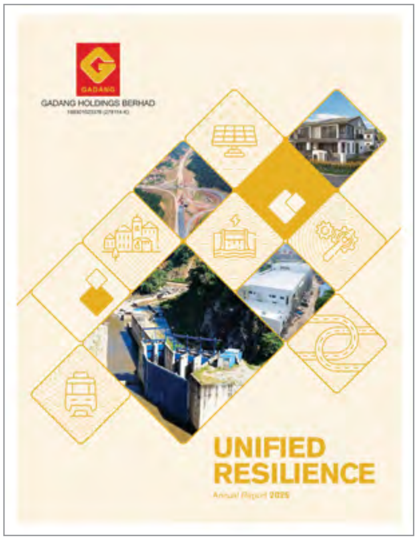
GADANG HOLDINGS BERHAD
199301023376 (278114-K)

UNIFIED RESILIENCE

Annual Report **2025**

INSIDE THIS REPORT



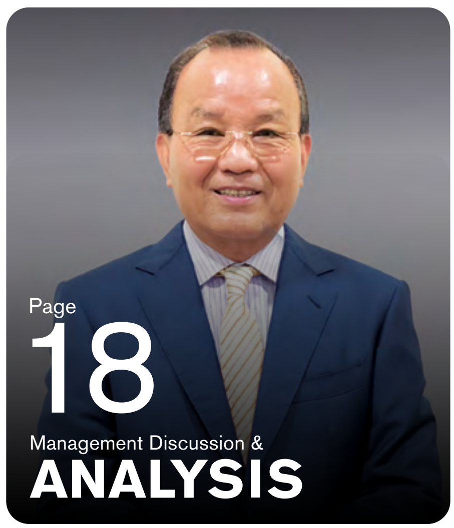
COVER RATIONALE

The cover design highlights Gadang's resilience and strategic growth across its principal activities in Engineering & Construction, Property Development, Utilities, and Mechanical & Electrical.

The geometric forms symbolise the integration of diverse business units working in synergy. The composition balances diversification with unity, underscoring Gadang's agility and capacity to create value in a dynamic market.

The layered design positions Gadang as a forward-looking organisation—anchored in proven expertise yet driven by innovation and client-focused solutions. It reflects the Group's ambition not only to contribute to national development but also to anticipate and shape the future through purposeful growth.

CORPORATE INFORMATION



CORPORATE GOVERNANCE

SUSTAINABILITY STATEMENT

FINANCIAL & OTHERS

NOTICE OF **32ND ANNUAL GENERAL MEETING**

Wednesday
5 November 2025

10.00 a.m.

Ballroom 3, Level 1
Sime Darby
Convention Centre

2025 at a GLANCE

FINANCIAL HIGHLIGHTS

Revenue by Segment

RM779.8 million

(FYE 2024: RM591.9 million)

57% Construction
(RM444.0 million)

39% Property
(RM301.0 million)

4% Utilities
(RM34.8 million)

Net Assets per Share

RM1.02

(FYE 2024: RM1.09)

Total Assets

RM1.4 billion

(FYE 2024: RM1.4 billion)

Net Gearing Ratio

NIL times

(FYE 2024: 0.02 times)

SUSTAINABILITY HIGHLIGHTS

GREEN ENERGY
Commenced operations in early July 2023 for mini-hydro power plant in Lintau, Indonesia

SUSTAINABLE ENVIRONMENT
Zero summons from Department of Environment (“DOE”)

SAFETY AND HEALTH
Zero fatality

HUMAN RIGHTS AND LABOUR PRACTICES
Zero complaint on human rights violation

Overview of GADANG HOLDINGS BERHAD

Our VISION

To be the **PREFERRED LEADER** in all our core businesses, recognised for our **HIGH STANDARDS AND COMMITMENT TO EXCELLENCE**

Gadang Holdings Berhad ("Gadang" or "the Company") was incorporated in Malaysia on 6 October 1993 as a public limited company under the name of Lai Sing Holdings Berhad. It was listed on the Second Board of Bursa Malaysia Securities Berhad on 2 September 1994 under the Construction Sector.

In 1997, Tan Sri Dato' Kok Onn, the Group Managing Director, became the major shareholder, took over the operations of the Company, and renamed it Gadang. On 24 December 2007, Gadang was transferred to the Main Board (now known as Main Market) under the same sector.

Gadang is an investment holding company with subsidiaries operating across diverse sectors, including earthworks, building and civil engineering construction, bored piling, plant and machinery hire, mechanical and electrical services, property development and management, water, and power concessions (including solar), as well as the provision of management services.

Our **MISSION**

- To perpetually pursue value for all our stakeholders
- To build an effective management team that emphasises on productivity and innovation
- To drive a holistic approach to business management, incorporating Economic, Environment, Social and Governance considerations alongside financial goals, to support business continuity and competitiveness over the long term

Our Businesses

Engineering & Construction

INSTITUT PERUBATAN FORENSIK NEGARA (IPFN)
Hospital Kuala Lumpur

CENTRAL SPINE ROAD
Seksyen 2B: Paloh 2 ke Bukit Sejuk Gua Musang, Kelantan

RAPID TRANSIT SYSTEM LINK (RTS LINK) BETWEEN JOHOR BAHRU AND SINGAPORE
Package 4: Bukit Chagar Station and Operation Control Centre
Package 6: Depot and Power Supply System

TM KLANG VALLEY DATA CENTRE, BLOCK 2
Cyberjaya, Selangor

KUALA LUMPUR - KARAK HIGHWAY
Package 2A: CH39000-CH47580

Property Development

AKASIA
Semenyih, Selangor Darul Ehsan

HANA RESIDENCE
Sungai Besi, Kuala Lumpur

LAMAN CITRA
Gelang Patah, Johor Darul Ta'zim

LAMAN WARINGIN
Kwasa Damansara, Selangor Darul Ehsan

Mechanical & Electrical

Lingkaran Tengah Utama (Central Spine Road) Pakej 2: Jambatan Sg. Lakit Ke Gua Musang, Kelantan, Seksyen 2B, Paloh 2 Ke Bukit Sejuk Supply and Install for Utilities Relocation works for **AIR KELANTAN SDN BHD**

Supply and install Electrical Services for Intel Pelican Project (Package F02C03 MEP Beta) for **EXYTE MALAYSIA SDN. BHD.**

EPCC of 5.9MWa.c. Solar Photovoltaic, Tawau, Sabah for **NUSANTARA SURIAMAS SDN BHD**

Supply and install Mechanical & Electrical Services for RTS Link (Package 4 & 6) for **RAPID TRANSIT SYSTEM (RTS) BETWEEN JOHOR BAHRU AND SINGAPORE**

Supply and install for Piloting Works (Package V4, V5 and V6) for **BAYAN LEPAS LIGHT RAIL TRANSIT (BL LRT)**

Design and development of Klang Valley Data Centre (KVDC) Block 2, Cyberjaya, Selangor for **TM TECHNOLOGY SERVICES SDN. BHD.**

Supply, delivery, installation, testing and comissioning of HT and LV Electrical Services for **TETUAN PERMODALAN NASIONAL BERHAD**

Utilities

WATER CONCESSION

PT TAMAN TIRTA SIDOARJO
Kabupaten Sidoarjo, Jawa Timur, Indonesia

PT HANARIDA TIRTA BIRAWA
Kabupaten Sidoarjo, Jawa Timur, Indonesia

PT DEWATA BANGUN TIRTA
Kabupaten Gresik, Jawa Timur, Indonesia

POWER CONCESSION

PT IKHWAN MEGA POWER
9MW Mini-hydro Power Plant,
Lintau, Kabupaten Tanah Datar, Sumatera Barat, Indonesia

NUSANTARA SURIAMAS SDN BHD
5.9MWa.c. Solar Photovoltaic, Tawau, Sabah

TENAGA ASPIRASI SDN BHD
15MWa.c. Large Scale Solar Photovoltaic,
Tawau, Sabah

Financial Calendar

for financial year ended 31 May 2025

ANNOUNCEMENT OF QUARTERLY RESULTS

First Financial Quarter
ended 31 August 2024
Announced 23 October 2024

Second Financial Quarter
ended 30 November 2024
Announced 22 January 2025

Third Financial Quarter
ended 28 February 2025
Announced 30 April 2025

Fourth Financial Quarter
ended 31 May 2025
Announced 23 July 2025

PUBLISHED ANNUAL REPORT AND FINANCIAL STATEMENTS

Notice of 32nd Annual General Meeting
24 September 2025

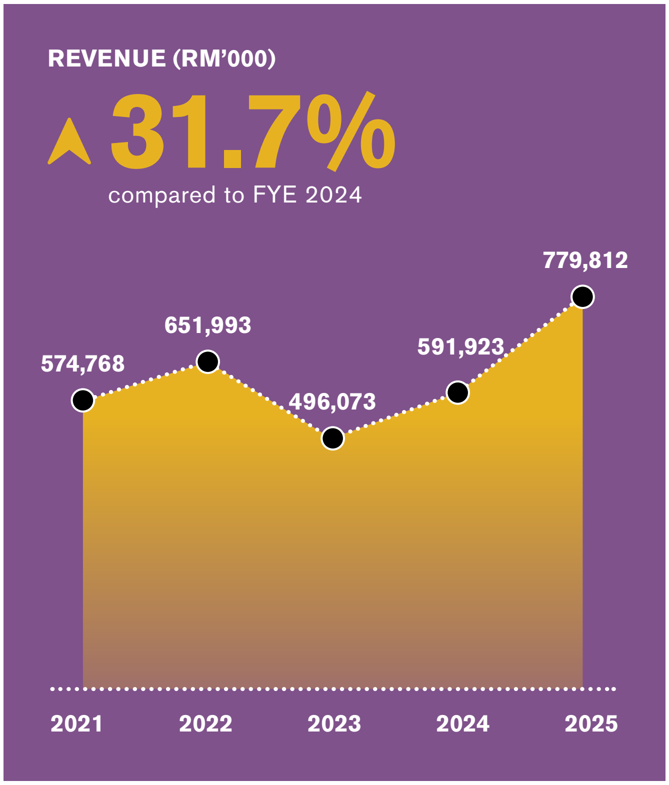
32nd Annual General Meeting
5 November 2025

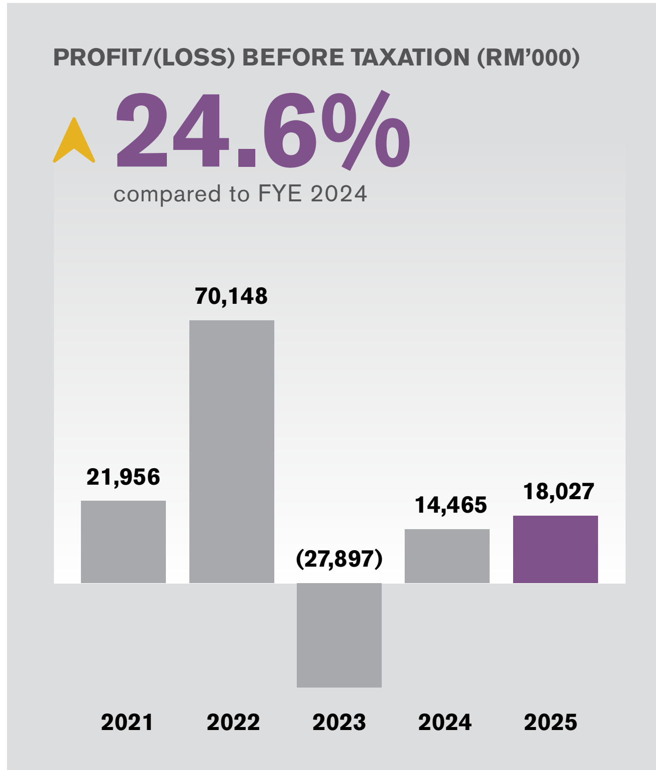
Gadang Holdings Berhad

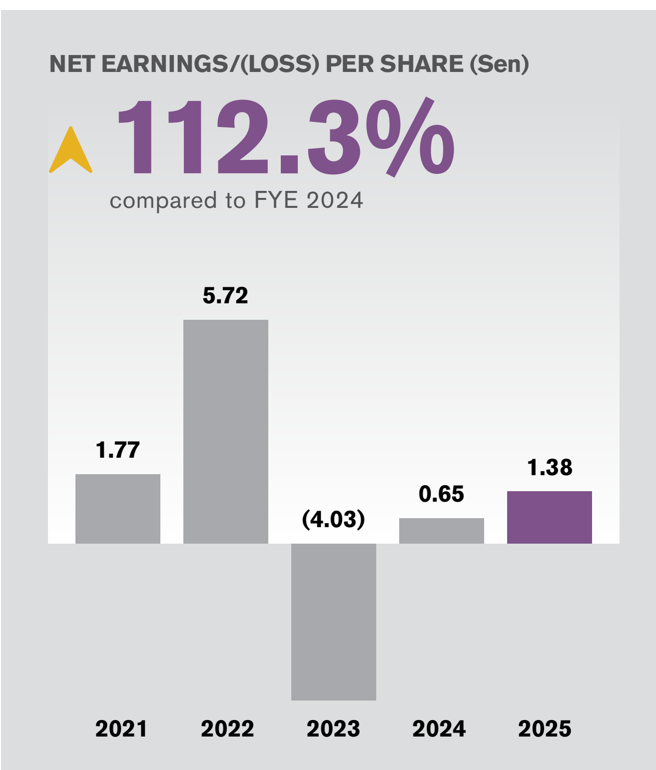
Financial Highlights

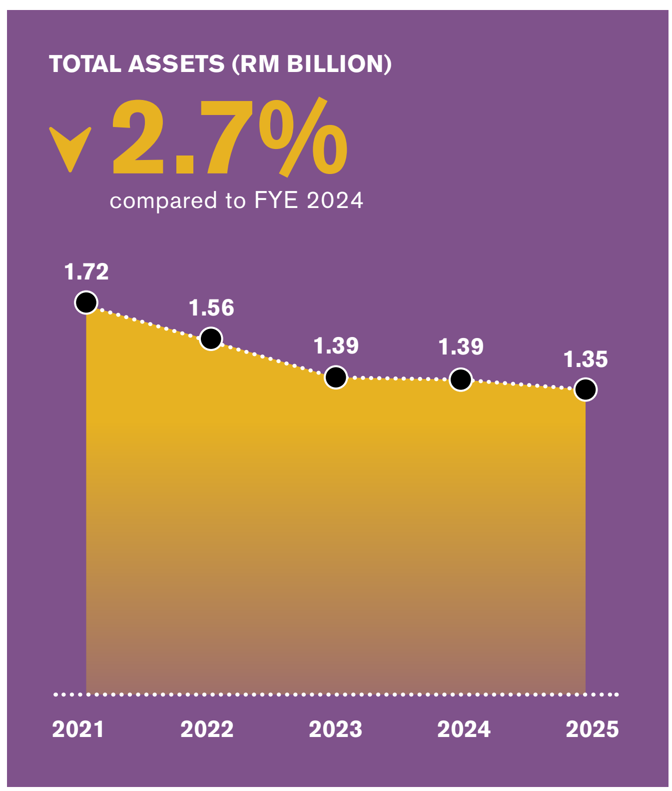
YEAR ENDED 31 MAY	2025 RM'000	2024 RM'000 (Restated)	2023 RM'000	2022 RM'000	2021 RM'000
REVENUE					
Construction	444,004	285,679	249,084	319,858	365,983
Property Development	300,991	270,596	220,375	304,903	183,138
Utilities	34,817	35,648	26,614	27,232	25,647
Investment Holding and Others	-	-	-	-	-
	779,812	591,923	496,073	651,993	574,768
PROFIT/(LOSS) BEFORE TAXATION					
Construction	6,277	(22,643)	(40,977)	4,210	109
Property Development	24,883	48,978	33,235	69,035	27,697
Utilities	5,456	4,915	(10,316)	6,655	7,243
Investment Holding and Others	(18,589)	(16,785)	(9,839)	(9,752)	(13,093)
	18,027	14,465	(27,897)	70,148	21,956
PROFIT/(LOSS) AFTER TAXATION	6,998	495	(41,196)	43,168	13,264
PROFIT/(LOSS) ATTRIBUTABLE TO SHAREHOLDERS	10,736	4,711	(29,324)	41,655	12,902
ISSUED SHARE CAPITAL	412,091	389,521	389,521	389,521	389,521
SHAREHOLDERS' FUNDS	816,542	791,862	792,452	825,399	782,119
TOTAL ASSETS	1,350,398	1,388,284	1,389,173	1,562,707	1,721,524
NET EARNINGS/(LOSS) PER SHARE (SEN)	1.38	0.65	(4.03)	5.72	1.77
NET ASSETS PER SHARE (RM)	1.02	1.09	1.09	1.13	1.07

Financial Highlights









Gadang Holdings Berhad

Corporate Structure

GADANG HOLDINGS BERHAD
199301023376 (278114-K)

Engineering & Construction

- 100% Gadang Engineering (M) Sdn Bhd
  - 100% Gadang Construction Sdn Bhd
  - 100% Bincon Sdn Bhd
  - 100% Kartamo Corporation Sdn Bhd
  - 51% Gadang CRFG Consortium Sdn Bhd*
  - 100% Yi Sheng Foundation Pte Ltd
    - 100% Usaha Pesona Sdn Bhd
    - 51% UA Foundation Pte Ltd

Utilities

- 100% Regional Utilities Sdn Bhd
  - 100% Asian Utilities Pte Ltd
    - 95% PT. Taman Tirta Sidoarjo
    - 95% PT. Hanarida Tirta Birawa
    - 60% PT. Ikhwan Mega Power
    - 95% PT. Dewata Bangun Tirta
    - 80% PT. Hidronusa Rawan Energi
  - 100% PT. Asian Utilities Indonesia
  - 70% Nusantara Suriamas Sdn Bhd
  - 60% Tenaga Aspirasi Sdn Bhd

Property Development

- 100% Achwell Property Sdn Bhd
- 100% Mandy Corporation Sdn Bhd
- 100% Gadang Land Sdn Bhd
  - 100% Gadang Properties Sdn Bhd
    - 100% Buildmark Sdn Bhd
  - 100% Noble Paradise Sdn Bhd
  - 100% Damai Klasik Sdn Bhd
  - 100% Magnaway Sdn Bhd
  - 100% Splendid Pavilion Sdn Bhd
  - 100% Sama Pesona Sdn Bhd
  - 100% City Version Sdn Bhd
  - 100% Natural Domain Sdn Bhd
  - 100% Crimson Villa Sdn Bhd
  - 100% Flora Masyhur Sdn Bhd
    - 100% Camar Ajaib Sdn Bhd
  - 100% Skyline Symphony Sdn Bhd
  - 100% Hillstrand Development Sdn Bhd
  - 100% Detik Tiara Sdn Bhd
  - 100% Prelude Avenue Sdn Bhd
  - 100% Tema Warisan Sdn Bhd
  - 100% Special Courtyard Sdn Bhd
  - 100% Elegance Sonata Sdn Bhd

Mechanical & Electrical

- 100% Datapuri Sdn Bhd
  - 45% Zeta Datapuri JV Sdn Bhd*

** Joint Venture*
Dormant companies are not included here

Corporate Information

BOARD OF DIRECTORS

TAN SRI DATO' SERI DR. MOHAMED ISMAIL BIN MERICAN
Chairman, Independent Non-Executive Director

TAN SRI DATO' KOK ONN
Group Managing Director

KOK PEI LING
Executive Director, Chief Financial Officer

HUANG SHI CHIN
Senior Independent Non-Executive Director

SHERMAN LAM YUEN SUEN
Independent Non-Executive Director

WONG PING ENG
Independent Non-Executive Director

AUDIT COMMITTEE

Sherman Lam Yuen Suen **(Chairman)**
Huang Shi Chin
Wong Ping Eng

NOMINATION & REMUNERATION COMMITTEE

Wong Ping Eng **(Chairman)**
Huang Shi Chin
Sherman Lam Yuen Suen

BOARD RISK & SUSTAINABILITY COMMITTEE

Huang Shi Chin **(Chairman)**
Sherman Lam Yuen Suen
Wong Ping Eng

SECRETARY

TAN SHIM CHIENG
SSM PC No. 201908001548
MAICSA 7013540

REGISTERED OFFICE/ PRINCIPAL PLACE OF BUSINESS

Wisma Gadang, No. 52, Jalan Tago 2
Off Jalan Persiaran Utama
Sri Damansara
52200 Kuala Lumpur
Tel. : (03) 6279 6288
Fax. : (03) 6279 6376
E-mail : corporate@gadang.com.my
Website : www.gadang.com.my

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd
Registration No.: 197101000970 (11324-H)
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel. : (03) 2783 9299
Fax. : (03) 2783 9222
E-mail : is.enquiry@vistra.com
Website : www.vistra.com

AUDITORS

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants
Level 16, Tower C
Megan Avenue II
12, Jalan Yap Kwan Seng
50450 Kuala Lumpur
Tel. : (03) 2788 9999
Fax. : (03) 2788 9998

PRINCIPAL BANKERS

Hong Leong Bank Berhad
United Overseas Bank (Malaysia) Berhad
Malayan Banking Berhad
OCBC Bank (Malaysia) Berhad
Public Bank Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Stock Name : GADANG (Ordinary Shares)
Stock Code : 9261 (Ordinary Shares)
Stock Sector : Construction

Board of Directors

1 **Tan Sri Dato' Seri Dr. Mohamed Ismail bin Merican**
Chairman, Independent Non-Executive Director

2 **Tan Sri Dato' Kok Onn**
Group Managing Director

3 **Kok Pei Ling**
Executive Director, Chief Financial Officer

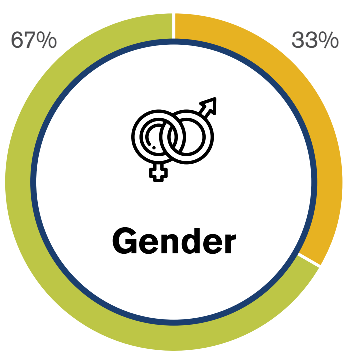
4 **Huang Shi Chin**
Senior Independent Non-Executive Director

5 **Sherman Lam Yuen Suen**
Independent Non-Executive Director

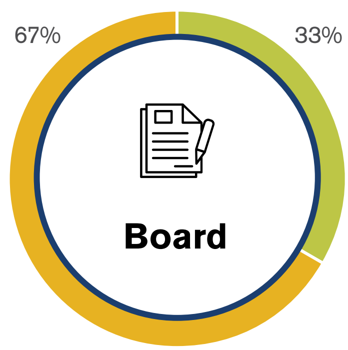
6 **Wong Ping Eng**
Independent Non-Executive Director

Board at a Glance

Our board comprises six (6) highly dedicated individuals with outstanding careers in the corporate world, both in economic/finance audit and other demanding industries.

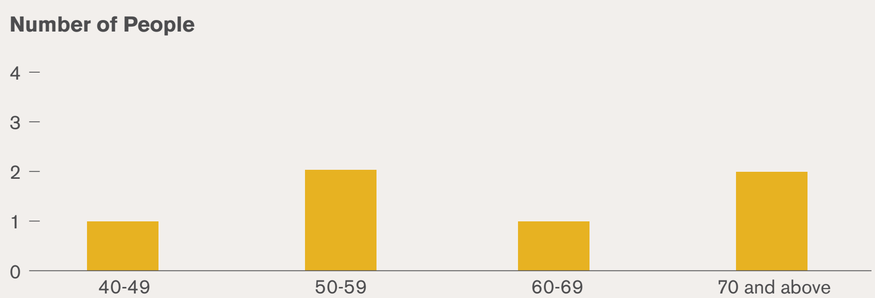


- Male
- Female



- Executive Director
- Independent Non-Executive Directors

AGE GROUP OF DIRECTORS



BOARD COMMITTEES

Huang Shi Chin

Wong Ping Eng

Sherman Lam Yuen Suen

- Nomination & Remuneration Committee
- Audit Committee
- Board Risk & Sustainability Committee

More than
29*
years of Experience
*on average

The Chairman
is an Independent Non-Executive Director

The positions
of the Chairman and the Group Managing Director are held by different individuals

Profile of Directors

TAN SRI DATO' SERI DR. MOHAMED ISMAIL BIN MERICAN

Chairman, Independent Non-Executive Director

Malaysian	77	Male

Date of Appointment
1 December 2016

Membership of Board Committees
Nil

Length of Service (as at 31 August 2025)
8 years 9 months

Academic/Professional Qualification(s)
- Bachelor of Medicine, Bachelor of Surgery (MBBS), University of Malaya
- Fellow of the American College of Physicians (F.A.C.P) (Hons, US)

Working Experience
- Director-General (DG) of Health of Malaysia (2005 till 2011)
- President of the Malaysian Medical Council
- Member of the Promotion Board of the Malaysian Civil Service
- Member of the Board of Directors of the National Heart Institute
- Chairman of the National Committee for Clinical Research
- Chairman of Drug Control Authority
- Chairman of National Poisons Board
- Chairman of Medicine Advertisement Board
- Chairman of Pharmacy Board

Other Directorship(s)
Listed Entities
- Nil

Public Companies
- Nil

Board Meeting Attendance in Financial Year 2025
6/6

TAN SRI DATO' KOK ONN

Group Managing Director

Malaysian	74	Male

Date of Appointment
- 10 March 1997 as Joint Managing Director
- 2 September 1997 as Managing Director cum Chief Executive Officer
- 1 November 2022 designated as Group Managing Director

Membership of Board Committees
Nil

Length of Service (as at 31 August 2025)
28 years 6 months

Working Experience
Prior to joining the Company, he was the Group Chief Executive Officer of Bridgecon Holdings Berhad ("Bridgecon"). He was also the founder of Bridgecon Engineering Sdn Bhd ("BESB"), the wholly-owned subsidiary of Bridgecon. The achievements of BESB played a crucial role in the listing of Bridgecon on the Second Board of Bursa Malaysia Securities Berhad on 16 November 1994.

His exposure to the construction industry began in 1972 and since then, he has amassed extensive experience spanning more than 52 years. He has also gained vast knowledge and experience in most aspects of civil and structural engineering schemes, working on various projects in Malaysia, China, the Middle East, and South Africa.

He was also the person who transformed Bridgecon from a pure construction company to activities involving manufacturing and supply of ready mixed concrete, concrete pumping, quarrying, property and resort development, as well as international ventures, where he spearheaded Bridgecon's venture into three (3) toll expressway operations in the People's Republic of China.

Other Directorship(s)
Listed Entities
- Nil

Public Companies
- Nil

Board Meeting Attendance in Financial Year 2025
6/6

Profile of Directors

KOK PEI LING

Executive Director, Chief Financial Officer

Malaysian	43	Female

Date of Appointment
2 January 2013

Membership of Board Committees
Nil

Length of Service (as at 31 August 2025)
12 years 8 months

Academic/Professional Qualification(s)
- Bachelor of Commerce (Finance and Management), University of Melbourne, Australia

Working Experience
She commenced her career in April 2004 as a consultant specialising in Corporate Recovery and Insolvency at BDO Capital Consultants Sdn Bhd. During her tenure from April 2004 to June 2006, she gained exposure to restructuring and recovery strategies, and financial consulting.

She then joined OSK Investment Bank Berhad as an Associate for Debt Capital Markets from June 2006 to May 2007. In OSK she garnered her experience in debt capital markets, structuring and debt financing.

Before joining the Company in September 2009, she was the Assistant Manager (Investment Banking) of OCBC Bank (M) Berhad. Her role at OCBC Bank further enriched her exposure to investment banking and she acquired useful knowledge in financial advisory and capital market transactions.

Other Directorship(s)
Listed Entities
- Nil

Public Companies
- Nil

Board Meeting Attendance in Financial Year 2025
6/6

HUANG SHI CHIN

Senior Independent Non-Executive Director

Malaysian	67	Male

Date of Appointment
1 August 2017

Membership of Board Committees
- Audit Committee
- Nomination & Remuneration Committee
- Board Risk & Sustainability Committee (Chairman)

Length of Service (as at 31 August 2025)
8 years 1 month

Academic/Professional Qualification(s)
- Member, The Institute of Chartered Accountants, England & Wales
- Member, Malaysian Institute of Accountants

Working Experience
An Accountant by profession, Mr Huang previously worked for a well-known FMCG public listed company in Malaysia for over 21 years, first as its Finance Director and later as Corporate Affairs Director. He also served as an Executive Director on its Board for nine (9) years.

He has extensive experience in financial reporting, risk management, and regulatory framework, as well as in corporate affairs & communication and human capital development & management.

Prior to that, he worked in public accounting firms, including two (2) of the leading public accounting firms in Malaysia, specialising in audit and due diligence.

Other Directorship(s)
Listed Entities
- Nil

Public Companies
- Nil

Board Meeting Attendance in Financial Year 2025
6/6

Gadang Holdings Berhad

Profile of Directors

SHERMAN LAM YUEN SUEN

Independent Non-Executive Director

Malaysian	52	Male

Date of Appointment
16 August 2021

Membership of Board Committees
- Audit Committee (Chairman)
- Nomination & Remuneration Committee
- Board Risk & Sustainability Committee

Length of Service (as at 31 August 2025)
4 years 1/2 month

Academic/Professional Qualification(s)
- Master of Business Administration (Finance), Charles Sturt University, Australia
- Chartered Accountant, Malaysian Institute of Accountants
- Fellow Member, The Chartered Institute of Management Accountants, U.K.
- Fellow Member, CPA Australia
- Chartered Member, The Institute of Internal Auditors Malaysia
- CFP™ Certified Member, The Financial Planning Association of Malaysia
- Member, Institute of Corporate Directors Malaysia
- ESG & Sustainable Financial Strategy Program by Said Business School, Oxford University

Working Experience
Mr Lam started his career with Fulton Prebon (M) Sdn Bhd, a financial services subsidiary of Seacorp (a PNB company) in 1995. He then joined Treasury Division of Utama Merchant Bank Berhad, (an investment bank jointly owned by Utama Banking Group Berhad and HSBC Investment Bank Asia Ltd) in 1997. He rose to the position of Chief Dealer and Treasury Manager during his tenure there. Thereafter in mid-2000, he joined Nikkei Pacific Corporate Advisors, a regional corporate finance advisory firm as an Associate Director where he advised on several large corporate restructuring and capital raising exercises in Indonesia and Malaysia.

From 2002 - 2023, Mr Lam was the Managing Director of Cirrus Ventures group, a regional private equity/venture capital investments and corporate strategic consulting services firm. He has more than 25 years of broad-based senior management experience in corporate advisory, treasury management, capital markets, corporate finance and investments with financial institutions as well as corporate board experience in listed public and privately held entities in Malaysia, Singapore, Indonesia and China. He is currently the Managing Partner of Sherman Lam & Co., a Chartered Accountant firm and Deputy Secretary of the China-ASEAN (Malaysia) Entrepreneurs Association.

Other Directorship(s)
Listed Entities
- Hiap Teck Venture Berhad

Public Companies
- Nil

Board Meeting Attendance in Financial Year 2025
6/6

WONG PING ENG

Independent Non-Executive Director

Malaysian	52	Female

Date of Appointment
25 May 2022

Membership of Board Committees
- Audit Committee
- Nomination & Remuneration Committee (Chairman)
- Board Risk & Sustainability Committee

Length of Service (as at 31 August 2025)
3 years 3 months

Academic/Professional Qualifications
- Member, Association of Chartered Certified Accountants (ACCA)
- Member, Malaysian Institute of Accountants

Working Experience
She has more than 27 years of experience in management and the financial accounting fields. She started her career as an Audit Assistant at KPMG, Kuching, from September 1997 until December 2000.
In January 2001, she joined Naim Land Sdn. Bhd., a subsidiary of Naim Holdings Berhad ("Naim") as an Accountant.
In April 2004, she was appointed as Operations Manager for Naim's Bandar Baru Permyjaya project in Miri, where she was responsible for managing the whole of Naim's Miri operations.

In July 2008, she was promoted to Vice President – Finance and Accounts, to oversee the Group Finance and Accounts Division. She was subsequently promoted to Deputy Director – Finance & IT Division in July 2010, and in September 2012, she was promoted to Senior Director for Naim's Group Support Services Division, comprising Finance & Accounts, Administration, Human Resources, and Information Technology. She was appointed as an Executive Director of Naim Holdings Berhad on 29 November 2012 and on 9 January 2013, she was redesignated as the Deputy Managing Director of Naim Holdings Berhad, a position that she held until her early retirement on 31 December 2020. On 20 February 2025, she was appointed as a Non Independent Non-Executive Director of Dayang Enterprise Holdings Berhad. She is currently an executive director for several private limited companies.

Other Directorship(s)
Listed Entities
- Dayang Enterprise Holdings Berhad

Public Companies
- Nil

Board Meeting Attendance in Financial Year 2025
6/6

Profile of Directors

Notes:

Family Relationship with Director and/or Major Shareholder

1. *Tan Sri Dato' Kok Onn, is the father of Kok Pei Ling and spouse of Puan Sri Datin Chan Ngan Thai, a major shareholder of the Company.*

Conflict of Interest ("COI") or Potential COI

2. *Details of the conflicts of interest (actual and potential) involving Tan Sri Dato' Kok Onn, Kok Pei Ling and Sherman Lam Yuen Suen are disclosed in the Audit Committee Report of this Annual Report.*

3. *Save as disclosed, none of the Directors has:*

    a) *any family relationship with any Director and/or major shareholder of the Company;*

    b) *any conflict of interest with the Group;*

    c) *any conviction for offences (other than traffic offences) within the past five (5) years; and*

    d) *any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.*

Profile of Key Senior Management

Liew Swee Kong

Managing Director, Gadang Engineering (M) Sdn Bhd
(Construction Division)

Malaysian | Male | 53

Date of Appointment as Key Senior Management
1 November 2012

Academic/Professional Qualification(s)

- Bachelor of Electrical Engineering, University of Teknologi Malaysia

Working Experience

Mr Liew Swee Kong began his career with KTA Tenaga Sdn Bhd in 1995 as an Electrical Engineer. He was in charge of design and implementation works for high-rise buildings, hospitals and oil & gas facilities. He joined Gadang Engineering (M) Sdn Bhd ("GESB") as a Project Manager in September 2000 to manage telecommunication works throughout Malaysia before he was appointed as Director of Datapuri Sdn Bhd, the Mechanical & Engineering Division of the Group on 1 April 2001. He joined GESB in 2021 as a Director and was promoted to the position of Deputy Managing Director of GESB in June 2024. He was redesignated to Managing Director of GESB effective June 2025.

Yu Kang Huai

Managing Director, Gadang Land Sdn Bhd
(Property Division)

Malaysian | Male | 53

Date of Appointment as Key Senior Management
1 September 2020

Academic/Professional Qualification(s)

- Bachelor of Engineering (Hons) in Civil Engineering, University of Teknologi Malaysia

Working Experience

He joined Gadang Land Sdn Bhd in 2010 as Project Senior Manager. He was subsequently promoted to Project General Manager in 2014 and Chief Operating Officer in charge of the Property Division of the Group in 2017.

He has more than 24 years of experience in the property industry. Previously, he was attached to TY LIN International Sdn Bhd, Mahajaya Berhad and Permatanah Sdn Bhd.

Profile of Key Senior Management

Pui Yen Yew, Gary

Chief Operating Officer, Regional Utilities Sdn Bhd
(Utilities Division)

Malaysian | Male | 50

Date of Appointment as Key Senior Management
1 March 2024

Academic/Professional Qualification(s)

- Chartered Institute of Marketing (CIM), UK
- The Association of Chartered Certified Accountants (ACCA), UK
- Master of Business Administration, University of Ballarat, Australia

Working Experience

Mr Gary Pui joined Regional Utilities Sdn Bhd as Head of Operations in the year 2018, he was redesignated as Chief Operating Officer on 1 March 2024. Currently, Mr. Gary Pui is responsible for the overall day-to-day management and formulation of the company's business plan and strategies.

He began his career as an audit assistant in 1997. In the year 2001, he left Tay & Associates and joined Zelan Construction Sdn Bhd as Senior Executive, Finance then Senior Manager, Finance before his present appointment. He has over 23 years of working experience involved in corporate & project financing, budgetary cost control & monitoring, and tender & concession evaluation for construction and utilities industries; especially in Indonesian business operations.

He holds a Master's Degree in Business Administration from the University of Ballarat, Australia and graduated from the Chartered Institute of Marketing (UK) (CIM). He is a Chartered Accountant member of the Malaysian Institute of Accountants (MIA), and a Fellow member of the Association of Chartered Certified Accountants (UK) (ACCA).

Chan Chee Wai

Chief Operating Officer, Datapuri Sdn Bhd
(Mechanical & Electrical Division)

Malaysian | Male | 47

Date of Appointment as Key Senior Management
22 June 2018

Academic/Professional Qualification(s)

- Diploma in Mechanical Engineering

Working Experience

He began his career at Datapuri Sdn Bhd as a Project Engineer. Over the years, he accumulated extensive experience managing Mechanical & Electrical (M&E) services projects across various sectors, including commercial buildings, infrastructure, steel bridges, tunnels, and solar power plants. On 22 June 2018, he was promoted to Chief Operating Officer/Executive Director.

Notes:

Other Information on Key Senior Management
Save as disclosed, none of the Key Senior Management has:
1. *any directorship in public companies and listed issuers;*
2. *any family relationship with any Directors and/or major shareholders of the Company, except for Liew Swee Kong who is the nephew of Tan Sri Dato' Kok Onn and cousin of Kok Pei Ling, who are members of the Board of the Company;*
3. *any conflict of interest with the Company;*
4. *any conviction for offences within the past five (5) years; and*
5. *any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.*

Management Discussion & ANALYSIS

Dear Valued Shareholders,

On behalf of Management and the Board of Directors, we would like to present the Management Discussion & Analysis of Gadang Holdings Berhad ("Gadang" or "the Company") for the financial year ended 31 May 2025 ("FYE 2025").

Management Discussion & Analysis

REVENUE
RM779.8 million
(FYE 2024: RM591.9 million)

PROFIT BEFORE TAX
RM18.0 million
(FYE 2024: RM14.5 million)

EBITDA
RM43.2 million
(FYE 2024: RM42.8 million)

Topping out ceremony for TM Klang Valley Data Centre Block 2

ECONOMIC LANDSCAPE

The global economy remains vulnerable, influenced by escalating trade disputes and increasing policy uncertainty. The recent reciprocal tariff war continues to be the major economic risk for global trade growth, particularly from increasing production costs, disrupt international supply chains, and intensified financial instability.

The uncertainty surrounding trade and economic policies, along with a volatile geopolitical environment, is causing businesses to delay or scale back essential investment plans. These factors are worsening the existing challenges such as elevated debt levels and weak productivity growth, placing further strain on global economic prospects.

Despite the challenging global conditions, Malaysia's domestic growth is expected to remain resilient, projected to grow between 4.0% to 4.8% in 2025. The anticipated growth is driven by robust domestic spending, stable investment activities and exports are likely to gain from the on-going global technology upcycle and increased tourist spending.

FINANCIAL PERFORMANCE OVERVIEW

For FYE 2025, Gadang and its subsidiaries ("the Group") reported a revenue of RM779.8 million, marking a 32% increase from RM591.9 million in the previous year. This strong performance was primarily supported by significant work progress in the Construction Division, the disposal of a development land and improved sales from the Property Division.

Amid rising revenue, the Group reported a profit before tax of RM18.0 million, representing a 25% increase from the RM14.5 million recorded in the previous year. This improvement was mainly driven by stronger performance in the Construction Division.

The Construction Division continued to be the main revenue contributor to the Group, recording a revenue of RM444.0 million (FYE 2024: RM285.7 million), an improvement of 55% from the previous financial year, mainly due to higher work progress on existing construction projects and contribution from the previous year's newly secured project. In line with the revenue growth, the Division contributed a profit before tax of RM6.3 million, a significant rebound from the previous year's loss before tax of RM22.6 million. The Division's profit was mainly attributed to acceleration claims from a project and the finalisation of a project account, which resulted in the reversal of both impairment losses and liquidated ascertained damages provided for in the previous year.

The Property Division's revenue for the current year increased to RM301.0 million (FYE 2024: RM270.6 million), while the profit before tax decreased to RM24.9 million (FYE 2024: RM49.0 million). Despite improved sales performance, the Division reported lower profit contributions mainly due to a provision of RM19.0 million arising from a mutual termination agreement anticipated to be finalised in the final quarter of 2025.

Management Discussion & Analysis

The Utilities Division registered a profit before tax of RM5.5 million (FYE 2024: RM4.9 million), on the back of revenue of RM34.8 million (FYE 2024: RM35.6 million). The marginally higher profit was attributed to the lower operating costs in the current year.

FINANCIAL POSITION OVERVIEW

The Group's financial position remained stable in FYE 2025 as shown below:

Financial Ratio	FYE 2025	FYE 2024
Current ratio	**2.43 times**	2.47 times
Total equity	**RM804.8 million**	RM783.2 million
Net assets per share	**RM1.02**	RM1.09

Current Ratio (current assets/current liabilities)
The Group's current ratio, a yardstick that measures the state of the Group's financial liquidity, decreased marginally to 2.43 times (FYE 2024: 2.47 times). The current ratio indicates that the Group has adequate liquidity to meet its short-term commitments and working capital requirements.

Total Equity
Total equity continued to grow by 3% to RM804.8 million on higher retained earnings, coupled with the completion of a private placement exercise.

STATEMENTS OF CASH FLOWS

	FYE 2025 RM million	FYE 2024 RM million
Net cash generated from operating activities	**76.9**	34.2
Net cash used in investing activities	**(24.3)**	(30.3)
Net cash generated from/(used in) financing activities	**25.5**	(48.5)

Net cash generated from operating activities
The net operating cash inflow was principally due to the collections from our business activities.

Net cash used in investing activities
The net investing cash outflow arose mainly from the construction of the 5.9MWa.c. solar photovoltaic energy generating facility located in Tawau, Sabah.

Net cash generated from financing activities
The net financing cash inflow arose mainly from the net drawdown of Group borrowings and funds raised through the issuance of ordinary shares via a private placement exercise.

CAPITAL MANAGEMENT

	FYE 2025 RM million	FYE 2024 RM million
Total borrowings	**200.3**	187.2
Total cash & bank balances, and investment securities	**263.4**	171.4
(Net cash surplus)/ net borrowings	**(63.1)**	15.8
Total equity	**804.8**	783.2
Net gearing ratio (times)	**NA**	0.02

Our approach to capital management is to maintain a strong capital base and sound capital ratios to support our daily operations without disruption. The Group practices prudent treasury management to remain agile in meeting operational demands, managing financial market volatility, and seizing investment opportunities. Our funds are invested in a diversified portfolio comprising money market instruments and selectively chosen investment funds. Our objective is to continuously improve treasury, liquidity, and risk management efforts, with a focus on lowering the weighted average cost of capital while optimising returns or yields on cash and cash equivalents.

The Group's total borrowings increased from RM187.2 million in FYE 2024 to RM200.3 million in FYE 2025, due to the drawdown of long-term borrowings to finance the remaining purchase price of Kwasa Damansara land and the construction of the 5.9MWa.c. solar photovoltaic energy generating facility located in Tawau, Sabah, net of repayments on short-term borrowings for on-going construction projects. However, the impact of this increase was mitigated by an improvement in cash and cash equivalents during FYE 2025.

Precast Arch Bridge installation for Central Spine Road project at Gua Musang, Kelantan

The Group ensures the availability of adequate internal funds and credit facilities to seize any emerging project opportunities in the market. To manage interest rate and liquidity risks, the Group maintains a well-diversified and strategically structured borrowing portfolio. Our credit facilities include term loans, revolving credits, invoice financing, and bank guarantees such as performance bonds, advanced payment bonds and tender bonds.

Total capital expenditure incurred in FYE 2025 was RM14.9 million, comprising mainly the construction of the 5.9MWa.c. solar photovoltaic energy generating facility located in Tawau, Sabah, amounting to RM12.6 million and the acquisition of property plant and equipment, and motor vehicles amounting to RM1.1 million.

PROPOSED DIVIDEND

The Board is pleased to recommend a first and final dividend of 0.27 sen per ordinary share for FYE 2025, to be approved by the shareholders at the forthcoming Annual General Meeting.

The estimated dividend payment, based on the current share capital, amounts to approximately RM2.2 million. This represents a dividend payout ratio of about 20% of the Group's profit after tax and minority interest of RM10.7 million. While proposing this dividend, the Group remains focused on conserving cash in view of on-going business and economic uncertainties in order to support operational continuity.

BUSINESS OPERATIONS REVIEW

Construction Division

During the financial year under review, the Division successfully executed the Railway Transit Link ("RTS") Project, including the Depot and Bukit Chagar Station, in accordance with the scheduled timeline. Meanwhile, the construction activities gained momentum during the financial year for the Klang Valley Data Centre project, which was awarded in April 2024 and remains on track for completion in financial year ending 2026.

As part of its on-going efforts to replenish the order book, the Division successfully secured a contract for the Kuala Lumpur-Karak Highway Expansion Work (Package 2A) in July 2025, with a total contract value of approximately RM93.0 million. The Division's outstanding order book, amounting to approximately RM839.0 million, is expected to support stable earnings for the Group over the next few years. Moving forward, the Division will remain focused on the effective execution and timely completion of all on-going projects, with emphasis on enhancing cost efficiency and maintaining a healthy cash flow position.

Demonstrating its strong commitment to safety excellence, the Division has received recognition via the safety award by the Quest 2024 - Main Award (Infrastructure Category) in October 2024 and the MiSHA Award 2024 - Platinum (RTS Project) in December 2024.

Despite the limited availability of public infrastructure projects and the challenges in securing new contracts in FYE 2025, the Division remains committed to pursuing opportunities across various sectors, including water infrastructure and industrial buildings, to strengthen its order book and enhance its bottom line. Additionally, the Division is exploring opportunities in East Malaysia, recognising the region's strong potential for new construction projects in the near to medium term, supported by both state and national development initiatives outlined in the 2025 Budget.

The Division remains optimistic with a prudent outlook for the infrastructure project segment, supported by the anticipated roll-out of large-scale public infrastructure initiatives in 2025 by the government and government-linked

Gadang Holdings Berhad

Management Discussion & Analysis


Laman Citra Phase 4, Gelang Patah, Johor

companies. These include projects such as the Light Rail Transit systems in Penang and Johor, the expansion of Penang International Airport, the Klang Valley Mass Rapid Transit Line 3, and various flood mitigation projects. In the private sector, the influx of foreign investments is contributing to increased demand for data centres and industrial buildings. Nonetheless, the overall availability of construction jobs remains limited, and project margins are expected to remain under pressure due to intense competition in tender pricing and rising input costs. The Division remains prudent and vigilant in light of the on-going geopolitical tensions in the global economic environment which could have implications on the domestic economy.

Property Division

The property industry continues to undergo structural changes amidst persistent inflationary pressures and evolving macroeconomic and geopolitical conditions. Nevertheless, the Property Division remains optimistic on the property market outlook for the coming year.

During the financial year under review, the Division launched two (2) new developments, namely Gelang Patah Phase 4 in Johor, comprising 332 units of terrace houses, and Akasia in Semenyih, featuring 149 units of double-storey terrace homes. Collectively, these projects have a combined gross development value ("GDV") of approximately RM350 million.

The Division recorded a commendable performance in FYE 2025, with total sales reaching RM310.4 million, representing a 13% increase from RM274.1 million in FYE 2024. This growth was primarily driven by strong demand for Hana Residence in Sungai Besi and Laman Citra Phase 4 in Gelang Patah. Continued innovation in product design and responsiveness to evolving market preferences have contributed to the positive market reception of our launches. The Division will continue to implement tailored marketing initiatives, along with strategic innovative approach to new launches, with a particular focus on key projects in Kwasa Damansara and Gelang Patah Phase 3 in the upcoming year.

As of FYE 2025, the Division's landbank stands at 106 acres, carrying an estimated GDV of RM1.1 billion and unbilled sales of RM297.2 million. Looking ahead to financial year ending 2026, the Division remains focused on strengthening its asset portfolio through targeted land acquisitions and strategic joint ventures.

Another key area of focus is the enhancement of sustainability practices. The Division is committed to securing green building certifications across its developments, in line with our Environmental, Social, and Governance aspirations. These efforts not only improve the environmental credentials of our projects but also bolster their long-term value and appeal to a broader market.

Through these strategic initiatives, the Property Division reaffirms its commitment to value creation, operational excellence, and sustained growth in the property development sector.

Utilities Division

During the financial year under review, the Division maintained a stable performance from its concession assets in both the water and power sectors in Indonesia. These assets continue to generate sustainable revenue streams and healthy cash flows for the Division.

The Division's water treatment operations in Indonesia remained a core contributor to stable revenue and cash flow throughout FYE 2025. Indonesia is projected to require approximately IDR26,380 trillion in funding by 2030 for the development of its water systems. Thus, the Indonesia government is actively promoting Public-Private Partnership initiatives for drinking water projects in the Java region, primarily targeting foreign investors to participate in this national master plan.

As for the power operation segment in Indonesia, the 9MW mini-hydro power plant in Lintau, West Sumatera, has delivered consistent revenue and strengthened the Division's track record with PT Perusahaan Listrik Negara. This track record, positions the Division well to participate in future potential tenders in Indonesia, aligning with the country's ambitious renewable energy expansion plans under Rencana Usaha Penyediaan Tenaga Listrik.

In Malaysia, the 5.9MWa.c. solar photovoltaic plant in Tawau, Sabah, has entered the testing and commissioning stage and is expected to achieve commercial operation by the second quarter of financial year ending 2026. This project further strengthens our renewable energy footprint and supports the national green energy transition agenda.

In December 2024, the Division through a strategic partnership, successfully secured a Letter of Notification from the Energy Commission of Sabah ("ECoS") for the development of a 15MWa.c. Large-Scale Solar ("LSS") Photovoltaic Plant under the LSS Sabah 2024 programme. Located in Tawau, Sabah, this project marks a significant milestone in our renewable energy expansion efforts.

Looking ahead, the Division remains focused on strengthening the value of its existing investment portfolio in the power and water segments through cost optimisation and operational efficiency to improve financial performance. At the same time, the Division remains cautiously optimistic in exploring new opportunities in renewable energy and water sectors to further enhance its long-term concession asset portfolio.

SUSTAINABILITY

Sustainability is central to Gadang's business approach. We persist in integrating sustainability into every facet of our operations, influenced by material matters under the Economic, Environmental, and Social ("EES") pillars.

In advancing our sustainability objectives, we have in place a strong corporate governance framework that promotes compliance, transparency and fostering long-term stakeholder trust. We are proud to have been ranked in the Top 50 of PLCs in the 2024 National Corporate Governance and Sustainability Excellence Award that was organised by the Minority Shareholders Watch Group in September 2024.

With regard to the Economic pillar, our focus is to generate profits and foster sustainable growth. We continually work to improve our operational efficiency, manage project risks effectively and create value across our three (3) main sectors i.e. Construction, Property, and Utilities. Sustainability is ingrained in our daily project activities and management, ensuring that we stay robust and relevant in a rapidly evolving landscape.

In alignment with the Environmental pillar and to support the national goal of achieving net-zero greenhouse gas emissions by 2050, we have broadened our renewable energy portfolio. Our 9MW mini-hydro facility in Lintau, Indonesia is now fully operational. In Malaysia, our 5.9MWa.c. solar photovoltaic plant in Tawau, Sabah, is close to completion and is set to commence operations in the upcoming financial year. Additionally, we are making progress on the development of a 15MWa.c. LSS project in the same region, which is expected to commence construction in the second quarter of financial year ending 2026.

On the Social front, we continue to focus on ensuring the safety and well-being of our employees and the public. We take pride in achieving an eight-year streak of zero fatalities and have received seven (7) safety awards this year from SHASSIC and MiSHA, which clearly highlights our strong dedication to Safety, Health, and Environment ("SHE") practices. Furthermore, we remain committed to contributing to society through community outreach initiatives that foster inclusivity and social well-being.

In support of the National Sustainability Reporting Framework ("NSRF"), which includes the International Financial Reporting Standards ("IFRS") S1 and S2 standards, we are diligently preparing our employees through training and awareness initiatives. This approach promotes compliance while enhancing our internal skills and abilities to handle sustainability-related risks and opportunities.

Full details of our sustainability initiatives and achievements are available in the Sustainability Statement of this Annual Report.

Management Discussion & Analysis

OUTLOOK AND GROWTH STRATEGIES

Malaysia's construction industry is projected to achieve an average annual growth rate of 4.5% from 2026 to 2029, driven by continued investments in transport infrastructure projects, the expansion of renewable energy initiatives, and the New Industrial Master Plan 2030 (NIMP 2030) with its focus on Industry 4.0 and the adoption of digital technologies.

The Construction Division will continue its efforts to pursue and secure new contracts to strengthen its order book. Looking ahead, the Division's performance is expected to remain satisfactory, backed by the existing outstanding order book that supports sustainable revenue and profit growth. Nonetheless, the Division remains vigilant in light of on-going business uncertainties stemming from the geopolitical landscape and global trade tensions. Meanwhile, the Division will continue to prioritise on timely execution and completion of its current projects.

5.9MWa.c. Solar Photovoltaic Plant at Tawau, Sabah

The residential property industry is expected to remain stable with positive growth prospects, supported by resilient demand and improved market sentiment. The focus will largely remain on landed residential properties, as well as affordable high-rise apartments in major towns and cities, particularly in high-growth or highly sought-after locations. Building on this momentum, the Property Division remains cautiously optimistic on the opportunities ahead and is actively pursuing land bank replenishment which aligns with prevailing market trends.

The Property Division will remain vigilant to evolving customer needs and agile in its strategies, aiming to launch products that align with market demand while reallocating resources to enhance operational efficiency.

The Utilities Division is expected to continue generating recurring revenue through its existing concessions. The completion of the 5.9MWa.c. solar photovoltaic plant in Tawau, Sabah, along with the recent successful bid to develop a 15MWa.c. LSS photovoltaic plant in the same location, is anticipated to further enhance its recurring income in the coming years. Concurrently, the Group remains committed to pursuing strategic investments aimed at strengthening its concession asset base, particularly in the renewable energy sector. These efforts aim to diversify the Group's income streams and mitigate potential business volatility.

The Group remains mindful of rising operational costs due to tightening compliance requirements and the anticipated revision and expansion of the Sales and Service Tax ("SST") effective July 2025. These changes are expected to exert additional cost pressures on construction and development activities. In response, the Group will continue to focus on prudent cost management and disciplined project execution to safeguard profit margins and ensure the timely delivery of projects.

ACKNOWLEDGEMENT

On behalf of the Board and Management, we extend our heartfelt appreciation to all employees for their dedication, resilience, and loyalty, as well as for aligning with our vision in building a stronger future together. We also sincerely thank our shareholders and stakeholders for their continued patience, trust, and unwavering support as we undertake new challenges and pursue future opportunities.

Looking ahead to financial year ending 2026 and beyond, we remain committed to identifying areas for improvement and adapting effectively to the current business environment, with the goal of strengthening our performance and delivering greater value to our shareholders and stakeholders.

Tan Sri Dato' Seri Dr. Mohamed Ismail bin Merican
Chairman

Tan Sri Dato' Kok Onn
Group Managing Director

Corporate Governance Overview Statement

The Board of Directors ("the Board") of Gadang Holdings Berhad ("Gadang" or "the Company") is committed to ensuring that a high standard of corporate governance is practised throughout the Company and its subsidiaries ("the Group") in discharging its responsibilities with integrity, transparency, and professionalism to protect and enhance shareholders' value and the financial position of the Group.

This Corporate Governance Overview Statement ("the Statement") provides insights into the corporate governance practices of the Group under the leadership of the Board for the financial year ended 31 May 2025 ("FYE 2025").

The Statement is prepared in compliance with the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"). Essentially, this statement takes guidance from the following three (3) key corporate governance principles as set out in the Malaysian Code on Corporate Governance ("MCCG"):

MCCG PRINCIPLE A:
Board Leadership and Effectiveness

MCCG PRINCIPLE B:
Effective Audit and Risk Management

MCCG PRINCIPLE C:
Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

The Company has applied all applicable Practices set out in the MCCG for FYE 2025, except for:

PRACTICE 8.2	The board discloses on a named basis the top five senior management's remuneration components, including salary, bonus, benefits-in-kind, and other emoluments in bands of RM50,000.

The explanation for the departure from Practice 8.2 and the measures to be taken are provided in the Corporate Governance Report 2025 of the Company ("CG Report 2025").

This statement is to be read together with the CG Report 2025, which is available on the Company's website at www.gadang.com.my. The CG Report 2025 details how the Company has applied each Practice as set out in the MCCG during FYE 2025.

PRINCIPLE A: Board Leadership and Effectiveness

I Board Responsibilities

The Board is collectively the primary decision-making body for all material matters affecting the Group. It also provides effective leadership and guidance to steer the Group towards its strategic goals and maintain strong governance practices. The Board is responsible for the proper stewardship of the Group's business, ensuring the creation of long-term value for its shareholders and other stakeholders.

The principal duties and responsibilities of the Board include:

a) Reviewing and adopting strategic plans for the Group.
b) Overseeing the conduct of business and performance of the Group to ensure they are properly and appropriately managed to achieve performance targets.
c) Identifying principal risks and ensuring the implementation of appropriate internal control systems to identify and manage risks to protect the Group's assets and ensure long-term sustainability.
d) Ensuring the establishment of succession planning for key positions, including processes for recruiting Senior Management with high standards of integrity and competence and providing training, development and retention programmes to maintain leadership continuity.
e) Reviewing the adequacy and integrity of the internal control system of the Group, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.
f) Overseeing the development and implementation of an effective communication policy for the Group.
g) Overseeing the sustainability risks and opportunities.

To ensure effective governance, the Board confers specific powers to relevant Board Committees and delegates the day-to-day operation of the businesses to the Group Managing Director ("Group MD"), with support from Management team.

The Board Committees were established to assist the Board in overseeing specific responsibility areas, each operates within the defined terms of reference and provides summaries of key deliberations and decisions to the Board for monitoring. While the Board Committees may examine issues and provide recommendations, the ultimate responsibility for all matters lies with the Board.

Leadership Structure and Governance Framework

The Board has put in place a leadership structure and governance framework, as presented below, to ensure effective demarcation and discharge of duties among the Directors and Management team:

Corporate Governance Overview Statement

The Board

Responsible for the overall conduct of the Group's business, including driving its long-term success, setting values, standards, and strategic objectives, reviewing the performance, and ensuring a successful dialogue with its shareholders.

Chairman

- Plays a leadership role in the conduct of the Board and its relationship with shareholders and other stakeholders.
- Responsible for instilling good corporate governance practices, leadership, and effectiveness of the Board.

Independent Non-Executive Directors

- Act as a bridge between Management and stakeholders, particularly shareholders.
- Provide the relevant checks and balances on the acts of the Board and Management of the Company, focusing on shareholders' and other stakeholders' interests and ensuring that high standards of corporate governance are applied.

Senior Independent Non-Executive Director

- Acts as a sounding board to the Chair.
- Acts as an intermediary for other Directors, when necessary.
- Available to respond to shareholder concerns when contact through normal channels is inappropriate.

Board Committees

Delegated by the Board, they are responsible for maintaining effective governance in the respective areas.

Audit Committee

- Examines the integrity of the Company's financial reporting.
- Reviews the adequacy and effectiveness of the Company's internal controls and risk management framework and related compliance activities.
- Reviews the effectiveness of the internal and external audit functions.

Board Risk & Sustainability Committee

- Oversees the Company's risk management and sustainability matters.

Nomination & Remuneration Committee

- Evaluates the Board's composition and ensures Board diversity, the right mix, and balance of skills.
- Oversees the nomination and appointment of Directors and Senior Management.
- Oversees the implementation of the remuneration policy and structure for Directors and Senior Management.

Executive Directors

Group Managing Director

Responsible for the overall operations of the Group's businesses and implementing corporate strategy for the Group. Leads the management team in ensuring that the Group's businesses deliver shareholder value.

Chief Financial Officer

Responsible for overall financial and fiscal management aspect of the Group's operations, including financial planning and implementation, management of financial risks, financial reporting and sustainability matters.

Management

Responsible for implementing strategic objectives and decisions, realising competitive business performance in line with the established risk management framework, compliance policies, internal control systems, sustainability governance and reporting requirements.

Corporate Governance Overview Statement

Board Charter

The Board has a formalised Board Charter that outlines the roles, responsibilities, functions and authority of the Board, Board Committees, Chairman, Group MD, Independent Non-Executive Directors ("INEDs") and Individual Directors, ensuring they fulfil their fiduciary duties to the Group. The Board Charter also covers corporate governance principles and practices, board size and composition, processes for convening Board meetings, evaluation procedures and key matters reserved for the Board's decision and approval.

The Board Charter is reviewed regularly to ensure it remains aligned with the Board's objectives, current law and best practices. The Board Charter was last reviewed and updated in October 2024. A copy of the Board Charter is available on the Company's website at www.gadang.com.my.

Separation of the roles of Chairman and Group MD

The roles of the Chairman of the Board and Group MD are separated and the positions are held by different individuals. The division of responsibilities between the Chairman and Group MD ensures a balanced distribution of power and authority, promoting checks and balances and enhancing the overall governance structure of the Company. The Chairman of the Board plays a leadership role in the conduct of the Board and its relationship with shareholders and other stakeholders.

The Group MD, with the support of Senior Management, is responsible for implementing the Group's strategic plan, policies, and decisions as adopted by the Board and oversees the day-to-day operation. The Group MD has been delegated certain powers by the Board to execute transactions for and on behalf of the Group. These powers are exercised in accordance with the Group's rules and procedures and are subject to the defined and formalised authority limits.

Senior Independent Non-Executive Director

The Board recognises the importance of the Senior Independent Non-Executive Director ("SINED") to serve as a sounding board for the Chairman and as an effective conduit for other INEDs' concerns. He is also the designated contact point to whom shareholders may convey any concerns or queries about the affairs of the Company. The SINED of the Company is Mr Huang Shi Chin, who was appointed to the position on 16 August 2021.

Mr Huang Shi Chin can be contacted at francis.huang@gadang.com.my.

Company Secretary

The Board members have full access to the Company Secretary, an Associate Member of the Malaysian Institute of Chartered Secretaries and Administrators and qualified to act as company secretary under Section 235(2) of the Companies Act, 2016. The Company Secretary is responsible for advising the Board on matters related to compliance with the Company's Constitution, applicable laws, rules, procedures, and regulations affecting the Group, as well as the principles of best corporate governance practices. In addition, she handles corporate secretarial matters and represents the Company, liaising with the Companies Commission of Malaysia, Bursa Securities, and, when necessary, its shareholders.

To facilitate Directors' planning for attendance at Board and Board Committee meetings as well as the Annual General Meeting ("AGM"), an annual meeting calendar with scheduled dates is prepared and confirmed in advance at the beginning of each year. The Company Secretary consults with each director to ensure their availability before finalising the meeting dates. The Board meets at least five (5) times a year, and ad hoc meetings are also convened to deliberate on urgent substantive matters.

Corporate Governance Overview Statement

Timely Information

Complete, adequate, and timely information is vital for Directors to make informed decisions and discharge their duties well. They must also be kept abreast of the Group's operational and financial performance, key issues, challenges, and opportunities. As a standard practice, the notice of Board and Board Committee meetings, together with meeting materials, are furnished to the Directors at least five (5) working days in advance to enable the Directors to have sufficient time to review the documents and obtain further information or clarification to expedite the decision-making process. The meeting agenda and board papers are distributed in hard copy and/or electronically to the Directors for deliberations. Reminders are sent in advance to ensure that the Directors are well-prepared for the meetings.

There were six (6) Board meetings, five (5) Audit Committee ("AC") meetings, four (4) Board Risk & Sustainability Committee ("BRSC") meetings, two (2) Nomination & Remuneration Committee ("NRC") meetings, and one (1) general meeting held during FYE 2025. The Board is satisfied with the level of time commitment given by the Directors toward fulfilling their roles and responsibilities as Directors of the Company. This is evidenced by the attendance record of the Directors at Board meetings and Board Committee meetings during FYE 2025 as set out in the table below:

Name of Directors	Board meetings	AC meetings	BRSC meetings	NRC meetings	General meeting
Tan Sri Dato' Seri Dr. Mohamed Ismail bin Merican *(Chairman of the Board)*	6/6 (100%)	–	–	–	1/1 (100%)
Tan Sri Dato' Kok Onn	6/6 (100%)	–	–	–	1/1 (100%)
Kok Pei Ling	6/6 (100%)	–	–	–	1/1 (100%)
Huang Shi Chin	6/6 (100%)	5/5 (100%)	4/4 (100%)	2/2 (100%)	1/1 (100%)
Sherman Lam Yuen Suen	6/6 (100%)	5/5 (100%)	4/4 (100%)	2/2 (100%)	1/1 (100%)
Wong Ping Eng	6/6 (100%)	5/5 (100%)	4/4 (100%)	2/2 (100%)	1/1 (100%)

Code of Ethics and Conduct, Code of Ethics and Conduct for Directors, Whistleblowing Policy, Anti-Bribery & Corruption Policy, Conflict of Interest Policy and Human Rights Policy

The Board is committed to cultivating a corporate culture that prioritises ethical behavior throughout the Group's operations. To reinforce this commitment, the Board has implemented significant measures to ensure that all employees and Directors uphold the highest standards of integrity and conduct.

Separate **Codes of Ethics and Conduct ("the Codes")** have been established for employees and Directors. While there are common principles between the two (2), the Code for Directors is specifically tailored to reflect their fiduciary duties and responsibilities. This includes more detailed guidelines on matters such as corporate governance, oversight obligations, and conflict of interest.

Corporate Governance Overview Statement

The Company is committed to maintaining openness, ethics, and accountability and has established a Whistleblowing Policy & Procedures ("WPP"). The WPP provides a formal mechanism for employees, external stakeholders, and the public to report possible malpractices without fear of reprisal. The Whistleblowing Committee, comprising the Chairman of the AC, the Chief Financial Officer ("CFO"), and the Head - Group Internal Audit, oversees the WPP's implementation. There were no major concerns reported to the Whistleblowing Committee in FYE 2025 or during the period from 1 June 2025 up to the last practical date before the printing of this statement.

In addition, the Company has a standalone Anti-Bribery & Corruption ("ABC") Policy, which applies to Directors, employees and associated persons, and strictly prohibits bribery and corruption. This policy reaffirms the Company's unwavering commitment to comply fully with the Malaysian Anti-Corruption Commission ("MACC") Act 2009, the MACC (Amendment) Act 2018 and all other relevant local anti-bribery or anti-corruption laws. The ABC Policy is complementary and should be read in conjunction with the Code of Ethics and Conduct, Code of Ethics and Conduct for Directors, Conflict of Interest Policy and WPP.

The Conflict of Interest Policy has been established to ensure that conflicts of interest are identified and managed effectively. It is intended to guide how to deal with situations involving conflict of interest (including potential conflict of interest) as and when they arise. Directors are required to declare interests that they may have in matters arising during meetings and will be excluded from deliberations, decision-making and voting on the related resolution at Board Committee, Board and general meetings of the Company. Additionally, the Directors are required to review and confirm their external interests at least annually. Actual and potential conflicts of interest are documented in a register, which is maintained by the Company Secretary.

The Company believes that everyone has the right to be treated equally with fairness, respect, and dignity in the workplace. As part of our commitment, we established a Human Rights Policy that serves as a guiding principle for the Group and its stakeholders to ensure the protection of fundamental human rights, which cover Diversity & Inclusion, Freedom of Association, No Child Labour / No Forced Labour / No Human Trafficking, Minimum Wages, Working Hours & Benefits, Health & Safety, Women's Rights, and the Prohibition of Inhumane Treatment.

All six (6) policies, the Code of Ethics and Conduct, Code of Ethics and Conduct for Directors, WPP, ABC Policy, Conflict of Interest Policy and Human Rights Policy, are available on the Company's website at www.gadang.com.my.

Sustainability

The Company is committed to sustainability, as evidenced by its well-defined priorities and targets aligned with the business plan and stakeholder value creation. Supported by a robust governance structure, the Board maintains oversight of sustainability direction and approves strategic plans, taking into account Environmental, Social and Governance ("ESG") aspects. The strategies, policies, and targets for the Group are submitted to the Board Risk & Sustainability Committee ("BRSC") for review and to monitor their implementation.

To drive this commitment, the Risk Management & Sustainability Committee ("RMSC"), chaired by the Group MD, is responsible for developing and implementing sustainability strategies and seamlessly integrating sustainability risks into day-to-day operations. Regular updates on ESG aspects of the Group are provided to the BRSC and subsequently to the Board, ensuring their awareness of ESG-related issues and achievements.

The collaborative efforts of the Sustainability Working Group, led by the CFO, extend across business divisions to ensure the effective implementation and monitoring of sustainability measures, fostering interdepartmental collaboration.

For more information on sustainability, please refer to the Sustainability Statement section in this Annual Report.

Corporate Governance Overview Statement

II Board Composition

The Board comprises six (6) Directors, out of which four (4) are INEDs, including the Chairman, and two (2) are Executive Directors.

Based on the above, the current Board complies with Paragraph 15.02 of the MMLR of Bursa Securities, which requires at least one-third (1/3) of the Board to be independent directors and also meets Practice 5.2 of the MCCG of having more than half (1/2) of the Board composed of independent directors. This ensures objectivity in issues deliberated and impartiality in the decision-making process.

No alternate directors have been appointed to any of the boards. The current size and composition of the Board are adequate to facilitate effective and objective decision-making, given the scope and nature of the Group's business and operations. In addition, the Board collectively provides an appropriate balance and mix of skills, expertise, knowledge, and local & international experience to guide the Group. Following are the collective skills & competence of the Board:

Skill/Competence	Description
Leadership	Overall stewardship of the Group, business leadership, and public listed company experiences
Strategy and Entrepreneurial Acumen	Business development, assessment of existing and emerging opportunities
Sustainability and Stakeholder Management	Governmental relations, community and investor relations, corporate governance and banking
Technical	Engineering, real estate and property development, construction and other related skills
Finance and Corporate	Accounting, audit, financial reporting, taxation, legal, corporate financing, risk management and human capital development & management

The presence of the INEDs will serve to bring objective and independent views, advice, and judgment to the decision-making of the Board and provide the necessary checks and balances to ensure that the interests of all shareholders and the general public are given due consideration in the decision-making process. The INEDs contribute significantly in areas such as policy and strategy, performance monitoring, and allocation of resources, as well as improving governance and controls.

Board Diversity

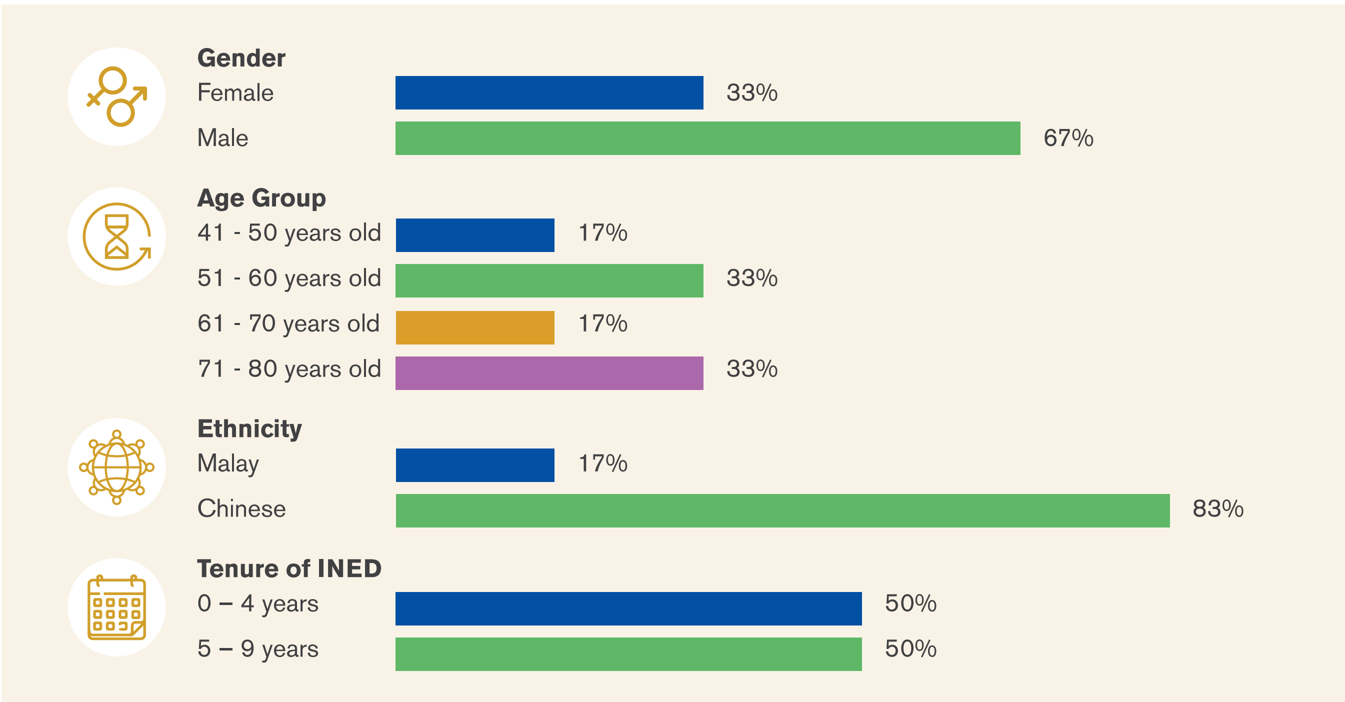
The Group recognises and embraces the benefits of a diverse Board. The Company has in place a Board Diversity Policy that sets out principles to maintain diversity in board composition as well as to ensure effective decision-making and governance of the Company and its businesses.

The Board currently has two (2) female directors out of six (6) directors. Female representation as a percentage of the full Board is 33%, which is in line with the 30% recommended under Practice 5.9 of the MCCG.

Gadang Holdings Berhad

Corporate Governance Overview Statement

The Board composition in terms of gender, age, ethnicity, and tenure of INEDs is as follows:



Nomination & Remuneration Committee

The Nomination & Remuneration Committee ("NRC") comprises three (3) members, all of whom are INEDs. Ms Wong Ping Eng, an Independent Non-Executive Director, is the Chairman of NRC and the other members are Mr Huang Shi Chin and Mr Sherman Lam Yuen Suen.

The duties and responsibilities of the NRC are to assist the Board in the appointment and evaluation of the performance of the Directors (including Board Committees) and to review and recommend the appropriate remuneration policies applicable to Directors and Senior Management.

The Terms of Reference of the NRC are available for reference at www.gadang.com.my.

During FYE 2025, the activities of the NRC included the following:

(i) Board Composition
- Reviewed the current composition and board size to ensure that the Board continues to have the right balance of skills, knowledge, experience and diversity.

(ii) Board Effectiveness Evaluation
- Conducted an annual assessment of the performance of the Board as a whole, its Committees, and each Individual Director, including the review of any potential conflicts of interest.
- Conducted an annual assessment of the independence status of INEDs.
- Evaluated and determined the training needs of the Directors.

Corporate Governance Overview Statement

(iii) Appointment of Directors and Senior Management
- Reviewed and made recommendations to the Board on the re-election of Directors at the 32nd Annual General Meeting ("32nd AGM").
- Considered proposals to renew the employment contract of Senior Management or convert the employment contract to adviser engagements, allowing the Group to leverage their expertise and experience in an advisory capacity.
- Reviewed the succession plan for the critical senior leadership positions and proposed the appointment of Directors of its subsidiaries.

(iv) Remuneration for the Group
- Reviewed the benefits and terms & conditions of employment of the Executive Directors and Senior Management.
- Reviewed the annual salary increments and bonuses of the Executive Directors and Senior Management of the Group.
- Reviewed the remuneration framework for INEDs.

Board Appointment Process

The Company practices a rigorous process for the appointment of new Directors. The NRC is entrusted with the role of identifying, assessing, and nominating candidates to fill Board vacancies and for succession planning. The search for potential INED is normally conducted through recommendations from existing Directors or external parties, including the Company's business contacts in related industries, as well as utilising independent sources to fill vacant positions based on the identified search criteria under the Directors' Fit & Proper Policy, approved by the NRC.

All potential candidates are first considered by the NRC, taking into account the mix of skills, character, competencies, qualifications, experience, integrity, financial standing, declaration of interest (if any), and time commitment to effectively discharge their roles and responsibilities. Diversity in terms of age and gender is also considered during the selection criteria. The aim is to have a Board composition with the right balance to realise the Group's strategic objectives, with fresh input and thinking while maintaining cohesiveness. The NRC then shortlists candidates for interviews to review their suitability before recommending them to the Board for approval.

Management Succession Planning

During the year, the NRC also reviewed the appointment and succession planning for Management team. Together with the Group MD, the NRC reviewed the detailed succession plan for key roles across Management team to ensure leadership continuity and business sustainability. During the year, the Board approved the recommendations of the NRC for the redesignation of Mr Liew Swee Kong from the Deputy Managing Director to Managing Director of Gadang Engineering (M) Sdn Bhd and the renewal of appointments for the relevant Key Senior Management.

Re-election of Directors

In compliance with the Company's Constitution, at each AGM, one-third (1/3) of the Directors shall retire by rotation from office and may offer themselves for re-election. All Directors, including Group MD and Executive Directors, shall retire from office once every three (3) years but shall be eligible for re-election. The Directors to retire each year shall be those who have been longest in office since their last election.

The Board's support for a Director's re-election is not automatic and is subject to a satisfactory assessment of performance and contribution. In ensuring the Directors to be re-elected are fit and capable to continue their position as Directors, the NRC assesses the retiring Directors in accordance with the Directors' Fit & Proper Policy of the Company, their contribution to the Board through their skills, experience, strengths and qualities, level of independence, and ability to act in the best interests of the Group in the decision-making process, and then submits its recommendation to the Board for deliberation and approval.

Corporate Governance Overview Statement

The Board, with the recommendations of the NRC, collectively resolved to recommend to the shareholders to vote in favour of the re-election of the following Directors who would be retiring pursuant to Clause 108 of the Company's Constitution at the 32nd AGM of the Company:

a) Re-election of Mr Huang Shi Chin
b) Re-election of Ms Kok Pei Ling

Review of Directors' Independence and Tenure of Independent Directors

The Board assesses the independence of Directors before their appointment and on an annual basis, focusing on their capacity to bring independent judgement to board decisions. Independent Directors are required to complete a Director's Independence Checklist based on the provisions in the MMLR of Bursa Securities and the MCCG. Thereafter, the NRC reviews the completed checklists, assesses the independence of the Directors, and presents its recommendation to the Board.

In 2025, all the INEDs declared themselves to be independent. The Board assessed their independence and determined that all INEDs continued to be independent in both character and judgement, enabling them to provide impartial, unbiased insights into the Group's affairs and deliver independent views to the Board.

In line with the exemplary practice recommended by the MCCG, the Company has adopted a policy that limits the tenure of its Independent Directors to nine (9) years without further extension to ensure continued effective functioning and progressive refreshing of the Board. None of the INEDs of the Company have served the Board for nine (9) years, nor have they had any business or other relationships that could affect their exercise of objective judgement.

Annual Board Evaluation

The Board, through its NRC, conducts an annual review of the Board and Board Committees' effectiveness as well as the performance, fitness, and propriety of Individual Directors. For FYE 2025, the evaluation, which was conducted internally, involved Individual Directors and Committee members completing separate evaluation questionnaires regarding the Board and the Committee processes, their effectiveness, and areas for potential improvement.

They also undertook a self-review and peer review, assessing their fellow Directors' performance. The Company Secretary compiled and analysed the results and presented them at the Board meeting, where the Board noted the findings and areas for improvement.

Based on the 2025 Board evaluation findings, the Board has the required mix of skill sets, experience, and other core competencies to enable the Board to discharge its duties more effectively, given the challenging economic and operating environment in which the Group operates. In addition, the Board continues to review its size and composition, emphasising its impact on the effective functioning of the Board.

The Board is satisfied and acknowledges that it has continued to perform effectively in discharging its responsibilities, with most areas rated in the range of "3" (Good/Competent) to "4" (Strong/Outstanding). The Board Committees have adequately fulfilled their functions and duties under their respective terms of reference. The Individual Directors have also met the fit and proper criteria and standards expected of them, with each making strong contributions, both generally and through the knowledge derived from their specialised areas of expertise, skills, and experience.

Continuing Development Programme for Directors

All Directors have completed Mandatory Accreditation Programme Part I ("MAP Part I") and MAP Part II to equip themselves with the necessary knowledge on sustainability matters and enhance their collective understanding in this area, as required by Bursa Securities. The Directors are mindful that they should receive appropriate continuous training by attending seminars and courses to keep themselves abreast of matters relating to their duties and responsibilities as Directors. The Board delegated its role to the NRC, which, in turn, assessed the training needs of the Directors.

Directors receive regular business briefings at Board meetings. These briefings provide insights into each aspect of the Group's business, covering business and financial performance, key issues, risks, and growth strategies. In addition, INEDs are also encouraged to visit the Group's operations to familiarise and understand the business environment.

The Company ensures that Directors are kept up to date on changes to regulations, guidelines, and accounting standards, as well as other relevant topics, including the outlook of various markets and updates to the MCCG and MMLR of Bursa Securities. These updates are conducted either during Board meetings or at specially convened training sessions or seminars conducted by external professionals, which are funded by the Company. In addition, relevant articles and reports are circulated to the Directors for information.

The Company Secretary also facilitates the organisation of internal and external programmes, training sessions, workshops, and seminars for Directors and maintains a complete record of the training received and attended by the Directors.

Below are the details of the seminars and training programmes attended by the Directors during FYE 2025:

Name of Director	Training Programme/Conference/Seminar
Tan Sri Dato' Seri Dr. Mohamed Ismail bin Merican	• Gadang: Provision of Financial Assistance
Tan Sri Dato' Kok Onn	• Gadang: Provision of Financial Assistance • Syarikat Suruhanjaya Malaysia ("SSM"): National Conference 2024
Kok Pei Ling	• Overview of E-Invoicing • BR Capital, The Digital Credit Market Platform for PLCs and Non-PLCs • SSM: SSM National Conference 2024 – Enhancing Corporate Transparency, Building Resilience • Navigating Sustainability Disclosures & Beyond • Preparing for the IFRS® Sustainability Disclosure Standards in Malaysia • Top Management and Board Awareness ISO 37001 : 2016 ABMS (Anti-Bribery Management System) • Malaysian Business Reporting System (MBRS) 2.0 : Annual Return • Gadang: Provision of Financial Assistance
Huang Shi Chin	• Gadang: Provision of Financial Assistance • ICDM: Mandatory Accreditation Program II: Leading for Impact
Sherman Lam Yuen Suen	• Gadang: Provision of Financial Assistance • Malaysian Institute of Accountants ("MIA"): International Accountants Conference • Speaker at SSM National Conference 2024 • Ministry of Ekonomi: Forum Ekonomi Malaysia 2025 • Morningstar: Q1 2025 Asia Investment Outlook • Morningstar: 2025 ESG Trends-Putting Sustainability To Work

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Wong Ping Eng	• Gadang: Provision of Financial Assistance • Malaysian Institute of Accountants ("MIA"): Taxation of Capital Gains in Malaysia – the Principle and Practice • ICDM: Mandatory Accreditation Program II: Leading for Impact • KPMG Malaysia: KPMG Tax Summit 2024 • Securities Commission: AOB Conversation with Audit Committees

III Remuneration of Directors and Senior Management

The Board aims to provide attractive and well-structured remuneration that is sufficient to attract, retain, and motivate Directors and Senior Management to drive the Company's strategic objectives, ensure business sustainability, and create long-term value for shareholders.

The Board has adopted a remuneration policy that provides clear guides and principles for determining the remuneration of the Board and Senior Management to support its objectives. The remuneration policy of the Company is available for reference on the Company's website at www.gadang.com.my.

The NRC is responsible for overseeing the implementation of the remuneration policy and structure. It reviews and recommends matters related to the terms of employment and remuneration for Directors and Senior Management to the Board.

The Board collectively determines the remuneration for the INEDs based on the NRC's recommendation. Each INED abstains from deliberating and voting on their own remuneration.

In addition, the Company also reimburses all expenses incurred by the Directors, where relevant, in the course of carrying out their duties as Directors.

The remuneration received by the two (2) Executive Directors of the Company from the Group and Company for the financial year ended 31 May 2025 amounted to approximately RM1,295,000 and RM724,000. The breakdown of the detailed Director remuneration paid to each Director on a named basis is disclosed in the Corporate Governance Report 2025, which is accessible to the public on Gadang's website at www.gadang.com.my.

In addition to the above, all Directors have the benefit of Directors and Officers ("D&O") Liability Insurance, which covers them against their personal legal liability in their capacity as Directors of the Company. The Directors shall not be indemnified in the event of any negligence, fraud, breach of duty, or breach of trust proven against them.

PRINCIPLE B: Effective Audit and Risk Management

I Audit Committee

The Audit Committee ("AC") of the Company comprises entirely INEDs and is chaired by an INED who is not the Chairman of the Board to promote unfettered objectivity during the Board's review of the AC's findings and recommendations. All members of the AC are members of the Malaysian Institute of Accountants. The present composition of the AC allows it to possess the requisite level of financial literacy and business acumen to have a sound understanding of the Group's financial matters and stay up-to-date with developments in financial reporting, accounting, and auditing standards.

The membership of the AC, meeting and attendance, training, summary of work, and summary of work of the internal audit function are set out on pages 40 to 46 of the AC Report of this Annual Report.

External Auditors

Through the AC, the Company has established a formal and transparent relationship with the External Auditors, seeking professional advice and ensuring compliance with the relevant accounting standards.

It is the policy of the AC to meet with the External Auditors three (3) times a year to discuss their audit plan, audit findings, and the Company's financial statements. At least two (2) of these meetings are held without the presence of the Executive Directors and Management. The AC also meets with the External Auditors whenever it deems it necessary. In addition, the External Auditors are also invited to attend the AGM of the Company and are available to answer shareholders' questions regarding the conduct of the statutory audit and the preparation and content of their audit report.

The AC is responsible for conducting an annual performance review and nominating the Company's External Auditors for appointment or reappointment by the Board. Each year, the AC will evaluate the External Auditors in fulfilling their duty to make an informed recommendation to the Board on their re-appointment. The annual review and assessment of the quality of the audit is carried out through an assessment checklist based on four (4) key areas, covering the quality of the service provided, sufficiency of audit firm resources, quality of communication and interactions with the External Auditors, and independence, objectivity, and professional scepticism as set out in the Company's External Auditors Policy.

In addition to the AC's assessment, the CFO and finance personnel, who have substantial contact with the external audit team, are also requested to perform an annual assessment of the External Auditors. This dual-layer evaluation ensures a comprehensive review of the auditors' performance from multiple perspectives within the Company. Upon satisfying itself with the performance of the External Auditors, the AC will recommend their reappointment to the Board.

II Risk Management, Internal Control Framework and Internal Review of Sustainability Statement

The Board is entrusted with the responsibility of maintaining a robust system of risk management and internal controls to safeguard shareholders' interests and the Group's assets. During the year under review, the BRSC, comprising three (3) INEDs, has diligently overseen the Company's risk management framework and policies. The BRSC reviews the framework's adequacy and effectiveness while closely monitoring the risk exposure.

The Group has implemented a comprehensive Risk Management Policy to safeguard its interests and ensure the resilience of its operations. This policy is reviewed annually to maintain relevance and effectiveness in a constantly changing business environment. It was last updated in April 2025. The risk management process outlined in the policy involves identifying, evaluating, managing, and reporting on how significant risks are being addressed within the business. These risks are thoroughly examined through various reviews and consolidated into risk registers, which are then monitored across the entire Group. The risk register comprises details regarding the risk area, probability of occurrence, potential impact, and mitigation actions to reduce the risks to acceptable levels. A summarised report of key risks is presented quarterly to the RMSC, including heads from each business function, and subsequently to the BRSC for review and evaluation. Thereafter, the BRSC provides a concise summary of its deliberations and decisions to the Board.

The Board has established an in-house internal audit function for the Group, which operates independently from the respective operating units. This independence is crucial to ensuring objective and unbiased evaluations of the Group's internal controls and systems. The principal role of the internal audit is to undertake an independent, risk-based and systematic review of the internal control of the financial and operating systems. The goal is to provide reasonable assurance that these systems will continue to operate satisfactorily and effectively.

The key responsibilities of the Group Internal Audit include:
- Conducting independent reviews of the internal control systems of various operating units within the Group.
- Evaluating the effectiveness and efficiency of these systems.
- Ensuring compliance with the Group's established policies, procedures, and relevant regulatory requirements.
- Reviewing the Sustainability Statement.

The Group Internal Audit is also responsible for providing the AC with independent and objective reports on the state of internal control within the Group. These quarterly reports include detailed audit findings, Management's response, and the recommended action plans.

The Group Internal Audit, in fulfilling its duty, adopts a risk-based approach and adheres to a methodology that is closely aligned with the International Professional Practices Framework of The Institute of Internal Auditors.

As part of the Group's commitment to transparent and accurate sustainability reporting, an internal review of the Sustainability Statement for FYE 2025 was undertaken. The internal review was conducted to ensure that the Sustainability Statement:

- Correctly reflects the Group's Environmental, Social, and Governance ("ESG") practices,
- Is consistent with the Group's strategic sustainability objectives, and
- Aligns with Bursa Securities Sustainability Reporting Guide and selected UN Sustainable Development Goals ("SDGs").

The review process involved verification of ESG data submission, cross-checking narrative disclosures and validation of Key Performance Index ("KPI")s against applicable standards.

The AC was briefed on the review outcomes, and the Sustainability Statement was reviewed by the Board Risk and Sustainability Committee prior to Board approval.

A detailed narrative of the Group's risk management and internal control framework is presented in the Statement on Risk Management and Internal Control of this Annual Report.

PRINCIPLE C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

I Communication with Stakeholders

The Company recognises the importance of communicating with its shareholders to ensure that its strategy and performance are understood and that it remains accountable to shareholders.

The Board is committed to ensuring effective, transparent, and timely communication with all stakeholders. To achieve this, the Company engages in various communication practices, including:

- Announcements and Disclosures
  Regular announcements and disclosures are made to Bursa Securities throughout the year. These include the timely release of various announcements, quarterly financial results and the distribution of annual reports and circulars to provide shareholders and the investing public with an overview of the Group's performance, operations, and the latest developments of the Group.

- Engagement with Institutional Shareholders and Analysts
  The Group MD and/or Chief Financial Officer ("CFO") will engage with institutional shareholders and analysts on an ad hoc basis. These meetings aim to promote a better understanding of the Group's financial performance and operations.

- Online Communication
  The Company's website, www.gadang.com.my, serves as a communication platform to provide comprehensive information about the Company and the Group, and an avenue for stakeholders to provide feedback and ask questions.

II Conduct of General Meetings

The Company's AGM serves as the principal forum for dialogue and interaction with shareholders. Shareholders are encouraged to participate actively during the AGMs by raising questions and providing feedback to the Board and Management team.

The Board ensures that shareholders are given sufficient notice and time to consider the resolutions that will be discussed and decided at the AGM. Each item of ordinary business included in the notice of the AGM will be accompanied by an explanatory statement on the effects of the proposed resolution. The notice of the AGM is given to shareholders more than twenty-eight (28) days prior to the date of the AGM, in line with Practice 13.1 of the MCCG.

The Notice and Agenda will also be published in the local English newspaper and made available on the Company's website.

The Company conducted its 31st AGM as a fully virtual meeting through live streaming to allow easier and more efficient access to its shareholders by participating remotely from any location. All members participated in the AGM online and voted electronically using the Remote Participation and Voting ("RPV") facilities. The shareholders and proxies of the Company were also able to submit their questions electronically via the virtual event platform before and during the AGM.

During the virtual AGM, the CFO presented a comprehensive review of the Group's performance for the year and its business outlook. All the Directors, Key Senior Management and External Auditors were present virtually at the AGM to provide answers and clarifications to shareholders.

The proceedings of the AGM were recorded in the minutes of the meeting and made available on the Company's website within three (3) weeks after the meeting.

The Corporate Governance Overview Statement and the CG Report were approved by the Board on 3 September 2025.

Audit Committee Report

The Audit Committee ("AC") of Gadang Holdings Berhad ("Gadang" or "the Company") is pleased to present the AC Report for the financial year ended 31 May 2025 ("FYE 2025").

A. COMPOSITION

The current AC comprises the following:

Mr Sherman Lam Yuen Suen	-	Independent Non-Executive Director (Chairman)
Mr Huang Shi Chin	-	Independent Non-Executive Director
Ms Wong Ping Eng	-	Independent Non-Executive Director

The current composition meets the requirements of paragraph 15.09(1)(a) and (b) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and Practice 9.4 (Step Up) of the Malaysian Code on Corporate Governance ("MCCG"), where the AC consists solely of Independent Directors, who are all financially literate and able to understand all matters under their purview, including financial reporting processes. None of the AC members have appointed alternate directors.

The AC Chairman, Mr Sherman Lam Yuen Suen and the other AC members are members of the Malaysian Institute of Accountants. Accordingly, the Company complies with paragraph 15.09(1)(c) of the MMLR of Bursa Securities.

B. TERMS OF REFERENCE

The AC's Terms of Reference ("TOR") are available for reference on the Company's website at www.gadang.com.my.

C. MEETINGS AND ATTENDANCE

The AC met five (5) times during the financial year as part of its standard schedule of meetings. The details of AC members' attendance records can be found under the Corporate Governance Overview Statement on page 29 of the Company's Annual Report 2025.

The AC meetings were always held before the Board's meetings. This was to ensure that all critical issues highlighted could be brought to the attention of the Board on a timely basis.

The AC meetings were always attended by the Chief Financial Officer ("CFO"), General Manager - Group Finance & Accounts, Senior Manager - Group Finance & Accounts, Head - Risk, Sustainability & Compliance, and Head - Group Internal Audit, who provided relevant briefings to the AC.

The Group Managing Director ("Group MD") was also invited to attend the AC meetings to facilitate direct communication and to provide clarification on audit issues and the Group's operations. Other members of Senior Management also joined the meetings for specific topics as requested. The representatives of the External Auditors attended three (3) of the AC's regular meetings and had private sessions with the AC twice in the absence of Management. The AC Chairman continuously engaged with Senior Management, External Auditors and Internal Auditors to stay updated on the Group's matters. The Chairman of the AC reports to the Board on the activities and significant matters discussed at each AC meeting. The minutes of each AC meeting were confirmed at subsequent AC meetings before being presented to the Board for notation.

Audit Committee Report

D. TRAINING

For the year under review, the members of the AC have attended various trainings and the details of the trainings attended are reported under the Corporate Governance Overview Statement on page 35 of the Company's Annual Report 2025.

E. SUMMARY OF WORK

During FYE 2025, the AC undertook the following activities:

Compliance and Internal Control

- Evaluated the overall adequacy and effectiveness of the Group's internal controls system and management information system through a review of the work performed by both Internal and External Auditors.

- Reviewed the extent of compliance with established internal policies, standards, plans, procedures, laws and regulations.

Financial Statement and Reporting Review

- Reviewed the annual audited financial statements of the Group before recommending them for the Board's approval.

- Reviewed the unaudited quarterly financial results of the Group before recommending them for the Board's approval.

- The AC's review focused on significant audit and accounting matters highlighted, including Management's judgments, estimates, and assessments.

- Discussed the application of major accounting policies and practices to ensure that the Group's financial statements had been prepared in compliance with approved accounting standards.

External Audit

- On 24 July 2024 and 4 September 2024, the AC reviewed the findings of the External Auditors' reports for the financial year ended 31 May 2024, particularly the issues raised on impairment assessment of goodwill, concession assets and investments in subsidiaries, revenue recognition, progress billings and exposure to Liquidated Ascertained Damages ("LAD") for construction contracts, as well as revenue recognition for property development activities. The AC also reviewed Management's responses to these findings, including the key audit matters highlighted.

  The audit issues raised by the External Auditors were noted, deliberated, and actions taken where necessary. The AC paid particular attention to matters it considered important by their impact on the Group's results, particularly those that involved a relatively higher level of complexity, judgement, or estimation by Management.

- In the meetings, the External Auditors confirmed that they have maintained their independence throughout the audit engagement, in compliance with all relevant professional and regulatory requirements.

- Reviewed the External Auditors' Management Letter and Management's response thereon and ensure Management provides information and records in a timely manner.

- The AC took note of the External Auditors' Transparency Report as tabled.

Audit Committee Report

- Had two (2) private sessions on 24 July 2024 and 4 September 2024, with the External Auditors without the presence of Management, to discuss major issues arising from the audit. No major concerns were highlighted, and the External Auditors confirmed that they received full cooperation from Management and staff during the audit, and the timeliness of information requested.

- To assess the effectiveness of the External Auditors, the AC on 4 September 2024 undertook an annual assessment of the suitability and the independence of the External Auditors based on the following four (4) key areas:
  i) quality of service provided;
  ii) sufficiency of audit firm resources;
  iii) quality of communication and interaction; and
  iv) independence, objectivity, and professional scepticism.

  Having carried out the review described above and being satisfied that the External Auditors remained independent and effective, the AC recommended to the Board that Crowe Malaysia PLT be reappointed for the ensuing financial year 2025.

- On 30 April 2025, the AC reviewed and discussed with the External Auditors their 2025 Audit Planning Memorandum before commencement of the annual audit. The 2025 Audit Planning Memorandum covered inter alia, the names of the engagement team, audit approach, significant events, the areas of audit emphasis and audit timeline.

- The AC reviewed the audit services and non-audit services provided by the External Auditors. The amount of audit and non-audit fees approved by the Board for FYE 2025 is set out below:

	2025	
	Group RM'000	Company RM'000
Statutory audit fees	685	108
Non-audit fees	273	14
Total	**958**	**122**

  The nature of the non-audit fees incurred by the Group and the Company are services rendered for reviewing Statement of Risk Management and Internal Control and tax services. The non-audit fees constituted approximately 28% of the total fees paid for FYE 2025.

Internal Audit

- On 24 July 2024, 23 October 2024, 22 January 2025 and 30 April 2025, the AC reviewed the internal audit reports presented by the Internal Auditors which encompass the results of the internal audit assessments, recommendations with enhancements suggested by the Internal Auditors, the respective Management personnel's responses, and corrective actions taken by Management in addressing and resolving issues and ensuring that all issues were adequately addressed promptly.

- On 22 January 2025, the AC reviewed and approved the 2025 internal audit plan to ensure adequate audit scope and coverage of the key risk areas of the Group's business operations are carried out. The audit plan was discussed with the CFO for Management input before being tabled to the AC for review.

- The AC also reviewed, at every quarterly meeting, the status of recommendations for outstanding audit findings to ensure all key risks and control issues were addressed.

Related Party Transactions ("RPT")

- Reviewed and discussed reports on RPT and Recurrent RPT ("RRPT") to ensure that all transactions with the related party are undertaken on an arm's length, on normal commercial terms, consistent with the Group's usual business practices and policies, which are not more favourable than those generally available to the public and other suppliers and not detrimental to the interests of the Group and its minority shareholders.

- Monitored the RPT and RRPT thresholds to ensure compliance with the Bursa Securities' MMLR.

- Reviewed and recommended to the Board, for approval, the Circular to Shareholders in relation to the proposed renewal of shareholders' mandate for the Company and its subsidiaries to enter into RRPT of the revenue or trading nature with related parties.

Conflict of Interest ("COI")

- Reviewed and monitored COI situations within the Group that raised concerns regarding management integrity, as well as the measures taken to resolve, eliminate or mitigate such conflicts. The COI review encompassed Directors, Key Senior Management and employees of the Group.

- Details on the actual and potential COI situations involving certain Directors of the Group together with the measures taken to address them, are disclosed below:

No	Director	Nature of COI	Measures Taken
1.	Tan Sri Dato' Kok Onn ("Tan Sri Kok") and Kok Pei Ling ("Ms Kok")	Boon Builder, a sole proprietor owned by Tan Sri Kok's brother provides subcontract works to the Group.	The Company obtains shareholders' mandate on the RRPT with Boon Builder at its AGM annually. Tan Sri Kok and persons connected to him will abstain from Board deliberation and voting at the AGM.
		Persons connected to Tan Sri Kok and Ms Kok are privately involved in property development business.	The private entities currently do not compete with the Group. If such circumstances arise, both Tan Sri Kok and Ms Kok will abstain from deliberation and decision making at Board meetings.
		Ms Kok, who is also the Chief Financial Officer is reporting to Tan Sri Kok, the Group MD.	The performance appraisal of Ms Kok is undertaken by the NRC.
2.	Sherman Lam Yuen Suen ("Mr Lam")	Also serves as an Independent Non-Executive Director on the board of Hiap Teck Venture Bhd ("Hiap Teck"), a supplier of the Group through its subsidiaries.	Mr Lam does not participate in or influence any management decisions relating Hiap Teck's business dealings with the Group. He will abstain from all Board deliberation and decision making should a conflict of interest arise.

Audit Committee Report

Annual Reporting

Reviewed the following reports and statements and thereafter, recommended the same to the Board for inclusion in the Annual Report:

- Audit Committee Report.
- Corporate Governance Overview Statement.
- Corporate Governance Report.
- Statement on Risk Management and Internal Control.

Other matters

- Conducted self assessment of the AC's performance.
- Deliberated on the implementation of e-invoicing for the Group.

F. SUMMARY OF WORK OF THE INTERNAL AUDIT FUNCTION

The Group Internal Audit ("GIA") carries out the internal audit function for the Group. The Board obtains adequate assurance on the effectiveness of the system of internal control in the Group, through a programme of regular reviews and appraisals conducted by the GIA, who reports directly to the AC. The GIA is led by the Head – GIA, Mr Alan Tham Wing Hoong ("Mr Tham") who reports functionally to the AC and administratively to the CFO. Mr Tham holds a Bachelor of Commerce (Major in Accounting) and completed the Certified Information System Auditor ("CISA") certification. He brings with him over 26 years of internal audit and financial management experience, covering the insurance industry, hospitality sector and fast-moving consumer goods business. Mr. Tham's extensive experience and diverse industry background equip him with a comprehensive understanding of financial systems and controls, making him an experienced leader for the GIA team.

The internal audit function is guided by the approved Internal Audit Charter with unrestricted access to areas of the Group's operational activities, and source records considered necessary to adequately discharge the internal audit duties and functions or investigation engagement. The internal audit function is independent of the activities of other operating departments and undertakes to review in depth all work processes of the Group activities and its relationship with third parties.

The internal audit adopts the risk-based internal audit methodology, aligned with the Global Internal Audit Standards and Global Guidance of International Professional Practices Framework ("IPPF").

The internal audit also adopts the five (5) components set out in the Internal Control-Integrated Framework issued by the Committee of Sponsoring Organisations of the Treadway Commission ("COSO"), i.e. control environment, risk assessment, control activities, information and communication, and monitoring activities. COSO is an internationally recognised organisation providing guidance on internal control, enterprise risk management, and governance.

During FYE 2025, the GIA undertook the following audit assignments:

(a) prepared the internal audit plan 2025 which was reviewed and approved by the AC, and updated where necessary.

(b) completed a total of nine (9) audit assignments (presented in the AC meetings held from July 2024 to April 2025) covering the following processes:

i) Business process review – PT Ikhwan Mega Power ("IMP")'s operations Standard Operating Policy & Procedure ("SOPP") compliance testing
- Adequacy of policies and procedures, including clearly defined roles and responsibilities.
- Completeness of Accounting, Operations, Human Resources, Anti-Bribery & Corruption ("ABC"), and Safety policies, processes, and overall management.
- Completeness of maintenance and repair documentation.
- Existence of Business Continuity Plan ("BCP").

ii) Business process review – Conflict of Interest, Codes of Ethics and Conduct and ABC policy compliance checking
- Completeness of policies, processes, and management.
- Compliance in the implementation and execution of the policies.
- Adequacy in reporting practices and identification for process improvement.
- Compliance with Section 17A of Malaysian Anti-Corruption Commission ("MACC") Act 2009 and Bursa Securities' requirements.

iii) Bursa Securities' 2023/2024 Sustainability reporting compliance review:
- Reported economic, environmental, and social indicators were in accordance with the Sustainable Development Goals ("SDG") and the Bursa Securities sustainability reporting guide.
- Completeness of data and supporting information for the reported sustainability matters and indicators.

iv) Business process review – Reporting Requirements and Enterprise Resource Planning ("ERP") System Implementation in the Contracts Department
- Reviewed project budgeting, claims preparation and submission processes, subcontractor appointment and claims approval.
- Enhanced processes to improve the completeness and accuracy of transactional documentation.
- Mapping of existing manual processes to ERP functionalities to facilitate user training and support system implementation.

v) Business process review – IMP's operations Standard Operating Policy & Procedure compliance testing and process improvement
- Completeness of project budget, costing, processes, and SOPP/documents.
- Cost monitoring practices against budget, including the implementation of appropriate action plans.
- Completeness of Accounting, Operations, Human Resources, ABC and Safety policies and their corresponding processes and management practices.

vi) Business process compliance testing and process improvement for:
- Rapid Transit System ("RTS") project
- Institute Perubatan Forensik Negara ("IPFN") project
- Purchasing executions are in accordance with SOPP.
- Purchasing processes to ensure effective monitoring and continuity of material supply in line with project plans and requisitions.
- Adequacy and compliance of purchasing and tender processes for medical equipment procurement.

vii) Business process review – ERP system implementation in Gadang Land Sdn Bhd
- System core modules, functionalities and feature execution.
- Minimise manual data processing and reporting.
- Plans to expand ERP system adoption and implementation across operations.

Audit Committee Report

viii) Bursa Securities' sustainability data compliance review (1st half of FYE 2025: June 2024 to December 2024)
- Completeness of data and information supporting reported sustainability matters and indicators in accordance with Bursa Securities' requirements.
- Sustainability data management, including storage, accessibility, and governance.
- Sustainability-related data collection processes improvement.

ix) Operational and accounting compliance audit – Regional Utilities Sdn Bhd ("RUSB"), Power Division (5.9MWa.c. Solar Photovoltaic)
- Completeness of project budget, costing, processes and related SOPP/documents.
- Cost monitoring practices against budget, including the implementation of appropriate action plans.
- Completeness of Accounting, Operations, Human Resources, ABC and safety policies and their corresponding processes and management practices.
- Completeness and appropriateness of payment-related documentations and approval processes for advances, prepayments, trade payables, and payment management.

(c) examined and aligned the Internal Control System Framework, including periodically reviewing controls, organising assessments and ensuring the effectiveness of the internal control system.

Internal audit reports were issued to Management of the operating units being audited, highlighting any system and control weaknesses. The reports also included recommendations for improvement. Management then implemented corrective and preventive actions based on agreed timelines. These reports, along with follow-up audit reports, were presented to the AC quarterly for deliberations and process improvement.

The company incurred a total cost of approximately RM452,462 for maintaining the internal audit function for the year under review. The Audit Committee Report was approved by the Board on 3 September 2025.

Statement on Risk Management and Internal Control

INTRODUCTION

The Board of Directors ("the Board") is pleased to present the Statement on Risk Management and Internal Control ("Statement") for Gadang Holdings Berhad ("Gadang" or "the Company") and its subsidiaries ("the Group") and joint ventures, excluding its associated company.

This Statement is issued in compliance with Paragraph 15.26(b) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and Principle B of the Malaysian Code on Corporate Governance, with guidance from the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

BOARD'S RESPONSIBILITY

The Board affirms its overall responsibility for maintaining a robust risk management framework and internal control system that safeguards shareholders' investments and the Group's assets. It also sets the tone at the top and fosters a culture of effective risk management and internal control.

Recognising the inherent limitations of any internal control and risk management system, the Board acknowledges that these systems are designed to manage rather than eliminate all risks that may hinder the Group from achieving its business objectives. Therefore, they can only provide reasonable but not absolute assurance against material misstatement or loss.

The Board confirms the existence of an ongoing process to identify, analyse, evaluate, treat and monitor significant risks faced by the Group. This process has been in place for the financial year and up to the date of approval of this Statement for inclusion in the Annual Report. The Board conducts quarterly reviews of this process to ensure its alignment with the guidelines outlined in the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

The Board has received assurance from the Group Managing Director ("GMD") and Chief Financial Officer ("CFO") that the Group's risk management and internal control system operate adequately and effectively in all material aspects, based on the risk management and internal control system framework implemented by the Group.

Statement on Risk Management and Internal Control

KEY FEATURES OF RISK MANAGEMENT AND INTERNAL CONTROL

1. Risk Management

The Company's Enterprise Risk Management framework is illustrated below.

ENTERPRISE RISK MANAGEMENT FRAMEWORK

ERM Infrastructure

- Vision/Mission/Goals
- Governance Structure
- Board/Management Mandate
- ERM Policy & Procedures (ISO 31000 : 2018)
- Anti-Bribery & Corruption Policy
- Whistleblowing Policy & Procedures
- Sustainability Reporting Framework

ERM Process

ERM Integration

- Code of Ethics & Conduct
- Business Planning
- Standard Operating Policies & Procedures
- Investment/Divestment/Joint Venture
- Decision Making
- Sustainability Targets
- Performance Management
- Internal Audit
- ISO 9001 : 2015 Quality Management System
- ISO 45001 : 2018 Occupational Health & Safety Management System
- ISO 39001 : 2012 Road Traffic Safety Management System
- ISO 14001 : 2015 Environmental Management System

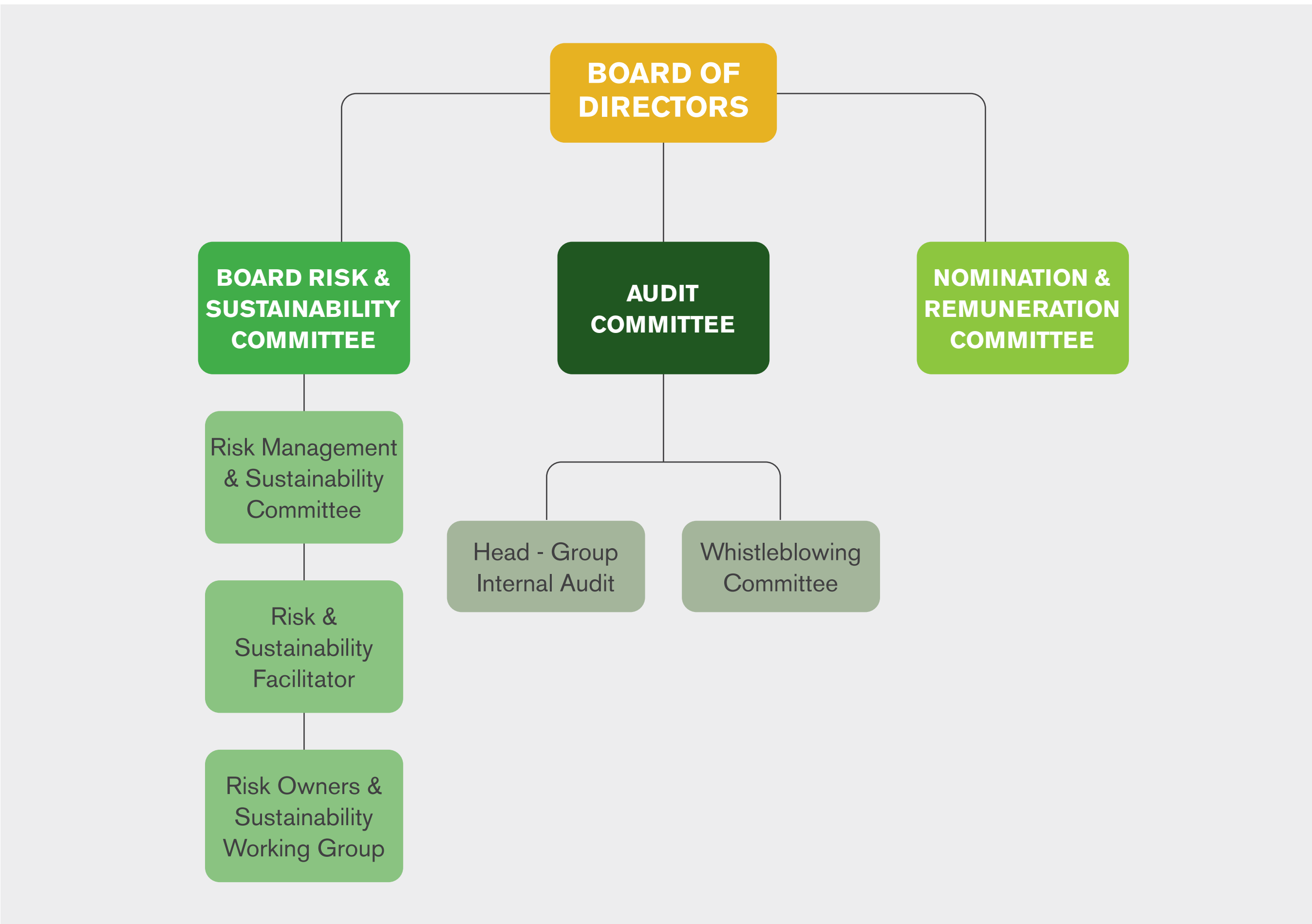
The Enterprise Risk Management ("ERM") framework is benchmarked against the ISO 31000 : 2018 Risk Management - Guidelines. The ERM framework is specifically designed to integrate ERM into key activities, initiatives and processes of the Group. The Board conducts an annual review of the ERM framework to ensure its effectiveness.

To ensure compliance with paragraph 15.29 of the MMLR of Bursa Securities, the Board ensures that the Group's Anti-Bribery & Corruption Policy and Whistleblowing Policy & Procedures are reviewed annually to assess their effectiveness and changes are made as and when necessary. In addition, the Conflict of Interest Policy has been aligned with Bursa Securities' Guidance on Conflict of Interest. These policies form an integral part of the Group's Code of Ethics & Conduct and are accessible on the Group's website. At the end of the financial year, an annual corruption risk assessment is conducted to identify potential corruption risks across the Group's operations. This assessment facilitates the implementation of preventive controls and

Statement on Risk Management and Internal Control

ensures their continued relevance. The results of the corruption risk assessment, along with the conflict-of-interest assessment are presented to the Board for deliberation. No significant issues or concerns were reported.

The Board has established a governance structure that ensures effective oversight of risks and internal controls within the Group. It is supported by sub-committees, as depicted below and these sub-committees are empowered by their respective terms of reference to provide independent oversight of internal control and risk management.



At the management level, the Risk Management & Sustainability Committee ("RMSC") is responsible for implementing the Group's risk and internal control policies and procedures. Its main objectives include identifying, analysing, evaluating, treating, monitoring and reporting risks, as well as taking appropriate remedial actions when needed. The RMSC meets quarterly to review significant risks faced by the Group and reports to the Board Risk & Sustainability Committee ("BRSC"), which consists of independent directors. The BRSC also meets quarterly to review significant risks and provides a summary of their discussions and decisions to the Board. The Board evaluates the adequacy and effectiveness of the risk management system.

Statement on Risk Management and Internal Control

a. **Operating risk**

The Group actively manages both strategic and day-to-day operational risks. Day-to-day risks encompass the supply chain, sales, project completion, health and safety, human capital and regulatory compliance. Each business unit effectively manages these risks by adhering to standard operating policies and procedures. For operational risks that affect the entire organisation, such as treasury management, transfer pricing and group sustainability, a centralised coordination approach is adopted. These risks are managed across the organisation in a coordinated manner to ensure consistency and effectiveness.

Some of the key risks presented to the Board were as follows:

(i) Project completion

The progress of the Group's projects remains susceptible to various industry-wide challenges, including a scarcity of skilled foreign labour, delays in raw material or equipment supply, inclement weather conditions and frequent design changes. These factors pose a significant risk of project implementation delays, which could potentially impact the Group's reputation and financial stability.

To mitigate these risks, the Group closely monitors site progress. All project sites maintain detailed records of site conditions and work progress to ensure accurate tracking and substantiation of delay events, if any. In cases where delays arise from uncontrollable or unforeseen circumstances, such as delayed site possession or design changes, the Group has established a process for requesting Extension of Time (“EOT”). In addition, contracts with subcontractors include penalty clauses and clear provisions requiring timely rectification of delays, thereby minimising the Group’s exposure to third party disruptions.

(ii) Cost escalation

The Group continues to face the risk of cost escalation, which directly impact profit margins. This escalation is driven by several factors, including supply chain disruptions that have resulted in increased prices for key construction materials such as diesel, concrete, cement and crusher run. In addition, inflationary pressures have led to broader cost increases, while labour costs have risen due to adjustments in minimum wages and higher overtime pay.

To mitigate the impact of rising costs, the Group has taken several proactive measures. These include pursuing Variation of Price (“VOP”) and loss and expense claims from clients in accordance with contractual provisions. The Group also engages in active negotiations with contractors and suppliers to secure more competitive pricing and favourable terms. Price fluctuations in materials and labour are closely monitored by the project team to allow timely responses. To further manage cost pressures, the Group has expanded its supplier base to reduce supply risk and has disposed inefficient assets with high maintenance costs to improve operational efficiency.

(iii) Long gestation period for overseas investment

Investments in water treatment and power plants under the Utilities Division typically involve extended gestation periods before achieving optimal returns on investment (“ROI”).

To manage this risk, the Division actively pursues tariff adjustments in line with contractual terms and/or applicable government regulations. In addition, the Division emphasises cost optimisation, delivers high-quality services to clients and enhances operational efficiency to ensure compliance with contractual capacity requirements.

(iv) Regulatory compliance

The Group's businesses are governed by relevant laws, regulations, standards, licenses and concession agreements. Unfavourable changes in regulatory policies can adversely affect operations and profitability. To manage these risks, the Group: -

- Keeps abreast of emerging laws and regulations by actively participating in seminars, conferences and training programmes organised by regulatory authorities or external training providers.
- Implements suitable policies and procedures to mitigate the risk of non-compliance.
- Engages with regulatory authorities to remain informed about the latest legislative developments and regulatory requirements affecting the Group's operations.

b. Cyber & Information Technology ("IT") Security risk

The Group's businesses have become increasingly reliant on IT systems to manage our operations. However, this reliance also exposes us to the risk of cyberattacks and IT security breaches. The loss or corruption of data can result in significant disruptions, financial and reputational losses, as well as legal and regulatory liabilities associated with data privacy and protection. To mitigate these risks, the Group has implemented various measures to enhance its infrastructure and security. These measures include the use of the AI Threat Intel Advanced System (ATAS), firewalls and antivirus software to prevent unauthorised access and malware attacks. The Group's IT Department also provides security awareness training to employees through email communications and monitors networks and systems for any unusual activity. In addition, the Group's IT Department enforces a policy against illegal software downloads and conducts random audits to ensure compliance with IT security policies.

c. Economic/Market risk

The Construction Division continues to face a challenging operating environment. Replenishing the order book has become increasingly difficult due to external pressures, particularly intense industry competition and reduced government spending on infrastructure projects. With more players targeting a limited pool of tenders, securing new projects has become highly competitive and margin-sensitive. Geopolitical tensions and global uncertainties have further dampened market confidence and slowed project rollouts, resulting in a reduced construction outstanding order book of RM839.0 million. In addition, rising material and labour costs, persistent inflation and ongoing supply chain constraints have led to higher project costs in both the short and long term, putting further pressure on margins and hindering the sector's recovery efforts.

To navigate these challenges, the Division is actively bidding for niche and private sector projects, including opportunities with other government agencies, as well as exploring renewable energy such as solar and industrial buildings.

Furthermore, the Division is strengthening its existing order book by nurturing relationships with current clients, ensuring timely project completion, maintaining high-quality standards and enhancing operational efficiency. The Construction Division's Executive Committee ("EXCO") continues to evaluate the company's cost structure regularly to optimise efficiency and improve competitiveness. By leveraging its strong reputation, trusted track record and commitment to quality, the division is well positioned to navigate ongoing uncertainties and remain a resilient player in the evolving construction industry landscape.

Meanwhile, the property market sentiment in Malaysia remains subdued, impacted by weakened economic conditions and declining purchasing power. The persistent overhang of unsold high-rise residential and serviced apartment units in the Klang Valley and Johor continues to dampen market sentiment, despite showing signs of improvement. In addition, limited growth in rental yields and capital appreciation, coupled with elevated interest rates, may deter investment and slow down the sector's recovery.

Statement on Risk Management and Internal Control

To counter these challenges, the Property Division has refined its strategies by offering attractive sales packages and accelerating project launches to minimise holding and financing costs. Regular pricing reviews are conducted to ensure alignment with current market demand and buyer affordability. The Division is also offering flexible financing options such as installment plans to bridge the gap between the purchase price and the purchaser's loan amount, thereby supporting homebuyer affordability and improving take-up rates.

With unbilled sales of RM297.2 million, the Division anticipates modest revenue and earnings contributions over the next two (2) years. By focusing on resilient demand segments and diversifying its product offerings, the Division aims to stay responsive to emerging trends and sustain its competitiveness in a subdued market environment.

d. Sustainability

Sustainability risk refers to environmental, social or governance ("ESG") events or issues that may negatively impact the Group's operations, reputation or cost of doing business. The Group has established a sustainability governance structure, as outlined in the Sustainability Statement, together with details on key Economic, Environmental and Social sustainability risks and opportunities, which can be found on pages 56 to 100.

e. Liquidity

The Group has financial obligations that involve large or periodic payments, including project financing repayments, landbank acquisition installments, ongoing construction project funding and investments in renewable energy projects. Inadequate cash flow leading to delays in meeting these obligations could result in liquidity constraints, particularly in the event of project delays or low take-up rates for property launches. To mitigate this, the Group strengthens its treasury function by closely monitoring cash flow requirements and ensuring adequate financial facilities are in place to support both current operations and future growth. The Group also maintains proactive engagement with key bankers to explore funding opportunities and regularly monitors financial covenants and gearing levels to ensure compliance within acceptable thresholds.

2. Internal Control

The key elements of the Group's internal control system include:

a. Organisation structure and limits of authority

The Group maintains a clearly defined organisation structure outlining the staff reporting hierarchy and has in place Authority Limit Charts. They ensure clear lines of authority and accountability throughout various levels of Management, facilitating the segregation of duties and ensuring accountability. Terms of Reference are in place for Board and Management Committees.

b. Management meetings

The Group Management Committee ("GMC") convenes bi-monthly meetings to address and resolve key operational, corporate, financial, legal and regulatory matters. The minutes of GMC meetings are included in the papers for quarterly Board meetings. This ensures that the Board is kept informed about operational progress, issues and the corresponding mitigation plans.

c. Planning, monitoring and reporting

i. The Group has implemented an annual business plan policy, requiring all business divisions to develop their respective plans for the upcoming year. These plans are presented to the Board by the Heads of Divisions before the start of the new financial year. The Board engages in an interactive discussion on risks, challenges and assumptions before approving the plans for execution. A comparison of the quarterly actual performance against the forecasted budget from the business plan, including explanations for the variances, is presented to the Board for review.

ii. The Key Performance Indicators ("KPIs") are established by the Operating Divisions based on the approved business plans. These KPIs are then cascaded down to subordinates to ensure alignment with the strategic objectives of the Group. The Group Human Capital Department tracks the progress of KPI achievement by the Heads of Divisions on a half-yearly basis and reports them to the RMSC followed by BRSC.

d. Policies and procedures

The Group has established and documented internal control policies and procedures to enhance financial management and operational controls. These policies and procedures serve as a comprehensive guide for employees in their daily work activities. Clear accountability and responsibility for key processes are defined within these policies and procedures. The Group's policies and procedures are regularly reviewed, at least once a year, to ensure their effectiveness and relevance. Any necessary updates are promptly made and employees are informed of any changes to maintain awareness and compliance.

e. Financial reporting

The Group has implemented robust processes and controls to ensure accurate and timely financial reporting. These processes encompass the proper recording of financial information and the generation of up-to-date financial statements and key performance results. On a quarterly basis, the Group Finance and Accounts personnel present the actual financial performance of each Operating Division against the budget to the Audit Committee ("AC"), providing explanations for any variances. The AC reviews and deliberates on the financial performance, which is subsequently approved by the Board. The CFO also oversees the preparation of a monthly rolling cash flow forecast of the Group for ongoing review and monitoring.

f. Whistleblowing

The Company has implemented a Whistleblowing Policy and Procedures, which is accessible on its website. The policy provides a framework for individuals to report any instances of suspected or known misconduct, wrongdoing or inappropriate behaviour related to corrupt practices, fraud or abuse involving the Company's resources. It ensures that appropriate channels are in place for individuals to confidentially and securely report such incidents.

3. Audits

a. Internal audit

The in-house Group Internal Auditors assist the AC in discharging its duties and responsibilities by independently reviewing and reporting on the adequacy and integrity of:

- Internal control systems and process improvements;
- Compliance with the Group's established policies & procedures; and
- Sustainability Statement assurance.

The AC approved the 2025 audit plan based on the risk based internal audit ("RBIA") approach in January 2025. RBIA is an internal audit methodology supported by an audit heat map, focus on identifying and prioritising inherent and residual risks involved in operations or systems. Its objective is to provide reasonable assurance that risk management and internal controls are functioning within an adequate and effective control environment.

The internal audit planning adopts COSO's Internal Control Integrated Framework to identify, design and recommend effective controls requirements relevant to the business and operating environments. The internal audit engagement is performed by adopting the Institute of Internal Auditors International Professional Practices Framework ("IPPF") 2024. The IPPF is a framework that organises authoritative guidance on internal auditing issued by The Institute of Internal Auditors ("IIA").

The Internal Auditors have established an Internal Control Framework to guide internal audit testing of operational units, aimed at assessing the effectiveness of internal controls vis-à-vis established policies, procedures and best practices and identifying opportunities for business process improvement. On a quarterly basis, the Head - Group Internal Audit attends AC meetings to present Internal Audit Reports, which include the overall audit conclusion, significant weaknesses identified, recommended action plans, management responses, responsible personnel and deadlines. Follow-up reviews are carried out to assess the implementation status of management action plans. The results of these reviews are also highlighted to AC during the quarterly meetings.

The AC deliberates on internal audit issues and management responses, with the quarterly AC minutes extended to the Board for notation. For more details on internal audit assignments carried out during the year, please refer to pages 42 to 46.

b. External audit

The AC has reviewed and approved the annual audit planning memorandum prepared by the External Auditors for the Group's financial statements. Throughout the audit, the External Auditors report directly to the AC on any significant internal control deficiencies identified. These are communicated through their report on internal control deficiencies. The report also includes Management's response to the observations.

REVIEW OF ADEQUACY AND EFFECTIVENESS

The Board affirms that the Group's risk management and internal control system has operated adequately and effectively throughout the year under review and up to the date of approval of this Statement. The internal controls in place are sound and sufficient to safeguard the interests of shareholders, customers, regulators, employees and other stakeholders, as well as to protect the Group's assets.

REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS

The External Auditors have reviewed this Statement on Risk Management and Internal Control to the scope set out in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information and the Audit and Assurance Practice Guide 3 ("AAPG 3") - Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report, issued by Malaysian Institute of Accountants.

Based on their review, the External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers to be set out, nor is the Statement factually inaccurate.

This Statement on Risk Management and Internal Control was approved by the Board of Directors on 3 September 2025.

Additional Compliance Information

• Utilisation of Proceeds Raised from Corporate Proposals

During the FYE 2025, the Company undertook a private placement exercise involving the issuance of 72,806,100 new ordinary shares, representing approximately 10% of the total issued shares of the Company, at an issue price of RM0.31 per share. The placement raised total gross proceeds of approximately RM22,570,000.

The status of utilisation of the proceeds as at 31 May 2025 is as follows:

Purpose	Proposed Utilisation (RM'000)	Actual Utilisation (RM'000)	Balance (RM'000)	Intended Timeframe for Utilisation (from Listing Date)
Construction projects expenditure	22,248	(7,100)	15,148	Within 24 months
Expenses for the placement	322	(322)	-	Completed
Total	22,570	(7,422)	15,148	

Except as otherwise disclosed, no proceeds were raised from corporate proposals during the FYE 2025.

• Material Contracts

There were no material contracts other than those in the ordinary course of business entered into by the Company or its subsidiary companies involving Directors' and major shareholders' interests during FYE 2025.

• Recurrent Related Party Transactions of a Revenue or Trading Nature

At the last Annual General Meeting held on 6 November 2024, the Company had obtained a mandate from its shareholders to allow the Company and/or its subsidiaries ("the Group") to enter into recurrent related party transactions of a revenue or trading nature ("Recurrent Transactions") with related parties.

In accordance with Paragraph 10.09(2)(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, details of the Recurrent Transactions conducted during the FYE 2025 pursuant to the said shareholders' mandate are as follows:

Name of Related Party	Relationship	Nature of Transactions	The Company	Aggregate Value RM
Boon Builder	Boon Builder is a sole proprietorship owned by Mr Kok Khim Boon, the brother of Tan Sri Dato' Kok Onn who is the Group Managing Director and a major shareholder of Gadang.	Provision of sub-contract works	Gadang Group	7,273,310

Sustainability Statement

GROWING FUTURE IN SUSTAINABILITY

Gadang Holdings Berhad ("Gadang"), hereinafter referred to as the "Company" or the "Group", is pleased to present its Sustainability Statement for the financial year ended 31 May 2025. This report highlights our sustainability initiatives aimed at creating long-term value while minimising environmental impact, promoting social well-being and upholding good governance practices.

We recognise the importance of good Environmental, Economic and Social ("EES") practices in driving sustainable growth. Moving forward, we aim to focus more on managing climate risks and opportunities in line with the National Sustainability Reporting Framework ("NSRF") regulations. Our commitments reflect our dedication to protect the environment, supporting communities and delivering long-term value across our operations. This report outlines our key achievements, material matters and contributions to the United Nations Sustainable Development Goals ("UNSDGs").

We believe that sustainable practices are essential to long-term success, contributing not only to financial performance but also to the well-being of communities and the preservation of our planet. We strive to create lasting value that goes beyond short-term achievements.

GADANG SUSTAINABILITY FRAMEWORK

Our **Vision**

To be the preferred leader in all our core businesses, recognised for our high standards and commitment to excellence

Our **Mission**

To perpetually pursue value for all our stakeholders

To build an effective management team that emphasises on productivity and innovation

To drive a holistic approach to business management, incorporating Economic, Environment, Social and Governance considerations alongside financial goals, to support business continuity and competitiveness over the long term

Gadang's Sustainability Pillars

Economic

Business Front

Deliver quality products & services and maintain good corporate governance

Environmental

Environment

Manage the environmental impact in the areas that we operate

Social

Workplace

Develop talent & recognise employees' contributions and provide a safe and conducive workplace

Community

Giving back to the communities

In alignment with **UNSDG**

REPORTING PERIOD

This Statement covers the Group's sustainability management and performance data from 1 June 2024 to 31 May 2025 and the comparative data where applicable.

REPORT AVAILABILITY

www.gadang.com.my

REPORTING CYCLE

Annually

REPORTING GUIDES

- Bursa Malaysia's Main Market Listing Requirements
- Bursa Malaysia's Sustainability Reporting Guide – 3rd Edition
- United Nations Sustainable Development Goals

FEEDBACK

Risk Management and Sustainability Department
Wisma Gadang
No. 52, Jalan Tago 2
Off Jalan Persiaran Utama
Sri Damansara
52200 Kuala Lumpur
Tel. : + 603 6279 6382
Fax. : + 603 6279 6376
Email : sustainability@gadang.com.my

REPORTING SCOPE

The reporting scope includes Gadang and our active subsidiaries in Malaysia and Indonesia. Below is the list of covered entities and projects / products.

Gadang Holdings Berhad

Engineering & Construction

Gadang Engineering (M) Sdn Bhd ("GESB")

Datapuri Sdn Bhd ("DSB")

Key Projects

- Rapid Transit System Link ("RTS Link")
- Klang Valley Data Centre ("KVDC")
- Institut Perubatan Forensik Negara ("IPFN")
- Central Spine Road Section 2B ("CSR2B")
- Public Realm Works at Tun Razak Exchange ("TRX Package C6")

Property Development

Mandy Corporation Sdn Bhd ("MCSB")

Gadang Land Sdn Bhd ("GLSB")

- Natural Domain Sdn Bhd
- Splendid Pavilion Sdn Bhd
- Crimson Villa Sdn Bhd
- Hillstrand Development Sdn Bhd

Key Projects

- The Vyne (Phase 4), Sungai Besi
- Laman Citra (Phase 2 & 4), Gelang Patah
- Akasia (Phase 1B & 2A), Semenyih
- Cassia Residence (Phase 3C), Cyberjaya

Utilities

Regional Utilities Sdn Bhd ("RUSB")

Nusantara Suriamas Sdn Bhd

Asian Utilities Pte Ltd ("AUPL")

- PT Taman Tirta Sidoarjo ("TTS")
- PT Hanarida Tirta Birawa ("HTB")
- PT Dewata Bangun Tirta ("DBT")
- PT Ikhwan Mega Power ("IMP")

Key Products

Water Concession

- Water Treatment Plants (Jawa Timur, Indonesia)

Power Concession

- Mini-hydro Power Plant (West Sumatera, Indonesia)

STATEMENT OF ASSURANCE

An internal review was undertaken by the internal audit function. The subject matter covered the whole report across all companies within the Group's operational control.

SUSTAINABILITY GOVERNANCE

The Board of Directors leads the sustainability governance by setting the Group's strategic direction and overseeing key sustainability matters. To support this, the Board has established the Board Risk and Sustainability Committee ("BRSC"), with implementation oversight delegated to the Risk Management and Sustainability Committee ("RMSC") at the management level. ESG-related Key Performance Indicators ("KPIs") are also embedded in the performance appraisals of executive directors and senior management to enhance accountability.

The governance structure defines clear roles and responsibilities across all levels of the Group. In line with the National Sustainability Reporting Framework ("NSRF"), the Group is enhancing its capacity and capabilities to focus on climate-related disclosures and long-term sustainability performance.

SUSTAINABILITY GOVERNANCE STRUCTURE

Board of Directors ("Board")

- Sets the strategic direction and oversees the sustainability framework for the Group whilst maximising stakeholders' value through the management of financial (business growth, profitability, etc) and non-financial indicators, including economic, environmental and social ("sustainability") related matters arising from its business activities
- Reviews and approves the outcome of biennial materiality assessment
- Reviews the Board and senior management performance evaluation against sustainability KPIs
- Approves the Sustainability Statement for inclusion in the Annual Report

Board Risk & Sustainability Committee ("BRSC")

- Supports the Board by monitoring the implementation of the strategic plans by Management

Risk Management & Sustainability Committee ("RMSC")

- Chaired by the Group Managing Director
- Supported by the respective Heads of Business Divisions to achieve the Group's sustainability objectives
- Accountable for the development and implementation of sustainability strategies
- Provides status updates on sustainability performance
- Reviews the sustainability statement prior to approval by the Board

Risk & Sustainability Facilitator ("RSF")

- Supports the RO & SWG
- Facilitates ESG data collection and reporting while driving progress towards the Group's ESG goals
- Monitors regulatory updates and reports key changes to the RMSC and BRSC

Risk Owners ("RO") & Sustainability Working Group ("SWG")

- SWG chaired by the Chief Financial Officer ("CFO") and represented by risk owners i.e. Heads of Departments ("HODs") and representatives from various departments across all business divisions
- Sets the scope of sustainability management measures and drive the day-to-day implementation and monitoring of sustainability management, across all business divisions whilst promoting interdepartmental collaboration
- Identifies, assesses and reports on sustainability risks and opportunities relevant to the Group's operations including climate change and provides regular updates on sustainability performance
- Manages the reporting on sustainability-related KPIs

STAKEHOLDER ENGAGEMENT

We engage our stakeholders continuously through various communication channels. These engagements provide valuable insights into their focus areas, allowing us to align them with the Company's strategies and business operations.

Stakeholder Group	Form of Engagement	Areas of Focus	Outcome
Board of Directors	• Board Meetings • Board Sub-committees Meetings • Annual General Meeting • Corporate/Company Events • Stakeholder Engagement Surveys	• Business Strategy • Sustainable Profitability and Growth • Financial Performance • Compliance with ESG Practices • Human Capital Management • Workplace Health and Safety	Strategic plans that maximise shareholders' value and drive long term sustainability performance

Gadang Holdings Berhad

Sustainability Statement

Stakeholder Group	Form of Engagement	Areas of Focus	Outcome
Investors/ Shareholders	• Annual General Meeting • Investor Relation Activities • Public Announcements • Corporate Website • Annual Report	• Sustainable Profitability and Growth • Product Innovation to Meet Changing Demand • Image and Reputation • Compliance with ESG Practices • Timely & Transparent Disclosure • Business Ethics & Compliance	Positive reputation amongst investors/ shareholders
Employees	• Internal Communications • Face-to-face meetings • Learning & Development Programme • Sports Club Activities • Community Programmes • Employee Handbook • Code of Ethics & Conduct • Performance Review • Stakeholder Engagement Surveys	• Training, Guidance and Support • Fair Treatment of Employees • Workplace Health and Safety • Employee Well-Being • Competitive Remuneration (Benefits) • Career Development • Job Satisfaction • Anti-Bribery and Corruption • Human Rights	Enhanced employee engagement and satisfaction
Clients/ Customers	• Client/Customer Satisfaction Surveys • Sales & Marketing Channels • Events, Exhibitions • Social Media • Corporate Website • Stakeholder Engagement Surveys • Mobile and Email Communications	• Quality Product and Services • Timely and Responsive Communication • Design to Meet Customers Needs • Fair Product Pricing • Personal Data Protection • Workplace Health and Safety	Enhanced satisfaction Recurring business opportunities
Government/ Regulatory Authorities	• Ad Hoc Public Invitations • Site Visits • Seminar and Training Sessions • Conferences/industry events • Participation in Organised Programmes • Stakeholder Engagement Surveys	• Compliance with laws and regulations • Business Ethics & Compliance • Supporting Government Policies and Objectives • Information Security	Better understanding of Company's sustainability commitment Compliance with laws and regulations
Contractors, Vendors, Suppliers	• Virtual/Face-to-face Meetings • Supplier/Subcontractor Evaluations • Stakeholder Engagement Surveys	• Clear Contract Terms and Fulfilment • Good Governance Practices • Ethical Business Conduct • Fair Price • Client Satisfaction • Timely and Responsive Communication • Workplace Health and Safety • Human Rights • Sustainable Procurement	Better understanding of Company's sustainability commitment

Stakeholder Group	Form of Engagement	Areas of Interest	Outcome
Business Partners	• On-going Communication & Visits	• Collaboration & Market Synergy • Ethical Business Conduct • Sustainability Policy • Human Rights Policy	Recurring business opportunities
Media/ Analyst	• Press Conferences • Media Releases/Interviews • Ad Hoc Meetings	• Timely & Transparent Disclosure • Environmental Practices	Better understanding of Company's financial & sustainability performance
Local Communities/ NGOs	• Meetings & Visits • Community Development Programmes	• Accessible & Affordable Housing • Environmental Practices • Community Development • Contributions to Society	Better social relationship

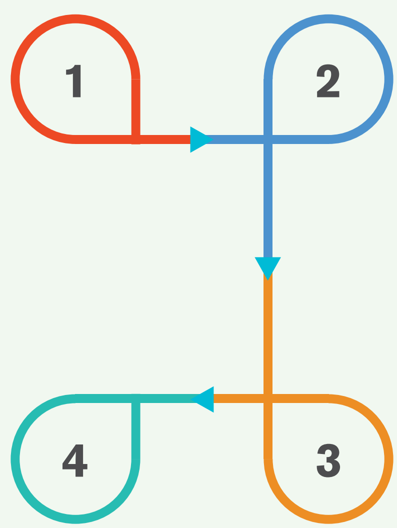
MATERIALITY ASSESSMENT

In FYE 2025, we conducted a materiality assessment to update the FYE 2023 findings and ensure our sustainability strategies remain aligned with evolving stakeholder expectations. The assessment aimed to validate existing material matters, identify new ones and reprioritise stakeholder concerns based on relevance. It was carried out through engagement with internal stakeholders, including our Sustainability Working Group ("SWG") as well as external stakeholders.

MATERIALITY ASSESSMENT PROCESS

REVIEW

We reviewed the relevancy of ESG topics by considering internal inputs and external references such as regulatory frameworks, industry practices and global trends. Key stakeholders are identified to ensure a balanced internal and external perspective in shaping material topics.



PRIORITISE

We prioritised material matters through structured stakeholder engagement, surveys and workshops with internal and external stakeholders and assess the material matters based on stakeholders' concerns, potential impact on the Group's business performance and alignment with our long-term strategic objectives.

INTEGRATE

We examined the results of prioritisation and validated material matters with the Risk Management & Sustainability Committee and the Board. The outcome of the materiality assessment is presented in a matrix and approved by the Board.

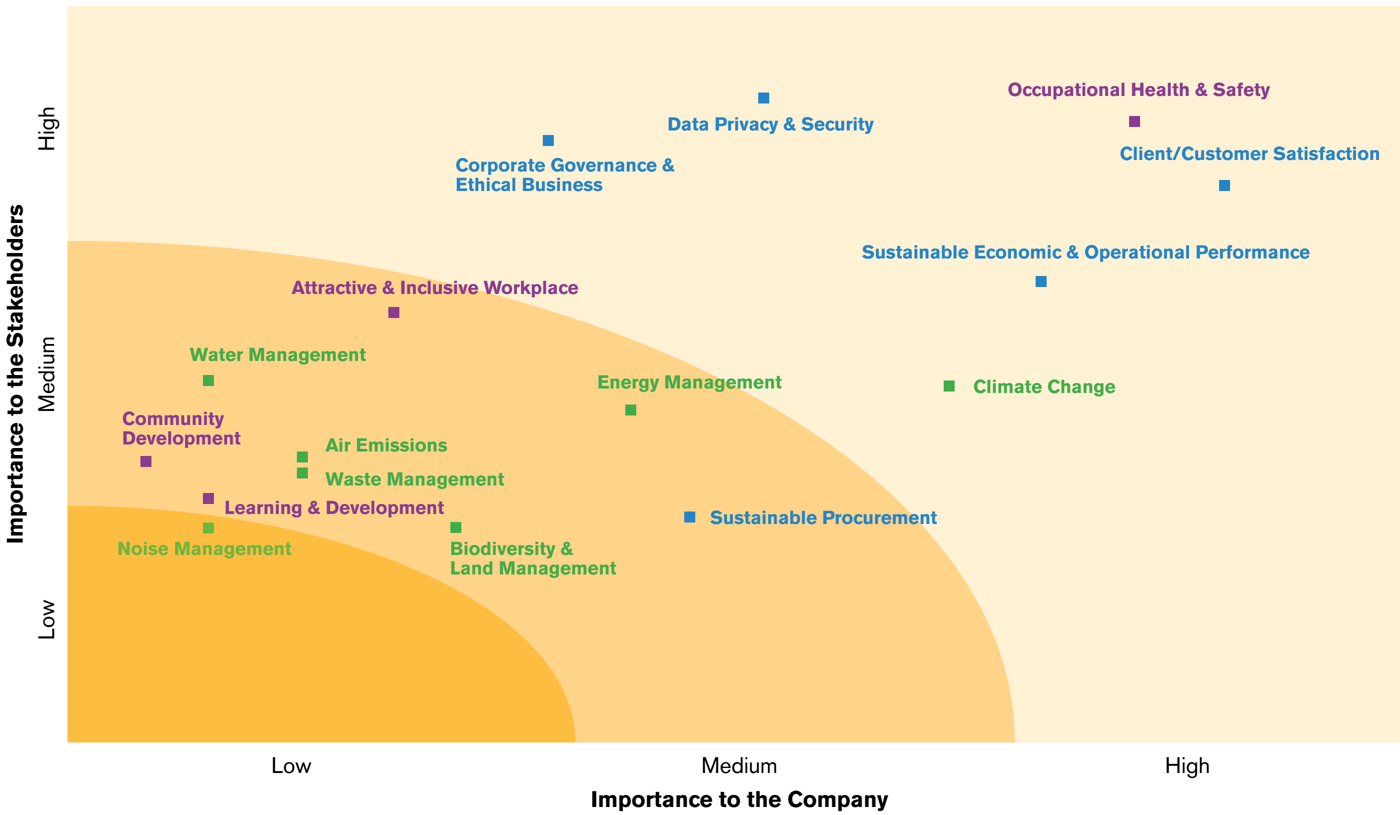
UPDATE

We updated our materiality parameters periodically in light of changes against the business landscape, emerging global & national trends, regulatory development, as well as stakeholders' opinions.

Gadang Holdings Berhad

Sustainability Statement

MATERIALITY MATRIX



Economic	Environmental	Social
Sustainable Economic & Operational Performance*	Climate Change*	Occupational Health & Safety*
Client/Customer Satisfaction*	Waste Management	Attractive & Inclusive Workplace
Data Privacy & Security*	Biodiversity & Land Management	Learning & Development
Corporate Governance & Ethical Business	Air Emission	Community Development
Sustainable Procurement	Water Management	
	Energy Management	
	Noise Management	

**high priority matters*

In our FYE 2025 materiality assessment, we identified five (5) high priority matters that required more focus and attention. These matters have been evaluated and we have set sustainability targets and performance metrics to track the progress. Further details on each priority matter are provided within the respective Economic, Environmental and Social sections of this Sustainability Statement.

AWARDS & RECOGNITION

In FYE 2025, we obtained the following awards and recognitions, which served as a testament to our commitment to ESG best practices and industry standards:

NACGSA

("National Corporate Governance and Sustainability Awards") by MSWG. Recognised among the Top 50 Public Listed Companies in Malaysia for excellence in governance and sustainability.

QUEST

QUEST Awards (by CIDB) – ECRL project received the Infrastructure Category Award, recognising excellence in construction quality.

SHASSIC

Achieved a 5-Star Rating (Highest Award) for outstanding site safety and health performance for the RTS and IPFN projects.

MiSHA

Recognised for our commitment to OSH principles, with a Platinum Award for the RTS project and Gold Awards for the CSR2B, IPFN and KVDC projects.

2024

- **MiSHA Excellence Award (Gold)** – OSH Risk Management in Construction & Heavy Engineering Sector (CSR2B Project)
- **MSOSH Recognition** – Very Good OSH Performance (RTS-LINK Project)

2023

- **MSOSH Gold Class 1** – ECRL Section 6
- **MOSHPA Gold Award** – ECRL Section 6
- **SHASSIC 5-Star Rating** – RTS LINK
- **QA/QC Certificate of Appreciation** – MRT V206
- **Safety Certificate of Appreciation** – RTS LINK

2022

- **MiSHA Golden Safety Award** – Cyberjaya
- **Best Emergency Response Team** – TRX C3

2022 (Cont'd.)

- **Best Labour Quarter Management** – MRT V206
- **Best Environmental Management** – TRX C6 & MRT V206
- **Best Safety & Health Committee** – ECRL, TRX C3 & TRX C6
- **SHASSIC 5-Star Rating** – ECRL
- **SHASSIC 5-Star Rating** – TRX C6

2021

- **MSOSH Silver Award** – TRX C6

2020

- **Employee of Choice (Silver Award)** – Human Resources
- **Best CEO Award** – Corporate Governance, Billion Awards by Focus Malaysia

FYE 2025 SUSTAINABILITY TARGETS & PERFORMANCE

ECONOMIC

Category	Sustainability Targets FYE 2025	Achievement
Quality	Quality Assessment System in Construction ("QLASSIC") Average > 75% score	**78.5%**
	To obtain CIDB SCORE rating - 5 Star	**3 Star**
Corporate Governance	To have 30% women directors in the Board	**33% women directors**
Anti-Corruption	100% employees trained on anti-bribery and corruption	**100% trained**
	100% of operations assessed for corruption-related risks	**100% assessed**
	No confirmed corruption incident	**No confirmed corruption incident**
ISO Standards	To renew ISO 14001 : 2015 Environmental Management System for GESB	**ISO renewed**
	To renew ISO 45001 : 2018 Occupational Health & Safety Management System for GESB	**ISO renewed**
Data Privacy & IT Security	Zero data breaches	**Zero data breaches**
Supply Chain Management	To obtain at least 95% of purchases from local suppliers	**99%**
Client/ Customer Satisfaction	Target to achieve 75% and above	**E&C - 82% Property - 83% Utilities - 86%**

ENVIRONMENT

Category	Sustainability Targets FYE 2025	Achievement
Waste Management	To achieve waste recycling of 15% for Engineering and Construction	**19%**
	To recycle 3,000 kg of waste at Gadang HQ	**3,439 kg waste recycled**
Water Management	To achieve total water consumption below 50,000 m³	**49,781 m³**
Energy Management	Solar Renewable Energy Harnessing 15% of Gadang HQ's energy from renewable energy	**16.0% or 85,258 kWh clean energy RM44,000 saved**
	To achieve total energy consumption below 6,000 MWh	**5,467MWh**

Sustainability Statement

ENVIRONMENT (Cont'd.)

Category	Sustainability Targets FYE 2025	Achievement
Environment Management	Zero summons from Departmental of Environment ("DOE")	**Zero summons**
Climate Change & Biodiversity	Plant 1,500 trees to offset carbon footprint	**1,769 trees planted Equivalent to 38,918 kgCO_2 absorption**
Carbon Emission	Scope 1 To achieve direct emissions intensity of < 0.0100 tCO_2e from diesel-powered plant and machinery	**0.0072**
	Scope 2 To achieve indirect emissions intensity of < 0.0075 tCO_2e from purchased electricity	**0.0057**
	Scope 3 To achieve indirect emissions intensity of < 0.0017 tCO_2e per employee from commuting and business travel	**0.0015**

SOCIAL

Category	Sustainability Targets FYE 2025	Achievement
Health & Safety	To obtain at least one safety award in recognition of promoting a strong safety culture	**7 Safety Awards Obtained**
	To have 80% of staff receive health and safety training	**87.5% (641 employees trained)**
	Zero fatality	**Zero fatality**
	Incident Rate < 4 per 1,000 workers	**Zero incident rate**
	Loss Time Injury Frequency Rate ("LTIFR") < 8	**Zero LTIFR**
Attractive & Inclusive Workplace	School aid support to employees' children. Target 100 students	**RM 29,400 contributed to 147 children**
	To provide average 10 training hours per employee	**15 hours**
	Zero complaint on human rights violation	**Zero human rights violation**
Community Development	Supporting at least two needy scholars for college/university education	**5 students awarded scholarship Contributed RM115,000**
	Supporting Corporate Social Responsibility ("CSR") activities amounting to RM100,000	**Contributed RM130,000**

BUSINESS FRONT

SUSTAINING BUSINESS PERFORMANCE

To sustain revenue and profit

Financial Performance	FYE 2025 (RM'000)	FYE 2024 (RM'000) Restated	FYE 2023 (RM'000)
Revenue	779,812	591,923	496,073
Profit/(Loss) Before Tax	18,027	14,465	(27,897)
Profit/(Loss) After Tax	6,998	495	(41,196)
Shareholders' Funds	816,542	791,862	792,452
Total Assets	1,350,398	1,388,284	1,389,173
Total Cash & Bank Balances, and Investment Securities	263,397	171,405	218,390
Share Price (RM)	0.25	0.44	0.29
Net Assets Per Share (RM)	1.02	1.09	1.09

Specific details of the Group's financial performance are provided in the Management Discussion & Analysis section of this annual report.

Large-Scale Solar Project, Tawau

Laman Citra, Gelang Patah

RTS-Link, Johor Bahru

QUALITY ASSURANCE

To score **above 75%** for QLASSIC assessments

To maintain ISO certifications

To obtain CIDB SCORE **5 Star rating**

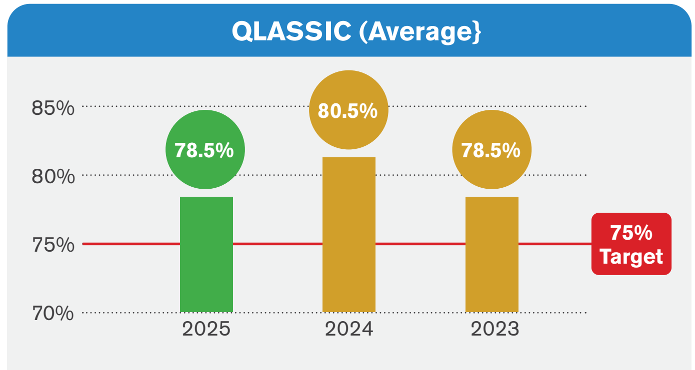
Project quality and workmanship are always our top priorities. We strive to deliver high quality building and infrastructure construction.

Sustainability Statement

QLASSIC (Quality Assessment System in Construction)

In FYE 2025, we participated in three QLASSIC assessments for our property projects, namely Semenyih (Taman Akasia Phase 2A), Gelang Patah (Laman Citra Phase 2) and Cyberjaya (Cassia Residence Phase 3C). We set a minimum target QLASSIC score of 75% and we successfully achieved an average score of 78.5%.

QLASSIC is a system developed by CIDB to measure and evaluate the quality of workmanship in building construction based on the Construction Industry Standard ("CIS").



ISO Quality Standards

We remain committed to upholding high-quality standards through the continued maintenance of our ISO certifications.

This year, we successfully renewed ISO 14001 : 2015 and ISO 45001 : 2018 certifications for our subsidiary, Gadang Engineering, while maintaining ISO 9001 : 2015 and ISO 39001 : 2012 through our regular surveillance audits.

CURRENT ISO MANAGEMENT SYSTEM HELD BY GADANG

GESB, DSB, Utilities (TTS, HTB, DBT)	GESB	GESB	GESB
ISO 9001 : 2015	**ISO 14001 : 2015**	**ISO 45001 : 2018**	**ISO 39001 : 2012**
Quality Management System	Environmental Management System	Occupational Health & Safety Management System	Road Transport Safety Management System

CIDB SCORE Rating

To achieve a 5-star SCORE rating from the Construction Industry Development Board ("CIDB"), a minimum of 85 points and 15 points for each parameter are required.

In our latest assessment, GESB received a 3-star SCORE rating. This was mainly due to ongoing challenges in the construction industry, including work disruptions, supply chain issues, minimum wage increases and rising raw material costs which affected our financial performance. We recognise the importance of this rating and are taking steps to improve in key areas, with the goal of achieving a 5-star rating in the next assessment.

Sustainability Statement

HANDLING CLIENT / CUSTOMER EXPECTATIONS

To score at least 75% on our Client/Customer satisfaction for all Divisions

We frequently engage our clients/customers through meetings, incorporating their feedbacks, conducting site visits, surveys and utilising other platforms to gauge their satisfaction levels. We are committed to respond in a timely manner whenever issues are raised by them.

Based on client satisfaction surveys conducted across Engineering and Construction, Property Development and Utilities divisions, we successfully achieved our target of 75% customer satisfaction this year.

Engineering & Construction	Property Development	Utilities
2025: 82%	**2025: 83%**	**2025: 86%**
2024: 78% | 2023: 78%	2024: 79% | 2023: 73%	2024: 90% | 2023: 87%

CORPORATE GOVERNANCE

To uphold ethical business conduct and corporate integrity

Sustainability Indicator	Metric	Target	Achievement		
			FYE 2025	FYE 2024	FYE 2023
Anti-Corruption	Employees trained on anti-bribery & corruption	100%	**100%**	100%	100%
	Percentage of operations assessed for corruption risks	100%	**100%**	100%	100%
	No confirmed corruption incidents	0	**No confirmed corruption incidents**	No confirmed corruption incidents	No confirmed corruption incidents

A strong and effective corporate governance ensures corporate success, cultivates a culture of integrity and maintains investors' confidence. We are governed in a structured manner whereby policies are in place to promote good corporate governance, accountability and integrity in the workplace.

Governance Policies for Directors and Employees

Board Charter	Code of Ethics and Conduct	No Gift Policy	Sustainable Procurement Policy	Business Continuity Plan	Biodiversity Policy
Remuneration Policy of Directors and Employees	Anti-Bribery and Corruption Policy	Risk Management Policy	Human Rights Policy	ISO Standards	Conflict of Interest Policy
Directors' Fit and Proper Policy	External Auditor Policy	Board Diversity Policy	Sustainability Reporting Framework	Whistleblowing Policy and Procedure	Health and Safety Policy

Anti-Corruption and Integrity

Zero Tolerance for Bribery and Corruption
We are committed to upholding the highest standards of ethics and integrity in our operations. In line with Section 17A of the Malaysian Anti-Corruption Commission ("MACC") Act 2009, the Company adopts a zero-tolerance policy towards all forms of bribery and corruption. Our approach is guided by the TRUST principles outlined in the Guidelines on Adequate Procedures.

Strengthening Governance Framework
Annually, we review the Standard Operating Policies and Procedures ("SOPPs") across the Group to ensure they remain relevant and aligned with regulatory requirements. This supports operational efficiency, quality delivery and compliance while minimising risks of miscommunication or non-compliance.

Conflict of Interest ("COI") Declarations
Under the enhanced Conflict of Interest policy, all directors and employees must disclose any actual or potential conflict of interest. A risk assessment was conducted based on these declarations and the results were presented to the Audit Committee ("AC") and the Board.

Corruption Risk Assessment
We conduct annual corruption risk assessments to identify and address potential risks across our operations. The outcomes of these assessments, including mitigation controls, are presented to the Risk Management and Sustainability Committee ("RMSC") and the Board for review.

Third-Party Compliance
To extend our ethical standards beyond internal operations, all third-party business partners including suppliers, vendors and service providers are required to sign the ABC declaration form.

Communication, Training and Awareness
All employees, including new hires during onboarding, are required to acknowledge their understanding and commitment to our anti-bribery and corruption ("ABC") policies. In addition, all directors and employees submit an annual declaration to reaffirm their adherence to these policies.

We continue to strengthen awareness and promote a culture of integrity through regular training, internal communications and policy briefings. Our objective is to ensure that every employee clearly understands their role in upholding ethical conduct.

Whistleblowing
We provide a secure and confidential whistleblowing channel for stakeholders to report any unethical or unlawful activities. Reports can be made through the Whistleblowing Reporting Procedures available at www.gadang.com.my.

In FYE 2025, there were no reported whistleblowing cases or incidents of corruption.

PROTECTING DATA PRIVACY AND ENHANCING IT SECURITY

- To protect Company's data
- To uphold Personal Data Protection Act 2010 ("PDPA") rules and regulations

Sustainability Indicator	Metric	Target	Achievement		
			FYE 2025	FYE 2024	FYE 2023
Data Privacy & IT Security	Data breaches, complaints concerning breaches of customer data and privacy	Zero	**Zero data breaches**	Zero data breaches	Zero data breaches

Gadang is committed to safeguarding the privacy and confidentiality of stakeholder information, in line with the Personal Data Protection Act ("PDPA") 2010. All personal data collected is handled with informed consent and used strictly for legitimate business purposes. The PDPA Notice for customers is also made publicly available on our Property Division website at www.gadangland.com.my.

To uphold data integrity and defend against cybersecurity threats, the Group continuously strengthens its internal IT infrastructure. Throughout the year, we implemented various enhancements to improve data security, including regular reviews and updates of our IT Policies and Procedures as well as the Disaster Recovery Plan. These measures ensure that our systems remain relevant and effective in a rapidly evolving digital environment.

We have implemented multiple layers of cybersecurity safeguards, including advanced email protection, robust firewalls, threat detection and response systems. In addition, continuous IT security awareness is provided to all employees to foster a culture of cyber vigilance as cyber risks and scams are on the rise.

As a result of these ongoing efforts, Gadang recorded no incidents of cyberattacks or data breaches in FYE 2025.

SUSTAINABLE PROCUREMENT

- To maximise the proportion of spending on local suppliers

Sustainability Indicator	Metric	Target	Achievement		
			FYE 2025	FYE 2024	FYE 2023
Supply Chain Management	Proportion of spending on local suppliers	95%	**99%**	99%	99%

Gadang is committed to sourcing responsibly and sustainably. We prioritise local suppliers to reduce our carbon footprint, support communities and promote economic growth.

Our procurement approach is guided by clear evaluation criteria including quality, pricing, delivery timeliness and sustainability. Through our Sustainable Procurement Policy, we promote ESG principles and engage suppliers who uphold high ethical, environmental and social standards.

We recognise that poor sourcing and supplier practices can lead to risks such as delays, substandard quality and reputational impact. As such, we emphasise strong supplier management and responsible procurement to ensure long-term value creation and resilience in our supply chain.

ENVIRONMENT

RESPONDING TO CLIMATE CHANGE

Minimising the environmental Impact

Managing and reducing our environmental footprint remains a key focus in our journey toward environmental sustainability. In FYE 2025, we continued our efforts to reduce the environmental impact of our business through various initiatives.

In line with the National Sustainability Reporting Framework ("NSRF") and recognising climate change as a key focus under IFRS S2, we are progressively working towards disclosing and managing our climate-related risks and opportunities. As we are still in the early stages of transition, this section outlines our current efforts and our commitment to strengthen climate-related practices moving forward.

ENERGY MANAGEMENT

Across our business divisions, we implemented energy-saving initiatives to reduce energy consumption to combat climate change.

Energy Saving Methods:

1. Using energy-efficient lighting ("LED") lights and equipment
2. Switching off electronics, lights and air conditioners when not in use
3. Periodic maintenance on air conditioners and equipment
4. Educating staff on energy conservation
5. Transitioning to solar PV whenever possible

	GROUP ENERGY CONSUMPTION				
	ENGINEERING	PROPERTY	UTILITIES	HQ	TOTAL
PERIOD	Electricity (kWh)				
FYE 2025	**513,182**	**191,129**	**4,311,569**	**451,528**	**5,467,408**
FYE 2024	319,210	183,479	4,724,141	552,747	5,779,577
FYE 2023	214,435	173,153	4,527,465	553,929	5,468,982

Note:
FYE 2025 consumption for Engineering division was higher due to the inclusion of site workers' accommodations.

SOLAR ENERGY

To reduce reliance on grid electricity, we have installed solar photovoltaic ("PV") systems at Gadang HQ and project sites. This supports our carbon reduction efforts and is in line with the government's National Energy Transition Roadmap ("NETR") towards a low-carbon future.

In FYE 2025, solar energy contributed approximately 16% of our HQ's total energy usage, reflecting our ongoing efforts to improve energy efficiency and reduce our environmental impact. We remain committed to expanding the use of renewable energy and supporting the shift toward a cleaner, greener future.

	GADANG HQ SOLAR PV GENERATION		
PERIOD	Target Savings	Energy Savings	Solar PV Generation (kWh)
FYE 2025	**15%**	**16.0%**	**85,258**
FYE 2024		17.1%	94,164
FYE 2023		17.3%	95,818

Gadang HQ and project sites solar PV

SUPPLYING CLEAN ENERGY TO COMMUNITIES

As part of our commitment to sustainable development, we ventured into renewable energy projects that provide clean energy and support the transition to a low-carbon future.

Our current initiatives include:

Lintau, Indonesia

Operating a 9MW mini hydro plant that supplies electricity to approximately 27,000 rural homes, benefiting over 100,000 people.

Tawau, Sabah

Will soon commence operations for a 5.9MWa.c. solar project, supplying clean energy to nearly 2,400 households, supporting Malaysia's shift to low-carbon energy.

We remain committed to expanding our renewable energy footprint through solar and hydro projects that promote long-term environmental sustainability.

WATER MANAGEMENT

We monitor water usage across our operations to improve efficiency and reduce wastage. Employees are regularly reminded to use water responsibly as part of our ongoing conservation efforts.

To support sustainable water use, rainwater harvesting systems have been installed at several project sites, including RTS Link and the Institute Perubatan Forensik Negara ("IPFN"). Collected rainwater is used for wheel washing, dust control and general cleaning, reducing reliance on treated water.

	GROUP WATER CONSUMPTION				
	ENGINEERING	PROPERTY	UTILITIES	HQ	TOTAL
PERIOD	Water (m³)				
FYE 2025	**39,158**	**4,102**	**1,200**	**5,321**	**49,781**
FYE 2024	18,576	1,665	1,200	5,056	26,497
FYE 2023	19,703	1,667	1,200	4,713	27,283

Notes:
1. *Engineering's FYE 2025 water consumption was higher as it included site workers' accommodations. For FYE 2024 and FYE 2023, the data for site workers' accommodations were not available.*
2. *Property's FYE 2025 water consumption was higher due to the opening of the Sales Gallery at the Vyne (Phase 4), Sungai Besi.*



Installed rainwater harvesting at IPFN and RTS Link project sites

SUPPLYING CLEAN WATER TO INDONESIA COMMUNITIES

As part of our commitment to UN Sustainable Development Goal 6 (Clean Water and Sanitation), we support efforts to expand access to safe and clean water in Indonesia.

Our water treatment operations in Kabupaten Sidoarjo and Kabupaten Gresik supply clean water to local communities in collaboration with government agencies:

Operation	Coverage Area	Population Coverage	Household Coverage
TTS & HTB	Kabupaten Sidoarjo	44%	250,000 households
DBT	Kabupaten Gresik	10%	35,000 households

We treat raw water from rivers and surface sources to remove pollutants, sediments and bacteria. Water samples are tested every two hours to ensure compliance with WHO guidelines and Indonesia's Permenkes No. 492/2010.

Sludge and sediments from treatment processes are properly handled before discharge, while solid waste is disposed at approved sites to ensure environmental compliance.

SUSTAINABLE BUILDING CERTIFICATIONS

We continue to integrate sustainability into our construction projects by pursuing recognised green building certifications such as the Green Building Index ("GBI"), MyCREST and LEED. These certifications reflect our commitment to energy efficiency, resource conservation and reducing environmental impact.

Project Name	Certification Type	Status	Key Features
Residensi Hana @ The Vyne	**GBI** *(Certification)*	In Progress	Energy-efficient systems, low-VOC materials, sustainable site planning
Institute Perubatan Forensic Negara ("IPFN")	**MyCREST** *(Certification)*	In Progress	Solar panels, rainwater harvesting, efficient HVAC, eco-friendly materials
Klang Valley Data Centre ("KVDC")	**LEED** *(Silver)*	In Progress	Energy management systems, green power, water-saving fixtures
Cyberjaya Hospital	**GBI** *(Platinum)*	Certified in **2023**	Solar panels, green roof, rainwater harvesting, IBS, sustainable materials

Environmental benefits of our Green Building Projects.

- **Reducing energy use** through solar panels, efficient lighting and HVAC systems
- **Conserving water** with rainwater harvesting systems and water-saving fixtures
- **Minimising construction waste** via IBS and sustainable construction practices
- **Improving indoor air quality** with low-VOC and non-toxic materials
- **Lowering carbon emissions** by using sustainable building materials and energy-efficient designs

ENVIRONMENTAL MANAGEMENT SYSTEM

- To comply to all rules and applicable environmental regulations
- Zero summons from Department of Environment ("DOE")

We are committed to protect the environment through our certified ISO 14001 : 2015 Environmental Management System ("EMS"). Our projects follow the Environmental Quality Act 1974 and other relevant laws at every stage of construction.

Each project is guided by an Environmental Management Plan ("EMP") and our internal Health, Safety and Environment ("HSE") Manual, which helps us manage environmental risks effectively.

To maintain high environmental standards, we regularly monitor air, noise and water quality at our project sites.

These monitoring activities follow established national guidelines:

- Malaysian Ambient Air Quality Standard
- Guidelines for Environmental Noise Limits and Control
- National Water Quality Standards

Environment Practices at Project Sites

Air Pollution Control

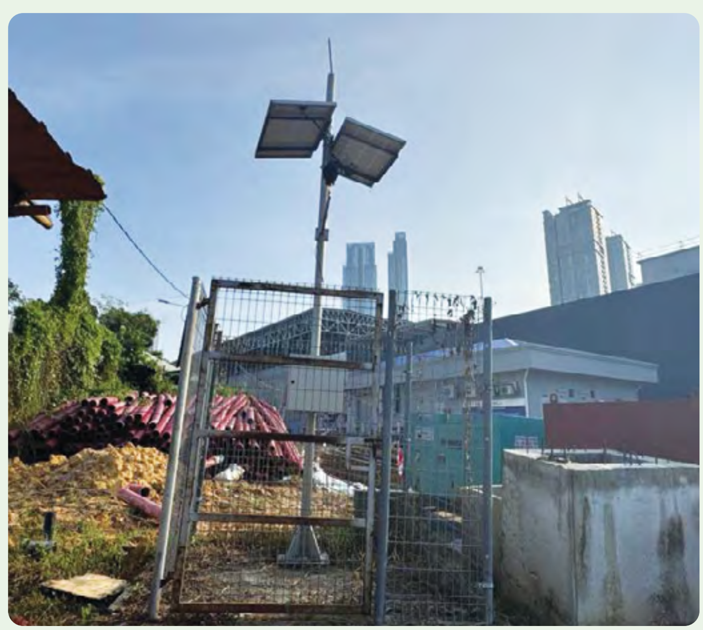
We implement proactive measures to control air pollution at our project sites to minimise impact on the surrounding environment and communities. Natural buffer zones are preserved or established to act as filters for dust control. To manage dust dispersion, wheel washing systems, water bowsers and road sweepers are used along haul roads and access points. These measures help prevent the spread of dust and ensure that soil and dirt are not carried onto public roads.

The ambient air quality is regularly monitored and the results are in compliance with the Malaysia Ambient Air Quality Standard 2020 ("MAAQS").

Noise Pollution Control

We actively monitor noise levels at our project sites to ensure compliance with environmental standards and to minimise disturbance to nearby communities. To manage noise effectively, we adopt good site practices such as maintaining equipment in proper working condition, scheduling high-noise activities during appropriate hours and provide awareness training to workers. Our noise monitoring devices are powered by solar energy, reflecting our commitment to sustainable practices while ensuring continuous environmental compliance. These proactive measures help reduce noise pollution, promote community well-being and contribute to a safe and comfortable working environment for all.

All recorded noise levels have remained within the recommended limits as outlined in the Guidelines for Environmental Noise Limits and Control.



Environment Practices at Project Sites

Water Pollution Control

We are committed to ensuring that all water discharged from our project sites meet the required quality standards and regulations. Regular water sampling is carried out and tested by accredited laboratories to monitor compliance.

At sites with low water discharge, we use standard control measures such as silt traps and sediment basins. For sites with higher discharge volumes, we install water treatment systems with filtration to ensure the discharged water is clean and within regulatory limits.

Erosion & Sediment Control

We take erosion and sediment control seriously, especially with heavier rainfall becoming more frequent due to climate change. Without proper measures, these risks can harm the environment and nearby communities.

To manage this, we apply Best Management Practices ("BMPs") at our construction sites, such as silt fences, silt traps and slope protection to control surface runoff and prevent sediment from entering nearby water bodies. These efforts help protect waterways, reduce flooding risks and preserve surrounding ecosystems.

In FYE 2025, there were no summons from DOE from any of our project sites.

WASTE MANAGEMENT

To reduce environmental pollution

Waste management is a key part of our environmental efforts, especially with limited landfill space, rising pollution and the impact of climate change. Construction waste is a growing environmental concern.

We manage waste at our project sites through proper planning, segregation and reuse. Waste is categorised into hazardous (e.g. scheduled waste under the Environmental Quality Regulations 2007) and non-hazardous (e.g. construction and domestic waste). We aim to divert materials such as timber, concrete and steel away from landfills through reuse and recycling, in line with the 3R principles of Reduce, Reuse, Recycle.

Our adoption of sustainable construction frameworks like GBI, LEED and MyCREST supports structured waste management practices, including material efficiency, on-site segregation and responsible disposal. These frameworks guide our teams to minimise waste throughout the building lifecycle.

To support these efforts, we provide designated waste bins on-site and conduct awareness sessions to promote responsible waste handling among workers and subcontractors.

Engineering & Construction

Waste generated (Tonne)	FYE 2025	FYE 2024	FYE 2023
Total waste generated	**1,423**	1,296	693
Waste directed to disposal	**1,160**	1,097	445
Waste diverted from disposal	**263**	199	248

Sustainability Indicator	Metric	Target	2025 KPI achievement	2024 KPI achievement
Waste Management	Waste diverted from disposal (Recycle)	15%	**19%**	15%

Waste separation at source promotes responsible disposal and landfill reduction

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Recycling and Waste Reduction at HQ

Recycling at Gadang HQ	Recycling Target	Achievement		
		FYE 2025	FYE 2024	FYE 2023
Recycled amount	3,000kg	**3,439 kg**	5,457 kg	4,606 kg

At Gadang HQ we are shifting our focus from just recycling to prioritising waste reduction at the source. Our aim is to reduce consumption wherever possible followed by reuse and recycling efforts.

We continue to cultivate a recycling culture by providing recycling bins on every floor for paper, plastic, metal and other materials. Recyclable items are collected and periodically sold to licensed recycling vendors.

As at May 2025, we successfully collected 3,439 kilograms of recyclable materials. The figure was lower compared to FYE 2024 because last year the IT Department carried out an e-waste campaign which collected approximately 2,000 kg of e-waste. Moving forward, we are planning more initiatives to reduce overall waste generation and promote responsible consumption among employees.

BIODIVERSITY AND TREE PLANTING

To sustainably utilise and conserve the ecosystems

We recognise the value of nature and the importance of preserving natural ecosystems for future generations. Protecting biodiversity is part of our environmental responsibility and supports our long-term business resilience.

We are committed to reducing our environmental impact and following the requirements of the approved Environmental Impact Assessment ("EIA"). Through our Best Management Practices ("BMPs"), we put in place strict controls to manage biodiversity at our project sites.

While tree clearing is sometimes unavoidable in construction and property development, we are mindful of the impact on nature. To reduce this impact, we incorporate tree planting and landscaping into our projects, including the creation of parks, walkways and green spaces to meet local greenery requirements.

As part of our response to climate change, we recognise the importance of trees in absorbing carbon, improving air quality and helping to cool the environment. Tree planting is a key part of our efforts to support climate resilience.

Tree Planting Initiatives

We work together with Jabatan Perhutanan, local authorities and community partners to promote tree planting. Some of our key activities include employee-led planting and mangrove restoration which help raised awareness and encourage a lasting culture of tree planting.

This year, Gadang Engineering and Gadang Property successfully planted a total of 1,769 trees as part of our ongoing commitment to environmental sustainability.

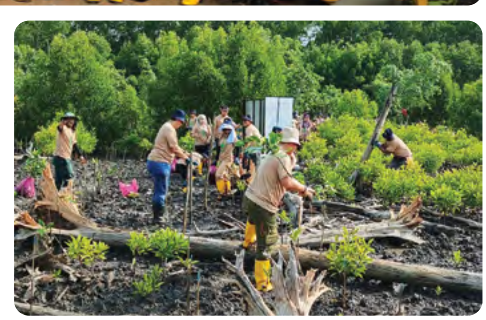
Gadang is proud to be a corporate supporter of the 100 Million Tree-Planting Campaign by Jabatan Perhutanan, with efforts that begin within our own organisation.

Tree Planting Initiative	Target	Achievement		
		FYE 2025	FYE 2024	FYE 2023
Number of Trees Planted	1,500 Trees	**1,769 Trees**	1,678 Trees	1,895 Trees
Tree planting CO_2 carbon absorption ($KgCO_2$)	33,000 $KgCO_2$ carbon absorption	**38,918 $KgCO_2$**	36,916 $KgCO_2$	41,690 $KgCO_2$







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CLIMATE CHANGE AND GHG EMISSION

To combat climate change, global warming

To reduce GHG emission

Climate change remains one of the most urgent global challenges, with extreme weather events, rising sea levels, heatwaves, floods and droughts affecting communities and economies worldwide. Recognising that greenhouse gas ("GHG") emissions are a key driver of climate change, we are committed to minimising our environmental impact across our operations.

In line with Malaysia's National Sustainability Reporting Framework ("NSRF") and the new sustainability regulations under IFRS S1 and S2, we are gradually enhancing our climate-related disclosures and aligning our practices to meet these updated requirements.

Our Climate Action Journey

- **2024 Baseline Year**: We have set FYE 2024 as our baseline year for GHG emissions. Our inaugural GHG inventory captured emissions across key business operations.
- **Scope Expansion**: In this year's inventory review, we adopted the operational control approach and included additional assets such as employees' accomodations to improve completeness.
- **Progress Review**: This data not only helps us understand our emissions profile but also serves as a benchmark for future reduction efforts.
- **Transition to IFRS S2**: We are gradually transitioning towards IFRS-aligned climate reporting, building the internal capacity needed to meet its requirements in the years ahead.

Moving forward, we will continue to strengthen our understanding of GHG emissions and enhance our climate-related practices in line with evolving standards. Climate change will remain a key priority in our sustainability journey.

Absolute GHG Emissions (tCO_2e)

Description	Scope	2025 Emissions	2024 Emissions
Direct Emissions (Owned machinery)	Scope 1	**5,593**	6,103
Indirect Emissions (Purchased electricity)	Scope 2	**4,427**	4,617
Indirect Emissions - Category 6 (Business Travel) - Category 7 (Employee Commuting)	Scope 3	**1,165**	1,038

GHG Emission Intensity (tCO_2e/RM'000)

Description	Scope	Target	2025 intensity	2024 intensity
Direct Emissions (Owned machinery)	Scope 1	$<$ 0.0100	**0.0072**	0.0103
Indirect Emissions (Purchased electricity)	Scope 2	$<$ 0.0075	**0.0057**	0.0078
Indirect Emissions - Category 6 (Business Travel) - Category 7 (Employee Commuting)	Scope 3	$<$ 0.0017	**0.0015**	0.0018

WORKPLACE

OCCUPATIONAL HEALTH & SAFETY ("OHS")

- To prevent and reduce workplace accidents and illness
- Zero fatality

At Gadang, health and safety are our top priorities. We are committed to continuously improve our HSE policies and practices to ensure a safe and responsible working environment. In FYE 2025, we successfully renewed our ISO 45001 : 2018 certification by SIRIM, reaffirming our dedication to upholding internationally recognised safety standards.

We conduct annual HSE Management Reviews to evaluate performance, ensure regulatory compliance and identify areas for improvement. A range of safety initiatives such as safety inductions, daily toolbox briefings, refresher trainings and regular site meetings are carried out to promote a strong safety culture throughout the Group.

Over the years, we have received several awards for our excellence in health and safety. A key milestone was our achievement of four consecutive years with Zero Non-Conformance Reports ("NCRs"), reflecting the maturity of our HSE management system. We are also proud of our perfect safety record, having maintained zero fatalities to date.

OHS awareness and trainings

In FYE 2025, a total of 641 workers attended safety training. In addition, we also extended training to other employees, site personnel and subcontractors at project sites as part of our ongoing efforts to foster a strong and consistent safety culture across all operations.

Occupational Safety & Health (Amendment) Act 2022	**Fire Prevention**
Environmental Quality Act (Amendment) 2024	**ESG For Implementer**
HQ – Emergency Evacuation Drill	**Working at Height**
Fire Fighting	**Chemical Handling**
Waste Management	**Building a Reporting Safety Culture & You See You Act**

World OSH Day

This year, we launched our World Occupational Safety and Health Day 2025 campaign with the theme "Building a Reporting Safety Culture & You See, You Act." Led by the Managing Director of Gadang Engineering, the campaign reflects our strong commitment to safety and complying with the Occupational Safety and Health (Construction Work) Regulations 2024.

We believe a safe construction site starts with truly caring for our people's well-being. The campaign involved all Gadang HQ staff and project sites, with time set aside for safety training, discussions and sharing best practices. These activities encouraged active safety reporting and quick action on unsafe conditions, helping to build a stronger and safer work environment for everyone.

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Gadang Employee Health Check

In collaboration with PERKESO, we organised a free health screening at our office, making it convenient for employees to monitor their health. This initiative reflects our belief that health is a priority and that early detection and regular check-ups are key to long-term well-being. It is part of Gadang's ongoing effort to ensure our people stay healthy and cared for.



Fire Evacuation Drills

In FYE 2025, we carried out a fire drill at our HQ to familiarise employees with emergency procedures and strengthen their response in the event of an actual emergency. We also conducted fire safety training for all HQ staff to raise awareness and readiness.

Every project site, including our HQ, is supported by an Emergency Response Team ("ERT") made up of trained personnel ready to act during emergencies. These ongoing efforts reflect our commitment to maintaining a safe and prepared working environment for all.



HSE Internal Audit

Annual compliance audits are conducted by our in-house HSE auditors to ensure our construction projects continue to meet ISO 14001 : 2015 and ISO 45001 : 2018 standards. In FYE 2025, these audits supported our efforts to continuously improve safety practices across all sites.

After many years in the construction industry, safety has become deeply embedded in our daily operations, it is part of our culture and second nature to our people. Prioritising safety is no longer just a requirement, it has become the norm, helping us maintain a strong safety track record and an accident-free work environment.

Regular audits ensure that safety remains Gadang's top priority




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Health and Safety Performance

Safety Trainings

Indicator	Target	FYE 2025
Number of staff trained for Health and Safety	500 employees	**641 employees**

Safety Statistics

Engineering and Construction	Target	FYE 2025	FYE 2024	FYE 2023
	Zero life loss	No fatalities	No fatalities	No fatalities
	Incident rate of less than 4 per 1000 workers	0	0	4.52
	LTI frequency rate of less than 8	0	0	1.42

Property Development	Target	FYE 2025	FYE 2024	FYE 2023
	Zero life loss	No Fatalities	No Fatalities	No Fatalities
	Incident rate of less than 4 per 1000 workers	0	0	0
	LTI frequency rate of less than 8	0	0	0

Utilities	Target	FYE 2025	FYE 2024	FYE 2023
	Zero life loss	No Fatalities	No Fatalities	No Fatalities
	Incident rate of less than 4 per 1000 workers	0	0	0
	LTI frequency rate of less than 8	0	0	0

Gadang HQ	Target	FYE 2025	FYE 2024	FYE 2023
	Zero life loss	No Fatalities	No Fatalities	No Fatalities
	Incident rate of less than 4 per 1000 workers	0	0	0
	LTI frequency rate of less than 8	0	0	0

HUMAN CAPITAL DEVELOPMENT

- To enhance employee performance, boost employee productivity and reduce employee turnover
- To achieve 30% women directors' representation in the Board
- To support education through scholarship

Talent Development and Training

At Gadang, we recognise that our people are our greatest asset. Investing in their growth is essential not only for the Group's success but also for individual fulfilment and long-term career development.

In today's fast evolving work environment, continuous learning helps our employees stay up to date with industry trends, sharpen their skills and adapt to new challenges. It also promotes greater job satisfaction, engagement and internal career mobility.

Every year, Group Human Capital will identify relevant training opportunities that support both organisational needs and personal development goals. These programmes are tailored to enhance technical expertise, leadership and soft skills, ensuring our workforce continues to grow with the business.

In FYE 2025, the training hours are as follow:

Description	FYE 2025	FYE 2024	FYE 2023
Total number of training hours	**10,800**	5,705	8,039
Average training hours per employee	**15**	8	14

Scholarship

During the year, we awarded five (5) scholarships amounting to RM115,000 to support deserving students in their tertiary education. This initiative reflects our belief that education is a powerful tool to uplift lives, break the cycle of poverty and nurture future talent.

Since the inception of our scholarship programme, we have disbursed a total of RM1.3 million, reinforcing our long-term commitment to empowering the next generation through education.

By providing access to education, we aim to create opportunities for young individuals to build better lives while also developing a pipeline of capable and skilled talent.

Human Capital Policies

We are guided by the following policies to ensure fair and equitable treatment for all employees:

Gadang Employee Handbook	Flexi Working Hours Policy	Leave Policy	Medical Benefits Policy	Group Insurance Scheme Policy
Learning and Development Policy	Human Rights Policy	Conflict of Interest Policy	Domestic Inquiry Guideline (DI Panel)	Grievance and Disciplinary Policy
Managing Employee Performance	Subsistence Allowance (Local & International)	Anti-Bribery and Corruption Policy	Code of Ethics and Conduct	Whistleblowing Policy and Procedures

Human Rights and Labour Practices

Sustainability Indicator	Metric	Target	Achievement		
			FYE 2025	FYE 2024	FYE 2023
Human Rights	Zero complaint on human rights violation	Zero	**Zero human rights violation**	Zero human rights violation	Zero human rights violation

Gadang believes that everyone has the right to be treated with fairness, dignity and respect in the workplace. Our Human Rights Policy serves as a guiding principle for both Gadang and our Third Parties to uphold and protect fundamental rights, covering areas such as:

Diversity and Inclusion	Freedom of Association	No Child Labour/ No Force Labour/ No Human Trafficking	Minimum Wages, Working Hours and Benefits
Health and Safety	Women's Rights	Prohibition of Inhumane Treatment	Compliance with the Workers' Minimum Standards of Housing and Amenities Act 1990 (Act 446)

Reporting and Grievance Channels

To uphold our commitment to human rights, employees and stakeholders can report concerns via the whistleblowing platform or through Group Human Capital. These channels ensure misconduct or violations of human rights or our Code of Ethics can be reported confidentially and without fear of retaliation.

In FYE 2025, there were no reported incidents pertaining to violation of human rights.

Diversity and Equal Opportunity

We are committed to provide equal opportunity, ensuring employment decisions are based on merit and performance, regardless of religion, political belief, gender, age, ethnicity, sexual orientation, nationality or disability. While the construction industry remains male-dominated, particularly in site roles, we continue to welcome and support capable women in our workforce. We remain committed to fostering a more inclusive environment across all levels.

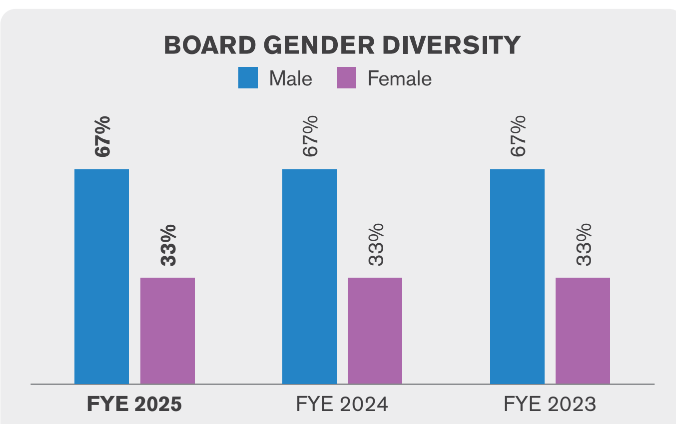
For FYE 2025, 33% of our Board members are women.

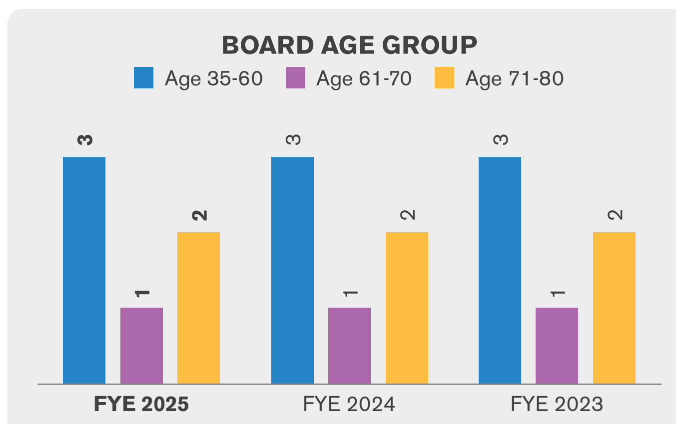
Women Directors **33%**

Total Employees as at 31 May 2025 **733**
440 (Malaysian)
293 (Foreign)

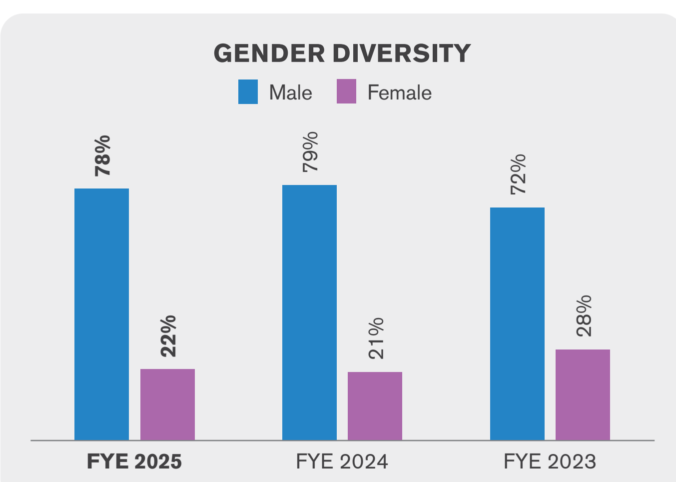
Retention rate **80%**

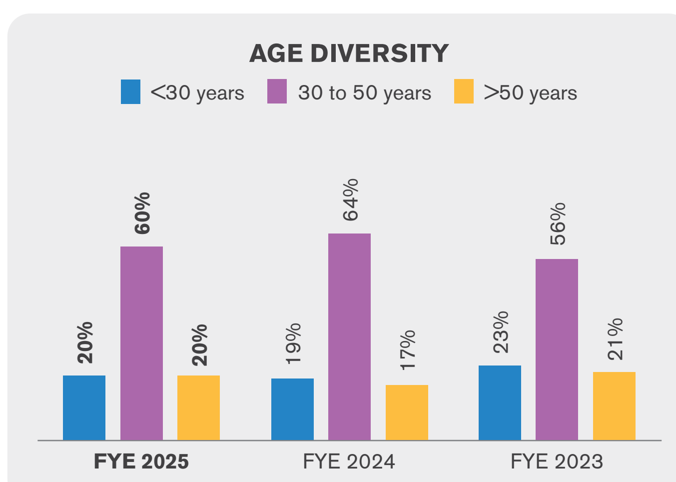
Number of new hires **163**





Workforce Profile





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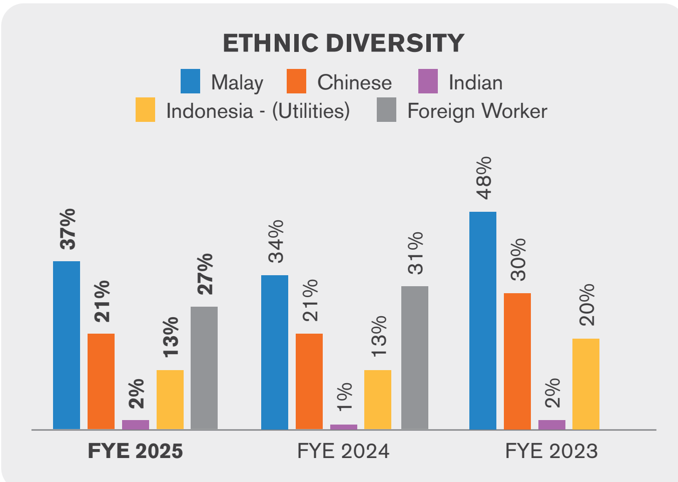

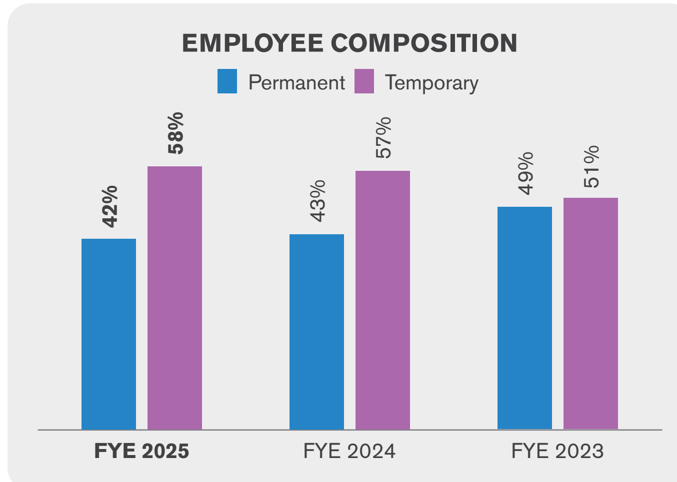

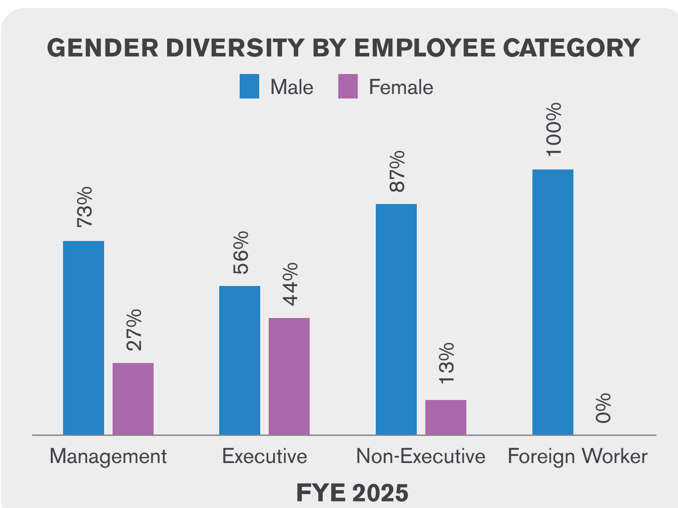

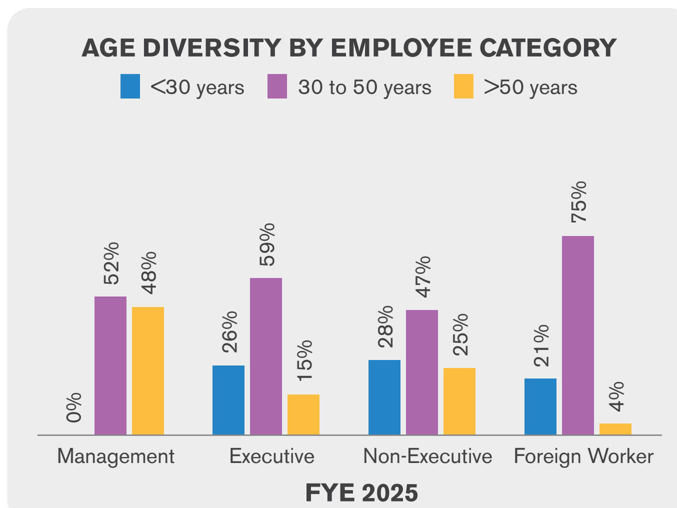

Note: Data for FYE 2024 and FYE 2025 included foreign workers and is not comparable with FYE 2023

EMPLOYEE WELL BEING : CARING FOR OUR PEOPLE

- To promote togetherness, Diversity, Equity & Inclusion ("DEI")
- To encourage a healthy lifestyle

At Gadang, we believe our employees are our greatest asset. Their happiness, health and well-being are key to our success. We strive to create a supportive and inclusive workplace where everyone feels respected, valued and empowered.

In FYE 2025, we organised a range of employee engagement activities to promote a sense of belonging, unity, and team spirit. From festive celebrations and Sports Club activities to various company-wide events, these efforts reflect our strong focus on the Social pillar of ESG and our dedication to building a healthy, motivated and connected workforce.

Employee Wellbeing and Its Value to Gadang

Focus Area	Contribution
Positive workplace culture	Positive workplace culture where employees feel respected and valued
Improved communication	Employees communication becomes more effective which results in better collaboration and team work
Increased productivity	Happy employees are more productive which results in higher quality output
Improved retention	Employees feel valued resulting in lower staff turnover
Better client/customer satisfaction	Provide better service, resulting in higher client/customer satisfaction rates and repeat business

In FYE 2025, a range of employee engagement activities were successfully carried out.

- Chinese New Year Gathering
- Hari Raya Celebration
- Fruit Feast
- Movie Day
- Family Outing Day (Fun Run)
- Paintball
- Bowling
- Futsal
- KL East Park Hike
- Team Building

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FESTIVES SEASONS GATHERING

Multi-racial festivities are celebrated consistently every year, fostering the spirit of unity.

FRUIT FEAST

A fun fruit feast to celebrate health, happiness and time together.

GADANG MOVIE DAY

Movie Day brought laughter, popcorn and quality time with colleagues and family.

Sustainability Statement

PAINTBALL TOURNAMENT

Dodging, aiming and laughing our way to teamwork and fitness at this year's paintball tournament. #TeamSpirit #ActiveLifestyle

GADANG FUTSAL

Futsal was more than a game, it built focus, fitness and teamwork, showing that true wins come together.

BOWLING TOURNAMENT

More than just a game, the bowling tournament brought everyone together for fun, teamwork and lasting memories.

HIKING AT KL EAST PARK

A refreshing hike at KL East Park reminded us how nature keeps things cool and supports a healthier planet.

FAMILY OUTING DAY (FUN RUN)

A morning of running, laughter and good vibes.

BANGI WATERPARK

Splashing into fun while staying cool under the sun, with a reminder of our warming planet.

PROJECT TEAM FAMILY DAY – TASIK KENYIR

The project team took time to relax, reset and refresh at Tasik Kenyir, a peaceful escape that reminded us great minds need great rest. We returned recharged, focused and ready to drive project progress.

TEAM BUILDING AT AVILLION PORT DICKSON & LIVING KOMUNE

Our team building sessions at Avillion Port Dickson and Living Komune were more than just fun trips. They were meaningful experiences that helped us learn and grow together. Through each game and activity, we discovered valuable lessons that we can apply in real life and at work.

We learned to recognise our blind spots, understand each other's strengths and appreciate how different people can bring different skills. More importantly, we realised that success comes from placing people where they can shine.

These moments reminded us that while we can go far alone, we can go even further together. It was a great time to enjoy ourselves, reflect and return to work with renewed focus and stronger connections.

FITNESS ACTIVITIES, BADMINTON, YOGA, JAZZERCISE & GYM

As the famous saying goes, "health is wealth." Hence, Gadang's regular activities, including badminton, yoga and jazzercise, serve to enhance our employees' health and fitness, increasing their energy levels, burn calories and promote overall well-being.

COMMUNITY

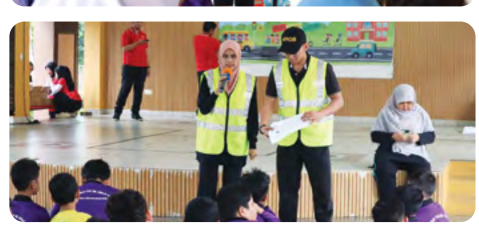
TAKING CARE OF OUR COMMUNITIES

- To foster a caring community
- To help the needy

ROAD TRAFFIC SAFETY CAMPAIGN IN SCHOOL

In collaboration with the Malaysian Institute of Road Safety Research ("MIROS"), we conducted a Road Traffic Safety Campaign this year to promote road safety awareness among school children. Recognising that children are the community's future, we are committed to reducing road accidents through early education. By dedicating time and resources to safety and health education in schools, we aim to nurture a culture of safety-conscious behaviour from a young age.

As part of this initiative, we carried out the Safety Campaign at SK Taman Tun Dr. Ismail (2). The campaign focused on instilling safety values and practices among students, reinforcing our goal to prevent accidents and promote safer communities.



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FOOTBALL COMMUNITY CHALLENGE – BUILDING PARTNERSHIP

A fun match with TM, DOSH Selangor, MiSHA and Gadang, more than just friendly competition, it was a chance to connect, promote wellness and build stronger partnerships through play.

CHARITY RUN FOR YAYASAN JANTUNG

A meaningful charity run at University Malaya supporting Yayasan Jantung Negara in helping children with congenital heart disease. It was a 2-in-1 effort: running for a cause and running for our own health. A reminder that staying healthy is valuable and every step we take makes a difference.

SUPPORTING UNSDG #2 : ZERO HUNGER

We are committed to alleviating hunger by supporting NGOs that provide food and aid to those in need within the community.

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CARE FOR THE ELDERLY

We are committed to supporting the elderly community and this year we visited several old folks' homes to offer care, connection and comfort. Our aim is to enhance their quality of life and promote inclusivity.

CARE FOR INDIVIDUALS WITH SPECIAL NEEDS

We are committed to caring for and empowering individuals with special needs. This year, we visited Insan Istimewa Cheras to offer support and encouragement, with the hope of enriching lives and fostering a more inclusive community.

CARE FOR THE OKU COMMUNITY

A small but meaningful CSR visit to Pusat Pemulihan & Latihan Anak-Anak OKU, Shawal Kalumpang showing support for the OKU community who should never be left behind.

BLOOD DONATION – EVERY DROP COUNTS

Contributing to our community's health with every drop. This year, we organised two blood donation drives in support of the National Blood Centre and contributed a total of 89 bags to help those in need.

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CHARITY DANCE FOR KIDNEY CARE

We danced not just for our own well-being, but in support of a greater cause. Participating in a fundraising initiative by Persatuan Dialisis to help dialysis patients. A meaningful way to stay active while standing in solidarity with those in need.

DONATION AND SPONSORSHIP

In FYE 2025, our Corporate Social Responsibility ("CSR") program actively contributed to the society. This ongoing initiative aims to create a lasting and sustainable impact in the communities we serve, reflecting our commitment to giving back.

	FYE 2025	FYE 2024	FYE 2023
Donation and Sponsorship (RM)	**130,000**	131,000	219,000
Number of Beneficiaries	**1,459**	1,207	Data Not Available

PERFORMANCE DATA TABLE

Indicator	Measurement Unit	2024	2025
Bursa (Anti-corruption)			
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category			
Management	Percentage	100.00	100.00
Executive	Percentage	100.00	100.00
Non-executive	Percentage	100.00	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0
Bursa (Community/Society)			
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	131,000.00	130,000.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	1,207	1,459
Bursa (Diversity)			
Bursa C3(a) Percentage of employees by gender and age group, for each employee category			
Age Group by Employee Category			
Management Under 30	Percentage	0.00	0.00
Management Between 30-50	Percentage	60.00	52.00
Management Above 50	Percentage	40.00	48.00
Executive Under 30	Percentage	20.00	26.00
Executive Between 30-50	Percentage	66.00	59.00
Executive Above 50	Percentage	14.00	15.00
Non-executive Under 30	Percentage	17.00	28.00
Non-executive Between 30-50	Percentage	59.00	47.00
Non-executive Above 50	Percentage	24.00	25.00
Foreign Workers Under 30	Percentage	22.00	21.00
Foreign Workers Between 30-50	Percentage	76.00	75.00
Foreign Workers Above 50	Percentage	2.00	4.00
Gender Group by Employee Category			
Management Male	Percentage	75.00	73.00
Management Female	Percentage	25.00	27.00
Executive Male	Percentage	58.00	56.00
Executive Female	Percentage	42.00	44.00
Non-executive Male	Percentage	85.00	87.00
Non-executive Female	Percentage	15.00	13.00
Foreign Workers Male	Percentage	99.00	100.00
Foreign Workers Female	Percentage	1.00	0.00

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

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Indicator	Measurement Unit	2024	2025
Bursa (Diversity)			
Bursa C3(b) Percentage of directors by gender and age group			
Male	Percentage	67.00	67.00
Female	Percentage	33.00	33.00
Age 35-60	Percentage	3.00	3.00
Age 61-70	Percentage	1.00	1.00
Age 71-80	Percentage	2.00	2.00
Bursa (Energy management)			
Bursa C4(a) Total energy consumption	Megawatt	5,779.00 *	5,467.00
Bursa (Health and safety)			
Bursa C5(a) Number of work-related fatalities	Number	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	1,368	641
Bursa (Labour practices and standards)			
Bursa C6(a) Total hours of training by employee category			
Management	Hours	1,886	4,212
Executive	Hours	2,964	4,607
Non-executive	Hours	444	1,444
Foreign Workers	Hours	411	537
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	57.00	58.00
Bursa C6(c) Total number of employee turnover by employee category			
Management	Number	17	17
Executive	Number	75	55
Non-executive	Number	59	59
Foreign Workers	Number	67	17
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0
Bursa (Supply chain management)			
Bursa C7(a) Proportion of spending on local suppliers	Percentage	99.00	99.00
Bursa (Data privacy and security)			
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0
Bursa (Water)			
Bursa C9(a) Total volume of water used	Megalitres	26.500000 *	49.800000
Bursa (Waste management)			
Bursa C10(a) Total waste generated	Metric tonnes	1,296.00 *	1,423.00
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	199.00 *	263.00
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	1,097.00 *	1,160.00
Bursa (Emissions management)			
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	6,103.00 *	5,593.00
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	4,617.00 *	4,427.00
Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	1,038.00 *	1,165.00

Internal assurance | External assurance | No assurance

(*)Restated

FINANCIAL
& OTHERS

Directors' Responsibility Statement

In respect of Audited Financial Statements for the financial year ended 31 May 2025

The Directors are required by the Companies Act, 2016 ("the Act") and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad to prepare financial statements for each financial year in accordance with the Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards, and the requirements of the Act in Malaysia.

The Directors are responsible for ensuring that the audited financial statements give a true and fair view of the state of affairs of the Group and the Company at the end of the financial year, and of the results and cash flows of the Group and the Company for the financial year.

In preparing the financial statements, the Directors have:

- used appropriate accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent; and
- prepared the financial statements on a "going concern" basis as the Directors have a reasonable expectation, having made enquiries that the Group and Company have adequate resources to continue operations for the foreseeable future.

The Directors are responsible for ensuring that the Group and the Company keep accounting records that disclose the financial position of the Group and the Company with reasonable accuracy, enabling them to ensure that the financial statements comply with the Act.

The Directors are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' Report

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 May 2025.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the businesses of investment holding and the provision of management services to the subsidiaries. The principal activities and other information relating to the subsidiary companies are set out in the "Subsidiaries" of this report.

There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	The Group RM'000	The Company RM'000
Profit/(Loss) after taxation for the financial year	6,998	(15,449)
Attributable to:-		
Owners of the Company	10,736	(15,449)
Non-controlling interests	(3,738)	-
	6,998	(15,449)

DIVIDENDS

At the forthcoming Annual General Meeting, a first and final dividend of 0.27 sen per ordinary share in respect of the current financial year will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for as a liability in the financial year ending 31 May 2026.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

ISSUES OF SHARES AND DEBENTURES

During the financial year: -

(a) the Company increased its issued and paid-up share capital from RM389,521,000 to RM412,091,000 by way of issuance of 72,806,100 new ordinary shares from the private placement exercise for a cash consideration of RM22,570,000 for the purpose of working capital; and

(b) there were no issues of debentures by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

Directors' Report

Bad And Doubtful Debts

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the further writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

Current Assets

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

Valuation Methods

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

Contingent And Other Liabilities

At the date of this report, there does not exist:-

(a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

Change Of Circumstances

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

Items Of An Unusual Nature

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

Directors' Report

DIRECTORS

The names of directors of the Company who served during the financial year and up to the date of this report are as follows:-

Tan Sri Dato' Seri Dr. Mohamed Ismail bin Merican
Tan Sri Dato' Kok Onn
Kok Pei Ling
Huang Shi Chin
Sherman Lam Yuen Suen
Wong Ping Eng

The names of directors of the Company's subsidiaries who served during the financial year and up to the date of this report, not including those directors mentioned above, are as follows:-

Construction Division
Abdul Rizal Bin Abdul Rahim
Chan Chee Wai
Cheong Teng Yew
Choo Keng Loong
Khew Check Kiet
(Retired on 1.3.2025)
Kok Liang Jin
(Appointed on 1.3.2025)
Lee Yoke Koon
Liew Swee Kong
Ng Kok Leong
Tan Cheng Chin

Property Division
Kok Pei Shing
Raja Zainal Abidin Bin Raja Hussin
Yu Kang Huai

Utilities Division
Abdul Hamid Sujak
Angga Panji Kesuma
Chan Huan Beng
Chua Soon Ann
Drs. Barat Iriansyah
Datuk Lim Fook Onn @ Lim Ching Onn
(Appointed on 28.2.2025)
Foo Mieng Yong
Hendro Adinata
Hero Dwi Prasetyo
Lim Ting Chiang
(Appointed on 28.2.2025)
Kok Liang Jin
Maskal HP
Masni Kamal
Neo Lay Hiang Pamela
Pui Yen Yew
Reggy Hadi Wijaya

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares of the Company and its related corporations during the financial year are as follows:-

	Number of Ordinary Shares			
Shareholdings registered in the name of Directors:	**At 1.6.2024**	**Acquired**	**Disposed**	**At 31.5.2025**
Direct interests				
Tan Sri Dato' Kok Onn	14,377,300	1,000,000	-	15,377,300
Kok Pei Ling	1,304,400	-	-	1,304,400
Huang Shi Chin	196,800	-	-	196,800
Sherman Lam Yuen Suen	190,000	-	-	190,000
Deemed interest*				
Tan Sri Dato' Kok Onn	178,439,953	1,390,000	-	179,829,953

* Deemed interested by virtue of his interests in Sumber Raswira Sdn Bhd and Meloria Sdn Bhd pursuant to Section 8 of the Companies Act 2016.

Directors' Report

Directors' Interests (Cont'd)

Other than as disclosed above, according to the register of directors' shareholdings, the other directors holding office at the end of the financial year did not hold any interest in shares, warrants and options over shares of the Company and its related corporations during the financial year.

Directors' Benefits

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" of this report) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 48(b) to the financial statements.

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Directors' Remuneration

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

	From the Company/the Group RM'000
Directors of the Company	
Executive:-	
Salaries and other emoluments	1,857
Defined contribution plan	72
	1,929
Non-executive:-	
Director fees	370
Other emoluments	54
	424
	2,353

The estimated monetary value of benefits-in-kind provided by the Group and the Company to the directors of the Company were RM136,000.

Indemnity and Insurance Costs

The Company maintains a Directors' and Officers' Liability Insurance Policy on a group basis. During the financial year, the amount of insurance effected for the directors of the Company and its subsidiaries was RM15,000,000. No indemnity was given to or professional indemnity insurance effected for the auditors of the Company.

Directors' Report

SUBSIDIARIES

The details of the subsidiary name, place of incorporation, principal activities and percentage of issued share capital held by the Company in each subsidiary are as follows:-

Name of Subsidiary	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent %	Principal Activities
Gadang Engineering (M) Sdn Bhd and its subsidiaries	Malaysia	100	Earthworks, building and civil engineering construction works and investment holding
Bincon Sdn Bhd	Malaysia	100	Hire of plant and machinery, transportation agent
Borneo Engineering And Construction Sdn Bhd ^	Malaysia	60	In the process of Member's Voluntary Winding Up
Era Berkat Sdn Bhd #	Malaysia	100	In the process of Strike Off
Katah Realty Sdn Bhd ^	Malaysia	100	In the process of Member's Voluntary Winding Up
Kartamo Corporation Sdn Bhd *	Malaysia	100	Building and civil engineering construction works
Gadang Construction Sdn Bhd	Malaysia	100	Earthwork, building and civil engineering construction works, provision of hospital and healthcare services
Yi Sheng Foundation Pte Ltd * and its subsidiaries	Singapore	100	Contractor of bored pile works
Usaha Pesona Sdn Bhd	Malaysia	100	Contractor of bored pile works
UA Foundation Pte Ltd *	Singapore	51	Contractor of bored pile works
Datapuri Sdn Bhd	Malaysia	100	Provision of mechanical and electrical engineering services

Directors' Report

SUBSIDIARIES (CONT'D)

Name of Subsidiary	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent %	Principal Activities
Regional Utilities Sdn Bhd and its subsidiaries	Malaysia	100	Investment holding
PT Asian Utilities Indonesia *	Indonesia	100	Management consulting services
Nusantara Suriamas Sdn Bhd	Malaysia	70	Solar energy collectors
Tenaga Aspirasi Sdn Bhd *	Malaysia	60	Solar energy collectors
Asian Utilities Pte Ltd * and its subsidiaries	Singapore	100	Investment holding
PT Taman Tirta Sidoarjo *	Indonesia	95	Water concession
PT Hanarida Tirta Birawa *	Indonesia	95	Water concession
PT Ikhwan Mega Power *	Indonesia	60	Hydro power generator
PT Dewata Bangun Tirta *	Indonesia	95	Water concession
PT Hidronusa Rawan Energi *	Indonesia	80	Dormant
Mandy Corporation Sdn Bhd	Malaysia	100	Property development, building and civil engineering contractor
Achwell Property Sdn Bhd *	Malaysia	100	Property development
Gadang Land Sdn Bhd and its subsidiaries	Malaysia	100	Property development, provision of management services and investment holding
Magnaway Sdn Bhd *	Malaysia	100	Property management and maintenance
Noble Paradise Sdn Bhd *	Malaysia	100	Property development
Sama Pesona Sdn Bhd *	Malaysia	100	Property development
Damai Klasik Sdn Bhd *	Malaysia	100	Property development

SUBSIDIARIES (CONT'D)

Name of Subsidiary	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent %	Principal Activities
Gadang Land Sdn Bhd and its subsidiaries (Cont'd)			
City Version Sdn Bhd *	Malaysia	100	Property development
Splendid Pavilion Sdn Bhd	Malaysia	100	Property development
Natural Domain Sdn Bhd	Malaysia	100	Property development
Crimson Villa Sdn Bhd	Malaysia	100	Property development
Elegance Sonata Sdn Bhd	Malaysia	100	Property development
Hillstrand Development Sdn Bhd	Malaysia	100	Property development
Detik Tiara Sdn Bhd *	Malaysia	100	Property development
Skyline Symphony Sdn Bhd *	Malaysia	100	Property development
Tema Warisan Sdn Bhd	Malaysia	100	Property development
Prelude Avenue Sdn Bhd *	Malaysia	100	Property development
Special Courtyard Sdn Bhd *	Malaysia	100	Property management and maintenance
Gadang Properties Sdn Bhd and its subsidiary	Malaysia	100	Property development and investment holding
Buildmark Sdn Bhd *	Malaysia	100	Property development
Flora Masyhur Sdn Bhd * and its subsidiary	Malaysia	100	Property development
Camar Ajaib Sdn Bhd	Malaysia	100	Property development
GLP Resources (M) Sdn Bhd #	Malaysia	100	In the process of Strike Off
Gadang Plantations Holdings Sdn Bhd *	Malaysia	100	Investment holding

* *These subsidiaries were audited by other firms of chartered accountants.*
^ *These subsidiaries have commenced a members' voluntary winding-up and liquidators have been appointed.*
\# *These subsidiaries have commenced a strike off in subsequent period.*

The available auditors' reports on the financial statements of the subsidiaries did not contain any qualification.

Directors' Report

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) On 21 August 2024, the Company announced that it proposed to undertake a private placement of up to ten percent (10%) of the issued and paid-up share capital of the Company ("Placement Shares").

On 27 August 2024, the Company submitted the application to Bursa Securities for the listing and quotation of up to 72,806,109 Placement Shares, representing 10% of the total number of issued shares (excluding treasury shares, if any) of the Company on the Main Market of Bursa Securities.

On 19 September 2024, the Company announced that the issue price for the Placement Shares had been fixed at RM0.31 per Placement Share. The 72,806,100 Placement Shares were listed and quoted on the Main Market of Bursa Securities on 1 October 2024.

(b) 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, have been 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 ".

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 defence into the court proceeding to dispute the Claim.

GESB has filed an application to strike out the Claim and the hearing of the application has been re-scheduled to 25 September 2025.

The Plaintiff has filed an application for summary judgement against GESB and the application has been re-scheduled to 25 September 2025 for case management.

(c) On 11 October 2024, the Company's wholly-owned subsidiary, Gadang Construction Sdn Bhd, entered into a Sale and Purchase Agreement ("SPA") with Opulent Abode Sdn Bhd to dispose of a parcel of leasehold land held under HS(D) 256293, PT 47369, Mukim Sungai Buloh, Daerah Petaling, Negeri Selangor, for a total consideration of RM65 million.

On 4 February 2025, all conditions precedent under the SPA were duly fulfilled. With the satisfaction of these conditions, the SPA became unconditional and was expected to be completed within three (3) months from the unconditional date, i.e., by 2 May 2025 ("Completion Period"). Failing which, the Completion Period will automatically be extended for another three (3) months from the expiry of the Completion Period ("Extended Completion Period"), i.e., by 1 August 2025.

The proposed disposal was completed on 23 May 2025.

(d) On 30 December 2024, RUSB - Hotrend Joint Consortium, a joint venture comprising Regional Utilities Sdn Bhd ("RUSB"), a wholly-owned subsidiary of Gadang, and Hotrend Corporation Sdn Bhd ("Hotrend"), had on even date accepted the Letter of Notification on Acceptance of Offer from the Energy Commission of Sabah for the development of a Large Scale Solar PV Plant of 15.0 MWa.c. in Tawau, Sabah ("the Project").

The Letter of Notification on Acceptance of Offer requires the JVC to satisfy certain obligations, compliance, including submission and execution of the Project documents to confirm the acceptance.

On 10 April 2025, RUSB and Hotrend formed an incorporated joint venture company known as Tenaga Aspirasi Sdn Bhd ("TASB") under the Companies Act 2016, to undertake the development of the Project. RUSB subscribed for 60% equity interest, representing 60 ordinary shares in TASB, for a total purchase consideration of RM60.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

(e) On 25 March 2025, Borneo Engineering And Construction Sdn Bhd ("BEC"), an indirect 60% owned subsidiary of the Company, commenced a members' voluntary winding-up pursuant to Section 439(1)(b) of the Companies Act 2016, as BEC has not commenced business since its incorporation and has no intention of commencing business in the future.

BEC was incorporated on 9 June 2023 with an issued and paid-up share capital of RM100. The total cost of investment in BEC was RM540,000. The winding-up will not have any material effect on the net assets per share or earnings per share of the Group.

SUBSEQUENT EVENTS OCCURRING AFTER THE REPORTING PERIOD

(a) On 6 June 2025, the Company and its wholly-owned subsidiary, Hillstrand Development Sdn Bhd ("HDSB"), accepted a Letter of Mutual Termination from Cyberview Sdn Bhd ("CSB") and CSB Land Sdn Bhd ("CSBL") to mutually terminate the Joint Development Agreement dated 23 May 2014 with respect to the undeveloped Phase 4 of the project on a parcel of freehold land identified as HS(D) 33156, PT No. 47223, situated in the Mukim of Dengkil, District of Sepang, Selangor Darul Ehsan, and to apportion the shared common costs accordingly.

HDSB has incurred approximately RM40 million in development expenditure for the undeveloped Phase 4. Following negotiations, both parties reached an agreement that CSB/CSBL's portion of the shared common costs payable to HDSB shall be RM21.0 million only. HDSB charged out the remaining common costs of approximately RM19.0 million for the financial year ended 31 May 2025.

HDSB anticipates that the mutual termination agreement will be finalised in the fourth quarter of the calendar year 2025.

(b) On 20 June 2025, the Company's wholly-owned subsidiary, Gadang Engineering (M) Sdn Bhd, accepted a Letter of Award for the sum of RM92.5 million from AFA Construction and Engineering Sdn Bhd, undertaking to construct and complete the earthwork and other associated works for Package 2A: CH39000-CH47580 in the project known as "Proposed Widening of Kuala Lumpur - Karak Highway From KM19.20 To KM39.00 (Section 1) and From KM39.00 To KM61.50 (Section 2)".

(c) On 16 July 2025, the Company's 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 total cost of investment in KRSB was RM910,000. The winding-up will not have any material effect on the net assets per share or earnings per share of the Group.

Directors' Report

AUDITORS

The auditors, Crowe Malaysia PLT, have expressed their willingness to continue in office.

The details of the auditors' remuneration for the financial year are as follows:-

	The Group RM'000	The Company RM'000
Audit fees	683	108
Non-audit fees	8	8
	691	116

Signed in accordance with a resolution of the directors dated 11 September 2025.

TAN SRI DATO' SERI DR. MOHAMED ISMAIL BIN MERICAN

TAN SRI DATO' KOK ONN

Statement by Directors

Pursuant to Section 251(2) of the Companies Act 2016

We, Tan Sri Dato' Seri Dr. Mohamed Ismail bin Merican and Tan Sri Dato' Kok Onn, being two of the directors of Gadang Holdings Berhad, state that, in the opinion of the directors, the financial statements set out on pages 122 to 248 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 May 2025 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated 11 September 2025.

TAN SRI DATO' SERI DR. MOHAMED ISMAIL BIN MERICAN

TAN SRI DATO' KOK ONN

Statutory Declaration

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Kok Pei Ling, being the director primarily responsible for the financial management of Gadang Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 122 to 248 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned
Kok Pei Ling,
at Kuala Lumpur in the Federal Territory
on this 11 September 2025.

KOK PEI LING

Before me

Shaiful Hilmi Bin Halim (W-804)
Commissioner for Oaths

Independent Auditors' Report

to the Members of Gadang Holdings Berhad
(Incorporated in Malaysia) Registration No: 199301023376 (278114-K)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Gadang Holdings Berhad, which comprise the statements of financial position as at 31 May 2025 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 122 to 248.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 May 2025, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), as applicable to audits of financial statements of public interest entities and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Independent Auditors' Report

to the Members of Gadang Holdings Berhad (Cont'd)
(Incorporated in Malaysia) Registration No: 199301023376 (278114-K)

Key Audit Matter	**How our audit addressed the Key Audit Matter**
Goodwill Impairment Refer to Note 4.3 and Note 14 to the financial statements	
Goodwill on consolidation as at 31 May 2025 is amounted to RM5,527,000. Management is required to conduct annual impairment assessment on the goodwill. For this purpose, Management has estimated the recoverable amount of the cash-generating unit in which the goodwill is attached to, using the value in use approach. This is derived from the present value of the future cash flows from the cash-generating unit. This assessment is significant to our audit as it is highly subjective, involves significant judgement and is based on assumptions that may be affected by future market and economic conditions. Further details are shown in Note 14 to the financial statements.	Our procedures included, amongst others:- • Reviewed management's estimates of the recoverable amount and tested the cash flows forecast for their accuracy. • Reviewed the key business drivers underpinning the cash flows forecast prepared to support the recoverable amount. • Evaluated the appropriateness and reasonableness of the key assumptions by considering prior budget accuracy, comparison to recent performance and our understanding of the business, trend analysis, and historical results. • Reviewed sensitivity analysis performed by management over the key assumptions to understand the impact of changes over the valuation model. • Reviewed the adequacy of the Group's disclosures.

Independent Auditors' Report

to the Members of Gadang Holdings Berhad (Cont'd)
(Incorporated in Malaysia) Registration No: 199301023376 (278114-K)

Key Audit Matter	**How our audit addressed the Key Audit Matter**
Power Plants Impairment Refer to Note 4.8(a) and Note 9(a) to the financial statements	
The carrying amount of the power plants as at 31 May 2025 is approximately RM138,435,000. The Group has assessed it in accordance with MFRS 136 and concluded that there is no indication of impairment on the power plants. The Group has carried out the impairment assessment by comparing goodwill and power plants with the recoverable amount (Value in use ("VIU")), computed using the discounted cash flow model ("DCF"), derived from the profit and cash flow projection covering a period of 14 to 21 operating years. In addition, the Group has engaged an independent valuer to assess the fair value for one of the highest carrying amount of the power plants. After the Group's and valuer's assessment, no indication of impairment on the power plants during the current financial year. We determined the power plants is considered a key audit matter due to the magnitude of the balances and the risk of material misstatement due to significant judgement being applied in its impairment assessment.	Our procedures included, amongst other:- • Assessed the objectivity, independence and expertise of the valuer. • Performed enquiry and obtained explanations from the management and the valuer to corroborate the audit evidence. • Reviewed management's estimates of the recoverable amount and tested the cash flows forecast for their accuracy. • Reviewed the key business drivers underpinning the cash flows forecast prepared to support the recoverable amount. • Evaluated the appropriateness and reasonableness of the key assumptions by considering prior budget accuracy, comparison to recent performance and our understanding of the business, trend analysis and historical results. • Reviewed sensitivity analysis performed by management over the key assumptions to understand the impact of changes over the valuation model. • Reviewed the adequacy of the Group's disclosures.

Independent Auditors' Report

to the Members of Gadang Holdings Berhad (Cont'd)
(Incorporated in Malaysia) Registration No: 199301023376 (278114-K)

<table>
<tr><th>Key Audit Matter</th><th>How our audit addressed the Key Audit Matter</th></tr>
<tr><td colspan="2">Revenue Recognition for Construction Contracts
Refer to Note 35 to the financial statements</td></tr>
<tr><td>Revenue recognition for construction contracts, due to the contracting nature of the business, involves significant judgements. This includes the determination of the total budgeted contract costs and the calculation of percentage of completion which affects the quantum of revenue to be recognised. In estimating the revenue to be recognised, the management considers past experience and certification by customers and independent third parties, where applicable.

We determined this to be a key audit matter due to the complexity and judgmental nature of the budgeting of contract costs and the determination of revenue recognised.</td><td>Our procedures included, amongst others:-

• Read key contracts and discussed with management to obtain full understanding of the terms and risks to assess our consideration of whether revenue was appropriately recognised.

• Assessed the management's assumptions in determining the percentage of completion of projects, estimations of revenue and costs, provisions for foreseeable losses, liquidated and ascertained damages as well as recoverability of billed receivables and contract assets.

• Assessed the reasonableness of percentage of completion by comparing to certification by external parties.

• Reviewed estimated profit and costs to complete and adjustments for job costing and potential contract losses.

• Tested costs incurred to date to supporting documentation such as contractors' claim certificates.</td></tr>
</table>

Independent Auditors' Report

to the Members of Gadang Holdings Berhad (Cont'd)
(Incorporated in Malaysia) Registration No: 199301023376 (278114-K)

Key Audit Matter	**How our audit addressed the Key Audit Matter**
Revenue Recognition for Property Development Activities Refer to Note 35 to the financial statements	
The Group recognises property development revenue over the period of the contract by reference to the progress towards complete satisfaction of the performance obligation. This is determined by reference to the property development costs incurred up to the end of the reporting period as a percentage of total estimated costs for complete satisfaction of the contract. Accounting for property development activities is inherently complex and there are judgements involved in the following areas:- • determination of stage of completion • estimated total property development costs and costs to be incurred to complete a project We determined this to be a key audit matter given the complexity and judgmental nature of these activities.	Our procedures included, amongst others:- • Reviewed estimated profit and costs to complete and adjustments for job costing and potential contract losses. • For newly launched projects, assessed the reasonableness of the estimated total property development costs to supporting documentation such as contracts and quotations with contractors. • For ongoing projects, checked for any variation orders and checked that changes to contracts and quotations with the contractors, if any, are properly supported. • Tested costs incurred to date to supporting documentation such as contractors' claim certificates. • Tested sales of properties to signed Sales and Purchase Agreements and billings raised to property buyers. • Assessed the reasonableness of the percentage of completion by comparing to certification by external parties. • Recomputed the stage of completion and checked the journal entries impacting revenue and cost of sales are recognised appropriately with reference to the computation of the stage of completion of the projects.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibility for the Audit of the Financial Statements

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

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

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

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

Independent Auditors' Report

to the Members of Gadang Holdings Berhad (Cont'd)
(Incorporated in Malaysia) Registration No: 199301023376 (278114-K)

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

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

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

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

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

- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 5 to the financial statements.

Independent Auditors' Report

to the Members of Gadang Holdings Berhad (Cont'd)
(Incorporated in Malaysia) Registration No: 199301023376 (278114-K)

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Chin Kit Seong
03030/01/2027 J
Chartered Accountant

Kuala Lumpur

11 September 2025

Gadang Holdings Berhad

Statements of Financial Position

As at 31 May 2025

	Note	The Group 2025 RM'000	The Group 2024 RM'000 (Restated)	The Company 2025 RM'000	The Company 2024 RM'000
ASSETS					
Non-current assets					
Investments in subsidiaries	5	-	-	143,944	146,372
Investment in an associate	6	-	-	-	-
Investment in joint ventures	7	3,577	-	-	-
Intangible assets	8	19,303	24,095	-	-
Property, plant and equipment:					
- Power plants	9	138,435	147,429	-	-
- Other property, plant and equipment	9	18,767	26,240	279	427
		157,202	173,669	279	427
Right-of-use assets	10	4,188	4,911	-	-
Investment properties	11	15,188	15,567	-	-
Inventories	12	-	53,462	-	-
Trade and non-trade receivables	17	5,970	3,901	146,612	169,620
Other investments	13	1,789	809	1,259	809
Goodwill on consolidation	14	5,527	6,141	-	-
Deferred tax assets	15	27,708	21,837	-	-
		240,452	304,392	292,094	317,228
Current assets					
Inventories	12	400,996	535,265	-	-
Contract costs	16	8,606	5,568	-	-
Trade and non-trade receivables	17	124,398	114,061	111,052	96,363
Contract assets	20	305,127	250,552	-	-
Current tax assets		7,422	5,357	-	-
Short-term funds	21	67,652	41,217	24,737	18,768
Deposits with licensed banks	22	59,830	45,983	642	628
Cash and bank balances	23	135,915	84,205	10,747	1,202
		1,109,946	1,082,208	147,178	116,961
Assets classified as held for sale	24	-	1,684	-	-
TOTAL ASSETS		1,350,398	1,388,284	439,272	434,189

The annexed notes form an integral part of these financial statements.

Statements of Financial Position

As at 31 May 2025 (Cont'd)

		The Group		The Company	
		2025	**2024**	**2025**	**2024**
	Note	**RM'000**	**RM'000**	**RM'000**	**RM'000**
EQUITY AND LIABILITIES					
Equity					
Share capital	25	412,091	389,521	412,091	389,521
Reserves	26	404,451	402,341	21,565	37,014
Equity attributable to owners of the Company		816,542	791,862	433,656	426,535
Non-controlling interests	27	(11,784)	(8,635)	-	-
Total equity		804,758	783,227	433,656	426,535
Non-current liabilities					
Investment in joint ventures	7	-	3,731	-	-
Bank borrowings	28	76,242	59,826	-	2,812
Lease liabilities	31	-	256	-	-
Deferred tax liabilities	16	2,918	2,280	2,507	592
Defined benefit obligations	32	1,724	2,141	-	-
Trade and non-trade payables	33	8,617	97,997	-	-
		89,501	166,231	2,507	3,404
Current liabilities					
Trade and non-trade payables	33	289,034	290,531	262	221
Contract liabilities	20	40,818	18,872	-	-
Bank borrowings	28	124,090	127,335	2,813	3,750
Lease liabilities	31	-	423	-	-
Current tax liabilities		2,197	1,665	34	279
		456,139	438,826	3,109	4,250
Total liabilities		545,640	605,057	5,616	7,654
TOTAL EQUITY AND LIABILITIES		1,350,398	1,388,284	439,272	434,189
NET ASSETS PER ORDINARY SHARE (RM)	34	1.02	1.09		

The annexed notes form an integral part of these financial statements.

Gadang Holdings Berhad

Statements of Profit or Loss

For the Financial Year Ended 31 May 2025

		The Group		The Company	
	Note	2025 RM'000	2024 RM'000 (Restated)	2025 RM'000	2024 RM'000
Revenue	35	779,812	591,923	13,346	11,624
Cost of sales	36	(704,896)	(515,198)	-	-
Gross profit		74,916	76,725	13,346	11,624
Other income	37	11,552	15,356	12,014	11,672
Administrative expenses		(26,761)	(28,454)	(8,793)	(8,332)
Depreciation and amortisation		(16,690)	(16,953)	(182)	(199)
Operating expenses		(18,309)	(15,312)	(3,351)	(2,952)
Other expenses		(8,419)	(4,047)	(11,115)	(7,416)
Net impairment losses on financial assets	38	3,449	(1,158)	(13,815)	(4)
Profit/(Loss) from operations		19,738	26,157	(11,896)	4,393
Finance costs	39	(8,509)	(11,367)	(236)	(434)
Share of results in joint ventures		6,798	(325)	-	-
Profit/(Loss) before taxation	40	18,027	14,465	(12,132)	3,959
Income tax expense	43	(11,029)	(13,970)	(3,317)	(1,283)
Profit/(Loss) after taxation		6,998	495	(15,449)	2,676
Profit/(Loss) after taxation attributable to:-					
Owners of the Company		10,736	4,711	(15,449)	2,676
Non-controlling interests		(3,738)	(4,216)	-	-
		6,998	495	(15,449)	2,676
Earnings per share (sen):	44				
- Basic		1.38	0.65		
- Diluted		1.38	0.65		

The annexed notes form an integral part of these financial statements.

Statements of Other Comprehensive Income

For the Financial Year Ended 31 May 2025

		The Group		The Company	
		2025	2024	2025	2024
	Note	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) after taxation		6,998	495	(15,449)	2,676
Other comprehensive (expenses)/income:-					
Items that will not be reclassified subsequently to profit or loss					
Actuarial gain on defined benefit obligations	32	10	142	-	-
Less: Deferred tax effect		(2)	(31)	-	-
		8	111	-	-
Item that will be reclassified subsequently to profit or loss					
Foreign currency translation		(8,045)	(4,393)	-	-
Total comprehensive (expenses)/income for the financial year		(1,039)	(3,787)	(15,449)	2,676
Total comprehensive (expenses)/income attributable to:-					
Owners of the Company		2,110	(590)	(15,449)	2,676
Non-controlling interests	27	(3,149)	(3,197)	-	-
		(1,039)	(3,787)	(15,449)	2,676

The annexed notes form an integral part of these financial statements.

Statements of Changes in Equity

For the Financial Year Ended 31 May 2025

The Group	Note	Share Capital RM'000	<---- Non-Distributable ----> Capital Reserves RM'000	Foreign Exchange Translation Reserves RM'000	Distributable Retained Profits RM'000	Equity Attributable to Owners of Equity RM'000	Non-controlling Interests RM'000	Total Equity RM'000
At 1 June 2023		389,521	1,347	1,542	400,042	**792,452**	(5,438)	**787,014**
Profit/(Loss) after taxation for the financial year		-	-	-	4,711	**4,711**	(4,216)	**495**
Other comprehensive (expenses)/income for the financial year:								
- Actuarial gain on defined benefit obligations		-	-	-	111	**111**	-	**111**
- Foreign currency translation differences		-	-	(5,412)	-	**(5,412)**	1,019	**(4,393)**
Total comprehensive (expenses)/income for the financial year		-	-	(5,412)	4,822	**(590)**	(3,197)	**(3,787)**
At 31 May 2024		**389,521**	**1,347**	**(3,870)**	**404,864**	**791,862**	**(8,635)**	**783,227**

The annexed notes form an integral part of these financial statements.

Statements of Changes in Equity

For the Financial Year Ended 31 May 2025 (Cont'd)

The Group	Note	Share Capital RM'000	<---- Non-Distributable ----> Capital Reserves RM'000	Foreign Exchange Translation Reserves RM'000	Distributable Retained Profits RM'000	Equity Attributable to Owners of Equity RM'000	Non-controlling Interests RM'000	Total Equity RM'000
At 1 June 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**
Other comprehensive (expenses)/income for the financial year:								
- Actuarial gain on defined benefit obligations		-	-	-	8	**8**	-	**8**
- Foreign currency translation differences		-	-	(8,634)	-	**(8,634)**	589	**(8,045)**
Total comprehensive (expenses)/income for the financial year		-	-	(8,634)	10,744	**2,110**	(3,149)	**(1,039)**
Contributions by owners of the Company:								
- Issuance of ordinary shares	25	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 annexed notes form an integral part of these financial statements.

Gadang Holdings Berhad

Statements of Changes in Equity

For the Financial Year Ended 31 May 2025 (Cont'd)

The Company	Note	Share Capital RM'000	Distributable Retained Profits RM'000	Total Equity RM'000
At 1 June 2023		**389,521**	**34,338**	**423,859**
Profit after taxation for the financial year		-	2,676	2,676
At 31 May/1 June 2024		**389,521**	**37,014**	**426,535**
Loss after taxation for the financial year		-	(15,449)	(15,449)
Issuance of ordinary shares	25	22,570	-	22,570
At 31 May 2025		**412,091**	**21,565**	**433,656**

The annexed notes form an integral part of these financial statements.

Statements of Cash Flows

For the Financial Year Ended 31 May 2025

	The Group		The Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Cash flows from/(for) operating activities				
Profit/(Loss) before tax	18,027	14,465	(12,132)	3,959
Adjustments for:-				
Accretion of interest on:				
- amount owing to a director	-	25	-	-
- trade and non-trade receivables	450	(7,366)	-	-
Bad debts recovered	*	-	-	-
Bad debts written off	166	6	15	4
Deposit written off	9	-	-	-
Defined benefit obligations	(8)	306	-	-
Depreciation of:				
- property, plant and equipment:				
- power plants	8,535	7,785	-	-
- other property, plant and equipment	4,365	6,268	182	199
	12,900	14,053	182	199
- intangible assets	4,894	3,449	-	-
- investment properties	156	821	-	-
- right-of-use assets	53	604	-	-
Fair value gain on quoted investments	(450)	(90)	(450)	(90)
Impairment losses on:				
- amount owing by joint venture	-	388	-	-
- amount owing by subsidiaries	-	-	13,800	-
- contract assets	-	626	-	-
- trade and non-trade receivables	-	387	-	-
- investment in a subsidiary	-	-	2,428	1,933
- right-of-use assets	-	109	-	-
Dividend received from:				
- short-term funds	(86)	(74)	(51)	(48)
- subsidiaries	-	-	(4,000)	(2,250)
Interest expense on:				
- bank borrowings	11,863	12,501	236	434
- hire purchase	531	500	-	-
- lease liabilities	-	51	-	-
Interest income	(2,906)	(2,506)	(10,540)	(11,095)
Reversal of impairment losses:				
- property, plant and equipment:				
- power plants	-	(20)	-	-
- prepayment	-	(5)	-	-
- amount owing by joint venture	(3,624)	-	-	-
- trade and non-trade receivables	-	(244)	-	-
- investment in joint venture	(510)	-	-	-

Note:-
* Less than RM1,000.

Gadang Holdings Berhad

Statements of Cash Flows

For the Financial Year Ended 31 May 2025 (Cont'd)

	The Group		The Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Cash flows from/(for) operating activities (Cont'd)				
Adjustments for:- (Cont'd)				
Net (gain)/loss on disposal of:				
- investment properties	(178)	-	-	-
- asset held for sale	(1,516)	-	-	-
- property, plant and equipment:				
- other property, plant and equipment	775	(991)	-	-
Net unrealised loss on foreign exchange	7,071	3,450	8,549	5,074
Other property, plant and equipment written off	1	38	-	-
Share of results in joint ventures	(6,798)	325	-	-
Operating profit/(loss) before working capital changes	40,820	40,808	(1,963)	(1,880)
Increase in contract assets	(54,575)	(91,167)	-	-
Increase in contract liabilities	21,946	72	-	-
(Increase)/Decrease in contract costs	(3,038)	338	-	-
Increase in inter-company balances	-	-	(11,762)	(2,669)
Decrease in inventories	187,731	31,009	-	-
(Decrease)/Increase in payables	(90,709)	42,149	41	10
(Increase)/Decrease in receivables	(7,058)	24,609	(99)	(68)
Cash generated from/(used in) operations	95,117	47,818	(13,783)	(4,607)
Employee benefit paid	(203)	(119)	-	-
Income tax paid	(18,218)	(13,883)	(1,647)	(1,157)
Income tax refund	205	366	-	-
Net Operating Cash Flows	76,901	34,182	(15,430)	(5,764)

The annexed notes form an integral part of these financial statements.

Statements of Cash Flows

For the Financial Year Ended 31 May 2025 (Cont'd)

	The Group		The Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Cash flows (for)/from investing activities				
Acquisition of:				
- intangible assets	(1,225)	(753)	-	-
- property, plant and equipment:				
- power plants	(12,611)	(30,715)	-	-
- other property, plant and equipment (Note 47(a))	(465)	(283)	(34)	(77)
Dividends received from:				
- subsidiaries	-	-	4,000	2,250
- short-term funds	86	74	51	48
Fixed deposits pledged as security	(16,856)	(2,570)	(14)	(11)
Cash pledged as security	(24)	-	-	-
Interest received	2,906	2,506	10,540	11,095
Proceeds from disposal of:				
- property, plant and equipment:				
- power plants	96	-	-	-
- other property, plant and equipment	3,035	1,398	-	-
- investment properties	401	-	-	-
- asset held for sale	320	-	-	-
Advances to subsidiaries	-	-	(9,135)	(12,372)
Repayment from subsidiaries	-	-	6,951	15,538
Net Investing Cash Flows	(24,337)	(30,343)	12,359	16,471

The annexed notes form an integral part of these financial statements.

Gadang Holdings Berhad

Statements of Cash Flows

For the Financial Year Ended 31 May 2025 (Cont'd)

	The Group		The Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Cash flows from/(for) financing activities				
Drawdown of bank borrowings	244,891	81,278	-	-
Interest expense on:				
- bank borrowings	(11,863)	(12,501)	(236)	(434)
- hire purchase interest	(531)	(500)	-	-
- lease liabilities	-	(51)	-	-
Proceeds from issuance of ordinary shares	22,570	-	22,570	-
Repayment of:				
- bank borrowings	(223,630)	(112,397)	(3,749)	(3,750)
- hire purchases payables	(5,921)	(3,784)	-	-
- lease liabilities	-	(540)	-	-
Net Financing Cash Flows	25,516	(48,495)	18,585	(4,184)
Net changes in cash and cash equivalents	78,080	(44,656)	15,514	6,523
Effect of exchange rate changes on cash and cash equivalents	(2,968)	(753)	-	-
Cash and cash equivalents at the beginning of the financial year	148,970	194,379	19,970	13,447
Cash and cash equivalents at the end of the financial year (Note 47(d))	224,082	148,970	35,484	19,970

The annexed notes form an integral part of these financial statements.

Notes to the Financial Statements

For the Financial Year Ended 31 May 2025

1. General Information

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office, which is also the principal place of business, is at Wisma Gadang, No. 52, Jalan Tago 2, Off Jalan Persiaran Utama, Sri Damansara, 52200 Kuala Lumpur.

These financial statements comprise both separate and consolidated financial statements. The financial statements of the Company are separate financial statements, while the financial statements of the Group are consolidated financial statements that include those of the Company and its subsidiaries as of the end of the reporting period. The Company and its subsidiaries are collectively referred to as “the Group”.

The financial statements of the Company and of the Group are presented in Ringgit Malaysia (“RM”), which is the Company’s functional and presentation currency and has been rounded to the nearest thousand, unless otherwise stated.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 11 September 2025.

2. Principal Activities

The Company is principally engaged in the businesses of investment holding and the provision of management services to the subsidiaries. The principal activities of the subsidiaries are disclosed in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. Basis Of Preparation

The financial statements of the Group and of the Company are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under material accounting policy information, and in compliance with Malaysian Financial Reporting Standards (“MFRSs”), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

3.1 During the current financial year, the Group and the Company have adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current
Amendments to MFRS 101: Non-current Liabilities with Covenants
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements

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 and the Company’s financial statements.

3. BASIS OF PREPARATION (CONT'D)

3.2 The Group and the Company have not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current financial year:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	**Effective Date**
MFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 9 and MFRS 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 9 and MFRS 7: Contracts Referencing Nature-dependent Electricity	1 January 2026
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 121: Lack of Exchangeability	1 January 2025
Annual Improvements to MFRS Accounting Standards – 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 and of the Company upon their initial application except as follow:-

<u>MFRS 18 Presentation and Disclosure in Financial Statements</u>

MFRS 18 'Presentation and Disclosure in Financial Statements' will replace MFRS 101 'Presentation of Financial Statements' upon its adoption. This new standard aims to enhance the transparency and comparability of financial information by introducing new disclosure requirements. Specifically, it requires that income and expenses be classified into 3 defined categories: "operating", "investing" and "financing" and introduces 2 new subtotals: "operating profit or loss" and "profit or loss before financing and income tax". In addition, MFRS 18 requires the disclosure of management-defined performance measures and sets out principles for the aggregation and disaggregation of information, which will apply to all primary financial statements and the accompanying notes. The statements of financial position and the statements of cash flows will also be affected. The potential impact of the new standard on the financial statements of the Group and of the Company has yet to be assessed.

4. Material Accounting Policies Information

4.1 Critical Accounting Estimates and Judgements

Key Sources of Estimation Uncertainty

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

(a) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group and the Company recognise tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the period in which such determination is made.

(b) Impairment of Intangible Assets, Power Plants, Other Property, Plant and Equipment, and Investment Properties

The Group determines whether an item of its intangible assets, power plants, other property, plant and equipment and investment properties are impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates. The carrying amount of other property, plant and equipment and investment properties as at the reporting date are disclosed in Notes 9(b) and 11 to the financial statements. The carrying amount of intangible assets and power plants as at the reporting date and the key assumptions and sensitivity analysis are disclosed in Notes 8 and 9(a) to the financial statements.

(c) Revenue and Cost Recognition of Property Development Activities

The Group recognises property development revenue as and when the control of the asset is transferred to a customer and it is probable that the Group will collect the consideration to which it will be entitled. The control of the asset may transfer over time or at a point in time depending on the terms of the contract with the customer and the applicable laws governing the contract.

When the control of the asset is transferred over time, the Group recognises property development revenue and costs by reference to the progress towards complete satisfaction of the performance obligation at the end of the reporting period. This is measured based on the Group's efforts or budgeted inputs to the satisfaction of the performance obligation. Significant judgement is required in determining the completeness and accuracy of the budgets and the extent of the costs incurred. Substantial changes in property development cost estimates in the future can have a significant effect on the Group's results. In making the judgement, the Group evaluates and relies on past experience and works of specialists. The carrying amount of property development costs as at the reporting date is disclosed in Note 12(b) to the financial statements.

4. MATERIAL ACCOUNTING POLICIES INFORMATION (CONT'D)

4.1 Critical Accounting Estimates and Judgements (Cont'd)

Key Sources of Estimation Uncertainty (Cont'd)

(d) Revenue Recognition for Construction Contracts

The Group recognises construction revenue by reference to the construction progress using the input method, determined based on the proportion of construction costs incurred for work performed to date over the estimated total construction costs. The total estimated costs are based on approved budgets, which require assessment and judgement to be made on changes in, for example, work scope, changes in costs and costs to completion. In making the judgement, management relies on past experience and the work of specialists. The carrying amounts of contract assets and contract liabilities as at the reporting date are disclosed in Note 20 to the financial statements.

(e) Impairment of Goodwill

The assessment of whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit to which the goodwill is allocated. Estimating a value in use amount requires management to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill as at the reporting date and the key assumptions and sensitivity analysis are disclosed in Note 14 to the financial statements.

(f) Impairment of Trade Receivables and Contract Assets

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables and contract assets. The contract assets are grouped with trade receivables for impairment assessment because they have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying values of trade receivables and contract assets. The carrying amounts of trade receivables and contract assets as at the reporting date are disclosed in Notes 17 and 20 to the financial statements respectively.

(g) Impairment of Non-Trade Receivables

The loss allowances for non-trade financial assets are based on assumptions about risk of default (probability of default) and expected loss if a default happens (loss given default). It also requires the Group to assess whether there is a significant increase in credit risk of the non-trade financial asset at the reporting date. The Group uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions and forward-looking information. The carrying amounts of other receivables, amount owing by subsidiaries and amount owing by joint ventures as at the reporting date are disclosed in Notes 17, 18 and 19 to the financial statements respectively.

Notes to the Financial Statements
For the Financial Year Ended 31 May 2025

4. MATERIAL ACCOUNTING POLICIES INFORMATION (CONT'D)

4.1 Critical Accounting Estimates and Judgements (Cont'd)

Key Sources of Estimation Uncertainty (Cont'd)

(h) Write-down of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amount of inventories as at the reporting date is disclosed in Note 12 to the financial statements.

(i) Deferred Tax Assets

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unabsorbed capital allowances to the extent that it is probable that future taxable profits would be available against which the deductible temporary differences, unused tax losses and unabsorbed capital allowances could be utilised. Management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the assessment of the probability of the future taxable profits. The carrying amounts of deferred tax assets and deferred tax liabilities as at the reporting date is disclosed in Note 15 to the financial statements.

(j) Provision for Affordable Housing

The provision for affordable housing represents the shortfall between the cost of constructing affordable housing and the economic benefits expected to be received from the purchasers of affordable housing in the development of affordable housing on involuntary basis. This provision is capitalised in the form of common costs for the development of premium housing. In determining the provision for affordable housing, estimates and assumptions are made by the Group on the structure and construction costs in constructing the affordable housing. In making those judgements, the Group evaluates the provisions based on past experience. The carrying amount of provision for affordable housing as at the reporting date is disclosed in Note 33 to the financial statements.

Critical Judgements Made in Applying Accounting Policies

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

(a) Classification between Investment Properties and Owner-occupied Properties

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment properties.

4. MATERIAL ACCOUNTING POLICIES INFORMATION (CONT'D)

4.1 Critical Accounting Estimates and Judgements (Cont'd)

Critical Judgements Made in Applying Accounting Policies (Cont'd)

(b) Lease Terms

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

(c) Contingent Liabilities

The recognition and measurement for contingent liabilities are based on management's view of the expected outcome on contingencies after consulting legal counsel for litigation cases and experts, for matters in the ordinary course of business. Furthermore, management are of the view that the chances of the financial institutions to call upon the corporate guarantees issued by the Group and the Company are remote.

4.2 Financial Instruments

(a) Financial Assets

<u>Financial Assets Through Profit or Loss</u>

The financial assets are initially measured at fair value. Subsequent to the initial recognition, the financial assets are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes do not include interest and dividend income.

<u>Financial Assets at Amortised Cost</u>

The financial assets are initially measured at fair value plus transaction costs except for trade receivables without significant financing component which are measured at transaction price only. Subsequent to the initial recognition, all financial assets are measured at amortised cost less any impairment losses.

(b) Financial Liabilities

<u>Financial Liabilities at Amortised Cost</u>

The financial liabilities are initially measured at fair value less transaction costs. Subsequent to the initial recognition, the financial liabilities are measured at amortised cost.

(c) Equity

<u>Ordinary Shares</u>

Ordinary shares are recorded on initial recognition at the proceeds received less directly attributable transaction costs incurred. The ordinary shares are not remeasured subsequently.

4. MATERIAL ACCOUNTING POLICIES INFORMATION (CONT'D)

4.2 Financial Instruments (Cont'd)

(d) Financial Guarantee Contracts

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to the initial recognition, the financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee or, when there is no specific contractual period, recognised in profit or loss upon discharge of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Company, as the issuer, is required to reimburse the holder for the associated loss, the reimbursement is recognised as a liability and measured at the higher of the amount of loss allowance determined using the expected credit loss model and the amount of financial guarantee initially recognised less cumulative amortisation.

4.3 Goodwill

Goodwill is initially measured at cost. Subsequent to the initial recognition, the goodwill is measured at cost less accumulated impairment losses, if any. A bargain purchase gain is recognised in profit or loss immediately.

4.4 Investments in Subsidiaries

Investments in subsidiaries including the share options granted to employees of the subsidiaries, which are eliminated on consolidation, are stated in the separate financial statements of the Company at cost less impairment losses, if any.

4.5 Investments in Associates

Investments in associates are stated in the separate financial statements of the Group at cost less impairment losses, if any, and accounted for using the equity method in the consolidated financial statements.

4.6 Investments in Joint Ventures

Investments in joint ventures are stated in the separate financial statements of the Company at cost less impairment losses, if any. The Group recognises its interest in the joint ventures using the equity method in the consolidated financial statements.

4.7 Investment Properties

Investment properties are initially measured at cost. Subsequent to the initial recognition, the investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land is not depreciated. Depreciation on other investment properties are calculated using the straight-line method to allocate the depreciable amounts over the estimated useful lives. The principal annual depreciation periods and rates are:-

Leasehold land	76 - 917 years
Buildings	2%

4. MATERIAL ACCOUNTING POLICIES INFORMATION (CONT'D)

4.8 Property, Plant and Equipment

(a) Power plants

Power plants are stated at cost less accumulated depreciation and any accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition or construction of the asset, including the following for power plants:

(i) Construction costs incurred under the build, operate and own power purchase arrangement;
(ii) Direct costs of bringing the asset to its intended use; and
(iii) Borrowing costs capitalised during the construction period, where applicable, in accordance with MFRS 123 Borrowing Costs.

Depreciation is calculated using the straight-line method to allocate the cost of the power plants over their estimated useful lives or the contractual legal limit period, whichever is shorter. The principal annual depreciation rates are:-

Power plants	5% - 7%

Power plants under construction are not depreciated. Depreciation commences only upon the successful completion and commencement of commercial operations.

(b) Other property, plant and equipment

All items of other property, plant and equipment are initially measured at cost.

Subsequent to initial recognition, all other property, plant and equipment, other than freehold land and buildings, are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land is not depreciated. Depreciation on other property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over the estimated useful lives. The principal annual depreciation rates are:-

Buildings	2% - 12.5%
Plant and machinery	10% - 20%
Tools and equipment	10% - 20%
Office equipment	10% - 33.3%
Furniture and fittings	10% - 20%
Motor vehicles	12.5% - 25%
Renovation	10% - 25%

4. MATERIAL ACCOUNTING POLICIES INFORMATION (CONT'D)

4.9 Right-Of-Use Assets and Lease Liabilities

(c) Short-term Leases and Leases of Low-value Assets

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

(d) Right-of-use Assets

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

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

(e) Lease Liabilities

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

4.10 Intangible Assets

Intangible assets are initially measured at cost. Subsequent to the initial recognition, the intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

<u>Intangible Assets with Definite Useful Lives</u>

The intangible assets are amortised using the straight-line method to allocate their depreciable amounts over the concession period of 24 - 30 years.

4. MATERIAL ACCOUNTING POLICIES INFORMATION (CONT'D)

4.11 Inventories

(a) Land Held for Property Development and Property Development Costs

(i) Land Held for Property Development

Land held for property development is stated at the lower of cost and net realisable value. Cost comprises cost associated with the purchase of land, conversion fees and other relevant levies, and an appropriate proportion of common infrastructure costs.

Land held for future property development is transferred to property development cost category when development activities have commenced and are expected to be completed within the normal operating cycle.

(ii) Property Development Costs

Property development costs are stated at the lower of cost and net realisable value. Cost comprises cost associated with the purchase of land (including landowners' entitlement where applicable), conversion fees, aggregate cost of development, materials and supplies, wages and other direct expenses, and an appropriate proportion of common infrastructure costs.

The property development costs of unsold units are transferred to inventories once the development is completed.

(b) Completed Development Properties Held for Sales

Completed properties are stated at the lower of cost and net realisable value. Cost is determined on specific identification and comprises cost associated with the purchase of land (including all related costs incurred subsequent to the acquisition necessary to prepare the land for its intended use), construction costs and other related development costs incurred in bringing the inventories to their present location and condition.

(c) Other Inventories

Other inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out method and comprises the purchase price and incidentals incurred in bringing the inventories to their present location and condition.

Net realisable value represents the estimated selling price less the estimated costs of completion and the estimated costs necessary to make the sale.

5. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2025	2024
	RM'000	RM'000
Unquoted shares, at cost	135,699	135,699
Amount owing by subsidiaries	14,373	14,373
Share options granted to employees of subsidiaries	6,943	6,943
	157,015	157,015
Allowance for impairment losses		
At 1 June 2024/2023	(10,643)	(8,710)
Charge for the financial year:		
- recognised in profit or loss (Note 40)	(2,428)	(1,933)
At 31 May	(13,071)	(10,643)
	143,944	146,372

Gadang Holdings Berhad

Notes to the Financial Statements

For the Financial Year Ended 31 May 2025

5. INVESTMENTS IN SUBSIDIARIES

The details of the subsidiaries are as follows:-

Name of Subsidiary	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent 2025 %	2024 %	Principal Activities
Gadang Engineering (M) Sdn Bhd and its subsidiaries	Malaysia	100	100	Earthworks, building and civil engineering construction works and investment holding
Bincon Sdn Bhd	Malaysia	100	100	Hire of plant and machinery, transportation agent
Borneo Engineering And Construction Sdn Bhd ^	Malaysia	60	60	In the process of Member's Voluntary Winding Up
Era Berkat Sdn Bhd #	Malaysia	100	100	In the process of Strike Off
Katah Realty Sdn Bhd ^	Malaysia	100	100	In the process of Member's Voluntary Winding Up
Kartamo Corporation Sdn Bhd *	Malaysia	100	100	Building and civil engineering construction works
Gadang Construction Sdn Bhd	Malaysia	100	100	Earthwork, building and civil engineering construction works, provision of hospital and healthcare services
Yi Sheng Foundation Pte Ltd * and its subsidiaries	Singapore	100	100	Contractor of bored pile works
Usaha Pesona Sdn Bhd	Malaysia	100	100	Contractor of bored pile works
UA Foundation Pte Ltd *	Singapore	51	51	Contractor of bored pile works

Notes to the Financial Statements
For the Financial Year Ended 31 May 2025

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of Subsidiary	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent 2025 %	2024 %	Principal Activities
Datapuri Sdn Bhd	Malaysia	100	100	Provision of mechanical and electrical engineering services
Regional Utilities Sdn Bhd and its subsidiaries	Malaysia	100	100	Investment holding
PT Asian Utilities Indonesia *	Indonesia	100	100	Management consulting services
Nusantara Suriamas Sdn Bhd	Malaysia	70	70	Solar energy collectors
Tenaga Aspirasi Sdn Bhd *	Malaysia	60	-	Solar energy collectors
Asian Utilities Pte Ltd * and its subsidiaries	Singapore	100	100	Investment holding
PT Taman Tirta Sidoarjo *	Indonesia	95	95	Water concession
PT Hanarida Tirta Birawa *	Indonesia	95	95	Water concession
PT Ikhwan Mega Power *	Indonesia	60	60	Hydro power generator
PT Dewata Bangun Tirta *	Indonesia	95	95	Water concession
PT Hidronusa Rawan Energi *	Indonesia	80	80	Dormant
Mandy Corporation Sdn Bhd	Malaysia	100	100	Property development, building and civil engineering contractor
Achwell Property Sdn Bhd *	Malaysia	100	100	Property development

Gadang Holdings Berhad

Notes to the Financial Statements

For the Financial Year Ended 31 May 2025

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of Subsidiary	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent 2025 %	2024 %	Principal Activities
Gadang Land Sdn Bhd and its subsidiaries	Malaysia	100	100	Property development, provision of management services and investment holding
Magnaway Sdn Bhd *	Malaysia	100	100	Property management and maintenance
Noble Paradise Sdn Bhd *	Malaysia	100	100	Property development
Sama Pesona Sdn Bhd *	Malaysia	100	100	Property development
Damai Klasik Sdn Bhd *	Malaysia	100	100	Property development
City Version Sdn Bhd *	Malaysia	100	100	Property development
Splendid Pavilion Sdn Bhd	Malaysia	100	100	Property development
Natural Domain Sdn Bhd	Malaysia	100	100	Property development
Crimson Villa Sdn Bhd	Malaysia	100	100	Property development
Elegance Sonata Sdn Bhd	Malaysia	100	100	Property development
Hillstrand Development Sdn Bhd	Malaysia	100	100	Property development
Detik Tiara Sdn Bhd *	Malaysia	100	100	Property development
Skyline Symphony Sdn Bhd *	Malaysia	100	100	Property development
Tema Warisan Sdn Bhd	Malaysia	100	100	Property development
Prelude Avenue Sdn Bhd *	Malaysia	100	100	Property development
Special Courtyard Sdn Bhd *	Malaysia	100	100	Property management and maintenance

Notes to the Financial Statements

For the Financial Year Ended 31 May 2025

5. Investments In Subsidiaries (Cont'd)

Name of Subsidiary	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent 2025 %	2024 %	Principal Activities
Gadang Land Sdn Bhd and its subsidiaries (Cont'd)				
Gadang Properties Sdn Bhd and its subsidiary	Malaysia	100	100	Property development and investment holding
Buildmark Sdn Bhd *	Malaysia	100	100	Property development
Flora Masyhur Sdn Bhd * and its subsidiary	Malaysia	100	100	Property development
Camar Ajaib Sdn Bhd	Malaysia	100	100	Property development
GLP Resources (M) Sdn Bhd #	Malaysia	100	100	In the process of Strike Off
Gadang Plantations Holdings Sdn Bhd *	Malaysia	100	100	Investment holding

* *These subsidiaries were audited by other firms of chartered accountants.*

^ *These subsidiaries have commenced a members' voluntary winding-up and liquidators have been appointed.*

\# *These subsidiaries have commenced a strike off in subsequent period.*

(a) The non-controlling interests at the end of the reporting period comprise the following:-

	Effective Equity Interest 2025 %	2024 %	The Group 2025 RM'000	2024 RM'000
Subsidiary 1	40	40	21,496	17,651
Other individually immaterial subsidiaries			(9,712)	(9,016)
			11,784	8,635

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(b) The summarised financial information (before intra-group elimination) for subsidiary that has non-controlling interests that are material to the Group is as follows:-

	Subsidiary 1	
	2025	**2024**
	RM'000	**RM'000**
At 31 May		
Non-current assets	109,442	130,724
Current assets	4,024	5,070
Non-current liabilities	(79,673)	(71,329)
Current liabilities	(90,920)	(113,354)
Net assets	(57,127)	(48,889)
Financial year ended 31 May		
Revenue	9,789	8,318
Loss after taxation for the financial year	(13,781)	(14,218)
Total comprehensive expenses	(8,238)	(11,564)
Total comprehensive expenses attributable to non-controlling interests	(3,295)	(4,626)
Net cash flows from/(for) operating activities	6,018	(8,072)
Net cash flows from/(for) investing activities	54	(52)
Net cash flows from financing activities	6,898	10,109

(c) On 25 March 2025, Borneo Engineering And Construction Sdn Bhd ("BEC"), an indirect 60% owned subsidiary of Gadang Engineering (M) Sdn Bhd ("GESB"), commenced a members' voluntary winding-up pursuant to Section 439(1)(b) of the Companies Act 2016, as BEC has not commenced business since its incorporation and has no intention of commencing business in the future.

BEC was incorporated on 9 June 2023 with an issued and paid-up share capital of RM100. The total cost of investment in BEC was RM540,000. The winding-up will not have any material effect on the net assets per share or earnings per share of the Group.

(d) On 30 December 2024, RUSB - Hotrend Joint Consortium, a joint venture comprising Regional Utilities Sdn Bhd ("RUSB"), a wholly-owned subsidiary of Gadang, and Hotrend Corporation Sdn Bhd ("Hotrend"), had on even date accepted the Letter of Notification on Acceptance of Offer from the Energy Commission of Sabah for the development of a Large Scale Solar PV Plant of 15.0 MWa.c. in Tawau, Sabah ("the Project").

The Letter of Notification on Acceptance of Offer requires the joint venture company ("JVC") to satisfy certain obligations, compliance, including submission and execution of the Project documents to confirm the acceptance.

On 10 April 2025, RUSB and Hotrend formed an incorporated JVC known as Tenaga Aspirasi Sdn Bhd ("TASB") under the Companies Act 2016, to undertake the development of the Project. RUSB subscribed for 60% equity interest, representing 60 ordinary shares in TASB, for a total purchase consideration of RM60.

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(e) During the financial year, the Company has carried out a review of the recoverable amounts of its investments in a subsidiary, in the Property Division, which is insufficient future profits and the carrying amount of the net assets of the subsidiary may not be recoverable. An impairment loss of RM2,428,000 (2024 - RM1,933,000), representing the write-down of the investments in subsidiaries to their recoverable amounts, was recognised as other expenses in profit or loss, as disclosed in Note 40 to the financial statements.

The total recoverable amounts of RM15,773,000 were determined based on their net assets value per share of the subsidiaries (2024 - value in use approach, determined by discounting future cash flows projected to be generated by the subsidiaries based on various assumptions). The key assumptions used in the determination of the recoverable amounts in the previous financial year were as follows:-

(i)	Revenue	Revenue was estimated based on existing order book and anticipated future projects. In estimating the revenue, the Company considered the probability of securing future revenue contracts as well as possible variations in amounts and timing of the cash flows.
(ii)	Budgeted gross margins	Gross margins were estimated based on forecast margins for order book, management's expectations and past experience. The margins used were ranging from 3% to 5%.
(iii)	Discount rate (post-tax)	The discount rate reflected specific risks relating to the relevant subsidiaries. The rate used is 9.6%.

The above estimates were sensitive in the following areas:-

(i) A decrease of 5% in budgeted gross margins would reduce the recoverable amount by RM2,334,000; and

(ii) An increase of 0.5% in discount rate used would reduce the recoverable amount by RM781,000.

The above investment in subsidiary was related to the Property Division.

6. INVESTMENT IN AN ASSOCIATE

	The Group 2025 RM'000	2024 RM'000
Unquoted shares, at cost	*	*
Share of post-acquisition reserves	*	*
	-	-

Note:-
* Less than RM1,000.

The details of the associate are as follows:-

Name of Associate	Principal Place of Business/ Country of Incorporation	Percentage of Ownership 2025 %	2024 %	Principal Activity
Maha Abadi Sdn Bhd #	Malaysia	25	25	In the process of Strike Off

The associate commenced strike off in subsequent period.

The summarised unaudited financial information of the associate has not been presented as the associate is not individually material to the Group.

7. INVESTMENT IN JOINT VENTURES

	The Group 2025 RM'000	2024 RM'000
Unquoted shares, at cost	510	510
Share of post-acquisition reserves	3,067	(3,731)
	3,577	(3,221)
Allowance for impairment loss		
At 1 June 2024/2023	(510)	(510)
Reversal during the financial year (Note 37)	510	-
At 31 May	-	(510)
	3,577	(3,731)

	2025 RM'000	2024 RM'000
Represented by:-		
Non-current asset	3,577	-
Non-current liability	-	(3,731)

7. INVESTMENT IN JOINT VENTURES (CONT'D)

The details of the joint ventures are as follows:-

Name of Joint Venture	Principal Place of Business/ Country of Incorporation	Percentage of Ownership 2025 %	2024 %	Principal Activities
Zeta Datapuri JV Sdn Bhd	Malaysia	45	45	Provision of mechanical and electrical engineering services
Gadang CRFG Consortium Sdn Bhd	Malaysia	51	51	Civil engineering construction works

(a) The Group's involvement in joint arrangements are structured through separate vehicles which provide the Group rights to the net assets of the entities. Accordingly, the Group has classified these investments as joint ventures.

(b) Although the Group holds more than 50% of the voting power in Gadang CRFG Consortium Sdn Bhd, the Group has determined that it does not have sole control over the investee considering that strategic and financial decisions of the relevant activities of the investee require unanimous consent of all the shareholders.

7. INVESTMENT IN JOINT VENTURES (CONT'D)

(c) The summarised audited financial information (after the alignment for the Group's accounting policies) for each joint venture that is material to the Group is as follows:-

	Gadang CRFG Consortium Sdn Bhd	
	2025 RM'000	2024 RM'000 (Restated)
At 31 May		
Non-current assets	-	430
Current assets	23,829	26,376
Current liabilities	(16,970)	(33,908)
Net assets/(liabilities)	6,859	(7,102)
Financial year ended 31 May		
Revenue	18,831	16,527
Depreciation of other property, plant and equipment	(109)	(234)
Income tax expense	2,535	(113)
Profit/(Loss) after taxation for the financial year	13,961	(564)
Total comprehensive income/(expenses)	13,961	(564)
Group's share of profit/(loss) after taxation for the financial year	7,120	(288)
Reconciliation of Net Assets/(Liabilities) to Carrying Amount		
Group's share of net assets/(liabilities) above	3,497	(3,623)
Carrying amount of Group's interest in this joint venture	3,497	(3,623)

Notes to the Financial Statements

For the Financial Year Ended 31 May 2025

8. Intangible Assets

The Group	Water treatment plant RM'000	Pipes RM'000	Machines RM'000	Laboratories equipment RM'000	Plant equipment RM'000	Total RM'000
31 May 2025						
Cost						
At 1 June 2024	35,230	11,814	16,027	198	57	63,326
Additions	144	913	168	-	-	1,225
Foreign exchange difference	(1,657)	(1,225)	(1,610)	(20)	(5)	(4,517)
At 31 May	33,717	11,502	14,585	178	52	60,034
Accumulated depreciation						
At 1 June 2024	18,397	8,696	11,689	94	57	38,933
Charge for the financial year:						
- recognised in profit or loss (Note 40)	3,883	526	453	32	-	4,894
Foreign exchange difference	(1,264)	(895)	(1,190)	(11)	(5)	(3,365)
At 31 May	21,016	8,327	10,952	115	52	40,462

Notes to the Financial Statements
For the Financial Year Ended 31 May 2025

8. Intangible Assets (Cont'd)

The Group	Water treatment plant RM'000	Pipes RM'000	Machines RM'000	Laboratories equipment RM'000	Plant equipment RM'000	Total RM'000
31 May 2025						
Accumulated impairment loss						
At 1 June 2024	289	-	9	-	-	298
Foreign exchange difference	(28)	-	(1)	-	-	(29)
At 31 May	261	-	8	-	-	269
Carrying value	12,440	3,175	3,625	63	-	19,303

Notes to the Financial Statements

For the Financial Year Ended 31 May 2025

8. INTANGIBLE ASSETS (CONT'D)

The Group	Water treatment plant RM'000	Pipes RM'000	Machines RM'000	Laboratories equipment RM'000	Plant equipment RM'000	Total RM'000
31 May 2024						
Cost						
At 1 June 2023	36,234	11,983	16,978	66	61	65,322
Additions	19	550	43	141	-	753
Foreign exchange difference	(1,023)	(719)	(994)	(9)	(4)	(2,749)
At 31 May	35,230	11,814	16,027	198	57	63,326
Accumulated depreciation						
At 1 June 2023	16,796	8,689	11,882	66	61	37,494
Charge for the financial year:						
- recognised in profit or loss (Note 40)	2,365	533	518	33	-	3,449
Foreign exchange difference	(764)	(526)	(711)	(5)	(4)	(2,010)
At 31 May	18,397	8,696	11,689	94	57	38,933

Notes to the Financial Statements
For the Financial Year Ended 31 May 2025

8. Intangible Assets (Cont'd)

The Group	Water treatment plant RM'000	Pipes RM'000	Machines RM'000	Laboratories equipment RM'000	Plant equipment RM'000	Total RM'000
31 May 2024						
Accumulated impairment loss						
At 1 June 2023	307	-	10	-	-	317
Foreign exchange difference	(18)	-	(1)	-	-	(19)
At 31 May	289	-	9	-	-	298
Carrying value	16,544	3,118	4,329	104	-	24,095

8. INTANGIBLE ASSETS (CONT'D)

		The Group	
		2025	**2024**
		RM'000	**RM'000**
Carrying value			
Represented by:-	**Location**		
Intangible asset I	Indonesia	765	1,493
Intangible asset II	Indonesia	7,252	10,663
Intangible asset III	Indonesia	11,286	11,939
		19,303	24,095

9. PROPERTY, PLANT AND EQUIPMENT

	The Group		The Company	
	2025	**2024**	**2025**	**2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
		(Restated)		
Property, plant and equipment				
- Power plants	138,435	147,429	-	-
- Other property, plant and equipment	18,767	26,240	279	427
	157,202	173,669	279	427

9. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(a) Power plants

The Group	Freehold land RM'000	Electrical equipment RM'000	Hydro power plant RM'000	Construction work-in-progress RM'000	Total RM'000
31 May 2025					
Cost					
At 1 June 2024 (Restated)	2,958	71	135,776	24,929	163,734
Additions	-	-	-	12,611	12,611
Disposals/Write-offs	-	-	(96)	-	(96)
Foreign exchange difference	(296)	(7)	(16,904)	-	(17,207)
At 31 May	2,662	64	118,776	37,540	159,042
Accumulated depreciation					
At 1 June 2024	-	4	7,521	-	7,525
Charge for the financial year:					
- recognised in profit or loss (Note 40)	-	3	8,532	-	8,535
Foreign exchange difference	-	(1)	(1,157)	-	(1,158)
At 31 May	-	6	14,896	-	14,902
Accumulated impairment loss					
At 1 June 2024	-	-	8,780	-	8,780
Foreign exchange difference	-	-	(3,075)	-	(3,075)
At 31 May	-	-	5,705	-	5,705
Carrying value	2,662	58	98,175	37,540	138,435

9. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(a) Power plants (Cont'd)

The Group	Freehold land RM'000	Electrical equipment RM'000	Hydro power plant RM'000	Construction work-in-progress RM'000	Total RM'000
31 May 2024 (Restated)					
Cost					
At 1 June 2023	3,142	59	121,936	17,366	142,503
Additions	-	16	23,136	7,563	30,715
Foreign exchange difference	(184)	(4)	(9,296)	-	(9,484)
At 31 May	2,958	71	135,776	24,929	163,734
Accumulated depreciation					
At 1 June 2023	-	-	-	-	-
Charge for the financial year:					
- recognised in profit or loss (Note 40)	-	4	7,781	-	7,785
Foreign exchange difference	-	-	(260)	-	(260)
At 31 May	-	4	7,521	-	7,525
Accumulated impairment loss					
At 1 June 2023	-	-	10,709	-	10,709
Charge for the financial year:					
- reversal during the financial year (Note 37)	-	-	(20)	-	(20)
Foreign exchange difference	-	-	(1,909)	-	(1,909)
At 31 May	-	-	8,780	-	8,780
Carrying value	2,958	67	119,475	24,929	147,429

Power plants with an aggregate carrying value of RM138,435,000 (2024 - RM147,429,000) are pledged to licensed banks as security for credit facilities granted to subsidiaries, as disclosed in Note 29 to the financial statements. Included in the additions are borrowing costs capitalised during the financial year amounting to RM829,000 (2024 - RM637,000).

		The Group	
		2025 RM'000	2024 RM'000 (Restated)
Carrying value			
Represented by:-	**Location**		
Power plant I	Malaysia	29,763	17,152
Power plant II	Indonesia	108,672	130,277
		138,435	147,429

9. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(a) Power plants (Cont'd)

		The Group	
		2025	**2024**
		RM'000	**RM'000**
Recoverable Amount			
Represented by:-	**Location**		
Power plant I	Malaysia	31,680	28,490
Power plant II	Indonesia	108,765	131,562
		140,445	160,052

The recoverable amounts of the power plants are determined using the value in use approach, determined by discounting future cash flow projected based on various assumptions.

The key assumptions used in the determination of the recoverable amounts are as follows:-

	Gross Margin		Growth Rate		Discount Rate	
	2025	**2024**	**2025**	**2024**	**2025**	**2024**
	%	**%**	**%**	**%**	**%**	**%**
Power plants	69 - 91	79 - 89	Nil	Nil	7 - 13	9 - 13

(i) Budgeted gross margin

The basis used to determine the value assigned to the budgeted gross margin is the average gross margins achieved in the year immediately before the budgeted year adjusted for expected efficiency improvements and cost saving measures.

(ii) Growth rate

The forecast and projection reflect management expectation of growth rate (capacity factor and tariff rate), operating costs and margins for the CGU based on past experience.

(iii) Discount rate

The discount rate used is pre-tax and reflects specific risks relating to the relevant segments.

The values assigned to the key assumptions represent management's assessment of future trends in the CGU and are based on both external sources and internal historical data. The projections are prepared based on remaining useful lives granted and construction period, therefore, the projection includes net cash flows to be received for the disposal of power plants at the end of useful lives and not considered the terminal value.

Notes to the Financial Statements

For the Financial Year Ended 31 May 2025

9. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(a) Power plants (Cont'd)

Power plant I - During the financial year, there were no reasonably possible changes in any of the key assumptions that would have resulted in an impairment loss on power plants.

Power plant II - If the discount rate were to increase by 0.5%, the additional impairment loss on power plants is approximately RM677,000. If the growth rate were reduced by 4% for capacity factor, the additional impairment loss on power plants is approximately RM2,927,000. Any reasonably possible changes in the other key assumptions on which the recoverable amounts are based would not cause the carrying amount of other cash-generating units to exceed their recoverable amounts.

Notes to the Financial Statements

For the Financial Year Ended 31 May 2025

9. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(b) Other property, plant and equipment

The Group	Freehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Tools and equipment RM'000	Office equipment RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Renovation RM'000	Total RM'000
31 May 2025									
Cost									
At 1 June 2024	3,495	9,107	91,498	16,360	5,130	1,608	14,262	2,801	144,261
Additions (Note 47(a))	-	-	75	18	250	61	676	-	1,080
Disposals/Write-offs	-	-	(8,021)	(2,016)	(20)	(2)	(653)	-	(10,712)
Foreign exchange difference	(63)	(2)	(522)	(83)	(61)	(3)	(62)	(5)	(801)
At 31 May	3,432	9,105	83,030	14,279	5,299	1,664	14,223	2,796	133,828
Accumulated depreciation									
At 1 June 2024	-	4,300	78,486	15,331	4,074	1,374	12,008	2,120	117,693
Charge for the financial year:									
- recognised in cost of sales (Note 36)	-	-	1,168	39	14	6	86	-	1,313
- recognised in profit or loss (Note 40)	-	182	1,412	106	373	67	730	182	3,052
	-	182	2,580	145	387	73	816	182	4,365
Disposals/Write-offs	-	-	(4,949)	(1,251)	(20)	(1)	(653)	-	(6,874)
Foreign exchange difference	-	(2)	(243)	(41)	(55)	(1)	(47)	(5)	(394)
At 31 May	-	4,480	75,874	14,184	4,386	1,445	12,124	2,297	114,790

Notes to the Financial Statements

For the Financial Year Ended 31 May 2025

9. Property, Plant and Equipment (Cont'd)

(b) Other property, plant and equipment (Cont'd)

The Group	Freehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Tools and equipment RM'000	Office equipment RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Renovation RM'000	Total RM'000
31 May 2025									
Accumulated impairment loss									
At 1 June 2024	300	-	27	-	1	-	-	-	328
Disposals/Write-offs	-	-	(27)	-	-	-	-	-	(27)
Foreign exchange difference	(30)	-	-	-	*	-	-	-	(30)
At 31 May	270	-	-	-	1	-	-	-	271
Carrying value	3,162	4,625	7,156	95	912	219	2,099	499	18,767

Note:-
* Less than RM1,000.

Notes to the Financial Statements

For the Financial Year Ended 31 May 2025

9. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(b) Other property, plant and equipment (Cont'd)

The Group	Freehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Tools and equipment RM'000	Office equipment RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Renovation RM'000	Total RM'000
31 May 2024									
Cost									
At 1 June 2023	3,534	9,108	94,822	20,325	4,919	1,612	16,301	2,804	153,425
Additions (Note 47(a))	-	-	100	35	366	2	237	-	740
Disposals/Write-offs	-	-	(3,629)	(4,054)	(122)	(7)	(2,242)	-	(10,054)
Foreign exchange difference	(39)	(1)	205	54	(33)	1	(34)	(3)	150
At 31 May	3,495	9,107	91,498	16,360	5,130	1,608	14,262	2,801	144,261
Accumulated depreciation									
At 1 June 2023	-	4,119	78,757	17,864	3,804	1,311	13,215	1,931	121,001
Charge for the financial year:									
- recognised in cost of sales (Note 36)	-	-	1,527	320	28	-	99	-	1,974
- recognised in profit or loss (Note 40)	-	182	2,024	615	389	70	822	192	4,294
	-	182	3,551	935	417	70	921	192	6,268
Disposals/Write-offs	-	-	(3,899)	(3,486)	(117)	(7)	(2,100)	-	(9,609)
Foreign exchange difference	-	(1)	77	18	(30)	*	(28)	(3)	33
At 31 May	-	4,300	78,486	15,331	4,074	1,374	12,008	2,120	117,693

Note:-

* Less than RM1,000.

Notes to the Financial Statements
For the Financial Year Ended 31 May 2025

9. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(b) Other property, plant and equipment (Cont'd)

The Group	**Freehold land RM'000**	**Buildings RM'000**	**Plant and machinery RM'000**	**Tools and equipment RM'000**	**Office equipment RM'000**	**Furniture and fittings RM'000**	**Motor vehicles RM'000**	**Renovation RM'000**	**Total RM'000**
31 May 2024									
Accumulated impairment loss									
At 1 June 2023	319	-	27	-	1	-	-	-	347
Foreign exchange difference	(19)	-	-	-	*	-	-	-	(19)
At 31 May	300	-	27	-	1	-	-	-	328
Carrying value	3,195	4,807	12,985	1,029	1,055	234	2,254	681	26,240

Note:-
* Less than RM1,000.

Notes to the Financial Statements

For the Financial Year Ended 31 May 2025

9. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(b) Other property, plant and equipment (Cont'd)

The Company	Motor vehicles RM'000	Furniture and fittings RM'000	Office equipment RM'000	Total RM'000
31 May 2025				
Cost				
At 1 June 2024	14	196	1,144	1,354
Additions (Note 47(a))	-	1	33	34
At 31 May	14	197	1,177	1,388
Accumulated depreciation				
At 1 June 2024	14	132	781	927
Charge for the financial year (Note 40)	-	17	165	182
At 31 May	14	149	946	1,109
Carrying value	-	48	231	279
31 May 2024				
Cost				
At 1 June 2023	14	196	1,070	1,280
Additions (Note 47(a))	-	-	77	77
Write-offs	-	-	(3)	(3)
At 31 May	14	196	1,144	1,354
Accumulated depreciation				
At 1 June 2023	14	115	602	731
Charge for the financial year (Note 40)	-	17	182	199
Disposals/Write-offs	-	-	(3)	(3)
At 31 May	14	132	781	927
Carrying value	-	64	363	427

The Group's land and buildings with an aggregate carrying value of RM7,485,000 (2024 - RM7,667,000) are pledged to licensed banks as security for credit facilities granted to the Group, as disclosed in Note 29 to the financial statements.

Included in the other property, plant and equipment of the Group were plant and machinery and motor vehicles with a total carrying amount of RM6,678,000 (2024 - RM11,339,000) held under hire purchase agreements. These assets have been pledged as security for the hire purchase agreements. Details of the hire purchase payables by the Group, as disclosed in Note 29 to the financial statements.

10. RIGHT-OF-USE ASSETS

	The Group	
	2025	**2024**
	RM'000	**RM'000**
Cost		
At 1 June 2024/2023	6,185	4,965
Additions (Note 47(a))	-	1,401
Disposals	(1,164)	(183)
Foreign exchange difference	(56)	2
At 31 May	4,965	6,185
Accumulated depreciation		
At 1 June 2024/2023	1,165	560
Charge for the financial year:		
- recognised in profit or loss (Note 40)	53	604
Disposals	(525)	-
Foreign exchange difference	(25)	1
At 31 May	668	1,165
Accumulated impairment loss		
At 1 June 2024/2023	109	-
Charge for the financial year:		
- recognised in profit or loss (Note 40)	-	109
At 31 May	109	109
Carrying value	4,188	4,911

(a) The Group leases certain pieces of leasehold land of which the leasing activities are summarised below:-

(i) Leasehold land

The lease arrangement on the use of land is for a period of 85 to 93 years with no renewal or purchase option included in the agreements. The leasehold land with an aggregate carrying value of RM4,188,000 (2024 - RM4,241,000) has been pledged to licensed banks as security for banking facilities granted to the Group, as disclosed in Note 29 to the financial statements. The leases do not allow the Group to assign, transfer or sublease or create any charge, lien or trust in respect of or dispose of the whole or any part of the land. A tenancy is, however, allowed with the consent of the lessor.

(b) The Group also has leases with lease terms of 12 months or less and leases of office equipment with low value. The Group has applied the ‘short-term lease’ and ‘lease of low-value assets’ recognition exemptions for these leases.

(c) In the previous financial year, the Group has carried out a review of the recoverable amount of its leasehold land. An impairment loss of RM109,000, representing the write-down of the right-of-use asset to the recoverable amount was recognised in “Other Expenses” line item of the consolidated statement of profit or loss and other comprehensive income, as disclosed in Note 40 to the financial statements.

11. INVESTMENT PROPERTIES

	The Group	
	2025	2024
Cost	RM'000	RM'000
At 1 June 2024/2023	17,613	77,897
Disposal	(223)	-
Transferred to:		
- land held for property development (Note 12(a))	-	(57,734)
- asset held for sale (Note 24)	-	(2,550)
At 31 May	17,390	17,613
Accumulated depreciation		
At 1 June 2024/2023	1,649	5,116
Charge for the financial year (Note 40)	156	821
Transferred to:		
- land held for property development (Note 12(a))	-	(4,272)
- asset held for sale (Note 24)	-	(16)
At 31 May	1,805	1,649
Accumulated impairment loss		
At 1 June 2024/2023	397	1,247
Transferred to:		
- asset held for sale (Note24)	-	(850)
At 31 May	397	397
Carrying value	15,188	15,567
Represented by:-		
Freehold lands	-	223
Leasehold lands	14,783	14,930
Buildings	405	414
	15,188	15,567

Investment properties with an aggregate carrying value of RM10,758,000 (2024 - RM10,898,000) are pledged to licensed banks as security for credit facilities granted to the Group, as disclosed in Note 29 to the financial statements.

In the previous financial year, investments properties with carrying amount of RM53,462,000 and RM1,684,000 respectively were transferred to non-current inventories and asset held for sale due to change in use as disclosed in Notes 12 and 24 to the financial statements.

Investment properties are stated at fair value, which are estimated at RM23,066,000 (2024 - RM27,995,000) by management based on market values of comparable properties, instead of a valuation by an independent professional valuer. Sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size, location, market trends and others. The most significant input into this valuation approach is the price per square foot of comparable properties.

There has been no change to the valuation technique during the financial year.

The fair values of the investment properties are within level 3 of the fair value hierarchy.

11. INVESTMENT PROPERTIES (CONT'D)

	The Group	
	2025	**2024**
	RM'000	**RM'000**
Fair value represented by:-		
Freehold lands	-	400
Leasehold lands	22,586	27,115
Buildings	480	480
	23,066	27,995

12. INVENTORIES

	The Group	
	2025	**2024**
	RM'000	**RM'000**
Non-current:-		
Land held for property development (Note 12(a))	-	53,462
Current:-		
Property development costs (Note 12(b))	398,451	533,678
Developed properties held for sale (Note 12(c))	2,441	1,508
Raw materials	104	79
	400,996	535,265

(a) Land Held for Property Development

	The Group	
	2025	**2024**
	RM'000	**RM'000**
Carrying value		
At 1 June 2024/2023	53,462	-
Transfer from:		
- investment properties (Note 11)	-	53,462
Derecognition upon disposal (Note 53(c))	(53,462)	-
	-	53,462

Land held for property development represents land on which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle.

Land held for property development at the end of previous reporting period with a carrying amount of RM53,462,000 has been pledged to licensed banks as securities for banking facilities granted to the Group as disclosed in Note 29 to the financial statements.

12. INVENTORIES (CONT'D)

(b) Property Development Costs

The Group	Freehold lands RM'000	Right-of-use assets (Leasehold lands) RM'000	Development costs RM'000	Total RM'000
31 May 2025				
Cumulative property development cost				
At 1 June 2024	455,647	3,584	372,519	831,750
Cost incurred during the financial year	-	-	149,029	149,029
(Reduction)/Addition in land proprietor's entitlement	(83,278)	2,716	-	(80,562)
Derecognition upon disposal (Note 53(c))	-	-	(8,831)	(8,831)
Reversal of completed projects	(34,711)	-	(162,021)	(196,732)
Transferred to developed properties held for sale	(430)	-	(991)	(1,421)
At 31 May	337,228	6,300	349,705	693,233
Cumulative costs recognised in profit or loss				
At 1 June 2024	(53,505)	(10)	(244,557)	(298,072)
Cost recognised during the financial year	(41,047)	(1,091)	(151,304)	(193,442)
Reversal of completed projects	34,711	-	162,021	196,732
At 31 May	(59,841)	(1,101)	(233,840)	(294,782)
Property development cost at 31 May 2025	277,387	5,199	115,865	398,451

12. INVENTORIES (CONT'D)

(b) Property Development Costs (Cont'd)

The Group	**Freehold lands RM'000**	**Right-of-use assets (Leasehold lands) RM'000**	**Development costs RM'000**	**Total RM'000**
31 May 2024				
Cumulative property development cost				
At 1 June 2023	521,323	16,545	368,230	906,098
Cost incurred during the financial year	-	-	167,646	167,646
Addition in land proprietor's entitlement	10,714	670	-	11,384
Reversal of completed projects	(76,390)	(13,216)	(162,606)	(252,212)
Transferred to developed properties held for sale	-	(415)	(751)	(1,166)
At 31 May	455,647	3,584	372,519	831,750
Cumulative costs recognised in profit or loss				
At 1 June 2023	(79,718)	(10,456)	(257,060)	(347,234)
Cost recognised during the financial year	(50,177)	(2,770)	(150,103)	(203,050)
Reversal of completed projects	76,390	13,216	162,606	252,212
At 31 May	(53,505)	(10)	(244,557)	(298,072)
Property development cost at 31 May 2024	402,142	3,574	127,962	533,678

12. INVENTORIES (CONT'D)

(b) Property Development Costs (Cont'd)

(i) The lands under development of the Group with an aggregate carrying value of RM260,984,000 (2024 - RM296,043,000) are pledged to financial institutions for banking facilities granted to the Group as disclosed in Note 29 to the financial statements.

(ii) Included in property development costs is land proprietor's entitlement of the Group committed through:-

(aa) the Joint Development Agreement with Cyberview Sdn Bhd to undertake the proposed development measuring 121.49 acres of land held under H.S.(D) 33156 PT No. 47223, Mukim Dengkil, District of Sepang, State of Selangor with a carrying value amounted to RM89,241,000 in the previous financial year; and

(bb) the Development Right Agreement with Kwasa Development (3) Sdn Bhd to undertake the proposed development measuring 24.08 acres of freehold land held under GRN 319910, Lot No. 85111, Mukim Sungai Buloh, Daerah Petaling, Negeri Selangor Darul Ehsan with a carrying value of RM125,155,000 (2024 - RM120,663,000).

The title deeds in respect of the land proprietor's entitlement are not registered under the subsidiary's name as these title deeds will be transferred directly to the purchasers upon completion of the properties development.

(c) Developed Properties Held for Sale

The developed properties held for sale with amounting to RM951,000 (2024 - RM NIL) have been pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Note 29 to the financial statements.

	The Group	
	2025	2024
Recognised in profit or loss:-	RM'000	RM'000
Developed properties held for sale recognised as cost of sales	480	7,308

13. Other Investments

	The Group		The Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Quoted investment, at fair value	1,259	809	1,259	809
Unquoted ordinary shares, at cost	530	-	-	-
	1,789	809	1,259	809

14. Goodwill On Consolidation

	The Group	
	2025	2024
Cost	RM'000	RM'000
At 1 June 2024/2023	42,444	43,152
Foreign exchange difference	(1,340)	(708)
At 31 May	41,104	42,444
Accumulated impairment loss		
At 1 June 2024/2023	36,303	36,630
Foreign exchange difference	(726)	(327)
At 31 May	35,577	36,303
Carrying value	5,527	6,141

(a) The carrying amounts of goodwill allocated to the cash-generating unit ("CGU") are as follows:-

	The Group	
	2025	2024
	RM'000	RM'000
Water concession	5,527	6,141

14. GOODWILL ON CONSOLIDATION (CONT'D)

(b) The Group has assessed the recoverable amount of goodwill allocated to water concession CGU using the value in use approach. The recoverable amount of the goodwill was derived from the present value of the future cash flows from the operating segments computed based on the projections of financial budget approved by the management throughout the concession period. The key assumptions used in the determination of the recoverable amount are as follows:-

	Gross Margin		Growth Rate		Discount Rate	
	2025	**2024**	**2025**	**2024**	**2025**	**2024**
	%	**%**	**%**	**%**	**%**	**%**
Water concession	53 - 72	54 - 76	1 - 9	3 - 7	12 - 13	12 - 13

(i) Projected revenue growth rates - The projected revenue growth rates used ranged from 1% to 9% (2024 - 3% to 7%), taking into consideration past business performance and management's expectations of current and future market conditions.

(ii) Projected gross profit margins - The projected gross profit margins used ranged from 53% to 72% (2024 - 54% to 76%), based on historical margins achieved or predetermined profit margins for relevant products and services.

(iii) Pre-tax discount rate - The discount rate reflected specific risks relating to the cash-generating unit. The rate used ranged from 12% to 13% (2024 - 12% to 13%).

Based on the assessment, no impairment on goodwill was required as the recoverable amount of the goodwill exceeded its carrying amount.

Management believes that there is no reasonably possible change in the above key assumptions applied that is likely to materially cause the respective cash-generating unit carrying amount to exceed its recoverable amount.

15. DEFERRED TAX LIABILITIES/(ASSETS)

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
At 1 June 2024/2023	(19,557)	(20,863)	592	587
Recognised in profit or loss (Note 43)	(5,280)	1,246	1,915	5
Recognised in other comprehensive income	2	31	-	-
Foreign exchange difference	45	29	-	-
At 31 May	(24,790)	(19,557)	2,507	592
Presented after appropriate offsetting as follows:				
- Deferred tax liabilities	2,918	2,280	2,507	592
- Deferred tax assets	(27,708)	(21,837)	-	-
	(24,790)	(19,557)	2,507	592

Deferred tax assets and liabilities are attributable to the following items:-

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Deferred tax assets:-				
Employee benefits	(367)	(445)	-	-
Impairment loss on receivables	(17)	(17)	-	-
Unrealised profits	(87)	(190)	-	-
Unused tax losses	(1,980)	(1,123)	-	-
Unabsorbed capital allowances	(3,857)	(4,466)	-	-
Provisions on project costs	(6,855)	(5,161)	-	-
Timing differences on allowable expenses	(12,779)	(9,708)	-	-
Deferred tax assets (before offsetting)	(25,942)	(21,110)	-	-
Offsetting	(1,766)	(727)	-	-
Deferred tax assets (after offsetting)	(27,708)	(21,837)	-	-

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Deferred tax liabilities:-				
Accelerated capital allowances over depreciation	1,146	1,543	(47)	15
Timing differences on allowable expenses	-	-	2,554	577
Realisation of revaluation reserve on inventory - property development costs	6	10	-	-
Deferred tax liabilities (before offsetting)	1,152	1,553	2,507	592
Offsetting	1,766	727	-	-
Deferred tax liabilities (after offsetting)	2,918	2,280	2,507	592

15. Deferred Tax Liabilities/(Assets) (Cont'd)

The recognition of the deferred tax assets is dependent on the sufficiency of future taxable profits in excess of profits arising from the reversal of existing taxable temporary differences. The evidence used to support this recognition is the management's budget approved by the directors, which shows that it is probable that the deferred tax assets would be realised in future years.

At the end of the reporting period, the amounts of deferred tax assets not recognised (stated at gross) due to uncertainty of their realisation are as follows:-

	The Group	
	2025	2024
	RM'000	RM'000
Unused tax losses:		
- Expiring within 5 years	32,516	19,944
- Expiring within 6 to 10 years	10,441	10,764
- No expiring date	11,782	11,782
Unabsorbed capital allowances	9,295	1,504
Timing differences on allowable expenses	91,017	90,675
Deferred tax assets (after offsetting)	155,051	134,669

Certain comparative figures have been restated to reflect the revised tax losses carry-forward and other temporary differences available to the Group.

For the Malaysia's entities, based on the current legislation, the unused tax losses up to the year of assessment 2018 can be carried forward until the year of assessment 2028 and the unused tax losses for 2019 onwards are allowed to be utilised for 10 consecutive years of assessment immediately following that year of assessment; whereas, the unabsorbed capital allowances are allowed to be carried forward indefinitely.

The use of tax losses of subsidiaries in other country is subject to the agreement of the tax authorities and compliance with Income Tax Act 1947 of the tax legislation of Singapore in which the subsidiaries operate.

16. Contract Costs

	The Group	
	2025	2024
	RM'000	RM'000
Incremental costs of obtaining contracts	8,606	5,568

The incremental costs of obtaining contracts primarily comprise sales commission and other incremental costs paid to secure sales contracts for the Group's property development activities. These contract costs are recoverable and amortised over the period in which the related revenue is recognised.

Notes to the Financial Statements

For the Financial Year Ended 31 May 2025

17. TRADE AND NON-TRADE RECEIVABLES

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Trade receivables	76,229	62,886	-	-
Less: Impairment loss				
At 1 June 2024/2023	(1,902)	(2,082)	-	-
Additions during the financial year (Note 38)	-	(387)	-	-
Reversal during the financial year (Note 38)	-	220	-	-
Foreign exchange difference	103	347	-	-
At 31 May	(1,799)	(1,902)	-	-
Less: Accretion of interest				
At 1 June 2024/2023	(353)	(7,719)	-	-
Additions during the financial year	(498)	-	-	-
Reversal during the financial year (Note 37)	121	7,366	-	-
At 31 May	(730)	(353)	-	-
Trade receivables, net	73,700	60,631	-	-

Gadang Holdings Berhad

Notes to the Financial Statements

For the Financial Year Ended 31 May 2025

17. TRADE AND NON-TRADE RECEIVABLES (CONT'D)

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Amount owing by subsidiaries (Note 18)	-	-	257,045	265,463
Amount owing by joint ventures (Note 19)	6,167	6,739	-	-
Non-trade receivables:-				
(i) Other receivables	48,532	49,067	6,750	6,775
Less: Impairment loss				
At 1 June 2024/2023	(6,815)	(6,839)	(6,750)	(6,750)
Reversal during the financial year (Note 38)	-	24	-	-
At 31 May	(6,815)	(6,815)	(6,750)	(6,750)
Less: Accretion of interest				
At 1 June 2024/2023	-	-	-	-
Additions during the financial year (Note 40)	(571)	-	-	-
At 31 May	(571)	-	-	-
Other receivables, net	41,146	42,252	-	25
(ii) Prepayments	2,871	2,783	547	476
Less: Impairment loss				
At 1 June 2024/2023	(1,040)	(1,110)	-	-
Reversal during the financial year (Note 38)	-	5	-	-
Foreign exchange difference	104	65	-	-
At 31 May	(936)	(1,040)	-	-
Prepayments, net	1,935	1,743	547	476
(iii) Deposits	7,420	6,597	72	19
Non-trade receivables, net	50,501	50,592	619	520
Trade and non-trade receivables	130,368	117,962	257,664	265,983

Notes to the Financial Statements

For the Financial Year Ended 31 May 2025

17. TRADE AND NON-TRADE RECEIVABLES (CONT'D)

The maturities of trade and non-trade receivables are as follows:-

	The Group		The Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Current:-				
Within one year	124,398	114,061	111,052	96,363
Non-current:-				
More than one year but less than five years	5,970	3,901	106,157	124,670
Over five years	-	-	40,455	44,950
	5,970	3,901	146,612	169,620
	130,368	117,962	257,664	265,983

(a) The Group's and the Company's normal trade credit terms range from 30 to 90 (2024 - 30 to 90) days. Other credit terms are assessed and approved on a case-by-case basis.

(b) Included in the trade receivables and other receivables, there are:-

(i) a stakeholder sums totalling RM17,359,000 (2024 - RM18,220,000). These stakeholder sums are expected to be collected within the periods ranging from 1 to 24 (2024 - 1 to 24) months.

(ii) a carrying value of RM3,726,000 (2024 - RM1,910,000) is the discounted carrying value of Landowner Guaranteed Joint Venture Consideration of RM5,607,000 (2024 - RM2,706,000) from Aman Imperio Sdn Bhd. This amount is expected to be collected in 3 tranches within 36 months from the respective Phase Payment Startoff Date of the Joint Venture Agreement.

(iii) a carrying value of RM2,259,000 is the discounted carrying value of Landowner Guaranteed Joint Venture Consideration of RM3,200,000 from City Max Development Sdn Bhd. This amount is expected to be collected in 6 tranches within 48 months from the Startoff Date of the Joint Venture Agreement.

(c) Included in the other receivables are the purchase of construction materials on behalf to subcontractors amounted to RM31,722,000 (2024 - RM33,335,000). The amount owing will be offset against future workdone from the subcontractors.

18. AMOUNTS OWING BY SUBSIDIARIES

	The Company	
	2025	2024
	RM'000	RM'000
Current:-		
Trade balances	5,304	4,048
Non-trade balances	105,129	91,795
	110,433	95,843
Non-current:-		
Non-trade balances	160,412	169,620
Less: Impairment loss		
At 1 June 2024/2023	-	-
Addition during the financial year (Note 38)	(13,800)	-
At 31 May	(13,800)	-
	146,612	169,620
Amount owing by subsidiaries, net (Note 17)	257,045	265,463

	The Company	
	2025	2024
	RM'000	RM'000
Current:-		
Within one year	110,433	95,843
Non-current:-		
More than one year but less than five years	106,157	124,670
Over five years	40,455	44,950
	257,045	265,463

The trade balances are subject to the normal trade credit terms ranging from 30 to 90 (2024 - 30 to 90) days. The amounts owing are to be settled in cash.

The non-trade balances represent unsecured advances and payments made on behalf which are non-interest bearing except for interest bearing balances of RM206,901,000 (2024 - RM222,045,000) at interest rate of 5.61% - 6.55% (2024 - 5.37% - 5.68%) per annum. The amounts are repayable on demand or not more than 12 years and to be settled in cash.

19. AMOUNT OWING BY JOINT VENTURES

	The Group	
	2025	2024
	RM'000	RM'000
Trade balance (Note 19(a))	1,911	-
Non-trade balances (Note 19(b))	4,256	10,363
Less: Impairment loss		
At 1 June 2024/2023	(3,624)	(3,236)
Addition during the financial year (Note 38)	-	(388)
Reversal during the financial year (Note 38)	3,624	-
At 31 May	-	(3,624)
Non-trade receivables, net	4,256	6,739
Amount owing by joint ventures, net (Note 17)	6,167	6,739

(a) The trade balance represents retention sums which are expected to be received as below:-

	The Group	
	2025	2024
	RM'000	RM'000
Within 1 year	1,911	-

(b) The non-trade balance represents unsecured interest-free advances and payments made on behalf which are repayable on demand. The amount owing is to be settled in cash.

20. CONTRACT ASSETS/(CONTRACT LIABILITIES)

	The Group	
	2025	2024
	RM'000	RM'000
Contract Assets		
Contract assets relating to:		
- construction	212,572	188,182
- property development	92,555	62,370
	305,127	250,552
Contract Liabilities		
Contract liabilities relating to:		
- construction	(39,761)	(18,800)
- property development	(1,057)	(72)
	(40,818)	(18,872)
	264,309	231,680

20. CONTRACT ASSETS/(CONTRACT LIABILITIES) (CONT'D)

(a) Contract assets from construction

The contract assets primarily relate to the Group's right to consideration for construction work completed on construction contracts but not yet billed to customers as at the reporting date. The amount will be transferred to trade receivables when the Group issues billing in the manner as established in the contracts with customers. Included in the contract assets are retention sum receivables totalling RM75,005,000 (2024 - RM60,333,000).

(b) Contract assets from property development

The contract assets represent timing differences in revenue recognition and milestone billings. The milestone billings are structured and/or negotiated with customers to reflect physical completion of the contracts.

(c) Contract liabilities

The contract liabilities primarily relate to advance considerations received from few customers for construction and property development. The amount will be recognised as revenue when the performance obligations are satisfied, of which the revenue will be recognised.

20. CONTRACT ASSETS/(CONTRACT LIABILITIES) (CONT'D)

(d) The changes to contract assets and contract liabilities balances during the financial year are summarised below:-

	The Group	
	2025	**2024**
	RM'000	**RM'000**
		(Restated)
At 1 June 2024/2023	233,269	142,155
Revenue recognised in profit or loss during the financial year (Note 35)	676,757	544,085
Billings to customers during the financial year	(651,279)	(460,417)
Consideration payable to customers	7,065	7,446
	265,812	233,269
Less: Impairment loss		
At 1 June 2024/2023	(1,589)	(944)
Addition during the financial year (Note 38)	-	(626)
Foreign exchange difference	86	(19)
At 31 May	(1,503)	(1,589)
Contract assets, net	264,309	231,680
Represented by:-		
Contract assets	305,127	250,552
Contract liabilities	(40,818)	(18,872)
	264,309	231,680

Consideration payable to customers including rebates and legal fees, are accounted for as a reduction to transaction price and recognised to profit and loss when obligations are satisfied.

(e) As at the end of the reporting period, the transaction price allocated to the unsatisfied or partially unsatisfied performance obligations of long-term contracts is RM976,958,000 (2024 - RM1,344,044,000). These remaining performance obligations are expected to be recognised as below:-

	The Group	
	2025	**2024**
	RM'000	**RM'000**
		(Restated)
Within 1 year	768,714	802,648
Between 1 to 4 years	208,244	541,396
	976,958	1,344,044

21. SHORT-TERM FUNDS

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Money market fund, at fair value	67,652	41,217	24,737	18,768

Short-term funds represent investment in trust funds managed by licensed investment management companies, which are tax-exempt, fixed deposits linked, redeemable with one (1) day notice at known amounts of cash, and are subject to an insignificant risk of changes in value.

22. DEPOSITS WITH LICENSED BANKS

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Deposits with licensed banks	59,830	45,983	642	628

(a) The deposits with licensed banks of the Group and of the Company at the end of the reporting period bore effective interest rates ranging from 0.40% to 4.75% (2024 - 0.50% to 3.30%) per annum and 2.25% (2024 - 2.25%) per annum respectively. The deposits have maturity periods ranging from 1 to 15 (2024 - 1 to 12) months.

(b) Included in the deposits with licensed banks of the Group and of the Company at the end of the reporting period was an amount of RM39,291,000 and RM642,000 (2024 - RM22,435,000 and RM628,000) which have been pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Note 29 to the financial statements.

23. CASH AND BANK BALANCES

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash and bank balances	135,915	84,205	10,747	1,202

(a) Included in the cash and bank balances of the Group is an amount of RM67,162,000 (2024 - RM38,030,000) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966, as amended by the Housing Developers (Housing Development Account) (Amendment) Regulation, 2002. It is restricted from use in other operations.

(b) Included in the cash and bank balances of the Group is an amount of RM24,000 (2024 - RM NIL) held as a security with the condition to make available of the Bank Guarantee limit. It is restricted from use in other operations.

Notes to the Financial Statements

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24. ASSETS CLASSIFIED AS HELD FOR SALE

	The Group	
	2025 RM'000	2024 RM'000
Carrying value		
Transfer from:		
- investment properties (Note 11)	-	1,684
Represented by:-		
Leasehold land	-	1,684

25. SHARE CAPITAL

	The Group/The Company			
	2025	2024	2025	2024
	Number of shares		RM'000	RM'000
Issued and fully paid-up:-				
At 1 June	728,061,095	728,061,095	389,521	389,521
Issuance of shares pursuant to:				
- private placement	72,806,100	-	22,570	-
At 31 May	800,867,195	728,061,095	412,091	389,521

(a) The holders of ordinary shares are entitled to receive dividends as and when declared by the Company, and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.

(b) During the financial year, the Company increased its issued and paid-up share capital from RM389,521,000 to RM412,091,000 by way of issuance of 72,806,100 new ordinary shares from the private placement exercise at RM0.31 each for a cash consideration of RM22,570,000 for the purpose of working capital.

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

26. RESERVES

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Non-distributable				
Capital reserves (a)	1,347	1,347	-	-
Foreign exchange translation reserves (b)	(12,504)	(3,870)	-	-
	(11,157)	(2,523)	-	-
Distributable				
Retained profits	415,608	404,864	21,565	37,014
	404,451	402,341	21,565	37,014

26. RESERVES (CONT'D)

(a) Capital reserves

The capital reserves are in respect of share premium of Gadang Engineering (M) Sdn Bhd, a subsidiary of the Company, which was capitalised for a bonus issue.

(b) Foreign exchange translation reserves

The foreign exchange translation reserves arose from the translation of the financial statements of foreign subsidiaries whose functional currencies are different from the Group's presentation currency.

27. NON-CONTROLLING INTERESTS

Non-controlling interests, presented as part of equity, represent the portion of subsidiary's profit or loss and net assets not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parents and the non-controlling interests based on their respective ownership interests.

The movements in non-controlling interests in subsidiaries are as follows:-

	The Group	
	2025	2024
	RM'000	RM'000
At 1 June 2024/2023	(8,635)	(5,438)
Share of results attributable to non-controlling interests	(3,149)	(3,197)
At 31 May	(11,784)	(8,635)

The non-controlling interests in respective subsidiaries and summary of financial information are disclosed in Note 5 to the financial statements.

28. BANK BORROWINGS

	The Group		The Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Current				
Secured				
Bankers' acceptances	1,687	210	-	-
Revolving credits	101,774	93,740	-	-
Term loans (Note 29)	18,232	29,774	2,813	3,750
Hire purchase payables (Note 30)	2,397	3,611	-	-
	124,090	127,335	2,813	3,750
Non-current				
Secured				
Term loans (Note 29)	74,220	53,486	-	2,812
Hire purchase payables (Note 30)	2,022	6,340	-	-
	76,242	59,826	-	2,812
Total bank borrowings	200,332	187,161	2,813	6,562

28. BANK BORROWINGS (CONT'D)

The effective interest rates at the end of the reporting period for borrowings which bore interest at floating rates, were as follows:-

	The Group	
	2025	**2024**
	%	**%**
Bankers' acceptances	5.10 - 5.14	5.21
Revolving credits	4.26 - 7.08	4.86 - 6.08

(a) The bank borrowings except for term loans are secured by:-

(i) assignment of the contract proceeds;

(ii) corporate guarantees of the Company; and

(iii) deposits with licensed banks of the Group and the Company as disclosed in Note 22 to the financial statements.

(b) The major covenants of the bank borrowings except for term loans are as follows:

(i) Leverage ratio of the Group shall not exceed 2.0.

(ii) Gearing ratio of the Subsidiary shall not exceed 1.0.

(iii) Finance service cover ratio not less 1 time.

(iv) Shall not reduce the Subsidiary paid-up share capital.

The Group has complied with the covenants throughout the reporting periods.

There are no indicators that the Group would have difficulties complying with the upcoming covenant assessments.

29. TERM LOANS

	The Group		The Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Current liabilities (Note 28)	18,232	29,774	2,813	3,750
Non-current liabilities (Note 28)	74,220	53,486	-	2,812
Total term loans	92,452	83,260	2,813	6,562

Details of the term loans outstanding at the end of the reporting period are as follows:-

	Effective Interest Rate The Group/The Company		The Group		The Company	
	2025	2024	2025	2024	2025	2024
Term Loan	%	%	RM'000	RM'000	RM'000	RM'000
I	5.74%	5.76%	9,570	13,963	-	-
II	-	5.76%	-	1,110	-	-
III	-	5.51%	-	9,614	-	-
IV	4.62%	4.62%	254	334	-	-
V	-	5.47%	-	15,624	-	-
VI	9.75%	9.75%	11,735	17,097	-	-
VII	9.75%	9.75%	6,786	7,540	-	-
VIII	5.07%	5.11%	2,813	6,562	2,813	6,562
IX	5.31%	7.82%	16,294	11,416	-	-
X	5.70%	Nil	45,000	-	-	-
			92,452	83,260	2,813	6,562

(a) Term loan I has a tenure of 10 years and is repayable by one principal payment of RM4,375,000 on January 2020 and by redemption of units sold or 48 monthly principal payments of RM1,368,000 each commencing on January 2022, whichever is earlier.

Term loan II has a tenure of 7 years and is repayable by 47 monthly principal payments of RM230,000 each with one final monthly principal repayment of RM190,000 commencing on November 2020. The term loan is secured by:-

(i) a charge over a piece of freehold land which is included in the property development costs of a subsidiary as disclosed in Note 12(b) to the financial statements;

(ii) a specific debenture over the freehold land under property development costs; and

(iii) a corporate guarantee of the Company.

The term loan II is fully repaid during the financial year.

29. Term Loans (cont'd)

(b) Term loan III has a tenure of 10 years and is repayable by redemption of units sold or 77 monthly instalments of RM1,330,000 each and a final instalment of RM1,890,000 commencing on December 2023, whichever is earlier. The term loan is secured by:-

(i) a charge over a piece of freehold land which is included in the property development costs of a subsidiary as disclosed in Note 12(b) to the financial statements;

(ii) a corporate guarantee of the Company; and

(iii) a debenture over all present and future assets of a subsidiary.

The term loan III is fully repaid during the financial year.

(c) Term loan IV has a tenure of 20 years and is repayable by 240 monthly instalments of RM7,000 each commencing on January 2014. The term loan is secured by:-

(i) a charge over a piece of leasehold land and building which is included in the other property, plant and equipment and right-of-use assets of a subsidiary as disclosed in Notes 9 and 10 to the financial statements;

(ii) a joint and several guarantee of all directors of a subsidiary; and

(iii) a corporate guarantee of the Company.

(d) Term loan V has a tenure of 9 years and is repayable by 13 monthly instalments of RM938,000 commencing on September 2019 and 71 monthly instalments of RM475,000 commencing on April 2021. The term loan is secured by:-

(i) a charge over leasehold lands which is included in the investment properties of a subsidiary as disclosed in Note 11 to the financial statements;

(ii) a corporate guarantee of the Company; and

(iii) a specific debenture over the property together with the buildings and structures erected or to be erected on the present and future fixtures and fittings on the property.

The term loan V is fully repaid during the financial year.

29. TERM LOANS (CONT'D)

(e) Term loan VI has a tenure of 10 years and is repayable in 32 quarterly step up principal instalments commencing on April 2018.

Term loan VII has a tenure of 6 years and is repayable by 72 monthly instalments commencing on October 2024. Both term loans are secured by:-

(i) a charge over the land, building and generator which is included in the power plants of a subsidiary as disclosed in Note 9 to the financial statements;

(ii) an assignment of Power Purchase Agreement and receivable from Perusahaan Listrik Negara, Indonesia;

(iii) a specific debenture over the assets financed under the term loan; and

(iv) a corporate guarantee of the Company.

(v) The major covenants are as follows:-

(aa) Maintain debt servicing coverage ratio of not less than 1.3 times.

The Group has complied with the covenants throughout the reporting periods.

There are no indicators that the Group would have difficulties complying with the upcoming covenant assessments.

(f) Term loan VIII has a tenure of 4 years and is repayable by 16 quarterly instalments of RM938,000 each commencing on April 2022. The term loan is secured by a charge over few pieces of land and a building which is included in the other property, plant and equipment, right-of-use and investment properties of subsidiaries as disclosed in Notes 9, 10 and 11 to the financial statements.

(g) Term loan IX has a tenure of 5 years and is repayable by 120 monthly instalments of RM178,000 each commencing on August 2024. The term loan is secured by:-

(i) a fixed deposit of RM424,000 charged to the bank;

(ii) a corporate guarantee of the Company;

(iii) an assignment of the Power Purchase Agreement and contract proceeds; and

(iv) a specific debenture over the assets financed under the term loan which is included in the power plants of a subsidiary as disclosed in Note 9 to the financial statements.

(v) The major covenants are as follows:-

(aa) Maintain debt servicing coverage ratio of not less than 1.25 times.

The Group has complied with the covenants throughout the reporting periods.

There are no indicators that the Group would have difficulties complying with the upcoming covenant assessments.

29. TERM LOANS (CONT'D)

(h) Term loan X has a tenure of 8 years and is repayable by redemption of units sold or 60 monthly instalments of RM1,150,000 each commencing on September 2027, whichever is earlier. The term loan is secured by:-

(i) a charge over a piece of freehold land which is included in the property development costs of a subsidiary as disclosed in Note 12(b) to the financial statements;

(ii) a specific debenture over the freehold land under property development costs; and

(iii) a corporate guarantee of the Company.

30. HIRE PURCHASE PAYABLES

	The Group	
	2025	**2024**
	RM'000	**RM'000**
Minimum hire purchase payments:		
- not later than one year	2,582	4,120
- later than one year and not later than five years	2,095	6,661
- later than five years	70	45
	4,747	10,826
Less: Future finance charges	(328)	(875)
Present value of hire purchase payables	4,419	9,951
Analysed by:-		
Current liabilities (Note 28)	2,397	3,611
Non-current liabilities (Note 28)	2,022	6,340
	4,419	9,951

The hire purchase payables at the end of the reporting period bore effective interest rate ranging from 1.50% to 6.45% (2024 - 3.87% to 6.71%) per annum.

31. Lease Liabilities

	The Group	
	2025	**2024**
	RM'000	**RM'000**
At 1 June 2024/2023	679	-
Additions during the financial year (Note 47(a))	-	1,401
Derecognition due to lease modification (Note 47(b))	(639)	-
Changes due to lease modification (Note 47(b))	-	(183)
Interest expense recognised in profit or loss	-	51
Repayment of principal	-	(540)
Repayment of interest expense	-	(51)
Foreign exchange difference	(40)	1
At 31 May	-	679
Analysed by:-		
Current liabilities	-	423
Non-current liabilities	-	256
	-	679

32. DEFINED BENEFIT OBLIGATIONS

Foreign subsidiaries in Indonesia operate an unfunded defined benefit obligations for its eligible employees in accordance with the Republic of Indonesia Labour Law.

Movement in the net liability recognised in the statements of financial position is as follows:-

	The Group	
	2025	**2024**
	RM'000	**RM'000**
At 1 June 2024/2023	2,141	2,228
Benefits paid for unfunded plans	(203)	(119)
Expenses recognised in profit or loss (Note 41)	(8)	306
Actuarial gain recognised in other comprehensive income	(10)	(142)
Foreign exchange difference	(196)	(132)
At 31 May	1,724	2,141

The expenses recognised in profit or loss were analysed as follows:-

	The Group	
	2025	**2024**
	RM'000	**RM'000**
Service cost	166	169
Interest cost	118	137
Past service cost - vested	(292)	-
Total costs incurred during the financial year	(8)	306

The principal actuarial assumptions used in respect of the Group's unfunded defined benefit plan were as follows:-

	The Group	
	2025	**2024**
Normal retirement age	60 years	55 years
Withdrawal rate	0.6% - 6.0% p.a.	0.6% - 6.0% p.a.
Future salary increment rate	7.0% p.a.	7.0% p.a.
Discount rate	6.6% - 7.1% p.a.	7.1% p.a.

The sensitivity analysis on the present value of the retirement benefit obligations below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as of the end of the reporting period, assuming if all other assumptions were held constant:-

	The Group			
	Increase/ (Decrease)	**2025 RM'000**	**Increase/ (Decrease)**	**2024 RM'000**
Discount rate	+1%	(55)	+1%	297
	-1%	(26)	-1%	316
Expected rate of salary	+1%	(24)	+1%	317
	-1%	(57)	-1%	296

33. TRADE AND NON-TRADE PAYABLES

	The Group		The Company	
	2025 RM'000	2024 RM'000 (Restated)	2025 RM'000	2024 RM'000
Trade payables	49,100	47,439	-	-
Retention payable	64,724	53,011	-	-
Accrued subcontractor work and materials	95,470	57,676	-	-
Trade payables, net	209,294	158,126	-	-
Non-trade payables	4,978	19,573	40	20
Land proprietor's entitlement	8,617	135,467	-	-
Provision for affordable housing (Note 33(a))	12,462	10,404	-	-
Provision for foreseeable losses (Note 33(c))				
At 1 June 2024/2023	10,633	4,865	-	-
Additions during the financial year (Note 36)	1,636	5,768	-	-
At 31 May	12,269	10,633	-	-
Provision cost for completed projects	19,803	20,447	-	
Other accruals	28,511	31,836	222	201
Deposits	1,376	1,766	-	-
Amount owing to joint venture (Note 33(d))	150	-	-	-
Goods and service tax payables	172	230	-	-
Sales and service tax payables	19	46	-	-
	88,357	230,402	262	221
Less: Accretion of interest				
At 1 June 2024/2023	-	(25)	-	-
Addition:				
- amount owing to a director (Note 40)	-	25	-	-
At 31 May	-	-	-	-
Non-trade payables, net	88,357	230,402	262	221
Trade and non-trade payables	297,651	388,528	262	221

The maturities of trade and non-trade payables are as follows:-

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Current				
Payables within one year	289,034	290,531	262	221
Non-current				
Payables more than one year and less than five years	8,617	97,997	-	-
	297,651	388,528	262	221

33. TRADE AND NON-TRADE PAYABLES (CONT'D)

(a) The provision for affordable housing represents the present obligation for construction of low-cost houses.

(b) The normal trade credit terms granted to the Group range from 30 to 90 (2024 - 30 to 90) days. Other credit terms are assessed and approved on a case-by-case basis.

(c) Provision for foreseeable losses represent the present obligation for the losses expected to be incurred for construction contracts.

(d) The amount owing to joint ventures is non-trade in nature, represents unsecured interest-free advances and payments made on behalf which are repayable on demand.

34. NET ASSETS PER ORDINARY SHARE

The net assets per ordinary share is calculated based on the net assets value of RM816,542,000 (2024 - RM791,862,000) attributable to ordinary shares divided by the number of ordinary shares in issue at the end of the reporting period of 800,867,195 (2024 - 728,061,095) shares.

35. REVENUE

	The Group		The Company	
	2025 RM'000	2024 RM'000 (Restated)	2025 RM'000	2024 RM'000
Revenue from contracts with customers				
Recognised over time				
Construction contracts (Note 20(d))	443,875	285,467	-	-
Property development (Note 20(d))	232,882	258,618	-	-
Power contract	9,790	8,319	-	-
Water concession	25,027	27,329	-	-
	711,574	579,733	-	-
Recognised at a point in time				
Property development	68,109	11,978	-	-
	779,683	591,711	-	-
Revenue from other sources				
Dividend income	-	-	4,000	2,250
Management fees - Subsidiaries	-	-	9,346	9,374
- Joint venture	129	212	-	-
	129	212	13,346	11,624
	779,812	591,923	13,346	11,624

(a) The information on the disaggregation of by geographical market is disclosed in Note 50 to the financial statements.

35. REVENUE (CONT'D)

(b) The information on transaction price allocated to unsatisfied and/or partially unsatisfied performance obligations as at the reporting date is disclosed in Note 20(e) to the financial statements.

(c) The information about the performance obligations in contracts with customers is summarised below:-

Construction Contract

Revenue from construction services is recognised over time in the period in which the services are rendered using the input method, determined based the proportion of construction costs incurred for work performed to date over the estimated total construction costs. Transaction price is computed based on the price specified in the contract and adjusted for any variable consideration such as incentives and penalties. Past experience is used to estimate and provide for the variable consideration, using expected value method and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

The construction contracts contain a late penalty charge at 10% (2024 - 10%) on the contract sum, calculated daily. Revenue from construction contracts is measured at the fixed transaction price agreed under the agreement after considering the estimated late penalty charges.

Billings to customers are based on agreed milestones under the agreement, certified by quantity surveyor or consultants. The credit period range from 30 to 90 (2024 - 30 to 90) days from the invoice date. There is no significant financing component in the selling price as the billings are made on the normal credit terms.

A defect liability period range from 12 to 27 (2024 - 12 to 27) months is given to the customers.

Property Development

Revenue from property development is recognised progressively when property development services are rendered and such services do not create an asset with an alternative's use to the Group, and the Group has a present right to payment for services rendered to date. The progress towards complete satisfaction of the performance obligation is measured based on a method that best depicts the Group's performance in satisfying the performance obligation of the contract. This is determined by reference to the property development costs incurred up to the end of the reporting period as a percentage of total estimated costs for complete satisfaction of the contract. Otherwise, revenue is recognised at a point in time upon delivery of property and customer's acceptance, and the Group has a present right to payment for the property sold.

The contracts contain a late penalty charge at 10% (2024 - 10%) on the selling price, calculated daily. Revenue is measured at the selling price (net of discount) agreed under the contract and after considering the estimated late penalty charges which are immaterial.

Billings to customers are based on agreed milestones under the contracts, certified by quantity surveyor or consultants. The credit period is 30 (2024 - 30) days from the date of progress billing. There is no significant financing component in the selling price as the billing is made on the normal credit terms.

A defect liability period of 24 (2024 - 24) months is given to the customers.

Power Contract

Revenue from power contract is recognised over time as the customers simultaneously received and consumed the benefits provided by the Group's performance.

Customers are invoiced on a monthly basis based on agreed by the meter reading in the power plant and the revenue from power contract is also recognised monthly. The credit period is 30 (2024 - 30) days from the invoice date. There is no significant financing component in the selling price as the billings are made on the normal credit terms.

35. REVENUE (CONT'D)

(c) The information about the performance obligations in contracts with customers is summarised below (Cont'd):-

Water Concession

Revenue from water concession is recognised over time as the customers simultaneously received and consumed the benefits provided by the Group's performance.

Customers are invoiced on a monthly basis based on agreed by the meter reading in the power plant and the revenue from power contract is also recognised monthly. The credit period is 30 (2024 - 30) days from the invoice date. There is no significant financing component in the selling price as the billings are made on the normal credit terms.

(d) The information of the revenue from other sources is summarised below:-

Dividend Income

Dividend income is recognised when the right to receive dividend payment is established.

Management Fees

Management fees are recognised in the period in which the services are rendered.

36. COST OF SALES

Cost of sales represents cost of inventories sold, cost of services provided, contract costs, cost of development properties sold, cost of processing treated water, and cost of power generation.

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

	The Group	
	2025	**2024**
	RM'000	**RM'000**
Depreciation of other property, plant and equipment (Note 9(b))	1,313	1,974
Contract foreseeable losses (Note 33)	1,636	5,768
Employee benefits (Note 41)	34,189	32,041
Interest expense on:		
- bank borrowings	3,802	1,562
- hire purchase	83	123
Lease expenses on short-term leases	1,080	1,105
Gain on disposal of other property, plant and equipment	-	(71)

37. OTHER INCOME

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Accretion of interest on:				
- trade and non-trade receivables (Note 17)	121	7,366	-	-
Dividend received from short-term funds	86	74	51	48
Fair value gain on short-term funds	1,375	1,847	964	418
Gain on disposal of:				
- investment properties	178	-	-	-
- assets held for sales	1,516	-	-	-
- property, plant and equipment:				
- other property, plant and equipment	-	920	-	-
- right-of-use assets	-	-	-	-
Interest income	2,906	2,506	10,540	11,095
Management fee	146	-	-	-
Miscellaneous income	2,878	1,296	9	21
Realised gain on foreign exchange	7	-	-	-
Rental income	1,045	1,195	-	-
Reversal of impairment loss:				
- property, plant and equipment:				
- power plants (Note 9(a))	-	20	-	-
- investment in joint venture (Note 7)	510	-	-	-
Sales of scrap iron	334	42	-	-
Fair value gain on quoted shares	450	90	450	90
	11,552	15,356	12,014	11,672

38. NET IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Bad debts recovered	*	-	-	-
Bad debts written off	166	6	15	4
Deposit written off	9	-	-	-
Net impairment losses on:				
- amount owing by joint ventures (Note 19)	-	388	-	-
- amount owing by subsidiaries (Note 18)	-	-	13,800	-
- contract assets (Note 20(d))	-	626	-	-
- trade and non-trade receivables (Note 17)	-	387	-	-
Reversal of impairment losses:				
- prepayment (Note 17)	-	(5)	-	-
- amount owing by joint ventures (Note 19)	(3,624)	-	-	-
- trade and non-trade receivables (Note 17)	-	(244)	-	-
	(3,449)	1,158	13,815	4

Note:-
* Less than RM1,000.

Notes to the Financial Statements

For the Financial Year Ended 31 May 2025

39. Finance Costs

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Bank borrowings interest	8,061	10,939	236	434
Hire purchase interest	448	377	-	-
Lease liabilities interest	-	51	-	-
	8,509	11,367	236	434

40. Profit/(Loss) Before Taxation

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit/(Loss) before taxation is arrived:-				
After charging:-				
Accretion of interest on				
- amount owing to a director (Note 33)	-	25	-	-
- trade and non-trade receivables (Note 17)	571	-	-	-
Auditors' remuneration:				
- audit fees:				
- auditors of the Company	478	457	108	84
- other auditors	205	218	-	-
- non-audit fees:				
- auditors of the Company	8	8	8	8
- underprovision in the previous financial year	2	8	-	-
Bad debts written off	166	6	15	4
Depreciation of:				
- property, plant and equipment:				
- power plants (Note 9(a))	8,535	7,785	-	-
- other property, plant and equipment (Note 9(b))	3,052	4,294	182	199
	11,587	12,079	182	199
- intangible assets (Note 8)	4,894	3,449	-	-
- investment properties (Note 11)	156	821	-	-
- right-of-use assets (Note 10)	53	604	-	-
Direct operating expenses on income generating investment properties	64	60	-	-
Employee benefits (Note 41)	26,761	28,454	8,793	8,332
Net impairment losses on:				
- investment in a subsidiary (Note 5)	-	-	2,428	1,933
- right-of-use assets (Note 10)	-	109	-	-
Loss on disposal of other property, plant and equipment	775	-	-	-
Other property, plant and equipment written off	1	38	-	-
Realised loss on foreign exchange	-	425	139	408
Lease expenses on short-term leases	669	650	302	271
Unrealised loss on foreign exchange	7,071	3,450	8,549	5,074

41. EMPLOYEE BENEFITS

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Salaries and other benefits	56,517	55,854	8,070	7,674
Contributions to:				
- defined contribution plan	4,441	4,335	723	658
- defined benefit obligations (Note 32)	(8)	306	-	-
	60,950	60,495	8,793	8,332

Employee benefits are allocated as follows:-

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cost of sales (Note 36)	34,189	32,041	-	-
Administrative expenses (Note 40)	26,761	28,454	8,793	8,332
	60,950	60,495	8,793	8,332

Included in employee benefits of the Group and of the Company are executive directors' remuneration amounting to RM6,972,000 (2024 - RM6,722,000) and RM1,929,000 (2024 - RM1,888,000) respectively as disclosed in Note 42 to the financial statements.

42. DIRECTORS' REMUNERATION AND KEY MANAGEMENT PERSONNEL COMPENSATION

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Directors of the Company				
Executive:-				
Salaries and other emoluments	1,857	1,820	1,857	1,820
Defined contribution plan	72	68	72	68
	1,929	1,888	1,929	1,888
Non-executive:-				
Director fees	370	370	370	370
Other emoluments	54	61	54	61
	424	431	424	431
	2,353	2,319	2,353	2,319

42. DIRECTORS' REMUNERATION AND KEY MANAGEMENT PERSONNEL COMPENSATION (CONT'D)

	The Group		The Company	
	2025	**2024**	**2025**	**2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Directors of the subsidiaries				
Executive:-				
Salaries and other emoluments	4,608	4,524	-	-
Director fees	36	48	-	-
Defined contribution plan	435	310	-	-
	5,079	4,882	-	-
Total directors' remuneration	7,432	7,201	2,353	2,319
Benefits-in-kind	328	334	136	129
Total directors' remuneration including benefits-in-kind	7,760	7,535	2,489	2,448
Key Management Personnel				
Salaries and other emoluments	6,557	7,171	2,572	2,388
Defined contribution plan	718	819	308	264
	7,275	7,990	2,880	2,652
Benefits-in-kind	130	181	38	22
Total key management personnel compensation including benefits-in-kind	7,405	8,171	2,918	2,674

43. INCOME TAX EXPENSE

	The Group		The Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Current tax:				
Malaysian income tax	14,855	10,453	1,242	1,289
Foreign income tax	3,290	3,755	-	-
	18,145	14,208	1,242	1,289
(Over)/Underprovision in the previous financial year:				
- Malaysian income tax	(1,911)	(1,549)	160	(11)
- Foreign income tax	75	65	-	-
	(1,836)	(1,484)	160	(11)
	16,309	12,724	1,402	1,278
Deferred tax (Note 15):				
- for the financial year	(1,847)	4,654	931	-
- (over)/underprovision in the previous financial year	(3,433)	(3,408)	984	5
	(5,280)	1,246	1,915	5
	11,029	13,970	3,317	1,283

A reconciliation of income tax expense applicable to the profit/(loss) before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:-

	The Group		The Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Profit/(Loss) before taxation	18,027	14,465	(12,132)	3,959
Tax at Malaysian tax rate of 24%	4,326	3,472	(2,912)	950
Non-deductible expenses	10,767	11,129	6,268	1,957
Non-taxable income	(2,105)	(2,185)	(1,183)	(1,618)
Deferred tax assets not recognised during the financial year	6,847	9,834	-	-
Utilisation of deferred tax assets previously not recognised	(1,843)	(3,242)	-	-
Share of results of joint ventures	(1,632)	(11)	-	-
Utilisation of unabsorbed tax losses previously not recognised	(112)	(280)	-	-
Differential in tax rates	50	145	-	-
	16,298	18,862	2,173	1,289
(Over)/Underprovision in the previous financial year:				
- current tax	(1,836)	(1,484)	160	(11)
- deferred tax	(3,433)	(3,408)	984	5
Income tax expense for the financial year	11,029	13,970	3,317	1,283

43. INCOME TAX EXPENSE (CONT'D)

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2024 - 24%) of the estimated assessable profit/(loss) for the financial year. The taxation of other jurisdictions is calculated at the rates prevailing in the respective jurisdiction.

	The Group	
	2025	**2024**
	RM'000	**RM'000**
Income tax savings during the financial year arising from:-		
Utilisation of unabsorbed tax losses previously not recognised	467	1,167
Utilisation of deferred tax assets previously not recognised	7,679	13,508
	8,146	14,675

44. EARNINGS/(LOSS) PER SHARE

(a) Basic Earnings Per Share

The basic earnings per share of the Group is calculated by dividing the Group's profit/(loss) after tax attributable to the owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

	The Group	
	2025	**2024**
Profit after taxation attributable to owners of the Company (RM'000)	10,736	4,711
Weighted average number of ordinary shares in issue ('000 units)	776,731	728,061
Basic earnings per ordinary share (sen)	1.38	0.65

(b) Diluted Earnings Per Share

The diluted earnings per share is equal to the basic earnings per share because there were no potential ordinary shares as at the end of the reporting period.

45. DISPOSAL OF A SUBSIDIARY

On 25 March 2025, Borneo Engineering and Construction Sdn Bhd ("BEC"), an indirect 60% owned subsidiary of the Company, commenced a members' voluntary winding-up pursuant to Section 439(1)(b) of the Companies Act 2016, as BEC has not commenced business since its incorporation and has no intention of commencing business in the future.

BEC was incorporated on 9 June 2023 with an issued and paid-up share capital of RM100. The total cost of investment in BEC was RM540,000. The winding-up will not have any material effect on the net assets per share or earnings per share of the Group.

The financial effects arising from this deemed disposal are summarised below:-

	The Group 2025 RM'000
Cash and bank balances	886
Other payables and accruals	(2)
Non-controlling interest	(354)
Carrying amount of net assets disposed of	530
Transfer to other investment #	(530)
Proceeds from deemed disposals	##
Less: Cash and bank balances of subsidiaries disposed of	(532)

This represent the initial cost of investments which is now, classified as other investment, pending the completion of the Member's Voluntary Winding Up.

The proceeds will only made known upon the winding up process is completed, which is expected to complete during the financial year 2026.

46. DIVIDENDS

At the forthcoming Annual General Meeting, a first and final dividend of 0.27 sen per ordinary share in respect of the current financial year will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for as a liability in the financial year ending 31 May 2026.

47. CASH FLOW INFORMATION

(a) The cash disbursed for the purchase of other property, plant and equipment and the addition of right-of-use assets are as follows:-

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Other property, plant and equipment				
Cost of other property, plant and equipment purchased (Note 9(b))	1,080	740	34	77
Less: Acquired through hire purchase arrangements (Note 47(b))	(615)	(457)	-	-
	465	283	34	77

	The Group	
	2025 RM'000	2024 RM'000
Right-of-use Assets		
Cost of right-of-use assets acquired (Note 10)	-	1,401
Less: Additions of new lease liabilities (Note 31)	-	(1,401)
	-	-

47. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliation of liabilities arising from financing activities are as follows:-

	Revolving Credits RM'000	Bankers' Acceptances RM'000	Hire Purchase Payables RM'000	Term Loans RM'000	Lease Liabilities RM'000	Total RM'000
The Group						
2025						
At 1 June 2024	93,740	210	9,951	83,260	679	187,840
Changes in Financing Cash Flows						
Proceeds from drawdown	179,285	1,477	-	64,129	-	244,891
Repayment of bank borrowings	(171,157)	-	-	(52,473)	-	(223,630)
Repayment of interest	(6,387)	-	(531)	(5,396)	-	(12,314)
Repayment of hire purchase payables	-	-	(5,921)	-	-	(5,921)
	95,481	1,687	3,499	89,520	679	190,866
Other Changes						
Finance charges recognised in profit or loss	6,387	-	531	5,396	-	12,314
Foreign exchange difference	(94)	-	(226)	(2,464)	(40)	(2,824)
Derecognition due to lease modification	-	-	-	-	(639)	(639)
Other property, plant and equipment acquired through hire purchase arrangements	-	-	615	-	-	615
	6,293	-	920	2,932	(679)	9,466
At 31 May	101,774	1,687	4,419	92,452	-	200,332

Notes to the Financial Statements

For the Financial Year Ended 31 May 2025

47. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliation of liabilities arising from financing activities are as follows (Cont'd):-

	Revolving Credits RM'000	Bankers' Acceptances RM'000	Hire Purchase Payables RM'000	Term Loans RM'000	Lease Liabilities RM'000	Total RM'000
The Group						
2024						
At 1 June 2023	35,687	-	13,146	173,849	-	222,682
Changes in Financing Cash Flows						
Proceeds from drawdown	61,823	210	-	19,245	-	81,278
Repayment of bank borrowings	(3,831)	-	-	(108,566)	-	(112,397)
Repayment of interest	(3,714)	-	(500)	(8,408)	(51)	(12,673)
Repayment of hire purchase payables	-	-	(3,784)	-	-	(3,784)
Repayment of lease liabilities	-	-	-	-	(540)	(540)
	89,965	210	8,862	76,120	(591)	174,566
Other Changes						
Acquisition of new lease	-	-	-	-	1,401	1,401
Finance charges recognised in profit or loss	3,714	-	500	8,408	51	12,673
Foreign exchange difference	61	-	132	(1,268)	1	(1,074)
Changes due to lease modification	-	-	-	-	(183)	(183)
Other property, plant and equipment acquired through hire purchase arrangements	-	-	457	-	-	457
	3,775	-	1,089	7,140	1,270	13,274
At 31 May	93,740	210	9,951	83,260	679	187,840

Notes to the Financial Statements

For the Financial Year Ended 31 May 2025

47. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliation of liabilities arising from financing activities are as follows (Cont'd):-

	Term Loans RM'000
The Company	
2025	
At 1 June 2024	6,562
Changes in Financing Cash Flows	
Repayment of bank borrowings	(3,749)
Repayment of interest	(236)
	2,577
Other Change	
Finance charges recognised in profit or loss	236
At 31 May	2,813
2024	
At 1 June 2023	10,312
Changes in Financing Cash Flows	
Repayment of bank borrowings	(3,750)
Repayment of interest	(434)
	6,128
Other Change	
Finance charges recognised in profit or loss	434
At 31 May	6,562

(c) The total cash outflows for leases as a lessee are as follows:-

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Payment of short-term leases	(1,749)	(1,755)	(302)	(271)
Interest paid on lease liabilities	-	(51)	-	-
Payment of lease liabilities	-	(540)	-	-
	(1,749)	(2,346)	(302)	(271)

47. CASH FLOW INFORMATION (CONT'D)

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

	The Group		The Company	
	2025	**2024**	**2025**	**2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Short-term funds (Note 21)	67,652	41,217	24,737	18,768
Deposits with licensed banks (Note 22)	59,830	45,983	642	628
Cash and bank balances (Note 23)	135,915	84,205	10,747	1,202
	263,397	171,405	36,126	20,598
Less: Fixed deposits pledged as security (Note 22)	(39,291)	(22,435)	(642)	(628)
Less: Cash pledged as security	(24)	-	-	-
Cash and cash equivalents	224,082	148,970	35,484	19,970

48. RELATED PARTY DISCLOSURES

(a) Subsidiaries, Associate and Joint Ventures

The subsidiaries, associate and joint ventures are disclosed in Notes 5, 6, and 7 to the financial statements respectively.

48. Related Party Disclosures (Cont'd)

(b) Significant Related Party Transactions and Balances

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following significant transactions with the related parties during the financial year:-

	The Group		The Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Subsidiaries				
Advances to subsidiaries	-	-	(9,135)	(12,372)
Repayment from subsidiaries	-	-	6,951	15,538
Gross dividend income	-	-	4,000	2,250
Interest income received/receivable	-	-	10,505	11,083
Management fee received/receivable	-	-	9,346	9,374
Payment on behalf	-	-	32	3
Lease expenses on short-term leases	-	-	(290)	(259)
Joint ventures				
Management fee received/ receivable	139	225	-	-
Progress billing receivables	-	542	-	-
Sales of plant and machinery	4	20	-	-
Subcontractor work received/ receivable	496	2,399	-	-
Payment on behalf	(1,354)	(1,567)	-	-
Advances to joint ventures	(6,630)	-	-	-
Lease expenses on short-term leases	(8)	(13)	-	-

The significant outstanding balances of the subsidiaries, associate, and joint ventures (including the allowance for impairment loss made) together with their terms and conditions are disclosed in the respective notes to the financial statements.

49. Capital Commitments

	The Group	
	2025	2024
	RM'000	RM'000
Construction of property, plant and equipment:		
- Power plants	2,494	9,890

50. Operating Segments

Business Segments

Operating segments are prepared in a manner consistent with the internal reporting provided to the Group Executive Committee as its chief operating decision maker in order to allocate resources to segments and to assess their performance on a quarterly basis. For management purposes, the Group is organised into business units based on their products and services provided.

The following are the Group's main business segments:-

- Construction Division - civil engineering works encompassing earthworks, infrastructure works, hospital and mechanical & electrical works.
- Property Division - the development of residential and commercial properties.
- Utilities Division - construction, maintenance and management of water concession, hydro power plant and solar power plant.
- Investment holding and others - investment activities and provision of management services.

(a) The Directors assess the performance of the reportable segments based on their operating income before unallocated corporate expenses, finance cost and share of results from associates. The accounting policies of the reportable segments are the same as the Group's accounting policies.

(b) Each reportable segment assets is measured based on all assets (including goodwill) of the segment other than investments in associates and tax-related assets.

(c) Each reportable segment liabilities is measured based on all liabilities of the segment other than tax-related liabilities.

(d) Assets, liabilities and expenses which are common and cannot be meaningfully allocated to the reportable segments are presented under unallocated items.

Transactions between reportable segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation.

Notes to the Financial Statements

For the Financial Year Ended 31 May 2025

50. Operating Segments (Cont'd)

The Group 2025	Construction Division RM'000	Property Division RM'000	Utilities Division RM'000	Investment Holding and Others RM'000	Group RM'000
Total revenue	448,917	301,644	34,817	13,346	798,724
Less: Inter-segment revenue	(4,913)	(653)	-	(13,346)	(18,912)
Revenue from external customers	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 in joint ventures	6,798	-	-	-	6,798
Profit/(Loss) before taxation	6,277	24,883	5,456	(18,589)	18,027
Income tax expense					(11,029)
Profit after taxation					**6,998**
Loss after taxation attributable to non-controlling interests					**(3,738)**
Net profit attributable to owners					**10,736**

Notes to the Financial Statements
For the Financial Year Ended 31 May 2025

50. OPERATING SEGMENTS (CONT'D)

	Construction Division RM'000	Property Division RM'000	Utilities Division RM'000	Investment Holding and Others RM'000	Group RM'000
The Group					
2025					
Profit/(Loss) before taxation is arrived after (charging)/crediting:-					
Accretion of interest on:					
- trade and non-trade receivables	-	121	-	-	121
Contract foreseeable losses	(1,636)	-	-	-	(1,636)
Depreciation and amortisation	(3,802)	(520)	(13,494)	(187)	(18,003)
Loss on disposal of other property, plant and equipment	(775)	-	-	-	(775)
Interest income	419	2,110	341	36	2,906
Interest expenses	(5,130)	(4,853)	(2,175)	(236)	(12,394)
Net of unrealised (loss)/gain on foreign exchange	(1,063)	-	2,719	(8,727)	(7,071)
Reversal of impairment losses:					
- amount owing by joint venture	3,624	-	-	-	3,624

Notes to the Financial Statements

For the Financial Year Ended 31 May 2025

50. OPERATING SEGMENTS (CONT'D)

	Construction Division RM'000	Property Division RM'000	Utilities Division RM'000	Investment Holding and Others RM'000	Group RM'000
The Group					
2025					
Segment assets	431,603	676,686	194,531	44,001	1,346,821
Investment in joint ventures	3,577	-	-	-	3,577
Consolidated total assets					1,350,398
Additions to non-current assets other than financial instruments:					
- property, plant and equipment:					
- power plants	-	-	12,611	-	12,611
- other property, plant and equipment	944	6	96	34	1,080
- intangible assets	-	-	1,225	-	1,225
Segment liabilities	290,444	208,901	40,690	5,605	545,640

Notes to the Financial Statements

For the Financial Year Ended 31 May 2025

50. Operating Segments (Cont'd)

	Construction Division RM'000 (Restated)	Property Division RM'000 (Restated)	Utilities Division RM'000	Investment Holding and Others RM'000	Group RM'000 (Restated)
The Group					
2024					
Total revenue	287,297	271,249	35,648	11,624	605,818
Less: Inter-segment revenue	(1,618)	(653)	-	(11,624)	(13,895)
Revenue from external customers	285,679	270,596	35,648	-	591,923
Results					
Segment results	(21,772)	57,145	7,135	(16,351)	26,157
Finance costs	(546)	(8,167)	(2,220)	(434)	(11,367)
Share of results in joint ventures	(325)	-	-	-	(325)
(Loss)/Profit before taxation	(22,643)	48,978	4,915	(16,785)	14,465
Income tax expense					(13,970)
Profit after taxation					**495**
Loss after taxation attributable to non-controlling interests					**(4,216)**
Net profit attributable to owners					**4,711**

Notes to the Financial Statements
For the Financial Year Ended 31 May 2025

50. OPERATING SEGMENTS (CONT'D)

The Group 2024	Construction Division RM'000 (Restated)	Property Division RM'000 (Restated)	Utilities Division RM'000	Investment Holding and Others RM'000	Group RM'000 (Restated)
Profit/(Loss) before taxation is arrived after (charging)/crediting:-					
Accretion of interest on:					
- trade and non-trade receivables	-	7,366	-	-	7,366
- amount owing to a director	-	(25)	-	-	(25)
Contract foreseeable losses	(5,768)	-	-	-	(5,768)
Depreciation and amortisation	(6,893)	(523)	(11,279)	(232)	(18,927)
Gain on disposal of other property, plant and equipment	991	-	-	-	991
Interest income	223	2,097	174	12	2,506
Interest expenses	(3,240)	(7,158)	(2,220)	(434)	(13,052)
Impairment losses on:					
- contract assets	(626)	-	-	-	(626)
- amount owing by joint venture	(388)	-	-	-	(388)
- trade and non-trade receivables	(387)	-	-	-	(387)
- right-of-use assets	-	(109)	-	-	(109)
Net of unrealised gain/(loss) on foreign exchange	(28)	-	1,641	(5,063)	(3,450)
Reversal of impairment losses:					
- prepayment	-	-	5	-	5
- trade and non-trade receivables	244	-	-	-	244

Notes to the Financial Statements

For the Financial Year Ended 31 May 2025

50. Operating Segments (Cont'd)

	Construction Division RM'000 (Restated)	Property Division RM'000 (Restated)	Utilities Division RM'000 (Restated)	Investment Holding and Others RM'000	Group RM'000 (Restated)
The Group					
2024					
Segment assets	347,655	802,620	210,842	27,167	1,388,284
Additions to non-current assets other than financial instruments					
- property, plant and equipment:					
- power plants	-	-	30,715	-	30,715
- other property, plant and equipment	511	88	64	77	740
- intangible assets	-	-	753	-	753
- right-of-use assets	-	1,401	-	-	1,401
Segment liabilities	256,407	290,150	47,089	7,680	601,326
Investment in joint ventures	3,731	-	-	-	3,731
Consolidated total liabilities					605,057

50. OPERATING SEGMENTS (CONT'D)

GEOGRAPHICAL INFORMATION

The Group's geographical segments are based on the location of the Group's assets. Sales to external customers disclosed in geographical segments are based on the geographical location of its customers. The Group's three business segments operate in three main geographical areas:-

(i) Malaysia - the operations in this area are principally civil engineering and construction works, mechanical & electrical works, property development, solar power plant and investment holding.

(ii) Indonesia - the operations in this area are principally water concession and power plant.

(iii) Singapore - the operations in this area are principally bored pile works.

	Total revenue from external customers RM'000	Non-current assets RM'000	Segment assets RM'000	Capital expenditure RM'000
2025				
Malaysia	743,221	118,630	1,200,817	13,991
Indonesia	34,817	120,072	140,922	925
Singapore	1,774	1,750	8,659	-
	779,812	240,452	1,350,398	14,916

	Total revenue from external customers RM'000 (Restated)	Non-current assets RM'000	Segment assets RM'000	Capital expenditure RM'000
2024				
Malaysia	552,688	259,207	1,208,455	6,442
Indonesia	35,648	40,743	164,008	25,766
Singapore	3,587	4,442	15,821	-
	591,923	304,392	1,388,284	32,208

The information on the disaggregation of revenue based on geographical region is summarised below:-

	At a Point of Time		Over Time		The Group	
	2025 RM'000	2024 RM'000 (Restated)	2025 RM'000	2024 RM'000 (Restated)	2025 RM'000	2024 RM'000 (Restated)
Malaysia	68,238	12,190	674,983	540,498	743,221	552,688
Indonesia	-	-	34,817	35,648	34,817	35,648
Singapore	-	-	1,774	3,587	1,774	3,587
	68,238	12,190	711,574	579,733	779,812	591,923

50. OPERATING SEGMENTS (CONT'D)

GEOGRAPHICAL INFORMATION (CONT'D)

MAJOR CUSTOMERS

The following are major customers from Construction Division with revenue equal to or more than 10% of the Group's total revenue:-

	Revenue	
	2025	**2024**
	RM'000	**RM'000**
		(Restated)
Customer A	273,816	177,324

51. FOREIGN EXCHANGE RATES

The principal closing foreign exchange rates used (expressed on the basis of one unit of foreign currency to Ringgit Malaysia equivalent) for the translation of the foreign currency balances at the end of the reporting period are as follows:-

	The Group	
	2025	**2024**
Indonesian Rupiah	0.000261	0.000290
Singapore Dollar	3.2918	3.4806
United States Dollar	4.2500	4.7070

52. FINANCIAL INSTRUMENTS

The activities of the Group and the Company are exposed to a variety of market risks (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group and the Company.

52.1 Financial Risk Management Policies

The Group's policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

(i) Foreign Currency Risk

The Group and the Company are exposed to foreign currency risk on transactions and balances that are denominated in currencies other than Ringgit Malaysia ("RM"). The currencies giving rise to this risk are primarily United States Dollar ("USD"), Indonesian Rupiah ("IDR") and Singapore Dollar ("SGD"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. The Group also holds cash and cash equivalents denominated in foreign currency for working capital purpose.

The exposure to foreign currency risk (a currency which is other than the functional currency of the entities within the Group) based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below:-

Foreign Currency Exposure

	United States Dollar RM'000	Singapore Dollar RM'000	Indonesian Rupiah RM'000	Total RM'000
The Group				
2025				
Financial Asset				
Cash and bank balances	823	3	190	1,016
Currency exposure	823	3	190	1,016

52. FINANCIAL INSTRUMENTS (CONT'D)

52.1 Financial Risk Management Policies (Cont'd)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

	United States Dollar RM'000	Singapore Dollar RM'000	Indonesian Rupiah RM'000	Total RM'000
The Group				
2024				
Financial Asset				
Cash and bank balances	252	*	41	293
Currency exposure	252	*	41	293

Note:-
* Less than RM1,000.

	United States Dollar RM'000	Indonesian Rupiah RM'000	Total RM'000
The Company			
2025			
Financial Asset			
Cash and bank balances	823	7	830
Currency exposure	823	7	830

	United States Dollar RM'000	Indonesian Rupiah RM'000	Total RM'000
The Company			
2024			
Financial Asset			
Cash and bank balances	252	8	260
Currency exposure	252	8	260

52. FINANCIAL INSTRUMENTS (CONT'D)

52.1 Financial Risk Management Policies (Cont'd)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Risk Sensitivity Analysis

Any reasonably possible change in the foreign currency exchange rates at the end of the reporting period against the respective functional currencies of the entities within the Group does not have a material impact on the profit/(loss) after taxation and equity of the Group and of the Company and hence, no sensitivity analysis is presented.

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The exposure to interest rate risk arises mainly from long-term borrowings with variable rates. The Group and the Company adopt a policy of obtaining the most favourable interest rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowings.

The fixed rate debt instruments of the Group and of the Company are not subject to interest rate risk since neither carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.

The exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Notes 28 and 29 to the financial statements.

Interest rate risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the interest rate as at the end of the reporting period, with all other variables held constant:-

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Effects on Profit/(Loss) After Taxation/ Other Comprehensive (Expenses)/ Income				
Increase of 100 basis points	(1,489)	(1,347)	(21)	(50)
Decrease of 100 basis points	1,489	1,347	21	50

52. FINANCIAL INSTRUMENTS (CONT'D)

52.1 Financial Risk Management Policies (Cont'd)

(a) Market Risk (Cont'd)

(iii) Equity Price Risk

The Group's principal exposure to equity price risk arises mainly from changes in quoted investment prices. The Group manages its exposure to equity price risk by maintaining a portfolio of equities with different risk profiles.

Equity Price Risk Sensitivity Analysis

Any reasonably possible change in the prices of quoted investments classified as fair value through profit or loss at the end of the reporting period does not have a material impact on the profit after taxation of the Group and of the Company and hence, no sensitivity analysis is presented. There is no impact on the equity of the Group and of the Company.

(b) Credit Risk

The exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and non-trade receivables and contract assets. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including quoted investments and cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

Also, the Company's exposure to credit risk includes loans and advances to subsidiaries, and corporate guarantee given to financial institutions for credit facilities granted to certain subsidiaries. The Company monitors the ability of the subsidiaries to serve their loans on an individual basis.

(i) Credit risk concentration profile

The Group determines the concentration of credit risk by monitoring the industry sector profile of its trade receivables and contract assets on an ongoing basis. The credit risk concentration profile of trade receivables and contract assets (including related parties), net of allowance at the end of the reporting period is as follows:-

	The Group	
	2025	**2024**
	RM'000	**RM'000**
Malaysia	370,663	297,470
Indonesia	3,414	7,146
Singapore	4,750	6,567
	378,827	311,183

At the end of the reporting period, the Group's major concentration of credit risk relates to the amounts owing by 1 (2024 - 1) customers which constituted approximately 33% (2024 - 33%) of its trade receivables and contract assets (including related parties), net of loss allowance.

52. FINANCIAL INSTRUMENTS (CONT'D)

52.1 Financial Risk Management Policies (Cont'd)

(b) Credit Risk (Cont'd)

(ii) Maximum Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

In addition, the Company's maximum exposure to credit risk also includes corporate guarantees provided to its subsidiaries as disclosed under the 'Maturity Analysis' of item (c) below, representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period. These corporate guarantees have not been recognised in the Company's financial statements since their fair value on initial recognition were not material.

(iii) Assessment of Impairment Losses

The Group and the Company have an informal credit policy in place and the exposure to credit risk is monitored on an on-going basis through periodic review of the ageing of the receivables. The Group and the Company closely monitor the receivables' financial strength to reduce the risk of loss.

At each reporting date, the Group and the Company evaluate whether any of the financial assets at amortised cost and contract assets are credit impaired.

The gross carrying amounts of financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities.

A financial asset is credit impaired when any of following events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:

- Significant financial difficulty of the receivable;
- A breach of contract, such as a default or past due event;
- Restructuring of a debt in relation to the receivable's financial difficulty; or
- It is becoming probable that the receivable will enter bankruptcy or other financial reorganisation.

The Group and the Company consider a receivable to be in default when the receivable is unlikely to repay its debt to the Group and the Company in full or is more than 90 days past due unless the Group and the Company have reasonable and supportable information to demonstrate that a more a lagging default criterion is more appropriate. The Group uses a more lagging past due criterion for certain trade receivables when it is more appropriate to reflect their loss patterns.

Notes to the Financial Statements

For the Financial Year Ended 31 May 2025

52. FINANCIAL INSTRUMENTS (CONT'D)

52.1 Financial Risk Management Policies (Cont'd)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Assets

The Group applies the simplified approach to measuring expected credit losses using a lifetime expected loss allowance for all trade receivables and contract assets.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

To measure the expected credit losses, trade receivables (including related parties) and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. Therefore, the Group concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The Group measures the expected credit losses of certain major customers, trade receivables that are credit impaired and trade receivables with a high risk of default on an individual basis.

Also, the Group considers any receivables having financial difficulty or with significant balances outstanding for more than a year, are deemed credit impaired and assesses for their risk of loss individually.

The expected loss rates are based on the payment profiles of sales over 12 months (2024 - 12 months) before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the trade receivables to settle their debts.

There are no significant changes in the estimation techniques and assumption as compared to the previous financial year.

For construction contracts, the Group assessed the expected credit loss of each customer individually based on their financial information and past trends of payments as there are only a few customers. All of these customers have low risk of default as they have a strong capacity to meet their debts.

For property development, purchasers are generally financed by loan facilities from reputable financiers. In addition, the credit risk is limited as the ownership and rights to the properties sold will revert to the Group in the event of default, and the products do not suffer from physical, technological and fashion obsolescence. Therefore, there is minimal exposure to credit risk from its property development activities.

For power contract and water concessions, the trade receivables are generally collected within the credit term and therefore, there is minimal exposure to credit risk.

52. Financial Instruments (Cont'd)

52.1 Financial Risk Management Policies (Cont'd)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Assets (Cont'd)

Allowance for Impairment Losses

The reconciliations of allowance for impairment losses are as follows:-

	Non-credit Impaired RM'000	Credit Impaired RM'000	Total RM'000
The Group			
Trade Receivables			
At 1 June 2023	-	2,082	2,082
Additions (Note 38)	-	387	387
Reversals (Note 38)	-	(220)	(220)
Foreign exchange differences	-	(347)	(347)
At 31 May 2024/1 June 2024	-	1,902	1,902
Foreign exchange differences	-	(103)	(103)
At 31 May 2025	-	1,799	1,799
Contract Assets			
At 1 June 2023	-	944	944
Additions (Note 38)	-	626	626
Foreign exchange differences	-	19	19
At 31 May 2024/1 June 2024	-	1,589	1,589
Foreign exchange differences	-	(86)	(86)
At 31 May 2025	-	1,503	1,503

52. FINANCIAL INSTRUMENTS (CONT'D)

52.1 Financial Risk Management Policies (Cont'd)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Assets (Cont'd)

Allowance for Impairment Losses (Cont'd)

The information about the credit exposure and loss allowances recognised for trade receivables and contract assets are as follows:-

	Gross Amount RM'000	Lifetime Individual Allowance RM'000	Lifetime Collective Allowance RM'000	Carrying Amount RM'000
The Group				
2025				
Non-current trade receivables				
Not past due	2,220	-	-	2,220
Current trade receivables				
Not past due	46,428	-	-	46,428
3 months past due	24,376	-	-	24,376
6 months past due	676	-	-	676
Credit impaired	1,799	(1,799)	-	-
Trade receivables	75,499	(1,799)	-	73,700
Contract assets	306,630	(1,503)	-	305,127
	382,129	(3,302)	-	378,827

52. FINANCIAL INSTRUMENTS (CONT'D)

52.1 Financial Risk Management Policies (Cont'd)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables and Contract Assets (Cont'd)

Allowance for Impairment Losses (Cont'd)

The information about the credit exposure and loss allowances recognised for trade receivables and contract assets are as follows:-

	Gross Amount RM'000	Lifetime Individual Allowance RM'000	Lifetime Collective Allowance RM'000	Carrying Amount RM'000
The Group				
2024				
Non-current trade receivables				
Not past due	1,434	-	-	1,434
Current trade receivables				
Not past due	43,412	-	-	43,412
3 months past due	12,760	-	-	12,760
6 months past due	774	-	-	774
More than 6 months past due	2,251	-	-	2,251
Credit impaired	1,902	(1,902)	-	-
Trade receivables	62,533	(1,902)	-	60,631
Contract assets	252,141	(1,589)	-	250,552
	314,674	(3,491)	-	311,183

Trade receivables and contract assets that are individually determined to be impaired relate to debtors who are in significant financial difficulties and have defaulted on payments. These debtors are not secured by any collateral or credit enhancements.

Trade receivables and contract assets that are collectively determined to be impaired relate to expected credit losses measured based on the Group's observed default rates.

There has not been any significant change in the gross amounts of trade receivables and contract assets that impacted the allowance for impairment losses.

52. FINANCIAL INSTRUMENTS (CONT'D)

52.1 Financial Risk Management Policies (Cont'd)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Other Receivables

The Group and the Company apply the 3-stage general approach to measure expected credit losses for its other receivables.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

Under this approach, the Group and the Company assess whether there is a significant increase in credit risk for receivables by comparing the risk of a default as at the reporting date with the risk of default as at the date of initial recognition. The Group and the Company consider there has been a significant increase in credit risk when there are changes in contractual terms or delay in payment. Regardless of the assessment, a significant increase in credit risk is presumed if a receivable is more than 30 days past due in making a contractual payment.

The Group and the Company use 3 categories to reflect their credit risk and how the loss allowance is determined for each category:-

Category	Definition of Category	Loss Allowance
Performing:	Receivables have a low risk of default and a strong capacity to meet contractual cash flows	12-months expected credit losses
Underperforming:	Receivables for which there is a significant increase in credit risk	Lifetime expected credit losses
Non-performing:	There is evidence indicating the receivable is credit impaired or more than 90 days past due	Lifetime expected credit losses

52. Financial Instruments (Cont'd)

52.1 Financial Risk Management Policies (Cont'd)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Other Receivables (Cont'd)

The Group and the Company measure the expected credit losses of receivables having significant balances, receivables that are credit impaired and receivables with a high risk of default on an individual basis. The remaining receivables are grouped based on shared credit risk characteristics and assessed on a collective basis.

Loss allowance is measured on either 12-month expected credit losses or lifetime expected credit losses, by considering the likelihood that the receivable would not be able to repay during the contractual period (probability of default, PD), the percentage of contractual cash flows that will not be collected if default happens (loss given default, LGD) and the outstanding amount that is exposed to default risk (exposure at default, EAD).

In deriving the PD and LGD, the Group and the Company consider the receivable's past payment status and its financial condition as at the reporting date. The PD is adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the receivable to settle its debts.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

52. Financial Instruments (Cont'd)

52.1 Financial Risk Management Policies (Cont'd)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Other Receivables (Cont'd)

Allowance for Impairment Losses

The reconciliations of allowance for impairment losses are as follows:-

	Performing RM'000	Under-Performing RM'000	Non-Performing RM'000	Total RM'000
The Group				
At 1 June 2023	-	-	6,839	6,839
Reversals (Note 38)	-	-	(24)	(24)
At 31 May 2024/31 May 2025	-	-	6,815	6,815
The Company				
At 31 May 2025/2024	-	-	6,750	6,750

The allowance for impairment losses is individually determined and relates to:

- Other receivables of "non-performing" category who are in significant financial difficulties and defaulted on payments.

Fixed Deposits with Licensed Banks, Cash and Bank Balances

The Group and the Company considers the licensed banks have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group and the Company are of the view that the loss allowance is immaterial and hence, it is not provided for.

52. FINANCIAL INSTRUMENTS (CONT'D)

52.1 Financial Risk Management Policies (Cont'd)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Amount Owing by Joint Ventures (Non-trade Balances)

The Group apply the 3-stage general approach to measure expected credit losses for its amount owing by joint ventures.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

Under this approach, the Group and the Company assesses whether there is a significant increase in credit risk for receivables by comparing the risk of a default as at the reporting date with the risk of default as at the date of initial recognition. The Group and the Company considers there has been a significant increase in credit risk when there are changes in contractual terms or delay in payment. Regardless of the assessment, a significant increase in credit risk is presumed if a receivable is more than 30 days past due in making a contractual payment.

Loss allowance is measured on either 12-month expected credit losses or lifetime expected credit losses, by considering the likelihood that the receivable would not be able to repay during the contractual period (probability of default, PD), the percentage of contractual cash flows that will not be collected if default happens (loss given default, LGD) and the outstanding amount that is exposed to default risk (exposure at default, EAD).

Allowance for Impairment Losses

The reconciliations of allowance for impairment losses are as follows:-

	Performing RM'000	Under-Performing RM'000	Non-Performing RM'000	Total RM'000
The Group				
At 1 June 2023	-	3,236	-	3,236
Additions (Note 38)	-	388	-	388
At 31 May 2024/1 June 2024	-	3,624	-	3,624
Reversals (Note 38)	-	(3,624)	-	(3,624)
At 31 May 2025	-	-	-	-

The allowance for impairment losses is individually determined and relates to:

- Amount owing by joint ventures of "underperforming" category who have not settled the debts on due dates but do not have objective evidence of impairment.

52. FINANCIAL INSTRUMENTS (CONT'D)

52.1 Financial Risk Management Policies (Cont'd)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Amount Owing by Subsidiaries

The Company also applies the 3-stage general approach (see information in other receivables above) to measuring expected credit losses for all inter-company balances.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

The Company measures the expected credit losses on an individual basis, which is aligned with its credit risk management practices on the inter-company balances.

The Company considers loans and advances to subsidiaries have low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly.

As the Company is able to determine the timing of payments of the loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded.

For loans and advances that are repayable on demand, impairment loss is assessed based on the assumption that repayment of the outstanding balances is demanded at the reporting date. If the subsidiary does not have sufficient highly liquid resources when the loans and advances are demanded, the Company will consider the expected manner of recovery to measure the impairment loss; the recovery manner could be either through 'repayable over time' or a fire sale of less liquid assets by the subsidiary.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

52. Financial Instruments (Cont'd)

52.1 Financial Risk Management Policies (Cont'd)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Amount Owing by Subsidiaries (Cont'd)

Allowance for Impairment Losses

	The Company 2025 RM'000	2024 RM'000
At 1 June 2024/2023	-	-
Additions during the financial year (Note 38)	13,800	-
At 31 May	13,800	-

The allowance for impairment losses (determined on an individual basis) relates to credit impaired subsidiaries who are in significant financial difficulties and have defaulted on payments.

There has not been any significant change in the gross amounts of amount owing by subsidiaries that impacted the allowance for impairment losses.

Financial Guarantee Contracts

Corporate guarantees for borrowing facilities granted to subsidiaries are financial guarantee contract.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

The Company closely monitors the subsidiaries' financial strength to reduce the risk of loss.

The Company considers there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. A financial guarantee contract is credit impaired when:

- The subsidiary is unlikely to repay its obligation to the bank in full; or
- The subsidiary is having a deficit in equity and is continuously loss making.

The Company determines the probability of default of the guaranteed amounts individually using internal information available.

52. FINANCIAL INSTRUMENTS (CONT'D)

52.1 Financial Risk Management Policies (Cont'd)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Financial Guarantee Contracts (Cont'd)

Allowance for Impairment Losses

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowances were identified based on 12-month expected credit losses.

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group and the Company practise prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

Notes to the Financial Statements

For the Financial Year Ended 31 May 2025

52. Financial Instruments (Cont'd)

52.1 Financial Risk Management Policies (Cont'd)

(c) Liquidity Risk (Cont'd)

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

	Contractual interest rate %	Carrying amount RM'000	Contractual undiscounted cash flows RM'000	Within 1 year RM'000	2 - 5 years RM'000	Over 5 years RM'000
The Group						
2025						
Non-derivative Financial Liabilities						
Trade and non-trade payables	-	262,736	262,736	262,736	-	-
Land proprietor's entitlement	7.10	8,617	12,211	-	12,211	-
Bankers' acceptances	5.10 - 5.14	1,687	1,687	1,687	-	-
Revolving credits	4.26 - 7.08	101,774	101,774	101,774	-	-
Hire purchase payables	1.50 - 6.45	4,419	4,747	2,582	2,095	70
Term loans	4.62 - 9.75	92,452	109,529	23,657	72,047	13,825
		471,685	492,684	392,436	86,353	13,895

Notes to the Financial Statements

For the Financial Year Ended 31 May 2025

52. FINANCIAL INSTRUMENTS (CONT'D)

52.1 Financial Risk Management Policies (Cont'd)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period)(Cont'd):-

	Contractual interest rate %	Carrying amount RM'000	Contractual undiscounted cash flows RM'000	Within 1 year RM'000	2 - 5 years RM'000	Over 5 years RM'000
The Group						
2024						
Non-derivative Financial Liabilities						
Trade and non-trade payables	-	229,982	229,982	229,982	-	-
Land proprietor's entitlement	7.10 - 7.90	135,467	180,408	40,143	92,385	47,880
Bankers' acceptances	5.21	210	210	210	-	-
Revolving credits	4.86 - 6.08	93,740	93,740	93,740	-	-
Hire purchase payables	3.87 - 6.71	9,951	10,826	4,120	6,661	45
Term loans	4.62 - 9.75	83,260	91,756	33,962	47,787	10,007
Lease liabilities	5.00	679	708	447	261	-
		553,289	607,630	402,604	147,094	57,932

Notes to the Financial Statements

For the Financial Year Ended 31 May 2025

52. FINANCIAL INSTRUMENTS (CONT'D)

52.1 Financial Risk Management Policies (Cont'd)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period)(Cont'd):-

	Contractual interest rate %	Carrying amount RM'000	Contractual undiscounted cash flows RM'000	Within 1 year RM'000	2 - 5 years RM'000	Over 5 years RM'000
The Company						
2025						
Non-derivative Financial Liabilities						
Trade and non-trade payables	-	262	262	262	-	-
Term loans	5.07	2,813	2,861	2,861	-	-
Financial guarantee contracts in relation to corporate guarantee given to certain subsidiaries	-	-	472,759	472,759*	-	-
2024						
Non-derivative Financial Liabilities						
Trade and non-trade payables	-	221	221	221	-	-
Term loans	5.11	6,562	6,842	3,981	2,861	-
Financial guarantee contracts in relation to corporate guarantee given to certain subsidiaries	-	-	436,306	436,306 *	-	-

* The potential exposure of the financial guarantee contracts is equivalent to the outstanding amount of the credit facilities of the said subsidiaries at the end of the reporting period. The financial guarantees have not been recognised in the Company's financial statements.

52. FINANCIAL INSTRUMENTS (CONT'D)

52.2 Capital Risk Management

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support their businesses and maximise shareholders' value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

The Group manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as net debt divided by total equity. The Group and the Company include within net debt, loans and borrowings from financial institutions less short-term funds, deposits with licensed banks and cash and bank balances. Capital includes equity attributable to the owners of the parent and non-controlling interests. The debt-to-equity ratio of the Group and of the Company at the end of the reporting period are as follows:-

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Bankers' acceptances (Note 28)	1,687	210	-	-
Revolving credits (Note 28)	101,774	93,740	-	-
Term loans (Note 28)	92,452	83,260	2,813	6,562
Hire purchase payables (Note 28)	4,419	9,951	-	-
	200,332	187,161	2,813	6,562
Less:				
Short-term funds (Note 21)	(67,652)	(41,217)	(24,737)	(18,768)
Deposits with licensed banks (Note 22)	(59,830)	(45,983)	(642)	(628)
Cash and bank balances (Note 23)	(135,915)	(84,205)	(10,747)	(1,202)
Net (cash)/debt	(63,065)	15,756	(33,313)	(14,036)
Total equity	804,758	783,227	433,656	426,535
Debt-to-equity	*	0.02	*	*

Note:-
* Not applicable as the Group's and the Company's cash and cash equivalents exceed its borrowings.

There were no changes in the approach to capital management during the financial year.

52. FINANCIAL INSTRUMENTS (CONT'D)

52.3 Classification of Financial Instruments

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Financial Assets				
Mandatorily at Fair Value through Profit or Loss				
Quoted investment	1,259	809	1,259	809
Short-term funds	67,652	41,217	24,737	18,768
	68,911	42,026	25,996	19,577
Amortised Cost				
Unquoted ordinary shares	530	-	-	-
Trade and non-trade receivables	121,013	109,622	257,045	265,488
Deposits with licensed banks	59,830	45,983	642	628
Cash and bank balances	135,915	84,205	10,747	1,202
	316,758	239,810	268,434	267,318
Financial Liability				
Amortised Cost				
Trade and non-trade payables	(271,353)	(365,449)	(262)	(221)
Bank borrowings	(200,332)	(187,161)	(2,813)	(6,562)
	(471,685)	(552,610)	(3,075)	(6,783)

52.4 Gains or Losses Arising from Financial Instruments

	The Group		The Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Financial Assets				
Fair Value through Profit or Loss				
Net gains recognised in profit or loss	1,911	2,011	1,465	556
Amortised Cost				
Net gains/(losses) recognised in profit or loss	6,485	9,091	(3,275)	11,091
Financial Liability				
Amortised Cost				
Net losses recognised in profit or loss	(12,394)	(13,077)	(234)	(434)

52. FINANCIAL INSTRUMENTS (CONT'D)

52.5 Fair Value Information

The fair values of the financial assets and financial liabilities of the Group and of the Company which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:-

	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments not Carried at Fair Value				
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total Fair Value RM'000	Carrying Amount RM'000
The Group								
2025								
Financial Assets								
Other investments:								
- quoted	1,259	-	-	-	-	-	1,259	1,259
Short-term funds	67,652	-	-	-	-	-	67,652	67,652
Financial Liabilities								
Land proprietor's entitlement	-	-	-	-	-	8,617	8,617	8,617
Term loans	-	-	-	-	92,452	-	92,452	92,452

Notes to the Financial Statements

For the Financial Year Ended 31 May 2025

52. Financial Instruments (Cont'd)

52.5 Fair Value Information (Cont'd)

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period (Cont'd):-

	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments not Carried at Fair Value			Total Fair Value	Carrying Amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	RM'000	RM'000
The Group								
2024								
Financial Assets								
Other investments:								
- quoted	809	-	-	-	-	-	809	809
Short-term funds	41,217	-	-	-	-	-	41,217	41,217
Financial Liabilities								
Land proprietor's entitlement	-	-	-	-	-	135,467	135,467	135,467
Term loans	-	-	-	-	83,260	-	83,260	83,260

Notes to the Financial Statements
For the Financial Year Ended 31 May 2025

52. FINANCIAL INSTRUMENTS (CONT'D)

52.5 Fair Value Information (Cont'd)

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period (Cont'd):-

	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments not Carried at Fair Value				
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total Fair Value RM'000	Carrying Amount RM'000
The Company								
2025								
Financial Assets								
Other investments:								
- quoted	1,259	-	-	-	-	-	1,259	1,259
Short-term funds	24,737	-	-	-	-	-	24,737	24,737
Amount owing by subsidiaries	-	-	-	-	-	206,901	206,901	206,901
Financial Liability								
Term loans	-	-	-	-	2,813	-	2,813	2,813

Notes to the Financial Statements

For the Financial Year Ended 31 May 2025

52. Financial Instruments (Cont'd)

52.5 Fair Value Information (Cont'd)

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period (Cont'd):-

	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments not Carried at Fair Value				
	Level 1 RM'000	**Level 2 RM'000**	**Level 3 RM'000**	**Level 1 RM'000**	**Level 2 RM'000**	**Level 3 RM'000**	**Total Fair Value RM'000**	**Carrying Amount RM'000**
The Company								
2024								
<u>Financial Assets</u>								
Other investments:								
- quoted	809	-	-	-	-	-	809	809
Short-term funds	18,768	-	-	-	-	-	18,768	18,768
Amount owing by subsidiaries	-	-	-	-	-	222,045	222,045	222,045
<u>Financial Liability</u>								
Term loans	-	-	-	-	6,562	-	6,562	6,562

52. FINANCIAL INSTRUMENTS (CONT'D)

52.5 Fair Value Information (Cont'd)

(a) Fair Value of Financial Instruments Carried at Fair Value

(i) The fair values above have been determined using the following basis:-

(aa) The fair value of quoted equity investments is determined at their quoted closing bid prices at the end of the reporting period.

(bb) The fair value of money market fund is determined by reference to statement provided by the respective financial institutions, with which the investments were entered into.

(ii) There were no transfer between level 1 and level 2 during the financial year.

(b) Fair Value of Financial Instruments Not Carried at Fair Value

The fair values, which are for disclosure purposes, have been determined using the following basis:-

(i) The fair value of the term loans that carry floating interest rates approximated their carrying amounts as they are repriced to market interest rates on or near the reporting date.

(ii) The fair value of amounts owing by subsidiaries (non-current) is calculated based on the present value of the projected repayment of loans.

53. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) On 21 August 2024, the Company announced that it proposed to undertake a private placement of up to ten percent (10%) of the issued and paid-up share capital of the Company ("Placement Shares").

On 27 August 2024, the Company submitted the application to Bursa Securities for the listing and quotation of up to 72,806,109 Placement Shares, representing 10% of the total number of issued shares (excluding treasury shares, if any) of the Company on the Main Market of Bursa Securities.

On 19 September 2024, the Company announced that the issue price for the Placement Shares had been fixed at RM0.31 per Placement Share. The 72,806,100 Placement Shares were listed and quoted on the Main Market of Bursa Securities on 1 October 2024.

(b) 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, have been 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".

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 defence into the court proceeding to dispute the Claim.

53. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

(b) GESB has filed an application to strike out the Claim and the hearing of the application has been re-scheduled to 25 September 2025.

The Plaintiff has filed an application for summary judgement against GESB and the application has been re-scheduled to 25 September 2025 for case management.

(c) On 11 October 2024, the Company's wholly-owned subsidiary, Gadang Construction Sdn Bhd, entered into a Sale and Purchase Agreement ("SPA") with Opulent Abode Sdn Bhd to dispose of a parcel of leasehold land held under HS(D) 256293, PT 47369, Mukim Sungai Buloh, Daerah Petaling, Negeri Selangor, for a total consideration of RM65 million.

On 4 February 2025, all conditions precedent under the SPA were duly fulfilled. With the satisfaction of these conditions, the SPA became unconditional and was expected to be completed within three (3) months from the unconditional date, i.e., by 2 May 2025 ("Completion Period"). Failing which, the Completion Period will automatically be extended for another three (3) months from the expiry of the Completion Period ("Extended Completion Period"), i.e., by 1 August 2025.

The proposed disposal was completed on 23 May 2025.

(d) On 30 December 2024, RUSB - Hotrend Joint Consortium, a joint venture comprising Regional Utilities Sdn Bhd ("RUSB"), a wholly-owned subsidiary of Gadang, and Hotrend Corporation Sdn Bhd ("Hotrend"), had on even date accepted the Letter of Notification on Acceptance of Offer from the Energy Commission of Sabah for the development of a Large Scale Solar PV Plant of 15.0 MWa.c. in Tawau, Sabah ("the Project").

The Letter of Notification on Acceptance of Offer requires the JVC to satisfy certain obligations, compliance, including submission and execution of the Project documents to confirm the acceptance.

On 10 April 2025, RUSB and Hotrend formed an incorporated joint venture company known as Tenaga Aspirasi Sdn Bhd ("TASB") under the Companies Act 2016, to undertake the development of the Project. RUSB subscribed for 60% equity interest, representing 60 ordinary shares in TASB, for a total purchase consideration of RM60.

(e) On 25 March 2025, Borneo Engineering And Construction Sdn Bhd ("BEC"), an indirect 60% owned subsidiary of the Company, commenced a members' voluntary winding-up pursuant to Section 439(1)(b) of the Companies Act 2016, as BEC has not commenced business since its incorporation and has no intention of commencing business in the future.

BEC was incorporated on 9 June 2023 with an issued and paid-up share capital of RM100. The total cost of investment in BEC was RM540,000. The winding-up will not have any material effect on the net assets per share or earnings per share of the Group.

54. SUBSEQUENT EVENTS OCCURRING AFTER THE REPORTING PERIOD

(a) On 6 June 2025, the Company and its wholly-owned subsidiary, Hillstrand Development Sdn Bhd ("HDSB"), accepted a Letter of Mutual Termination from Cyberview Sdn Bhd ("CSB") and CSB Land Sdn Bhd ("CSBL") to mutually terminate the Joint Development Agreement dated 23 May 2014 with respect to the undeveloped Phase 4 of the project on a parcel of freehold land identified as HS(D) 33156, PT No. 47223, situated in the Mukim of Dengkil, District of Sepang, Selangor Darul Ehsan, and to apportion the shared common costs accordingly.

HDSB has incurred approximately RM40 million in development expenditure for the undeveloped Phase 4. Following negotiations, both parties reached an agreement that CSB/CSBL's portion of the shared common costs payable to HDSB shall be RM21.0 million only. HDSB charged out the remaining common costs of approximately RM19.0 million for the financial year ended 31 May 2025.

HDSB anticipates that the mutual termination agreement will be finalised in the fourth quarter of the calendar year 2025.

(b) On 20 June 2025, the Company's wholly-owned subsidiary, Gadang Engineering (M) Sdn Bhd, accepted a Letter of Award for the sum of RM92.5 million from AFA Construction and Engineering Sdn Bhd, undertaking to construct and complete the earthwork and other associated works for Package 2A: CH39000-CH47580 in the project known as "Proposed Widening of Kuala Lumpur - Karak Highway From KM19.20 To KM39.00 (Section 1) and From KM39.00 To KM61.50 (Section 2)".

(c) On 16 July 2025, the Company's 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 total cost of investment in KRSB was RM910,000. The winding-up will not have any material effect on the net assets per share or earnings per share of the Group.

55. COMPARATIVE FIGURES

The following figures have been reclassified to conform with the presentation of the current financial year:-

	The Group	
	As Previously Reported RM'000	As Restated RM'000
Statements of Financial Position (Extract):-		
Concession assets	147,429	-
Property, plant and equipment:		
- Power plants	-	147,429
Statements of Profit or Loss (Extract):-		
Revenue *	583,589	591,923
Cost of sales *	(506,864)	(515,198)

Note:-

* During the current financial year, adjustments were made accordance with MFRS 10 Consolidated Financial Statements. Accordingly, certain comparatives have been restated as set out above.

The restatement of revenue and cost of sales relate to revision of percentage of completion after elimination of full intragroup transactions.

The financial impacts arising from the adjustment are summarised as follows:-

(i) An increase in revenue of RM8,334,000 for the financial year ended 31 May 2024; and
(ii) An increase in cost of sales of RM8,334,000 for the financial year ended 31 May 2024.

List of Properties
As at 31 May 2025

Title/Location	Description/ Existing use	Tenure	Acquisition Date (Revaluation Date)	Approximate Land/(Built-up) Area in sq. ft	Carrying Value (RM)
Wisma Gadang No. 52, Jalan Tago 2 Off Jalan Persiaran Utama Sri Damansara 52200 Kuala Lumpur	7 storey office block for own use	Freehold	Jun/1997	42,619 (45,043)	6,989,193
Salak South Land HS(D) 51683 Lot 480759; HS(D) 51684 Lot 480760; HS(D) 51685 Lot 480761; HS(D) 51686 Lot 480762; HS(D) 51687 Lot 480763; HS(D) 51688 Lot 480764; HS(D) 51689 Lot 480765; HS(D) 51690 Lot 480766; HS(D) 51691 Lot 480767; HS(D) 51692 Lot 480768; HS(D) 51693 Lot 480769; HS(D) 121251 PT9755 Mukim Kuala Lumpur	Mixed development	Leasehold ending 17/Jun/2112 12/Jan/2119	27/Jan/2010	74,139	4,732,366
Plot No. 209 held under HS(D) 252119 PT No. 1014; Plot No. 211 held under HS(D) 252121 PT No. 1016; Plot No. 201 held under HS(D) 252138 PT No. 1033; Plot No. 202 held under HS(D) 252126 PT No. 1021; Plot No. 203 held under HS(D) 252127 PT No. 1022 Pekan Baru Sungai Besi District of Petaling Selangor	Vacant bungalow lot for sale/ development	Leasehold ending 1/Dec/2107	31/Jan/2010	52,535	6,874,262
HS(D) 2811 PT No. 165 Bandar Pokok Sena Daerah Pokok Sena Kedah	Mixed development	Freehold	11/Jun/2010	3,421,861	16,402,965
PM 2288 Lot 20470 Mukim Serendah Daerah Hulu Selangor Negeri Selangor	Store for plant and machinery	Leasehold ending 31/Aug/2105	1/Oct/2012	400,300	4,096,663

Gadang Holdings Berhad

List of Properties

As at 31 May 2025

Title/Location	Description/ Existing use	Tenure	Acquisition Date (Revaluation Date)	Approximate Land/(Built-up) Area in sq. ft	Carrying Value (RM)
F-0-7, F-1-7 & F-2-7 M Avenue, No.1 Jalan 1/38A Segambut Bahagia 51200 Kuala Lumpur	3 storey shopoffice	Leasehold ending 23/Aug/2102	1/Mar/2013	2,734	587,471
No. Hakmilik 271958 Lot 20504 Mukim Semenyih District of Ulu Langat State of Selangor	Land for development	Freehold	30/Jan/2015	2,051,505	69,249,080
PM 2652 Lot 15004 PM 814 Lot 15002 PM 2656 Lot 15003 PM 2654 Lot 15001 PM 2516 Lot 6352 Tempat Batu 25 1/2 Mukim Serendah Daerah Hulu Selangor	Store for plant and machinery	Leasehold ending 29/10/2092 05/06/2093	5/Jan/2017	290,412	3,883,657
Gelang Patah Land HS(D) 15206, PTD 15309; HS(D) 15207, PTD 15310; Land in Mukim Jeram Batu Daerah Pontian, Negeri Johor	Land for development	Freehold	6/Feb/2018	2,491,260	125,117,714
Country Lease No. 215381043; Country Lease No. 215381052; Country Lease No. 215381061; Country Lease No. 215381070; Country Lease No. 215381089 District of Penampang, Sabah	Vacant land	Leasehold ending 25/Sep/2935	26/Jun/2018	32,930	3,820,904

Analysis of Shareholdings

I. ANALYSIS OF SHAREHOLDINGS as at 29 August 2025

Share Capital

Number of Issued Shares	:	800,867,195
Class of Shares	:	Ordinary shares
No. of shareholders	:	13,270
Voting Rights	:	One vote per ordinary share (on a poll)

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Holders	%	No. of Issued Shares	%
1 - 99	295	2.22	11,489	0.00
100 - 1,000	1,050	7.91	602,611	0.08
1,001 - 10,000	6,041	45.52	34,918,801	4.36
10,001 - 100,000	5,032	37.92	170,353,235	21.27
100,001 - 40,043,358 (*)	850	6.41	415,151,106	51.84
40,043,359 and above	2	0.02	179,829,953	22.45
Total	**13,270**	**100.00**	**800,867,195**	**100.00**

* *denotes 5% of issued shares*

SUBSTANTIAL SHAREHOLDERS (AS PER THE REGISTER OF SUBSTANTIAL SHAREHOLDERS)

	No. of Issued Shares			
Name	Direct Interest	%	Deemed Interest	%
1. Sumber Raswira Sdn Bhd	82,915,402	10.35	-	-
2. Tan Sri Dato' Kok Onn	15,377,300	1.92	179,829,953 [a]	22.45
3. Meloria Sdn Bhd	96,914,551	12.10	-	-
4. Puan Sri Datin Chan Ngan Thai	-	-	96,914,551 [b]	12.10

Notes:

(a) *Deemed interested by virtue of his interests in Sumber Raswira Sdn Bhd and Meloria Sdn Bhd pursuant to Section 8 of the Companies Act, 2016 ("the Act")*

(b) *Deemed interested by virtue of her interest in Meloria Sdn Bhd pursuant to Section 8 of the Act*

Gadang Holdings Berhad

Analysis of Shareholdings

TOP 30 SHAREHOLDERS AS PER RECORD OF DEPOSITORS

		No. of Issued Shares	%
1.	RHB Nominees (Tempatan) Sdn Bhd *Pledged securities account for Meloria Sdn Bhd*	96,914,551	12.10
2.	Sumber Raswira Sdn Bhd	82,915,402	10.35
3.	Citigroup Nominees (Tempatan) Sdn Bhd *Employees Provident Fund Board (PHEIM)*	26,330,300	3.29
4.	Alliancegroup Nominees (Tempatan) Sdn Bhd *Pledged securities account for Kok Onn (7002585)*	15,377,300	1.92
5.	Citigroup Nominees (Tempatan) Sdn Bhd *Employees Provident Fund Board (UOBESGSCEQ)*	9,000,000	1.12
6.	Maybank Nominees (Tempatan) Sdn Bhd *Pledged securities account for Tan Kian Aik*	6,760,000	0.84
7.	Maybank Nominees (Tempatan) Sdn Bhd *Maybank Trustees Berhad for Dana Makmur PHEIM (211901)*	6,112,200	0.76
8.	Maybank Nominees (Tempatan) Sdn Bhd *Pledged securities account for Khoo Bee Lian*	5,970,000	0.75
9.	Citigroup Nominees (Tempatan) Sdn Bhd *Great Eastern Life Assurance (Malaysia) Berhad (LGF)*	5,582,200	0.70
10.	RHB Capital Nominees (Tempatan) Sdn Bhd *Pledged securities account for Su Ming Keat*	5,200,000	0.65
11.	Maybank Nominees (Tempatan) Sdn Bhd *Yeoh Ah Tu*	5,171,625	0.65
12.	Maybank Nominees (Tempatan) Sdn Bhd *Pledged securities account for Ong Eng Hock*	5,130,000	0.64
13.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. *Pledged securities account for Law Wan Ni (M09)*	4,875,550	0.61
14.	Public Nominees (Tempatan) Sdn Bhd *Pledged securities account for Ko Mok Chuan (E-TMR/TMJ)*	4,840,000	0.60
15.	Citigroup Nominees (Tempatan) Sdn Bhd *Great Eastern Takaful Berhad (Mekar)*	4,115,300	0.51
16.	Citigroup Nominees (Tempatan) Sdn Bhd *Great Eastern Life Assurance (Malaysia) Berhad (LSMCF)*	3,666,800	0.46
17.	Tee Ah Swee	3,618,300	0.45
18.	UOB Kay Hian Nominees (Tempatan) Sdn Bhd *Exempt An for UOB Kay Hian PTE LTD (A/C Clients)*	3,450,050	0.43
19.	Public Nominees (Tempatan) Sdn Bhd *Pledged securities account for Kelly Ko Kar Yee (E-TMR)*	3,260,000	0.41
20.	Law Wan Cheen	3,241,500	0.40
21.	TA Nominees (Tempatan) Sdn Bhd *Pledged securities account for Ng Kim Chye*	3,232,500	0.40

		No. of Issued Shares	%
22.	Maybank Nominees (Tempatan) Sdn Bhd *ETIQA Family Takaful Berhad (FAMILY)*	3,020,600	0.38
23.	Eternal Harmony Sdn Bhd	3,000,000	0.37
24.	Maybank Nominees (Tempatan) Sdn Bhd *Pledged securities account for Megat Afif Farabi Bin Megat Muhaiyadin*	2,760,000	0.34
25.	Maybank Nominees (Tempatan) Sdn Bhd *ETIQA General Takaful Bhd (GENERAL 2)*	2,721,200	0.34
26.	Maybank Nominees (Tempatan) Sdn Bhd *Yap Thong Yee*	2,610,000	0.33
27.	Public Nominees (Tempatan) Sdn Bhd *Pledged securities account for Oon Kee Tain (BMM/UOB)*	2,551,200	0.32
28.	Maybank Nominees (Tempatan) Sdn Bhd *ETIQA General Takaful Berhad (Shareholders Fund-EQ)*	2,546,700	0.32
29.	Maybank Nominees (Tempatan) Sdn Bhd *Sam Lai Jean*	2,530,000	0.32
30.	CIMB Group Nominees (Asing) Sdn. Bhd. *Exempt An for DBS Bank Ltd (SFS)*	2,490,000	0.31
Total		**328,993,278**	**41.07**

II. DIRECTORS' SHAREHOLDINGS as at 29 August 2025

A. DIRECTORS' SHAREHOLDINGS (AS PER THE REGISTER OF DIRECTORS' SHAREHOLDINGS)

	No. of Issued Shares			
Name of Directors	**Direct Interest**	**%**	**Deemed Interest**	**%**
Tan Sri Dato' Seri Dr. Mohamed Ismail bin Merican	-	-	-	-
Tan Sri Dato' Kok Onn	15,377,300	1.92	179,829,953 [(a)]	22.45
Kok Pei Ling	1,304,400	0.16	-	-
Huang Shi Chin	196,800	0.02	-	-
Sherman Lam Yuen Suen	190,000	0.02	-	-
Wong Ping Eng	-	-	-	-

Note:

(a) *Deemed interested by virtue of his interests in Sumber Raswira Sdn Bhd and Meloria Sdn Bhd pursuant to Section 8 of the Companies Act, 2016*

Notice of 32nd Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Thirty Second (**32nd**) Annual General Meeting ("**AGM**") of Gadang Holdings Berhad ("**the Company**") will be held at Ballroom 3, Level 1, Sime Darby Convention Centre, 1A Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Wednesday, 5 November 2025 at 10.00 a.m. for the following purposes:

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements of the Company for the financial year ended 31 May 2025 together with the Reports of the Directors and Auditors thereon.
   Please refer to Explanatory Note A

2. To approve the payment of a first and final dividend of 0.27 sen per share in respect of the financial year ended 31 May 2025. *(Ordinary Resolution 1)*

3. To approve the payment of Directors' Fees of RM370,000 for the financial year ending 31 May 2026, to be made payable quarterly. *(Ordinary Resolution 2)*
   Please refer to Explanatory Note B

4. To approve the payment of benefits payable to the Independent Non-Executive Directors ("INEDs") of the Company up to an amount of RM150,000 from 6 November 2025 until the next AGM of the Company. *(Ordinary Resolution 3)*
   Please refer to Explanatory Note B

5. To re-elect the following Directors who retire by rotation pursuant to Clause 108 of the Company's Constitution and being eligible, have offered themselves for re-election:
   (a) Mr Huang Shi Chin *(Ordinary Resolution 4)*
   (b) Ms Kok Pei Ling *(Ordinary Resolution 5)*
   Please refer to Explanatory Note C

6. To re-appoint Crowe Malaysia PLT as Auditors of the Company for the financial year ending 31 May 2026 and to authorise the Directors to fix their remuneration. *(Ordinary Resolution 6)*
   Please refer to Explanatory Note D

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without modifications, the following resolutions:

7. **Authority to issue shares pursuant to Sections 75 and 76 of the Companies Act, 2016**

   "**THAT**, pursuant to Sections 75 and 76 of the Companies Act, 2016, the Directors be and are hereby authorised to issue shares in the Company at any time until the conclusion of the next AGM and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed 10% of the total issued shares of the Company ("New Shares") for the time being ("Authority") and that the Directors be and are also empowered to obtain approval for the listing of and quotation for the New Shares so issued on Bursa Malaysia Securities Berhad, subject always to the approvals of the relevant regulatory authorities;

Notice of 32nd Annual General Meeting

AND THAT pursuant to Section 85 of the Companies Act, 2016 to be read together with Clause 55 of the Company's Constitution, the shareholders of the Company do hereby waive their statutory pre-emptive rights over all New Shares issued under the Authority." *(Ordinary Resolution 7)*
Please refer to Explanatory Note E

8. **Proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature**

"**THAT**, subject to the provisions of the Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the Company and/or its subsidiaries ("Gadang Group") to enter into recurrent related party transactions of a revenue or trading nature as set out in Section 2.4 of the Circular to Shareholders dated 24 September 2025 ("Circular") with the related party listed in Section 2.3 of the Circular which transactions are necessary for the day-to-day operations, in the ordinary course of business of Gadang Group on terms which are not more favourable to the related party than those generally available to the public and are not to the detriment of the minority shareholders;

THAT such authority shall commence immediately upon the passing of this resolution and shall continue to be in force until:

(a) the conclusion of the next AGM of the Company, at which time it will lapse, unless renewed by a resolution passed at that meeting;

(b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Companies Act, 2016 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

(c) revoked or varied by resolution passed by the shareholders of the Company in a general meeting;

whichever is the earlier;

AND THAT, the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) to give effect to the transactions contemplated and/or authorised by this resolution." *(Ordinary Resolution 8)*
Please refer to Explanatory Note F

9. To transact any other business of which due notice shall have been given.

BY ORDER OF THE BOARD

TAN SHIM CHIENG (MAICSA 7013540) (SSM PC No. 201908001548)
Company Secretary

Kuala Lumpur
24 September 2025

Notice of 32nd Annual General Meeting

NOTES ON APPOINTMENT OF PROXY AND ENTITLEMENT OF ATTENDANCE

1. *Only a depositor whose name appears in the Record of Depositors of the Company as of 24 October 2025 shall be regarded as a member entitled to attend, speak and vote, and to appoint not more than two (2) proxies to attend, speak and vote on his/her behalf, at the 32nd AGM.*

2. *Where a member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.*

3. *Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*

4. *The instrument appointing a proxy ("**Form of Proxy**") shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.*

5. *The Form of Proxy must be deposited at the office of the Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, to be deposited in the Drop Box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the 32nd AGM or at any adjournment thereof. Alternatively, you may submit the Form of Proxy electronically via TIIH Online website at https://srmy.vistra.com before the aforesaid lodgement cut-off time.*

6. *Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice will be put to vote by way of poll.*

EXPLANATORY NOTES:

A. **Audited Financial Statements for the financial year ended 31 May 2025**
This agenda item is meant for discussion only as under the provision of Section 340(1)(a) of the Companies Act 2016, the audited financial statements do not require formal approval of the members. Hence, this item will not be put forward for voting.

B. **Ordinary Resolutions 2 and 3 – Directors' Fees and Benefits**
Pursuant to Section 230(1) of the Companies Act 2016, fees and benefits payable to the directors of a listed company and its subsidiaries shall be approved by shareholders at a general meeting. Pursuant thereto, shareholders' approval will be sought at the 32nd AGM for the following payments:

i) Directors' Fees

The Directors' Fees for the financial year ending 2026 are set out below:

Description	Independent Non-Executive Chairman	Independent Non-Executive Director (AC Chairman)	Senior Independent Non-Executive Director	Independent Non-Executive Director
Directors' Fees (per annum)	RM110,000	RM90,000	RM90,000	RM80,000

The proposed Ordinary Resolution 2, if passed, will authorise the payment of the aforesaid Directors' fees to the INEDs of the Company on a quarterly basis.

ii) Directors' Benefits (excluding Directors' Fees) for the period from 6 November 2025 up to the date of the next AGM

The Directors' benefits of RM150,000 for the period from 6 November 2025 until the next AGM in the year 2026 are derived from the estimated meeting attendance allowance based on the number of scheduled meetings and unscheduled meetings (when necessary) for Board, Board Committees and general meetings as well as the number of INEDs involved in the meetings and leave passage and/or medical claims of the INEDs. The meeting attendance allowance for an INED is RM1,000 per meeting. The leave passage and/or medical claim for an INED is RM15,000 per annum in total.

The proposed Ordinary Resolution 3, if passed, will authorise the payment of Directors' Benefits to the INEDs by the Company.

C. **Ordinary Resolutions 4 and 5 – Re-election of Directors**
Clause 108 of the Company's Constitution provides that one-third (1/3) of the Directors of the Company for the time being shall retire by rotation at each AGM of the Company. All the Directors shall retire from office once at least every three (3) years but shall be eligible for re-election. Mr Huang Shi Chin and Ms Kok Pei Ling are standing for re-election as Directors and being eligible, have offered themselves for re-election.

Based on the Board Evaluation conducted for the financial year ended 31 May 2025, the Nomination & Remuneration Committee and the Board were satisfied with the Directors' performance and contributions. The Directors continued to demonstrate the skills, experience, strengths and qualities expected of them, as well as the ability to act in the best interests of the Company.

The Board has therefore recommended the re-election of the Directors who are retiring at the 32nd AGM. The profiles of the retiring Directors are set out in the Profile of Directors of the Annual Report 2025.

Gadang Holdings Berhad

Notice of 32nd Annual General Meeting

D. **Ordinary Resolution 6 – Re-appointment of Auditors**
The Board, through the Audit Committee, had reviewed and was satisfied with the performance and independence of Crowe Malaysia PLT during the financial year under review. The Board has therefore recommended the re-appointment of Crowe Malaysia PLT as External Auditors of the Company for the financial year ending 31 May 2026.

E. **Ordinary Resolution 7 – Authority to issue shares pursuant to Sections 75 and 76 of the Companies Act, 2016**
The proposed Ordinary Resolution 7 is a renewal of the general mandate for the issuance of shares by the Company under Sections 75 and 76 of the Companies Act, 2016, obtained from the shareholders at the last AGM. The resolution, if passed, will empower the Directors of the Company to issue and allot new shares in the Company from time to time provided that the aggregate number of shares issued does not exceed 10% of the issued shares of the Company for the time being. This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next AGM of the Company.

As at the date of this Notice, no new shares of the Company were issued pursuant to the mandate granted at the last AGM held on 6 November 2024 which will lapse at the conclusion of this AGM and hence, no proceeds were raised.

This mandate will provide flexibility to the Company for any possible fundraising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s), working capital and/or acquisition(s) and thereby reducing administrative time and costs associated with the convening of additional shareholders meeting(s).

F. **Ordinary Resolution 8 – Proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature**
The proposed Ordinary Resolution 8 is in relation to the approval of Shareholders' Mandate for Recurrent Related Party Transactions and if passed, will empower the Company and its subsidiaries ("Gadang Group") to enter into recurrent related party transactions of a revenue or trading nature which are necessary for Gadang Group's day-to-day operations, subject to the transactions being in the ordinary course of business and on terms which are not more favourable to the related party than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

The details relating to Ordinary Resolution 8 are set out in the Circular to Shareholders dated 24 September 2025, which is available on the Company's website at www.gadang.com.my.

Statement Accompanying Notice of Annual General Meeting

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

- Further details of individuals who are standing for election as Directors (excluding Directors standing for re-election)

  No individual is seeking election as Director at the 32nd Annual General Meeting of the Company.

- A statement relating to the general mandate for the issue of security in accordance with paragraph 6.03(3) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

  Details of the general mandate to issue securities in the Company pursuant to Sections 75 and 76 of the Companies Act, 2016 are set out in Explanatory Note E of the Notice of this meeting.

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FORM OF PROXY

NUMBER OF SHARES HELD	
CDS ACCOUNT NO.	

*I/We ______________________________ *NRIC No./Co. No.: ______________________
(FULL NAME IN BLOCK LETTERS)

of ____
(FULL ADDRESS AND TELEPHONE NO.)

being a *member/members of GADANG HOLDINGS BERHAD hereby appoint ______________________

Proxy 1 ______________________________ NRIC No.: ______________________
(FULL NAME IN BLOCK LETTERS)

Proxy 2 ______________________________ NRIC No.: ______________________
(FULL NAME IN BLOCK LETTERS)

or failing *him/her the Chairman of the Meeting as *my/our proxy to vote for *me/us on my/our behalf at the 32nd Annual General Meeting of the Company to be held at Ballroom 3, Level 1, Sime Darby Convention Centre, 1A Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Wednesday, 5 November 2025 at 10.00 a.m., and at any adjournment thereof.

Please indicate with an "X" in the spaces provided below as to how you wish your votes to be cast. If no specific direction as to voting is given, the proxy will vote or abstain at *his/her discretion.

NO.	ORDINARY RESOLUTIONS	FOR	AGAINST
1.	To approve the payment of a first and final dividend		
2.	To approve the payment of Directors' fees for the financial year ending 31 May 2026		
3.	To approve the payment of benefits payable to the Independent Non-Executive Directors		
4.	To re-elect Mr Huang Shi Chin as Director		
5.	To re-elect Ms Kok Pei Ling as Director		
6.	To re-appoint Crowe Malaysia PLT as Auditors		
7.	To authorise the Directors to issue shares		
8.	To approve the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions		

** Strike out whichever is not applicable*

Dated this ________ day of ________________ , 2025

____
Signature/Common Seal of Member

For the appointment of two (2) proxies, the number of shares and percentage of shareholdings to be represented by the proxies:

	No. of shares	Percentage
Proxy 1		
Proxy 2		
Total		100%

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NOTES:

APPOINTMENT OF PROXY

1) *Only a depositor whose name appears in the Record of Depositors of the Company as of 24 October 2025 shall be regarded as a member entitled to attend, speak and vote, and to appoint not more than two (2) proxies to attend, speak and vote on his/her behalf, at the 32nd AGM.*

2) *Where a member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.*

3) *Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*

4) *The instrument appointing a proxy ("**Form of Proxy**") shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.*

Then fold here

AFFIX
STAMP

GADANG HOLDINGS BERHAD
c/o Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

1st fold here

5) *The Form of Proxy must be deposited at the office of the Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd, at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, to be deposited in the Drop Box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the 32nd AGM or at any adjournment thereof. Alternatively, you may submit the Form of Proxy electronically via TIIH Online website at https://srmy.vistra.com before the aforesaid lodgement cut-off time.*

6) *Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice will be put to vote by way of poll.*

www.gadang.com.my

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