GADANG HOLDINGS BERHAD

199301023376 (278114-K)

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 MAY 2026

	Unaudited	Unaudited		Unaudited	Audited	
	INDIVIDUAL QUARTER			CUMULATIVE YEAR		
	3 Months Ended 31/05/2026 RM'000	3 Months Ended 31/05/2025 RM'000	Variance %	12 Months Ended 31/05/2026 RM'000	12 Months Ended 31/05/2025 RM'000	Variance %
Revenue	121,104	200,977	-40	787,449	779,812	1
Cost of sales	(150,863)	(196,542)	-23	(756,926)	(704,896)	7
Gross (loss)/profit	(29,759)	4,435	>100	30,523	74,916	-59
Other income	2,111	2,252	-6	10,780	11,552	-7
Administrative expenses	(6,535)	(6,654)	-2	(26,850)	(26,761)	0
Depreciation	(1,868)	(3,943)	-53	(14,804)	(16,690)	-11
Operating expenses	(5,260)	(4,313)	22	(16,842)	(18,309)	-8
Other expenses	(20,244)	(2,207)	>100	(29,488)	(8,419)	>100
Net impairment (losses)/gain on financial assets	(1,822)	(125)	>100	(2,086)	3,449	>100
Finance costs	(2,267)	(2,590)	-12	(7,780)	(8,509)	-9
Share of results of joint ventures	(5)	(1,420)	-100	361	6,798	-95
(Loss)/Profit before tax	(65,649)	(14,565)	>100	(56,186)	18,027	>100
Income tax expense	(6,045)	1,827	>100	(20,858)	(11,029)	89
Net (loss)/profit for the financial year	(71,694)	(12,738)	>100	(77,044)	6,998	>100
Other comprehensive loss:						
Actuarial gain on defined benefit obligation	42	8	>100	42	8	>100
Foreign currency translation	(977)	(3,063)	-68	(7,999)	(8,045)	-1
Total comprehensive loss for the financial year	(72,629)	(15,793)	>100	(85,001)	(1,039)	>100
Net (loss)/profit attributable to:						
Equity holders of the Company	(61,483)	(11,718)	>100	(63,951)	10,736	>100
Non-controlling interests	(10,211)	(1,020)	>100	(13,093)	(3,738)	>100
	(71,694)	(12,738)	>100	(77,044)	6,998	>100
Total comprehensive loss attributable to:						
Equity holders of the Company	(63,827)	(14,794)	>100	(75,764)	2,110	>100
Non-controlling interests	(8,802)	(999)	>100	(9,237)	(3,149)	>100
	(72,629)	(15,793)	>100	(85,001)	(1,039)	>100
(Loss)/Earnings per share attributable to equity holders of the Company:						
- Basic (sen)	(7.68)	(1.46)	>100	(7.99)	1.38	>100
- Diluted (sen)	(7.68)	(1.46)	>100	(7.99)	1.38	>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 31 MAY 2026

	Unaudited As At 31/05/2026 RM'000	Audited As At 31/05/2025 RM'000
ASSETS		
Non-current assets		
Investment in joint ventures	3,938	3,577
Intangible assets	15,169	19,303
Property, plant and equipment		
- Power plants	119,505	138,435
- Other property, plant and equipment	16,038	18,767
	135,543	157,202
Right-of-use assets	10,803	4,188
Investment properties	15,032	15,188
Trade and non-trade receivables	4,373	5,970
Other investments	1,575	1,789
Goodwill on consolidation	4,701	5,527
Deferred tax assets	21,028	27,708
	212,162	240,452
Current assets		
Inventories	345,505	400,996
Contract costs	2,246	8,606
Trade and non-trade receivables	109,874	124,398
Contract assets	244,195	305,127
Current tax assets	5,625	7,422
Short-term funds	74,592	67,652
Deposits with licensed banks	68,403	59,830
Cash and bank balances	134,046	135,915
	984,486	1,109,946
TOTAL ASSETS	1,196,648	1,350,398

GADANG HOLDINGS BERHAD
199301023376 (278114-K)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MAY 2026 (Continued)

	Unaudited As At 31/05/2026 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	326,525	404,451
	738,616	816,542
Non-controlling interests	(21,021)	(11,784)
Total equity	717,595	804,758
Non-current liabilities		
Bank borrowings	96,585	76,242
Lease liabilities	6,725	-
Deferred tax liabilities	4,246	2,918
Defined benefit obligations	1,483	1,724
Non-trade payables	12,376	8,617
	121,415	89,501
Current liabilities		
Trade and non-trade payables	286,963	289,034
Contract liabilities	13,024	40,818
Bank borrowings	56,200	124,090
Lease liabilities	113	-
Current tax liabilities	1,338	2,197
	357,638	456,139
Total liabilities	479,053	545,640
TOTAL EQUITY AND LIABILITIES	1,196,648	1,350,398
Net assets per share attributable to ordinary equity holders of the Company (RM)	0.92	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 YEAR ENDED 31 MAY 2026

(Unaudited)	Share Capital RM'000	Capital Reserves RM'000	Foreign Exchange Translation Reserves RM'000	Retained Profits RM'000	Equity Attributable to Owners of Equity 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 year	-	-	-	(63,951)	**(63,951)**	(13,093)	**(77,044)**
Actuarial gain on defined benefit obligations	-	-	-	42	**42**	-	**42**
Foreign currency translation differences	-	-	(11,855)	-	**(11,855)**	3,856	**(7,999)**
Total comprehensive loss for the financial year	-	-	(11,855)	(63,909)	**(75,764)**	(9,237)	**(85,001)**
Dividend	-	-	-	(2,162)	**(2,162)**	-	**(2,162)**
At 31 May 2026	412,091	1,347	(24,359)	349,537	**738,616**	(21,021)	**717,595**

(Audited)	Share Capital RM'000	Capital Reserves RM'000	Foreign Exchange Translation Reserves RM'000	Retained Profits RM'000	Equity Attributable to Owners of Equity 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 year	-	-	-	10,736	**10,736**	(3,738)	**6,998**
Actuarial gain on defined benefit obligations	-	-	-	8	**8**	-	**8**
Foreign currency translation differences	-	-	(8,634)	-	**(8,634)**	589	**(8,045)**
Total comprehensive income/(loss) for the financial year	-	-	(8,634)	10,744	**2,110**	(3,149)	**(1,039)**
Issuance of ordinary shares	22,570	-	-	-	**22,570**	-	**22,570**
At 31 May 2025	412,091	1,347	(12,504)	415,608	**816,542**	(11,784)	**804,758**

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 YEAR ENDED 31 MAY 2026

	Unaudited	Audited
	12 Months Ended 31/05/2026 RM'000	12 Months Ended 31/05/2025 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/Profit before tax:	(56,186)	18,027
Adjustments for:		
Accretion of interest on trade and non-trade receivables	508	450
Bad debts written off	4	166
Deposits written off	7	9
Depreciation of:		
- property, plant and equipment		
- power plants	8,141	8,535
- other property, plant and equipment	3,440	4,365
- intangible assets	3,800	4,894
- investment properties	156	156
- right-of-use assets	71	53
Fair value loss/(gain) on quoted investments	539	(450)
Finance costs	9,410	12,394
Net (gain)/loss on disposal of:		
- property, plant and equipment		
- other property, plant and equipment	(2,232)	775
- investment properties	-	(178)
- assets held for sale	-	(1,516)
- other investment	6	-
Impairment loss on:		
- property, plant and equipment		
- power plant	18,883	-
- trade and non-trade receivables	2,096	-
Income received from short term funds	(133)	(86)
Defined benefit obligations	253	(8)
Interest income	(3,664)	(2,906)
Inventories written down	25,404	-
Net unrealised loss on foreign exchange	6,945	7,071
Property, plant and equipment written off	4	1
Reversal of impairment on:		
- trade and non-trade receivables	(21)	-
- amount owing by joint venture	-	(3,624)
- investment in joint venture	-	(510)
Share of results of joint ventures	(361)	(6,798)
Operating profit before working capital changes	17,070	40,820
Changes in working capital:		
Contract assets	60,931	(54,575)
Contract liabilities	(27,794)	21,946
Contract costs	6,360	(3,038)
Inventories	30,087	187,731
Payables	(11,928)	(90,709)
Receivables	12,670	(7,058)
Cash generated from operations	87,396	95,117
Employee benefit paid	(223)	(203)
Income tax paid	(16,615)	(18,218)
Income tax refund	4,796	205
Net Operating Cash Flows	75,354	76,901

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 MAY 2026 (Continued)

	Unaudited	Audited
	12 Months Ended 31/05/2026 RM'000	12 Months Ended 31/05/2025 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of:		
- property, plant and equipment		
- power plants	(8,328)	(12,611)
- other property, plant and equipment	(2,346)	(465)
- intangible assets	(1,191)	(1,225)
Proceeds from disposal of:		
- other investment	525	-
- assets held for sale	-	320
- property, plant and equipment		
- power plants	-	96
- other property, plant and equipment	3,695	3,035
- investment properties	-	401
Income received from short term funds	133	86
Interest received	3,664	2,906
Fixed deposits uplift/(pledged) as security values	14,208	(16,856)
Cash uplift/(pledged) as security values	24	(24)
Net Investing Cash Flows	10,384	(24,337)
CASH FLOWS FROM FINANCING ACTIVITIES		
Drawdown of:		
- bank borrowings	49,897	244,891
- hire purchase	1,083	-
Finance costs	(9,410)	(12,394)
Proceeds from issuance of ordinary share raised from Private Placement	-	22,570
Repayment of:		
- bank borrowings	(93,169)	(223,630)
- hire purchase	(2,487)	(5,921)
- lease liabilities	(140)	-
Dividend paid	(2,162)	-
Net Financing Cash Flows	(56,388)	25,516
Net change in cash and cash equivalents	29,350	78,080
Effect of exchange rate changes	(1,474)	(2,968)
Cash and cash equivalents at the beginning of the financial year	224,082	148,970
Cash and cash equivalents at the end of the financial year	251,958	224,082
Analysis of Cash and Cash Equivalents:-		
Cash and bank balances	134,046	135,915
Short term funds	74,592	67,652
Deposits with licensed banks	68,403	59,830
	277,041	263,397
Less: Fixed deposits pledged as security values	(25,083)	(39,291)
Less: Cash pledged as security	-	(24)
Total	251,958	224,082

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

There was no payment of dividends in the current quarter.

A9. SEGMENTAL REPORTING

12 Months ended 31 May 2026 (Current Financial Year)

	Construction Division RM'000	Property Division RM'000	Utilities Division RM'000	Investment Holding RM'000	Consolidated RM'000
Revenue	519,886	234,011	33,552	-	787,449
Results					
Segment results	(29,581)	15,841	(11,019)	(24,008)	(48,767)
Finance costs	(180)	(5,613)	(1,943)	(44)	(7,780)
Share of results of joint ventures	361	-	-	-	361
(Loss)/Profit before tax	(29,400)	10,228	(12,962)	(24,052)	(56,186)
Income tax expense					(20,858)
Loss for the financial year					(77,044)

12 Months ended 31 May 2025 (Previous Financial Year)

	Construction Division RM'000	Property Division RM'000	Utilities Division RM'000	Investment Holding RM'000	Consolidated RM'000
Revenue	444,004	300,991	34,817	-	779,812
Results					
Segment results	724	29,736	7,631	(18,353)	19,738
Finance costs	(1,245)	(4,853)	(2,175)	(236)	(8,509)
Share of results of joint ventures	6,798	-	-	-	6,798
Profit/(Loss) before tax	6,277	24,883	5,456	(18,589)	18,027
Income tax expense					(11,029)
Profit for the financial year					6,998

A10. CARRYING AMOUNT OF REVALUED ASSETS

The valuations of property, plant and equipment 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 YEAR

As of the date of this report, there were no material events subsequent to the end of the financial year.

A12. CHANGES IN COMPOSITION OF THE GROUP

There were no material changes in the composition of the Group for the current financial year 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

	As At 31/05/2026 RM'000
Construction of property, plant and equipment:	
- Power plants	46,766

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:

	12 Months Ended 31/05/2026 RM'000
Purchase of construction materials in the ordinary course of business of the Company on behalf of sub-contractors	40,596
Advances to sub-contractors, non-interest bearing	647
	41,243

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 a revenue of RM121.10 million, compared to RM200.98 million in the corresponding quarter of the preceding year. The loss before tax increased to RM65.65 million from RM14.57 million in the corresponding quarter of the preceding year. This was mainly due to:

a) the recognition of an inventory write-down amounting to RM25.40 million; and
b) the recognition of a power plant impairment amounting to RM18.88 million.

Correspondingly, for the current year, the revenue increased marginally to RM787.45 million from RM779.81 million in the preceding year. The increase was mainly attributed to higher revenue generated by the Construction Division. However, the Group recorded a loss before tax of RM56.19 million compared to a profit before tax of RM18.03 million in the preceding year. This was mainly due to the abovementioned reasons as well as the following:

a) a provision of RM9.45 million for potential liability arising from liquidated ascertained damages ("LAD") due to delays on an existing construction project;
b) additional construction cost which led to the increase in cost of sales of RM33.12 million incurred for the on-going construction projects; and
c) net foreign exchange losses of RM9.55 million during the financial year, compared to net foreign exchange losses of RM7.06 million in the preceding year. This was due to the weakening of the Indonesian Rupiah, which resulted in foreign exchange losses on intercompany balances.

Tabulated below are the unaudited divisional contributions:

	INDIVIDUAL QUARTER			CUMULATIVE YEAR		
	3 Months Ended 31/05/2026 RM'000	3 Months Ended 31/05/2025 RM'000	Variance %	12 Months Ended 31/05/2026 RM'000	12 Months Ended 31/05/2025 RM'000	Variance %
REVENUE						
Construction Division	65,030	63,725	2	519,886	444,004	17
Property Division	47,072	129,151	-64	234,011	300,991	-22
Utilities Division	9,002	8,101	11	33,552	34,817	-4
Investment Holding	-	-	-	-	-	-
	121,104	200,977	-40	787,449	779,812	1
(LOSS)/PROFIT BEFORE TAX						
Construction Division	(23,641)	(8,352)	>100	(29,400)	6,277	>100
Property Division	(19,485)	(927)	>100	10,228	24,883	-59
Utilities Division	(16,628)	553	>100	(12,962)	5,456	>100
Investment Holding	(5,895)	(5,839)	1	(24,052)	(18,589)	29
	(65,649)	(14,565)	>100	(56,186)	18,027	>100

B1. OPERATING SEGMENTS REVIEW (Continued)

Construction Division

Revenue for the current quarter increased to RM65.03 million, compared to RM63.73 million in the preceding year's corresponding quarter. Loss before tax increased to RM23.64 million, from RM8.35 million in the preceding year's corresponding quarter.

Revenue for the current year increased to RM519.89 million from RM444.00 million in the preceding year, supported by higher work progress from ongoing projects. However, the Group recorded a full-year loss before tax of RM29.40 million, down from a profit before tax of RM6.28 million in the preceding year, mainly due to:

a) lower margin on certain on-going projects in the current year, driven by higher project operating costs arising from the escalation of raw material prices;
b) prolongation cost due to extension of time ("EOT") for existing construction projects. The Group is actively engaging with the client to review the remaining contract work and the provision for Loss and Expense claim to mitigate the construction costs; and
c) a provision for LAD of RM9.45 million due to delays on an existing project. The Group has taken a prudent position in making provisions for the LAD.

Property Division

In the current quarter, revenue decreased to RM47.07 million, compared to RM129.15 million in the preceding year's corresponding quarter. Loss before tax increased to RM19.49 million from RM0.93 million in the preceding year's corresponding quarter.

Revenue for the current year decreased to RM234.01 million, compared to RM300.99 million in the preceding year. This was primarily due to a one-off transaction involving the disposal of development land amounting to RM65.00 million, which contributed to a higher comparative revenue figure in the preceding year.

Profit before tax decreased to RM10.23 million from RM24.88 million in the preceding year. This decrease was mainly attributed to the recognition of an inventory write-down amounting to RM25.40 million, arising from the disposal of the Rumah Selangorku ("RSKU") land. The disposal is currently pending the fulfilment of condition precedent.

Utilities Division

Revenue for the current quarter increased to RM9.00 million from RM8.10 million in the preceding year's corresponding quarter. The Division recorded a loss before tax of RM16.63 million compared to a profit before tax of RM0.55 million in the preceding year's corresponding quarter.

Revenue for the current year to date decreased marginally to RM33.55 million as compared to RM34.82 million in the preceding year. The Division recorded a loss before tax of RM12.96 million compared to a profit before tax of RM5.46 million in the preceding year, which was mainly attributed to a power plant impairment of RM18.88 million for the 9 MWac hydropower concession asset in Lintau, Indonesia.

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

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

	Current Quarter 31/05/2026 RM'000	Preceding Quarter 28/2/2026 RM'000	Variance %
Revenue	121,104	170,417	-29
Operating (loss)/profit	(61,514)	1,970	>100
Loss before interest and tax	(63,382)	(2,831)	>100
Loss before tax	(65,649)	(4,797)	>100
Loss after tax	(71,694)	(10,822)	>100
Loss attributable to equity holders of the Company	(61,483)	(10,384)	>100

The Group's revenue decreased to RM121.10 million in the current quarter, compared to RM170.42 million in the preceding quarter. This decline was mainly because several projects are nearing completion, causing construction work progress to slow down substantially.

Loss before tax was widened to RM65.65 million from RM4.80 million in the preceding quarter, driven primarily by:

a) additional construction cost which led to the increase in the cost of sales of RM16.60 million incurred for on-going construction projects;
b) an additional provision of RM5.52 million for potential liability arising from LAD due to delays on an existing construction project;
c) the recognition of an inventory write-down amounting to RM25.40 million; and
d) the recognition of a power plant impairment amounting to RM18.88 million.

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

B3. BUSINESS PROSPECTS FOR THE FINANCIAL YEAR ENDING 31 MAY 2027

The Construction Division continues to face industry challenges, including rising material and labour costs, regulatory requirements, and intense competition in both ongoing project execution and the pursuit of new contract awards. Despite these challenges, the Division remains focused on the completion of its on-going projects while actively pursuing new opportunities in the infrastructure, renewable energy, and data centre sectors to strengthen its future order book.

The Property Division continues to operate in a cautious market environment, marked by slower sales amid an oversupply of affordable housing, tighter financing conditions, rising construction costs, and the expanded Sales and Services Tax (SST). Despite these external pressures, the Division remains focused on targeted marketing efforts and strategic initiatives for its upcoming launch at Kwasa Damansara. With unbilled sales of RM136.70 million, the Division will continue to actively explore selective land acquisitions and strategic joint ventures to strengthen its development pipeline and support sustainable future growth.

The Utilities Division continues to generate stable recurring income from its water treatment plants in Indonesia. In the renewable energy sector, the 5.9 MWac solar photovoltaic plant in Tawau, Sabah, commenced commercial operations in December 2025. Meanwhile, the Group has also secured a new 15 MWac large-scale solar photovoltaic project in the same location. These projects are expected to contribute positively to the Group's future earnings while supporting its transition towards clean and sustainable energy.

The Group will continue to closely monitor its operating environment through regular assessments to ensure prudent financial and operational management amid evolving regulatory requirements, tax changes, geopolitical uncertainties, and global trade tensions. Concurrently, the Group remains committed to replenishing its construction order book and expanding its property landbank to support sustainable long-term growth and earnings.

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 31/05/2026 RM'000	12 Months Ended 31/05/2026 RM'000
Income tax expense:		
Malaysian income tax	(1,832)	(8,461)
Foreign income tax	(1,684)	(4,463)
Deferred tax	(2,529)	(7,934)
	(6,045)	(20,858)

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 31 May 2026 RM'000	Balance unutilised as at 31 May 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 31/05/2026 RM'000	As at 31/05/2025 RM'000
(a) (i)	Short Term Borrowings		
	Revolving credit	38,242	101,774
	Banker's acceptance	10,804	1,687
	Term loans	5,759	18,232
	Hire purchase payable	1,395	2,397
		56,200	124,090
(ii)	Long Term Borrowings		
	Term loans	94,983	74,220
	Hire purchase payable	1,602	2,022
		96,585	76,242
	Total Borrowings	152,785	200,332

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

	As at 31/05/2026		As at 31/05/2025	
	Foreign Currency '000	RM Equivalent '000	Foreign Currency '000	RM Equivalent '000
Singapore Dollar	400	1,242	675	2,221
Indonesian Rupiah	54,970,884	12,204	70,962,565	18,521
		13,446		20,742

Bank borrowings for the current year to date decrease to RM152.79 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.

On 29 July 2026, both GESB's application to strike out the Plaintiff's claim and Plaintiff's application for summary judgement (summary disposal on point of law) against GESB have been dismissed by the Court.

As of the date of this report, the Court has yet to fix the next case management for the matter to proceed for trial. The Company will make further announcements on any material developments in this matter, where necessary.

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 year 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 31/05/2026	3 Months Ended 31/05/2025	12 Months Ended 31/05/2026	12 Months Ended 31/05/2025
Net (loss)/profit attributable to ordinary equity holders of the Company (RM'000)	(61,483)	(11,718)	(63,951)	10,736
Weighted average number of ordinary shares in issue ('000)	800,867	800,867	800,867	776,731
Basic (loss)/earnings per share (sen)	(7.68)	(1.46)	(7.99)	1.38

(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 year.

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

B12. NOTES TO THE CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

	3 Months Ended 31/05/2026 RM'000	12 Months Ended 31/05/2026 RM'000
Reversal of Contract Foreseeable Losses	(4,398)	(28)
Depreciation	201	804
Finance costs	175	1,630
Rental of land and premises	286	1,176
Inventories written down	25,404	25,404

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

	3 Months Ended 31/05/2026 RM'000	12 Months Ended 31/05/2026 RM'000
Accretion of interest on trade receivables	(682)	508
Bad debts written off	-	4
Deposits written off	-	7
Depreciation	1,868	14,804
Fair value loss on quoted investments	-	539
Finance costs	2,267	7,780
(Gain)/Loss on disposal of:		
- property, plant and equipment		
- other property, plant and equipment	83	(2,232)
- other investment	-	6
Impairment loss on:		
- property, plant and equipment		
- power plant	18,883	18,883
- trade and non-trade receivables	1,822	2,096
Income received from short term funds	143	(133)
Interest income	(931)	(3,664)
Net unrealised (gain)/loss on foreign exchange	(566)	6,945
Net realised loss on foreign exchange	2,607	2,604
Reversal of impairment losses on:		
- trade and non-trade receivables	-	(21)
Property, plant and equipment written off	3	4
Lease expenses on short-term leases	113	472
Rental of land and premises	(72)	(142)

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.