



KAWAN RENERGY BERHAD

(Registration No: 202201039658 (1485355-U))

(Incorporated in Malaysia)

**INTERIM FINANCIAL REPORT
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 JULY 2026**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME⁽¹⁾
FOR THE FINANCIAL PERIOD ENDED 31 JULY 2026**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	31.07.2026	31.07.2025	31.07.2026	31.07.2025
	Unaudited	Unaudited	Unaudited	Unaudited
	RM'000	RM'000	RM'000	RM'000
Revenue	46,488	35,051	136,731	95,328
Cost of sales	(40,148)	(22,964)	(118,943)	(68,169)
Gross profit	6,340	12,087	17,788	27,159
Other income	197	199	1,315	1,121
Administrative expenses	(2,615)	(2,200)	(7,638)	(6,138)
Other operating expenses	(1)	(244)	(231)	(275)
Profit from operations	3,921	9,842	11,234	21,867
Finance income	203	302	685	1,020
Finance costs	(271)	(51)	(580)	(104)
Profit before taxation	3,853	10,093	11,339	22,783
Income tax expense	B5 (2,343)	(2,980)	(4,433)	(6,005)
Profit after taxation/ total comprehensive income for the period	1,510	7,113	6,906	16,778
Profit attributable to:				
Owners of the Company	2,038	7,490	8,547	17,304
Non-controlling interest	(528)	(377)	(1,641)	(526)
Total comprehensive income attributable to:				
Owners of the Company	2,038	7,490	8,547	17,304
Non-controlling interest	(528)	(377)	(1,641)	(526)
Earnings per share ("EPS")⁽²⁾				
- Basic (sen)	B11 0.37	1.36	1.55	3.15

Notes:

- (1) The Unaudited Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 October 2025 and the accompanying explanatory notes attached to this interim financial report.
- (2) Basic EPS is calculated based on the Company's weighted average number of ordinary shares as disclosed in Note B11.

KAWAN RENERGY BERHAD
Registration No.: 202201039658 (1485355-U)
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION⁽¹⁾
AS AT 31 JULY 2026

	Unaudited As at 31.07.2026 RM'000	Audited As at 31.10.2025 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	28,343	29,767
Total non-current assets	28,343	29,767
Current assets		
Inventories	2,265	2,543
Current tax assets	183	-
Trade and other receivables	22,335	35,746
Contract assets	100,879	40,360
Cash and short-term deposits	33,876	41,588
Total current assets	159,538	120,237
TOTAL ASSETS	187,881	150,004
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	77,144	77,144
Merger reserve	(35,144)	(35,144)
Retained earnings	71,054	68,007
	113,054	110,007
Non-controlling interest	304	1,945
TOTAL EQUITY	113,358	111,952
LIABILITIES		
Non-current liabilities		
Loans and borrowings	B8 2,305	2,979
Deferred income	170	189
Deferred tax liabilities	583	583
Total non-current liabilities	3,058	3,751
Current liabilities		
Loans and borrowings	B8 11,862	6,448
Deferred income	26	26
Current tax liabilities	151	1,904
Trade and other payables	35,194	16,812
Contract liabilities	24,232	9,111
Total current liabilities	71,465	34,301
TOTAL LIABILITIES	74,523	38,052
TOTAL EQUITY AND LIABILITIES	187,881	150,004
Net assets per ordinary share attributable to owners of the Company (RM) ⁽²⁾	0.21	0.20

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION⁽¹⁾
AS AT 31 JULY 2026

Notes:

- (1) The Unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 October 2025 and the accompanying explanatory notes attached to this interim financial report.
- (2) Net assets per ordinary share is calculated based on the Company's enlarged share capital of 550,000,000 ordinary shares at the end of the reporting period.

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KAWAN RENERGY BERHAD
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY⁽¹⁾
FOR THE PERIOD ENDED 31 JULY 2026

	← Non-distributable →		Distributable			
	Share Capital	Merger Reserve	Retained Earnings	Subtotal	Non-Controlling Interest	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 November 2025 (Audited)	77,144	(35,144)	68,007	110,007	1,945	111,952
Total comprehensive income for the financial period						
Profit for the financial period, representing total comprehensive income for the financial period	-	-	8,547	8,547	(1,641)	6,906
Transaction with owners						
Dividends	-	-	(5,500)	(5,500)	-	(5,500)
At 31 July 2026 (Unaudited)	77,144	(35,144)	71,054	113,054	304	113,358

Note:

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

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS⁽¹⁾
FOR THE PERIOD ENDED 31 JULY 2026

	CURRENT PERIOD-TO- DATE 31.07.2026 RM'000	PRECEDING PERIOD-TO- DATE 31.07.2025 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	11,339	22,783
Adjustments for:		
Depreciation of property, plant and equipment	3,060	3,388
(Gain)/Loss on disposal of property, plant and equipment	(200)	4
(Reversal)/Impairment losses on trade receivables	(265)	450
Amortisation of government grant income	(19)	(19)
Property, plant and equipment written off	39	-
Bargain purchase on acquisition of subsidiary	-	(845)
Waiver of debts	-	(10)
Finance costs	580	104
Finance income	(685)	(1,020)
(Gain)/Loss on unrealised forex exchange	(213)	127
Operating profit before changes in working capital	13,636	24,962
<u>Changes in working capital:</u>		
Inventories	278	(730)
Trade and other receivables	13,755	(16,337)
Contract assets	(60,519)	(8,248)
Trade and other payables	18,297	(1,880)
Contract liabilities	15,121	(510)
Cash generated from operations	568	(2,743)
Income tax paid	(6,369)	(6,497)
Interest received	685	1,020
Net cash (used in)/from operating activities	(5,116)	(8,220)
CASH FLOWS FOR INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,675)	(2,759)
Proceeds from disposal of property, plant and equipment	200	-
Acquisition of subsidiary, net of cash acquired	-	(2,397)
Change in pledged deposits	(160)	(150)
Net cash used in investing activities	(1,635)	(5,306)

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS⁽¹⁾
FOR THE PERIOD ENDED 31 JULY 2026 (CONTINUED)

	CURRENT PERIOD-TO- DATE 31.07.2026 RM'000	PRECEDING PERIOD-TO- DATE 31.07.2025 RM'000
CASH FLOWS FOR FINANCING ACTIVITIES		
Advance from/ (Repayment to) a director	85	-
Proceeds from drawdown of term loans	104	-
Repayment of loans and borrowings	(183)	-
Repayment of lease liabilities	(377)	1,730
Repayment of hire purchase	(218)	(203)
Repayment of invoice financing	5,414	100
Interest paid	(580)	(104)
Dividend paid	(5,500)	(6,875)
Net cash used in financing activities	(1,255)	(5,352)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(8,006)	(18,878)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	35,642	51,564
Effect of exchange rate changes on cash and cash equivalents	134	(55)
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	27,770	32,631
Represented by:		
Cash and bank balances	9,148	7,775
Deposits with licensed banks	24,728	30,780
Cash and short-term deposits	33,876	38,555
Less: pledged deposits	(6,106)	(5,924)
	27,770	32,631

Note:

- (1) The above Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 October 2025 and the accompanying explanatory notes attached to this interim financial report.

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A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134, INTERIM FINANCIAL REPORTING

A1. Basis of Preparation

This condensed consolidated interim financial report is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board ("MASB") and Rule 9.22 and Appendix 9B of Listing Requirements.

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

A2. Significant Accounting Policies

The significant accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in preparation of the Audited Financial Statements for the financial year ended 31 October 2025, except for the following new MFRSs and amendments to MFRSs that have been issued by the MASB but are not yet effective for the Group.

Effective for annual period beginning on or after 1 January 2026

Amendments to MFRS 1: First-time Adoption of MFRSs

Amendments to MFRS 7: Disclosures

Amendments to MFRS 9: Financial Instruments

Amendments to MFRS 10: Consolidated Financial Statements

Amendments to MFRS 107: Statement of Cash Flows

Effective for annual period beginning on or after 1 January 2027

MFRS 18: Presentation and Disclosure in Financial Statements

MFRS 19: Subsidiaries without Public Accountability (Disclosures)

MFRS 121: The Effects of Change in Foreign Exchange Rates

Effective date yet to be confirmed

Amendments to MFRS 10: Consolidated Financial Statements

Amendments to MFRS 128: Investments in Associates and Joint Ventures

The Group is assessing the impact of the initial application of the above standards upon adoption by the Group.

A3. Auditors' Report on Preceding Annual Financial Statements

There were no qualifications on the audited financial statements of the Group for the financial year ended 31 October 2025.

A4. Seasonal or Cyclical Factors

The Group's operation was not significantly affected by any unusual seasonal or cyclical factors in the current quarter and financial period-to-date under review.

A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134, INTERIM FINANCIAL REPORTING (CONTINUED)

A5. Unusual Items Due to Their Nature, Size or Incidence

There were no extraordinary and exceptional items of unusual nature affecting assets, liabilities, equity, net income, or cash flows in the current quarter and financial period-to-date under review.

A6. Material Changes in Estimates

There were no material changes in estimates in the current quarter and financial period-to-date under review save for those disclosed in Note B5.

A7. Debt and Equity Securities

There were no issuances, cancellation, repurchase, resale or repayment of debt and equity securities during the interim financial reporting period under review.

A8. Dividend Paid

On 13 February 2026, the Company declared a single-tier interim dividend of 1 sen per ordinary share in respect of the financial year ending 31 October 2026.

A9. Segmental Information

The Group's revenue is segmented as follows:

Revenue by business segment

	<u>QUARTER ENDED</u>		<u>PERIOD-TO-DATE ENDED</u>	
	31.07.2026	31.07.2025	31.07.2026	31.07.2025
	RM'000	RM'000	RM'000	RM'000
Design, fabrication, installation and/or commissioning solutions:				
• Industrial process equipment	19,418	18,922	49,242	49,109
• Industrial process plants	8,026	6,817	19,639	29,049
• Renewable energy and co-generation plants	18,478	8,048	66,010	15,573
Others ⁽¹⁾	566	1,264	1,840	1,597
	46,488	35,051	136,731	95,328

Note:

(1) Others comprise sales of electricity from the power generation and precision engineering from the consolidation of I Precision Sdn Bhd ("IPSB").

A. EXPLANATORY NOTES PURSUANT TO MALAYSIAN FINANCIAL REPORTING STANDARDS 134, INTERIM FINANCIAL REPORTING (CONTINUED)

A10. Events subsequent to the end of the reporting period

There were no material events subsequent to the end of the current financial quarter up to this interim financial report, save for the update as disclosed in Note B9.

A11. Changes in the composition of the Group

Internal restructuring of Magenko Bio Energy Sdn. Bhd. ("MBE")

On 15 December 2025, the Group restructured MBE, which became a wholly owned subsidiary of the Company from its existing holding company, Magenko Renewables (Asia) Sdn. Bhd. ("MRA").

There were no material changes in the composition of the Group during the current financial quarter under review, save as disclosed in the above.

A12. Contingent liabilities or contingent assets

There were no contingent liabilities or contingent assets in the Group as at the date of this interim financial report. Please refer to Note B9 on disclosure of a claim made by the Group of which the Board believes that there will not be any material adverse financial impact to the Group.

A13. Related Party Transactions Disclosures

The related party transactions between the Group and related party are as follows:

	<u>QUARTER ENDED</u>		<u>PERIOD-TO-DATE ENDED</u>	
	31.07.2026	31.07.2025	31.07.2026	31.07.2025
	RM'000	RM'000	RM'000	RM'000
Shareholder of the Group				
Dividends paid	-	-	5,500	6,875

A14. Capital Commitments

Capital expenditures as at the date of this interim reporting period but not recognized in the financial statements are as follows:

	<u>QUARTER ENDED</u>		<u>PERIOD-TO-DATE ENDED</u>	
	31.07.2026	31.07.2025	31.07.2026	31.07.2025
	RM'000	RM'000	RM'000	RM'000
Approved and contracted	44	-	193	151

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B. EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS

B1. Review of Financial Performance

	QUARTER ENDED		PERIOD-TO-DATE ENDED	
	31.07.2026	31.07.2025	31.07.2026	31.07.2025
	RM'000	RM'000	RM'000	RM'000
Revenue	46,488	35,051	136,731	95,328
Gross profit	6,340	12,087	17,788	27,159
Profit before tax	3,853	10,093	11,339	22,783
Profit after tax	1,510	7,113	6,906	16,778
Profit attributable to owners of the Company	2,038	7,490	8,547	17,304
Non-controlling interests	(528)	(377)	(1,641)	(526)

The Group recorded revenue of approximately RM46.5 million for the current financial quarter under review as compared to the corresponding quarter of RM35.1 million. The increase was mainly due to recognition for contracts in line with progress milestones primarily in industrial process equipment and renewable energy and co-generation plants which accounted for RM19.4 million and RM18.5 million, representing 41.8% and 39.7% of the total revenue respectively.

The Group recognised profit before tax of RM3.9 million for the current financial quarter under review as compared to the corresponding quarter of RM10.1 million, a decrease of RM6.2 million or 61.8%. The low profitability was primarily attributable to the following factors:

- (i) Cost overruns in a power plant project in Sabah, arising from additional scope of works beyond the initial agreement as well as significant increased manpower deployment to mitigate project schedule delays. These cost overruns eased during the current quarter as the relevant works progressed towards completion, although their cumulative impact incurred earlier in the financial year continued to weigh on the year-on-year comparison. Management is actively engaged with the main contractor on the recoverability of these additional costs incurred.
- (ii) Higher costs incurred on certain projects, reflecting the elevated cost environment for transportation, labour and materials amid ongoing geopolitical tensions in the Middle East, which resulted in higher freight and fuel charges, and wage increases.
- (iii) The expansion of the Sales and Service Tax ("SST") scope effective September 2025, which resulted in additional tax costs being absorbed by the Group. As most of the major contracts were entered into prior to the new SST regime, the Group is currently bearing these incremental costs while actively engaging with the customers to obtain the necessary consent to incorporate the additional SST charges into the existing contract price.

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B. EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS (CONTINUED)

B2. Comparison with Immediate Preceding Quarter's Results

	QUARTER ENDED		Changes	
	31.07.2026	30.04.2026		
	RM'000	RM'000	RM'000	%
Revenue	46,488	45,858	630	1.4
Gross profit	6,340	2,521	3,819	151.5
Profit before tax	3,853	507	3,346	660.0
Profit after tax	1,510	177	1,333	753.1
Profit attributable to owners of the Company	2,038	735	1,303	177.3
Non-controlling interests	(528)	(558)	30	5.4

The Group's revenue for the current quarter increased by RM0.6 million or 1.4% to RM46.5 million as compared with the immediate preceding quarter of RM45.8 million. The increase was mainly due to higher revenue contribution from industrial process equipment and renewable energy and co-generation plants segment.

The Group recognised profit before tax of RM3.9 million for the current financial quarter under review, representing an increase of RM3.3 million or 660.0% compared to the immediate preceding quarter of RM0.5 million.

The improvement in profitability was mainly attributable to (i) the easing of cost overruns on the Sabah power plant project referred to in Section B1 above, as the relevant additional scope of works progressed towards completion and the associated cost impact moderated during the current quarter; and (ii) a more favourable project margin mix, with higher revenue contribution from higher-margin industrial process equipment projects and renewable energy and co-generation plants projects during the current quarter as compared to the immediate preceding quarter.

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B. EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS (CONTINUED)

B3. Prospects of the Group

Malaysia's renewable energy sector remains on a solid growth trajectory, driven by sustained government initiatives notably the National Energy Transition Roadmap ("NETR"). The NETR sets ambitious targets for Malaysia, aiming to achieve net-zero emissions by 2050. The plan outlines a gradual increase in renewable energy, targeting 31% by 2025, 40% by 2035, and 70% by 2050.

Complementing this, Malaysia's data center industry has emerged as one of the most significant growth sectors in the region, underpinned by strong foreign direct investment, government-backed digital initiatives, and the country's strategic position as a preferred digital infrastructure hub in Southeast Asia.

The prospects of the Group are promising, taking into consideration the strengths on renewable energy and power generating solution. The Group has capitalised on these emerging opportunities by securing a major data center project and will continue collaborating with strategic partners to leverage its strengths in renewable energy and power generating solutions.

As of 31 July 2026, the Group has a healthy orderbook totalling RM92.4 million. Barring any unforeseen circumstances, the Board of Directors of the Company ("**Board**") is optimistic about the future prospects of the Group.

B4. Variance of actual profits from profit forecast

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

B5. Taxation

The breakdown of income tax expenses are as follows:

	<u>QUARTER ENDED</u>		<u>PERIOD-TO-DATE ENDED</u>	
	31.07.2026	31.07.2025	31.07.2026	31.07.2025
	RM'000	RM'000	RM'000	RM'000
Income tax expense				
- Current period	2,343	2,980	4,433	6,005
Effective tax rate ⁽¹⁾	60.8	29.5	39.1	26.4
(%)				
Statutory tax rate	24.0	24.0	24.0	24.0
(%)				

Note:

- (1) The effective tax rate for the period-to-date ended 31 July 2026 was 39.1%, which is significantly higher than the statutory tax rate of 24.0%. The elevated effective tax rate was mainly attributable to losses incurred by certain subsidiaries within the Group, which reduced the Group's consolidated profit before tax without a corresponding reduction in the tax charge, thereby resulting in a higher effective tax rate relative to the statutory rate.

B. EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS (CONTINUED)

B6. Status of Corporate Proposals

There were no corporate proposals announced which remain uncompleted as at the date of this interim financial report.

B7. Utilisation of proceeds from the Public Issue

The status of utilisation as at 31 July 2026 of the gross proceeds of RM33.0 million from the Public Issue as follows:

Details of utilisation of proceeds	Proposed utilisation RM'000	Actual utilisation RM'000	Re-allocation RM'000	Balance to be utilised RM'000	Estimated timeframe for utilisation⁽¹⁾
Investment into a new 2MW power plant	5,000	-	-	5,000	Within 36 months
Improvement of Bercham Plant output	2,500	-	-	2,500	Within 39 months ⁽²⁾
Purchase of additional machinery	500	(500) ⁽³⁾	-	-	Within 12 months
Repayment of bank borrowings	6,000	(5,748)	(252) ⁽⁴⁾	-	Within 3 months
Working capital	15,000	(15,252)	252 ⁽⁴⁾	-	Within 24 months
Estimated listing expenses	4,000	(4,000)	-	-	Within 1 month
	33,000	(25,500)	-	7,500	

Notes:

- (1) From the date of listing of the Company.
- (2) On 21 August 2026, the Group had announced an extension of time for the utilisation of the allocation by an additional 12 months, extending the period to 39 months from the date of listing.
- (3) Allocation for adjustable rotator was replaced with other machinery and tools to improve production efficiency.
- (4) Surplus of RM0.3 million (of the RM6.0 million allocated for the repayment of bank borrowings) was re-allocated to the general working capital requirements of the Group, in accordance with the Company's prospectus dated 29 April 2024.

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B. EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS (CONTINUED)

B8. Group borrowings and debts securities

	31.07.2026 RM'000	31.10.2025 RM'000
Non-current:		
Term loan	1,260	1,363
Lease liabilities	701	1,106
Hire purchase payables	344	510
	<u>2,305</u>	<u>2,979</u>
Current:		
Term loan	335	311
Lease liabilities	613	585
Hire purchase payables	228	280
Invoice financing	10,686	5,272
	<u>11,862</u>	<u>6,448</u>
Total loans and borrowings:		
Term loan	1,595	1,674
Lease liabilities	1,314	1,691
Hire purchase payables	572	790
Invoice financing	10,686	5,272
	<u>14,167</u>	<u>9,427</u>

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B. EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS (CONTINUED)

B9. Material Litigation

Save for the update related to the case disclosed in Section 12.7(a)(i) of the Prospectus as outlined below, the Group is not engaged in any material litigation or arbitration proceedings, either as plaintiff or defendant, and the Directors are not aware of any proceedings pending or threatened against the Group, which may materially and adversely affect the financial position or business performance of the Group.

Update on Kawan Engineering Sdn Bhd ("KESB") v Nyew Kam Cheng and Tan Mee Yuan ("Defendants")

On 15 May 2023, KESB initiated a claim against Nyew Kam Cheng and Tan Mee Yuan ("Defendants") for the amount of RM2.3 million being the outstanding sum owed by Periforce Sdn Bhd for the supply of cranes and installation services provided in 2020 ("Transaction"). The Defendants are the shareholders and directors of Periforce Sdn Bhd. The Defendants had provided joint and several guarantees to KESB for the purposes of the said Transaction. Subsequently, Periforce Sdn Bhd had failed, neglected and refused to pay the amount owing or any part thereof despite multiple demands made by KESB. Thereafter, as a winding up petition was filed against Periforce Sdn Bhd in March 2022, KESB initiated the claim against the Defendants as the guarantors and principal debtors to recover the amount owing. On 11 July 2023, the solicitors acting for KESB filed an ex-parte application to obtain an order for substituted service subsequent to the failed attempt to serve the writ and statement of claim on the Defendants via acknowledgment of receipt (AR) registered post. The application for substituted service was allowed by the Ipoh High Court on 24 July 2023. The Defendants subsequently entered appearance on 25 August 2023. On 5 October 2023, the Defendants filed an application to transfer the case from Ipoh High Court to Shah Alam High Court, which was allowed by the Ipoh High Court on 6 November 2023. KESB then filed an application for summary judgment on 18 December 2023 and the Defendants filed an application for discovery of documents on 19 December 2023. The hearing of both applications was heard together on 11 March 2024. The Court delivered its decision on 11 June 2024 whereby KESB's application for summary judgement was dismissed with no order as to costs and the Defendants' application for discovery against KESB was dismissed with no order as to costs. The Court proceeded with the trial on 25 February 2025, 27 February 2025 and 16 April 2025 respectively. The Court directed both parties to file written submissions and fixed a hearing date on 28 July 2025 for both parties to submit oral submissions. The Court delivered its decision on 24 September 2025 whereby KESB's claims against the Defendants were allowed by the Court. The Defendants filed their appeal to the Court of Appeal on 17 October 2025. The Court of Appeal fixed the case management on 15 April 2026. Subsequent to the case management, the Court of Appeal has directed the following schedule: Submissions by 8 October 2026, Submissions-in-Reply by 22 October 2026, Case Management on 23 October 2026, and Hearing on 6 November 2026.

There is no financial impact to the Group during the current quarter under review.

B10. Dividends

There were no dividends proposed or declared during the current quarter under review.

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B. EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS (CONTINUED)

B11. Earnings Per Share

The basic EPS for the current financial quarter under review and financial period-to-date are computed as follows:

	<u>QUARTER ENDED</u>		<u>PERIOD-TO-DATE ENDED</u>	
	31.07.2026	31.07.2025	31.07.2026	31.07.2025
	RM'000	RM'000	RM'000	RM'000
Profit attributable to owners of the Company	2,038	7,490	8,547	17,304
Weighted average number of ordinary shares in issue ('000)	550,000	550,000	550,000	550,000
Basic EPS (sen) ⁽¹⁾	0.37	1.36	1.55	3.15

Note:

- (1) The basic EPS is computed based on profit after tax attributable to the owners of the Company and divided by the weighted average number of ordinary shares in issue during the financial period under review.

There were no potential dilution effects on ordinary shares of the Group for the current quarter, current period-to-date, previous corresponding quarter and previous corresponding period-to-date. Accordingly, the diluted EPS for the current quarter, current period-to-date, previous corresponding quarter and previous corresponding period-to-date are equal to the basic EPS.

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B. EXPLANATORY NOTES PURSUANT TO PART A OF APPENDIX 9B OF THE LISTING REQUIREMENTS (CONTINUED)

B12. Notes to the Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income

The following items have been charged/(credited) in arriving at the profit before taxation for the current financial quarter and the profit before taxation for the financial period-to-date:

	<u>QUARTER ENDED</u>		<u>PERIOD-TO-DATE ENDED</u>	
	31.07.2026	31.07.2025	31.07.2026	31.07.2025
	RM'000	RM'000	RM'000	RM'000
After charging/ (crediting):				
Bargain purchase on acquisition of subsidiary	-	-	-	(845)
Depreciation of property, plant and equipment	1,174	1,499	3,060	3,388
Expense relating to short-term lease, lease of low value assets and variable lease payment	567	270	1,680	507
(Reversal)/ Impairment losses on trade receivables	-	-	(265)	450
Finance costs	271	51	580	104
(Gain)/Loss on disposal of property, plant and equipment	-	5	(200)	4
(Gain)/Loss on unrealised forex exchange	(179)	96	(213)	127
Finance income	(203)	(302)	(685)	(1,020)

B13. Authorisation for Issue

This interim financial report was authorised for issue by the Board of Directors.