



ECOSCIENCE INTERNATIONAL BERHAD

Registration No. 202001024633 (1380953-M)
(Incorporated in Malaysia)

**UNAUDITED INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER ENDED 30 JUNE 2026**

UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2026**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND QUARTER ENDED 30 JUNE 2026⁽¹⁾**

	Individual Quarter		Cumulative Quarter	
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	Current Year Quarter 30.06.2026 RM'000	Preceding Year Quarter 30.06.2025 RM'000	Current Year-To-Date 30.06.2026 RM'000	Preceding Year-To-Date 30.06.2025 RM'000
Revenue	29,372	34,544	61,506	56,906
Cost of sales	(37,199)	(31,448)	(70,335)	(55,710)
Gross (loss) / profit	(7,827)	3,096	(8,829)	1,196
Other income	171	876	2,006	2,530
Administrative expenses	(2,867)	(3,276)	(5,357)	(6,181)
Other operating income/(expenses)	418	(972)	(327)	(1,806)
Finance costs	(957)	(1,105)	(2,002)	(2,055)
Loss before tax	(11,062)	(1,381)	(14,509)	(6,316)
Tax income/(expense)	-	-	-	-
Loss after tax	(11,062)	(1,381)	(14,509)	(6,316)
Other comprehensive loss	(70)	(357)	(377)	(205)
Total comprehensive loss	(11,132)	(1,738)	(14,886)	(6,521)
Loss after tax attributable to:				
- Owners of the Company	(11,062)	(1,381)	(14,509)	(6,316)
	(11,062)	(1,381)	(14,509)	(6,316)
Total comprehensive loss attributable to:				
- Owners of the Company	(11,132)	(1,738)	(14,886)	(6,521)
	(11,132)	(1,738)	(14,886)	(6,521)
Attributable to equity holders of the company⁽³⁾:				
- Basic loss per share (sen)	(2.96)	(0.37)	(3.88)	(1.69)
- Diluted loss per share (sen)	(2.96)	(0.37)	(3.88)	(1.69)

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Profit and Loss and Other Comprehensive Income is disclosed in Note A1 and should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2025 and the accompanying explanatory notes attached to this interim financial report.
- (2) Being the foreign currency translation differences which will be reclassified subsequently to the profit or loss.
- (3) Loss per share is calculated based on the loss after tax attributable to owners of the Company for the financial period divided by the Company's weighted average number of ordinary shares in issue referred to in Note B11.

UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 2026**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 30 JUNE 2026⁽¹⁾**

	(Unaudited) As at 30.06.2026 RM'000	(Audited) As at 31.12.2025 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	14,498	15,116
Right-of-use assets	4,192	4,268
Other investments	6,212	6,212
Contract assets	4,110	4,747
	<u>29,012</u>	<u>30,343</u>
Current assets		
Inventories	8,246	11,629
Trade receivables	16,011	32,921
Other receivables, deposits and prepayments	8,784	5,360
Contract assets	60,747	60,372
Current tax assets	903	3,541
Short-term investment	52	51
Deposits, bank and cash balances	15,896	16,748
	<u>110,639</u>	<u>130,622</u>
Asset held-for-sale	-	2,712
	<u>110,639</u>	<u>133,334</u>
TOTAL ASSETS	<u>139,651</u>	<u>163,677</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	87,231	87,231
Foreign exchange translation reserve	(875)	(498)
Merger deficit	(45,146)	(45,146)
Retained profits	(6,438)	8,071
TOTAL EQUITY	<u>34,772</u>	<u>49,658</u>
Non-current liabilities		
Hire purchase payables	322	461
Term loans	3,792	5,065
	<u>4,114</u>	<u>5,526</u>
Current liabilities		
Trade payables	29,333	28,136
Other payables and accruals	9,585	6,584
Provisions	5,600	7,567
Contract liabilities	199	6,810
Hire purchase payables	206	282
Loans and borrowings	55,815	59,094
Current tax liabilities	27	20
	<u>100,765</u>	<u>108,493</u>
TOTAL LIABILITIES	<u>104,879</u>	<u>114,019</u>
TOTAL EQUITY AND LIABILITIES	<u>139,651</u>	<u>163,677</u>
Number of ordinary shares ('000)	374,000	374,000
Net assets per ordinary share (RM) ⁽²⁾	0.09	0.13

Notes:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Financial Position is disclosed in Note A1 and should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2025 and the accompanying explanatory notes attached to this interim financial report.
- (2) Net assets per ordinary share is calculated based on net assets divided by the Company's issued share capital as at 30 June 2026 of 374,000,000 shares (31 December 2025: 374,000,000 shares).

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SECOND QUARTER ENDED 30 JUNE 2026 ⁽¹⁾

	<u>Non-Distributable</u>			<u>Distributable</u>	
	Share Capital	Merger Deficit	Foreign Exchange Translation Reserve	Retained Profits	Total Equity
<u>Unaudited</u>	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 January 2025	87,231	(45,209)	(443)	6,736	48,315
Loss after tax for the financial period	-	-	-	(6,316)	(6,316)
Other comprehensive loss for the financial period	-	-	(205)	-	(205)
Total comprehensive loss for the financial period	-	-	(205)	(6,316)	(6,521)
Balance as at 30 June 2025	87,231	(45,209)	(648)	420	41,794

	<u>Non-Distributable</u>			<u>Distributable</u>	
	Share Capital	Merger Deficit	Foreign Exchange Translation Reserve	Retained Profits	Total Equity
<u>Unaudited</u>	RM'000	RM'000	RM'000	RM'000	RM'000
As at 1 January 2026	87,231	(45,146)	(498)	8,071	49,658
Loss after tax for the financial period	-	-	-	(14,509)	(14,509)
Other comprehensive loss for the financial period	-	-	(377)	-	(377)
Total comprehensive loss for the financial period	-	-	(377)	(14,509)	(14,886)
Balance as at 30 June 2026	87,231	(45,146)	(875)	(6,438)	34,772

Note:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Changes in Equity is disclosed in Note A1 and should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2025 and the accompanying explanatory notes attached to this interim financial report.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS⁽¹⁾

	(Unaudited) Current Year-To-Date 30.06.2026 RM'000	(Unaudited) Preceding Corresponding Year-To-Date 30.06.2025 RM'000
CASH FLOWS FOR OPERATING ACTIVITIES		
Loss before tax	(14,509)	(6,316)
Adjustments for:		
Depreciation of property, plant and equipment	612	658
Depreciation of right-of-use assets	75	71
Gain on disposal of property, plant and equipment	(1,509)	-
Interest expenses	1,762	1,908
Interest income	(42)	(20)
Unrealised loss on foreign exchange	160	1,465
Operating loss before working capital changes	(13,451)	(2,234)
Decrease /(Increase) in inventories	3,383	(9,671)
Increase /(Decrease) in contract assets	262	(3,084)
Decrease in trade and other receivables	13,363	7,293
(Decrease) / Increase in contract liabilities	(6,611)	26
Increase / (Decrease) in trade and other payables	2,228	(258)
CASH FLOWS FOR OPERATIONS	(826)	(7,928)
Tax paid	(137)	(125)
Tax refunded	2,768	31
NET CASH FLOWS FROM / (FOR) OPERATING ACTIVITIES	1,805	(8,022)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	42	20
Purchase of property, plant and equipment	(167)	(553)
Proceeds from disposal of property, plant and equipment	4,314	-
Withdrawal of fixed deposits pledged with licensed banks	-	3,425
NET CASH FLOWS FROM INVESTING ACTIVITIES	4,189	2,892
CASH FLOWS FOR FINANCING ACTIVITIES		
Withdrawal of fixed deposits pledged with licensed banks	971	-
Drawdown of short-term borrowings	56,377	82,191
Drawdown of term loans	-	242
Interest paid	(1,762)	(1,908)
Repayment of short-term borrowings	(57,349)	(80,951)
Repayment of hire purchase obligation	(215)	(120)
Repayment of term loans	(3,459)	(1,049)
NET CASH FLOWS FOR FINANCING ACTIVITIES	(5,437)	(1,595)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	557	(6,725)
EFFECT OF FOREIGN EXCHANGE TRANSLATION RESERVE	(295)	(171)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD	(13,723)	(7,682)
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD	13,461	(14,578)

Note:

- (1) The basis of preparation of the Unaudited Condensed Consolidated Statement of Cash Flows is disclosed in Note A1 and should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2025 and the accompanying explanatory notes attached to the interim financial report.

PART A – EXPLANATORY NOTES IN COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134, INTERIM FINANCIAL REPORTING

A1 Basis of Preparation

The interim financial report of Ecoscience International Berhad (“**Ecoscience**” or the “**Company**”) and its subsidiaries (the “**Group**”) are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standards (“**MFRS**”) 134: “Interim Financial Reporting” issued by the Malaysian Accounting Standards Board and Rule 9.22 and Appendix 9B of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**Listing Requirements**”).

This interim financial report should be read in conjunction with the Company’s Audited Financial Statements for the financial year ended 31 December 2025 and the accompanying explanatory notes attached to this interim financial report.

A2 Significant Accounting Policies

Save as disclosed below, the significant accounting policies and presentation adopted for the interim financial statements are consistent with those adopted in the Group’s audited consolidated financial statements for the financial year ended 31 December 2025.

- i. During the current financial period, the Group has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):

MFRSs (Including the Consequential Amendments)

Amendments to MFRS 121: Lack of Exchangeability

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the Group’s financial statements.

A2 Significant Accounting Policies (cont'd)

- ii. The Group has not applied in advance any accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board but are not yet effective for the current financial period.

MFRSs (Including the Consequential Amendments)	Effective Date
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 9 and 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 18: Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to MFRS 9 and MFRS 7: Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendments to MFRS 19: Subsidiaries without Public Accountability: Disclosures	1 January 2027
Annual Improvement to MFRS Accounting Standard: - Volume 11	1 January 2026

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group upon their initial application.

A3 Auditors' Report of Preceding Annual Financial Statements

The audited financial statements of the Group for the financial year ended ("FYE") 31 December 2025 were not subject to any qualification.

A4 Seasonal or Cyclical Factors

The nature of the Group's business was not subject to any significant seasonal and cyclical factors.

A5 Exceptional Items

There were no material exceptional items affecting assets, liabilities, equity, net income or cash flows of the Group during the current financial quarter under review.

A6 Material Changes in Accounting Estimates

There were no material changes in estimates during the current financial quarter under review.

A7 Debt and Equity Securities

There were no other issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current financial quarter under review, except as disclosed in Notes B8 and B9.

A8 Dividend Paid

There were no dividends paid during the current financial quarter under review.

A9 Segmental Reporting

The Group's revenue is organised into the 3 main reportable segments as follows:-

- Construction of Plants and Facilities Segment
- Fabrication of Equipment Segment
- Supply of Materials and Equipment Segment
- Other Activities Segment

The segmental analysis of Group's revenue is set out as follows:

	Individual Quarter		Cumulative Quarter	
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	30.06.2026	30.06.2025	30.06.2026	30.06.2025
	RM'000	RM'000	RM'000	RM'000
Construction of Plants and Facilities	26,399	29,134	53,504	47,271
Fabrication of Equipment	2,110	2,953	2,872	6,611
Supply of Materials and Equipment	741	2,451	4,983	2,961
Other Activities	122	6	147	63
Total	29,372	34,544	61,506	56,906

The Group's revenue by geographical location which the customers are located is set out as follows:

	Individual Quarter		Cumulative Quarter	
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	30.06.2026	30.06.2025	30.06.2026	30.06.2025
	RM'000	RM'000	RM'000	RM'000
Malaysia	26,387	15,862	58,520	30,381
Gabon	2,860	18,566	2,860	26,379
Indonesia	-	116	1	146
United Kingdom	112	-	112	-
Liberia	13	-	13	-
Total	29,372	34,544	61,506	56,906

A10 Valuation of Property, Plant and Equipment

There was no valuation of property, plant and equipment in the current financial quarter under review.

A11 Capital Commitments

There are no capital commitments to the end of the current financial quarter under review that have not been reflected in this interim financial report.

A12 Material Subsequent Event

There were no material events subsequent to the end of the current financial quarter under review that have not been reflected in this interim financial report.

A13 Changes in the Composition of the Group

There were no other material changes in the composition of the Group for the current financial quarter under review.

A14 Contingent Liabilities

	(Unaudited) As at 30.06.2026 RM'000	(Unaudited) As at 30.06.2025 RM'000
Performance guarantees	5,529	8,118

A15 Significant Related Party Transactions

There were no related party transactions in the current financial quarter under review.

PART B - EXPLANATORY NOTES PURSUANT TO CHAPTER 9, APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**B1 Performance Review****(a) Results for Current Quarter**

	Individual Quarter		Changes	
	Unaudited	Unaudited	RM'000	%
	Current	Preceding Year		
	Year Quarter	Quarter		
	30.06.2026	30.06.2025		
	RM'000	RM'000		
Revenue	29,372	34,544	(5,271)	(15%)
Loss before tax	(11,062)	(1,381)	(9,681)	(701%)

The Group recorded revenue of RM29.37 million for the current financial quarter ended 30 June 2026, representing a decrease of RM5.27 million or 15% compared with RM34.54 million in the corresponding quarter of the preceding financial year. The decrease was mainly attributable to lower revenue recognised from the Group's construction of plants and facilities projects, particularly overseas projects.

The decrease in revenue was mainly due to lower revenue recognised from the Gabon project of RM15.71 million compared with the corresponding quarter of the preceding financial year, following slower construction progress during the current financial quarter. This was partially offset by higher revenue recognised from the Group's projects in Malaysia.

The Group recorded a loss before tax of RM11.06 million for the current financial quarter, compared with a loss before tax of RM1.38 million in the corresponding quarter of the preceding financial year. The higher loss before tax was mainly attributable to the deterioration in gross profit, with the Group recording a gross loss of RM7.83 million compared with a gross profit of RM3.10 million in the corresponding quarter of the preceding financial year.

The higher gross loss was mainly due to lower revenue contribution from certain overseas construction projects and higher global construction material costs, which continued to put pressure on project margins. The Group also remained affected by higher operating costs associated with the execution of its ongoing projects.

B1 Performance Review (Con't)**(b) Results for Financial Year-To-Date**

	Cumulative Quarter		Changes	
	Unaudited	Unaudited	RM'000	%
	Current	Preceding Year		
	Year Quarter	Quarter		
	30.06.2026	30.06.2025		
	RM'000	RM'000		
Revenue	61,506	56,906	4,600	8.1%
Loss before tax	(14,509)	(6,316)	(8,193)	130%

For the financial year-to-date ended 30 June 2026, the Group recorded revenue of RM61.51 million, representing an increase of RM4.60 million or 8.1% compared with RM56.91 million in the corresponding period of the preceding financial year. The increase was mainly attributable to higher revenue recognised from the construction of plants and facilities projects in Malaysia.

Revenue recognised from the Group's Malaysia projects increased by RM28.14 million, mainly due to higher construction progress during the current financial year-to-date. This was partially offset by a decrease of RM23.52 million in revenue recognised from overseas projects.

Despite the higher revenue, the Group recorded a loss before tax of RM14.51 million for the current financial year-to-date, compared with a loss before tax of RM6.32 million in the corresponding period of the preceding financial year. The higher loss before tax was mainly attributable to the increase in gross loss of RM10.03 million, primarily due to higher global construction material costs and cost pressures affecting the execution of certain ongoing projects.

The Group continues to closely monitor project costs and execution progress, with efforts focused on improving project margins and operational efficiency.

B2 Comparison with Immediate Preceding Quarter's Results

	Individual Quarter		Changes	
	Unaudited	Unaudited	RM'000	%
	Current	Preceding		
	Quarter	Quarter		
	30.06.2026	31.03.2026		
	RM'000	RM'000		
Revenue	29,372	32,134	(2,762)	(8.6%)
Loss before tax	(11,062)	(3,447)	(7,615)	(221%)

The Group recorded revenue of RM29.37 million for the current financial quarter ended 30 June 2026, representing a decrease of RM2.76 million or 8.6% compared with RM32.13 million in the immediate preceding financial quarter ended 31 March 2026. The decrease was mainly attributable by lower revenue recognised from the Group's ongoing construction of plants and facilities projects, together with lower revenue contribution from the supply of materials and equipment.

The Group recorded a loss before tax of RM11.06 million for the current financial quarter, compared with a loss before tax of RM3.45 million in the immediate preceding financial quarter. The higher loss before tax was mainly attributable to the deterioration in gross margin arising from higher global construction material costs and continued cost pressures in the execution of ongoing projects.

The Group continues to monitor project execution and costs closely and will focus on improving project margins and operational efficiency.

B3 Prospects and Outlook for the Current Financial Year

The Group remains cautiously optimistic about the prospects for the remainder of the financial year, supported by continued demand for engineering, fabrication, construction and environmental technology solutions, particularly within the palm oil and related industries.

The Group expects demand for mill construction and upgrading, engineering and fabrication works, environmental improvement projects, waste and effluent management, renewable energy and energy-efficiency initiatives to remain resilient. The Group will continue to leverage its established capabilities and regional experience to pursue new business opportunities and strengthen its order book.

For the remainder of 2026, the Group will remain focused on securing new projects through active participation in tenders, broadening its customer base and strengthening relationships with existing customers. The Group will also continue to explore opportunities arising from sustainable agriculture, waste-to-energy initiatives and environmental improvement requirements within the palm oil industry.

The Group remains mindful that margins may continue to be under pressure in the near term, particularly from the execution of certain legacy projects secured under more competitive pricing conditions, as well as fluctuations in global construction material and other project-related costs. Accordingly, the Group will continue to closely monitor project execution, manage project costs and improve operational efficiency with the objective of enhancing project margins.

While uncertainties arising from global economic conditions, commodity price movements and project cost pressures remain, the Group will continue to focus on strengthening its order book, improving project execution and enhancing operational efficiency to support sustainable business performance and long-term value creation.

B4 Variance of Actual Profit from Forecast Profit

The Group did not issue any profit forecast or profit guarantee in the current financial quarter under review.

B5 Tax Expense / (Income)

	Individual Quarter		Cumulative Quarter	
	Unaudited	Unaudited	Unaudited	Audited
	31.03.2026	31.03.2025	31.03.2026	31.03.2025
	RM'000	RM'000	RM'000	RM'000
Current tax expense / (income):				
- Current financial period	-	-	-	-
- Under provision in prior period	-	-	-	-
Total tax expense / (income) for the quarter	-	-	-	-

The Group's effective tax rates for the current fourth quarter ended 30 June 2026 is lower than the statutory tax rate of 24% mainly due to utilisation of unutilised business loss recorded.

B6 Status of Corporate Proposals

There were no corporate proposals announced but not implemented as at the date of this interim financial report.

B7 Utilisation of Proceeds**Initial Public Offering ("IPO")**

The gross proceeds from the IPO which was completed on 18 July 2022 amounting to approximately RM24.7 million and the status of utilisation of proceeds as at 30 June 2026 is as follows:

Details of Use of Proceeds	Proposed Utilisation	%	Actual Utilisation	Balance to be utilised	Estimated Timeframe for Utilisation Upon Listing ⁽¹⁾
	RM'000		RM'000	RM'000	
Business expansion	1,500	6	1,305	195	Within 48 months ⁽²⁾⁽³⁾
Working capital	7,851	32	7,851	-	Within 12 months
Repayment of bank borrowings	11,500	47	11,500	-	Within 12 months ⁽³⁾
Estimated listing expenses	3,800	15	3,800	-	Within 1 month
Total	24,651	100	24,456	195	

Notes:

- (1) From the date of listing of the Company on the ACE Market of Bursa Securities. The utilisation of proceeds disclosed above should be read in conjunction with the Prospectus of the Company dated 21 June 2022 and the announcement for the extension of the timeframe for the utilisation of IPO proceeds dated 17 May 2024.
- (2) On 17 May 2024, the Company announced the extension of timeframe for the utilisation of IPO proceeds allocated for business expansion from within 24 months to within 48 months.
- (3) On 7 March 2025, the Company announced the variation for the use of RM4.50 million from the IPO proceeds ("**Variation**") which was earmarked for business expansion to repayment of bank borrowings.

B8 Group's Borrowings

The Group's borrowings are as follows:

	(Unaudited)	(Audited)
	As At	As At
	30.06.2026	31.12.2025
	RM'000	RM'000
Non-current liabilities:		
Hire purchase payables	322	461
Term loans	3,792	5,065
	<u>4,114</u>	<u>5,526</u>
Current liabilities:		
Short-term borrowings ⁽¹⁾	40,342	41,399
Hire purchase payables	206	282
Term loans	1,291	3,370
Bank overdraft	14,182	14,325
	<u>56,021</u>	<u>59,376</u>
Total borrowings	<u>60,135</u>	<u>64,902</u>

The borrowings are secured and denominated in Ringgit Malaysia, except for a term loan of RM1,924,812 (31 December 2025: RM2,100,192) which is denominated in Singapore Dollar.

Note:

- (1) Short-term borrowings consist of bankers' acceptances, revolving credits, and invoice financing.

B9 Financial Instruments – Derivatives

There were no derivative financial instruments involving the Group as at the date of this interim financial report.

B10 Material Litigation

Save as disclosed below, the Group is not involved in any material litigation as at the date of this report.

(i) Ecoscience Manufacturing & Engineering Sdn Bhd vs RDS Marketing Malaysia Sdn. Bhd.

The Company's wholly-owned subsidiary, EMESB, had on 5 January 2024 served a Writ of Summons and Statement of Claim to RDS Marketing Malaysia Sdn. Bhd. ("**RDS**") in the Court via Suit No. BA-22NCvC-6-01/2024 ("**Suit**").

EMESB's claim against the RDS pertains to the alleged payment default in relation to the promise of RDS to pay EMESB the remaining sum of RM2,377,844.15 being the completion of project known as "Cadangan Membina Sebuah Kilang 1 Tingkat, Sebuah Gudang 1 Tingkat, Sebuah Pejabat 2 Tingkat, Sebuah Bangunan Tandas 1 Tingkat, 2 Unit Pencawang Elektrik, 1 Unit Kebuk Sampah dan 2 Unit Pondok Pengawal di atas Lot 46554 (PT12618), Persiaran Bandar Sri Sendayan, Kawasan Perindustrian Sendayan, Techvalley, Bandar Sri Sendayan, Negeri Sembilan Khusus untuk Tetuan GoodGloves Industries Sdn. Bhd." (the "**Project**"). The total contract sum for the Project was RM4,395,784.15 and the balance amount of RM2,377,844.15 remains due and owing to EMESB since May 2022. The above Suit was fixed for case management via online (*e-Review*) on 7 February 2024.

On 7 February 2024, EMESB served a Notice of Application for Summary Judgment ("**Application**") to RDS in the Court in respect of the Suit. The Application was fixed for case management via online (*e-Review*) on 1 March 2024. The Court allowed RDS's application for an extension of time to file and serve their defence on or before 23 February 2024 and EMESB was directed to file the reply to defence by 8 March 2024. The next case management via online (*e-Review*) was scheduled on 1 March 2024 for the RDS to update the Court on the status of the defence.

On 26 February 2024, EMESB served the Statement of Defence & Counterclaim and Affidavit in Reply in respect of the Application. RDS denied some of EMESB's claims and counterclaimed against EMESB for the following:

(a) EMESB to pay RDS in the sum of RM397,660.99 as summarised below:

No.	Particulars of Services at the request of EMESB	Amount (RM)
1.	Supply of surveyor services	44,250.00
2.	Supply of crusher run	86,407.49
3.	Supply of Covid-19 RTK Antigens Test	5,170.00
4.	Installation of Fencing and Single Leaf Swing Gate at the project site	261,833.50
Total		397,660.99

(b) Interest at the rate of 5% per annum on the judgement sum or such sums awarded by the Court from the date of Counterclaim to the date of realisation of the judgment;

(c) Costs; and

(d) Such further or other relief that the Court deems fit, just and proper in the circumstances be granted.

On 1 March 2024 in respect of the EMESB's claim against RDS for the Writ and Summary Judgment in respect of the Suit, the Court allowed EMESB's application for an extension of time to file the Reply and Defence to Counterclaim and Affidavit in Reply for Summary Judgment until 18 March 2024.

On 15 March 2024, EMESB served the Reply and Defence to Counterclaim to RDS.

On 18 March 2024, EMESB served the Affidavit in Reply and Additional Affidavit in Reply in relation to the Summary Judgment to RDS in the Court in respect of the Suit.

On 25 March 2024 in relation to the Writ and Summary Judgment, RDS requested for leave to file a further Affidavit in Reply, which the Court allowed and RDS was required to file and serve the Affidavit in Reply by 5 April 2024. EMESB had also been given leave to file a final Affidavit in Reply thereto within 2 weeks from the receipt of RDS's Affidavit in Reply. The Court scheduled the next case management via online (e-Review) on 19 April 2024 for EMESB and RDS to update the Court on the status of the Affidavits in Reply.

On 5 April 2024, RDS served a further Affidavit in Reply in respect of the Summary Judgment. On 19 April 2024, EMESB served the Affidavit in Reply in relation to the Summary Judgment to RDS in respect of the Suit. In respect of the application to enter Summary Judgment against RDS, the Court directed EMESB and RDS to file their Written Submissions simultaneously on or before 14 May 2024 and the Submission in Reply simultaneously on or before 28 May 2024, since the filing of Affidavit in respect of the Application was exhausted. The Application was fixed for Hearing before the High Court Judge via Zoom on 4 June 2024.

On 25 April 2024, the Court rescheduled the Hearing date for the Summary Judgment Application before the High Court Judge on 20 June 2024. The said Hearing will be conducted via Zoom. The directions in respect of the filing of written submissions were maintained.

On 14 May 2024, EMESB served a copy of the Written Submissions dated 14 May 2024 and the Bundle of Authorities in respect of the Summary Judgment Application to RDS's solicitor. The Case Management in respect of the said application is scheduled on 20 June 2024.

On 31 May 2024, EMESB served a copy of the Submissions in Reply dated 31 May 2024 and the EMESB's Bundle of Authorities Vol. 2 to the RDS's solicitor in respect of the Summary Judgment Application.

On 20 June 2024, the case was vacated as the Honourable Judge was medically indisposed. The Court fixed a Case Management date on 19 July 2024 in order to fix a new Hearing date for the Summary Judgment Application.

On 19 July 2024, the Summary Judgment application was fixed for Hearing on 19 September 2024 via Zoom. The Court also fixed the Case Management in respect of the Writ of Summons on the same date.

On 18 September 2024, the Summary Judgement application and the Case Management of the Writ of Summons which was scheduled on 19 September 2024 has been postponed as the Hon. Judge is currently on medical leave. The court has fixed the new Hearing and Case Management before the Hon. Judge on 2 December 2024 at 9.30a.m. via Zoom.

On 3 December 2024, the Summary Judgement application and the Case Management of the Writ of Summons which was scheduled on 2 December 2024 has been vacated. The court has fixed the new Hearing date for the Summary Judgment together with the Case Management on 16 January 2025 at 9.30 a.m. via Zoom.

On 16 January 2025, the Summary Judgment application and the Case Management of the Writ of Summons which was scheduled on 16 January 2025 has been vacated. The Court has fixed the new Hearing date for the Summary Judgment together with the Case Management on 20 February 2025.

On 20 February 2025, the Summary Judgement application and the Case Management of the Writ of Summons which was scheduled on 20 February 2025 has been vacated as the Hon. Judge is on medical leave. The Court has fixed the new Hearing date for the Summary Judgment together with the Case Management on 20 March 2025 at 10.00 a.m., by way of Physical Hearing.

On 20 March 2025, the Summary Judgment was heard on 20 March 2025 before the Hon. Judge Puan Zaharah Binti Hussain by way of physical hearing. Upon hearing the oral submissions by the counsel of both the Plaintiff and Defendant, the Court has fixed the matter for Decision on 29 April 2025 at 9.00 a.m., by way of Zoom.

On 29 April 2025, the Summary Judgment Application, which was previously fixed on 29th April 2025 has been adjourned to 13th May 2025 at 9:00a.m., by way of Zoom.

On 13 May 2025, Summary Judgment Application, which was previously fixed on 13th May 2025 has been adjourned to 15th May 2025 at 9:15 a.m., by way of Zoom.

On 15 May 2025, Summary Judgment application and entered judgment in favour of the Company against RDS Marketing Malaysia Sdn Bhd for a sum of RM2,377,844.15 together with interest at 5% per annum from 20 May 2022 until the date of full and final settlement, and costs of RM2,000.00 subject to allocator fees.

On 29 May 2025, RDS Marketing Malaysia Sdn Bhd, has filed an appeal to the Court of Appeal against the Decision dated 15 May 2025 in respect of the Summary Judgment. A Case Management has been fixed on 17 December 2025 via e-Review.

On 17 December 2025, the Appellant's solicitor informed the Court that they have yet to receive the Grounds of Judgement despite having written several times to the High Court, and further informed that YA Puan Zaharah binti Hussain has been transferred to the Klang High Court. The appellant's solicitors accordingly requested that a further Case Management date be fixed to allow time to obtain the Grounds of Judgement.

On 12 February 2026, in respect of the Defendant's Counterclaim before the Hon. Judge Datuk Donald Joseph Franklin. Our solicitor informed the Court that the Defendant had only served the draft Agreed Facts and Agreed issues to be Tried on 6 February 2026. The next Case Management has been fixed on 8 April 2026 for parties to update the Court on the status of filing of the said pre-trial documents and for further directions.

On 25 February 2026, during case management, the court of Appeal fixed the hearing date for 06 January 2027 as the earliest available date. On 2 March 2026, the solicitor for the Respondent filed a joint letter with the President of the Court of Appeal, applying to bring forward the hearing date. On 8 April 2026, the Hon. Judge is medically indisposed and has been admitted in the hospital. The Court has fixed the next Case Management on 25 May 2026.

During the Case Management held on 25 May 2026, the solicitor informed the Court that all Pre-Trial Case Management directions have been complied with, except for the filing of Witness Statements. The solicitor also informed the Court that the Defendant's appeal against the Summary Judgement has been fixed for hearing on 02.11.2026. The Court has fixed the trial dates for the Defendant's Counterclaim on 13, 14, 15 and 17 September 2027. The Court also directed parties to file and exchange their respective Witness Statements on or before 30 August 2027, being two (2) weeks before the trial dates.

B11 Loss Per Share

The loss per share for the current financial quarter and financial year-to-date are computed as follows:

	Individual Quarter		Cumulative Quarter	
	Unaudited 30.06.2026 (RM'000)	Unaudited 30.06.2025 (RM'000)	Unaudited 30.06.2026 (RM'000)	Unaudited 30.06.2025 (RM'000)
Loss after tax attributable to owners of the Company	(11,062)	(1,381)	(14,509)	(6,316)
Weighted average number of ordinary shares in issue during the financial period ('000) ⁽¹⁾	374,000	374,000	374,000	374,000
Effects of conversion of warrants ('000)	-	-	-	-
Weighted average number of ordinary shares for diluted earnings per share computation ('000)	-	-	-	-
Basic Loss per share (sen)	<u>(2.96)</u>	<u>(0.37)</u>	<u>(3.88)</u>	<u>(1.69)</u>
Diluted loss per share (sen)	<u>(2.96)</u>	<u>(0.37)</u>	<u>(3.88)</u>	<u>(1.69)</u>

Note:

- (1) Based on the 340,000,000 ordinary shares after the completion of the IPO and the private placement 374,000,000 ordinary shares after the completion of the private placement.

B12 Notes to the Statement of Comprehensive Income

Loss before tax is arrived at after charging / (crediting):

	Individual Quarter		Cumulative Quarter	
	Unaudited	Unaudited	Unaudited	Unaudited
	30.06.2026	30.06.2025	30.06.2026	30.06.2025
	RM'000	RM'000	RM'000	RM'000
Interest income	(18)	-	(42)	(20)
Interest expenses	717	993	1,762	1,908
Realised loss/(gain) on foreign exchange	34	(113)	34	721
Unrealised (gain)/loss on foreign exchange	(204)	154	160	1,465
Depreciation of:				
-property, plant and equipment	298	328	612	658
-right-of-use assets	36	35	75	71
Gain on disposal of property, plant and equipment	(59)	-	(1,509)	-
Rental expense	-	211	-	245

Other disclosure items pursuant to Appendix 9B, Note 16 of the Listing Requirements are not applicable.

B13 Proposed Dividends

The Board does not recommend any dividend for the current financial quarter under review.