzbekistan	130	136
Bangladesh	376	-
Ethiopia	257	-
Russia	202	-
Singapore	78	-
	154,679	102,971

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
2024			
Not past due	129,511	-	129,511
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
	137,036	-	137,036
Credit impaired			
More than 90 days past due	22,764	(5,121)	17,643
Individually impaired	11,414	(11,414)	-
	171,214	(16,535)	154,679
Trade receivables	73,684	(16,535)	57,149
Contract assets	97,530	-	97,530
	171,214	(16,535)	154,679
2023			
Not past due	95,381	-	95,381
Past due 1 - 30 days	4,475	-	4,475
Past due 31 - 60 days	1,186	-	1,186
Past due 61 - 90 days	97	-	97
	101,139	-	101,139
Credit impaired			
More than 90 days past due	7,880	(6,048)	1,832
Individually impaired	11,395	(11,395)	-
	120,414	(17,443)	102,971
Trade receivables	61,225	(17,443)	43,782
Contract assets	59,189	-	59,189
	120,414	(17,443)	102,971

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	Total RM'000
At 1 January 2023	(17,598)	(17,598)
Net remeasurement of loss allowance	155	155
At 31 December 2023/1 January 2024	(17,443)	(17,443)
Net remeasurement of loss allowance	908	908
At 31 December 2024	16,535	16,535

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.

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 RM58,973,000 (2023: RM39,728,000) representing the outstanding banking facilities of the subsidiaries and joint ventures 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' and joint ventures' secured loans.

As at the end of the reporting period, there was no indication that the subsidiaries and joint ventures 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 2023	(3,878)	(3,878)
Net remeasurement of loss allowance	(9)	(9)
At 31 December 2023/1 January 2024	(3,887)	(3,887)
Net remeasurement of loss allowance	(18)	(18)
At 31 December 2024	(3,905)	(3,905)

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 2023	(10,172)	(10,172)
Net remeasurement of loss allowance	(36,993)	(36,993)
Written off of debt	1,966	1,966
At 31 December 2023/1 January 2024	(45,199)	(45,199)
Net remeasurement of loss allowance	(34,436)	(34,436)
At 31 December 2024	(79,635)	(79,635)

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.

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:

2024	Carrying amount RM'000	Contractual interest rate/ Discount rate	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
Group							
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
Company							
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	-	-	-

29. FINANCIAL INSTRUMENTS (CONTINUED)

29.5 Liquidity risk (continued)

Maturity analysis (continued)

2023	Carrying amount RM'000	Contractual interest rate/ Discount rate	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
Group							
Non-derivative financial liabilities							
Term loans (secured)	380	4.51 – 10.06%	380	320	60	-	-
Term loans (unsecured)	3,023	3.85 – 13.50%	3,023	570	2,453	-	-
Finance lease liabilities	13,528	1.13 – 8.03%	14,361	3,934	9,218	1,206	3
Bankers' acceptance (unsecured)	6,163	3.76 – 4.94%	6,163	6,163	-	-	-
Revolving credits	31,500	6.12%	33,428	33,428	-	-	-
Lease liabilities	5,576	5.32 – 7.00%	5,576	1,868	866	2,842	-
Trust receipts (unsecured)	3,520	8.20%	3,520	3,520	-	-	-
Trade and other payables	102,061	-	102,061	96,862	3,065	2,134	-
	165,751		168,512	146,665	15,662	6,182	3
Company							
Non-derivative financial liabilities							
Financial guarantees	-	-	39,728	39,728	-	-	-
Revolving credits	31,500	6.12%	33,428	33,428	-	-	-
Trade and other payables	3,268	-	3,268	3,268	-	-	-
	34,768		76,424	76,424	-	-	-

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						
2024	**SGD RM'000**	**USD RM'000**	**LKR RM'000**	**INR RM'000**	**GBP RM'000**	**VND RM'000**	**AUD RM'000**
Group							
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)	-	-	-	-
Net exposure	50,339	7,874	3,708	1,835	27,742	137	24
2023							
Group							
Trade receivables	-	2,230	-	924	171	-	-
Cash and cash equivalents	51,655	3,910	3,616	235	27,211	705	14,900
Trade payables	-	-	(18)	-	-	-	-
Net exposure	51,655	6,140	3,598	1,159	27,382	705	14,900

Notes to the Financial Statements

29. FINANCIAL INSTRUMENTS (CONTINUED)

29.6 Market risk (continued)

29.6.1 Currency risk (continued)

Currency risk sensitivity analysis

Foreign currency risk arises from Group entities which have Ringgit Malaysia as functional currency. The exposure to currency risk of Group entities which do not have a Ringgit Malaysia functional currency is not material and hence, sensitivity analysis is not performed.

A 10 percent 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	
	2024 RM'000	2023 RM'000
SGD	(3,826)	(3,926)
USD	(598)	(467)
LKR	(282)	(273)
INR	(139)	(88)
GBP	(2,108)	(2,081)
VND	(10)	(54)
AUD	(2)	(1,132)
	(6,965)	(8,021)

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.

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	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Floating rate instruments				
Financial assets	81,401	135,515	183,834	244,371
Financial liabilities	(26,426)	(19,104)	-	-
	54,975	116,411	183,834	244,371
Floating rate instruments				
Financial assets	-	20,364	-	-
Financial liabilities	(49,779)	(44,806)	(31,200)	(31,500)
	(49,779)	(24,442)	(31,200)	(31,500)

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 Profit or loss		Company Profit or loss	
	100 bp increase RM'000	100 bp decrease RM'000	100 bp increase RM'000	100 bp decrease RM'000
2024				
Floating rate instruments	(378)	378	(237)	237
2023				
Floating rate instruments	(186)	186	(239)	239

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% (2023: 10%) strengthening on the share price at the end of the reporting period would have increased post-tax profit or loss by RM4,157,000 (2023: RM2,872,000) for investments classified as fair value through profit or loss. A 10% (2023: 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.

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.

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value	Carrying amount
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total		
2024	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group										
Financial assets										
Other investments	54,692	6,491	2,500	63,683	-	-	-	-	63,683	63,683
Financial liabilities										
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)
Company										
Financial assets										
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)

2023	Fair value of financial instruments carried at fair value Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Fair value of financial instruments not carried at fair value Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Total fair value RM'000	Carrying amount RM'000
Group										
Financial assets										
Other investments	37,783	6,239	5,000	49,022	-	-	-	-	49,022	49,022
Financial liabilities										
Term loans (secured)	-	-	-	-	-	-	(354)	(354)	(354)	(380)
Term loans (unsecured)	-	-	-	-	-	-	(2,794)	(2,794)	(2,794)	(3,023)
Finance lease liabilities	-	-	-	-	-	-	(13,106)	(13,106)	(13,106)	(13,528)
	-	-	-	-	-	-	(16,254)	(16,254)	(16,254)	(16,931)
Company										
Financial assets										
Other investments	37,783	-	-	37,783	-	-	-	-	37,783	37,783

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:

	2024	2023
Group		
Finance lease liabilities	2.76%	2.95%

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 2024 and at 31 December 2023 were as follows:

	Group	
	2024 RM'000	2023 RM'000
Total loans and borrowings (Note 18)	63,482	58,334
Lease liabilities	12,724	5,576
Less: Cash and cash equivalents (Note 15)	(143,669)	(155,793)
Net cash	(67,463)	(91,883)
Total equity	420,573	396,595
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 21).

Transactions with key management personnel

Key management personnel compensation

Key management personnel compensation is disclosed in Note 21.

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 2024 RM'000	2023 RM'000
Group		
Director		
- profit guarantee	-	11,100
Company		
Subsidiaries		
- interest income	2,594	2,710
- waiver of debts	-	25,160
Joint Venture		
- dividend income	3,000	2,500

32. MATERIAL LITIGATIONS

The material litigations of the Group and the Company at the end of the reporting period are summarised as below:

	Note	2024 RM'000	2023 RM'000
Litigation			
Group			
- Claims related to breach of contract	32.1	173,980	173,980
- Counterclaims from defendants	32.2	31,609	32,468
- Claims related to outstanding payment, variation works carried out, and retention sum payable	32.3	-	5,300
- Claims related to profit guarantee shortfall	32.4	10,636	10,636
Company			
- Claims related to profit guarantee shortfall	32.4	10,636	10,636

Notes to the Financial Statements

32. MATERIAL LITIGATIONS (CONTINUED)

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.

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 subsidiary was defending a legal suit filed by a sub-contractor. While liability was not admitted, if defence against the suit was unsuccessful, the estimated losses to be incurred by the subsidiary could amount to RM5,299,764.

Based on the legal advice, both parties have reached an amicable settlement through the court assisted mediation and a Consent Judgment is entered on 13 June 2024. A total of RM2,121,443 has been paid by the subsidiary to the plaintiff for the settlement of this suit.

32.4 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.

33. MATERIAL ACQUISITION OF SUBSIDIARY AND NON-CONTROLLING INTERESTS

Acquisition of subsidiary – SPH Dental Sdn. Bhd.

Bloom Healthcare Group Sdn. Bhd. (formerly known as Salcon Smile Sdn. Bhd.) ("Bloom Healthcare Group"), a 90%-owned subsidiary of the Company, 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. Following the acquisition, SPH Dental became a 63% indirect-owned subsidiary of the Company.

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.

33. MATERIAL ACQUISITION OF SUBSIDIARY AND NON-CONTROLLING INTERESTS (CONTINUED)

Acquisition of subsidiary – SPH 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.

	Group 2024 RM'000
Fair value of consideration transferred	
Cash and cash equivalents	4,280
Contingent consideration	2,735
Put option	667
	7,682
Identifiable assets acquired and liabilities assumed	
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
Net cash outflow arising from acquisition of subsidiary	
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
Goodwill	
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 assets and liabilities of the acquiree	699
Goodwill upon acquisition	6,490

Notes to the Financial Statements

33. MATERIAL ACQUISITION OF SUBSIDIARY AND NON-CONTROLLING INTERESTS (CONTINUED)

Acquisition of subsidiary – SPH Dental Sdn. Bhd. (continued)

Contingent consideration

The Group has agreed to pay the selling shareholders in 2 years' time additional consideration of RM 3,000,000 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.

Acquisition of subsidiary – Sigma Dental Laboratory Sdn. Bhd.

SPH Healthcare & Wellness Sdn. Bhd. ("SPHHW"), a 63% indirect-owned subsidiary of the Company, had on 2 August 2024, entered into a conditional share sale agreement with LYC Dental Group Sdn. Bhd. for the proposed acquisition by SPHHW of 600 ordinary shares ("Shares") in Sigma Dental Laboratory Sdn. Bhd. ("Sigma Dental"), representing 60% equity interest in Sigma Dental, for a purchase consideration of RM380,000, to be satisfied entirely in cash. Subsequently, upon completion of the transaction, the Shares were transferred to Bloom Healthcare Group Sdn. Bhd., a 90%-owned subsidiary of the Company, on 7 November 2024. Following the transfer, Sigma Dental became a 54% indirectly-owned subsidiary of the Company.

The contribution of revenue and profit after tax from this subsidiary from 2 August 2024 to 31 December 2024 was RM490,000 and RM323,000 respectively. If the acquisition has occurred on 1 January 2024, management estimates that consolidated revenue would have been RM299,108,000 and consolidated profit for the financial year would have been RM17,179,000.

The principal business activities of Sigma Dental are to operate a dental laboratory business 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 2024 RM'000
Fair value of consideration transferred	
Cash and cash equivalents	380
Identifiable assets acquired and liabilities assumed	
Property, plant and equipment	435
Prepayments	10
Other receivables	151
Cash and cash equivalents	46
Trade and other payables	(521)
Loans and borrowings	(167)
Total identifiable net liabilities	(46)
Net cash outflow arising from acquisition of subsidiary	
Purchase consideration settled in cash and cash equivalents	380
Cash and cash equivalents acquired	(46)
	334

33. MATERIAL ACQUISITION OF SUBSIDIARY AND NON-CONTROLLING INTERESTS (CONTINUED)

Acquisition of subsidiary – Sigma Dental Laboratory Sdn. Bhd. (continued)

	Group 2024 RM'000
Goodwill	
Total consideration transferred	380
Fair value of identifiable net liabilities	46
Non-controlling interests, based on their proportionate interest in the recognised amounts of the asset and liabilities of the acquiree	(21)
Goodwill upon acquisition	405

Acquisition of subsidiary – Kee Vee Dental Laboratory

SPH Healthcare & Wellness Sdn. Bhd. ("SPHHW"), a 63% indirect-owned subsidiary of the Company, had on 2 August 2024, entered into a conditional share sale agreement with Arete Group Sdn. Bhd. for the proposed acquisition by SPHHW of 70 ordinary shares ("Shares") in Kee Vee Dental Laboratory Sdn. Bhd. ("Kee Vee Dental"), representing 70% equity interest in Kee Vee Dental, for a purchase consideration of RM520,000, to be satisfied entirely in cash. Subsequently, upon completion of the transaction, the shares were transferred to Bloom Healthcare Dental (Northern) Sdn. Bhd., a 76.50% indirect-owned subsidiary of the Company, on 5 December 2024. Following the transfer, Kee Vee Dental became a 53.55% indirect-owned subsidiary of the Company.

The contribution of revenue and profit after tax from this subsidiary from 2 August 2024 to 31 December 2024 was RM243,000 and RM24,000 respectively. If the acquisition has occurred on 1 January 2024, management estimates that consolidated revenue would have been RM299,072,000 and consolidated profit for the financial year would have been RM16,881,000.

The principal business activities of Kee Vee Dental include manufacture of medical and dental instrument and supplies.

Notes to the Financial Statements

33. MATERIAL ACQUISITION OF SUBSIDIARY AND NON-CONTROLLING INTERESTS (CONTINUED)

Acquisition of subsidiary – Kee Vee Dental Laboratory (continued)

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
Fair value of consideration transferred	
Cash and cash equivalents	520
Identifiable assets acquired and liabilities assumed	
Property, plant and equipment	128
Trade receivables	82
Other receivables	50
Cash and cash equivalents	24
Trade payable	(8)
Directors' Accounts	(80)
Accruals	(45)
Loans and borrowings	(58)
Total identifiable net assets	93
Net cash outflow arising from acquisition of subsidiary	
Purchase consideration settled in cash and cash equivalents	520
Cash and cash equivalents acquired	(24)
	496
Goodwill	
Total consideration transferred	520
Fair value of identifiable net assets	(93)
Non-controlling interests, based on their proportionate interest in the recognised amounts of the asset and liabilities of the acquiree	43
Goodwill upon acquisition	470

Acquisition of subsidiary – Wagas Group Sdn. Bhd.

Bloom Healthcare Dental (Central) Sdn. Bhd. (formerly known as Lotus Pinnacle Sdn. Bhd.) ("Bloom Healthcare Dental (Central)"), a 63%-owned subsidiary of the Company, had on 7 August 2024, entered into a conditional share sale agreement with Dr. Khairul Nazri Bin Mohd Ali and Dr. Khairol Salleh Bin Mokhtar for the proposed acquisition by Bloom Healthcare Dental (Central) of 100,000 ordinary shares in Wagas Group Sdn. Bhd. ("Wagas Group"), representing 100% equity interest in Wagas Group, for a purchase consideration of RM180,000, to be satisfied entirely in cash. Following the acquisition, Wagas Group became a 63% indirect-owned subsidiary of the Company.

33. MATERIAL ACQUISITION OF SUBSIDIARY AND NON-CONTROLLING INTERESTS (CONTINUED)

Acquisition of subsidiary – Wagas Group Sdn. Bhd. (continued)

The contribution of revenue and profit loss after tax from this subsidiary from 7 August 2024 to 31 December 2024 was RM89,000 and RM3,000 respectively. If the acquisition has occurred on 1 January 2024, management estimates that consolidated revenue would have been RM298,747,000 and consolidated profit for the financial year would have been RM16,909,000.

The principal business activities of Wagas Group are to provide dental and dental 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 2024 RM'000
Fair value of consideration transferred	
Cash and cash equivalents	180
Identifiable assets acquired and liabilities assumed	
Property, plant and equipment	234
Other receivables	24
Cash and cash equivalents	82
Trade and other payables	(49)
Amount due to related Company	(185)
Loans and borrowings	(25)
Total identifiable net assets	81
Net cash outflow arising from acquisition of subsidiary	
Purchase consideration settled in cash and cash equivalents	180
Cash and cash equivalents acquired	(82)
	98
Goodwill	
Total consideration transferred	180
Fair value of identifiable net assets	(81)
Non-controlling interests, based on their proportionate interest in the recognised amounts of the assets and liabilities of the acquiree	30
Goodwill upon acquisition	129

Notes to the Financial Statements

34. SIGNIFICANT EVENTS

Significant events during the year are as follows:

34.1 Incorporation of subsidiaries in Healthcare Division

The Group incorporated several subsidiaries as part of its ongoing expansion strategy in the Healthcare Division. These incorporations were not material to the Group and did not have a significant impact on the Group's consolidated financial position or results for the current period.

A total of 16 subsidiaries were incorporated, all of which are involved in businesses related to provision of healthcare, wellness, and its related activities. The effective ownership interest in each subsidiary varies, with the total consideration for these incorporations being very minimal.

As these incorporations are not material, their impact on the Group's financial position and results is not separately disclosed, but they are consolidated into the Group's financial statements as of their respective incorporation dates.

34.2 Acquisition of SPH Dental Sdn. Bhd.

Bloom Healthcare Group Sdn. Bhd. (formerly known as Salcon Smile Sdn. Bhd.) ("Bloom Healthcare Group"), a 90%-owned subsidiary of the Company, 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. Following the acquisition, SPH Dental became a 63% indirect-owned subsidiary of the Company.

The principal business activity of SPH Dental is the provision of dental services.

34.3 Acquisition of Kee Vee Dental Laboratory Sdn. Bhd.

SPH Healthcare & Wellness Sdn. Bhd. ("SPHHW"), a 63% indirect-owned subsidiary of the Company, had on 2 August 2024, entered into a conditional share sale agreement with Arete Group Sdn. Bhd. for the proposed acquisition by SPHHW of 70 ordinary shares ("Shares") in Kee Vee Dental Laboratory Sdn. Bhd. ("Kee Vee Dental"), representing 70% equity interest in Kee Vee Dental, for a purchase consideration of RM520,000, to be satisfied entirely in cash. Subsequently, upon completion of the transaction, the shares were transferred to Bloom Healthcare Dental (Northern) Sdn. Bhd., a 76.50% indirect-owned subsidiary of the Company, on 5 December 2024. Following the transfer, Kee Vee Dental became a 53.55% indirect-owned subsidiary of the Company.

The principal business activities of Kee Vee Dental include manufacture of medical and dental instrument and supplies.

34.4 Acquisition of Sigma Dental Laboratory Sdn. Bhd.

SPH Healthcare & Wellness Sdn. Bhd. ("SPHHW"), a 63% indirect-owned subsidiary of the Company, had on 2 August 2024, entered into a conditional share sale agreement with LYC Dental Group Sdn. Bhd. for the proposed acquisition by SPHHW of 600 ordinary shares ("Shares") in Sigma Dental Laboratory Sdn. Bhd. ("Sigma Dental"), representing 60% equity interest in Sigma Dental, for a purchase consideration of RM380,000, to be satisfied entirely in cash. Subsequently, upon completion of the transaction, the shares were transferred to Bloom Healthcare Group Sdn. Bhd., a 90%-owned subsidiary of the Company, on 7 November 2024. Following the transfer, Sigma Dental became a 54% indirectly-owned subsidiary of the Company.

The principal business activities of Sigma Dental are to operate a dental laboratory business and its related services.

34. SIGNIFICANT EVENTS (CONTINUED)

34.5 Dissolution of Integrated Water Services (M) Sdn. Bhd.

On 10 July 2024, Integrated Water Services (M) Sdn. Bhd., a 51%-owned subsidiary of the Company, has been dissolved and the name of Integrated Water Services (M) Sdn. Bhd. has been struck off the register of companies.

35. SUBSEQUENT EVENTS

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.

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.

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.

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.

Proposed Acquisition of Tria Dental

In April 2025, Bloom Healthcare Dental (Northern) Sdn. Bhd. ("BHDN" or the "Purchaser"), an indirect 85%-owned subsidiary of Bloom Healthcare Group Sdn. Bhd. ("BHG"), which in turn is a direct 90%-owned subsidiary of the Company has entered into a conditional share sale agreement ("Tria Dental SSA") with Freeda Woon Binti Faiza Woon Tai Keat, Chay Siew Han and Brenda Sim Pei Ling (collectively, the "Tria Dental Vendors" or the "Tria Dental Grantees") for the proposed acquisition by BHDN of 703 ordinary shares in Tria Dental Group Sdn. Bhd. ("Tria Dental") ("Tria Dental Share(s)"), representing 70% equity interest in Tria Dental, for a purchase consideration of RM3,696,000 to be satisfied entirely via cash.

Notes to the Financial Statements

35. SUBSEQUENT EVENTS (CONTINUED)

Proposed Acquisition of Tria Dental (continued)

A put option agreement (“Tria Dental Put Option Agreement”) with the Tria Dental Grantees wherein the Purchaser agrees to grant an option (“Tria Dental Put Option”) in favour of the Tria Dental Grantees for the remaining 300 Tria Dental Shares, representing the remaining 30% equity interest in Tria Dental.

Proposed Acquisition of WS Dental

In April 2025, Bloom Healthcare Dental (Northern) Sdn. Bhd. (“BHDN” or the “Purchaser”), an indirect 85%-owned subsidiary of Bloom Healthcare Group Sdn. Bhd. (“BHG”), which in turn is a direct 90%-owned subsidiary of the Company has entered into a conditional share sale agreement (“WS Dental SSA”) with Kenneth Wong Pak Ken and Brenda Sim Pei Ling (“WS Dental Grantee”) (collectively, the “WS Dental Vendors”) for the proposed acquisition by BHDN of 42,000 ordinary shares in WS Dental Group Sdn. Bhd. (“WS Dental”) (“WS Dental Share(s)”), representing 70% equity interest in WS Dental, for a purchase consideration of RM6,160,000 to be satisfied entirely via cash.

A put option agreement (“WS Dental Put Option Agreement”) with the WS Dental Grantee wherein the Purchaser agrees to grant an option (“WS Dental Put Option”) in favour of the WS Dental Grantee for the remaining 18,000 WS Dental Shares, representing the remaining 30% equity interest in WS Dental.

36. COMPARATIVE FIGURES

Certain comparatives figures of the Group and of the Company have been reclassed to conform with current year's presentation.

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 133 to 224 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 2024 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:

Tan Sri Dato' Tee Tiam Lee
Director

Dato' Leong Kok Wah
Director

Kuala Lumpur

Date: 29 April 2025

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 133 to 224 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 29 April 2025.

Leong Yi Shen

Before me:

Balwant Singh
(W857)
Commissioner for Oaths
Kuala Lumpur

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 2024 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 133 to 224.

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 2024, 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"), 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.

Revenue from construction contracts	
Refer to Note 20 - Revenue	
The key audit matter	**How the matter was addressed in our audit**
The Group had a revenue of RM230 million from construction contracts for the year ended 31 December 2024. 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.	We performed the following audit procedures, among others: • 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; • Read board of directors' meetings on the progress of the projects and compared the status of the projects to the financial records; • Obtained and agreed the contract sums, variation orders and extension of time to supporting documentations; and • Discussed with management and compared the stage of completion to supporting documents and acceptance of billings by customers.

Independent Auditors' Report

to the Members of Salcon Berhad (Company No. 200201026133 (593796-T)) (Incorporated in Malaysia)

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.

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.

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- 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.

- 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.

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: 29 April 2025

Particulars of Group Properties

The properties of the Group as at 31 December 2024 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	45 years	15/03/2002	721
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	19 years	23/01/2013	844
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	19 years	23/01/2013	844
SPH Dental Sdn. Bhd.	Lot No. 570 & 571, No.15, Jalan Thamboosamy, 50350 Kuala Lumpur	323 sq. metres of 4½ storey intermediate commercial building	41 years	30/04/2024	3,960
					6,369

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	5,780
					5,780

Particulars of Group Properties

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	15 years	22/10/2009	89
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	14 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	14 years	1/11/2011	367
Envitech Sdn. Bhd.	Ukay Perdana Shoplot as Lot No. SB-SG16	920 sq. ft. of intermediate shop	14 years	10/11/2011	284
Envitech Sdn. Bhd.	Ukay Perdana Shoplot as Lot No. SB-SG18	920 sq. ft. of intermediate shop	14 years	10/11/2011	298
Envitech Sdn. Bhd.	Ukay Perdana Shoplot as Lot No. SB-SG20	920 sq. ft. of intermediate shop	14 years	10/11/2011	298
Envitech Sdn. Bhd.	Ukay Perdana Shoplot as Lot No. SB-SG21	920 sq. ft. of intermediate shop	14 years	10/11/2011	284
Envitech Sdn. Bhd.	Ukay Perdana Shoplot as Lot No. SB-SG23	920 sq. ft. of intermediate shop	14 years	10/11/2011	473
Envitech Sdn. Bhd.	Ukay Perdana Shoplot as Lot No. SA-0106	920 sq. ft. of intermediate shop	14 years	10/11/2011	306
Envitech Sdn. Bhd.	Ukay Perdana Shoplot as Lot No. SB-0111	920 sq. ft. of intermediate shop	14 years	10/11/2011	406
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	12 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	12 years	22/11/2012	372

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 10, Lot 152 Ground Floor, Block E Shop & Office At Pulau Melaka	1,300 sq. ft. of intermediate shop	12 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	12 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	12 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	12 years	22/11/2012	338
Envitech Sdn. Bhd.	Unit No. Parcel 27-1, Lot 329 (55-1), 1st Floor, Block U Shop & Office At Pulau Melaka	3,007 sq. ft. of corner shop	12 years	22/11/2012	301
Envitech Sdn. Bhd.	Unit No. Parcel 28-1, Lot 315 (41-1), 1st Floor, Block S Shop & Office At Pulau Melaka	2,626 sq. ft. of corner shop	12 years	22/11/2012	323
Envitech Sdn. Bhd.	Unit No. Parcel 21-1, Lot 338 (84-1), 1st Floor, Block W Shop & Office At Pulau Melaka	2,885 sq. ft. of corner shop	12 years	22/11/2012	289
Envitech Sdn. Bhd.	Unit No. Parcel 61-2A, Lot 207 (191-2A), 2nd Floor, Block J Shop & Office At Pulau Melaka	1,531 sq. ft. of corner shop	12 years	22/11/2012	201
Envitech Sdn. Bhd.	Unit No. Parcel 61-2B, Lot 207 (191-2B), 2nd Floor, Block J Shop & Office At Pulau Melaka	1,418 sq. ft. of corner shop	12 years	22/11/2012	136
Salcon Engineering Berhad	B-PH-07, Casa Subang, Service Apartment Subang USJ 1	1,555 sq. ft. of service apartment	16 years	31/12/2015	550
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	19 years	28/02/2021	580
					7,810

Particulars of Group Properties

LAND HELD FOR PROPERTY DEVELOPMENT

Company	Location/Address	Size & Usage	Approximate Age of Building	Date of Acquisition/ Revaluation	NBV RM'000
Nusantara Megajuta Sdn. Bhd.	H.S.(D) 482930, No P.T.B. 22841, Bandar Johor Bahru, Daerah Johor Bahru, Johor Darul Ta'zim	10,077 sq. metres	99 years leasehold expiring on 7/6/2109	14/10/2014	20,390
Nusantara Megajuta Sdn. Bhd.	H.S.(D) 482931, No P.T.B. 22842, Bandar Johor Bahru, Daerah Johor Bahru, Johor Darul Ta'zim	41,399 sq. metres	99 years leasehold expiring on 7/6/2109	14/10/2014	86,611
					107,001

Analysis of Shareholdings and Warrantholdings as at 2 April 2025

I. Analysis of Shareholdings

Number of issued shares : 1,035,440,558 ordinary shares (including 322,768 treasury shares held)
Class of shares : Ordinary share
Voting rights: : 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	4,374	207,591	0.020
100 – 1,000	1,588	488,541	0.047
1,001 – 10,000	2,807	14,227,762	1.374
10,001 – 100,000	3,584	113,187,055	10.934
100,001 – less than 5% of issued shares	607	628,559,212	60.723
5% and above of issued shares	3	278,447,629	26.900
Total	12,963	1,035,117,790	100.000

List of Substantial Shareholders

Name of Substantial Shareholders	Direct Interest		Indirect Interest	
	No. of Shares	Percentage of Issued Shares (%)@	No. of Shares	Percentage of Issued Shares (%)@
Naga Muhibah Sdn. Bhd.	101,162,369	9.773	-	-
Tan Sri Dato' Tee Tiam Lee	58,545,017	5.656	68,430,260(1)	6.611
Datin Goh Phaik Lynn	-	-	454,929(2)	0.044
			5,459,250(4)	0.527
			101,162,369(5)	9.773
Dato' Leong Kok Wah	5,459,250	0.527	454,929(2)	0.044
			101,162,369(3)	9.773
Tee Xun Hao	236,563	0.023	68,430,260(1)	6.611
Infra Tropika Sdn. Bhd.	68,430,260	6.611	-	-
Berjaya Corporation Berhad	-	-	180,946,000(6)	17.481
Berjaya Group Berhad	-	-	180,946,000(7)	17.481
Bizurai Bijak (M) Sdn. Bhd.	-	-	122,156,000(8)	11.801
Juara Sejati Sdn. Bhd.	29,400,000	2.840	151,546,000(9)	14.640
Berjaya Capital Berhad	-	-	122,156,000(10)	11.801
Inter-Pacific Capital Sdn. Bhd.	112,813,000	10.899	9,343,000(11)	0.903

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

Analysis of Shareholdings and Warrantholdings as at 2 April 2025

(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 shareholding in Naga Muhibah Sdn. Bhd. pursuant to Section 8 of the Companies Act, 2016.
(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 Inter-Pacific Credits Sdn. Bhd. and the holding company of 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..
(8) Deemed interested by virtue of their interest in Berjaya Capital Berhad, the intermediate holding company of Inter-Pacific Credits Sdn. Bhd. and the holding company of Inter-Pacific Capital Sdn. Bhd..
(9) Deemed interested by virtue of their interest in REDtone Digital Berhad and Berjaya Capital Berhad, the intermediate holding company of Inter-Pacific Credits Sdn. Bhd. and the holding company of Inter-Pacific Capital Sdn. Bhd..
(10) Deemed interested by virtue of their interest in Inter-Pacific Capital Sdn. Bhd., the holding company of Inter-Pacific Credits Sdn. Bhd. and their 100% equity interest in Inter-Pacific Capital Sdn. Bhd..
(11) Deemed interested by virtue of their 100% equity interest in Inter-Pacific Credits Sdn. Bhd..

List of 30 Largest Shareholders

No.	Name of Shareholders	No. of Shares	Percentage of Issued Shares (%)[@]
1	AMSEC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR INTER-PACIFIC CAPITAL SDN. BHD.	108,855,000	10.516
2	NAGA MUHIBAH SDN. BHD.	101,162,369	9.773
3	INFRA TROPIKA SDN. BHD.	68,430,260	6.610
4	INTER-PACIFIC EQUITY NOMINEES (TEMPATAN) SDN. BHD. EXEMPT AN FOR BERJAYA MUTUAL BERHAD	51,480,000	4.973
5	LEE THIAM LAI	43,900,023	4.241
6	TAN HENG TA	38,873,582	3.755
7	TAN SRI DATO' TEE TIAM LEE	38,815,090	3.749
8	KONG HON KONG	35,321,972	3.412
9	INTER-PACIFIC EQUITY NOMINEES (TEMPATAN) SDN. BHD. BERJAYA MUTUAL BERHAD FOR AMANAH RAYA BERHAD FOR COMMON FUND	34,485,000	3.331
10	CIMB GROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR JUARA SEJATI SDN. BHD. (LSF-C2-URC)	29,400,000	2.840
11	ONG AUN KUNG	23,261,971	2.247
12	RHB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN SRI DATO' TEE TIAM LEE	19,729,927	1.906
13	AMANAH RAYA BERHAD KUMPULAN WANG BERSAMA SYARIAH	17,000,000	1.642
14	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR REDTONE DIGITAL BERHAD	14,930,000	1.442
15	REDTONE DIGITAL BERHAD	14,432,000	1.394
16	TENG LI LING	11,203,575	1.082
17	CHIN CHIN SEONG	9,774,837	0.944
18	PEMBINAAN PUNCA CERGAS SDN. BHD.	9,558,351	0.923
19	UOB KAY HIAN NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TEO SIEW LAI	9,397,525	0.907
20	INTER-PACIFIC EQUITY NOMINEES (TEMPATAN) SDN. BHD. INTER-PACIFIC CREDITS SDN. BHD.	9,343,000	0.902
21	LOW KHEK HENG @ LOW CHOON HUAT	6,375,841	0.615
22	RHB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR DATO' LEONG KOK WAH	5,459,250	0.527

Analysis of Shareholdings and Warrantholdings as at 2 April 2025

List of 30 Largest Shareholders

No.	Name of Shareholders	No. of Shares	Percentage of Issued Shares (%)
23	CHIN CHIN SEONG	4,843,331	0.467
24	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. EXEMPT AN FOR OCBC SECURITIES PRIVATE LIMITED (CLIENT A/C-R ES)	3,843,181	0.371
25	GOH ENG TOON	3,487,852	0.336
26	AMSEC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR QUEK SEE KUI	3,271,239	0.316
27	MIDF AMANAH INVESTMENT NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR U TELEMEDIA SDN. BHD. (MGN-UTS0001M)	3,000,000	0.289
28	OOI CHENG SWEE @ WEE KWEE SWEE	2,995,003	0.289
29	RHB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR WONG TOW FOCK	2,900,000	0.280
30	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. MAYBANK PRIVATE WEALTH MANAGEMENT FOR JFCB HOLDINGS SDN. BHD. (PW-M01104) (424042)	2,818,120	0.272
Total		**728,348,299**	**70.363**

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 (%)@	No. of Shares	Percentage of Issued Shares (%)@
Tan Sri Abdul Rashid Bin Abdul Manaf	-	-	-	-
Tan Sri Dato' Tee Tiam Lee	58,545,017	5.656	68,666,823(1)	6.634
Dato' Leong Kok Wah	5,459,250	0.527	454,929(2)	0.044
	-	-	101,162,369(3)	9.773
Datin Goh Phaik Lynn	-	-	454,929(2)	0.044
	-	-	5,459,250(4)	0.527
	-	-	101,162,369(5)	9.773
Chan Seng Fatt	-	-	-	-
Dato' Rosli Bin Mohamed Nor	-	-	-	-

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 shareholding in Naga Muhibah Sdn. Bhd. pursuant to Section 8 of the Companies Act, 2016

Analysis of Shareholdings and Warrantholdings as at 2 April 2025

II. Analysis of Warrantholdings

Number of outstanding Warrant B	: 313,539,740
Exercise price	: RM0.30
Exercise period	: 20 July 2018 to 19 July 2025
Exercise rights	: Each warrant entitles the holder to subscribe for one new ordinary share in the Company
Voting rights	: Not entitled to voting rights*

* Warrantholders are not entitled to any voting rights except for the events of winding-up, compromise or arrangement of the Company as set out in the Deed Poll dated 29 June 2018.

Distribution of Warrantholdings

Size of Warrantholdings	Number of Warrantholders	Number of Warrants	Percentage of Outstanding Warrants (%)
Less than 100	2,971	111,156	0.035
100 – 1,000	718	302,263	0.096
1,001 – 10,000	2,345	9,463,865	3.018
10,001 – 100,000	1,296	43,883,500	13.996
100,001 – less than 5% of outstanding warrants	397	218,587,366	69.716
5% and above of outstanding warrants	2	41,191,590	13.137
Total	7,729	313,539,740	100.000

List of 30 Largest Warrantholders

No.	Name of Warrantholders	No. of Warrants	Percentage of Outstanding Warrants (%)
1	INFRA TROPIKA SDN. BHD.	23,815,990	7.595
2	TAN SRI DATO' TEE TIAM LEE	17,375,600	5.541
3	NAGA MUHIBAH SDN. BHD.	12,500,000	3.986
4	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN. BHD. MAYBANK SECURITIES PTE LTD FOR WONG TOW FOCK	12,330,000	3.932
5	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. MOHAMED ADZMAN BIN MOHAMED SURA	9,050,000	2.886
6	UOB KAY HIAN NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TEO KWEE HOCK	4,200,000	1.339
7	UOB KAY HIAN NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TEO SIEW LAI	3,500,050	1.116
8	LEE CHI MEI	3,100,000	0.988
9	LEE CHI MEI	3,000,000	0.956
10	RHB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN SRI DATO' TEE TIAM LEE	3,000,000	0.956
11	TAN JIA XIN	3,000,000	0.956

Analysis of Shareholdings and Warrantholdings as at 2 April 2025

No.	Name of Warrantholders	No. of Warrants	Percentage of Outstanding Warrants (%)
12	MAYBANK NOMINEES (TEMPATAN) SDN. BHD. AZMAN BIN IBRAHIM	2,800,000	0.893
13	RHB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR WONG TOW FOCK	2,500,000	0.797
14	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHEW HUN SENG	2,307,600	0.735
15	KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR HO CHEE YAN (030)	2,300,011	0.733
16	TEOH SENG LEE	2,200,000	0.701
17	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN MOOI KIM (7001166)	2,003,200	0.638
18	LEE KHEE CHEK	2,000,000	0.637
19	RHB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TAN SHIOW PENG	1,980,000	0.631
20	YAN CHUN YEEN	1,927,000	0.614
21	RHB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR DATO’ LEONG KOK WAH	1,900,000	0.605
22	SOO AI LIN	1,900,000	0.605
23	WAN AHMAD SHAIPUDDIN BIN WAN IBRAHIM	1,862,500	0.594
24	MOHD RIZAL BIN MOHD HASHIM	1,750,000	0.558
25	KENANGA NOMINEES (TEMPATAN) SDN. BHD. CHIN KIAM HSUNG	1,700,000	0.542
26	LAW KING YONG	1,700,000	0.542
27	MALACCA SECURITIES SDN. BHD. IVT(017) TEAM MK01	1,700,000	0.542
28	LEE POH HUAT	1,684,800	0.537
29	AMSEC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR QUEK SEE KUI	1,638,500	0.522
30	CHAI MIN YEW	1,600,000	0.510
Total		**132,325,251**	**42.203**

Analysis of Shareholdings and Warrantholdings as at 2 April 2025

Directors' Warrantholdings

Name of Directors	Direct Interest: No. of Warrants	Direct Interest: Percentage of Issued Warrants (%)	Indirect Interest: No. of Warrants	Indirect Interest: Percentage of Issued Warrants (%)
Tan Sri Abdul Rashid Bin Abdul Manaf	-	-	-	-
Tan Sri Dato' Tee Tiam Lee	20,375,600	6.499	23,898,323(1)	7.622
Dato' Leong Kok Wah	1,900,000	0.606	132(2)	0.000
	-	-	12,500,000(3)	3.987
Datin Goh Phaik Lynn	-	-	132(2)	0.000
	-	-	1,900,000(4)	0.606
	-	-	12,500,000(5)	3.987
Chan Seng Fatt	-	-	-	-
Dato' Rosli bin Mohamed Nor	-	-	-	-

Notes:

(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 warrants held by child (Tee Xun Hao)

(2) Deemed interested through the warrants 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 warrants held by spouse (Dato' Leong Kok Wah) pursuant to Section 8 of the Companies Act, 2016

(5) Deemed interested through the shareholding in Naga Muhibah Sdn. Bhd. pursuant to Section 8 of the Companies Act, 2016

Notice of the Twenty-Second Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Twenty-Second ("**22nd**") Annual General Meeting ("**AGM**") of Salcon Berhad ("**Company**") will be held at Glenmarie Ballroom A, Glenmarie Hotel & Golf Resort, No. 1, Jalan Usahawan U1/8, Seksyen U1, 40250 Shah Alam, Selangor, Malaysia on Thursday, 12 June 2025 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 2024 together with the Reports of the Directors and Auditors thereon. ***[Please refer to Explanatory Note 1 on Ordinary Business]***

2. To approve the payment of Directors' fees of up to RM310,000 for the period immediately after the 22nd AGM until the next AGM of the Company to be held in 2026. [Ordinary Resolution 1] ***[Please refer to Explanatory Note 2 on Ordinary Business]***

3. To approve the payment of Directors' benefits of up to RM200,000 for the period immediately after the 22nd AGM until the next AGM of the Company to be held in 2026. [Ordinary Resolution 2] ***[Please refer to Explanatory Note 2 on Ordinary Business]***

4. To re-elect the following Directors who retire pursuant to Clause 76(3) of the Company's Constitution: ***[Please refer to Explanatory Note 3 on Ordinary Business]***

   (i) Tan Sri Abdul Rashid Bin Abdul Manaf [Ordinary Resolution 3]
   (ii) Dato' Rosli Bin Mohamed Nor [Ordinary Resolution 4]

5. To re-appoint Messrs KPMG PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. [Ordinary Resolution 5] ***[Please refer to Explanatory Note 4 on Ordinary Business]***

SPECIAL BUSINESS

To consider and, if deemed fit, to pass, with or without modifications, the following ordinary resolutions:

6. **APPROVAL TO CONTINUE IN OFFICE AS INDEPENDENT DIRECTOR** ***[Please refer to Explanatory Note 1 on Special Business]***

   "THAT approval be and is hereby given for Mr. Chan Seng Fatt who has served as an Independent Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Director of the Company and to hold office until the conclusion of the next Annual General Meeting of the Company." [Ordinary Resolution 6]

7. **AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016** ***[Please refer to Explanatory Note 2 on Special Business]***

   "THAT pursuant to Sections 75 and 76 of the Companies Act 2016 ("**Act**"), Bursa Malaysia Securities Berhad ("**Bursa Securities**") Main Market Listing Requirements ("**Listing Requirements**") 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 of offer ("**New Shares**") 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 of 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 ("**Proposed General Mandate**"). [Ordinary Resolution 7]

Notice of the Twenty-Second Annual General Meeting

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 3 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-Second 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 2025

Notice of the Twenty-Second Annual General Meeting

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 5 June 2025. 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) <u>In hard copy form</u>
   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) <u>By electronic form</u>
   In the case of an appointment made in electronic form, the proxy form can be electronically submitted to the Company's Share Registrar via TIIH Online website at https://tiih.online.

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.

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, 10 June 2025 at 10:30 a.m**.

Notice of the Twenty-Second Annual General Meeting

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 2024***

   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 the 22nd AGM up to the next AGM to be held in 2026, which are calculated based on the current Board size. In the event the proposed amount of the Directors' fees is insufficient (due to the enlarged Board size), approval will be sought at the next AGM for additional fees to meet the shortfall.

   The Directors' benefits under proposed Ordinary Resolution 2 comprises a fixed meeting allowance payable to Non-Executive Directors for attendance at the Board and/or Board Committee meetings and other benefits for 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 22nd AGM up to the next AGM to be held in 2026.

   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.

3. ***Ordinary Resolutions 3 and 4 – Re-election of Directors pursuant to Clause 76(3) of the Company's Constitution***

   Tan Sri Abdul Rashid Bin Abdul Manaf and Dato' Rosli Bin Mohamed Nor are standing for re-election as Directors of the Company ("**Retiring Directors**") and being eligible, have offered themselves for re-election at the 22nd 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 Annual Report 2024.

Notice of the Twenty-Second Annual General Meeting

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;
(ii) met the fit and proper criteria as set out in the Company's Fit and Proper Policy; and
(iii) level of independence demonstrated and confirmation of their independence that they have fulfilled the independence criteria as set out in Bursa Securities Listing Requirements.

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-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.

EXPLANATORY NOTES ON SPECIAL BUSINESS

1. ***Ordinary Resolution 6 – Approval to Continue in Office as Independent Director***

Pursuant to the MCCG, it is recommended that approval of shareholders be sought in the event the Company intends to retain an Independent Director who has served in that capacity for more than nine (9) years.

Mr. Chan Seng Fatt was appointed to the Board on 17 December 2014 as Independent Director. Hence, he has served for more than nine (9) years.

The NC and the Board had assessed the independence of Mr. Chan Seng Fatt and recommended him to continue to act as an Independent Non-Executive Director of the Company based on the following justification:

(i) he fulfilled the criteria of an Independent Director pursuant to Bursa Securities Listing Requirements;

(ii) he is familiar with the Company's business operations as he has been with the Company for a period of more than nine (9) years;

(iii) his long tenure with the Company has neither impaired nor compromised his independent judgement. He is free from any business or other relationships which could interfere with his exercise of independent judgement. He continues to remain objective and is able to exercise independent judgement in expressing his views and in participating in deliberations and decision making of the Board and Board Committees in the best interest of the Company;

(iv) he has devoted sufficient time and attention to his responsibilities as an Independent Non-Executive Director of the Company; and

(v) he has exercised due care during his tenure as an Independent Director of the Company and carried out his duties in the interest of the Company and shareholders.

The proposed Ordinary Resolution 6, if passed, will enable Mr. Chan Seng Fatt to continue to act as an Independent Non-Executive Director of the Company.

Notice of the Twenty-Second Annual General Meeting

2. ***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 21st AGM held on 13 June 2024 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 21st 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.

3. ***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 29 April 2025 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 22nd 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 2 on Special Business of this Notice.

Key Performance Indicators

Business Model and Innovation

Indicators	Unit of Measurement	2022	2023	2024
Customer's Satisfaction Score				
- Engineering and Construction (Water)	%	81.3%	67.5%	77.3%
- Engineering and Construction (Wastewater)	%	83.0%	77.5%	83.3%
- Transportation	%	85.0%	96.5%	90.0%
Supplier/Sub-con Evaluation Score				
- Engineering and Construction (Water)	%	90%	90%	87%
- Engineering and Construction (Water) Subcontractors	%	65%	64%	60%
- Engineering and Construction (Wastewater)	%	90%	90%	90%
- Technology Services	%	98%	90%	N/A
Number of new suppliers/sub-con were screened under *(Bursa S6, S7)*				
- Environment criterias	%	-	-	100%
- Social criterias	%	-	-	100%
Proportion of Spending on Local Suppliers *(Bursa c7(a))*				
- Engineering and Construction (Water)	%	99.5%	100%	100%
- Engineering and Construction (Wastewater)	%	100%	100%	100%
- Glove Manufacturing	%	-	100%	100%
- Technology Services	%	100.0%	97.4%	98.4%
- Transportation	%	100%	100%	100%
- Renewable Energy	%	100%	100%	100%

Leadership and Governance

Indicators*	Categories	Unit of Measurement	2022	2023	2024
Percentage of employees who have received training on anti-corruption by employee Category *(Bursa C1(a))*	Non-Executive	%	-	21	3.7
	Executive	%	-	58	23.5
	Manager	%	-	56	23.0
	Senior Manager and above	%	-	70	8.0
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	3	3	3
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	55	54	45

Notes:
1. '*' refers to Bursa Malaysia Common and/or Sector-specific Sustainability Matters.
2. '-' indicates the data is not available.

Key Performance Indicators

Human Capital

Indicators		2022 number	2022 %	2023 number	2023 %	2024 number	2024 %
i) Employee Count							
Total Employees		438	-	410	-	491	-
ii) Employee Diversity							
Employee Gender							
Male		278	63.5%	205	50.0%	298	60.7%
Female		160	36.5%	205	50.0%	193	39.3%
Employee Nationality							
Malaysia	Permanent	254	77.2%	242	72.9%	364	68.8%
	Contract	68	20.7%	69	20.8%	116	21.9%
	Part time	0	0.0%	0	0.0%	1	0.2%
	Intern/Protégé	7	2.1%	21	6.3%	48	9.1%
Thailand	Permanent	0	0.0%	1	50.0%	0	0.0%
	Contract	1	100.0%	1	50.0%	1	100.0%
Sri Lanka	Permanent	0	0.0%	5	100.0%	5	100.0%
	Contract	6	100.0%	0	0.0%	0	0.0%
India	Permanent	0	0.0%	0	0.0%	0	0.0%
	Contract	57	100.0%	47	100.0%	0	0.0%
Vietnam	Permanent	5	83.3%	4	100.0%	4	100.0%
	Contract	1	16.7%	0	0.0%	0	0.0%
Others	Permanent	0	0.0%	1	2.4%	40	50.0%
	Contract	46	100.0%	40	97.6%	40	50.0%
Total		**445**		**431**		**539**	
Ethnicity (Malaysia only)							
Malay		167	59.2%	112	35.8%	164	33.4%
Chinese		78	27.7%	75	24.0%	78	15.9%
Indian		30	10.6%	67	21.4%	80	16.3%
Others		7	2.5%	59	18.8%	169	34.4%
Total		**438**	**100.0%**	**313**	**100.0%**	**491**	**100.0%**
Age Group							
<30 yo		128	29.2%	124	30.3%	178	36.2%
30-49 yo		228	52.1%	206	50.2%	236	48.1%
>50 yo		82	18.7%	80	19.5%	77	15.7%
Total		**438**	**100.0%**	**410**	**100.0%**	**491**	**100.0%**

Key Performance Indicators

Indicators		2022 number	2022 %	2023 number	2023 %	2024 number	2024 %
Age Group by employment level *(Bursa C3(a))**							
Executives	<30 yo	30	22.1%	36	26.1%	42	28.2%
	30-49 yo	82	60.3%	76	55.1%	85	57.0%
	>50 yo	24	17.6%	26	18.8%	22	14.8%
Non-Executives	<30 yo	98	45.4%	88	46.8%	127	52.3%
	30-49 yo	98	45.4%	85	45.2%	100	41.2%
	>50 yo	20	9.3%	15	8.0%	16	6.5%
Manager	<30 yo	0	0.0%	0	0.0%	2	2.7%
	30-49 yo	36	69.2%	37	67.3%	51	68.9%
	>50 yo	16	30.8%	18	32.7%	21	28.4%
Senior Manager and above	<30 yo	0	0.0%	0	0.0%	0	0.0%
	30-49 yo	12	35.3%	8	27.6%	7	28.0%
	>50 yo	22	64.7%	21	72.4%	18	72.0%
Age Group by Employment Function							
Technical and Engineering	<30 yo	104	34.8%	100	34.8%	150	43.7%
	30-49 yo	156	52.2%	139	48.4%	149	43.5%
	>50 yo	39	13.0%	48	16.7%	44	12.8%
Corporate and Admin	<30 yo	23	16.4%	23	18.7%	24	16.2%
	30-49 yo	74	52.9%	68	55.3%	91	61.5%
	>50 yo	43	30.7%	32	26.0%	33	22.3%
Gender by Employment Level *(Bursa C3(b))**							
Executives	Male	65	47.8%	65	47.1%	71	47.3%
	Female	71	52.2%	73	52.9%	79	52.7%
Non-Executives	Male	154	71.3%	126	67.0%	171	70.7%
	Female	62	28.7%	62	33.0%	71	29.3%
Manager	Male	35	67.3%	36	65.5%	43	58.1%
	Female	17	32.7%	19	34.5%	31	41.9%
Senior Manager and above	Male	24	70.6%	22	75.9%	21	84.0%
	Female	10	29.4%	7	24.1%	4	16.0%
Total		**438**		**410**		**491**	
Gender by Employment Function							
Technical and Engineering	Male	232	77.9%	198	69.0%	246	72.1%
	Female	66	22.1%	89	31.0%	95	27.9%
Corporate and Admin	Male	45	32.1%	51	41.5%	60	40.0%
	Female	95	67.9%	72	58.5%	90	60.0%
Total		**438**		**410**		**491**	

Key Performance Indicators

Indicators		2022		2023		2024	
		number	%	number	%	number	%
Gender by Employment Type							
Permanent	Male	128	49.4%	123	48.6%	209	55.9%
	Female	131	50.6%	130	51.4%	165	44.1%
Contract/Temporary	Male	150	84.3%	128	81.5%	88	75.9%
	Female	28	15.7%	29	18.5%	28	24.1%
Part time	Male	0	0.0%	0	0.0%	0	0.0%
	Female	0	0.0%	0	0.0%	1	100.0%
Intern/Protégé	Male	1	14.3%	11	52.4%	21	43.8%
	Female	6	85.7%	10	47.6%	27	56.2%
Total		**444**		**431**		**539**	
Employees that are Contractors or Temporary Staff							
Percentage of employees that are contractors or temporary staff *(Bursa C6(b))**		179	40.9%	157	38.3%	117	23.8%
New Employees Recruited							
New employees recuited by gender	Male	97	59.5%	30	22.9%	64	43.8%
	Female	66	40.5%	101	77.1%	82	56.2%
New employees recruited by employee type	Permanent	83	50.9%	40	30.5%	132	68.0%
	Non-permanent	76	46.6%	70	53.4%	14	7.2%
	interns/protégé	4	2.5%	21	16.0%	48	24.7%
New employees recruited by age group	<30 yo	102	62.6%	96	73.3%	66	45.2%
	30-49 yo	58	35.6%	32	24.4%	72	49.3%
	>50 yo	3	1.8%	3	2.3%	8	5.5%
New employees recruited by country	Malaysia	117	71.8%	130	99.2%	146	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	46	28.2%	1	0.8%	0	0.0%
Employee Turnover Rate							
Total turnover		113	25.8%	120	29.3%	137	27.9%
Employee Turnover*							
Employee turnover by employment category *(Bursa C6(c))*	Non-Executive	67	59.3%	82	68.3%	101	73.7%
	Executive	32	28.3%	30	25.0%	28	20.5%
	Manager	13	11.5%	8	6.7%	4	2.9%
	Senior Manager and above	1	0.9%	0	0.0%	4	2.9%
Employee turnover by employment function	Technical and Engineering	78	69.0%	85	70.8%	117	85.4%
	Corporate and Admin	35	31.0%	35	29.2%	20	14.6%
Employee turnover by gender	Male	52	46.0%	38	31.7%	65	47.4%
	Female	61	54.0%	82	68.3%	72	52.6%

Key Performance Indicators

Indicators		2022 number	2022 %	2023 number	2023 %	2024 number	2024 %
Employee Turnover*							
Employee turnover by age group	<30 yo	60	56.6%	73	62.9%	80	58.4%
	30-49 yo	46	43.4%	43	37.1%	49	35.8%
	>50 yo	7	6.2%	4	3.3%	8	5.8%
Employee turnover by country	Malaysia	112	99.1%	120	100.0%	137	100.0%
	Thailand	0	0.0%	0	0.0%	0	0.0%
	Sri Lanka	1	0.9%	0	0.0%	0	0.0%
	Vietnam	0	0.0%	0	0.0%	0	0.0%
	India	0	0.0%	0	0.0%	0	0.0%
Senior management's locality	Malaysian	30	93.8%	27	77.1%	25	100.0%
	Non-Malaysian	2	6.3%	8	22.9%	0	0.0%
iii) Employee Attrition							
Total Attrition		113	25.8%	120	29.3%	137	27.9%
iv) Employee Retention							
Total Retention		162	37.0%	159	38.8%	208	42.4%
v) Board Diversity*							
Gender *(Bursa C3(b))*							
Male		5	83.3%	5	83.3%	5	83.3%
Female		1	16.7%	1	16.7%	1	16.7%
Total		6	100.0%	6	100.0%	6	100.0%
Age Group *(Bursa C3(b))*							
40-50 yo		0	0.0%	0	0.0%	0	0.0%
>50 yo		6	100.0%	6	100.0%	6	100.0%
Total		6	100.0%	6	100.0%	6	100.0%
Ethicity							
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%
Total		6	100.0%	6	100.0%	6	100.0%
vi) Training and Development*							
Training Hours and Participants[5]							
Total training hours		-	-	3,768	-	3,113	-
Total training hours by employee category *(Bursa C6(a))*	Executive	-	-	2,351	62.4%	1,798	57.8%
	Non-Executive	-	-	477	12.7%	218	7.0%
	Manager	-	-	684	18.2%	947	30.4%
	Senior Manager and above	-	-	256	6.8%	150	4.8%
Average training hours/employee		3.1	-	8.56	-	9.13	-
Average training hours/employee	Male	-	-	8.86	52.1%	10.89	59.5%
	Female	-	-	8.2	47.9%	7.4	40.5%

Key Performance Indicators

Indicators		2022 number	2022 %	2023 number	2023 %	2024 number	2024 %
Training Hours and participants[5]							
Average training hours by employee category	Executive	-	-	8.81	26.4%	9.08	25.2%
	Non-Executive	-	-	10.15	30.5%	5.89	16.4%
	Manager	-	-	7.95	23.9%	10.29	28.6%
	Senior Manager and above	-	-	6.40	19.2%	10.71	29.8%
Total participants by gender	Male	64	30.3%	259	58.9%	169	49.6%
	Female	147	69.7%	181	41.1%	172	50.4%
Total partcipants by employee category	Executive	162	46.4%	267	60.7%	198	58.0%
	Non-Executive	5	1.4%	47	10.7%	37	10.9%
	Manager	125	35.8%	86	19.5%	92	27.0%
	Senior Manager and above	57	16.3%	40	9.1%	14	4.1%
Training Categories							
Softskills		2	3.4%	11	13.4%	12	16.7%
Technical skills		23	39.0%	22	26.8%	22	30.6%
Safety, Health and Environment		24	40.7%	48	58.5%	37	51.3%
Leadership and Management		10	16.9%	1	1.2%	1	1.4%
Total Training Investment							
Total training investment amount	RM	187,000	-	170,994.30	-	113,810.00	-
Performance Review							
Number of employees undergone review by gender	Male	95	57.2%	87	58.4%	97	59.9%
	Female	71	42.8%	62	41.6%	65	40.1%
Number of employees undergone review by job category	Executive	15	9.0%	69	46.3%	72	44.4%
	Non-Executive	31	18.7%	35	23.5%	36	22.2%
	Manager	81	48.8%	30	20.1%	42	26.0%
	Senior Manager and above	39	23.5%	15	10.1%	12	7.4%
Health and Safety Trainings							
Total of safety and health training hours for employees		667	-	2,078	-	1,335.5	-
Safety and Health Committee members have attended safety and health related trainings *(Bursa C5(c))*		94	-	66	-	43	-
Total of licensed first aiders		34	-	24	-	16	-

Key Performance Indicators

Indicators		2022		2023		2024	
		number	%	number	%	number	%
vii) Employee Safety and Health Data*							
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	0
	Wastewater Engineering	0	0	0	0	0	0
Percentage of sites with OHSAS 18001 certification[6]		-	100%	-	100%	-	100%
Number of work-related employee fatalities, over last 3 years		0	0	0	0	0	0
viii) Human Rights*							
Number of substantiated complaints concerning human rights violatioin *(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%	1	0.2%	0	0.0%
Percentage of women in the global workforce		160	36.5%	205	50.0%	193	39.3%

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.
7. Starting FY2024, the Ethnicity data includes operations in Malaysia and international regions.

Environment

Indicators	Unit of Measurement	Base Year[1]	2022	2023	2024
i) Water					
Absolute Water Consumption (Bursa C9(a))					
Engineering and Construction	m^3	549	1,865	1,604	1,342
Glove Manufacturing	m^3	91,723	91,723	112,812	147,853
Transportation	m^3	17	942	739	638
Total Water Consumption	m^3	92,289	94,530	115,155	149,833
Water Consumption Intensity					
Engineering and Construction	m^3 per RM1 million revenue	15.51	13.84	15.65	5.83
Glove Manufacturing[3]	m^3 per 1,000 gloves produced	0.73	0.73	0.90	1.05
Transportation[5]	m^3 per RM1 million revenue[1]	54.81	62.92	69.97	51.15

Key Performance Indicators

Indicators	Unit of Measurement	Base Year[1]	2022	2023	2024
ii) Energy					
Absolute Energy Consumption *(Bursa C4(a))*					
Engineering and Construction	MJ	815,789	1,118,052	985,975	1,000,631
Glove Manufacturing	MJ	10,818,187	10,464,908	11,534,616	13,232,038
Technology Services	MJ	169,546	141,106	149,443	162,601
Transportation	MJ	205,463	181,786	184,896	205,949
Total Energy Consumption	MJ	12,008,985	11,905,852	12,854,930	14,601,219
Energy Consumption Intensity – original targets					
Engineering and Construction	MJ per RM1 million revenue	9,817	8,297	9,621	4,345
Glove Manufacturing	MJ per 1,000 gloves produced	61.13	83.66	92.45	94.24
Technology Services	MJ per full time employee	10,597	8,819	9,340	10,163
Transportation	MJ per RM1 million revenue1	15,018	12,288	17,506	16,510

Indicators	Unit of Measurement	2022	2023	2024
iii) Scheduled Waste Data				
Engineering and Construction	tonnes	0.02	0.07	6.18
Glove Manufacturing	tonnes	-	-	53.14
Total	tonnes	0.02	0.07	59.32
iv) Total Waste Diverted from Landfill *(Bursa C10 (a) (i))*				
Engineering and Construction	tonnes	2.84	4.09	1.66
v) Recycled Waste Data				
Paper	tonnes	2.54	3.87	1.66

Indicators		Unit of Measurement	Base Year[1]	2022	2023	2024
vi) Emission *(Bursa C11 (a) (b) (c))*						
Absolute Emission						
Engineering and Construction	Total absolute emission	tonne CO_2	708.45	584.48	654.49	775.66
	Scope 1	tonne CO_2	522.21	405.96	494.27	619.85
	Scope 2	tonne CO_2	186.27	178.52	160.22	155.81
Glove Manufacturing	Total absolute emission	tonne CO_2	1,879.45	1,850.30	2,001.45	2,279.65
Technology Services	Total absolute emission	tonne CO_2	26.6	22.93	24.28	26.42
Transportation	Total absolute emission	tonne CO_2	3,718.85	2,292.08	2,290.33	1934.79
Total Carbon Emissions		**tonne CO_2**	**6,333.38**	**4,749.79**	**4,970.55**	**5,016.52**

Key Performance Indicators

Indicators	Equity Shares (%)	Unit of Measurement	Base Year[1]	2022	2023	2024
Emission Intensity based on Equity Shares – original targets						
Engineering and Construction	100% (Water) 60% (Wastewater)	tonne CO_2/ RM million	3.82	3.87	5.69	2.99
Glove Manufacturing	51%	tonne CO_2/1,000 gloves produced	0.0054	0.0075	0.0082	0.0083
Technology Services	50%	tonne CO_2/full time employee	0.782	0.717	0.759	0.826
Transportation	51.30%	tonne CO_2/ RM million	106.77	78.54	111.24	79.57
Scope 3 Categories						
Category 6: Business Travel		tonnes	-	26.12	26.78	38.41
Category 7: Employee Commuting		tonnes	-	226.15	279.92	158.45
Total emission (tonnes CO_2)		tonnes	-	252.27	306.70	196.86
vii) Environmental Management System[7]						
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 and 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 and Construction division for Water and 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 and 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.

Social Capital

Indicators	Unit of Measurement	2022	2023	2024
Total amount of community investment *(Bursa C2(a))*	RM	124,793	77,155	97,240
Total no. of beneficiaries *(Bursa C2(b))*	number	1,527	945	543
Total no. of employee volunteering hours	hours	160	142	390

GRI Content Index

GRI Standard	Disclosure	Section of Disclosure	Mapped to SDGs	Mapped to FTSE4Good	Page
GRI 2: General Disclosures 2021					
2-1	Organisational details	At A Glance	N/A	N/A	5
2-2	Entities included in the organisation’s sustainability reporting	Sustainability Statement	N/A	N/A	52-95
2-3	Reporting period, frequency and contact point	About This Report	N/A	N/A	2
2-4	Restatements of information	Sustainability Statement	N/A	N/A	53
2-6	Activities, value chain and other business relationships	Who We Are	N/A	N/A	4
2-7	Employees	Sustainability Statement	N/A	N/A	75-78, 248-252
2-9	Governance structure and composition	Corporate Information	16	GCG 02	6
2-10	Nomination and selection of the highest governance body	Corporate Governance Overview Statement	16	GCG 22	110
2-11	Chair of the highest governance body	Corporate Governance Overview Statement	16	GCG 02	109-110
2-12	Role of the highest governance body in overseeing the management of impacts	Corporate Governance Overview Statement	16	N/A	107
2-13	Delegation of responsibility for managing impacts	Corporate Governance Overview Statement	16	N/A	106-107
2-14	Role of the highest governance body in sustainability reporting	Corporate Governance Overview Statement	16	GRM 05	109
2-15	Conflicts of interest	Key Senior Management's Profile	16	GCG 07	102-105
2-16	Communication of critical concerns	Corporate Governance Overview Statement	16	N/A	108
2-17	Collective knowledge of the highest governance body	Board of Directors' Profile	16	N/A	98-101
2-18	Evaluation of the performance of the highest governance body	Audit and Risk Management Committee Report	16	GCG 08	113
2-19	Remuneration policies	Sustainability Statement	16	N/A	66
2-20	Process to determine remuneration	Corporate Governance Overview Statement	16	GCG 14	110
2-22	Statement on sustainable development strategy	Sustainability Statement	16	GCG 09	52-95
2-23	Policy commitments	Sustainability Statement	16	GCG 09	111-112
2-24	Embedding policy commitments	Sustainability Statement	16	GCG 09	111-112
2-25	Process to remediate negative impacts*	Sustainability Statement	16	N/A	67-68, 79
2-26	Mechanisms for seeking advice and raising concerns	Sustainability Statement	16	N/A	67-68, 79
2-27	Compliance with laws and regulations	Sustainability Statement	16	N/A	66
2-28	Membership associations	Sustainability Statement	17	SLS10	61-62
2-29	Approach to stakeholder engagement	Engaging Our Stakeholders	17	SHR 11, SHR 12, SHR 26	14-18

GRI Content Index

GRI Standard	Disclosure	Section of Disclosure	Mapped to SDGs	Mapped to FTSE4Good	Page
GRI 3: Material Topics 2021					
3-1	Process to determine material topics	Materiality Assessment	16	N/A	19-24
3-2	List of material topics	Materiality Assessment	16	N/A	19-24
3-3	Management of material topics	Sustainability Statement	16	N/A	52-95
GRI 201: Economic Performance 2016					
201-1	Direct economic value generated and distributed	Group CFO's Statement	8	N/A	29-34
201-2	Financial implications and other risks and opportunities due to climate change	Sustainability Statement	8	N/A	89-90
201-3	Defined benefit plan obligations and other retirement plans	Sustainability Statement	8	N/A	72
GRI 202: Market Presence 2016					
202-2	Proportion of senior management hired from the local community	Key Performance Indicators	8, 11	N/A	252
GRI 203: Indirect Economic Impacts 2016					
203-1	Infrastructure investments and services supported	Divisional Operations Review	9	N/A	35-51
203-2	Significant indirect economic impacts	Divisional Operations Review	9	N/A	35-51
GRI 204: Procurement Practices 2016					
204-1	Proportion of spending on local suppliers	Sustainability Statement	12	N/A	64
GRI 205: Anti-corruption 2016					
205-1	Operations assessed for risks related to corruption	Sustainability Statement	16	GAC 09	66-68
205-2	Communication and training about anti-corruption policies and procedures	Sustainability Statement	16	GAC 07, 08	66-68
205-3	Confirmed incidents of corruption and actions taken	Sustainability Statement	16	GAC 13, 14	67-68
GRI 206: Anti-competitive Behavior 2016					
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Sustainability Statement	16	N/A	68
GRI 301: Materials 2016					
301-1	Materials used by weight or volume	Sustainability Statement	12	EPR 11	86
GRI 302: Energy 2016					
302-1	Energy consumption within the organisation	Sustainability Statement	7, 13	ECC 15	82-83
302-3	Energy intensity	Sustainability Statement	7, 13	N/A	83
302-4	Reduction of energy consumption	Sustainability Statement	7, 13	ECC 40	83
GRI 303: Water and Effluents 2018					
303-2	Management of water discharge-related impacts	Sustainability Statement	6	EWT 24	81-82
303-3	Water withdrawal	Sustainability Statement	6	EWT 34	82
303-4	Water discharge	Sustainability Statement	6	EWT 30	82

GRI Content Index

GRI Standard	Disclosure	Section of Disclosure	Mapped to SDGs	Mapped to FTSE4Good	Page
GRI 305: Emissions 2016					
305-1	Direct (Scope 1) GHG emissions	Sustainability Statement	13	ECC 14, 38	90-92
305-2	Energy indirect (Scope 2) GHG emissions	Sustainability Statement	13	ECC 14, 38	90-92
305-3	Other indirect (Scope 3) GHG emissions	Sustainability Statement	13	ECC 49	90-92
305-4	GHG emissions intensity	Sustainability Statement	13	ECC 14, 38	90-92
305-5	Reduction of GHG emissions	Sustainability Statement	13	ECC 14, 38	90-92
GRI 306: Waste 2020					
306-1	Waste generation and significant waste-related impacts	Sustainability Statement	12	EPR 13	84-85
306-2	Management of significant waste-related impacts	Sustainability Statement	12	EPR 02	84-85
306-3	Waste generated	Sustainability Statement	12	EPR 10	84-85
306-4	Waste diverted from disposal	Sustainability Statement	12	N/A	84-85
306-5	Waste directed to disposal	Sustainability Statement	12	N/A	84-85
GRI 308: Supplier Environmental Assessment 2016					
308-1	New suppliers that were screened using environmental criteria	Sustainability Statement	12	N/A	63-64
308-2	Negative environmental impacts in the supply chain and actions taken	Sustainability Statement	12	N/A	63
GRI 401: Employment 2016					
401-1	New employee hires and employee turnover	Sustainability Statement	8	SLS 24	76-77
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Sustainability Statement	8	N/A	72
401-3	Parental leave	Sustainability Statement	8	N/A	72
GRI 403: Occupational Health and Safety 2018					
403-1	Occupational health and safety management system	Sustainability Statement	3	SHS 01, 39	70-72
403-2	Hazard identification, risk assessment, and incident investigation	Sustainability Statement	3	SHS 04	70-72
403-3	Occupational health services	Sustainability Statement	3	N/A	71-72
403-4	Worker participation, consultation, and communication on occupational health and safety	Sustainability Statement	3	SHS 05	71-72
403-5	Worker training on occupational health and safety	Sustainability Statement	3	SHS 13	72-72
403-6	Promotion of worker health	Sustainability Statement	3		71-72
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Sustainability Statement	3	SHS 37	70
403-8	Workers covered by an occupational health and safety management system	Sustainability Statement	3	SHS 39	70
403-9	Work-related injuries	Sustainability Statement	3	SHS 38	71-72

GRI Content Index

GRI Standard	Disclosure	Section of Disclosure	Mapped to SDGs	Mapped to FTSE4Good	Page
GRI 404: Training and Education 2016					
404-1	Average hours of training per year per employee	Sustainability Statement	8	SLS 26	73-74, 252
404-2	Programs for upgrading employee skills and transition assistance programs	Sustainability Statement	8	SLS 26, 29	73-74
404-3	Percentage of employees receiving regular performance and career development reviews	Sustainability Statement	8	SLS 29	72-73
GRI 405: Diversity and Equal Opportunity 2016					
405-1	Diversity of governance bodies and employees	Sustainability Statement	16	GCG 06, SLS 16, 32, 33	74-76
GRI 406: Non-discrimination 2016					
406-1	Incidents of discrimination and corrective actions taken	Sustainability Statement	10	SLS 05	74
GRI 408: Child Labor 2016					
408-1	Operations and suppliers at significant risk for incidents of child labor	Sustainability Statement	8	SLS 01, 02, 03	79
GRI 409: Forced or Compulsory Labor 2016					
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Sustainability Statement	10	SLS 14	79
GRI 411: Rights of Indigenous Peoples 2016					
411-1	Incidents of violations involving rights of indigenous peoples	Sustainability Statement	10	N/A	79
GRI 413: Local Communities 2016					
413-1	Operations with local community engagement, impact assessments, and development programs	Sustainability Statement	10	SHR 15	93-95
413-2	Operations with significant actual and potential negative impacts on local communities	Sustainability Statement	10	SHR 15	93-95
GRI 414: Supplier Social Assessment 2016					
414-1	New suppliers that were screened using social criteria	Sustainability Statement	12	N/A	63-64
414-2	Negative social impacts in the supply chain and actions taken	Sustainability Statement	12	N/A	63
GRI 415: Public Policy 2016					
415-1	Political contributions	Sustainability Statement	16	GAC 12	68
GRI 416: Customer Health and Safety 2016					
416-1	Assessment of the health and safety impacts of product and service categories	Sustainability Statement	3	N/A	70-71
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services*	Sustainability Statement	3	N/A	70-71
GRI 418: Customer Privacy 2016					
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Sustainability Statement	16	N/A	65

Notes:

* GRI standards included this year

• GRI standards excluded this year

PROXY FORM

Salcon Berhad [200201026133 (593796-T)]
(Incorporated in Malaysia)

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-Second ("**22nd**") Annual General Meeting ("**AGM**") of Salcon Berhad ("**Company**") which will be held at Glenmarie Ballroom A, Glenmarie Hotel & Golf Resort, No. 1, Jalan Usahawan U1/8, Seksyen U1, 40250 Shah Alam, Selangor, Malaysia on Thursday, 12 June 2025 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 RM310,000 for the period immediately after the 22nd AGM until the next AGM of the Company to be held in 2026.		
2	Approval for payment of Directors' benefits of up to RM200,000 for the period immediately after the 22nd AGM until the next AGM of the Company to be held in 2026.		
3	Re-election of Tan Sri Abdul Rashid Bin Abdul Manaf as Director.		
4	Re-election of Dato' Rosli Bin Mohamed Nor as Director.		
5	Re-appointment of Messrs KPMG PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.		
6	Approval to retain Mr. Chan Seng Fatt as an Independent Director.		
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 5 June 2025. 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 TIIH Online website at https://tiih.online.

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.

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AFFIX
STAMP
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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

2nd 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, 10 June 2025 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)]

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