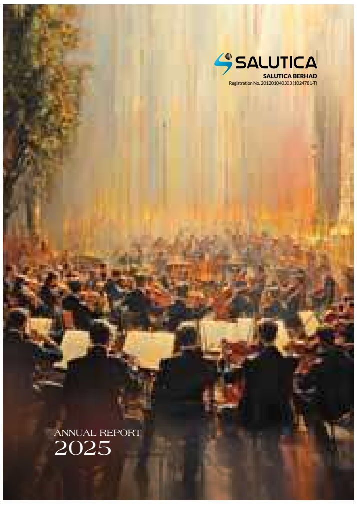
SALUTICA

SALUTICA BERHAD

Registration No. 201201040303 (1024781-T)

ANNUAL REPORT 2025



SALUTICA BERHAD

ANNUAL REPORT 2025

Mission & Vision

Saluting the Extraordinaire™. To build a business where our efforts and results in whatever we do are saluted by our colleagues, partners, customers, stakeholders and even ourselves.

Saluting the Extraordinaire™

From solo instruments to a full orchestra, each year has echoed our journey — from individual mastery to collective brilliance. Together, we compose a symphony of innovation, precision, and passion, Saluting the Extraordinaire™ in every note, every creation, and every partnership that defines who we are.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

CHIA CHEE HOONG
Chairman / Independent Non-Executive Director

LOW TENG LUM
Senior Independent Non-Executive Director

LEOW CHAN KHIANG
Independent Non-Executive Director (Resigned on 17 October 2025)

TAN GIM MAY
Independent Non-Executive Director

JOSHUA LIM PHAN YIH
Managing Director / Chief Executive Officer

LIM CHONG SHYH
Senior Executive Director

CHAN SHOOK LING
Executive Director / Chief Financial Officer

JOEL LIM PHAN HONG
Alternate Director to Lim Chong Shyh

AUDIT AND RISK MANAGEMENT COMMITTEE

Chairman	Members
LEOW CHAN KHIANG (Resigned on 17 October 2025)	**LOW TENG LUM** **TAN GIM MAY**

NOMINATION AND REMUNERATION COMMITTEE

Chairman	Members
LOW TENG LUM	**LEOW CHAN KHIANG** (Resigned on 17 October 2025) **TAN GIM MAY**

COMPANY SECRETARIES

CHAN SHOOK LING
(SSM PC No. 202008004150)
(MIA 17167)

CHONG LAY KIM
(SSM PC No. 202008001920)
(LS 0008373)

KHAW TEIK THYE
(SSM PC No. 202208000728)
(MIA 11616)

REGISTERED OFFICE

Unit 1203 Level 12, Uptown 1
No.1 Jalan SS 21/58
Damansara Uptown,
47400 Petaling Jaya, Selangor
Tel : (03) 7733 5665

HEAD/ MANAGEMENT OFFICE

No.3 Jalan Zarib 6
Kawasan Perindustrian Zarib
31500 Lahat, Ipoh, Perak
Tel : (05) 320 6800
Fax : (05) 322 2029
Website : www.salutica.com
E-mail : invest@salutica.com.my

PRINCIPAL BANKERS

OCBC Bank (Malaysia) Berhad
OCBC Al-Amin Bank Berhad
2, Jalan Dato' Maharaja Lela
30000, Ipoh, Perak
Tel : (03) 8317 5200

AUDITORS

PKF PLT
202206000012 (LLP0030836-LCA) & AF0911
No. 62, 62A, 62B and 62C,
Persiaran Greentown 1
Pusat Perdagangan Greentown
30450 Ipoh, Perak.
Tel : (05) 242 1855

SHARE REGISTRAR AND ISSUING HOUSE

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
Tel : (03) 2783 9299
Fax : (03) 2783 9222

STOCK EXCHANGE LISTING

Main Market of
Bursa Malaysia Securities Berhad
Stock name : SALUTE
Stock code : 0183

GROUP STRUCTURE

Overview

The company, **Salutica Berhad** (the "Company") was incorporated in Malaysia on 19 November 2012 as a private limited company under the name of Blue Ocean Genius Sdn. Bhd.

On 29 June 2015, we changed our name to Salutica Sdn. Bhd. and subsequently on 4 November 2015, we became a public limited company.

The Company was listed on the ACE Market on 18 May 2016 before transferred to the Main Market of Bursa Malaysia Securities Berhad on 24 March 2017. The principal activity of the Company is that of investment holding.

Group structure as at 30 June 2025 is as follows:-

SALUTICA
(Registration No. 201201040303 (1024781-T))

100%

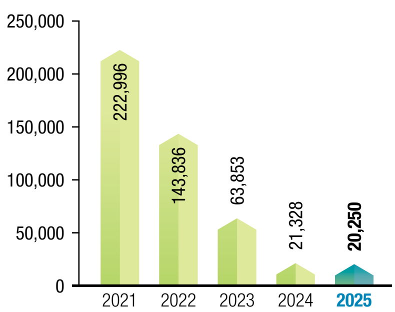
SALUTICA ALLIED SOLUTIONS SDN. BHD.
(Registration No. 199001014672 (206341-H))
("SALUTICA ALLIED")

Salutica Allied was incorporated on 15 October 1990 and had adopted its current corporate name in 2013.

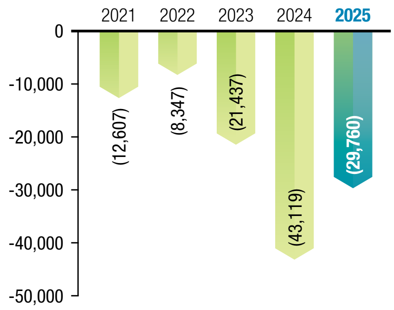
FINANCIAL HIGHLIGHTS

Financial Year Ended 30 June	2021	2022	2023	2024	2025
Revenue (RM'000)	222,996	143,836	63,853	21,328	20,250
Loss Before Tax (RM'000)	(12,607)	(8,347)	(21,437)	(43,119)	(29,760)
Loss After Tax (RM'000)	(9,724)	(6,584)	(28,532)	(43,119)	(29,760)
Weighted average number of ordinary shares in issue ('000)	384,990	418,436	423,500	423,500	423,521
Total Assets (RM'000)	193,100	195,981	143,311	92,777	73,940
Total Liabilities (RM'000)	61,584	49,482	25,344	17,928	16,099
Total Assets/Liabilities	3.14	3.96	5.65	5.17	4.59
Loss per share (sen)	(2.53)	(1.57)	(6.74)	(10.18)	(7.03)
Net assets per share (sen)	34.16	35.01	27.86	17.67	13.66

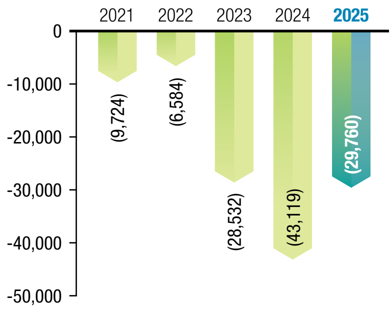
REVENUE
(RM'000)



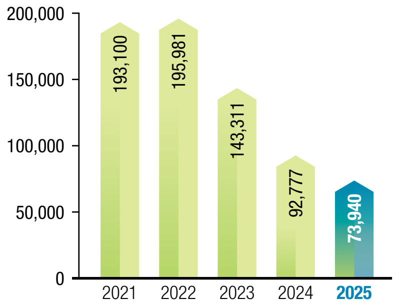
LOSS BEFORE TAX
(RM'000)



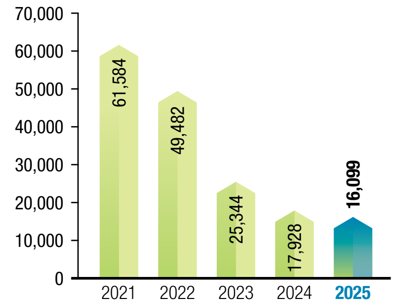
LOSS AFTER TAX
(RM'000)



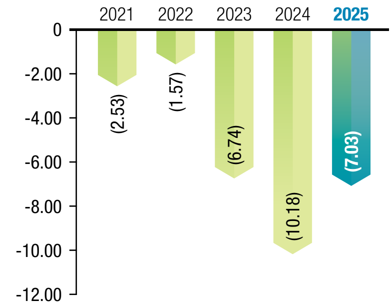
TOTAL ASSETS
(RM'000)



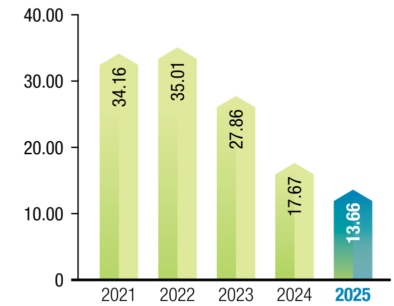
TOTAL LIABILITIES
(RM'000)



LOSS PER SHARE
(sen)



NET ASSETS PER SHARE
(sen)



BOARD OF DIRECTORS

Standing (Left to Right)

TAN GIM MAY, LIM CHONG SHYH, CHIA CHEE HOONG, JOSHUA LIM PHAN YIH, LOW TENG LUM, CHAN SHOOK LING

PROFILE OF DIRECTORS

CHIA CHEE HOONG

Chairman / Independent Non-Executive Director

Mr. Chia was appointed to our Board on 15 October 2015.

He obtained his undergraduate degree in law (LL.B) from the University of London in 1999 and his post graduate degree in law (LL.M) specialising in corporate & securities law from University College London, United Kingdom in 2004 under the auspices of the British Chevening Scholarship awarded by the Foreign and Commonwealth Office, United Kingdom. He obtained the Certificate in Legal Practice in 2000 and was called to the Malaysian Bar in 2001.

He started his career in 2001 as a legal assistant with Zain & Co. In 2008, he left Zain & Co and joined Zaid Ibrahim & Co as a senior associate. After leaving Zaid Ibrahim & Co at the end of 2009, he joined Rahmat Lim & Partners and has been a partner of Rahmat Lim & Partners since then. Starting in January 2023, he also co-heads the corporate mergers & acquisitions division of Rahmat Lim & Partners.

He is an independent non-executive director of Keyfield International Berhad as from 9 May 2023. Other than above, he does not hold any directorship in any other public companies and public listed companies.

He does not have any family relationship with any Director or major shareholder of the Company and does not have any conflict of interest with the Group.

AGE	GENDER	NATIONALITY
48	Male	

PROFILE OF DIRECTORS (CONT'D)

JOSHUA LIM PHAN YIH

Managing Director / Chief Executive Officer

Joshua Lim was appointed to our Board on 11 September 2013. He has been re-designated to Managing Director on 3 March 2020.

He graduated with an external LL.B (Hons) degree from the University of London and subsequently obtained the Certificate in Legal Practice in 2008. He completed his pupillage with Shearn Delamore & Co where he was confirmed as a legal assistant in 2009. From 2010 to 2013, he joined Rahmat Lim & Partners as an associate. From 1 June 2013 to 30 June 2018, he was the founding partner of the law firm Joshua Lim & Lee.

Joshua was appointed as the Chief Executive Officer ("CEO") of Salutica Allied on 3 March 2020.

He does not hold any directorship in any other public companies and public listed companies.

Joshua Lim is the son of James Lim, the Senior Executive Director of the Company. He is also the director and substantial shareholder of Blue Ocean Enlightenment Sdn. Bhd.("BOE"). BOE, a company incorporated in Malaysia, is regarded as the Company's ultimate holding company. He is also the brother of Joel Lim Phan Hong, a substantial shareholder of BOE and an alternate director of the Company.

Other than as disclosed above, Joshua Lim does not have any family relationship with any Director or major shareholder of the Company and does not have any conflict of interest with the Group.

AGE	GENDER	NATIONALITY
41	Male	

PROFILE OF DIRECTORS (CONT'D)

LIM CHONG SHYH ("James Lim")

Senior Executive Director

James Lim was appointed to our Board on 26 November 2012. On 3 March 2020, James Lim relinquished his position as CEO and re-designated to Senior Executive Director.

He is a trained electrical and electronics engineer with a degree (Hons) in Electrical Engineering from the University of Malaya.

He began his career as a design engineer with ASEA AB (presently known as ASEA Brown Boveri) of Sweden in 1982. He managed various senior positions from 1983 to 1995 in companies such as General Electric Malaysia Appliance Components Sdn. Bhd., Maxtor Corporation (Penang), Applied Magnetics (M) Sdn. Bhd. and Crest Ultrasonics (M) Sdn. Bhd. as managing director.

In 1995, he joined the Malaysian operations of Seagate Technology LLC as an executive director, where he was in charge of the commencement, development and growth of the company's Ipoh facility. After the closure of the Ipoh facility, he was subsequently transferred to head the Seagate removable storage solutions division in Penang as the managing director in 2000 until 2003. Thereafter, he joined Knowles Electronics (M) Sdn. Bhd. as a managing director, playing a key role in the development and growth of the company's Penang operations until 2004.

In 2004, he joined Salutica Allied where he set up the Research and Development ("R&D") division to focus on R&D of Bluetooth technology and other wireless, touchscreen and light guide technologies. He was the CEO of Salutica Allied before he relinquished his position to his son, Joshua Lim in March 2020.

James Lim is the director and substantial shareholder of BOE. BOE, a company incorporated in Malaysia, is regarded as the Company's ultimate holding company.

James Lim is the father of Joshua Lim Phan Yih, our Managing Director, is also a substantial shareholder and director of BOE. He is also the father of Joel Lim Phan Hong, a substantial shareholder of BOE and an alternate director of the Company.

Other than as disclosed above, James Lim does not have any family relationship with any Director or major shareholder and does not have any conflict of interest with the Group.

AGE	GENDER	NATIONALITY
67	Male	Malaysian flag

PROFILE OF DIRECTORS (CONT'D)

LOW TENG LUM

Senior Independent Non-Executive Director

Mr. Low was appointed to our Board on 15 October 2015. He is the Chairman of our Nomination and Remuneration Committee and a member of our Audit and Risk Management Committee.

He obtained his qualifications from the Association of Chartered Certified Accountants ("ACCA") and Institute of Chartered Secretaries and Administrators, both of the United Kingdom, in 1979. He attended the Applied Management Program of the Swedish Institute of Management in 1990. In 1996, he obtained a Masters in Public Administration from the John Fitzgerald Kennedy School of Government, Harvard University.

He is a Chartered Accountant of the Malaysian Institute of Accountants ("MIA"), a Fellow member of the ACCA and Fellow Institute of Chartered Secretaries and Administrators, and a member of the Association of Corporate Treasurers, United Kingdom. He has also served as a member of both the Taxation and Trade committees of the Malaysian International Chamber of Commerce and Industry, from 2002 and 2005 respectively until his resignation in 2011.

He started his career as an audit junior in Arthur Young & Company (presently known as Ernst & Young) in 1977 and was subsequently promoted to audit senior in 1978. He then left Arthur Young & Company in 1980 and joined Guthrie Malaysia Holdings Berhad as an internal audit manager until 1981, and subsequently joined Palmco Holdings Berhad in the same year as an internal audit manager. In 1985, he left Palmco Holdings Berhad and joined General Corporation Berhad as a group internal auditor until 1987. Then, he joined Southern Steel Berhad as a finance manager and became the chief operating officer of the steel business unit in 2000 until he left the company in 2001. Subsequently, he joined Heineken Malaysia Berhad (formerly known as Guinness Anchor Berhad) in 2001 as the finance director and a member of the board of directors (appointed on 19 August 2001) and retired in 2011.

Presently he is an independent non-executive director of QL Resources Berhad, a company listed on Bursa Securities.

Mr. Low does not have any family relationship with any Director or major shareholder of the Company and does not have any conflict of interest with the Group.

AGE	GENDER	NATIONALITY
71	Male	

SALUTICA

PROFILE OF DIRECTORS (CONT'D)

CHAN SHOOK LING ("Michelle Chan")

Executive Director / Chief Financial Officer

Michelle Chan was appointed to our Board on 13 October 2017.

Ms. Chan is a Chartered Accountant and a member of the Malaysian Institute of Accountants ("MIA").

She is also a Fellow member of the Chartered Association of Certified Accountants, United Kingdom ("FCCA").

She began her career as a settlement clerk for Overseas Union Bank Ltd in Singapore in 1990. In 1992, she left Overseas Union Bank Ltd to further her studies in Tunku Abdul Rahman College, where she graduated in 1995. Then, she joined SSL Heavy Machinery Sdn. Bhd. in 1995 as an accounts supervisor.

In 1999, she joined Salutica Allied as an accountant. In 2013, she assumed her current position as our Chief Financial Officer, where she is responsible for overseeing the overall financial, accounting, compliance and internal control functions of our Group.

Presently, Ms. Chan does not hold any directorship in any other public companies or listed companies.

Ms. Chan does not have any family relationship with any Director or major shareholder of the Company and does not have any conflict of interest with the Group.

AGE	GENDER	NATIONALITY
55	Female	

PROFILE OF DIRECTORS (CONT'D)

JOEL LIM PHAN HONG

Alternate Director to Lim Chong Shyh

Joel Lim was appointed as an alternate director to James Lim on 3 March 2020.

He graduated with an external LL.B (Hons) degree from the University of London in 2008 and subsequently obtained the Certificate in Legal Practice in 2009. He completed his pupillage with Skrine in 2010 and subsequently joined Sekhar & Suaran. Thereafter, he joined Kandiah & Sri in 2011 where his focus was in the area of Commercial Law and Intellectual Property. In May 2012, he became a founding partner of Joel & Mei. He is also a registered Trademark Agent and Industrial Design Agent with the Intellectual Property Corporation of Malaysia.

He does not hold any directorship in any other public companies and public listed companies.

Joel Lim is the son of James Lim, the Senior Executive Director of the Company. He is also the substantial shareholder of BOE. BOE, a company incorporated in Malaysia, is regarded as the Company's ultimate holding company. He is also the brother of Joshua Lim Phan Yih, our Managing Director, who is also a substantial shareholder of BOE.

Other than as disclosed above, Joel Lim does not have any family relationship with any Director or major shareholder of the Company and does not have any conflict of interest with the Group.

AGE	GENDER	NATIONALITY
39	Male	

PROFILE OF DIRECTORS (CONT'D)

TAN GIM MAY

Independent Non-Executive Director

Gim May was appointed to our Board on 26 February 2024. She is a member of our Audit and Risk Management Committee and a member of our Nomination and Remuneration Committee.

Gim May started her career in auditing in December 2004, as an audit associate with PricewaterhouseCoopers Penang office, after completing her Bachelor of Arts in Accounting & Finance in Sheffield Hallam University. She progressed to Audit Manager position in 2010.

She completed her Association of Chartered Accountant (ACCA) examinations in 2008 and became a member of ACCA in the same year. Subsequently, she was accredited as a Chartered Accountant by the Malaysian Institute of Accountant (MIA) in 2012.

She then joined Kiat & Associates Penang in 2013 and obtained her Practicing Certificate as a Chartered Accountant in 2017. She also oversees the taxation entity, KAMC (Penang) Sdn Bhd as the Director of the company. In 2019, she was appointed as Partner of Kiat & Associates.

With over 16 years working in the industry, she has acquired vast experience in accounting, auditing and taxation matters, working closely with other partners of the firm in Kuala Lumpur and Alor Setar. She has also assisted clients in adopting and converting to new accounting policies. Her clients come from various industries, ranging from small trading and investment holding companies to large manufacturing entities.

Presently she is an independent non-executive director of Zhulian Corporation Berhad, a company listed on Bursa Securities.

Gim May does not have any family relationship with any Director or major shareholder of the Company and does not have any conflict of interest with the Group.

AGE	GENDER	NATIONALITY
43	Female	

Notes:

Conviction of Offences

None of the Directors has been convicted of any offences within the past 5 years other than possible traffic offences.

There were no public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 30 June 2025.

Directors' Shareholding

The details of the Directors' interest in securities of the Company are set out in the Analysis of Shareholding on page 163 of the Annual Report.

KEY SENIOR MANAGEMENT

Standing (Left to Right)

CHAN SHOOK LING, JOSHUA LIM PHAN YIH, LIM CHONG SHYH, HO KEAT SOONG, CHOW WAI LEONG, TAN WEE YEOH (CHEN WEI YAO) KEVIN

KEY SENIOR MANAGEMENT

HO KEAT SOONG
Chief Supply Chain Officer

Age 59 • Male • Malaysian

Mr. Ho graduated with a Bachelor of Science in Business Administration from Colorado State University, United States of America ("US") and obtained his Master of Business Administration from the University of South Alabama, US.

He began his career as a production planner in Penang Seagate Industries (M) Sdn. Bhd. in 1993 before promoted to senior materials manager in 1999. In 2000, he joined Synerflex Consulting as a senior consultant specialising in the supply chain management improvement projects and consultancy services.

Subsequently, in 2003, he joined Salutica Allied as a general manager of supply chain management. He assumed his current position as our Chief Supply Chain Officer in 2015, where he is responsible for operations, quality, and supply chain management.

Presently, Mr. Ho is an executive director of Salutica Allied, which is the subsidiary of our Company. He does not hold any directorship in any public companies or listed companies.

Mr. Ho does not have any family relationship with any Director or major shareholder of the Company and does not have any conflict of interest with the Group.

CHOW WAI LEONG
Director – Operations

Age 48 • Male • Malaysian

Mr. Chow holds a Bachelor of Mechanical Engineering degree from Robert Gordon University, Scotland, and is a certified Project Management Professional (PMP) accredited by the Project Management Institute (PMI).

His career journey began in 1999 as a Production Supervisor at Salutica Allied, where he steadily advanced through various roles over 24 years of dedicated service. In 2023, Mr. Chow was appointed Operations Director, responsible for overseeing all factory-wide operations. Mr. Chow has played a pivotal role in Salutica Allied's transformation from a plastic moulding manufacturer to a sophisticated ODM business specializing in complex product development.

With 24 years of experience in Project, Program, and Key Account Management, Mr. Chow's expertise spans engagements with major multinational companies in the telecommunications sector. His cross-functional experience enhances his ability to streamline operations and drive efficiency in his current role as Operations Director.

Currently, Mr. Chow does not hold any directorships in public companies or listed companies.

He maintains no familial relationships with any directors or major shareholders of the company and declares no conflicts of interest within the Group.

TAN WEE YEOH
(CHEN WEI YAO) KEVIN
Director – Key Account Management & Internal Product Management

Age 41 • Male • Malaysian

Kevin graduated with a Bachelor of Computer Science degree from University of Melbourne.

He began his career as a key account management executive in Salutica Allied in 2006. In 2016, Kevin is promoted to Senior Manager overseeing the key account department.

Kevin is one of the pioneer of our FOBO team, instrumental in driving product innovation and securing key technology patents that underpin our FOBO product line. His innovative mindset and relentless pursuit of excellence have enriched our product offerings.

He assumed his current position as Director – Key Account Management and Internal Product Management in 2023. His adeptness at cultivating strong client relationships and his strategic acumen played a pivotal role in this achievement.

Presently, Kevin does not hold any directorship in any public companies or listed companies.

Kevin does not have any family relationship with any Director or major shareholder of the Company and does not have any conflict of interest with the Group.

Notes:

Conviction of Offences

None of the Key Senior Management has been convicted of any offences within the past 5 years other than possible traffic offences.

There were no public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 30 June 2025.

Chairman's STATEMENT

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the Annual Report and the Audited Financial Statements of Salutica Berhad and its subsidiary ("Salutica Group" or the "Group") for the financial year ended 30 June 2025 ("FYE2025").

CHIA CHEE HOONG
Chairman of the Board
Salutica Berhad

SALUTICA

CHAIRMAN'S STATEMENT (CONT'D)

2025 OVERVIEW AND GLOBAL ENVIRONMENT

Throughout FYE2025, the global economic environment remained highly volatile and uncertain. Businesses across industries contended with a combination of geopolitical tensions, trade realignments, and supply chain uncertainties. The prolonged conflict in Eastern Europe, instability in parts of the Middle East, and the ongoing recalibration of supply chains mainly due to US-China trade frictions created a complex backdrop for global trade. At the same time, persistent inflationary pressures in certain major economies further dampened consumer sentiment and tightened access to financing, slowing growth across many sectors.

Volatility in commodity prices ranging from energy to semiconductors added further strain to manufacturers. At the same time, rapid technology shifts and shorter product lifecycles placed greater demands on supply chain partners to deliver speed, flexibility, and innovation. For EMS players like Salutica, this translated into more complex development cycles, the need for timely adaptation, and higher expectations from customers to support them through such industry change.

Regionally, competition intensified as global brands continued to diversify their manufacturing bases, placing pressure on Malaysian EMS players to remain cost-competitive while maintaining high quality standards. Locally, higher labour costs following the increase in minimum wage, along with rising utilities and compliance costs, further squeezed profit margins for many in the manufacturing sector. While favourable foreign exchange environment over the past financial year might have provided some export competitiveness, the net impact of these developments was a more challenging operating environment for Malaysian manufacturers.

For Salutica, these global forces together with shifting consumer behaviour translated into softer demand in certain product categories and cost escalation across the supply chain, and rising raw material, transportation, and energy expenses added further pressure to our profit margins. These headwinds weighed heavily on both our sales and profitability.

CHAIRMAN'S STATEMENT (CONT'D)

BUSINESS OVERVIEW

In FYE2025, Salutica faced another year of subdued demand for its traditional consumer electronics segment, particularly the Truly Wireless System (TWS) headsets. While these conditions weighed on performance, the year also marked an important transition for the Group as we advanced our diversification strategy and laid the foundations for future growth.

A notable milestone was the commencement of shipments of servers for data processing centers, signalling our maiden step into technology segments beyond consumer products. In parallel, our earlier achievement of the IATF 16949 letter of conformance, together with our ISO 13485 certification for medical devices, has enhanced our readiness to participate in the highly regulated automotive and medical industries. These certifications are more than compliance benchmarks — they represent our commitment and capability to pivot to such technology segments where quality and reliability are paramount.

Meanwhile, we continued to strengthen our FOBO brand, reinforcing its standing as a trusted homegrown innovation. During the year, we expanded FOBO's potential applications into industrial and agricultural markets, reflecting our confidence that the brand's adaptability will unlock new revenue opportunities beyond consumer use.

FINANCIAL OVERVIEW

For FYE2025, Salutica Berhad recorded revenue of RM20.3 million, compared to RM21.3 million in the previous year. While volumes from existing consumer electronics product lines remained soft and new product developments had experienced delays, revenue was supported by the commencement of shipments of servers for data processing centers. This marked an early step in diversifying our revenue base beyond consumer-centric products.

The Group's Loss Before Tax (LBT) for FYE2025 narrowed to RM29.8 million, an improvement from RM43.1 million in FYE2024. The reduction in LBT reflected the absence of major impairments recognised last year, as well as ongoing cost-control measures. Nevertheless, profitability remained weighed down by low production volumes, under-absorption of fixed costs, legal expenses for ongoing litigations, and continued investment in FOBO and new product initiatives.

As of June 2025, the Group's equity attributable to the owners stood at RM57.8 million, compared to RM74.8 million in the previous year. The decline was partly offset by a revaluation surplus of RM12.6 million in relation to our properties. Importantly, our gearing ratio remained low, providing financial flexibility as we navigate this period of transition.

MOVING FORWARD

As we look ahead, Salutica remains committed to its strategic pivot from a consumer electronics-focused business to one that is more diversified, resilient, and future-ready. The certifications we have secured — IATF 16949 for automotive and ISO 13485 for medical devices — lay the foundation for us to pursue other opportunities in high-growth industries where quality and compliance are critical. These credentials will continue to guide our efforts to broaden our customer base and strengthen our presence in markets that offer long-term potential.

In parallel, we continued to diversify our product categories to include servers for data processing centers, which represent the first steps in extending our portfolio into technology sectors beyond consumer use. Our FOBO brand also remains an important pillar of our growth strategy, with ongoing investments to expand its applications in the industrial and agricultural markets, reinforcing its position as a trusted homegrown innovation.

CHAIRMAN'S STATEMENT (CONT'D)

MOVING FORWARD (CONT'D)

To support this transition, we undertook a private placement exercise in 2025 aimed at strengthening our cash position and ensuring sufficient resources to fund new capital expenditure, working capital, and product development. Combined with our low gearing ratio, the private placement exercise would help to strengthen our financial resilience needed as we progress our transformation journey. Further details on the private placement are disclosed in the MDNA section in the Annual Report.

While the near term will continue to present challenges, the Board and management are confident that the Group's focus on diversification, operational discipline, and innovation will help the Group to turn the corner operationally and financially.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to extend our deepest gratitude to our shareholders for their continued patience and support during this challenging period of transition. We are equally grateful to our customers and business partners for their trust, and to the regulatory authorities for their guidance and cooperation.

I also wish to record our appreciation to our CEO, Mr. Joshua Lim, and the management team for their commitment in navigating the Group through challenging conditions, as well as to all employees of Salutica for their dedication and resilience.

The road to transformation is not without its challenges, but with the combined efforts of our people and the steadfast support of our stakeholders, I am confident that Salutica will be able to turn the corner and emerge stronger in the years ahead.

Sincerely,

Chia Chee Hoong
Chairman of the Board
Salutica Berhad

CEO's MESSAGE

JOSHUA LIM PHAN YIH
Managing Director/
Chief Executive Officer

CEO's MESSAGE (CONT'D)

GENERAL OVERVIEW

I would like to begin by expressing my deepest gratitude to the Salutica community — our employees, customers, shareholders, suppliers, and partners — for their unwavering support throughout what has been another year of both challenge and transition. The global landscape in FYE2025 remained highly uncertain, shaped by geopolitical instability, inflationary pressures, and elevated interest rates that dampened consumer sentiment worldwide. Rising costs in raw materials, logistics, and energy further disrupted supply chains and heightened the demands on businesses to remain resilient and adaptable.

Against this backdrop, Salutica continued to face soft demand in our traditional consumer electronics lines, particularly the Truly Wireless System (TWS) headsets. Nevertheless, the year also marked a turning point for the Group as we began taking meaningful steps to diversify our revenue base and reposition Salutica for the future. A key development was the commencement of shipments for servers for data processing centers, reflecting our early progress in moving into technology segments beyond consumer products.

Equally important was the strengthening of our platform to compete in high-growth, quality-driven industries. Our achievement of the IATF 16949 certification, together with the ISO 13485 certification, positions Salutica to meet the rigorous requirements of both the automotive and medical sectors. These certifications are not only milestones of compliance, but also strategic enablers that will allow us to pursue long-term opportunities with customers who demand the highest standards of quality and reliability.

OPERATIONAL REVIEW

For a detailed operational review, please refer to the Management Discussion and Analysis (MDNA) section in the Annual Report.

CEO's MESSAGE (CONT'D)

BUSINESS FORWARD

Looking ahead, Salutica is determined to continue its transformation into a more diversified and resilient business. In FYE2025, we took the first practical steps toward this goal with the commencement of shipments for servers for data processing centers. To support this new segment, we undertook a factory re-layout and new line setup, ensuring that our operations are able to scale with the demands of new customers and technologies. While these efforts involved additional costs in the short term, they represent essential investments in preparing the Group for future growth.

Our strategy also places strong emphasis on leveraging the certifications we have achieved. The IATF 16949 certification for automotive and the ISO 13485 certification for medical devices open the door to industries where compliance, reliability, and long-term partnerships are critical. These credentials underpin our ambition to expand our customer base beyond consumer electronics into high-value, quality-driven markets.

Alongside these initiatives, we have continued to strengthen our FOBO brand. Beyond its presence in consumer applications, FOBO is being developed for industrial and agricultural uses, reflecting our confidence that the brand's innovation and adaptability will allow it to capture demand across multiple sectors. This homegrown brand will remain a central pillar of our diversification efforts.

As we broaden our portfolio, we remain equally focused on financial discipline. Efficiency improvements, cost control, and careful deployment of resources are critical to navigating the current environment. The Private Placement exercise undertaken during the year was a proactive step to reinforce our balance sheet, ensuring that we are well-positioned to fund capital expenditure, working capital, and product development to support our future direction. Further details on the Private Placement are disclosed in the MDNA section in the Annual Report.

In combining these efforts — diversification into new markets, strengthening of FOBO, operational readiness, and financial resilience — we are laying the foundation for a more sustainable, competitive, and forward-looking Salutica.

CONCLUSION

As we close FYE2025, it is clear that the year has been one of transition. While global and regional challenges weighed on performance, we also made tangible progress in laying the groundwork for diversification and repositioning Salutica for the future. The narrowing of losses, the first shipments of servers, and the strengthening of our certifications are early signs of the path we are taking.

I remain confident that the Group is on the right trajectory. Our pivot into the automotive and medical sectors, combined with the continued development of FOBO and the expansion into new technology segments, gives us a platform for long-term growth. Although the near-term environment will continue to demand discipline and perseverance, our commitment to quality, innovation, and resilience will guide us forward.

I would like to extend my deepest appreciation to our employees for their dedication, to our customers for their trust, to our suppliers and partners for their support, and to our shareholders and investors for their continued confidence. Together, we will navigate this transition, build on our foundations, and move Salutica towards a stronger and more sustainable future.

Joshua Lim Phan Yih
Managing Director / Chief Executive Officer
Salutica Berhad

MANAGEMENT DISCUSSION AND ANALYSIS (MDNA)

The information in the MDNA should be read in conjunction with the audited financial statements of the Group for FYE2025 as set out in the Reports and Statutory Financial Statements on page 87 to 161 of the Annual Report.

CORPORATE OVERVIEW

Salutica Berhad was listed on the ACE Market of Bursa Malaysia Securities Berhad on 18 May 2016 before being transferred to the Main Market on 24 March 2017. The Group through its subsidiary in Ipoh, Salutica Allied Solutions Sdn. Bhd. ("Salutica Allied") which commenced its operations in 1990.

Salutica Allied started as original equipment manufacturer principally involved in the manufacture of precision plastic parts and components for the electronics industry. Since then it has evolved to comprise vertical integration processes covering product design and development, and manufacturing of mobile communication products, wireless electronics, server for data processing center and lifestyle devices. We are also involved in the product conceptualisation, idea generation, design, development, manufacturing, assembly, marketing and sales of our in-house Bluetooth related products under the brand name "FOBO".

In line with its strategies to expand into high-growth segments such as automotive and medical, the Group has also obtained the International Automotive Task Force ("IATF") 16949 certification, a global technical specification and quality management standard for the automotive industry as well as International Organization of Standardization (ISO) 13485 certification for medical devices. These certifications will enable the Group to pursue a potential customer within the automotive and medical industry. The benefit of the IATF certification have already led to the Group signing a Memorandum of Understanding ("MOU") with one automotive parts supplier based in Shanghai, China to leverage each other's strengths and characteristics and establish a mutually beneficial sustainable strategic partnership through close cooperation in automotive design, production and sales.

BUSINESS AND OPERATIONS OVERVIEW

Amidst a challenging business environment, the Group remains focused on its long-term strategies of product innovation and diversifying its customers and products to continue positioning itself as a one-stop solutions provider for their customers and leveraging on their proven track record, experience and technical capabilities to secure more business. By diversifying its product range, the Group is able to diversify its revenue stream and reduce its dependency on lifestyle electronic products which have a shorter product lifecycle as evident in securing a new customer for the manufacturing of data computing devices as well as ongoing projects in the coffee machine pod opener, handheld video game console and automotive tool for diagnostic businesses which are currently at various stages of product development.

Product diversification remains the Group's long-term strategy to diversify its revenue base to reduce its dependency on TWS and other lifestyle electronic products which are relatively short in their product lifecycle.

The Group continue to pursue measures to upgrade technology, machinery and IT systems which are seen as strategic investments to maintain product excellence especially when developing new customers and new product range. Hence, the Group continue to focus on the development of human capital through robust training that upgrades skills, build knowledge and creates a highly productive and efficient workforce. During the year the Group had 32 training courses and webinars and incurred training costs of more than RM90,000 for FYE 2025 which were claimed under Human Resource Development Fund ("HRDF").

In line with the customer and product diversifications, the Company had on 27 January 2025 announced a proposed private placement of up to 42,650,000 new ordinary shares in Salutica ("Salutica Share(s)" or "Share(s)"), representing up to approximately 10% of the total number of issued Salutica Shares, to independent third party investor(s) to be identified, at an issue price to be determined and announced at a later date in accordance with the general mandate pursuant to Sections 75 and 76 of the Companies Act 2016 ("Private Placement").

Subsequently, on 7 February 2025, the Company announced that it had obtained the approval from Bursa Malaysia Securities Berhad ("Bursa Securities") vide its letter dated 7 February 2025.

MANAGEMENT DISCUSSION AND ANALYSIS (MDNA) (CONT'D)

BUSINESS AND OPERATIONS OVERVIEW (CONT'D)

The Company had, on 11 July 2025, submitted an application to Bursa Securities for an extension of time until 6 February 2026 ("EOT") to implement and complete the remaining tranches of the Private Placement. Subsequently, the Company had, on 18 July 2025, obtained Bursa Securities' approval for the EOT.

On 11 September 2025, the Company announced the completion of the Private Placement exercise with a total of 42,350,000 Salutica Shares being subscribed, representing a total Private Placement proceeds of RM7,062,400. Further details are disclosed in Additional Compliance Information item 1 on page 82 of the Annual Report.

FINANCIAL PERFORMANCE REVIEW

Revenue

The Group operates in Malaysia under one operating segment – Consumer Electronics. Operating segment information has therefore not been prepared as the Group's revenue and operating profit before taxation are mainly confined to this operating segment.

In presenting information on the operating segment, an analysis of the revenue by geographical regions is shown below where revenue is based on geographical markets where the goods are delivered rather than the origin of the customer.

Countries	FYE 2025 (RM'000)	%	FYE 2024 (RM'000)	%	Increase/ (Decrease)	%
Americas	9,964	49.2	7,933	37.2	2,031	25.6
Europe	7,834	38.7	2,834	13.3	5,000	176.4
Asia (excluding Malaysia)	1,741	8.6	7,014	32.9	(5,273)	(75.2)
Malaysia	469	2.3	2,325	10.9	(1,856)	(79.8)
Australia (including New Zealand and Oceania)	238	1.2	1,108	5.2	(870)	(78.5)
Africa (including Middle East)	4	^	114	0.5	(110)	(96.5)
TOTAL	**20,250**	**100**	**21,328**	**100**	**(1,078)**	**(5.1)**

For FYE2025, the Group recorded a total revenue of RM20.3 million compared to RM21.3 million in the corresponding period last year, a decrease of approximately 4.7% or RM1.0 million. The decrease was mainly due to the low sales order volume of products under mass production and prolong development activities for coffee machine and automotive tool for diagnostics due to customers' changes in design requirements.

A substantial part of the Group revenue was derived from the Americas region representing 49.2% of total revenue for the 12 months ended 30 June 2025, of which, approximately 98.0% of revenue was attributable to United States of America. The second highest was from the Europe region representing 38.7% of total revenue, with the Switzerland contributing approximately 66.4% to this region.

MANAGEMENT DISCUSSION AND ANALYSIS (MDNA) (CONT'D)

FINANCIAL PERFORMANCE REVIEW (CONT'D)

Loss before Tax ("LBT")

	FYE 2025	FYE 2024	Decrease
LBT (RM'000)	29,760	43,119	13,359
% over revenue	147.0	202.2	31.0

The Group posted LBT of approximately RM29.8 million for FYE2025 compared to LBT of approximately RM43.1 million for FYE2024. The decrease in loss was mainly due to recognition of impairment loss on property, plant & equipment ("PPE") and allowance for impairment loss on trade receivables amounting to RM9.3 million and RM7.9 million respectively in FYE2024.

Notwithstanding the above, the LBT for FYE2025 was mainly attributed by the following:-

a) Low order volume from current running products;
b) Holding excess resources pending mass production for new projects under development stage;
c) Inefficient absorption of fixed overheads due to low revenue;
d) Legal fees expenditure for the ongoing court cases amounting to RM3.5 million;
e) Provision for the award costs by the Malaysian High Court on 17 January 2025 in the suit between Salutica Allied Solutions Sdn Bhd against Apple Malaysia Sdn Bhd amounting to RM1.2 million (which the Group had already filed an appeal). Further details are disclosed in Additional Compliance Information item 3 (A) on page 83 of the Annual Report.
(f) Spending on factory relayout and new line setup for server for data processing center amounting to RM0.8 million (in addition to an investment in capital expenditure of RM1.2 million);
g) Impact from minimum wage increase from RM1,500/month to RM1,700/month with effect from 1 February 2025 amounting to RM0.2 million; and
h) Spending on product development of in-house brand FOBO amounting to RM0.2mil.

The Group will continue its cost-control efforts to mitigate the losses.

Loss after Tax ("LAT")

	FYE 2025	FYE 2024	Decrease
LAT (RM'000)	29,760	43,119	13,359
% over revenue	147.0	202.2	31.0

In tandem with the LBT, the Group recorded lower LAT of approximately RM29.8 million for FYE2025 compared to LAT in FYE2024 of approximately RM43.1 million.

As at 30 June 2025, the Group's unabsorbed capital allowances and unutilised tax losses were approximately RM53.7 million and RM75.2 million respectively. The continued losses indicated the uncertainty for the Group to utilise the capital allowances and tax losses, hence, no deferred tax assets were recognised in the FYE2025.

Liquidity

The Group's trade and other receivables (included contract assets) as at 30 June 2025 stood at RM2.6 million compared to FYE2024 of RM2.1 million, an increase of RM0.5 million or 23.8%. The increase was in tandem with the increase in revenue in quarter four of FYE2025 compared to the same quarter in the preceding FYE2024. Substantially all of the debts due in FYE2025 have been collected subsequent to the financial year end.

MANAGEMENT DISCUSSION AND ANALYSIS (MDNA) (CONT'D)

FINANCIAL PERFORMANCE REVIEW (CONT'D)

Liquidity (Cont'd)

The Group's trade and other payables as at 30 June 2025 stood at RM9.9 million compared to FYE2024 of RM8.6 million, an increase of RM1.3 million or 15.1%. The increase was mainly due to, amongst others, capital expenditure suppliers and non-trade suppliers. The closing inventories as at 30 June 2025 was RM3.8 million compared to RM14.4 million as at 30 June 2024 due to some materials are consigned by customer and an improved inventory management to reduce stock-holding.

As at 30 June 2025, the Group's deposits, cash and bank balances amounted to RM15.5 million which also includes short term investments in respect of placements in Islamic money market instrument. As at 30 June 2024, the deposits, cash and bank balances were RM36.2 million. There was no outstanding bank loan borrowings as at 30 June 2025.

Other key financial indicators are listed on the "Financial Highlights" of the Annual Report.

Capital Expenditure

During FYE2025, the addition to the Group's property, plant & equipment ("PPE") was RM2.1 million and the closing carrying amount of the Group's PPE for the FYE2025 was RM40.7 million. The major capital spending in FYE2025 was mainly on the new customer for the server for data processing center comprising, amongst others, printed circuit board (PCB) automatic cleaning machine, water-cooled chiller and computers hardware/software's purchases. The Group will continue to invest in capital expenditure to improve production efficiencies and new technology requirements in new products.

There was no capital expenditure financing during the year.

Potential Risks and Mitigating Factors

The Board is fully committed to a strong risk management framework. The current global economic situation creates uncertainties, complexities and unprecedented stresses and making it a challenge to manage risks effectively. Nonetheless, the Board is fully committed to ensure opportunities are seized as it arises so that business disruptions are mitigated.

Risks relating to our business and operations:

(a) Dependence on few customers

The loss of any customers, if not replaced, may adversely affect our financial condition and results of our operations. Post-Covid pandemic had changed the landscape where niche market for TWS headset faces stiff competition from well-known brands. Dependency on a few customers affects revenue due to any change in orders would adversely affect the revenue and profitability of the Group. Therefore, the Group had shifted its reliance on traditional TWS headsets to other industries such as automotive and medical. Besides, the Group has also secured a new customer for the manufacturing of server for data processing center, which has since commenced production and started shipment in May 2025.

In addition to the above, the Group is also in product development for the supply and delivery of products for coffee machine pod opener/assembly, handheld video game console and automotive tool for diagnostic for which the first shipment of the handheld video console was delivered in December 2024.

The Group will continue to drive effort in engaging new customers in new product segments with the aim of contributing positively to the Group's profitability and to provide recurring revenue.

MANAGEMENT DISCUSSION AND ANALYSIS (MDNA) (CONT'D)

FINANCIAL PERFORMANCE REVIEW (CONT'D)

Potential Risks and Mitigating Factors (Cont'd)

(b) Credit risk of our customers

As a result of customer diversification, the Group is also aware of the increased credit risk of less established or large multi-national companies. Our financial performance is dependent, to a certain extent, on the creditworthiness of our customers. If circumstances arise that affect our customers' ability or willingness to pay us, we may experience payment delays or in more severe circumstances, we may not be able to collect payment from our customers. Accordingly, we would have to make allowance for doubtful debts, or incur debt write-offs, which may have an adverse impact on our profitability.

The abovementioned credit risk may be mitigated on the basis that the Group imposed payment in advance for certain new customers prior to shipment of goods. In addition, we monitor the outstanding balance and collection of our trade receivables closely. If it exceeds the due date without justifiable reason, we may pursue legal recourse to recover our debt. The Group is currently pursuing legal suit against one customer to recover its debts. Further details are disclosed in Additional Compliance Information item 3(B) on page 83 of the Annual Report.

Risk relating to our industry:

The market for telecommunications and electronic products is inextricably linked to the continuing evolution in technology and evolving industry standards. In addition, consumers demand more sophisticated technology, user-friendliness as well as comprehensive functionality of products to meet their needs and expectations. As such, it is imperative that our Group keeps abreast with the latest technology and respond to the market trends and development through the adoption, customisation and integration of new technology in a timely and cost effective manner. We risk our existing customers switching to other competitors if we are unable to keep up with the change in technology and market demand. This may adversely affect the operational and financial performance of our business.

We believe that such risks may be mitigated as we have more than fifteen (15) years of experience in manufacturing capabilities. The Group had obtained IATF 16949 certification on 22 October 2024 as part of its strategic plan in customer and product diversifications.

Forward-looking statement

The Board acknowledged the challenging financial condition the Group is experiencing in view of the fluctuations in customers' sales orders and at the same time pivoting towards securing more customers in the automotive and medical industries in leveraging on the IATF 16949 as well as International Organization of Standardization (ISO) 13485 certification for medical devices. Improving revenue for the Group requires rigorous effort and the Group is focus to secure more customers to provide sizeable sales orders to optimize the absorption of factory overheads and efficient utilization of its manpower resources.

Hence, the Group is consistently looking for new business opportunities to further improve the financial performance of the Group. The continuous efforts by the Group to improve process efficiencies and prudent cost management are expected to continue to mitigate the impact of operational costs.

The Board will continue to take proactive steps to manage the Group's financial resilience.

Dividend Payment Policy

The Group have a dividend payment policy of not less than 30% of the Group's annual net profit attributable to shareholders but actual dividend payment may be varied depending on the Group's financial performance and cash flow and may be waived if the payment of dividends would adversely affect our cash flow and operations.

During the Eighth Annual General Meeting ("AGM") in November 2020, the Group received approval to established a dividend reinvestment plan ("DRP") to provide flexibility to shareholders with an opportunity to enhance and maximise the value of their shareholdings in the Company by using the cash dividends received to invest in new shares that may be issued at a discount to the prevailing market price.

SUSTAINABILITY STATEMENT

SCOPE OF THE STATEMENT

The Board of Directors ("Board") is pleased to present this Sustainability Statement ("Statement") which is aligned with the Group's strategy and commitment to conducting our business operations in a sustainable, responsible, and ethical manner.

This Statement for the FYE2025 provides a formal account of the Group's sustainability actions and accomplishments and covers the Group's sustainability performance and progress of our business operations in Malaysia from 1 July 2024 to 30 June 2025. Where possible, historical data has been included to provide a meaningful comparison for our stakeholders in understanding the Group's sustainability performance over the years.

Our Group includes our subsidiary – Salutica Allied. Our subsidiary offers a 'one stop' vertically integrated solutions covering product design and development, and manufacturing of mobile communication products, wireless electronics, server for data processing center and lifestyle devices.

OUR COMMITMENT TO SUSTAINABILITY

The Board is primarily responsible for the Group's sustainability practices and performance and is supported by the ARMC and Management in managing sustainability related activities including sustainability strategies, priorities and targets.

To achieve the sustainable development economically, the Group endeavours to carry out its activities in a sustainable manner and promote responsible and ethical practices. The Board remains committed to integrating environmental, social and governance ("ESG") considerations into our business strategies, acknowledging our role in driving sustainable progress.

Through Sustainability Statement, we disclose our commitments across the ESG pillars of sustainability and provides better understanding and balanced view on ESG aspects to our stakeholders.

APPROACH

This Statement has been prepared according to Appendix 9C Part A (29) Practice Notes 9 and 9A of the Main Market Listing Requirements ("MMLR") and guided by Sustainability Reporting Guide and Toolkits issued by Bursa Securities Malaysia Berhad and Global Reporting Initiatives ("GRI").

SUSTAINABILITY GOVERNANCE

A sustainable business requires the concerted effort across all levels of the organisation, from senior management to ground-level employees.

We embrace a holistic approach to sustainability, which is focused on continuous improvement and meaningful positive economic, social and environmental impact through active engagement with both internal and external stakeholders. We have put together the principles of good governance standards, which are adopted throughout the Group's business operations, with the objective to strive and uphold good governance.

The Board oversees the Group's sustainability efforts to ensure that the Group's practices meet our corporate objectives and sustainability goals. We have established Sustainability Management Committee ("SMC") who is led by CEO as Sustainability Chairman and comprised of a Sustainability Officer, Senior Management and Heads of Department ("HOD"). The SMC oversees the formulation and champion the sustainability activities and report sustainability activities progress to the Board.

SUSTAINABILITY STATEMENT (CONT'D)

SUSTAINABILITY POLICY

The Group has established a Sustainability Policy ("Policy") and a committee has been established since 1 January 2018 to carry out the objectives of the Policy. The Policy is reviewed annually to remain consistent with changes in legislation and market.

The Sustainability Policy is developed to meet our customer and market needs in a responsible and holistic manner, by balancing the economic, environmental, and social needs of our stakeholders. Its aim is to achieve the following objectives:

- Comply with current environmental legislation;
- Consider, assess and take actions where necessary to continuously improve environmental practices;
- Emphasize to employees at all levels their own responsibility to the environmental well-being, giving training and information where applicable;
- Display and provide this policy to all employees including business partners;
- Audit environmental and sustainability performance; and
- Review this policy taking into consideration any audit findings annually as a minimum.

STAKEHOLDERS' ENGAGEMENT

We regularly engage with our stakeholders through various channels to ensure that the Group addresses stakeholders' concerns and stays ahead of the challenges and trends in the fast-changing sustainability landscape. As such, we maintain an ongoing dialogue with our stakeholders to solicit their perspectives, feedback, and priorities on our focus key material issues. This engagement helps in formulating our business plans and in steering the strategic direction of the Group.

The table below summarises the Group's key stakeholders and the engagement platform used for the different stakeholders:

No	Stakeholders	Sustainability Topic	Engagement Platform
1	Investors/Shareholders	• Financial performance • Ethical and responsible Management team • Corporate governance	• Continuously engaging in Investors/Analyst briefings • Annual reports and Annual General Meetings • Financial Statements and Bursa Malaysia announcements • Continuous update on the Company website
2	Customers	• Customer's satisfaction • Product Quality • Pricing • On-time delivery • Innovation	• Continuously engage in customer feedback • Regular meetings • Customer satisfaction survey form
3	Suppliers	• Supply chain management • Compliance with applicable standards on hazardous substances • Competitive pricing	• Annual supplier evaluation form • Annual supplier Declaration form • Ad-hoc meetings or when required

STAKEHOLDERS' ENGAGEMENT (CONT'D)

No	Stakeholders	Sustainability Topic	Engagement Platform
4	Regulators and government bodies	• Compliance with law and legislation • Audit matters • Climate change • Compliance with main market Listing Requirements	• Annual verification and compliance audit • Meetings/visits • Quarterly announcements • Regulatory disclosures as per listing requirement
5	Employee	• Career development • Salary & benefits scheme • Health, safety & environment • Job security	• Ad-hoc CEO communication sessions • Annual performance appraisals • Company events such as annual dinners, and off-site team building • Learning development programmes
6	Local community	• Community development projects • Social & environmental issues	• Ad-hoc community programs • Institution/University internship programme • Continuous update on the Company website • Annual report

MATERIALITY ASSESSMENT AND KEY SUSTAINABILITY MATTERS

The Board, together with Management, takes responsibility for the governance of ESG or sustainability within the Group, including the setting of strategies, targets and allocation of resources. We conduct yearly reviews of our material sustainability matters for applicability and prioritize them according to their importance for business as well as to our stakeholders. Material assessment serves as one of our important steps in developing our corporate sustainability strategies by identifying and highlighting the material sustainability matters that are most relevant to our stakeholders and business operations.

The materiality assessment process starts from our internal Sustainability Committee, which comprises key Management staff and divisional or departmental Heads, who meet at least once monthly, to assess and review ESG matters that are pertinent and relevant to the Group. Our Sustainability Officer is responsible for organizing these meetings, collating data, monitoring and presenting key findings for the Committee's review and assessment. The process typically involves interactive participation from the members as ESG matters are deliberated and assessed on the basis of their importance or impact to the stakeholders of the Group.

Following the Materiality Assessment Process, the findings are summarised, ranked from low to high in terms of their impact to the Group. Understandably, and as with previous year, our assessment has resulted in no change in terms of the material sustainability matters, emphasizing the importance of these sustainability matters to the Group in the FYE2025.

The material sustainability matters identified are:

- **Business Performance & Growth**
- **Quality and Customer Satisfaction**
- **Corporate Governance and Ethical Behaviour**
- **Environmental**
- **Workplace Management**

SUSTAINABILITY STATEMENT (CONT'D)

ECONOMIC

Business Performance & Growth

The Group's financial performance and strategic growth are important to our sustainability journey as they have a direct beneficial impact to all our stakeholders such as our employees, business partners, government, local communities and investors.

The core of the Group's business operations is to generate profits and create sustainable values for our shareholders. That said, the Group had managed to lower the LAT from RM43.1 million previously to RM29.8 million in FYE2025. The Board believes that financial strength and good sustainability practices are important in growing a profitable business. As such, the Group is committed to strengthening the financial position by strengthening the Group's market position with diversification and competitive advantage. The Group had also embarked on a Private Placement with the approval obtained from Bursa Securities in February 2025 as a proactive step to reinforce our balance sheet, ensuring that we are well-positioned to fund capital expenditure, working capital, and product development to support our future direction. The Private Placement exercise was completed in September 2025 with a total of 42.35 million Salutica Shares being subscribed, representing total proceeds of RM7.1 million.

We conduct regular management meetings to monitor and analyse our financial performance, budgets and forecasts. This allows us to gain valuable insights into our financial position which contribute to important decision-making aligned with our business objectives.

The Group will remain committed to diversifying its product categories and creating a robust, future-focused portfolio. With the ISO 13485 certification for medical devices and audit certification stage for the IATF 16949 for automotive, we would significantly put in resources to grow these two industries.

As for our in-house brand FOBO, we are committed to nurturing and exploring new opportunities for expansion. We believe that the innovation and customer-centric design behind FOBO will continue to open doors for growth in both consumer, agricultural and industrial applications. Continuous innovations and process solutions have driven the Group's success for the FOBO products.

Environmental impact and social responsibility influence our product design and manufacturing processes. With this in mind, we continue to deliver smarter and faster solutions that increase value, reduce adverse environmental impact, enhance product safety and extend product life.

A summary of our key Financial Performance for FYE2025 are as follows:

- Revenue: RM20.3 mil (FYE2024: RM21.3 mil)
- Loss after tax: RM29.8 mil (FYE2024: RM43.1 mil)
- Loss per share: 7.03 sen (FYE2024: 10.18 sen)
- Net assets per share: 13.66 sen (FYE2024: 17.67 sen)

ECONOMIC (CONT'D)

The Group will continue to strive towards a long-term business profitability and sustainable growth to provide the most innovative and cost-effective products with excellent quality to our customers through technology and process innovation. Product & customer diversification will remain the focus for the Group's long-term growth.

For more information on the Group's economic performance, please refer to the Management Discussion and Analysis ("MDNA") disclosed in this Annual Report.

Quality and Customer Satisfaction

Certifications and accreditations accord the Group due recognition of the high standards, reliability and quality of the products, services or systems it holds. They are a mark of commitment and accountability of the Group towards its customers, business partners, public and shareholders with respect to best practices, enduring excellence and reputation. We invest time and resources in our effort to ensure excellent product quality designs using innovative processes.

We take heed of the feedback and will strive to further improve our product quality by reviewing our quality control procedures and implementing more effective processes, improve our delivery times and provide training to our staff to improve their customer service and communication skills.

For the FYE2025, we maintain that the Group's operations are duly certified with the following accreditations:

- ISO 9001:2015 (Quality Management System)
- ISO 14001:2015 (Environmental Management System)
- ISO 45001:2018 (Occupational Health and Safety Management System)
- EN ISO 13485:2016 (Quality Management System for Medical Devices)
- ANSI/ESD S20.20-2021 (Electrostatic Discharge Control program)

We enforce stringent quality controls from product design and development to manufacturing processes. Our rigorous procurement and quality inspection processes involving incoming raw material, in-process control and finished goods ensures our products meet high quality specifications.

Great quality starts with prioritising our procurement of goods and services from local suppliers while taking into consideration the need to establish a secure, reliable and cost-effective supply chain management that conforms to the highest standards of quality and delivery. With this in mind, our Purchasing department carries out annual performance evaluation assessment on our suppliers to ensure they meet our Quality and On-Time-Delivery requirement. The result is presented in a score card to the suppliers.

In our quest to support local and reduce reliance on imports, the Group consciously sources for its materials and supplies from within Malaysia. In FYE2025, the ratio of the Group's local procurement is as follows:

Purchases from local suppliers	Percentage
FYE2025	36.56
FYE2024	15.97
FYE2023	17.05

The increase in the local suppliers in FYE2025 is our commitment to localise our sourcing wherever applicable. It is also worth noting that our emphasis on local procurement naturally implies lower transportation costs, highlighting the Group's efforts in further reducing its emissions and carbon footprint as well.

SUSTAINABILITY STATEMENT (CONT'D)

ECONOMIC (CONT'D)

Quality and Customer Satisfaction (Cont'd)

In our efforts to keep quality defects and issues at the lowest level possible, our Group place great importance on risk and impact analysis. We also place great importance on On-Job-Training ("OJT") as we believe that our workforce will be able to gain more from first hand technical experience. To ensure that our products are of the highest quality, we have annual training on quality improvement tools to educate our employees on latest development in quality management systems. Every potential process failure and risk is evaluated and procedures are developed to mitigate impact severity on the product.

In the FYE2025, our Incoming Quality Control ("IQC") check for Defective Parts Per Million ("DPPM") on raw materials and parts from our suppliers are as follows:

IQC – DPPM	FYE2025	FYE2024	FYE2023
Inspected Quantity	111,094	77,782	138,094
Rejected Quantity	12	18	3
DPPM	108.0	231.4	21.7

The FYE2025 DPPM had reduced compared to FYE2024, in line with the Group's continuous focus on quality controls. The internal target is set at 400 DPPM.

The Group strive to achieve long-term growth through excellent customer relationships and the satisfaction from long-term customers while we continue to expand our customer base. Our quality policy plays an important role in guiding and enabling the Group to gain trust and confidence in our customers who demand high quality standard. The number of customer complaint had reduced for FYE2025 as follows:

Customer complaint	FYE2025	FYE2024	FYE2023
No of cases	1	5	5

Corporate Governance and Ethical Behaviour

Corporate governance is effectively a system that aims to inculcate accountability through the installation of policies, rules and frameworks that help maintain the cohesiveness of an organization. A strong and effective corporate governance fosters a culture of integrity and responsibility where the interests of all stakeholders are aligned with economic success; it is vital in building trusts, promoting financial viability and ultimately securing the long-term sustainability of any organization. Therefore, the Board is guided by legislative and regulatory requirements, including corporate governance best practices published by relevant authorities.

In leading corporate governance, the Board is tasked with this pivotal role of directing the principles of transparency, fairness, ethical behavior and risk management within the Group.

The Company is guided by its "Directors' Fit and Proper Policy" to ensure that the appointment and re-election of the Directors are based on an identified objective criterion so that they are able to discharge their duties and responsibilities effectively in the best interest of the Company.

ECONOMIC (CONT'D)

Corporate Governance and Ethical Behaviour (Cont'd)

The appointment of the Board and Senior Management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender. On 26 February 2024, the Company appointed one (1) new female member to the Board of the Company; this represented a gender diversity ratio of 28.57% in FYE2025. During the FYE2025, the gender and age group of the Company' Board is as follows:

Gender	FYE2025 (%)	FYE2024 (%)	FYE2023 (%)
Male	71.43	71.43	83.33
Female	28.57	28.57	16.67
Under 30	–	–	–
Between 30-50	42.86	42.86	33.33
Above 50	57.14	57.14	66.67

Details of the Group's corporate governance framework and practices are elaborated in the Corporate Governance Overview Statement contain in this Annual Report.

Our business practices are governed by the following:

a. Code of Conduct and Ethics

The Group's Code of Conduct & Ethics ("the Code") is aimed to enhance the standard of corporate governance and corporate behaviours with the intention of achieving the following objectives:

- To establish a standard of ethical behaviours for Directors based on acceptable beliefs and values; and
- To uphold the spirit of professionalism, objectivity, transparency and accountability in line with the legislation, regulations and environmental and social responsibility guidelines governing the Group.

This Code provides guidance for proper standards of conduct and sound and prudent business practices and to promote ethical values and standards amongst employees based on the following principle.

SUSTAINABILITY STATEMENT (CONT'D)

ECONOMIC (CONT'D)

Corporate Governance and Ethical Behaviour (Cont'd)

b. Anti-Corruption and Bribery Policy

The Group does not tolerate corruption or bribery activities, and this is considered in the Anti-Corruption and Bribery Policy ("Policy") established by the Board. The policy is publicly available on Salutica's corporate website. In addition, the Policy provides guidance with respect to the use of higher-risk transactions such as gift, entertainment, hospitality, facilitation payments, donation and political contribution. The Group has taken significant steps, including raising awareness and implementing controls, to prevent such practices among its directors, employees, and third-party service providers acting on behalf of or for the Group. This necessitates strict adherence by all parties across the Group's supply chain and procurement process such as supplier selection, tendering process and due diligence of new suppliers to the system of internal controls and risk management.

All our employees per the category defined below, have received awareness training on Anti-corruption and Bribery by employee category during the FYE2025 (FYE2024 and FYE2023: 100% for all categories).

Category	%
Management	100
Executive	100
Non-Executive / Technical Staff	100
General workers	100

The Group takes a zero-tolerance approach to bribery and corruption and the management is committed to act professionally, fairly and with integrity in all the Company's relationships and business dealings wherever we operate and to implement and enforce an effective system to counter bribery and corruption.

The Group's Anti-Corruption and Bribery Policy has been adequately communicated to all Directors, employees and associated third parties through various communication channels and is published on our corporate website at https://www.salutica.com/corporate-governance. We have conducted trainings and awareness on the Policy to the Directors, senior management and employees and also incorporated in our induction training program for all new employees.

There were no corruption-related cases and ethical concerns reported in FYE2025 (FYE2024 and FYE2023: Zero incidents)

c. Whistle-blowing Policy

In order to encourage the reporting of misconduct or unethical behaviour in a transparent and safe manner, the Group has implemented a whistleblowing mechanism in accordance with our Whistleblowing Policy. This mechanism allows employees, third parties associated with the Group, and the general public to report any unethical practices or wrongdoing without fear of retaliation. To ensure impartial handling of whistleblowing cases, all reports will be directed to the ARMC Chairman.

The Whistleblowing Policy is available on our corporate website. The Group's Whistleblowing Policy stated its commitment on maintaining the highest standards of integrity, openness and accountability in the conduct of its business and operations as well as promoting and supporting a culture of honest and ethical behaviour, corporate compliance and good corporate governance.

No cases of breaches in ethics and integrity practices were reported during the FYE2025 (FYE2024 and FYE2023: Zero incident reported).

ENVIRONMENT

Green initiatives

Environmental sustainability covers all efforts taken to maintain an ecological balance in our planet's natural environment including conservation of natural resources to support the wellbeing of current and future generations. Businesses are increasingly affected by major environmental issues such as climate change, pollution, greenhouse gas emissions and water scarcity and sustainability challenges need to be addressed to protect our Earth.

The Group is committed to ensuring sustainable energy practices within the Group, recognizing the importance of conscientious and efficient electrical energy usage. While we pursue ongoing enhancements in this regard, we had commissioned the use of our second solar photovoltaic ("PV") panels to cover a bigger area in November 2023. The first solar system was commissioned in August 2019. The Group will continue its quest to monitor and ensure continuous progress in the Group's energy efficiency efforts.

Our Group is committed to managing our operations in an environmentally sustainable way. Our employees are also trained to practise other conservation measures like recycling of office stationery and paper, switching off the lights and air conditioners when not in use. We also send such items to a social welfare organisation which collects items for recycling or charity purposes.

At our manufacturing facilities, we have established processes and procedures to conserve energy, handling of industrial waste comprising sludge, contaminated rags and containers and non-hazardous wastes such as food and office waste.

The Group has put in place several ways and measures adopted to reduce its carbon footprint to make our operations more sustainable.

Our Group continues to focus on green initiatives as follows:

- Lightings in our office and production floor are installed with light-emitting diode ("LED") light bulbs which have a longer lifespan and more energy-efficient compare with iridescent or fluorescent lamps.
- "Last out – lights off" practices in our workplace.
- Adoption of 3Rs ("Reduce, Reuse and Recycle") practices by maintaining recycling bins around our offices to ensure proper segregation of non-hazardous waste such as paper, plastic, aluminium, and glass.
- Rain water harvesting for gardening purpose.
- For hazardous waste, we appointed a licensed disposal contractor to treat hazardous waste and dispose responsibly.
- Encourage our business operation to use electronic media whenever possible.
- Installation of solar photovoltaic ("PV") panels on the factory rooftops to harvest solar energy to power the factory electricity needs since August 2019.

	FYE2025	FYE2024	FYE2023
Electricity consumption (megawatt)	2,232.84	2,818.90	4,558.80
Carbon dioxide reduction (tonne)	920.84	811.9	579.3

SUSTAINABILITY STATEMENT (CONT'D)

ENVIRONMENT (CONT'D)

Waste Management and Water Security

The Group's environmental management system is certified with ISO 14001:2015 which is a structured waste management program with systematic monitoring and improved material utilisation, that promotes the principles of reuse, recovery and recycle method via its 3R program.

In FYE2025, there were no reported case of environmental violations or fines from the local authorities (FYE2024: zero incident) and we will continue to maintain such results. Robust management systems at our operations effectively monitor and manage hazardous and non-hazardous waste generated.

The Group acknowledge that water is a very important yet limited resource. We are committed to managing and using water in the most cost-effective way that also promotes the long-term sustainability of the environment as well.

	FYE2025	FYE2024	FYE2023
Water consumption (megalitres)	30.534	41.292	61.252

The reduction in the water consumption in FYE2025 was attributed by the changes in the product mix which uses less water in the production processes and also effort to maintain good working condition of the water piping system to ensure no water wastages occurred through leakages.

One of the water saving initiatives that we have in place is a rain water harvesting system for non-critical usages such as for toilet flushing, general cleaning or gardening purposes.

Waste Management

The Group believes in recycle, reuse and reduce ("RRR") the materials we utilize in our production process and day-to-day operations. We prioritise waste management practices that focus on reducing waste and safely handle both hazardous and non-hazardous materials. This involves strict adherence to relevant environmental laws and regulations, along with regular inspections, monitoring, and audits to ensure continuous improvement.

During the FYE2025, the total waste generated was 62.43 metric tonnes, of which 8.15 metric tonnes were disposed with the remaining 54.28 metric tonnes were recycled.

Hazardous wastes

Hazardous waste comes from chemical-related sources that are harmful to humans and the environment. Therefore, the Group is committed to manage its waste efficiently by complying with all the required environmental regulatory rules.

Besides pollution and emission controls, the Group's effluent discharges are effectively treated, this includes ensuring our hazardous waste is properly stored and managed from its collection point to its final disposal according to the environmental regulatory requirement, by appointed third-party contractors licensed by the Department of Environmental ("DOE").

The hazardous wastes generated by our production are as follows:

Hazardous Wastes	FYE2025 (kg)	FYE2024 (kg)	FYE2023 (kg)
Total	4,899.6	15,009.6	23,408.7

The reduction in the hazardous waste in FYE2025 was attributed by the changes in the product mix which required less processes that generated the hazardous by-product. They were disposed through a waste collector with valid waste disposal and waste transport license issued by DOE.

ENVIRONMENT (CONT'D)

Non-Hazardous wastes

For the Group's non-hazardous wastes that do not exhibit any material toxic characteristics are collected for recycling or disposed in designated bins as general waste.

The non-hazardous wastes generated in the FYE2025 are as follows:

General waste generated
FYE2025:3,250kg
(FYE2024:3,500kg
FYE2023: 7,625kg)

Recycling waste generated:
FYE2025:54,280kg
(FYE2024:38,084kg
FYE2023: 30,683.6kg)

The reduction in general waste and the increased in recycling waste for FYE2025 compared to FYE2024 are a testament to the continuous effort by the Group to be sustainable in all their operating activities.

Environmental compliance

The Group is dedicated to protecting the environment and abiding by all applicable environmental laws and regulations in its business operations. To practice environmental control and enhance its environmental performance, the group has an environmental policy in place that is in accordance with ISO 14001:2015 Environmental Management System and in compliance to the Environmental Quality Act 1974 ("EQA").

All our employees, suppliers and consultants are encouraged to be proactive in managing and reporting environment related issues and complaints. There was no incident of non-compliance reported during the period under review.

SOCIAL

Workplace Management

In order to ensure long term business continuity, we acknowledge that our employees are vital strategic assets of the Group; we support, protect and nurture our employees in terms of their career and personal development.

Our employees are our most crucial asset in our operational structure. Hence, our workplace management initiatives are aimed at securing the long-term sustainability of our human capital. We recruit and retain the best talent available in order to attain our strategic objectives. It is also crucial that we foster the right mindset and code of conduct to ensure that they fit in with our corporate culture and represent us well in their dealings with stakeholders.

The Group foster an inclusive and diverse work environment by adopting a management focus objective to nurture and develop its people by leveraging on the employees' unique skills and capabilities. By giving employees a greater sense of purpose and motivation, the Group will be in a better position to attract young talent and add to its diversity.

SUSTAINABILITY STATEMENT (CONT'D)

SOCIAL (CONT'D)

Occupational Health and Safety

Our employees' comfort, physical and mental wellbeing are a priority and workers' safety is never compromised. The Group has in place an established Environment, Occupational, Health and Safety Policy that governs all employees, contractors, customers, visitors and related parties adherence of applicable national and international health, safety and environmental laws.

We are committed to provide a safe and healthy workplace for its employees. We uphold strong health, safety and security standards within the Group's areas of operations, whether it is within the premises or offsite to reduce opportunities for health or safety hazards and prevent workplace fatalities. During the FYE2025, there was no incident of work-related fatalities (FYE2024 and FYE2023: No incident).

We rigorously manage the potential risks associated with hazardous activities and processes, such as those activities with potential to result in injuries related to fire, explosions or sudden release of toxic materials. Therefore, we emphasis on preventive measures and have a robust safety management system in place.

The Group adhere strictly to the Environment, Occupational, Health and Safety Policy which guides our operations. We have established an Environment, Health and Safety ("EHS") committee comprising of the Chairman, Management Representatives, employee representatives and Health & Safety Officer, to safeguard, manage, discuss and report areas related to EHS performance and ensure our health and safety practices are according to the EHS Management system. Our EHS committee would identify and establish all safety and environmental related regulatory and rules that is applicable to the Group's operation.

On top of assisting in the development of safety and health systems and reviewing the effectiveness of safety and health programmes, the following are some of the key roles and responsibilities of the EHS committee:

- Prevention of Injury & ill health.
- To perform hazard identification, risk assessment and risk control of the business activities, process, products and services.
- To design and develop products that meets the environmental and safety requirements.
- To comply with regulations including stakeholders' requirements.
- To provide training and communication so that all our employees shall have the environmental, health and safety awareness and competency in whatever they do.
- To assign clear safety and environmental responsibilities to our employees as a fundamental part of their routine duties.
- To attain consultation & participation from employees to minimise hazards from environment, occupational health and safety.
- To establish and carry out environmental, occupational health & safety objectives/target based on evaluation of the environmental impacts and occupational health and safety hazard and risk assessed on our business activities, process, products and services.

The EHS Committee carried out meetings to discuss workplace condition matters, EHS programmes and EHS performance. Our health and safety performance have been reported with the following data:

YEAR	LOST TIME INJURY RATE (LTIR)
2025	0.53
2024	0
2023	0.13

SOCIAL (CONT'D)

Occupational Health and Safety (Cont'd)

Our EHS team continues to emphasise the importance of safety and health of our employees. There were several activities carried out at our factory site in 2025 such as the following:

√ health screening
√ basic occupational first aid, CPR & AED training
√ blood donation campaign
√ fire drill
√ chemical safety management
√ ergonomic awareness training
√ workplace noise & hearing conservation training

Human Capital Development

a. Diversity

The Group celebrates diversity and practice equality and inclusion in our hiring practices. We prioritise employment practices that are fair, non-discriminatory and merit-based. It upholds human rights, offers competitive remuneration and develops its employees, based on performance, ability and skills.

The recruitment of staff and workers during the year were carried out to satisfy vacant positions and job functions within our operations. Contractors and/or temporary staff includes those on short-term work agreement contracts with the Group and whose services were terminated upon completion.

In the FYE2025, the voluntary turnover rate base on headcount was as follows:

Category	FYE2025	FYE2024	FYE2023
Management	4	5	11
Executive	22	22	61
Non-Executive/Technical Staff	49	52	103
General Worker	–	–	–
Total	75	79	175

The people pool of our Group has always been culturally diverse with a harmonious blend of nationalities, talents and age groups. All employees and potential candidates are given equal opportunities in our hiring and selection practices for career growth and development, regardless of age, gender, race, ethnicity, or religion. As at 30 June 2025, the Group had 33.33% of its workforce made up of temporary workers (foreign workers) compared to 28.11% as at 30 June 2024.

In terms of gender balance, we do not set any targets. All employees are treated equally and given competitive salary regardless of gender. However, we do strive to achieve a balance of gender at departmental and Group level. We aim to build an inclusive environment for our employees and as such, there was no discrimination, bullying and harassment complaints received in FYE2025. (FYE2024 and FYE2023: Zero case)

The majority of our Group's workforce is relatively young and dynamic, with the highest proportion of employees in the under-30 years age group. Sustainability for the Group is assured from a ready pool of willing and motivated learners, guided by the right balance of experienced managers.

SALUTICA

SUSTAINABILITY STATEMENT (CONT'D)

SOCIAL (CONT'D)

Human Capital Development (Cont'd)

a. Diversity (Cont'd)

Our Group's age and gender profile are as follows:

Age Group by Employee Category	FYE2025 (%)	FYE2024 (%)	FYE2023 (%)
Management under 30	0	0.43	0
Management Between 30 -50	5.59	6.23	5.72
Management Above 50	3.99	4.29	3.32
Executive under 30	8.58	9.01	7.75
Executive Between 30-50	8.78	8.80	8.67
Executive Above 50	5.19	4.72	2.95
Non-executive/ Technical Staff under 30	35.13	30.47	36.72
Non-executive/ Technical Staff Between 30 -50	26.55	30.26	29.89
Non-executive/ Technical Staff Above 50	5.99	5.58	4.80
General Workers under 30	0	0	0
General Workers Between 30 -50	0	0	0
General Workers Above 50	0.20	0.21	0.18

Gender Group by Employee Category	FYE2025 (%)	FYE2024 (%)	FYE2023 (%)
Management Male	6.59	7.73	6.27
Management Female	2.99	3.22	2.77
Executive Male	15.17	14.59	12.36
Executive Female	7.38	7.94	7.01
Non-executive/ Technical Staff Male	24.35	22.96	24.36
Non-executive/ Technical Staff Female	43.32	43.35	47.05
General Workers Male	0.20	0.21	0.18
General Workers Female	0	0	0

SOCIAL (CONT'D)

Human Capital Development (Cont'd)

a. Diversity (Cont'd)

A performance-based appraisal system has been established to review our employees' performance against specific performance indicators. The Group has an annual Management by Objective ("MBO") programme which sets the key performance indicators to drive for success. Welfare compensation and benefits are strategically devised to promote the general well-being of our employees besides recognising their performance. Through these appraisals, we provide merit-based recognition and rewards which in turn will boost employees' morale and motivate the team for continuous improvement.

The Group also valued loyalty among its employees and long service awards were granted to employees who have been with the Group for at least ten years. In the FYE2025, there was a total of 21 employees that had been working with the Group for at least ten years.

Year of service	Headcount
10	3
15	1
20	4
25	7
30	6
Total	**21**

b. Training and Career Development

The Group has always been a strong advocate of employee training and development. These programs are held throughout the year and may be conducted in-house or off-site, virtual or physical. All employees of the Group are mandated to undergo anti-corruption and bribery training conducted internally by our Human Resources (HR) department upon recruitment; each employee also formally acknowledges their understanding and adherence to the Group's Anti-Corruption and Bribery policy by signing a staff declaration form.

Continuous training and learning programs provide opportunities for employees to acquire new skill sets as well as improve their knowledge base, productivity, confidence and morale. This leads to increased job satisfaction, lower employee turnover and promotes a performance-based culture that is encouraging, supportive and sustainable.

SUSTAINABILITY STATEMENT (CONT'D)

SOCIAL (CONT'D)

Human Capital Development (Cont'd)

b. Training and Career Development (Cont'd)

In the FYE2025, the Group recorded a total of 8,655 training hours spent by the following categories:

TOTAL HOURS OF TRAINING	FYE2025	FYE2024	FYE2023
Management	1,265	2,380	3,361
Executive	3,487	6,725	6,325
Non-Executive/Technical Staff	3,898	10,312	4,724
General Worker	5	2	1
Total	8,655	19,419	14,411

Developing skills and competency for its employees are part of the Group's commitment towards its employees' well-being. All new employees are given Employee Handbook and undergo orientation programme as part of the initiation to the company's work culture.

We conduct annual Training Needs Analysis ("TNA") to understand the development needs of our employees. This allows us to identify the knowledge and skill gaps within the organisation against external factors such as employee expectation and latest technological advancement.

The Group remains committed to investing in training and development programs, utilizing both the physical and online channels of communications for the conduct of these trainings where applicable. In FYE2025, the Group invested approximately RM91,145 in various training programs, encompassing those that were both knowledge-based and skill-based; to address workforce competency gaps, skills upgrade and enrich professional development of our employees.

During the FYE2025, there was a total of 32 trainings conducted (FYE2024: 37) on various topics ranging from technical courses to updates on legislations and also training on health and safety. There were also several trainings on IATF16949 refresher courses. During the year under review, there were a total of 327 employees trained on health and safety, amongst others, on fire safety and fire drills.

c. Labour Practice

The success of the Group is built on the well-being of our employees, communities and customers. As part of our stakeholder engagement practice, we continue and constantly engage with our employees to ensure that they understand our mission, culture, best practices and most importantly, our commitment to sustainability and ESG matters. We are committed to upholding the labour rights of our employees. Our Code of Conduct and other labour policies protect labour rights and is based on the Malaysian Employment Act 1955, and relevant industry standards such as the RBA Code of Conduct Version 8.0. Some of the labour rights we uphold include the following:

- No child labours
- No forced labour
- Worked hours
- Fair wages
- Non-Discrimination / Non-Harassment
- Safe workplace

SUSTAINABILITY STATEMENT (CONT'D)

SOCIAL (CONT'D)

Human Capital Development (Cont'd)

c. Labour Practice (Cont'd)

The Employee Handbook with the latest revision 9 dated 23 March 2022 has been designed to incorporate the terms of conditions of employment for all employee outlining the Human Resource policies and procedures as well as the benefits and services available for the employees in accordance with the local regulations.

In the FYE2025, there was no complaint received from our employees in regard to labour practices concern and non-compliance to the laws and regulations.

Community Investment

The Group believes in giving back to society, in this case, the communities in which we are located, while investing in the future of our next generations. As responsible community members and business operators, the Group carries out its corporate social responsibilities (CSR) in good faith, contributing monetary support and assistance. During the FYE2025, the Group had donated several used-equipments to a vocational college for its students' training purposes.

The Group believe in contributing to the development of the next generation of graduates and business leaders through our internship programme. Hiring interns have been a long focus for our Group because it provides employment opportunities for the local communities. During the FYE2025, we hired 4 interns (FYE2024: 21 interns and FYE2023: 35 interns) with an investment of RM26,196 (FYE2024: RM141,618 and FYE2023: RM188,327) in the salary payout to the interns.

The Board remain dedicated to fulfil its role as a responsible corporate citizen by ensuring the creation of sustainable value and benefits through our economic activities. We understand our role in economic development and believe that we have a responsibility in bringing a positive impact to the community and the areas in which we operate. We contribute to the development of local economies by creating jobs, boosting skills, sourcing supplies from local suppliers (wherever possible) and paying taxes to the Government.

SUSTAINABILITY STATEMENT (CONT'D)

Sustainability Performance Report

The following performance date table provides a summary of our FYE2025 ESG quantitative common indicators downloaded from the Bursa ESG Reporting Platform as per the requirements and format prescribed by Bursa Securities.

This report has not been subjected to an assurance process. Nonetheless, we prioritise the accuracy of our sustainability disclosures, ensuring data integrity by internally sourcing and verifying data from the respective information owners. The disclosures are approved by the Board of Directors and reviewed by the Sustainability & Risk Management Committee ("SRMC"). We plan to explore external assurance options for our future sustainability statements.

Indicator	Measurement Unit	2023	2024	2025
Bursa (Anti-corruption)				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Management	Percentage	100.00	100.00	100.00
Executive	Percentage	100.00	100.00	100.00
Non-executive/Technical Staff	Percentage	100.00	100.00	100.00
General Workers	Percentage	100.00	100.00	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00	100.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0
Bursa (Community/Society)				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	188,327.00	141,618.00	26,196.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	35	21	4
Bursa (Diversity)				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Management Under 30	Percentage	0.00	0.43	0.00
Management Between 30-50	Percentage	5.72	6.23	5.59
Management Above 50	Percentage	3.32	4.29	3.99
Executive Under 30	Percentage	7.75	9.01	8.58
Executive Between 30-50	Percentage	8.67	8.80	8.78
Executive Above 50	Percentage	2.95	4.72	5.19
Non-executive/Technical Staff Under 30	Percentage	36.72	30.47	35.13
Non-executive/Technical Staff Between 30-50	Percentage	29.89	30.26	26.55
Non-executive/Technical Staff Above 50	Percentage	4.80	5.58	5.99
General Workers Under 30	Percentage	0.00	0.00	0.00
General Workers Between 30-50	Percentage	0.00	0.00	0.00
General Workers Above 50	Percentage	0.18	0.21	0.20
Gender Group by Employee Category				
Management Male	Percentage	6.27	7.73	6.59
Management Female	Percentage	2.77	3.22	2.99

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

SUSTAINABILITY STATEMENT (CONT'D)

Sustainability Performance Report (Cont'd)

Indicator	Measurement Unit	2023	2024	2025
Bursa (Diversity)				
Executive Male	Percentage	12.36	14.59	15.17
Executive Female	Percentage	7.01	7.94	7.38
Non-executive/Technical Staff Male	Percentage	24.36	22.96	24.35
Non-executive/Technical Staff Female	Percentage	47.05	43.35	43.32
General Workers Male	Percentage	0.18	0.21	0.20
General Workers Female	Percentage	0.00	0.00	0.00
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	83.33	71.43	71.43
Female	Percentage	16.67	28.57	28.57
Under 30	Percentage	0.00	0.00	0.00
Between 30-50	Percentage	33.33	42.86	42.86
Above 50	Percentage	66.67	57.14	57.14
Bursa (Energy management)				
Bursa C4(a) Total energy consumption	Megawatt	4,558.80	2,818.90	2,232.84
Bursa (Health and safety)				
Bursa C5(a) Number of work-related fatalities	Number	0	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.13	0.00	0.53
Bursa C5(c) Number of employees trained on health and safety standards	Number	534	479	327
Bursa (Labour practices and standards)				
Bursa C6(a) Total hours of training by employee category				
Management	Hours	3,361	2,380	1,265
Executive	Hours	6,325	6,725	3,487
Non-executive/Technical Staff	Hours	4,724	10,312	3,898
General Workers	Hours	1	2	5
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	33.76	28.11	33.33
Bursa C6(c) Total number of employee turnover by employee category				
Management	Number	11	5	4
Executive	Number	61	22	22
Non-executive/Technical Staff	Number	103	52	49
General Workers	Number	0	0	0
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0
Bursa (Supply chain management)				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	17.05	15.97	36.56
Bursa (Data privacy and security)				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0
Bursa (Water)				
Bursa C9(a) Total volume of water used	Megalitres	61.252000	41.292000	30.534000

Internal assurance External assurance No assurance (*)Restated

SUSTAINABILITY STATEMENT (CONT'D)

Sustainability Performance Report (Cont'd)

Indicator	Measurement Unit	2023	2024	2025
Bursa (Waste management)				
Bursa C10(a) Total waste generated	Metric tonnes	-	-	62.43
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	-	-	54.28
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	-	-	8.15
Bursa (Emissions management)				
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	-	-	0.00
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	-	-	0.00
Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	-	-	0.00

Internal assurance External assurance No assurance (*)Restated

COMPANY HIGHLIGHTS 2025

COMPANY ACTIVITIES

25 OCTOBER 2024

1

Long Service Staff Award
Salutica Allied Solutions Sdn Bhd

7 NOVEMBER 2024

2

Majlis Sirim Industri 2024
Sunway Resort Hotel & Spa, Petaling Jaya

16 DECEMBER 2024

3

IATF 16949:2016 Certification appreciation lunch
Salutica Allied Solutions Sdn Bhd

COMPANY HIGHLIGHTS 2025 (CONT'D)

CORPORATE SOCIAL RESPONSIBILITIES

13 AUGUST 2024

1 **Safe Chemical Handling training**
Salutica Allied Solutions Sdn Bhd

20 AUGUST 2024

2 **Blood donation campaign**
Salutica Allied Solutions Sdn Bhd

13 DECEMBER 2024

3 **Safety Handling Forklift Truck training**
Salutica Allied Solutions Sdn Bhd

COMPANY HIGHLIGHTS 2025 (CONT'D)

CORPORATE SOCIAL RESPONSIBILITIES (CONT'D)

20 DECEMBER 2024

4 **Fire Evacuation Drill**
Salutica Allied Solutions Sdn Bhd

23 DECEMBER 2024

5 **Safe operation of overhead crane at workplace training**
Salutica Allied Solutions Sdn Bhd

23 JANUARY 2025 AND 27 FEBRUARY 2025

6 **Free eyes screening**
Salutica Allied Solutions Sdn Bhd

COMPANY HIGHLIGHTS 2025 (CONT'D)

CORPORATE SOCIAL RESPONSIBILITIES (CONT'D)

23 JANUARY 2025 AND 27 FEBRUARY 2025

6 **Free eyes screening (Cont'd)**
Salutica Allied Solutions Sdn Bhd

24 JANUARY 2025

7 **Health screening**
Salutica Allied Solutions Sdn Bhd

11 TO 14 MARCH 2025

8 **Ergonomic & Manual Handling training**
Salutica Allied Solutions Sdn Bhd

COMPANY HIGHLIGHTS 2025 (CONT'D)

CORPORATE SOCIAL RESPONSIBILITIES (CONT'D)

8 TO 9 APR 2025

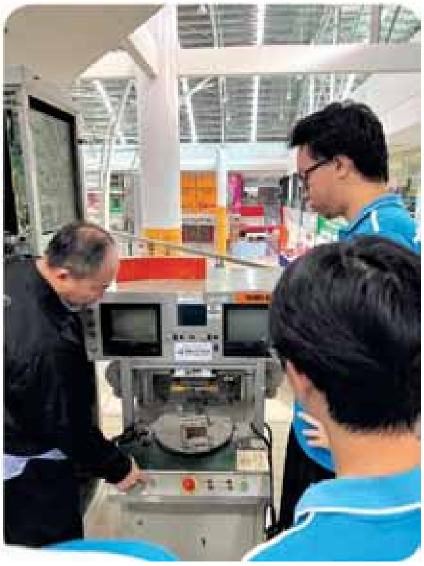
9

Automotive Industry Action Group Design failure mode and effects analysis training AIAG VDA – DFMEA
Salutica Allied Solutions Sdn Bhd

14 MAY 2025

10

Donation of used-equipment to International TVET Academy (ITA) for students training
Ipoh, Perak



SALUTICA

COMPANY HIGHLIGHTS 2025 (CONT'D)

CORPORATE SOCIAL RESPONSIBILITIES (CONT'D)

23 MAY 2025 — 11

Chemical Safety Management - Cradle to grave training
Salutica Allied Solutions Sdn Bhd


17 JUNE 2025 — 12

Noise and Hearing Conservation training
Salutica Allied Solutions Sdn Bhd


18 JUNE 2025 — 13

Safety week program – Blood pressure & glucose health awareness
Salutica Allied Solutions Sdn Bhd


COMPANY HIGHLIGHTS 2025 (CONT'D)

CORPORATE SOCIAL RESPONSIBILITIES (CONT'D)

19 JUNE 2025

14 **Emergency Preparedness & Response training**
Salutica Allied Solutions Sdn Bhd

20 JUNE 2025

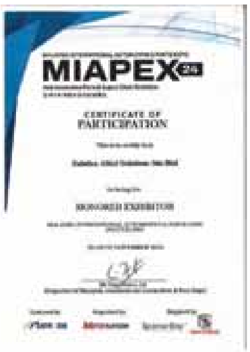
15 **Fire Evacuation Drill**
Salutica Allied Solutions Sdn Bhd

COMPANY HIGHLIGHTS 2025 (CONT'D)

EXHIBITION & TRADE SHOW

22 – 24 NOVEMBER 2024

1 **Malaysia International Automotive & Parts Expo (MIAPEX 2024)**
The Mines, Seri Kembangan, Selangor


MIAPEX
CERTIFICATE OF PARTICIPATION
HONOURED EXHIBITOR

17 MARCH 2025

2 **Sponsor Fobo products to Royal Enfield Guerrilla 450 event**
Pasar Seni, Kuala Lumpur

9 TO 10 MAY 2025

3 **Malaysia Autoshow 2025**
MAEPS Serdang

COMPANY HIGHLIGHTS 2025 (CONT'D)

EXHIBITION & TRADE SHOW (CONT'D)

24 TO 27 MAY 2025

4

Malaysia International Cocoa Exhibition 2025 (MICE 2025)
Sabah International Convention Centre (SICC)

26 TO 29 JUNE 2025

5

Rimba Raid X Lenggong 2025
Lenggong Valley, Perak

SALUTICA

COMPANY HIGHLIGHTS 2025 (CONT'D)

EXHIBITION & TRADE SHOW (CONT'D)

26 TO 27 JULY 2025 — 6

Art of Speed 2025
MAEPS Serdang

Token of appreciation by Customer In recognition of Valued Business Partnership with Salutica Allied Solutions Sdn Bhd

29 SEPTEMBER 2025 — 7

Grand Opening of Customer office
in Penang, Malaysia

COMPANY HIGHLIGHTS 2025 (CONT'D)

CERTIFICATIONS AND ACCREDITATIONS

Since inception, Salutica Allied have placed strong emphasis on quality control, customer satisfaction, manufacturing excellence, and workplace safety and health. We have achieved external accreditations such as ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018. We strive to maintain these accreditations as it provides our customers the assurance that our products and services rendered are following relevant regulations.

Since Year	Certifications and accreditations received
1993	• ISO 9001:2015 Quality Management System
2001	• ISO 14001:2015 Environmental Management System
2006	• ISO 45001:2018 Occupational Health and Safety Management System
2022	• EN ISO 13485:2016 Quality Management System for Medical Devices
2023	• Letter of Conformance to IATF 16949:2016 (LOC)
2024	• IATF 16949:2016 certification with Quality management systems requirements for automotive production and relevant service part organizations

- ISO 9001:2015
  Quality Management System

- ISO 14001:2015
  Environmental Management System

- ISO 45001:2018
  Occupational Health and Safety Management System

- EN ISO 13485:2016 Quality Management System for Medical Devices

- IATF 16949:2016 certification with Quality management systems requirements for automotive production and relevant service part organizations

In addition, we have also been awarded the FCC certification mark for the US and CE certification mark for the European Economic Area for our FOBO products.

CORPORATE GOVERNANCE **OVERVIEW STATEMENT**

The Board of Salutica Berhad (the "Company") is committed to ensuring that the Company meets the principles and applies the practices of corporate governance as set out in the Malaysian Code on Corporate Governance ("MCCG"). The Board firmly believes that such principles and practices of the MCCG are essential to uphold the business integrity of the Group.

During the FYE2025, the Board has adhered to its best efforts; the corporate governance practices outlined in this Statement.

This Statement provides an overview of the Group's application of the 3 principles of good corporate governance as set out in MCCG that have been in place during the FYE2025 as set out below:

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

The Group's Corporate Governance Report ("CG Report") base on the prescribed format is available on the Company's website www.salutica.com as well as on the website of Bursa Securities.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

PART 1 BOARD RESPONSIBILITIES

1.1 Board's Roles and Responsibilities

The Board has set in place a robust governance framework that encompasses all levels of the Group. The framework provides for strong oversight at the working, supervisory and management levels as well as at the Board level. This governance framework includes all processes for the financial reporting, risk management, internal control and compliance.

The Group is headed by an experienced and effective Board. The Board assumes overall responsibility in the strategic operations including overseeing the proper conduct of business of the Group. It enforces standards of accountability with the view of enabling Management to execute its duties and responsibilities efficiently and effectively to meet its corporate objectives.

The Company had complied with the requirement of the Paragraph 15.02 of the MMLR of Bursa Securities to have at least two (2) Directors or one third (1/3) of its Board members, whichever is higher, to be Independent Directors. Our Chairman is Mr. Chia Chee Hoong, an Independent Non-Executive Director.

During the FYE2025, the Board has eight (8) members, comprising the following:

Name	Directorship
Mr. Chia Chee Hoong	Chairman / Independent Non-Executive Director
Mr. Low Teng Lum	Senior Independent Non-Executive Director
Mdm. Tan Gim May	Independent Non-Executive Director
Mr. Leow Chan Khiang (Resigned on 17 October 2025)	Independent Non-Executive Director
Mr. Joshua Lim Phan Yih	Managing Director / Chief Executive Officer
Mr. Lim Chong Shyh	Senior Executive Director
Ms. Chan Shook Ling	Executive Director / Chief Financial Officer
Mr. Joel Lim Phan Hong	Alternate Director to Lim Chong Shyh

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART 1 BOARD RESPONSIBILITIES (CONT'D)

1.1 Board's Roles and Responsibilities (Cont'd)

Mr. Joel Lim Phan Hong was appointed on 3 March 2020 as an alternate director to Mr. Lim Chong Shyh.

The Board has established the NRC and the Audit and Risk Management Committee ("ARMC) to enhance the efficiency of the Board Committees in discharging its duties and responsibilities. The Chairpersons of the respective NRC and ARMC report to the Board on key matters deliberated at the respective Board committee meetings and make recommendations to the Board for final decision, whenever necessary.

The Independent Non-Executive Directors are persons of high credibility and integrity who provides professional and independent views, expertise and judgement in discharging their duties and responsibilities.

The Managing Director / Chief Executive Officer, Mr. Joshua Lim Phan Yih, is responsible for representing the views of the management of the Company. During the meetings, active discussion and deliberations were made to ensure that the intended outcome serves the best interest of the Group.

As provided for in the Principles of the MCCG and also in the Board Charter, the Board recognises the key role it plays in charting the strategic direction of the Group. The Board governance role has the following principal responsibilities in discharging its fiduciary and leadership functions:

- To review and approve business strategies, plans and significant policies which includes Sustainability Policy, and ensure that the Group's goals are clearly established, and to monitor implementation and performance of the strategy, policies, plans, legal and fiduciary obligations that affect the business by adopting performance appraisal measures;

- To ensure a competent management team by establishing clear policies and objectives for strengthening the performance of the Group with a view to proactively build the business through innovation, initiative, technology, new products and the development of its business capital;

- To evaluate whether the business is being properly managed and to ensure that the solvency of the Group and the ability of the Group to meet its contractual obligations and to safeguard the Group's assets;

- To ensure the adequacy of the Group's business risk management processes, including internal control systems and management information systems, systems for compliance with applicable laws, regulations, rules, directives and guidelines and controls in areas of significant financial and business risks. The Board has established the Anti-Corruption and Bribery Policy to emphasize its stand on ZERO-TOLERANCE on corruption and bribery;

- To establish various Board Committees and ensure their effectiveness to address specific issues, by considering recommendations of the various board committees and acting on their reports;

- To ensure that the financial statements of the Group and the Company are fairly stated and conform with the relevant regulations including acceptable accounting policies that result in balanced and understandable financial statements;

- To ensure appropriate succession planning for members of the Board and senior management;

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART 1 BOARD RESPONSIBILITIES (CONT'D)

1.1 Board's Roles and Responsibilities (Cont'd)

- To establish appropriate ethical standards by ensuring that the Group adheres to high corporate behavior standard at all times including transparency in the conduct of business. In this regard, our Directors are required to comply with the Directors' Code of Best Practice which amongst others includes the declaration of any personal, professional or business interests, direct or indirect which may conflict with Directors responsibilities as a Board member and to refrain from voting on such transaction with the Group; and

- To ensure a full and transparent communication and investor relations policy are in place.

1.2 The Chairman

Our Chairman, Mr. Chia Chee Hoong, is an Independent Non-Executive Director.

He leads the board meetings and discussions and acts as a facilitator at Board meetings to ensure that no member, whether executive or non-executive, dominates discussions; that the appropriate discussions take place; and that relevant opinions amongst members are forthcoming. The Chairperson/ Chairman shall ensure that discussions result in logical and understandable outcomes.

He has to ensure that the meeting agenda covers all matters required to be discussed, considered and resolved and that meetings convened are attended by all Directors who are given the opportunity to express their views and that decisions made during all meetings adequately reflect the views of the meeting as a whole.

He is committed to good corporate governance practices and has been leading the Board towards achieving the Company's strategic goals.

1.3 Clear functions of the Board and those delegated to Management

There is a clear delineation of roles and functions between the Board and Senior Management to ensure that the strategic operations and day-to-day operations of the Group are well managed.

The Chairman is an Independent Non-Executive Director who is responsible for overseeing the effective discharge of the Board's supervisory role emphasising on governance and compliance while the Executive Directors and other management personnel are responsible for the day-to-day operation of the Group's business and implements the running of the financial and general business operations of the Group.

The Board is responsible for formulating the overall strategic directions and plans to deliver long term values to stakeholders and to enhance shareholders' value. These responsibilities include the Group's overall strategy, acquisition and divestment policies, capital expenditure, annual budget, review of financial and operational performance, and internal controls as well as investment and risk management processes.

Board meetings are held at least 5 times a year to ensure all Directors can discharge their fiduciary duties effectively.

The Board has to ensure a balance of authority so that no single individual has unfettered authority. The roles and responsibilities of the Chairman and Managing Director are clearly segregated to further enhance and preserve the balance of authority, power and accountability. Each Director has a duty to act in the best interests of the Group. The Directors, individually and collectively, are aware of their responsibilities to the shareholders and other stakeholders for the manner in which the affairs of the Group are managed.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART 1 BOARD RESPONSIBILITIES (CONT'D)

1.4 Code of Conduct & Ethics

The Board has adopted the Code of Conduct for Directors, officers and employees of the Group to promote an environment of integrity and ethical behaviour within the Group. This Code is incorporated in the Board Charter, which sets out the standard of conduct expected of Directors, with the aim to cultivate good ethical conduct that permeates throughout the Group through transparency, integrity, and accountability behaviour.

Management and employees are expected to observe high standards of integrity and fair dealing to customers, suppliers, staff and regulators wherever the Company operates.

The Code of Conduct is available at the Company's website.

1.5 Board Charter

The Directors are expected to maintain the highest levels of integrity, honesty and accountability and a strong commitment to sound corporate governance practices. In this regard, the Board has established a Board Charter in 2016 to promote high standards of corporate governance which is designed to provide guidance and clarity to Directors and the Management with regards to the role of the Board and its Committees.

The Board Charter sets out the key values and principles of the Company as well as the duties and responsibilities of the Board, the Chairman, the Executive Directors, the Independent Director and the Board Committees. The Board Charter also includes a formal schedule of matters reserved for the deliberation of the Board.

Directors are required to disclose any conflict of interest situations or any material personal interest that they may have in the affairs of the Group, as soon as they become aware of the interest and abstain themselves from deliberations on that matter.

The Board reviews the Board Charter periodically and updates the Charter in accordance with the needs of the Company and any new regulations that may have an impact to the discharge of the Board's responsibilities to ensure its effectiveness.

A copy of the Board Charter is available at the Company's website, www.salutica.com.

1.6 Company Secretaries and Access to Information and Advice

The Board is supported by qualified and competent Company Secretaries, namely Mr. Khaw Teik Thye and Ms. Chong Lay Kim, besides an in-house Company Secretary, namely Ms. Chan Shook Ling. The three (3) Company Secretaries are qualified to act as company secretary under Section 235(2) of the Companies Act 2016.

All Directors have unrestricted access to the advice and services of the Company Secretaries to enable them to discharge their duties and responsibilities effectively. The Company Secretaries are well versed with the overall goals set by the Board when it comes to strengthening corporate governance and risk management, as well as improving the Group's overall management and administration.

The Board is regularly updated and advised by the Company Secretaries who are qualified, experienced and knowledgeable. They facilitates the flow of information to the Board and its committee especially statutory updates.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART 1 BOARD RESPONSIBILITIES (CONT'D)

1.6 Company Secretaries and Access to Information and Advice (Cont'd)

The agenda, Board collaterals and minutes of previous meetings of the Board are circulated in advance to the Board, before the meetings. The agenda for every meeting permits Board members to review the contents of meetings and enable the Chairman to better and more efficiently conduct proceedings during Board meetings.

The Company Secretaries ensure that the deliberations and decisions at Board and its committee meetings are well documented in the minutes, including matters where Directors abstained from voting or deliberation.

PART 2 STRENGTHEN THE COMPOSITION OF THE BOARD

2.1 Nomination and Remuneration Committee ("NRC")

The Board's NRC is exclusively made up of Non-Executive Directors, all of whom are Independent Directors.

The role of the NRC is to assist the Board in ensuring that the Board comprises individuals with the requisite skills, knowledge, professional expertise and good character standing.

The NRC comprises three (3) Independent Non-Executive Directors and is chaired by Senior Independent Non-Executive Director. The members of NRC are as follows:

Name	Designation	Directorship
Mr. Low Teng Lum	Chairman	Senior Independent Non-Executive Director
Mdm. Tan Gim May	Member	Independent Non-Executive Director
Mr. Leow Chan Khiang (Resigned on 17 October 2025)	Member	Independent Non-Executive Director

The NRC reviewed the tenure of each Director and annual re-election of a Director are contingent upon satisfactory outcome of the annual assessment and evaluation of board members. All Directors seeking re-election are required to do Directors' Evaluation form as guided by the Directors' Fit & Proper Policy.

The NRC is also responsible for identifying training programmes for the Board, reviewing the Board's succession planning, and assessing the performance of the Directors on an ongoing basis.

The Terms of Reference of the NRC and the Directors' Fit & Proper Policy are available for reference on the Company's website at www.salutica.com.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART 2 STRENGTHEN THE COMPOSITION OF THE BOARD (CONT'D)

2.2 Appointment to the Board

The NRC is tasked with specific terms of reference to assist the Board, among other things, to identify, consider and recommend suitable individuals for appointment as Directors of the Board and Board Committees in line with the Directors' Fit and Proper Policy.

During the financial year under review, the Board has adopted the Directors' Fit and Proper Policy, which serves as a guide to the NRC and the Board in conducting assessment on existing Directors seeking for re-election and to ensure the Directors possess the right blend of qualifications, expertise, track record, character and integrity, and time commitment to effectively discharge their roles and responsibilities as Directors of the Group.

Apart from assisting the Board in carrying out annual reviews on the mix of skills and experience, contributions and other qualities, including core competencies, which the Non-Executive Directors bring to the Board, the NRC also carries out the process of evaluating the effectiveness of the Board as a whole, the performance and contribution of the Chairman and other Directors, including Independent Non-Executive Directors, as well as the Managing Director / Chief Executive Officer and identifies areas for improvement and change. The Company Secretaries are responsible to ensure that relevant procedures relating to the appointment of new Directors are properly executed. New Directors are required to undergo familiarisation programmes and briefings to get a better understanding of the Group's operations and the overall industry. Nominations may come from a wide variety of sources, including current Directors, senior employees of Salutica, customers, shareholders, industry associations, recruiting firms and others.

Since the issuance of previous Annual Report, the NRC had convened one (1) meeting ("NRCM") as follows:

Name	Attendance
Mr. Low Teng Lum	1/1
Mdm. Tan Gim May	1/1
Mr. Leow Chan Khiang (Resigned on 17 October 2025)	1/1

The agendas for the meeting was as follows:

- to review the results of the Board Assessment for the FYE2025.
- to consider and recommend the re-election of the following Directors in accordance with Clause 76(3) at the forthcoming Annual General Meeting of the Company to the Board of Directors:
  (a) Mr. Low Teng Lum
  (b) Mr. Joshua Lim Phan Yih
- to review the tenures of the following Directors and discuss seeking shareholders' approval to allow the these Directors, who served as Independent Directors of the Company for more than 9 years, to continue to serve as Independent Directors:
  (a) Mr. Chia Chee Hoong
  (b) Mr. Low Teng Lum
- to review and recommend to the Board the remuneration of the Managing Director/Chief Executive Officer.
- recommend to the Board the proposed Directors' fees for the FYE2025.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART 2 STRENGTHEN THE COMPOSITION OF THE BOARD (CONT'D)

2.2 Appointment to the Board (Cont'd)

Directors' Remuneration

In discharging its duties, the NRC ensures that all recommendations and decisions made regarding remuneration and incentive packages are conducted in a transparent, fair and responsible manner.

To ensure its long term success throughout the recruitment and retention of Directors and Key Management personnel, remuneration packages are structured to ensure the Company attracts and retains the Directors needed to run the Company successfully.

The remuneration package of the Non-Executive Directors depends on their contribution to the Company in terms of their knowledge and experience. The committee recommends to the Board the policy framework of executive remuneration and its cost, and the remuneration package for each Executive Director. It is, nevertheless, the ultimate responsibility of the entire Board to approve the remuneration of these Directors.

(a) Details of Directors' remuneration as at FYE2025 for both the Company and the Group are disclosed in the CG Report.

For FYE 2025, Mr. Joel Lim Phan Hong did not receive any Director's remuneration.

(b) The aggregate remuneration paid to key senior management including Executive Directors for the FYE2025 are as follows:

Range of Remuneration	No of persons
RM200,000 to RM250,000	2
RM350,001 to RM400,000	1
RM400,001 to RM450,000	1
RM1,050,000 to RM1,100,000	1
RM1,110,000 to RM1,150,000	1

The Board is of the view that it would not be in the best interest of the Group to disclose on a named basis the senior management's remuneration component because of industry competitiveness for skilful and experienced senior management staff.

2.3 Re-election of directors

Pursuant to Clause 76(3) of the Company's Constitution (the "Constitution") and Paragraph 7.26 of the MMLR, all Directors are required to retire by rotation such that each Director will retire at least once every three (3) years at the AGM. The Constitution also provide at least one third (1/3) of the Directors are subject to re-election by rotation at each AGM and retiring Directors can offer themselves for re-election.

Pursuant to Clause 78, new appointment is subject to retire in next AGM but shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at the AGM.

Directors seeking re-election for the forthcoming AGM are Mr. Low Teng Lum and Mr. Joshua Lim Phan Yih.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART 2 STRENGTHEN THE COMPOSITION OF THE BOARD (CONT'D)

2.4 Gender Diversity

The Board recognises the value of a broad range of skills, experience, background and expertise. The Board does not have a formal policy on gender diversity due the size of the board composition but also because the Board is of the view that Board membership should be determined based on a candidate's character, competency, skills, experience and other qualities regardless of gender.

Despite there being no formal policy, but in line with Practice Note 5.9 of MCCG, the Board has adopted the practice to improve gender diversity on the Board.

Since FYE2024, the Board has been represented by two (2) female Directors.

The Group will continue to identify suitable candidates, whenever a vacancy arises, for appointment to the Board based on merit, competence and the contribution that each potential candidate can bring to the Board.

PART 3 REINFORCE INDEPENDENCE OF THE BOARD

3.1 Annual Assessment of Independent Directors

The Board recognises the importance of independence and objectivity in the decision-making process as advocated in the MCCG 2021. It is committed to ensure that the independent directors are capable of exercising impartial judgment and acting always in the best interests of the Group.

The NRC is responsible for reviewing recommendations of any new appointments to the Board. In reviewing these recommendations, the NRC considers the required mix of skills and experience which the Directors would bring to the Board and his or her time commitment. Any new nomination received, shall be reviewed by the NC and subsequently submitted to the Board for assessment and approval.

The Board, through the NRC, conducted evaluation on the effectiveness of the Board, its Committees and assess the independence of the Independent Directors annually. The criteria for assessing the independence of an Independent Director include the relationship between the Independent Director and the Group and his involvement in any significant transaction with the Group. Among the criteria considered for independency includes the ability to exercise independent comments, judgment, and contribution constructively at all times to ensure that the Board functions effectively. The relationship between the Independent Directors with any substantial shareholders, any Executive Directors, any persons related to any Executive Director or major shareholder, business transactions with the Group and their tenure of office will also be reviewed.

The evaluation process involves individual Director completing separate assessment in questionnaire format regarding the processes of the Board and its Committees, their effectiveness and where improvements can be considered. The assessment form is guided by Corporate Governance Guide Pull-out I.

The NRC had performed the evaluation process for all of the Directors in June 2025. The NRC had reviewed the independence of the Independent Directors and performance of the Executive Directors and is satisfied with the independency and competency demonstrated. It is of the opinion that all the Independent Directors remain objective in expressing their views and in participating in deliberations and decision making process of the Board and its committees.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART 3 REINFORCE INDEPENDENCE OF THE BOARD (CONT'D)

3.2 Tenure of Independent Directors

The Board is aware of the recommended tenure of an Independent Director which should not exceed a cumulative or consecutive term of a total of nine (9) years as recommended by MCCG 2021 and that such a Director may continue to serve on the Board if the Independent Director is re-designated as a Non-Independent Non-Executive Director upon completion of the nine (9) years tenure.

MCCG 2021 further advises that if the Board intends to retain the Director as Independent after the Independent Director has served a cumulative or consecutive term of nine (9) years, the Board must justify the decision and seek shareholders' approval at a general meeting via two-tier voting process.

The Board, based on the review and recommendation made by the NRC, considers Mr. Chia Chee Hoong and Mr. Low Teng Lum who are the Independent Non-Executive Directors, to be independent and recommends that they should continue to act as Independent Non-Executive Director of the Company based on the following justifications:

(a) The Group has benefited from their long tenure as an Independent Director who have detailed knowledge of the Group's business, internal controls, risk profile, proven commitment, integrity, experience, competence and wisdom to effectively advise the Board.
(b) They are independent in character and judgment, independent of management and free from any relationship or circumstances which are likely to affect or could affect his judgment or decision making in the best interest of the Group.
(c) They have proven business acumen, academic qualifications, professional and entrepreneurial experience, legal and litigation skills. They have been vocal and constructive in providing feedback to the Board in their decision making.

They have fulfilled the criteria under the definition of Independent Directors as stated in the MMLR and have provided a check and balance, and brought an element of objectivity to the Board, having served the Group since its listing on Bursa Securities in May 2016.

3.3 Roles of Independent Non-Executive Chairman, CEO and Executive Directors

We recognise that the roles of the Chairman and the Managing Director/CEO are distinct and separate with a clear division of responsibilities to ensure a balance of authority, increased accountability and a greater capacity for independent decision-making.

The Chairman, Mr. Chia Chee Hoong's role is to facilitate the effective conduct of business of the Board and ensure its smooth functioning. The Managing Director/CEO, Mr. Joshua Lim, ensures the smooth running of the day-to-day operations, monitors and evaluates the implementation of policies, strategies, business plans and sets the pace for its operations and future development of the Group. He is assisted by a group of senior, experienced Executive Directors and Senior Management.

The Chairman has the obligation to preside at various meetings, namely during the AGM and Board meetings in order to address issues to be highlighted by and to members independently.

Although all the Directors have equal responsibilities for the Company's operations, the role of the Independent Non-Executive Directors is particularly important in providing professional and independent views, expertise and judgement in exercising their duties and responsibilities taking into account the interests of the Company, the shareholders, the employees and other stakeholders.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART 3 REINFORCE INDEPENDENCE OF THE BOARD (CONT'D)

3.4 Board Balance

The Board comprises a mix of qualified and experienced Directors with diverse experience, background and expertise. With the resignation of Mr. Leow Chan Khiang on 17 October 2025, the Board is at present comprises three (3) Independent Non-Executive Directors and three (3) Executive Directors. Together, these Directors constitute a balanced Board comprised of professionals in diverse backgrounds, experience and wide mix of skills.

The Executive Directors are primarily responsible for the day-to-day running of the Group's business, as well as implementing the policies and decisions of the Board. They each held different functions of the Company and contribute cohesively to the success of the Group.

The Independent Non-Executive Directors act independently of management, do not participate in any business dealings and are not involved in any business relationship with the Group that may impair their judgment and decision making.

The Board members are as follows:

Name	Directorship
Mr. Chia Chee Hoong	Chairman / Independent Non-Executive Director
Mr. Low Teng Lum	Senior Independent Non-Executive Director
Mdm. Tan Gim May	Independent Non-Executive Director
Mr. Leow Chan Khiang (Resigned on 17 October 2025)	Independent Non-Executive Director
Mr. Joshua Lim Phan Yih	Managing Director / Chief Executive Officer
Mr. Lim Chong Shyh	Senior Executive Director
Ms. Chan Shook Ling	Executive Director / Chief Financial Officer
Mr. Joel Lim Phan Hong	Alternate Director to Lim Chong Shyh

A brief profile for each Director is presented in this Annual Report.

PART 4 FOSTER COMMITMENT OF DIRECTORS

4.1 Board Meeting and Attendance

Board meetings are held at least 4 times a year to ensure Directors can discharge their responsibility to manage and review the Group's overall performance, strategy and policy, and to monitor closely the exercise of any delegated authority, and for individual directors to report on their areas of responsibilities and duties. In addition to operational and financial issues, the Board also deals with challenges and issues relating to corporate governance, corporate social responsibility and corporate ethics.

The Directors are aware of the time commitment expected from each of them to attend to Board and Committee meetings and other type of meetings. They do not hold directorship in more than five (5) public listed companies.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART 4 FOSTER COMMITMENT OF DIRECTORS (CONT'D)

4.1 Board Meeting and Attendance (Cont'd)

During the FYE2025, the Board held six (6) meetings with the attendance as follows:

Name of directors	Attendance
Mr. Chia Chee Hoong	5/6
Mr. Low Teng Lum	6/6
Mdm. Tan Gim May	6/6
Mr. Leow Chan Khiang (Resigned on 17 October 2025)	6/6
Mr. Joshua Lim Phan Yih	6/6
Mr. Lim Chong Shyh	6/6
Ms. Chan Shook Ling	6/6

The Board, via the NRC committee, reviews the time commitment of the Directors annually and ensures they are able to carry out their duties and contributions to the Board.

The Board is satisfied that the Directors are committed to attend meetings in order to discharge their duties and responsibilities effectively and efficiently.

4.2 Supply of Information

The Board recognises that effective decision-making is highly dependent on the quality of information furnished. In furtherance of this, every Director has access to all information within the Group.

Each Director was provided with the agenda and a full set of the Board Papers prior to each Board Meeting with the aim of enabling the Directors to make fully informed decision at the Board Meetings.

All scheduled meetings held during the year were preceded by notice of meetings issued by the Company Secretaries. Senior management are invited to attend Board meetings, whenever necessary, to provide additional information on the relevant agenda items tabled at Board meetings.

The Directors may also engage independent professionals at the Company's expense on specialised issues to enable the Directors to discharge their duties with adequate knowledge on the matters deliberated.

The Board recognises that the Company Secretaries are suitably qualified and capable of carrying out the duties as required. All Directors have access to all information within the Company as well as the advices and services of the Company Secretaries who are responsible for ensuring the Board's meeting procedures are adhered to and that applicable rules and regulations are complied with.

The proceedings and resolutions passed at each Board Meeting are recorded in the minutes of the meetings, which are kept in the Minutes Book at the registered office. Besides Board meetings, the Board also exercises control on matters that require Board approval through the circulation of Director's written resolutions.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART 4 FOSTER COMMITMENT OF DIRECTORS (CONT'D)

4.3 Directors' Training

Continuing education programmes and training are provided to equip directors with the relevant knowledge and skills to meet the prevailing business challenges. The Directors have devoted sufficient time to training courses.

The Group acknowledges the importance of continuous training and learning to enable the Directors to stay up-to-date with the state of the economy, technological advancements, legislation and regulations updates and corporate strategies affecting the Group so as to effectively discharge their duties and responsibilities.

As at the date of this annual report, all the Directors have successfully completed their Mandatory Accreditation Programme Part II ("MAP II") as required by Bursa Securities.

During the FYE2025, the Directors have attended the following training programmes as summarised below:

Name of directors	Seminar/Training Programmes attended	Date
Mr. Chia Chee Hoong	• ACIIA Conference 2025 by the Asian Confederation of Institutes of Internal Auditors and The Institute of Internal Auditors, Malaysia	• 9-10 September 2025
Mr. Low Teng Lum	• Enhanced Conflict of Interest Obligations of Directors & other Key Persons of the Group by QL in-house training	• 20 June 2025
Mr. Leow Chan Khiang	• MAP II: Leading for Impact (LIP) by Institute of Corporate Directors Malaysia ("ICDM") • ESG Matters@ACCA – Green Gold: Dive into Climate Finance Certification by Association of Chartered Certified Accountants, Malaysia ("ACCA")	• 10-11 July 2024 • 21 August 2024
Mdm. Tan Gim May	• E-Invoice Implementation: A Forum for Finance Leaders by Malaysian Institute of Accountants ("MIA") • Audit Procedures (Part 1) – Audit Sampling and Test of Details by MIA • Malaysian Business Reporting System (MBRS) 2.0: Annual Return by MIA	• 4 July 2024 • 18 September 2024 • 21 February 2025
Mr. Joshua Lim Phan Yih	• MAP II: Leading for Impact (LIP) by ICDM	• 26–27 August 2024
Mr. Lim Chong Shyh	• MAP II: Leading for Impact (LIP) by ICDM	• 26-27 August 2024
Ms. Chan Shook Ling	• Navigating Bursa Malaysia's Enhanced Sustainability Reporting Framework by Bursa Malaysia • MAP II: Leading for Impact (LIP) by ICDM • Post Budget 2025 by ACCA • Implementation of e-invoicing in Malaysia by ACCA • Understanding Malaysian Recent Tax Developments by ACCA	• 17 July 2024 • 26-27 August 2024 • 6 November 2024 • 25 November 2024 • 4 December 2024

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

PART 5 UPHOLD INTEGRITY IN FINANCIAL REPORTING BY THE COMPANY

5.1 Audit and Risk Management Committee

The Board acknowledges its responsibility for maintaining a sound system of internal control and risk management for the Group. These controls provide reasonable but not absolute assurance against material misstatement, loss or fraud. The terms of the Company's Audit and Risk Management Committee ("ARMC") and its activities during the financial year are outlined under the ARMC Report in this Annual Report.

5.2 Compliance with Applicable Financial Reporting Standards

The Board is assisted by the ARMC in reviewing the appropriateness of accounting policies applied by the Group by making sure the financial statements and quarterly announcements are prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 in Malaysia.

The ARMC also assists the Board in scrutinising information for disclosure to ensure accuracy, adequacy and completeness. The Responsibility Statement by the Directors pursuant to the MMLR of Bursa Securities is set out in this Annual Report.

In addition to the above, the Company also undertook an independent assessment of the internal control system and the ARMC has been assured that no material issues or major deficiencies have been detected which pose a high risk to the overall internal controls under review.

5.3 Assessment of Suitability and Independence of External Auditors

The Board through its ARMC maintains a good and transparent relationship with the external auditors, PKF PLT ("PKF"). The criteria for the external auditors' assessment include quality of service, sufficiency of resources, independence, objectivity and professionalism.

The ARMC has been explicitly accorded the power to communicate directly with the external auditors without the presence of the Executive Directors. They are also invited to attend the ARMC meetings to facilitate the exchange of view on issues requiring attention.

During the financial year under review, PKF have presented its Audit Plan for FYE2025. The Audit Plan includes amongst others, audit strategy, audit approach towards financial statements as at and for the year ended 30 June 2025 and reporting timetable besides the updates on the developments in laws and regulations.

PKF had also presented their Audit Committee Report to the Board which includes summary of significant matters identified during the audit of the Group. This includes significant auditing and accounting matters, internal control recommendations, key audit matters and communication of other matters such as audit responsibilities and scope, independence, fraud, development in laws and PKF's views on the significant qualitative aspects of the Group's accounting practices.

In addition, PKF are invited to attend the Company's AGM so that they are available to answer any questions from shareholders on the conduct of the statutory audit and the content of the audited financial statements.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

PART 6 RECOGNISE AND MANAGE RISKS OF THE COMPANY

The Board acknowledges the significance of a sound system of risk management and internal control to manage the overall risk exposure of the Group. To achieve this, the Group has established an appropriate control environment and framework as well as reviewing its adequacy and effectiveness. The internal control system is designed to meet the Group's needs in managing risks.

The following represent the key elements of the Company's risk management and internal control structure:

a) setup a Risk Management Committee ("RMC") comprising the Managing Director and senior management;
b) ARMC reviews the findings of the RMC and risk register of the Group. Key risks identified are scored on likelihood of the risks occurring and the magnitude of its impact;
c) adopt clear and defined lines of responsibility and delegation of authority;
d) review and approve annual budget for the Group which sets out business prospects and opportunities;
e) review of the Group's business performance by the Board quarterly, which also covers the assessment of the impact of changes in business and competitive environment;
f) adopt active participation and involvement by the Managing Director / CEO and senior management in major business decisions; and
g) Adopt the Whistle Blowing Policy and the Anti-Corruption and Bribery Policy to identify, evaluate and manage key risks

The Board is committed towards improving the risk management to meet its corporate objectives with acceptable level of risks which are aligned to the Groups' risk appetite.

The feature of risk management and internal control framework to identify and manage the significant operational, financial and market risks associated with the Group's business are disclosed in the ARMC report, Corporate Governance Overview Statement and Statement on Risk Management and Internal Control ("SORMIC") in this Annual Report.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

PART 7 ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

7.1 Corporate Disclosure Policies

The Board is mindful that information which is expected to be material must be announced immediately, and that the confidential information should be handled properly to avoid leakage and improper use of such information. With this in mind, the Board had established corporate disclosure policies and procedures to enable comprehensive, accurate and timely disclosures relating to the Company and its subsidiary to be made to the regulators, shareholders and stakeholders.

The Company has put in place a Code of Conduct & Ethics on confidentiality to ensure that confidential information is handled properly by Directors, employees and relevant parties to avoid leakage and improper use of such information. The Board is mindful that information which is expected to be material must be announced immediately.

This corporate disclosure policy is available at our website: www.salutica.com.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

PART 7 ENSURE TIMELY AND HIGH QUALITY DISCLOSURE (CONT'D)

7.2 Leverage on Information Technology for Effective Dissemination of Information

The Board has established a dedicated section for corporate information, an Investor Relations section in the Company's website www.salutica.com which provides all relevant information such as financial information, annual reports, corporate governance report ("CG Report") and is accessible to the public.

This Investor Relations section enhances the Investor Relations function by including all announcements made by the Company. The announcements of the quarterly financial results are also made via Bursa LINK immediately after the Board's approval. This is important in ensuring equal and fair access to information by the investing public.

This is also a section focusing on corporate governance that includes statements on Corporate Governance, Terms of Reference of the ARMC and NRC, Board Charter, Anti-Corruption and Bribery Policy, Code of Conduct and Ethics, Whistle Blowing Policy and Directors Fit & Proper Policy.

The website also enable shareholders and investors to access information on the Group's products, awards recognition and business activities.

PART 8 STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

8.1 Encourage Shareholder Participation at General Meeting

The Board is responsible to ensure there is proper communication channel with its shareholders. The AGM is the principal forum for shareholders' dialogue which allows the shareholders to review the Company's performance via the Company's Annual Report and pose questions to the Board for clarification. At the AGM, the shareholders participate in deliberating resolutions being proposed or on the Company's operations in general.

The Notice of AGM is circulated to the shareholders at least twenty-eight (28) days before the date of the meeting to enable them to go through the Annual Report and papers supporting the resolutions proposed. The outcome of the AGM is then announced to Bursa Securities on the same meeting day. Minutes of AGM will be uploaded on our website no later than 30 business days after the AGM.

8.2 Voting by Poll

Pursuant to Paragraph 8.29A of the MMLR, any resolution set out in the notice of any general meeting, or in any notice of resolution which may properly be moved and its intended to be moved at the general meeting, is voted by poll.

Hence, all resolutions as set out in the notice of the Company's forthcoming AGM will be voted by poll.

The Board appoints an independent scrutineer to validate the votes cast at the AGM.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

PART 8 STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS (CONT'D)

8.3 Investor Relations and Shareholder engagement

The Board recognises that transparency and accountability to its shareholders and investors are important. Therefore, the Board is committed to promote effective communication and proactive engagement with shareholders and investors.

The AGM and other general meetings are an opportunity to communicate directly with shareholders and encourages attendance and participation in dialogue Information on the Company's performance and any significant developments on all material business matters are disseminated in a timely manner.

The Board and management of Company communicate regularly with its shareholders and other stakeholders through the following mediums:

- **Announcements through Bursa Securities and Bursa LINK**

  The Board ensures timely announcements of financial results on a quarterly basis as well as significant corporate developments are made to Bursa Securities.

- **Analyst Briefings**

  Analyst briefings are held from time to time as a means of effective communication that enables the Board and the management to convey information relating to the Company's corporate strategy and other matters affecting the shareholders' interests, as well as provide clearer understanding of the Company's financial and operational performance.

- **One-to-One Meetings and conference calls**

  The Company aims to communicate fully with fund managers, investors and analysts upon request and availability. Regular, one-to-one meetings or conference calls with analysts and fund managers are held to provide updates on the Company's strategy and financial performance.

- **Annual report**

  The Board ensures that the annual report are delivered within four months from the close of the financial year and at least twenty eight (28) days before the AGM to enable the shareholders to obtain the Group's past year performance and also to provide adequate time for the shareholders to review the report.

- **Official Company Website**

  The Company's website, www.salutica.com is updated with information on the Company and its business for both shareholders and the general public.

COMPLIANCE STATEMENT

The Board is of the view that the Group is substantially in compliance with the principles and practices set out in the MCCG and relevant Main Market Listing Requirements for the financial year under review.

This Statement is made in accordance with a resolution of the Board of Directors dated 15 October 2025.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

INTRODUCTION

The Audit committee was established by the Board on 5 April 2016 before changing its name to Audit and Risk Management committee ("ARMC") on 15 October 2018.

The ARMC key function is to review the adequacy and effectiveness of internal control and governance systems of the Group and present its findings to the Board.

The Terms of Reference of the ARMC can be found on the Company's website www.salutica.com/InvestorRelations.

1. Composition

The members of the ARMC are appointed by the Board from amongst the Non-Executive Directors and consist of three members, all of whom are Independent Directors.

The composition of the ARMC comply with the requirements of Paragraph 15.09 of the MMLR, with all members being Chartered Accountants registered with the Malaysia Institute of Accountants.

The composition of the ARMC is as follows:

Name	Designation	Directorship
Leow Chan Khiang (Resigned on 17 October 2025)	Chairman	Independent Non-Executive Director
Mr. Low Teng Lum	Member	Senior Independent Non-Executive Director
Mdm. Tan Gim May	Member	Independent Non-Executive Director

Under the MMLR Paragraph 15.19, the Company shall fill the vacancy in the ARMC within three months. Accordingly, the NRC would seek to identify, consider and recommend suitable individuals for appointment as Directors of the Board and Board Committees in line with the Directors' Fit and Proper Policy to replace Mr. Leow Chan Khiang who resigned as Chairman of the ARMC on 17 October 2025.

There is no alternate Director or current partner or employee of the Group's external auditor appointed as a member of the ARMC.

2 Attendance at meetings

During the FYE2025, the ARMC held six meetings, in the presence of the Company Secretaries and the Executive Directors.

External Auditors and Internal Auditors were invited to certain meetings to present their audit plan and reports and respond to queries during the meetings.

The details of the attendance for the financial year under review are as follows:

Member	No. of meetings attended in FYE2025
Mr. Leow Chan Khiang (Resigned on 17 October 2025)	6/6
Mr. Low Teng Lum	6/6
Mdm. Tan Gim May	6/6

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

3 Chairman

The Chairman of the ARMC is Mr. Leow Chan Khiang who is an Independent Non-Executive Director. In the absence of the Chairman, the members shall elect any one of the members present at the meeting to be the Chairman of the meeting.

4 Secretaries

The Company Secretaries shall be the Secretaries of the ARMC.

5 Quorum and Meeting Procedures

The quorum of the meeting of the ARMC shall be at least two members, a majority of whom must be Independent Directors.

At least four meetings shall be convened during a year. The meetings shall be scheduled regularly by the Secretaries and due notice shall be distributed to the members before the meeting together with the agenda and supporting papers. The minutes of the meeting shall be recorded for reference and inspection purposes. The Executive Directors, Accountants, or the representatives of the internal and external auditors may be present in any meeting upon the invitation of the ARMC.

6 Authority

The ARMC shall have the authority to do the following:

a. to carry out its function within its terms of reference. All employees of the Group shall be directed to co-operate as requested by the ARMC;
b. have full and unlimited/unrestricted access to all information, documents and resources which are required to perform its duties;
c. be able to obtain, at the expense of the Company, any other independent professional advice, if required;
d. be able to convene meetings with external auditors, internal auditors or both, excluding the attendance of the Executive Directors and employees of the Company, whenever deemed necessary;
e. be able to make relevant reports when necessary to the relevant authorities if any breach of the rules, regulations and/or Listing Requirements of the Bursa Securities has occurred; and
f. have direct communication channels with the external auditors and person(s) carrying out the internal audit function.

7 Functions

The ARMC shall discharge the following duties and responsibilities and report the same to the Board:

a. to review the following with the external auditors:

   i. held meetings with the external auditors during the year and reviewed and discussed their audit plan. One meeting was held without the presence of the management;
   ii. its evaluation of the system of internal control including their assessment of the financial reporting risk profile of the Group;
   iii. the audit report;
   iv. the assistance given by the employees and the management of the Company and the Group to the external auditors; and
   v. accounting and auditing findings and internal control recommendations presented during the audit committee meetings.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

7 Functions (Cont'd)

b. to review the following with the internal auditors:

   i. the adoption of a risks management framework and the annual approval of its mitigation plan to manage key strategic, financial and operational risks identified by the RMC;
   ii. the adequacy of the scope, functions, competency and resources of the internal audit function and that it has the necessary authority to carry out its work; and
   iii. the internal audit programs, processes, the results of the internal audit programs, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function.

c. to review the quarterly unaudited financial results and audited financial statements, prior to the approval of the Board, particularly focusing on:

   i. changes in or implementation of major accounting policies;
   ii. significant and unusual events; and
   iii. compliance with approved accounting standards and other legal requirements.

d. to monitor any related party transaction and conflict of interest situation that may arise within the Group including any transaction, procedure or course of conduct that raises questions of management integrity;

e. to consider the appointment, resignation or dismissal of the external auditors of the Company;

f. to review and monitor the suitability and independence and evaluate the performance of the external auditors for re-appointment;

g. to obtain written assurance from the external auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements; and

h. to review and report such other matters as may be delegated by the Board from time to time.

8 Activities of the ARMC

The main activities carried out by the ARMC during the FYE2025 in discharging their duties and responsibilities are summarized below:

i. reviewed and approved the Audit Planning Memorandum on the statutory audit of the Group for the FYE2025 prepared by external auditors;
ii. reviewed with the external auditors the result of the audit work performed, the Audit Summary Memorandum and the management letter or representation, including management response;
iii. held two meetings with the External Auditors and two meetings with the Internal Auditors and two private sessions with the External Auditors without the presence of the Executive Directors.
iv. reviewed the independence and competency of the New External Auditors, PKF PLT and recommended to the Board on their appointment on 3 June 2025 including the fixing of its audit fees;
v. reviewed the terms of reference of the Audit and Risk Management Committee, the Board Charter, Code of Conduct and Ethics, Corporate Disclosure, Whistle Blowing and Anti-Corruption and Bribery Policies since the last financial year, a copy of which can be found on the Company's website www.salutica.com.
vi. reviewed and approved the internal audit plan for the Group which covered internal control system, risk register and update as per Risk Management Framework and follow-up of observations reported during the internal audit performed;
vii. reviewed related party transactions and conflict of interest situation that may arise within the Company or the Group during each quarterly meeting;

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

8 Activities of the ARMC (Cont'd)

The main activities carried out by the ARMC during the FYE2025 in discharging their duties and responsibilities are summarized below: (Cont'd)

viii. reviewed and recommended improvements to the existing internal controls, risk management as reported by internal auditor, JWC Consulting Sdn.Bhd.("JWC Consulting");
ix. reviewed the quarterly and annual financial statements of the Company and the Group together with the Managing Director/Chief Executive Officer and Chief Financial Officer as well as the External Auditors, focusing particularly on significant changes to accounting policies and practices, going concern assumptions, review significant accounting estimates and management judgments, adjustments arising from the audits, compliance with the relevant accounting standards and other legal requirements to ensure that the financial statements presented a true and fair view of the Group's financial performance before recommending them to the Board for approval and release of the same to Bursa Securities;
x. reviewed the disclosure statements on the Statement on Corporate Governance, Audit and Risk Management Committee Report, Directors' Responsibility Statement, MDNA and Statement on Risk Management and Internal Control recommended for their adoption by the Board and Sustainability Statement for inclusion in this Annual Report; and
xi. reviewed the Corporate Governance report pursuant to Paragraph 15.25 of MMLR of Bursa Securities.

9 Internal Audit Function

During the FYE2025, the Group had engaged an independent professional service provider, JWC Consulting to provide independent assurance on the adequacy and effectiveness of the Group's system of internal controls and to advise the Group in areas that requires further improvement. The work performed is guided by the International Professional Practices Framework for Internal Auditing from the Institute of Internal Auditors ("IIA").

The internal audit team is headed by Ms. Joyce Wong who is the person responsible for the outsourced internal audit function of the Group. She is a founder of JWC Consulting and has the following qualifications and memberships:

i. Corporate Member of the Institute of Internal Auditors Malaysia;
ii. Fellow Member of the Certified Practicing Accountants, Australia (CPA Australlia); and
iii. Member of the Malaysian Institute of Accountants.

JWC Consulting had assigned 3 to 4 staff per visit including the Engagement Manager to perform internal audit for our Group. The staff of the internal audit team possesses professional qualifications and/or university degrees. Most of them are Corporate members of the Institute of Internal Auditors Malaysia.

There were two internal control review cycles performed during the FYE2025 as follows:

i) Review of the Strategic Plans and Critical Mitigation Controls Processes in November 2024; and

ii) Review of the Inventory Management functions in May 2025.

JWC Consulting presented their internal audit reports to the ARMC in two separate meetings and concluded that the critical process risks have been identified and relevant control activities have been implemented with some improvements needed.

The professional fee incurred for the internal audit performed for the FYE2025 was RM24,000.

This Statement is made in accordance with a resolution of the Board of Directors dated 15 October 2025.

STATEMENT ON RISK MANAGEMENT **AND INTERNAL CONTROL**

The Malaysian Code on Corporate Governance requires the Board of Directors ("Board") to establish a sound risk management framework and internal controls system to safeguard shareholders' investments and the assets of the Group. Pursuant to paragraph 15.26 (b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia"), the Board of listed issuers is required to include in its Annual Report, a statement on the Group's state of internal control. The Board recognises its responsibilities and the importance of a sound system of Risk Management and Internal Controls.

The Board continues with its commitment to maintain sound systems of risk management and internal control throughout Salutica Berhad and its subsidiaries ("Group") and in compliance with the Main Market Listing Requirements and the Statement of Risk Management and Internal Control (Guidelines for Directors of Listed Issuers) ("Internal Control Guidelines"), the Board is pleased to provide the following statement which outlines the nature and scope of risk management and internal control of the Group during the financial year under review.

BOARD RESPONSIBILITY

The Board acknowledges the importance of sound risk management and internal control being embedded into the culture, processes and structures of the Group. The systems of internal control cover risk management and financial, organizational, operational, project and compliance controls. The Board affirms its overall responsibility for the Group's systems of internal control and for reviewing the effectiveness and efficiency of those systems to ensure its viability and robustness. It should be noted, however, that such systems are designed to manage, rather than eliminate, risks of failure to achieve corporate objectives. Inherently, it can only provide reasonable and not absolute assurance against material misstatement or loss.

AUDIT AND RISK MANAGEMENT COMMITTEE'S ROLE

The Audit and Risk Management Committee ("ARMC") is accountable to the Board for the implementation of ongoing processes in identifying, evaluating, monitoring and reporting of risks and internal control.

The Managing Director/Chief Executive Officer and Chief Financial Officer have provided the Board the assurance that the Group's risk management and internal control systems are operating adequately and effectively, in all material aspects, to ensure achievement of corporate objectives and strategies, during the financial year under review and up to date of this statement.

CONTROL STRUCTURE AND ENVIRONMENT

In furtherance to the Board's commitment to maintain sound systems of risk management and internal control, the Board strives to implement and maintain a structure and environment for the proper conduct of the Group's business operations as follows:

- The Board meets at least quarterly and sets a list of agenda which is required to be brought to its attention for discussion, in ensuring an effective and appropriate supervision of controls. The Group Managing Director/ Chief Executive Officer leads the presentation of board papers and provides explanation on pertinent issues. In addition, the Board is also updated on the Group's development and its operations;
- An organization structure with well-defined scopes of responsibility, clear lines of accountability, and levels of delegated authority;
- A process of hierarchical reporting which provides for a documented and auditable trail of accountability;
- A set of documented internal policies and procedures for operational and human resource management, which is subject to review and improvement. A documented delegation of authority with clear lines of accountability and responsibility that serves as a tool of reference in identifying the authorisation matrix for various transactions including matters that require Board's approval;
- Regular and relevant information are provided by management, covering financial and operational performance and key business indicators, for effective monitoring and timely decision making;
- Regular visits to operating units by members of the Board.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

RISK MANAGEMENT

The Group has established risk management practices to safeguard the Group's business interest from risk events that may impede the achievement of business strategy and provide assurance to the Groups' stakeholders.

The Group, with the support of an independent professional accounting and consulting firm, has implemented the Enterprise Risk Management ("ERM") processes to identify, assess, monitor, report and mitigate risks impacting the Group's business and supporting activities.

The main components of the Group's risk governance and structure consist of the Board and the ARMC. The structure allows for strategic risk discussions to take place between the Board and the ARMC on a periodical basis. The summary of the accountabilities for the Board and the ARMC under the risk governance structure are as follows:

a. Board of Directors

- Overall risk oversight responsibility;
- Determines that the principal risks are identified, and appropriate as well as robust systems are implemented to manage these risks;
- Reviews the adequacy and the integrity of the Group's internal control systems and information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

b. Audit and Risk Management Committee

- Reviews and endorses policies, frameworks and other key components of risk management including corporate risk profile for implementation within the Group;
- Reviews the progress of risk management activities to identify, evaluate, monitor and manage critical risks;
- Oversees the effective implementation of risk management policies and guidelines, ERM and cultivation of risk management culture within the organisation;
- Reviews and monitors periodically the status of the Group's principal risks and their mitigating actions and update the Board.

During the financial year, the Group has identified a few new risks, of which have been reviewed and updated in the risk register accordingly. The likelihood and impact of the risks have been assessed and appropriate mitigating actions have been taken for the risks identified.

Risk awareness sessions, wherever necessary, have been incorporated in management meetings attended by the Group's senior and middle management and key employees. This is part of the ongoing initiative to sustain risk awareness and risk management capabilities.

In essence, Risk Management is conducted through an ongoing process between the Board, the Management and employees in the Group. The Group believes that the risk management framework and guidelines adopted and implemented have strengthened the risk ownership and risk management culture amongst the employees.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

INTERNAL AUDIT FUNCTION

The Board acknowledges the importance of the internal audit function and has engaged the services of an independent professional accounting and consulting firm, Messrs. JWC Consulting Sdn Bhd, to provide much of the assurance it requires regarding the effectiveness as well as the adequacy and integrity of the Group's systems of internal control.

The internal audit adopts a risk-based approach in developing its audit plan which addresses the core business processes of the Group based on their risk profile. Scheduled internal audits are carried out by the internal auditors based on the audit plan presented to and approved by the ARMC.

The ARMC has full and direct access to the internal auditors and the ARMC receives reports on all internal audits performed (including a review on the Adequate Procedures of the Group). This is to establish an internal audit function which is independent of activities it audits. Significant findings and recommendations for improvement are highlighted to the Management and the ARMC, with periodic follow-up of the implementation of action plans. The Management is responsible for ensuring that corrective actions were implemented accordingly.

Based on the internal auditors' reports for the financial year ended 30 June 2025, the Board has reasonable assurance that the Group's systems of internal control are generally adequate and appear to be working satisfactorily. A few minor internal control weaknesses were identified during the financial year, all of which have been, or are being, addressed. None of the weaknesses have resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group's annual report.

The Board continues to review and implement measures to strengthen the internal control environment of the Group.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the MMLR, the external auditors, PKF PLT, have reviewed this Statement on Risk Management and Internal Control for inclusion in this Annual Report 2025. Their limited assurance review was performed in accordance with Audit and Assurance Practice Guide 3 ("AAPG 3") issued by the Malaysian Institute of Accountants. Based on the procedures performed, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe this Statement is not prepared in all material aspects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidance for Directors of Listed Issuers to be set out, nor is the same factually inaccurate.

This statement is issued in accordance with a resolution of the Directors dated 15 October 2025.

DIRECTORS' RESPONSIBILITY **STATEMENT**

Directors' Responsibility Statement in respect of the preparation of the Audited Financial Statements

The Directors are responsible for the preparation of the financial statements and to ensure that the audited financial statements give a true and fair view of the state of affairs of the Group and the Company as at 30 June 2025 and the results and cash flows of the Group and the Company for the financial year ended on that date in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

In preparing the audited financial statements of the Group and the Company, the Directors have:-

- adopted appropriate accounting policies and have applied consistently all applicable approved accounting standards in Malaysia;
- made reasonable judgements and estimates that are reasonable and prudent; and
- prepared the financial statements on a going concern basis.

The Directors are responsible for ensuring that proper accounting records are kept which present fairly the financial positions of the Group and the Company. The Directors also have a general responsibility for taking necessary steps that are reasonably available to them to safeguard the assets of the Group and the Company.

The Directors acknowledge their overall responsibility for maintaining a system of internal controls that provides assurance of effective and efficient operations and compliance with laws and regulations and also its internal procedures and guidelines. The system of internal controls is designed to provide reasonable but not absolute assurance against the risk of material errors, frauds or other irregularities.

This Statement was approved by the Board on 15 October 2025.

ADDITIONAL COMPLIANCE **INFORMATION**

1. Utilisation of Proceeds from Private Placement exercise

On 27 January 2025, the Company announced a proposed private placement of up to 42,650,000 new ordinary shares in Salutica (“**Salutica Share(s)**” or “**Share(s)**”), representing up to approximately 10% of the total number of issued Salutica Shares, to independent third party investor(s) to be identified, at an issue price to be determined and announced at a later date in accordance with the general mandate pursuant to Sections 75 and 76 of the Companies Act 2016 (“**Private Placement**”).

Subsequently, on 7 February 2025, the Company announced that it had obtained the approval from Bursa Malaysia Securities Berhad (“Bursa Securities”) vide its letter dated 7 February 2025.

The Company had, on 11 July 2025, submitted an application to Bursa Securities for an extension of time until 6 February 2026 (“**EOT**”) to implement and complete the remaining tranches of the Private Placement. Subsequently, the Company had, on 18 July 2025, obtained Bursa Securities’ approval for the EOT.

On 11 September 2025, the Company announced the completion of the Private Placement exercise with a total of 42,350,000 Salutica Shares had been subscribed, representing a total Private Placement proceeds of RM7,062,400.

As at 30 September 2025, the status of the utilisation of proceeds from the Private Placement exercise is as follows:

Details of utilisation	Intended utilisation RM’000	Actual utilisation RM’000	Balance Unutilised RM’000	Intended timeframe for utilisation (from date of receipts of proceeds)
Capital Expenditure[(1)]	5,000.00	–	5,000.00	Within 12 months
Working Capital Requirements[(2)]	1,862.40	–	1,862.40	Within 12 months
Estimated expenses in relation to the private placement	200.00	–	200.00	Upon completion of the private placement
Total	**7,062.40**	**0**	**7,062.40**	

Notes:

(1) Capital expenditure to support new customers and new product range.
(2) Working capital requirements for purchase of raw materials, upkeep & maintenance including general overheads and administrative expenses.

2. Statutory and non-statutory audit fees

The statutory audit and non-statutory audit fees incurred for services rendered by external auditors, Messrs. PKF PLT and its affiliates to the Group and the Company for the financial year ended 30 June 2025 are as follows:

FYE2025	Company(RM’000)	Group(RM’000)
Statutory Audit	50	130
Non-statutory Audit	5	8

The non-statutory audit fees included assurance services comprises, amongst others, fees related to the review of Statement on Risk Management and Internal Control and MIDA Grant audit.

ADDITIONAL COMPLIANCE INFORMATION (CONT'D)

3. Material Litigations

A) Legal suit against Apple Malaysia Sdn. Bhd.

On 11 January 2022, Salutica Allied Solutions Sdn. Bhd.("the Plaintiff"), a wholly-owned subsidiary of the Company had filed a Writ of Summons with the Statement of Claim dated 10 January 2022, at the High Court of Malaya in Kuala Lumpur against Apple Malaysia Sdn. Bhd. ("the Defendant"), (the "Suit").

The Plaintiff is the owner of the Malaysian Patent No. MY-172803-A (hereinafter the "MY'803 Patent"). The Crosspair Technology is the invention claimed by the Plaintiff in the MY'803 Patent.

On 5 February 2024, Solicitors for both the Plaintiff and the Defendant have attended the Court of Appeal (Appeal No. W-02(IM)(IPCv)-1416-09/2023) in relation to the Defendant's appeal against the dismissal of its application to disqualify the Plaintiff's solicitors heard together with the Plaintiff's appeal against the granting of the protective order (Appeal No: W-02(IM)(IPCv)-2057-12/23). Upon hearing both parties, the Court of Appeal has allowed the Defendant's appeal with cost and disallowed the Plaintiff's appeal with cost. The Plaintiff has then filed for a change of its solicitors and is now represented by Messrs LindaWang Su and Boo.

Solicitors for the parties have attended trial for the suit on 11 to 14 March 2024 and 18 to 22 March 2024. The trial continued on 1 April 2024 to 3 April 2024. The original date scheduled for parties to provide oral submissions on 23 August 2024 and the decision date on 2 October 2024 has been postponed as parties have been given an extended period to provide their written submissions in reply by 11 September 2024. The Court has on 23 August 2024 fixed 28 November 2024 for oral submissions and 17 January 2025 for its decision.

The Court in delivering its decision has dismissed the Plaintiff's claim and allowed the Defendant's counterclaim with cost of RM1.2 million to be paid by the Plaintiff. Solicitors for the Plaintiff on 27 January 2025 had filed a notice of appeal to the Court of Appeal and on 4 February 2025 a notice of application to stay the judgement against the decision of the High Court handed down on 17 January 2025.

The hearing of the appeal against the High Court decision handed down on 17 January 2025 has been fixed at the Court of Appeal on 26 June 2026. The parties are required to file their respective core bundles, written submissions and bundle of authorities on or before 8 June 2026.

B) Legal suit against Paradigm Metal Industries Sdn. Bhd.

On 11 August 2023, Salutica Allied Solutions Sdn. Bhd. ("the Plaintiff"), a wholly-owned subsidiary of the Company had filed a Writ of Summons with the Statement of Claim dated 11 August 2023, at the High Court of Malaya in Penang against Paradigm Metal Industries Sdn. Bhd. ("PMI" or "Defendant").

Solicitors for both the Plaintiff and Defendant in the suit have on 19 October 2023 attended case management for the Defendant's application to stay proceedings and to refer the matter to arbitration under Section 10 of the Arbitration Act 2005. By consent of the parties, the Court has allowed the Defendant's application with no orders as to cost.

By a letter dated 8th November 2023, the Asian International Arbitration Centre in Kuala Lumpur ("AIAC") has registered the matter under the AIAC Arbitration Rules 2023 ("the Rules") between Salutica Allied Solutions Sdn. Bhd. as the Claimant and Paradigm Metal Industries Sdn. Bhd. as the Respondent.
The appointed panel arbitrators are as follows: -

a) Datuk Vernon Ong Lam Kiat (as the Presiding Arbitrator)
b) Loshini Ramarmuty
c) Lim Hock Siang

ADDITIONAL COMPLIANCE INFORMATION (CONT'D)

3. Material Litigations (Cont'd)

B) Legal suit against Paradigm Metal Industries Sdn. Bhd. (Cont'd)

Solicitors for the parties attended case management before the tribunal on 30 May 2024. The tribunal has given trial directions for the matter and has fixed the matter for hearing on 16 June 2025 to 20 June 2025. The original hearing date from 16 June 2025 to 20 June 2025 has been rescheduled to a new date which is from 23 September 2025 to 26 September 2025 and continue from 15 October 2025 to 16 October 2025.

C) Legal suit against Apple South Asia Pte. Ltd.

On 16 November 2023, Salutica Allied Solutions Sdn. Bhd. ("the Plaintiff"), a wholly-owned subsidiary of the Company had filed an Originating Claim together with the Statement of Claim ("SOC") and Particulars of Infringement at the High Court of the Republic of Singapore against Apple South Asia Pte. Ltd. ("the Defendant"), ("the Suit").

The Plaintiff is the owner of the Singapore Patent No. 11201504174W (hereinafter the "Singapore Patent"). The CrossPair Technology is the invention claimed by the Plaintiff in the Singapore Patent.

On 16 April 2024, the Court has set security for cost at SGD70,000.00 that the Plaintiff (being a foreign entity to the suit) is to provide via a solicitor's undertaking. This is to be provided by the Plaintiff 14 days after the determination of the Defendant's striking out application. Solicitors for the parties attended the hearing of the Defendant's striking out application on 3 May 2024. After the said hearing, the Court has adjourned the matter to 7 June 2024.

Solicitors for the parties have attended the hearing of the Defendant's striking out application on 4 July 2024. The Assistant Registrar of the Court has allowed the Defendant's application to strike out the Plaintiff claim. Nevertheless, the striking out is without prejudice to recommencing the action.

The Plaintiff has then on 30 September 2024 re-filed its Statement of Claim with the Particulars of Infringement both dated 30 September 2024.

On 4 February 2025, the High Court of Singapore has ordered both parties to exchange the list of documents for discovery by 18 March 2025 and to provide their respective list of witness by 1 April 2025. The High Court of Singapore has fixed the next case conference date on 30 September 2025 pending the exchange of documents.

Parties are to attend a Judicial Case Conference before the Judge on 27 October 2025.

D) Legal suit against Nuheara Ltd.

On 24 June 2024, Salutica Allied Solutions Sdn. Bhd. ("the Plaintiff"), a wholly-owned subsidiary of the Company had filed a Writ together with the Statement of Claim ("SOC"), at the High Court of Malaya in Kuala Lumpur against Nuheara Ltd. ("the Defendant"), ("the Suit").

Salutica and Nuheara had entered an agreement entitled "Master Design, Development and Manufacturing Agreement" on 12 June 2018 that has an effective date of 16 April 2018 (hereinafter referred to as the "said Agreement") where the Defendant had in general appointed SAS to manufacture the Nuheara's products.

As at 21 June 2024, and after taking into account credit notes and partial payments by the Defendant effectively amounting to USD41,844.51 before this, the sum that is still owing to the Plaintiff amounts to USD1,717,486.45.

ADDITIONAL COMPLIANCE INFORMATION (CONT'D)

3. Material Litigations (Cont'd)

D) Legal suit against Nuheara Ltd. (Cont'd)

Despite numerous demands from the Plaintiff, the Defendant has failed, neglected, and/or refused to pay its debt to the Plaintiff. As such, the Plaintiff has suffered losses amounting to USD1,717,486.45 or equivalent to RM8,088,502.44 (based on the exchange rate of 4.7095 by Bank Negara Malaysia on 21 June 2024).

The claim pursuant to the Writ and Statement of Claim is as follows:

a) Damages in the sum of USD1,717,486.45 or RM8,088,502.44;
b) Pre-judgment interest at 5% per annum on sum (a) above calculated from the date of filing this action till the date of judgment;
c) Judgment interest at 5% per annum on sum (a) and (b) above calculated from the date of judgment to the date of full settlement;
d) Costs for this action; and
e) Any further and/or other relief as the Honourable Court deems fit.

The Plaintiff has on 20 August 2024 obtained a judgment in default of appearance against the Defendant.

The Group had assigned the judgment debt to an Australian company amounting to AUD300,000, which is equivalent to RM835,045. Nuheara had since entered into liquidation effective 19 June 2025.

Save for the above litigations, there is no litigation involving the Group which has a material effect on the financial position of the Group and the Board is not aware of any material litigation or any proceedings pending or threatened.

4. Material Contracts

There were no material contracts entered into by the Company or its subsidiary involving the interests of the Directors or major shareholders, either subsisting at the end of the financial year 30 June 2025 or, it not then subsisting, entered into since the end of previous financial year.

FINANCIAL
STATEMENTS

DIRECTORS' REPORT

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2025.

PRINCIPAL ACTIVITIES

The Company is principally involved in investment holding. The principal activities of the subsidiaries are as stated in Note 13 to the financial statements.

RESULTS

	Group RM	Company RM
Loss for the financial year attributable to:		
Owners of the parent	(29,760,097)	(407,093)
Non-controlling interests	–	–
	(29,760,097)	(407,093)

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year.

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year. The Directors do not recommend any dividend for the financial year ended 30 June 2025.

DIRECTORS

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

Lim Chong Shyh
Joshua Lim Phan Yih
Chia Chee Hoong
Low Teng Lum
Leow Chan Khiang
Chan Shook Ling
Tan Gim May
Joel Lim Phan Hong (Alternate director to Lim Chong Shyh)

The names of the Directors of the Company's subsidiary since the beginning of the financial year to the date of this report, excluding those who are already listed above are:

Lim Chong Shyh
Joshua Lim Phan Yih
Ho Keat Soong

DIRECTORS' REPORT (CONT'D)

DIRECTORS' INTEREST IN SHARES

The shareholdings in the Ordinary Shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at the end of the financial year, as recorded in Register of Director's Shareholding kept by the Company and the related corporation respectively under Section 59 of the Companies Act, 2016 in Malaysia were as follows:

	Number of Ordinary Shares			
	Balance as at 1.7.2024	Bought	Sold	Balance as at 30.6.2025
In the Company				
Direct interest:				
Chia Chee Hoong	1,300,000	–	400,000	900,000
Low Teng Lum	100,000	–	100,000	–
Chan Shook Ling	6,100,000	–	–	6,100,000
Indirect interest:				
Lim Chong Shyh	214,500,000	–	–	214,500,000
Joshua Lim Phan Yih	214,500,000	–	–	214,500,000
Joel Lim Phan Hong	214,500,000	–	–	214,500,000
Ultimate holding company				
Direct interest:				
Lim Chong Shyh	54	–	–	54
Joshua Lim Phan Yih	23	–	–	23
Joel Lim Phan Hong	23	–	–	23

Other than as disclosed above and in Note 39(e), none of the other directors of the Company who were in office at the end of financial year had any other interest in the shares or options over unissued shares or debentures of the Company or its related corporations during the financial year.

By virtue of their substantial interest in shares in Salutica Berhad as at 30 June 2025, Lim Chong Shyh, Joshua Lim Phan Yih and Joel Lim Phan Hong are deemed to have interest in the shares in Salutica Allied Solutions Sdn. Bhd., the wholly owned subsidiary of the Company.

Since the end of the previous financial year, no director of the Company has received nor become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" of this report) by reason of a contract made by the Company or a related corporation with the Directors 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 as disclosed in Note 33(d) to the financial statements.

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

DIRECTORS' REMUNERATION AND FEE

The details of the directors' remuneration paid or payable to the directors of the Company during the financial year are as follows:

	Group RM	Company RM
Fees	418,000	418,000
Salaries, bonuses and other benefits	2,041,828	–
Defined contribution benefits	363,174	–
	2,823,002	418,000

The estimated monetary value of benefits-in-kind provided by the Group to the directors of the Company were RM29,136.

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITOR

During the financial year, the amount of indemnity coverage and insurance premium paid for the directors and management personnel of the Company and its subsidiary were limit of liability at RM10,000,000 in the aggregate and RM23,251 respectively.

There was no indemnity given to or insurance effected for any officer or auditor of the Group and of the Company.

ISSUE OF SHARES AND DEBENTURES

The Company increased its issued and paid-up share capital from RM113,362,368 to RM113,557,368 by way of private placement of 1,000,000 new ordinary shares for a cash consideration of RM195,000 each as disclosed in Note 23 to the financial statements.

The new ordinary shares issued rank equally in all aspects with the existing ordinary shares of the Company.

There were no debentures issued during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

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

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) proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that there are no known bad debts and that adequate provision had been 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 realised.

DIRECTORS' REPORT (CONT'D)

OTHER STATUTORY INFORMATION (CONT'D)

At the date of this report, the Directors are not aware of any circumstances:

(i) which would necessitate the writing off of bad debts or render the amount of the provision for doubtful debts of the Group and of the Company inadequate to any substantial extent; or

(ii) which would render the value attributed to current assets in the financial statements of the Group and of the Company misleading; or

(iii) which have arisen which would 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, which 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 and of the Company that has arisen since the end of the financial year to secure the liabilities of any other person; or

(ii) any contingent liability in respect of the Group and of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, 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 30 June 2025 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of the financial year and the date of this report.

HOLDING COMPANY

The ultimate holding company is Blue Ocean Enlightenment Sdn. Bhd., a company incorporated in Malaysia.

AUDITORS

The auditors, Messrs PKF PLT, have indicated their willingness to continue in the office.

The auditors' remuneration of the Group and of the Company for financial year ended 30 June 2025 amounted to RM137,800 and RM55,000 respectively.

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

JOSHUA LIM PHAN YIH

LIM CHONG SHYH

STATEMENT **BY DIRECTORS**

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT, 2016 IN MALAYSIA

In the opinion of the Directors, the accompanying financial statements as set out on pages 97 to 161 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act, 2016 in Malaysia, so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2025 and of their financial performance and their cash flows for the financial year then ended.

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

JOSHUA LIM PHAN YIH	LIM CHONG SHYH

STATUTORY **DECLARATION**

PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT, 2016 IN MALAYSIA

I, CHAN SHOOK LING (MIA No :17167), being the Director primarily responsible for the financial management of SALUTICA BERHAD, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements as set out on pages 97 to 161 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960 in Malaysia.

Subscribed and solemnly declared by the)
above-named at Ipoh in the State of Perak)
Darul Ridzuan on 15 October 2025)

CHAN SHOOK LING
(MIA NO : 17167)

Before me,

COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SALUTICA BERHADAND ITS SUBSIDIARIES

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of SALUTICA BERHAD, which comprise the statements of financial position as at 30 June 2025 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policies, as set out on pages 97 to 161.

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 30 June 2025, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, 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 report.

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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

(i) Impairment assessment of property, plant and equipment, right-of-use ("ROU") assets and intangible assets (collectively "non-financial assets")
(Refer to Note 2(b), (c) and (e) and Note 10, 11 and 12 to the financial statements)

The Group has property, plant and equipment, ROU assets and intangible assets with aggregate carrying amounts of approximately of RM40.7 million, RM8.9 million and RM0.8 million respectively as at 30 June 2025.

As at 30 June 2025, the carrying amount of the non-financial assets represent 68% of the total assets of the Group.

The Group is required to perform impairment test of Cash Generating Unit ("CGU") whenever there is an indication that the CGU may be impaired by comparing the carrying amount with its recoverable amount.

The losses during the year indicates that the carrying amount of the non-financial assets of the Group may be impaired.

The Group estimates its recoverable amount of the nonfinancial assets at the higher of the CGU's fair value less costs of disposal ("FVLCD") and Value-In-Use ("VIU"). Estimating the VIU involves estimating the future cash inflows and outflows that will be derived from the CGU based on assumptions that are highly judgement and discounting them at an appropriate rate.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (Cont'd)

(i) Impairment assessment of property, plant and equipment, right-of-use ("ROU") assets and intangible assets (collectively "non-financial assets") (Cont'd)

Our audit procedures performed includes the following:

(a) Evaluated the assumptions and methodologies used in performing the impairment assessment;

(b) Tested the basis of preparing the cash flow forecasts taking into account the historical evidence supporting the underlying assumptions;

(c) Assessed the reliability of management's forecast by comparing financial performances against previous financial forecasted results;

(d) Evaluated the key assumptions, in particular, revenue growth projections and operating profit margins by comparing against internal information, and external economic and market data;

(e) Assessed the appropriateness of the weighted-average cost of capital discount rate assigned to the CGU; and

(f) Assessed the adequacy of the presentation and disclosures in the financial statements.

(ii) Impairment assessment of investment in a subsidiary
(Refer to Note 2(s) and Note 13 to the financial statements)

The carrying amount of the Company's investment in a subsidiary is RM100 million as at 30 June 2025.

The Company is required to perform impairment test on the Company's investment in a subsidiary whenever there is an indication that the carrying amount may be impaired.

The losses reported during the financial year of the subsidiary indicates that the carrying amount of the investment in a subsidiary of the Company may be impaired.

The Company estimates its recoverable amount of the investment in a subsidiary at the higher of the subsidiary's fair value less costs of disposal ("FVLCD") and Value-In-Use ("VIU"). Estimating the VIU involves estimating the future cash inflows and outflows that will be derived from the subsidiary based on assumptions that are highly judgmental and discounting them at an appropriate rate.

Our audit procedures performed includes the following:

Obtained an understanding of the management's business plan;

(a) Evaluated the assumptions and methodologies used in performing the impairment assessment;

(b) Tested the basis of preparing the cash flows forecasts taking into account the historical evidence supporting the underlying assumptions;

(c) Assessed the reliability of management's forecast by comparing actual financial performances against previous financial forecasted results;

(d) Evaluated the key assumptions, in particular, revenue growth projections and operating profit margins by comparing against internal information, and external economic and market data; and

(e) Assessed the appropriateness of the weighted-average cost of capital discount rate assigned to the CGU.

INDEPENDENT AUDITORS' REPORT (CONT'D)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (Cont'd)

(ii) Impairment assessment of investment in a subsidiary (Cont'd)

Based on the procedures performed, the results of management's impairment assessment are consistent with the outcome of our procedures.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors are responsible for the other information. The other information comprises the Management Discussion and Analysis, Sustainability Statement, Audit and Risk Management Committee Report, Corporate Governance Overview Statement, Statement on Risk Management and Internal Control and Directors' 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 other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information identified and, in doing so, consider whether the information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, 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 are necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITORS' REPORT (CONT'D)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

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

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance 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 compiled 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 report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT (CONT'D)

OTHER MATTERS

(i) 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 contents of this report.

(ii) The comparative figures were audited by another firm of auditors who expressed an unmodified opinion on these statements on 14 October 2024.

PKF PLT
202206000012 (LLP0030836-LCA) & AF0911
CHARTERED ACCOUNTANTS

NGU SIOW PING
03033/11/2025 J
CHARTERED ACCOUNTANT

Kuala Lumpur

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
Revenue	3	20,249,611	21,328,423	–	–
Other income		5,323,196	18,629,770	–	–
Raw materials and consumables used		(13,722,263)	(21,950,591)	–	–
Changes in inventories of work in progress and finished goods		(3,585,460)	(1,250,567)	–	–
Employee benefits costs	7	(22,966,915)	(24,180,190)	(418,000)	(381,333)
Contract workers		(1,628,057)	(1,823,166)	–	–
Depreciation of property, plant and equipment	10	(4,259,797)	(7,427,180)	–	–
Impairment loss of property, plant and equipment		–	(9,335,282)	–	–
Amortisation of intangible assets	12	(72,956)	(70,952)	–	–
Utilities		(1,344,576)	(1,829,594)	–	–
Maintenance and upkeep		(2,519,827)	(2,852,335)	–	–
(Impairment loss)/Reversal of allowance in trade receivables	16	7,992,255	(7,884,409)	–	–
Other gains - net	4	869,821	1,367,213	332,001	502,793
Other expenses		(14,080,255)	(5,640,293)	(321,094)	(229,762)
Loss from operations		(29,745,223)	(42,919,153)	(407,093)	(108,302)
Finance income - interest income	5	2,991	2,838	–	–
Finance costs	5	(17,865)	(202,753)	–	–
Finance costs - net		(14,874)	(199,915)	–	–
Loss before tax	6	(29,760,097)	(43,119,068)	(407,093)	(108,302)
Tax expense	8	–	–	–	–
Loss for the financial year		(29,760,097)	(43,119,068)	(407,093)	(108,302)
Other comprehensive income:		–	–		
Loss and other comprehensive income for the financial year		(29,760,097)	(43,119,068)		
Loss for the year attributable to:					
Owners of the parent		(29,760,097)	(43,119,068)	(407,093)	(108,302)
		(29,760,097)	(43,119,068)	(407,093)	(108,302)
Total comprehensive loss attributable to:					
Owners of the parent		(29,760,097)	(43,119,068)	(407,093)	(108,302)
Earnings per share:					
Basic/Diluted (cent per share)	9	(7.03)	(10.18)		

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2025

	Note	Group 2025 RM	Group 2024 RM	Company 2025 RM	Company 2024 RM
ASSETS					
Non-current assets					
Property, plant and equipment	10	40,698,133	30,463,440	2	2
Right-of-use assets	11	8,946,652	4,988,141	–	–
Intangible assets	12	789,689	862,645	–	–
Investment in a subsidiary	13	–	–	100,000,005	90,000,005
		50,434,474	36,314,226	100,000,007	90,000,007
Current assets					
Inventories	15	3,811,558	14,437,314	–	–
Trade receivables	16	797,724	1,380,149	–	–
Non-trade receivables, deposits and prepayments	17	2,528,543	1,661,608	12,677	24,066
Contract assets	18	64,657	37,613	–	–
Amount owing by a subsidiary	19	–	–	13,000,000	14,000,000
Short-term investment	20	11,444,624	30,427,038	6,224,909	15,542,908
Current tax assets		761,256	2,779,496	847	3,933
Fixed deposit with licensed banks	21	20,000	–	–	–
Cash and bank balances	22	4,077,071	5,739,558	225,463	42,669
		23,505,433	56,462,776	19,463,896	29,613,576
TOTAL ASSETS		73,939,907	92,777,002	119,463,903	119,613,583

STATEMENTS OF FINANCIAL POSITION (CONT'D)

	Note	Group 2025 RM	Group 2024 RM	Company 2025 RM	Company 2024 RM
EQUITY AND LIABILITIES					
Share capital	23	113,557,368	113,362,368	113,557,368	113,362,368
Treasury shares	24	(984,500)	(984,500)	(984,500)	(984,500)
Revaluation reserve surplus	25	12,557,080	–	–	–
(Accumulated losses) /Retained profits		(67,289,139)	(37,529,042)	6,320,862	6,727,955
Total equity		57,840,809	74,848,826	118,893,730	119,105,823
Non-current liabilities					
Lease liabilities	26	25,633	52,054	–	–
Deferred tax liability	14	3,965,394	–	–	–
		3,991,027	52,054	–	–
Current liabilities					
Trade payables	29	4,792,520	6,018,154	–	–
Non-trade payables and accruals	30	5,073,133	2,613,629	570,173	507,760
Contract liabilities	31	2,159,596	7,103,144	–	–
Provision for warranties	32	56,401	101,370	–	–
Lease liability	26	26,421	24,901	–	–
Borrowings	27	–	2,014,924	–	–
		12,108,071	17,876,122	570,173	507,760
Total liabilities		16,099,098	17,928,176	570,173	507,760
TOTAL EQUITY AND LIABILITIES		73,939,907	92,777,002	119,463,903	119,613,583

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF **CHANGES IN EQUITY**

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

	Share capital RM	Treasury shares RM	Revaluation reserve RM	Retained earnings RM	Total equity RM
Group					
At 1 July 2023	113,362,368	(984,500)	–	5,590,026	117,967,894
Total comprehensive loss for the financial year	–	–	–	(43,119,068)	(43,119,068)
At 30 June 2024	113,362,368	(984,500)	–	(37,529,042)	74,848,826
Issuance of shares	195,000	–	–	–	195,000
Total contributions by owner	195,000	–	–	–	195,000
Revaluation surplus	–	–	12,557,080	–	12,557,080
Total comprehensive loss for the financial year	–	–	–	(29,760,097)	(29,760,097)
	–	–	12,557,080	(29,760,097)	(17,203,017)
At 30 June 2025	113,557,368	(984,500)	12,557,080	(67,289,139)	57,840,809
Company					
At 1 July 2023	113,362,368	(984,500)	–	6,836,257	119,214,125
Total comprehensive loss for the financial year	–	–	–	(108,302)	(108,302)
At 30 June 2024	113,362,368	(984,500)	–	6,727,955	119,105,823
Issuance of shares	195,000	–	–	–	195,000
Total contributions by owner	195,000	–	–	–	195,000
Total comprehensive loss for the financial year	–	–	–	(407,093)	(407,093)
At 30 June 2025	113,557,368	(984,500)	–-	6,320,862	118,893,730

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

	Note	Group 2025 RM	Group 2024 RM	Company 2025 RM	Company 2024 RM
Cash flows from operating activities					
Loss before tax		(29,760,097)	(43,119,068)	(407,093)	(108,302)
Adjustments for:					
Depreciation of property, plant and equipment	10	4,259,797	7,427,180	–	–
Impairment loss of property, plant and equipment		–	9,335,282	–	–
Loss/(gains) on disposal of property, plant and equipment	10	57,058	(73,734)	–	–
Written off of property, plant and equipment	10	11,332	194	–	–
Depreciation of right-of-use assets	11	94,813	94,813	–	–
Intangible assets - amortisation	12	72,956	70,952	–	–
Reversal for slow-moving and obsolete inventories	15	(1,478,496)	(589,058)	–	–
Trade receivables - (reversal)/impairment loss of allowance	16	(7,992,255)	7,884,409	–	–
- bad debt written off		5,516,755	8,000	–	–
Provision for warranties	32	46,756	80,679	–	–
Reversal of provision for warranties	32	(87,675)	(89,778)	–	–
Interest income		(2,991)	(2,838)	–	–
Interest expense		17,865	202,753	–	–
Net unrealised foreign currency exchange gains		(30,335)	(15,964)	–	–
Operating loss before working capital changes		(29,274,517)	(18,786,178)	(407,093)	(108,302)
Decrease in inventories		12,104,252	15,411,442	–	–
Decrease /(Increase) in trade and other receivables		2,046,059	(3,272,385)	11,389	(13,068)
(Decrease) in trade and other payables		(3,800,220)	(4,477,697)	62,413	5,440

STATEMENTS OF CASH FLOWS (CONT'D)

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
Cash used in operations		(18,924,426)	(11,124,818)	(333,291)	(115,930)
Tax refunded		2,028,274	–	3,472	–
Tax paid		(10,034)	(15,598)	(386)	(454)
Net cash used in operating activities		(16,906,186)	(11,140,416)	(330,205)	(116,384)
Cash flows from investing activities					
Purchase of property, plant and equipment		(1,866,007)	(1,463,352)	–	–
Capitalisation of intangible assets		–	(4,454)	–	–
Proceeds from disposal of property, plant and equipment	10	26,527	73,787	–	–
Interest income received		2,991	2,838	–	–
Repayment of amount due from a subsidiary		–	–	1,000,000	1,000,000
Subscription of additional shares issued by a subsidiary	13	–	–	(10,000,000)	-
Net cash (used in)/from investing activities		(1,836,489)	(1,391,181)	(9,000,000)	1,000,000
Cash flows from financing activities					
Proceeds from issuance of shares under private placement	23	195,000	–	195,000	–
Repayments to hire-purchase creditors	27	(14,924)	(1,951,152)	–	–
Repayment of lease liabilities	26	(24,901)	(23,469)	–	–
Interest paid		(17,865)	(202,753)	–	–
Repayment of short term revolving credits	27	(2,000,000)	(1,500,000)	–	–
Net cash from financing activities		(1,862,690)	(3,677,374)	195,000	–
Net increase/(decrease) in cash and cash equivalents		(20,605,365)	(16,208,971)	(9,135,205)	883,616
Effects of foreign exchange rate changes on the balance of cash held in foreign currencies		(19,536)	17,021	–	–
Cash and cash equivalents at 1 July 2024/2023		36,166,596	52,358,546	15,585,577	14,701,961
Cash and cash equivalents at 30 June		15,541,695	36,166,596	6,450,372	15,585,577

STATEMENTS OF CASH FLOWS (CONT'D)

Notes:

(i) The cash disbursed for the purchase of property, plant and equipment is as follows:-

	Group 2025 RM	Group 2024 RM
Property, plant and equipment		
Additions during the financial year	2,120,257	1,902,416
Add: payment made in current financial year related to purchases made in previous financial year	567,787	128,723
Less: purchases included in other payables	(822,037)	(567,787)
Cash paid	1,866,007	1,463,352

(ii) The cash and cash equivalents comprise the following:-

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Short-term investment	11,444,624	30,427,038	6,224,909	15,542,908
Fixed deposit with licensed banks	20,000	–	–	–
Cash and bank balances	4,077,071	5,739,558	225,463	42,669
	15,541,695	36,166,596	6,450,372	15,585,577

Short-term investment of the Group and the Company is recognised as cash and cash equivalents due to their high credit rating and investment in extremely short-term deposits with licensed bank, undergo only minor value fluctuations and can be readily converted within two days into know amounts of cash.

(iii) Reconciliation of liabilities arising from financing activities:

	Hire Purchases RM	Lease Liability RM	Short-term revolving credit RM	Total RM
Group				
2025				
As 1 July 2024	14,924	76,955	2,000,000	2,091,879
<u>Changes in Financing Cash Flows</u>				
Repayment of principal	(14,924)	(24,901)	(2,000,000)	(2,039,825)
Repayment of borrowings interest	(58)	(3,899)	(13,908)	(17,865)
	(14,982)	(28,800)	(2,013,908)	(2,057,690)
<u>Non-cash Changes</u>				
Interest expenses	58	3,899	13,908	17,865
As 30 June	–	52,054	–	52,054

STATEMENTS OF CASH FLOWS (CONT'D)

Notes: (continued)

(iii) Reconciliation of liabilities arising from financing activities:

	Hire Purchases RM	Lease Liability RM	Short-term revolving credit RM	Total RM
Group				
2024				
As 1 July 2023	1,966,076	100,424	3,500,000	5,566,500
Changes in Financing Cash Flows				
Repayment of principal	(1,951,152)	(23,469)	(1,500,000)	(3,474,621)
Repayment of borrowings interest	(48,704)	(5,331)	(148,718)	(202,753)
	(1,999,856)	(28,800)	(1,648,718)	(3,677,374)
Non-cash Changes				
Interest expenses	48,704	5,331	148,718	202,753
As 30 June	14,924	76,955	2,000,000	2,091,879

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
AS AT 30 JUNE 2025

1. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), IFRS Accounting Standards and the requirement of the Companies Act 2016 in Malaysia.

The accompanying financial statements have been prepared assuming that the Group and the Company will continue as going concern which contemplates the realisation of assets and settlement of liabilities in the normal course of business.

The financial statements are presented in the Ringgit Malaysia ("RM"), which is also the Group's and the Company's functional currency.

(a) Standards issued and effective

On 1 July 2024, the Group and the Company have adopted the following accounting standards, amendments and interpretations which are mandatory for annual financial periods beginning on or after 1 July 2024:

Description
- Amendments to MFRS 16, Leases: Lease Liability in a Sale and Leaseback
- Amendments to MFRS 101, Classification of Liabilities as Current or Non-current
- Amendments to MFRS 101, Presentation of Financial Statements: Non-current Liabilities with Covenants
- Amendments to MFRS 7 Financial Instruments and MFRS 107 Statement of Cash Flows: Disclosures - Supplier Finance Arrangements

The Directors expect that the adoption of the new and amended MFRS above have no impact on the financial statements of the Group and of the Company.

(b) Standards issued but not yet effective

Certain new accounting standards and interpretations have been issued but not yet effective for the 30 June 2025 reporting period and have not been early adopted by the Group and the Company.

Effective for financial periods beginning on or after 1 January 2025:
- Amendments to MFRS 121, The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability

Effective for financial periods beginning on or after 1 January 2026:
- Amendments to MFRS 9 and MFRS 7, Financial Instruments and Financial Instruments - Disclosures - Amendments to the Classification and Measurement of Financial Instruments
- Amendments to MFRS 9 and MFRS 7, Financial Instruments and Financial Instruments - Disclosures - Contracts Referencing Nature - Dependent Electricity
- Annual Improvements to MFRS Accounting Standards - Volume 11

Effective for financial periods beginning on or after 1 January 2027:
- Amendments to MFRS 18, Presentation and Disclosure in Financial Statements
- Amendments to MFRS 19, Subsidiaries without Public Accountability: Disclosures

Amendments to MFRSs - effective date deferred indefinitely:
- Amendments to MFRS 10 and MFRS 128, Consolidated Financial Statements and Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The initial application of the above applicable amendments and improvements to standards are not expected to have material financial impact to the financial statements of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

1. BASIS OF PREPARATION (CONT'D)

(c) Basis of measurement

The financial statements have been prepared on the historical cost basis unless otherwise as indicated in summary of significant accounting policies.

(d) Significant accounting estimates and judgements

Management believes that there are no key assumptions made concerning the future, and other sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:

(i) *Depreciation of Property, Plant and Equipment*

The estimates for the residual values, useful life and related depreciation charges for the property, plant and equipment and amortisation of intangible assets are based on commercial and production factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group and the Company anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of property, plant and equipment as at the reporting date is disclosed in Note 10 to the financial statements.

Management believes that there are no key assumptions made concerning the future, and other sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:

(ii) *Impairment of Depreciation of Property, Plant and Equipment, Right-of-use Assets and Intangible Assets*

The Group determines whether an item of its property, plant and equipment, right-of-use assets and intangible assets are impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. For discounted cash flows, significant judgement is required in estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates. The carrying amounts of property, plant and equipment, right-of-use assets and intangible assets as at reporting date are disclosed in Notes 10, 11 and 12 to the financial statements.

1. BASIS OF PREPARATION (CONT'D)

(d) Significant accounting estimates and judgements (Cont'd)

(iii) *Impairment of of Investment in a Subsidiary*

The Company determines whether an item of its investment in a subsidiary is impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows.

For discounted cash flows, significant judgement is required in estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates. The carrying amount of investment in a subsidiary as at reporting date is disclosed in Note 13 to the financial statements.

(iv) *Income Taxes*

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the year in which such determination is made. The carrying amounts of current tax assets of the Group and of the Company as at the reporting date is RM761,256 and RM847 (2024 – RM2,779,496 and RM3,933) respectively.

(v) *Impairment of Trade Receivables and Contract Assets*

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables and contract assets. The Group develops the expected loss rates based on the payment profiles of past and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying value of trade receivables and contract assets. The carrying amounts of trade receivables and contract assets as at the reporting date are disclosed in Notes 16 and 18 to the financial statements respectively.

(vi) *Impairment of Non-Trade Receivables*

The loss allowances for non-trade financial assets are based on assumptions about risk of default and expected loss rates if a default happens (loss given default). It also requires the Group to assess whether there is a significant increase in credit risk of the non-trade financial assets at the reporting date. The Group uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions as well as forward-looking. The carrying amount of other receivables as at the reporting date is disclosed in Note 17 to the financial statements.

(vii) *Write-down for Inventories*

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgements and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amount of inventories as at the reporting date is disclosed in Note 15 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

1. BASIS OF PREPARATION (CONT'D)

(d) Significant accounting estimates and judgements (Cont'd)

(viii) *Revenue Recognition for Development Contracts*

The Group recognises development revenue based on over time using the stage of completion method. The stage of completion is measured by reference to the actual time incurred to date as a percentage of total budgeted time required to complete for the respective projects of the product development activities carried out for its customers.

The determination of the time incurred to date and total budgeted time required to complete the project is subjective in nature and involves estimation by management and customers' project timeline. Both are affected by changes in market demand, customers' request in specification, technical capabilities and technology advancement. The revenue from development projects and carrying amount of contract assets and contract liabilities as at the reporting date are disclosed in Notes 3, 18 and 31 to the financial statements.

(ix) *Discount Rates used in Leases*

Where the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain and asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

(x) *Deferred Tax Assets and Liabilities*

Deferred tax implications arising from the changes in corporate income tax rates are measured with reference to the estimated realisation and settlement of temporary differences in the future periods in which the tax rates are expected to apply, based on the tax rates enacted or substantively enacted at the reporting date. While management's estimates on the realisation and settlement of temporary differences are based on the available information at the reporting date, changes in business strategy, future operating performance and other factors could potentially impact on the actual timing and amount of temporary differences realised and settled. Any difference between the actual amount and the estimated amount would be recognised in the profit or loss in the period in which actual realisation and settlement occurs

(xi) *Revaluation of Property, Plant and Equipment and Right of Use Asset*

The Group and the Company carry their leasehold land and building, and investment properties at fair value, with changes in fair value being recognised in the revaluation reserves and profit or loss respectively. The valuation of these properties are carried out by independent professional property valuers by reference to open market values using the comparison method as disclosed in Note 10 and Note 11 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

1. BASIS OF PREPARATION (CONT'D)

(d) Significant accounting estimates and judgements (Cont'd)

(xii) *Lease*

(a) *Lease term*

In determining the lease term, management considers all fact and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The extension options in leases for office building has been included in the lease liability in consideration of the costs and business disruption required to replace the leased assets.

(b) *Incremental borrowing rate of leases*

In determining the incremental borrowing rate, the Group interest rate of Nil (2024: 4.94%) as a starting point and adjustments specific to the lease for 2 years.

Critical Judgements Made in Applying Accounting Policies

Management believes that there are no instances of application of critical judgement in applying the Company's accounting policies which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:-

Lease Terms

Some leases contain extension options exercisable by the Company before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change the asset if an option to extend is not taken. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

2. MATERIAL ACCOUNTING POLICIES

The material accounting policies adopted by the Group and the Company are consistent with those in the previous financial years unless otherwise stated.

Certain immaterial accounting policies have been voluntarily disclosed to ensure completeness in the financial statements of the Group and the Company.

(a) Basis of consolidation

(i) *Subsidiaries*

Subsidiaries are entities, including structured entities, controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (Cont'd)

(i) *Subsidiaries (Cont'd)*

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing the control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transactions costs.

(ii) *Business combinations*

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisition, the Group measures the cost of goodwill at the acquisition date as:
- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

In a business combination achieved in stages, previously held equity interests in the acquiree are remeasured at fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests in the acquire may be initially measured either at fair value or at the non-controlling interests' proportionate shares of the fair value of the acquiree's identifiable net assets at the date of acquisition. The choice of measurement basis is made on a transaction-by-transaction basis.

Acquisition-related costs, other than the costs to issue debt or equity securities, are recognised in profit or loss when incurred.

(iii) *Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity accounted associates are eliminated against the investment to the extent of the Group's interest in the associates and jointly controlled entities. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

(b) Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

All items of property, plant and equipment are initially recorded at cost. Costs include purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any costs directly attributable to bring the asset to working condition for its intended use, and the initial estimate of the costs of dismantling and removing the items and restoring the site on which they are located.

Other than leasehold land and buildings, subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment, if any.

Subsequent to recognition, property, plant and equipment whose fair value can be measured reliably are measured at a revalued amount, being their fair value at the date of the revaluation less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Increases in the carrying amounts arising on revaluation of property, plant and equipment are recognised, net of tax, in other comprehensive income and accumulated in reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent the remaining surplus attributable to the asset; all other decreases are charged to profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from the property, plant and equipment revaluation surplus to retained earnings.

When significant parts of property, plant and equipment are required to be replaced in intervals, the Company recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the profit or loss as incurred.

Depreciation is based on the cost of an asset less its residual value. Significant components of assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation of the other property, plant and equipment is provided for on a straight-line basis over the estimated useful life of the assets, at the following annual rates:

Buildings on long-term leasehold land	2% - 20%
Factory extension	10%
Moulds, plant and machinery	10% - 33%
Furniture, fittings, equipment and electrical installation	10% - 50%
Motor vehicles	20%

The carrying amount of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year end, and adjusted prospectively, if appropriate.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

(b) Property, plant and equipment (Cont'd)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised. Upon the disposal of revalued assets, the attributable revaluation surplus remaining in the revaluation reserve is transferred to retained profits.

The gain or loss arising from derecognition of the asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

(c) Right-of-use assets and lease liabilities

Short-term Leases

The Company apply the "short-term lease" recognition exemption. For these leases, the Company recognise the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more appropriate.

Right-of-use Assets

Right-of-use assets are initially measured at cost. Subsequent to the initial recognition, the right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities.

The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the estimated useful lives of the right-of-use assets or the end of the lease term.

Lease Liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the entities' incremental borrowing rate. Subsequent to the initial recognition, the lease liabilities are measured at amortised cost and adjusted for any lease reassessment or modifications.

(d) Research and development costs

Research costs are recognised as an expense when they are incurred.

Capitalised development costs are initially measured at cost. Subsequent to the initial recognition, the development costs are stated at cost less accumulated amortisation and any accumulated impairment losses.

Capitalised development costs are amortised from the point at which the asset is available for use using the straight-line method over 2 years. Prior to that, the capitalised development costs are tested for impairment annually and whenever there is an indication that they may be impaired.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

(e) Intangible assets

Intangible assets are initially measured at cost.

Intangible Assets with Definite Useful Lives

The intangible assets are amortised using the straight-line method to allocate their depreciable amounts over the following periods:-

Patents	Over 1 to 14 years
Golf Club Memberships	Over 65 to 68 years

(f) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out method and comprises all costs of purchase, cost of conversion plus other costs incurred in bringing the inventories to their present location and condition.

(g) Revenue and other income

(i) *Sales of goods*

Revenue from manufacturing of mobile communication products, wireless electronics, server for data processing center and lifestyle devices are recognised at a point in time when the Group has transferred control of the goods, when the goods have been delivered to the customers and upon its acceptance.

The Group's obligation to provide a replacement for faulty products under the standard warranty terms is recognised as a provision.

(ii) *Services rendered of Product design and development*

Revenue from the products design and development is recognised over time in the period when services are rendered as the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

The progress towards performance of services is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation (i.e. reference to the actual time incurred up to the end of the reporting period as a percentage of total budgeted time required to complete the project) which best reflect the Group's performance in satisfying the performance obligation.

Estimates of the extent of progress towards completion are revised if circumstances change. Any resulting increase or decrease in estimated revenue is reflected in the profit or loss in the financial period in which the circumstances that give rise to the revision became known by management.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

(h) Employee benefits expenses

(i) *Short-term employee benefits*

Wages, salaries, paid annual leave, bonuses and social security contributions are recognised as expenses in the financial year in which the associated services are rendered by employees of the Group and of the Company. Short- term accumulating compensated absences such as paid annual leave are recognised when services are rendered by the employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) *Defined contribution plans*

The Group's and the Company's contribution to defined contribution plans are charged to the profit or loss in the period to which they relate. Once the contributions have been paid, the Group and the Company have no further liability in respect of the defined contribution plans.

(i) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sales.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(j) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, deposits with financial institution with original maturities of less than three months, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(k) Tax expenses

(i) *Current tax*

Current tax is the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for a period. Current tax liability or assets for the current and prior periods shall be measured at the amount expected to be paid to, or recovered from, the tax authorities, using the tax rates (and tax laws) that have been enacted or substantially enacted at the end of the reporting period.

Current tax is recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

(k) Tax expenses (Cont'd)

(ii) *Deferred tax*

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences other than those that arise from goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

The carrying amounts of deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority.

Deferred tax shall be recognised outside profit or loss if the tax relates to items that are recognised, in the same or different period, outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from a business combination is included in the resulting goodwill or excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the business combination costs.

(l) Earning per ordinary shares

The Group presents basic and diluted earning per share ("EPS") data for its ordinary shares.

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

(m) Impairment

(i) *Financial assets*

The Group and the Company recognise loss allowances for expected credit losses on financial assets measured at amortised cost, expected credit losses are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for cash and bank balances. Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, which 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12-months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group and the Company estimate the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance amount.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and 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. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedures for recovery amounts due.

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

(m) Impairment (Cont'd)

(ii) *Non-financial assets*

The Group and the Company assess at the end of each reporting period whether there is an indication that an asset may be impaired. If any such indication exists, the Group and the Company shall estimate the recoverable amount of the asset.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGUs")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at the end of each reporting period as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased.

A previously recognised impairment loss for an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset shall be increased to its recoverable amount. The increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously.

A reversal of an impairment loss for an asset other than goodwill shall be recognised immediately in profit or loss, unless the asset is carried at revalued amount.

(n) Leases

(i) *Initial recognition and measurement*

(a) *As a lessee*

The Group and the Company recognise right-of-use asset and lease liability at the commencement date of the lease.

The right-of-use asset is initially measured at cost, which comprises as follows:
- the initial amount of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred; and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

(n) Leases (Cont'd)

(i) *Initial recognition and measurement (Cont'd)*

(a) *As a lessee (Cont'd)*

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's and the Company's incremental borrowing rate.

Variable lease payments that do not depends on an index or a rate are excluded from lease liability and right-of-use asset and recognised in profit or loss in the period in which the event or condition that triggers those payments occurs.

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases for which the underlying asset is of low value. The Group and the Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(b) As a lessor

Leases for which the Group or the Company is a lessor are classified as finance or operating leases.

Leases which transfer substantially all of the risks and rewards incidental to ownership of the underlying asset is a finance lease; if not, then it is an operating lease.

The Group and the Company recognises assets held under a finance lease in its statement of financial position and presents them as a receivable at an amount equal to the net investment in the lease. Initial direct costs, other than those incurred by manufacturer or dealer lessors, are included in the initial measurement of the investment in the lease.

When the Group or the Company 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. 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.

(ii) *Subsequent measurement*

(a) *As a lessee*

The right-of-use asset is subsequently depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset to the Group and the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Group and the Company will exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. In addition, the right-of-use asset is periodically reduced by impairment losses determined in accordance with Note 2(g)(ii) to the financial statements, if any, and adjusted for certain remeasurements of the lease liability.

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

(n) Leases (Cont'd)

(ii) *Subsequent measurement (Cont'd)*

(a) *As a lessee (Cont'd)*

The carrying amount of lease liability is subsequently increased by interest on the lease liability and reduced by lease payments made. It is remeasured when there is a change in lease term, assessment of an option to purchase the underlying asset, future lease payments arising from the change in an index or rate, the Group's and the Company's estimate of the amount expected to be payable under a residual value guarantee or in-substance fixed lease payments.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Finance income from finance leases is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease whereas lease income from operating leases is recognised in profit or loss on a straight-line basis over the lease term.

(b) *As a lessor*

Finance income from finance leases is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease whereas lease income from operating leases is recognised in profit or loss on a straight-line basis over the lease term.

(o) Financial assets

(i) *Initial recognition and measurement*

Financial assets are recognised when, and only when, the Group and the Company become party to the contractual provision of the instrument.

At initial recognition, the Group and the Company measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) *Subsequent measurement*

The Group and the Company classify their financial assets in the following measurement categories:
- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

(o) Financial assets (Cont'd)

(ii) Subsequent measurement (continued)

The Group and the Company reclassified debt investments when and only when its business model for managing those asset changes.

(a) *Amortised cost*

Financial asset is measured at amortised cost when the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income from financial asset measured at amortised cost is recognised in profit or loss using the effective interest method.

(b) *Fair value through other comprehensive income ("FVOCI") – equity investment*

Equity investment is measured at FVOCI when the Group and the Company made an irrevocable election to present changes in fair value in other comprehensive income. This election is made on an investment-by-investment basis.

Dividends from such investments continue to be recognised in profit or loss as other income when the Group's and the Company's right to receive payments is established.

(iii) *Derecognition*

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group and the Company have transferred substantially all the risk and rewards of ownership. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) shall be recognised in profit or loss.

Any cumulative gain or loss arise from fair value changes in equity investment that had been recognised in other comprehensive income is transferred within equity when the equity investment is derecognised whereas any cumulative gain or loss arise from fair value changes in debt investment that had been recognised in other comprehensive income is transferred to profit or loss when the debt investment is derecognised.

(p) Financial liabilities

(i) *Initial recognition and measurement*

Financial liabilities are recognised when, and only when, the Group and the Company become parties to the contractual provision of the instrument.

At initial recognition, the Group and the Company measure a financial liability at its transaction costs that are directly attributable to the issue of the financial liability.

(ii) *Subsequent measurement*

All financial liabilities are measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in profit or loss.

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

(q) Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risk specific to the liability and the present value of the expenditure expected to be required to settle the obligation.

(r) Operating segment

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

(s) Investment in a subsidiary

Investments in a subsidiary, which are eliminated on consolidation, are stated in the financial statements of the Company at cost less impairment losses, if any.

(t) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of its liabilities. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised from equity in the period in which they are declared.

No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the treasury shares. If such shares are issued by resale, any difference between the sales consideration received and the carrying amount of the treasury shares is recognised in equity. Where treasury shares are cancelled, their carrying amounts are shown as a movement in retained profits

(u) Fair value measurements

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market which must be accessible to by the Group and the Company.

For non-financial asset, the fair value measurement considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

(u) Fair value measurements (Cont'd)

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible. Fair value are categories into different levels in a fair value hierarchy based on the input used in the valuation techniques as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

The Group and the Company recognise transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfer.

(v) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantee contracts are recognised initially at fair value, net of transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the liability is measured at higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

3. REVENUE

	Group	
	2025 **RM**	**2024** **RM**
Revenue from contract with customers:		
At a point in time:		
Sales of goods	19,271,015	19,104,213
Over time:		
Services rendered in respect of product development	978,596	2,224,210
	20,249,611	21,328,423

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

4. OTHER GAINS - NET

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Net foreign currency exchange gains:				
- realised gains/(losses)	246,120	(137,009)	–	–
- unrealised	30,335	15,964	–	–
(Loss)/gains on disposal of property, plant and equipment	(57,058)	73,734	–	–
Short-term investment:				
- fair value gains	650,424	1,414,524	332,001	502,793
	869,821	1,367,213	332,001	502,793

5. FINANCE COSTS

	Group	
	2025 RM	2024 RM
Finance income:		
- interest income	2,991	2,838
Finance costs:		
- hire purchase	(58)	(48,704)
- short-term revolving credits	(13,908)	(148,718)
- lease interest	(3,899)	(5,331)
	(17,865)	(202,753)
Finance (costs)/income — net	(14,874)	(199,915)

6. LOSS BEFORE TAX

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Loss before taxation is arrived at after charging/(crediting): -				
Auditors' remuneration:				
- statutory audit	130,000	128,000	50,000	50,000
- other assurance services	7,800	7,800	5,000	5,000
- other	20,000	–	–	–
Research expenses	185,130	878,905	–	–
Property, plant and equipment:				
- impairment	–	9,335,282	–	–
- written off	11,332	194	–	–

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

6. LOSS BEFORE TAX (CONT'D)

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Loss before taxation is arrived at after charging/(crediting): -				
Depreciation:				
- property, plant and equipment	4,259,797	7,427,180	–	–
- right-of-use assets	94,813	94,813	–	–
Amortisation of intangible asset	72,956	70,952	–	–
Reversal for slow moving and obsolete inventories	(1,478,496)	(589,058)	–	–
Bad debt written off	5,516,755	8,000	–	–
Provision for warranties	46,756	80,679	–	–
Reversal of provision for warranties	(87,675)	(89,778)	–	–
Lease expense for:				
- short-term leases (included in 'employee benefit costs')	85,650	114,550	–	–

7. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Directors' remuneration				
Directors of the Company:				
- fees	418,000	381,333	418,000	381,333
- allowances	185,480	177,405	–	–
- salaries and bonus	1,725,854	1,740,526	–	–
- defined contribution retirement plan	363,174	361,841	–	–
- other short-term employee benefits	130,494	130,495	–	–
	2,823,002	2,791,600	418,000	381,333
Directors of the subsidiary:				
- allowances	25,160	13,717	–	–
- salaries and bonus	264,204	462,102	–	–
- defined contribution retirement plan	54,986	89,836	–	–
- other short-term employee benefits	24,708	35,803	–	–
- post-employment benefits	–	132,102	–	–
	369,058	733,563	–	–

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

7. EMPLOYEE BENEFITS EXPENSE (CONT'D)

	Group 2025 RM	Group 2024 RM	Company 2025 RM	Company 2024 RM
Other employees:				
- salaries, wages and bonus	16,797,051	17,788,434	–	–
- defined contribution retirement plan	1,914,300	1,851,600	–	–
- other short-term employee benefits	1,063,504	1,014,993	–	–
	19,774,855	20,655,027	–	–
Total employee benefits expense	22,966,915	24,180,190	418,000	381,333
Total other employee benefit costs	19,774,855	20,655,027	–	–
Total employee benefit costs	22,966,915	24,180,190	418,000	381,333
Monetary value of benefits in-kind other than cash given to:				
- directors of the Company	29,136	50,351	–	–
- directors of the subsidiary who are not directors of the Company	4,112	103,503	–	–
	33,248	153,854	–	–

8. TAX EXPENSE

	Group 2025 RM	Group 2024 RM	Company 2025 RM	Company 2024 RM
Current year tax	–	–	–	–

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. TAX EXPENSE (CONT'D)

A reconciliation income tax credit applicable to the loss before taxation at the statutory tax rate to income tax credit at the effective tax rate of the Group and the Company is as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Loss before tax:	(29,760,097)	(43,119,068)	(407,093)	(108,302)
Tax calculated at statutory rate of 24%	7,142,423	10,348,576	97,702	25,992
Non-deductible expenses	(457,187)	(497,134)	(177,382)	(146,662)
Non-taxable income	185,592	595,479	79,680	120,670
Expenses eligible for double deductions	12,109	39,736	–	–
Deferred tax assets not recognised	(6,882,937)	(10,486,657)	–	–
	–	–	–	–

Domestic income tax is calculated at Malaysian statutory tax rate of 24% (2024 – 24%) of the estimated assessable profit for the financial year.

9. LOSS PER SHARE

Basic loss Per Share

Basic earnings per share is calculated by dividing loss for the financial year attributable to owners of the Parent by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2025 RM	2024 RM
Loss for the financial year attributable to owners of the parent (RM)	(29,760,097)	(43,119,068)
Weighted average number of ordinary shares in issue (units)	423,520,548	423,500,000
Basic loss per share (Cent)	(7.03)	(10.18)

No diluted loss per share calculated as the Company does not have potential ordinary shares.

10. PROPERTY, PLANT AND EQUIPMENT

	Building on long term leasehold RM	Factory extension RM	plant and machinery RM	Moulds, electrical installation RM	Furnitures fittings equipment and Motor vehicles RM	Capital work-in-progress RM	Total RM
Group							
2025							
Cost/Valuation							
At 1 July 2024	24,770,238	3,190,734	49,696,192	22,946,923	685,074	–	101,289,161
Additions	17,250	835,758	377,100	890,149	–	–	2,120,257
Revaluation	12,469,150	–	–	–	–	–	12,469,150
Disposals	–	–	(79,494)	(214,516)	–	–	(294,010)
Written off	–	–	(3)	(93,791)	(586,964)	–	(680,758)
At 30 June	37,256,638	4,026,492	49,993,795	23,528,765	98,110	–	114,903,800
Accumulated depreciation							
At 1 July 2024	9,234,306	1,543,704	31,907,979	16,900,803	685,070	–	60,271,862
Charge for the financial year	789,105	275,454	2,257,316	937,922	–	–	4,259,797
Disposal	–	–	(52,997)	(84,076)	–	–	(137,073)
Written off	–	–	–	(74,322)	(586,962)	–	(661,284)
At 30 June	10,023,411	1,819,158	34,112,298	17,680,327	98,108	–	63,733,302

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

10. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Building on long term leasehold RM	Factory extension RM	plant and machinery RM	Moulds, electrical installation RM	Furnitures fittings equipment and Motor vehicles RM	Capital work-in-progress RM	Total RM
Group							
2025							
Accumulated impairment loss							
At 1 July 2024	–	–	7,989,641	2,564,218	–	–	10,553,859
Disposal	–	–	(21,134)	(52,218)	–	–	(73,352)
Written off	–	–	–	(8,142)	–	–	(8,142)
At 30 June	–	–	7,968,507	2,503,858	–	–	10,472,365
Carrying amount:							
At 30 June	27,233,227	2,207,334	7,912,990	3,344,580	2	–	40,698,133
Representing:							
At cost	–	2,207,334	7,912,990	3,344,580	2	–	13,464,906
At valuation	27,233,227	–	–	–	–	–	27,233,227
	27,233,227	2,207,334	7,912,990	3,344,580	2	–	40,698,133

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

10. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Building on long term leasehold RM	Factory extension RM	plant and machinery RM	Moulds, electrical installation RM	Furnitures fittings equipment and Motor vehicles RM	Capital work-in-progress RM	Total RM
Group							
2024							
Cost							
At 1 July 2023	23,797,238	3,190,734	49,356,097	24,498,617	1,173,217	243,250	102,259,153
Additions	729,750	–	346,031	758,507	–	68,128	1,902,416
Reclassification	243,250	–	32,300	35,828	–	(311,378)	–
Disposals	–	–	(44)	(6)	(194,661)	–	(194,711)
Written off	–	–	(38,192)	(2,346,023)	(293,482)	–	(2,677,697)
At 30 June	24,770,238	3,190,734	49,696,192	22,946,923	685,074	–	101,289,161
Accumulated depreciation							
At 1 July 2023	8,353,922	1,279,713	28,062,597	16,847,404	1,173,207	–	55,716,843
Charge for the financial year	880,384	263,991	3,883,569	2,399,236	–	–	7,427,180
Disposal	–	–	–	–	(194,658)	–	(194,658)
Written off	–	–	(38,187)	(2,345,837)	(293,479)	–	(2,677,503)
At 30 June	9,234,306	1,543,704	31,907,979	16,900,803	685,070	–	60,271,862
Accumulated impairment loss							
At 1 July 2023	–	–	1,007,998	210,579	–	–	1,218,577
Additions	–	–	6,981,643	2,353,639	–	–	9,335,282
At 30 June	–	–	7,989,641	2,564,218	–	–	10,553,859
Carrying amount:							
At 30 June	15,535,932	1,647,030	9,798,572	3,481,902	4	–	30,463,440

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

10. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	2025 RM	2024 RM
Company		
Office equipment		
Cost		
At 1 July/30 June	20,975	20,975
Accumulated depreciation		
At 1 July/30 June	20,973	20,973
Carrying amount		
At 30 June	2	2

(a) The carrying amount of the Group's assets acquired under hire-purchase arrangements as at 30 June 2025 is RM nil (2024: RM422,176).

(b) Impairment review of property, plant and equipment

The management has performed an impairment review and concluded that no additional impairment required during the year (impairment made in financial year 2024: RM9,335,282) in respect of the property, plant and equipment of a subsidiary. Impairment made in financial year 2024 are in respect of idle and not in use assets.

The recoverable amount of the remaining property, plant and equipment of the subsidiaries, were determined based on its value-in-use calculations using cash flows projections prepared by management covering a five (5) years period. The following are the key assumptions:

(i) The discounted rate used for the value-in-use calculation is based on the Company's weighted average cost of capital ("WACC") specific to the industry at rate of 17.10% (2024: 15.60%).

(ii) The value assigned to the key assumptions such as sales growth, fixed and variable costs are based on the management's assessment of future business trends and its historical data.

The recoverable amount of the remaining property, plant and equipment of the subsidiary is higher than its carry amounts.

(c) Revaluation

The leasehold land and buildings for the manufacturing business segment of the Company were revalued in December 2024 by independent professional valuers using the fair value method which is determined reference to "Comparison Method".

The fair values of leasehold land were arrived at based on recent transactions and by assessing prices of similar land in the surrounding areas with adjustments made for differences in location, size and shape of the land, tenure, title restrictions, if any and other relevant characteristics.

The fair value of factory buildings was determined based on estimation made of the current new replacement cost less an appropriate adjustment for depreciation or obsolescence to reflect the existing condition of the factory buildings at the date of valuation. In estimating the fair values of the properties, the highest and best use of the properties is their current use.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

10. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(c) Revaluation (Cont'd)

Had the leasehold land and buildings been carried at historical cost, the carrying amount that would have been included in the financial statements of the Group as at reporting date would be as follows:

	Group	
	2025 **RM**	**2024** **RM**
Building on long term leasehold		
At cost	24,787,488	24,770,238
Less: Accumulated depreciation	(10,023,411)	(9,234,306)
Carrying amount	14,764,077	15,535,932

11. RIGHT-OF-USE ASSETS

Amounts recognised in the statements of financial position

	Long term leasehold lands **RM**	**Factory equipment** **RM**	**Total** **RM**
Group			
2025			
Cost/Valuation			
At 1 July 2024	5,680,569	194,746	5,875,315
Revaluation surplus	4,053,324	–	4,053,324
At 30 June	9,733,893	194,746	9,928,639
Accumulated depreciation			
At 1 July 2024	757,967	129,207	887,174
Charge for the financial year	72,342	22,471	94,813
At 30 June	830,309	151,678	981,987
Carrying amount:			
At 30 June	8,903,584	43,068	8,946,652
Representing:			
At cost	–	43,068	43,068
At valuation	8,903,584	–	8,903,584
	8,903,584	43,068	8,946,652

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

11. RIGHT-OF-USE ASSETS (CONT'D)

Amounts recognised in the statements of financial position (Cont'd)

	Long term leasehold lands RM	Factory equipment RM	Total RM
2024			
Cost			
At 1 July 2023/30 June	5,680,569	194,746	5,875,315
Accumulated depreciation			
At 1 July 2023	685,625	106,736	792,361
Charge for the financial year	72,342	22,471	94,813
At 30 June	757,967	129,207	887,174
Carrying amount:			
At 30 June	4,922,602	65,539	4,988,141

Amounts recognised in the statements of comprehensive income

	Group 2025 RM	2024 RM
Depreciation for ROU assets	94,813	94,813
Interest expenses included in the finance costs	3,899	5,331
Expense related to short-term leases (included in 'employee benefit costs')	85,650	114,550
	184,362	214,694

Amounts recognised in the statements of cash flows

	Group 2025 RM	2024 RM
Total cash outflows for leases consists of:		
Short-term lease payments	85,650	114,550
Repayment of lease liabilities	24,901	23,469
Interest paid	3,899	5,331
	114,450	143,350

11. RIGHT-OF-USE ASSETS (CONT'D)

Nature of the Group's leasing activities

(a) The Group leases certain pieces of long-term leasehold land and factory equipment of which the leasing activities are summarised below: -

(i) Long term leasehold land

Long term leasehold land comprises factory lot and 2 carpark lots. The Group made the upfront payment to secure the right-of-use of these long-term leasehold land in Malaysia with the lease term of 78 years, which expires in the year 2092.

These leases were fully prepaid by the Group and no corresponding lease liabilities were recognised.

(ii) Factory equipment - liquid nitrogen storage tank

The Group also leases factory equipment i.e. liquid nitrogen storage tank for the gas supply for the production purpose. The lease is for a period of 4 years starting from 1 October 2018 with an option to further renew for another 4 years. The Group has included the lease period covered by the renewal option in the lease term as it was assessed that it is probable that the renewal option will be exercised.

(b) The long-term leasehold land of the Group which was previously pledged to a licensed bank as security for banking facilities granted to the Group had been fully discharged on 26 June 2025 as disclosed in Note 27 to the financial statements.

(c) The Group also entered into rental agreements to lease the hostels for employees. Both the lessor and the lessee have the right to terminate for convenience at one month notice and as such the lease term for such contracts are determined to be only for one month. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The expenses associated with these lease agreements are recognised in the profit or loss when incurred as these are either leases of low-value assets or are considered short-term leases.

The future aggregate minimum lease payments under short-term leases in respect of office equipment and hostels for employees from the reporting date to the expiry of the leases are as follows:

	Group	
	2025	**2024**
	RM	**RM**
Not later than 1 year	6,900	7,650

<u>Restriction or covenants by leases</u>

The lease agreements do not impose any covenants except for the security interest in the leased asset is held by the lessors.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

11. RIGHT-OF-USE ASSETS (CONT'D)

(d) Revaluation

The leasehold land and buildings for the manufacturing business segment of the Company were revalued in December 2024 by independent professional valuers using the fair value method which is determined reference to "Comparison Method".

The fair values of leasehold land were arrived at based on recent transactions and by assessing prices of similar land in the surrounding areas with adjustments made for differences in location, size and shape of the land, tenure, title restrictions, if any and other relevant characteristics.

The fair value of factory buildings was determined based on estimation made of the current new replacement cost less an appropriate adjustment for depreciation or obsolescence to reflect the existing condition of the factory buildings at the date of valuation. In estimating the fair values of the properties, the highest and best use of the properties is their current use.

Had the leasehold land and buildings been carried at historical cost, the carrying amount that would have been included in the financial statements of the Group as at reporting date would be as follows:

	Group	
	2025 RM	**2024 RM**
Long term leasehold lands		
At cost	5,680,569	5,680,569
Less: Accumulated depreciation	(830,309)	(757,967)
Carrying amount	4,850,260	4,922,602

12. INTANGIBLE ASSETS

	Patents RM	**Development costs RM**	**Golf club membership RM**	**Total RM**
Group				
2025				
Cost				
At 1 July 2024	1,084,785	6,402,673	118,900	7,606,358
Additions	–	–	–	–
At 30 June	1,084,785	6,402,673	118,900	7,606,358
Accumulated amortisation				
At 1 July 2024	332,856	6,402,673	8,184	6,743,713
Charge for the financial year	71,319	–	1,637	72,956
At 30 June	404,175	6,402,673	9,821	6,816,669
Carrying amount:				
At 30 June	680,610	–	109,079	789,689

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

12. INTANGIBLE ASSETS (CONT'D)

	Patents RM	Development costs RM	Golf club membership RM	Total RM
Group				
2024				
Cost				
At 1 July 2023	1,080,331	6,402,673	118,900	7,601,904
Additions	4,454	–	–	4,454
At 30 June	1,084,785	6,402,673	118,900	7,606,358
Accumulated amortisation				
At 1 July 2023	263,541	6,402,673	6,547	6,672,761
Charge for the financial year	69,315	–	1,637	70,952
At 30 June	332,856	6,402,673	8,184	6,743,713
Carrying amount:				
At 30 June	751,929	–	110,716	862,645

Intangible assets of the Group comprise patents, development costs incurred on in-house developed products that meet the capitalisation criteria and golf club memberships. All expenditure relating to research activities of approximately RM185,130 (2024: RM878,905) are recognised as an expense in the profit or loss as incurred.

	Group	
	2025 RM	2024 RM
Remaining amortisation period (year):		
- patents	1 – 14	2 - 15
- golf club memberships	65 - 68	66 - 69

13. INVESTMENTS IN A SUBSIDIARY

	Company	
	2025 RM	2024 RM
Unquoted shares, at cost		
At 1 July	90,000,005	90,000,005
Subscription of additional shares	10,000,000	–
At 30 June	100,000,005	90,000,005

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

13. INVESTMENTS IN A SUBSIDIARY (CONT'D)

The details of the subsidiary, are as follows:

Name of Companies:	Principal place of business and country of incorporation	Effective equity interest 2025	Effective equity interest 2024	Principal activities
Salutica Allied Solutions Sdn.Bhd.	Malaysia	100%	100%	Comprises vertical integration processes covering product design and development and manufacturing of mobile communication products, wireless electronics, server for data processing center and lifestyle devices.

On 11 December 2024, the Company subscribed for an additional 10 million units of ordinary shares at an issue price of RM1 per ordinary shares issued by its wholly owned subsidiary, Salutica Allied Solutions Sdn. Bhd. for a cash consideration of RM10 million for the purpose of financing the expansion of the subsidiary's range of products.

14. DEFERRED TAX (ASSETS)/LIABILITIES

The movements in deferred tax during the financial year are as follows:-

	Group 2025 RM	Group 2024 RM
At 1 July 2024/2023	–	–
Recognised directly in equity:		
arising from revaluation reserve	3,965,394	–
At 30 June	3,965,394	–

The deferred tax assets and liabilities as at the end of the reporting period are as follow:

	Group 2025 RM	Group 2024 RM
Subject to income tax:	–	–
Deferred tax assets (before offsetting):		
unutilised capital allowances	(1,295,586)	(1,235,881)
offsetting	1,295,586	1,235,881
Deferred tax assets (after offsetting)	–	–

14. DEFERRED TAX (ASSETS)/LIABILITIES (CONT'D)

The deferred tax assets and liabilities as at the end of the reporting period are as follow: (Cont'd)

	Group	
	2025 RM	2024 RM
Deferred tax liabilities (before offsetting):		
property, plant and equipment	1,139,172	1,063,872
intangible assets	146,077	156,249
right-of-use assets	10,337	15,730
revaluation reserve	3,965,394	–
	5,260,980	1,235,881
offsetting	(1,295,586)	(1,235,881)
Deferred tax liabilities (after offsetting)	3,965,394	–

At the end of the reporting period, the Company has the following unutilised capital allowances and unused tax losses which can be utilised to set off against future taxable income.

	Group	
	2025 RM	2024 RM
Unutilised capital allowances – no expiry date	53,721,277	49,043,072
Unused tax losses		
- Expiring YA2030	4,625,433	4,647,947
- Expiring YA2031	3,528,302	3,528,303
- Expiring YA2033	13,764,702	13,764,702
- Expiring YA2034	19,617,131	19,648,751
- Expiring YA2035	33,701,418	–
Total unused tax losses	75,236,986	41,589,703

The unused tax losses are allowed to be utilised for 10 consecutive years of assessment while the unabsorbed capital allowances are allowed to be carried forward indefinitely.

At the end of the reporting period, the amounts of deferred tax assets not recognised (stated at gross) due to uncertainty of their realisation are as follows:-

	Group	
	2025 RM	2024 RM
Accrued liabilities, provisions and allowances	2,001,763	11,437,508
Unutilised capital allowances	48,323,004	43,893,690
Unused tax losses	75,236,986	41,589,703
	125,561,753	96,920,901

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

15. INVENTORIES

	Group 2025 RM	Group 2024 RM
Raw materials	1,526,105	9,517,657
Work-in-progress	1,026,625	3,331,933
Finished goods	1,258,828	3,066,220
	3,811,558	15,915,810
Less: allowance for slow-moving and obsolete inventories	–	(1,478,496)
	3,811,558	14,437,314

The cost of inventories recognised as an expense and included in the Group's profit or loss amounted to approximately RM36,797,696 (2024 - RM42,274,061).

16. TRADE RECEIVABLES

	Group 2025 RM	Group 2024 RM
Trade receivables	2,158,016	10,732,696
Allowance for impairment losses:		
At 1 July 2024/2023	(9,352,547)	(1,468,138)
Addition	7,992,255	(7,884,409)
	(1,360,292)	(9,352,547)
At 30 June	797,724	1,380,149

The Group's normal trade credit terms range from 7 to 90 (2024: 7 to 90) days.

17. NON-TRADE RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Non-trade receivables:				
Other receivables	551,046	545,194	–	–
Deposits	1,198,338	147,670	1,600	1,000
Prepayments	779,159	968,744	11,077	23,066
	2,528,543	1,661,608	12,677	24,066

18. CONTRACT ASSET

	Group	
	2025 RM	2024 RM
At 1 July	37,613	11,996
Transfer to trade receivables	(37,613)	(11,996)
Revenue recognised during the financial year	435,483	425,244
Amount billed to customer during the financial year	(370,826)	(387,631)
	64,657	37,613

The contract assets primarily relate to the Group's right to consideration for work completed but not yet billed as at the reporting date. The amount will be transferred to trade receivables when the Group issues billing in the manner as established in the contracts with customers.

19. AMOUNT OWING BY A SUBSIDIARY

The amount due to related party is unsecured, interest free and receivable on demand.

Significant related party transactions are disclosed in Note 33(d) to the financial statements.

20. SHORT-TERM INVESTMENT

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Investment unit trust funds quoted in Malaysia, at fair value	11,444,624	30,427,038	6,224,909	15,542,908

The short-term investment as at 30 June 2025 and 30 June 2024 are in respect of investment in an Islamic money market fund.

The quoted market prices of the Islamic money market fund as at 30 June 2025 is RM1.00 (2024: RM1.00).

21. FIXED DEPOSIT WITH LICENSED BANKS

The fixed deposit with licensed banks of the Group carry interest rates is 2.10% (2024 - Nil) per annum. The fixed deposit with maturity period is 30 days (2024 - Nil).

Included herein is amounts of RM20,000 (2024– RMNil) are pledged to a bank as security for bank guarantee extended to the Group.

22. CASH AND BANK BALANCES

Certain of the Group's and the Company's bank balances totalling RM225,336 and RM225,215 (2024 – RM42,860 and RM42,556) are placed with a licensed Islamic bank as at 30 June 2025.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

23. SHARE CAPITAL

	Group and Company			
	2025	2024	2025	2024
	Number of Shares		RM	RM
Issued and fully paid:				
At 1 July	426,500,000	426,500,000	113,362,368	113,362,368
Issuance of shares under Private Placement	1,000,000	–	195,000	–
	427,500,000	426,500,000	113,557,368	113,362,368

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.

On 27 January 2025, the Company announced a proposed private placement of up to 42,650,000 new ordinary shares in Salutica ("**Salutica Share(s)**" or "**Share(s)**"), representing up to approximately 10% of the total number of issued Salutica Shares, to independent third party investor(s) to be identified, at an issue price to be determined and announced at a later date in accordance with the general mandate pursuant to Sections 75 and 76 of the Companies Act 2016 ("**Private Placement**"). Subsequently, on 7 February 2025, the Company announced that it had obtained the approval from Bursa Malaysia Securities Berhad ("Bursa Securities") vide its letter dated 7 February 2025.

As at 30 June 2025, the Company issued 1,000,000 new ordinary shares for a cash consideration of RM195,000 pursuant to the Private Placement.

On 11 September 2025, the Company announced the completion of the Private Placement exercise with a total of 42,350,000 Salutica Shares had been subscribed, representing a total Private Placement proceeds of RM7,062,400.

The new ordinary shares issued rank equally in all respects with the existing ordinary shares of the Company.

24. TREASURY SHARES

As at 30 June 2025, total treasury shares held by the Company is 3,000,000 ordinary shares with a carrying value of the total RM984,500 (2024: RM984,500) issued and fully paid-up ordinary shares at the end of the reporting period, 3,000,000 ordinary shares (2024: 3,000,000 ordinary shares) are held as treasury shares by the Company.

25. OTHER RESERVES

	Group	
	2025	2024
	RM	RM
Non-distributable:		
Revaluation reserve	12,557,080	–

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

25. OTHER RESERVES (CONT'D)

Revaluation reserve

The revaluation reserve represents revaluation surplus arising from leasehold land and buildings. The revaluation reserves used to record increase in the fair value of leasehold and buildings and decreases to the extent that such decrease relates to an increase on the same assets previously recognised in other comprehensive income.

26. LEASE LIABILITY

	Group	
	2025 RM	2024 RM
At 1 July 2023	76,955	100,424
Interest expense recognised in profit or loss (Note 5)	3,899	5,331
Repayment of principal	(24,901)	(23,469)
Repayment of interest expense	(3,899)	(5,331)
	52,054	76,955
Representing:		
Current liability	26,421	24,901
Non-current liability	25,633	52,054
	52,054	76,955

27. BORROWINGS

	Group	
	2025 RM	2024 RM
Current		
Hire purchase liabilities	–	14,924
Short term revolving credits	–	2,000,000
	–	2,014,924

The Group had fully settled its borrowing as at 30 June 2025. Properties held as security from OCBC Bank (Malaysia) Berhad was discharged on 26 June 2025.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28. HIRE PURCHASE PAYABLES

	Group	
	2025 RM	2024 RM
Minimum hire purchase payments:		
- not later than 1 year	–	14,982
Less: Future finance charges	–	(58)
Present value of hire purchase payables	–	14,924
Representing:		
Current liabilities	–	14,924

The hire purchase payables of the Group at the end of reporting period bore effective interest rates at Nil% (2024: 4.94%) per annum.

29. TRADE PAYABLES

	Group	
	2025 RM	2024 RM
Trade payables	4,540,718	5,711,667
Accrued liabilities (trade)	251,802	306,487
	4,792,520	6,018,154

Credit terms of trade payables granted to the Group vary from 30 to 90 days (2024: 30 to 90 days) from the invoice date.

30. NON-TRADE PAYABLES AND ACCRUALS

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Other payables	1,583,683	859,477	–	–
Accrued liabilities (non-trade)	3,489,450	1,754,152	570,173	507,760
	5,073,133	2,613,629	570,173	507,760

Included in other payables of the Group are in respect of purchase of property, plant and equipment of approximately RM822,037 (2024: RM567,787).

31. CONTRACT LIABILITIES

	Group	
	2025 RM	2024 RM
At 1 July 2024/2023	7,103,144	6,988,128
Revenue recognised that was included in the contract liabilities balance at the beginning of the financial year	(11,105,364)	(5,808,500)
Increase due to cash received, excluding amounts recognised as revenue during the financial year	6,161,816	5,923,516
At 30 June	2,159,596	7,103,144

Included in contract liabilities are deferred revenue arising from services rendered in respect of product development amounted to approximately RM180,348 (2024: RM52,173) and advances made by customers to fund the purchase of raw materials amounted to approximately RM1,979,248 (2024: RM7,050,971).

32. PROVISION FOR WARRANTIES

	Group	
	2025 RM	2024 RM
At 1 July 2024/2023	101,370	112,309
Provisions made during the financial year	46,756	80,679
Utilised during the financial year	(4,050)	(1,840)
Provisions reversed during the financial year	(87,675)	(89,778)
At 30 June	56,401	101,370

Provision for warranties is in respect of finished products manufactured and sold by the Group. The provision is measured at a percentage rate of historical replacement to the related revenue and a review of possible outcomes against the associated probabilities of returns.

33. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) Identities of related parties:

Parties are considered to be related to the Group if the Group has the ability to directly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties of the Group include:

(i) Subsidiaries;
(ii) Entities in which directors have substantial financial interests; and
(iii) Key management personnel of the Group and of the Company, comprising persons having the authority and responsibility for planning, directing and controlling the activities directly or indirectly.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

33. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

(b) Ultimate Holding Company and Subsidiary

The ultimate holding company is disclosed in Note 38 to the financial statements.

The subsidiary is disclosed in Note 13 to the financial statements.

(c) Related Party Balance

	Company	
	2025 RM	2024 RM
Amount owing by a subsidiary	13,000,000	14,000,000

The non-trade balance represents dividend payables. The amount owing is interest free and receivable on demand.

(d) Significant related party transactions

The Group has related party transactions with the following companies:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Consultation fees paid/payable to a person connected with certain directors of the Company	173,711	136,549	–	–
Payment of expense on behalf by holding company	–	–	15,374	14,291
Repayment received from amount due by a subsidiary	–	–	1,000,000	1,000,000

The significant outstanding balances of the related parties (including the allowance for impairment loss made, if any) together with their terms and conditions are disclosed in the respective notes to the financial statements.

The above transactions were established based on terms and rates agreed between the related parties.

(e) Key management compensation

Included in the employee benefit costs are compensations paid to key management personnel as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Directors' remuneration:				
- directors of the Company	2,823,002	2,791,600	418,000	381,333
- directors of the subsidiary	369,058	733,563	–	–
	3,192,060	3,525,163	418,000	381,333

33. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D)

(e) Key management compensation (Cont'd)

Included in the employee benefit costs are compensations paid to key management personnel as follows: (Cont'd)

	Group 2025 RM	Group 2024 RM	Company 2025 RM	Company 2024 RM
Other key management personnel:				
- salaries and other short term employee benefits	391,596	398,208	–	–
- defined contribution plan expenses	47,088	47,500	–	–
	438,684	445,708	–	–
	3,630,744	3,970,871	418,000	381,333
Monetary value of benefits-in-kind	34,110	154,065	–	–

Key management compensation includes directors' remuneration as disclosed in Note 7 to the financial statements.

34. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group only has one operating segment qualified as reporting segment under MFRS 8. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the Group's operating segment, has been identified as the Group's Managing Director, who makes strategic decisions.

The Group's operations are in Malaysia. Non-current assets by geographical segments are not disclosed as all operations of the Group are based in Malaysia.

The Group's two major customers contributed to approximately 52% (2024:44% (3 customers)) of total revenue of the Group for the financial year ended 30 June 2025.

The basis of measurement of reported segment profit or loss, segment assets and segment liabilities are consistent with the basis used for the statements of comprehensive income of the Group for the financial year ended 30 June 2025 and 30 June 2024 and the statement of financial position as at 30 June 2025 and 30 June 2024. The components of the segment assets and liabilities include classes of assets and liabilities disclosed in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

34. OPERATING SEGMENTS (CONT'D)

Geographical information

Although the Company and its subsidiary are located in Malaysia, the Group exports the goods to America, Europe, Asia, Australia and Africa.

The information on the disaggregation of revenue based on geographical region is summarised below:

	Group	
	2025	**2024**
	RM	**RM**
America	9,963,960	7,932,781
Europe	7,833,559	2,833,655
Asia (excluding Malaysia)	1,740,882	7,013,989
Malaysia	469,411	2,325,413
Australia (including New Zealand and Oceania)	238,044	1,108,531
Africa (including Middle East)	3,755	114,054
	20,249,611	21,328,423

35. CAPITAL COMMITMENTS

Capital commitments in respect of property, plant and equipment not provided for in the financial statements are as follows:

	Group	
	2025	**2024**
	RM	**RM**
Capital expenditure commitments:		
Approved and contracted for	326,570	848,213

36. CONTINGENT LIABILITIES

No provisions are recognised on the following matters as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement:-

	Company	
	2025	**2024**
Financial guarantee contracts in relation to corporate guarantee given to a subsidiary	–	2,014,924

37. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risk (including foreign currency exchange risk, interest rate risk and equity price risk), credit risk and liquidity risk. Financial risk management is carried out through risk identification and review, internal control systems, benchmarking to industry's best practices and adherence to the Group's financial risk management policies. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Financial Risk Management Policies

Market risk

Foreign currency exchange risk

The Group is exposed to foreign currency exchange risk on transactions and balances that are denominated in currencies other than Ringgit Malaysia. The currencies giving rise to this risk are primarily United States Dollar.

The Group mitigates its foreign currency exchange risk through the natural hedge of operating foreign currency accounts using the deposits from its export proceeds to pay imported purchases where both are denominated in the same foreign currency.

The Group also hold cash and cash equivalents denominated in foreign currencies for working capital purposes.

The Group's exposure to foreign currency is as follows:

	USD RM	RM RM	Others RM	Total RM
Group				
2025				
Financial assets				
Trade receivables	736,292	61,432	–	797,724
Other receivables and deposits	6,669	1,050,947	691,768	1,749,384
Short-term investment	–	11,444,624	–	11,444,624
Fixed deposit with licensed banks	–	20,000	–	20,000
Cash and bank balances	3,426,266	649,911	894	4,077,071
	4,169,227	13,226,914	692,662	18,088,803
Financial liabilities				
Trade payables	3,066,297	1,726,223	–	4,792,520
Other payables and accruals	575,246	4,231,740	266,147	5,073,133
Lease liability	–	52,054	–	52,054
	3,641,543	6,010,017	266,147	9,917,707
Net financial assets	527,684	7,216,897	426,515	8,171,096
Less: Net financial assets denominated in the respective entities' functional currencies	–	(7,216,897)	–	(7,216,897)
Currency exposure	527,684	–	426,515	954,199

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

37. FINANCIAL INSTRUMENTS (CONT'D)

Financial Risk Management Policies (Cont'd)

Market risk (Cont'd)

Foreign currency exchange risk (Cont'd)

The Group's exposure to foreign currency is as follows: (Cont'd)

	USD RM	RM RM	Others RM	Total RM
2024				
Financial assets				
Trade receivables	1,151,112	229,037	–	1,380,149
Other receivables and deposits	5,341	653,064	34,459	692,864
Short-term investment	–	30,427,038	–	30,427,038
Cash and bank balances	3,733,919	2,004,526	1,113	5,739,558
	4,890,372	33,313,665	35,572	38,239,609
Financial liabilities				
Trade payables	4,630,978	1,387,176	–	6,018,154
Other payables and accruals	188,137	2,376,563	48,929	2,613,629
Revolving credit	–	2,000,000	–	2,000,000
Hire purchase liability	–	14,924	–	14,924
Lease liability	–	76,955	–	76,955
	4,819,115	5,855,618	48,929	10,723,662
Net financial assets	71,257	27,458,047	(13,357)	27,515,947
Less: Net financial assets denominated in the respective entities' functional currencies	–	(27,458,047)	–	(27,458,047)
Currency exposure	71,257	–	(13,357)	57,900

The Company does not have any transactions or balances denominated in foreign currencies and hence, is not exposed to foreign currency risk.

37. FINANCIAL INSTRUMENTS (CONT'D)

Financial Risk Management Policies (Cont'd)

Market risk (Cont'd)

Foreign currency exchange risk (Cont'd)

Foreign currency risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies as at the end of the reporting period, with all other variables held constant:

	2025 Increase/ (Decrease) RM	2024 Increase/ (Decrease) RM
Group		
Effects on profit after taxation/accumulated losses:		
USD/RM		
Strengthen by 5% (2024: 5%)	21,000	3,000
Weaken by 5% (2024:5%)	(21,000)	(3,000)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from long-term borrowings with variable rates. The Group's policy is to obtain the most favourable interest rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowings.

The Group's fixed rate borrowings are carried at amortised cost. Therefore, they are not subject to interest rate risk as defined in MFRS 7 since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Group's exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Note 26 to the financial statements.

Interest rate risk sensitivity analysis

The following table details the sensitivity to a reasonably possible change in the interest rates as at the end of the reporting period, with all other variables held constant, on the Group's equity and profits:

	Group	
	2025 Increase/ (Decrease) RM	2024 Increase/ (Decrease) RM
Effects on profit after taxation		
Increase of 25 basis point	Nil	(3,800)
Decrease of 25 basis point	Nil	3,800

37. FINANCIAL INSTRUMENTS (CONT'D)

Financial Risk Management Policies (Cont'd)

Equity Price Risk

The Company does not have any quoted investments and hence, is not exposed to equity price risk.

Credit risk

The Group's exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including short-term investment, cash and bank balances and derivatives), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company's exposure to credit risk arises principally from loans and advances to subsidiary, and corporate guarantee given to financial institutions for credit facilities granted to a subsidiary. The Company monitors the results of the subsidiary regularly and repayments made by the subsidiary.

Credit risk concentration profile

The Group's major concentration of credit risk relates to the amounts owing by 3 customers (2024: 3 customer) which constituted approximately 87% (2024: 83%) of the total trade receivables as at reporting date. Substantially all of the debts due have been collected subsequent to the financial year end.

Exposure to credit risk

At the end of the reporting period, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position.

Measurement of expected credit loss ("ECL")

Trade receivables using simplified approach

The Group measures the loss allowance of trade receivables and contract assets as at the reporting date using a PD x LGD x EAD methodology as follows:

- PD ('probability of default') – the likelihood that the debtor would not be able to repay during the contractual period (lifetime);
- LGD ('loss given default') – the percentage of contractual cash flows that will not be collected if default happens; and
- EAD ('exposure at default') – the outstanding amount that is exposed to default risk.

The historical loss rates are adjusted to reflect current and forward-looking information based on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the expected GDP growth rate of the affected countries where the customers operate to be the most relevant factor, and accordingly adjust the historical loss rates based on expected changes in the GDP growth rate. No significant changes to estimation techniques or assumptions were made during the reporting period.

The following table contains an analysis of the credit risk exposure of financial instruments by groups of debtors for which an ECL allowance is recognised. The gross carrying amount of financial assets below also represents the Group's maximum exposure to credit risk on these assets:

37. FINANCIAL INSTRUMENTS (CONT'D)

Financial Risk Management Policies (Cont'd)

Credit risk (Cont'd)

Measurement of expected credit loss ("ECL") (Cont'd)

Ageing analysis

The ageing analysis of the Group trade receivables as at reporting date are as follows:

	Gross amount RM	Loss allowance RM	Carrying amount RM
2025			
Not past due	177,045	(1)	177,044
Past due	1,980,971	(1,360,291)	620,680
Total	2,158,016	(1,360,292)	797,724
2024			
Not past due	516,284	(5)	516,279
Past due	10,216,412	(9,352,542)	863,870
Total	10,732,696	(9,352,547)	1,380,149

The movement in the loss allowances in respect of trade receivables is disclosed in Note 37 to the financial statements.

Other receivables and deposits issued using genera 3-stage approach

The Group uses three (3) categories for other receivables, deposits and financial guarantee contracts issued which reflect its credit risk and how the loss allowance for impairment is determined for each of those categories. A summary of the assumptions underpinning the Group's ECL model is as follows:

CATEGORY	COMPANY'S DEFINITION OF CATEGORY	BASIS FOR RECOGNISING ECL
Performing	Debtors have a low risk of default and a strong capacity to meet contractual cash flows.	12-month ECL
Underperforming	Debtors for which there is a significant increase in credit risk or significant increase in credit risk is presumed if interest and/or principal repayments are 30 days past due.	Lifetime ECL
Non-performing	Interest and/or principal repayments are 90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL (credit impaired)
Write-off	There is evidence indicating that there is no reasonable expectation of recovery based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount.	Assets is written-off

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

37. FINANCIAL INSTRUMENTS (CONT'D)

Financial Risk Management Policies (Cont'd)

Credit risk (Cont'd)

Measurement of expected credit loss ("ECL") (Cont'd)

Other receivables and deposits issued using genera 3-stage approach

Based on the above, loss allowance for impairment is measured on either 12 months ECL or lifetime ECL using a PD x LGD x EAD methodology as follows:

- PD ('probability of default') – the likelihood that the debtor would not be able to repay during the contractual period (12-months or life time depending on category);
- LGD ('loss given default') – the percentage of contractual cash flows that will not be collected if default happens; and
- EAD ('exposure at default') – the outstanding amount that is exposed to default risk.

In deriving the PD and LGD, the Group considers historical data by each debtor by category and adjusts for forward-looking macroeconomic data. The Group has identified the expected GDP growth rate of the country where the debtor operates in to be the most relevant factor, and accordingly adjust the historical loss rates based on the expected changes in GDP growth rates released by the government of the affected countries. Loss allowance for impairment is measured at a probability-weighted amount that reflects the possibility that a credit loss occurs and the possibility that no credit loss occurs. No significant changes to estimation techniques or assumptions were made during the reporting period.

Based on the assessment performed above, all other receivables, deposits and financial guarantee contracts of the Group are classified under the performing category and are evaluated for ECL based on 12-month ECL.

Based on management assessment of ECL as at 30 June 2025 and 2024, the identified loss allowance for impairment of other receivables, deposits and financial guarantee contracts as at 30 June 2025 and 2024 was immaterial and hence, it is not provided for.

Cash and Bank Balances

The Group considers these banks and financial institutions have low credit risks. Therefore, the Company is of the view that the loss allowance is immaterial and hence, it is not provided for.

Reconciliation of loss allowance for impairment

There was no loss allowance for impairment that needs to be recognised for financial assets at amortised cost as at 30 June 2025, i.e. contract assets, other receivables, deposits and financial guarantee contracts issued.

37. FINANCIAL INSTRUMENTS (CONT'D)

Financial Risk Management Policies (Cont'd)

Credit risk (Cont'd)

Reconciliation of loss allowance for impairment (Cont'd)

Trade receivables using simplified approach

The loss allowance for impairment of trade receivables of the Group as at 30 June 2025 and 30 June 2024 is as follows:

	Group	
	2025	**2024**
	RM	**RM**
At 1 July	9,352,547	1,468,138
Allowance for impairment loss	75	7,885,991
Reversal of allowance for impairment loss	(7,992,330)	(1,582)
At 30 June	1,360,292	9,352,547

2025

Based on management assessment on ECL as at 30 June 2025, the Group had reversed the loss allowance for impairment by RM7,992,330 for an outstanding debt, mainly by a customer where the Group had assigned the judgment debt to an Australian company and consequently the Group had written off as bad debts during the current financial year. Further details are disclosed in Note 39(d) to the financial statements. The Group had made an additional loss allowance for impairment of RM75 for which has defaulted on payments on the debt substantially overdue.

2024

Based on management assessment on ECL as at 30 June 2024, the Group had reversed the loss allowance for impairment by RM1,582 for an outstanding debt which were fully settle by the customer during the current financial year. The Group had made an additional loss allowance for impairment of RM7,885,991 for which has defaulted on payments on the debt substantiallyoverdue by more than 120 days.

Inter-company loans and advances

Generally, the Company considers loans and advances to related companies have low credit risk. The Company assumes that there is a significant increase in credit risk when a related company's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the related companies' loans and advances when they are payable, the Company considers the loans and advances to be in default when the related companies are not able to pay when demanded. The Company considers a related company's loan or advance to be credit impaired when:

- The related company is unlikely to repay its loan or advance to the Company in full;
- The related company's loan or advance is overdue for more than 365 days; or
- The related company is continuously loss making and is having a deficit shareholders' fund.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

37. FINANCIAL INSTRUMENTS (CONT'D)

<u>Financial Risk Management Policies (Cont'd)</u>

Credit risk (Cont'd)

Inter-company loans and advances (Cont'd)

The Company determines the probability of default for these loans and advances individually using internal information available.

	Gross amount	Carrying amount
2025		
Amount due from subsidiaries	13,000,000	13,000,000
2024		
Amount due from subsidiaries	14,000,000	14,000,000

Liquidity risk

Liquidity risk arises mainly from general funding and business activities. The Group practices prudent risk management by maintaining sufficient cash balances and the availability of funding through an adequate but flexible amount of credit facilities obtained from licensed banks in Malaysia.

<u>Maturity analysis</u>

The table below show summaries 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:

Group	**Contractual interest rate %**	**Carrying amount RM**	**Contractual cash flows RM**	**Within 1 year RM**	**1 - 2 years RM**	**2 - 5 years RM**
2025						
<u>Non-derivative Financial Liabilities</u>						
Payables and accrued liabilities	–	9,865,653	9,865,653	9,865,653	–	–
Lease liability	5.94	52,054	55,200	28,800	26,400	–
		9,917,707	9,920,853	9,894,453	26,400	–
<u>Non-derivative Financial Liabilities</u>						
Payables and accrued liabilities	-	8,631,783	8,631,783	8,631,783	–	–
Hire-purchase liabilities	4.94	14,924	14,982	14,982	–	–
Lease liability	5.94	76,955	84,000	28,800	28,800	26,400
Short term revolving credits	5.42	2,000,000	2,000,000	2,000,000	–	–
		10,723,662	10,730,765	10,675,565	28,800	26,400

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

37. FINANCIAL INSTRUMENTS (CONT'D)

Financial Risk Management Policies (Cont'd)

Liquidity risk (Cont'd)

Maturity analysis (Cont'd)

	Carrying amount RM	Contractual cash flows RM	Within 1 year RM
Company			
2025			
Non-derivative Financial Liabilities			
Payables and accrued liabilities	570,173	570,173	570,173
2024			
Non-derivative Financial Liabilities			
Payables and accrued liabilities	507,760	507,760	507,760
Financial guarantee liabilities*	–	2,014,924	2,014,924
	507,760	2,522,684	2,522,684

* The contractual undiscounted cash flows represent the outstanding credit facility of subsidiary at the end of the reporting period. The financial guarantee has not been recognised in the financial statements since its fair value on initial recognition was not material.

Capital risk management

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support its businesses and maximise shareholders' value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders, issuing new share, sell assets to reduce debt or secure additional debts.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

37. FINANCIAL INSTRUMENTS (CONT'D)

Capital risk management (Cont'd)

The Group manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as divided by total equity. The Group includes within net debt, loans and borrowings from financial institutions less cash and cash equivalents. Capital includes equity attributable to the owners of the parent and non-controlling interest. The debt-to-equity ratio of the Group at the end of the reporting period was as follows:-

	Group	
	2025 RM	**2024 RM**
Hire purchase liabilities	–	14,924
Lease liability	52,054	76,955
Short term revolving credit	–	2,000,000
Total debt	52,054	2,091,879
Total equity	57,840,809	74,848,826
Debt-to-equity ratio	0.0009	0.03

There was no change in the Group's approach to capital management during the financial year.

Categories of financial instrument

The table below provide an analysis on categories of financial instruments as financial assets and liabilities measured at amortised cost ("AC").

	Carrying amount RM	**AC RM**	**Fair Value Through Profit or Loss RM**
Group			
2025			
Financial assets			
Trade receivables	797,724	797,724	–
Other receivables and deposits	1,749,384	1,749,384	–
Short-term investment	11,444,624	–	11,444,624
Fixed deposit with licensed banks	20,000	20,000	–
Cash and bank balances	4,077,071	4,077,071	–
	18,088,803	6,644,179	11,444,624
Financial liabilities			
Trade payables	4,792,520	4,792,520	–
Other payables and accruals	5,073,133	5,073,133	–
Lease liability	52,054	52,054	–
	9,917,707	9,917,707	–

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

37. FINANCIAL INSTRUMENTS (CONT'D)

Categories of financial instrument (Cont'd)

	Carrying amount RM	AC RM	Fair Value Through Profit or Loss RM
Group			
2024			
Financial assets			
Trade receivables	1,380,149	1,380,149	–
Other receivables and deposits	692,864	692,864	–
Short-term investment	30,427,038	–	30,427,038
Cash and bank balances	5,739,558	5,739,558	–
	38,239,609	7,812,571	30,427,038
Financial liabilities			
Trade payables	6,018,154	6,018,154	–
Other payables and accruals	2,613,629	2,613,629	–
Lease liability	76,955	76,955	–
Hire purchase liabilities	14,924	14,924	–
Revolving credit	2,000,000	2,000,000	–
	10,723,662	10,723,662	–
Company			
2025			
Financial assets			
Other receivables and deposits	1,600	1,600	–
Amount owing by a subsidiary	13,000,000	13,000,000	–
Short-term investment	6,224,909	–	6,224,909
Cash and bank balances	225,463	225,463	–
	19,451,972	13,227,063	6,224,909
Financial liabilities			
Other payables and accruals	570,173	570,173	–
2024			
Financial assets			
Other receivables and deposits	1,000	1,000	–
Amount owing by a subsidiary	14,000,000	14,000,000	–
Short-term investment	15,542,908	–	15,542,908
Cash and bank balances	42,669	42,669	–
	29,586,577	14,043,669	15,542,908
Financial liabilities			
Other payables and accruals	507,760	507,760	–

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

37. FINANCIAL INSTRUMENTS (CONT'D)

Fair values

Other than those disclosed below, the fair values of the financial assets and financial liabilities maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments. The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period: -

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Group				
2025				
Financial asset				
Short-term investment	–	11,444,624	–	11,444,624
2024				
Financial asset				
Short-term investment	–	30,427,038	–	30,427,038
Company				
2025				
Financial asset				
Short-term investment	–	6,224,909	–	6,224,909
2024				
Financial asset				
Short-term investment	–	15,542,908	–	15,542,908

(a) The fair values of financial instruments carried at fair value have been determined using the following basis:-

(i) The fair value of the investment in money market fund are determined by reference to statement provided by respective financial institutions, with which the investments were enter into.
(ii) The fair value of the derivative financial instruments are based on certain inputs which are not directly obtainable from quoted prices and are therefore classified in Level 2.
(iii) There were no transfers between level 1 and level 2 during the financial year.

(b) Fair value of assets and liabilities that are not carried at fair value and whose carrying amounts are reasonable approximation of their fair value.

The carrying amounts of the current financial assets and financial liabilities of the Group that are not carried at fair value at the reporting date approximately their fair values because they are mostly short term in nature or are repaid frequently.

38. ULTIMATE HOLDING COMPANY

The ultimate holding company is Blue Ocean Enlightenment Sdn. Bhd., a company incorporated in Malaysia.

39. SIGNIFICANT EVENTS DURING AND AFTER THE REPORTING PERIOD

(a) Legal suit against Apple Malaysia Sdn. Bhd.

On 11 January 2022, Salutica Allied Solutions Sdn. Bhd.("the Plaintiff"), a wholly-owned subsidiary of the Company had filed a Writ of Summons with the Statement of Claim dated 10 January 2022, at the High Court of Malaya in Kuala Lumpur against Apple Malaysia Sdn.Bhd. ("the Defendant"), (the "Suit").

The Plaintiff is the owner of the Malaysian Patent No. MY-172803-A (hereinafter the "MY'803 Patent"). The Crosspair Technology is the invention claimed by the Plaintiff in the MY'803 Patent.

On 5 February 2024, Solicitors for both the Plaintiff and the Defendant have attended the Court of Appeal (Appeal No. W-02(IM)(IPCv)-1416-09/2023) in relation to the Defendant's appeal against the dismissal of its application to disqualify the Plaintiff's solicitors heard together with the Plaintiff's appeal against the granting of the protective order (Appeal No: W-02(IM)(IPCv)-2057-12/23). Upon hearing both parties, the Court of Appeal has allowed the Defendant's appeal with cost and disallowed the Plaintiff's appeal with cost. The Plaintiff has then filed for a change of its solicitors and is now represented by Messrs LindaWang Su and Boo.

Solicitors for the parties have attended trial for the suit on 11 to 14 March 2024 and 18 to 22 March 2024. The trial continued on 1 April 2024 to 3 April 2024. The original date scheduled for parties to provide oral submissions on 23 August 2024 and the decision date on 2 October 2024 has been postponed as parties have been given an extended period to provide their written submissions in reply by 11 September 2024. The Court has on 23 August 2024 fixed 28 November 2024 for oral submissions and 17 January 2025 for its decision.

The Court in delivering its decision has dismissed the Plaintiff's claim and allowed the Defendant's counterclaim with cost of RM1.2 million to be paid by the Plaintiff. Solicitors for the Plaintiff on 27 January 2025 had filed a notice of appeal to the Court of Appeal and on 4 February 2025 a notice of application to stay the judgement against the decision of the High Court handed down on 17 January 2025.

The hearing of the appeal against the High Court decision handed down on 17 January 2025 has been fixed at the Court of Appeal on 26 June 2026. The parties are required to file their respective core bundles, written submissions and bundle of authorities on or before 8 June 2026.

(b) Legal suit against Paradigm Metal Industries Sdn. Bhd.

On 11 August 2023, Salutica Allied Solutions Sdn. Bhd. ("the Plaintiff"), a wholly-owned subsidiary of the Company had filed a Writ of Summons with the Statement of Claim dated 11 August 2023, at the High Court of Malaya in Penang against Paradigm Metal Industries Sdn. Bhd. ("PMI" or "Defendant").

Solicitors for both the Plaintiff and Defendant in the suit have on 19 October 2023 attended case management for the Defendant's application to stay proceedings and to refer the matter to arbitration under Section 10 of the Arbitration Act 2005. By consent of the parties, the Court has allowed the Defendant's application with no orders as to cost.

By a letter dated 8th November 2023, the Asian International Arbitration Centre in Kuala Lumpur ("AIAC") has registered the matter under the AIAC Arbitration Rules 2023 ("the Rules") between Salutica Allied Solutions Sdn. Bhd. as the Claimant and Paradigm Metal Industries Sdn. Bhd. as the Respondent.

The appointed panel arbitrators are as follows: -

a) Datuk Vernon Ong Lam Kiat (as the Presiding Arbitrator)
b) Loshini Ramarmuty
c) Lim Hock Siang

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

39. SIGNIFICANT EVENTS DURING AND AFTER THE REPORTING PERIOD (CONT'D)

(b) Legal suit against Paradigm Metal Industries Sdn. Bhd. (Cont'd)

Solicitors for the parties attended case management before the tribunal on 30 May 2024. The tribunal has given trial directions for the matter and has fixed the matter for hearing on 16 June 2025 to 20 June 2025. The original hearing date from 16 June 2025 to 20 June 2025 has been rescheduled to a new date which is from 23 September 2025 to 26 September 2025 and continue from 15 October 2025 to 16 October 2025.

(c) Legal suit against Apple South Asia Pte. Ltd

On 16 November 2023, Salutica Allied Solutions Sdn. Bhd. ("the Plaintiff"), a wholly-owned subsidiary of the Company had filed an Originating Claim together with the Statement of Claim ("SOC") and Particulars of Infringement at the High Court of the Republic of Singapore against Apple South Asia Pte. Ltd. ("the Defendant"), ("the Suit").

The Plaintiff is the owner of the Singapore Patent No. 11201504174W (hereinafter the "Singapore Patent"). The CrossPair Technology is the invention claimed by the Plaintiff in the Singapore Patent.

On 16 April 2024, the Court has set security for cost at SGD70,000.00 that the Plaintiff (being a foreign entity to the suit) is to provide via a solicitor's undertaking. This is to be provided by the Plaintiff 14 days after the determination of the Defendant's striking out application. Solicitors for the parties attended the hearing of the Defendant's striking out application on 3 May 2024. After the said hearing, the Court has adjourned the matter to 7 June 2024.

Solicitors for the parties have attended the hearing of the Defendant's striking out application on 4 July 2024. The Assistant Registrar of the Court has allowed the Defendant's application to strike out the Plaintiff claim. Nevertheless, the striking out is without prejudice to recommencing the action.

The Plaintiff has then on 30 September 2024 re-filed its Statement of Claim with the Particulars of Infringement both dated 30 September 2024.

On 4 February 2025, the High Court of Singapore has ordered both parties to exchange the list of documents for discovery by 18 March 2025 and to provide their respective list of witness by 1 April 2025. The High Court of Singapore has fixed the next case conference date on 30 September 2025 pending the exchange of documents.

Parties are to attend a Judicial Case Conference before the Judge on 27 October 2025.

(d) Legal suit against Nuheara Ltd.

On 24 June 2024, Salutica Allied Solutions Sdn. Bhd. ("the Plaintiff'), a wholly-owned subsidiary of the Company had filed a Writ together with the Statement of Claim ("SOC"), at the High Court of Malaya in Kuala Lumpur against Nuheara Ltd. ("the Defendant"), ("the Suit").

Salutica and Nuheara had entered an agreement entitled "Master Design, Development and Manufacturing Agreement" on 12 June 2018 that has an effective date of 16 April 2018 (hereinafter referred to as the "said Agreement") where the Defendant had in general appointed SAS to manufacture the Nuheara's products.

As at 21 June 2024, and after taking into account credit notes and partial payments by the Defendant effectively amounting to USD41,844.51 before this, the sum that is still owing to the Plaintiff amounts to USD1,717,486.45.

Despite numerous demands from the Plaintiff, the Defendant has failed, neglected, and/or refused to pay its debt to the Plaintiff. As such, the Plaintiff has suffered losses amounting to USD1,717,486.45 or equivalent to RM8,088,502.44 (based on the exchange rate of 4.7095 by Bank Negara Malaysia on 21 June 2024).

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

39. SIGNIFICANT EVENTS DURING AND AFTER THE REPORTING PERIOD (CONT'D)

(d) Legal suit against Nuheara Ltd. (Cont'd)

The claim pursuant to the Writ and Statement of Claim is as follows:

a) Damages in the sum of USD1,717,486.45 or RM8,088,502.44;
b) Pre-judgment interest at 5% per annum on sum (a) above calculated from the date of filing this action till the date of judgment;
c) Judgment interest at 5% per annum on sum (a) and (b) above calculated from the date of judgment to the date of full settlement;
d) Costs for this action; and
e) Any further and/or other relief as the Honourable Court deems fit.

The Plaintiff has on 20 August 2024 obtained a judgment in default of appearance against the Defendant.

The Group had assigned the judgment debt to an Australian company amounting to AUD300,000, which is equivalent to RM835,045. Nuheara had since entered into liquidation effective 19 June 2025.

Save for the above litigations, there is no litigation involving the Group which has a material effect on the financial position of the Group and the Board is not aware of any material litigation or any proceedings pending or threatened.

(e) Disposal of shares

On 14 October 2025, the ultimate holding company, Blue Ocean Enlightenment Sdn. Bhd. disposed 44,800,000 ordinary shares, representing 9.616% of its interest in Salutica Berhad for a total consideration of RM8,512,000.

40. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The Company is principally involved in investment holding. The principal activities of the subsidiaries are as stated in Note 13 to the financial statements.

The registered office of the Company is located at Unit 1203, Level 12, Uptown 1, No. 1 Jalan SS21/58, Damansara Uptown, 47400, Petaling Jaya, Selangor Darul Ehsan.

The principal place of business of the Company is located at No. 3 Jalan Zarib 6, Kawasan Perindustrian Zarib, 31500 Lahat, Ipoh, Perak Darul Ridzuan.

The financial statements of the Group and of the Company were authorised for issue by the Board of Directors on 15 October 2025.

LIST OF
PROPERTIES

Registered owner	Title details / address	Tenure / Expiry of lease	Description and existing use	Approximate age of building	Total built up area and land area (square meter)	Net book value as at 30 June 2025 (RM'000)	Date of Acquisition / Valuation
Salutica Allied	Lot 202124*, PN 94442, Mukim Hulu Kinta, Daerah Kinta, Negeri Perak 3 Jalan Zarib 6 Kawasan Perindustrian Zarib, 31500 Lahat, Ipoh, Perak	99 years, expiring on 11 February 2092	Allocated parking space for employees	N/A	Land area: 4,551 Built-up area: N/A	1,470	16 December 2024** (Date of Valuation)
Salutica Allied	Lot 202125*, PN94443, Mukim Hulu Kinta, Daerah Kinta, Negeri Perak 3 Jalan Zarib 6 Kawasan Perindustrian Zarib, 31500 Lahat, Ipoh, Perak	99 years, expiring on 11 February 2092	Allocated parking space for employees	N/A	Land area: 4,314 Built-up area: N/A	1,395	16 December 2024** (Date of Valuation)
Salutica Allied	Lot 381631*, PN314266, Mukim Hulu Kinta, Daerah Kinta, Negeri Perak 3 Jalan Zarib 6 Kawasan Perindustrian Zarib, 31500 Lahat, Ipoh, Perak	99 years, expiring on 11 February 2092	Our manufacturing plant comprising a two (2)-storey office annexed to a two (2) storey warehouse ("Phase Three") and factory ("Phase One and Two") ("Buildings")	Phase One: 24 years Phase Two: 23 years Phase Three: 15 years	Land area: 30,130 Built-up area: Approximately 30,318	31,415	16 December 2024** (Date of Valuation)

* The above properties had been discharged as security from OCBC Bank (Malaysia) Berhad on 26 June 2025.

** Valuation remains unchanged as at 30 June 2025 per independent property valuer confirmation.

ANALYSIS OF SHAREHOLDINGS
AS AT 1 OCTOBER 2025

Total number of Issued Shares	:	468,850,000 ordinary shares
Total number of Treasury Shares	:	3,000,000 ordinary shares
Total number of Issued Shares net of Treasury Shares	:	465,850,000 ordinary shares
Issued Share Capital	:	RM120,424,768
Class of Shares:	:	Ordinary shares
Voting Rights	:	One vote per ordinary share
Number of shareholders	:	3,488

LIST OF SUBSTANTIAL SHAREHOLDERS

Name	Direct Interest Size of Holdings	% (#)	Indirect Interest Size of Holdings	% (#)
Blue Ocean Enlightenment Sdn. Bhd. ("**BOE**")	214,500,000	46.04	–	–
Lim Chong Shyh	–	–	214,500,000[1]	46.04
Joshua Lim Phan Yih	–	–	214,500,000[1]	46.04
Joel Lim Phan Hong	–	–	214,500,000[1]	46.04
Cheong Siew Chyuan	19,369,300	4.16	16,130,700[2]	3.46

Notes:

1. Deemed interested by virtue of shareholdings in BOE pursuant to Section 8 of the Companies Act, 2016 (the "Act").
2. Deemed interested by virtue of the shares held by his spouse pursuant to Section 8 of the Act.

DIRECTORS' SHAREHOLDINGS

Name	Direct Interest Size of Holdings	% (#)	Indirect Interest Size of Holdings	% (#)
Chan Shook Ling	6,100,000	1.31	–	–
Chia Chee Hoong	900,000	0.19	–	–
Low Teng Lum	–	–	–	–
Leow Chan Khiang	–	–	–	–
Lim Chong Shyh	–	–	214,500,000[1]	46.04
Joshua Lim Phan Yih	–	–	214,500,000[1]	46.04
Joel Lim Phan Hong	–	–	214,500,000[1]	46.04
Tan Gim May	–	–	–	–

Note:

1. Deemed interested by virtue of shareholdings in BOE pursuant to Section 8 of the Act.

ANALYSIS BY SIZE OF HOLDINGS

No. of Holders	Size of Holdings	Total Holdings (#)	% (#)
18	1 - 99	299	0.00
438	100 – 1,000	242,101	0.05
1,376	1,001 – 10,000	8,196,800	1.76
1,322	10,001 – 100,000	48,017,200	10.31
333	100,001 to less than 5% of issued shares	194,893,600	41.84
1	5% and above of issued shares	214,500,000	46.04
3,488	**TOTAL**	**465,850,000**	**100.00**

ANALYSIS OF SHAREHOLDINGS (CONT'D)

LIST OF THIRTY LARGEST SHAREHOLDERS

No.	Name	No. of shares held	% (#)
1.	BLUE OCEAN ENLIGHTENMENT SDN BHD	214,500,000	46.04
2.	HLB NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR CHEONG SIEW CHYUAN*	18,760,300	4.03
3.	ONG XENG THOU	18,064,000	3.88
4.	MAYBANK NOMINEES (TEMPATAN) SDN BHD *EXEMPT AN FOR SIDEEQUITY CAPITAL MANAGEMENT SDN.BHD. (CLIENTS ACCOUNT)*	12,850,000	2.76
5.	TAN BOOI CHARN	9,489,700	2.04
6.	LYE YHIN CHOY	8,500,000	1.82
7.	HLB NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR TAN BOOI CHARN*	6,641,000	1.42
8.	CHAN SHOOK LING	6,100,000	1.31
9.	LEE HOY VOON	4,070,000	0.87
10.	MAYBANK NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR WONG WAH PENG*	3,119,600	0.67
11.	MAYBANK NOMINEES (TEMPATAN) SDN BHD *KHOO MING FONG*	2,080,000	0.45
12.	GOH BEE CHIN @ OOI BEE CHIN	2,035,900	0.44
13.	PUBLIC NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR TAN KIEN WI (E-JCL/KPT)*	2,000,000	0.43
14.	MAYBANK NOMINEES (TEMPATAN) SDN BHD *HO KEAT SOONG*	1,950,000	0.42
15.	RHB NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR HO CHANG TIH*	1,759,800	0.38
16.	CARTABAN NOMINEES (TEMPATAN) SDN BHD *ICAPITAL.BIZ BERHAD*	1,700,200	0.36
17.	CHIA AH KIEN	1,482,700	0.32
18.	YEOH SENG FOOK	1,400,000	0.30
19.	CHIENG HOCK LAY	1,330,000	0.29
20.	KONG CHIA LIANG	1,300,000	0.28

ANALYSIS OF SHAREHOLDINGS (CONT'D)

LIST OF THIRTY LARGEST SHAREHOLDERS (CONT'D)

No.	Name	No. of shares held	% (#)
21.	MOOMOO NOMINEES (TEMPATAN) SDN. BHD. *PLEDGED SECURITIES ACCOUNT FOR CHUA YEN HAN*	1,151,700	0.25
22.	CHONG CHIEW YANG	1,130,700	0.24
23.	CHENG NYEK PAW	1,060,000	0.23
24.	MAYBANK NOMINEES (TEMPATAN) SDN BHD *GOBINATH A/L VEERASINGAM*	1,053,500	0.23
25.	LYE THIM LOONG	1,050,000	0.23
26.	CHIA CHEE HOW	1,042,000	0.22
27.	MAYBANK NOMINEES (TEMPATAN) SDN BHD *SIEW KOON HOEE*	1,029,700	0.22
28.	MAYBANK NOMINEES (TEMPATAN) SDN BHD *SIEW WAI YIN*	912,000	0.19
29.	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. *PLEDGED SECURITIES ACCOUNT FOR CHIA CHEE HOONG (MY4720)*	900,000	0.19
30.	MAYBANK NOMINEES (TEMPATAN) SDN BHD *PLEDGED SECURITIES ACCOUNT FOR NOR JAIDI BIN MANAP*	900,000	0.19
	TOTAL	329,362,800	70.70

Note:

(#) Excludes a total of 3,000,000 ordinary shares bought back by the Company and held as Treasury Shares as at 1 October 2025.

NOTICE OF
ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirteenth Annual General Meeting ("13th AGM") of **SALUTICA BERHAD** ("**Salutica**" or the "**Company**") will be held at No. 3, Jalan Zarib 6, Kawasan Perindustrian Zarib, 31500 Lahat, Ipoh, Perak Darul Ridzuan on Monday, 24 November 2025 at 10.30 a.m. to transact the following business:-

AGENDA

Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 30 June 2025 together with the Directors' and the Auditors' Reports thereon. — **Please refer to Note 1 of Explanatory Notes**

2. To approve the payment of Directors' fees of RM418,000.00 for the financial year ended 30 June 2025. — **Ordinary Resolution 1**

3. To re-elect the following Directors who are retiring pursuant to Clause 76(3) of the Constitution of the Company ("the Constitution"):-

   (i) Mr. Low Teng Lum — **Ordinary Resolution 2**

   (ii) Mr. Joshua Lim Phan Yih — **Ordinary Resolution 3**

4. To re-appoint Messrs PKF PLT as Auditors of the Company for the financial year ending 30 June 2026 and to authorise the Directors to fix their remuneration. — **Ordinary Resolution 4**

Special Business

To consider and, if thought fit, to pass with or without modifications, the following Ordinary Resolutions:-

5. **Authority to Issue and Allot Shares of the Company Pursuant to Sections 75 and 76 of the Companies Act 2016** — **Ordinary Resolution 5**

   "THAT pursuant to Sections 75 and 76 of the Companies Act 2106 (the "Act"), Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements") and the approval of the relevant regulatory authorities, where such approval is required, the Directors of the Company be and are hereby authorised to issue and allot shares in the capital of the Company, grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer ("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 issued and allotted under an agreement or option or offer, pursuant to this resolution, when aggregated with the total number of any such shares issued during the preceding 12 months does not exceed 10% of the total number of issued shares (excluding any treasury shares) of the Company for the time being ("Proposed General Mandate").

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 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 FURTHER 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."

6. **Proposed Renewal of Share Buy-Back Authority** **Ordinary Resolution 6**

"THAT, subject always to the Companies Act 2016 (the "Act"), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("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 best 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 cent (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 purchase;

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

("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 passes at the meeting, the authority is renewed, either unconditionally or subject to conditions;

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 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' shares 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 any other 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.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

AND THAT the Directors of the Company be and are 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."

7. **Issuance and Allotment of New Ordinary Shares in the Company ("New Salutica Shares") pursuant to the Dividend Reinvestment Plan that provides the Shareholders of the Company with an Option to Elect to Reinvest their Cash Dividends into New Salutica Shares ("Dividend Reinvestment Plan")** — **Ordinary Resolution 7**

"THAT pursuant to the Dividend Reinvestment Plan as approved by the Shareholders at the Eighth Annual General Meeting held on 23 November 2020, and subject to the approvals of all relevant regulatory authorities or parties being obtained, where required, approval be and is hereby given for the Company to allot and issue such number of New Salutica Shares from time to time as may be required to be allotted and issued pursuant to the Dividend Reinvestments Plan upon terms and conditions and to such persons as the Directors of the Company may, at its absolute discretion, deem fit and in the best interest of the Company PROVIDED THAT the issue price of the New Salutica Shares shall be fixed by the Directors of the Company at not more than ten per cent (10%) discount to the adjusted five (5)-day volume weighted average market price ("VWAMP") of the existing ordinary shares of Salutica immediately prior to the price-fixing date, of which the VWAMP shall be adjusted ex-dividend before applying the aforementioned discount in fixing the issue price of the New Salutica Shares AND THAT such authority to allot and issue price of the New Salutica Shares AND THAT such authority to allot and issue New Salutica Shares shall continue to be in force until conclusion of the next Annual General Meeting of the Company.

AND THAT the Directors and the Secretaries of the Company be and are hereby authorised to do all such acts and enter into all such transactions, arrangements and agreements and to execute, sign and deliver for and on behalf of the Company, all such documents and impose such terms and conditions as may be necessary or expedient in order to give full effect to the Dividend Reinvestment Plan, with full powers to assent to any conditions, medications, variations and/or amendments (if any), including suspension and termination of the Dividend Reinvestment Plan as the Directors may, in their absolute discretion deem fit and in the interest of the Company and/or as may be imposed or agreed to by any relevant authorities."

8. **Authority for Mr. Chia Chee Hoong to continue in office as an Independent Non-Executive Director** — **Ordinary Resolution 8**

"THAT authority be and is hereby given to Mr. Chia Chee Hoong who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to serve as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting."

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

9. **Authority for Mr. Low Teng Lum to continue in office as a Senior Independent Non-Executive Director** **Ordinary Resolution 9**

   "THAT subject to passing of Ordinary Resolution 2, authority be and is hereby given to Mr. Low Teng Lum who has served as a Senior Independent Non-Executive Director of the Company for a cumulative term of more than nine years, to continue to serve as a Senior Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting."

10. To transact any other business for which due notice is given in accordance with the Companies Act 2016 and the Constitution.

BY ORDER OF THE BOARD

CHAN SHOOK LING (SSM PC NO. 202008004150 (MIA 17167)
KHAW TEIK THYE (SSM PC NO. 202208000728) (MIA 11616)
CHONG LAY KIM (SSM PC NO. 202008001920) (LS 0008373)

Company Secretaries

Kuala Lumpur
24 October 2025

Notes:-

1. For the purpose of determining who shall be entitled to attend the 13th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depository as at 17 November 2025. Only a member whose name appears on this Record of Depositors shall be entitled to attend the 13th AGM or appoint a proxy to attend, speak and vote on his/her/its behalf.

2. A member who is entitled to attend the 13th AGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his/her 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 the 13th AGM of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the general meeting.

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 Depositors Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositors 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.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

Notes:- (Cont'd)

7. The appointment of a proxy may be made in a hard copy or by electronic means 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 13th AGM or any adjournment 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 form of proxy must be deposited with the Company's Share Register at 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, Malaysia, or alternatively, at the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

    ii. By electronic means

    The form of proxy can be electronically lodged with the Company's Share Registrar via Vistra Share Registry and IPO (MY) portal ("The Portal") at https://srmy.vistra.com. Kindly refer to the Administrative Guide on the procedures for electronic lodgement of proxy form via The Portal.

8. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Company's Share Registrar at 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, Malaysia not less than forty-eight (48) hours before the time appointed for holding the 13th AGM or any adjournment at which the person named in the appointed 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 the form of proxy are completed., signed and dated accordingly.

10. Last date and time for lodging the form of proxy is Saturday, 22 November 2025 at 10.30 a.m.

11. For a corporate member who has appointed an authorised representative, please deposit ORIGINAL certificate of appointment of authorised representative with the Share Registrar of the company at 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, Malaysia. 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 laws of the county under which the corporate member is incorporated.

12. Shareholders are advised to check the Company's website at www.salutica.com and announcements from time to time for any changes to the administration of the 13th AGM.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

Explanatory Notes on the Ordinary Business

1. Agenda item no. 1 is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2106 does not require a formal approval of shareholders for the Audited Financial Statements. Hence, this item on the Agenda is not put forward for voting.

2. **Ordinary Resolution 1**

   The proposed Ordinary Resolution 1 is to facilitate the payment of Directors' fees for the Group for the financial year ended 30 June 2025.

3. **Ordinary Resolutions 2 and 3**

   Mr. Low Teng Lum and Mr. Joshua Lim Phan Yih who are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the Thirteenth Annual General Meeting.

   The Board of Directors (the "Board") has through the Nomination and Remuneration ("NRC"), considered the performance and contribution of each of the retiring Directors and collectively agreed that they meet the criteria prescribed by Paragraph 2.20A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("MMLR") on skill, expertise, experience, professionalism, commitment, integrity, character, competence and the time to effectively discharge their role as Directors.

   The Board has endorsed the NCR's recommendation to seek shareholders' approval for the re-election of retiring Directors.

   The details and profiles of Directors seeking re-election are set out in the Profile of Directors section of the Company's Annual Report 2025 at pages 7 and 9.

4. **Ordinary Resolution 4**

   The Board and the Audit and Risk Management Committee had considered the experience, fee and engagement proposal, the suitability and independence of the auditors and recommended the re-appointment of Messrs PKF PLT as Auditors of the Company.

5. **Ordinary Resolution 5**

   This proposed resolution is proposed pursuant to Sections 75 and 76 of the Companies Act 2016, and if passed, will give the Directors of the Company, from the date of the above AGM, authority to allot shares in the Company up to and not exceeding in total ten per cent (10%) of the total number of issued shares (excluding treasury shares) of the Company for such purposes as the Directors deem fit and in the best interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

   The proposed Resolution 5 is a renewal of the previous year's mandate. This mandate grants the Company the flexibility to issue new securities without convening a separate general meeting for shareholders' approval, thereby saving time and avoiding additional costs. The purpose of this general mandate is for possible fund-raising exercise including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital, acquisition and/or for issuance of shares as settlement of purchase consideration, or such other application as the Directors may deem fit in the best interest of the Company.

   As the date of this Notice, the Company has issued and allotted 42,350,000 new ordinary shares of the Company under the private placement, which was approved by the shareholders at the 12th AGM held on 22 November 2024. The private placement will lapse on 6 February 2026, following an extension of time granted by Bursa Securities via its letter dated 18 July 2025 to complete the implementation.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

Explanatory Notes on the Ordinary Business (Cont'd)

5. **Ordinary Resolution 5 (Cont'd)**

Details of the total proceeds amounting to RM7,062,400.00 raised pursuant to the Proposed General Mandate are as follows:-

Details of utilisation	Intended utilisation RM'000	Actual utilisation RM'000	Balance Unutilised RM'000	Intended timeframe for utilisation (from date of receipts of proceeds)
Capital Expenditure(1)	5,000.00	–	5,000.00	Within 12 months
Working Capital Requirements(2)	1,862.40	–	1,862.40	Within 12 months
Estimated expenses in relation to the private placement	200.00	–	200.00	Upon completion of the private placement
Total	**7,062.40**	**0**	**7,062.40**	

Notes:

(1) Capital expenditure to support new customers and new product range.
(2) Working capital requirements for purchase of raw materials, upkeep & maintenance including general overheads and administrative expenses.

6. **Ordinary Resolution 6**

The proposed Resolution 6, if passed, will empower the Company to purchase up to ten per cent (10%) of the issued share capital of the Company through Bursa Malaysia Securities Berhad.

For further information, please refer to the Statement to Shareholders dated 24 October 2025.

7. **Ordinary Resolution 7**

This proposed Resolution 7 if passed, will give authority to the Directors to allot and issue Salutica Shares pursuant to the Dividend Reinvestment in respect of dividends declared after this AGM, and such authority shall expire at the conclusion of the next AGM of the Company.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

Explanatory Notes on the Ordinary Business (Cont'd)

8. **Ordinary Resolutions 8 and 9**

   The Board, through its Nomination and Remuneration Committee, has conducted an annual assessment of Mr Chia Chee Hoong who served as Independent Non-Executive Director with Mr. Low Teng Lum also serving as the Senior Independent Non-Executive Director, a cumulative term of more than nine years.

   The Board is satisfied that they have maintained their independence and recommends their continued service as the Senior Independent Non-Executive Director and Independence Non-Executive Directors of the Company respectively, based on the following justifications:-

   a. they fulfilled the criteria under the definition of "Independent Director" as stated in the MMLR, and are able to bring independent and objective judgement to the Board;

   b. they possess vast experience in their respective industries, which provides the Board with a diverse set of experience, expertise and independent judgement;

   c. they have an in-depth understanding of the Company's and its subsidiary's business operations;

   d. they have devoted sufficient time and attention to their responsibilities as Independent Directors of the Company; and

   e. they have exercised due care during their tenure as Independent Non-Executive Directors, carrying out their duties in the best interest of the Company and its shareholders.

   In accordance with Practice 5.3 of the Malaysia Code on Corporate Governance, the Company will adopt a two-tier voting process when seeking shareholders' approval for the proposed Resolutions 8 and 9.

STATEMENT ACCOMPANYING NOTICE OF THIRTEENTH ANNUAL GENERAL MEETING

Pursuant to paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

As at date of this notice, there are no individuals who are standing for election as Directors at this Thirteenth Annual General Meeting.

ADMINISTRATIVE GUIDE
FOR THIRTEENTH ANNUAL GENERAL MEETING
("13TH AGM") OF SALUTICA BERHAD ("THE COMPANY")

Day and Date	:	Monday, 24 November 2025
Time	:	10.30 a.m.
Venue	:	No. 3, Jalan Zarib 6, Kawasan Perindustrian Zarib, 31500 Lahat, Ipoh Perak, Malaysia

DEAR SHAREHOLDERS OF SALUTICA BERHAD (THE "COMPANY")

Individual Members

If the shareholder is not able to attend the 13th AGM on 24 November 2025, he/she can appoint a proxy or the Chairman of the meeting as his/her proxy and indicate the voting instructions in the Proxy Form.

Corporate Members

Corporate members who wish to appoint corporate representatives, instead of a proxy, to attend and vote at the 13th AGM must deposit the original or duly certified copy of the appointment of corporate representative with the Company's Share Register no later than Saturday, 22 November 2025 at 10.30 a.m.

Attorneys appointed by power of attorney must deposit the original power of attorney with the Company's Share Registrar no later than Saturday, 22 November 2025 at 10.30 a.m. in order to attend and vote at the 13th AGM.

Eligibility to Attend Based on the Record of Depositors

Only shareholders whose names appear on the Record of Depositors as of 17 November 2025 shall be entitled to attend the 13th AGM or appoint proxy(ies) to attend and/or vote on their behalf.

Appointment of Proxy

A shareholder who is unable to attend the 13th AGM on 24 November 2025 may appoint a proxy and indicate the voting instructions on the form of proxy. Please deposit the completed form of proxy with the Company's Share Register, Tricor Investors & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No.8 Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

Alternatively, you may also submit the form of proxy electronically via Vistra Share Registry and IPO (MY) portal ("The Portal") at https://srmy.vistra.com, not less than forty-eight (48) hours before the time appointed for the 13th AGM or any adjournment thereof. Failure to do so will result in the form of proxy not being treated as valid. Please read and follow the procedures outlined below to submit form of proxy electronically.

ADMINISTRATIVE GUIDE (CONT'D)

Electronic Lodgement of Form of Proxy

The steps for submitting your Form of Proxy electronically via The Portal are summarised below:-

Procedure	Action
i. Steps for Individual Shareholders	
Register as a User at The Portal	• Visit the website at https://srmy.vistra.com. • Click "Register" and select "Individual Holder" and complete the New User Registration Form. • For guidance, you may refer to the tutorial guide available on the homepage. • Once registration is completed, you will receive an email notification to verify your registered email address. • After verification, your registration will be reviewed and approved within one (1) working day. A confirmation email will be sent once approved. • Once you receive the confirmation, activate your account by creating your password. *If you are an existing user with The Portal or our TIIH Online portal previously, you are not required to register again.*
Proceed with submission of form of proxy	• After the Company releases the Notice of Meeting, log in using your email address and password. • Select the corporate event: "**SALUTICA BERHAD 13TH AGM**". • Navigate to the 3 dots at the end of the corporate event and choose "**SUBMISSION OF PROXY FORM**". • Read and agree to the Terms & Conditions and then confirm the Declaration. • Indicate the total number of shares assigned your proxy(ies) to vote on your behalf. • Appoint your proxy/proxies and insert the required details of your proxy/proxies or appoint Chairman as your proxy. • Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide on your votes. • Print the form of proxy for your records.
ii. Steps for corporation or institutional shareholders	
Register as a User at The Portal	• Visit the website at https://srmy.vistra.com. • Click "Register" and select "Individual Holder" and complete the New User Registration Form. • For guidance, you may refer to the tutorial guide available on the homepage. • Once registration is completed, you will receive an email notification to verify your registered email address. • After verification, your registration will be reviewed and approved within one (1) working day. A confirmation email will be sent once approved. • Once you receive the confirmation, activate your account by creating your password. Note: The representative of a corporation or institutional shareholder must first register as a user following the steps outlined above before subscribing to the corporate holder electronic proxy submission. If you need any clarification regarding the user registration process, please contact our Share Register.

ADMINISTRATIVE GUIDE (CONT'D)

Procedure	Action
ii. Steps for corporation or institutional shareholders (Cont'd)	
Proceed with submission of form of proxy	• Log in to https://srmy.vistra.com with your email address and password. • Select the corporate event: "**SALUTICA BERHAD 13TH AGM**". • Navigate to the icon ">" at the end of the corporate event. • Read and agree to the Terms & Conditions and then confirm the Declaration. • Select the corporate holder's name. • Proceed to download the submission file. • Prepare the file for the appointment of proxy(ies) by inserting the required data. • Proceed to upload the duly completed proxy appointment file. • Select "**Confirm**" to complete your submission. • Print the confirmation report of your submission for your record.

The last date and time for lodging the Form of Proxy is Saturday, 22 November 2025 at 10.30 a.m.

Registration On The day of the 13th AGM

Registration will begin at 9.30 a.m. at No. 3, Jalan Zarib 6, Kawasan Perindustrian Zarib, 31500 Lahat, Ipoh Perak, Malaysia.

Please ensure that you present your original MyKad or passport during registration for verification.

After verification of your MyKad or passport and signing the attendance list, you will be issued an identification wristband for entry into the meeting room. Note that there will be no replacements for wristbands in the event they are lost or misplaced.

You must wear the identification wristband to enter the meeting hall. Without it, entry will be prohibited.

Please be advised that you are not permitted to register on behalf of another person, even if you have their original MyKad or passport.

To avoid congestion, kindly vacate the registration area immediately after completing your registration. If you have any inquiries, please visit the Help Desk counter located near the registration area.

Enquiry

If you have any enquiries on the above, please contact the following persons during office hours on Monday to Friday from 9.00 a.m. to 5.30 p.m. (except on public holidays):-

Tricor Investor & Issuing House Services Sdn Bhd	General Line:	+603-2783 9299
Unit 32-01, Level 32, Tower A Vertical Business Suite, Avenue 3 Bangsar Southm, No. 8 Jalan Kerinch 59200 Kuala Lumpur	Contact person:	
	En. Ali Iqram Haziq	+603-2783 9145
	En. Muhammad Harraz	+603-2783 9242
	Ms. Vivien Khoh	+603-2783 9250

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SALUTICA

SALUTICA BERHAD
(Registration No. 201201040303 (1024781-T))
(Incorporated in Malaysia)

FORM OF PROXY

No. of shares held

CDS Account No. (Nominees Account Only)
_ _ _ – _ _ _ – _ _ _ _ _ _ _ _ _

I/We ____
(FULL NAME IN BLOCK LETTERS)

(NRIC No./ Company Registration No./ Passport No. ______________________________)

of ____
(FULL ADDRESS)

____

being a member/members of **SALUTICA BERHAD**, hereby appoint

Name of Proxy	NRIC No./Passport No.	Proportions of Shareholdings to be Represented	
		No. of Shares	%

and/or failing him/her

Name of Proxy	NRIC No./Passport No.	Proportions of Shareholdings to be Represented	
		No. of Shares	%

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 Thirteenth Annual General Meeting ("13th AGM") of the Company, which will be held at No. 3, Jalan Zarib 6, Kawasan Perindustrian Zarib, 31500 Lahat, Ipoh, Perak Darul Ridzuan on **Monday, 24 November 2025** at **10.30 a.m.** or any adjournment thereof, and to vote as indicated below:

* *Please strikethrough the words "the Chairperson of the Meeting" if you wish to appoint some other person to be your proxy.*

Resolution	Agenda	FOR	AGAINST
1	To approve the payment of Directors' fees		
2	To re-elect Mr. Low Teng Lum as Director		
3	To re-elect Mr. Joshua Lim Phan Yih as Director		
4	To re-appoint Messrs PKF PLT as Auditors and to authorise the Directors to fix their remuneration		
5	Authority to Issue and Allot Shares of the Company pursuant to Sections 75 and 76 of the Companies Act 2016		
6	Proposed Renewal of Share Buy-Back Authority		
7	Issuance and Allotment of Shares pursuant to Dividend Reinvestment Plan		
8	Authority for Mr. Chia Chee Hoong to continue in office as an Independent Non-Executive Director		
9	Authority for Mr. Low Teng Lum to continue in office as a Senior Independent Non-Executive Director		

(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 thinks fit.)

Signed this __________ day of ______________________ 2025

____
Signature/Common Seal of Member^

^ *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 attend the 13th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a Record of Depository as at 17 November 2025. Only a member whose name appears on this Record of Depositors shall be entitled to attend the 13th AGM or appoint a proxy to attend, speak and vote on his/her/its behalf.

2. A member who is entitled to attend the 13th AGM is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his/her 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 the 13th AGM of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the general meeting.

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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 Depositors Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositors Act.

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   i. In hard copy form

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9. Please ensure ALL the particulars as required in the form of proxy are completed., signed and dated accordingly.

10. Last date and time for lodging the form of proxy is Saturday, 22 November 2025 at 10.30 a.m.

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   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 laws of the county under which the corporate member is incorporated.

12. Shareholders are advised to check the Company's website at www.salutica.com and announcements from time to time for any changes to the administration of the 13th AGM.

Fold this flap for sealing

Then fold here

AFFIX
STAMP

Share Registrar
Tricor Investor & Issuing House Services Sdn. Bhd.
(Registration No. 197101000970 (11324-H))

Unit 32-01, Level 32
Tower A, Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur, Malaysia

1st fold here

SALUTICA

SALUTICA BERHAD
Registration No. 201201040303 (1024781-T)

3 Jalan Zarib 6, Kawasan Perindustrian Zarib, 31500 Lahat, Ipoh, Perak, Malaysia

T +(605) 320 6800 **E** invest@salutica.com.my

www.salutica.com