KEY MESSAGES

SECTION

03

WHERE OUR PILLARS **CONVERGE TO DELIVER**

Central to Kinergy's strategy lies a clear and disciplined focus on building a portfolio of core pillars that are independently resilient and generate amplified value when integrated.

Each pillar reflects a distinct capability and market position, enabling Kinergy to **capture opportunities** across the energy value chain. While **SES** and **EPCC remain the core pillars of the Group's performance, IPP** represents a **strategic growth lever**, opening scalable opportunities to expand operations and capitalise on emerging prospects, driving Kinergy's next phase of growth.

This synergistic business model approach shapes a more balanced portfolio, aligning capabilities, resources, and insights across energy value chain to drive execution certainty and elevate segment-level competitive advantage.

EST. 1997

ENGINEERING, PROCUREMENT, CONSTRUCTION AND COMMISSIONING (EPCC)

Kinergy transitioned three (3) decades of technical excellence in EPCC capabilities towards projects that are aligned with the SES pillar. The increasing undertaking SES-linked EPCC contracts demonstrates the Group's transferable technical know-how and serve as a capability builder for Kinergy to manage the complexity of energy projects while supporting its broader strategic focus.

EST. 2018

SUSTAINABLE ENERGY SOLUTIONS (SES)

Kinergy's SES segment provides a full-lifecycle energy platform comprising up to ten (10) energy solutions, or "alternatives", reflecting its niche positioning in the market. The breadth of this portfolio reflects Kinergy's client-centric strategy, designed to enhance operational sustainability, optimise performance, and deliver long-term energy efficiency and stability for its clients.

The SES segment continues to lead the Group's expansions while the next phase of growth is expected to be driven by Kinergy's increasing presence in the IPP space, supported by consecutive profitable quarters and the establishment of recurring income streams from this segment, laying a strong foundation with order book stood at approximately MYR1.0 billion, with an additional MYR2.2 billion in active tenders (as at 31 December 2025).

EST. 2026

INDEPENDENT POWER PRODUCER (IPP)

Representing the
NEXT PHASE OF GROWTH:
Transformation from a traditional engineering services provider into a multi-role operating entity now extends into the IPP space.

2025: We have carved out a distinctive niche supported by a clearly defined vision and mission.

Today, Kinergy strategically evolved its business model to include **ownership participation in power generation assets.**

Strategic partnership with B.Grimm Power has also increased the Group's capacity to originate, structure, and advance strategic energy infrastructure opportunities.

GROWTH

INDICATORS

ORDER BOOK
MYR1.0 BILLION

ACTIVE TENDERS
MYR2.2 BILLION

ENGINES

SES FROM MARKET PRESENCE TO TANGIBLE FINANCIAL GROWTH FOR THE GROUP

ENGINEERING SCALES INTO HIGH-IMPACT SES AND EPCC EXECUTION

POSITIONING FOR IPP OWNERSHIP
(2026 ONWARDS)

Collectively, these pillars augment Kinergy's project pipeline and earnings sustainability as it scales its SES portfolio, while deepening dual-track EPCC capabilities across integrated developments and standalone contracts. This is reflected in diversified revenue streams, strengthened margin resilience, and a more defined emergence as a regionally competitive energy solutions and infrastructure solutions provider.

GROUP MANAGING DIRECTOR'S STATEMENT

GROUP MANAGING DIRECTOR'S STATEMENT

NAVIGATING OUR NEW ENERGY PARADIGM

Effective 30 December 2025, Bursa Malaysia has officially recognised KAB under its new corporate identity, Kinergy

DEAR VALUED SHAREHOLDERS

I am proud to announce the Financial Year 2025 ("FY2025") represents a year of solid progress for Kinergy. For the first (1st) time in our twenty-nine (29)-year history, the Group's revenue closing in on the half-billion-ringgit threshold, reaching MYR478.3 million — a 117.4% increase from the previous year. This performance was underpinned by our successful pivot into the Sustainable Energy Solutions ("SES") segment, which now anchors 69% of Group revenue.

DATO' LAI KENG ONN
Executive Deputy Chairman
cum. Group Managing Director
Founder of Kinergy Group

Closing in on the MYR500 million revenue mark, delivered record profitability, and moved decisively into its next growth phase. Our reclassification into the **Renewable Energy** ("RE") sub-sector on Bursa Malaysia in January 2025 was more than a technical change -

It was a formal recognition of **our evolution from a traditional engineering firm to a multi-role energy solutions provider, laying the foundation for our growth as a regional Independent Power Producer ("IPP") and the next chapter of the Group's strategic ambitions**.

> **Bridging 29-year Engineering History with its New Future as an Energy Powerhouse**

INDUSTRIAL FACTS:

MALAYSIA'S INSTALLED RENEWABLE CAPACITY APPROACHES 31% BY 2025

Malaysia has made significant progress in its energy transition, achieving nearly 31% renewable energy share in installed capacity as of 2025, supported by accelerating grid modernisation and market liberalisation initiatives.

While renewable capacity has reached this key threshold, fossil fuels continue to dominate actual electricity generation, highlighting the importance of strategic asset deployment and innovative energy solutions to support Malaysia's broader decarbonisation and energy security objectives.

FULL SPEED AHEAD: TRANSFORMING ENERGY, CAPTURING GROWTH

Since the Group's rebranding efforts succeeded in June 2023, Kinergy has accelerated the development of its core businesses, resulting in a materially stronger earnings base. This fundamental strength is forged through years of deliberate investment, technical deepening, and client trust.

By 2025, this rebranding effort had reached full maturity. We have successfully evolved from an **"Engineering firm with an Energy arm" to a "Sustainable Energy-driven powerhouse with an Engineering backbone"**. This transformation was affirmed on 30 December 2025 – the result of cumulative efforts and sound decisions made since 2018.

In the same year, Kinergy secured and was appointed as the lead consortium member in a national power plant development. Together, these achievements fuelled the Group's strategic advancement into the Independent Power Producer ("IPP") space from 2026 onwards, marking the beginning of a new and exciting phase in our growth journey.

Drawing a Clear Distinction: Kinergy's entry into the IPP segment does not represent a departure from the Engineering, Procurement, Construction, and Commissioning ("EPCC") space. Rather, it elevates them.

Our emergence as a power producer expands access to more specialised, higher-value EPCC opportunities – projects that are margin-accretive and strategically aligned. This evolution strengthens our position as an integrated energy player and proven our capabilities across the entire energy value chain.

Propelled by the momentum of our SES segment and grounded in almost three (3) decades of engineering capabilities, the Group scaled with control amid an evolving energy sector. We prioritised concession-based opportunities with recurring cash flow profiles, calibrated leverage against predictable revenue streams, and deployed capital within a disciplined, risk-adjusted framework.

Fully aware of our risk profile, we embed technical rigour across every stage of delivery to ensure that value-creation fundamentals are upheld. By maintaining execution consistency across complex infrastructure projects, we reinforce investor confidence and strengthen our competitive position within Malaysia's energy sector.

GROUP MANAGING DIRECTOR'S STATEMENT

FINANCIAL PERFORMANCE: THE YEAR OF SCALABILITY

For the first (1st) time in our corporate history, revenue closing in on the half-billion mark, reaching MYR478.3 million (+117.4% year-on-year ("YoY") increase). This was not merely organic growth but a structural recalibration of our earnings quality, as our SES segment evolved into the Group's primary revenue and profit engine.

Quarterly momentum in FY2025 clearly reflected the Group's growth path:

The first half (1H) focused on foundational integration, ramping up early-stage project cycles, and integrating new energy assets – laying the groundwork for the accelerated expansion that followed. This operational build-up was followed by a significant shift in Q3, where revenue surged 90.8% YoY to MYR155.5 million, driven largely by the peak execution phase of Kinergy's largest-ever EPCC projects. This milestone highlighted the Group's ability to manage multiple utility-scale projects simultaneously while maintaining operational efficiency across both established operations and ongoing developments within its business pillars.

The year concluded with a record-breaking Q4: Revenue reached MYR156.5 million, a 186.6% YoY increase, and net profit margins expanded to 4.6% - a direct result of the high-margin energy-concession model as project efficiencies took hold. Overall, the second half (2H) capitalised on the operational foundations established in 1H, and the result was a clear and consistent growth curve throughout the year.

This performance also reiterates the strategic transformation of the Group's revenue mix – from 49% contribution from SES in FY2024 to 68% in FY2025.

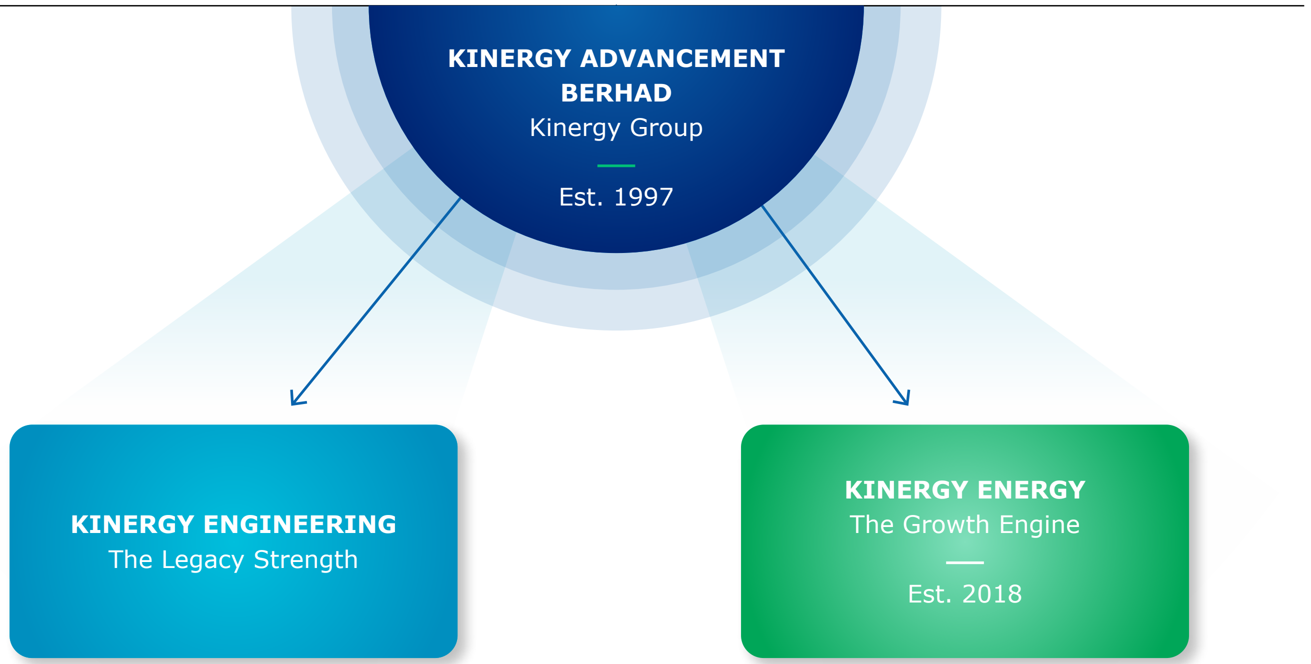
Across the year, quarterly performance accelerated as key phases of major energy infrastructure projects progressed towards maturity, culminating in record Q4 results.

Overall performance reflected continued momentum in the SES segment, underpinned by consistent project delivery and effective cost management. While the operating environment remained demanding, the Group emphasises on earnings quality, tight project controls, and risk governance helped sustain profitability throughout the year.

STRATEGIC PILLAR: THE SES DOMINANCE

Kinergy successfully decoupled its growth from traditional linear engineering cycles, moving into a high-leverage, asset-backed model.

Our engineering legacy was rooted deeply in Kinergy and that its energy leadership today is accomplished against a demanding macro-operating environment. Tariff threats and energy price volatility weighed on international markets, while cost pressures, tighter funding conditions, and heightened expectations on project readiness tested the resolve of industry players across the board. For Kinergy, however, these headwinds served as a proving ground — they tested the durability of our business model and the strength of our **dual growth engines**.



FULL-YEAR FINANCIAL HIGHLIGHTS:

PROFIT BEFORE TAX (PBT)
MYR39.3 MILLION

PROFIT AFTER TAX (PAT)
MYR27.7 MILLION

PROFIT ATTRIBUTABLE TO OWNERS
MYR27.9 MILLION

EARNINGS PER SHARE (EPS)
1.31 SEN

SES REVENUE CONTRIBUTION
69%
OF TOTAL REVENUE (UP FROM 49% IN FY2024)

The shift in revenue mix – from a 49% contribution from SES in FY2024 to 69% in FY2025, echoes the pivot from an engineering-led model to a higher-margin, asset-backed energy platform that delivers both scale and steady cash flows for investors.

GROUP MANAGING DIRECTOR'S STATEMENT

Fiscal Discipline Amid Policy and Energy Shifts

The year also involved strengthening fiscal governance, in line with evolving policy direction, to ensure Kinergy's projects are structured with disciplined alignment to capital expenditure requirements across its SES and gas engine power portfolio. This reflects a measured approach towards enhancing capital efficiency, with the aim of building a prudent buffer against uncertainties and inherent risks associated with large-scale energy investments.

At the technical frontier, the industry confronted the reality of grid instability driven by record-high solar penetration. While the introduction of various supply schemes opened doors for direct corporate engagement, they also introduced the challenge of high system access charges (SAC) as a significant commercial consideration.

Against this backdrop, our secured projects have been structured with the necessary resilience to navigate regulatory shifts, while supporting the national grid's stability, and safeguarding shareholders' returns against tariffs fluctuations. Our agility in adapting and maintaining this approach is already translating into momentum, progressively populating our MYR3.2 billion pipeline with high-quality, long-term partners.

At the operational level, our focus remains pragmatic and client centric. We address tangible challenges — from cost efficiency and energy optimisation to performance reliability and regulatory compliance — ensuring our contributions meaningfully support Malaysia's energy transition while meeting rising expectations from customers, regulators, and financiers.

By focusing on flagship projects and assets, the Group turns risks into strategic opportunities, combining technical expertise with agile execution to establish a distinctive market niche. I am pleased to acknowledge the Group's proactive measures in aligning our investment structures and we seek to mitigate potential risks while ensuring our cash flow remains focused on strategic growth.

A PORTFOLIO BUILT BY DESIGN, NOT BY CHANCE

Our energy portfolio today is the product of deliberate steps taken over several years, shaped by a market that is moving decisively towards sustainable energy.

Today, Kinergy stands as a fully integrated energy platform, leveraging a diversified portfolio across SES, EPCC, and IPP initiatives to anticipate shifts in the evolving energy landscape. This strategic positioning enables the Group to mitigate operational and market risks — including power curtailment — while sustaining reliability, stability, and long-term value creation. By combining advanced engineering capabilities with asset ownership and integrated energy solutions, Kinergy is poised to capture emerging opportunities, deliver recurring revenue, and reinforce its role as a next-generation energy leader.

STRATEGIC FOCUS **DEVELOPMENTS & PARTNERSHIPS**

THAT VALIDATE CAPABILITIES

Strategic focus remains on expanding the SES segment to drive high-quality, recurring revenue. The Group's growth is supported by the steady execution of its current project backlog and a robust tender pipeline, while high-value EPCC project delivery and the potential scaling of integrated facilities management (IFM) services operate as complementary, yet standalone, pillars. Collectively, these initiatives strengthen Kinergy's ability to capture the full lifecycle of energy assets, from initial infrastructure development to long-term operational management.

Following our transformation, we have also broadened our platform through partnerships with established industry leaders such as PETRONAS Gas Berhad, Johor Corporation, Perbadanan Kemajuan Negeri Perak, and more recently, Thailand's leading energy conglomerate - B. Grimm Power. These collaborations validate Kinergy's technical competence and demonstrate the Group's steady progression in maturing its business portfolio and strengthening its market position.

Defining FY2025

FY2025 marked meaningful progress in strengthening the Group's track record in energy infrastructure delivery. Over the past few years, the Group has successfully repositioned itself from a pure-play engineering firm to a diversified energy company. With this transformation firmly underway, the Group's focus now shifts **from project development and acquisition to operationalisation and value realisation**.

SHAPING THE 2026 OUTLOOK:
From Commissioning to Compounding

The "Commissioning to Compounding" phase signifies a decisive shift in Kinergy's earnings quality, moving from project-based margins to multi-decade, asset-backed recurring revenue.

Alongside continued capital deployment, the Group is progressively strengthening its yield-compounding foundation, where a growing portfolio of SES assets generates stable, recurring cash flows to sustain the segment while empowering the Group, as a multi-role operator, to advance the next generation of transformative energy projects.

GROUP MANAGING DIRECTOR'S STATEMENT

Driving Compounding Value through Policy-Backed Recurring Income

As of 2025-2026, Kinergy's portfolio is anchored by SES assets and SES-linked large-scale gas and RE infrastructure, underpinning the scalability and sustainability of our income-generating capacity. A flagship example is our gas engine facility in Sabah, Malaysia's largest of its kind, scheduled for completion in Q3 2026. This project delivers a stable twenty-one (21)-year earnings profile through a strategic collaboration with PETRONAS, decoupling revenue from the inherent volatility of traditional construction activities.

Building on this foundation, the MYR646.32 million Labuan project, which broke ground in January 2026, further cements Kinergy's role as a critical infrastructure partner. Targeted for commercial operations by December 2027, the project is expected to provide a two (2)-year EPCC revenue bridge.

With our two (2) large-scale utility projects with PETRONAS, Kinergy has further established its position as the owner of TTPC. Our entry into the IPP landscape is reinforced by nearly three (3) decades of technical execution credibility, coupled with the rapid evolution of our capabilities — we have turned deep expertise into offerings and project delivery that consistently exceed expectations. Upon completion, our first IPP project is also expected to contribute to fiscal strength through decades of recurring income, demonstrating the compounding value generated across the Group's strategically invested business activities.

From delivering complex EPCC projects to building a portfolio of SES assets, Kinergy is embracing recurring income as the engine of continued growth. Complementing this momentum, the Group has also strategically capture a first (1st)-mover advantage in the market. This early positioning has enabled Kinergy to formalise a Virtual Power Purchase Agreement ("VPPA") on 9 February 2026, supplying firm RE sources to an industrial leader - Safran Landing Systems (Malaysia) Sdn. Bhd., while broadening our SES portfolio with high-quality, long-term counterparties.

Operating at the intersection of liberalised market protocols and the 13th Malaysia Plan's emphasis on high-growth industries, Kinergy is building a defensive, self-reinforcing financial ecosystem. Predictable cash flows from the SES segment provide the strength to advance the next generation of landmark energy infrastructure. This positions the Group for durable growth across the entire energy lifecycle.

Scaling Energy and Engineering Excellence into High-Value IPP Ownership

Securing the two (2)-phase TTPC IPP development positions the Group to capitalise on its existing grid connectivity and operational expertise. Designated under the 2025 NETR as a critical gas facility requiring "re-powering," the project aligns strategically with Malaysia's energy security objectives. Recognised as one (1) of the country's earliest potentials "re-ignite" gas plants — given its essential infrastructure supporting stable electricity supply — this project enables Kinergy to contribute meaningfully to Malaysia's gas portfolio, as the nation targets the addition of more than 6,000 MW of new gas-fired capacity by 2030 to meet rising electricity demand.

This development marks a strategic foray for Kinergy to expand its capabilities, track record, and presence in the IPP segment. It supports the broader energy and economic agenda while enhancing the Group's ability to deliver reliable power to critical infrastructure and create lasting value for its portfolio.

FUTURE PROSPECTS: TOWARDS THE BILLION-RINGGIT JOURNEY

At Kinergy, we safeguard our bottom line against localised operational risks, with a diversified energy mix (Solar, Hydro, Biogas, Gas) providing a natural hedge for the Group. Moving beyond the historically volatile, engineering-only business model, the SES segment now delivers annuity-style revenue streams through concession-based assets and long-term energy service arrangements. Separately, SES-linked EPCC contracts, executed from project award, have secured a prominent market foothold and reinforced Kinergy's operational base, accelerating the scaling and development of our SES portfolio and the creation of a fully integrated platform.

Drawing on nearly three (3) decades of engineering heritage, Kinergy is also able to operate as its own operations and maintenance provider across selected assets. This vertically integrated model strengthens cost discipline and operational efficiency, as demonstrated by the successful execution of the PETRONAS gas engine power plants in Sabah and the recently secured project in Labuan.

Each growth pillar acts as an enabler that enhances earnings visibility, supports healthy margins, and drives continued sustainable growth through diversified project replenishment.

"We are proud to present the Strategic Pillars shaping our measured expansion"

Supporting this trajectory is a MYR3.2 billion development pipeline, comprising MYR1.0 billion in secured order book and MYR2.2 billion in active tenders, providing strong project visibility and a clear pathway to scale the Group into a billion-ringgit revenue platform.

Capturing progress on major projects from last year and this year

Highlighting growth priorities and opportunities for 2027–2030

Strategic Pillars	Current Progress of Key Projects (2025/2026)	Potential Prospect (2027–2030)
Utility Scale	**Gas Engine Power Plant** Flagship Project • **72 MW** *Sipitang, Sabah, Malaysia* Kinergy Group's Largest EPCC • **120 MW Labuan** *Labuan, Malaysia* **Gas Turbine Power Plant** National Power Facility • **1.5 GW** *Perlis, Malaysia*	**Market Presence & Identity** • A Regional IPP Player
Grid Services	**Hydropower-backed (VPPA)** • **21-year VPPA** *Safran Landing Systems (Malaysia) Sdn. Bhd.*	**Leading Provider of Grid-Stabilisation** • Stabilise the reliability of sustainable energy supply in NETR-designated renewable energy zones or hubs. **Market Liberalisation:** • Third-party access (TPA) market *To act as a Private Utility* **BESS Integration** • Develop BESS installations for industrial clients
Regional Expansion	**B.Grimm Partnership** • **IPP** *Perlis, Malaysia*	**B.Grimm Partnership** • Potential Power or SES Project Development **Cross-border RE supply via the ASEAN Power Grid framework**

Disclaimer: *The projects included reflect selected key initiatives and may not represent the full portfolio of projects undertaken by the Group.*

To date, Kinergy has built a project portfolio of forty-three (43) SES developments, with twenty-seven (27) currently active or in progress and twenty-six (26) have been successfully completed. With an expanding pipeline of energy segment opportunities under consideration, the Group remains confident in its growth outlook while maintaining a disciplined and selective approach to project development, carefully considering market conditions, operational readiness, and strategic fit. Our diversified energy portfolio mitigates resource risk arising from renewable intermittency, while strategic alignment with market frameworks manages regulatory and market risks.

As at end-2025, the Engineering segment recorded seven (7) completed projects, bringing the cumulative total to one hundred and eighteen (118) projects, with several tender submissions that could potentially strengthen the Group's project pipeline. While maintaining its traditional engineering capabilities, the Group continues to adopt a measured approach to this segment, progressively reallocating and upskilling its workforce to support the growing pipeline of SES-linked EPCC projects and higher-value energy infrastructure developments.

GROUP MANAGING DIRECTOR'S STATEMENT

Continuing below, we wish to share Kinergy's growth pillars in greater detail, linking strategic organisational focus with the key market opportunities ahead.

Growth Pillars	2026 Strategic Focus	Focus Areas
Strategic Organisational Focus		
B.Grimm Partnership	Technical and operational cross-pollination to accelerate IPP and other potential sustainable projects development capabilities.	Strengthening engineering, project development, and asset management expertise while supporting expansion into regional **ASEAN IPP markets**.
SES Projects & Assets Growth	Drive continuous market penetration and capitalise on emerging demand for low-carbon, firm power solutions across domestic and regional markets.	Deliver differentiated value across the full lifecycle of energy assets by integrating **SES execution with EPCC expertise**.
EPCC Infrastructure Projects	Execute technically sophisticated, high-value infrastructure projects with significant growth potential, driving expansion across domestic and regional energy markets.	Leverage advanced engineering and robust construction practices to **execute complex infrastructure**, complementing the broader energy lifecycle while **increasing domestic and regional market presence**.
ESG & Sustainability	Embedding ESG, Sustainability and decarbonisation outcomes across the SES and Engineering portfolio.	Supports national climate commitments while strengthening Kinergy's position as a low-carbon energy partner for industries facing global supply chain decarbonisation pressures.
Market Opportunities		
NETR Catalyst	Alignment with national grid modernisation and energy transition initiatives under the NETR. **NETR identifies MYR1.85 trillion in investment opportunities by 2050*	With **up to 10 energy solutions**, the Group is strategically positioned to capture opportunities across NETR's key levers of renewable energy and grid resilience. Backed by growing technical maturity, Kinergy is well-placed to partner industrial players in advancing decarbonisation — converting energy transition imperatives into scalable, value-generating opportunities.
Market Access	Participation in VPPA and Third-Party Access (TPA) frameworks to provide verifiable, long-term decarbonisation solutions.	Offers greater contractual flexibility enabling the Group to bridge the gap between large-scale RE assets and high-demand urban and industrial clients.
Grid Resilience	Capture value from **Battery Energy Storage Systems (BESS) and other utility-scale supporting infrastructure** - supported by the rollout of BESS and progressive grid upgrades - also align with ASEAN carbon capture and storage (CCS) framework.	Coupled with grid upgrades, this approach enhances system flexibility and supports sustainable energy integration, while strengthening Kinergy's operational presence, project returns, and commercial value within Malaysia's evolving power system architecture. Enhances project IRR through **energy arbitrage, peak shaving, and ancillary grid services**. **Energy Commission launched a 400MW/1,600 MWh BESS programme in 2025 to stabilise the grid and act as a buffer for intermittent supply*
Data Centre Surge	Development of integrated **"Solar + BESS" energy bundles** tailored for hyperscale and colocation data centre operators.	Secures long-term, high-credit corporate offtakers while supporting Malaysia's rapidly expanding **digital infrastructure ecosystem**.

Disclaimer: *The information presented reflects current plans and priorities and may be subject to change in response to regulatory shifts, evolving market conditions, or broader economic factors.*

GROUP MANAGING DIRECTOR'S STATEMENT

Despite the emphasis on 2026's high-growth pillars and opportunities, Kinergy continues to pursue measured expansion and a disciplined growth strategy that safeguards shareholder value.

The Group remains committed to prioritising selective projects to protect earnings quality through rigorous cost and risk management, expanding its energy solutions portfolio to deepen client engagement, and maintaining a steady pipeline of new awards to ensure order book visibility.

Simultaneously, targeted ASEAN market opportunities will be explored to extend regional presence, further reinforcing recurring income streams and long-term investor confidence.

DRIVING THE BIG BUILD FORWARD

We remain steadfast in delivering on all contractual commitments, executing projects in full alignment with timelines agreed. This disciplined approach ensures operational reliability and strengthens stakeholder confidence.

As we enter the peak construction phase of our landmark projects in East Malaysia, our strategic partnership with **B.Grimm Power** serves as a critical enabler, mitigating supply chain risks and enhancing technical execution capabilities.

Our **SES portfolio** is increasingly aligned with national grid modernisation and decentralisation initiatives. Through targeted investments in smart-grid technologies and deployment of modular gas engines, Kinergy is uniquely positioned to deliver the energy requirements of Malaysia's industrial hubs, providing firm, low-carbon power to support local economic growth.

Momentum built in FY2025 continues into FY2026, with the Group's transition towards **an asset-heavy IPP** model reaching an inflection point. This enables maximisation of income streams from long-term power purchase agreements while sustaining robust, institutional-grade returns.

The **three (3) strategic pillars (SES, SES-linked EPCC, and IPP)** embedded in the Group's growth roadmap now serve as clear differentiators, establishing a resilient, compounding foundation designed to withstand market cycles and drive lasting value for shareholders.

APPRECIATION

On behalf of the Board and Management, I extend my sincere appreciation to our shareholders for your continued trust and support. Your confidence in our vision has been instrumental in enabling us to pursue the ambitious growth agenda that defines Kinergy today.

I also thank our customers, partners, financiers, regulators, and all stakeholders for their confidence and collaboration. The partnerships we have built reflect mutual trust, shared ambition, and a commitment to delivering values across our energy ecosystem.

Most importantly, I thank our employees for their professionalism and commitment. Their consistency in delivery, their dedication to safety and quality, and their willingness to raise the bar remain the Group's greatest asset.

NET ZERO

WE ARE NO LONGER JUST SUPPORTING ELECTRICAL SYSTEMS.

WE ARE BUILDING THE INFRASTRUCTURE FOR A NET-ZERO MALAYSIA.

Our Evolution Continues as We Are

Redefining Possibilities. With Energy Alternatives.

One sustainable megawatt at a time.

MANAGEMENT DISCUSSION & ANALYSIS

OVERVIEW OF KINERGY

1997

ENGINEERING SEGMENT

- Grade 7 – Construction Industry Development Board (CIDB)
- Class A – Suruhanjaya Tenaga (ST)

Services:
Electrical, Mechanical, and associated engineering services
Industrial, Commercial, and Residential Buildings

2018-PRESENT

ENERGY, ENGINEERED TO EXCEL WITH
3 CORE PILLARS

ENERGY SEGMENT

MARKET POSITIONING:
BUILDER, OWNER, AND OPERATOR

SUSTAINABLE ENERGY SOLUTIONS ("SES")

Projects & Assets:
- Clean Energy ("CE")
- Renewable Energy ("RE")
- Energy Efficient ("EE")
- Green Attributes Management

ENGINEERING, PROCUREMENT, CONSTRUCTION AND COMMISSIONING ("EPCC")

Early shift enabled Kinergy to stay one step ahead, exploring its niche and unlocking untapped potential in the energy sector. Evolving from initial project execution, the Group has delivered complex, high-value energy and engineering solutions across multiple sectors. Since 2022, portfolio diversification has matured Kinergy into a differentiated energy player.

INDEPENDENT POWER PRODUCER ("IPP")

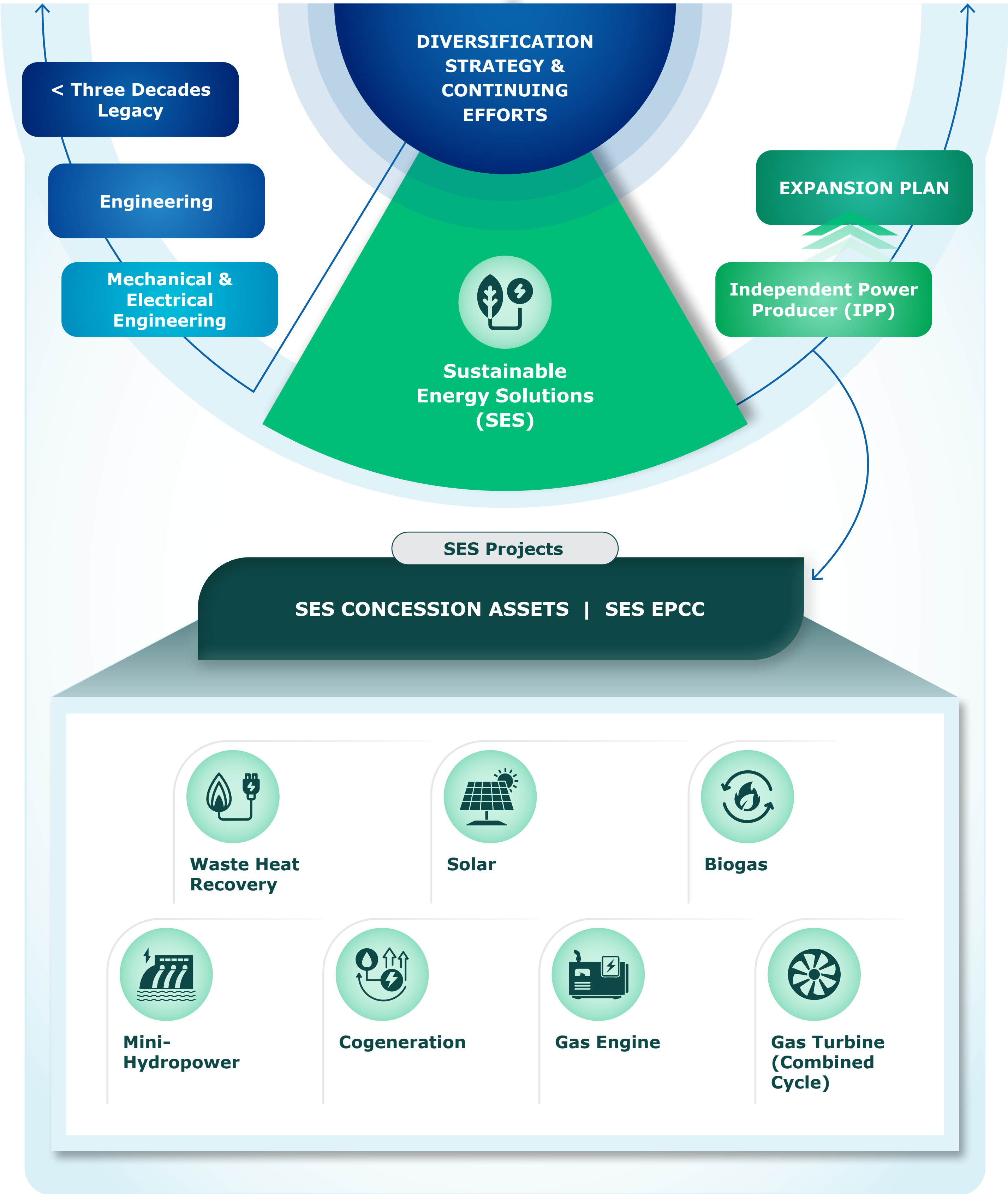
In 2026, Kinergy **will intensify its focus on the gas sector**, entering as an **INDEPENDENT POWER PRODUCER ("IPP")**.

2022-2024 marked a period where Kinergy unlocked growth opportunities, progressing from asset acquisition and ownership to forming impactful partnerships, and successfully executing large-scale, complex infrastructure projects.

Each pillar reinforces the others, and the Group's proven ability to anticipate market needs and execute complex projects highlights a distinct competitive advantage, strengthening its foothold, and enabling it to stand out in Malaysia's energy market as **a niche industry player.**

Kinergy's multi-role operations have driven **transformative change, guided by evolution. The Group's versatility and adaptability are evident across every segment.*
In just eight (8) years, Kinergy has grown rapidly, successfully **carving a distinctive niche in Malaysia's energy market.*

MANAGEMENT DISCUSSION & ANALYSIS



FY2025 PERFORMANCE REFLECTS MATURATION AND MARKET IMPACT

Kinergy delivered accelerated growth in the financial year ended 31 December 2025 **("FY2025")**, both financially and operationally. While upholding sound corporate practices and sustainability standards, the Group continued to scale its footprint, **advancing its role as a maturing sustainable energy player in Malaysia and the wider ASEAN region.**

FY2025 establishes another defining year for Kinergy, marked by a decisive expansion of capability development. The year saw Kinergy's entry into the Independent Power Producer ("IPP") space, capitalising on its established technical and execution capabilities to explore the potential development and construction of major energy infrastructure, including a large-scale gas-fired power plant in Perlis with an intended capacity of up to 1.5-gigawatt ("GW"). Beyond advancing the Group's commercial ambitions, this project fulfils a broader national imperative as transition-enabling infrastructure that strengthens domestic gas utilisation for energy security. The new facility is envisaged as one (1) of five (5) gas-fired power plants that complement the country's growing sustainable energy base, contributing to more than six (6) GW of additional capacity to ensure grid stability and a secure, orderly energy transition.

The year under review also saw Kinergy secure its largest EPCC contract to date — and the third (3rd) major award from national oil company, PETRONAS Gas Berhad ("PETRONAS"). Valued at MYR646.3 million, the contract involves the construction of a 120-megawatt ("MW") gas engine power plant in Labuan, Malaysia. The award of these three (3) projects represents a natural progression of trust built on performance and anchored in shared assurance of Kinergy's strength to translate technical expertise into dependable outcomes.


72 MW Gas Engine Power Plant, Sabah
Sipitang Utilities Sdn. Bhd.
Kinergy Group

GROWTH BY BUSINESS TYPE

01 SUSTAINABLE ENERGY SOLUTIONS ("SES")

The SES segment represents the core of Kinergy's forward growth strategy. Its SES projects' focus areas are the SES **concession assets** and SES **EPCC power plant**.

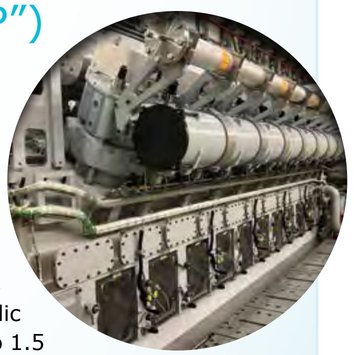
As at 31 December 2025, the SES order book stood at MYR1.0 billion, supported by a strong tender pipeline of MYR2.2 billion. During the year, the Group held a portfolio of more than forty (40) projects across Southeast Asia, including both active developments and projects under evaluation, with an established presence in Thailand and Indonesia.

02 ENGINEERING, PROCUREMENT, CONSTRUCTION & COMMISSIONING (EPCC)

Formerly referred to as the Engineering segment, this division has undergone rapid development since 2018, marked by consistent project delivery and milestone achievements. It continues to form the backbone of the Group's broader expansion and supports the development of a diversified energy portfolio.

The EPCC segment has emerged as a strong division within Kinergy and has shown the capacity to grow and operate independently. This capability was further validated following the Group's diversification in 2022, as the segment now contributes meaningfully to the stability and durability of Kinergy's broader operations.

03 INDEPENDENT POWER PRODUCER ("IPP")



The IPP segment represents a natural culmination of expertise built across both the SES and EPCC businesses. The Group's earlier involvement in PETRONAS' 120 MW in Labuan and the 72 MW gas engine power plant at the Sipitang Oil and Gas Industrial Park (SOGIP) in Sabah was instrumental in shaping Kinergy's readiness to develop a gas-fired power plant of its own.

The anticipated Perlis project will transform the site of a decommissioned power plant, executed in collaboration with Thailand's leading power conglomerate, B.Grimm Power Public Co., Ltd. ("B.Grimm"). Planned in two (2) phases, the project is expected to generate up to 1.5 GW of power. Kinergy completed its full acquisition of Jati Cakerawala Sdn. Bhd. ("Jati") in August 2025. Jati holds an 80% of Teknologi Tenaga Perlis Consortium Sdn. Bhd. ("TTPC"), the owner of the decommissioned plant – setting Kinergy's strategic approach to project entry and large-scale infrastructure development. In January 2026, the Group entered into a Sale and Purchase Agreement with B. Grimm, entailing the divestment of a 49% stake in Jati to B. Grimm. This partnership combines Kinergy's proven project management expertise and deep local market knowledge with B.Grimm's extensive track record in large-scale power generation across the region. Beyond the identified project, this collaboration highlights Kinergy's ongoing capability and potential to co-develop sustainable energy projects, and this marks a partnership that complements its existing relationship with PETRONAS.

MANAGEMENT DISCUSSION & ANALYSIS

MOMENTUM BUILT, The Next Phase Begins

Within the SES segment, Kinergy's growth is anchored by two (2) closely linked focus areas: SES concession assets and SES EPCC power plant activities.

Together, they reflect a deliberate value chain strategy where EPCC execution capabilities enable the Group to originate, develop, and deliver complex energy infrastructure while supporting the development and expansion of concession-based assets that generate longer-term, recurring income.

This cohesive model underscores Kinergy's strategic shift from pure project execution towards a more balanced and sustainable energy portfolio anchored on ownership, delivery strength, and growth visibility.

With established experience alongside PETRONAS and a disciplined market entry approach – further strengthened by the strategic partnership with B.Grimm Power in early 2026 - Kinergy is steadily establishing itself as an emerging ASEAN-focused energy infrastructure player. This progression places the Group within the broader IPP market alongside established names such as Malakoff Corporation Berhad, YTL Power International Berhad and Tenaga Nasional Berhad – while retaining a differentiated growth path anchored on engineering depth and long-term infrastructure ownership.

Kinergy formalised a joint venture with PETRONAS through KAB Energy Holdings Sdn. Bhd., assuming the role of local technical partner, to co-own and develop a 72 MW gas engine power plant in Sabah, Malaysia.

MANAGEMENT DISCUSSION & ANALYSIS

PERFORMANCE SNAPSHOT

TOTAL GROUP REVENUE

MYR478.3 MILLION

+117.4%

FY2024: MYR220.0 million

FULL YEAR NET PROFIT

MYR27.7 MILLION

Return to Profit

FY2024: MYR(1.4) million loss

SES REVENUE MIX

69%

+20 pts

FY2024: 49%

Q4 PROFIT MARGIN

4.6%

+37.7 pts

FY2024: (33.1)%

FINANCIAL OVERVIEW

FY2025: Closing In on the Half-Billion Milestone

The fiscal year marks a substantial earning profile, anchored in the high-growth, high visibility SES segment rather than the cyclical nature of traditional engineering. Closing in on the half-billion-ringgit revenue threshold confirms SES's scalability. The Group's transition to an energy-driven model has doubled the topline and significantly improved its operational stability, as evidenced by a profit-after-tax (PAT) of MYR27.7 million.

As of 2025, Kinergy's performance continues to be anchored on its two (2) core pillars: SES and Engineering, operating in a complementary dual-engine synergy that drives growth and value creation.

Quarterly Momentum: A Trajectory of Acceleration

Our performance in FY2025 followed a clear upward path, characterised by a strengthening second half (2H) as major energy infrastructure projects moved into later stages of development and delivery.

Q4 FY2025 results confirm that Kinergy's operational scale-up has delivered tangible financial outcomes, establishing the Group's brand as a dependable, full-spectrum energy solutions provider. The quarter highlights a strong balance sheet designed to weather market cycles, alongside a well-executed transition into an asset-intensive energy model. The Group is optimising generation assets and structured power contracts to drive sustainable, margin-accretive growth.

> In FY2025, the **rebranding gave a clear market identity,**
> **the FY2025 results validated its business model,**
> **and the current order book points to sustainable growth ahead.**

Kinergy has expanded its scale two-fold while improving margins and cash generation. This combination of clarity and operational strength supports sustained, profitable growth.

First Half (1H) 2025
Foundation Phase

Revenue for the 1H totaled MYR166.3 million (~2x YoY), with a net profit of MYR12.6 million. This period was defined by the integration of the Jati acquisition and early-stage progress on the PETRONAS gas engine projects.

Q3 2025
Breakout Quarter

Revenue surged to MYR155.5 million (+90.8% YoY), driven by the full-scale deployment of the 120 MW Labuan project. SES revenue tripled during this period, signaling the shift away from reliance on traditional engineering cycles.

Q4 2025
The Milestone Quarter

The final quarter was the strongest in the Group's history. Revenue jumped 186.6% YoY to MYR156.5 million, while Profit Before Tax ("PBT") recorded at MYR16.6 million. Additionally, our recorded net profit margins stood at 4.6%, reflecting the higher-margin nature of our energy-concession assets.

* Q4's margin expansion is a direct result of Kinergy's focus on ownership participation – where the Group captures value across the entire project lifecycle, from EPCC to longer-term operations and growth. Beyond the top-line numbers, Kinergy's scalability is supported by a disciplined approach to capital management.

MANAGEMENT DISCUSSION & ANALYSIS

SEGMENTAL ANALYSIS: ENGINEERING LEGACY VS. ENERGY FUTURE

The Group's strategic pivot is best illustrated by the changing revenue mix.

In FY2024, SES contributed roughly 49% of revenue; in FY2025, that contribution surged to 69%

Segment	FY2025 Revenue	Growth (YoY)	Strategic Value
SES	**MYR328.2 million**	+207.5%	Anchors recurring income and PPA-backed cash flows.
Engineering	**MYR148.7 million**	Stable	Acts as a technical backbone with a focus on higher-margin selection.

Emphasis on The Engine of Growth

Kinergy prioritises quality over quantity in its segments. By focusing its capital and talent on the capital-intensive SES expansion, the Group avoids the low-margin pressures typical of the broader construction sector and positions itself for more sustainable returns. As a result, SES has emerged as the Group's primary revenue and profit leader in FY2025. With ongoing expansion, the segment's potential continues to grow - the result of a careful and considered approach to corporate development.

- **SES, The Primary Driver & Dominates**

  From construction to ownership, FY2025 marked a turning point:

  Transitioning the Group from a **Construction-focused business into a Diversified Energy Solutions Provider**

  SES revenue surged 207.5% to MYR328.2 million (69% of Group revenue) and boosting profit to MYR28.3 million, driven by the peak execution at the PETRONAS plants. Beyond construction, Kinergy stepped into IPP operations via Jati, the project vehicle owning TTPC, alongside affirming its partnership with B.Grimm, effectively doubling the Group's scale and charting a clear path for its IPP future.

  Entering 2026, Kinergy expanded its renewable footprint through a twenty-one (21)-year Virtual Power Purchase Agreement ("VPPA") with Safran Landing Systems Malaysia Sdn. Bhd. ("Safran"), covering 80–108-gigawatt-hour (GWh) of electricity annually.

  This deal highlights Kinergy's ability to structure complex renewable energy ("RE") arrangements, build a diversified portfolio, and differentiate itself in the market.

  Supported by a solid financial track record, recurring concession-based income, and careful capital allocation, Kinergy is now positioned to pursue larger utility-scale projects. This reflects its maturity as an energy solutions provider and its ability to generate sustainable financial returns upon project completion.

- **EPCC, the Execution Backbone**

  While SES drives the growth, the Engineering segment provides the technical credibility and execution precision required for utility-scale projects. The rapid growth of SES allows the Group to shift its engineering focus away from volume towards high-margin infrastructure contracts. The Engineering segment contributed a stable MYR153.7 million, maintaining a measured approach that ensures the Group does not over-commit human capital on low-yield construction cycles.

LEVERAGE, LIQUIDITY, AND FINANCIAL STRENGTH

The Group maintained a strong financial position throughout the year, ensuring a well-balanced capital structure to underpin its expansion agenda.

TOTAL ASSETS
MYR705.7 MILLION
+54.0%
FY2024: MYR458.3 million

CASH & BANK BALANCES
MYR49.0 MILLION
+94.4%
FY2024: MYR25.2 million

SHAREHOLDERS' EQUITY
MYR270.5 MILLION
+23.9%
FY2024: MYR218.3 million

TOTAL BORROWINGS
MYR246.3 MILLION
+35.4%
FY2024: MYR181.9 million

Anchored by a structured approach to offtaker engagement and a focus on creditworthy counterparties, Kinergy maintains a sound liquidity position and a measured gearing profile — a reflection of prudent financial stewardship.

Kinergy is advancing into its next growth phase, using a calibrated funding mix that balances prudent leverage with internally generated cash flows. Emphasis remains on careful capital allocation, proactive risk management, and steady revenue streams that support earnings stability.

Closing FY2025 with an MYR1.0 billion energy-segment order book and a MYR2.2 billion tender pipeline provides three (3) to five (5) years of earnings visibility. A successful MYR65.2 million private placement bolstered the balance sheet, enabling a debt-to-equity ratio of 0.93x despite the transition into an asset-heavy IPP model.

Collectively, these metrics highlight Kinergy's margin-accretive growth profile and prudent capital management. The Group confirms its positioning as a resilient, high-value energy company for long-term investors.

MANAGEMENT DISCUSSION & ANALYSIS

EARNINGS VISIBILITY REFLECTED BY STRATEGIC OPERATIONAL PULSE

Secured Orders and Pipeline Opportunities

Operationally, the year was defined by heightened activity and a structural pivot towards high-value energy assets. This was supported by a combined order book of over MYR1.0 billion, further bolstered by a strong MYR2.2 billion tender pipeline that provides clear multi-year earnings visibility and a gateway for regional expansion.

In the SES segment, Kinergy remains active in project acquisition, with several awards contributing to the growth of its project pipeline. Concurrently, the EPCC segment continues to serve as a critical technical backbone for the Group, supporting high-value contract wins and demonstrating credibility in EPCC and gas engine development.

- These combined efforts have created a differentiated platform that strengthens Kinergy's strategic pillars, driving scalable growth, recurring income, and enhanced visibility in high-value market segments.
- By establishing a niche and differentiated platform, the Group is able to generate stable, recurring revenue while capitalising on strategic opportunities across its energy portfolio.
- This platform positions Kinergy to capture premium market opportunities and extend its technical capabilities into higher-value markets.

Concluding Financial Perspective

In summation, FY2025 has redefined the baseline of Kinergy's potential. The Group has moved beyond the transition phase to emerge as a credible, high-margin energy company. With its billion-ringgit order book, a record-breaking final quarter, and a fortified balance sheet, Kinergy is now a meaningful participant in Malaysia's energy transition.

As the Group moves into 2026, its focus remains on conversion of the MYR2.2 billion pipeline into compounding returns. Kinergy aims to be the preferred partner for a net-zero future and a strong choice for value-driven investors.

OPERATIONAL IN MOTION: SCALING FROM EXECUTION TO OWNERSHIP

Transitioning from a project-centric EPCC contractor to a regional IPP, Kinergy has successfully re-engineered its operation operational focus. Today, Kinergy's operations are defined by **ownership, reliability, and recurring value**.

With SES emerging as the leading segment of the Group's portfolio, the financial results have shown a deliberate shift towards complex energy infrastructure that commands higher barriers to entry.

2025 Key Project Milestones

PERAK 1,800-MEGAWATT RENEWABLE ENERGY COLLABORATION

17 February 2025

One of the most significant new initiatives in FY2025 was the collaboration with Perbadanan Kemajuan Negeri Perak ("PKNPk") to jointly develop a pipeline of twenty-nine (29) renewable energy projects, targeting a total capacity of over 1,800 MW. This includes:

- 1,500 megawatt-peak (MWp) of ground-mounted solar;
- 300 MWp of floating solar; and
- 50 MW of hydropower generation.

Announced in February 2025, this partnership directly supports Perak Sejahtera 2030's Flagship 12 initiative on water resources and renewable energy. It reinforces the state's commitment to energy security and infrastructure development. By harnessing Perak's natural strengths and integrating advanced clean energy solutions, the collaboration aims to drive economic growth while contributing to Malaysia's broader decarbonisation agenda.

POWER INFRASTRUCTURE EPCC SUCCESSES & EXECUTION TRACK RECORD

19 MAY 2025

120 MW
Gas Engine Power Plant
Labuan, Malaysia

Third (3rd) Consecutive Award from PETRONAS
Contract Value: MYR646.32 million

9 JANUARY 2026

First (1st) Phase:
750 MW
Gas Turbine Power Plant
Perlis, Malaysia

Two (2)-phase Development: Next Generation National-scale CCGT Facility

Combined Cycle Gas Turbine ("CCGT")

TTPC Site: Infrastructure-Ready with Grid and Utility Connectivity

28 JANUARY 2026

Confirmed Technical Alliance: B.Grimm Power
Power Project

Thailand-Malaysia Partnership
- Support Malaysia's energy transition efforts

MANAGEMENT DISCUSSION & ANALYSIS

From January 2023

FLAGSHIP 72 MW GAS ENGINE POWER PLANT EXECUTION

Via its core energy arm, KAB Energy Holdings Sdn. Bhd. ("KABEH"), Kinergy secured a Letter of Award from Sipitang Utilities Sdn. Bhd. ("SUSB") and, on 9 February 2023, acquired a 10% equity stake in the project company. This established Kinergy as PETRONAS's local technical partner in the co-ownership and co-development of Sabah's first nearshore natural gas facility, with a minimum capacity of 2.0 million tonnes per annum.

The collaboration with PETRONAS on the 72 MW Sipitang Gas Engine Power Plant reached critical mass in 2025, with peak delivery momentum ahead of its targeted completion in Q3 2026. The project stands as a blueprint of Kinergy's engineering precision and delivery capability, supplying stable and reliable baseload power to key industrial clusters.

19 May 2025

THE LABUAN 120 MW GAS ENGINE POWER PLANT MILESTONE

Further strengthening its partnership with PETRONAS, Kinergy has been awarded the construction of a 120 MW power plant via a joint venture with Rancha Power Sdn. Bhd., a vehicle established by PETRONAS, Sabah Electricity Sdn. Bhd. (SESB) and SEC Power Sdn. Bhd. (SEC).

This Labuan project, Kinergy's largest EPCC contract to date and the Group's third (3rd) award from PETRONAS, strengthens its track record in gas engine power plant execution, with commercial operations targeted for December 2027.

On 27 January 2026, the 120 MW Rancha-Rancha power plant officially broke ground. Officiated by the Deputy Prime Minister, this project is the centrepiece of Kinergy's current pipeline. Beyond capacity expansion, it reflects Kinergy's role as a transition architect – it replaces legacy 1980s infrastructure with high-efficiency generation systems designed to stabilise the Labuan grid through 2048 and confirms the Group's strategic contribution to national energy security.

7 February 2025

DECISIVE ENTRY INTO IPP: 1.5 GW CAPACITY BUILD-OUT

On 7 February 2025, Kinergy made a decisive capital allocation move by acquiring an initial 47.5% stake in Jati for MYR35.0 million, subsequently securing full ownership.

The TTPC sit, home to a decommissioned 650 MW power plant that served the nation for over two (2) decades, provides Kinergy with immediate infrastructure readiness. By taking control of this strategic site, Kinergy has secured immediate infrastructure readiness. Equipped with high-capacity natural gas and water connections and established civil works and located in close proximity to Tenaga Nasional Berhad ("TNB") high-voltage transmission lines, the site bypasses the most time-consuming hurdle for new IPPs: infrastructure build-out. This readiness allows Kinergy to transition from planning to commissioning far faster than any greenfield development, and positions the Group to enter the IPP sector aligned with the National Energy Transition Roadmap.

Expected to contribute meaningfully to the nation's six (6) to eight (8) GW gas-fired capacity target by 2030, the facility will double the capacity and position the site as a cornerstone IPP-scale asset in Malaysia.

In August 2025, Kinergy completed the acquisition of a 100% stake in Jati, securing full ownership. Since taking ownership of TTPC, Kinergy has recognised the project as strategically critical and has initiated the necessary planning and structuring to support its potential development, ensuring that the consortium can diligently deliver the targeted outcomes with national energy priorities, subject to requisite approvals and finalisation.

8 January 2026

STRATEGIC PARTNERSHIPS – THE B.GRIMM SYNERGY

In FY2025, Kinergy progressed its partnership with Thailand's B.Grimm into a fully operational consortium, with Kinergy as lead member. The consortium's 9 January 2026 equipment supply agreement for one (1) gas turbine and one (1) generator demonstrates readiness to advance from project planning to execution for a next generation, national scale CCGT facility.

Through its alliance with B.Grimm Power, Kinergy embarks on a new growth phase – moving from engineering delivery to power asset ownership and building, its credibility alongside established IPPs such as Malakoff Corporation Berhad, YTL Power International Berhad, and TNB.

28 January 2026

This partnership, through initially project-specific, is designed to foster long-term collaboration on sustainable development opportunities in Malaysia and other high-potential projects where both groups identify strategic alignment and growth potential.

On 28 January 2026, Kinergy confirmed the divestment of a 49% stake in Jati via KABEH to B.Grimm Power Tiara Sdn. Bhd., a wholly owned subsidiary of B.Grimm, reaffirming both groups' commitment to developing power projects. KABEH retains a 51% controlling stake in Jati and anticipates leveraging B.Grimm's expertise and will draw on B.Grimm's expertise - with 4,155 MW of installed capacity across nine (9) countries as at 1 December 2025 – to advance its multi-role operations and develop its profile as an IPP player.

HYDROPOWER EXPANSION

24 July 2025

8.04 MW HYDROPOWER PROJECTS UNDER SEDA FIT 2.0

The Group further expanded its RE portfolio with the award of feed-in approvals under the Sustainable Energy Development Authority ("SEDA") Malaysia's FiT 2.0 programme for two (2) small hydropower projects, with a combined installed capacity of 8.04 MW - comprising 5.2 MW and 2.84 MW.

These developments build on the Group's initial foray into hydropower through the acquisition of an 11 MW mini-hydro project in North Sumatera, Indonesia, in August 2023. Significant efforts have been made to enhance site infrastructure, optimise river operations and explore to increase potential capacity that could contribute to income and power generation. With these two (2) projects expected to materialise in the coming months, the Group anticipates further consolidating these hydropower credentials and building its RE track record.

9 February 2026

THE SAFRAN HYDROPOWER-BACKED VPPA

Kinergy executed a twenty-one (21)-year VPPA with Safran, a global leader in aerospace, which represents a benchmark transaction in corporate decarbonisation. The arrangement offers a replicable model for multinational corporations to achieve baseload green energy goals without the constraints of on-site physical infrastructure. Unlike traditional physical power deals, Kinergy delivers RE directly to the national grid while Safran secures the associated environmental attributes together with a financial hedge tied to the RE output.

Over years of collaboration, Kinergy has consistently delivered innovative energy solutions, including the deployment of its proprietary Waste Heat Recovery (WHR) technology at Safran's Malaysia facility – the country's only Organic Rankine Cycle (ORC) installation of its kind. This VPPA serves as a successful proof of concept for cross-selling complex solutions and highlights strategic continuity with Safran. It also positions Kinergy as a committed partner in decarbonisation, extending well beyond transactional supply and operations.

GREEN ATTRIBUTES MANAGEMENT: RENEWABLE ENERGY CERTIFICATES

Beyond project delivery, Kinergy is a registered market participant since 2023, enabling the Group to undertake data and attribute verification, as well as the issuance and trading of Renewable Energy Certificates ("RECs").

In FY2025, through its SES portfolio, the Group broadened its RECs scope to encompass eleven (11) facilities — nine (9) domestic solar installations, one (1) hydropower plant and one (1) through Waste Heat Generation.

With its certified license, Kinergy plays an integral role in facilitating RECs transactions, delivering comprehensive end-to-end solutions covering registration, application, submission, trading, and ongoing asset management for certificates generated by these facilities.

BEHIND-THE-SCENES ACHIEVEMENTS

New Corporate Headquarters

In Q4 FY2025, Kinergy relocated to its **new headquarters at Menara Vista Petaling, Kuala Lumpur**.

This move extends the Group's continued evolution. The relocation symbolises a successful transition from engineering roots to a multi-faceted sustainable energy platform – one that has achieved operational maturity and investor-ready positioning.




MANAGEMENT DISCUSSION & ANALYSIS

ENVIRONMENTAL, SOCIAL, GOVERNANCE ("ESG") & SUSTAINABILITY

Over the past five (5) years, the Group has undertaken deliberate initiatives to strengthen its ESG and Sustainability practices and performance. Amid significant change in 2023 and the evolving complexities of today's business and environmental setting, Kinergy has remained committed to embedding ESG and Sustainability considerations into its strategic direction and adherence to reporting standards.

Kinergy has positioned ESG and Sustainability as a fundamental pillar in assessing its resilience and long-term potential. ESG and Sustainability has formed as one (1) of the cores in building its value creation model. ESG principles are integrated across business activities – **SES and EPCC**. Every kilowatt generated is ensured of its contribution to both financial prosperity and environmental preservation.

ESG Performance Monitoring

Kinergy has maintained a three (3)-star ESG Rating from FTSE Russell for four (4) consecutive years (2021-2024). Its sustained inclusion as a constituent of the FTSE4Good Index Series since December 2023 serves as independent validation of the Group's operational integrity. This recognition reflects Kinergy's disciplined alignment with global sustainability benchmarks.

Disclosure compliance is maintained with reference to the following standards and frameworks:

1. Bursa Malaysia Securities Main Market Listing Requirements (MMLR)
2. Bursa Malaysia's Sustainability Reporting Guide (3rd Edition) and Illustrative Sustainability Report Guidelines
3. Global Reporting Initiative (GRI) Standards
4. International Financial Reporting Standards (IFRS) S2 on Climate-Related Disclosures issued by the International Sustainability Standards Board (ISSB)

BURSA MALAYSIA   GRI   IFRS®

MANAGEMENT DISCUSSION & ANALYSIS

Business Values Anchored in Short-, Medium-, and Long-Term Strategies

ENVIRONMENTAL

Climate Action & GHG Reduction

Decarbonisation as Value

Natural Capital Metrics

27 active and ongoing SES projects
Sustainable Energy Generated: **87,004,082 kWh**

GHG Emissions Avoidance

2030 & 2050 reduction targets
Emissions Avoided: **66,614 tCO_2e**

Resource Stewardship

Internal Emissions Footprint

Internal Emissions Footprint
Scope 1 **92.2 tCO_2e**
Scope 2 **1,007.5 tCO_2e**

*while managing a consumption of **1,315,704 tCO_2e** of energy.

Growth Targets | Risk-Aware Growth Measures
within operational strategies

Commitment & Targets

Emissions Reduction:
Scope 1 & Scope 2
42% by 2030

90% by 2050
Baseline Year: 2021

Scaling Responsibly: Carbon-Conscious Strategies

Throughout FY2025, Kinergy advanced its environmental strategy by incorporating carbon-conscious practices and risk-aware growth frameworks into operations. These measures underpin responsible scaling, ensuring that the Group's growth aligns with sustainability objectives while maintaining operational and financial resilience.

GOVERNANCE

Success is Built on Sound Governance
Governance Backbone & Credibility

Governance & Management Systems

Governance & Management Systems
ISO 37001:2016 Anti-Bribery Management System (ABMS)
ISO 45001: 2018 Occupational Health and Safety Management System
ISO 9001: 2015 Quality Management System
ISO 14001: 2015 Environmental Management System

Intellectual Capital

Zero (0) Non-Compliance
Fines | Penalties

Stakeholder Trust
MYR7.6 million
Taxes Paid
Contributing directly to national development

SOCIAL

Strengthening Human & Intellectual Capital
We invest in an environment where our 199 employees can perform and thrive.

Workforce Development

1,948
Training Hours Accumulated

Diversity & Safety Development

High Standard of Governance with **37.5%** Women Representation on Kinergy's Board

Proud Record of **Zero (0)** Fatalities and Lost-time Injury Rates

Employee Wellbeing Remained Central

The Group has also rolled out additional engagement initiatives to strengthen corporate culture and enrich the workplace. Employees are encouraged to leverage upskilling opportunities, ESG awareness programmes, and ISO-related training to advance their professional development.

Kinergy continues to invest in knowledge growth, reinforcing a culture of learning and excellence.

Kinergy Recreational & Welfare Club
("Kinergy RWC")

In FY2025, Kinergy RWC was launched to renew and strengthen workforce engagement, internal connections, and community engagement.

The year also saw *"Kinergy WellnessLink"*, empowering employees and uplifting the communities, including the Group's inaugural blood donation campaign with Hospital Sultan Abdul Aziz Shah, Universiti Putra Malaysia, and the National Blood Centre.

Strengthening Human & Social & Relationship Capital:

Local Empowerment

99.2% **Local Company Procurement**

Community Investment

Total Investment
MYR296,131.7

Reached **2,508** Beneficiaries
Through education, welfare, and community development programmes

MANAGEMENT DISCUSSION & ANALYSIS

THE INTERCONNECTED STRATEGY:
WHERE PURPOSE MEETS PROFIT, AND PROFIT STRENGTHENS PURPOSE

In FY2025, Kinergy achieved a structural decoupling of growth from carbon intensity. Our reclassification into Bursa Malaysia's RE sector acknowledges that the Group's financial success is now closely tied to low-carbon transition.

The SES segment contributed 69% of total revenue in FY2025, proving that the commitment to cleaner power is the Group's most profitable growth engine. Through the suite of assets – including Waste Heat Recovery, Solar, and Hydropower – the Group has avoided an estimated 66,614 tCO_2e in the preceding year alone, with significant increases projected for FY2025 as new projects come online.

Integrated Value Linkage Enables Business Independence

Kinergy's journey suggests that purpose-led strategy can support resilient financial outcomes. By transforming natural capital into financial value, and deploying human capital to build energy assets, the Group is building a self-reinforcing cycle of value that supports both continued progress and financial returns.

Financial Capital	• **MYR229.8 million** in shareholders' equity and strategic placements • **MYR37.5 million** free cash flow
Human Capital	• **199** employees • **1,948 hours** of training
Manufactured Capital	• Generation of **87,004,082 kWh** of Sustainable Energy
Social & Relationship Capital	• **500** registered vendors • **97.6%** local companies as registered vendors

TURNING ENVIRONMENTAL STEWARDSHIP INTO MEASURABLE VALUE

The Group has demonstrated its financial success and ESG and Sustainability excellence are mutually reinforcing. By balancing the trade-offs between different capitals, Kinergy generates a multiplier effect that delivers both tangible financial returns for investors and intangible social value for the communities it serves. Through building, owning, and operating complex energy infrastructure that directly addresses the global climate and energy security challenge, Kinergy has established a pathway to compounding financial returns while advancing sustainable development.

Kinergy's ESG and Sustainability agenda continues to function as a strategic financial value driver. The acquisition of Jati, which involves the new development of a decommissioned power plant into a next-generation facility with potentially doubled generation capacity, anchors a significant portion of the Group's MYR2.2 billion project pipeline and reinforces its long-term role in Malaysia's energy transition.

The strategic repositioning enhances brand equity and supports the Group's ability to attract institutional capital, including investors focused on sustainable and transition-aligned infrastructure assets.

Complementing this progress, Kinergy's adoption of Bursa Malaysia's Centralised Sustainability Intelligence (CSI) platform has enhanced corporate ESG accountability and governance oversight. These measures improve stakeholder confidence and support the Group's long-term strategy to fund capital-intensive energy assets while preserving disciplined capital allocation.

As the Group moves towards 2026, the four (4)-capital value cycle will gain further pace, turning every watt of captured natural energy into a unit of long-term shareholder value. This cements Kinergy's position as a premier financial catalyst in the ASEAN region.

Remains committed to a unique sustainable ecosystem where

"EVERY WATT COUNTS"

Legacy to continuee
Redefining with Possibilities
that power a cleaner, greener tomorrow

FIVE STRATEGIC LEVERS OF CAPITAL VALUE CREATION:

Assessing the five (5) main economic capital drivers has enabled Kinergy to **transition from a linear business model to a circular, value-generating enterprise**.

Invest → Own → Partner → Harvest → Reinvest

Kinergy continues to de-risk its earnings base by bridging its operational expertise with disciplined financial capital allocation, systematically shifting away from the cyclical construction revenue model typical of traditional engineering firms. Through the securing of long-tenure concession contracts, some extending beyond twenty-one (21) years, the Group is building recurring revenue streams and reinforces financial resilience.

In this integrated model, these capitals function as interconnected levers, with ESG and sustainability outcomes providing early insights into the Group's financial performance and strategic trajectory. This ensures that Kinergy's intellectual capital — referring to the collective technical knowledge, engineering capabilities, operational processes, and project development expertise of the Group – continues to evolve alongside its utility-scale ambitions, creating a more resilient base for predictable long-term returns.

MANAGEMENT DISCUSSION & ANALYSIS

RISKS, CHALLENGES & MANAGEMENT
GROUP-WIDE OPERATIONAL MANAGEMENT & MITIGATION

The Board and the Management maintain vigilance in a capital-intensive environment shaped by macroeconomic, regulatory, and supply chain challenges. Growth is pursued through structured oversight, strong internal controls, and proactive monitoring.

From Engineering Foundations to Utility Scale

While Kinergy's legacy was built on high-precision mechanical & electrical (M&E) engineering for commercial and industrial sectors, its future is anchored in high-capacity energy infrastructure. The successful navigation of this transition requires a dual-focus strategy:

Maintaining technical agility of its past engineering triumphs

while

Building the institutional fortress required to manage utility-scale complexities

As Kinergy scales its presence across Malaysia and the ASEAN region, the Group ensures the same rigour applied to its SES, EPCC, and IPP projects is consistently upheld across its operations. This is most evident in the current project pipeline, which includes two (2) pivotal PETRONAS projects and the potential development of a national energy plant.

Strategic Risk Overview

1 Project Execution & Technical Integration

Kinergy's approach to project execution is rooted in the zero-defect philosophy developed through decades of multi-disciplinary engineering. However, the sheer magnitude of its current portfolio introduces a new tier of technical integration risk.

1. **Legacy Engineering Discipline**
   Kinergy continues to leverage its deep-seated experience in EPCC. The discipline honed through complex high-rise and industrial M&E projects is now being scaled to manage the critical path of large-scale energy plants.

2. **Highest Levels of Safety and Technical Compliance**
   Serving PETRONAS as both a Tier-1 client and strategic partner underscores the significance of this collaboration. The two (2) strategic projects undertaken jointly require adherence to the highest standards of safety, engineering discipline, and technical compliance, with Kinergy's proprietary energy solutions carefully aligned to meet the rigorous utility requirements of the oil and gas industry.

Mitigation Strategy includes but is not limited to:

INSTITUTIONALISED COMPLIANCE & GOVERNANCE

1. **Dedicated Task Force:**
   A Labuan-based PMO comprising senior engineers with utility-scale power plant experience was deployed on-site to enable real-time decision-making and swift issue resolution.

2. **HSE Compliance Monitoring:**
   An on-site HSE Officer has been deployed on-site to oversee strict compliance with PETRONAS PTS HSSE standards. The officer monitors daily site activities, ensures contractor adherence to safety protocols, and maintains comprehensive safety records and logs to support effective risk management and regulatory compliance.

SUPPLY CHAIN & LOGISTICS

1. **Early-Lock Procurement:**
   To ensure meeting the expected commercial operation date (COD), Kinergy procures the critical components with lead times exceeding twelve (12) months (e.g., dual-fuel turbines).

2. **Logistics Redundancy:**
   Kinergy maintains dual supply routes (sea and air) for critical spares to ensure that technical failures during construction can be addressed within forty-eight (48) hours.

Strategic Risk Overview

1 Financial Resilience & Capital Allocation

The move from an asset-light EPCC model to an asset-heavy IPP model naturally increases capital intensity. Kinergy is managing a higher debt-to-equity ratio while developing large-scale projects such as the 650 MW Jati's entirely new-build gas turbine project.

1. **Strategic Equity Deployment**
   Capital has been surgically allocated across a multi-technology portfolio, including Waste Heat Recovery (WHR), Mini-hydro, and Solar, culminating in an order book exceeding MYR1.0 billion.

2. **Capital Intensive Project Funding**
   Energy infrastructure projects — such as mini-hydro plants, waste heat recovery facilities, and gas-fired power plants — typically require significant capital expenditure at the early stages. These costs cover engineering design, procurement of equipment, construction, grid connection, regulatory compliance, and commissioning.

3. **Diversified Portfolio Strategy**
   A balanced mix of energy technologies and asset classes strengthens Kinergy's strategic resilience, generating diversified and recurring revenue streams that support stable earnings and sustainable growth as the Group expands its project portfolio.

Mitigation Strategy includes but is not limited to:

SCALING WITHOUT OVER-LEVERAGING

1. **Counterparty Risk Mitigation:**
   Capital deployment is prioritised towards projects backed by Tier-1 off-takers. This approach reduces credit risk while ensuring stable and bankable revenue streams that support sustainable scaling without excessive leverage.

2. **Prudent Capital Structure and Disciplined Funding Strategy:**
   Growth in capital-intensive projects is supported through institutional equity placements and strategic partnerships rather than high-cost debt financing. This disciplined funding strategy preserves balance sheet flexibility, limits financial risk, and ensures the Group maintains a prudent leverage profile.

3. **Equity-first Allocation Strategy:**
   The successful MYR65.2 million private placement in 2025 has strengthened liquidity, while a disciplined focus on high-margin, concession-based projects with predictable earnings and recurring cash flows ensure financial stability manages its gearing risk as the Group executes its strategic growth objectives.

PORTFOLIO DIVERSIFICATION AND TECHNOLOGY EXPOSURE

1. **Portfolio Risk Balancing:**
   Kinergy mitigates concentration risk by maintaining a diversified portfolio across multiple sustainable energy solutions, including Waste Heat Recovery (WHR), mini-hydro, solar, biogas, and gas projects. This diversified asset mix generates multiple recurring revenue streams and reduces reliance on a single technology or project segment, strengthening earnings resilience.

STRATEGIC TECHNICAL PARTNERSHIP

1. **Leveraging B.Grimm's Expertise to De-risk IPP Development:**
   On 28 January 2026, Kinergy partnered with B.Grimm through the divestment of a 49% stake in Jati to B.Grimm Power Tiara Sdn. Bhd.

   This collaboration enables Kinergy to leverage B.Grimm's extensive technical expertise and proven track record across multiple power plants, strengthening the Group's risk management framework as it advances its strategic transition into an independent power producer (IPP).

2. **Enabling Project Growth:**
   Recognising the capital-intensive nature of energy infrastructure projects, Kinergy actively partners with strategic stakeholders and investors to support project development. This approach enables the Group to fund large-scale energy assets while preserving balance sheet flexibility and maintaining prudent leverage levels, ensuring sustainable growth without excessive financial exposure.

MANAGEMENT DISCUSSION & ANALYSIS

The Group positions the SES segment as a strategic anchor, reducing operational volatility while reinforcing shareholder confidence. With the majority of revenue secured through concession-based contracts, alongside growth in the EPCC and IPP segments, Kinergy has built a disciplined governance framework that underpins risk-managed expansion. Beyond serving a defensive role, this approach functions as a replicable model that ensures every megawatt deployed improves both operational performance and financial stability.

Other Risk Exposures

Risk Category	Description	Mitigation
Market Competition & Energy Pricing	Intensifying competition and pricing pressures across the energy market require the Group to maintain cost discipline, drive innovation, and position itself strategically across the value chain.	Kinergy mitigates this through its integrated platform, long-term contract structures, and focus on niche, higher-value project segments.
Regulatory & Policy Adaptation	The energy sector is heavily influenced by regulatory frameworks and policy developments, including System Access Charges (SAC) and the planned introduction of a national Carbon Tax. As the nation increasingly shifts towards decentralised energy, the technical demands on grid stability intensify, potentially creating bottlenecks for project interconnection. Such regulatory and grid-related changes could affect the internal rate of return (IRR) on long-term power purchase agreements (PPAs), impacting project economics and financial performance.	The Group maintains an active dialogue with the Energy Commission and the Ministry of Energy Transition and Water Transformation (PETRA) to ensure all projects are future-proofed against policy shifts. The Group's diversified portfolio and built-in timeline flexibility further enhance resilience, while transparent tariff structures and enabling frameworks support the adoption of renewables and the modernisation of the power grid.
Supply Chain & Human Capital	Price volatility in key materials — copper, steel, aluminium, iron ore, and lithium — significantly affects both the SES and EPCC segments. Global supply chain disruptions and geopolitical tensions have intensified price instability, potentially increasing production costs and delaying project timelines.	Kinergy mitigates this through structured procurement, early material lock-in where feasible, and diversified supplier relationships.
Energy Transition Integration	Malaysia's National Energy Policy (2022–2040) and the NETR, aligned with the Thirteenth Malaysia Plan (2026–2030), require the integration of non-conventional fuel sources alongside established renewables. However, fragmented governance, procurement inefficiencies, and infrastructure gaps present ongoing challenges.	Malaysia's National Energy Policy (2022–2040) and the NETR, aligned with the Thirteenth Malaysia Plan (2026–2030), require the integration of non-conventional fuel sources alongside established renewables. However, fragmented governance, procurement inefficiencies, and infrastructure gaps present ongoing challenges.

Navigating an increasingly complex and evolving energy landscape requires disciplined risk management approach. For Kinergy, this centres on ensuring operational resilience while advancing strategic diversification and forward-looking development and investments. This applied mitigation framework creates a stability premium for Kinergy. It supports operational and financial performance while safeguarding against downside risks and market volatility.

With a diversified mix of intermittent and firm energy assets, the Group is equipped to effectively manage technical challenges while unlocking commercial advantages through strategic energy optimisation. This integrated approach reinforces the resilience of its SES platform, enabling stable baseload support and consistent grid performance, while capitalising on emerging opportunities.

STRATEGIC OUTLOOK

Thirteenth Malaysia Plan ("13MP")	National Energy Transition Roadmap ("NETR")	2026 Budget

Against the backdrop of accelerating global decarbonisation, Malaysia's energy sector is entering a structural transformation phase. The launch of the **13MP** in mid-2025 under the theme "Melakar Semula Pembangunan" (Redrawing Development) signals a renewed national focus on high-value, sustainable growth supported by digitalisation, artificial intelligence, and advanced industrial capabilities. Central to this transformation is the **NETR**, which has now progressed into its implementation phase—driving investments in sustainable (clean, renewable, green) generation, grid modernisation, energy storage, and lower-carbon infrastructure across the country.

The **2026 Federal Budget** further strengthens this momentum by prioritising green transition initiatives, sustainability-linked incentives, and digital transformation across key economic sectors. These policy priorities directly reinforce Kinergy's positioning within the **SES** segment. Continued government support for NETR implementation, coupled with expanding ESG-aligned financing frameworks and incentives for clean energy adoption, provides a supportive policy environment for the Group's continued expansion in the **EPCC** and **IPP** segments.

Within this evolving landscape, the national grid also acknowledges increased technical volatility from the high penetration of intermittent solar power. Kinergy remains structurally advantaged with a business architecture designed for the future of Malaysian energy. Its resilience is reinforced by the Government's MYR43.0 billion national grid modernisation programme, announced by the Prime Minister at Energy Asia 2025 on 16 June 2025, which includes AI-driven systems and BESS integration. Complementing this, the Energy Commission's national competitive BESS programme provides a structured pathway for grid-scale battery deployment, further strengthening system flexibility and stability. This historic infrastructure upcycle directly supports Kinergy's SES strategy, which emphasises firm baseload assets and distributed energy resilience.

As technical integration progresses—supported by BESS deployment and grid upgrades—and aligns with the ASEAN carbon capture and storage (CCS) framework, policy intent is expected to translate into operational market structures. This convergence has the potential to reshape the industry, creating infrastructure synergies that support project scalability and unlock commercial opportunities for players with integrated, deployment-ready capabilities.

At the same time, global regulatory developments are reshaping the competitive environment for Malaysian industries, serving as an added catalyst for the Group's growth and market positioning. With the European Union's Carbon Border Adjustment Mechanism (CBAM) fully impacting export-oriented sectors from 2026 onwards, domestic manufacturers and industrial players are facing increasing pressure to decarbonise their operations. This structural shift is expected to increase demand for reliable, low-carbon power solutions and elevate the role of energy providers capable of delivering bankable infrastructure.

Kinergy's diversification since 2022 has firmly positioned the Group within the heart of Malaysia's energy value chain. Through a methodical expansion into energy infrastructure, the Group has progressively built capabilities across project development, engineering, and long-term energy asset ownership. This integrated model enables Kinergy to capture value across the lifecycle of energy assets while growing revenue streams through concession-based and power purchase arrangements. It also demonstrates the Group's proven ability to deliver complex EPCC and IPP infrastructure projects, supporting sustainable business resilience and operational strength.

As the Group continues to mature as an energy platform and technology-driven organisation, Kinergy is **evolving beyond a traditional volume-based service provider into a value-driven energy partner**. By combining technical expertise, proven partnerships, and growing energy infrastructure, the Group is well positioned to support Malaysia's national energy security objectives while enabling reliable power solutions for the country's rapidly expanding digital and industrial economy.

Looking ahead, Kinergy remains confident that the convergence of supportive national policies, increasing decarbonisation pressures, and growing demand for resilient energy infrastructure will continue to unlock meaningful opportunities for the Group. Anchored by its SES segment and disciplined capital deployment, Kinergy is poised to participate actively in Malaysia's next phase of energy development while delivering lasting value for its stakeholders.

STRATEGIC ROADMAP: PRIORITIES & GROWTH

Kinergy remains focused on delivering continued growth by drawing on its evolving capabilities in energy solutions, asset ownership, and operational excellence. Its horizon-based strategy provides a clear roadmap to capitalise on immediate opportunities, build medium-term operational, assets and market capabilities, and position Kinergy as a leading regional energy player over time.

Near-term Focus:

The Group sharpens its momentum on driving recurring revenue from its SES segment, executing ongoing projects, fortifying its EPCC capabilities, and scaling complementary energy solutions to deliver enhanced value to clients.

Simultaneously, it expands its portfolio along high-growth pillars, including potential market-liberalisation initiatives, Battery Energy Storage System (BESS) integration, and critical data centres energy projects. Key initiatives — ranging from large-scale SES contract delivery to structuring Power Purchase Agreements (PPAs) and hydropower VPPAs —anchor revenue resilience, enhance margins, and strengthen predictable cash flows.

Medium-term Strategy:

With Malaysia's energy transition prioritising renewables (31% RE share by 2025) and grid modernisation, creates unique opportunities for IPPs. Kinergy aims to scale its Independent Power Producer (IPP) operations through national-scale utility projects, while diversifying its energy portfolio with complex, multi-asset infrastructure projects. Strategic partnerships, notably with B.Grimm Power, will drive regional expansion across high-demand and emerging energy assets. These initiatives are designed to strengthen recurring income streams, optimise asset utilisation, and mitigate operational cyclicality.

Laying the Groundwork for Future Power Assets

Beyond the immediate horizon, Kinergy is positioning itself to capture medium-term opportunities in the IPP space. The Group will continue advancing development works for its planned assets, ensuring each project progresses steadily through the necessary preparatory stages.

Long-term Ambition:

The Group aspires to establish itself as a niche leader across SES, EPCC, and IPP capabilities within Malaysia's energy market. By progressively harnessing advanced technologies and exploring participation in ASEAN cross-border energy projects, Kinergy aims to position the organisation to capture sustainable growth opportunities. While alignment with the broader energy transition, decarbonisation agenda, and ESG priorities remain central, the Group adopts a multi-horizon growth approach. This enables Kinergy to optimise near-term operational performance while building a resilient and differentiated company capable of delivering sustainable, long-term value across the evolving regional energy market.

Capital Discipline and Risk Governance

While pursuing these opportunities, Kinergy remains firmly guided by a careful capital allocation framework and sound risk governance principles. Capital deployment is undertaken selectively, with clear visibility on long-term project returns, risk allocation, and sustainability outcomes. Preserving balance sheet strength remains a core priority, and growth initiatives are pursued without compromising financial stability.

All prospective investments undergo rigorous technical, financial, and commercial evaluation prior to commitment. This disciplined approach ensures that capital is deployed efficiently, safeguarding shareholder value while maintaining the flexibility required to navigate evolving regulatory frameworks and market dynamics within the energy sector.

Through a combination of operational execution, proven partnerships, and prudent capital management, Kinergy continues to strengthen its position as a resilient and forward-looking sustainable energy company, supporting Malaysia's transition towards a more secure, low-carbon energy future.

MANAGEMENT DISCUSSION & ANALYSIS

CONCLUSION

As Kinergy concludes FY2025 and enters its next phase of expansion, the Group's direction has become increasingly clear, with its progress validated through both operational milestones and delivered results. Positioned alongside Malaysia's accelerating energy transition and the growing national emphasis on grid reliability and energy security, Kinergy is well placed to contribute to the evolving power landscape.

Malaysia continues to prioritise the diversification of its generation mix, expansion of firm capacity, and modernisation of grid infrastructure under the national energy agenda. Within this context, Kinergy's integrated capabilities across technology solutions, project development, EPCC execution, and long-term asset ownership position the Group to support the deployment of lower-carbon energy infrastructure for industrial and commercial users.

Through the delivery of energy solutions that enhance power stability while supporting decarbonisation objectives, Kinergy continues to reinforce its role as a builder, owner, and operator of energy assets. These initiatives are expected to bolster the Group's ability to generate stable value as Malaysia advances its broader grid modernisation and energy development initiatives.

Advancing the Next Chapter with Strategic Clarity

Over a relatively short span of two (2) to three (3) years, Kinergy has progressed from transformation to a more defined phase of strategic evolution. During this period, the Group has carved out a niche within Malaysia's energy sector, supported by a clearer vision and consistent delivery across its core business segments.

The Group's identified growth pillars are designed to both strengthen organisational capabilities and address structural shifts within the energy market. As demand for reliable power infrastructure continues to rise, Kinergy is progressively expanding its presence across high-growth energy segments, leveraging its technical expertise and integrated capabilities to deliver greater value to clients, partners, and stakeholders.

The formal establishment of the IPP segment introduces a new growth driver for the Group's value creation. In a market historically led by a limited number of large operators, Kinergy's entry reflects the Group's growing capabilities and readiness to capitalise on national energy initiatives and emerging power infrastructure opportunities.

> **Kinergy moves forward with clarity, having differentiated the Group through record-breaking results and a solid operational foundation.**

By capturing opportunities across both sustainable and conventional energy projects, Kinergy remains responsive to market developments while prudently pursuing initiatives aligned with its strategic focus. Kinergy is confident that its niche expertise and diversified energy portfolio — spanning multiple technologies and addressing a broad spectrum of energy demands — position the Group to capitalise on emerging global trends, sustain growth, and reinforce its standing as a leading energy and engineering company.

PERFORMANCE REVIEW

SECTION

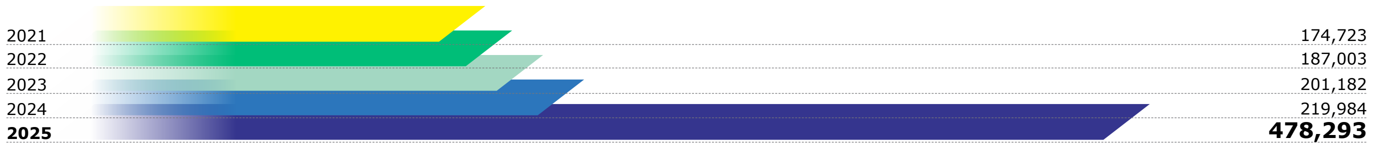
04

FIVE-YEAR GROUP FINANCIAL HIGHLIGHTS

	Financial Year Ended Dec-31				
	2025 MYR'000	2024 MYR'000	2023 MYR'000	2022 MYR'000	2021 MYR'000
Revenue	**478,293**	219,984	201,182	187,003	174,723
Profit Before Taxation	**39,255**	7,454	4,142	4,917	7,500
Profit/(Loss) After Taxation	**27,705**	(1,393)	2,799	2,789	4,100
Total Comprehensive Income/(Loss)	**16,951**	(1,543)	352	2,753	4,141
Paid Up Share Capital	**229,790**	194,720	148,847	103,597	93,809
Shareholder's Fund	**272,131**	220,008	175,525	137,017	124,476
Dividends	**-**	-	-	-	-
Basic Earnings Pershare (Sen)	**1.31**	(0.10)	0.15	0.16	0.27

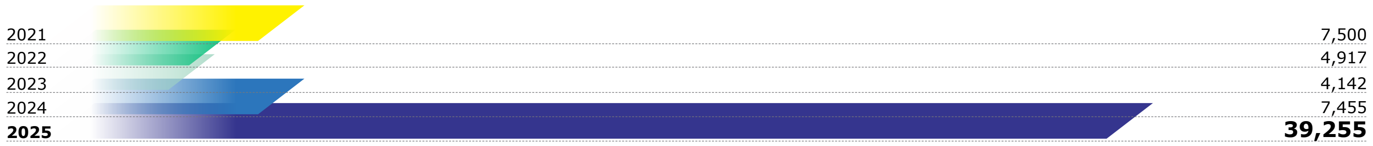
REVENUE

478,293 MYR'000



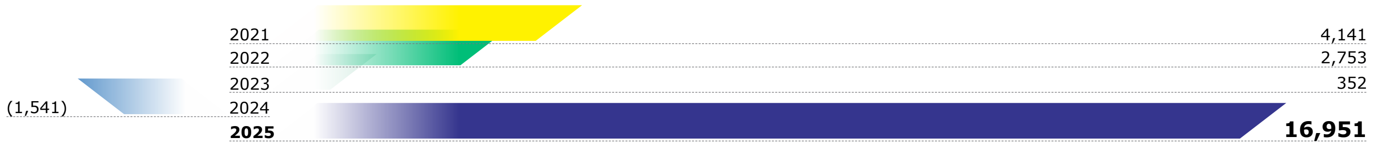
PROFIT BEFORE TAXATION

39,255 MYR'000



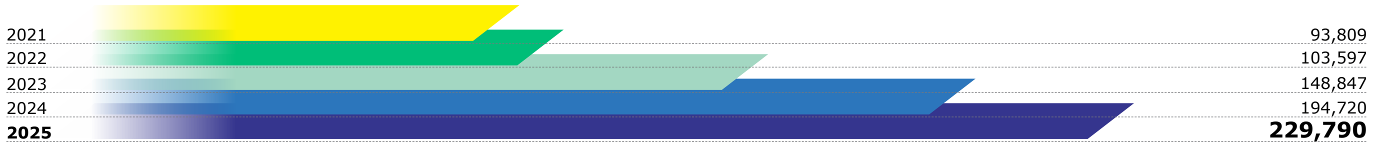
TOTAL COMPREHENSIVE INCOME

16,951 MYR'000



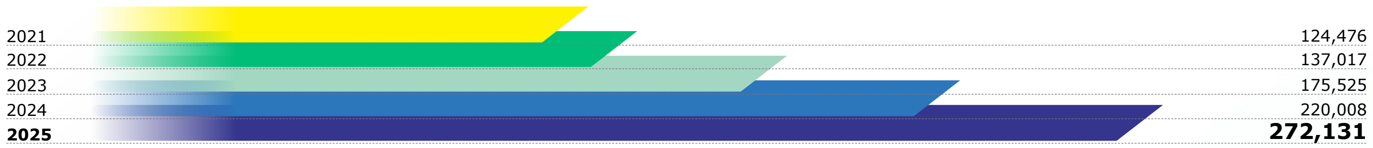
PAID UP SHARE CAPITAL

229,790 MYR'000



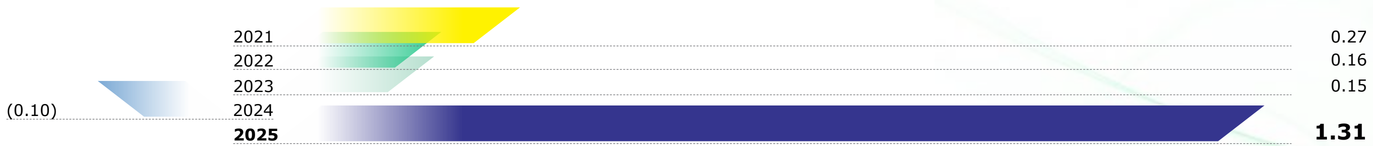
SHAREHOLDER'S FUND

272,131 MYR'000



BASIC EARNINGS PER-SHARE

1.31 sen

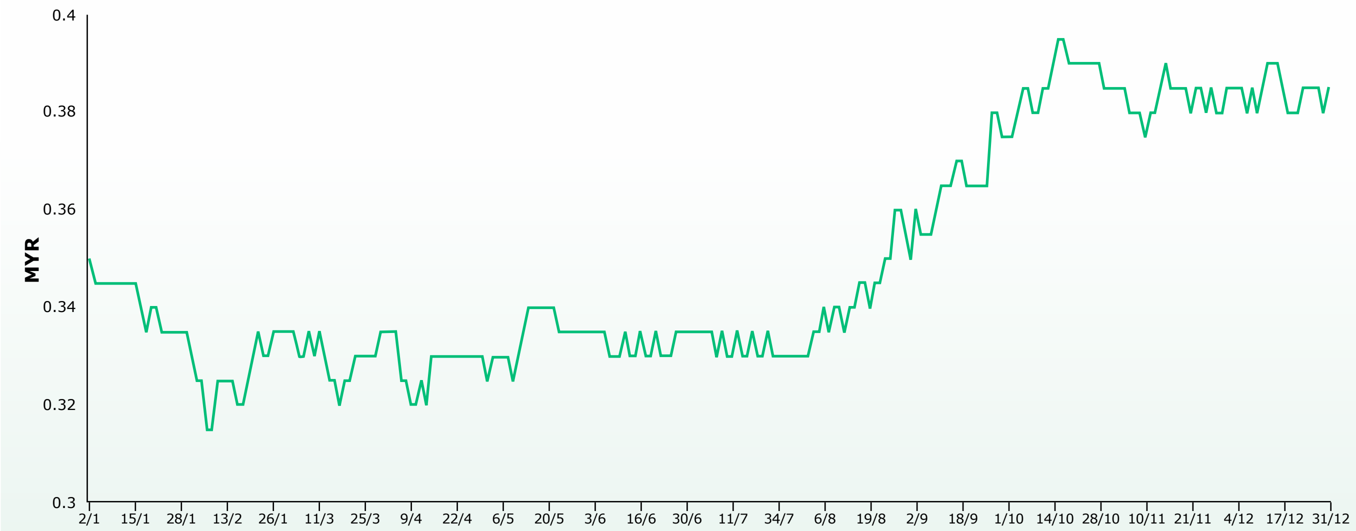


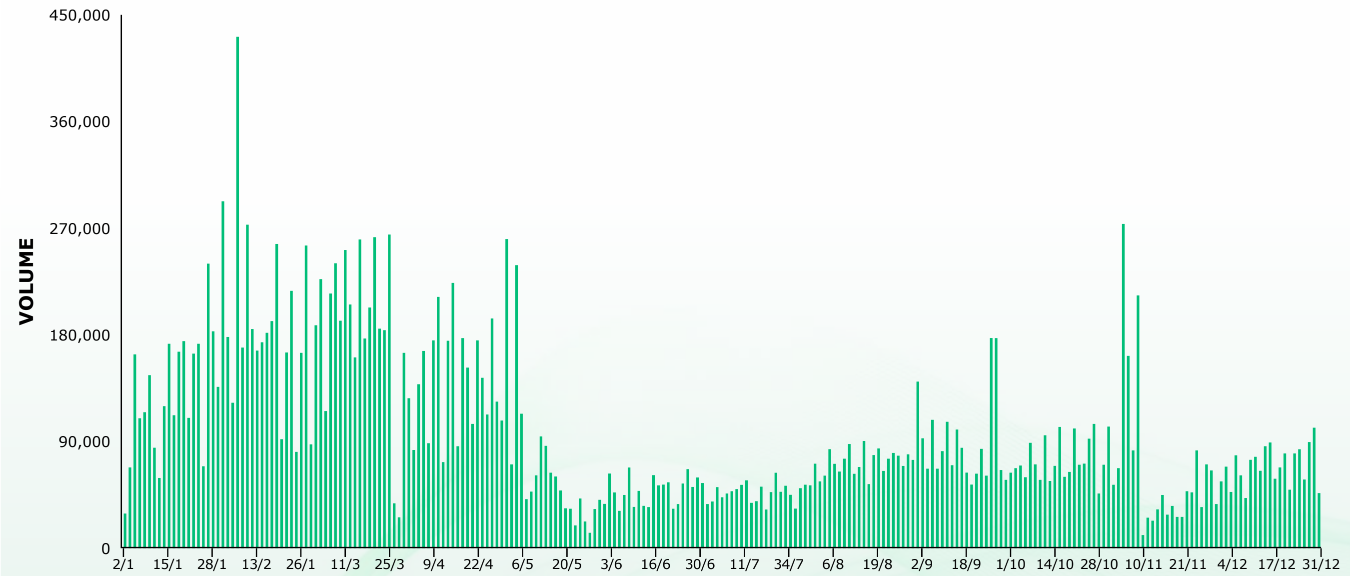
SHARE PERFORMANCE HIGHLIGHTS

SHARE PRICE AND VOLUME

(2 JANUARY - 31 DECEMBER 2025)

YEAR LOW - RM0.31 | **YEAR HIGH - RM0.39** | **YEAR-END CLOSING PRICE RM0.385**





REGIONAL EXPANSION

REGIONAL EXPANSION

GROUP ENTITIES & STRATEGIC PROJECTS

(As at 2 April 2026)

Malaysia

Kinergy Advancement Berhad

Eliq Management Sdn. Bhd.

KAB Signature Management Sdn. Bhd.

KAB Carewell O&M Services Sdn. Bhd.

KAB Bina Jaya Sdn. Bhd.

Dynagen Power (M) Sdn. Bhd.

Future Biomass Gasification Sdn. Bhd.

Eentier Sdn. Bhd.

Silver Renewables Sdn. Bhd.

KIEV CRG Sdn. Bhd.

Significant Technologies Sdn. Bhd.

KAB Energy Holdings Sdn. Bhd.

KAB Energy Power Sdn. Bhd.

KAB Technologies Sdn. Bhd.

KAB Smart Solar Energy Sdn. Bhd.

KAB Gree Solar Sdn. Bhd.

KAB Core Connect O&M Services Sdn. Bhd.

Econergy Plus Sdn. Bhd.

KAB Tgreen Energy Sdn. Bhd.

TVT Link Tech Solutions Sdn. Bhd.

Mayang Hijau Sdn. Bhd.

Matahari Suria Sdn. Bhd.

Ultimate Green Energy Sdn. Bhd.

Tunjang Tenaga Sdn. Bhd.

Jati Cakerawala Sdn. Bhd.

SDF Hydro Sdn. Bhd.

Teknologi Tenaga Perlis Consortium Sdn. Bhd.

Global E-Technic Sdn. Bhd.

Thailand

KAB Technologies (Thai) Co., Ltd.

Energy Optimization (Thailand) Co., Ltd.

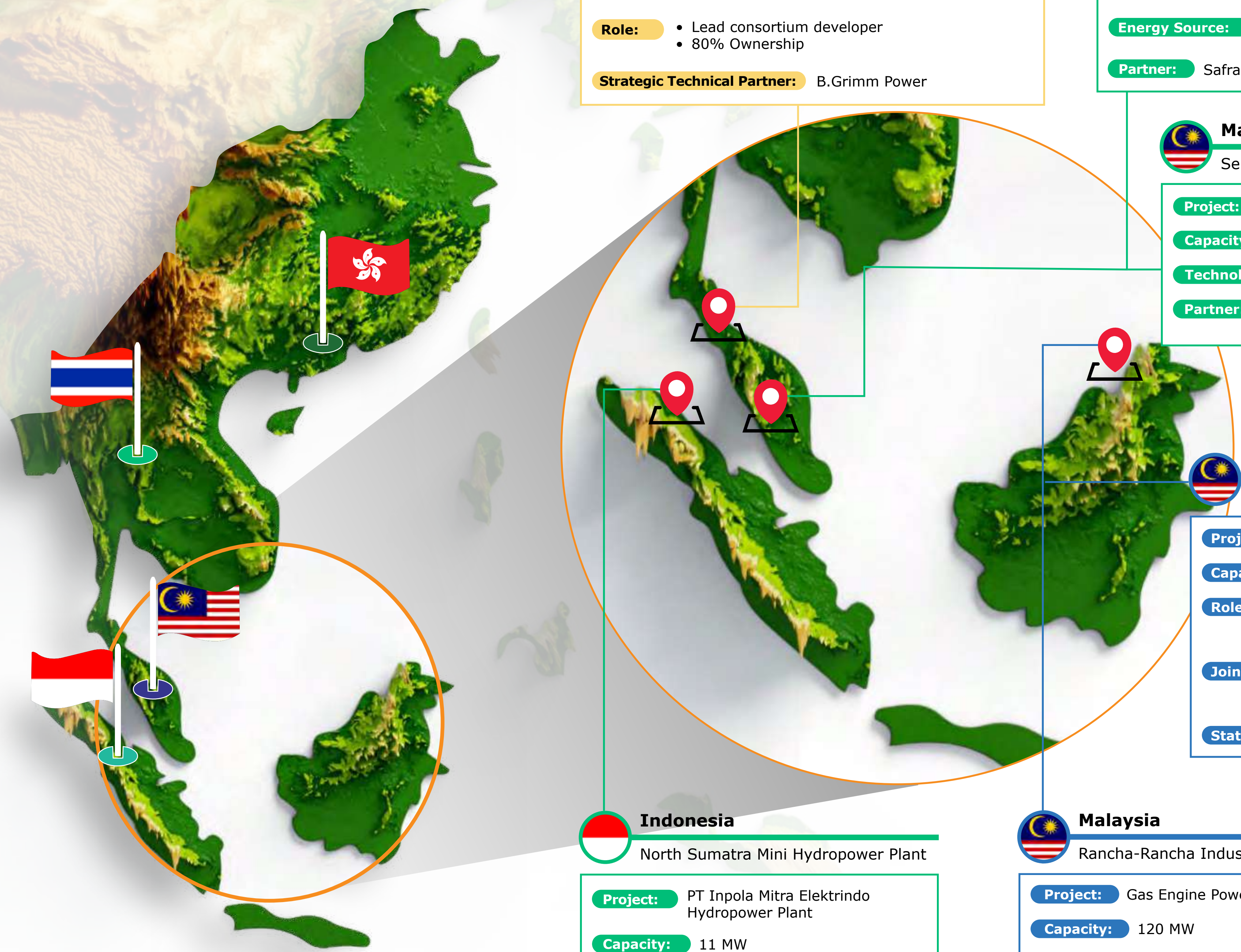
KAB Gree Solar Thai Co., Ltd.

Indonesia

PT Inpola Mitra Elektrindo

Hong Kong

KAB (HK) Investment Co., Ltd.



Independent Power Producer (IPP)

Sustainable Energy Solutions (SES)

Engineering, Procurement, Construction, and Commissioning (EPCC)

Malaysia

Perlis Combined Cycle Gas Turbine (CCGT) Power Plant

Project: Teknologi Tenaga Perlis Consortium (TTPC)

Role:
- Lead consortium developer
- 80% Ownership

Strategic Technical Partner: B.Grimm Power

Malaysia

Project: 21-year Virtual Power Purchase Agreement (VPPA)

Required Capacity: 80–108 GWh of renewable electricity annually

Energy Source: Hydropower (a shift from typical solar-focused VPPAs)

Partner: Safran Landing Systems Malaysia Sdn. Bhd.

Malaysia

Sendayan Techvalley, Negeri Sembilan

Project: Integrated Waste-Heat Recovery

Capacity: 2 MW

Technology: Organic Rankine Cycle (ORC)

Partner: Safran Landing Systems Malaysia Sdn. Bhd.

Malaysia

Sipitang Oil & Gas Industrial Park (SOGIP)

Project: Large-Scale Gas Engine Power Plant

Capacity: 72 MW

Role: Kinergy acts as the main EPCC contractor and PETRONAS Gas Berhad's local technical partner

Joint-Venture: PETRONAS Gas Berhad's subsidiary, Sipitang Utilities Sdn. Bhd.

Status: Slated for completion in 2026

Indonesia

North Sumatra Mini Hydropower Plant

Project: PT Inpola Mitra Elektrindo Hydropower Plant

Capacity: 11 MW

Type: Mini hydropower

** First regional hydro asset in Kinergy's ASEAN renewable portfolio.
** Estimated 715,000+ tonnes CO_2 emissions avoided over 21 years.

Malaysia

Rancha-Rancha Industrial Estate in Labuan, East Malaysia

Project: Gas Engine Power Plant

Capacity: 120 MW

Joint-Venture: Sinohydro Corporation (M) Sdn. Bhd.

Partner: Rancha Power Sdn. Bhd.

CORPORATE EVENTS

ANNOUNCEMENTS & EVENTS

As at 2 April 2026

2025

28 February

Kinergy registered a milestone year in FY2024 with a 22.8% year-on-year spike in revenue of MYR220.0 million – a first for the Group in breaking the MYR200 million threshold. The surge in revenue is attributed to Kinergy's ongoing expansion in SES.

29 May

Kinergy reported an increase of 63.1% in revenue to MYR68.6 million for its first quarter of FY2025 ended 31 March 2025, primarily rooted from the strong growth in its SES segment.

24 July

Kinergy, through its wholly owned subsidiary KAB Energy Holdings Sdn Bhd (KABEH), secured feed-in approvals for two (2) hydropower projects under the Sustainable Energy Development Authority's (SEDA) Feed-in Tariff (FiT) 2.0 initiative.

21 August

Kinergy registered a 133.8% surge to MYR97.7 million in its year-on-year second quarter of FY2025 ended 30 June 2025, with the project progress across its energy segment being the main contributor to this milestone.

18 September

Kinergy was profiled and featured in the Bursa Blitz Compendium 2025, which highlights companies under Bursa Malaysia's newly launched Renewable Energy (RE) subsector. The publication offers company-specific, actionable insights that enhance market transparency, improve investor granularity, and support investors and analysts with more accessible and relevant information.

Bursa Blitz also serves as a research tool for investors, analysts, and stakeholders.

25 November

Kinergy achieved a 90.8% year-on-year revenue increase to MYR155.5 million in third quarter of FY2025, mainly contributed by its largest SES contract win, the 120 MW SES project in Labuan alongside progress on ongoing energy projects.

22 December

KAB > Kinergy

Effective 30 December 2025, Kinergy announced its newly registered ticker to Kinergy – reflecting progress and expansion through the execution of key strategic milestones.

2026

8 January

Kinergy as lead, together with B.Grimm Power Public Company Limited ("B.Grimm") as the consortium's technical member, has formalised the Equipment Supply Agreement to deliver one (1) 9HA.02 Gas Turbine and one (1) H78 Generator for the new Teknologi Tenaga Perlis Consortium (TTPC) facility.

27 January

Kinergy has formally transitioned into the execution phase of its Engineering, Procurement, Construction, and Commissioning (EPCC) contract with Rancha Power Sdn. Bhd., marked by the groundbreaking ceremony for the 120 MW power plant in Labuan.

28 January

Kinergy partnered with B.Grimm for a Gas Turbine power plant project, establishing the entry of Kinergy in the IPP space while providing a platform for longer-term collaboration with B.Grimm.

9 February

Kinergy entered into a benchmark Hydropower-backed Agreement (VPPA) with its long-standing partner, Safran Landing Systems Malaysia Sdn. Bhd. (Safran). The agreement, executed through KAB Energy Holdings Sdn. Bhd., covers the generation of renewable electricity from hydro facilities, with an annual required output of between 80 and 108 gigawatt-hours (GWh).

10 February

Kinergy successfully concluded its inaugural investor update that showcases transformation throughout 2025 – highlighting its segments' progression in SES to EPCC contracting with PETRONAS Gas Berhad (PETRONAS), and its development to be an IPP through strategic alliance with B.Grimm Power.

EVENT HIGHLIGHTS

2025


Community Outreach

2 May - Contribution to Central Christian Church of Malaysia


Community Outreach

5 May - Contribution to National Council for the Blind, Malaysia (NCBM)


Project Exposure

27 May - Sipitang Utilities Sdn. Bhd. (SUSB) - Internal site walk visit


Staff Engagement

16 April - Raya Potluck Dinner


Employee Appreciation

2 May - Labour Day Treat! Grateful Bites


Investor Relations

17 May - Featured Speaker for CEO Coffee Talk, I3 Investor Investment Summit 2025


Corporate Governance

29 May - Kinergy's 28th Annual General Meeting


Community Outreach

18 July - Giveaway Charity Pack to Identified Centres


Staff Engagement

16 July - Durian Time! Smell, Smile & Share


Stakeholder Engagement

9 July - Dinner Engagement with DYMM Tuanku Raja Perlis


Community Outreach

28 June - Blood Donation Campaign


Safety

17 July - Fire Drill Exercise with BOMBA Safety First


Training

12 July - ABMS Leadership Awareness Training


Training

5 July - E-Invoicing In-House Training


Staff Engagement

31 May - Kinergy's 28th Annual Dinner

EVENT HIGHLIGHTS

EVENT HIGHLIGHTS

2025

Community Outreach

23 August - Kinergy x HOPE Food Distribution

Training

9 September - Basics to Sustainability Reporting

Safety Training

20 September - Basic Occupational First Aid Training

Staff Engagement

28 September - Dato' Lai's and Datin Alicia's Birthday Celebration

Corporate Presence

1 October - The Edge ESG Awards Night

Corporate Milestone

10 November - Official Opening of Kinergy's New HQ

Corporate Milestone

17 November - Kinergy's New Logo Launch

Staff Engagement

27 December - Christmas Dinner

2026

Community Outreach

17 January - HOD & Senior Management Team Donation Drive

Project Milestone

27 January - Groundbreaking Ceremony Project Rancha Power Sdn. Bhd., Labuan

Wellbeing

28 January - RWC Wellness Climbers Challenge

Investor Relations

10 February - First In-Person Investor Update

Staff Engagement

12 February - Kurma Distribution 2026

Staff Engagement

25 February - Chinese New Year Luncheon

Staff Engagement

3 March - Majlis Berbuka Puasa 2026