



KAWAN RENERGY BERHAD

(Registration No: 202201039658 (1485355-U))

(Incorporated in Malaysia)

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

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME⁽¹⁾**
FOR THE FINANCIAL PERIOD ENDED 31 JULY 2025

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	31.07.2025	31.07.2024	31.07.2025	31.07.2024
	Unaudited RM'000	Unaudited RM'000	Unaudited RM'000	Unaudited RM'000
Revenue	35,051	31,823	95,328	73,955
Cost of sales	(22,964)	(20,136)	(68,169)	(48,591)
Gross profit	12,087	11,687	27,159	25,364
Other income	199	40	1,121	81
Administrative expenses	(2,200)	(3,064)	(6,138)	(5,418)
Other operating expenses	(244)	(388)	(275)	(416)
Profit from operations	9,842	8,275	21,867	19,611
Finance income	302	257	1,020	795
Finance costs	(51)	(122)	(104)	(327)
Profit before taxation	10,093	8,410	22,783	20,079
Income tax expense	(2,980)	(3,102)	(6,005)	(6,175)
Profit after taxation/ total comprehensive income for the period	7,113	5,308	16,778	13,904
Profit attributable to:				
Owners of the Group	7,490	5,308	17,304	13,904
Non-controlling interest	(377)	-	(526)	-
Total comprehensive income attributable to:				
Owners of the Group	7,490	5,308	17,304	13,904
Non-controlling interest	(377)	-	(526)	-
Earnings per share ("EPS")⁽²⁾	B11			
- Basic (sen)	1.36	1.99	3.15	5.23
- Diluted (sen)	-	0.97	-	2.53

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⁽¹⁾
AS AT 31 JULY 2025

	Unaudited As at 31.07.2025	Audited As at 31.10.2024
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	26,883	20,209
Total non-current assets	26,883	20,209
Current assets		
Inventories	2,685	1,751
Current tax assets	92	100
Trade and other receivables	42,455	25,327
Contract assets	31,080	22,832
Cash and short-term deposits	38,555	57,338
Total current assets	114,867	107,348
TOTAL ASSETS	141,750	127,557
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	77,144	77,144
Merger reserve	(35,144)	(35,144)
Retained earnings	61,870	51,441
	103,870	93,441
Non-controlling interest	2,593	-
TOTAL EQUITY	106,463	93,441
LIABILITIES		
Non-current liabilities		
Loans and borrowings	1,880	528
Deferred income	196	215
Deferred tax liabilities	610	461
Total non-current liabilities	2,686	1,204
Current liabilities		
Loans and borrowings	1,847	1,572
Deferred income	26	26
Current tax liabilities	1,842	2,491
Trade and other payables	15,288	14,715
Contract liabilities	13,598	14,108
Total current liabilities	32,601	32,912
TOTAL LIABILITIES	35,287	34,116
TOTAL EQUITY AND LIABILITIES	141,750	127,557
Net assets per ordinary share attributable to owners of the Company (RM) ⁽²⁾	0.19	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⁽¹⁾
FOR THE PERIOD ENDED 31 JULY 2025

	Non-distributable		Distributable		Subtotal	Non-Controlling Interest RM'000	Total Equity RM'000
	Share Capital RM'000	Merger Reserve RM'000	Retained Earnings RM'000	RM'000			
At 1 November 2024 (Audited)	77,144	(35,144)	51,441	93,441	-	-	93,441
Total comprehensive income for the financial period							
Profit for the financial period, representing total comprehensive income for the financial period	-	-	17,304	17,304	(526)	16,778	
Transaction with owners							
Acquisition of a subsidiary	-	-	-	-	3,119	3,119	
Dividends	-	-	(6,875)	(6,875)	-	(6,875)	
At 31 July 2025 (Unaudited)	77,144	(35,144)	61,870	103,870	2,593	106,463	

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.

KAWAN RENERGY BERHAD
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS⁽¹⁾
FOR THE PERIOD ENDED 31 JULY 2025

	CURRENT PERIOD-TO- DATE 31.07.2025 RM'000	PRECEDING PERIOD-TO- DATE 31.07.2024 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	22,783	20,079
Adjustments for:		
Depreciation of property, plant and equipment	3,388	2,462
Loss on disposal of property, plant and equipment	4	106
Loss on termination of lease	-	20
Impairment loss on trade receivables	450	-
Amortisation of government grant income	(19)	173
Bargain purchase on acquisition of subsidiary	(845)	-
Waiver of debts	(10)	-
Finance costs	76	327
Finance income	(1,020)	(795)
Net unrealised foreign exchange loss	127	192
Operating profit before changes in working capital	24,934	22,564
<u>Changes in working capital:</u>		
Inventories	(730)	609
Trade and other receivables	(16,337)	1,262
Contract assets	(8,248)	(2,516)
Trade and other payables	(1,880)	(1,081)
Contract liabilities	(510)	(12,402)
Cash generated from operations	(2,771)	8,436
Income tax paid	(6,497)	(4,158)
Interest received	1,020	795
Net cash (used in)/from operating activities	(8,248)	5,073
CASH FLOWS FOR INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(2,759)	(1,217)
Proceeds from disposal of plant and equipment	-	546
Acquisition of subsidiary, net of cash acquired	(2,397)	-
Change in pledged deposits	(150)	(152)
Net cash used in investing activities	(5,306)	(823)
CASH FLOWS FOR FINANCING ACTIVITIES		
Repayment of term loans	-	(6,345)
Proceeds from bankers' acceptance	2,707	4,700
Repayment of bankers' acceptance	(2,607)	(6,350)
Payment of lease liabilities	1,730	(40)
Repayment of hire purchase	(203)	(487)
Net proceed from shared issued	-	32,000
Interest paid	(76)	(327)
Dividends paid	(6,875)	(10,000)
Net cash used in financing activities	(5,324)	13,151
NET DECREASE IN CASH AND CASH EQUIVALENTS	(18,878)	17,401

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS⁽¹⁾
FOR THE PERIOD ENDED 31 JULY 2025 (CONTINUED)

	CURRENT PERIOD-TO- DATE 31.07.2025 RM'000	PRECEDING PERIOD-TO- DATE 31.07.2024 RM'000
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD	51,564	39,148
Effect of exchange rate changes on cash and cash equivalents	(55)	12
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD	32,631	56,561
 Represented by:		
Cash and bank balances	7,775	18,995
Deposits with licensed banks	30,780	43,315
Cash and short-term deposits	38,555	62,310
Less: pledged deposits	(5,924)	(5,749)
	32,631	56,561

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.

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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 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

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

	QUARTER ENDED		PERIOD-TO-DATE ENDED	
	31.07.2025 RM'000	31.07.2024 RM'000	31.07.2025 RM'000	31.07.2024 RM'000
Design, fabrication, installation and/ or commissioning solutions:				
• Industrial process equipment	18,922	17,904	49,109	40,606
• Industrial process plants	6,817	10,847	29,049	19,230
• Renewable energy and co-generation plants	8,048	3,032	15,573	13,990
Others ⁽¹⁾	1,264	40	1,597	129
	35,051	31,823	95,328	73,955

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.

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.

Incorporation of Kawan Solutions Sdn. Bhd. ("KSSB")

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, KSSB was incorporated on 12 November 2024 with share capital of 50,000 ordinary shares at an issue price of RM1 per share to manage repair and maintenance services, which were previously handled by KESB.

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

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

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:

Shareholder of the Group	<u>QUARTER ENDED</u>		<u>PERIOD-TO-DATE ENDED</u>	
	31.07.2025 RM'000	31.07.2024 RM'000	31.07.2025 RM'000	31.07.2024 RM'000
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:

Approved and contracted	<u>QUARTER ENDED</u>		<u>PERIOD-TO-DATE ENDED</u>	
	31.07.2025 RM'000	31.07.2024 RM'000	31.07.2025 RM'000	31.07.2024 RM'000
	-	-	151	-

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

B1. Review of Financial Performance

	<u>QUARTER ENDED</u>		<u>PERIOD-TO-DATE ENDED</u>	
	<u>31.07.2025</u> RM'000	<u>31.07.2024</u> RM'000	<u>31.07.2025</u> RM'000	<u>31.07.2024</u> RM'000
Revenue	35,051	31,823	95,328	73,955
Gross profit	12,087	11,687	27,159	25,364
Profit before tax	10,093	8,410	22,783	20,079
Profit after tax	7,113	5,308	16,778	13,904
Profit attributable to owners of the Company	7,490	5,308	17,304	13,904
Non-controlling interests	(377)	-	(526)	-

The Group recorded revenue of approximately RM35.1 million for the current financial quarter under review as compared to the corresponding quarter of RM31.8 million. The Group reported a consistent gross profit of RM12.1 million for the current quarter as compared to the corresponding quarter 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 RM18.9 million and RM8.0 million, representing 53.8% and 22.8% of the total revenue respectively.

The Group recognised profit before tax of RM10.1 million for the current financial quarter under review as compared to the corresponding quarter of RM8.4 million, which is an increase of RM1.7 million or 20.2%. 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

	<u>QUARTER ENDED</u>		Changes	
	<u>31.07.2025</u>	<u>30.04.2025</u>	<u>RM'000</u>	<u>%</u>
	RM'000	RM'000	RM'000	
Revenue	35,051	30,949	4,102	13.3
Gross profit	12,087	7,518	4,569	60.8
Profit before tax	10,093	5,927	4,166	70.3
Profit after tax	7,113	4,734	2,379	50.3
Profit attributable to owners of the Company	7,490	4,883	2,607	53.4
Non-controlling interests	(377)	(149)	228	153.0

The Group's revenue for the current quarter increased by RM4.1 million or 13.3% to RM35.1 million as compared with the immediate preceding quarter of RM30.9 million. The increase was mainly due to higher revenue contribution from design, fabrication, installation and/ or commissioning solutions.

The Group recognised profit before tax of RM10.1 million for current financial quarter under review, representing an increase of RM4.2 million or 70.3% compared to the immediate preceding quarter of RM5.9 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 July 2025, the Group has a healthy orderbook totaling RM112.0 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:

	QUARTER ENDED		PERIOD-TO-DATE ENDED	
	31.07.2025 RM'000	31.07.2024 RM'000	31.07.2025 RM'000	31.07.2024 RM'000
Income tax expense				
- Current period	2,980	3,102	6,005	6,175
Effective tax rate ⁽¹⁾ (%)	29.5	36.9	26.4	30.8
Statutory tax rate (%)	24.0	24.0	24.0	24.0

Note:

- (1) The effective tax rate for period-to-date ended 31 July 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 July 2025 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 27 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	(6,900)	252 ⁽⁴⁾	8,352	Within 24 months
Estimated listing expenses	4,000	(4,000)	-	-	Within 1 month
	33,000	(17,148)	-	15,852	

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

	31.07.2025 RM'000	31.10.2024 RM'000
Non-current:		
Lease liabilities	1,308	9
Hire purchase payables	572	519
	<hr/>	<hr/>
	1,880	528
Current:		
Lease liabilities	453	22
Hire purchase payables	294	550
Bankers' acceptances	1,100	1,000
	<hr/>	<hr/>
	1,847	1,572
Total loans and borrowings:		
Lease liabilities	1,761	31
Hire purchase payables	866	1,069
Bankers' acceptances	1,100	1,000
	<hr/>	<hr/>
	3,727	2,100

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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 ("Defendant's")

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 fixed 24 September 2025 for decision.

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>31.07.2025</u> <u>RM'000</u>	<u>31.07.2024</u> <u>RM'000</u>	<u>31.07.2025</u> <u>RM'000</u>	<u>31.07.2024</u> <u>RM'000</u>
Profit attributable to owners of the Company	7,490	5,308	17,304	13,904
Weighted average number of ordinary shares in issue ('000)	550,000	266,078	550,000	266,078
Weighted average number of diluted ordinary shares in issue ('000)	-	550,000	-	550,000
Basic EPS (sen) ⁽¹⁾	1.36	1.99	3.15	5.23
Diluted EPS (sen) ⁽²⁾	-	0.97	-	2.53

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 266,078,103 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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KAWAN RENERGY BERHAD
Registration No.: 202201039658 (1485355-U)
(Incorporated in Malaysia)

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:

	QUARTER ENDED		PERIOD-TO-DATE ENDED	
	31.07.2025 RM'000	31.07.2024 RM'000	31.07.2025 RM'000	31.07.2024 RM'000
After charging/ (crediting):				
Bargain purchase on acquisition of subsidiary	-	-	(845)	-
Depreciation of property, plant and equipment	1,499	825	3,388	2,462
Expense relating to short-term lease, lease of low value assets and variable lease payment	270	95	507	166
Impairment loss on trade receivables	-	-	450	-
Finance costs	23	122	76	327
Loss on disposal of plant and equipment	5	-	4	106
Loss on termination of lease modification	-	20	-	20
Listing expenses	-	937	-	1,077
Unrealised loss on foreign exchange	96	192	127	192
Finance income	(302)	(257)	(1,020)	(795)

B13. Authorisation for Issue

This interim financial report was authorised for issue by the Board on 19 September 2025.