GADANG HOLDINGS BERHAD

199301023376 (278114-K)

thCONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2026
(The figures are unaudited)

	INDIVIDUAL QUARTER			CUMULATIVE PERIOD		
	3 Months Ended 28/02/2026 RM'000	3 Months Ended 28/02/2025 RM'000	Variance %	9 Months Ended 28/02/2026 RM'000	9 Months Ended 28/02/2025 RM'000	Variance %
Revenue	170,417	252,583	-33	666,345	578,835	15
Cost of sales	(154,580)	(224,451)	-31	(606,063)	(508,354)	19
Gross profit	15,837	28,132	-44	60,282	70,481	-14
Other income	2,673	2,457	9	8,669	9,300	-7
Administrative expenses	(7,856)	(7,650)	3	(20,315)	(20,107)	1
Depreciation	(4,801)	(4,734)	1	(12,936)	(12,747)	1
Operating expenses	(4,626)	(4,823)	-4	(11,582)	(13,996)	-17
Other expenses	(4,270)	(3,168)	35	(9,244)	(6,212)	49
Net impairment gain/(losses) on financial assets	5	(45)	>100	(264)	3,574	>100
Finance costs	(1,966)	(2,278)	-14	(5,513)	(5,919)	-7
Share of results of joint ventures	207	5,079	-96	366	8,218	-96
(Loss)/Profit before tax	(4,797)	12,970	>100	9,463	32,592	-71
Income tax expense	(6,025)	(4,898)	23	(14,813)	(12,856)	15
Net (loss)/profit for the financial period	(10,822)	8,072	>100	(5,350)	19,736	>100
Other comprehensive (loss)/income:						
Foreign currency translation	(3,922)	(2,823)	39	(7,022)	(4,982)	41
Total comprehensive (loss)/income for the financial period	(14,744)	5,249	>100	(12,372)	14,754	>100
Net (loss)/profit attributable to:						
Equity holders of the Company	(10,384)	9,082	>100	(2,468)	22,454	>100
Non-controlling interests	(438)	(1,010)	-57	(2,882)	(2,718)	6
	(10,822)	8,072	>100	(5,350)	19,736	>100
Total comprehensive (loss)/income attributable to:						
Equity holders of the Company	(15,896)	5,996	>100	(11,937)	16,904	>100
Non-controlling interests	1,152	(747)	>100	(435)	(2,150)	-80
	(14,744)	5,249	>100	(12,372)	14,754	>100
Earnings per share attributable to equity holders of the Company:						
- Basic (sen)	(1.30)	1.13	>100	(0.31)	2.80	>100
- Diluted (sen)	(1.30)	1.13	>100	(0.31)	2.80	>100

The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 May 2025.

GADANG HOLDINGS BERHAD

199301023376 (278114-K)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 28 FEBRUARY 2026

	Unaudited As At 28/02/2026 RM'000	Audited As At 31/05/2025 RM'000
ASSETS		
Non-current assets		
Investment in joint ventures	3,943	3,577
Intangible assets	14,410	19,303
Property, plant and equipment		
- Power plants	126,012	138,435
- other property, plant and equipment	16,035	18,767
	142,047	157,202
Right-of-use assets	4,149	4,188
Investment properties	15,075	15,188
Trade and non-trade receivables	5,374	5,970
Other investments	1,575	1,789
Goodwill on cosolidation	4,913	5,527
Deferred tax assets	21,537	27,708
	213,023	240,452
Current assets		
Inventories	363,700	400,996
Contract costs	3,564	8,606
Trade and non-trade receivables	115,671	124,398
Contract assets	226,753	305,127
Current tax assets	7,909	7,422
Short term funds	96,424	67,652
Deposits with licensed banks	90,086	59,830
Cash and bank balances	145,360	135,915
	1,049,467	1,109,946
TOTAL ASSETS	1,262,490	1,350,398

GADANG HOLDINGS BERHAD
199301023376 (278114-K)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 28 FEBRUARY 2026 (Continued)

	Unaudited As At 28/02/2026 RM'000	Audited As At 31/05/2025 RM'000
EQUITY AND LIABILITIES		
Equity attributable to Equity Holders of the Company		
Share Capital	412,091	412,091
Reserves	390,352	404,451
	802,443	816,542
Non-controlling interests	(12,219)	(11,784)
Total equity	790,224	804,758
Non-current liabilities		
Bank borrowings	72,380	76,242
Deferred tax liabilities	2,195	2,918
Defined benefit obligations	1,366	1,724
Non-trade payables	9,017	8,617
	84,958	89,501
Current liabilities		
Trade and non-trade payables	288,591	289,034
Contract liabilities	9,169	40,818
Bank borrowings	83,221	124,090
Current tax liabilities	6,327	2,197
	387,308	456,139
Total liabilities	472,266	545,640
TOTAL EQUITY AND LIABILITIES	1,262,490	1,350,398
Net assets per share attributable to ordinary equity holders of the Company (RM)	1.00	1.02

The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 May 2025.

GADANG HOLDINGS BERHAD
199301023376 (278114-K)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2026
(The figures are unaudited)

	Share Capital RM'000	Capital Reserves RM'000	Foreign Exchange Translation Reserves RM'000	Retained Profits RM'000	Total RM'000	Non-controlling Interest RM'000	Total Equity RM'000
At 1 Jun 2025	412,091	1,347	(12,504)	415,608	**816,542**	(11,784)	**804,758**
Loss after taxation for the financial period	-	-	-	(2,468)	**(2,468)**	(2,882)	**(5,350)**
Foreign currency translation differences	-	-	(9,469)	-	**(9,469)**	2,447	**(7,022)**
Total comprehensive loss for the financial period	-	-	(9,469)	(2,468)	**(11,937)**	(435)	**(12,372)**
Dividend paid on ordinary shares	-	-	-	(2,162)	**(2,162)**	-	**(2,162)**
At 28 Feb 2026	412,091	1,347	(21,973)	410,978	**802,443**	(12,219)	**790,224**

	Share Capital RM'000	Capital Reserves RM'000	Foreign Exchange Translation Reserves RM'000	Retained Profits RM'000	Total RM'000	Non-controlling Interest RM'000	Total Equity RM'000
At 1 Jun 2024	389,521	1,347	(3,870)	404,864	**791,862**	(8,635)	**783,227**
Profit/(loss) after taxation for the financial period	-	-	-	22,454	**22,454**	(2,718)	**19,736**
Foreign currency translation differences	-	-	(5,550)	-	**(5,550)**	568	**(4,982)**
Total comprehensive income/(loss) for the financial period	-	-	(5,550)	22,454	**16,904**	(2,150)	**14,754**
Issue of ordinary shares	22,570	-	-	-	**22,570**	-	**22,570**
At 28 Feb 2025	412,091	1,347	(9,420)	427,318	**831,336**	(10,785)	**820,551**

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 May 2025.

GADANG HOLDINGS BERHAD

199301023376 (278114-K)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2026

(The figures are unaudited)

	9 Months Ended 28/02/2026 RM'000	9 Months Ended 28/02/2025 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax:	9,463	32,592
Adjustments for:		
Accretion of interest on trade and non-trade receivables	1,190	(66)
Bad debts written off	4	48
Deposits written off	7	-
Depreciation of:		
- property, plant and equipment		
- power plants	6,062	6,488
- other property, plant and equipment	2,648	3,383
- intangible assets	4,676	3,724
- investment properties	114	114
- right-of-use assets	39	39
Fair value loss/(gain) on quoted investments	539	(629)
Finance costs	6,968	8,868
Net (gain)/loss on disposal of:		
- property, plant and equipment		
- other property, plant and equipment	(2,315)	1,076
- investment properties	-	(177)
- assets held for sale	-	(1,227)
Impairment loss on:		
- trade and non-trade receivables	274	-
Income received from short term funds	(276)	(59)
Defined benefit obligations	2	(27)
Interest income	(2,733)	(2,037)
Loss on disposal of a subsidiary	6	-
Net unrealised loss on foreign exchange	7,511	5,024
Property, plant and equipment written off	1	1
Reversal of impairment on:		
- trade and non-trade receivables	(21)	(3,622)
- investment in joint venture	-	(510)
Share of results of joint ventures	(366)	(8,218)
Operating profit before working capital changes	33,793	44,785
Changes in working capital:		
Contract assets	78,374	(88,723)
Contract liabilities	(31,651)	14,861
Contract costs	5,043	(3,197)
Inventories	37,296	70,192
Payables	(43)	(6,987)
Receivables	7,543	(71,155)
Cash generated from/(used in) operations	130,355	(40,224)
Employee benefit paid	(181)	-
Income tax paid	(10,558)	(10,997)
Income tax refund	4,796	76
Net Operating Cash Flows	124,412	(51,145)

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 28 FEBRUARY 2026 (Continued)
(The figures are unaudited)

	9 Months Ended 28/02/2026 RM'000	9 Months Ended 28/02/2025 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of:		
- property, plant and equipment		
- power plants	(8,428)	(5,407)
- other property, plant and equipment	(1,699)	(412)
- intangible assets	(908)	(1,135)
Proceeds from disposal of:		
- assets held for sale	-	3,200
- property, plant and equipment		
- other property, plant and equipment	3,778	2,736
- investment properties	-	400
Income received from short term funds	276	59
Interest received	2,733	2,037
Fixed deposits pledged as security values	(12,637)	(8,013)
Net Investing Cash Flows	(16,885)	(6,535)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of:		
- bank borrowings	30,230	210,832
Finance costs	(6,968)	(8,868)
Proceeds from issuance of ordinary share raised from Private Placement	-	22,570
Repayment of:		
- bank borrowings	(70,765)	(135,902)
- hire purchase	(2,029)	(2,659)
Dividend paid	(2,162)	-
Net Financing Cash Flows	(51,694)	85,973
Net change in cash and cash equivalents	55,833	28,293
Effect of exchange rate changes	3	(3,598)
Cash and cash equivalents at the beginning of the financial period	224,082	148,970
Cash and cash equivalents at the end of the financial period	279,918	173,665
Analysis of Cash and Cash Equivalents:-		
Cash and bank balances	145,360	102,024
Short term funds	96,424	46,058
Deposits with licensed banks	90,086	56,031
	331,870	204,113
Less: Fixed deposits pledged as security values	(51,928)	(30,448)
Less: Cash pledged as security	(24)	-
Total	279,918	173,665

The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 May 2025.

PART A – EXPLANATORY NOTES AS PER MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 134 INTERIM FINANCIAL REPORTING

A1. BASIS OF PREPARATION

The unaudited interim financial report has been prepared according to Malaysian Financial Reporting Standard ("MFRS") 134 - Interim Financial Reporting, issued by the Malaysian Accounting Standards Board ("MASB") and paragraph 9.22 and Appendix 9B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The unaudited interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 May 2025. The explanatory notes attached to the interim financial report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 May 2025.

A2. CHANGES IN ACCOUNTING POLICIES

(i) The accounting policies adopted by the Group in the quarterly financial statements are consistent with those adopted in the financial statements for the financial year ended 31 May 2025, except for the changes arising from the adoption of Amendments/Improvements to MFRS as follows:

Standard	**Title**
Amendments to MFRS 121	Lack of Exchangeability

The adoption of these Amendments/Improvements to MFRSs does not have any material impact on the financial statement of the Group.

(ii) As of the date of this report, the following Amendments to Published Standards have been issued by the MASB but are not yet effective and have not been adopted early.

(a) Effective for financial years beginning on or after:

Standard	**Effective Date**
Amendments to MFRS 9 and MFRS 7: Classification and Measurement of Financial Instruments	1 Jan 2026
Amendments to MFRS 9 and MFRS 7: Contracts Referencing Nature-dependent Electricity	1 Jan 2026
Annual Improvements to MFRS Accounting Standards – Volume 11	1 Jan 2026
MFRS 18 Presentation and Disclosure in Financial Statements	1 Jan 2027
MFRS 19 Subsidiaries without Public Accountability: Disclosures	1 Jan 2027
Amendements to MFRS 19 Subsidiaries without Public Accountability: Disclosures	1 Jan 2027
Amendments to MFRS 121: Translation to a Hyperinflationary Presentation Currency	1 Jan 2027

PART A – EXPLANATORY NOTES AS PER MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 134 INTERIM FINANCIAL REPORTING

A2. CHANGES IN ACCOUNTING POLICIES (Continued)

(ii) As of the date of this report, the following Amendments to Published Standards have been issued by the MASB but are not yet effective and have not been adopted early. (Continued)

(b) The effective date of these Amendments to Published Standards has been deferred and is yet to be announced

Standard	Title
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Based on the preliminary assessment of the effects of the above Amendments to Published Standards, no material impact is expected on the financial statements of the Group.

A3. AUDIT REPORT

The auditors' report on the Group's financial statements for the financial year ended 31 May 2025 was not subject to any audit qualification.

A4. SEASONAL OR CYCLICAL FACTORS

The operations of the Group are not significantly affected by any seasonal or cyclical factors.

A5. UNUSUAL SIGNIFICANT ITEMS

There were no unusual items affecting the assets, liabilities, equity, net income, or cash flows of the Group for the current quarter under review.

A6. CHANGES IN ESTIMATES

There were no major changes in estimates that had any material effect on the current quarter under review.

A7. DEBT AND EQUITY SECURITIES

There were no cancellations, repurchases, resales, or repayments of debt and equity securities for the current quarter under review.

PART A – EXPLANATORY NOTES AS PER MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 134 INTERIM FINANCIAL REPORTING

A8. DIVIDEND PAID

At the Company's Annual General Meeting held on 5 November 2025, the shareholders of the Company approved the first and final dividend of 0.27 sen per share in respect of the financial year ended 31 May 2025. The Company paid the dividend of RM2.16 million on 5 December 2025.

A9. SEGMENTAL REPORTING

9 Months ended 28 February 2026 (Current Financial Period)

	Construction Division RM'000	Property Division RM'000	Utilities Division RM'000	Investment Holding RM'000	Consolidated RM'000
Revenue	454,856	186,939	24,550	-	666,345
Results					
Segment results	(5,981)	33,659	5,045	(18,113)	14,610
Finance costs	(144)	(3,946)	(1,379)	(44)	(5,513)
Share of results of joint ventures	366	-	-	-	366
(Loss)/Profit before tax	(5,759)	29,713	3,666	(18,157)	9,463
Income tax expense					(14,813)
Loss for the financial peiod					(5,350)

9 Months ended 28 February 2025 (Previous Financial Period)

	Construction Division RM'000	Property Division RM'000	Utilities Division RM'000	Investment Holding RM'000	Consolidated RM'000
Revenue	380,279	171,840	26,716	-	578,835
Results					
Segment results	7,258	28,980	6,610	(12,555)	30,293
Finance costs	(847)	(3,170)	(1,707)	(195)	(5,919)
Share of results of joint ventures	8,218	-	-	-	8,218
Profit/(Loss) before tax	14,629	25,810	4,903	(12,750)	32,592
Income tax expense					(12,856)
Profit for the financial peiod					19,736

A10. CARRYING AMOUNT OF REVALUED ASSETS

The valuations of property, plant and equipment, and concession assets have been brought forward without amendment from the audited financial statements for the financial year ended 31 May 2025.

PART A – EXPLANATORY NOTES AS PER MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 134 INTERIM FINANCIAL REPORTING

A11. MATERIAL EVENTS SUBSEQUENT TO THE END OF FINANCIAL PERIOD

There were no other material events subsequent to the end of the quarter, except for the following:-

(a) On 3 March 2026, the Company's indirect wholly-owned subsidiary, City Version Sdn Bhd, entered into a conditional Sale and Purchase Agreement with Tanahmas Kapital Sdn Bhd for the acquisition of a parcel of freehold land held under HS(D) 565071, PTB 24422 Bandar Johor Bahru, Daerah Johor Bahru, Negeri Johor, for a total consideration of approximately RM75.48 million.

(b) On 9 April 2026, Borneo Engineering And Construction Sdn Bhd ("BEC"), an indirect 60% owned subsidiary of the Company, has been dissolved following a members' voluntary winding-up process. Pursuant to Section 459(5) of the Companies Act 2016, BEC is deemed dissolved on the expiration of three (3) months after the lodgement of the "Return by Liquidator Relating to Final Meeting"on 9 January 2026. BEC was dormant and the dissolution is part of the Group's rationalisation exercise to streamline its corporate structure.

A12. CHANGES IN COMPOSITION OF THE GROUP

There were no material changes in the composition of the Group for the current financial period under review, except for the following:-

(a) On 16 July 2025, the Company's indirect wholly-owned subsidiary, Katah Realty Sdn Bhd ("KRSB"), commenced a members' voluntary winding-up pursuant to Section 439(1)(b) of the Companies Act 2016, as KRSB has ceased its business operations and is currently dormant. KRSB was incorporated on 8 December 1984 with an issued and paid-up share capital of RM2. The winding-up will not have any material effect on the net assets per share or earnings per share of the Group.

(b) On 22 September 2025, GLP Resources (M) Sdn Bhd and Era Berkat Sdn Bhd, both dormant indirect wholly-owned subsidiaries of the Company were struck off from the register of the Companies Commission of Malaysia pursuant to Section 308(4) of the Companies Act.

A13. CHANGES IN CONTINGENT LIABILITIES

There are no contingent liabilities for the Group as of the date of this report.

A14. CAPITAL COMMITMENTS

There are no material capital commitments as of the date of this report.

PART A – EXPLANATORY NOTES AS PER MALAYSIAN FINANCIAL REPORTING STANDARD ("MFRS") 134 INTERIM FINANCIAL REPORTING

A15. PROVISION OF FINANCIAL ASSISTANCE

Pursuant to paragraph 8.23(1)(ii) of Bursa Malaysia Securities Berhad's Listing Requirements, the financial assistance provided by the Group is as follows:

	9 Months Ended 28/02/2026 RM'000
Purchase of construction materials in the ordinary course of business of the Company on behalf of sub-contractors	28,094
Advances to sub-contractors, non-interest bearing	560
	28,654

The financial assistance provided does not have any material effect on the earnings, net assets and liquidity of the Group.

PART B - EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. OPERATING SEGMENTS REVIEW

REVIEW OF PERFORMANCE AGAINST PREVIOUS YEAR'S CORRESPONDING PERIOD

During the current quarter, the Group recorded revenue of RM170.41 million, compared to RM252.58 million in the corresponding quarter of the preceding year. The Group recorded loss before tax of RM4.80 million compared to profit before tax of RM12.97 million in the corresponding quarter of the preceding year.

Correspondingly, for the current year to date, revenue increased to RM666.35 million compared to RM578.84 million in the preceding year to date. However, the profit before tax reduced to RM9.46 million compared to RM32.59 million in the preceding year to date. The decline was mainly due to additional costs incurred, and provision made for foreseeable losses and liquidated ascertained damages ("LAD") in the Construction Division, as well as the reversal of impairment losses on a joint venture project in the preceding year. Furthermore, due to the weakening of the Indonesian Rupiah, the Investment Holding segment recorded RM4.82 million in unrealised foreign exchange translation losses on intercompany balances for the current quarter, bringing cumulative losses to RM8.80 million year-to-date.

Tabulated below are the unaudited divisional contributions: -

	INDIVIDUAL QUARTER			CUMULATIVE YEAR		
	3 Months Ended 28/02/2026 RM'000	3 Months Ended 28/02/2025 RM'000	Variance %	9 Months Ended 28/02/2026 RM'000	9 Months Ended 28/02/2025 RM'000	Variance %
REVENUE						
Construction Division	119,475	194,097	-38	454,856	380,279	20
Property Division	41,836	49,338	-15	186,939	171,840	9
Utilities Division	9,106	9,148	-	24,550	26,716	-8
Investment Holding	-	-	-	-	-	-
	170,417	252,583	-33	666,345	578,835	15
(LOSS)/PROFIT BEFORE TAX						
Construction Division	(2,407)	10,134	>100	(5,759)	14,629	>100
Property Division	4,419	6,278	-30	29,713	25,810	15
Utilities Division	1,868	2,150	-13	3,666	4,903	-25
Investment Holding	(8,677)	(5,592)	55	(18,157)	(12,750)	42
	(4,797)	12,970	>100	9,463	32,592	-71

Construction Division

Revenue for the current quarter decreased to RM119.48 million compared to RM194.10 million in the corresponding quarter of the preceding year. However, the Division recorded a loss before tax of RM2.41 million compared to a profit before tax of RM10.13 million in the corresponding quarter of the preceding year.

Revenue for the current year to date increased to RM454.86 million compared to RM380.28 million in the preceding year to date. However, the Division recorded a loss before tax of RM5.76 million compared to a profit before tax of RM14.63 million in the preceding year to date. This was mainly due to additional costs incurred for certain on-going projects and the provision made for foreseeable losses and LAD on the projects.

B1. OPERATING SEGMENTS REVIEW (Continued)

Property Division

In the current quarter, revenue decreased to RM41.84 million as compared to RM49.34 million in the corresponding quarter of the preceding year. Correspondingly, profit before tax declined to RM4.42 million from RM6.28 million in the corresponding quarter of the preceding year.

Revenue for the current year to date increased to RM186.94 million as compared to RM171.84 million in the preceding year to date. In line with the higher revenue, profit before tax rose to RM29.71 million compared to RM25.81 million in the preceding year to date. This was mainly due to higher work progress from the current development projects.

Utilities Division

Revenue for the current quarter decreased to RM9.11 million as compared to RM9.15 million in the corresponding quarter of the preceding year. Accordingly, profit before tax also reduced to RM1.87 million from RM2.15 million in the corresponding quarter of the preceding year.

Revenue for the current year to date decreased to RM24.55 million compared to RM26.72 million in the preceding year to date. Profit before tax similarly reduced to RM3.67 million compared to RM4.90 million in the preceding year to date, mainly due to lower power plant contribution from the adverse weather condition in Indonesia.

B2. MATERIAL CHANGES IN THE CURRENT QUARTER'S RESULT COMPARED TO THE PRECEDING QUARTER

	Current Quarter 28/02/2026 RM'000	Preceding Quarter 30/11/2025 RM'000	Variance %
Revenue	170,417	198,711	-14
Operating profit	1,970	2,681	-27
Loss before interest and tax	(2,831)	(1,407)	>100
Loss before tax	(4,797)	(3,312)	45
Loss after tax	(10,822)	(6,700)	62
Loss attributable to equity holders of the Company	(10,384)	(5,619)	85

The Group's revenue decreased to RM170.42 million in the current quarter compared to RM198.71 million in the preceding quarter, mainly due to lower construction work progress on certain construction projects, and reduced progress in ongoing development projects. Correspondingly, the Group recorded a higher loss before tax of RM4.80 million in the current quarter compared to RM3.31 million in the preceding quarter, mainly due to a provision for LAD in the Construction Division.

B3. BUSINESS PROSPECTS FOR THE FINANCIAL YEAR ENDING 31 MAY 2026

The Construction Division continues to prioritise the completion of its ongoing projects, as efforts to secure new contracts in the infrastructure, renewable energy, and data centre sectors are increasingly constrained by challenging industry conditions. As a positive development, the Group strengthened its construction project portfolio with the recent award of the Widening of Kuala Lumpur - Karak Highway (Package 1A) project. Despite the Division's outstanding order book expanding to approximately RM474 million as of the reporting date, it remains exposed to heightened risks arising from industry-wide pressures such as rising material costs, labour shortages, regulatory complexities, and intense competition. These factors may affect project execution and future order inflows.

The Property Division continues to face persistent challenges amidst an uncertain property market outlook. The overall market continues to see a significant number of affordable housing units remain unsold, particularly in less attractive locations or where pricing is misaligned with household income levels. Additionally, stringent loan approval processes and difficulties in buyer qualification continue to hamper sales. The industry is also grappling with rising construction and labour costs, compounded by the reinstatement and expansion of the Sales and Services Tax (SST), which has further intensified cost pressures across the sector. Thus, the Division will maintain its focus on targeted marketing efforts and strategic initiatives to support upcoming launches, particularly in key developments such as Kwasa Damansara and Gelang Patah Phase 3 in the coming quarters. Backed by total unbilled sales of RM145.3 million, the Division remains committed to strengthening its portfolio through selective land acquisitions and strategic joint ventures, ensuring long-term sustainability and growth.

Under the Utilities Division, the concession water treatment assets in Indonesia continue to provide stable and sustainable recurring revenue for the Group. The 5.9 MWac solar photovoltaic plant in Tawau, Sabah, was completed in December 2025 and has since commenced commercial operations. Furthermore, the Group's successful bid to develop a 15 MWac large-scale solar photovoltaic plant in Tawau represents another important milestone in expanding our renewable energy portfolio. Collectively, these energy-generating facilities not only support the national green energy transition agenda but are also expected to contribute positively to the Group's revenue in the coming years upon commissioning.

The Group will continue to closely monitor its operating environment through regular assessments to ensure prudent financial management and operational efficiency, particularly in anticipation of increasing compliance requirements and expected revision and expansion of the tax regime. Furthermore, the Group remains vigilant amid on-going geopolitical uncertainties and global trade tensions. Meanwhile, the Group remains focused on replenishing its construction order book and expanding the landbank of its property division to support sustainable long-term growth and earnings of the Group.

PART B - EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B4. PROFIT FORECAST AND PROFIT GUARANTEE

There are no profit forecasts or profit guarantees provided by the Group, and as such, this disclosure requirement is not applicable.

B5. TAXATION

Taxation comprises the following:

	3 Months Ended 28/02/2026 RM'000	9 Months Ended 28/02/2026 RM'000
Income tax expense:		
Malaysian income tax	578	(6,629)
Foreign income tax	(855)	(2,779)
Deferred tax	(5,748)	(5,405)
	(6,025)	(14,813)

The Group's effective tax rate (excluding the results of joint ventures, which are equity accounted net of tax) for the current quarter was higher than the statutory tax rate, mainly due to the non-recognition of deferred tax assets on unutilised tax losses of certain subsidiaries and certain expenses not deductible for tax purposes.

B6. STATUS OF CORPORATE PROPOSALS ANNOUNCED

There were no pending corporate proposals.

B7. UTILISATION OF PROCEEDS

The status of utilisation of proceeds of RM22,569,891 raised from the Private Placement exercise is as follows:-

Purpose	Proceeds RM'000	Actual utilisation as at 28 February 2026 RM'000	Balance unutilised as at 28 February 2026 RM'000	Intended timeframe for utilisation from the date of listing
Construction projects expenditure	22,248	(22,248)	-	Within 24 months
Expenses relating to the Private Placement	322	(322)	-	Completed
	22,570	(22,570)	-	

PART B - EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B8. GROUP BORROWINGS

The details of the Group borrowings are as follows:

		As at 28/02/2026 RM'000	As at 31/05/2025 RM'000
(a) (i)	Short Term Borrowings		
	Revolving credit	52,230	101,774
	Banker's acceptance	-	1,687
	Term loans	29,919	18,232
	Hire purchase payable	1,072	2,397
		83,221	124,090
(ii)	Long Term Borrowings		
	Term loans	70,193	74,220
	Hire purchase payable	2,187	2,022
		72,380	76,242
	Total Borrowings	155,601	200,332

(b) Foreign currency borrowings included in the above are as follows:

	As at 28/02/2026		As at 31/05/2025	
	Foreign Currency '000	RM Equivalent '000	Foreign Currency '000	RM Equivalent '000
Singapore Dollar	400	1,230	675	2,221
Indonesian Rupiah	58,968,804	13,681	70,962,565	18,521
		14,911		20,742

Bank borrowings for the current year to date decrease to RM155.60 million compared to RM200.33 million at the beginning of the financial year. The decrease was mainly due to the repayments of revolving credit for the project Rapid Transit System Link Antara Johor Bahru and Singapura ("RTS Link Project"), and after the drawdown of term loan facility for Kwasa Land.

B9. MATERIAL LITIGATION

On 6 September 2024, the Company announced that its wholly-owned subsidiary, Gadang Engineering (M) Sdn Bhd ("GESB") ("2nd Defendant"), together with Usaha Pesona Sdn Bhd ("1st Defendant"), a wholly owned subsidiary of GESB, were served with a Writ of Summon and Statement of Claim ("the Claim") on 2 September 2024 and 3 September 2024, respectively, by its subcontractor, JF Foundation (M) Sdn Bhd ("the Plaintiff"), for bored piling works carried out in relation to the project "Rapid Transit System Link Antara Johor Bahru and Singapura ("RTS Link Project"), Package 4 - Bukit Chagar Station & Operation Control Centre (OCC) & Package 6 - Depot and Power Supply System".

B9. MATERIAL LITIGATION (Continued)

The Plaintiff claimed against both the Defendants jointly and severally for the sum of RM9.77 million being payment for works done and other associated costs, primarily idling costs. The Defendants have filed their respective defences into the court proceeding to dispute the Claim.

GESB has filed an application to strike out the Claim and the Plaintiff has filed an application for summary judgment (summary disposal on point of law) against GESB. The hearing for both of the applications has been rescheduled to 22 June 2026.

The case management for the main suit is fixed for next case management on 22 June 2026.

B10. DIVIDEND

No interim dividend has been declared for the current quarter under review.

B11. EARNINGS PER SHARE

(a) Basic earnings per share

The basic earnings per share has been calculated by dividing the net (loss)/profit for the financial period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue.

	INDIVIDUAL QUARTER		CUMULATIVE YEAR	
	3 Months Ended 28/02/2026	3 Months Ended 28/02/2025	9 Months Ended 28/02/2026	9 Months Ended 28/02/2025
Net (loss)/profit attributable to ordinary equity holders of the Company (RM'000)	(10,384)	9,082	(2,468)	22,454
Weighted average number of ordinary shares in issue ('000)	800,867	800,867	800,867	800,867
Basic earnings per share (sen)	(1.30)	1.13	(0.31)	2.80

(b) Diluted earnings per share

The diluted earnings per share is the same as the basic earnings per share, as there are no potential ordinary shares in issue at the end of the financial period.

B12. NOTES TO THE CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

The cost of sales included the following charges, made during the financial period:

	3 Months Ended 28/02/2026 RM'000	9 Months Ended 28/02/2026 RM'000
Contract Foreseeable Losses	-	4,370
Depreciation	201	603
Finance costs	265	1,455
Rental of land and premises	290	890

Total comprehensive (loss)/income for the financial period was derived after charging/(crediting) the following items:

	3 Months Ended 28/02/2026 RM'000	9 Months Ended 28/02/2026 RM'000
Accretion of interest on trade receivables	-	1,190
Bad debts written off	-	4
Deposits written off	-	7
Depreciation	4,801	12,936
Fair value loss on quoted investments	179	539
Finance costs	1,966	5,513
Gain on disposal of:		
- property, plant and equipment		
- other property, plant and equipment	(63)	(2,315)
Impairment loss on:		
- trade and non-trade receivables	16	274
Income received from short term funds	(128)	(276)
Interest income	(1,020)	(2,733)
Net unrealised loss on foreign exchange	4,035	7,511
Reversal of impairment losses on:		
- trade and non-trade receivables	(21)	(21)
Property, plant and equipment written off	1	1
Lease expenses on short-term leases	129	359
Loss on disposal of a subsidiary	6	6
Rental of land and premises	(37)	(70)

Other than as disclosed above, the Group does not have any material items that were recognised as profit/(loss) in the Condensed Consolidated Statements of Comprehensive Income.