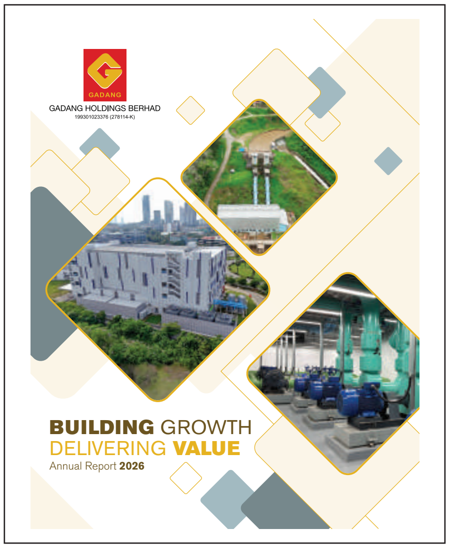
GADANG HOLDINGS BERHAD
199301023376 (278114-K)

BUILDING GROWTH
DELIVERING **VALUE**

Annual Report **2026**

INSIDE THIS REPORT



COVER RATIONALE

The Annual Report 2026 cover for Gadang Holdings Berhad, themed "Building Growth, Delivering Value," reflects the Group's commitment to sustainable expansion, operational excellence, and long-term value creation for stakeholders and communities. It underscores Gadang's aspiration to advance infrastructure, built environments, and renewable energy solutions through innovation, resilience, and strategic growth.

The design features a refined gold and warm corporate palette, symbolising prosperity, stability, and excellence within the construction and development sectors. Diamond-shaped visual elements showcase key business pillars, including solar energy, property development, and construction expertise, reflecting the Group's integrated capabilities and commitment to sustainable progress.

The geometric structure and layered composition convey precision, synergy, and the integration of engineering, technology, and community-focused development. Overall, the cover represents Gadang's forward momentum and its continued drive to build growth and deliver lasting value in an evolving market landscape.

CORPORATE INFORMATION

CORPORATE GOVERNANCE

SUSTAINABILITY STATEMENT

FINANCIAL & OTHERS

NOTICE OF 33rd ANNUAL GENERAL MEETING

Wednesday, 4 November 2026

10.00 a.m.

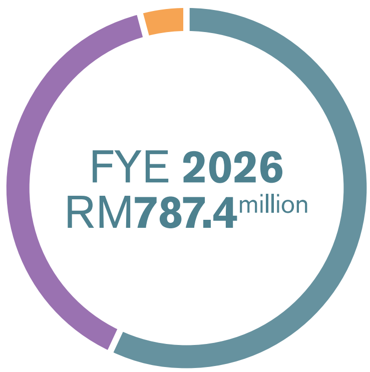
Ballroom 3, Level 1, Sime Darby Convention Centre

2026 AT A GLANCE

FINANCIAL HIGHLIGHTS

Revenue by Segment

- **66%** **Construction** (RM519.9 million)
- **30%** **Property** (RM234.0 million)
- **4%** **Utilities** (RM33.5 million)



(**FYE 2025**: RM779.8 million)

Net Assets per Share

RM0.92

(**FYE 2025**: RM1.02)

Total Assets

RM1.2billion

(**FYE 2025**: RM1.4 billion)

Net Gearing Ratio

NILtimes

(**FYE 2025**: NIL times)

SUSTAINABILITY HIGHLIGHTS

GREEN ENERGY
Commenced operations in December 2025 for the 5.9 MWa.c. Large Scale Solar (LSS) plant in Tawau, Sabah

SAFETY AND HEALTH
Zero fatality

SUSTAINABLE ENVIRONMENT
Zero summons from Department of Environment ("DOE")

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**

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

Laman Waringin @ Kwasa Damansara

5.9MWa.c. solar photovoltaic plant in Tawau, Sabah

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 concessions, and power plants, as well as the provision of management services. Under its Utilities Division, the Group achieved a new milestone on 23 December 2025 by successfully commissioning a 5.9MWa.c. solar photovoltaic plant in Tawau, Sabah.

Our Businesses

ENGINEERING & CONSTRUCTION

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

INSTITUT PERUBATAN FORENSIK NEGARA (IPFN)
Hospital Kuala Lumpur

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

KUALA LUMPUR-KARAK HIGHWAY
Package 1A: CH19200-CH25764

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

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 PLANT

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

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

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

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 commissioning of HT and LV Electrical Services for **TETUAN PERMODALAN NASIONAL BERHAD**

Detection and piloting of pilecap and other associated works from Fiz South to Permatang Damar Laut for **SRS LRT SDN BHD**

Construction and completion of earthwork and other associate works, package 2A: CH 39000 to CH 47580 for proposed widening of Kuala Lumpur-Karak Highway from KM19.20 to KM39.00 (Section 1) and from KM39.00 to KM61.50 (Section 2) for **AFA CONSTRUCTION AND ENGINEERING SDN BHD**

Financial Calendar

for financial year ended 31 May 2026

ANNOUNCEMENT OF QUARTERLY RESULTS

First Financial Quarter
ended 31 August 2025
Announced 22 October 2025

Second Financial Quarter
ended 30 November 2025
Announced 21 January 2026

Third Financial Quarter
ended 28 February 2026
Announced 16 April 2026

Fourth Financial Quarter
ended 31 May 2026
Announced 30 July 2026

PUBLISHED ANNUAL REPORT AND FINANCIAL STATEMENTS

Notice of 33rd Annual General Meeting
23 September 2026

33rd Annual General Meeting
4 November 2026

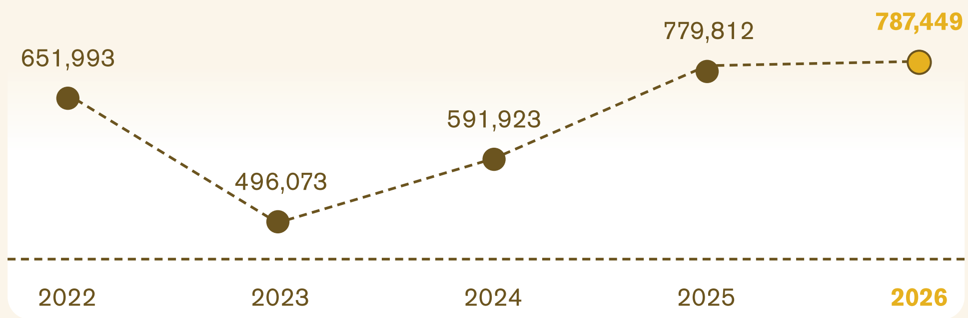
Institut Perubatan Forensik Negara, Kuala Lumpur

Financial Highlights

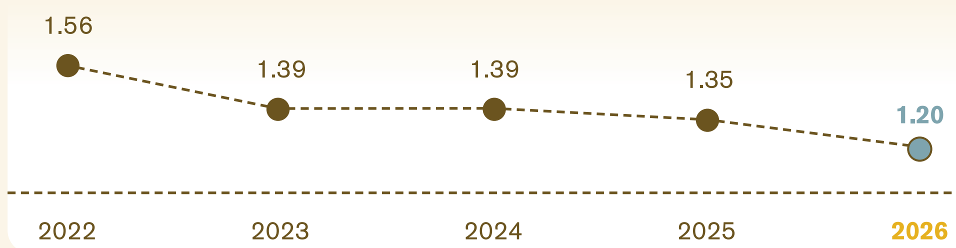
YEAR ENDED 31 MAY	2026 RM'000	2025 RM'000	2024 RM'000 (Restated)	2023 RM'000	2022 RM'000
REVENUE					
Construction	**519,886**	444,004	285,679	249,084	319,858
Property Development	**234,011**	300,991	270,596	220,375	304,903
Utilities	**33,552**	34,817	35,648	26,614	27,232
Investment Holding and Others	**-**	-	-	-	-
	787,449	779,812	591,923	496,073	651,993
(LOSS)/PROFIT BEFORE TAXATION					
Construction	**(29,400)**	6,277	(22,643)	(40,977)	4,210
Property Development	**10,228**	24,883	48,978	33,235	69,035
Utilities	**(12,962)**	5,456	4,915	(10,316)	6,655
Investment Holding and Others	**(24,052)**	(18,589)	(16,785)	(9,839)	(9,752)
	(56,186)	18,027	14,465	(27,897)	70,148
(LOSS)/PROFIT AFTER TAXATION	**(77,044)**	6,998	495	(41,196)	43,168
(LOSS)/PROFIT ATTRIBUTABLE TO SHAREHOLDERS	**(63,951)**	10,736	4,711	(29,324)	41,655
ISSUED SHARE CAPITAL	**412,091**	412,091	389,521	389,521	389,521
SHAREHOLDERS' FUNDS	**738,616**	816,542	791,862	792,452	825,399
TOTAL ASSETS	**1,197,433**	1,350,398	1,388,284	1,389,173	1,562,707
(LOSS)/EARNINGS PER SHARE (SEN)	**(7.99)**	1.38	0.65	(4.03)	5.72
NET ASSETS PER ORDINARY SHARE (RM)	**0.92**	1.02	1.09	1.09	1.13

Financial Highlights

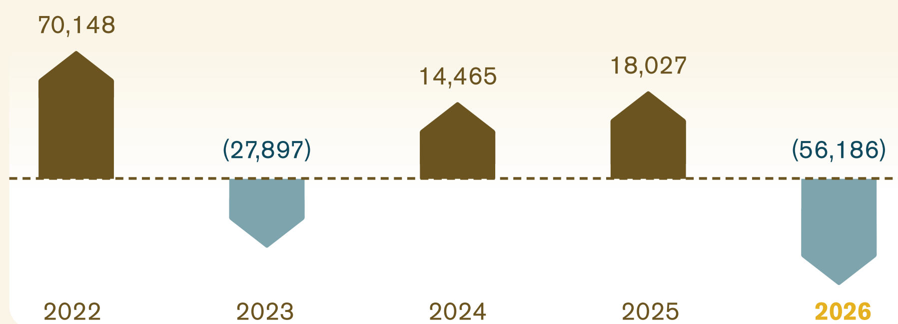
REVENUE (RM'000)



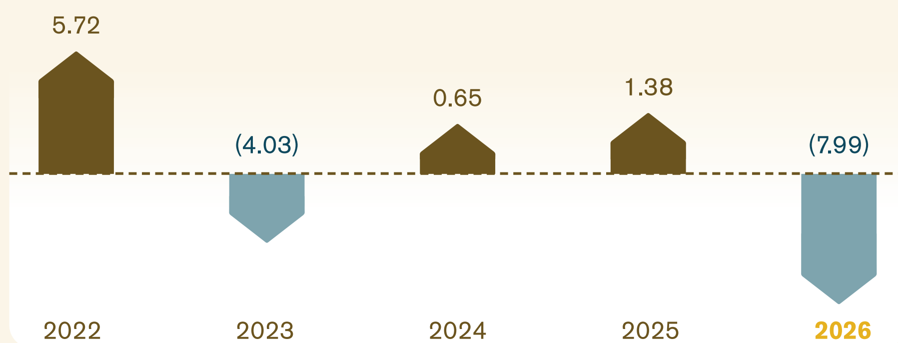
TOTAL ASSETS (RM' Billion)



PROFIT/(LOSS) BEFORE TAXATION (RM'000)



EARNINGS/(LOSS) PER SHARE (Sen)



Corporate Structure

Engineering and 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

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

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

Mechanical and Electrical

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

Others

- **100%** Gadang Plantations Holdings Sdn Bhd

* *Joint Venture*

Corporate Information

BOARD OF DIRECTORS

DATO' DR TAN YEW CHONG
Chairman, Independent Non-Executive Director

SHERMAN LAM YUEN SUEN
Senior Independent Non-Executive Director

TAN SRI DATO' KOK ONN
Group Managing Director

WONG PING ENG
Independent Non-Executive Director

KOK PEI LING
Executive Director/
Chief Financial Officer

LEE MIN ON
Independent Non-Executive Director

AUDIT COMMITTEE

Sherman Lam Yuen Suen **(Chairman)**
Wong Ping Eng
Lee Min On

BOARD RISK & SUSTAINABILITY COMMITTEE

Sherman Lam Yuen Suen **(Chairman)**
Wong Ping Eng
Lee Min On

NOMINATION & REMUNERATION COMMITTEE

Wong Ping Eng **(Chairman)**
Sherman Lam Yuen Suen
Lee Min On

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
E-mail : corporate@gadang.my
Website : www.gadang.com.my

SHARE REGISTRAR

Vistra Investor & Issuing House Services Sdn Bhd
(F.K.A. 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

PRINCIPAL BANKERS

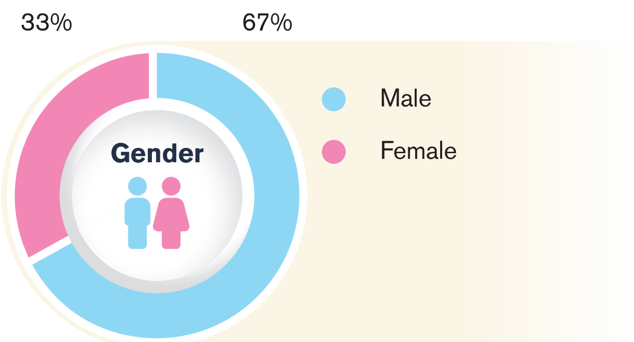
Hong Leong Bank Berhad
United Overseas Bank (Malaysia) Berhad
OCBC Bank (Malaysia) Berhad
RHB Bank Berhad

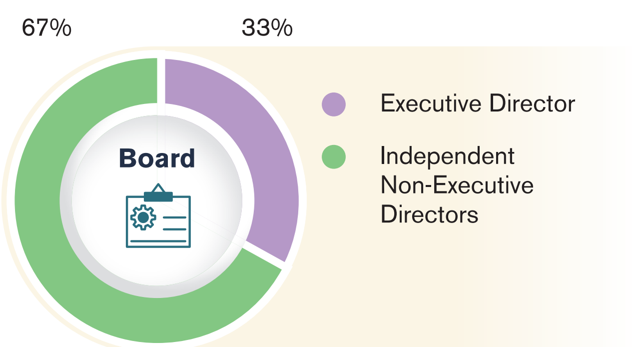
STOCK EXCHANGE LISTING

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

Board 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.





BOARD COMMITTEES

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

Sherman Lam Yuen Suen

Wong Ping Eng

Lee Min On

6 Board Members

Experienced leadership across diverse industries

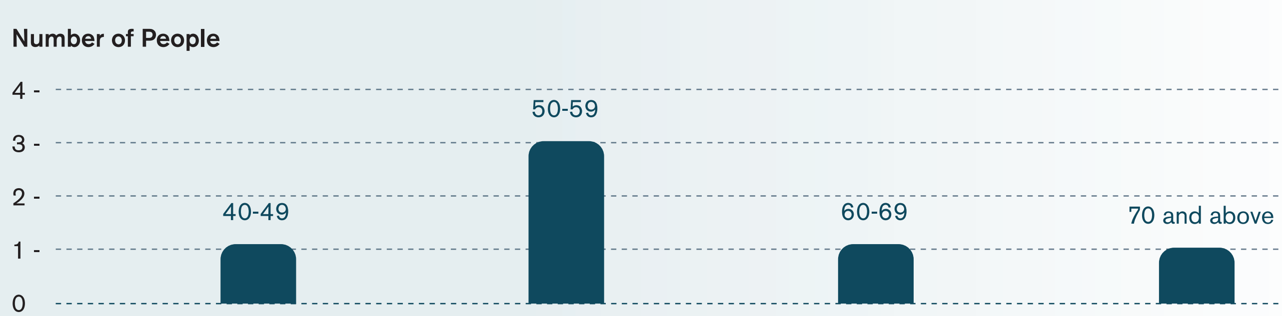
The Chairman

is an Independent Non-Executive Director

The positions

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

AGE GROUP OF DIRECTORS



Profile of Directors

DATO' DR TAN YEW CHONG

Chairman
Independent Non-Executive Director

Malaysian

59

Male

Date of Appointment
1 December 2025

Membership of Board Committees
Nil

Length of Service (as at 31 August 2026)
9 months

Academic/Professional Qualification(s)

- Doctor of Business Administration (DBA), Monash University, Australia
- Master of Business Administration (MBA), Universiti Putra Malaysia
- Bachelor of Arts (Hons) in Psychology, Universiti Kebangsaan Malaysia
- Advanced Diploma in Public Management, INTAN
- Executive Leadership Programmes, Cambridge & Oxford Universities
- Public Private Partnership (PPP) Specialized Certificate, APMG International & World Bank Group (2022)
- Fellow of the Chartered Management Institute (FCMI), U.K.

Professional Experience

Dato' Dr Tan served 28 years in the Malaysian Civil Service across eight (8) ministries. He held senior leadership positions, including Secretary General of the Ministry of Plantation and Commodities (MPC) and the Ministry of Water, Land and Natural Resources (KATS), Deputy Secretary General of the Ministry of Energy, Green Technology and Water (KeTTHA), and Deputy Director General of the Public Private Partnership Unit (UKAS) in the Prime Minister's Department.

He is widely recognised as a strategic leader in public policy, economic development, advanced manufacturing, sustainability, infrastructure, and public-private partnerships (PPP). Throughout his public service career, he played a pivotal role in formulating national policies and leading transformative initiatives. These included the National Climate Change Bill 2026, the Public Private Partnership Master Plan (PIKAS 2030), major highway restructuring negotiations, the EU Renewable Energy Directive (RED II) negotiations, the Malaysia–Indonesia Boundary Demarcation MoU, the Malaysia–Singapore High Speed Rail, airport and seaport development, waste-to-energy projects, and large-scale infrastructure and urban redevelopment programmes.

Following his distinguished public service career, he served as Adviser to the Minister of Plantation and Commodities, Senior Adviser to Salcon Berhad, and Senior Adviser to Deloitte Business Advisory, providing strategic advice on industrial development, sustainability, infrastructure, investment, and public policy.

Internationally recognised for his policy acumen and strategic leadership, he has received UNESCO – EE Net award in 2025 for excellence in public administration and sustainable development.

Current Leadership Appointments

- Chairman, Southeast Asia Advanced Manufacturing & Technology Council (SEAMAT Council)
- Co-Chairman, ASEAN Technology Cooperation & Development Summit 2027
- Chairman, Advisory Council, Public Service Chinese Community (PSCC)
- Adjunct Professor, Universiti Kebangsaan Malaysia (UKM)
- Honorary Professor, Nanjing Forestry University, China

Other Directorship(s)

Listed Entities

- Nil

Public Companies

- Nil

Board Meeting Attendance in Financial Year 2026

3/3

Profile of Directors

TAN SRI DATO' KOK ONN

Group Managing Director

Malaysian

75

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 2026)
29 years 6 months

Professional 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 51 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 2026

6/6

KOK PEI LING

Executive Director
Chief Financial Officer

Malaysian

44

Female

Date of Appointment
2 January 2013

Membership of Board Committees
Nil

Length of Service (as at 31 August 2026)
13 years 8 months

Academic/Professional Qualification(s)

- Bachelor of Commerce (Finance and Management), University of Melbourne, Australia

Professional 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 2026

6/6

Profile of Directors

SHERMAN LAM YUEN SUEN

Senior Independent Non-Executive Director

Malaysian

53

Male

Date of Appointment
16 August 2021

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

Length of Service (as at 31 August 2026)
5 years 1/2 month

Academic/Professional Qualification(s)
- Master of Business Administration (Finance), Charles Sturt University, Australia
- Member, Malaysian Institute of Accountants
- Fellow Member, The Chartered Institute of Management Accountants, U.K.
- Fellow Member, CPA Australia
- Chartered Member, 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

Professional 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 Vice-President of the China-ASEAN (Malaysia) Entrepreneurs Association.

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

Public Companies
- KK Mart Retail Berhad

Board Meeting Attendance in Financial Year 2026
6/6

WONG PING ENG

Independent Non-Executive Director

Malaysian

53

Female

Date of Appointment
25 May 2022

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

Length of Service (as at 31 August 2026)
4 years 3 months

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

Professional 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 & Information Technology 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. She was appointed as a Non-Independent Non-Executive Director of Dayang Enterprise Holdings Berhad on 20 February 2025. She also serves as an Adviser to Naim Holdings Berhad (effective 1 April 2026), and holds directorships in various private companies.

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

Public Companies
- Nil

Board Meeting Attendance in Financial Year 2026
6/6

Profile of Directors

LEE MIN ON

Independent Non-Executive Director

Malaysian

67

Male

Date of Appointment
1 August 2026

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

Length of Service (as at 31 August 2026)
1 month

Academic/Professional Qualification(s)
- Member, The Malaysian Institute of Certified Public Accountants
- Member, Malaysian Institute of Accountants
- Fellow Member, Institute of Internal Auditors Malaysia

Professional Experience
Mr Lee is a highly accomplished corporate governance, audit, and risk management specialist with a distinguished career spanning over 45 years. A former KPMG Partner, he possesses deep operational oversight across diverse sectors, including engineering, construction, manufacturing, retail, and financial services. He commands an in-depth understanding of Malaysian regulatory frameworks, including the Companies Act 2016, Bursa Malaysia Listing Requirements, and the Malaysian Code on Corporate Governance (MCCG).

Currently, Mr Lee serves as an Independent Non-Executive Director on two (2) public listed companies, helming roles as Board Chairman, Audit Committee Chairman, and a member of key board committees. A recognised industry thought leader, he co-authored Bursa Malaysia's Corporate Governance Guide (1st & 2nd Editions) and was instrumental in shaping the national Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers.

Other Directorship(s)
Listed Entities
- Kotra Industries Berhad
- Lii Hen Industries Bhd

Public Companies
- Nil

Board Meeting Attendance in Financial Year 2026
(Not applicable)

Profile of Directors

Notes:

Board of Directors Transitions

1. Tan Sri Dato' Seri Dr Mohamed Ismail Bin Merican retired as Independent Non-Executive Chairman on 1 December 2025 and was succeeded by Dato' Dr Tan Yew Chong on the same day.

2. Mr Huang Shi Chin resigned from the Board on 1 August 2026, upon completing his 9-year tenure as an Independent Non-Executive Director as recommended by the MCCG, and he was succeeded by Mr Lee Min On on the same day.

Family Relationship with Director and/or Major Shareholder

3. 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

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

5. 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

Malaysian | Male | 54

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

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 & Electrical 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

Malaysian | Male | 54

Managing Director, Gadang Land Sdn Bhd (Property Division)

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

Malaysian	Male	51

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

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 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 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 with involvement in corporate & project financing, budgetary cost control & monitoring, and tender & concession evaluation for construction and utility 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

Malaysian	Male	48

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

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 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 2026 ("FYE 2026").

Railway Transit Link ("RTS") Project - Bukit Chagar Station

Management Discussion & Analysis

ECONOMIC LANDSCAPE

The global economy continues to face challenges due to ongoing geopolitical tensions, trade uncertainties and different policy directions among major economies. These developments carry significant implications for economic growth, inflation, trade, investment and financial markets.

Geopolitical tensions have emerged as a primary source of near-term uncertainty. Recent conflicts have heightened volatility across global energy markets, resulting in elevated oil prices. This has created a mixed operating environment, as rising energy costs exert upward pressure on transportation, logistics and construction-related input costs, potentially compressing business margins and hindering project execution.

Despite these geopolitical tensions and ongoing global uncertainties, Malaysia's economy is expected to remain resilient, projected to grow between 4.0% to 5.0% in 2026 *(Source: Bank Negara Malaysia)*. The growth is supported by robust domestic demand and the continuous expansion of export performance. Additionally, the Government has implemented targeted measures to mitigate the impact of higher global fuel prices on households and businesses. Although external demand may face pressure from global headwinds, Malaysia's overall economic outlook remains positive, driven mainly by its strong domestic fundamentals.

FINANCIAL PERFORMANCE OVERVIEW

Gadang and its subsidiaries ("the Group") recorded a revenue of RM787.4 million for the FYE 2026, representing a marginal increase from RM779.8 million in the previous financial year. This growth was primarily driven by higher contributions from the Construction Division, supported by significant work progress of its on-going projects.

REVENUE

RM million	FYE 2026	FYE 2025
Construction Division	519.9	444.0
Property Division	234.0	301.0
Utilities Division	33.5	34.8
Total	**787.4**	**779.8**

(LOSS)/PROFIT BEFORE TAX

RM million	FYE 2026	FYE 2025
Construction Division	(29.4)	6.3
Property Division	10.2	24.9
Utilities Division	(13.0)	5.5
Investment Holding	(24.0)	(18.7)
Total	**(56.2)**	**18.0**

Despite the revenue growth, the Group recorded a loss before tax of RM56.2 million, compared to a profit before tax of RM18.0 million in the previous financial year. This was mainly attributed to the following reasons:

a) a provision of RM9.5 million for potential liability arising from liquidated ascertained damages ("LAD") due to delays in an existing construction project;
b) additional construction cost which led to the increase in cost of sales of RM33.1 million for the on-going construction projects;
c) the recognition of an inventory write-down amounting to RM25.4 million;
d) the recognition of a power plant impairment amounting to RM18.9 million; and
e) unrealised foreign exchange translation losses of RM9.4 million arising from the inter-company balances due to the weakening of the Indonesian Rupiah against the Group's reporting currency.

Further details are set out in the Business Operations Review section at Page 20.

FINANCIAL POSITION OVERVIEW

The Group's financial position remained stable in FYE 2026 as shown below:

Financial Ratio	FYE 2026	FYE 2025
Current ratio	2.75 times	2.43 times
Total equity	RM717.6 million	RM804.8 million
Net assets per share	RM0.92	RM1.02

Current Ratio (current assets/current liabilities)

The Group's current ratio, which measures its liquidity position, improved to 2.75 times (FYE 2025: 2.43 times). This indicates that the Group maintains sufficient resources to meet its short-term commitments and working capital requirements.

Total Equity

The Group equity decreased by 11% to RM717.6 million, primarily due to losses recorded during the financial year, which resulted in a decrease in retained earnings.

Management Discussion & Analysis

STATEMENTS OF CASH FLOWS

	FYE 2026 RM million	FYE 2025 RM million
Net cash generated from operating activities	74.6	75.5
Net cash generated from/ (used in) investing activities	10.0	(22.1)
Net cash (used in)/ generated from financing activities	(58.5)	24.7

Net cash generated from operating activities
The net operating cash inflow was principally driven by effective working capital management, collections from receivables and prudent management of payables.

Net cash generated from investing activities
The net investing cash inflow arose mainly from the upliftment of pledged fixed deposits following the repayment of borrowings during the financial year.

Net cash used in financing activities
The net financing cash outflow was mainly attributable to the net repayment of the Group's borrowings during the financial year.

CAPITAL MANAGEMENT

	FYE 2026 RM million	FYE 2025 RM million
Total borrowings	152.8	200.3
Total cash and bank balances, and investment securities	277.0	263.4
Net cash surplus	124.2	63.1
Total equity	717.6	804.8
Net gearing ratio (times)	NA	NA

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 deployed across 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 and yields for cash and cash equivalents.

During FYE 2026, the Group's total borrowings decreased to RM152.8 million from RM200.3 million in FYE 2025, mainly due to the repayment of short-term borrowings utilised for on-going construction projects. This was partially offset by the drawdown of long-term borrowings to finance the development of the Kwasa Damansara project.

The Group ensures the maintenance of sufficient internal funds and the availability of credit facilities to support any emerging project opportunities in the market. To effectively manage interest rate and liquidity risks, the Group adopts a well-diversified and strategically structured borrowing portfolio. Our credit facilities comprise term loans, revolving credits and bank guarantees, such as performance bonds, advance payment bonds and tender bonds, to support its business activities and project execution requirements.

Total capital expenditure incurred in FYE 2026 amounted to RM25.7 million, comprising mainly RM22.1 million for the construction of the 5.9MWa.c. and 15MWa.c. Large Scale Solar ("LSS") photovoltaic energy generating facilities located in Tawau, Sabah, and RM2.3 million for the acquisition of property, plant and equipment and motor vehicles.

PROPOSED DIVIDEND

Due to a challenging business environment, the Group registered a net loss after tax attributable to owners of the Company of RM64.0 million in FYE 2026 compared with a net profit after tax attributable to owners of the Company of RM10.7 million in the previous financial year. Whilst the Group's cash generated from operations remained positive, the Board considers it prudent not to recommend any dividend for FYE 2026. This decision aligns with the Board's commitment to preserving healthy cash flows and ensuring sufficient funds are retained to support the Group's on-going business operations and future growth opportunities.

BUSINESS OPERATIONS REVIEW

Construction Division

During the financial year under review, the Division recorded a loss before tax of RM29.4 million, primarily attributable to the escalation in raw material prices, the provision for LAD and additional prolongation costs incurred following extensions of time ("EOT") granted for on-going construction projects. The LAD provision was mainly due to the testing and commissioning activities taking longer than anticipated, delaying final project delivery.

Management Discussion & Analysis

BUSINESS OPERATIONS REVIEW (CONT'D)

Construction Division (Cont'd)

Despite these challenges, the Division achieved several key project milestones. The physical construction of the depot building for the Rapid Transit System ("RTS") Link Project was successfully executed in accordance with the scheduled timeline. The Institut Perubatan Forensik Negara ("IPFN") Project in Kuala Lumpur progressed to near completion, while the Klang Valley Data Centre ("KVDC") is scheduled to be handed over early next financial year. Meanwhile, construction work for the Kuala Lumpur–Karak Highway Expansion Work (Package 2A), which commenced in early 2026, is progressing as planned and remains on track for completion in the financial year ending 31 May 2028.

As part of its ongoing efforts to replenish order book, the Division successfully secured the Kuala Lumpur–Karak Highway Expansion Works (Package 1A) contract in February 2026, with a total contract value of approximately RM95.1 million.

Despite the slower rollout of major infrastructure projects such as the Klang Valley Mass Rapid Transit Line 3 ("MRT3") and the Kuala Lumpur–Singapore High-Speed Rail ("HSR"), the Division continues to actively pursue viable contract opportunities in infrastructure and industrial developments. These include logistics warehouses, data centres, the Penang Light Rail Transit ("LRT") System, the expansion of Penang International Airport ("PIA") and other private-sector developments.

Furthermore, the Division is exploring opportunities in new growth areas that align with the Government's development priorities. These include the Johor–Singapore Special Economic Zone ("JS-SEZ"), water infrastructure projects, as well as developments within the KLIA Aeropolis and Penang International Logistics Aeropark ("PILA") ecosystems. The Division remains focused on identifying projects that complement its core capabilities and support the sustainable growth of its order book over the longer term.

Looking ahead, the construction sector is expected to remain competitive, with continued pressure on project margins stemming from rising costs amid on-going geopolitical tensions and uncertainties in the global economic environment. Nevertheless, the Division remains focused on disciplined tendering to strengthen its order book, effective project execution and prudent cost management. These efforts will support operational resilience and enable the Division to deliver sustainable value to stakeholders.

Central Spine Road project at Gua Musang, Kelantan

Property Division

The Division continues to face persistent challenges amid an uncertain property market outlook. The market is experiencing a significant overhang of unsold affordable housing units, particularly in less attractive locations or where pricing remains misaligned with household income levels. In addition, stringent lending requirements and buyers' difficulties in securing financing continue to affect sales performance, especially in locations situated outside of the Klang Valley.

For the financial year under review, the Division recorded a profit before tax of RM10.2 million, compared with RM24.9 million in the previous financial year. The decline was mainly attributable to the recognition of inventory write-downs of RM25.4 million to the net realisable value in relation to the proposed disposal of a parcel of land designated for the Rumah Selangorku ("RSKU") development in Semenyih, which remains subject to the fulfilment of conditions precedent.

The proposed disposal of the RSKU land parcel was primarily driven by an on-going development delays encountered in the Semenyih project. The development delays mainly stemmed from additional compliances laid down by the authorities, changes to authority requirements for RSKU Type E, the Covid 19 pandemic lockdown in March 2020, followed by the multiple Movement Control Orders ("MCOs") thereafter that lasted until year 2022. These delays, which were unforeseeable at the time of land acquisition, resulted in prolonged holding cost and consequently, higher construction costs and financing costs.

Henceforth, this proposed disposal will mitigate further losses and conserve the Group's cash flow by transferring the RSKU obligations and avoiding substantial additional financing and construction costs associated with the RSKU development.

Management Discussion & Analysis

BUSINESS OPERATIONS REVIEW (CONT'D)

Property Division (Cont'd)

Challenging market conditions in Semenyih also weighed on sales performance. Sales momentum for the Akasia Phase 1B double-storey terrace homes remained subdued throughout the year, reflecting softer market demand and on-going affordability constraints. Nevertheless, the Division successfully launched the final phase of its double-storey terrace development in Gelang Patah, Johor, namely Laman Citra Phase 3, during the financial year. The phase comprises 136 units with a gross development value ("GDV") of approximately RM121.6 million.

As of 31 May 2026, the Division's landbank stood at 100 acres, with an estimated GDV of RM1.1 billion and unbilled sales of RM136.7 million. During the financial year, the Division entered into a Sale and Purchase Agreement on 3 March 2026 for the proposed acquisition of an 11.18 acre parcel of land in Tampoi, Johor Bahru, which remains subject to the fulfilment of the relevant conditions precedent. This strategic acquisition is expected to broaden the Division's landbank and strengthen its growth prospects in the Johor market.

The property sector remains challenged by rising construction and raw material costs, exacerbated by geopolitical uncertainties and global trade tensions. Against this backdrop, the Division is committed to managing development costs efficiently, implementing targeted marketing strategies, and executing strategic initiatives to support upcoming launches, particularly within the Kwasa Damansara development, while maintaining sales momentum across its on-going developments.

Looking ahead, the Division will further strengthen its market position through selective land acquisitions, strategic partnerships, and joint venture opportunities, with the aim of enhancing its development pipeline and creating sustainable long-term value.

Utilities Division

For the financial year under review, the Division recorded a loss before tax of RM13.0 million, primarily attributable to an impairment loss recognised on its 9MW mini-hydro facility plant in Lintau, Indonesia. This impairment was mainly driven by changes in the macroeconomic environment, including the continued depreciation of the Indonesian Rupiah, a heightened country risk assessment and increased market uncertainties, which affected the valuation of the power plant asset.

The Division's water treatment operations in Indonesia remained its primary revenue contributor throughout FYE 2026, generating recurring revenue and stable operating cash flows. The operations delivered consistent operational performance, reinforcing the Division's position as a sustainable infrastructure operator.

In Malaysia, the Division successfully achieved the Commercial Operation Date ("COD") for its 5.9MWa.c. LSS photovoltaic plant in Tawau, Sabah on 23 December 2025. The solar plant commenced commercial operations during the financial year and has begun contributing revenue to the Division, marking another significant milestone in expanding the Group's renewable energy portfolio.

Construction of the adjacent 15MWa.c. LSS photovoltaic plant in Tawau, Sabah, continued to progress satisfactorily, achieving approximately 37% completion as of FYE 2026. Construction of the plant remains on track for commercial operation by the end of 2026 and is expected to contribute positively to the Division's financial performance from FYE 2027 onwards.

Kuala Lumpur–Karak Highway Expansion Work (Package 2A)

Management Discussion & Analysis

BUSINESS OPERATIONS REVIEW (CONT'D)

Utilities Division (Cont'd)

Looking ahead, the Division will continue to pursue viable investment opportunities in renewable energy and water infrastructure, with a particular emphasis on solar, hydropower, mini-hydropower and Battery Energy Storage Systems ("BESS") in Sabah. At the same time, the Division remains committed to enhancing the value of its existing assets through disciplined cost optimisation, operational excellence and prudent capital allocation. These strategic priorities will reinforce the Division's long-term sustainability, strengthen recurring earnings and create sustainable value for the Group and its shareholders.

SUSTAINABILITY

Sustainability remains integral to Gadang's business approach. During the financial year, we continued to strengthen our sustainability governance, risk management and reporting practices in preparation for the National Sustainability Reporting Framework ("NSRF"), while progressively aligning our sustainability disclosures with the pillars of IFRS S1 and IFRS S2.

We are honoured to be recognised among the Top 50 Public Listed Companies in Malaysia at the National Corporate Governance and Sustainability Awards ("NACGSA") 2025 for the second consecutive year. This recognition reflects our unwavering commitment to sound corporate governance, responsible business practices and long-term value creation for our stakeholders.

As part of our governance journey, the Group is progressing towards ISO 37001 Anti-Bribery Management System ("ABMS") certification, reinforcing our commitment to integrity, transparency and accountability.

On the environmental front, we continue to expand our renewable energy portfolio. Our 5.9MWa.c. LSS photovoltaic plant in Tawau, Sabah, achieved COD during the year, while the construction of the adjacent 15MWa.c. LSS photovoltaic plant continued. Together with our existing 9MW mini-hydro facility plant in Lintau, Indonesia, these projects support our commitment to renewable energy and lower-carbon growth.

Our environmental efforts were further recognised when the RTS project received the Prime Minister's Hibiscus Award for excellence in environmental performance and sustainability practices.

On the social front, safety remains a paramount priority across our operations. During the financial year, we maintained our zero-fatality record for the ninth consecutive year and were recognised with six (6) safety awards, including accolades from the Malaysian Industrial Safety and Health Association ("MiSHA") and the Safety and Health Assessment System in Construction ("SHASSIC"). These achievements reinforce our commitment to protecting the health, safety and wellbeing of our employees, workers, contractors and the communities in which we operate.

Further details of our sustainability initiatives and performance are set out in the Sustainability Statement of this Annual Report.

OUTLOOK AND GROWTH STRATEGIES

Malaysia's construction industry is expected to remain resilient in FYE 2027, supported by continued investments in infrastructure projects, renewable energy developments and the implementation of the New Industrial Master Plan 2030 ("NIMP 2030").

The construction sector is expected to remain resilient, supported by sustained investments in data centres and digital infrastructure developments. Furthermore, continued investments in industrial facilities, logistics infrastructure and public sector projects are anticipated to reinforce sectoral demand, thereby underpinning construction activity and supporting the sector's overall growth trajectory.

The Construction Division will continue to actively pursue and secure new contracts to strengthen its order book and support future growth. Concurrently, the Division remains vigilant of potential challenges arising from geopolitical uncertainties and global trade tensions, while continuing to focus on the timely execution and successful completion of on-going projects.

The residential property market is expected to remain resilient amid evolving market conditions. Demand is likely to remain concentrated on landed residential properties and affordable high-rise developments in key urban areas, particularly within high-growth and sought-after locations. Reflecting these market dynamics, the Property Division remains cautiously optimistic and continues to actively pursue land bank replenishment in alignment with prevailing market trends and customer preferences.

The Property Division will remain responsive to evolving customer needs and agile in its strategies, with a focus on launching products that are relevant, competitive and aligned with market demand.

Management Discussion & Analysis

OUTLOOK AND GROWTH STRATEGIES (CONT'D)

The Utilities Division is expected to continue generating recurring revenue from its existing power and water plants. The completion of the 5.9MWa.c. LSS photovoltaic plant in Tawau, Sabah, together with the on-going construction of the adjacent 15MWa.c. LSS photovoltaic plant, is expected to further enhance recurring income in the coming years.

The Group remains mindful of rising operating costs amid ongoing global economic uncertainties, which are expected to place additional cost pressures on construction and development activities. In response, the Group will continue to emphasise 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 would like to extend our sincere appreciation to all employees for their dedication, loyalty and continued commitment to our shared vision of building a stronger future together. We also extend our heartfelt gratitude to our shareholders and stakeholders for their continued confidence, trust and unwavering support as we undertake new challenges and pursue future opportunities.

On behalf of the Board, we extend our sincere appreciation to Tan Sri Dato' Seri Dr. Mohamed Ismail bin Merican, Independent Non-Executive Chairman, who retired in December 2025. His leadership, experience and invaluable guidance have contributed significantly to the Group's governance, strategic direction and development over the years. We also extend our heartfelt thanks to Mr Huang Shi Chin, Senior Independent Non-Executive Director, who resigned on 1 August 2026 upon completing his 9-year tenure as an Independent Non-Executive Director, in line with the Malaysian Code on Corporate Governance ("MCCG") recommendations. We are deeply grateful for his dedicated service and invaluable contributions to the Group throughout his tenure.

At the same time, we are pleased to welcome Mr Lee Min On to the Board as an Independent Non-Executive Director, effective from 1 August 2026. We look forward to drawing upon his extensive experience and expertise as the Group continues to advance its strategic priorities and deliver sustainable long-term growth.

Looking ahead to FYE 2027 and beyond, the Group remains focused on strengthening operational performance, sharpening our strategic priorities and positioning the Group to capitalise on emerging opportunities. Alongside these efforts, we will remain disciplined in our financial management and execution, with a continued commitment to enhancing performance, and delivering sustainable long-term value for our shareholders and stakeholders.

Dato' Dr. Tan Yew Chong
Chairman

Tan Sri Dato' Kok Onn
Group Managing Director

Drop Off @ Residence Tower, Laman Waringin

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 ("Statement") provides insights into the corporate governance practices of the Group under the leadership of the Board for the financial year ended 31 May 2026 ("FYE 2026") and up to the date of this Statement.

This 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 2026, save for Practice 8.2 and 13.3, while Practice 13.5 is not applicable to the Company's current physical meeting framework.

The explanation for the departure from Practices 8.2 and 13.3 and the measures taken are provided in the Corporate Governance Report 2026 of the Company ("CG Report 2026").

This statement is to be read together with the CG Report 2026, which is available on the Company's website at www.gadang.com.my. The CG Report 2026 details how the Company has applied each Practice as set out in the MCCG during FYE 2026 and up to the date of this Statement.

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;

Corporate Governance Overview Statement

I Board Responsibilities (Cont'd)

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; and

g) Overseeing the sustainability and climate-related 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, with each operating within the defined terms of reference and providing summaries of key deliberations and recommendations to the Board for consideration. 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.

Executive Directors

- Provide operational insights and business realities during Board deliberations to support well-informed strategic decision-making.
- Oversee the implementation of corporate policies and strategic business plans approved by the Board across the Group's operations.

Independent Non-Executive Directors

- Provide unbiased, independent judgment and robust checks and balances on the actions of the Board and Management.
- Safeguard the interests of all stakeholders, particularly minority shareholders, by ensuring the highest standards of corporate governance are applied.

Senior Independent Non-Executive Director

- Act as a sounding board to the Chair.
- Serve as an intermediary for other Directors, when necessary.
- Remain 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 and accuracy 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 and performance of both the internal and external audit functions.
- Oversees and evaluates all Related Party Transactions ("RPT") and potential Conflict of Interest ("COI") situations within the Group.

Board Risk & Sustainability Committee

- Oversees the Group's risk management framework to identify, assess, and mitigate material business risks.
- Monitors sustainability strategies and climate-related risks and opportunities.
- Ensures operational alignment with long-term Environmental, Social, and Governance ("ESG") targets.

Key Senior Management
Responsible for the day-to-day execution of operations, financial management, and business strategies under the delegated authority of the Board.

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 the 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.

Corporate Governance Overview Statement

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

Key Senior Management
Responsible for the day-to-day execution of operations, financial management, and business strategies under the delegated authority of the Board.

Nomination & Remuneration Committee

- Reviews Board size, diversity, and skill mix to ensure the Board remains well-balanced and refreshed periodically.
- Manages the annual Board Assessment to evaluate the overall performance, contribution, and independence of individual Directors and Committees.
- Assesses the training needs of Directors under Paragraph 15.08(3) of the MMLR of Bursa Securities to support their continuous professional development.
- Oversees a transparent process for nominating new appointments and managing remuneration structures for Directors and Senior Management.

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.

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 Company. 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 was last reviewed on 23 October 2024 to ensure it remains aligned with the Board's objectives, current law and best practices.

The Board Charter is available for reference 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 with 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.

Corporate Governance Overview Statement

Senior Independent Non-Executive Director (Cont'd)

Subsequent to the financial year end, Mr Huang Shi Chin resigned from the Board on 1 August 2026 after completing his 9-year tenure as an INED, in line with the MCCG recommendations. Prior to his resignation, Mr Huang served as the SINED and Chairman of the Board Risk & Sustainability Committee ("BRSC"). To ensure continuity, Mr Sherman Lam Yuen Suen assumed the role of SINED and the Chairman of BRSC while continuing to serve as the Chairman of the Audit Committee ("AC"). Mr Lee Min On was appointed as a new INED on 1 August 2026 to succeed Mr Huang.

Mr Sherman Lam Yuen Suen can be contacted at sined@gadang.com.my or sined@gadang.my.

Company Secretary

The Board members have full access to the Company Secretary, an Associate Member of the Chartered Governance Institute of Malaysia ("CGIM") and qualified to act as company secretary under Section 235(2) of the Companies Act, 2016. Beside her advisory capacity, the Company Secretary is also tasked with overseeing and monitoring statutory and regulatory compliance across the Group. She is responsible for ensuring adherence to the Company's Constitution, listing requirements, and applicable laws, while guiding the Board on the application of the principles and recommended practices of the MCCG. In executing this oversight role, she handles corporate secretarial matters, keeps the Board updated on changing corporate governance rules, and acts as the official liaison representing the Company with the Companies Commission of Malaysia, Bursa Malaysia Securities Berhad, and 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 every quarter, and ad hoc meetings are also convened to deliberate on urgent substantive matters.

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.

Corporate Governance Overview Statement

Timely Information (Cont'd)

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 2026. 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 2026 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 (Retired Chairman) [(1)]	3/3 (100%)	–	–	–	1/1 (100%)
Dato' Dr Tan Yew Chong (Appointed Chairman) [(2)]	3/3 (100%)	–	–	–	–
Tan Sri Dato' Kok Onn	6/6 (100%)	–	–	–	1/1 (100%)
Kok Pei Ling	6/6 (100%)	–	–	–	1/1 (100%)
Huang Shi Chin [(3)]	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%)

(1) *Retired as Independent Non-Executive Chairman on 1 December 2025.*
(2) *Appointed as Independent Non-Executive Chairman on 1 December 2025.*
(3) *Subsequently resigned from the Board on 1 August 2026, upon completing his 9-year tenure as an INED as recommended by the MCCG.*

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 behaviour 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.

The Company is committed to maintaining openness, ethics, and accountability and has established a Whistleblowing Policy & Procedure ("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 2026 or during the period from 1 June 2025 up to the date of this Statement.

Corporate Governance Overview Statement

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 (Cont'd)

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 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.

The Code of Ethics and Conduct, Code of Ethics and Conduct for Directors, WPP, ABC Policy and Human Rights Policy, are available for reference on the Company's website at www.gadang.com.my.

Conflict of Interest

The Group has established the Conflict of Interest ("COI") Policy and COI Disclosure Form to ensure that conflicts of interest are identified and managed effectively. This framework guides the Board and Management on appropriate procedures whenever actual or potential conflict situations arise. To ensure continuous alignment with the MCCG and MMLR of Bursa Securities, the COI Policy was last reviewed and updated on 3 September 2025.

Under this framework, Directors are strictly required to declare any interest they may have in matters brought before the Board and Board Committees. Correspondingly, they are excluded from all deliberations, decision-making, and voting on related resolutions at all Board, Board Committee, and General Meetings of the Company. Additionally, Directors and Key Senior Management are required to formally review and confirm their external interests on a bi-annual basis. For the financial year under review, COI Disclosure Forms were duly completed by all Directors and Key Senior Management. Comprehensive summaries of these updates were evaluated by the AC and subsequently reviewed by the Board during their scheduled meetings on 23 July 2025 and 21 January 2026 respectively.

Based on the bi-annual disclosures and meeting declarations:

- Tan Sri Dato' Kok Onn ("Tan Sri Kok") and Ms Kok Pei Ling declared actual and potential COIs arising from family members shareholdings in private property development companies. These entities operate in different geographical areas and do not directly compete with the Group. Additionally, Tan Sri Kok's brother operates an external subcontractor completing outstanding project commitments for the Group;
- Mr Sherman Lam Yuen Suen declared an actual COI arising from his external directorship in Hiap Teck Venture Berhad, whose subsidiaries supply materials to the Group;
- Ms Wong Ping Eng declared a potential COI arising from her appointment as the Adviser to Naim Holdings Berhad; and
- Key Senior Management declared that there were no conflicts of interest during the financial year under review.

These COIs are documented in a register, which is maintained by the Company Secretary.

The Conflict of Interest Policy is available on the Company's website at www.gadang.com.my.

Corporate Governance Overview Statement

Sustainability Practices

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 BRSC for review and monitoring of 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 and climate-related risks and opportunities 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 sustainability and climate-related issues, risks, opportunities 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.

II Board Composition

The Board currently comprises six (6) Directors, consisting of four (4) Independent Non-Executive Directors ("INEDs"), including the Chairman, and two (2) Executive Directors.

The current Board composition 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. Furthermore, the Board composition of a majority of Independent Non-Executive Directors exceeds Practice 5.2 of the MCCG which recommends at least half the Board to comprise Independent Non-Executive Directors. This strengthens objectivity in all deliberated issues and complete impartiality in the decision-making process.

The Board collectively provides an appropriate balance and the mix of skills, expertise, knowledge, and both local and international experience to guide the Group.

The collective skills and competence of the Board are categorised as follows:

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	Government relations, community and investor engagement, corporate governance, banking, and oversight of sustainability strategy, including environmental, social and governance ("ESG") considerations, climate-related risks and opportunities, and long-term value creation for stakeholders.
Technical	Engineering, real estate and property development, construction and other related skills
Finance and Corporate	Accounting, audit, financial reporting, taxation, legal, corporate financing, enterprise risk management, corporate governance frameworks, human capital development and internal audit oversight.

Corporate Governance Overview Statement

II Board Composition (Cont'd)

The presence of the INEDs serves to bring objective and independent views, advice, and judgment to the Board's decision-making. This provides the necessary checks and balances to ensure that the interests of all shareholders and the general public are given due consideration. The INEDs contribute significantly to policy and strategy development, performance monitoring, resource allocation, and the continuous improvement of governance and controls.

During the financial year under review and up to the date of this report, the following changes occurred to the Board's composition:

- **1 December 2025**: Tan Sri Dato' Seri Dr Mohamed Ismail Bin Merican retired as the Independent Non-Executive Chairman. Dato' Dr Tan Yew Chong was appointed as the new Independent Non-Executive Chairman on the same day.

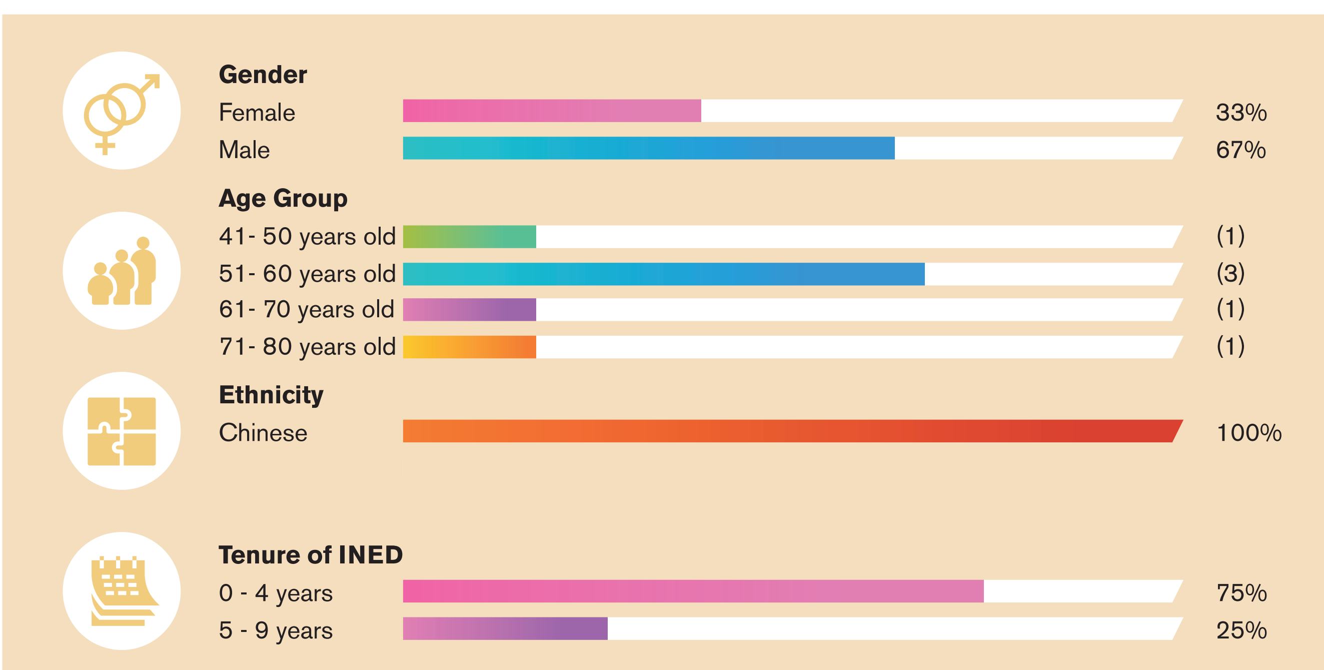
- **1 August 2026 (Subsequent Event)**: Mr Huang Shi Chin resigned from the Board on 1 August 2026, upon completing his 9-year tenure as an INED as recommended by the MCCG. On the same day, Mr Lee Min On was appointed to the Board as an Independent Non-Executive Director to succeed Mr Huang Shi Chin.

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 exceeds the 30% recommended under Practice 5.9 of the MCCG.

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



Corporate Governance Overview Statement

Nomination & Remuneration Committee

The Nomination & Remuneration Committee ("NRC") comprises three (3) members, all of whom are INEDs. Following succession planning during the financial year, the composition of the NRC is as follows:

- Ms Wong Ping Eng *(Chairman, Independent Non-Executive Director)*
- Mr Sherman Lam Yuen Suen *(Member, Independent Non-Executive Director)*
- Mr Lee Min On [1] *(Member, Independent Non-Executive Director)*

Note:
[1] Appointed on 1 August 2026

- *Mr Huang Shi Chin ceased to be a member of the NRC following his resignation from the Board on 1 August 2026, upon completing his 9-year tenure as an INED as recommended by the MCCG.*

The primary mandate of the NRC is to assist the Board of Directors in ensuring robust governance regarding leadership continuity and compensation structures. This includes:

- Overseeing the formal nomination, onboarding, and annual performance evaluation of the Board, its respective Board Committees, and individual Directors; and
- Reviewing and recommending competitive remuneration policies for Directors and Senior Management to drive long-term value creation.

The duties and responsibilities of the NRC are set out in its Terms of Reference ("TOR"), which were last reviewed and updated on 23 July 2025.

The TOR of the NRC is available for reference on the Company's website at www.gadang.com.my.

During FYE 2026 and up to the approval date of this statement, the activities of the NRC included the following:

(i) Board Composition

- Reviewed the current composition and board and board committees size to ensure that the Board continues to have the right balance of skills, knowledge, experience and diversity.
- Evaluated and recommended the appointment of Dato' Dr Tan Yew Chong as the Independent Non-Executive Chairman, in replacement of Tan Sri Dato' Seri Dr Mohamed Ismail bin Merican.
- Evaluated and recommended the subsequent appointment of Mr Lee Min On as an INED, in replacement of Mr Huang Shi Chin.

(ii) Board Effectiveness Evaluation, Governance & Development

- Reviewed and amended the Terms of Reference ("TOR") of the NRC in May 2025 to ensure continuous alignment with the MCCG and MMLR of Bursa Securities prior to Board approval.
- Conducted an annual assessment of the performance and effectiveness of the Board as a whole, its Committees, the Board Skills Matrix, Individual Directors via Self and Peer Evaluations, including a review of any potential conflicts of interest.
- Conducted the annual assessment of the independence status of INEDs.
- Evaluated and determined the continuous training and development needs of the Directors.

Corporate Governance Overview Statement

Nomination & Remuneration Committee (Cont'd)

(iii) Appointment of Directors and Key Senior Management

- Reviewed and made recommendations to the Board regarding the re-election of retiring Directors at the upcoming 33rd Annual General Meeting ("33rd AGM").
- Reviewed and noted the proposals evaluated by the Group MD to renew or convert Senior Management contracts into advisory roles to retain their expertise within the Group.
- Reviewed the succession plan for the critical senior leadership positions and proposed the appointment of Directors of its subsidiaries.

(iv) Remuneration and Performance Management

- Conducted performance appraisals of Group MD and CFO.
- Discussed and set the Key Performance Index ("KPI") for Group MD and CFO.
- 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.
- Reviewed the average bonus and increment percentage payable to the Group staff.

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, major shareholders or external parties, including the Company's business contacts in related industries, as well as utilising independent sources and professional bodies 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.

Once the proposed appointment is approved, invitation is made to the proposed candidate to join the Board.

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 internal promotion and the renewal of appointments for the relevant Key Senior Management.

Re-election of Directors

In compliance with Clause 108 of 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 the 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.

Corporate Governance Overview Statement

Re-election of Directors (Cont'd)

Pursuant to Clause 115 of the Company's Constitution, any Director appointed by the Board during the financial year to fill a casual vacancy or as an addition to the existing Board shall hold office only until the next following AGM, and shall then be eligible for re-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.

For the upcoming 33rd AGM, the Board, upon recommendation of the NRC, collectively resolved to recommend the shareholders to vote in favour of the re-election of the following Directors:

1. **Retirement by Rotation (Clause 108)**
    - Tan Sri Dato' Kok Onn
    - Mr Sherman Lam Yuen Suen

2. **Retirement by Casual Vacancy (Clause 115)**
    - Dato' Dr Tan Yew Chong
    - Mr Lee Min On

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 2026, 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 more than nine (9) years, nor have they had any business or other relationships that could affect their exercise of objective judgement.

Annual Board and Board Committees 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 2026, 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 2026 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.

Corporate Governance Overview Statement

Annual Board and Board Committees Evaluation (Cont'd)

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

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.

The Company ensures that Directors are kept up to date with 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. In addition, relevant articles and reports are circulated to the Directors for information. INEDs are also encouraged to visit the Group's operations to familiarise with and understand the business environment.

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 2026:

Name of Director	Training Programme/Conference/Seminar
Tan Sri Dato' Seri Dr Mohamed Ismail Bin Merican *(1)*	• Responsibilities and obligations of Directors of the Company and its subsidiaries pertaining to Corporate Governance by Mr Lee Min On
Dato' Dr Tan Yew Chong *(2)*	• Mandatory Accreditation Programme Part 1 ("MAP Part 1") • Key Disclosure Obligations of a Listed Company by CKM Advisory Sdn Bhd • Chairpersons' Circle: Excellence in Board Leadership by Bursa Malaysia, Speaker Jeffrey Cheah • Chairpersons' Circle: Excellence in Board Leadership by Bursa Malaysia, Speaker Dato' Ruben
Tan Sri Dato' Kok Onn	• Responsibilities and obligations of Directors of the Company and its subsidiaries pertaining to Corporate Governance by Mr Lee Min On • Key Disclosure Obligations of a Listed Company by CKM Advisory Sdn Bhd
Kok Pei Ling	• Responsibilities and obligations of Directors of the Company and its subsidiaries pertaining to Corporate Governance by Mr Lee Min On • Managing Climate Risks and Opportunities by Chan Mun Wei • 2025 MFRS Updates by KPMG Malaysia • Introduction to New Disclosure Requirements for Shariah Screening by Bursa Malaysia and the Securities Commission Malaysia • Key "Take Aways" For The Year 2025 by Crowe Tax Malaysia • Key Disclosure Obligations of a Listed Company by CKM Advisory Sdn Bhd • Continuous Listing Criteria by CKM Advisory Sdn Bhd
Huang Shi Chin *(3)*	• Responsibilities and obligations of Directors of the Company and its subsidiaries pertaining to Corporate Governance by Mr Lee Min On • Key Disclosure Obligations of a Listed Company by CKM Advisory Sdn Bhd

Corporate Governance Overview Statement

Continuing Development Programme for Directors (Cont'd)

Below are the details of the seminars and training programmes attended by the Directors during FYE 2026: (Cont'd)

Name of Director	Training Programme/Conference/Seminar
Sherman Lam Yuen Suen	• Responsibilities and obligations of Directors of the Company and its subsidiaries pertaining to Corporate Governance by Mr Lee Min On • GoIPO Module 6 Programme by Institute of Corporate Directors Malaysia ("ICDM") • Invest ASEAN Conference 2025 by Bursa Securities and Maybank • Governance in an Era of Trade Uncertainty: Navigating Tariff Risks and Opportunities by ICDM • AICPA & CIMA Engage Asia 2025 by AICPA & CIMA • Off-The-Shelf Tools during an M&A Deal by ICAEQ Corporate Finance Faculty • US Market Outlook: Stocks Fully Valued by MorningStar • Raising the Bar: Strengthening Board Audit Committee Oversight by ICDM • CPA Congress 2025 by CPA Australia • Bridging Malaysia's Finance Talent Gap by AICPA & CIMA • Key Disclosure Obligations of a Listed Company by Mr Chee Kai Mun • Finance in The Digital Age by CIMA • Harnessing The Value of Board-Management Relationships by ICDM • Audit Oversight Board's Conversations with Audit Committees by Securities Commission
Wong Ping Eng	• Handling Challenges in Corporate Disclosure by CKM Advisory Sdn Bhd • Related Party Transactions Simplified by CKM Advisory Sdn Bhd • Anti-Bribery and Anti-Corruption by Galton Advisory PLT • The SORMIC Guide 2025 by Minority Shareholders Watch Group • KPMG Tax Summit 2025 by KPMG Tax • Common Pitfalls in Transactions & RPT Rules by CKM Advisory Sdn Bhd • Audit Oversight Board's Conversations with Audit Committees by Securities Commission

(1) *Retired as Independent Non-Executive Chairman on 1 December 2025.*
(2) *Appointed as Independent Non-Executive Chairman on 1 December 2025.*
(3) *Resigned from the Board on 1 August 2026, upon completing his 9-year tenure as an INED as recommended by the MCCG.*

The newly appointed Director Dato' Dr Tan Yew Chong (appointed 1 December 2025) has successfully completed MAP Part 1, while Mr Lee Min On (appointed 1 August 2026) has previously completed the MAP prescribed by Bursa Securities.

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.

For Executive Directors, the NRC reviews their remuneration against the Key Performance Indicators ("KPIs") previously set by the Board, taking into account the individual's performance and the Group's financial health.

Corporate Governance Overview Statement

III Remuneration of Directors and Senior Management (Cont'd)

For INEDs, the Board collectively determines their remuneration based on the NRC's recommendation, subject to final approval by the shareholders at the AGM. This framework reflects their experience, time commitment, and responsibilities. Each Director abstains from deliberating and voting on their own remuneration at both the NRC and Board levels.

The breakdown of the detailed Director remuneration paid to each Director on a named basis is disclosed in the Corporate Governance Report 2026, 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 Board Chairman, 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 updated 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 43 to 50 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.

During the financial year, the AC met with the External Auditors three (3) times during the financial year to discuss their audit plan, audit findings, and the Company's financial statements. Two (2) of these meetings included private sessions held without the presence of the Executive Directors and Management. In addition, the External Auditors attended the Company's 32nd AGM and were available to answer shareholders' questions regarding the conduct of the statutory audit, as well as the preparation and content of their audit report.

The AC conducted its annual performance review of the External Auditors to make a well-founded recommendation to the Board regarding their reappointment. This formal quality and suitability assessment was executed using a structured evaluation checklist covering four (4) core areas: the quality of the services provided, the sufficiency of the audit firm's resources, the effectiveness of communication and interactions, and their independence, objectivity, and professional skepticism.

This evaluation incorporated feedback from the CFO and finance personnel who maintained substantial contact with the external audit team throughout the financial year. The AC also considered the openness of communication and interaction shown by the lead engagement partner and the audit team during discussions at private meetings, which demonstrated their independence, objectivity, and professional skepticism.

Corporate Governance Overview Statement

External Auditors (Cont'd)

Earlier, in July 2026, Crowe Malaysia PLT ("Crowe Malaysia"), in their presentation of the External Auditors' report to the AC, had confirmed their independence throughout the audit engagement, in accordance with the terms of all relevant professional and regulatory requirements concerning the audited financial statements of the Group for FYE 2026.

The AC assessed the suitability, effectiveness, and independence of the External Auditors, Crowe Malaysia, on 2 September 2026.

Following its review, the AC expressed satisfaction with the External Auditors' performance and independence. Consequently, the AC nominated them to the Board for reappointment at the forthcoming AGM.

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 and sustainability frameworks and policies including sustainability and climate-related risks and opportunities. The BRSC reviewed the framework's adequacy and effectiveness while closely monitored the risk exposure. These included overseeing significant sustainability and climate-related risks and opportunities that might affect the Group's strategy, business model and long-term value creation.

The Group has implemented a comprehensive Risk Management Policy to safeguard its interests and ensure the resilience of its operations. This policy, which was reviewed to maintain relevance and effectiveness in a constantly changing business environment, was last updated in April 2026. The risk management process outlined in the policy involves identifying, evaluating, managing, and reporting significant risks, including sustainability and climate-related risks and opportunities and how they were being addressed within the business. These risks were thoroughly examined through various reviews and consolidated into risk registers, which were then monitored across the entire Group. The risk register comprises details regarding the risk area, probability of occurrence, potential impact, and mitigation actions to manage risks within the Group's risk appetite, guided by its risk matrix and risk parameters. A summarised report on key risks was presented quarterly to the RMSC, by heads of each business function, and subsequently to the BRSC for review and evaluation. Thereafter, the BRSC provided 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; and
- 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 Global Internal Audit Standards issued by the Institute of Internal Auditors ("IIA").

Corporate Governance Overview Statement

II Risk Management, Internal Control Framework and Internal Review of Sustainability Statement (Cont'd)

As part of the Group's commitment to transparent and accurate sustainability reporting, an internal review of the Sustainability Statement for FYE 2026 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 3rd Edition, the National Sustainability Reporting Framework ("NSRF") requirements adopted by Bursa Securities 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") 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's 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:

- <u>Announcements and Disclosures</u>

Regular announcements and disclosures were made to Bursa Securities throughout the year. These included 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.

- <u>Engagement with Institutional Shareholders and Analysts</u>

The Group MD and/or CFO 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.

- <u>Online Communication</u>

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.

Corporate Governance Overview Statement

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 are discussed and decided at the AGM. Each item of ordinary business included in the notice of the AGM is accompanied by an explanatory statement on the effects of the proposed resolution. The notice of the AGM is issued 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 are also published in the local English newspaper and made available on the Company's website.

The Company conducted its 32nd AGM as a physical meeting, allowing shareholders and proxies to attend and engage with the Board in person. All resolutions were voted on electronically.

During the meeting, the CFO presented a comprehensive review of the Group's performance and business outlook. All Directors, Key Senior Management, and the External Auditors were physically present at the venue to address queries raised by 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 following the meeting.

The Corporate Governance Overview Statement and the CG Report were approved by the Board on 2 September 2026.

Audit Committee Report

The Audit Committee ("AC") of Gadang Holdings Berhad ("Gadang" or "the Company") is pleased to present the AC Report ("Report") for the financial year ended 31 May 2026 ("FYE 2026").

A. COMPOSITION

The current AC comprises the following:

Mr Sherman Lam Yuen Suen	- Independent Non-Executive Director (Chairman)
Ms Wong Ping Eng	- Independent Non-Executive Director
Mr Lee Min On [1]	- Independent Non-Executive Director

[1] Mr Lee Min On was appointed as a member of the AC on 1 August 2026, following the resignation of Mr Huang Shi Chin from the Board on the same day upon completing his 9-year tenure as recommended by the MCCG.

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.

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 30 of the Company's Annual Report 2026.

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 on 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 reported 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 training session and the details thereof are reported under the Corporate Governance Overview Statement on page 37 of the Company's Annual Report 2026.

E. SUMMARY OF WORK

During FYE 2026 and up to the date of this Report, 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

- The External Auditors briefed the AC its annual Audit Planning Memorandum in relation to the audit of the financial statements of the Group and the Company for the financial year ended 31 May 2026, focusing, inter-alia, on potential Key Audit Matters, being matters that involved a relatively higher level of complexity, judgement or estimation by Management, and the significant audit areas, as well as the audit approach, engagement team, and audit timetable. Following their audit, they reported the results to the AC via their Audit Review Memorandum. They also presented their draft Audit Report, indicating an unqualified opinion on the financial statements of the Group and Company for FYE 2026.
- At the exit meeting with the AC, the External Auditors confirmed that they have maintained their independence throughout the audit engagement, in compliance with all relevant professional and regulatory requirements.
- The AC reviewed the External Auditors' Report on Deficiencies in Internal Control and Management's response thereon to remediate areas noted for improvements to the Group's system of internal controls over financial reporting.
- The AC conducted private sessions with the External Auditors without the presence of Management, to provide a venue for the External Auditors to discuss any concerns they had in connection with their audit, including whether 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 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 skepticism.

  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 2027.

Audit Committee Report

E. SUMMARY OF WORK (CONT'D)

External Audit (Cont'd)

- The AC reviewed the audit services and non-audit services provided by the External Auditors and their affiliated firms to the Company and its subsidiaries. The amount of audit and non-audit fees approved by the Board for FYE 2026 is set out below:

	2026	
	Group RM'000	**Company RM'000**
Statutory audit fees	659	110
Non-audit fees	257	18
Total	**916**	**128**

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 28% of the total audit fees paid for FYE 2026.

Internal Audit

- The AC reviewed the internal audit reports presented by the Internal Auditors which encompassed 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.
- The AC reviewed and approved the annual internal audit plan for the FYE 2026 before commencement of internal audit work. The review covered the adequacy of audit scope and coverage of the key risk areas of the Group's business operations. 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 were undertaken on normal commercial terms, consistent with the Group's business practices and were not more favourable than those generally available to the public.
- Monitored the RPT and RRPT thresholds to ensure compliance with the MMLR of Bursa Securities.

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.

Audit Committee Report

E. SUMMARY OF WORK (CONT'D)

Conflict of Interest ("COI") (Cont'd)

- 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. 2.	Tan Sri Dato Kok Onn [*Group MD*] ("Tan Sri Kok") and Kok Pei Ling [*CFO*] ("Ms Kok")	Boon Builder, a sole proprietorship owned by Tan Sri Kok's brother, provides subcontract works to the Group under existing unexpired contracts. Persons connected to Tan Sri Kok and Ms Kok are privately involved in property development businesses. Ms Kok reports directly to Tan Sri Kok.	Following the non-renewal of the mandate at the 2025 AGM, transactions were limited to completing outstanding project commitments under close review and on normal commercial terms. Total value transacted was below the 1% threshold, under MMLR of Bursa Securities. The interested Directors abstained from all relevant Board deliberations and voting. 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. The annual performance appraisal of Tan Sri Kok and Ms Kok were undertaken by the NRC.
3.	Sherman Lam Yuen Suen [*SINED & Chairman of the AC and the BRSC]* ("Mr Lam")	Also serves as an Independent Non-Executive Director on the board of Hiap Teck Venture Bhd ("Hiap Teck"), whose subsidiaries act as a commercial material suppliers to the Group.	Mr Lam maintains a non-executive capacity at both public corporations and does not participate in, negotiate, nor influence any day-to-day management decisions relating to Hiap Teck's commercial dealings with the Group. He continues to abstain from all Board and Committee deliberations, evaluations, and decision-making should any specific conflict of interest or procurement approval regarding Hiap Teck arise.

Audit Committee Report

E. SUMMARY OF WORK (CONT'D)

Conflict of Interest ("COI") (Cont'd)

- 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: (Cont'd)

No	Director	Nature of COI	Measures Taken
4.	Wong Ping Eng *[Chairman of NRC]* ("Ms Wong")	Also serves as an Adviser to Naim Holdings Bhd ("Naim").	Ms Wong maintains a non-executive, advisory capacity at Naim. As Naim's core construction remains anchored in Sarawak and East Malaysia, there is currently no operational overlap or parallel project tendering between the Group and Naim. Should any shared project tender, joint venture, or commercial intersection arise between the Group and Naim, Ms Wong would abstain from all Board and Committee deliberations, evaluations, access to sensitive tender pricing data, and voting on such matters.

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, and
- Statement on Risk Management and Internal Control.

Other matters

- Conducted self-assessment of the AC's performance, and
- 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 reasonable assurance on the effectiveness of the internal control system in the Group, through a programme of regular reviews and appraisals conducted by the GIA, which reports directly to the AC. The GIA is led by the Head – GIA, Mr Tham Wing Hoong ("Mr Tham"), who reports functionally to the AC and administratively to the CFO. He holds a Bachelor of Commerce (Majoring in Accounting) alongside a Certified Information Systems Auditor ("CISA") certification. This academic foundation is backed by over 27 years of experience in internal audit and financial management roles across the insurance, hospitality, and fast-moving consumer goods ("FMCG") sectors. Such a diverse industry background provides him with a deep understanding of financial systems and controls, ensuring robust leadership for the team.

Audit Committee Report

F. SUMMARY OF WORK OF THE INTERNAL AUDIT FUNCTION (CONT'D)

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 independence from any professional, business or family relationships with Management of the auditee and undertakes to review in depth all work processes of the Group activities.

The internal audit adopts the risk-based internal audit methodology, aligned with the Global Internal Audit Standards and Global Guidance of the 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 in its assessment of the Group's internal control system. COSO is an internationally recognised organisation providing guidance on internal control.

During FYE 2026 and up to the approval date of this report, the GIA undertook the following audit assignments:

(a) Prepared the internal audit plan 2026 which was reviewed and approved by the AC, and updated where necessary.

(b) Completed a total of twelve (12) audit assignments (presented in the AC meetings held from July 2025 to September 2026) covering the following work done:

i) Business Process Review – Gadang Land Sdn Bhd: IFCA System Execution

- Identified potential process gaps in the current system implementation and execution.
- Enhanced operational reports generated from the system.
- Aligned current workflows and reporting mechanisms with the system.

ii) Business Process Review – Conflict of Interest, Codes of Ethics and Conduct and ABC Policy Compliance Checking

- Assessed the completeness of policies, processes, and management oversight.
- Evaluated compliance in the implementation and execution of the policies.
- Reviewed the adequacy of reporting practices and identified areas for process improvement.
- Ensured compliance with Section 17A of the Malaysian Anti-Corruption Commission ("MACC") Act 2009 and MMLR of Bursa Securities.

iii) Bursa Securities' 2024/2025 Sustainability Reporting Compliance Review

- Verified that reported economic, environmental, and social indicators complied with the Sustainable Development Goals ("SDG"s) and the Bursa Securities Sustainability Reporting Guide 3rd Edition.
- Assessed the completeness, accuracy of data and supporting information for the reported sustainability matters and indicators.

iv) Business Process Review – Rapid Transit System ("RTS"): Project Contract and Documents Management

- Reviewed the completeness and document control workflows of core construction documents.
- Verified the completeness of documents in e-storage.
- Evaluated the accountability of documents regarding accessibility, storage, and safekeeping.
- Assessed the comprehensiveness of Variation Order ("VO") management.
- Reviewed job progress, payment management, and approval processes.

Audit Committee Report

F. SUMMARY OF WORK OF THE INTERNAL AUDIT FUNCTION (CONT'D)

(b) Completed a total of twelve (12) audit assignments (presented in the AC meetings held from July 2025 to September 2026) covering the following work done: (Cont'd)

v) Business Process Review – Reported Cases in Sustainability Key Result Areas: Business Ethics & Compliance (June 2025 to May 2026)

- Conducted root cause analysis on reported cases within Sustainability Key Result Areas.
- Checked compliance with Standard Operating Policies and Procedures ("SOPP").
- Reported potential process gaps and provided recommendations for process improvement.

vi) Business Process Review – Datapuri Sdn Bhd ("DSB"): Document Completeness and Intercompany Revenue Recognition Process

- Assessed the completeness of document control workflows.
- Verified the completeness, availability, accessibility, storage, and safekeeping of project documents.
- Evaluated the accuracy and timeliness of intercompany progress billing and contract sum recognition processes against the SOPP.

vii) Business Process Review – Regional Utilities Sdn Bhd ("RUSB") (Water Division): Internal Control Assessment

- Verified the completeness of payment documentation and approvals.
- Assessed the timeliness of financial reporting, including customer invoicing, collections/aging, inventory records and management, journal postings, documentation, and month-end closing.
- Reviewed the completeness of human resources operations and procedures.
- Evaluated the availability of operational and security procedures for plants, purchasing and inventory (e.g., chemical and spare parts management), plant maintenance plans, and business continuity plans.
- Reviewed approvals and documentation for sludge management, as well as water quality testing and monitoring.
- Ensured the proper safeguarding of IT equipment, authorized software, and plant operating systems.

viii) Bursa Securities' Sustainability Data Compliance Review (1st half of FYE 2026: June 2025 to November 2025)

- Assessed the completeness of data and information supporting reported sustainability matters and indicators in accordance with Bursa Securities' requirements.
- Reviewed sustainability data management, including storage, accessibility, and governance.
- Identified enhancements for the sustainability-related data collection processes.

ix) Business Process Review - RUSB (Power Division): Operational and Accounting Compliance Audit

- Evaluated the completeness and appropriateness of payment-related documentation and approval processes for advances, prepayments, trade payables, and general payment management.
- Assessed the timeliness of financial and accounting process execution and management.
- Reviewed the completeness of the Operations' SOPP.
- Evaluated operations and maintenance procedures for large-scale solar infrastructure.
- Assessed the business continuity plan and workplace safety protocols.

Audit Committee Report

F. SUMMARY OF WORK OF THE INTERNAL AUDIT FUNCTION (CONT'D)

(b) Completed a total of twelve (12) audit assignments (presented in the AC meetings held from July 2025 to September 2026) covering the following work done: (Cont'd)

x) Business Process Review – RTS monitoring and management of VO certification

- Verified the Variance Order (VO) certified amounts are supported by adequate documentation.
- Evaluate pending certification amounts are timely followed up, monitored and reported.
- Assessed the completeness and accuracy of management reporting are supported and reconciled with manual working documentation.

xi) Compliance audit: Conflict of Interest ("COI"), Code of Ethics & Conduct ("COEC") and Anti Bribery and Corruption ("ABC") compliance review

- Compliance testing on COI, COEC & ABC documentations and processes is adhered to GHB's Standard of Policies and Procedures.
- Reviewed the accuracy and completeness of documentation.
- Checked the timely reporting to Management if there is any breach of policy.

xii) Bursa Securities' 2025/2026 Sustainability Reporting Compliance Review

- Verified that reported economic, environmental, and social indicators complied with the Sustainable Development Goals ("SDG"s) and the Bursa Securities Sustainability Reporting Guide 3rd Edition.
- Assessed the completeness, accuracy of data and supporting information for the reported sustainability matters and indicators.

Internal audit reports were issued to the Audit Committee with a copy each extended to Management of the operating units being audited, highlighting any system and internal control weaknesses. The reports also included recommendations for improvement. Management subsequently implemented corrective and preventive actions based on agreed timelines. These reports, along with follow-up audit reports, were presented to the AC quarterly for deliberation and to drive continuous process improvement.

The Group incurred a total cost of approximately RM490,000 to maintain the operations, resource infrastructure and frameworks of the internal audit function for the financial year under review. This Audit Committee Report was reviewed and approved by the Board of Directors on 2 September 2026.

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"), its subsidiaries ("the Group") and, where relevant, joint ventures over which the Group has management involvement or operational oversight. Associated companies are excluded from the scope of this Statement.

This Statement is prepared pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and is guided by the Statement on Risk Management and Internal Control ("SORMIC"): Guidelines for Directors of Listed Companies 2025 ("SORMIC Guide 2025") and Practices 10.1, 10.2 and 10.3 under Principle B of the Malaysian Code on Corporate Governance.

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 of information, financial loss, or fraudulent activities.

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. For the financial year under review, the risks faced by the Group were reviewed quarterly by Management through the Risk Management & Sustainability Committee ("RMSC") and reported to the Board Risk & Sustainability Committee ("BRSC"), with key matters escalated to the Board for deliberation and oversight.

The Board, through the BRSC, also monitored key risks against the Group's approved risk appetite parameters and reviewed the adequacy of mitigation actions for significant risks. Significant risk matters identified through the Group's risk management process were reported to the BRSC and Board for oversight and deliberation. The process was conducted in alignment with the SORMIC Guide 2025.

In addition, the Board exercised the oversight of the integration of sustainability-related risks and opportunities, including climate-related matters, into the Group's risk management processes, business planning, and decision-making processes. Sustainability-related matters were reviewed through the Group's governance structure, with oversight provided by the BRSC and supported by Management through the RMSC, to ensure that significant sustainability-related risks and opportunities were appropriately identified, assessed, managed, and monitored.

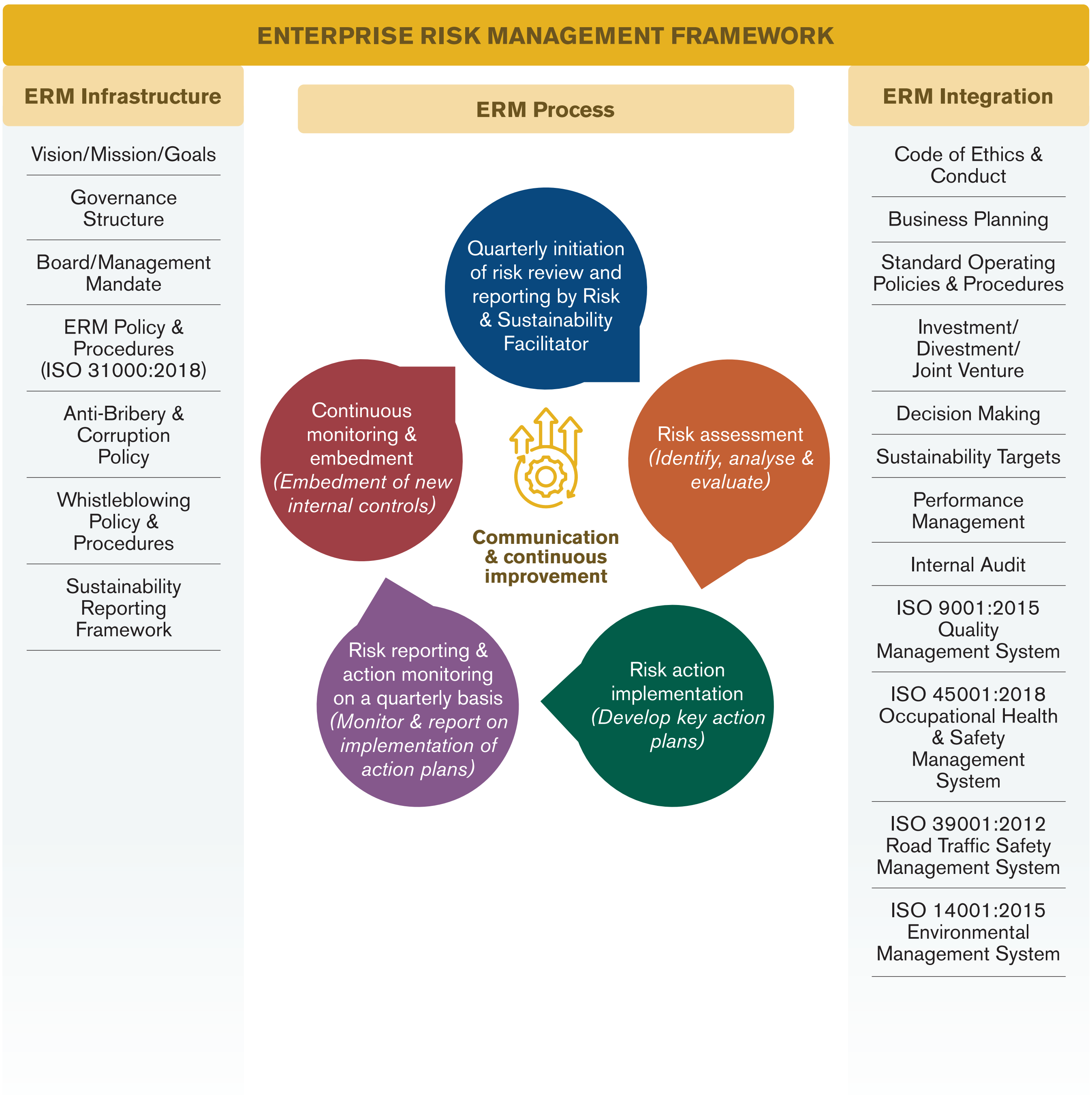
The Board received assurance from the Group Managing Director ("Group MD") and Chief Financial Officer ("CFO") that the Group's risk management and internal control system operated adequately and effectively in all material aspects, based on the risk management and internal control system framework implemented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

Statement on Risk Management and Internal Control

KEY FEATURES OF RISK MANAGEMENT AND INTERNAL CONTROL

1. Risk Management

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



The Enterprise Risk Management ("ERM") framework, benchmarked against the ISO 31000:2018 Risk Management – Guidelines, 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.

Statement on Risk Management and Internal Control

KEY FEATURES OF RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

1. Risk Management (cont'd)

In line with Paragraph 15.29 of the MMLR of Bursa Securities, the Group's Anti-Bribery & Corruption Policy as well as the Whistleblowing Policy & Procedures are reviewed for their effectiveness and improved as needed. These Anti-Bribery and Corruption imperatives are augmented by the Group's Conflict of Interest ("COI") Policy, which is aligned with Bursa Securities' Guidance on COI. 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 each 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 to mitigate risk exposures. The results thereof, along with the COI assessment, are presented to the Board for deliberation. There were no material corruption or conflict of interest matters identified during the financial year under review.

The Board has established a governance structure that enables effective oversight of risks and internal controls within the Group. It is supported by sub-committees, as depicted below, which 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 as needed. During the financial year under review, the RMSC met quarterly to review significant risks faced by the Group and reported to the Board Risk & Sustainability Committee ("BRSC"), which consists of Independent Non-Executive Directors. The BRSC also met quarterly to review significant risks and provided a summary of their discussions and decisions to the Board. The Board evaluated the adequacy and effectiveness of the risk management and internal control system.

Statement on Risk Management and Internal Control

KEY FEATURES OF RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

1. Risk Management (cont'd)

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 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 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 affect the Group's reputation and financial position.

To mitigate these risks, the Group closely monitors site progress. All project sites maintain detailed records of site conditions and work progress to facilitate 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 faces the risk of cost escalation, which directly impacts profit margins. This escalation is driven by several factors, including supply chain disruptions that have resulted in increased prices for key construction materials. 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 risk impact, the Group has taken proactive measures such as 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 project teams to enable timely responses. The Group also expanded its supplier base and has disposed of inefficient assets with high maintenance costs to improve operational efficiency.

(iii) Utilities investments and asset recoverability

The performance and recoverability of the Group's water and power investments are subject to operating conditions and key financial and macroeconomic assumptions. During the financial year, an impairment was recognised in respect of a mini-hydropower plant in Indonesia, primarily reflecting changes in the discount rate arising from movements in the weighted average cost of capital ("WACC"), including the underlying cost of equity and cost of debt, as well as prolonged dry-season conditions which affected its expected operating capacity.

To mitigate this exposure, the Group regularly reviews asset performance, operating capacity, key financial and macroeconomic assumptions and asset valuations, including the discount rate and its underlying assumptions and assesses the need for impairment where carrying amounts may exceed their recoverable amounts.

Statement on Risk Management and Internal Control

KEY FEATURES OF RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

1. Risk Management (cont'd)

a. Operating risk

(iv) Regulatory compliance

The Group's businesses are governed by relevant laws, regulations, standards, licenses and concession agreements. Unfavourable changes in regulatory policies may adversely affect operations and profitability.

To manage these risks, the Group:

- Has kept abreast of emerging laws and regulations by actively participating in seminars, conferences and training programmes organised by regulatory authorities or external training providers,
- Implemented suitable policies and procedures to mitigate the risk of non-compliance, and
- Engaged 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 operations are increasingly reliant on IT systems and digital platforms to support business processes and operational activities. However, this reliance also exposes the Group to cybersecurity threats, including unauthorised access, malware attacks, ransomware incidents, data breaches and system disruptions, which may result in operational interruptions, financial losses, reputational damage and regulatory non-compliance.

To mitigate these risks, the Group has implemented various cybersecurity and IT security measures to strengthen the resilience of its technology infrastructure. These measures include the deployment of the AI Threat Intel Advanced System ("ATAS"), firewalls, antivirus software and access controls to prevent unauthorised access and malicious activities. The Group's IT Department monitors networks and systems for unusual activities and emerging cybersecurity threats.

In addition, regular cybersecurity awareness programmes are conducted through email communications to promote employee awareness of cyber risks and safe digital practices. The Group also maintains data backup and recovery procedures to support business continuity and minimise the impact of potential cyber incidents. Policies governing the use of IT resources are enforced, including restrictions on unauthorised software installations, while periodic audits are conducted to ensure compliance with established IT security requirements.

c. Economic/Market risk

The Construction Division continues to operate in a challenging business environment. Replenishing the order book has become increasingly difficult due to intense competition, reduced government spending on infrastructure projects and heightened market uncertainty. With more contractors competing for a limited pool of tenders, securing new projects has become increasingly margin sensitive. Geopolitical tensions and global economic uncertainties have further dampened market sentiment and delayed project rollouts, contributing to a decline in the Group's outstanding order book. In addition, rising material and labour costs, inflationary pressures and ongoing supply chain constraints have increased project execution costs and placed further pressure on project margins.

To address these challenges, the Division participates in both open and selective tender exercises while actively pursuing opportunities, which are evaluated as viable, in renewable energy projects, particularly solar energy projects, as well as industrial and data centre developments driven by government-linked companies, the private sector and foreign direct investment initiatives. The Division remains focused on strengthening its existing order book by maintaining strong client relationships, ensuring timely project delivery and implementing effective cost optimisation measures to enhance operational efficiency and profitability.

The Construction Division's Executive Committee ("EXCO") regularly reviews the company's cost structure and operational performance to enhance competitiveness and support business sustainability amid the evolving construction landscape.

Statement on Risk Management and Internal Control

KEY FEATURES OF RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

1. Risk Management (cont'd)

c. Economic/Market risk (cont'd)

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 sentiment. 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. Despite these challenging conditions, the Division continues to adopt targeted sales and pricing strategies, maintain prudent cost management and continuously review its product mix and development offerings to better align with prevailing market demand, customer preferences and location-specific opportunities.

The Property Division also offers attractive sales packages, accelerates project rollouts to minimise holding and financing costs and provides flexible financing arrangements, including installment plans to bridge the gap between the purchase price and the purchaser's loan amount, thereby supporting take-up rates.

The Division remains focused on preserving cash flow, enhancing operational efficiency and undertaking selective project launches to navigate the current market environment.

The Utilities Division's concession investments in Malaysia and Indonesia are exposed to economic and market conditions, including foreign exchange and interest rate movements, country-specific risks and inflationary pressures which may increase operating and financing costs. Changes in government policies and regulatory requirements, particularly those affecting tariff and concession arrangements, may also affect the performance and expected returns of these investments.

To manage these risks, the Division monitors key macroeconomic and regulatory developments, manages operating and maintenance expenditure through operational efficiency and procurement management and engages with relevant authorities and counterparties on tariff and concession matters.

d. Sustainability

Sustainability-related risks and opportunities refer to environmental, social or governance ("ESG") matters, including climate-related risks and opportunities, that may impact the Group's operations, financial performance, reputation or long-term business sustainability. These include, among others, physical and transition climate-related risks, regulatory developments, environmental compliance obligations, occupational health and safety, human capital management and evolving stakeholder expectations.

Sustainability-related risks and opportunities are integrated into the Group's risk management and business planning processes and are monitored through the sustainability governance structure. Oversight is provided by the Board through the BRSC, while Management, through the RMSC and Sustainability Working Group, identifies, assesses, manages and monitors material sustainability-related matters.

During the financial year, the Group continued to strengthen its sustainability management practices through ongoing sustainability-related risk and opportunity assessments, greenhouse gas emissions monitoring and reporting, stakeholder engagement activities, and enhanced alignment with Bursa Malaysia's sustainability reporting requirements. The Group monitored climate-related developments and regulatory expectations to support its long-term business resilience and sustainability objectives.

Further details of the Group's sustainability governance structure, sustainability-related risks and opportunities and sustainability performance are set out in the Sustainability Statement on pages 63 to 117.

Statement on Risk Management and Internal Control

KEY FEATURES OF RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

1. Risk Management (cont'd)

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 flows 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, ensuring adequate financial facilities are in place to support both current operations and future growth. The Group also engages with key bankers to explore funding opportunities and regularly monitors financial covenants and gearing levels to ensure compliance within acceptable thresholds.

2. Internal Control

Key elements of the Group's internal control system include:

a. Organisation structure and limits of authority

The Group maintains a defined organisation structure, outlining 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. The business planning process incorporates the assessment of key business risks and opportunities, including relevant sustainability-related matters, to support informed decision-making and long-term value creation. These plans are presented to the Board by the Heads of Division 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 forecasted budget from the business plan, including explanations for the variances, is presented to the Board for review.

ii. 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 Division 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, for their effectiveness and relevance. Any necessary updates are promptly made, and employees are informed of any changes for compliance.

Statement on Risk Management and Internal Control

KEY FEATURES OF RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

2. Internal Control (cont'd)

e. Financial reporting

The Group has implemented robust processes and controls to enable 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 significant variances. The AC reviews and deliberates on the financial performance, before recommending to the Board for approval to be announced to regulators. The CFO also oversees the preparation of a monthly rolling cash flow forecast of the Group to keep a close tab on the Group's liquidity and solvency.

f. Whistleblowing

The Company has implemented pertinent Whistleblowing Policy and Procedures, which are accessible on its website. The Policy and Procedures provide 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 Group's resources. This framework provides appropriate channels for individuals to confidentially and securely report such incidents in good faith.

3. Audits

a. Internal audit

The in-house Group Internal Audit ('GIA') assists the AC in discharging its duties and responsibilities by independently reviewing and reporting on the adequacy and operating effectiveness of:

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

The GIA is also entrusted by the AC to review and validate the Group's sustainability-related disclosures and supporting data for factual accuracy.

The AC approved the 2026 audit plan based on the risk-based internal audit ("RBIA") approach in January 2026. RBIA is an internal audit methodology supported by an audit heat map and focuses on identifying and prioritising inherent and residual risks involved in operations or systems. Internal audit's key objective is to provide reasonable assurance that risk management and internal controls are functioning within an adequate and effective control environment.

Internal audit planning adopts COSO's Internal Control Integrated Framework as a benchmark to identify, design and recommend effective control requirements relevant to the business and operating environments. Internal audit engagements are performed by adopting the Global Internal Audit Standards under the Institute of Internal Auditors International Professional Practices Framework ("IPPF") 2024. The IPPF is a blueprint for ensuring consistent development, interpretation and application of internal auditing practices issued by The Institute of Internal Auditors ("IIA").

The Internal Audit function has established an Internal Control Framework to guide internal audit testing of operational units, aimed at assessing the adequacy and effectiveness of internal controls vis-à-vis established policies, procedures and recommended practices and identifying opportunities for business process improvement. On a quarterly basis, the Head of GIA attends AC meetings to present Internal Audit Reports, which include the overall audit conclusion, significant weaknesses identified, recommended action plans, Management's responses, responsible personnel for action plans 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 the AC during the quarterly meetings.

The AC deliberates on internal audit issues and Management's responses, with the quarterly AC meeting minutes circulated to the Board for notation. The Audit Committee Report sets out further details of internal audit engagements carried out during the financial year under review.

Statement on Risk Management and Internal Control

KEY FEATURES OF RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

3. Audits (Cont'd)

b. External audit

The AC was briefed by the External Auditors on the latter's annual Audit Planning Memorandum concerning the audit of the Group's financial statements, in particular the potential Key Audit Matters and significant audit areas, including the engagement team members. The External Auditors reported directly to the AC on any significant internal control deficiencies identified. These were communicated through their Audit Review Memorandum and report on any internal control deficiencies. The report also included Management's response to the observations and action plans to be conducted.

REVIEW OF ADEQUACY AND EFFECTIVENESS OF THE GROUP'S SYSTEM OF RISK MANAGEMENT AND INTERNAL CONTROL

For the financial year ended 31 May 2026, the Group made provisions for liquidated ascertained damages in the Construction Division, inventory write-downs in the Property Division, and a power plant impairment in the Utilities Division. These charges were due to adverse market conditions and requirements of approved accounting standards, which were largely beyond the control of Management and the Board. On this basis, the Board is of the view that the Group's risk management and internal control system has operated adequately and effectively in all material aspects throughout the year under review and up to the date of approval of this Statement. Nonetheless, the Board remains committed to enhancing the risk management and internal control system in tandem with the needs of the Group's operations and changes in regulatory requirements.

REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS

The External Auditors have reviewed this Statement on Risk Management and Internal Control pursuant 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 [Revised March 2026]") - Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report.

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 the Statement on Risk Management and Internal Control intended to be included in the Company's annual report is not prepared, in all material respects, in accordance with the disclosures required by Section 7 of the Statement on Risk Management and Internal Control ("SORMIC"): Guidelines for Directors of Listed Companies 2025 ("SORMIC Guide 2025"), nor is the SORMIC factually inaccurate.

The above AAPG 3 does not require the External Auditors to consider whether the Directors' SORMIC covers all risks and controls or form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system, including the assessment and opinion by the Board and Management team thereon. The External Auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the IAR will, in fact, remedy the problems.

This Statement on Risk Management and Internal Control was approved by the Board of Directors on 2 September 2026.

Additional Compliance Information

• Utilisation of Proceeds Raised from Corporate Proposals

During the last 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 proceeds as at 31 May 2026 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	(22,248)	-	Within 24 months
Expenses for the placement	322	(322)	-	Immediate
Total	**22,570**	**(22,570)**	**-**	

Except as otherwise disclosed, no proceeds were raised from corporate proposals during the FYE 2026.

• 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 2026.

• Recurrent Related Party Transactions of a Revenue or Trading Nature

The Company did not obtain a renewal of the general shareholders' mandate for Recurrent Related Party Transactions ("RRPT") at the Annual General Meeting held on 5 November 2025.

During the financial year ended 31 May 2026, all RRPTs entered into by the Group were conducted in the ordinary course of business on normal commercial terms and were strictly monitored and maintained, in aggregate, below the 1% percentage ratio threshold prescribed under Paragraph 10.09(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

• Disclosure of Financial Data for Shariah Screening

Pursuant to Paragraph 9.25A of the Main Market Listing Requirements, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These includes financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

(A) Group Total Income and Total Assets

		Group	
Total Income	**Remarks**	**2026 (RM'000)**	**2025 (RM'000)**
Revenue		787,449	779,812
Other income		11,014	11,552
Share of result of joint ventures		361	6,798
Total		798,824	798,162
Total Assets		1,197,433	1,350,398

Additional Compliance Information

- **Disclosure of Financial Data for Shariah Screening (Cont'd)**

(B) Business Activities

Shariah Non-Compliant Activities	Remarks	Group 2026 (RM'000)	Group 2025 (RM'000)
Conventional banking & finance and related services	Credit Card Rebate	*	1
Conventional funds management, financial advisory and related services	Dividend received on short term funds	134	86
Gain from investment in conventional instruments	Fair value gain on short term funds and and investment in quoted shares	2,635	1,825
Insurance income	Non-takaful insurance	12	9
Interest income		2,705	1,704
Total		5,486	3,625

Note:-

** : Less than RM1,000.*

(C) Component of Financial Position

(i) Cash Component

Islamic Account / Instruments	Remarks	Group 2026 (RM'000)	Group 2025 (RM'000)
Short-term funds		6,890	536
Deposits with licensed bank		33,211	11,206
Cash held under Islamic Housing Development Accounts		9,596	35,966
Cash at bank (exclude cash in hand)		4,250	10,454
Cash in hand		107	94
Total		54,054	58,256

Conventional Account / Instruments	Remarks	Group 2026 (RM'000)	Group 2025 (RM'000)
Short-term funds		67,702	67,116
Deposits with licensed bank		35,192	48,624
Cash held under Conventional Housing Development Accounts		66,833	31,197
Cash at bank (exclude cash in hand)		53,260	58,204
Total		222,987	205,141

Additional Compliance Information

- **Disclosure of Financial Data for Shariah Screening (Cont'd)**

(C) Component of Financial Position (Cont'd)

(ii) Debt Component

Islamic Financing	Remarks	Group 2026 (RM'000)	Group 2025 (RM'000)
Current			
Term financing		-	9,570
Islamic Hire purchase payables		97	92
Non-Current			
Islamic Hire purchase payables		316	413
Total		413	10,075

Conventional Borrowing	Remarks	Group 2026 (RM'000)	Group 2025 (RM'000)
Current			
Banker's acceptances		10,804	1,687
Revolving credit and loans		38,242	101,774
Term Loan		5,759	8,662
Hire purchase payables		1,298	2,305
Non-Current			
Term Loan		94,983	74,220
Hire purchase payables		1,286	1,609
Total		152,372	190,257

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 2026 ("FYE 2026"). This Statement outlines how sustainability considerations are integrated into our business strategy, operations and decision-making to support sustainable business growth and deliver value to our stakeholders.

As a diversified group with interests in engineering and construction, property development and utilities, we recognise that sustainable business success depends on balancing economic performance with environmental stewardship, social responsibility and sound governance. We remain committed to delivering quality developments, infrastructure and utility solutions while responsibly managing the environmental and social impacts of our operations.

During the financial year, we continued to strengthen our sustainability governance, risk management and reporting practices in preparation for Malaysia's National Sustainability Reporting Framework ("NSRF"). As part of this journey, we enhanced our approach towards identifying, assessing and managing sustainability-related risks and opportunities, including climate-related matters, while progressively aligning our disclosures with the principles of IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and IFRS S2 (Climate-related Disclosures).

Sustainability remains integral to the way we conduct our business. Beyond regulatory compliance, we seek to create positive and lasting outcomes through responsible business practices, meaningful stakeholder engagement and the continuous enhancement of our sustainability performance. These efforts strengthen business resilience, support sustainable growth and contribute positively to the communities in which we operate.

Our sustainability framework is built on three (3) sustainability pillars: Economic, Environmental and Social ("EES"), with governance embedded across each pillar to promote accountability, effective oversight and sound risk management. This Statement provides an overview of our material sustainability matters, key initiatives, performance and achievements during the financial year, including our contribution towards the United Nations Sustainable Development Goals ("UNSDGs").

Sustainability Statement

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	Environmental	Social	
Business Front	**Environment**	**Workplace**	**Community**
Deliver quality products & services and maintain good corporate governance	Manage the environmental impact in the areas that we operate	Develop talent & recognise employees' contributions and provide a safe and conducive workplace	Giving back to the community

Governance is embedded across all Economic, Environmental and Social pillars

In alignment with **UNSDG**

REPORTING PERIOD

This Statement covers the Group's sustainability management and performance for the period from 1 June 2025 to 31 May 2026 ("FYE 2026"). Comparative information is provided where applicable.

REPORT AVAILABILITY

www.gadang.com.my

REPORTING CYCLE

Annually

REPORTING FRAMEWORKS AND GUIDELINES

- Bursa Malaysia's Main Market Listing Requirements ("MMLR")
- National Sustainability Reporting Framework ("NSRF")*
- United Nations Sustainable Development Goals ("UNSDGs")
- IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information*
- IFRS S2 Climate-related Disclosures*

**The Group is progressively enhancing its sustainability disclosures with reference to the principles of IFRS S1 and IFRS S2 in support of its preparation for the NSRF.*

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
sustainability@gadang.my

Sustainability Statement

REPORTING BOUNDARIES

This Sustainability Statement covers Gadang and its operating subsidiaries in Malaysia and Indonesia that are under the Group's operational control, unless otherwise stated. The reporting boundaries encompass the entities, projects and operations set out below.

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 ("CSR 2B")
- KL-Karak Package 1A & 2A ("KLK")

PROPERTY DEVELOPMENT

Mandy Corporation Sdn Bhd ("MCSB")

Gadang Land Sdn Bhd ("GLSB")

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

Key Projects

- The Vyne (Phase 4), Sungai Besi
- Laman Citra (Phase 3 & 4), Gelang Patah
- Akasia (Phase 1B), Semenyih

UTILITIES

Regional Utilities Sdn Bhd ("RUSB")

Nusantara Suriamas Sdn Bhd ("NSSB")

Tenaga Aspirasi Sdn Bhd ("TASB")

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)
- Solar Power Plant (Tawau, Sabah, Malaysia)

STATEMENT OF ASSURANCE

An internal review of this Sustainability Statement and selected sustainability information was undertaken by the Internal Audit Department to assess the accuracy, completeness and consistency of the disclosures. The review covered the sustainability-related information reported by entities within the Group's operational control. No external assurance was obtained for FYE 2026.

SUSTAINABILITY GOVERNANCE

The Board of Directors ("Board") provides oversight of the Group's sustainability agenda by setting the strategic direction and overseeing sustainability-related matters, including sustainability and climate-related risks and opportunities. To support the Board in discharging its responsibilities, the Board has established the Board Risk and Sustainability Committee ("BRSC"), while management oversight is undertaken by the Risk Management and Sustainability Committee ("RMSC").

Sustainability-related Key Performance Indicators ("KPIs") are incorporated into the performance appraisals of Executive Directors and senior management to strengthen accountability and reinforce the integration of sustainability into business decision-making. The governance structure establishes clear roles and responsibilities across all levels of the Group and supports the effective management of sustainability-related risks and opportunities.

In preparation for the NSRF, the Group continues to strengthen its sustainability governance, risk management and reporting processes, while progressively aligning its sustainability disclosures with the principles of IFRS S1 and IFRS S2.

Sustainability Statement

SUSTAINABILITY GOVERNANCE STRUCTURE

Board of Directors ("Board")

- Sets the strategic direction and oversees the Group's sustainability framework.
- Oversees sustainability-related risks and opportunities, including climate-related matters.
- Reviews and approves the outcome of the biennial materiality assessment.
- Reviews the Group's sustainability performance and senior management's performance against sustainability KPIs.
- Approves the Sustainability Statement for inclusion in the Annual Report.

Board Risk & Sustainability Committee ("BRSC")

- Assists the Board in overseeing the Group's risk management and sustainability framework.
- Oversees significant and material risks, including sustainability and climate-related risks and opportunities.
- Reviews the effectiveness of the Group's risk management and sustainability management processes, sustainability performance and sustainability disclosures.
- Reviews the outcome of the biennial materiality assessment and recommends it to the Board for approval.
- Reports and provides recommendations to the Board on key sustainability matters.

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.
- Oversees the development and implementation of sustainability strategies and initiatives.
- Monitors sustainability performance, sustainability-related risks and opportunities across the Group.
- Reviews sustainability disclosures prior to submission to the BRSC and Board.

Risk & Sustainability Facilitator ("RSF")

- Supports the Risk Owners ("RO") and Sustainability Working Group ("SWG").
- Coordinates sustainability data collection and reporting.
- Monitors regulatory developments and sustainability reporting requirements.
- Facilitates reporting to the RMSC and BRSC.

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

- Chaired by the Chief Financial Officer ("CFO") and represented by ROs and department representatives across the Group.
- Identifies, assesses and reports sustainability-related risks and opportunities, including climate-related matters.
- Implements sustainability initiatives and monitors sustainability-related KPIs.

STAKEHOLDER ENGAGEMENT

The Group's sustainability strategy is guided by stakeholder expectations, material sustainability matters and business priorities. Ongoing engagement with our stakeholders provides valuable insights into their interests, concerns and expectations. These insights enable us to identify and prioritise material sustainability matters, assess sustainability-related risks and opportunities and support informed decision-making.

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 • Regulatory Compliance • Human Capital Management • Workplace Health and Safety • Sustainability-related Risks and Opportunities	Strategic plans that maximise shareholders' value

Sustainability Statement

STAKEHOLDER ENGAGEMENT (CONT'D)

Stakeholder Group	Form of Engagement	Areas of Focus	Outcome
Investors/Shareholders	• Annual General Meeting • Investor Relation Activities • Public Announcements • Corporate Website • Annual Report	• Financial Performance • Long-term Value Creation • Corporate Reputation • Regulatory Compliance • Timely & Transparent Disclosure • Sustainability Performance and Strategy	Positive reputation amongst investors/ shareholders
Employees	• Internal Communications • Face-to-Face Meetings • Learning & Development Programmes • Sports Club Activities • Community Programmes • Employee Handbook • Code of Ethics & Conduct • Anti-Bribery and Corruption Awareness • 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	• Product and Service Quality • Timely Project Delivery • Customer Satisfaction • Competitive Pricing • Personal Data Protection • Health and Safety Standards	Enhances satisfaction Recurring business opportunities
Government/Regulatory Authorities	• Ad Hoc Public Invitations • Site Visits • Seminar and Training Sessions • Conferences/Industry Events • Surveys • Participation in Organised Programmes • Stakeholder Engagement Surveys	• Regulatory Compliance • Business Ethics and Integrity • Environmental and Occupational Health and Safety Compliance • Anti-Bribery and Corruption	Better understanding of Company's sustainability commitments Compliance with laws and regulations
Contractors, Vendors, Suppliers	• Virtual/Face-to-Face Meetings • Supplier/Subcontractor Evaluations • Stakeholder Engagement Surveys	• Timely Payment • Fair and Transparent Procurement • Quality Standards • Timely and Responsive Communication • Health and Safety Standards • Human Rights and Ethical Business	Better understanding of Company's sustainability commitment

STAKEHOLDER ENGAGEMENT (CONT'D)

Stakeholder Group	Form of Engagement	Areas of Focus	Outcome
Business Partners	• On-going Communication & Visits	• Strategic Collaboration • Ethical Business Conduct • Sustainable Business Practices • Project Delivery	Recurring business opportunities
Local Communities/NGOs	• Meetings & Visits • Community Development Programmes	• Employment and Local Economic Opportunities • Environmental Practices • Community Development • Community Engagement	Better social relationship
Media/Analysts	• Press Conferences • Media Releases/Interviews • Ad Hoc Meetings	• Sustainability Disclosure • Environmental Practices • Corporate Performance • Corporate Governance	Better understanding of Company's financial & sustainability performance

MATERIALITY ASSESSMENT

Our materiality assessment is conducted once every two (2) years and involves engagement with internal and external stakeholders, including the Sustainability Working Group ("SWG") to identify and prioritise the sustainability matters that are most relevant to the Group and its stakeholders.

The most recent assessment was conducted in FYE 2025. During FYE 2026, Management reviewed the identified material matters taking into consideration business developments, stakeholder expectations and sustainability-related risks and opportunities. Based on the review, the material matters identified in FYE 2025 remained relevant and were retained for FYE 2026.

MATERIALITY ASSESSMENT PROCESS

1 REVIEW

We review the relevance of material sustainability matters by considering internal inputs, external references, regulatory developments, industry practices and emerging trends. Key stakeholders are identified to ensure balanced internal and external perspectives.

2 PRIORITISE

We prioritise material sustainability matters through structured stakeholder engagement, including surveys and workshops with internal and external stakeholders. Material matters are assessed based on stakeholders' concerns, potential business impacts and alignment with the Group's long-term strategic objectives.

3 INTEGRATE

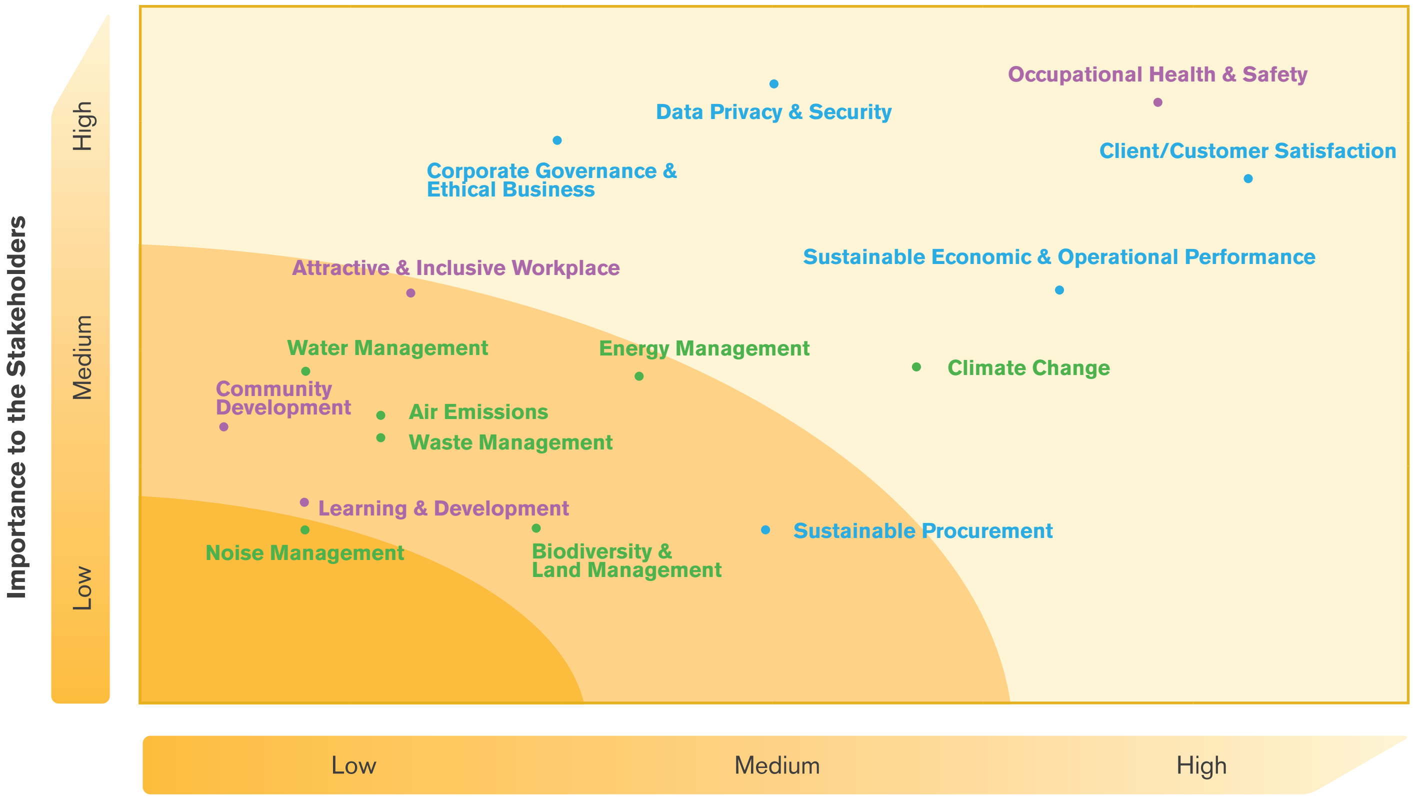
We review and validate the materiality assessment results with the Risk Management & Sustainability Committee before presenting the materiality matrix to the Board for review and approval.

4 UPDATE

We review and update our materiality assessment periodically to reflect changes in the business landscape, emerging global & national trends, stakeholder expectations, regulatory developments and sustainability-related risks and opportunities.

Sustainability Statement

MATERIALITY MATRIX



Importance to the Company

Economic

- Sustainable Economic & Operational Performance*
- Client/Customer Satisfaction*
- Data Privacy & Security*
- Corporate Governance & Ethical Business
- Sustainable Procurement

Environmental

- Climate Change*
- Energy Management
- Water Management
- Air Emissions
- Noise Management
- Waste Management
- Biodiversity & Land Management

Social

- Occupational Health & Safety*
- Attractive & Inclusive Workplace
- Learning & Development
- Community Development

**high priority matters*

Five (5) high-priority material matters continue to be the focus of the Group's sustainability efforts and are supported by sustainability targets and performance indicators to monitor progress.

The Group's material matters give rise to sustainability-related risks and opportunities that may affect business performance, stakeholder value and long-term resilience. These risks and opportunities are considered through the Group's sustainability governance and risk management processes and are addressed through the initiatives, targets and action plans disclosed throughout this Sustainability Statement.

Further details on these material matters, including the Group's targets, performance and initiatives, are provided in the respective Economic, Environmental and Social sections of this Sustainability Statement.

Sustainability Statement

FYE 2026 SUSTAINABILITY TARGETS & PERFORMANCE

ECONOMIC

Category	Sustainability Targets (FYE 2026)	Achievement
Quality	Quality Assessment System in Construction ("QLASSIC") Average > 75% score	**82%**
	To achieve a 5-Star CIDB SCORE rating	**3-Star**
ISO Standards	To renew ISO 9001:2015 Quality Management System for Utilities (DBT)	**ISO renewed**
	To renew ISO 9001:2015 Quality Management System for DSB	**ISO renewed**
Client/ Customer Satisfaction	To achieve a customer satisfaction score of at least 75%	**Engineering - 80% Property - 76% Utilities - 88%**
Data Privacy & Security	Zero data breaches	**Zero data breaches**
Corporate Governance	To maintain at least 30% women representation on the Board	**33% women directors**
	To achieve recognition for good corporate governance and sustainability practices NACGSA - *National Corporate Governance and Sustainability Awards*	**Recognised as a Top 50 PLCs under the NACGSA**
Anti-Bribery and 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**
Sustainable Procurement	To procure at least 95% of purchases from local suppliers	**99%**

Sustainability Statement

FYE 2026 SUSTAINABILITY TARGETS & PERFORMANCE (CONT'D)

ENVIRONMENT

Category	Sustainability Targets (FYE 2026)	Achievement
Climate Change & Biodiversity	Plant 1,000 trees to support biodiversity and carbon sequestration	**1,136 trees planted Equivalent to an estimated 24,992 kg CO_2 absorption**
Carbon Emission	Scope 1: To achieve direct emissions intensity of $<$ 0.0100 tCO_2e/RM'000 revenue from diesel-powered plant and machinery	**0.0062**
	Scope 2: To achieve indirect emissions intensity of $<$ 0.0075 tCO_2e/RM'000 revenue from purchased electricity	**0.0057**
	Scope 3: To achieve indirect emissions intensity of $<$ 0.0017 tCO_2e/RM'000 revenue from commuting and business travel	**0.0012**
Energy Management	To achieve total energy consumption below 6,000 MWh	**5,540 MWh**
	Solar Renewable Energy Harnessing 15% of Gadang HQ's energy from renewable energy	**20% or 91,035 kWh clean energy Approximately RM44,000 electricity cost savings**
Water Management	To achieve total water consumption below 50,000 m^3	**46,940 m^3**
Waste Management	To achieve waste recycling of 15% for Engineering and Construction *Note: 3% achieved as projects neared completion, limiting recycling opportunities (refer to page 90).*	**3%**
	To recycle 3,000 kg of waste at Gadang HQ	**6,178 kg recycled**
Environmental Management	Zero summons from the Department of Environment ("DOE")	**Zero summons**
	To obtain at least one environmental award for promoting environmental stewardship	**1 Environment Award Obtained**

Sustainability Statement

FYE 2026 SUSTAINABILITY TARGETS & PERFORMANCE (CONT'D)

SOCIAL

Category	Sustainability Targets FYE 2026	Achievement
Occupational Health & Safety	To obtain at least one safety award in recognition of promoting a strong safety culture	**6 Safety Awards Received**
	To have 80% of staff receive health and safety training	**100% of employees trained**
	Zero fatality	**Zero fatality**
	Incident Rate < 4 per 1,000 workers	**Zero incident rate**
	Lost Time Injury Frequency Rate ("LTIFR") < 8	**Zero LTIFR**
Attractive & Inclusive Workplace	Zero reported human rights violations	**Zero reported human rights violations**
Learning and Development	To provide an average of 10 training hours per employee	**17 training hours per employee**
	School aid support to employees' children. Target 100 students	**School aid provided to 131 children RM 26,200**
Community Development	Support at least two (2) deserving students through scholarships for college/university education	**3 students awarded scholarships with total contributions of RM97,750**
	Contribute at least RM100,000 towards Corporate Social Responsibility ("CSR") initiatives	**Contributed RM131,000**

Sustainability Statement

AWARDS & RECOGNITION

In FYE 2026, the Group received the following awards and recognitions from industry and professional bodies, reflecting our commitment to quality, occupational health and safety, environmental stewardship, corporate governance and sustainability:

2026

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.

PMHA

("Prime Minister's Hibiscus Award"). Recognised for excellence in environmental performance and sustainability practices for the RTS project.

MiSHA

("Malaysian Industrial Safety and Health Association"). Received four (4) awards in recognition of the Group's commitment to OSH, comprising one (1) Platinum Award and three (3) Gold Awards for RTS, IPFN and KVDC projects.

SHASSIC

("Safety and Health Assessment System in Construction"). Received SHASSIC Award for the IPFN and KVDC projects in recognition of the Group's occupational safety and health performance.

2025

- **NACGSA** – Top 50 Public Listed Companies in Malaysia
- **MiSHA** – Platinum Award for RTS; Gold Awards for CSR2B, IPFN and KVDC
- **QUEST** – Infrastructure Category Award for ECRL
- **SHASSIC** – 5-Star Rating for RTS and IPFN

2024

- **MiSHA Excellence Award (Gold)** – OSH Risk Management in Construction & Heavy Engineering Sector (CSR2B Project)
- **MSOSH Recognition Award** – 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 Project
- **QA/QC Certificate of Appreciation** – MRT V206
- **Safety Certificate of Appreciation** – RTS Link Project

2022

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

Sustainability Statement

ECONOMIC

SUSTAINABLE ECONOMIC & OPERATIONAL PERFORMANCE

To sustain revenue and profitability

Through prudent project selection, operational efficiency, quality project delivery and disciplined risk management. These initiatives contribute to the Group's long-term resilience, business performance and value creation for shareholders and other stakeholders.

A summary of the Group's financial performance is presented below.

Financial Performance	FYE 2026 (RM'000)	FYE 2025 (RM'000)	FYE 2024 (RM'000)
Revenue	**787,449**	779,812	591,923
Profit/(Loss) Before Tax	**(56,186)**	18,027	14,465
Profit/(Loss) After Tax	**(77,044)**	6,998	495
Shareholders' Funds	**738,616**	816,542	791,862
Total Assets	**1,197,433**	1,350,398	1,388,284
Total Cash and Bank Balance, and Investment Securities	**277,041**	263,397	171,405
Share Price (RM)	**0.19**	0.25	0.44
Net Assets Per Share (RM)	**0.92**	1.02	1.09

Further details 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 AND OPERATIONAL EXCELLENCE

- To achieve an average QLASSIC score of **above 75%**
- To maintain ISO certifications
- To achieve a **5-Star** CIDB SCORE rating

Maintaining high standards of quality and workmanship is integral to sustaining operational excellence and delivering value to our clients and customers. We monitor quality performance through industry-recognised assessment systems and internationally recognised management systems to drive continuous improvement across our projects and operations.

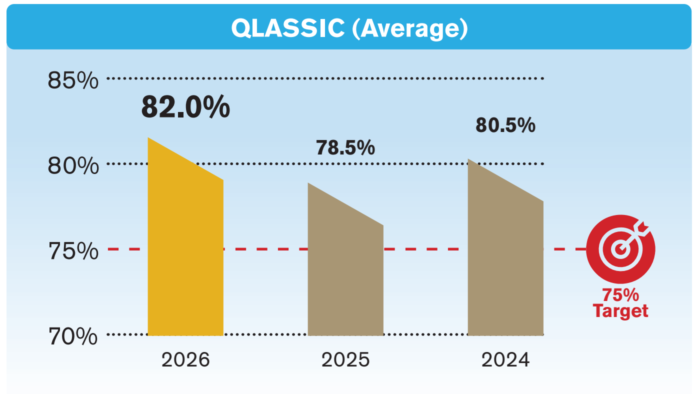
Sustainability Statement

QUALITY AND OPERATIONAL EXCELLENCE (CONT'D)

QLASSIC (Quality Assessment System in Construction)

In FYE 2026, one (1) property development project, namely Laman Citra Phase 4 (Gelang Patah), was assessed under QLASSIC and achieved a score of 82%, exceeding our target of 75%.

QLASSIC is an assessment system developed by the Construction Industry Development Board ("CIDB") to evaluate the quality of workmanship in building construction based on the Construction Industry Standard ("CIS").



ISO Management Systems

We remain committed to maintaining internationally recognised management systems that support quality, environmental, occupational health and safety and road traffic safety performance.

During FYE 2026, we successfully renewed the ISO 9001:2015 Quality Management System certifications for Utilities (DBT) and DSB. We also maintained other ISO certifications through regular surveillance audits.

In addition, we are progressing towards ISO 37001 Anti-Bribery Management System ("ABMS") certification to further strengthen our governance and integrity practices.

ISO Certifications Maintained by Gadang

Entity/ Business Unit	Certification	Scope
GESB, DSB, Utilities (TTS, HTB, DBT)	ISO 9001:2015	Quality Management System
GESB	ISO 14001:2015	Environmental Management System
GESB	ISO 45001:2018	Occupational Health and Safety Management System
GESB	ISO 39001:2012	Road Traffic Safety Management System

Construction Industry Development Board ("CIDB") SCORE Rating

To achieve a 5-Star CIDB SCORE rating, a minimum score of 85 points and at least 15 points for each assessment parameter are required.

In the latest assessment, GESB achieved a 3-Star CIDB SCORE rating. The result was primarily affected by challenges faced by the construction industry during the financial year, including project disruptions, supply chain constraints, minimum wage increases and rising material costs, which impacted the financial performance component of the assessment despite the Group's continued operational and quality performance.

We remain committed to strengthening operational efficiency, enhancing project delivery and improving business performance to achieve a higher CIDB SCORE rating in future assessments.

Sustainability Statement

CLIENT/CUSTOMER SATISFACTION

To achieve a client/customer satisfaction score of at least 75% across all divisions

We engage regularly with our clients and customers through meetings, site visits, surveys and other communication channels to better understand their needs and expectations. Feedback received is reviewed and addressed in a timely manner to drive continuous improvement in service quality and customer satisfaction.

Based on client and customer satisfaction surveys conducted across the Engineering and Construction, Property Development and Utilities divisions, all three (3) divisions exceeded the Group's target satisfaction score of 75%, achieving scores of 80%, 76% and 88%, respectively.

Engineering & Construction	Property Development	Utilities
2026: 80%	**2026: 76%**	**2026: 88%**
2025: 82% | 2024: 78%	2025: 83% | 2024: 79%	2025: 86% | 2024: 90%

DATA PRIVACY & SECURITY

To protect the Group's data and information assets

To comply with the Personal Data Protection Act 2010 ("PDPA")

Sustainability Indicator	Metric	Target	Achievement		
			FYE 2026	FYE 2025	FYE 2024
Data Privacy & Security	Data breaches and complaints concerning customer data privacy	Zero	**Zero data breaches**	Zero data breaches	Zero data breaches

Gadang is committed to safeguarding the privacy, confidentiality and security of stakeholder information in compliance with the Personal Data Protection Act 2010 ("PDPA"). Personal data collected by the Group is handled responsibly and used only for legitimate business purposes. The PDPA Notice for customers is publicly available on the Property Division website at www.gadangland.com.my.

To safeguard data integrity and strengthen cyber resilience, we continuously enhance our information technology ("IT") infrastructure and cybersecurity controls. During the financial year, regular reviews and updates were carried out on our IT Policies and Procedures, including the Disaster Recovery Plan, to ensure their continued effectiveness in addressing evolving cybersecurity risks.

We have implemented multiple layers of cybersecurity safeguards, including email security protection, firewalls, threat detection and response mechanisms. In addition, cybersecurity awareness communications and alerts are regularly shared with employees through internal emails to strengthen awareness of cyber threats, scams and other emerging cybersecurity risks.

As a result of these ongoing efforts, the Group recorded zero data breaches and no material cybersecurity incidents during FYE 2026.

Sustainability Statement

CORPORATE GOVERNANCE & ETHICAL BUSINESS

To uphold ethical business conduct and corporate integrity

Sustainability Indicator	Metric	Target	Achievement		
			FYE 2026	FYE 2025	FYE 2024
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	Zero	**No confirmed corruption incidents**	No confirmed corruption incidents	No confirmed corruption incidents

Strong and effective corporate governance supports sustainable business success, fosters a culture of integrity and strengthens stakeholder confidence. We are guided by a comprehensive governance framework comprising policies, procedures and controls that promote accountability, transparency and ethical conduct across the Group.

Key Governance Policies and Frameworks

Governance & Ethics

- Board Charter
- Code of Ethics and Conduct
- Conflict of Interest Policy
- Directors' Fit and Proper Policy
- Board Diversity Policy
- Remuneration Policy

Risk & Compliance

- Risk Management Policy
- Anti-Bribery and Corruption Policy
- Whistleblowing Policy and Procedure
- External Auditor Policy
- No Gift Policy

Sustainability & Operations

- Sustainability Reporting Framework
- Sustainable Procurement Policy
- Biodiversity Policy
- Business Continuity Plan
- ISO Management Systems
- Health and Safety Policy
- Human Rights Policy

Sustainability Statement

ANTI-BRIBERY AND CORRUPTION

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, we adopt a zero-tolerance approach towards all forms of bribery and corruption. Our anti-bribery and corruption framework is guided by the TRUST principles outlined in the Guidelines on Adequate Procedures.

Strengthening Governance Framework

We review our Standard Operating Policies and Procedures ("SOPPs") annually to ensure they remain relevant, effective and aligned with regulatory requirements. This supports operational efficiency, quality project delivery and regulatory compliance while minimising the risk of miscommunication and non-compliance.

Conflict of Interest ("COI") Declarations

Under our enhanced Conflict of Interest Policy, all directors and employees are required to disclose any actual or potential conflicts of interest. During FYE 2026, a risk assessment was conducted based on these declarations and the results were presented to the Audit Committee ("AC") and the Board for review. No material conflicts of interest were identified during the financial year.

Corruption Risk Assessment

We conduct annual corruption risk assessments to identify, assess and manage corruption risks across our operations. The assessment results, together with the corresponding mitigation measures, were presented to the RMSC and the Board for review.

Third-Party Compliance

To extend our ethical standards beyond our own operations, suppliers, vendors, service providers and other business partners are required to acknowledge and comply with our Anti-Bribery and Corruption ("ABC") Policy by signing an ABC Declaration.

Communication, Training and Awareness

All employees, including new hires, are required to acknowledge their understanding of and commitment to our ABC Policy. In addition, all directors and employees submit annual declarations reaffirming their compliance with the policy.

During FYE 2026, anti-bribery and corruption awareness was reinforced through regular training, internal communications and policy briefings to ensure that employees understood their role in upholding ethical conduct.

Progress Towards ISO 37001 ABMS Certification

GESB is progressing towards ISO 37001 ABMS certification to further strengthen our anti-bribery and corruption framework, reinforcing our commitment to integrity, transparency and accountability.

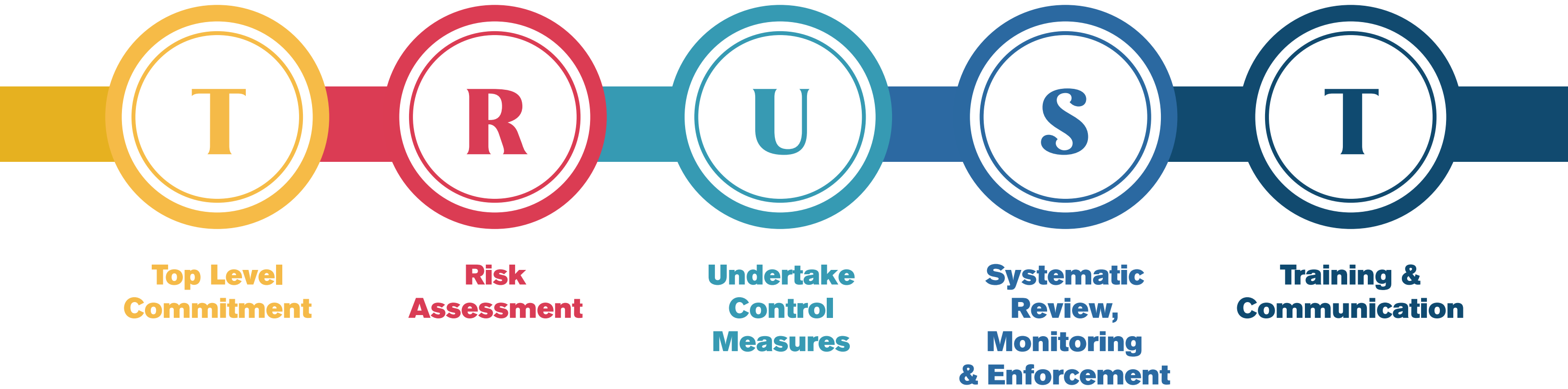
Whistleblowing

We provide secure and confidential whistleblowing channels for employees and external stakeholders to report suspected unethical conduct, fraud, bribery, corruption or other unlawful activities. Reports can be submitted through the channels set out in our Whistleblowing Policy and Procedures, which are available on our corporate website at www.gadang.com.my.

In FYE 2026, there were no reported whistleblowing cases or confirmed incidents of corruption.

Sustainability Statement

ANTI-BRIBERY AND CORRUPTION (CONT'D)



SUSTAINABLE PROCUREMENT

To maximise the proportion of procurement spend on local suppliers

Sustainability Indicator	Metric	Target	Achievement		
			FYE 2026	FYE 2025	FYE 2024
Supply Chain Management	Proportion of procurement spend on local suppliers	95%	**99%**	99%	99%

We are committed to responsible and sustainable procurement practices. Where feasible, we prioritise local suppliers to support local economic development, strengthen supply chain resilience and reduce the environmental impacts associated with transportation and logistics.

Our procurement decisions are guided by established evaluation criteria, including quality, pricing, delivery performance, regulatory compliance and sustainability considerations. Through our Sustainable Procurement Policy, we encourage our suppliers and business partners to uphold ethical business conduct and responsible environmental and social practices.

We recognise that ineffective supplier management may result in project delays, quality issues, supply disruptions and reputational risks. Accordingly, we maintain robust supplier selection and monitoring processes to support responsible sourcing and sustainable supply chain performance.

In FYE 2026, 99% of the Group's procurement spend was sourced from local suppliers, exceeding our target of 95%.

Sustainability Statement

ENVIRONMENT

CLIMATE CHANGE

Building Climate Resilience

As part of our preparation for Malaysia's NSRF, we have commenced the early adoption of IFRS S2. During FYE 2026, we continued to strengthen our climate-related governance, risk management and reporting practices in preparation for future climate-related disclosure requirements.

Climate Governance

The Board has overall responsibility for overseeing climate-related matters, supported by the BRSC. At the management level, the RMSC oversees the implementation of climate-related initiatives, while the RSF, together with the SWG, coordinates the assessment, management and reporting of climate-related risks and opportunities across the Group.

Climate Risk and Opportunity Training

To strengthen climate-related awareness and capability, a Climate Risk and Opportunity ("CRO") training session was conducted for Management during FYE 2026. The training covered climate governance, climate-related risks and opportunities, climate scenario analysis and climate-related disclosure requirements, supporting the Group's transition towards IFRS S2-aligned reporting.

Climate Risk and Opportunity Assessment

During the year, we conducted a Climate Risk and Opportunity assessment across our business divisions to identify climate-related risks and opportunities relevant to our operations. The assessment provides an important foundation for strengthening climate-related management practices and disclosures as the Group progresses towards NSRF and IFRS S2 adoption.

Based on the assessment, physical climate risks were identified as the most significant climate-related risks to the Group, particularly for construction, utilities and infrastructure projects that may be affected by extreme weather events, rainfall variability and water availability.

Sustainability Statement

CLIMATE CHANGE (CONT'D)

Climate Risk and Opportunity Assessment (Cont'd)

A summary of the key climate-related physical risks, climate-related opportunities and existing mitigation measures identified during the Group's climate risk and opportunity assessment is presented below.

Project	Risk Level	Key Climate Risk	Key Climate Opportunity	Existing Mitigation Measures
KL-Karak CSR2B	High	Extreme rainfall, flooding, landslides, soil erosion and prolonged wet weather	Strengthen climate-resilient construction planning and site management practices	Erosion control measures, temporary drainage systems, slope stabilisation and project schedule planning
Tawau 5.9MWa.c., 15MWa.c. (Solar Projects) 9MW IMP Mini Hydro	High	Rainfall variability and extreme weather conditions	Growing demand for renewable energy and sustainable infrastructure solutions	Weather monitoring, preventive maintenance and optimisation of plant performance
TTS, HTB, DBT (Water Treatment Plants)	Medium	Drought and reduced water availability	Growing demand for water infrastructure and water security solutions	Alternative water sourcing and operational planning
Laman Citra Phase 3 & 4 RTS	Medium	Rainfall variability and soil erosion	Strengthen climate-resilient design and construction practices	Drainage control, sediment management and site monitoring
IPFN KVDC Intel Pelican	Low	No significant climate-related risks currently identified	Improve operational and resource efficiency	Ongoing monitoring and review

The current assessment primarily identified physical climate risks across the Group's operations. As the Group continues to strengthen its climate-related capabilities in preparation for the NSRF and progressive alignment with IFRS S2, transition risks and opportunities will be evaluated and incorporated into future assessments where relevant.

Climate scenario analysis was not conducted during FYE 2026. The Group will continue to enhance its climate-related disclosures and evaluate the implementation of climate scenario analysis as part of its ongoing climate reporting journey.

Climate Focus Areas

Based on the assessment findings, the Group has identified the following climate-related focus areas over the short, medium and long term.

Time Horizon	Key Priorities
Short-term (1–3 years)	Strengthen climate governance, climate risk assessment, GHG reporting and internal capability building.
Medium-term (4–10 years)	Enhance climate-related disclosures, expand Scope 3 emissions assessment and evaluate low-carbon business opportunities.
Long-term (>10 years)	Support climate-resilient and lower-carbon business growth.

GREENHOUSE GAS (“GHG”) EMISSIONS

Monitoring and Managing GHG Emissions

Our GHG inventory provides a foundation for monitoring emissions performance and supporting climate-related decision-making across the Group.

Key developments in our GHG reporting journey include:

Baseline Year –

FYE 2024 was established as the baseline year for GHG emissions reporting.

Reporting Boundary –

GHG emissions are reported using the operational control approach.

Progress Review –

Ongoing monitoring supports the identification of emissions trends and opportunities for improvement.

Scope 3 Emissions Assessment –

The Group will continue to evaluate additional Scope 3 categories to enhance its understanding of emissions across the value chain.

Absolute GHG Emissions (tCO_2e)

The Group monitors absolute GHG emissions across Scope 1, Scope 2 and selected Scope 3 categories to better understand its emissions profile and support climate-related decision-making.

Description	Scope	2026 Emissions	2025 Emissions	2024 Emissions
Direct Emissions (Fuel consumption from owned plant, machinery and vehicles)	Scope 1	**4,905**	5,593	6,103
Indirect Emissions (Purchased electricity)	Scope 2	**4,478**	4,427	4,617
Other Indirect Emissions - Category 6 (Business Travel) - Category 7 (Employee Commuting)	Scope 3	**934**	1,165	1,038
Total GHG Emissions	Total	**10,317**	11,185	11,758

The change in emissions was mainly due to lower fuel consumption from reduced project activities and lower Scope 3 emissions resulting from reduced employee headcount.

Sustainability Statement

GREENHOUSE GAS ("GHG") EMISSIONS (CONT'D)

GHG Emissions Intensity (tCO_2e/RM'000)

In addition to monitoring absolute emissions, the Group tracks GHG emissions intensity to assess emissions performance relative to business activity and enhance continuous improvement in operational efficiency.

Description	Scope	Target	2026 Intensity	2025 Intensity	2024 Intensity
Direct Emissions (Fuel consumption from owned plant, machinery and vehicles)	Scope 1	< 0.0100	**0.0062**	0.0072	0.0103
Indirect Emissions (Purchased electricity)	Scope 2	< 0.0075	**0.0057**	0.0057	0.0078
Other Indirect Emissions - Category 6 (Business Travel) - Category 7 (Employee Commuting)	Scope 3	< 0.0017	**0.0012**	0.0015	0.0018

In FYE 2026, the Group's Scope 1, Scope 2 and Scope 3 GHG emission intensities achieved the targets set, demonstrating continued progress in managing emissions relative to business activity levels.

The Group will continue to monitor emissions intensity against its established targets to drive continuous improvement in emissions performance.

ENERGY MANAGEMENT

- To achieve total energy consumption below 6,000 MWh
- To harness at least 15% of Gadang HQ's energy from renewable sources

We are committed to improving energy efficiency and managing energy consumption across our operations. Through the implementation of energy-saving initiatives and the adoption of renewable energy solutions, we aim to optimise energy use, reduce GHG emissions and support long-term environmental sustainability.

Energy Efficiency Initiatives:

- Use of energy-efficient LED lighting and equipment
- Switching off lights, air conditioners and electrical equipment when not in use
- Periodic maintenance of air conditioners and equipment
- Employee awareness programmes on energy conservation
- Adoption of solar photovoltaic ("PV") where feasible

Sustainability Statement

ENERGY MANAGEMENT (CONT'D)

	GROUP ENERGY CONSUMPTION				
	ENGINEERING AND CONSTRUCTION	PROPERTY	UTILITIES	HQ	TOTAL
PERIOD	Electricity (kWh)				
FYE 2026	**607,772**	**124,409**	**4,360,163**	**448,065**	**5,540,409**
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

Note: FYE 2025 and FYE 2026 electricity consumption for Engineering and Construction Division was higher due to the inclusion of site workers' accommodation, while Property electricity consumption decreased due to the closure of the sales gallery.

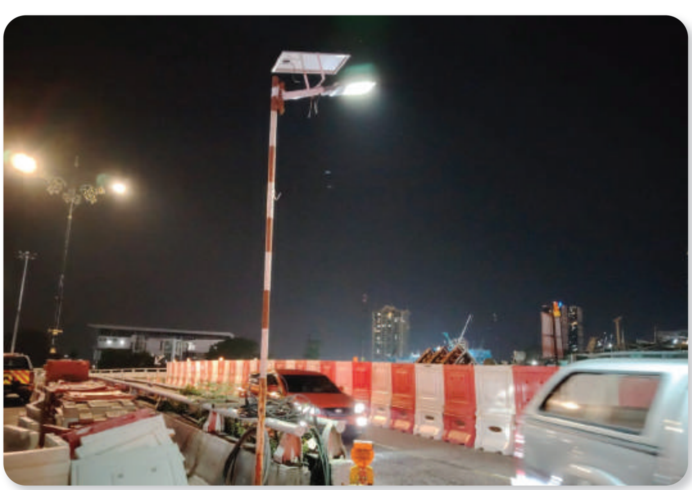
In FYE 2026, we achieved our energy consumption target by recording total electricity consumption of 5,540 MWh below the target of 6,000 MWh. The Utilities Division remained the largest contributor to the Group's overall electricity consumption.

SOLAR ENERGY

To support renewable energy adoption and reduce reliance on grid electricity, we have installed solar PV systems at Gadang HQ and selected project sites.

In FYE 2026, solar energy supplied approximately 20% of Gadang HQ's total electricity consumption, exceeding our target of 15%. This contributed to improved energy efficiency, reduced GHG emissions and electricity cost savings of approximately RM44,800 during the financial year.

	GADANG HQ Solar PV Performance		
Period	Energy Savings Target	Energy Savings	Solar PV Generation (kWh)
FYE 2026		**20.0%**	**91,035**
FYE 2025	**15%**	16.0%	85,258
FYE 2024		17.1%	94,164



(Solar PV installations at Gadang HQ and project sites)

Sustainability Statement

ENERGY MANAGEMENT (CONT'D)

EXPANDING OUR RENEWABLE ENERGY PORTFOLIO

As part of our commitment to sustainable development, we continue to expand our renewable energy portfolio and support the transition towards a lower-carbon economy through investments in solar and hydropower projects.

Our key renewable energy initiatives include:

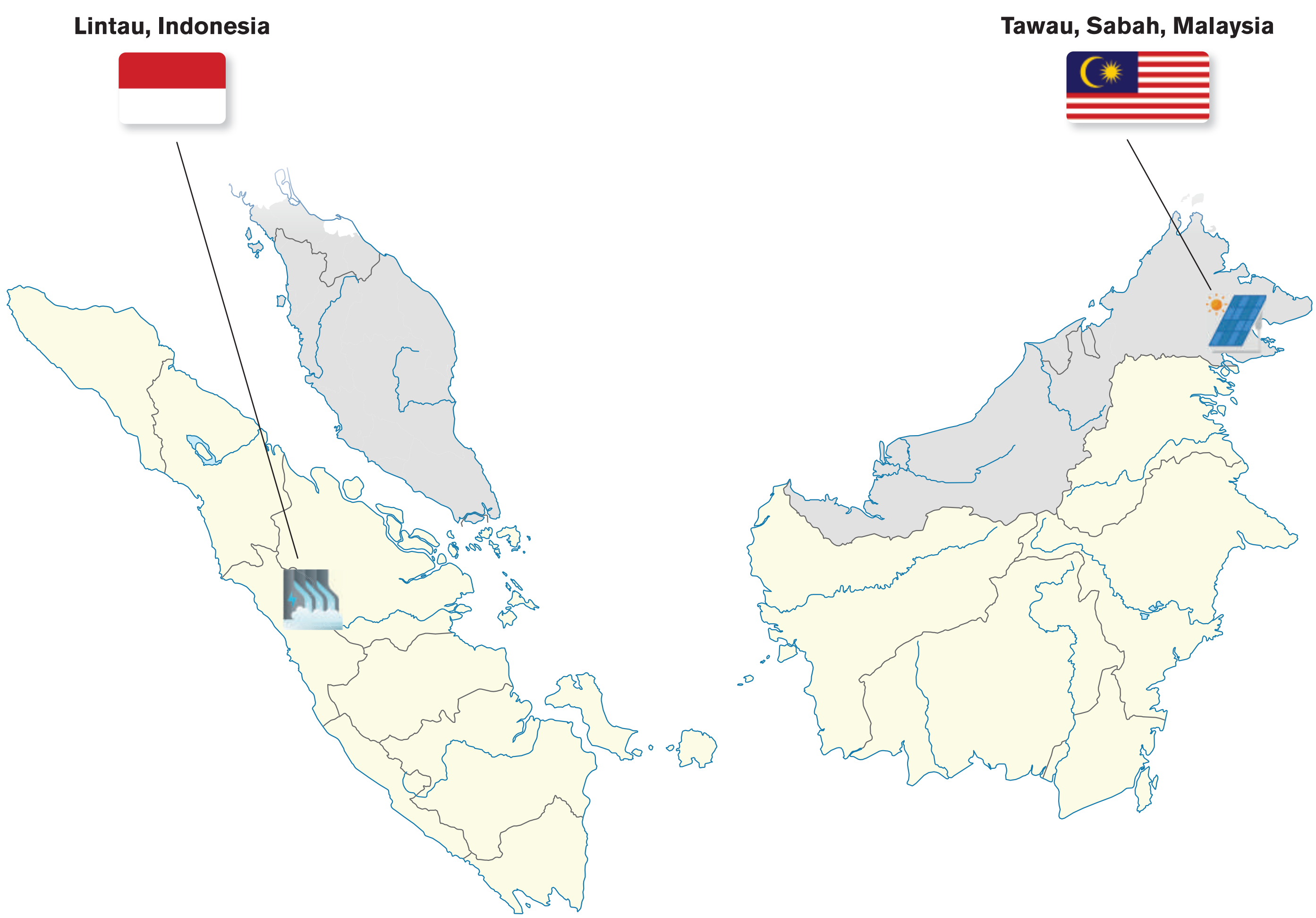
- **Lintau, Indonesia:**

  Operation of a 9MW mini hydropower plant supplying electricity to approximately 27,000 rural households, benefiting more than 100,000 people.

- **Tawau, Sabah, Malaysia**

  The 5.9MWa.c. solar power plant achieved Commercial Operation Date ("COD") during FYE 2026. Construction of a new 15MWa.c. solar power plant continued during the year and is expected to be completed in FYE 2027.

These renewable energy projects contribute to our long-term growth strategy while supporting clean energy generation, energy security and environmental sustainability.



Sustainability Statement

WATER MANAGEMENT

To achieve total water consumption below 50,000 m³

We monitor water consumption across our operations and promote responsible water use as part of our ongoing water conservation efforts.

To reduce reliance on treated water where feasible, we have installed rainwater harvesting systems at selected project sites, including the RTS Link and Institut Perubatan Forensik Negara ("IPFN") projects. The harvested rainwater is used for wheel washing, dust suppression and general cleaning activities.

	GROUP WATER CONSUMPTION				
	ENGINEERING AND CONSTRUCTION	PROPERTY	UTILITIES	HQ	TOTAL
PERIOD	Water (m3)				
FYE 2026	**38,192**	**2,508**	**1,200**	**5,040**	**46,940**
FYE 2025	39,158	4,102	1,200	5,321	49,781
FYE 2024	18,576	1,665	1,200	5,056	26,497

Note 1: The Engineering and Construction Division's water consumption for FYE 2025 and FYE 2026 was higher due to the inclusion of site workers' accommodation, while Property water consumption decreased due to the closure of the sales gallery.

In FYE 2026, we achieved our water consumption target by recording total water consumption below 50,000 m³. The Engineering and Construction Division accounted for the largest proportion of the Group's water consumption, reflecting the nature of construction activities and site accommodation requirements.

Rainwater harvesting systems installed at the IPFN and RTS Link project sites.

SUPPLYING CLEAN WATER TO INDONESIAN COMMUNITIES

As part of our commitment to UNSDG 6 - Clean Water and Sanitation, our water treatment operations in Kabupaten Sidoarjo and Kabupaten Gresik provide access to safe and clean water for local communities in Indonesia.

Through these operations, we supply treated water to approximately 285,000 households, benefiting an estimated one (1) million people across the two regions. Water quality is regularly monitored and tested to ensure compliance with applicable regulatory and quality standards, supporting public health, sanitation and community well-being.

Sustainability Statement

SUPPLYING CLEAN WATER TO INDONESIAN COMMUNITIES (CONT'D)

Operation	Coverage Area	Population Coverage	Households Served
TTS & HTB	Kabupaten Sidoarjo	44%	250,000 households
DBT	Kabupaten Gresik	10%	35,000 households
Total			285,000 households

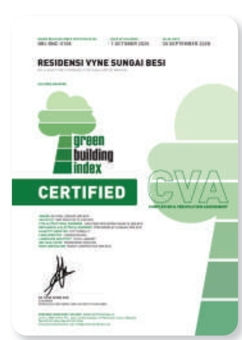
SUSTAINABLE BUILDING CERTIFICATIONS

We continue to incorporate sustainability considerations into the design, construction and operation of selected developments through recognised green building certification frameworks. These certifications promote improved energy efficiency, water conservation, resource efficiency and environmental performance throughout a building's lifecycle.

In FYE 2026, three (3) projects achieved recognised sustainable building certifications, namely LEED Silver for KVDC, MyCREST 2-Star for IPFN and GBI Certified for Residensi Hana @ The Vyne.

Project Name	Certification Type	Status	Key Sustainability Features
RTS Link ("Station")	GBI (Gold)	In Progress	Energy-efficient systems, sustainable materials and environmental design features
Klang Valley Data Centre ("KVDC")	LEED (Silver)	Certified in FYE 2026	Energy-efficient systems, efficient cooling technologies and water conservation measures
Institut Perubatan Forensik Negara ("IPFN")	MyCREST (2 Star)	Certified in FYE 2026	Solar PV systems, rainwater harvesting, energy-efficient Heating, Ventilation and Air-Conditioning ("HVAC") systems and eco-friendly materials
Residensi Hana @ The Vyne	GBI Certified	Certified in FYE 2026	Energy-efficient systems, low-Volatile Organic Compounds ("VOC") materials and sustainable site planning
Cyberjaya Hospital	GBI (Platinum)	Certified in FYE 2023	Solar PV systems, green roof, rainwater harvesting, Industrialised Building System ("IBS") and sustainable materials

LEED = Leadership in Energy and Environmental Design | MyCREST = Malaysian Carbon Reduction and Environmental Sustainability Tool | GBI = Green Building Index



The environmental benefits of our green building projects include:

- **Reduced energy consumption** through energy-efficient building systems, lighting and HVAC technologies.
- **Water conservation** through rainwater harvesting systems and water-efficient fittings.
- **Reduced construction waste** through sustainable construction practices.
- **Improved indoor air quality** through the use of low-VOC and environmentally friendly materials.
- **Reduced GHG emissions** through energy-efficient building designs and sustainable construction materials.

Sustainability Statement

ENVIRONMENTAL MANAGEMENT SYSTEM

- To comply with applicable environmental laws and regulations
- Zero summons from the Department of Environment ("DOE")

We are committed to protecting the environment through our ISO 14001:2015 Environmental Management System ("EMS"), which provides a structured framework for identifying, managing and monitoring environmental impacts across our operations.

Our projects operate in accordance with the Environmental Quality Act 1974 and other applicable environmental laws and regulations. Each project is guided by an Environmental Management Plan ("EMP") and our Health, Safety and Environment ("HSE") Manual to support the effective management of environmental risks and impacts.

To maintain environmental compliance and performance, we regularly monitor key environmental parameters, including ambient air quality, noise levels and water quality, in accordance with the following standards and guidelines:

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

In FYE 2026, none of our project sites received any environmental summons from the DOE.

ENVIRONMENTAL PRACTICES AT PROJECT SITES

AIR EMISSIONS

We implement measures to minimise air emissions and dust generation at our project sites to reduce potential impacts on the surrounding environment and neighbouring communities. Natural buffer zones are preserved or established where appropriate to help minimise dust dispersion. Wheel washing facilities, water bowsers and road sweepers are deployed along haul roads and access points to minimise dust generation and prevent soil and debris from being carried onto public roads.

Ambient air quality is monitored regularly and all recorded results remained within the limits prescribed under the Malaysian Ambient Air Quality Standard.

Sustainability Statement

ENVIRONMENTAL PRACTICES AT PROJECT SITES

NOISE MANAGEMENT

We actively monitor noise levels at our project sites to minimise disturbance to nearby communities and ensure compliance with applicable environmental requirements. To manage noise effectively, we maintain equipment in good working condition, schedule high-noise activities during appropriate hours and provide awareness training to workers. Solar-powered noise monitoring devices are also used at selected project sites to support continuous environmental monitoring.

All recorded noise levels remained within the recommended limits set out in the Guidelines for Environmental Noise Limits and Control.

WATER POLLUTION CONTROL

We are committed to ensuring that water discharged from our project sites complies with applicable quality standards and regulatory requirements. Regular water sampling and testing are carried out by accredited laboratories to monitor compliance.

At sites with lower discharge volumes, control measures such as silt traps and sediment basins are implemented. For sites with higher discharge volumes, water treatment systems with filtration are installed to ensure that discharged water meets the required standards before being released.

EROSION & SEDIMENT CONTROL

We recognise that erosion and sediment runoff can increase during periods of heavy rainfall and may adversely affect the surrounding environment if not properly managed.

To minimise these impacts, we implement Best Management Practices ("BMPs") at our construction sites, including silt fences, silt traps and slope protection measures to control surface runoff and prevent sediment from entering nearby waterways. These measures help protect water quality, reduce flood risks and preserve surrounding ecosystems.

Sustainability Statement

WASTE MANAGEMENT

To reduce environmental pollution and minimise waste sent to landfill

Effective waste management is an important component of our environmental stewardship, particularly within our construction activities where waste generation is inherent to project execution. We are committed to minimising waste generation, promoting resource efficiency and reducing the amount of waste sent to landfill through responsible waste management practices.

Waste is categorised as hazardous and non-hazardous, with appropriate handling, storage and disposal procedures implemented in accordance with applicable regulatory requirements. We also seek opportunities to reuse and recycle materials such as timber, concrete and steel in line with the principles of Reduce, Reuse and Recycle ("3R").

Sustainable building certification frameworks such as Green Building Index ("GBI"), Leadership in Energy and Environmental Design ("LEED") and Malaysian Carbon Reduction and Environmental Sustainability Tool ("MyCREST"), further support waste reduction through material efficiency, waste segregation and responsible waste management practices.

To strengthen waste management performance, designated waste collection areas are provided at project sites and awareness programmes are conducted to encourage responsible waste management among employees, workers and subcontractors.

ENGINEERING AND CONSTRUCTION

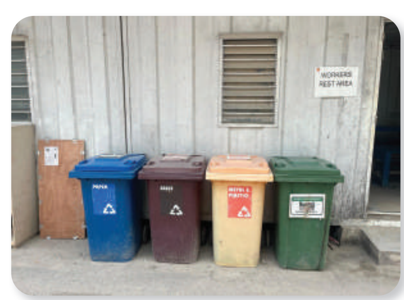
During FYE 2026, we generated 936 tonnes of construction waste, a reduction from 1,423 tonnes in FYE 2025. The decrease was primarily attributable to lower construction activities as several projects approached completion.

A total of 26 tonnes of waste was diverted from disposal through recycling and recovery initiatives. The waste diversion rate decreased to 3%, compared with 19% in FYE 2025, largely due to the nature of waste generated during the project completion phase, which mainly comprised mixed construction and general waste with limited recycling potential.

Despite the lower waste diversion rate, we remain committed to strengthening waste segregation practices and identifying opportunities to increase material recovery and recycling across our operations.

Waste Generated (tonnes)	FYE 2026	FYE 2025	FYE 2024
Total waste generated	**936**	1,423	1,296
Waste directed to disposal	**910**	1,160	1,097
Waste diverted from disposal (Recycle)	**26**	263	199

Sustainability Indicator	Metric	Target	FYE 2026	FYE 2025	FYE 2024
Waste Management	Waste diversion rate	15%	**3%**	19%	15%



Waste segregation at source promotes recycling, responsible disposal and reduced landfill waste.

Sustainability Statement

RECYCLING AND WASTE REDUCTION AT GADANG HQ

At Gadang HQ, we promote responsible consumption and waste reduction through reuse and recycling initiatives. Recycling bins are strategically placed throughout the office to facilitate the segregation and collection of recyclable materials, including paper, plastic, metal and other recyclable materials, supporting our efforts to minimise waste sent to landfill.

In FYE 2026, approximately 6,178 kg of recyclable materials were collected, exceeding our target of 3,000 kg. This achievement reflects the active participation of our employees and reinforces our commitment to fostering environmentally responsible practices in the workplace.

Indicator	Recycling Target	Achievement		
		FYE 2026	FYE 2025	FYE 2024
Recycled waste collected (kg)	3,000	**6,178**	3,439	5,457

Beyond operational environmental management, we continue to promote environmental awareness and encourage sustainable behaviours among our employees and local communities through a range of environmental initiatives.

E-WASTE AWARENESS CAMPAIGN

In collaboration with Jabatan Alam Sekitar ("JAS"), we organised an e-waste awareness campaign to promote the responsible disposal and recycling of electronic waste. The programme included awareness talks and engagement activities to educate employees on the environmental impacts of improper e-waste disposal and encourage responsible e-waste management practices.


JABATAN ALAM SEKITAR
KEMENTERIAN SUMBER ASLI, ALAM SEKITAR DAN PERUBAHAN IKLIM
Sijil Penyertaan
Dengan ini diperakukan bahawa
GADANG HOLDINGS BERHAD
telah mengikuti
TAKLIMAT "AWARENESS TRAINING ON SUSTAINABLE E-WASTE MANAGEMENT"
pada
14 OKTOBER 2025
bertempat di
WISMA GADANG

E-WASTE COLLECTION

To support responsible e-waste management, our IT Department conducts an e-waste collection initiative once every two (2) years. During FYE 2026, approximately two (2) tonnes of e-waste, including computers, laptops, printers and other electronic equipment, were collected and sent to a licensed e-waste recycler registered with the DOE.

In recognition of this initiative, we received a Certificate of Climate Champion under the e-waste collection programme, demonstrating our commitment to responsible electronic waste management and environmental stewardship.


CERTIFICATE
OF RECOGNITION
CLIMATE CHAMPION

Sustainability Statement

ENVIRONMENTAL AWARENESS CAMPAIGNS

We regularly organise environmental awareness initiatives to encourage employees to adopt sustainable practices and contribute to environmental conservation both at work and in their daily lives. These initiatives help foster greater environmental responsibility while supporting our broader sustainability objectives.

BEACH CLEANING

A total of 50 volunteers participated in a beach cleaning programme at Pantai Remis under the theme "Beat the Plastic". The initiative focused on removing plastic and domestic waste from the coastline, helping to reduce marine pollution and protect the coastal ecosystem.

The programme also raised awareness among participants on responsible waste management, environmental conservation and the importance of protecting our oceans for future generations.

WORLD ENVIRONMENT DAY

Awareness sessions were conducted to promote responsible consumption, waste reduction and sustainable environmental practices.

Sustainability Statement

EARTH HOUR

We participated in Earth Hour across our offices and project sites to support energy conservation and raise awareness of climate change.

EARTH DAY

Awareness and engagement activities were conducted across our offices and project sites to encourage environmentally responsible behaviours and sustainable practices.

BIODIVERSITY & LAND MANAGEMENT

To conserve biodiversity and sustainably manage ecosystems

We recognise the importance of protecting biodiversity and preserving natural ecosystems. Through compliance with Environmental Impact Assessment ("EIA") requirements and the implementation of Best Management Practices ("BMPs"), we seek to minimise the environmental impacts of our projects.

While certain development activities may require land clearing, we seek to minimise impacts on the natural environment through careful planning, landscaping initiatives and tree planting programmes. We incorporate landscaping, parks, walkways and tree planting into our developments to create greener spaces, enhance biodiversity and improve the quality of life within the communities we serve.

As part of our response to climate change, we recognise the important role that trees play in absorbing carbon, improving air quality and helping to cool the environment. Tree planting therefore forms an integral part of our efforts to support climate resilience and biodiversity conservation.

Sustainability Statement

TREE PLANTING INITIATIVES

We collaborate with Jabatan Perhutanan, local authorities and community partners to support tree planting and environmental conservation initiatives. These initiatives contribute to biodiversity enhancement while raising awareness among employees and local communities about the importance of environmental stewardship.

In FYE 2026, Gadang Engineering (M) Sdn Bhd ("GESB") and Gadang Land Sdn Bhd ("GLSB") planted a total of 1,136 trees, exceeding our target of 1,000 trees. These efforts contributed an estimated 24,992 kg CO_2 of carbon absorption, supporting climate resilience and environmental sustainability.

We are proud to support the 100 Million Tree-Planting Campaign led by Jabatan Perhutanan, demonstrating our commitment to protecting and restoring natural ecosystems for future generations.


KEMENTERIAN SUMBER ASLI DAN KELESTARIAN ALAM
JABATAN PERHUTANAN SEMENANJUNG MALAYSIA

SEKALUNG PENGHARGAAN DAN TERIMA KASIH

KEPADA

GADANG ENGINEERING (M) SDN BHD

ATAS KERJASAMA DALAM MENJAYAKAN
PROGRAM PENGHIJAUAN MALAYSIA: KEMPEN PENANAMAN 100 JUTA POKOK
DI HUTAN SIMPAN TANJUNG BURUNG, PERAK PADA 8 MEI 2025 DENGAN PENANAMAN SEBANYAK
600 BATANG POKOK BAKAU

YBHG. DATO' HAJI ZAHARI BIN IBRAHIM
KETUA PENGARAH
JABATAN PERHUTANAN SEMENANJUNG MALAYSIA

GADANG HOLDINGS BERHAD

PENGHIJAUAN MALAYSIA

Trees Planting Initiatives	Target	Achievement		
		FYE 2026	FYE 2025	FYE 2024
Number of Trees Planted (trees)	1,000	**1,136**	1,769	1,678
Estimated Carbon Absorption from Trees Planted (kg CO_2)	22,000	**24,992**	38,918	36,916




Tree planting activities conducted in collaboration with Jabatan Perhutanan to support biodiversity conservation and climate resilience.

Sustainability Statement

WORKPLACE

OCCUPATIONAL HEALTH & SAFETY ("OHS")

- To prevent and reduce workplace accidents and occupational illness

- Zero fatalities

At Gadang, the health, safety and wellbeing of our employees, workers, subcontractors and other stakeholders remain fundamental to the way we operate. As a diversified group with interests in engineering and construction, property development and utilities, we recognise that maintaining a safe workplace is not only a regulatory obligation but also a shared responsibility that protects lives, supports business continuity and strengthens stakeholder confidence.

Over the years, safety has become deeply embedded in our organisational culture and day-to-day operations. Through strong leadership commitment, effective management systems, continuous training and active employee participation, we strive to provide a safe and healthy working environment for everyone working at or visiting our workplaces.

We continuously enhance our Health, Safety and Environment ("HSE") policies and practices to maintain a safe and responsible working environment. During FYE 2026, we maintained our ISO 45001 Occupational Health and Safety Management System and ISO 39001 Road Traffic Safety Management System certifications, reaffirming our commitment to internationally recognised safety standards and continual improvement.

Health and safety performance is reviewed regularly through monthly Executive Committee ("EXCO") Safety Review Meetings and annual HSE Management Review Meetings. These reviews provide oversight of safety performance, emerging risks, regulatory compliance, audit findings and improvement initiatives, ensuring the continual enhancement of workplace safety practices across the Group.

We promote a proactive safety culture through regular safety inductions, daily toolbox briefings, refresher training programmes, site inspections and employee engagement sessions. These initiatives encourage employees and workers to identify hazards, report unsafe conditions and take personal ownership of workplace safety.

Over the years, we have received numerous recognitions for excellence in occupational health and safety. A key milestone was the achievement of five (5) consecutive years with zero Non-Conformance Reports ("NCRs"), reflecting the maturity and effectiveness of our HSE management system. We also maintained zero fatalities across all operations during FYE 2026.

Our commitment to safety was further recognised through MiSHA and SHASSIC awards received during the financial year, demonstrating the strong safety culture embedded across our project sites.

Sustainability Statement

OHS AWARENESS AND TRAINING

Continuous training remains a key component of our safety management approach. During FYE 2026, a total of 653 employees and workers participated in health and safety-related training programmes designed to strengthen competency, improve hazard awareness and enhance emergency preparedness across our operations. In addition, training was extended to site personnel and subcontractors at project sites as part of our ongoing efforts to foster a strong and consistent safety culture across all operations.

Some of the OHS training programmes conducted during the year included:

- Basic Occupational First Aid, CPR & AED
- Working at Height
- Step Ladder Safety
- Emergency Response Team Awareness
- Safety Power Tool
- Hot Work Safety
- Dengue Campaign
- Defensive Driving
- Electrical Safety
- Ergonomic Awareness
- Lifting Operation
- Fire Fighting

Sustainability Statement

WORLD OSH DAY

In conjunction with World Occupational Safety and Health ("OSH") Day 2026, our HSE Department launched the "Buddy Jaga Buddy" campaign to reinforce the importance of looking out for one another and fostering a strong safety culture across our workplaces. The campaign supports the International Labour Organisation's ("ILO") efforts to promote safe and healthy working environments worldwide.

It involved both Gadang HQ employees and project teams through safety awareness sessions, knowledge sharing activities and discussions on best practices. Through active participation and open dialogues, employees were encouraged to identify and report unsafe conditions, reinforcing the principle that workplace safety is a shared responsibility and an integral part of Gadang's culture.

Employees participating in World OSH Day 2026 activities to promote workplace safety awareness and strengthen safety culture.

GADANG EMPLOYEE HEALTH & WELLNESS SCREENING

Beyond workplace safety, we recognise the importance of supporting employees' overall health and wellbeing. During the year, we organised a health screening programme featuring InBody body composition analysis and a diabetes awareness talk in collaboration with BookDoc. The programme aimed to encourage preventive healthcare and promote early detection of potential health concerns, supporting the long-term wellbeing of our workforce.

Employee health screening programme promoting preventive healthcare and wellbeing.

Sustainability Statement

EMERGENCY PREPAREDNESS

In FYE 2026, we collaborated with Angkatan Pertahanan Awam Malaysia ("APM") to conduct emergency preparedness training at our Gadang HQ, enhancing employees' awareness, preparedness and emergency response capabilities.

All project sites, including Gadang HQ, are supported by an Emergency Response Team ("ERT") comprising trained personnel equipped to respond effectively during emergencies. Regular emergency preparedness programmes and drills help ensure employees are prepared to respond to emergency situations while minimising risks to people, property and operations. These ongoing efforts reflect our commitment to maintaining a safe, resilient and prepared working environment.

Emergency preparedness training conducted in collaboration with APM to enhance emergency response capabilities.

FIRST AID, CPR & AED TRAINING

We conducted Basic Occupational First Aid, CPR & AED Training to equip employees with essential life-saving skills. Through both theoretical and practical sessions, participants gained the knowledge and confidence required to respond effectively during workplace emergencies and provide immediate assistance before professional medical help arrives.

Employees receiving practical training in first aid, CPR and AED response.

Sustainability Statement

HSE INTERNAL AUDIT

Annual compliance audits are conducted by trained internal HSE auditors to assess compliance with ISO 14001:2015 and ISO 45001:2018 requirements and identify opportunities for continual improvement.

These audits support the Group's commitment to maintaining high standards of health and safety performance while strengthening risk management, regulatory compliance and operational excellence across our project sites.

Regular audits ensure that safety remains a top priority and reinforce a culture of accountability, vigilance and continuous improvement throughout the Group.

Regular HSE audits support compliance and continuous improvement across project sites.

HEALTH AND SAFETY PERFORMANCE

During the financial year, 653 employees and workers participated in health and safety-related training programmes, exceeding the Group's target of 500 participants. These measures strengthen our commitment to maintaining a strong safety culture across the Group.

Safety Training

Indicator	Target	FYE 2026
Number of employees and workers trained for Health and Safety	500	**653**

The Group maintained a strong safety performance across all business divisions during FYE 2026, recording zero fatalities, zero incident rate and zero Lost Time Injury Frequency Rate ("LTIFR"). These results reflect the effectiveness of our safety management systems, ongoing employee awareness programmes and the collective commitment of employees, workers, subcontractors and management towards maintaining a safe workplace.

Safety Statistics

Engineering and Construction	Target	FYE 2026	FYE 2025	FYE 2024
Fatality	Zero	**0**	0	0
Incident rate (per 1,000 workers)	Less than 4	**0**	0	0
LTIFR	Less than 8	**0**	0	0

Property Development	Target	FYE 2026	FYE 2025	FYE 2024
Fatality	Zero	**0**	0	0
Incident rate (per 1,000 workers)	Less than 4	**0**	0	0
LTIFR	Less than 8	**0**	0	0

Utilities	Target	FYE 2026	FYE 2025	FYE 2024
Fatality	Zero	**0**	0	0
Incident rate (per 1,000 workers)	Less than 4	**0**	0	0
LTIFR	Less than 8	**0**	0	0

Gadang HQ	Target	FYE 2026	FYE 2025	FYE 2024
Fatality	Zero	**0**	0	0
Incident rate (per 1,000 workers)	Less than 4	**0**	0	0
LTIFR	Less than 8	**0**	0	0

Sustainability Statement

ATTRACTIVE & INCLUSIVE WORKPLACE

- To foster an inclusive, engaging and supportive workplace
- To achieve at least 30% women directors' representation in the Board

At Gadang, we believe that our people are the foundation of our success. We are committed to building a workplace that enables our employees to develop their capabilities, perform at their best and contribute meaningfully to the Group's continued success.

We strive to cultivate a workplace culture that embraces diversity, equal opportunity and professional development. By attracting, developing and retaining talented individuals, we strengthen our organisational capability and support business performance.

We also recognise that employee wellbeing extends beyond physical health to include mental wellbeing, work-life balance, personal development and a sense of belonging. Through our people policies, employee engagement initiatives and wellbeing programmes, we seek to create an environment where our employees can thrive both professionally and personally.

WORKFORCE DIVERSITY & INCLUSION

We are committed to fostering an inclusive workplace where everyone is treated fairly and provided with equal opportunities to grow and succeed. We value diverse perspectives, experiences and backgrounds, recognising that a diverse workforce contributes to innovation, better decision-making and stronger organisational performance.

As at 31 May 2026, we employed 653 employees and workers across our operations in Malaysia and Indonesia, comprising 388 Malaysian employees and 265 foreign workers. During FYE 2026, we welcomed 119 new hires to support business growth and operational requirements.

Employment-related decisions, including recruitment, promotion, training and remuneration, are based on merit, qualifications, capability and performance, regardless of gender, age, ethnicity, religion, nationality, disability or other personal characteristics.

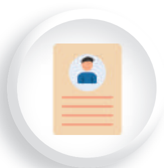
While the construction industry continues to experience gender imbalances in certain technical and site-based roles, we remain committed to encouraging greater participation of women across all levels of our organisation and fostering an inclusive workplace where everyone has the opportunity to succeed.

In FYE 2026, women represented 33% of our Board, exceeding our target of 30%.

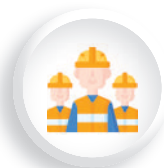
Sustainability Statement

WORKFORCE DIVERSITY & INCLUSION (CONT'D)

The charts below provide an overview of our workforce composition by gender, age group, nationality and employment category as at 31 May 2026.

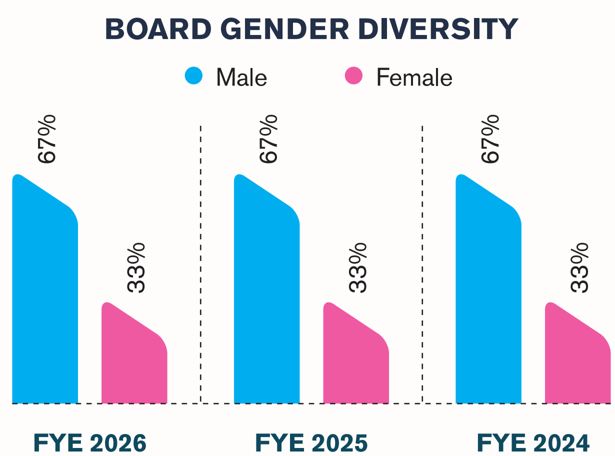


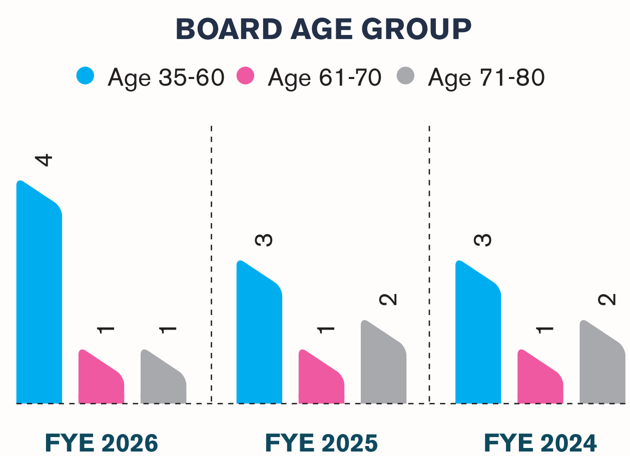
Women Directors
33%



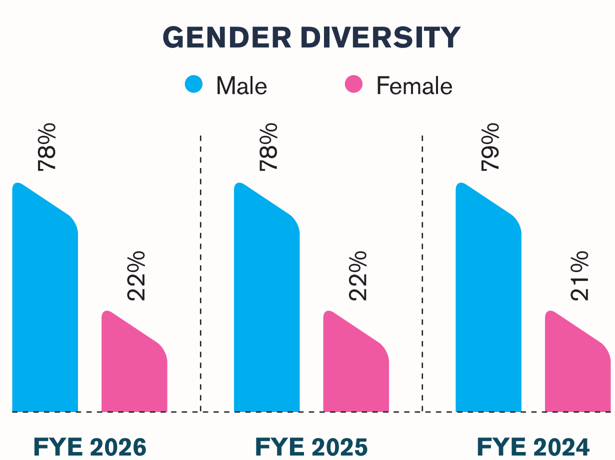
Total Employees and workers as at 31 May 2026
653
388 (Malaysian)
265 (Foreign)

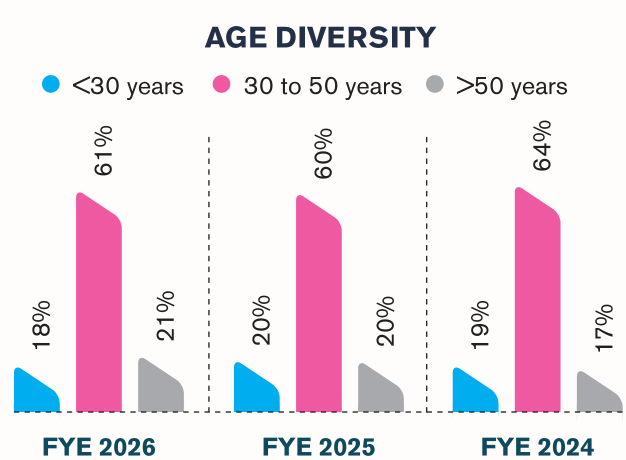
Number of new hires
119





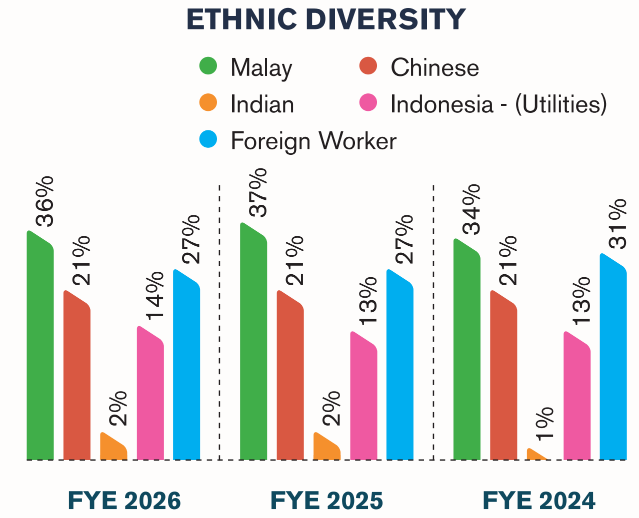
WORKFORCE PROFILE

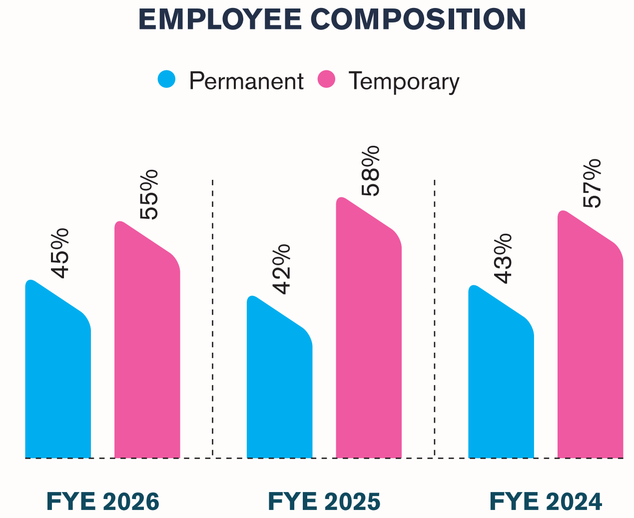


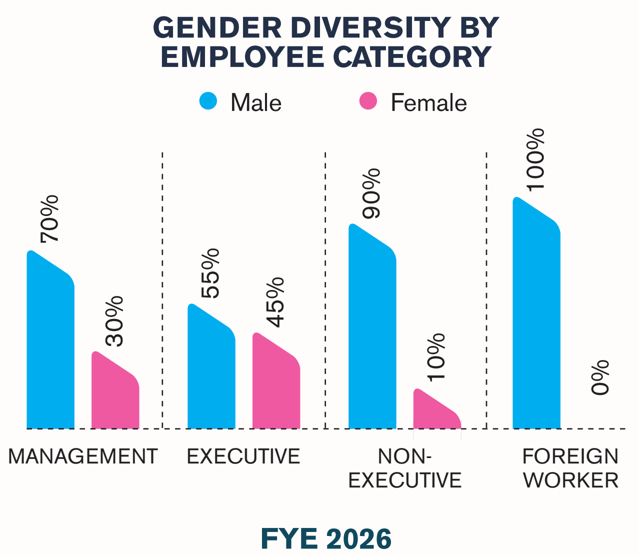


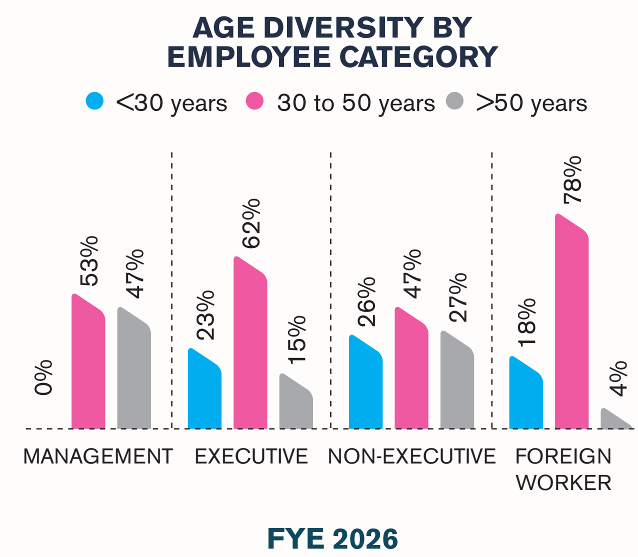
Sustainability Statement

WORKFORCE PROFILE (CONT'D)









Sustainability Statement

HUMAN RIGHTS AND LABOUR PRACTICES

We are committed to upholding human rights and ensuring that all employees are treated with fairness, dignity and respect. We recognise that a safe, inclusive and respectful workplace contributes to employee wellbeing, engagement and productivity.

Our Human Rights Policy guides our approach to protecting fundamental human rights and applies to employees, contractors and business partners. The policy is aligned with applicable labour laws and internationally recognised human rights principles.

The policy addresses the following key areas:

- Diversity and Inclusion
- Fair Wages, Working Hours and Employee Benefits
- Prohibition of Inhumane Treatment
- Freedom of Association
- Occupational Health and Safety
- Compliance with the Workers' Minimum Standards of Housing and Amenities Act 1990 (Act 446)
- Prohibition of Child Labour, Forced Labour and Human Trafficking
- Women's Rights

We expect all employees, contractors and business partners to uphold these principles and contribute to a workplace that is free from discrimination, harassment, forced labour and other forms of human rights violations.

Reporting and Grievance Channels

To uphold our commitment to human rights, employees and other external stakeholders may report concerns through our whistleblowing channels or directly to Group Human Capital. These channels enable concerns relating to workplace practices, human rights violations or breaches of the Code of Ethics and Conduct to be reported confidentially and without fear of retaliation.

Human rights risks are monitored through employee engagement, grievance mechanisms, whistleblowing channels and compliance monitoring to ensure that concerns are identified and addressed in a timely manner.

In FYE 2026, there were no reported human rights violations across the Group.

Sustainability Indicator	Metric	Target	Achievement		
			FYE 2026	FYE 2025	FYE 2024
Human Rights	Number of reported human rights violations	Zero	**No reported human rights violations**	No reported human rights violations	No reported human rights violations

HUMAN CAPITAL POLICIES

Our people management practices are guided by policies and procedures that promote employee wellbeing, diversity and inclusion, fair employment practices, learning and development, ethical conduct and workplace harmony. These policies provide the framework for fostering a safe, respectful and supportive workplace while ensuring compliance with applicable laws and regulations.

Sustainability Statement

HUMAN CAPITAL POLICIES (CONT'D)

Key human capital policies include:

- Gadang Employee Handbook
- Learning and Development Policy
- Flexi Working Hours Policy
- Human Rights Policy
- Leave Policy
- Grievance and Disciplinary Policy
- Medical Benefits Policy
- Code of Ethics and Conduct
- Group Insurance Scheme Policy
- Whistleblowing Policy and Procedures

EMPLOYEE WELLBEING & ENGAGEMENT

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

We recognise that employee wellbeing is fundamental to building a resilient, productive and engaged workforce. Beyond providing a safe workplace, we strive to create an environment where employees feel valued, connected and supported in both their professional and personal lives.

Through a range of employee engagement, wellness and family-oriented initiatives, we seek to strengthen workplace relationships, encourage healthy lifestyles and promote employee engagement and team cohesion across the Group. These efforts support employee wellbeing, teamwork and work-life integration while reinforcing a collaborative and inclusive workplace culture.

Benefits of Employee Wellbeing Initiatives

Focus Area	Contribution
Positive workplace culture	Promotes mutual respect, inclusion and collaboration across the workplace.
Improved communication	More effective communication enhances collaboration and teamwork
Increased productivity	Engaged employees are more productive and contribute to higher quality outcomes
Improved retention	A supportive work environment encourages employee loyalty and retention
Enhanced client/customer satisfaction	Engaged employees are better positioned to deliver quality service and positive customer experiences

During the year, various employee wellbeing and engagement initiatives were organised to strengthen workplace relationships, encourage healthy lifestyles and foster a strong sense of belonging across the Group.

Sustainability Statement

EMPLOYEE WELLBEING & ENGAGEMENT (CONT'D)

During the year, various employee wellbeing and engagement initiatives were organised to strengthen workplace relationships, encourage healthy lifestyles and foster a strong sense of belonging across the Group.

- **Chinese New Year Gathering**
- **Fruit Feast**
- **Hiking at Taman Tugu, KL**
- **Company Trip at Indonesia**
- **Employee Appreciation Day**
- **Hari Raya Celebration**
- **Laser Battle**
- **Health Carnival and Family Day**
- **Company Annual Dinner**

Sustainability Statement

FESTIVE SEASONS GATHERING

Festive celebrations provide employees with opportunities to appreciate Malaysia's diverse cultural heritage while strengthening workplace relationships and promoting inclusivity across the Group.

FRUIT FEAST

Our annual Fruit Feast provided employees with an opportunity to unwind, socialise and strengthen workplace relationships in a relaxed and informal setting.

LASER BATTLE

The Laser Battle activity encouraged teamwork, communication and strategic thinking while providing employees with an enjoyable platform to build stronger relationships outside the workplace.

Sustainability Statement

HEALTH CARNIVAL & FAMILY DAY

The Health Carnival and Family Day brought together employees and their families through health awareness programmes, fitness activities and family-oriented engagements. The event promoted healthy living while strengthening bonds among employees and their loved ones.

COMPANY TRIP TO INDONESIA

The company trip provided employees with an opportunity to build stronger relationships, enhance teamwork and recharge outside the work environment, supporting employee wellbeing and work-life balance.

COMPANY ANNUAL DINNER

The Annual Dinner served as an occasion to celebrate achievements, recognise contributions and strengthen connections among employees across the Group.

Sustainability Statement

EMPLOYEE APPRECIATION DAY

Employee Appreciation Day provides an opportunity to recognise and thank employees for their dedication and contributions throughout the year. Through meaningful gestures of appreciation, we aim to foster a culture where employees feel recognised, appreciated and motivated.

In conjunction with National Appreciation Day, corporate umbrellas were distributed as a practical token of appreciation. The initiative encourages employees to stay protected during changing weather conditions.

FITNESS ACTIVITIES, BADMINTON, YOGA, JAZZERCISE & GYM

Regular fitness activities, including badminton, yoga, jazzercise and gym sessions, were organised to encourage healthy lifestyles and support employees' physical and mental wellbeing. These activities help employees stay active, reduce stress and promote overall wellness.

LEARNING & DEVELOPMENT

- To develop a competent, adaptable and future-ready workforce
- To enhance employee performance, productivity and career development
- To support education and talent development through scholarship programmes

At Gadang, we believe that continuous learning is fundamental to both individual growth and organisational success. As industries evolve and stakeholder expectations continue to change, developing a skilled, adaptable and future-ready workforce is increasingly important.

We are committed to providing our employees with opportunities to enhance their technical competencies, leadership capabilities and professional skills. Through continuous learning and development, we aim to empower our employees to realise their full potential while supporting our long-term growth and sustainability.

Sustainability Statement

TALENT DEVELOPMENT AND TRAINING

We recognise that our people are our greatest asset and investing in their development is essential to both organisational success and long-term career growth.

As workplaces continue to evolve with emerging technologies such as Artificial Intelligence ("AI"), employees need to remain adaptable and continuously develop new skills. We encourage lifelong learning to help our employees respond effectively to changing business needs, technological advancements and evolving regulatory requirements.

Each year, Group Human Capital identifies and coordinates training programmes that support both organisational objectives and employees' professional development. These programmes cover technical, operational, leadership, compliance and soft skills competencies to strengthen capabilities and prepare employees for future challenges.

In FYE 2026, our employees completed a total of 11,022 training hours, achieving an average of 17 training hours per employee, exceeding our target of 10 training hours per employee. The training hours recorded over the past three (3) financial years are presented below.

Description	FYE 2026	FYE 2025	FYE 2024
Total number of training hours	**11,022**	10,800	5,705
Average training hours per employee	**17**	15	8

SCHOLARSHIP

Education has the power to transform lives and create opportunities for future generations. As part of our commitment to talent development and community empowerment, we continue to support deserving students through our scholarship programme. During FYE 2026, the Group continued its commitment to supporting education through its Scholarship and School Aid Programmes. Three (3) scholarships amounting to RM97,750 were awarded to support tertiary education. In addition, the annual School Aid Programme benefited 131 children of employees through financial assistance amounting to RM26,200, exceeding the Group's target of supporting 100 children.

Since the programme was introduced, approximately RM1.4 million has been distributed through scholarship assistance, reflecting our long-term commitment to nurturing future talent and supporting social mobility through education.

Sustainability Statement

COMMUNITY

COMMUNITY DEVELOPMENT

- To contribute positively to the communities in which we operate
- To support vulnerable and underserved communities

At Gadang, we believe that creating long-term value extends beyond our business operations. As a responsible corporate citizen, we are committed to supporting the wellbeing of the communities in which we operate and contributing to their social development.

Through our community initiatives, we promote safety awareness, support education and healthcare-related causes, assist vulnerable communities and foster meaningful engagement with local communities. These initiatives reflect our commitment to creating a positive and lasting impact on society.

ROAD TRAFFIC SAFETY CAMPAIGN IN SCHOOLS

In collaboration with the Ministry of Defence, Royal Malaysia Police ("PDRM"), Kuala Lumpur City Hall ("DBKL"), SIRIM QAS International, Social Security Organisation ("PERKESO") and Malaysian Industrial Safety and Health Association ("MiSHA"), we conducted a Road Traffic Safety Campaign to promote road safety awareness among school students.

Recognising that children are our future, we believe that awareness should begin at an early age. Through this programme, we encourage responsible road user behaviour and foster a culture of road safety and accident prevention.

As part of this initiative, we conducted the campaign at SMK Desa Tun Hussein Onn, Kuala Lumpur, where students participated in activities designed to promote safe road practices and increase awareness of accident prevention.

Sustainability Statement

SAFETY AND HEALTH ("SHERO") IN SCHOOLS

We are committed to promoting safety and health awareness among students from an early age. Through the SHERO programme, we equip students with practical knowledge that helps reduce risks and encourage safer behaviours both at school and at home.

The programme was conducted at SK Janda Baik, Pahang, where students participated in educational and interactive activities designed to strengthen safety and health awareness.

CARE FOR THE ELDERLY

We are committed to supporting the elderly community. During FYE 2026, we visited Desa Jaya Old Folks Home to spend time with its residents, providing companionship and support. The visit contributed to the residents' emotional wellbeing while fostering greater awareness and empathy among our employees.

CARE FOR INDIVIDUALS WITH SPECIAL NEEDS

We are committed to supporting and empowering individuals with special needs. During FYE 2026, we visited Insan Istimewa, Cheras, Kuala Lumpur, to provide support, encouragement and meaningful interaction while promoting greater awareness, acceptance and inclusion within society.

Sustainability Statement

CANCER CHARITY RUN

We participated in a charity run supporting Children's Cancer Association Malaysia and Cancer Research Malaysia. Through this initiative, we supported fundraising efforts for cancer research and patient care while raising public awareness of cancer prevention and early detection.

BLOOD DONATION – EVERY DROP COUNTS

Through our blood donation drive, our employees supported the National Blood Centre's efforts to maintain an adequate blood supply for patients requiring medical treatment and emergency care.

DONATION AND SPONSORSHIP

Through our Corporate Social Responsibility ("CSR") initiatives, donations and sponsorship programmes, we continued to support community development, healthcare initiatives, education and vulnerable communities.

In FYE 2026, we contributed RM 131,000 through donations and sponsorships, benefiting approximately 1,510 individuals. These contributions reflect our continued commitment to creating a positive and meaningful impact in the communities we serve.

	FYE 2026	FYE 2025	FYE 2024
Donation and Sponsorship (RM)	**131,000**	130,000	131,000
Number of Beneficiaries	**1,510**	1,459	1,207

Sustainability Statement

MOVING FORWARD

As we continue our sustainability journey, we remain committed to creating long-term value through responsible business practices and sustainable growth.

We will continue to strengthen our sustainability governance, enhance the management of sustainability-related risks and opportunities and improve our sustainability performance in line with evolving stakeholder expectations and regulatory requirements. We will also continue to enhance our sustainability disclosures and capabilities in support of our transition towards the NSRF, including progressive alignment with the principles of IFRS S1 and IFRS S2.

Together with our employees, customers, business partners, shareholders and communities, we will continue working towards a more sustainable future while creating shared value for all our stakeholders.

Sustainability Statement

PRESCRIBED TABLE

GADANG HOLDINGS BHD
BMLR Transition Period

Date & Time: 2026-09-14_12:32:46
Main Market | Group 2 | FYE 31/05/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Anti-Corruption	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category	Percentage	100	100	100	Internal
Anti-Corruption	Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100	100	100	Internal
Anti-Corruption	Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0	Internal
Community/Society	Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	130,000	131,000	-	Internal
Community/Society	Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	1,459	1,510	-	Internal
Diversity	Bursa C3(a) Percentage of employee by age group for each employee category	Percentage	Management Under 30 y/o - 0 Between 30-50 y/o - 52 Above 50 y/o - 48 Executive Under 30 y/o - 26 Between 30-50 y/o - 59 Above 50 y/o - 15 Non-Executive Under 30 y/o - 28 Between 30-50 y/o - 47 Above 50 y/o - 25 Foreign Worker Under 30 y/o - 21 Between 30-50 y/o - 75 Above 50 y/o - 4	Management Under 30 y/o - 0 Between 30-50 y/o - 53 Above 50 y/o - 47 Executive Under 30 y/o - 23 Between 30-50 y/o - 62 Above 50 y/o - 15 Non-Executive Under 30 y/o - 26 Between 30-50 y/o - 47 Above 50 y/o - 27 Foreign Worker Under 30 y/o - 18 Between 30-50 y/o - 78 Above 50 y/o - 4	-	Internal

This report was generated on the Bursa Malaysia CSI Platform on 2026-09-14_12:32:46

Sustainability Statement

PRESCRIBED TABLE

GADANG HOLDINGS BHD
BMLR Transition Period

Date & Time: 2026-09-14_12:32:46
Main Market | Group 2 | FYE 31/05/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Diversity	Bursa C3(a) Percentage of employee by gender for each employee category	Percentage	Management Male - 73 Female - 27 Executive Male - 56 Female - 44 Non-Executive Male - 87 Female - 13 Foreign Worker Male - 100 Female - 0	Management Male - 70 Female - 30 Executive Male - 55 Female - 45 Non-Executive Male - 90 Female - 10 Foreign Worker Male - 100 Female - 0	-	Internal
Diversity	Bursa C3(b) Percentage of directors by gender	Percentage	Male - 67 Female - 33	Male - 67 Female - 33	Female Director - 30	Internal
Diversity	Bursa C3(b) Percentage of directors by age group	Percentage	Age 35-60 y/o - 50 (3) Age 61-70 y/o - 17 (1) Age 71-80 y/o - 33 (2)	Age 35-60 y/o - 66 (4) Age 61-70 y/o - 17 (1) Age 71-80 y/o - 17 (1)	-	Internal
Energy Management	Bursa C4(a) Total energy consumption	Megawatt	5,467	5,540	Below 6,000	Internal
Health and Safety	Bursa C5(a) Number of work-related fatalities	Number	0	0	0	Internal
Health and Safety	Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0	0	-	Internal
Health and Safety	Bursa C5(c) Number of employees trained on health and safety standards	Number	641	653	-	Internal
Labour Practices and Standards	Bursa C6(a) Total hours of training by employee category	Hours	Management - 4,212 Executive - 4,607 Non-Executive - 1,444 Foreign Workers - 537	Management - 4,158 Executive - 4,392 Non-Executive - 1,704 Foreign Workers - 768	-	Internal
Labour Practices and Standards	Bursa C6(b) Percentage of employees that are contractors and temporary staff	Percentage	58	55	-	Internal

This report was generated on the Bursa Malaysia CSI Platform on 2026-09-14_12:32:46

Page 2 of 3

Sustainability Statement

PRESCRIBED TABLE

GADANG HOLDINGS BHD
BMLR Transition Period

Date & Time: 2026-09-14_12:32:46
Main Market | Group 2 | FYE 31/05/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Labour Practices and Standards	Bursa C6(c) Total number of employee turnover by employee category	Number	Management - 17 Executive - 55 Non-Executive - 59 Foreign Workers - 17	Management - 19 Executive - 75 Non-Executive - 76 Foreign Workers - 23	-	Internal
Labour Practices and Standards	Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0	Internal
Supply Chain Management	Bursa C7(a) Proportion of spending on local suppliers	Percentage	99	99	95	Internal
Data Privacy and Security	Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0	Internal
Water	Bursa C9(a) Total volume of water used	Megalitres	49.8	46.9	50	Internal
Waste Management	Bursa C10(a) Total waste generated	Metric Tonnes	1,423	936	-	Internal
Waste Management	Bursa C10(a)(i) Total waste diverted from disposal	Metric Tonnes	263	26	-	Internal
Waste Management	Bursa C10(a)(ii) Total waste directed to disposal	Metric Tonnes	1,160	910	-	Internal
Emission Management	Bursa C11(a) Scope 1 emissions in tonnes of CO2e	tCO2e	5,593	4,905	-	Internal
Emission Management	Bursa C11(b) Scope 2 emissions in tonnes of CO2e	tCO2e	4,427	4,478	-	Internal
Emission Management	Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	tCO2e	1,165	934	-	Internal

FINANCIAL
& OTHERS

Directors' Responsibility Statement

In respect of Audited Financial Statements for the financial year 31 May 2026

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"), IFRS Accounting 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 2026.

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
Loss after taxation for the financial year	(77,044)	(6,661)
Attributable to:-		
Owners of the Company	(63,951)	(6,661)
Non-controlling interests	(13,093)	-
	(77,044)	(6,661)

Dividends

The Company paid a first and final dividend of 0.27 sen per ordinary share amounting to RM2,162,000 for the financial year ended 31 May 2025 on 5 December 2025.

No dividend was recommended by the directors for the current financial year.

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) there were no changes in the issued and paid-up share capital of the Company; 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 other than the write-down of property development costs to net realisable value and impairment losses on power plants.

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:-

Dato' Dr. Tan Yew Chong *(Appointed on 1.12.2025)*
Tan Sri Dato' Kok Onn
Kok Pei Ling
Sherman Lam Yuen Suen
Wong Ping Eng
Lee Min On *(Appointed on 1.8.2026)*
Tan Sri Dato' Seri Dr. Mohamed Ismail bin Merican *(Retired on 1.12.2025)*
Huang Shi Chin *(Resigned on 1.8.2026)*

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
Kok Liang Jin
Lee Yoke Koon *(Resigned on 11.5.2026)*
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
Aprian Eka Rahardi
Angga Panji Kesuma
Chan Huan Beng
Chang Hing Wai *(Appointed on 31.12.2025)*
Chua Soon Ann
Drs. Barat Iriansyah
Datuk Lim Fook Onn @ Lim Ching Onn
Foo Mieng Yong *(Resigned on 27.02.2026)*
Hendro Adinata
Hero Dwi Prasetyo
Ik Chou San *(Alternate to Lim Ting Chiang) (Appointed on 31.12.2025)*
Lim Ting Chiang
Kok Liang Jin
Masni Kamal
Maskal HP
Neo Lay Hiang Pamela
Pui Yen Yew
Reggy Hadi Wijaya

Directors' Report

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 1.6.2025**	**Acquired**	**Disposed**	**At 31.5.2026**
Direct interests				
Tan Sri Dato' Kok Onn	15,377,300	1,175,000	-	16,552,300
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*	179,829,953	1,050,000	-	180,879,953

* 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.

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.

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' Report

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	1,944
Defined contribution plan	73
	2,017
Non-executive:-	
Director fees	370
Other emoluments	61
	431
	2,448

The estimated monetary value of benefits-in-kind provided by the Group and the Company to the directors of the Company were RM195,000.

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 nor 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
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, civil engineering construction works and 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	Foundation works and general contractors
Datapuri Sdn Bhd	Malaysia	100	Provision of mechanical and electrical engineering services
Regional Utilities Sdn Bhd and its subsidiaries	Malaysia	100	Investment holding and provision of management services
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

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 (Cont'd)			
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

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
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 investment and development
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
Gadang Plantations Holdings Sdn Bhd *	Malaysia	100	Investment holding

Notes:-

* *These subsidiaries were audited by other firms of chartered accountants.*

^ *This subsidiary has commenced a members' voluntary winding-up and liquidators have been appointed.*

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 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 ("JDA") 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 RM40.0 million in development expenditure for the undeveloped Phase 4. Following negotiations, both parties reached an agreement that CSB and CSBL's portion of the shared common costs payable to HDSB shall be RM21.0 million only. HDSB has charged out the remaining common costs of approximately RM19.0 million in the previous financial year.

Following further deliberation and mutual agreement between the Company, HDSB, CSB and CSBL (collectively, "the Parties"), it was agreed that instead of mutually terminating the JDA dated 23 May 2014, the Parties would proceed by entering into a Fourth Supplementary Joint Development Agreement ("Fourth Supplementary JDA") to revoke the implementation rights for Phase 4 of the project only.

On 23 October 2025, the Parties entered into a Fourth Supplementary JDA to revoke the Company and/or HDSB's implementation rights in relation to the undeveloped Phase 4 of the project (comprising sub-phases 4A, 4B, and 4C). The revocation shall not constitute a termination of the JDA in its entirety. The Parties agree that the JDA and its previous supplementary agreements remain valid and enforceable in respect of the developed phases of the project, and the Company and/or HDSB shall continue to perform all outstanding obligations in accordance with the terms of the JDA until fully discharged. The total reimbursement of Phase 4 common infrastructure costs payable by CSB and CSBL shall be RM21.0 million only.

(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)".

On 30 March 2026, Gadang Engineering (M) Sdn Bhd has entered into a supplemental Letter of Award with the revised contract sum of RM96.9 million with AFA Construction and Engineering Sdn Bhd.

(c) On 5 December 2025, the Company's wholly-owned subsidiary, Crimson Villa Sdn Bhd ("CVSB"), entered into a Sale and Purchase Agreement with Trans Loyal Development Sdn Bhd ("TLDSB") for the disposal of a parcel of freehold land held under Geran 339953, Lot 50554 Mukim Semenyih, Daerah Ulu Langat, Negeri Selangor, for a total consideration of RM2.5 million.

On 27 July 2026, CVSB and TLDSB have mutually agreed to extend the Conditional Period to 3 December 2026 for TLDSB to fulfil all the Conditions Precedent.

(d) On 18 December 2025, Tenaga Aspirasi Sdn Bhd ("TASB") an indirect 60% owned subsidiary of the Company entered into a Power Purchase Agreement ("PPA") with Sabah Electricity Sdn Bhd for the Large Scale Solar Project.

(e) On 23 February 2026, the Company's wholly-owned subsidiary, Gadang Engineering (M) Sdn Bhd, accepted a Letter of Award for the sum of RM95.1 million from AFA Construction and Engineering Sdn Bhd, undertaking to construct and complete the earthwork and other associated works for Package 1A: CH19200-CH25764 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 KM64.50 (Section 2)".

Directors' Report

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

(f) On 3 March 2026, the Company's indirect wholly-owned subsidiary, City Version Sdn Bhd, entered into a conditional Sale and Purchase Agreement ("SPA") with Tanahmas Kapital Sdn Bhd for the acquisition of a parcel of freehold land held under HS(D) 565071, PTB 24422 Bandar Johor Bahru, Daerah Johor Bahru, Negeri Johor, for a total consideration of approximately RM75.5 million.

On 13 May 2026, the Economic Planning Unit, Prime Minister's Department has approved on the acquisition without any conditions. The acquisition remains conditional pending the fulfillment of the remaining Condition Precedent under the SPA.

SUBSEQUENT EVENT OCCURRING AFTER THE REPORTING PERIOD

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

The Plaintiff claimed against both the Defendants jointly and severally for the sum of RM9.8 million being payment for works done and other associated costs, primarily idling costs. The Defendants have filed their respective defences in the court proceedings to dispute the Claim.

On 29 July 2026, both GESB's application to strike out the Plaintiff's claim and Plaintiff's application for summary judgement (summary disposal on point of law) against GESB have been dismissed by the Court. The Court has fixed the pre-trial case management on 23 September 2026 for the matter to proceed for trial.

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	659	110
Non-audit fees	10	10
	669	120

Signed in accordance with a resolution of the directors dated 3 September 2026.

DATO' DR. TAN YEW CHONG

TAN SRI DATO' KOK ONN

Statement by Directors

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

We, Dato' Dr. Tan Yew Chong 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 140 to 269 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 2026 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 3 September 2026.

DATO' DR. TAN YEW CHONG **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 140 to 269 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 3 September 2026

KOK PEI LING

Before me

Shaiful Hilmi Bin Halim (W804)

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 2026 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 140 to 269.

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 2026, 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
(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 13 to the financial statements	
Goodwill on consolidation as at 31 May 2026 is amounted to RM4,701,000. 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 13 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

(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">Power Plants Impairment
Refer to Note 4.7(a) and Note 9(a) to the financial statements</td></tr>
<tr><td>The carrying amount of the Group's power plants as at 31 May 2026 amounted to approximately RM119,505,000.

During the financial year, management identified impairment indicators in respect of certain power plants. Accordingly, the Group performed an impairment assessment in accordance with MFRS 136 by estimating the recoverable amount of the relevant power plants using a value in use ("VIU") model, computed using a discounted cash flow ("DCF") model derived from projected cash flows over the remaining operating period of 13 to 21 years. In addition, the Group engaged an independent professional valuer to assess the fair value of one of the power plants with the highest carrying amount to support the impairment assessment.

The impairment assessment involved significant judgement and estimation in determining the recoverable amount of the power plants, including the selection of the valuation methodology and the key assumptions applied in the valuation model. Based on the impairment assessment, the Group recognised an additional impairment loss of RM18,883,000 during the financial year.

We determined this to be a key audit matter due to the magnitude of the carrying amount of the power plants and the significant judgement involved in estimating their recoverable amount.</td><td>Our procedures included, amongst other:-

• Assessed the objectivity, independence and expertise of the independent professional valuer engaged by the Group.

• Performed enquiry and obtained explanations from the management and the independent professional 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.</td></tr>
</table>

Independent Auditors' Report

to the Members of Gadang Holdings Berhad
(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 34 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

(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 Property Development Activities
Refer to Note 34 to the financial statements</td></tr>
<tr><td>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.</td><td>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 Sale 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.</td></tr>
</table>

Independent Auditors' Report

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

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

(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 skepticism 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

(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

3 September 2026

Statements of Financial Position

As at 31 May 2026

		The Group		The Company	
		2026	2025	2026	2025
	Note	RM'000	RM'000	RM'000	RM'000
ASSETS					
Non-current assets					
Investments in subsidiaries	5	-	-	143,944	143,944
Investment in an associate	6	-	-	-	-
Investment in joint ventures	7	3,938	3,577	-	-
Intangible assets	8	15,157	19,303	-	-
Property, plant and equipment:					
- Power plants	9(a)	119,505	138,435	-	-
- Other property, plant and equipment	9(b)	16,038	18,767	264	279
		135,543	157,202	264	279
Right-of-use assets	10	10,803	4,188	-	-
Investment properties	11	15,032	15,188	-	-
Trade and non-trade receivables	17	4,373	5,970	117,994	146,612
Other investments	12	1,575	1,789	719	1,259
Goodwill on consolidation	13	4,701	5,527	-	-
Deferred tax assets	14	21,813	27,708	-	-
		212,935	240,452	262,921	292,094
Current assets					
Inventories	15	345,505	400,996	-	-
Contract cost assets	16	2,246	8,606	-	-
Contract assets	20	243,958	305,127	-	-
Trade and non-trade receivables	17	110,123	124,398	119,782	111,052
Current tax assets		5,625	7,422	-	-
Short-term funds	21	74,592	67,652	44,377	24,737
Deposits with licensed banks	22	68,403	59,830	656	642
Cash and bank balances	23	134,046	135,915	709	10,747
		984,498	1,109,946	165,524	147,178
TOTAL ASSETS		1,197,433	1,350,398	428,445	439,272

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

Statements of Financial Position

As at 31 May 2026 (Cont'd)

		The Group		The Company	
		2026	2025	2026	2025
	Note	RM'000	RM'000	RM'000	RM'000
EQUITY AND LIABILITIES					
Equity					
Share capital	24	412,091	412,091	412,091	412,091
Reserves	25	326,525	404,451	12,742	21,565
Equity attributable to owners of the Company		738,616	816,542	424,833	433,656
Non-controlling interests	26	(21,021)	(11,784)	-	-
Total equity		717,595	804,758	424,833	433,656
Non-current liabilities					
Bank borrowings	27	96,585	76,242	-	-
Lease liabilities	30	6,725	-	-	-
Deferred tax liabilities	14	5,031	2,918	3,332	2,507
Defined benefit obligations	31	1,483	1,724	-	-
Trade and non-trade payables	32	12,376	8,617	-	-
		122,200	89,501	3,332	2,507
Current liabilities					
Trade and non-trade payables	32	286,963	289,034	253	262
Contract liabilities	20	13,024	40,818	-	-
Bank borrowings	27	56,200	124,090	-	2,813
Lease liabilities	30	113	-	-	-
Current tax liabilities		1,338	2,197	27	34
		357,638	456,139	280	3,109
Total liabilities		479,838	545,640	3,612	5,616
TOTAL EQUITY AND LIABILITIES		1,197,433	1,350,398	428,445	439,272
NET ASSETS PER ORDINARY SHARE (RM)	33	0.92	1.02		

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

Statements of Profit or Loss

For the Financial Year Ended 31 May 2026

	Note	The Group 2026 RM'000	The Group 2025 RM'000 (Restated)	The Company 2026 RM'000	The Company 2025 RM'000 (Restated)
Revenue	34	787,449	779,812	10,090	13,346
Cost of sales	35	(756,991)	(704,896)	-	-
Gross profit		30,458	74,916	10,090	13,346
Other income	36	11,014	11,552	10,684	12,014
Administrative expenses		(26,850)	(26,761)	(9,353)	(8,793)
Operating expenses		(16,777)	(18,309)	(3,420)	(3,351)
Other expenses		(44,533)	(25,109)	(12,886)	(11,297)
Net (impairment losses)/reversal of impairment losses on financial assets and contract assets	37	(2,079)	3,449	21	(13,815)
(Loss)/Profit from operations		(48,767)	19,738	(4,864)	(11,896)
Finance costs	38	(7,780)	(8,509)	(44)	(236)
Share of results of joint ventures		361	6,798	-	-
(Loss)/Profit before taxation	39	(56,186)	18,027	(4,908)	(12,132)
Income tax expense	42	(20,858)	(11,029)	(1,753)	(3,317)
(Loss)/Profit after taxation		(77,044)	6,998	(6,661)	(15,449)
(Loss)/Profit after taxation attributable to:-					
Owners of the Company		(63,951)	10,736	(6,661)	(15,449)
Non-controlling interests		(13,093)	(3,738)	-	-
		(77,044)	6,998	(6,661)	(15,449)
(Loss)/Earnings per share (sen):	43				
- Basic		(7.99)	1.38		
- Diluted		(7.99)	1.38		

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

Statements of Other Comprehensive Income

For the Financial Year Ended 31 May 2026

		The Group		The Company	
		2026	2025	2026	2025
	Note	RM'000	RM'000	RM'000	RM'000
(Loss)/Profit after taxation		(77,044)	6,998	(6,661)	(15,449)
Other comprehensive income/(expenses):-					
Items that Will Not be Reclassified Subsequently to Profit or Loss					
Actuarial gain on defined benefit obligations	31	54	10	-	-
Less: Deferred tax effect		(12)	(2)	-	-
		42	8	-	-
Item that Will be Reclassified Subsequently to Profit or Loss					
Foreign currency translation		(7,999)	(8,045)	-	-
Total comprehensive expenses for the financial year		(85,001)	(1,039)	(6,661)	(15,449)
Total comprehensive (expenses)/income attributable to:-					
Owners of the Company		(75,764)	2,110	(6,661)	(15,449)
Non-controlling interests	26	(9,237)	(3,149)	-	-
		(85,001)	(1,039)	(6,661)	(15,449)

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

Statements of Changes in Equity

For the Financial Year Ended 31 May 2026

The Group	Note	Share Capital RM'000	Capital Reserves RM'000	Foreign Exchange Translation Reserves RM'000	Retained Profits RM'000	Equity Attributable to Owners of the Company RM'000	Non-controlling Interests RM'000	Total Equity RM'000
			<---- Non-Distributable ---->		Distributable			
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	24	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.

Statements of Changes in Equity

For the Financial Year Ended 31 May 2026 (Cont'd)

		<---- Non-Distributable ---->			Distributable			
The Group	**Note**	**Share Capital RM'000**	**Capital Reserves RM'000**	**Foreign Exchange Translation Reserves RM'000**	**Retained Profits RM'000**	**Equity Attributable to Owners of the Company RM'000**	**Non-controlling Interests RM'000**	**Total Equity RM'000**
At 1 June 2025		**412,091**	**1,347**	**(12,504)**	**415,608**	**816,542**	**(11,784)**	**804,758**
Loss after taxation for the financial year		-	-	-	(63,951)	**(63,951)**	(13,093)	**(77,044)**
Other comprehensive (expense)/income for the financial year:								
- Actuarial gain on defined benefit obligations		-	-	-	42	**42**	-	**42**
- Foreign currency translation differences		-	-	(11,855)	-	**(11,855)**	3,856	**(7,999)**
Total comprehensive expenses for the financial year		-	-	(11,855)	(63,909)	**(75,764)**	(9,237)	**(85,001)**
Distribution to owners of the Company:								
- Dividend	45	-	-	-	(2,162)	**(2,162)**	-	**(2,162)**
At 31 May 2026		**412,091**	**1,347**	**(24,359)**	**349,537**	**738,616**	**(21,021)**	**717,595**

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

Statements of Changes in Equity

For the Financial Year Ended 31 May 2026 (Cont'd)

The Company	Note	Share Capital RM'000	Distributable Retained Profits RM'000	Total Equity RM'000
At 1 June 2024		**389,521**	**37,014**	**426,535**
Loss after taxation for the financial year		-	(15,449)	(15,449)
Issuance of ordinary shares	24	22,570	-	22,570
At 31 May/1 June 2025		**412,091**	**21,565**	**433,656**
Loss after taxation for the financial year		-	(6,661)	(6,661)
Distribution to owners of the Company:				
- Dividend	45	-	(2,162)	(2,162)
At 31 May 2026		**412,091**	**12,742**	**424,833**

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

Statements of Cash Flows

For the Financial Year Ended 31 May 2026

	The Group		The Company	
	2026	**2025**	**2026**	**2025**
	RM'000	**RM'000**	**RM'000**	**RM'000**
		(Restated)		**(Restated)**
Cash flows from/(for) operating activities				
(Loss)/Profit before tax	(56,186)	18,027	(4,908)	(12,132)
Adjustments for:-				
Accretion of interest on:				
- trade and non-trade receivables	552	948	-	-
Bad debts recovered	*	*	-	-
Bad debts written off	4	175	-	15
Deposit written off	7	-	-	-
Defined benefit obligations	236	(8)	-	-
Depreciation of:				
- intangible assets	3,800	4,894	-	-
- property, plant and equipment:				
- power plants	8,141	8,535	-	-
- other property, plant and equipment	3,440	4,365	174	182
	11,581	12,900	174	182
- right-of-use assets	71	53	-	-
- investment properties	156	156	-	-
Fair value loss/(gain) on quoted investments	540	(450)	540	(450)
Impairment losses on:				
- investment in a subsidiary	-	-	-	2,428
- property, plant and equipment:				
- power plants	18,883	-	-	-
- contract assets	157	-	-	-
- trade and non-trade receivables	2,041	-	-	-
- amount owing by subsidiaries	-	-	-	13,800
Interest expense on:				
- bank borrowings	9,161	11,863	44	236
- hire purchase payables	226	531	-	-
- lease liabilities	23	-	-	-
Net unrealised loss on foreign exchange	9,358	7,071	11,873	8,549
Other property, plant and equipment written off	4	1	1	-
Loss on deconsolidated of a subsidiary	6	-	-	-
Write-down of property development costs to net realisable value	25,404	-	-	-
Net (gain)/loss on disposal of:				
- property, plant and equipment:				
- other property, plant and equipment	(2,232)	775	(1)	-
- investment properties	-	(178)	-	-
- asset held for sale	-	(1,516)	-	-

Note:-

* *Less than RM1,000.*

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

Statements of Cash Flows

For the Financial Year Ended 31 May 2026 (Cont'd)

	The Group		The Company	
	2026	2025	2026	2025
	RM'000	RM'000 (Restated)	RM'000	RM'000 (Restated)
Cash flows from/(for) operating activities (Cont'd)				
Adjustments for:- (Cont'd)				
Net reversal of provision cost for completed projects	(2,360)	(644)	-	-
(Reversal)/Provision of contract foreseeable losses	(76)	1,636	-	-
Dividend income from:				
- short-term funds	(134)	(86)	(54)	(51)
- subsidiaries	-	-	-	(4,000)
Fair value gain on short-term funds	(2,724)	(1,375)	(1,226)	(964)
Interest income	(3,663)	(2,906)	(9,394)	(10,540)
Reversal of impairment losses on:				
- amount owing by joint venture	-	(3,624)	-	-
- investment in joint venture	-	(510)	-	-
- trade and non-trade receivables	(123)	-	(21)	-
Share of results of joint ventures	(361)	(6,798)	-	-
Operating profit/(loss) before working capital changes	14,351	40,935	(2,972)	(2,927)
Decrease/(Increase) in contract assets	61,012	(54,575)	-	-
(Decrease)/Increase in contract liabilities	(27,794)	21,946	-	-
Decrease/(Increase) in contract costs assets	6,360	(3,038)	-	-
Increase in amounts owing by subsidiaries	-	-	(2,364)	(1,344)
Decrease in inventories	30,087	187,731	-	-
(Decrease)/Increase in payables	(9,904)	(91,701)	(9)	41
Decrease/(Increase) in receivables	12,535	(7,556)	52	(99)
Cash generated from/(for) operations	86,647	93,742	(5,293)	(4,329)
Employee benefit paid	(206)	(203)	-	-
Income tax paid	(16,615)	(18,218)	(935)	(1,647)
Income tax refund	4,796	205	-	-
Net Operating Cash Flows	74,622	75,526	(6,228)	(5,976)

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

Statements of Cash Flows

For the Financial Year Ended 31 May 2026 (Cont'd)

		The Group		The Company	
		2026	**2025**	**2026**	**2025**
	Note	**RM'000**	**RM'000**	**RM'000**	**RM'000**
			(Restated)		**(Restated)**
Cash flows from/(for) investing activities					
Acquisition of:					
- intangible assets		(1,183)	(1,225)	-	-
- property, plant and equipment:					
- power plants	46(a)	(6,894)	(11,782)	-	-
- other property, plant and equipment	46(a)	(1,263)	(465)	(160)	(34)
Cash pledged as security		(3,008)	-	-	-
Decrease/(increase) in restricted cash		24	(24)	-	-
Dividends received from:					
- short-term funds		2,858	1,461	1,280	1,015
- subsidiaries		-	-	-	4,000
Fixed deposits uplift/(pledged) as security		11,628	(16,856)	(14)	(14)
Interest received		3,663	2,906	1,017	122
Proceeds from deconsolidated of a subsidiary upon winding-up		524	-	-	-
Proceeds from disposal of:					
- property, plant and equipment:					
- power plants		-	96	-	-
- other property, plant and equipment		3,695	3,035	1	-
- investment properties		-	401	-	-
- asset held for sale		-	320	-	-
Advances to subsidiaries		-	-	(19,984)	(9,135)
Repayment from subsidiaries		-	-	38,709	6,951
Net Investing Cash Flows		10,044	(22,133)	20,849	2,905

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

Statements of Cash Flows

For the Financial Year Ended 31 May 2026 (Cont'd)

		The Group		The Company	
	Note	2026 RM'000	2025 RM'000 (Restated)	2026 RM'000	2025 RM'000 (Restated)
Cash flows (for)/from financing activities					
Dividends paid	45	(2,162)	-	(2,162)	-
Drawdown of bank borrowings	46(b)	164,944	254,891	10,000	10,000
Interest paid on:					
- bank borrowings	46(b)	(9,831)	(12,692)	(44)	(236)
- hire purchase payables	46(b)	(226)	(531)	-	-
- lease liabilities	46(b)	(395)	-	-	-
Proceeds from issuance of ordinary shares	24	-	22,570	-	22,570
Repayment of:					
- bank borrowings	46(b)	(208,207)	(233,630)	(12,813)	(13,749)
- hire purchase payables	46(b)	(2,473)	(5,921)	-	-
- lease liabilities	46(b)	(141)	-	-	-
Net Financing Cash Flows		(58,491)	24,687	(5,019)	18,585
Net changes in cash and cash equivalents		26,175	78,080	9,602	15,514
Effect of foreign exchange translation		(3,887)	(2,968)	-	-
Cash and cash equivalents at beginning of the financial year		224,082	148,970	35,484	19,970
Cash and cash equivalents at end of the financial year	46(d)	246,370	224,082	45,086	35,484

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

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

1. **General Information**

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Board of Bursa Malaysia Securities Berhad. 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 3 September 2026.

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 121: Lack of Exchangeability

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

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

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
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
Annual Improvements to MFRS Accounting Standards - Volume 11	1 January 2026
MFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 19: Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 121: Translation to a Hyperinflationary Presentation Currency	1 January 2027
Amendments to MFRS 128: Amendments to the Fair Value Option for Investments in Associates and Joint Ventures	1 January 2027
MFRS 20 Regulatory Assets and Regulatory Liabilities	1 January 2029
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

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.

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

3. **BASIS OF PREPARATION (CONT'D)**

3.2 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 (Cont'd):-

MFRS 20 Regulatory Assets and Regulatory Liabilities

MFRS 20 Regulatory Assets and Regulatory Liabilities introduces a comprehensive accounting model for regulatory assets and regulatory liabilities arising from specified rate-regulated activities. The standard requires the recognition and measurement of regulatory assets, regulatory liabilities, regulatory income and regulatory expense arising from timing differences between the provision of regulated goods or services and the recovery of the related compensation through regulated rates. The potential impact of the new standard on the financial statements of the Group 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. The carrying amounts of current tax assets and current tax liabilities of the Group were RM5,625,000 and RM1,338,000 (2025 - RM7,422,000 and RM2,197,000), respectively. The carrying amount of current tax liabilities of the Company is RM27,000 (2025 - RM34,000).

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

4. **MATERIAL ACCOUNTING POLICIES INFORMATION (CONT'D)**

4.1 Critical Accounting Estimates and Judgements (Cont'd)

Key Sources of Estimation Uncertainty (Cont'd)

(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, respectively. 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 15(b) to the financial statements.

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

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 13 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 them for qualitative and quantitative, reasonable and supportable, forward-looking information, where applicable. 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, amounts 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 2026

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 15 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 14 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 32 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 would account 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.

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

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 exercised. 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

Financial Assets Through Profit or Loss

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.

Financial Assets at Amortised Cost

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

Financial Liabilities at Amortised Cost

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

Ordinary Shares

Ordinary shares are recorded on initial recognition at the proceeds received less directly attributable transaction costs incurred. The ordinary shares are not remeasured subsequently.

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

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 on Consolidation

Goodwill on consolidation is initially measured at cost. Subsequent to the initial recognition, the goodwill on consolidation is measured at cost less accumulated impairment losses, if any.

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 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.

4.6 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.

Depreciation on 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%

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

4. MATERIAL ACCOUNTING POLICIES INFORMATION (CONT'D)

4.7 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.

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, 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% - 25%
Tools and equipment	10% - 25%
Office equipment	10% - 50%
Furniture and fittings	10% - 20%
Motor vehicles	12.5% - 25%
Renovation	10% - 25%

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

4. MATERIAL ACCOUNTING POLICIES INFORMATION (CONT'D)

4.8 Right-Of-Use Assets and Lease Liabilities

(a) Short-term Leases

The Group and the Company apply the "short-term lease" 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.

(b) 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.

(c) 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.

4.9 Intangible Assets

Intangible assets are initially measured at cost. Subsequent to the initial recognition, the intangible assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Intangible Assets with Definite Useful Lives

The intangible assets are depreciate using the straight-line method to allocate their depreciable amounts over the concession period of 24 - 30 years.

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

4. Material Accounting Policies Information (Cont'd)

4.10 Inventories

(a) 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 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.

(b) 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.

(c) Developed Properties Held for Sales

Developed properties held for sales 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.

(d) 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.

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

5. Investments In Subsidiaries

	The Company	
	2026	2025
	RM'000	RM'000
Unquoted shares, at cost		
At 1 June 2025/2024	135,699	135,699
Derecognition upon strike off during the financial year	(3,710)	-
At 31 May	131,989	135,699
Amount owing by subsidiaries	14,373	14,373
Share options granted to employees of subsidiaries	6,943	6,943
	153,305	157,015
Allowance for impairment losses		
At 1 June 2025/2024	(13,071)	(10,643)
Reversal/(Addition) during the financial year:		
- recognised in profit or loss (Note 39)	-	(2,428)
- derecognition upon strike off	3,710	-
At 31 May	(9,361)	(13,071)
	143,944	143,944

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

5. Investments In Subsidiaries (Cont'd)

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 2026 %	2025 %	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	Member's Voluntary Winding Up
Era Berkat Sdn Bhd #	Malaysia	-	100	Dormant
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, civil engineering construction works and 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	Foundation works and general contractors

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows (Cont'd):-

Name of Subsidiary	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent 2026 %	2025 %	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 and provision of management services
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	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

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

5. Investments In Subsidiaries (Cont'd)

The details of the subsidiaries are as follows (Cont'd):-

Name of Subsidiary	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent 2026 %	2025 %	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 management
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 2026

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The details of the subsidiaries are as follows (Cont'd):-

Name of Subsidiary	Principal Place of Business/ Country of Incorporation	Percentage of Issued Share Capital Held by Parent 2026 %	2025 %	Principal Activities
Gadang Land Sdn Bhd and its subsidiaries (Cont'd)				
Gadang Properties Sdn Bhd and its subsidiary	Malaysia	100	100	Property investment and development
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	Dormant
Gadang Plantations Holdings Sdn Bhd *	Malaysia	100	100	Investment holding

Notes:-

* *These subsidiaries were audited by other firms of chartered accountants.*

^ *The subsidiary has commenced a members' voluntary winding-up and liquidators have been appointed.*

^^ *The subsidiary has been winding-up during the current financial year.*

\# *These subsidiaries have been struck off during the current financial year.*

(a) The non-controlling interests at the end of the reporting period comprise the following:-

	Effective Equity Interest 2026 %	2025 %	The Group 2026 RM'000	2025 RM'000
PT Ikhwan Mega Power ("PTIMP")	40	40	30,707	21,496
Other individually immaterial subsidiaries			(9,686)	(9,712)
			21,021	11,784

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

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:-

	PTIMP	
	2026	2025
	RM'000	RM'000
At 31 May		
Non-current assets	68,916	109,442
Current assets	3,936	4,024
Non-current liabilities	(53,793)	(79,673)
Current liabilities	(99,213)	(90,920)
Net liabilities	(80,154)	(57,127)
Financial year ended 31 May		
Revenue	8,619	9,789
Loss after taxation for the financial year	(31,168)	(13,781)
Total comprehensive expenses	(23,027)	(8,238)
Total comprehensive expenses attributable to non-controlling interests	(9,211)	(3,295)
Net cash flows from operating activities	4,894	6,018
Net cash flows (for)/from investing activities	(24)	54
Net cash flows for financing activities	(4,643)	(6,898)

(c) On 30 December 2024, RUSB - Hotrend Joint Consortium, a joint venture comprising Regional Utilities Sdn Bhd ("RUSB"), a wholly-owned subsidiary of the Company, 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.

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

5. Investments In Subsidiaries (Cont'd)

(d) 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 winding-up did not have any material effect on the net assets per share or earnings per share of the Group.

On 9 January 2026, the liquidator lodged the "Return by Liquidator Relating to Final Meeting". Pursuant to Section 459(5) of the Companies Act 2016, BEC was deemed to be dissolved upon the expiration of three months from the date of lodgement and was accordingly dissolved on 9 April 2026.

(e) 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 winding-up will not have any material effect on the net assets per share or earnings per share of the Group.

(f) On 22 September 2025, GLP Resources (M) Sdn Bhd, a wholly-owned subsidiary of the Company and Era Berkat Sdn Bhd, an indirect wholly-owned subsidiary of the Company were struck off from the register of the Companies Commission of Malaysia pursuant to Section 308(4) of the Companies Act 2016.

(g) In the previous financial year, the Company had carried out a review of the recoverable amounts of its investments in a subsidiary, in the Property Division, due to 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, 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 39 to the financial statements.

The total recoverable amounts of RM15,773,000 was determined based on their net assets value per share of the subsidiary in the previous financial year.

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

6. Investment In An Associate

	The Group 2026 RM'000	The Group 2025 RM'000
Unquoted shares, at cost	-	*
Share of post-acquisition reserves	-	*
	-	-

The details of the associate are as follows:-

Name of Associate	Principal Place of Business/ Country of Incorporation	Percentage of Ownership 2026 %	Percentage of Ownership 2025 %	Principal Activity
Maha Abadi Sdn Bhd #	Malaysia	-	25	Dormant

Notes:-

* *Less than RM1,000.*

The associate was struck off during the current financial year.

7. Investment In Joint Ventures

	The Group 2026 RM'000	The Group 2025 RM'000
Unquoted shares, at cost	510	510
Share of post-acquisition reserves	3,428	3,067
	3,938	3,577
Allowance for impairment loss:-		
At 1 June 2025/2024	-	(510)
Reversal during the financial year (Note 36)	-	510
At 31 May	-	-
	3,938	3,577

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

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 2026 %	2025 %	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, these investments are classified 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 by all shareholders.

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

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	
	2026 RM'000	2025 RM'000
At 31 May		
Current assets	16,471	23,829
Current liabilities	(8,938)	(16,970)
Net assets	7,533	6,859
Financial year ended 31 May		
Revenue	-	18,831
Depreciation of other property, plant and equipment	-	(109)
Income tax expense	(400)	2,535
Profit after taxation for the financial year	674	13,961
Total comprehensive income	674	13,961
Group's share of profit after taxation for the financial year	344	7,120
Reconciliation of Net Assets to Carrying Amount		
Group's share of net assets above	3,841	3,497
Carrying amount of Group's interest in this joint venture	3,841	3,497

(d) The summarised unaudited financial information (after the alignment for the Group's accounting policies) of the joint venture that is individually immaterial to the Group is as follows:-

	Immaterial Joint Venture	
	2026 RM'000	2025 RM'000
At 31 May		
Group's share of profit/(loss) for the financial year	17	(322)
Group's share of total comprehensive income/(expenses)	17	(322)
Aggregate carrying amount of the Group's interests in the joint venture	97	80

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

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 2026						
Cost						
At 1 June 2025	33,717	11,502	14,585	178	52	60,034
Additions	552	549	53	29	-	1,183
Foreign exchange difference	(2,249)	(1,788)	(2,181)	(29)	(8)	(6,255)
At 31 May	32,020	10,263	12,457	178	44	54,962
Accumulated depreciation						
At 1 June 2025	21,016	8,327	10,952	115	52	40,462
Charge for the financial year:						
- recognised in profit or loss (Note 39)	3,147	212	408	33	-	3,800
Foreign exchange difference	(1,723)	(1,263)	(1,672)	(20)	(8)	(4,686)
At 31 May	22,440	7,276	9,688	128	44	39,576

Notes to the Financial Statements
For the Financial Year Ended 31 May 2026

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 2026						
Accumulated impairment loss						
At 1 June 2025	261	-	8	-	-	269
Foreign exchange difference	(39)	-	(1)	-	-	(40)
At 31 May	222	-	7	-	-	229
Carrying value	9,358	2,987	2,762	50	-	15,157

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

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						
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 39)	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 2026

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 2026

8. INTANGIBLE ASSETS (CONT'D)

		The Group	
		2026	2025
		RM'000	RM'000
Carrying value			
Represented by:-	**Location**		
Intangible asset I	Indonesia	239	765
Intangible asset II	Indonesia	4,590	7,252
Intangible asset III	Indonesia	10,328	11,286
		15,157	19,303

In accordance with IC Interpretation 12 *Service Concession Arrangements*, the Group recognises the water treatment plant, pipes, machines, laboratories equipment and plant equipment as intangible assets, as the assets are subject to terms of the Rehabilitate, Upgrade, Operate and Transfer.

9. PROPERTY, PLANT AND EQUIPMENT

	The Group		The Company	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
Property, plant and equipment				
- Power plants	119,505	138,435	-	-
- Other property, plant and equipment	16,038	18,767	264	279
	135,543	157,202	264	279

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

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	Solar photovoltaic plant RM'000	Construction work-in-progress RM'000	Total RM'000
31 May 2026						
Cost						
At 1 June 2025	2,662	64	126,553	-	29,763	159,042
Additions (Note 46(a))	-	-	-	-	22,148	22,148
Reclassification	-	-	-	34,267	(34,267)	-
Foreign exchange difference	(398)	(10)	(16,577)	-	-	(16,985)
At 31 May	2,264	54	109,976	34,267	17,644	164,205
Accumulated depreciation						
At 1 June 2025	-	6	14,896	-	-	14,902
Charge for the financial year:						
- recognised in profit or loss (Note 39)	-	3	7,460	678	-	8,141
Foreign exchange difference	-	(1)	(2,882)	-	-	(2,883)
At 31 May	-	8	19,474	678	-	20,160

Notes to the Financial Statements
For the Financial Year Ended 31 May 2026

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	Solar photovoltaic plant RM'000	Construction work-in-progress RM'000	Total RM'000
31 May 2026						
Accumulated impairment loss						
At 1 June 2025	-	-	5,705	-	-	5,705
Additions (Note 39)	-	-	18,883	-	-	18,883
Foreign exchange difference	-	-	(48)	-	-	(48)
At 31 May	-	-	24,540	-	-	24,540
Carrying value	2,264	46	65,962	33,589	17,644	119,505

Notes to the Financial Statements
For the Financial Year Ended 31 May 2026

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 2025					
Cost					
At 1 June 2024	2,958	71	143,553	17,152	163,734
Additions (Note 46(a))	-	-	-	12,611	12,611
Disposals/Write-offs	-	-	(96)	-	(96)
Foreign exchange difference	(296)	(7)	(16,904)	-	(17,207)
At 31 May	2,662	64	126,553	29,763	159,042
Accumulated depreciation					
At 1 June 2024	-	4	7,521	-	7,525
Charge for the financial year:					
- recognised in profit or loss (Note 39)	-	3	8,532	-	8,535
Foreign exchange difference	-	(1)	(1,157)	-	(1,158)
At 31 May	-	6	14,896	-	14,902

Notes to the Financial Statements
For the Financial Year Ended 31 May 2026

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 2025					
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	105,952	29,763	138,435

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

9. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(a) Power plants (Cont'd)

Power plant I and II with an aggregate carrying value of RM101,861,000 (2025 - RM138,435,000) are pledged to licensed banks as security for credit facilities granted to subsidiaries, as disclosed in Note 28 to the financial statements. Power plant III with carrying value of RM17,644,000 are pledged to licensed bank as security for future banking facilities granted to the subsidiary. Included in the additions are borrowing costs capitalised during the financial year amounting to RM670,000 (2025 - RM829,000) as disclosed in the Note 46(a) to the financial statements.

		The Group	
		2026	2025
		RM'000	RM'000
Carrying value			
Represented by:-	**Location**		
Power plant I	Malaysia	33,589	29,763
Power plant II	Indonesia	68,272	108,672
Power plant III	Malaysia	17,644	-
		119,505	138,435
Recoverable Amount			
Represented by:-	**Location**		
Power plant I	Malaysia	34,779	31,680
Power plant II	Indonesia	68,272	108,765
		103,051	140,445

During the financial year, the Group has carried out a review of the recoverable amount of power plant I and II. Based on the assessment, an impairment loss of RM18,883,000 for power plant II was recognised as other expenses in profit or loss as disclosed in Note 39 to the financial statements.

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	
	2026	2025	2026	2025	2026	2025
	%	%	%	%	%	%
Power plants	61 - 91	69 - 91	Nil	Nil	7 - 14	7 - 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.

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

9. **Property, Plant and Equipment (Cont'd)**

(a) **Power plants (Cont'd)**

(ii) Projected growth rates

The forecast and projection reflect management expectation of growth rate (capacity factor and tariff rate) for the cash-generating unit ("CGU") based on past experience.

(iii) Pre-tax 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.

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 plant.

Power plant II - If the discount rate were to increase by 2.0%, the additional impairment loss on power plant is approximately RM9,689,000. If the growth rate were reduced by 10% for capacity factor, the additional impairment loss on power plant is approximately RM8,818,000. Any reasonably possible changes in the other key assumptions on which the recoverable based would not cause the carrying amount of other CGUs to exceed their recoverable amounts.

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

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 2026									
Cost									
At 1 June 2025	3,432	9,105	83,030	14,279	5,299	1,664	14,223	2,796	133,828
Additions (Note 46(a))	-	-	1	24	554	12	1,459	296	2,346
Disposals/Write-offs	-	-	(15,875)	-	(307)	(5)	(2,597)	(588)	(19,372)
Foreign exchange difference	(85)	(3)	(281)	(5)	(82)	(3)	(83)	(7)	(549)
At 31 May	3,347	9,102	66,875	14,298	5,464	1,668	13,002	2,497	116,253
Accumulated depreciation									
At 1 June 2025	-	4,480	75,874	14,184	4,386	1,445	12,124	2,297	114,790
Charge for the financial year:									
- recognised in cost of sales (Note 35)	-	-	664	34	14	7	86	-	805
- recognised in profit or loss (Note 39)	-	182	1,052	9	320	65	820	187	2,635
	-	182	1,716	43	334	72	906	187	3,440
Disposals/Write-offs	-	-	(14,601)	-	(303)	(4)	(2,409)	(588)	(17,905)
Foreign exchange difference	-	(3)	(188)	(1)	(76)	(2)	(64)	(7)	(341)
At 31 May	-	4,659	62,801	14,226	4,341	1,511	10,557	1,889	99,984

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

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 2026									
Accumulated impairment loss									
At 1 June 2025	270	-	-	-	1	-	-	-	271
Foreign exchange difference	(40)	-	-	-	*	-	-	-	(40)
At 31 May	230	-	-	-	1	-	-	-	231
Carrying value	3,117	4,443	4,074	72	1,122	157	2,445	608	16,038

Note:-

** Less than RM1,000.*

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

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									
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 46(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 35)	-	-	1,168	39	14	6	86	-	1,313
- recognised in profit or loss (Note 39)	-	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 2026

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 2026

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 2026				
Cost				
At 1 June 2025	14	197	1,177	1,388
Additions (Note 46(a))	7	1	152	160
Disposals/Write-offs	(7)	-	(56)	(63)
At 31 May	14	198	1,273	1,485
Accumulated depreciation				
At 1 June 2025	14	149	946	1,109
Charge for the financial year (Note 39)	*	17	157	174
Disposals/Write-offs	(7)	-	(55)	(62)
At 31 May	7	166	1,048	1,221
Carrying value	7	32	225	264
31 May 2025				
Cost				
At 1 June 2024	14	196	1,144	1,354
Additions (Note 46(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 39)	*	17	165	182
At 31 May	14	149	946	1,109
Carrying value	-	48	231	279

Note:-
* *Less than RM1,000.*

The Group's land and buildings with an aggregate carrying value of RM7,303,000 (2025 - RM7,485,000) are pledged to licensed banks as security for credit facilities granted to the Group, as disclosed in Notes 27 and 28 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 RM4,441,000 (2025 - RM6,678,000) 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.

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

10. Right-Of-Use Assets

	The Group	
	2026	2025
	RM'000	RM'000
Cost		
At 1 June 2025/2024	4,965	6,185
Additions (Note 46(a))	6,979	-
Disposals	-	(1,164)
Foreign exchange difference	*	(56)
At 31 May	11,944	4,965
Accumulated depreciation		
At 1 June 2025/2024	668	1,165
Charge for the financial year:		
- recognised in profit or loss (Note 39)	71	53
- capitalised in power plants (Note 46(a))	293	-
Disposals	-	(525)
Foreign exchange difference	*	(25)
At 31 May	1,032	668
Accumulated impairment loss		
At 1 June/31 May	109	109
Carrying value	10,803	4,188

Note:-
** Less than RM1,000.*

(a) The Group leases certain pieces of leasehold land and solar farm land of which the leasing activities are summarised below:-

(i) Leasehold lands

The lease arrangement on the use of land are for periods of 85 to 93 years with no renewal or purchase option included in the agreements. The leasehold lands with an aggregate carrying value of RM4,136,000 (2025 - RM4,188,000) have been pledged to licensed banks as securities for banking facilities granted to the Group, as disclosed in Notes 27 and 28 to the financial statements.

(ii) Solar farm land

The Group has entered into lease agreements for two parcels of lands in Tawau, Sabah, for the construction and operation of its solar power plants. The lease terms ranging from 25 to 28 years and the Group is not allowed to sublease the land.

(b) The Group also has leases with lease terms of 12 months or less. The Group has applied the ‘short-term lease’ recognition exemptions for these leases.

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

11. Investment Properties

	The Group	
	2026 RM'000	2025 RM'000
Cost		
At 1 June 2025/2024	17,390	17,613
Reclassification	(71)	-
Disposals	-	(223)
At 31 May	17,319	17,390
Accumulated depreciation		
At 1 June 2025/2024	1,805	1,649
Charge for the financial year (Note 39)	156	156
Reclassification	(71)	-
At 31 May	1,890	1,805
Accumulated impairment loss		
At 1 June/31 May	397	397
Carrying value	15,032	15,188
Represented by:-		
Leasehold lands	14,636	14,783
Buildings	396	405
	15,032	15,188

(a) Investment properties with an aggregate carrying value of RM3,828,000 (2025 - RM3,884,000) are pledged to licensed banks as security for credit facilities granted to the Group, as disclosed in Notes 27 and 28 to the financial statements.

(b) Investment properties are stated at fair value, which are estimated at RM22,156,000 (2025 - RM23,066,000) 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 unobservable 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.

	The Group	
	2026 RM'000	2025 RM'000
Fair value represented by:-		
Leasehold lands	21,676	22,586
Buildings	480	480
	22,156	23,066

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

12. Other Investments

	The Group		The Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Quoted investment, at fair value	719	1,259	719	1,259
Unquoted ordinary shares, at fair value	856	530	-	-
	1,575	1,789	719	1,259

13. Goodwill on consolidation

	The Group	
	2026	2025
Cost	**RM'000**	**RM'000**
At 1 June 2025/2024	41,104	42,444
Foreign exchange difference	(902)	(1,340)
At 31 May	40,202	41,104
Accumulated impairment loss		
At 1 June 2025/2024	35,577	36,303
Foreign exchange difference	(76)	(726)
At 31 May	35,501	35,577
Carrying value	4,701	5,527

(a) The carrying amounts of goodwill allocated to the cash-generating unit ("CGU") are as follows:-

	The Group	
	2026 RM'000	2025 RM'000
Water concession	4,701	5,527

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

13. 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		Revenue Growth Rate		Discount Rate	
	2026 %	2025 %	2026 %	2025 %	2026 %	2025 %
Water concessions	51 - 69	53 - 72	1 - 13	1 - 9	14	12 - 13

(i) Projected gross profit margins

The projected gross profit margins used based on historical margins achieved or predetermined profit margins for relevant products and services.

(ii) Projected revenue growth rates

The projected revenue growth rates used taking into consideration past business performance and management's expectations of current and future market conditions.

(iii) Pre-tax discount rate

The discount rate used is pre-tax and reflects specific risks relating to the CGU.

Based on the assessment, no impairment on goodwill was required as the recoverable amount exceeded the 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 CGU carrying amount to exceed its recoverable amount.

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

14. Deferred Tax (Assets)/Liabilities

	The Group		The Company	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
At 1 June 2025/2024	(24,790)	(19,557)	2,507	592
Recognised in profit or loss (Note 42)	7,934	(5,280)	825	1,915
Recognised in other comprehensive income	12	2	-	-
Foreign exchange difference	62	45	-	-
At 31 May	(16,782)	(24,790)	3,332	2,507
Presented after appropriate offsetting as follows:				
- Deferred tax liabilities	5,031	2,918	3,332	2,507
- Deferred tax assets	(21,813)	(27,708)	-	-
	(16,782)	(24,790)	3,332	2,507

Deferred tax assets and liabilities are attributable to the following items:-

	The Group		The Company	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
Deferred tax assets:-				
Employee benefits	(363)	(367)	-	-
Impairment loss on receivables	(17)	(17)	-	-
Unrealised profits	-	(87)	-	-
Unused tax losses	(1,590)	(1,980)	-	-
Unabsorbed capital allowances	(2,045)	(3,857)	-	-
Provisions on project costs	(17,798)	(6,855)	-	-
Timing differences on allowable expenses	-	(12,779)	-	-
Deferred tax assets (before offsetting)	(21,813)	(25,942)	-	-
Offsetting	-	(1,766)	-	-
Deferred tax assets (after offsetting)	(21,813)	(27,708)	-	-

	The Group		The Company	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
Deferred tax liabilities:-				
Accelerated capital allowances over depreciation/(Excess depreciation over capital allowances)	2	1,146	(91)	(47)
Timing differences on allowable expenses	4,469	-	3,423	2,554
Realisation of revaluation reserve on inventory - property development costs	560	6	-	-
Deferred tax liabilities (before offsetting)	5,031	1,152	3,332	2,507
Offsetting	-	1,766	-	-
Deferred tax liabilities (after offsetting)	5,031	2,918	3,332	2,507

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

14. Deferred Tax (Assets)/ Liabilities (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	
	2026	2025
	RM'000	RM'000
Deferred tax assets:-		
Unused tax losses:		
- expires year of assessment 2026	-	591
- expires year of assessment 2027	499	499
- expires year of assessment 2028	6,643	6,643
- expires year of assessment 2029	7,961	7,961
- expires year of assessment 2030	12,251	12,251
- expires year of assessment 2031	14,456	1,950
- expires year of assessment 2032	6,041	6,122
- expires year of assessment 2033	72	72
- expires year of assessment 2034	223	223
- expires year of assessment 2035	14,128	14,128
- expires year of assessment 2036	38,933	-
- No expiring date	13,184	11,921
Unabsorbed capital allowances	29,700	11,428
Provisions	38,497	25,510
Timing differences on allowable expenses	63,844	61,795
Timing differences on write-down of property development cost to net realisable value	25,404	-
Excess depreciation over capital allowances	-	4,638
Deferred tax liabilities:-		
Accelerated capital allowances over depreciation	(4,059)	-
Deferred tax assets (after offsetting)	267,777	165,732

The 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 countries is subject to the agreement of the tax authorities and compliance with respective tax legislation in which the subsidiaries operate.

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

15. INVENTORIES

	The Group	
	2026	**2025**
	RM'000	**RM'000**
Property development costs (Note 15(b))	343,929	398,451
Developed properties held for sale (Note 15(c))	1,508	2,441
Raw materials	68	104
	345,505	400,996

(a) Land Held for Property Development

	The Group	
	2026	**2025**
	RM'000	**RM'000**
Carrying value		
At 1 June 2025/2024	-	53,462
Derecognition upon disposal	-	(53,462)
At 31 May	-	-

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.

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

15. 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 2026				
Cumulative property development cost				
At 1 June 2025	337,228	6,300	349,705	693,233
Cost incurred during the financial year	-	-	167,647	167,647
Addition in land proprietor's entitlement	2,959	-	-	2,959
Reclassification	-	(1,568)	1,568	-
Reversal of completed projects	(42,872)	-	(93,289)	(136,161)
Transferred to developed properties held for sale	(528)	-	(1,099)	(1,627)
At 31 May	296,787	4,732	424,532	726,051
Cumulative costs recognised in profit or loss				
At 1 June 2025	(59,841)	(1,101)	(233,840)	(294,782)
Cost recognised during the financial year	(38,398)	(1,863)	(157,836)	(198,097)
Reversal of completed projects	42,872	-	93,289	136,161
Write-down of property development costs to net realisable value (Note 35)	(25,404)	-	-	(25,404)
At 31 May	(80,771)	(2,964)	(298,387)	(382,122)
Property development cost at 31 May 2026	216,016	1,768	126,145	343,929

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

15. 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 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	-	-	(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

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

15. **Inventories (Cont'd)**

(b) **Property Development Costs (Cont'd)**

(i) The property development costs of the Group with an aggregate carrying value of RM294,042,000 (2025 - RM331,658,000) are pledged to financial institutions for banking facilities granted to the Group as disclosed in Note 28 to the financial statements.

(ii) Included in property development costs is land proprietor's entitlement of the Group committed through 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 RM128,115,000 (2025 - RM125,155,000).

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**

In the previous financial year, the developed properties held for sale with amounting to RM951,000 had been pledged to licensed banks as security for banking facilities granted to the Group.

	The Group	
	2026	**2025**
	RM'000	**RM'000**
Recognised in profit or loss:-		
Developed properties held for sale recognised as cost of sales	2,560	480

16. **Contract Cost Assets**

	The Group	
	2026	**2025**
	RM'000	**RM'000**
Incremental costs of obtaining contracts	2,246	8,606

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. During the financial year, the amount amortised and recorded in profit or loss amounted to RM9,940,000 (2025 - RM8,763,000).

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

17. Trade And Non-Trade Receivables

	The Group		The Company	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
Trade receivables	45,313	76,229	-	-
Less: Impairment loss				
At 1 June 2025/2024	(1,799)	(1,902)	-	-
Reversal during the financial year (Note 37)	123	-	-	-
Foreign exchange difference	99	103	-	-
At 31 May	(1,577)	(1,799)	-	-
Less: Accretion of interest				
At 1 June 2025/2024	(730)	(353)	-	-
Additions during the financial year (Note 39)	(30)	(498)	-	-
Reversal during the financial year (Note 36)	234	121	-	-
At 31 May	(526)	(730)	-	-
Trade receivables, net	43,210	73,700	-	-

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

17. Trade And Non-Trade Receivables (Cont'd)

	The Group		The Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Amount owing by subsidiaries (Note 18)	-	-	237,188	257,045
Amount owing by joint ventures (Note 19)	5,312	6,167	-	-
Non-trade receivables:-				
(i) Other receivables	59,770	48,532	6,775	6,750
Less: Impairment loss				
At 1 June 2025/2024	(6,815)	(6,815)	(6,750)	(6,750)
Addition during the financial year (Note 37)	(2,041)	-	-	-
Reversal during the financial year (Note 37)	-	-	21	-
Foreign exchange difference	161	-	-	-
At 31 May	(8,695)	(6,815)	(6,729)	(6,750)
Less: Accretion of interest				
At 1 June 2025/2024	(571)	-	-	-
Additions during the financial year (Note 39)	(756)	(571)	-	-
At 31 May	(1,327)	(571)	-	-
(i) Other receivables, net	49,748	41,146	46	-
(ii) Prepayments	1,460	2,871	469	547
Less: Impairment loss				
At 1 June 2025/2024	(936)	(1,040)	-	-
Write-off during the financial year	936	-	-	-
Foreign exchange difference	-	104	-	-
At 31 May	-	(936)	-	-
Prepayments, net	1,460	1,935	469	547
(iii) Deposits	14,766	7,420	73	72
Non-trade receivables, net	65,974	50,501	588	619
Trade and non-trade receivables	114,496	130,368	237,776	257,664

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

17. TRADE AND NON-TRADE RECEIVABLES (CONT'D)

The maturities of trade and non-trade receivables are as follows:-

	The Group		The Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Current:-				
Within one year	110,123	124,398	119,782	111,052
Non-current:-				
More than one year but less than five years	4,373	5,970	88,472	106,157
Over five years	-	-	29,522	40,455
	4,373	5,970	117,994	146,612
	114,496	130,368	237,776	257,664

(a) The Group's and the Company's normal trade credit terms ranging from 30 to 90 (2025 - 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 RM12,314,000 (2025 - RM17,359,000). These stakeholder sums are expected to be collected within the periods ranging from 1 to 24 (2025 - 1 to 24) months.

(ii) a carrying value of RM2,267,000 (2025 - RM3,726,000) is the discounted carrying value of Landowner Guaranteed Joint Venture Consideration of RM2,321,000 (2025 - RM4,075,000) and Landowner's Premium of RM472,000 (2025 - RM411,000) from Aman Imperio Sdn Bhd.

(iii) a carrying value of RM1,425,000 (2025 - RM2,259,000) is the discounted carrying value of Landowner Guaranteed Joint Venture Consideration of RM1,870,000 (2025 - RM2,830,000) from City Max Development Sdn Bhd. This amount is expected to be collected in 4 tranches (2025 - 6 tranches) within 3 years (2025 - 4 years) after the financial year end.

(c) Included in the other receivables are the purchase of construction materials on behalf to subcontractors of the Group amounted to RM32,600,000 (2025 - RM31,722,000). The amount owing will be offset against future workdone from the subcontractors.

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

18. AMOUNTS OWING BY SUBSIDIARIES

	The Company	
	2026	2025
	RM'000	RM'000
Current:-		
Trade balances	7,965	5,304
Non-trade balances	111,229	105,129
	119,194	110,433
Non-current:-		
Non-trade balances	131,794	160,412
Less: Impairment loss		
At 1 June 2025/2024	(13,800)	-
Addition during the financial year (Note 37)	-	(13,800)
At 31 May	(13,800)	(13,800)
	117,994	146,612
Amount owing by subsidiaries, net (Note 17)	237,188	257,045
Current:-		
Within one year	119,194	110,433
Non-current:-		
More than one year but less than five years	88,472	106,157
Over five years	29,522	40,455
	237,188	257,045

The trade balances are subject to the normal trade credit terms of 60 (2025 - 60) 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 RM184,520,000 (2025 - RM206,901,000) at interest rate ranging from 5.44% - 6.51% (2025 - 5.61% - 6.55%) per annum. The amounts are repayable on demand or not more than 12 years and to be settled in cash.

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

19. AMOUNT OWING BY JOINT VENTURES

	The Group	
	2026 RM'000	2025 RM'000
Trade balance (Note 19(a))	657	1,911
Non-trade balances (Note 19(b))	4,655	4,256
Less: Impairment loss		
At 1 June 2025/2024	-	(3,624)
Reversal during the financial year (Note 37)	-	3,624
At 31 May	-	-
Non-trade receivables, net	4,655	4,256
Amount owing by joint ventures, net (Note 17)	5,312	6,167

(a) The trade balance represents retention sums which are expected to be received as below:-

	The Group	
	2026 RM'000	2025 RM'000
Within 1 year	657	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	
	2026 RM'000	2025 RM'000
Contract Assets		
Contract assets relating to:		
- construction	162,083	212,572
- property development	81,875	92,555
	243,958	305,127
Contract Liabilities		
Contract liabilities relating to:		
- construction	(13,024)	(39,761)
- property development	-	(1,057)
	(13,024)	(40,818)
	230,934	264,309

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

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 RM58,590,000 (2025 - RM75,005,000).

(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.

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

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	
	2026	**2025**
	RM'000	**RM'000**
At 1 June 2025/2024	265,812	233,269
Revenue recognised in profit or loss during the financial year (Note 34)	752,760	676,757
Billings to customers during the financial year	(788,569)	(651,279)
Consideration payable to customers	1,839	7,065
Foreign exchange difference	662	-
	232,504	265,812
Less: Impairment loss		
At 1 June 2025/2024	(1,503)	(1,589)
Addition during the financial year (Note 37)	(157)	-
Foreign exchange difference	90	86
At 31 May	(1,570)	(1,503)
Contract assets, net	230,934	264,309
Represented by:-		
Contract assets	243,958	305,127
Contract liabilities	(13,024)	(40,818)
	230,934	264,309

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 RM456,855,000 (2025 - RM976,958,000). These remaining performance obligations are expected to be recognised as below:-

	The Group	
	2026	**2025**
	RM'000	**RM'000**
Within 1 year	423,685	768,714
More than 1 year but less than 5 years	33,170	208,244
	456,855	976,958

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

21. SHORT-TERM FUNDS

	The Group		The Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Money market fund, at fair value	74,592	67,652	44,377	24,737

The money market funds represent investments in highly liquid money market instruments and deposits with financial institutions in Malaysia which are 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	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Deposits with licensed banks	68,403	59,830	656	642

(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 0.25% to 4.70% (2025 - 0.40% to 4.75%) per annum and 2% (2025 - 2.25%) per annum respectively. The deposits have maturity periods ranging from 1 to 12 (2025 - 1 to 15) months.

(b) Included in the deposits with licensed banks of the Group and of the Company at the end of the reporting period is an amount of RM27,663,000 and RM656,000 (2025 - RM39,291,000 and RM642,000) which have been pledged to licensed banks as security for banking facilities granted to the Group and the Company as disclosed in Notes 27 and 28 to the financial statements.

23. CASH AND BANK BALANCES

	The Group		The Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Cash and bank balances	134,046	135,915	709	10,747

(a) Included in the cash and bank balances of the Group is an amount of RM76,770,000 (2025 - RM67,162,000) 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) In the previous financial year, included in the cash and bank balances of the Group was an amount of RM24,000 held as a security with the condition to make available of the Bank Guarantee limit. It was restricted from use in other operations.

(c) Included in the cash and bank balances of the Group at the end of the reporting period is an amount of RM3,008,000 (2025 – RM NIL) which have been pledged to licensed banks as security for banking facilities granted to the Group as disclosed in Note 28 to the financial statements.

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

24. Share Capital

	The Group/The Company			
	2026	2025	2026	2025
	Number of shares		RM'000	RM'000
Issued and fully paid-up:-				
At 1 June	800,867,195	728,061,095	412,091	389,521
Issuance of shares pursuant to:				
- private placement	-	72,806,100	-	22,570
At 31 May	800,867,195	800,867,195	412,091	412,091

(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) In the previous 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.

25. Reserves

	The Group		The Company	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
Non-distributable				
Capital reserves (a)	1,347	1,347	-	-
Foreign exchange translation reserves (b)	(24,359)	(12,504)	-	-
	(23,012)	(11,157)	-	-
Distributable				
Retained profits	349,537	415,608	12,742	21,565
	326,525	404,451	12,742	21,565

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

25. 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.

26. 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 parent and the non-controlling interests based on their respective ownership interests.

The movements in non-controlling interests in subsidiaries are as follows:-

	The Group	
	2026 RM'000	2025 RM'000
At 1 June 2025/2024	(11,784)	(8,635)
Share of results attributable to non-controlling interests	(9,237)	(3,149)
At 31 May	(21,021)	(11,784)

The non-controlling interests in respective subsidiaries and summary of financial information are disclosed in Note 5 to the financial statements.

27. BANK BORROWINGS

	The Group		The Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Current				
Secured				
Bankers' acceptances	10,804	1,687	-	-
Revolving credits	38,242	101,774	-	-
Term loans (Note 28)	5,759	18,232	-	2,813
Hire purchase payables (Note 29)	1,395	2,397	-	-
	56,200	124,090	-	2,813
Non-current				
Secured				
Term loans (Note 28)	94,983	74,220	-	-
Hire purchase payables (Note 29)	1,602	2,022	-	-
	96,585	76,242	-	-
Total bank borrowings	152,785	200,332	-	2,813

27. 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	
	2026	**2025**
	%	**%**
Bankers' acceptances	4.64 - 4.94	5.10 - 5.14
Revolving credits	3.35 - 6.65	4.26 - 7.08

(a) The bank borrowings except for term loans and hire purchase payables are secured by:-

(i) assignment and deed of charge of the contract proceeds;

(ii) corporate guarantees of the Company;

(iii) deposits with licensed banks of the Group and the Company as disclosed in Note 22 to the financial statements;

(iv) a first legal charge over few pieces of land and a building which is included in the other property, plant and equipment, right-of-use assets and investment properties of subsidiaries as disclosed in Notes 9, 10 and 11 to the financial statements; and

(v) a debenture of the total loan amount by fixed and floating charge over all present and future assets of a subsidiary.

(b) The major covenants of the bank borrowings except for term loans and hire purchase payables are as follows:-

(i) leverage ratio of the Company at the consolidated level shall not exceed 2.0.

(ii) gearing ratio of a Subsidiary at the consolidated level shall not exceed 1.0.

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.

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

28. Term Loans

	The Group		The Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Current liabilities (Note 27)	5,759	18,232	-	2,813
Non-current liabilities (Note 27)	94,983	74,220	-	-
Total term loans	100,742	92,452	-	2,813

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	
	2026	2025	2026	2025	2026	2025
Term Loan	%	%	RM'000	RM'000	RM'000	RM'000
I	-	5.74	-	9,570	-	-
II	4.37	4.62	216	254	-	-
III	10.00	10.00	7,763	11,735	-	-
IV	10.00	10.00	4,440	6,786	-	-
V	-	5.07	-	2,813	-	2,813
VI	5.02	5.31	19,323	16,294	-	-
VII	5.45	5.70	69,000	45,000	-	-
			100,742	92,452	-	2,813

(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. The term loan I was fully repaid during the financial year. The term loan is secured by:-

(i) a first party charge over a piece of freehold land which is included in the property development costs of a subsidiary as disclosed in Note 15(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.

(b) Term loan II 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 first party 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.

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

28. TERM LOANS (CONT'D)

(c) Term loan III has a tenure of 11 years and is repayable in 43 quarterly principal instalments commencing on March 2019.

Term loan IV has a tenure of 5 years and is repayable by 60 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(a) 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;

(iv) a corporate guarantee of the Company;

(v) an assignment and charge over the designated accounts as disclosed in Note 23 to the financial statements;

(vi) an assignment of all rights and benefits under all relevant insurance policies; and

(vii) pledge of a subsidiary's shares.

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.

(d) Term loan V has a tenure of 4 years and is repayable by 16 quarterly instalments of RM938,000 each commencing on April 2022. The term loan V was fully repaid during the financial year.

The term loan was 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 assets and investment properties of subsidiaries as disclosed in Notes 9, 10 and 11 to the financial statements and deposits with licensed banks of the Group and the Company as disclosed in Note 22 to the financial statements.

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

28. TERM LOANS (CONT'D)

(e) Term loan VI has a tenure of 10 years and is repayable by 120 monthly instalments of RM178,000 each commencing on August 2024. The term loan is secured by:-

(i) a corporate guarantee of the Company;

(ii) an assignment over the Land Lease Agreement;

(iii) a deposits with licensed banks as disclosed in Note 22 to the financial statements;

(iv) an assignment of the Power Purchase Agreement and contract proceeds; and

(v) 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(a) to the financial statements.

The major covenants are as follows:-

(aa) Maintain debt servicing coverage ratio of not less than 1.25 times.

The covenant is to be tested based on a 12-month period commencing from the commercial operation date ("COD"). As the project achieved COD on December 2025, the Group had not completed the required 12-month operating period as at the reporting date. Accordingly, there was no covenant breach as at 31 May 2026.

There are no indicators that the Group would have difficulties complying with the upcoming covenant assessments.

(f) Term loan VII 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 as disclosed in Note 15(b) to the financial statements;

(ii) first debenture over all assets, properties and undertakings, both present and future of a subsidiary;

(iii) an assignment and charge over the Debt Service Reserve Account ("DSRA") as disclosed in Note 23 to the financial statements;

(iv) an assignment and charge over project proceeds in the Housing Development Account ("HDA") as disclosed in Note 23 to the financial statements;

(v) an assignment of rights and benefits under performance bonds, guarantees and warranties;

(vi) an assignment of rights and benefits under applicable insurance policies; and

(vii) a corporate guarantee of the Company.

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

29. Hire Purchase Payables

	The Group	
	2026	2025
	RM'000	RM'000
Current liabilities (Note 27)	1,395	2,397
Non-current liabilities (Note 27)	1,602	2,022
Total hire purchase payables	2,997	4,419

The hire purchase payables at the end of the reporting period bore effective interest rate ranging from 3.72% to 6.45% (2025 - 1.50% to 6.45%) per annum.

30. Lease Liabilities

	The Group	
	2026	2025
	RM'000	RM'000
At 1 June 2025/2024	-	679
Additions during the financial year (Note 46(b))	6,979	-
Derecognition due to lease modification (Note 46(b))	-	(639)
Interest expense:		
- capitalised to power plants (Note 46(a))	372	-
- recognised in profit or loss (Note 38)	23	-
Repayment of principal (Note 46(b))	(141)	-
Repayment of interest expense (Note 46(b))	(395)	-
Foreign exchange difference	-	(40)
At 31 May	6,838	-
Analysed by:-		
Current liabilities	113	-
Non-current liabilities	6,725	-
	6,838	-

31. 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	
	2026	2025
	RM'000	RM'000
At 1 June 2025/2024	1,724	2,141
Benefits paid for unfunded plans	(206)	(203)
Expenses recognised in profit or loss (Note 40)	236	(8)
Actuarial gain recognised in other comprehensive income	(54)	(10)
Foreign exchange difference	(217)	(196)
At 31 May	1,483	1,724

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

31. DEFINED BENEFIT OBLIGATIONS (CONT'D)

The expenses recognised in profit or loss were analysed as follows:-

	The Group	
	2026 RM'000	2025 RM'000
Service cost	144	166
Interest cost	109	118
Past service cost - vested	(17)	(292)
Total costs incurred during the financial year	236	(8)

The principal actuarial assumptions used in respect of the Group's unfunded defined benefit plan were as follows:-

	The Group	
	2026	2025
Normal retirement age	60 years	60 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	6.86% - 6.89% p.a.	6.6% - 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)	2026 RM'000	Increase/ (Decrease)	2025 RM'000
Discount rate	+1%	(241)	+1%	(55)
	-1%	266	-1%	26
Expected rate of salary	+1%	268	+1%	24
	-1%	(240)	-1%	(57)

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

32. Trade And Non-Trade Payables

	The Group		The Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Trade payables	67,670	49,100	-	-
Retention payable	77,561	64,724	-	-
Accrued subcontractor work and materials	66,447	95,470	-	-
Trade payables, net	211,678	209,294	-	-
Non-trade payables	10,648	4,978	34	40
Land proprietor's entitlement	11,576	8,617	-	-
Provision for affordable housing (Note 32(a))	14,688	12,462	-	-
Provision for foreseeable losses (Note 32(c)):				
At 1 June 2025/2024	12,269	10,633	-	-
Additions during the financial year (Note 35)	-	1,636	-	-
Reversal during the financial year (Note 35)	(76)	-	-	-
At 31 May	12,193	12,269	-	-
Provision cost for completed projects	17,443	19,803	-	-
Other accruals	18,810	28,511	219	222
Deposits	1,617	1,376	-	-
Amount owing to joint venture (Note 32(d))	-	150	-	-
Goods and service tax payables	-	172	-	-
Sales and service tax payables	686	19	-	-
Non-trade payables, net	87,661	88,357	253	262
Trade and non-trade payables	299,339	297,651	253	262

The maturities of trade and non-trade payables are as follows:-

	The Group		The Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Current				
Payables within one year	286,963	289,034	253	262
Non-current				
Payables more than one year but less than five years	12,376	8,617	-	-
	299,339	297,651	253	262

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

32. 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 ranging from 30 to 90 (2025 - 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) In the previous financial year, the amount owing to joint ventures was non-trade in nature, represents unsecured interest-free advances and payments made on behalf which were repayable on demand. The amount has been settled in cash.

(e) Included in the non-trade payables and accruals of the Group are unpaid balance for acquisition of power plant of RM13,919,000 as disclosed in Note 46(a) to the financial statements.

33. NET ASSETS PER ORDINARY SHARE

The net assets per ordinary share is calculated based on the net assets value of RM738,616,000 (2025 - RM816,542,000) attributable to ordinary shares divided by the number of ordinary shares in issue at the end of the reporting period of 800,867,195 (2025 - 800,867,195) shares.

34. REVENUE

	The Group		The Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Revenue from contracts with customers				
Recognised over time				
Construction contracts (Note 20(d))	519,832	443,875	-	-
Property development (Note 20(d))	232,928	232,882	-	-
Power contract	10,309	9,790	-	-
Water concession	23,243	25,027	-	-
	786,312	711,574	-	-
Recognised at a point in time				
Sales of developed properties and land	1,083	68,109	-	-
	787,395	779,683	-	-
Revenue from other sources				
Dividend income	-	-	-	4,000
Management fees - Subsidiaries	-	-	10,090	9,346
- Joint venture	54	129	-	-
	54	129	10,090	13,346
	787,449	779,812	10,090	13,346

(a) The information on the disaggregation of by geographical market is disclosed in Note 50 to the financial statements.

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

34. **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% (2025 - 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 ranging from 7 to 50 (2025 - 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 ranging from 12 to 27 (2025 - 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% (2025 - 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 architects. The credit period is 30 (2025 - 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 (2025 - 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 ranging from 24 to 30 (2025 - 24 to 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.

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

34. 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 intangible assets and the revenue from power contract is also recognised monthly. The credit period is 8 (2025 - 8) 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.

Sales of developed properties and land

The Group recognises revenue (net of discount) from the sale of developed properties and land at a point in time when the properties have been delivered to and accepted by the customers.

The credit period is 90 (2025 - 90) days from the date of progress billing. Other credit terms are assessed and approved on a case-by-case basis. There is no significant financing component in the selling price as the billing is made on the normal credit terms not exceeding 12 months.

A defect liability period of 24 months is given to the customers.

(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.

35. 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/(credits) made during the financial year:-

	The Group	
	2026 RM'000	2025 RM'000
Depreciation of other property, plant and equipment (Note 9(b))	805	1,313
Employee benefits (Note 40)	31,729	34,189
Interest expense on:		
- bank borrowings	1,527	3,802
- hire purchase payables	103	83
Lease expenses on short-term leases	1,255	1,080
Net reversal of provision cost for completed projects	(2,360)	(644)
(Reversal)/Provision of contract foreseeable losses (Note 32)	(76)	1,636
Write-down of property development costs to net realisable value (Note 15)	25,404	-

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

36. Other Income

	The Group		The Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Accretion of interest on:				
- trade receivables (Note 17)	234	121	-	-
Dividend income from short-term funds	134	86	54	51
Fair value gain on short-term funds	2,724	1,375	1,226	964
Gain on disposal of:				
- investment properties	-	178	-	-
- assets held for sales	-	1,516	-	-
- property, plant and equipment:				
- other property, plant and equipment	2,232	-	1	-
Interest income	3,663	2,906	9,394	10,540
Management fee	-	146	-	-
Miscellaneous income	1,856	2,878	9	9
Realised gain on foreign exchange	-	7	-	-
Rental income	142	1,045	-	-
Reversal of impairment loss:				
- investment in joint venture (Note 7)	-	510	-	-
Sales of scrap iron	29	334	-	-
Fair value gain on quoted shares	-	450	-	450
	11,014	11,552	10,684	12,014

37. Net Impairment Losses/(Reversal of Impairment Losses) on Financial Assets and Contract Assets

	The Group		The Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Bad debts recovered	*	*	-	-
Bad debts written off	4	175	-	15
Impairment losses on:				
- amount owing by subsidiaries (Note 18)	-	-	-	13,800
- contract assets (Note 20(d))	157	-	-	-
- other receivables (Note 17)	2,041	-	-	-
Reversal of impairment losses:				
- amount owing by joint ventures (Note 19)	-	(3,624)	-	-
- trade receivables (Note 17)	(123)	-	-	-
- other receivables (Note 17)	-	-	(21)	-
	2,079	(3,449)	(21)	13,815

Note:-

* *Less than RM1,000.*

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

38. Finance Costs

	The Group		The Company	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
Bank borrowings interest	7,634	8,061	44	236
Hire purchase payables interest	123	448	-	-
Lease liabilities interest (Note 30)	23	-	-	-
	7,780	8,509	44	236

39. (Loss)/ Profit Before Taxation

	The Group		The Company	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
(Loss)/Profit before taxation is arrived after charging/(crediting)(other than disclosed in Notes 35, 36, 37 and 38 to the financial statements):-				
Accretion of interest on:				
- other receivables (Note 17)	756	571	-	-
- trade receivables (Note 17)	30	498	-	-
Auditors' remuneration:				
- audit fees:				
- auditors of the Company	485	478	110	108
- other auditors	174	205	-	-
- non-audit fees:				
- auditors of the Company	10	8	10	8
- underprovision in the previous financial year	2	2	-	-
Deposit written off	7	-	-	-
Depreciation of:				
- property, plant and equipment:				
- power plants (Note 9(a))	8,141	8,535	-	-
- other property, plant and equipment (Note 9(b))	2,635	3,052	174	182
	10,776	11,587	174	182
- intangible assets (Note 8)	3,800	4,894	-	-
- investment properties (Note 11)	156	156	-	-
- right-of-use assets (Note 10)	71	53	-	-
Direct operating expenses on investment properties	94	64	-	-
Employee benefits (Note 40)	26,850	26,761	9,353	8,793
Fair value loss on quoted shares	540	-	540	-
Lease expenses on short-term leases	472	669	250	302

39. (LOSS)/ PROFIT BEFORE TAXATION (CONT'D)

	The Group		The Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
(Loss)/Profit before taxation is arrived after charging/(crediting)(other than disclosed in Notes 35, 36, 37 and 38 to the financial statements)(Cont'd):-				
Loss on deconsolidated of a subsidiary	6	-	-	-
Loss on foreign exchange:				
- realised	190	-	299	139
- unrealised	9,358	7,071	11,873	8,549
Loss on disposal of:				
- other property, plant and equipment	-	775	-	-
Net impairment losses on:				
- investment in a subsidiary (Note 5)	-	-	-	2,428
- property, plant and equipment:				
- power plants (Note 9(a))	18,883	-	-	-
Other property, plant and equipment written off	4	1	1	-
Share of results of joint ventures	361	6,798	-	-

40. EMPLOYEE BENEFITS

	The Group		The Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Salaries and other benefits	54,080	56,517	8,587	8,070
Contributions to:				
- defined contribution plan	4,263	4,441	766	723
- defined benefit obligations (Note 31)	236	(8)	-	-
	58,579	60,950	9,353	8,793

Employee benefits are allocated as follows:-

	The Group		The Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Cost of sales (Note 35)	31,729	34,189	-	-
Administrative expenses (Note 39)	26,850	26,761	9,353	8,793
	58,579	60,950	9,353	8,793

Included in employee benefits of the Group and of the Company are executive directors' remuneration amounting to RM6,669,000 (2025 - RM6,972,000) and RM2,017,000 (2025 - RM1,929,000) respectively as disclosed in Note 41 to the financial statements.

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

41. Directors' Remuneration And Key Management Personnel Compensation

	The Group		The Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Directors of the Company				
Executive:-				
Salaries and other emoluments	1,944	1,857	1,944	1,857
Defined contribution plan	73	72	73	72
	2,017	1,929	2,017	1,929
Non-executive:-				
Director fees	370	370	370	370
Other emoluments	61	54	61	54
	431	424	431	424
	2,448	2,353	2,448	2,353
Directors of the subsidiaries				
Executive:-				
Salaries and other emoluments	4,275	4,608	-	-
Director fees	-	36	-	-
Defined contribution plan	377	435	-	-
	4,652	5,079	-	-
Total directors' remuneration	7,100	7,432	2,448	2,353
Benefits-in-kind	420	328	195	136
Total directors' remuneration including benefits-in-kind	7,520	7,760	2,643	2,489
Key Management Personnel				
Salaries and other emoluments	7,379	6,557	2,876	2,572
Defined contribution plan	821	718	345	308
	8,200	7,275	3,221	2,880
Benefits-in-kind	155	130	26	38
Total key management personnel compensation including benefits-in-kind	8,355	7,405	3,247	2,918

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

42. INCOME TAX EXPENSE

	The Group		The Company	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
Current tax:				
- Malaysian income tax	11,718	14,855	938	1,242
- Foreign income tax	3,796	3,290	-	-
	15,514	18,145	938	1,242
(Over)/Underprovision in the previous financial year:				
- Malaysian income tax	(3,257)	(1,911)	(10)	160
- Foreign income tax	667	75	-	-
	(2,590)	(1,836)	(10)	160
	12,924	16,309	928	1,402
Deferred tax (Note 14):				
- for the financial year	7,904	(1,847)	825	931
- under/(over)provision in the previous financial year	30	(3,433)	-	984
	7,934	(5,280)	825	1,915
	20,858	11,029	1,753	3,317

A reconciliation of income tax expense applicable to the (loss)/profit 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	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
(Loss)/Profit before taxation	(56,186)	18,027	(4,908)	(12,132)
Tax at Malaysian tax rate of 24%	(13,485)	4,326	(1,178)	(2,912)
Non-deductible expenses	14,926	10,767	3,236	6,268
Non-taxable income	(2,622)	(2,105)	(295)	(1,183)
Deferred tax assets not recognised during the financial year	24,525	6,847	-	-
Utilisation of deferred tax assets previously not recognised	(34)	(1,955)	-	-
Share of results of joint ventures	(87)	(1,632)	-	-
Differential in tax rates of foreign subsidiaries	195	50	-	-
	23,418	16,298	1,763	2,173
(Over)/Underprovision in the previous financial year:				
- current tax	(2,590)	(1,836)	(10)	160
- deferred tax	30	(3,433)	-	984
Income tax expense for the financial year	20,858	11,029	1,753	3,317

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

42. Income Tax Expense (Cont'd)

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2025 - 24%) of the estimated assessable (loss)/profit for the financial year. The taxation of other jurisdictions is calculated at the rates prevailing in the respective jurisdiction.

	The Group	
	2026 RM'000	**2025 RM'000**
Income tax savings during the financial year arising from:-		
Utilisation of deferred tax assets previously not recognised	142	8,146

43. (Loss)/Earnings Per Share

(a) Basic (Loss)/Earnings Per Share

The basic (loss)/earnings per share of the Group is calculated by dividing the Group's (loss)/profit 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	
	2026	**2025**
(Loss)/Profit after taxation attributable to owners of the Company (RM'000)	(63,951)	10,736
Weighted average number of ordinary shares in issue ('000 units)	800,867	776,731
Basic (loss)/earnings per share (sen)	(7.99)	1.38

(b) Diluted (Loss)/Earnings Per Share

The diluted (loss)/earnings per share is equal to the basic (loss)/earnings per share because there were no potential ordinary shares as at the end of the reporting period.

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

44. DECONSOLIDATION OF SUBSIDIARIES

(a) 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 winding-up did not have any material effect on the net assets per share or earnings per share of the Group.

On 9 January 2026, the liquidator lodged the “Return by Liquidator Relating to Final Meeting”. Pursuant to Section 459(5) of the Companies Act 2016, BEC was deemed to be dissolved upon the expiration of three months from the date of lodgement and was accordingly dissolved on 9 April 2026.

(b) 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.

Accordingly, the financial results of the abovesaid subsidiaries have been deconsolidated from the Group's accounts with effect from the aforementioned date and the financial effects of the deconsolidation are summarised below:-

	The Group	
	2026 RM'000	2025 RM'000
Current tax assets	*	-
Cash and bank balances	856	886
Other payables and accruals	-	(2)
Non-controlling interest	-	(354)
Carrying amount of net assets deconsolidated	856	530
Transfer to other investment #	(856)	(530)
Proceeds from subsidiaries winding up	##	###

Notes:-

* *Less than RM1,000.*

\# *This represents 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 2027.*

\### *The net proceeds of RM524,000 have been received during the financial year 2026, upon the winding up process is completed.*

45. DIVIDENDS

	The Group / The Company	
	2026 RM'000	2025 RM'000
First and final dividend of 0.27 sen per ordinary share in respect of the previous financial year ended 31 May 2025	2,162	-

No dividend was recommended by the Directors for the current financial year.

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

46. CASH FLOW INFORMATION

(a) The cash disbursed for the purchase of property, plant and equipment and the addition of right-of-use assets are as follows:-

	The Group		The Company	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
Property, plant and equipment:				
(i) Power plants				
Cost of power plants purchased (Note 9(a))	22,148	12,611	-	-
Less: Payables balances remained unpaid at the financial year end (Note 32(e))	(13,919)	-	-	-
Less: Depreciation of right-of-use assets capitalised to power plant (Note 10)	(293)	-	-	-
Less: Lease liabilities interest capitalised to power plants (Note 30)	(372)	-	-	-
Less: Borrowing cost capitalised to power plants (Note 9(a))	(670)	(829)	-	-
	6,894	11,782	-	-
(ii) Other property, plant and equipment				
Cost of other property, plant and equipment purchased (Note 9(b))	2,346	1,080	160	34
Less: Acquired through hire purchase arrangements (Note 46(b))	(1,083)	(615)	-	-
	1,263	465	160	34

	The Group	
	2026	2025
	RM'000	RM'000
Right-of-use assets		
Cost of right-of-use assets acquired (Note 10)	6,979	-
Less: Additions of new lease liabilities (Note 30)	(6,979)	-
	-	-

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

46. 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						
2026						
At 1 June 2025	101,774	1,687	4,419	92,452	-	200,332
Changes in Financing Cash Flows						
Proceeds from drawdown	122,938	14,087	-	27,919	-	164,944
Repayment of principal	(186,376)	(4,970)	(2,473)	(16,861)	(141)	(210,821)
Repayment of interest	(3,652)	-	(226)	(6,179)	(395)	(10,452)
	34,684	10,804	1,720	97,331	(536)	144,003
Other Changes						
Interest expenses recognised in profit or loss	3,652	-	226	5,509	23	9,410
Interest expenses capitalised to power plants (Note 46(a))	-	-	-	670	372	1,042
Foreign exchange difference	(94)	-	(32)	(2,768)	-	(2,894)
Acquisition of new lease liability (Note 46(a))	-	-	-	-	6,979	6,979
Other property, plant and equipment acquired through hire purchase arrangements (Note 46(a))	-	-	1,083	-	-	1,083
	3,558	-	1,277	3,411	7,374	15,620
At 31 May	38,242	10,804	2,997	100,742	6,838	159,623

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

46. **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						
2025						
At 1 June 2024	93,740	210	9,951	83,260	679	187,840
Changes in Financing Cash Flows						
Proceeds from drawdown	189,285	1,477	-	64,129	-	254,891
Repayment of principal	(181,157)	-	(5,921)	(52,473)	-	(239,551)
Repayment of interest	(6,387)	-	(531)	(6,305)	-	(13,223)
	95,481	1,687	3,499	88,611	679	189,957
Other Changes						
Interest expenses recognised in profit or loss	6,387	-	531	5,476	-	12,394
Interest expenses capitalised to power plants (Note 46(a))	-	-	-	829	-	829
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 (Note 46(a))	-	-	615	-	-	615
	6,293	-	920	3,841	(679)	10,375
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 2026

46. Cash Flow Information (Cont'd)

(b) The reconciliation of liabilities arising from financing activities are as follows (Cont'd):-

	Revolving credits RM'000	Term loans RM'000	Total RM'000
The Company			
2026			
At 1 June 2025	-	2,813	2,813
Changes in Financing Cash Flows			
Proceeds from drawdown	10,000	-	10,000
Repayment of principal	(10,000)	(2,813)	(12,813)
Repayment of interest	(2)	(42)	(44)
	(2)	(42)	(44)
Other Change			
Interest expenses recognised in profit or loss	2	42	44
At 31 May	-	-	-
2025			
At 1 June 2024	-	6,562	6,562
Changes in Financing Cash Flows			
Proceeds from drawdown	10,000	-	10,000
Repayment of principal	(10,000)	(3,749)	(13,749)
Repayment of interest	(4)	(232)	(236)
	(4)	2,581	2,577
Other Change			
Interest expenses recognised in profit or loss	4	232	236
At 31 May	-	2,813	2,813

(c) The total cash outflows for leases as a lessee are as follows:-

	The Group		The Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Payment of short-term leases	(1,727)	(1,749)	(250)	(302)
Interest paid on lease liabilities	(395)	-	-	-
Payment of lease liabilities	(141)	-	-	-
	(2,263)	(1,749)	(250)	(302)

Notes to the Financial Statements
For the Financial Year Ended 31 May 2026

46. Cash Flow Information (Cont'd)

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

	The Group		The Company	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Short-term funds (Note 21)	74,592	67,652	44,377	24,737
Deposits with licensed banks (Note 22)	68,403	59,830	656	642
Cash and bank balances (Note 23)	134,046	135,915	709	10,747
	277,041	263,397	45,742	36,126
Less: Fixed deposits pledged as security (Note 22)	(27,663)	(39,291)	(656)	(642)
Less: Cash and bank balances pledged as security (Note 23)	(3,008)	-	-	-
Less: Cash and bank balances restricted from use (Note 23)	-	(24)	-	-
Cash and cash equivalents	246,370	224,082	45,086	35,484

47. Related Party Disclosures

(a) Subsidiaries and Joint Ventures

The subsidiaries and joint ventures are disclosed in Notes 5 and 7 to the financial statements respectively.

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

47. 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	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
Subsidiaries				
Advances to subsidiaries	-	-	(19,984)	(9,135)
Repayment from subsidiaries	-	-	38,709	6,951
Gross dividend income	-	-	-	4,000
Interest income received/receivable	-	-	9,333	10,505
Management fee received/receivable	-	-	10,090	9,346
Lease expenses on short-term leases	-	-	(236)	(290)
Joint ventures				
Management fee received/ receivable	58	139	-	-
Purchase of plant and machinery	(1)	(4)	-	-
Subcontractor work received/ receivable	2,003	496	-	-
Backcharge of expenses	(434)	(1,354)	-	-
Advances to joint ventures	-	(6,630)	-	-
Lease expenses on short-term leases	-	(8)	-	-
A related party				
Payment of lease liabilities	(233)	-	-	-

The significant outstanding balances of the related parties (including the allowance for impairment loss made) together with their terms and conditions are disclosed in the respective notes to the financial statements.

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

48. CONTINGENT LIABILITY

No provisions are recognised on the following matters as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement:-

	The Group 2026 RM'000
Claims of additional workdone by the contractor (Note 54(a))	2,789

49. CAPITAL COMMITMENTS

	The Group	
	2026 RM'000	2025 RM'000
Construction of power plants	37,152	2,494
Acquisition of land held for property development	67,935	-
	105,087	2,494

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

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, 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 losses/income before unallocated corporate expenses, finance cost and share of results from joint venture. 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 2026

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					
2026					
Total revenue	517,784	234,664	33,552	10,090	796,090
Less: Inter-segment revenue	2,102	(653)	-	(10,090)	(8,641)
Revenue from external customers	519,886	234,011	33,552	-	787,449
Results					
Segment results	(29,581)	15,841	(11,019)	(24,008)	(48,767)
Finance costs	(180)	(5,613)	(1,943)	(44)	(7,780)
Share of results of joint ventures	361	-	-	-	361
Loss/(Profit) before taxation	(29,400)	10,228	(12,962)	(24,052)	(56,186)
Income tax expense					(20,858)
Loss after taxation					**(77,044)**
Loss after taxation attributable to non-controlling interests					**(13,093)**
Net loss attributable to owners of the Company					**(63,951)**

Notes to the Financial Statements
For the Financial Year Ended 31 May 2026

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					
2026					
Loss before taxation is arrived after (charging)/crediting:-					
Accretion of interest on:					
- trade and non-trade receivables	-	(678)	-	126	(552)
Reversal/(Provision) of contract foreseeable losses	528	(452)	-	-	76
Depreciation and amortisation	(2,921)	(489)	(12,019)	(179)	(15,608)
Gain on disposal of other property, plant and equipment	2,231	-	-	1	2,232
Interest income	756	2,417	429	61	3,663
Interest expenses	(1,811)	(5,613)	(1,942)	(44)	(9,410)
Write-down of property development costs to net realisable value	-	(25,404)	-	-	(25,404)
Net impairment losses on:					
- trade and non-trade receivables	(153)	-	(1,786)	21	(1,918)
- property, plant and equipment:					
- power plants (Note 9(a))	-	-	(18,883)	-	(18,883)
- contract assets	(157)	-	-	-	(157)
Net of unrealised (loss)/gain on foreign exchange	(1,363)	-	3,804	(11,799)	(9,358)

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

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					
2026					
Segment assets	339,945	627,741	172,419	53,390	1,193,495
Investment in joint ventures	3,938	-	-	-	3,938
Consolidated total assets					1,197,433
Additions to non-current assets other than financial instruments:					
- property, plant and equipment:					
- power plants	-	-	22,148	-	22,148
- other property, plant and equipment	2,000	125	61	160	2,346
- intangible assets	-	-	1,183	-	1,183
Segment liabilities	215,360	202,305	58,570	3,603	479,838

Notes to the Financial Statements
For the Financial Year Ended 31 May 2026

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					
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 of 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 of the Company					**10,736**

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

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	-	(377)	-	(571)	(948)
Provision of 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 gain/(loss) 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 2026

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 2026

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
2026				
Malaysia	753,895	133,485	1,093,308	24,466
Indonesia	33,552	78,175	97,269	1,211
Singapore	2	1,275	6,856	-
	787,449	212,935	1,197,433	25,677

	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

The information on the disaggregation of revenue based on geographical region is summarised below:-

	At a Point of Time		Over Time		The Group	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Malaysia	1,137	68,238	752,758	674,983	753,895	743,221
Indonesia	-	-	33,552	34,817	33,552	34,817
Singapore	-	-	2	1,774	2	1,774
	1,137	68,238	786,312	711,574	787,449	779,812

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

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 2026 RM'000	Revenue 2025 RM'000
Customer A	170,159	273,816
Customer B	181,916	-
Customer C	87,583	-

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 2026	The Group 2025
Indonesian Rupiah	0.000222	0.000261
Singapore Dollar	3.1044	3.2918
United States Dollar	3.9680	4.2500

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

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 the respective functional currencies of the entities within the Group. 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				
2026				
Financial Asset				
Cash and bank balances	565	3	412	980
Currency exposure	565	3	412	980

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

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				
2025				
Financial Asset				
Cash and bank balances	823	3	190	1,016
Currency exposure	823	3	190	1,016

	United States Dollar RM'000	Indonesian Rupiah RM'000	Total RM'000
The Company			
2026			
Financial Asset			
Cash and bank balances	565	6	571
Currency exposure	565	6	571

	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

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

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 (loss)/profit 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 Note 27 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	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
Effects on (Loss)/Profit After Taxation/ Other Comprehensive (Expenses)/ Income				
Increase of 100 basis points	(1,138)	(1,489)	-	(21)
Decrease of 100 basis points	1,138	1,489	-	21

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

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	
	2026	2025
	RM'000	RM'000
Malaysia	281,444	370,663
Indonesia	3,084	3,414
Singapore	2,640	4,750
	287,168	378,827

At the end of the reporting period, the Group's major concentration of credit risk relates to the amounts owing by 1 (2025 - 1) customer which constituted approximately 41% (2025 - 33%) of its trade receivables and contract assets (including related parties), net of loss allowance.

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

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 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 2026

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 (2025 - 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.

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

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 2024	-	1,902	1,902
Foreign exchange differences	-	(103)	(103)
At 31 May 2025/1 June 2025	-	1,799	1,799
Reversals (Note 37)	-	(123)	(123)
Foreign exchange differences	-	(99)	(99)
At 31 May 2026	-	1,577	1,577

	Non-credit impaired RM'000	Credit impaired RM'000	Total RM'000
The Group			
Contract Assets			
At 1 June 2024	-	1,589	1,589
Foreign exchange differences	-	(86)	(86)
At 31 May 2025/1 June 2025	-	1,503	1,503
Additions (Note 37)	-	157	157
Foreign exchange differences	-	(90)	(90)
At 31 May 2026	-	1,570	1,570

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

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				
2026				
Non-current trade receivables				
Not past due	1,401	-	-	1,401
Current trade receivables				
Not past due	32,406	-	-	32,406
3 months past due	8,448	-	-	8,448
6 months past due	955	-	-	955
More than 6 months past due	-	-	-	-
Credit impaired	1,577	(1,577)	-	-
Trade receivables	44,787	(1,577)	-	43,210
Contract assets	245,528	(1,570)	-	243,958
	290,315	(3,147)	-	287,168

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

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

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.

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

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

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

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.

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

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 2024/31 May 2025	-	-	6,815	6,815
Additions (Note 37)	-	-	2,041	2,041
Foreign exchange differences	-	-	(161)	(161)
At 31 May 2026	-	-	8,695	8,695
The Company				
At 1 June 2024/31 May 2025	-	-	6,750	6,750
Reversals (Note 37)	-	-	(21)	(21)
At 31 May 2026	-	-	6,729	6,729

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.

Short-term Funds, Fixed Deposits with Licensed Banks, Cash and Bank Balances

The Group and the Company consider the financial institutions 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.

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

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 also applies 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 assesses whether there is a significant increase in credit risk for amount owing by joint ventures 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 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 2024	-	3,624	-	3,624
Reversals (Note 37)	-	(3,624)	-	(3,624)
At 31 May 2025/31 May 2026	-	-	-	-

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.

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

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.

This is because the Company is able to determine the timing of payments and the loans and advances are to be in default when the subsidiaries are unable 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.

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

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	
	2026	**2025**
	RM'000	**RM'000**
At 1 June 2025/2024	13,800	-
Additions during the financial year (Note 37)	-	13,800
At 31 May	13,800	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.

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

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 2026

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						
2026						
Non-derivative Financial Liabilities						
Trade and non-trade payables	-	258,579	258,579	257,779	800	-
Land proprietor's entitlement	7.10	11,576	15,790	-	15,790	-
Bankers' acceptances	4.64 - 4.94	10,804	10,804	10,804	-	-
Revolving credits	3.35 - 6.65	38,242	38,242	38,242	-	-
Hire purchase payables	3.72 - 6.45	2,997	3,218	1,511	1,613	94
Term loans	4.37 - 10.00	100,742	102,897	17,181	59,817	25,899
Lease liabilities	4.52 - 5.29	6,838	12,181	428	1,712	10,041
		429,778	441,711	325,945	79,732	36,034

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

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						
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 - 10.00	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 2026

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						
2026						
Non-derivative Financial Liabilities						
Trade and non-trade payables	-	253	253	253	-	-
Financial guarantee contracts in relation to corporate guarantee given to certain subsidiaries	-	-	150,038*	150,038*	-	-
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	-	-	198,240*	198,240*	-	-

* 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 financial statements because their fair values on initial recognition were not material.

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

52. Financial Instruments (Cont'd)

52.2 Capital Risk Management

The Group and the Company manage their 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 and the Company 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 and the Company manage their 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	
	2026 RM'000	2025 RM'000	2026 RM'000	2025 RM'000
Bankers' acceptances (Note 27)	10,804	1,687	-	-
Revolving credits (Note 27)	38,242	101,774	-	-
Term loans (Note 27)	100,742	92,452	-	2,813
Hire purchase payables (Note 27)	2,997	4,419	-	-
	152,785	200,332	-	2,813
Less:				
Short-term funds (Note 21)	(74,592)	(67,652)	(44,377)	(24,737)
Deposits with licensed banks (Note 22)	(68,403)	(59,830)	(656)	(642)
Cash and bank balances (Note 23)	(134,046)	(135,915)	(709)	(10,747)
Net cash	(124,256)	(63,065)	(45,742)	(33,313)
Total equity	717,595	804,758	424,833	433,656
Debt-to-equity	*	*	*	*

Note:-

* *Not applicable as the Group's and the Company's total short-term funds, deposits with licensed banks and cash and bank balances exceed its borrowings.*

There were no changes in the approach to capital management during the financial year.

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

52. FINANCIAL INSTRUMENTS (CONT'D)

52.3 Classification of Financial Instruments

	The Group		The Company	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
Financial Assets				
Mandatorily at Fair Value through Profit or Loss				
Quoted investment	719	1,259	719	1,259
Unquoted ordinary shares	856	530	-	-
Short-term funds	74,592	67,652	44,377	24,737
	76,167	69,441	45,096	25,996
Amortised Cost				
Trade and non-trade receivables	98,270	121,013	237,234	257,045
Deposits with licensed banks	68,403	59,830	656	642
Cash and bank balances	134,046	135,915	709	10,747
	300,719	316,758	238,599	268,434
Financial Liability				
Amortised Cost				
Trade and non-trade payables	(270,155)	(271,353)	(253)	(262)
Bank borrowings	(152,785)	(200,332)	-	(2,813)
	(422,940)	(471,685)	(253)	(3,075)

52.4 Gains or Losses Arising from Financial Instruments

	The Group		The Company	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
Financial Assets				
Fair Value through Profit or Loss				
Net gains recognised in profit or loss	2,312	1,911	740	1,465
Amortised Cost				
Net losses recognised in profit or loss	(8,329)	(1,159)	(2,757)	(11,963)
Financial Liability				
Amortised Cost				
Net losses recognised in profit or loss	(6,951)	(13,386)	(44)	(236)

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

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			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								
2026								
Financial Assets								
Other investments:								
- quoted	719	-	-	-	-	-	719	719
- unquoted	-	856	-	-	-	-	856	856
Short-term funds	-	74,592	-	-	-	-	74,592	74,592
Financial Liabilities								
Land proprietor's entitlement	-	-	-	-	-	11,576	11,576	11,576
Term loans	-	-	-	-	100,742	-	100,742	100,742
Hire purchase payables	-	-	-	-	2,997	-	2,997	2,997

Notes to the Financial Statements
For the Financial Year Ended 31 May 2026

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								
2025								
Financial Assets								
Other investments:								
- quoted	1,259	-	-	-	-	-	1,259	1,259
- unquoted	-	530	-	-	-	-	530	530
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
Hire purchase payables	-	-	-	-	4,419	-	4,419	4,419

Notes to the Financial Statements
For the Financial Year Ended 31 May 2026

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 Company								
2026								
Financial Assets								
Other investments:								
- quoted	719	-	-	-	-	-	719	719
Short-term funds	-	44,377	-	-	-	-	44,377	44,377
Amount owing by subsidiaries	-	-	-	-	-	184,520	184,520	184,520

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

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 2026

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 the unquoted equity investments is determined to approximate the net assets of the investee as it is immaterial in the context of the financial statements.

(cc) 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.

(iii) The fair values of the hire purchase payables and land proprietor's entitlement that carry fixed interest rates are determined by discounting the relevant future contractual cash flows using current market interest rates for similar instruments at the end of the reporting period. The interest rates used to discount the estimated cash flows are as follows:-

	The Group	
	2026	2025
	%	%
Hire purchase payables	3.72 - 6.45	1.50 - 6.45
Land proprietor's entitlement	7.10	7.10

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

53. Significant Events During The Financial Year

(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 ("JDA") 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 RM40.0 million in development expenditure for the undeveloped Phase 4. Following negotiations, both parties reached an agreement that CSB and CSBL's portion of the shared common costs payable to HDSB shall be RM21.0 million only. HDSB has charged out the remaining common costs of approximately RM19.0 million in the previous financial year.

Following further deliberation and mutual agreement between the Company, HDSB, CSB and CSBL (collectively, "the Parties"), it was agreed that instead of mutually terminating the JDA dated 23 May 2014, the Parties would proceed by entering into a Fourth Supplementary Joint Development Agreement ("Fourth Supplementary JDA") to revoke the implementation rights for Phase 4 of the project only.

On 23 October 2025, the Parties entered into a Fourth Supplementary JDA to revoke the Company and/or HDSB's implementation rights in relation to the undeveloped Phase 4 of the project (comprising sub-phases 4A, 4B, and 4C). The revocation shall not constitute a termination of the JDA in its entirety. The Parties agree that the JDA and its previous supplementary agreements remain valid and enforceable in respect of the developed phases of the project, and the Company and/or HDSB shall continue to perform all outstanding obligations in accordance with the terms of the JDA until fully discharged. The total reimbursement of Phase 4 common infrastructure costs payable by CSB and CSBL shall be RM21.0 million only.

(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)".

On 30 March 2026, Gadang Engineering (M) Sdn Bhd has entered into a supplemental Letter of Award with the revised contract sum of RM96.9 million with AFA Construction and Engineering Sdn Bhd.

(c) On 5 December 2025, the Company's wholly-owned subsidiary, Crimson Villa Sdn Bhd ("CVSB"), entered into a Sale and Purchase Agreement with Trans Loyal Development Sdn Bhd ("TLDSB") for the disposal of a parcel of freehold land held under Geran 339953, Lot 50554 Mukim Semenyih, Daerah Ulu Langat, Negeri Selangor, for a total consideration of RM2.5 million.

On 27 July 2026, CVSB and TLDSB have mutually agreed to extend the Conditional Period to 3 December 2026 for TLDSB to fulfil all the Conditions Precedent.

(d) On 18 December 2025, Tenaga Aspirasi Sdn Bhd ("TASB") an indirect 60% owned subsidiary of the Company entered into a Power Purchase Agreement ("PPA") with Sabah Electricity Sdn Bhd for the Large Scale Solar Project.

(e) On 23 February 2026, the Company's wholly-owned subsidiary, Gadang Engineering (M) Sdn Bhd, accepted a Letter of Award for the sum of RM95.1 million from AFA Construction and Engineering Sdn Bhd, undertaking to construct and complete the earthwork and other associated works for Package 1A: CH19200-CH25764 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 KM64.50 (Section 2)".

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

53. Significant Events During The Financial Year (Cont'd)

(f) On 3 March 2026, the Company's indirect wholly-owned subsidiary, City Version Sdn Bhd, entered into a conditional Sale and Purchase Agreement ("SPA") with Tanahmas Kapital Sdn Bhd for the acquisition of a parcel of freehold land held under HS(D) 565071, PTB 24422 Bandar Johor Bahru, Daerah Johor Bahru, Negeri Johor, for a total consideration of approximately RM75.5 million.

On 13 May 2026, the Economic Planning Unit, Prime Minister's Department has approved on the acquisition without any conditions. The acquisition remains conditional pending the fulfillment of the remaining Condition Precedent under the SPA.

54. Subsequent Event Occurring After The Reporting Period

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

The Plaintiff claimed against both the Defendants jointly and severally for the sum of RM9.8 million being payment for works done and other associated costs, primarily idling costs. The Defendants have filed their respective defences in the court proceedings to dispute the Claim.

On 29 July 2026, both GESB's application to strike out the Plaintiff's claim and Plaintiff's application for summary judgement (summary disposal on point of law) against GESB have been dismissed by the Court. The Court has fixed the pre-trial case management on 23 September 2026 for the matter to proceed for trial.

Notes to the Financial Statements

For the Financial Year Ended 31 May 2026

55. Comparative Figures

The following figures have been reclassified to conform with the presentation of the current financial year:-

	As previously reported RM'000	As restated RM'000
Statements of Profit or Loss (Extract):-		
The Group		
Depreciation and amortisation	(16,690)	-
Other expenses	(8,419)	(25,109)
The Company		
Depreciation and amortisation	(182)	-
Other expenses	(11,115)	(11,297)
Statements of Cash Flows (Extract):-		
The Group		
Net Operating Cash Flows	76,901	75,526
Net Investing Cash Flows	(24,337)	(22,133)
Net Financing Cash Flows	25,516	24,687
The Company		
Net Operating Cash Flows	(15,430)	(5,976)
Net Investing Cash Flows	12,359	2,905

List of Properties

As at 31 May 2026

Title/Location	Description/ Existing use	Tenure	Age of the Buildings	Acquisition Date (Revaluation Date)	Approximate Land/(Built-up) Area in sq. ft	Carrying Value (RM'000)
Wisma Gadang No. 52 Jalan Tago 2 Off Jalan Persiaran Utama Sri Damansara 52200 Kuala Lumpur	7 storey office block for own use	Freehold	29	Jun/1997	42,619 (45,043)	6,821
Salak South Land No Hakmilik: 54727, Lot.482759 Mukim Kuala Lumpur	Mixed development	Leasehold ending 5/Sep/2122	NA	27/Jan/2010	69,685	1,768
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	NA	31/Jan/2010	52,535	6,790
HS(D) 2811 PT No. 165, Bandar Pokok Sena, Daerah Pokok Sena, Kedah	Mixed development	Freehold	NA	11/Jun/2010	2,825,530	16,403
PM 2288 Lot 20470 Mukim Serendah Daerah Hulu Selangor Negeri Selangor	Store for plant and machinery	Leasehold ending 31/Aug/2105	NA	1/Oct/2012	400,300	4,045
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	18	1/Mar/2013	2,734	573
No. Hakmilik 271958 Lot 20504 Mukim Semenyih District of Ulu Langat State of Selangor	Land for development	Freehold	NA	30/Jan/2015	828,411	41,146

List of Properties
As at 31 May 2026

Title/Location	Description/ Existing use	Tenure	Age of the Buildings	Acquisition Date (Revaluation Date)	Approximate Land/(Built-up) Area in sq. ft	Carrying Value (RM'000)
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	Vacant land	Leasehold ending 29/Oct/2092 5/Jun/2093	NA	5/Jan/2017	290,412	3,828
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	NA	6/Feb/2018	840,531	30,352
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	NA	26/Jun/2018	32,930	3,816

Analysis of Shareholdings

I. **ANALYSIS OF SHAREHOLDINGS** as at 28 August 2026

Share Capital

Number of Issued Shares	:	800,867,195
Class of Shares	:	Ordinary shares
No. of shareholders	:	12,687
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	302	2.38	11,774	0.00
100 - 1,000	1,023	8.06	585,281	0.07
1,001 - 10,000	5,632	44.39	32,438,229	4.05
10,001 - 100,000	4,824	38.02	167,806,177	20.95
100,001 – 40,043,358*	904	7.13	419,145,781	52.34
40,043,359* and above	2	0.02	180,879,953	22.59
Total	**12,687**	**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	83,965,402	10.48	-	-
2.	Tan Sri Dato' Kok Onn	16,552,300	2.07	180,879,953 (a)	22.58
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*

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	83,965,402	10.48
3.	Citigroup Nominees (Tempatan) Sdn Bhd *Employees Provident Fund Board (PHEIM)*	30,680,600	3.83
4.	Alliancegroup Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Kok Onn (7002585)*	16,552,300	2.07
5.	Maybank Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Tan Kian Aik*	9,400,000	1.17
6.	Maybank Nominees (Tempatan) Sdn Bhd *Maybank Trustees Berhad for Dana Makmur PHEIM (211901)*	7,426,500	0.93
7.	Maybank Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Khoo Bee Lian*	5,970,000	0.75
8.	Maybank Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Ong Eng Hock*	5,865,000	0.73
9.	RHB Capital Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Su Ming Keat*	5,200,000	0.65
10.	Maybank Nominees (Tempatan) Sdn Bhd *Yeoh Ah Tu*	5,171,625	0.65
11.	Public Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Ko Mok Chuan (E-TMR/TMJ)*	4,840,000	0.60
12.	Citigroup Nominees (Tempatan) Sdn Bhd *Employees Provident Fund Board (UOBESGSCEQ)*	3,956,100	0.49
13.	Tee Ah Swee	3,618,300	0.45
14.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Tan Kian Aik*	3,546,900	0.44
15.	UOB Kay Hian Nominees (Tempatan) Sdn Bhd *Exempt An for UOB Kay Hian Pte Ltd (A/C Clients)*	3,450,050	0.43
16.	Public Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Kelly Ko Kar Yee (E-TMR)*	3,260,000	0.41
17.	Law Wan Cheen	3,241,500	0.40
18.	CIMB Group Nominees (Asing) Sdn Bhd *Exempt An for DBS Bank Ltd (SFS)*	3,123,600	0.39
19.	Public Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Lim Siang Lik (E-PRA)*	3,000,000	0.37
20.	Law Wan Ni	2,970,150	0.37

Analysis of Shareholdings

TOP 30 SHAREHOLDERS AS PER RECORD OF DEPOSITORS (Cont'd)

		No. of Issued Shares	%
21.	Pintaras Jaya Bhd	2,819,900	0.35
22.	Maybank Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Wong Wah Peng*	2,788,100	0.35
23.	Maybank Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Megat Afif Farabi Bin Megat Muhaiyadin*	2,760,000	0.34
24.	Maybank Nominees (Tempatan) Sdn Bhd *Sam Lai Jean*	2,530,000	0.32
25.	Geoffrey Lim Fung Keong	2,450,000	0.31
26.	Alliancegroup Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Tan Kian Aik (8058967)*	2,421,500	0.30
27.	Maybank Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for See Kok Wah*	2,316,300	0.29
28.	Lee Chee Beng	2,014,750	0.25
29.	Maybank Nominees (Tempatan) Sdn Bhd *Pledged Securities Account for Looi Lee Yee*	2,000,000	0.25
30.	RHB Nominees (Tempatan) Sdn Bhd *Fong Woon Yin*	2,000,000	0.25
	Total	**326,253,128**	**40.72**

II. DIRECTORS' SHAREHOLDINGS as at 28 August 2026

A. DIRECTORS' SHAREHOLDINGS IN THE COMPANY (AS PER THE REGISTER OF DIRECTORS' SHAREHOLDINGS)

	No. of Issued Shares			
Name of Directors	**Direct Interest**	**%**	**Deemed interest**	**%**
Dato' Dr Tan Yew Chong	-	-	-	-
Tan Sri Dato' Kok Onn	16,552,300	2.07	180,879,953 [(a)]	22.58
Kok Pei Ling	1,304,400	0.16	-	-
Sherman Lam Yuen Suen	190,000	0.02	-	-
Wong Ping Eng	-	-	-	-
Lee Min On	-	-	-	-

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 33rd Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Thirty-Third (**33rd**) 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, 4 November 2026** 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 2026 together with the Reports of the Directors and Auditors thereon.
   Please refer to Explanatory Note A

2. To approve the payment of Directors' Fees of up to RM450,000 for the financial year ending 31 May 2027, to be made payable quarterly. *(Ordinary Resolution 1)*
   Please refer to Explanatory Note B

3. To approve the payment of benefits payable to the Independent Non-Executive Directors ("INEDs") of up to RM180,000 from 5 November 2026 until the next AGM of the Company. *(Ordinary Resolution 2)*
   Please refer to Explanatory Note B

4. 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) Tan Sri Dato' Kok Onn *(Ordinary Resolution 3)*
   (b) Mr Sherman Lam Yuen Suen *(Ordinary Resolution 4)*
   Please refer to Explanatory Note C

5. To re-elect the following Directors who retire by rotation pursuant to Clause 115 of the Company's Constitution and being eligible, have offered themselves for re-election:
   (a) Dato' Dr Tan Yew Chong *(Ordinary Resolution 5)*
   (b) Mr Lee Min On *(Ordinary Resolution 6)*
   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 2027 and to authorise the Directors to fix their remuneration. *(Ordinary Resolution 7)*
   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;

   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 8)*
   Please refer to Explanatory Note E

Notice of 33rd Annual General Meeting

8. 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
23 September 2026

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 23 October 2026 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 33rd 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, Vistra Investor & Issuing House Services Sdn Bhd (F.K.A. 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 33rd AGM or at any adjournment thereof. Alternatively, you may submit the Form of Proxy electronically via Vistra Share Registry and IPO (MY) portal ("Vistra SRMY Portal") 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.*

Notice of 33rd Annual General Meeting

EXPLANATORY NOTES:

A. **Audited Financial Statements for the financial year ended 31 May 2026**
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 1 and 2 – Directors' Fees and Benefits**
Shareholders' approval is being sought under Resolution 1 and 2 for the payment of the Directors' fees, meeting allowances and benefits payable to the Independent Non-Executive Directors, including one (1) potential new Director in respect of the financial year ending 31 May 2027.

i) Directors' Fees

The fee structure for the Independent Non-Executive Directors ("INEDs") for the financial year ending 31 May 2027 is presented below:

No.	Description Board / Committee / Functional Role	Fees per Annum (RM)
1.	Independent Non-Executive Chairman	110,000
2.	Independent Non-Executive Director (INED Base Fee)	80,000
3.	Audit Committee (AC) Chairman Allowance	10,000
4.	Senior Independent Non-Executive Director (SINED) Allowance	10,000

The proposed Ordinary Resolution 1, 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 5 November 2026 up to the date of the next AGM

The estimated Directors' benefits of RM180,000 for the period from the conclusion of the 33rd AGM until the next AGM of the Company are derived from the estimated meeting attendance allowances and other claimable benefits.

The meeting attendance allowance for an INED is RM1,000 per meeting, based on the number of scheduled and unscheduled meetings for the Board, Board Committees, and General Meetings. The leave passage and/or medical claim cap for an INED is RM20,000 per annum in total.

The proposed Ordinary Resolution 2, if passed, will authorise the payment of these Directors' Benefits to the INEDs by the Company.

Notice of 33rd Annual General Meeting

EXPLANATORY NOTES: (CONT'D)

C. **Ordinary Resolutions 3, 4, 5 and 6 – 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. Tan Sri Dato' Kok Onn and Mr Sherman Lam Yuen Suen 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 2026, the Nomination & Remuneration Committee ("NRC") 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.

Clause 115 of the Company's Constitution provides that any Director appointed by the Board shall hold office only until the next following AGM and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting. Dato' Dr Tan Yew Chong and Mr Lee Min On who were appointed as Independent Non-Executive Directors of the Company on 1 December 2025 and 1 August 2026 respectively, are standing for re-election and being eligible, have offered themselves for re-election.

The NRC and the Board have assessed the profile, capability, and individual fit-and-proper criteria of Dato' Dr Tan Yew Chong during the annual evaluation cycle in May 2026 and of Mr Lee Min On prior to his appointment on 1 August 2026. The Board is satisfied that both Directors possess the necessary experience, integrity, and competence to contribute effectively and strongly recommends their re-election.

The Board has therefore recommended the re-election of the Directors who are retiring at the 33rd AGM. The profiles of the retiring Directors are set out in the Profile of Directors of the Annual Report 2026.

D. **Ordinary Resolution 7 – 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 2027.

E. **Ordinary Resolution 8 - Authority to issue shares pursuant to Sections 75 and 76 of the Companies Act, 2016**

The proposed Ordinary Resolution 8 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 5 November 2025 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).

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)

  The Directors standing for re-election at the 33rd Annual General Meeting of the Company pursuant to Clause 115 of the Company's Constitution are:

  1. Dato' Dr Tan Yew Chong
  2. Mr Lee Min On

  The profiles of the above-named Directors are set out in the Profile of Directors section of the Annual Report 2026. Their shareholdings in the Company are disclosed in the Analysis of Shareholdings section of the same Annual Report.

- 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.

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 33rd 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, 4 November 2026 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 Directors' fees for the financial year ending 31 May 2027		
2.	To approve the payment of benefits payable to the Independent Non-Executive Directors		
3.	To re-elect Tan Sri Dato' Kok Onn as Director		
4.	To re-elect Mr Sherman Lam Yuen Suen as Director		
5.	To re-elect Dato' Dr Tan Yew Chong as Director		
6.	To re-elect Mr Lee Min On as Director		
7.	To re-appoint Crowe Malaysia PLT as Auditors		
8.	To authorise the Directors to issue shares		

** Strike out whichever is not applicable*

Dated this ________ day of ________________ , 2026

____
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%

NOTES:

APPOINTMENT OF PROXY

1) *Only a depositor whose name appears in the Record of Depositors of the Company as of 23 October 2026 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 33rd 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.*

Then fold here

AFFIX
STAMP

GADANG HOLDINGS BERHAD
c/o Vistra Investor & Issuing House Services Sdn Bhd
(F.K.A. 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

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, Vistra Investor & Issuing House Services Sdn Bhd (F.K.A. 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 33rd AGM or at any adjournment thereof. Alternatively, you may submit the Form of Proxy electronically via Vistra Share Registry and IPO (MY) portal ("Vistra SRMY Portal") 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

GADANG HOLDINGS BERHAD 199301023376 (278114-K)
Wisma Gadang, No. 52, Jalan Tago 2
Off Jalan Persiaran Utama, Sri Damansara
52200 Kuala Lumpur
T : 603-6279 6288
F : 603-6279 6376
E : corporate@gadang.com.my
E : corporate@gadang.my