KGW GROUP BERHAD

Registration No. 202201009353 (1455050-D)

(Incorporated in Malaysia)

INTERIM FINANCIAL REPORT
FOR THE THIRD QUARTER ENDED
30 SEPTEMBER 2025

Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income For the Third Quarter Ended 30 September 2025[1]

		Individual Quarter		*Cumulative Quarter*	
	Note	Unaudited Current Quarter 30.09.2025 RM'000	Unaudited Preceding Year Corresponding Quarter 30.09.2024 RM'000	Unaudited Current Year-to-date 30.09.2025 RM'000	Unaudited Preceding Year Corresponding Year-to-date 30.09.2024 RM'000
Revenue		28,025	39,094	80,140	105,748
Cost of sales		(23,271)	(35,269)	(66,980)	(93,015)
Gross profit ("GP")		4,754	3,825	13,160	12,733
Other income		286	(81)	888	802
Administrative expenses		(3,780)	(3,123)	(10,052)	(9,490)
Other operating expenses		(96)	(3,198)	(1,837)	(3,232)
Net gain on impairment of financial assets		-	15	10	28
Finance costs		(68)	(81)	(206)	(229)
Profit/(loss) before share of results of associate		1,096	(2,643)	1,963	612
Share of profit of associate		3	-	1	-
Profit/(loss) before tax (“PBT”/“LBT”)	B11	1,099	(2,643)	1,964	612
Tax expense	B5	(334)	597	(618)	(266)
Profit/(loss) after tax /Total comprehensive income/(loss) for the financial period		765	(2,046)	1,346	346
Profit/(loss) after tax /Total comprehensive income/(loss) for the financial period attributable to:					
- Owners of the Company		784	(2,045)	1,370	349
- Non-controlling interests		(19)	(1)	(24)	(3)
		765	(2,046)	1,346	346
Earnings/(loss) per share - Basic/diluted (sen)[2]	B10	0.16	(0.42)	0.28	0.07

NOTES:

(1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income is disclosed in Note A1 and should be read in conjunction with the Group’s audited financial statements for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to this report.

Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income For the Third Quarter Ended 30 September 2025[(1)] (Cont'd)

NOTES:

(2) The basic earnings/(loss) per share is calculated based on the Company's issued share capital of 482,798,567 ordinary shares as at current year-to-date and as at preceding year-to-date. The diluted earnings/(loss) per share is equivalent to the basic earnings/(loss) per share as there were no potential dilutive securities in issue during the financial quarter under review.

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Unaudited Condensed Consolidated Statements of Financial Position
As at 30 September 2025[1]

	Note	Unaudited As at 30.09.2025 RM'000	Audited As at 31.12.2024 RM'000
Non-current assets			
Property, plant and equipment		26,992	26,836
Investment in associate		3	-
Other investment		563	-
Deferred tax assets		184	120
		27,742	26,956
Current assets			
Inventories		87	89
Trade receivables		11,346	11,508
Other receivables, deposits and prepayments		1,232	441
Contract costs		2,011	3,213
Tax recoverable		1,801	1,121
Fixed deposits with licensed banks		17,296	17,738
Cash and bank balances		5,228	5,158
		39,001	39,268
Total assets		**66,743**	**66,224**
Equity			
Share capital		28,167	28,167
Merger reserve		(10,594)	(10,594)
Retained earnings		31,373	30,003
Total equity attributable to owners of the Company		48,946	47,576
Non-controlling interests		221	(9)
Total equity		49,167	47,567
Non-current liabilities			
Borrowings	B7	4,436	5,335
Lease liabilities		821	200
		5,257	5,535
Current liabilities			
Trade payables		4,751	3,774
Other payables and accruals		3,138	4,970
Contract liabilities		2,841	2,918
Borrowings	B7	1,287	1,254
Lease liabilities		302	206
		12,319	13,122
Total liabilities		17,576	18,657
Total equity and liabilities		**66,743**	**66,224**
Net assets per ordinary share attributable to owners of the Company (RM)[2]		0.10	0.10

Unaudited Condensed Consolidated Statements of Financial Position
As at 30 September 2025[1] (Cont'd)

NOTES:

(1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Financial Position is disclosed in Note A1 and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to this report.

(2) Net assets per ordinary share as at 31 December 2024 and 30 September 2025 is calculated based on the Company's issued share capital of 482,798,567 ordinary shares.

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Unaudited Condensed Consolidated Statements of Changes in Equity
For the Third Quarter Ended 30 September 2025[(1)]

	Attributable to Owners of the Company						
	Non-Distributable			Distributable			
	Share capital RM'000	Merger reserve RM'000	Invested equity RM'000	Retained earnings RM'000	Equity attributable to Owners of the Company RM'000	Non-controlling interest RM'000	Total equity RM'000
At 31 December 2024/ 1 January 2025 (Audited)	28,167	(10,594)	-	30,003	47,576	(9)	47,567
Profit/Total comprehensive income for the financial period	-	-	-	1,370	1,370	230	1,600
At 30 September 2025 (Unaudited)	**28,167**	**(10,594)**	**-**	**31,373**	**48,946**	**221**	**49,167**
At 31 December 2023/ 1 January 2024 (Audited)	28,167	(10,594)	-	27,317	44,890	(3)	44,887
Profit/Total comprehensive income for the financial period	-	-	-	349	349	(3)	346
At 30 September 2024 (Unaudited)	**28,167**	**(10,594)**	**-**	**27,666**	**45,239**	**(6)**	**45,233**

NOTE:

(1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Changes in Equity is disclosed in Note A1 and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to this report.

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Unaudited Condensed Consolidated Statements of Cash Flows
For the Third Quarter Ended 30 September 2025[1]

	Unaudited Current Year-to-date 30.09.2025 RM'000	Unaudited Preceding Year Corresponding Year-to-date 30.09.2024 RM'000
Cash flows from operating activities		
Profit before tax	1,964	612
Adjustments for: -		
Bad debts written off	10	-
Depreciation of property, plant and equipment	1,197	600
Gain on disposal of property, plant and equipment, net	(102)	-
Interest expenses	206	229
Interest income	(655)	(785)
Property, plant and equipment written off	10	-
Reversal of impairment losses on financial assets, net	(10)	(28)
Share of profit of associate	(1)	-
Unrealised loss on foreign exchange, net	1,355	2,865
Fair value gain on investment	(66)	-
Loss on derecognition of subsidiary	9	-
Operating profit before changes in working capital	3,917	3,493
Decrease/(increase) in inventories	2	(84)
Increase in trade and other receivables	(772)	(2,525)
(Decrease)/increase in trade and other payables	(838)	236
Decrease in contract costs	1,202	111
(Decrease)/increase in contract liabilities	(76)	1,662
Cash generated from operations	3,435	2,893
Interest paid	-	(9)
Interest received	650	780
Income tax paid	(1,363)	(773)
Net cash generated from operating activities	2,722	2,891
Cash flows from investing activities		
Subscription of shares in subsidiary by non-controlling interest	245	-
Subscription of shares in associate	(2)	-
Purchase of investment	(498)	-
Proceeds from disposal of property, plant and equipment	138	-
Acquisition of property, plant and equipment	(522)	(2,250)
Net cash used in investing activities	(639)	(2,250)
Cash flows from financing activities		
Interest received	5	5
Interest paid	(206)	(220)
Placement of fixed deposits pledged with licensed banks	(5)	(5)
Repayment of lease liabilities	(160)	(270)
Repayment of term loans	(866)	(931)
Net cash used in financing activities	(1,232)	(1,421)

Unaudited Condensed Consolidated Statements of Cash Flows
For the Third Quarter Ended 30 September 2025[1] (Cont'd)

	Unaudited Current Year-to date 30.09.2025 RM'000	Unaudited Preceding Year Corresponding Year-to-date 30.09.2024 RM'000
Net increase/(decrease) in cash and cash equivalents	851	(780)
Effect of exchange rate changes	(1,228)	(2,611)
Cash and cash equivalents at beginning of financial period	22,417	28,238
Cash and cash equivalents at end of financial period	22,040	24,847

NOTES:

(1) The basis of preparation of the Unaudited Condensed Consolidated Statements of Cash Flows is disclosed in Note A1 and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to this report.

(2) Cash and cash equivalents at the end of the financial period consist of:

	Unaudited Current Year-to-date 30.09.2025 RM'000	Unaudited Preceding Year Corresponding Year-to-date 30.09.2024 RM'000
Cash and bank balances	5,228	9,098
Fixed deposits with licensed banks	17,296	16,226
	22,524	25,324
Less: Fixed deposit pledged for bank borrowings	(484)	(477)
	22,040	24,847

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PART A – EXPLANATORY NOTES ON COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARDS ("MFRS") 134: INTERIM FINANCIAL REPORTING

A1. BASIS OF PREPARATION

The interim financial report of KGW Group Berhad ("the Company") and its subsidiaries ("the Group") are unaudited and has been prepared in accordance with the requirements of MFRS 134: Interim Financial Reporting issued by the Malaysian Accounting Standards Board, Rule 9.22 and Appendix 9B of the ACE Market Listing Requirements of Bursa Securities ("Listing Requirements").

The interim financial report should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2024 and the accompanying explanatory notes attached to this report.

A2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and presentation adopted in this interim financial report are consistent with those adopted in the Group's audited financial statements for the financial year ended 31 December 2024.

The new and amended standards and interpretations that are issued, and have not been adopted by the Group are as follows:

MFRS (Including the Consequential Amendments)	Effective Date
Amendments to MFRS 9, 'Financial Instruments' and MFRS 7, 'Financial Instruments: Disclosures' – Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 9, 'Financial Instruments' and MFRS 7, 'Financial Instruments: Disclosures' – Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendments to MFRSs – 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: Disclosure'	1 January 2027
Amendments to MFRS 10 and 128 – Sale or Contribution of Assets between an Investor and its Associate or Join Venture	To be announced

The Group intends to adopt these amendments to MFRSs, if applicable, when they become effective in the following financial year.

The initial application of the abovementioned amendments to MFRSs, where applicable, is not expected to have any material impact on the financial statements of the Group.

A3. MATERIAL CHANGES IN ACCOUNTING ESTIMATES

There were no material changes in accounting estimates during the current financial quarter under review.

PART A – EXPLANATORY NOTES ON COMPLIANCE WITH MFRS 134: INTERIM FINANCIAL REPORTING (Cont'd)

A4. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The audited financial statements of the Group for the financial year ended 31 December 2024 were issued without any qualification.

A5. SEASONAL OR CYCLICAL FACTORS

The Group's performance has not been materially affected by any seasonal and cyclical factors during the current financial quarter under review.

A6. ITEMS OR INCIDENCES OF AN UNUSUAL NATURE

There were no material and unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group during the current financial quarter under review.

A7. MATERIAL EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

There were no material events subsequent to the end of the current financial quarter under review that have not been reflected in this interim financial report.

A8. DEBT AND EQUITY SECURITIES

There was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current financial quarter under review.

A9. DIVIDEND PAID

There was no dividend paid during the current financial quarter under review.

A10. SEGMENTAL INFORMATION

The Group is principally involved in the following businesses:

Operating segments	Nature
(a) Logistics services	Provision of ocean freight, air freight, freight forwarding services and other supporting services.
(b) Warehousing and distribution	Warehousing and distribution of healthcare-related products and devices.
(c) Investment holding	Holding of investment in the shares of subsidiaries and other investments.

PART A – EXPLANATORY NOTES ON COMPLIANCE WITH MFRS 134: INTERIM FINANCIAL REPORTING (Cont'd)

A10. SEGMENTAL INFORMATION (Cont'd)

(a) Revenue by business activities

The table below sets out the breakdown of the Group's revenue by business activities for the financial quarter under review:

	Individual Quarter		*Cumulative Quarter*	
	Unaudited Current Quarter 30.09.2025 RM'000	**Unaudited Preceding Year Corresponding Quarter 30.09.2024 RM'000**	**Unaudited Current Year-to-date 30.09.2025 RM'000**	**Unaudited Preceding Year Corresponding Year-to-date 30.09.2024 RM'000**
Logistics services	27,613	38,912	79,036	105,419
Warehousing and distribution	412	182	1,104	329
	28,025	39,094	80,140	105,748

The ocean freight segment within the Group's logistics services was the major revenue contributor during the financial quarter under review. The key factor affecting the Group's major revenue contributor is the fluctuation in ocean freight rate.

(b) Revenue by geographical region of customers

The table below sets out the breakdown of the Group's revenue by geographical region of the Group's customers for the financial quarter under review:

	Individual Quarter		*Cumulative Quarter*	
	Unaudited Current Quarter 30.09.2025 RM'000	**Unaudited Preceding Year Corresponding Quarter 30.09.2024 RM'000**	**Unaudited Current Year-to-date 30.09.2025 RM'000**	**Unaudited Preceding Year Corresponding Year-to-date 30.09.2024 RM'000**
Malaysia	16,116	20,632	41,195	52,108
Overseas	11,909	18,462	38,945	53,640
	28,025	39,094	80,140	105,748

PART A – EXPLANATORY NOTES ON COMPLIANCE WITH MFRS 134: INTERIM FINANCIAL REPORTING (Cont'd)

A11. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

There was no valuation of property, plant and equipment during the current financial quarter under review.

A12. CHANGES IN THE COMPOSITION OF THE GROUP

There were no material changes in the composition of the Group during the current financial quarter under review.

A13. CONTINGENT ASSETS OR CONTINGENT LIABILITIES

There were no contingent assets and contingent liability of the Group as at the date of this report.

A14. SIGNIFICANT RELATED PARTY TRANSACTIONS

	Individual Quarter		***Cumulative Quarter***	
	Unaudited Current Quarter 30.09.2025 RM'000	**Unaudited Preceding Year Corresponding Quarter 30.09.2024 RM'000**	**Unaudited Current Year-to-date 30.09.2025 RM'000**	**Audited Preceding Year Corresponding Year-to-date 30.09.2024 RM'000**
Entities in which Directors have interest				
- Rental expenses paid	-	32	-	96
Directors of the subsidiary				
- Rental expenses paid	-	20	-	59

A15. FAIR VALUE OF FINANCIAL LIABILITIES

There were no gains or losses arising from fair value changes in the Group's financial liabilities for the current financial quarter under review.

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

B1. REVIEW OF PERFORMANCE

(a) Comparison with Preceding Year's Corresponding Quarter Result.

The Group reported revenue of RM28.02 million for the financial quarter ended 30 September 2025, representing a decline of RM11.07 million or 28.32% compared to RM39.09 million recorded in the preceding year corresponding quarter. The decrease was primarily attributed to the decrease in revenue contribution from ocean freight segment within the logistics services division by RM12.27 million or 32.29% from RM38.00 million in the preceding year corresponding quarter to RM25.73 million in the current quarter. The revenue from ocean freight segment accounted for 91.82% of the Group's total revenue in the current quarter.

The Group achieved a PBT of RM1.10 million and PAT of RM0.77 million, as compared to a LBT of RM2.64 million and LAT of RM2.05 million in the preceding year corresponding quarter. The improvement in profitability was mainly driven by the higher gross profit from the logistics service division and lower other operating expenses, but was partially offset by the increased administrative expenses. The increase in administrative expenses was primarily due to higher sales commission, depreciation of fixed assets, and entertainment expenses associated with the Company's 20th anniversary celebration dinner held in September 2025. The reduction in other operating expenses was mainly attributable to the favourable USD exchange rates, resulting in an unrealised foreign exchange gain of RM0.12 million in the current quarter as compared to an unrealised foreign exchange loss of RM3.23 million in the preceding year corresponding quarter.

(b) Comparison with Preceding Year's Corresponding Year-to-date Results.

For the nine-month period ended 30 September 2025, the Group recorded revenue of RM80.14 million, representing a decrease of RM25.61 million or 24.22% compared to RM105.75 million in the corresponding period last year. The decline was primarily due to lower revenue contribution from the ocean freight segment within the logistics services division, which decreased by RM28.32 million or 27.77% from RM101.98 million in the preceding year corresponding year-to-date to RM73.66 million in the current year-to-date. The revenue from ocean freight segment accounted for 91.92% of the Group's total revenue in the current year-to-date.

The Group posted a PBT of RM1.96 million and a PAT of RM1.35 million for the current year-to-date, compared to a PBT of RM0.61 million and a PAT of RM0.35 million in the preceding year corresponding year-to-date. The improvement in profitability was driven by higher gross profit from the warehousing and distribution division and lower other operating expenses, but was partially offset by the increased administrative expenses. The increase in administrative expenses was mainly due to the higher depreciation charges, salaries and wages, and entertainment expenses associated with the Company's 20th anniversary celebration dinner held in September 2025. The reduction in other operating expenses was largely attributable to favourable USD exchange rates, resulting in lower unrealised foreign exchange losses of RM1.36 million in current year-to-date as compared to RM2.86 million in the preceding year corresponding year-to-date.

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PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (Cont'd)

B2. COMPARISON WITH IMMEDIATE PRECEDING QUARTER'S RESULTS

	Individual Quarter		***Variance***	
	Unaudited Current Quarter 30.09.2025 RM'000	**Unaudited Immediate Preceding Quarter 30.06.2025 RM'000**	**RM'000**	**%**
Revenue	28,025	24,571	3,454	14.06
PBT/(LBT)	1,099	(18)	1,117	6,205.56

The Group recorded an increase in revenue by RM3.45 million or 14.06% from RM28.02 million in the immediate preceding quarter ended 30 June 2025 ("Q2 2025") to RM28.02 million in the current financial quarter ended 30 September 2025 ("Q3 2025"). The increase in revenue was mainly attributable to the increase in revenue derived from the Group's ocean freight segment, which contributed RM25.73 million in Q3 2025 as compared to RM21.94 million in Q2 2025.

The Group recorded an increase in PBT by RM1.12 million as compared to a LBT of RM0.02 million in Q2 2025 to a PBT RM1.10 million in Q3 2025. This was mainly attributable to the increase in GP from the ocean freight segment in logistics service division and lower operating expenses which was mainly driven by the favourable exchange rate of USD. However, these were partially offset by the increase in administrative expenses arising from the increase in depreciation charges of fixed assets, sales commission and entertainment expenses.

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PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (Cont'd)

B3. COMMENTARY ON PROSPECTS AND OUTLOOK

As we progress through the final quarter of 2025, Malaysia's logistics sector continues to demonstrate resilience amid persistent global uncertainties. Although geopolitical tensions, inflationary pressures, and subdued global trade remain challenges, strong domestic consumption, infrastructure expansion, and sustained e-commerce growth continue to support positive momentum across the sector.

Economic Landscape

Malaysia's economy expanded by 5.2% year-on-year in Q3 2025, exceeding earlier market expectations. Growth was primarily driven by robust household spending, steady private investment, and continued improvement in both the services and manufacturing sectors.

While the World Trade Organization (WTO) maintains its projection of a mild contraction in global merchandise trade due to prolonged geopolitical tensions and protectionist measures, Malaysia's diversified economy and resilient export base continue to provide stability. Domestic logistics demand remains steady, driven by the expansion of manufacturing, retail and e-commerce activities.

Operational Highlights and Strategic Development

(a) Full Operations at New Warehouse cum Office:

Following the relocation to our new warehouse cum office in Hicom Glenmarie Industrial Park, Shah Alam in Q3-2024, operations have now fully stabilised. The expanded facility has enhanced our capacity and efficiency, allowing us to serve a broader client base, particularly in the e-commerce, healthcare, and fast-moving consumer goods (FMCG) sectors.

(b) Sustainability Progress – Solar Panel System:

Our solar panel system was successfully energized on 23 October 2025 following approval from Suruhanjaya Tenaga (ST). The system is now operational and generating renewable energy for our Glenmarie facility. This milestone marks a major step in our sustainability journey and is expected to reduce grid electricity dependency and operational energy costs, while contributing to the Group's broader ESG and carbon-reduction commitments.

(c) Growth in Value-Added Services:

We continue to expand our value-added logistics solutions, including repacking, labelling, kitting, and cold-chain storage, to cater to high-growth industries such as pharmaceuticals, nutraceuticals and consumer goods. These offerings reinforce our position as a comprehensive and adaptive supply-chain partner capable of meeting specialized client requirements.

(d) Strengthening E-commerce Fulfilment Capabilities:

Our integrated e-commerce fulfilment platform continues to record increasing volumes, supported by the sustained rise in online retail. Through automation of order synchronization, inventory management, and fulfillment workflows, we have achieved higher efficiency and service reliability, enhancing our reputation as a trusted fulfillment partner.

PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (Cont'd)

B3. COMMENTARY ON PROSPECTS AND OUTLOOK (Cont'd)

Impact of U.S. Tariff Implementation

In 2025, the United States introduced additional import tariffs on selected goods from Malaysia as part of its broader trade policy revisions. While these tariffs have introduced some cost pressure on Malaysian exports, the overall impact on Malaysian exports, the overall impact on Malaysia's trade outlook remain manageable.

Despite the tariff adjustments, demand from the U.S. remains resilient, reflecting the country's continued reliance on Southeast Asian supply chains. Malaysia's diversified product mix, competitive logistics infrastructure, and strong trade relationships continue to support export activities.

For the Group, whose core business involves export logistics from Malaysia to the United States, we remain cautiously optimistic. Shipment volumes have remained stable as customers adjust to new tariff structures and continue to rely on our efficient end-to-end logistics solutions. The Group is also exploring opportunities to enhance trans-Pacific service offerings, optimize routing efficiencies, and expand value-added solutions to mitigate any potential impact from tariff-related cost fluctuations.

Outlook

While global trade conditions remain challenging, the outlook for Malaysia's logistics industry is broadly positive, underpinned by resilient domestic demand, structural growth in e-commerce, and continued investments in infrastructure and healthcare logistics.

We remain optimistic about our financial performance for the financial year ending 31 December 2025, supported by:

- Full operations at the new warehouse cum office in Hicom Glenmarie Industrial Park, Shah Alam;
- The successful energization of the solar panel system contributing to lower energy costs;
- Export demand to the United States despite tariff measures;
- Continued growth in value-added and e-commerce fulfillment services; and
- Ongoing initiatives in process automation and sustainability.

Moving forward, we will continue to strengthen our export capabilities, enhance operational efficiency, and invest in sustainable and technology-driven logistics solutions to ensure long-term competitiveness and create enduring value for our stakeholders.

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PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (Cont'd)

B4. PROFIT FORECAST OR PROFIT GUARANTEE

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

B5. TAXATION

	Individual Quarter		***Cumulative Quarter***	
	Unaudited Current Quarter 30.09.2025 RM'000	**Unaudited Preceding Year Corresponding Quarter 30.09.2024 RM'000**	**Unaudited Current Year-to-date 30.09.2025 RM'000**	**Unaudited Preceding Year Corresponding Year-to-date 30.09.2024 RM'000**
Income Tax[(1)]				
- Current	303	(597)	587	266
- Under provision in prior year	31	-	31	-
	334	(597)	618	266
Effective tax rate (%)	30.4	N/A	31.5	43.5
Statutory tax rate (%)	24.0	24.0	24.0	24.0

NOTE:

(1) Income tax is recognised based on management's best estimate.

The effective tax rate was higher than the statutory tax rate mainly due to certain expenses which are non-tax deductible.

B6. STATUS OF CORPORATE PROPOSALS

There were no other corporate proposals announced but not completed as of the date of this report.

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PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (Cont'd)

B7. BORROWINGS

	Unaudited As at 30.09.2025 RM'000	Audited As at 31.12.2024 RM'000
Current		
Lease Liabilities[1]	302	206
Term Loans	1,287	1,254
	1,589	1,460
Non-current		
Lease Liabilities[1]	821	200
Term Loans	4,436	5,335
	5,257	5,535

These borrowings are secured and denominated in Ringgit Malaysia.

B8. MATERIAL LITIGATION

There was no material litigation involving the Group as at the date of this report.

B9. DIVIDEND PROPOSED

No dividend has been declared or recommended by the Board of Directors for the current financial quarter under review.

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PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (Cont'd)

B10. EARNINGS PER SHARE

The basic and diluted earnings per share are computed as follows:

	Individual Quarter		*Cumulative Quarter*	
	Unaudited Current Quarter 30.09.2025	**Unaudited Preceding Year Corresponding Quarter 30.09.2024**	**Unaudited Current Year-to-date 30.09.2025**	**Unaudited Preceding Year Corresponding Year-to-date 30.09.2024**
Profit/(loss) attributable to the Owners of the Company (RM'000)	784	(2,045)	1,370	349
Number of ordinary shares ('000)(1)	482,799	482,799	482,799	482,799
Basic/diluted earnings/(loss) per share (sen)(1)	0.16	(0.42)	0.28	0.07

NOTE:

(1) The basic earnings/(loss) per share is calculated based on the Company's share capital of 482,798,567 ordinary shares. The diluted earnings/(loss) per share is equivalent to the basic earnings/(loss) per share as there were no potential dilutive securities in issue during the financial quarter under review.

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PART B – EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS (Cont'd)

B11. NOTES TO THE CONDENSED CONSOLIDATED STATEMENTS OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

Profit before tax is arrived after charging/(crediting):

	Individual Quarter		*Cumulative Quarter*	
	Unaudited Current Quarter 30.09.2025 RM'000	**Unaudited Preceding Year Corresponding Quarter 30.09.2024 RM'000**	**Unaudited Current Year-to-date 30.09.2025 RM'000**	**Unaudited Preceding Year Corresponding Year-to-date 30.09.2024 RM'000**
Depreciation of property, and equipment	430	264	1,197	600
Loss/(gain) on disposal of property and equipment	1	-	(102)	-
Fair value gain on investment	(62)	-	(66)	-
Interest expenses	68	81	206	229
Interest income	(208)	(267)	(655)	(785)
Property, plant and equipment written off	-	-	10	-
Reversal of impairment on the trade receivables:				
- lifetime ECL allowances	-	-	(10)	-
- specific allowances	-	(15)	-	(28)
Realised loss on foreign exchange	221	334	452	368
Rental expenses	40	18	40	79
Rental income	13	14	38	14
Unrealised (gain)/loss on foreign exchange	(125)	3,227	1,355	2,865

Other disclosure items pursuant to Note 16, Appendix 9B of the Listing Requirements are not applicable.

B12. Authorisation for Issue

This interim financial report was authorised for issue by the Board of Directors of the Company in accordance with a resolution passed by the Board of Directors on 26 November 2025.

BY ORDER OF THE BOARD
KGW GROUP BERHAD