



**KAWAN RENERGY BERHAD**  
(Registration No: 202201039658 (1485355-U))  
*(Incorporated in Malaysia)*

**INTERIM FINANCIAL REPORT  
FOR THE QUARTER AND YEAR-TO-DATE ENDED 31 OCTOBER 2025**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME<sup>(1)</sup>  
FOR THE FINANCIAL PERIOD ENDED 31 OCTOBER 2025**

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>31.10.2025</b>	<b>31.10.2024</b>	<b>31.10.2025</b>	<b>31.10.2024</b>
	<b>Unaudited RM'000</b>	<b>Unaudited RM'000</b>	<b>Unaudited RM'000</b>	<b>Audited RM'000</b>
Revenue	42,665	39,163	137,993	113,118
Cost of sales	(32,526)	(30,995)	(100,695)	(79,586)
<b>Gross profit</b>	<b>10,139</b>	<b>8,168</b>	<b>37,298</b>	<b>33,532</b>
Other income	53	328	1,174	409
Administrative expenses	(2,076)	(1,951)	(8,214)	(7,369)
Other operating expenses	(165)	(528)	(440)	(944)
<b>Profit from operations</b>	<b>7,951</b>	<b>6,017</b>	<b>29,818</b>	<b>25,628</b>
Finance income	268	438	1,288	1,233
Finance costs	(117)	(25)	(221)	(352)
<b>Profit before taxation</b>	<b>8,102</b>	<b>6,430</b>	<b>30,885</b>	<b>26,509</b>
Income tax expense	B5 (2,364)	(2,326)	(8,369)	(8,501)
<b>Profit after taxation/ total comprehensive income for the period</b>	<b>5,738</b>	<b>4,104</b>	<b>22,516</b>	<b>18,008</b>
<b>Profit attributable to:</b>				
Owners of the Company	6,385	4,104	23,689	18,008
Non-controlling interest	(647)	-	(1,173)	-
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	6,385	4,104	23,689	18,008
Non-controlling interest	(647)	-	(1,173)	-
<b>Earnings per share ("EPS")<sup>(2)</sup></b>	B11			
- Basic (sen)	1.16	1.22	4.31	5.34
- Diluted (sen)	1.16	0.75	4.31	3.27

**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 2024 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**  
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION<sup>(1)</sup>**  
**AS AT 31 OCTOBER 2025**

	<b>Unaudited As at 31.10.2025 RM'000</b>	<b>Audited As at 31.10.2024 RM'000</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	29,967	20,209
<b>Total non-current assets</b>	<b>29,967</b>	<b>20,209</b>
<b>Current assets</b>		
Inventories	2,543	1,751
Current tax assets	-	100
Trade and other receivables	39,126	25,327
Contract assets	40,359	22,832
Cash and short-term deposits	41,587	57,338
<b>Total current assets</b>	<b>123,615</b>	<b>107,348</b>
<b>TOTAL ASSETS</b>	<b>153,582</b>	<b>127,557</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the Company</b>		
Share capital	77,144	77,144
Merger reserve	(35,144)	(35,144)
Retained earnings	68,255	51,441
	110,255	93,441
Non-controlling interest	1,945	-
<b>TOTAL EQUITY</b>	<b>112,200</b>	<b>93,441</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Loans and borrowings	B8 2,978	528
Deferred income	189	215
Deferred tax liabilities	535	461
<b>Total non-current liabilities</b>	<b>3,702</b>	<b>1,204</b>
<b>Current liabilities</b>		
Loans and borrowings	B8 6,448	1,572
Deferred income	26	26
Current tax liabilities	1,904	2,491
Trade and other payables	20,191	14,715
Contract liabilities	9,111	14,108
<b>Total current liabilities</b>	<b>37,680</b>	<b>32,912</b>
<b>TOTAL LIABILITIES</b>	<b>41,382</b>	<b>34,116</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>153,582</b>	<b>127,557</b>
Net assets per ordinary share attributable to owners of the Company (RM) <sup>(2)</sup>	0.20	0.17

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**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 2024 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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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY<sup>(1)</sup>**  
**FOR THE PERIOD ENDED 31 OCTOBER 2025**

	← Non-distributable →		Distributable	Subtotal	Non-Controlling Interest	Total Equity
	Share Capital	Merger Reserve	Retained Earnings			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>At 1 November 2024 (Audited)</b>	77,144	(35,144)	51,441	93,441	-	93,441
<b>Total comprehensive income for the financial period</b>						
Profit for the financial period, representing total comprehensive income for the financial period	-	-	23,689	23,689	(1,173)	22,516
<b>Transaction with owners</b>						
Acquisition of a subsidiary	-	-	-	-	3,118	3,118
Dividends	-	-	(6,875)	(6,875)	-	(6,875)
<b>At 31 October 2025 (Unaudited)</b>	<b>77,144</b>	<b>(35,144)</b>	<b>68,255</b>	<b>110,255</b>	<b>1,945</b>	<b>112,200</b>

**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 2024 and the accompanying explanatory notes attached to this interim financial report.

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS<sup>(1)</sup>**  
**FOR THE PERIOD ENDED 31 OCTOBER 2025**

	<b>CURRENT PERIOD-TO- DATE 31.10.2025 RM'000</b>	<b>PRECEDING PERIOD-TO- DATE 31.10.2024 RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	30,885	26,509
Adjustments for:		
Depreciation of property, plant and equipment	4,929	3,285
Loss on disposal of property, plant and equipment	4	107
Gain on termination of lease	-	*
Impairment loss on trade receivables	252	123
Bad debts recovered	-	(174)
Amortisation of government grant income	(26)	(15)
Bargain purchase on acquisition of subsidiary	(846)	-
Waiver of debts	(10)	-
Finance costs	221	352
Finance income	(1,288)	(1,233)
Net unrealised foreign exchange loss	338	118
<b>Operating profit before changes in working capital</b>	<b>34,459</b>	<b>29,072</b>
Changes in working capital:		
Inventories	(588)	700
Trade and other receivables	(12,959)	(2,535)
Contract assets	(17,527)	(7,385)
Trade and other payables	3,023	2,740
Contract liabilities	(4,997)	(14,790)
<b>Cash generated from operations</b>	<b>1,411</b>	<b>7,802</b>
Income tax paid	(8,782)	(7,775)
Interest received	1,288	1,233
<b>Net cash (used in)/from operating activities</b>	<b>(6,083)</b>	<b>1,260</b>
<b>CASH FLOWS FOR INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(7,384)	(1,464)
Proceeds from disposal of property, plant and equipment	-	546
Proceeds from government grants related to assets	-	181
Acquisition of subsidiary, net of cash acquired	(2,397)	-
Change in pledged deposits	(172)	(176)
<b>Net cash used in investing activities</b>	<b>(9,953)</b>	<b>(913)</b>

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS<sup>(1)</sup>**  
**FOR THE PERIOD ENDED 31 OCTOBER 2025 (CONTINUED)**

	<b>CURRENT PERIOD-TO- DATE 31.10.2025 RM'000</b>	<b>PRECEDING PERIOD-TO- DATE 31.10.2024 RM'000</b>
<b>CASH FLOWS FOR FINANCING ACTIVITIES</b>		
Proceeds from issuance of ordinary shares	-	33,000
Shares issuance expenses	-	(1,000)
Proceeds from drawdown of term loans	1,674	-
Repayment of term loans	-	(6,345)
Payment of lease liabilities	1,659	(44)
Repayment of hire purchase	(279)	(635)
Proceeds from bankers' acceptance	8,079	5,700
Repayment of bankers' acceptance	(3,807)	(7,650)
Net changes in amount owing to a director	-	(1)
Net changes in amount owing to shareholder	-	(550)
Interest paid	(221)	(352)
Dividends paid	(6,875)	(10,000)
<b>Net cash used in financing activities</b>	<b>230</b>	<b>12,123</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(15,806)</b>	<b>12,470</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>	<b>51,564</b>	<b>39,148</b>
Effect of exchange rate changes on cash and cash equivalents	(117)	(54)
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	<b>35,641</b>	<b>51,564</b>
<b>Represented by:</b>		
Cash and bank balances	8,958	11,783
Deposits with licensed banks	32,629	45,555
Cash and short-term deposits	41,587	57,338
Less: pledged deposits	(5,946)	(5,774)
	<b>35,641</b>	<b>51,564</b>

**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 2024 and the accompanying explanatory notes attached to this interim financial report.

\* Less than RM1,000

**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 2024 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 2024, 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 2025**

*Amendments to MFRS 121: The Effects of Changes in Foreign Exchange Rates*

**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)*

**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 2024.

**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 30 December 2024, the Company paid single-tier interim dividend of 1.25 sen per ordinary share in respect of the financial year ending 31 October 2025.

**A9. Segmental Information**

The Group's revenue is segmented as follows:

**Revenue by business segment**

	<b><u>QUARTER ENDED</u></b>		<b><u>PERIOD-TO-DATE ENDED</u></b>	
	<b>31.10.2025</b>	<b>31.10.2024</b>	<b>31.10.2025</b>	<b>31.10.2024</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Design, fabrication, installation and/ or commissioning solutions:				
• Industrial process equipment	16,609	19,596	65,717	60,202
• Industrial process plants	1,959	15,604	31,008	34,834
• Renewable energy and co-generation plants	23,451	3,933	39,024	17,923
Others <sup>(1)</sup>	646	30	2,244	159
	<b>42,665</b>	<b>39,163</b>	<b>137,993</b>	<b>113,118</b>

**Note:**

(1) Others comprise sales of electricity from the power generation and precision engineering from the consolidation of IPSB effective from current quarter under review.

**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 Renewables (Asia) Sdn Bhd ("MRA")**

On 12 February 2025, the Group restructured MRA became wholly owned subsidiary of the Company from its existing holding company, KESB and to further streamline its operation as below:

- (a) MRA and Magenko Bio Energy Sdn Bhd operate as an Independent Power Producer ("IPP") involved in power generation and sales of electricity, steam, thermal energy, biofuels, biomass, plantation of biomass feed stock;
- (b) Magenko Renewables (Ipoh) Sdn Bhd continue to operate as an IPP involved in power generation and sales of electricity.

Together, these entities contribute to the sustainable energy sector by utilizing renewable resources to generate power and promote eco-friendly practices, helping to meet the growing demand for clean energy while supporting environmental sustainability.

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

On 15 December 2025, the Group restructured Magenko Bio Energy Sdn Bhd which became a wholly owned subsidiary of the Company from its existing holding company, MRA.

**Acquisition of I Precision Sdn Bhd ("IPSB")**

The Company's wholly owned subsidiary, KESB had on 24 September 2024, entered into:

- (a) conditional share subscription agreement, to subscribe for 51% of the enlarged issued share capital of IPSB for a cash consideration of RM2,400,000;
- (b) supplemental agreement in relation to the proposed share subscription in IPSB.

On 22 November 2024, the Company announced an extension of conditional period for a further one month from the expiration date which is on 23 November 2024 to fulfill all the conditions precedent in the agreements. All condition precedent were subsequently fulfilled on 23 December 2024. The share transfer was completed in the second quarter of the Group's 2025 financial year and the IPSB results were consolidated accordingly.

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

**Incorporation of Kawan Environmental Sdn. Bhd. (formerly known as Kawan Solutions Sdn. Bhd.) ("KWE")**

On 12 November 2024, the Group took steps to streamline its existing operations and enhance the representation of business segment performance. To achieve this, a new wholly owned subsidiary, KWE was incorporated on 12 November 2024 with an issued share capital of 50,000 ordinary shares at RM1 per share to undertake repair and maintenance services previously managed by KESB. The company subsequently changed its name on 16 December 2025.

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>	
	<u>31.10.2025</u>	<u>31.10.2024</u>	<u>31.10.2025</u>	<u>31.10.2024</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<b>Shareholder of the Group</b>				
Dividends paid	-	-	6,875	10,000

**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>	
	<u>31.10.2025</u>	<u>31.10.2024</u>	<u>31.10.2025</u>	<u>31.10.2024</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Approved and contracted	238	-	344	-

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

**B1. Review of Financial Performance**

	<b><u>QUARTER ENDED</u></b>		<b><u>PERIOD-TO-DATE ENDED</u></b>	
	<b>31.10.2025</b>	<b>31.10.2024</b>	<b>31.10.2025</b>	<b>31.10.2024</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Revenue	42,665	39,163	137,993	113,118
Gross profit	10,139	8,168	37,298	33,532
Profit before tax	8,102	6,430	30,885	26,509
Profit after tax	5,738	4,104	22,516	18,008
Profit attributable to owners of the Company	6,385	4,104	23,689	18,008
Non-controlling interests	(647)	-	(1,173)	-

The Group recorded revenue of approximately RM42.7 million for the current financial quarter under review as compared to the corresponding quarter of RM39.2 million. The Group reported an improved gross profit of RM10.1 million for the current quarter as compared to the corresponding quarter mainly due to recognition for contracts in line with progress milestones mainly in renewable energy and co-generation plants which accounted for RM23.5 million, representing 55.0% of the total revenue respectively.

The Group recognised profit before tax of RM8.1 million for the current financial quarter under review as compared to the corresponding quarter of RM6.4 million, which is an increase of RM1.7 million or 26.5%. The increase in profit before tax was mainly due to the completion of a few existing industrial process plants projects and the commencement of new projects.

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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**

	<b>QUARTER ENDED</b>		<b>Changes</b>	
	<b>31.10.2025</b>	<b>31.07.2025</b>	<b>RM'000</b>	<b>%</b>
	<b>RM'000</b>	<b>RM'000</b>		
Revenue	42,665	35,051	7,614	21.7
Gross profit	10,139	12,087	(1,948)	(16.1)
Profit before tax	8,102	10,093	(1,991)	(19.7)
Profit after tax	5,738	7,113	(1,375)	(19.3)
Profit attributable to owners of the Company	6,385	7,490	(1,105)	(14.7)
Non-controlling interests	(647)	(377)	270	71.6

The Group's revenue for the current quarter increased by RM7.6 million or 21.7% to RM42.7 million as compared with the immediate preceding quarter of RM35.1 million. The increase was mainly due to higher revenue contribution from design, fabrication, installation and/ or commissioning solutions segment.

The Group recognised profit before tax of RM8.1 million for current financial quarter under review, representing a decrease of RM1.9 million or 19.7% compared to the immediate preceding quarter of RM10.1 million.

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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.

The prospects of the Group are favourable taking into consideration the Group's competitive strengths and the outlook for renewable energy into our business strategies. The Group has begun capitalizing on these emerging opportunities by collaborating with strategic partners to leverage in our renewable energy solutions.

As of 31 October 2025, the Group has a healthy orderbook totaling RM108.2 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>	
	<b>31.10.2025</b>	<b>31.10.2024</b>	<b>31.10.2025</b>	<b>31.10.2024</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Income tax expense				
- Current period	2,364	2,326	8,369	8,501
Effective tax rate <sup>(1)</sup> (%)	29.2	36.2	27.1	32.1
Statutory tax rate (%)	24.0	24.0	24.0	24.0

**Note:**

- (1) The effective tax rate for period-to-date ended 31 October 2025 was slightly higher compared to the statutory tax rate of 24.0% mainly due to absence of group relief for loss incurred by subsidiaries company.

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**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 October 2025 of the gross proceeds of RM33.0 million from the Public Issue as follows:

<b>Details of utilisation of proceeds</b>	<b>Proposed utilisation RM'000</b>	<b>Actual utilisation RM'000</b>	<b>Re-allocation RM'000</b>	<b>Balance to be utilised RM'000</b>	<b>Estimated timeframe for utilisation<sup>(1)</sup></b>
Investment into a new 2MW power plant	5,000	-	-	5,000	Within 36 months
Improvement of Bercham Plant output	2,500	-	-	2,500	Within 27 months <sup>(2)</sup>
Purchase of additional machinery	500	(500) <sup>(3)</sup>	-	-	Within 12 months
Repayment of bank borrowings	6,000	(5,748)	(252) <sup>(4)</sup>	-	Within 3 months
Working capital	15,000	(10,400)	252 <sup>(4)</sup>	4,852	Within 24 months
Estimated listing expenses	4,000	(4,000)	-	-	Within 1 month
	<b>33,000</b>	<b>(20,648)</b>	<b>-</b>	<b>12,352</b>	

**Notes:**

- (1) From the date of listing of the Company.
- (2) On 12 August 2025, the Group had announced an extension of time for the utilisation of the allocation by an additional 12 months, extending the period to 27 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**

	<b>31.10.2025</b>	<b>31.10.2024</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Non-current:</b>		
Term loan	1,363	-
Lease liabilities	1,105	9
Hire purchase payables	510	519
	<u>2,978</u>	<u>528</u>
<b>Current:</b>		
Term loan	311	-
Lease liabilities	585	22
Hire purchase payables	280	550
Bankers' acceptances	5,272	1,000
	<u>6,448</u>	<u>1,572</u>
<b>Total loans and borrowings:</b>		
Term loan	1,674	-
Lease liabilities	1,690	31
Hire purchase payables	790	1,069
Bankers' acceptances	5,272	1,000
	<u>9,426</u>	<u>2,100</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 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 January 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 and diluted 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>	
	<u>31.10.2025</u>	<u>31.10.2024</u>	<u>31.10.2025</u>	<u>31.10.2024</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Profit attributable to owners of the Company	6,385	4,104	23,689	18,008
Weighted average number of ordinary shares in issue ('000)	550,000	337,446	550,000	337,446
Weighted average number of diluted ordinary shares in issue ('000)	-	550,000	-	550,000
Basic EPS (sen) <sup>(1)</sup>	1.16	1.22	4.31	5.34
Diluted EPS (sen) <sup>(2)</sup>	1.16	0.75	4.31	3.27

**Notes:**

- (1) The basic EPS comparative figures for the preceding corresponding quarter and period-to-date were calculated based on the Company's weighted average number of ordinary shares of 337,446,448 upon completion of the acquisition of KESB and after the IPO.
- (2) Diluted EPS is calculated based on the Company's enlarged share capital of 550,000,000 shares after the IPO of the Company.

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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>	
	<u>31.10.2025</u>	<u>31.10.2024</u>	<u>31.10.2025</u>	<u>31.10.2024</u>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>After charging/ (crediting):</b>				
Bargain purchase on acquisition of subsidiary	-	-	(845)	-
Depreciation of property, plant and equipment	1,541	823	4,929	3,285
Expense relating to short-term lease, lease of low value assets and variable lease payment	253	69	760	235
(Net reversal)/ Impairment loss on trade receivables	(198)	123	252	123
Bad debts recovered	-	(174)	-	(174)
Finance costs	117	25	221	352
Loss on disposal of plant and equipment	-	1	4	107
Listing expenses	-	28	-	1,105
Net unrealised loss on foreign exchange	211	(74)	338	118
Finance income	(268)	(438)	(1,288)	(1,233)

**B13. Authorisation for Issue**

This interim financial report was authorised for issue by the Board on 29 December 2025.