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CORPORATE GOVERNANCE

SECTION

05

SUSTAINABILITY STATEMENT

SUSTAINABILITY STATEMENT

ABOUT THIS STATEMENT

INTRODUCTION

This Sustainability Statement ("Statement") represents an overview of our key economic, environmental, social and governance matters that are material to Kinergy Advancement Berhad and its Group of Companies' ("Kinergy" or "the Group"), as well as their relevance to our stakeholders and business operations. It summarises the Group's sustainability priorities, initiatives and performance during the reporting period. The Statement serves as a concise summary of our broader sustainability efforts, while the full Sustainability Report, available on our corporate website, provides more detailed disclosures on the Group's sustainability strategies and practices.

REPORTING SCOPE AND BOUNDARY

The scope of this Statement includes business and operations controlled by the Group, encompassing our entities across various business segments, inclusive of operations across Malaysia, Thailand and Indonesia.

Unless otherwise specified, this Statement covers our activities from 1 January 2025 to 31 December 2025 ("FY2025"). This Statement may also include reporting on material events that occurred after this date up to the date of publication.

REPORTING FRAMEWORK/STANDARDS

This Statement is prepared with reference to the following requirements, guidelines, frameworks and standards:-

- Bursa Malaysia Securities Berhad Main Market Listing Requirements ("MMLR")
- Bursa Malaysia Securities Berhad Sustainability Reporting Guide and Toolkits (3rd Edition)
- Global Reporting Initiative ("GRI") Standards 2021
- Greenhouse Gas Protocol ("GHG Protocol")
- International Financial Reporting Standards ("IFRS") S2 Climate-Related Disclosures
- Malaysian Code on Corporate Governance ("MCCG") by Securities Commission Malaysia



FEEDBACK

Stakeholder feedback on the Group's sustainability disclosures and practices plays a vital role in driving our continuous improvement. We welcome and value all comments, suggestions, and insights from our stakeholders to help strengthen our sustainability efforts.

For enquiries or suggestions, please contact us at:-

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For more details on our sustainability initiatives and performance, please access the full Sustainability Report FY2025 on our website at <https://ir2.chartnexus.com/kab/docs/sr/2025.pdf> or by scanning the QR code.

SUSTAINABILITY GOVERNANCE AT KINERGY

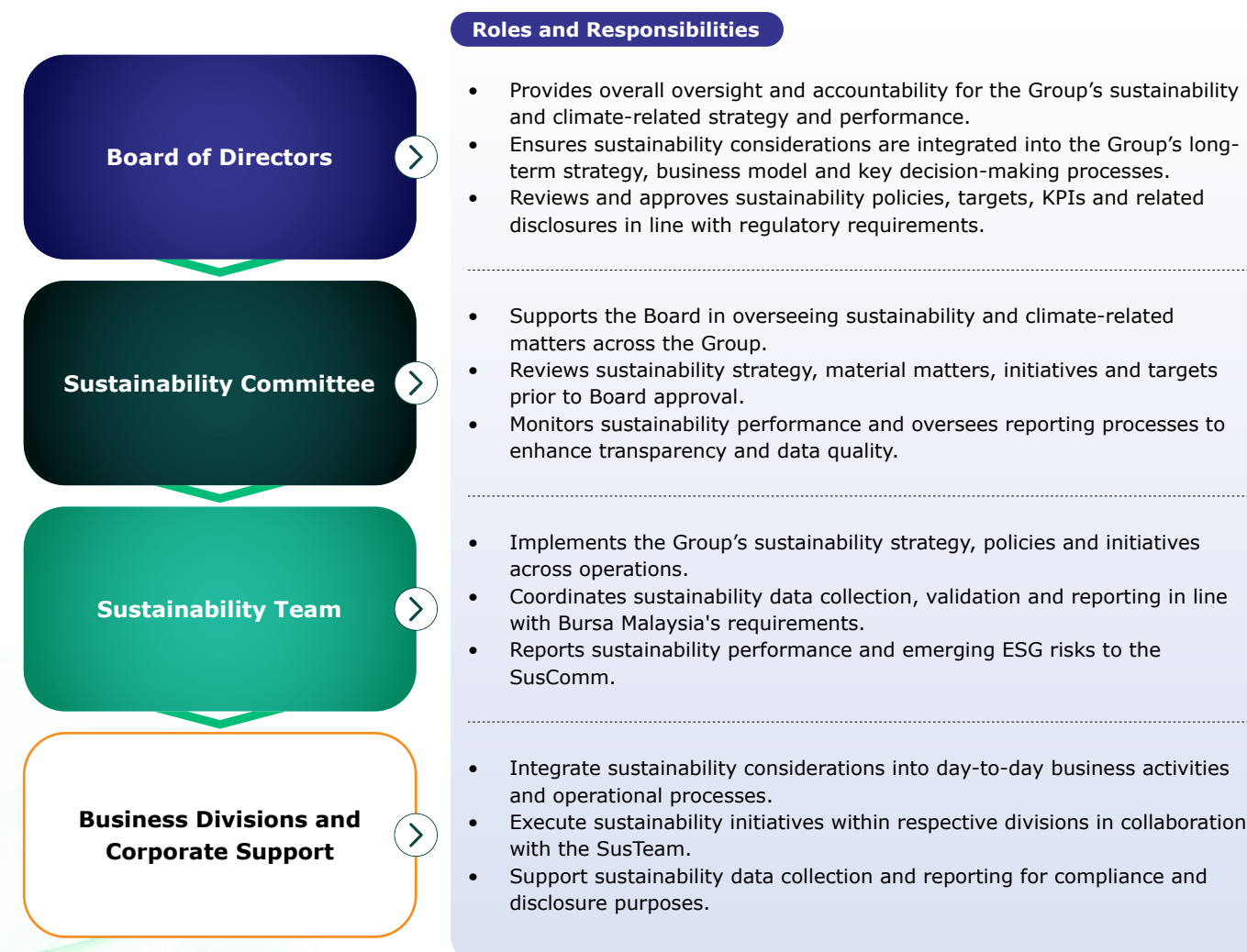
Our sustainability governance framework ensures effective oversight, accountability and integration of ESG considerations into the Group's strategy and decision-making processes.

BOARD OVERSIGHT

The Board of Directors ("Board") is committed to driving sustainable value creation for Kinergy and its stakeholders by providing strategic oversight and guidance to the Group's business operations. In fulfilling this responsibility, the Board continuously reviews and refines the Group's strategy to strengthen competitiveness and support the long-term sustainability of its business model.

The Board also monitors the external operating environment to identify emerging opportunities and assess potential risks that may impact on the Group's performance. Through ongoing engagement with management and key stakeholders, the Board seeks to understand stakeholder expectations while ensuring that the Group's resources, capabilities and governance practices are effectively aligned to support responsible growth and long-term value creation.

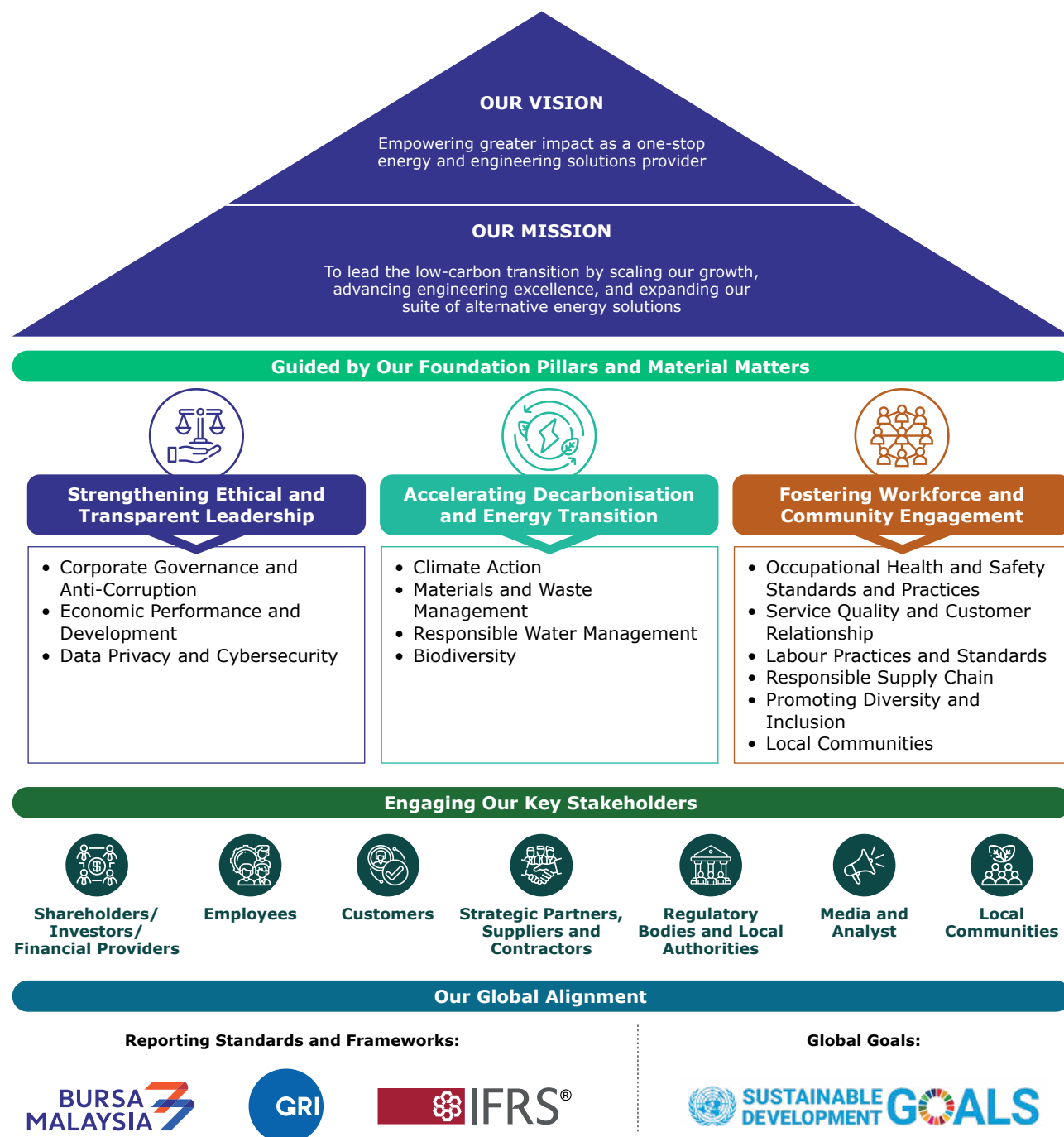
OUR SUSTAINABILITY GOVERNANCE STRUCTURE



SUSTAINABILITY STATEMENT

SUSTAINABILITY STATEMENT

OUR SUSTAINABILITY FRAMEWORK



OUR STAKEHOLDER NEEDS AND EXPECTATIONS

We recognise that our strategic decisions have a direct impact on the stakeholders we engage with. By fostering a culture built on trust, collaboration and accountability, we aim to strengthen relationships with our employees, business partners and the wider community. The Group acknowledges the interconnection between value creation, preservation and potential risks across the resources and relationships that support our operations. Through responsible decision-making and stakeholder engagement, we strive to deliver sustainable value while maintaining long-term resilience and trust.

The Group's Stakeholder Engagement Policy guides our engagement with key stakeholders to support business development, build trust, legitimacy, and to defend and enhance our reputation. It outlines the principles, approaches, and guidelines for engaging stakeholders to ensure transparency, inclusivity, and effective communication in decision-making processes.

The primary objectives of the policy are to:-

- Provide an overview of stakeholder engagement
- Highlight key stakeholders
- Outline stakeholder engagement principles
- Provide an assessment and monitoring guide



Our Stakeholder Engagement Policy can be found on our website or here at <https://cdn.kinergyadvancement.com/kI4cV2997.pdf>



Further details on the Group's sustainability governance framework and oversight mechanisms can be found on pages 18 to 19 of our Sustainability Report.

SUSTAINABILITY STATEMENT

SUSTAINABILITY STATEMENT

Our Stakeholders						
Shareholder/Investors/Financial Providers	Employees	Customers	Strategic Partners, Suppliers and Contractors	Regulatory Bodies and Local Authorities	Media and Analyst	Local Communities
Engagement Channels and Frequency						
- Annual General Meetings ("AGM") - Annual Report - Corporate website - Investor conferences - Written correspondence and email - One-on-one meetings - Social media	- Board meetings - Senior Management and HOD meetings - Departmental meetings - Internal employee engagement initiatives - Performance appraisals - Internal memos - Social media	- Annual Report - Corporate website - Written correspondence and email - Customer satisfaction surveys - One-on-one meetings - Industry conferences - Site visits - Social media	- Annual Report - Corporate website - Written correspondence and email - Vendor performance evaluation survey - Strategic dialogues - Social media	- Annual Report - Corporate website - Regulatory-related reporting and updates	- Analyst briefings - Press releases - Annual Report - Corporate website - Social media	- Community engagement sessions - Corporate website - Corporate social responsibility programmes - Social media
Key Interests and Concerns						
- Sustainable financial performance - Strong corporate governance and ethical business conduct - Returns on investment - Transparency in financial and non-financial disclosures	- Safe and healthy work environment - Career development - Fair remuneration and benefits	- Product quality and service reliability - Safety and health compliance - Data privacy and security	- Clear, fair, and transparent business agreements - Opportunities for innovation and mutual growth - Timely payments	- Ethical business conduct - Regulatory compliance with applicable laws, regulations and licensing requirements - Timely and accurate reporting	- Accurate, timely, and transparent corporate information - Access to Group's management for clarifications, briefings, and updates	Safety and health of Kinergy's operations and their impact on surrounding areas
Our Response						
- Maintain transparent, timely and accurate financial and non-financial disclosures - Uphold strong corporate governance, risk management and internal controls - Engage regularly through briefings, meetings, analyst calls and investor communications - Integrate ESG considerations into strategy, decision-making and capital allocation - Ensure compliance with Bursa Malaysia, FTSE Russell and relevant regulatory requirements	- Provide a safe, healthy and inclusive working environment - Offer fair remuneration, benefits and opportunities for learning and development - Engage employees through regular communication, training and feedback channels - Uphold ethical conduct, grievance mechanisms and employee wellbeing initiatives	- Deliver quality products and services that meet safety and regulatory standards - Ensure timely delivery, reliability and responsive customer needs and requirements - Maintain transparent communication and fair business practices - Safeguard customer data and uphold privacy and confidentiality	- Apply supplier due diligence and compliance with the Group's policies and standards - Engage regularly to align quality, safety, ESG and performance expectations - Support responsible sourcing, workplace safety and continuous improvement	- Engage proactively with regulators and local authorities on approvals and compliance matters - Maintain transparent, timely and accurate regulatory reporting and disclosures - Ensure full compliance with applicable laws, regulations and licensing requirements	- Maintain transparent communication on corporate performance and key developments - Provide accurate, consistent and timely information through approved channels - Respond to media and analyst queries professionally and in a timely manner	- Support community development initiatives and responsible contributions - Uphold health, safety and wellbeing of surrounding communities - Engage openly with local communities and address concerns in a timely manner

Legend:

Frequency of Engagement

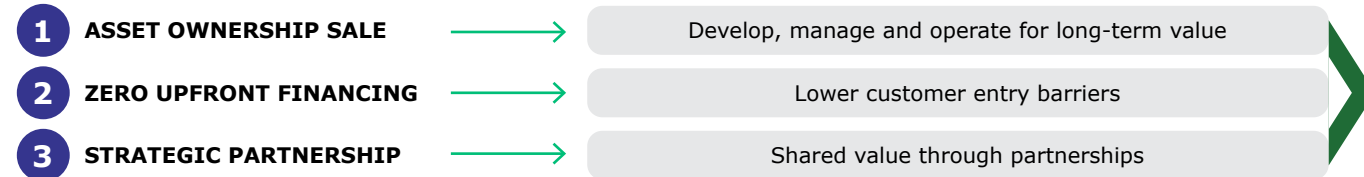
Annually
Quarterly
As and When Required
Ongoing

SUSTAINABILITY STATEMENT

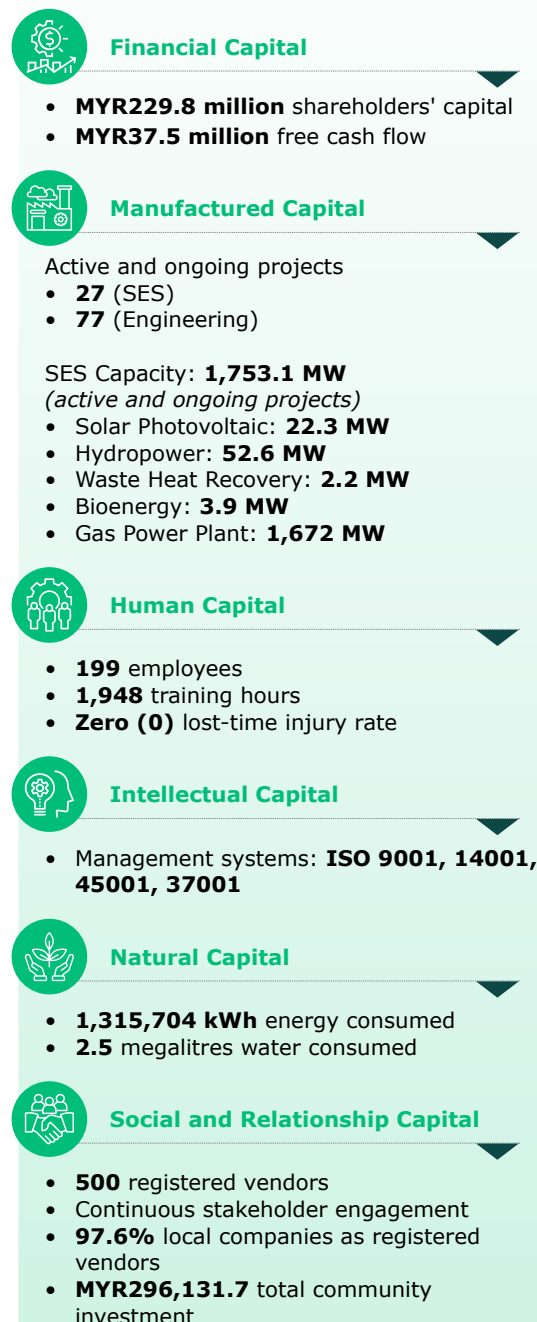
SUSTAINABILITY STATEMENT

OUR VALUE CREATION MODEL

STRATEGIC DRIVERS OF OUR BUSINESS MODEL



OUR CAPITAL INPUTS



VALUE-ADDING ACTIVITIES

Driven by Robust Governance and Board Oversight

VISION

Empowering greater impact as a one-stop energy and engineering solutions provider

MISSION

To lead the low-carbon transition by scaling our growth, advancing engineering excellence, and expanding our suite of alternative energy solutions



Strategic Sustainability Pillars



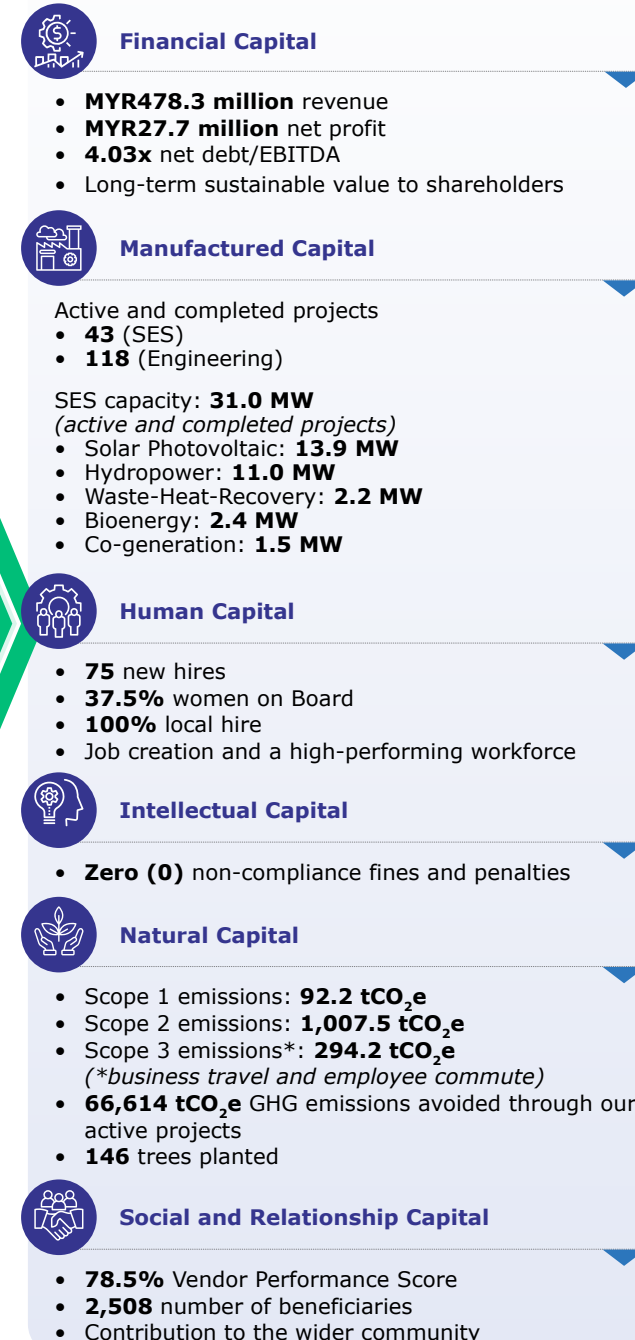
Supported by Policies, Procedures and Systems

Through our value creation model, we align our resources, strategy and stakeholder relationships to generate sustainable value while supporting long-term business resilience.

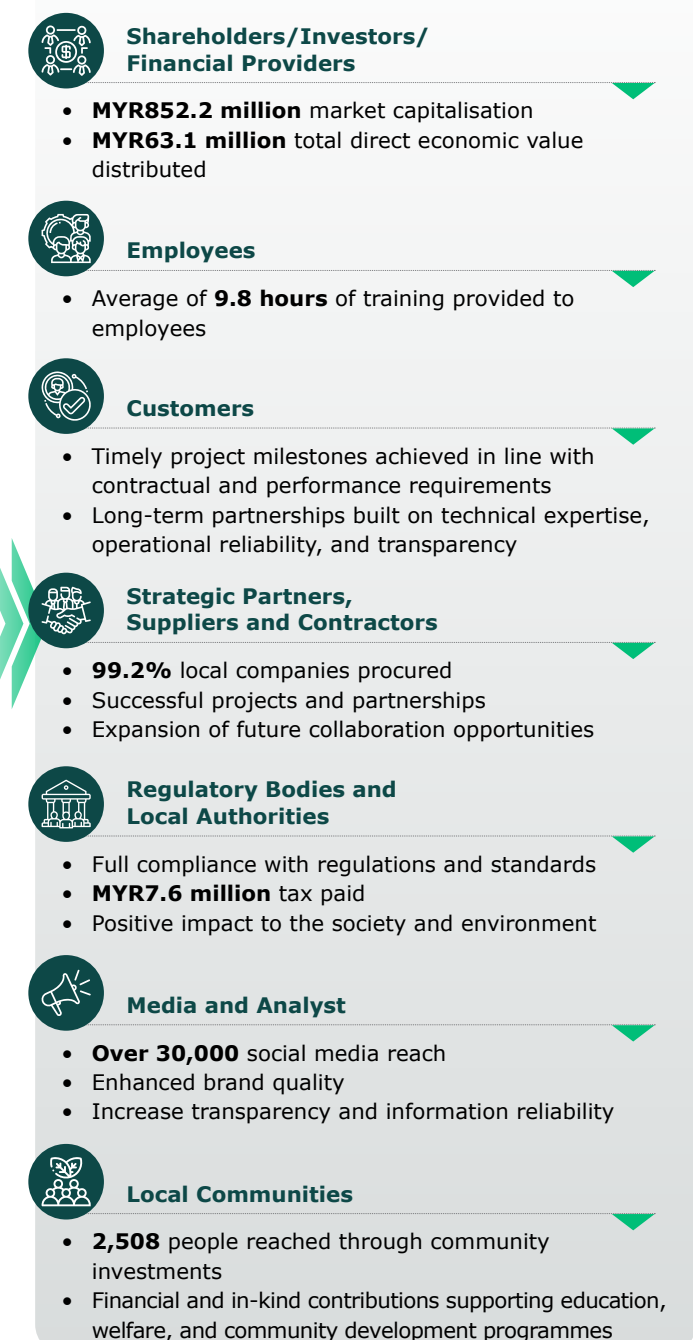
Trade-offs

Value creation involves trade-offs and opportunity costs. We allocate financial capital to strengthen non-financial capitals, enabling balanced outcomes that generate multiplier effects and create both tangible and intangible value for our stakeholders. In FY2025, we continued to invest in an environment where our employees can perform and thrive, while safeguarding their welfare and wellbeing.

OUR OUTPUTS & OUTCOMES



VALUE FOR STAKEHOLDERS



SUSTAINABILITY STATEMENT

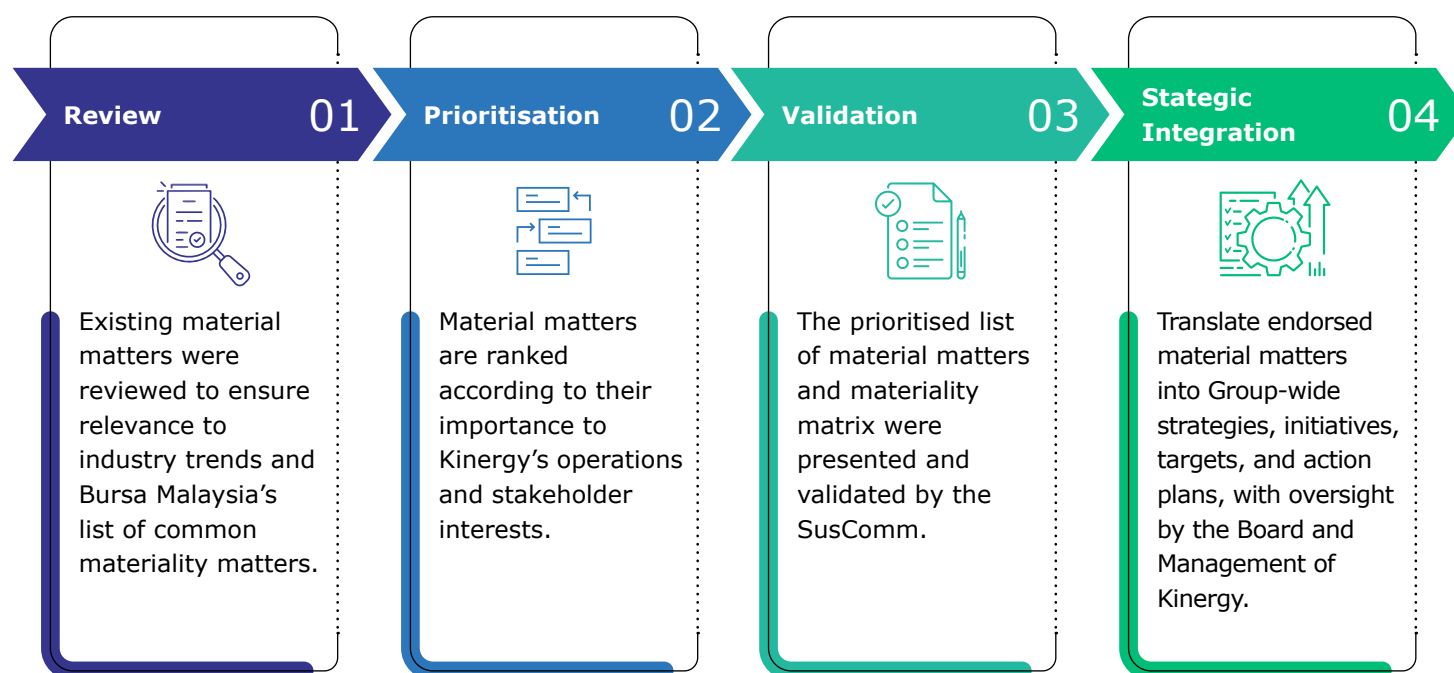
Our material matters represent the environmental, social and governance topics that are most significant to our business and stakeholders, guiding our sustainability priorities and disclosures.

OUR MATERIALITY ASSESSMENT PROCESS

The Group adopts a structured approach to identifying and prioritising material sustainability matters that are most relevant to our business and stakeholders. Material topics are assessed based on their potential impact on the Group's strategy, risk profile and long-term value creation, as well as their significance to key stakeholders.

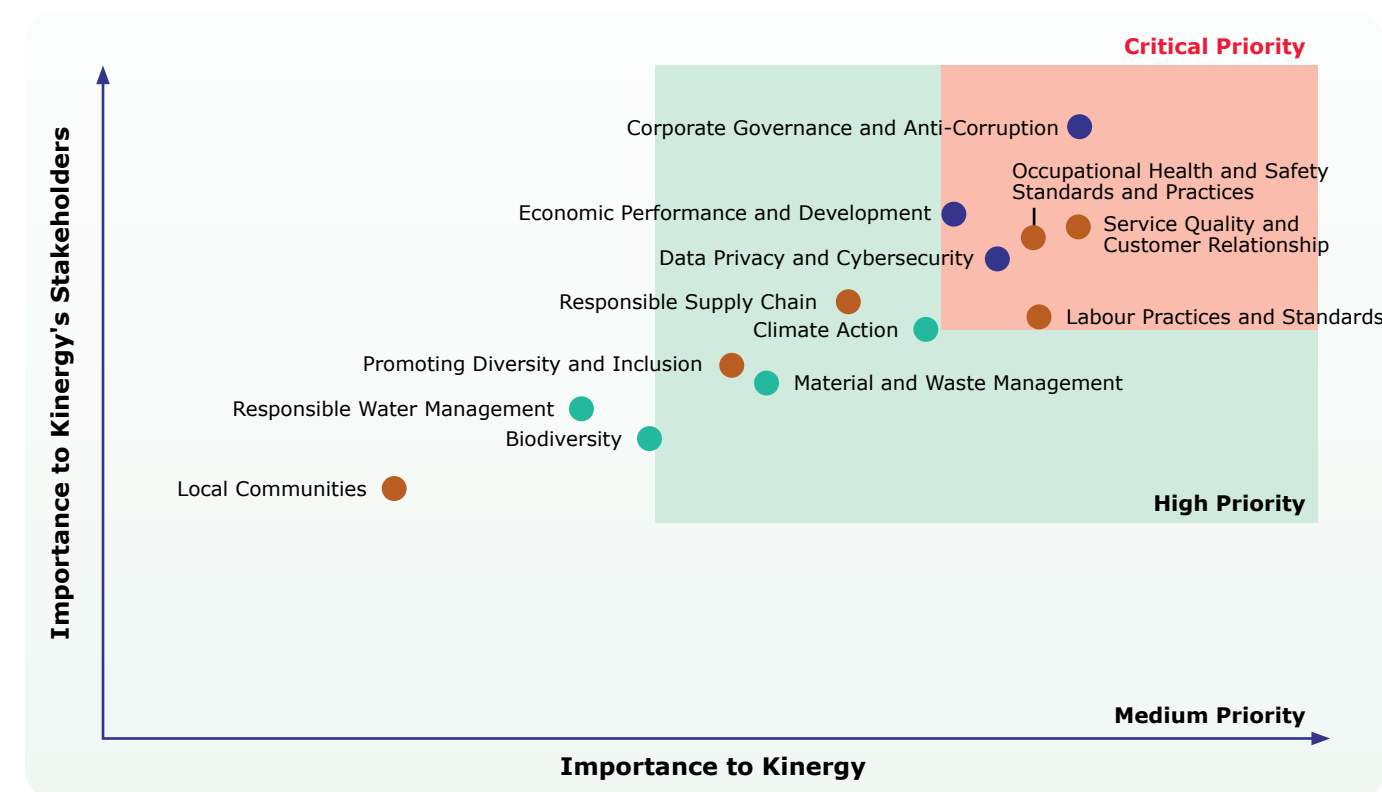
In FY2025, the Group conducted an internal materiality review aligned with Bursa Malaysia Sustainability Reporting requirements, regulatory expectations and relevant industry practices. The assessment involved the management team and heads of department, who evaluated sustainability matters based on their relevance to the Group's operations, risks and stakeholder interests. The outcomes of the review were presented to the SusComm for consideration and approval. Once endorsed, these material matters guide the Group's sustainability priorities and serve as the foundation for developing strategies, initiatives and action plans across the organisation.

Our four (4) step materiality assessment approach:-



SUSTAINABILITY STATEMENT

OUR FY2025 MATERIALITY MATRIX



Legend:

ESG Categories

● Economic and Governance ● Environmental ● Social

Critical Priority	High Priority	Medium Priority
- Corporate Governance and Anti-Corruption - Occupational Health and Safety Standards and Practices - Service Quality and Customer Relationship - Economic Performance and Development - Data Privacy and Cybersecurity - Labour Practices and Standards	- Responsible Supply Chain - Climate Action - Promoting Diversity and Inclusion - Materials and Waste Management	- Responsible Water Management - Biodiversity - Local Communities



Mapping of our material matters to risks and opportunities can be found on pages 27 to 33 of our Sustainability Report.

SUSTAINABILITY STATEMENT

SUSTAINABILITY STATEMENT

OVERVIEW OF OUR SUSTAINABILITY-RELATED DISCLOSURES
ECONOMIC AND GOVERNANCE

 Strengthening Ethical and Transparent Leadership

Material Matter				
Corporate Governance and Anti-Corruption	Economic Performance and Development	Data Privacy and Cybersecurity	Climate Action	Materials and Waste Management
Risk and Opportunities				
Risks - Inadequate awareness or enforcement of governance and anti-corruption policies may lead to non-compliance across business units and subsidiaries - Corruption risks arising from third-party dealings, procurement activities and project execution	- Insufficient investment planning or capital allocation may limit the Group's long-term growth and development - Cost overruns, schedule delays or underperformance of assets may reduce project returns and overall portfolio profitability	- Cyber incidents or data breaches involving employee, customer, project or commercial data may result in regulatory penalties and reputational damage - Inadequate cybersecurity controls across information technology (IT) systems, operational platforms and third-party vendors may increase exposure to cyber threats and operational disruption	- Physical climate risks such as extreme weather events may disrupt project construction, operations and asset performance - Transition risks arising from evolving climate regulations, carbon pricing and stakeholder expectations may affect project viability and costs	- Improper handling, storage or disposal of waste, including scheduled and non-scheduled waste, may result in regulatory penalties, environmental impact and reputational risks - Limited monitoring of material consumption and waste generation across multiple project sites and contractors may weaken control and reporting accuracy
Opportunities - Transparent governance practices enhance the Group's reputation as a trusted and responsible business partner, supporting long-term value creation - Strong governance structures and ethical leadership reinforce regulatory compliance and effective decision-making	- A diversified mix of development projects, operating assets and service-based income enhances revenue stability and financial resilience - Optimising asset performance and lifecycle management improves returns, operating margins and cash flow generation	- Ongoing cybersecurity awareness and training strengthen organisational resilience and risk culture - Secure digital systems enable safe data sharing, operational efficiency and digital innovation across projects and business units	- Development and adoption of low-carbon and renewable solutions support the Group's transition strategy and growth opportunities - Participation in climate-related initiatives, including energy efficiency and carbon market mechanisms, strengthens climate performance and stakeholder confidence	- Optimising material planning and usage improves cost efficiency and project performance - Strengthening material and waste management enhances regulatory compliance and environmental stewardship, supporting sustainable project delivery
Management Approach We conduct our business with integrity and in full compliance with applicable laws, including the Malaysian Anti-Corruption Commission Act 2009 and the Malaysian Anti-Corruption Commission (Amendment) Act 2018. Our anti-corruption framework is further reinforced through the implementation of the ISO 37001 Anti-Bribery Management System, which provides a structured and risk-based approach to identifying, preventing and addressing bribery and corruption risks across the Group. Our commitment to ethical conduct and good governance is supported by a comprehensive set of codes, policies and procedures that guide employee behaviour, strengthen accountability and ensure compliance with regulatory requirements.	Economic value creation is achieved through responsible project execution, operational efficiency and strategic partnerships, while maintaining prudent cost management and strong governance practices. Kinergy's economic performance strategy is focused on delivering sustainable long-term value through the strategic transition towards becoming an IPP. This shift supports the Group's growth in the renewable energy and sustainable infrastructure sector while strengthening recurring income streams and enhancing financial resilience. The Group seeks to enhance shareholder value, contribute to national decarbonisation efforts and support broader economic development within the communities where it operates.	Kinergy recognises that robust data privacy and cybersecurity practices are essential to safeguarding the Group's operational integrity, business information and personal data across both office and project-based environments. As digital tools are increasingly integrated into workforce management, project execution and corporate functions, the Group adopts a risk-based approach to manage data protection and cybersecurity risks. Personal data is managed in accordance with the Personal Data Protection Act 2010 (PDPA), supported by internal policies, procedures and access controls designed to protect sensitive business and personal information from unauthorised access, misuse or loss. Data protection considerations are embedded in key operational functions, including human resources, finance, project management systems and electronic communications.	Kinergy considers climate change a core factor in long-term value creation. The Group assesses climate-related risks and opportunities through a qualitative, risk-based approach, guided by external climate references, sector trends, regulatory developments, and the characteristics of its long-term power generation assets. Our climate strategy leverages Kinergy's IPP model, combining zero-emission solar and hydropower assets with natural gas capacity for baseload stability. This dual-track approach supports an orderly energy transition aligned with Malaysia's NETR and long-term renewable targets. Climate risks are assessed qualitatively, with plans to enhance scenario-based analysis over time, while continuous monitoring and governance ensure resilience, regulatory compliance, and long-term value creation.	Kinergy manages materials and waste responsibly across its office and project operations as part of its commitment to environmental stewardship and regulatory compliance. Paper remains the primary material used in corporate operations and is managed through administrative controls and the gradual adoption of digital processes to reduce consumption. Current disclosures focus on materials that are centrally managed and representative of the Group's operational footprint, while project-specific construction materials are excluded at this stage due to their variability and client-driven specifications. Waste management is guided by the Group's ISO 14001 Environmental Management System (EMS), where waste is categorised into hazardous and non-hazardous streams to ensure proper handling, storage and disposal through approved contractors.

Our Performance in FY2025

- 100% operations assessed for corruption
 - Zero (0) confirmed incidents relating to anti-corruption and actions taken
- MYR478.3 million revenue generated
 - MYR63.1 million economic value distributed
 - 27 SES and 77 Engineering active and ongoing projects
 - 87,044,082 kWh energy generated across our active projects
- Zero (0) substantiated complaints concerning breaches of customer privacy and losses of customer data reported
- Scope 1 emissions: 92.2 tCO₂e
 - Scope 2 emissions: 1,007.5 tCO₂e
 - Scope 3 emissions: 294.2 tCO₂e (*business travel and employee commute)
 - 66,614 tCO₂e GHG emissions avoided through our active projects
- 1,454 kg of paper consumed
 - 10.3 metric tonnes of waste generated
 - Approximately 21% of waste diverted from disposal

Contributing to the UN SDGs



Refer to the Corporate Governance and Anti-Corruption chapter on pages 35 to 37 of our Sustainability Report.



Refer to the Economic Performance and Development chapter on page 38 of our Sustainability Report.



Refer to the Data Privacy and Cybersecurity chapter on page 39 of our Sustainability Report.



Refer to the Climate Action chapter on pages 41 to 48 of our Sustainability Report.



Refer to the Material and Waste Management chapter on pages 49 to 53 of our Sustainability Report.

OVERVIEW OF OUR SUSTAINABILITY-RELATED DISCLOSURES

ENVIRONMENTAL



Accelerating Decarbonisation and Energy Transition (cont'd)

Material Matter

Responsible Water Management

Biodiversity

Risk and Opportunities

Risks

- Contamination or discharge of water from operations may result in legal penalties and reputational damage
 - Inefficient water use or poor management at project sites and operational assets may lead to regulatory non-compliance, increased costs, and environmental impact
- Project activities may have localised impacts on surrounding habitats if not properly managed
 - Non-compliance with environmental conditions or approvals may result in regulatory or reputational risks

Opportunities

- Improving water use efficiency and promoting recycling across projects and operations enhances resource efficiency while reducing environmental impact and operational costs
- Incorporating basic biodiversity considerations during project planning supports regulatory compliance and environmental responsibility
 - Adopting good environmental management practices helps minimise ecological disturbance at project sites

Management Approach

At Kinergy, we recognise water as a shared and finite resource and manage its use responsibly to support environmental protection, operational resilience and regulatory compliance. Water stewardship is guided by the Group's Environmental Policy, which emphasises optimising water use, preventing water contamination and ensuring water quality compliance across operations. Measures such as water-efficient practices, responsible wastewater management and monitoring controls are implemented to minimise environmental impact and support sustainable resource management.

Water withdrawal within the Group is primarily limited to municipal water supply for office-based operations, with no direct withdrawal from surface water, groundwater, seawater or third-party water reuse systems. Water consumption is tracked using utility billing records at the Group's headquarters, which serves as the baseline for monitoring usage trends and strengthening water management practices over time.

The Group is committed to protecting biodiversity and safeguarding local ecosystems, even though the Group's operations are not considered high-risk for ecological impacts. Responsible environmental management supports the protection of land and water resources, helps minimise potential ecological disturbances, and reinforces stakeholder trust in the Group's project execution.

Currently, none of the Group's active projects fall under the Environmental Quality (Prescribed Activities) (Environmental Impact Assessment ("EIA")) Order 2015 and therefore do not require a formal EIA. Nevertheless, Kinergy implements environmental monitoring and management practices in line with its Environmental Policy to ensure responsible operations. The Group also promotes biodiversity awareness and supports community engagement initiatives to encourage environmental stewardship and long-term ecosystem resilience.

Our Performance in FY2025

- 2.5 megalitres** of water consumed
- 146 trees** planted

Contributing to the UN SDGs



Refer to the Responsible Water Management chapter on page 54 of our Sustainability Report.



Refer to the Biodiversity chapter on page 55 of our Sustainability Report.

OVERVIEW OF OUR SUSTAINABILITY-RELATED DISCLOSURES

SOCIAL



Fostering Workforce and Community Engagement

Occupational Health and Safety Standards and Practices

Service Quality and Customer Satisfaction

Labour Practices and Standards

- Safety incidents at headquarters and/or project sites involving employees or contractors may result in injuries, work stoppages, regulatory action and reputation impact to the Group
- Insufficient safety awareness or training may lead to unsafe work behaviours, particularly in high-risk construction and maintenance activities

- Strong OSH governance and site-level controls can reduce the occurrence of incidents, improve workforce wellbeing and enhance project delivery reliability
- Proactive OSH management enhances the Group's reputation as a responsible project developer and operator, supporting stakeholder confidence and business sustainability

Kinergy embeds safety and health into leadership, decision-making, and operations through a robust Occupational Safety and Health (OSH) governance framework. The Board sets the tone by endorsing the Workplace Environment, Occupational Safety and Health (WOSH) Policy, which applies to all employees, contractors, and stakeholders.

Dedicated OSH coordinators, site supervisors, and safety officers to implement its ISO 45001-aligned safety framework across all operations. Hazards are systematically identified, assessed, and controlled through the Hazard Identification, Risk Assessment and Risk Control (HIRARC) procedure, covering chemical, noise, ergonomic, and emerging psychosocial risks. The Group also maintains structured emergency response procedures, with defined roles, training, drills, and post-incident reviews, ensuring rapid, coordinated action to protect employees, assets, and the environment while fostering a safe and resilient workplace culture.

- Zero (0)** cases of fatalities and LTIR
- Zero (0)** non-compliance related to environmental and social laws and/or regulations in the area of OSH
- 61** employees trained in health and safety standards

- Inconsistent service quality or delays in project delivery may lead to customer dissatisfaction, contractual disputes and reputational impact
- Failure to meet the agreed technical, safety or performance specifications may affect customer confidence and repeated business

- Consistent service quality and reliable project execution strengthen customer trust and satisfaction
- Strong service performance supports the Group's reputation as a reliable project partner, creating opportunities for repeat contracts and long-term growth

The prioritisation of service quality and strong customer relationships is acknowledged as key drivers of trust, project delivery excellence, and long-term business sustainability. Open communication and responsive engagement enable the Group to understand client expectations, address concerns promptly, and continuously improve performance, supporting repeat business and stable revenue streams.

During FY2025, the Group successfully delivered SES and Engineering projects in line with our Integrated Management System, ensuring quality, safety, and environmental standards were consistently met. Close client engagement throughout the project lifecycle, timely communication, and post-completion support reinforced trust and service reliability.

- 76.8%** Customer Satisfaction score

- Gaps in fair remuneration, benefits and employee wellbeing practices may lead to lower morale, higher turnover and talent retention challenges
- Weak oversight of labour and human rights practices, including across contractors and third-party workers, may expose the Group to compliance and reputational risks

- Structured training and competency development enhance workforce capability, safety awareness and operational effectiveness
- Strong human rights standards and fair labour practices reinforce the Group's reputation as a responsible employer and project partner, supporting sustainable growth

Kinergy is committed to upholding strong labour practices that promote fair treatment, protect human rights, and foster a safe, inclusive, and ethical workplace. The Group's Employee Code of Conduct and Ethics Policy, together with supporting frameworks such as the Anti-Bribery and Corruption (AB&C) Policy and Whistleblowing Policy, establishes clear expectations for integrity, accountability, and professional conduct across all operations.

In addition, the Group invests in employee development and engagement initiatives to support a capable and motivated workforce. Structured learning and development programmes are implemented to strengthen technical competencies, professional capabilities, and workplace awareness. At the same time, employee engagement platforms and activities are organised to encourage collaboration, promote wellbeing, and foster a strong sense of belonging within the organisation. Collectively, these initiatives support workforce stability, enable career growth, and reinforce a respectful and inclusive working environment.

- 199** employees
- 1,948** total training hours
- Average **9.8 hours** of training per employee
- 100%** of employees undergone employee appraisals
- Zero (0)** substantiated complaints concerning human rights violations
- Zero (0)** incidents of discrimination and corrective actions taken



Refer to the Labour Practices and Standards chapter on pages 65 to 71 of our Sustainability Report.

OVERVIEW OF OUR SUSTAINABILITY-RELATED DISCLOSURES

SOCIAL

Fostering Workforce and Community Engagement (cont'd)

Material Matter		
Responsible Supply Chain	Promoting Diversity and Inclusion	Local Communities
Risk and Opportunities		
Risks		
- Inadequate oversight of suppliers and contractors may lead to non-compliance with ethical, safety, labour or environmental standards, resulting in reputational and regulatory risks - Disruptions in the supply chain or supplier underperformance may affect project timelines, costs and delivery quality	- Limited workforce diversity may restrict talent attraction, innovation and leadership pipeline development - Ineffective inclusion practices may affect employee engagement, morale and retention, particularly across diverse project teams	- Project activities may result in social, safety or environmental concerns, affecting community trust and the Group's social licence to operate - Failure to address community feedback in a timely manner may cause reputational risks and strained stakeholder relationships
Opportunities		
- Implementing robust supplier due diligence and performance monitoring strengthens compliance, reliability and risk management - Engaging suppliers on ESG expectations promotes responsible sourcing, safety and labour practices across the value chain	- Inclusive policies and practices strengthen employee engagement, wellbeing and retention - Promoting diversity and inclusion supports the Group's reputation as a responsible and progressive employer, contributing to long-term organisational sustainability	Strong community relations help maintain the Group's social licence to operate, supporting smoother project execution and sustainability
Management Approach		
Throughout our operations, we prioritise engagement with local suppliers and provide opportunities for small and medium enterprises (SMEs) to supply their products and services to the Group. Our commitment to supporting local suppliers is reflected in the supplier data presented below. By working closely with local vendors, we help strengthen regional economies, promote sustainable business practices, and foster long-term partnerships that benefit both the Group and the communities in which we operate. To embed sustainability in procurement, all suppliers undergo a pre-qualification and ESG due diligence process, assessing compliance with anti-corruption guidelines, the Group's Sustainability Policy, and workplace health and safety standards.	Fostering a diverse, equitable, and inclusive workforce through fair and transparent recruitment, merit-based performance evaluations, equitable remuneration, and career development opportunities. Discrimination, harassment, or bullying are strictly prohibited in line with the Employee Code of Conduct, Discrimination and Workplace Harassment Policy, and relevant local laws. All headquarters positions were filled by local hires, reflecting the Group's commitment to local employment and community development. Workforce composition is monitored by gender, age group, employee category, and ethnicity to support diversity, succession planning, and long-term organisational sustainability. The Group has set target representation goals to further enhance inclusion, aiming for 30% female representation across the Group and 33.3% on the Board, underscoring its ongoing focus on gender diversity and balanced leadership.	Strong community relations support operational continuity and stakeholder confidence by addressing local needs and priorities. Kinergy supports communities through a range of initiatives addressing food security, health, education, and social welfare. This includes but is not limited to food donation drives and a monthly egg donation programme for underprivileged families, monetary contributions to organisations such as Dignity Foundation, UNICEF, and the National Council for the Blind Malaysia, distribution of over 200 charity packs, and a blood donation campaign.
Our Performance in FY2025		
99.2% local procurement spend	37.5% women representation on Board	MYR296,131.7 total community investment 2,508 number of beneficiaries
Contributing to the UN SDGs		
Refer to the Responsible Supply Chain chapter on page 72 of our Sustainability Report.	Refer to the Promoting Diversity and Inclusion chapter on pages 73 to 75 of our Sustainability Report.	Refer to the Local Communities chapter on pages 76 to 77 of our Sustainability Report.

BURSA MALAYSIA CSI PLATFORM PRESCRIBED TABLE

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FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Bursa (Anti-Corruption)	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category - Top Management and Key Senior Management	Percentage	62.50		No assurance	This refers to external training. Internal refresher trainings are provided to all employees.
Bursa (Anti-Corruption)	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category - Senior Management	Percentage	92.30		No assurance	This refers to external training. Internal refresher trainings are provided to all employees.
Bursa (Anti-Corruption)	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category - Management	Percentage	50.00		No assurance	This refers to external training. Internal refresher trainings are provided to all employees.
Bursa (Anti-Corruption)	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category - Executive	Percentage	26.20		No assurance	This refers to external training. Internal refresher trainings are provided to all employees.
Bursa (Anti-Corruption)	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category - Non-Executive	Percentage	0.00		No assurance	This refers to external training. Internal refresher trainings are provided to all employees.
Bursa (Anti-Corruption)	Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00		No assurance	
Bursa (Anti-Corruption)	Bursa C1(c) Confirmed incidents of corruption and action taken	Percentage	0.00	0	No assurance	
Bursa (Community/Society)	Bursa C2(a) Total amount invested in community where the target beneficiaries are external to the listed issuer	Ringgit Malaysia	296131.66	Minimum of MYR300,000.00	No assurance	

Kinergy Advancement Berhad

BMLR Transition Period

Date & Time: 2026-04-28_10:24:31
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Bursa (Community/Society)	Bursa C2(b) Total amount of beneficiaries of the investment in communities	Number	2,508.00	—	No assurance	
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender - Top Management and Key Senior Management (Male)	Percentage	55.60	—	No assurance	
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender - Top Management and Key Senior Management (Female)	Percentage	44.40	—	No assurance	
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender - Senior Management (Male)	Percentage	53.80	—	No assurance	
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender - Senior Management (Female)	Percentage	46.20	—	No assurance	
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender -Management (Male)	Percentage	44.40	—	No assurance	
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender -Management (Female)	Percentage	55.60	—	No assurance	
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender -Executive (Male)	Percentage	62.30	—	No assurance	
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender - Executive (Female)	Percentage	37.70	—	No assurance	
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender -- Non-Executive (Male)	Percentage	89.80	—	No assurance	

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Kinergy Advancement Berhad

BMLR Transition Period

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Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender - Non-Executive (Female)	Percentage	10.20	—	No assurance	
Bursa (Diversity)	Bursa C3(a) Percentage of employees by age - Top Management and Key Senior Management (< 30)	Percentage	11.10	—	No assurance	
Bursa (Diversity)	Bursa C3(a) Percentage of employees by age - Top Management and Key Senior Management (30-50)	Percentage	66.70	—	No assurance	
Bursa (Diversity)	Bursa C3(a) Percentage of employees by age - Top Management and Key Senior Management (> 50)	Percentage	22.20	—	No assurance	
Bursa (Diversity)	Bursa C3(a) Percentage of employees by age - Senior Management (< 30)	Percentage	0.00	—	No assurance	
Bursa (Diversity)	Bursa C3(a) Percentage of employees by age - Senior Management (30-50)	Percentage	92.30	—	No assurance	
Bursa (Diversity)	Bursa C3(a) Percentage of employees by age - Senior Management (> 50)	Percentage	7.70	—	No assurance	
Bursa (Diversity)	Bursa C3(a) Percentage of employees by age - Management (< 30)	Percentage	5.60	—	No assurance	
Bursa (Diversity)	Bursa C3(a) Percentage of employees by age - Management (30-50)	Percentage	77.80	—	No assurance	
Bursa (Diversity)	Bursa C3(a) Percentage of employees by age - Management (> 50)	Percentage	16.70	—	No assurance	

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SUSTAINABILITY STATEMENT

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Bursa (Diversity)	Bursa C3(a) Percentage of employees by age - Executive (< 30)	Percentage	29.50	—	No assurance	
Bursa (Diversity)	Bursa C3(a) Percentage of employees by age - Executive (30-50)	Percentage	65.60	—	No assurance	
Bursa (Diversity)	Bursa C3(a) Percentage of employees by age - Executive (> 50)	Percentage	4.90	—	No assurance	
Bursa (Diversity)	Bursa C3(a) Percentage of employees by age - Non-Executive (< 30)	Percentage	39.80	—	No assurance	
Bursa (Diversity)	Bursa C3(a) Percentage of employees by age - Non-Executive (30-50)	Percentage	55.10	—	No assurance	
Bursa (Diversity)	Bursa C3(a) Percentage of employees by age - Non-Executive (> 50)	Percentage	5.10	—	No assurance	
Bursa (Diversity)	Bursa 3(b) Percentage of directors by gender - Male	Percentage	62.50	—	No assurance	
Bursa (Diversity)	Bursa 3(b) Percentage of directors by gender - Female	Percentage	37.50	33.30%	No assurance	
Bursa (Diversity)	Bursa 3(b) Percentage of directors by age - < 30	Percentage	0.00	—	No assurance	
Bursa (Diversity)	Bursa 3(b) Percentage of directors by age - < 30-50	Percentage	37.50	—	No assurance	
Bursa (Diversity)	Bursa 3(b) Percentage of directors by age - > 50	Percentage	62.50	—	No assurance	
Bursa (Energy Management)	Bursa C4(a) Total energy consumption	Megawatt	1,315.70	—	No assurance	

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SUSTAINABILITY STATEMENT

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Bursa (Health and Safety)	Bursa C5(a) Number of work-related fatalities	Number	0.00	0	No assurance	
Bursa (Health and Safety)	Bursa C5(b) Lost time incident rate	Percentage	0.00	0	No assurance	
Bursa (Health and Safety)	Bursa C5(c) Number of employees trained on health and safety standards	Number	6100	—	No assurance	All on-site employees undergo regular internal toolbox trainings as part of standard operational practice. These trainings are managed in-house and are not reflected in the reported training totals.
Bursa (Labour Practices and Standards)	Bursa C6(a) Total hours of training by employee category - Top Management and Key Senior Management	Hours	84.00	—	No assurance	
Bursa (Labour Practices and Standards)	Bursa C6(a) Total hours of training by employee category - Senior Management	Hours	180.00	—	No assurance	
Bursa (Labour Practices and Standards)	Bursa C6(a) Total hours of training by employee category - Management	Hours	268.00	—	No assurance	
Bursa (Labour Practices and Standards)	Bursa C6(a) Total hours of training by employee category - Executive	Hours	928.00	—	No assurance	
Bursa (Labour Practices and Standards)	Bursa C6(a) Total hours of training by employee category - Non-Executive	Hours	488.00	—	No assurance	
Bursa (Labour Practices and Standards)	Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	29.00	—	No assurance	

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Kinergy Advancement Berhad

BMLR Transition Period

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Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Bursa (Labour Practices and Standards)	Bursa C6(c) Total number of employee turnover by employee category - Top Management and Key Senior Management	Number	2.00	—	No assurance	
	Bursa C6(c) Total number of employee turnover by employee category - Senior Management	Number	2.00	—	No assurance	
	Bursa C6(c) Total number of employee turnover by employee category - Management	Number	11.00	—	No assurance	
	Bursa C6(c) Total number of employee turnover by employee category - Executive	Number	3700	—	No assurance	
Bursa (Labour Practices and Standards)	Bursa C6(c) Total number of employee turnover by employee category - Non-Executive	Number	20.00	—	No assurance	
Bursa (Labour Practices and Standards)	Bursa 6(d) Number of substantiated complaints concerning human rights violations	Number	0.00	0.00	No assurance	
Bursa (Supply Chain Management)	Bursa C7(a) Proportion of spending on local suppliers	Percentage	9919	—	No assurance	
Bursa (Data Privacy and Security)	Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0.00	0.00	No assurance	
Bursa (Water)	Bursa C9(a) Total volume of water used	Megalitres	2.50	—	No assurance	

Kinergy Advancement Berhad

IFRS S2

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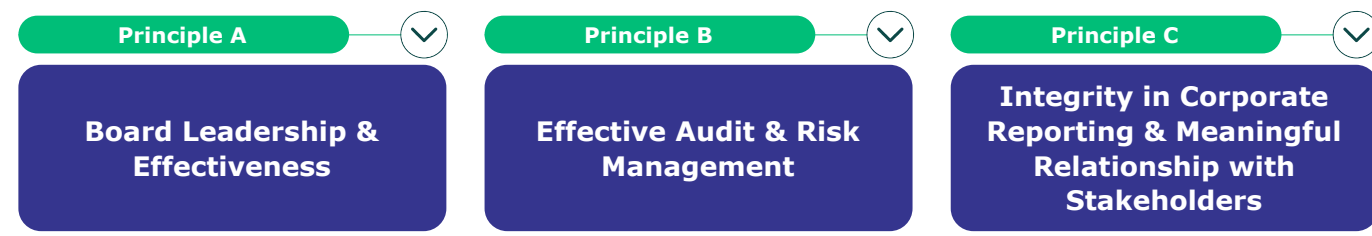
Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
GHG emissions	Scope 1	Metric tonnes of carbon dioxide equivalents (tCO2e)	92.24	Reduce Scope 1 and 2 emissions by 42% and 90%, by 2030 and 2050 respectively, against our 2021 baseline year	No assurance	
GHG emissions	Scope 2 Location-based	Metric tonnes of carbon dioxide equivalents (tCO2e)	1,00746	Reduce Scope 1 and 2 emissions by 42% and 90%, by 2030 and 2050 respectively, against our 2021 baseline year	No assurance	
GHG emissions	Scope 3 Cat.6: Business travel	Metric tonnes of carbon dioxide equivalents (tCO2e)	7707	—	No assurance	
GHG emissions	Scope 3 Cat.7: Employee commuting	Metric tonnes of carbon dioxide equivalents (tCO2e)	21715	—	No assurance	

CORPORATE GOVERNANCE OVERVIEW STATEMENT

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("the Board") of Kinergy Advancement Berhad ("Kinergy" or "the Group") remains wholly committed towards upholding with steadfastness the highest standard of corporate governance in managing the affairs of Kinergy and its subsidiary companies, guided by the Principles and Best Practices as set out in the Malaysian Code on Corporate Governance (MCCG or the Code).

The Board is pleased to present this Corporate Governance Overview Statement (CG Statement) to provide investors with an overview of the extent of compliance with three (3) Principles as set out below in the MCCG under the stewardship of the Board for the financial year ended 31 December 2025 ("FY2025") and/or up to the date of this CG Statement (where applicable) (hereinafter referred to as "Applicable Period"):-



This CG Statement also serves as compliance with Paragraph 15.25 of the Main Market Listing Requirements ("Main LR") of Bursa Malaysia Securities Berhad ("Bursa Securities"). In addition, the Corporate Governance Report (CG Report) which sets out the application of each Practice is available for viewing in the Group's corporate website at:



<https://www.kinergyadvancement.com/investor-relations/corporate-governance>

CORPORATE GOVERNANCE (CG) HIGHLIGHTS

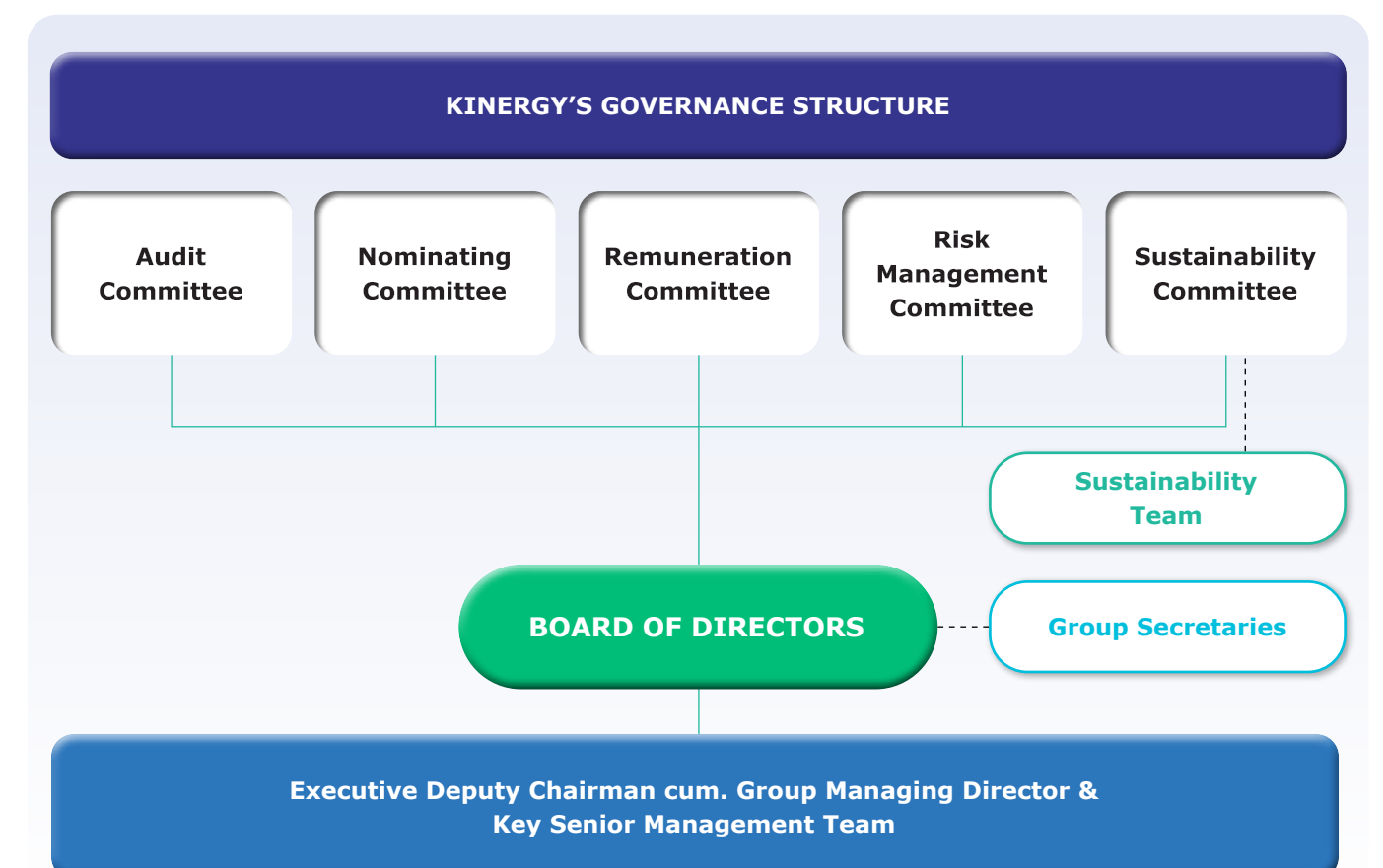
The Board is pleased to provide below a snapshot of the key CG focus areas for the Applicable Period:-

MCCG Practice	Applications by Kinergy
Practice 1.1 Key Responsibilities of the Board	- Board's strategic planning and direction to Executive Management. - Group business overview and financial performance oversight. - Risk Management oversight – assisted by Risk Management Committee ("RMC"). - Human resources planning and remuneration – ensure Executive Management retains key senior management personnel with integrity and competence. - Stakeholders' communication – designated spokesperson for external parties and general public. - Internal control and compliance – ensure robustness, adequacy, and integrity.
Practice 5.8 Nominating Committee is chaired by an Independent or Senior Independent Non-Executive Director	The Nominating Committee ("NC") is chaired by Ms. Tong Siut Moi (Ms. Tong), an Independent Non-Executive Director.
Practice 6.1 Formal and objective evaluation on Board, its Committees and each individual Director	Ms. Tong has been designated as the contact person to whom shareholders may raise their concerns. Facilitated by the Group Secretaries, Ms. Tong, as the Chair of the NC led the annual review of the Board effectiveness, ensuring the performance of each Director, the Board Committees, as well as the Board as a whole, were duly assessed by the NC and documented by the Company Secretaries.

ADOPTION OF STEP-UP PRACTICES

The Board is pleased to inform that Kinergy has gone a step further in strengthening its governance practices and processes by adopting the following Step-Up Practices of MCCG:-

MCCG Practice	Applications by Kinergy
Step Up Practice 4.5 The Board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the Group	- The Board has designated a Sustainability Manager to lead the SusTeam which is comprised of representatives from various departments / operations such as Finance, Corporate, Engineering Business Segment, and Energy Business Segment. - Formation of Sustainability Committee ("SusComm") with effect from 8 April 2022 and headed by Mr. Lu Chee Leong, an Independent Non-Executive Director. - SusTeam has been tasked with reporting on sustainability matters to the SusComm on a half-yearly basis.
Step Up Practice 9.4 The Audit Committee should comprise solely of Independent Non-Executive Directors	The Audit Committee ("AC") of Kinergy comprises of three (3) Independent Non-Executive Directors, namely Mr. Lu Chee Leong, Ms. Tong Siut Moi and Gs. Ts. Dr. Amanda Lee Sean Peik.
Step Up Practice 10.3 Risk Management Committee with a majority of Independent Non-Executive Directors	- Formation of a Board-level Committee i.e. RMC since 17 November 2017. - The RMC is chaired by Mr. Lu Chee Leong, an Independent Non-Executive Director. 66.7% of the RMC comprises INEDs and the remaining 33.3% are identified as key senior management personnel – having due regards to the nature of business and operating environment of the core business of Kinergy.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Principle A

Board Leadership & Effectiveness

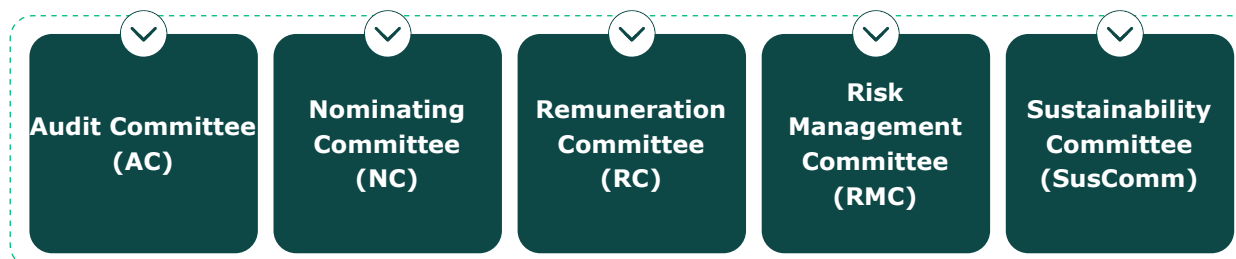
1. BOARD RESPONSIBILITY

Intended Outcome 1.0

Every company is headed by a Board, which assumes responsibility for the Group's leadership and is collectively responsible for meeting the objectives and goals of the Group.

(A) Board Functions

The Board is responsible for strategic planning, oversight, and the overall management of the Group. The Board has also delegated specific matters to various Board Committees which operate within their respective approved Terms of Reference ("TOR"). The Board leads and controls the affairs on behalf of the shareholders. The Board considers the interests of all stakeholders when making decisions to ensure that the twin objectives of enhancing prosperity and creating long-term shareholders' value are met. In addition, the Board monitors the performance of the Group's various areas of operations. To further elevate the compliance and to improve the Group's control environment, the following Board Committees are established:



This is to provide a clear division of responsibilities between the Executive Directors and Non-Executive Directors of the Board to attest to the good order of functions and performances. The Executive Directors are responsible for the implementation of the Board's decision and policies, overseeing of day-to-day management and coordination of business and strategic decisions. The Independent Non-Executive Directors play a significant role in bringing objectivity and scrutiny to the Board's deliberations and decision making. All material and important proposals that will significantly affect the policies, strategies, directions, and assets of the Group will be subject to approval by the Board.

The Board discharges its responsibilities in the best interests of the Group, as follows:

Strategy planning

- The Board provides direction and has in place a strategy planning process, where management presents its recommended strategy and business plans to the Board for review and approval before implementation.
- Since 2021, the Group has ventured into Solar Energy projects as a means to diversify and strengthen its financial position.
- During the FY2023, the Group has changed its name from Kejuruteraan Asastera Berhad to Kinergy Advancement Berhad to increase the Group's global presence.

Overseeing the conduct of the Group's business

- The Executive Deputy Chairman cum. Group Managing Director ("GMD") and the Executive Directors are responsible to oversee the daily management of the Group's business and operations. The GMD and the Executive Directors are assisted by various divisional heads in monitoring daily activities and further supported by the management and other committees established within the Group's management framework. The management's performance is monitored and assessed by the Board through management reports which are tabled to the Board on a periodic basis. These reports include a brief summary of business operations and comprehensive financial performance.
- The Board also required regular management updates of key strategic initiatives and operational issues within the Group.

Identifying Principal Business Risks and Ensuring the Implementation of Appropriate Systems to Manage Risks

- The Board would oversee the Enterprise Risk Management of the Group, with the assistance of RMC.
- The Board has established RMC, a Board-level Committee to determine and put in place a robust process for identifying, reporting, managing and monitoring potential high risk faced by the Group, apart from reviewing the risk management policies.
- RMC would also make feasible recommendations to the Board for establishing adequate and appropriate controls over the organisation, as well as advising the management in executing the appropriate action plan.

Succession Planning

- The Board, with the assistance from the NC, ensures that an appropriate framework and plan for succession within the Group are in place.
- The Board has also entrusted the GMD with the responsibility to review candidates, compensation packages and oversee development for key senior management personnel.

Shareholders' Communication Policy and Activities

- The Group believes in, and emphasises, the importance of communication among shareholders, stakeholders and the Group. The objective of such communication proves to forge a quality public performance and increases awareness and confidence of interested parties towards the Group. The Board endeavours to ensure that pertinent information such as Annual Reports, quarterly reports, and announcements are released on a timely basis via:
 - Bursa Securities' website
 - Kinergy's website
 - General Meetings
- In addition, the Board noted certain press releases will also be released in conjunction with the issuance of quarterly reports and/or to supplement the announcement(s) on corporate activities.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Reviewing the Adequacy and Integrity of Management Information and Internal Controls System of the Group

- The Board is ultimately responsible for the adequacy and integrity of the Group's internal control system.
- The Board has established Board-level Committees such as AC, RMC with specific terms of reference to assist with the regular oversight and reporting on internal controls and regulatory compliance.
- The internal audit function has been outsourced to an independent consulting firm and the AC regularly reviews and scrutinises the audit reports.
- For the FY2025, details relating to the internal control system and review of effectiveness were available in the Statement on Risk Management and Internal Control as set out in this Annual Report.
- For FY2025, the Board has met five (5) held meetings in line with the business, operational, and compliance needs of the Group. There are established procedures on the agenda, content, and presentation of reports for each meeting so that all pertinent information is included.

Environmental, Social, and Governance (ESG) Initiatives and Sustainability Governance

- The Board assumed the oversight of ESG initiatives and compliance with the establishment of a Board-level Committee known as "Sustainability Committee" ("SusComm").
- Chaired by Mr. Lu Chee Leong, an Independent Non-Executive Director, SusComm has taken over the role from the earlier established Management level, "Sustainable Team".
- In line with the above enhancement, the "Sustainable Team" has been renamed to "Sustainability Team" to cover beyond ESG initiatives which include sustainability programmes and implementation.
- During the FY2025, the SusComm had conducted three (3) meetings with the purpose of reporting the progress of the ESG initiatives and Sustainability Governance.
- The Group was successfully included in the FTSE Russell ESG 3-Star Rating for 2025 annual review conducted by FTSE Russell, a subsidiary of London Stock Exchange Group that produces, maintains, licenses, and markets stock market indices.

(B) Independent Board Chairman – Datuk Dr. Ong Peng Su

The Board is led by Datuk Dr. Ong Peng Su (Datuk Dr. Ong), the Independent Non-Executive Chairman of the Board since 15 April 2021.

Key Roles of Chairman

- Providing leadership to the Board in setting the direction and policies of the Group;
- Supporting and guiding management in achieving corporate objectives;
- Chairing the meetings of the Board in a manner that will encourage constructive discussion and effective contribution from each Director;
- Reviewing the minutes of meetings of the Board before meetings, to ensure that such minutes accurately reflect the Board's deliberations and matters arising from the minutes and on which further action is required have been addressed;
- Encouraging active participation and allowing dissenting views to be freely expressed;
- Promoting high levels of corporate governance; and
- Delegation of authority to Board Committees and ensuring the achievement of the objectives vide respective TOR.

Upholder of Good Corporate Governance Practices

- To ensure an effective overall functioning of the Board, the Chairman with the assistance of the GMD and Company Secretaries leads the Board in establishing and monitoring good corporate governance practices in the Group.
- For the FY2025, Datuk Dr. Ong chaired all the five (5) Board meetings held and encouraged active participation and healthy discussion to ensure that dissenting views can be freely expressed and discussed.
- In addition to offering his valuable experience to the Board and Management, Datuk Dr. Ong ensures that decisions are taken on a sound and well-informed basis, including to ensure that all strategic and critical issues are considered by the Board, and that Directors receives the relevant information on a timely basis.
- The positions of the Chairman and GMD are held by different individuals with clearly defined and distinct roles which are documented in the Board Charter.

Role Separation of Chairman and Managing Director

- As outlined in the Board Charter, the Chairman is primarily responsible for matters pertaining to the Board and the overall conduct of the Group.
- The GMD together with the Executive Directors oversee the running of the Group and the implementation of the Board's decisions, business strategies, and policies. There is also a clear demarcation of responsibilities between the roles of the GMD and Executive Directors to ensure a balance of authority and power, such that no one individual has unfettered powers of decision-making.
- There are clear roles and responsibilities between the Chairman, GMD, Executive Directors, and Independent Non-Executive Directors of the Board.
- All Independent Non-Executive Directors do not participate in the daily operations and management of the Group. There are no relationships or circumstances which are likely to affect, or could appear to affect, the Independent Non-Executive Directors' judgement. They are pivotal in bringing impartiality and scrutiny to the Board's deliberation and decision-making process.

(C) Company Secretaries

2 Company Secretaries



The Board is supported by two (2) suitably qualified and competent Company Secretaries as follows:-

- Ms. Chua Siew Chuan, FCIS
- Mr. Cheng Chia Ping, ACIS

Qualifications

- Both secretaries are members of the Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA") and are qualified to act as company secretary under Section 235(2) of the Companies Act 2016 (The Act).
- Both the Company Secretaries have also obtained their practising certificates issued by the Companies Commission of Malaysia pursuant to Section 241(1) of the Act.

CORPORATE GOVERNANCE
OVERVIEW STATEMENT

CORPORATE GOVERNANCE
OVERVIEW STATEMENT

Continuous Professional Development

- The Company Secretaries had and will continue to constantly keep themselves abreast on matters concerning company law, capital market, corporate governance, other pertinent matters and with changes in the same regulatory environment, through continuous training and industry updates.
- During the FY2025, the Company Secretaries have attended relevant development and training programmes as required by MAICSA for practising chartered secretaries to enhance their ability in discharging their duties and responsibilities.

Unrestricted Access to the Company Secretaries

- Every Director has ready and unrestricted access to the advice and services of the Company Secretaries in ensuring the effective functioning of the Board.
- The Directors were regularly updated and advised by the Company Secretaries on new statutory and regulatory requirements issued by regulatory authorities and its implications to the Company and the Directors in relation to their duties and responsibilities.
- The Company Secretaries also play a key role in facilitating communication between the Board and Management.

Salient Duties of the Company Secretaries

- Statutory duties as required under the Act, Main LR of Bursa Securities, and Capital Market and Services Act 2007;
- Attending Board meetings and Board Committee meetings, respectively;
- Ensuring that Board meetings and Board Committee meetings, respectively are properly convened and the proceedings are properly recorded;
- Ensuring timely communication of the Board level decisions to the Management for further action;
- Ensuring that all appointments to the Board and/or Board Committees are properly made in accordance with the relevant regulations and/or legislations;
- Maintaining records for the purpose of meeting statutory obligations;
- Facilitating the provision of information as may be requested by the Directors from time to time and ensuring adherence to Board policies and procedures;
- Facilitating the conduct of the assessments to be undertaken by the Board and/or Board Committees as well as to compile the results of the assessments for the Board and/or Board Committee's notation;
- Assisting the Board with the preparation of announcements for release to Bursa Securities; and
- Rendering advice and support to the Board and Management.

(D) Supply and Access to Information

The Board is led by Datuk Dr. Ong Peng Su (Datuk Dr. Ong), the Independent Non-Executive Chairman of the Board since 15 April 2021.

Ready Access to Information	• The Board may obtain all information pertaining to Kinergy from the Management and/or company secretaries.
Notification of Board Meetings	• The notice of the Board meeting is served at least seven (7) days prior to the Board meeting.
Dissemination of Board Papers	• Relevant Board papers were disseminated to all Directors at least seven (7) days prior to the Board meeting so as to accord sufficient time for the Directors to peruse the Board papers and to seek any clarification or further details that they may need from the management or the Group.
Written Procedure for Board's Request of Professional Advice	• The Board has established a written procedure for Board's Request of Professional Advice since June 2020 to ease the Directors' need to consult independent advisers, when deemed necessary.
Minutes of Board/ Committee Meetings	• All pertinent issues discussed at the meetings in arriving at decisions and conclusions are properly recorded in the discharge of the Board's duties and responsibilities. The management is also invited to attend Board meetings to furnish the Group with updates of their respective functions and to discuss on issues that may be raised by the Directors. • Minutes of the Board/Board Committees Meetings have been accurately recorded by the Company Secretaries to reflect the deliberations, in terms of the issues discussed, and the conclusions thereof in discharging its duties and responsibilities. • The minutes were then tabled then tabled at the next following Board/Board Committees Meetings for perusal and confirmation. Upon the Committee/Directors' confirmation, the Chairman of the Board/Board Committee Meetings signs the minutes as a correct record of the proceedings and thereafter, the said minutes of all proceedings are kept in the statutory book at the registered office of the Group to be made available for inspection under the Act.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Intended Outcome 2.0

There is demarcation of responsibilities between the Board, Board Committees and Management.

There is clarity in the authority of the Board, its Committees, and individual Directors.

(E) Board Charter

The Board is guided by a Board Charter. Kinergy was listed in November 2017 and the Board has adopted its Board Charter in the year 2018.

The latest Board Charter is available on Kinergy's website: <https://www.kinergyadvancement.com/investor-relations/corporate-governance>

The Group's Board Charter clearly identifies the respective roles and responsibilities of the Board, Board Committees and individual directors including, Independent Non-Executive Chairman and Executive Deputy Chairman cum. Group Managing Director. It also clearly identifies the issues and decisions reserved for the Board. The Board Charter will be periodically reviewed as and when necessary to ensure it remains relevant and consistent with the recommended best practices, and applicable rules and regulations.

Intended Outcome 3.0

The Board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency, and fairness.

The Board, management, employees, and other stakeholders are clear on what is considered acceptable behaviour and practice in the Group.

(F) Code of Conduct and Ethics

The Board strongly believes in applying good working ethics and code of conduct in all business dealings. The Directors of the Group are guided by the Code of Conduct and Ethics. The Code of Ethics sets out the compliance with Legal and Regulatory Requirements and the Group's Policies, Observance of Board Charter, Duty to Act in the Best Interest of the Group, Competence, Integrity, Objectivity, Confidentiality, and Fairness. The Group has also adopted the Fit and Proper Standards for Directors in ensuring all Directors set the tone and standards at the top with integrity and good character to nurture an ethical culture that engenders ethical conduct throughout all levels. The Code of Conduct and Ethics and Fit and Proper Standards for Directors is published on the Group's website.

The Ethics and Compliance Whistleblowing Policy and Procedures was adopted in year 2020 and updated in November 2025. The Ethics and Compliance Whistleblowing Policy and Procedures provides an avenue for raising concerns related to possible improprieties in matters of financial reporting compliance and other malpractices at the earliest opportunity, in an appropriate manner and without fear of retaliation.

The Ethics and Compliance Whistleblowing Policy and Procedures lays down the communication channel available, and the aim of this policy is to encourage the reporting of such matters in good faith, with the confidence that the person filing the report, to the extent possible, be protected from reprisal, victimisation, harassment, or subsequent discrimination. Any person who wishes to report a suspected impropriety may submit his/her report to the Chairman of the AC.

The Board is mindful of the importance of business sustainability and is committed to conduct its business in a socially responsible manner. The Board promotes good corporate governance through sustainability practices by implementing sustainable corporate strategies and practices. The Group has embraced good corporate responsibility practices in the areas of workplace, community, environment, and stakeholders' engagement.

Intended Outcome 4.0

The Group addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

(G) Sustainability Strategies, Priorities and Target

The Group recognises that sustainability is pertinent for creating long term value for its business as well as its commitment as a responsible corporate citizen. As such, the Group engages with internal and external stakeholders through various channels to develop a better understanding of their needs and expectations.

The Group has in place an ongoing process for identifying, evaluating, monitoring, and managing significant risks that may affect the achievement of business objectives, throughout the year. The Board members are appraised, and they provide their views and opinions on any of the Group's sustainability issues during the Board meetings.

The Board has identified a Sustainability Manager to lead and manage the integration of sustainability considerations in the operations of the Group. The Sustainability Manager reported to the Board on the development and progress of the ESG initiatives of the Group twice (2) in FY2025.

During the FY2025, the composition of the SusComm and the meeting attendance are as follows:

Name	Status of Directorate	Attendance	%
Lu Chee Leong (Chairman)	Independent Non-Executive Director	3/3	100
Datin Alicia Chan Pey Kheng	Executive Director (Group Chief Operating Officer)	3/3	100
Tong Siut Moi	Independent Non-Executive Director	3/3	100

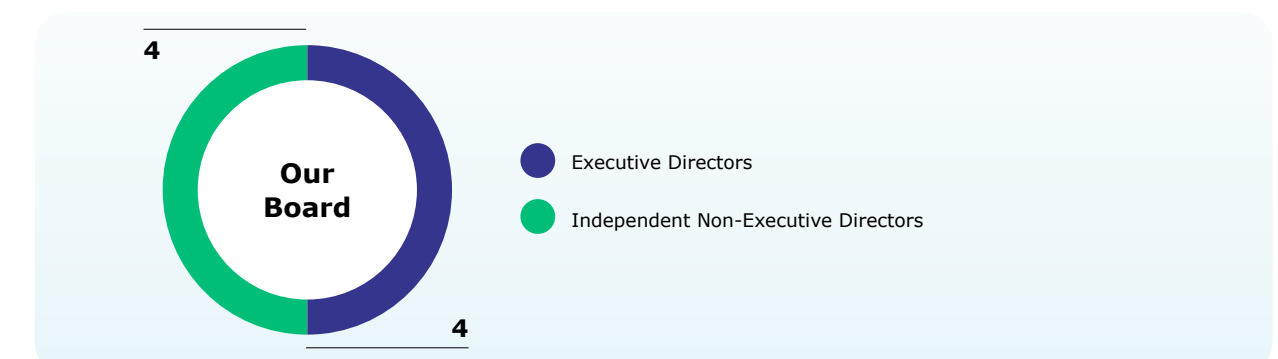
2. BOARD COMPOSITION

Intended Outcome 5.0

Board decisions are made objectively in the best interests of the Group taking into account diverse perspectives and insights.

(A) Composition of the Board

The Group takes serious effort to ensure the Board comprises members with suitable academic and professional qualifications, skills, expertise, and wide exposure. The Board currently comprises eight (8) members of whom four (4) members are Independent Non-Executive Directors as follows:-



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Name	Status of Directorate
Datuk Dr. Ong Peng Su	Independent Non-Executive Chairman
Dato' Lai Keng Onn	Executive Deputy Chairman cum. Group Managing Director
Datin Alicia Chan Pey Kheng	Executive Director
Dato' Seri Nazir Hussin bin Akhtar Hussin (Appointed w.e.f. 15 July 2025)	Executive Director
Jonathan Wu Jo-Han	Executive Director
Lu Chee Leong	Independent Non-Executive Director
Tong Siut Moi	Independent Non-Executive Director
Gs. Ts. Dr. Amanda Lee Sean Peik	Independent Non-Executive Director
Choong Gaik Seng (Resigned w.e.f. 15 July 2025)	Executive Director
Datuk Wira Mubarak Hussain bin Akhtar Husin (Resigned w.e.f. 24 October 2025)	Non-Independent Non-Executive Director

All four (4) Independent Non-Executive Directors fulfil the criteria of independence, as defined in the Main LR of Bursa Securities.

A brief profile of each Director is presented in the Profile of Directors section of this Annual Report. The composition of the members of the Board reflects a good mix of experience, backgrounds, skills, and qualifications which are vital to the sustainability and growth of Kinergy.

(B) Tenure of Independent Directors

Practice 5.3 of the MCCG states that the tenure of an Independent Non-Executive Director should not exceed a cumulative term of nine (9) years. However, an Independent Non-Executive Director may continue to serve the Board subject to the Independent Non-Executive Director's re-designation as a Non-Independent Non-Executive Director. In the event the Board intends to retain the Director as Independent after a cumulative term of nine (9) years, justifications from the Board and shareholders' approval at a general meeting are required.

Mr. Lu Chee Leong ("Mr. Lu") and Ms. Tong Siut Moi ("Ms. Tong"), the Independent Non-Executive Directors, will be serving on the Board for a cumulative period of exceeding nine (9) years and have both expressed their willingness to continue serving in this capacity.

Pursuant to the annual performance and independence assessment conducted by the Board through the Nominating Committee (NC), Mr. Lu and Ms. Tong were evaluated based on their skills, experience, and ability to exercise independent judgement. The Board, based on the NC's recommendation, considers them to remain independent and recommends that they be retained as Independent Non-Executive Directors, subject to shareholders' approval through a two-tier voting process in accordance with the Guidance to Practice 5.3 of the Malaysian Code on Corporate Governance (MCCG).

(C) Recruitment Process and Annual Assessment of Directors and Independent Non-Executive Directors

The Board had on 30 June 2022 adopted the Directors' Fit and Proper Policy (Policy) which is aligned with the amendments of the Main LR. The Board believes that it is in the best interest of the Group and its stakeholders that its Directors are of the required character, experience, integrity, and competency to effectively and diligently discharge their responsibilities and duties and contribute to the proper governance of the Group and its subsidiaries. This Policy forms part of the established and approved policy and procedures on nomination and appointment of Director and re-appointment of Director.

The Board has put in place the necessary selection criteria for the appointment of Directors. Through the Board Effectiveness Evaluation, the Directors are assessed annually and the findings are consolidated in a performance report which is analysed and tabled to the NC for review and endorsement by the Board.

All nominees and candidates to the Board are first considered by the NC taking into consideration the mix of skills, competencies, experience, integrity, time commitment, and other qualities required to effectively discharge his or her role as a Director. The NC will then endorse the nominees and candidates for approval by the Board.

On the appointment of key senior management personnel, candidates are first considered by the NC where focus is on their skills set, competencies, experience, integrity, and other qualities, prior to recommendation for approval by the Board.

For the FY2025, facilitated by the Company Secretaries, an annual evaluation of the Board, its committees and all Directors was conducted on 27 February 2026.

Re-appointment of Directors of the Group is in accordance with the Group's Constitution and good corporate governance practice. The performance of each Director of the Group was appraised by other Directors based on the characteristic of integrity, governance, participation, decision, independence, and strategic perspective. Thereafter, the evaluation survey questionnaires are compiled into a summary report.

The report is presented to the NC before tabling to the Board.

The NC and the Board had been guided by the said Policy in evaluating and considering the re-election of Datuk Dr. Ong Peng Su, Datin Alicia Chan Pey Kheng, Mr. Jonathan Wu Jo-Han, and Dato' Seri Nazir Hussin bin Akhtar Hussin as the Directors of the Group ("Retiring Directors") at the forthcoming 29th Annual General Meeting of the Group.

The Retiring Directors had executed the Directors' Fit and Proper Declaration Form.

Upon evaluation, the NC and the Board are satisfied with the declaration made by the Retiring Directors and recommended the re-election of the Retiring Directors to the shareholders for approval at the forthcoming 29th AGM.

For the FY2025, all the Directors met the expectations of the criteria set out in discharging their duties and responsibilities.

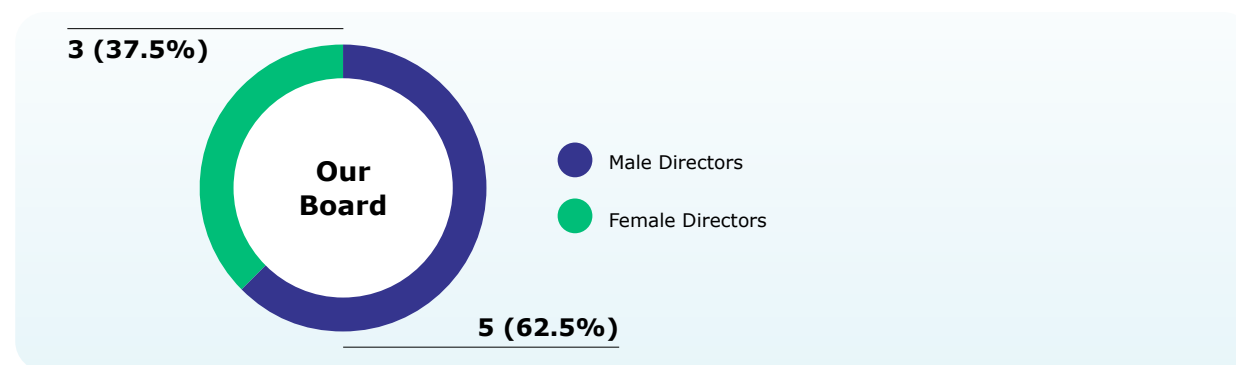
The performance and effectiveness of the Director and the Board were assessed individually and collectively, which include Directors' Self and Peer Evaluation, using evaluation survey questionnaires to evaluate the overall Board's performance against criteria that the Board determines are important to its success. The Board's performance and effectiveness evaluation in the FY2025 reported that the Board continues to operate effectively.

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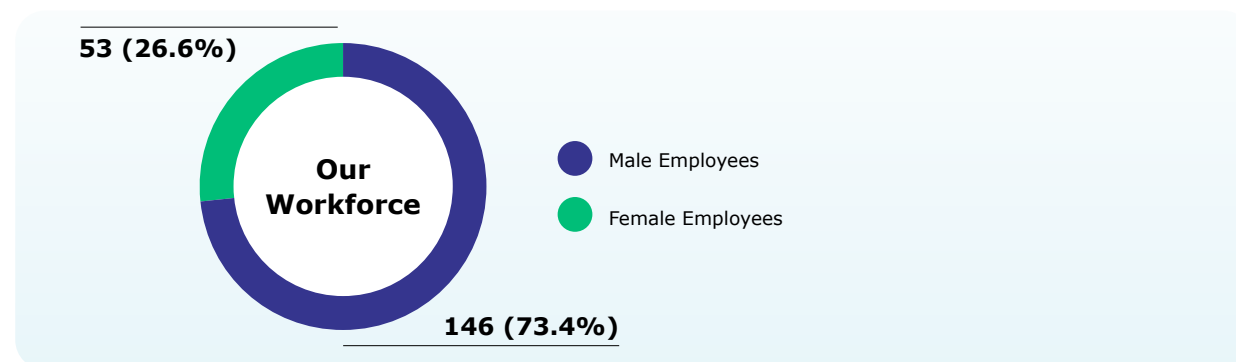
(D) Board Diversity

A gender diversity policy in accordance with the best practices of MCCG had been adopted in 2018. As at the date of this report, the Board comprised three (3) female directors, out of eight (8) directors, representing 37.5% of the total Board members.



(E) Workforce Diversity

Our male and female employees' ratio shows a distribution of 146:53 as at 31 December 2025. Our total staff stood at 199 as at 31 December 2025.



(F) Nominating Committee

The Group places high importance to ensure the Board comprises members with suitable academic and professional qualifications, skills, expertise and wide exposure. The NC always monitors that there is an appropriate balance of expertise and ability. In addition, the NC also regularly assesses the effectiveness of the Board as a whole and the contribution of each individual director including Independent Non-Executive Directors.

During the FY2025, the composition of the NC and the meeting attendance are as follows:

Name	Status of Directorate	Attendance	%
Tong Siut Moi (Chairperson)	Independent Non-Executive Director	1/1	100
Lu Chee Leong	Independent Non-Executive Director	1/1	100

(F) Nominating Committee (cont'd)

The NC is empowered to bring to the Board, recommendations as to the appointment of any new Executive or Independent Non-Executive Director, provided that the Chairperson of the NC, in developing such recommendations, consults all Directors and reflects that consultation in any recommendation of the NC brought forward to the Board. In making its recommendation, the NC will consider the required mix of skills, knowledge, expertise, experience, and other qualities, including core competencies which Directors of the Group should bring to the Board.

To ensure the Board has an appropriate balance of expertise and ability, the NC would regularly review the profile of the required skills and attributes. This profile is used to assess the suitability as Executive or Non-Executive Directors for candidates put forward by the Directors and outside consultants. In addition, the NC also regularly assesses the effectiveness of the Board as a whole and the contribution of each individual Director including Independent Non-Executive Directors. All assessments and evaluations carried out by the NC in discharging its functions have been well documented.

The main activities carried out by the NC include the following:-

- Reviewed and confirmed the minutes of the NC meeting held in FY2025;
- Examined the composition of the Board;
- Evaluated the effectiveness of the Board and the Committees of the Board as a whole;
- Evaluated the contribution and performance of each Director;
- Reviewed the independence of the Independent Non-Executive Directors;
- Reviewed and recommended to the Board on the re-election of the Directors on rotation at the forthcoming annual general meeting (AGM) of the Group;
- Reviewed and recommended to the Board on the re-designation of the position of the Directors;
- Performed exit interview with the resigned Director; and
- Performed interviews with the appointing Directors.

(G) Time Commitment

The Group has high expectations on the availability and commitment of its Board members. The Board meets at least quarterly to consider, inter alia all matters relating to the overall control, business performance and strategy, annual business plans and budgets, operational and financial performance reports, quarterly reports, capital expenditure of the Group. Additional meetings will be called as and when necessary.

Kinergy has adopted a Written Guideline issued in relation to the time commitment of the Board members since year 2020 which was updated in August 2023.

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To ensure attendance of Board meetings, the meeting dates for the calendar year are set at the beginning of the year in which the Board usually confirms their attendance for each meeting. The attendance record of the Directors for FY2025 was considered satisfactory.

During the FY2025, the Board held a total of five (5) meetings and details of the attendance record of the Board are set out below:

Name	Status of Directorate	Attendance	%
Datuk Dr. Ong Peng Su	Independent Non-Executive Chairman	5/5	100
Dato' Lai Keng Onn	Executive Deputy Chairman cum. Group Managing Director	5/5	100
Datin Alicia Chan Pey Kheng	Executive Director	5/5	100
Dato' Seri Nazir Hussin bin Akhtar Hussin <i>(Appointed w.e.f. 15 July 2025)</i>	Executive Director	2/2	100
Jonathan Wu Jo-Han	Executive Director	5/5	100
Lu Chee Leong	Independent Non-Executive Director	5/5	100
Tong Siut Moi	Independent Non-Executive Director	5/5	100
Gs. Ts. Dr. Amanda Lee Sean Peik	Independent Non-Executive Director	5/5	100
Choong Gaik Seng <i>(Resigned w.e.f. 15 July 2025)</i>	Executive Director	3/3	100
Datuk Wira Mubarak Hussain bin Akhtar Husin <i>(Resigned w.e.f. 24 October 2025)</i>	Non-Independent Non-Executive Director	3/4	75

In the intervals between Board Meetings, for any matters requiring Board's decision, the Board's approvals are obtained through Directors' Written Resolutions ("DWR"). The resolutions passed by way of DWR would also be tabled for notation at the subsequent Board Meeting.

(I) Directors' Continuous Professional Development

The Group recognises the need to enhance the skills of the Board members. All Directors of the Group have successfully completed the Mandatory Accreditation Programme as required by Bursa Securities on all directors of listed companies.

The Directors will continue to undergo other relevant training programmes to keep themselves abreast with the relevant changes in laws, regulations, and business development.

During the FY2025, the Directors have collectively attended thirty-six (36) development and training programmes according to their individual needs to enhance their ability in discharging their duties and responsibilities more effectively. The details of these training programmes were as appended below:-

Director	Date	Type	Training Programme
Datuk Dr. Ong Peng Su	16.08.2025	Training	Decoding Transactions and RPT Rules
Dato' Lai Keng Onn	12.07.2025	Training	ISO 37001:2016 Anti-Bribery Management System (ABMS) Leadership Awareness Training
	16.08.2025	Training	Decoding Transactions and RPT Rules
	02.10.2025	Training	Navigating Sustainability and Climate-Related Risks, Opportunities and Net-Zero Goals
	10.10.2025	Training	ESG & Sustainability Training: Project Sustainability and Scope 3 Emissions
Datin Alicia Chan Pey Kheng	05.07.2025	Training	LHDN E-Invoice
	12.07.2025	Training	ISO 37001:2016 Anti-Bribery Management System (ABMS) Leadership Awareness Training
	16.08.2025	Training	Decoding Transactions and RPT Rules
	02.10.2025	Training	Navigating Sustainability and Climate-Related Risks, Opportunities and Net-Zero Goals
Dato' Seri Nazir Hussin bin Akhtar Hussin	10.10.2025	Training	ESG & Sustainability Training: Project Sustainability and Scope 3 Emissions
	16.08.2025	Training	Decoding Transactions and RPT Rules
	06.10.2025	Training	ISO 14001:2015 Appreciation & Interpretation Training
	10.10.2025	Training	ESG & Sustainability Training: Project Sustainability and Scope 3 Emissions
Jonathan Wu Jo-Han	06.07.2025	Training	Leading for Impact
	12.07.2025	Training	ISO 37001:2016 Anti-Bribery Management System (ABMS) Leadership Awareness Training
	16.08.2025	Training	Decoding Transactions and RPT Rules
	02.10.2025	Training	Navigating Sustainability and Climate-Related Risks, Opportunities and Net-Zero Goals
	10.10.2025	Training	ESG & Sustainability Training: Project Sustainability and Scope 3 Emissions

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Director	Date	Type	Training Programme
Lu Chee Leong	15.01.2025	Training	MIA Accounting & Financial Technology Showcase 2025
	26.02.2025	Training	Public Sector Sustainability Reporting
	23.04.2025	Training	Building Trust and Managing Risks in AI
	30.04.2025	Training	Tools and Technologies for Sustainability Reporting in Malaysia
	12.07.2025	Training	ISO 37001:2016 Anti-Bribery Management System (ABMS) Leadership Awareness Training
	17.07.2025	Training	Measure sustainability performance optimally Target setting and choosing the right metrics
	16.08.2025	Training	Decoding Transactions & RPT Rules
	28.08.2025	Training	Building An AI Literate Finance Team
	10.10.2025	Training	ESG & Sustainability Training: Project Sustainability and Scope 3 Emissions
Tong Siut Moi	10.04.2025	Training	Percentage Ratios Made Easy
	12.07.2025	Training	ISO 37001:2016 Anti-Bribery Management System (ABMS) Leadership Awareness Training
	16.08.2025	Training	Decoding Transactions and RPT Rules
	02.10.2025	Training	Navigating Sustainability and Climate-Related Risks, Opportunities and Net-Zero Goals
	10.10.2025	Training	ESG & Sustainability Training: Project Sustainability and Scope 3 Emissions
Gs. Ts. Dr. Amanda Lee Sean Peik	29 – 30.04.2025	Training	Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
	12.07.2025	Training	ISO 37001:2016 Anti-Bribery Management System (ABMS) Leadership Awareness Training
	16.08.2025	Training	Decoding Transactions and RPT Rules
	10.10.2025	Training	ESG & Sustainability Training: Project Sustainability and Scope 3 Emissions

2026 Training Needs

Upon review of the training needs of the Directors for the financial year ending 31 December 2026 and recognising the need to keep abreast with the fast-changing business and regulatory environment, the Board has encouraged its members to attend at least one (1) continuing education programme.

(J) Annual Assessment of the Board**Intended Outcome 6.0**

Stakeholders are able to form an opinion on the overall effectiveness of the Board and individual Directors.

In compliance with Practice 6.1 of the MCCG, on behalf of the Board, the NC conducted the following assessments annually and subsequently reported the respective results to the Board for notation:-

(a) Directors' self and peers performance evaluation

The evaluation forms were circulated to each and every Director for completion. The Directors are required to assess his/her own performance, as well as the performance of his/her peers based on the questionnaire provided. The evaluation results were compiled by the company secretaries and tabulated at the NC meeting, for the NC's review.

In conducting the evaluation, the NC had assessed the performance of each individual Director based on the following main criteria:-

- Fit and proper;
- Contribution and performance; and
- Caliber and personality.

Overall, the NC is satisfied with the performance of the individual Directors for the FY2025.

(b) Evaluation on the effectiveness of Board and its Committees

The evaluation forms were completed by the members of the NC on individual basis. The evaluation results were compiled by the company secretaries and tabulated at the NC meeting, for NC's review.

In conducting the evaluation, the following main criteria were adopted by the NC:-

- Board operations;
- Board roles and responsibilities; and
- Board performance.

Based on the evaluation conducted for the FY2025, the NC was satisfied with the performance of the Board and its Committees.

Upon review, the NC agreed that the current board size of eight (8) Directors befit the size and business operations of Kinergy.

(c) Annual assessment of independence of Directors

The Board noted that Letters of Declaration by Independent Non-Executive Directors have been executed by the following Independent Non-Executive Directors of the Group, confirming their independence pursuant to relevant Main LR of Bursa Securities. They have undertaken to inform the Group immediately if there is any change which could interfere with the exercise of their independent judgement or ability to act in the best interest of the Group:-

- Datuk Dr. Ong Peng Su;
- Mr. Lu Chee Leong;
- Ms. Tong Siut Moi; and
- Gs. Ts. Dr. Amanda Lee Sean Peik.

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Based on the outcome of the abovementioned assessments, the Board is satisfied with the level of independence demonstrated by the Independent Non-Executive Directors and their ability to act in the best interest of the Group.

The Board considers that its Independent Non-Executive Directors provide an objective and independent views on various issues at the Board and Board Committee level.

Save for the Executive Directors, all Non-Executive Directors satisfy the criteria of an Independent Non-Executive Director as defined under the Main LR of Bursa Securities which include being independent of management, free from any business or relationship which could interfere with the exercise of independent judgement, objectivity or the ability to act in the best interests of the Group, and also being independent of its major shareholder.

The Board is of the view that the current composition of Independent Non-Executive Directors fairly reflects the interest of minority shareholders in the Group through the Board representation.

(d) Re-election/Re-appointment to the Board

i. Re-election of existing Directors

All Directors are subject to re-election by shareholders after their first appointment on the forthcoming AGM. The Group's Constitution states that at least 1/3 of the Directors are required to retire from office by rotation annually and subject to re-election at each AGM and all Directors stand for re-election at least once in every three (3) years.

Clause 78 of the Constitution of the Group also outlines that any person appointed by the Board either to fill a casual vacancy or as an addition to the Existing Directors, shall hold office until the conclusion of the next AGM and shall then be eligible for re-election.

The NC, as guided by the Directors' Assessment Policy, has undertaken a formal assessment of the Retiring Directors using the abovementioned criteria and was satisfied with the performance of the Retiring Directors.

The following Directors shall retire at the forthcoming 29th AGM pursuant to Clauses 76(3) and 78 of the Constitution of the Group respectively:-

- Datuk Dr. Ong Peng Su (Clause 76(3));
 - Datin Alicia Chan Pey Kheng (Clause 76(3));
 - Mr. Jonathan Wu Jo-Han (Clause 76(3)); and
 - Dato' Seri Nazir Hussin bin Akhtar Hussin (Clause 78).
- (collectively, the "Retiring Directors").

Based on the outcome of the assessments and evaluation on the Directors concerned, the Board is satisfied with the performance and contribution of the Retiring Directors, and their ability to act in the best interest of the Group.

Therefore, the Board would be recommending to the shareholders, the re-election of the Retiring Directors at the forthcoming 29th AGM of the Group. The Board would cordially invite shareholders to vote in favour in respect of the resolutions for the re-election of the Retiring Directors.

3. REMUNERATION

Intended Outcome 7.0

The level and composition of remuneration of Directors and senior management take into account the Group's desire to attract and retain the right talent in the Board and senior management to drive the Group's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

(A) Remuneration Committee ("RC")

The RC comprises exclusively of Independent Non-Executive Directors as follows:

Name	Status of Directorate	Attendance	%
Tong Siut Moi (Chairperson)	Independent Non-Executive Director	1/1	100
Lu Chee Leong	Independent Non-Executive Director	1/1	100

The Board delegates to the RC the responsibility to consider and approve the remuneration arrangements of the Directors and key senior management personnel in the Group to ensure that the policy is fair and able to attract and maintain talent.

The RC is guided by appropriate policies and procedures when reviewing and recommending remuneration of Directors and key senior management personnel. The RC ensures that the levels of remuneration for Executive Directors and key senior management personnel commensurate with their level of responsibilities undertaken and contributions to the effective functioning of their roles.

The RC met once during the FY2025, reviewed and recommended to the Board for approval on the following matters:-

- Minutes of the RC held in FY2025;
- Directors' fees for the financial year ending 31 December 2025;
- Directors' fees payable to the new Chairman; and
- Payment of benefits payable to the Directors under Section 230(1)(b) of the Act.

The TOR of the RC is available for viewing at the Group's corporate website at <https://www.kineryadvancement.com/investor-relations/corporate-governance>

Intended Outcome 8.0

Stakeholders are able to assess whether the remuneration of Directors and senior management is commensurate with their individual performance, taking into consideration the Group's performance.

(B) Details of the Directors' Remuneration for the FY2025

The remuneration of Non-Executive Directors is proposed by the RC before tabling to the Board for further recommendation to the Shareholders for approval.

The fees proposed for Non-Executive Directors will be tabled for the shareholders' approval at the Group's 29th Annual General Meeting scheduled on 15 June 2026.

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The amounts of remuneration paid to Directors are disclosed in the notes to the audited financial statements. The details of the nature and amount of each major element of the Directors' remuneration for the FY2025 are as follows:

Name of Directors	Directors' Fees	Directors' Remuneration				Total
		Salary & Allowance	Bonus	Benefits-in-kind	Others	
Executive						
Dato' Lai Keng Onn	-	1,553,592	212,960	25,000	187,688	1,979,240
Choong Gaik Seng	-	361,330	14,036	25,000	14,209	414,575
Dato' Seri Nazir Hussin bin Akhtar Hussin	-	138,710	-	-	13,392	152,102
Datin Alicia Chan Pey Kheng	-	733,623	113,740	-	89,288	936,651
Jonathan Wu Jo-Han	-	433,250	80,250	22,917	53,240	589,656
Non-Executive						
Tong Siut Moi	79,200	-	-	-	-	79,200
Lu Chee Leong	91,200	-	-	-	-	91,200
Datuk Dr. Ong Peng Su	300,000	-	-	-	-	300,000
Datuk Wira Mubarak Hussain bin Akhtar Husin	55,000	-	-	-	-	55,000
Gs. Ts. Dr. Amanda Lee Sean Peik	60,000	-	-	-	-	60,000
2025	585,400	3,220,505	420,986	72,917	357,816	4,657,623

(C) Details of top five (5) Senior Management's remuneration for the FY2025

The remuneration of the top five (5) Senior Management of the Group is as follows:-

Total Amount of Remuneration	Number of Senior Management
MYR100,000 and below	-
MYR100,001 to MYR200,000	1
MYR200,001 and above	4
Total	5

The Board has considered this practice and is of the opinion that the disclosure of the top five (5) Senior Management's remuneration on a named basis would not be in the best interest of the Group.

The Board will ensure that the remuneration of Senior Management is fair and commensurate with the performance of the Group and the contribution made by the Senior Management.

Principle B

Effective Audit and Risk Management

1. BOARD RESPONSIBILITY

Intended Outcome 9.0

There is an effective and independent Audit Committee.

The Board is able to objectively review the Audit Committee's findings and recommendations.

The Group's financial statement is a reliable source of information.

(A) Audit Committee and Risk Management Committee

During the FY2025, the composition of the AC and the meeting attendance are as follows:

Name	Status of Directorate	Attendance	%
Lu Chee Leong (Chairman)	Independent Non-Executive Director	5/5	100
Tong Siut Moi	Independent Non-Executive Director	5/5	100
Gs. Ts. Dr. Amanda Lee Sean Peik	Independent Non-Executive Director	5/5	100

During the FY2025, the composition of the RMC and the meeting attendance are as follows:

Name	Status of Directorate	Attendance	%
Lu Chee Leong (Chairman)	Independent Non-Executive Director	2/2	100
Tong Siut Moi	Independent Non-Executive Director	2/2	100
Dato' Lai Keng Onn	Executive Deputy Chairman cum. Group Managing Director	2/2	100

No appointment of former key audit partners as Audit Committee/ Board Member

Practice 9.2 of the MCCG requires the AC to have a policy that requires a former key audit partner to observe a cooling-off period of at least three (3) years before being appointed as a member of the AC.

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Financial Reporting

The Board has always endeavoured to provide true, fair and comprehensive financial reporting of the Group’s performance in the audited financial statements and quarterly financial reports together with material disclosures in the notes to accounts. The AC assists the Board in discharging its fiduciary duties by ensuring that the audited financial statements and quarterly financial reports are prepared in accordance with the Malaysian Financial Reporting Standards (MFRS) and Main LR of Bursa Securities.

In presenting the annual audited financial statements and quarterly financial reports to shareholders, the Board aims to present a balanced and fair assessment of the Group’s financial position and prospects. The AC reviews the Group’s quarterly financial results and annual audited financial statements to ensure accuracy, adequacy, and completeness prior to presentation to the Board for its approval.

Compliance with Applicable Financial Reporting Standards

The Board is committed to provide a balanced, clear, and meaningful assessment of the financial performance of the Group via all relevant disclosures and announcements made.

The AC assists the Board to oversee and scrutinises the process and quality of financial reporting, which includes monitoring and reviewing the integrity of the financial statements and appropriateness of the Group’s accounting policies to ensure accuracy, adequacy, and completeness of the report, as well as compliance with the relevant accounting standards.

Assessment of Suitability and Independence of External Auditors

The AC performs an annual assessment on the performance, suitability and independence of the external auditors as well as reviewing the non-audit services provided by the external auditors, if any, based on the four (4) key areas:

- Quality of service;
- Sufficiency of resources;
- Communication and interaction; and
- Independence and objectivity.

Kinergy has established transparent and appropriate relationship with the external auditors through AC. The AC has obtained an assurance from the external auditors confirming that they were, and had been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

The AC is satisfied with the competence and independence of the external auditors.

The AC had met with the external auditors two (2) times in FY2025.

The AC’s TOR include the review of and deliberation on the Group’s financial statements, the audit findings of the external auditors arising from their audit of the Group’s financial statements and the audit findings and issues raised by internal auditors together with the management’s responses thereon.

External auditors, internal auditors, Executive Directors and members of senior management attend the meetings at the invitation of the AC.

For details on the functions, composition, membership, and summary of works of the AC in the FY2025, please refer to the AC Report in this Annual Report.

Intended Outcome 10.0

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The Board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the Group’s objectives is mitigated and managed.

(B) Risk Management and Internal Control

The Board is committed to maintain a good risk management framework and sound system of internal control within the Group. The Group has an embedded risk management framework process for the identification, evaluation, reporting, treatment, monitoring and review of the major strategic, business and operational risks within the Group.

Both AC and RMC assist the Board in discharging these responsibilities by overseeing the risk management framework and advise the Board on areas of high risk encountered by the Group as well as the adequacy of compliance and controls. The AC and RMC also review the action plan implemented and make relevant recommendations to the Board to manage residual risks.

Intended Outcome 11.0

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

The internal audit function of the Group is outsourced to an independent professional services firm to provide the AC and the Board with the assurance they require pertaining to the adequacy and effectiveness of internal control.

The details of the internal control system are set out in the Statement of Risk Management and Internal Control in this Annual Report.

Principle C



Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

(A) Communication with Stakeholders

Intended Outcome 12.0

There is continuous communication between the Group and stakeholders to facilitate mutual understanding of each other’s objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the Group, its policies on governance, the environment and social responsibility.

Corporate Disclosure Policy

The Board has set up pertinent corporate disclosure policies and exercises close monitoring of all price sensitive information required to be released to Bursa Securities and makes material announcements to Bursa Securities in a timely manner.

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Dissemination of Information

The Group exercises close monitoring of all price sensitive information required to be released to Bursa Securities and makes material announcements to Bursa Securities in a timely manner. In accordance with best practices, the Board would strive to disclose price sensitive information to the public as soon as practicable through Bursa Securities, the media and the Group's website. Price sensitive information refers to any information that, on becoming generally available, would tend to have a material effect on the market price of the Group's listed shares.

Members of the Board and key senior management personnel with privy to price sensitive information are prohibited from dealing in the shares of the Group until such information is publicly available. This is in addition to the provisions relating to the "closed period" for dealing in the Group's shares.

In addition, the Group's website incorporates an Investor Relations section where the annual report and quarterly financial report would be captured. Directors' Report and Audited Financial Statements, Annual Reports, Quarterly Report together with the Group's announcements and other information about the Group are available on our website (<https://www.kinergyadvancement.com/>).

Communication and Engagement with Shareholders

The Group communicates with its shareholders through the timely release of financial results on a quarterly basis, annual report, press releases and announcements to Bursa Securities. Financial results and press releases are also placed on the corporate website to keep shareholders and investors informed of the Group's performance.

Shareholders, investors and members of the public who wish to contact the Group on any enquiry, comment or proposal can channel them through e-mail at kab@kinergyadvancement.com.

Shareholders and investors can obtain the Group's latest announcements such as quarterly financial report at Bursa Securities' website (www.bursamalaysia.com) and the Group's website (<https://www.kinergyadvancement.com/>).

(B) Conduct of General Meeting

Intended Outcome 13.0

Shareholders are able to participate, engage the Board and senior management effectively and make informed voting decisions at General Meetings.

Shareholders Participation at General Meeting

In addition to communicating and engaging shareholders through annual reports, annual general meetings, continuing and timely disclosures of information, the Group welcomes dialogues with shareholders and investors to discuss issues and obtain feedback.

The Notice of Annual General Meeting is issued to the shareholders together with this 2025 Annual Report 28 days before the Annual General Meeting. This would accord sufficient time for the shareholders to make the necessary arrangements to attend and participate in person or by proxy. In conjunction with this, Annual Reports are dispatched together with all relevant information supporting each proposed resolution to enable the shareholders to evaluate and vote accordingly. All Directors of the Group will present at the Group's General Meetings to answer any questions that the shareholders may ask. The Chairman of the meeting provides time for the shareholders to ask questions for each agenda in the notice of the annual general meeting. The external auditors will also be present at the annual general meeting to answer any questions that the shareholders may ask.

Poll Voting

In line with the Main LR of Bursa Securities, all resolutions put to general meetings will be voted by poll. An independent scrutineer will be appointed to validate the votes cast at general meetings.

The Group had engaged Securities Services (Holdings) Sdn. Bhd. to act as the Poll Administrator, while Commercial Quest Sdn. Bhd. was the appointed Independent Scrutineer to verify the poll results.

STATEMENT OF COMPLIANCE WITH THE RECOMMENDATIONS OF THE CODE

The Board is committed to adopt the Practices of the MCCG throughout the Group applying the highest level of integrity and ethical standards in all its business dealings.

The Board is of the opinion that for FY2025, the Group has substantially complied with the Principles and Best Practices as set out in the Code.

Key Focus Areas for financial year ending 31 December 2026 ("FY2026")

The key priorities of our CG Practices for FY2025 are as follows:

- Ensuring the integrity of the Group's financial accounting and reporting process be maintained;
- Ensuring the internal and external audit process as well as risk management oversight by the Board be duly maintained; and
- ESG initiatives be duly implemented and disclosed accordingly.

This Statement is approved by the Board of Directors at the Board Meeting held on 28 April 2026.

AUDIT COMMITTEE REPORT

AUDIT COMMITTEE REPORT

The Board of Directors (“the Board”) of Kinergy Advancement Berhad (“Kinergy” or “the Group”) is pleased to present the Audit Committee (“AC”) Report which provides insights as to the manner the AC discharged its functions for Kinergy and its subsidiary companies for the financial year ended 31 December 2025 (“FY2025”).

COMPOSITION AND ATTENDANCES

Currently, the AC comprises three (3) members, which consist of three (3) Independent Non-Executive Directors. This complies with Paragraph 15.09(1)(a) and (b) of the Main Market Listing Requirements (“Main LR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”).

Five (5) meetings were held during FY2025, and the attendance of the AC members were as follows:

Name	Status of Directorate	Attendance	%
Lu Chee Leong (Chairman)	Independent Non-Executive Director	5/5	100
Tong Siut Moi	Independent Non-Executive Director	5/5	100
Gs. Ts. Dr. Amanda Lee Sean Peik	Independent Non-Executive Director	5/5	100

Mr. Lu Chee Leong is a member of Association of Chartered Certified Accountants and also a Chartered Accountant of the Malaysian Institute of Accountants which fulfils the requirement under Paragraph 15.09(c)(i) of the Main LR of Bursa Securities. In compliance with Practice 9.1 of the Malaysian Code on Corporate Governance, the AC Chairman is not the Chairman of the Board of the Group.

No alternate director of the Board shall be appointed as a member of the AC. Neither any of the AC members was previously a partner in the incumbent External Auditors, Messrs. HLB Ler Lum Chew PLT in the previous three (3) years. Also, none of the AC members hold any financial interest in Messrs. HLB Ler Lum Chew PLT.

The performance of the AC and each of its members was reviewed by the Nominating Committee (“NC”) on 28 February 2025. The NC assented to the demonstrated satisfactory performance of the AC and each of its member in the discharge of functions, carrying out of duties and assumption of responsibilities, all in accordance with the Terms of Reference (“TOR”) of the AC. The NC has thus supported the Board in ensuring appropriate corporate governance standards within the Group.

Terms of Reference

The TOR for the AC is available for reference on the Group’s website (<https://www.kinergyadvancement.com/corporategovernance.html>).

MEETINGS

The AC met five (5) times during the FY2025 as follows:-

No.	AC Meeting	Date of Meeting	Private sessions with External Auditors without Executive Board members and Management
(1)	(1/2025) AC Meeting	28 February 2025	✓
(2)	(2/2025) Special AC Meeting	28 April 2025	
(3)	(3/2025) AC Meeting	29 May 2025	
(4)	(4/2025) AC Meeting	21 August 2025	
(5)	(5/2025) AC Meeting	25 November 2025	✓

The External Auditors had attended three (3) AC meetings held in the FY2025. The External Auditors were encouraged to raise with the AC any matters they considered important to bring to the AC’s attention. For FY2025, two (2) private sessions were held between the AC and the External Auditors without the presence of the Executive Board members and management staff.

The Chairman of AC also sought information on the communication flow between the External Auditors and the management which was necessary to allow unrestricted access to information in order to have the External Auditors to carry out their duties effectively.

Notices of the AC Meeting were sent to the AC Members at least seven (7) days in advance. The relevant meeting papers would be compiled for dissemination to the AC by email.

All deliberations during the AC Meeting were duly minuted and tabled for confirmation at the next Meeting and subsequently presented to the Board for notation.

The Chairman of AC presented the AC’s recommendations together with the respective rationale to the Board for approval of the annual audited financial statements and the unaudited quarterly financial results. As and when necessary, the Chairman of AC would convey to the Board matters of significant concern raised by the internal or External Auditors.

As a standing practice, the Executive Deputy Chairman cum. Group Managing Director, Chief Financial Officer, Finance Manager, General Manager and External Auditors were invited to attend the AC meetings (except for private session) to facilitate the presentation as well as to provide clarification on audit issues arising from the Group’s operations. The outsourced professional Internal Auditors were invited to attend the AC meetings to table their respective internal audit (“IA”) reports.

AUDIT COMMITTEE REPORT

AUDIT COMMITTEE REPORT

SUMMARY OF WORKS

The summary of works undertaken by the AC during the preceding financial year comprised the following:-

1. Overview of Financial Performance and Reporting

- Reviewed the unaudited quarterly financial reports for the quarters ended 31 December 2024, 31 March 2025, 30 June 2025 and 30 September 2025 and recommended the same for the Board’s approval;
- Reviewed the draft audited financial statements for the FY2025 and recommended the same for the Board’s approval; and
- Reviewed the Group’s compliance with the accounting standards and relevant regulatory requirements.

2. Oversight of External Auditors

- Reviewed Audit Planning Memorandum prepared by the External Auditors for the FY2025, entailing mainly the overview of audit approach, scope of work, auditing developments, significant risks and areas of audit focus of the Group and of the Group;
- Reviewed the External Auditors’ scope of work and audit plan for the year end and recommended to the Board on their appointment and remuneration;
- Met with the External Auditors without the presence of the Executive Directors and the management;
- Received and discussed with the External Auditors on the Auditors’ Report as presented by the External Auditors and, recommendations for improvement to significant risk areas, internal control and financial matters based on observations made in the course of the interim and final audits;
- Reviewed the effectiveness, suitability and independence of the External Auditors vide a formalised “Assessment on External Auditors” and being satisfied with the results of the said assessment, the same has been recommended to the Board for approval;
- Discussed and reviewed with the External Auditors, the applicability and the impact of the new accounting standards and new financial reporting regime issued by the Malaysian Accounting Standards Board, and the scope of work and audit plan for the FY2025;
- Reviewed the proposed audit fees for FY2025 and recommended the same for the Board’s approval;
- Reviewed the proposal on the change of External Auditors of the Group, evaluated the rationale and suitability of the proposed External Auditors, and recommended the same for the Board’s approval; and
- Reviewed and approved the fee for non-audit services and recommended the same for the Board’s approval

3. Related party transactions

- Reviewed any related party transactions and conflict of interest situation that may arise within the Group including any transaction, procedure or course of conduct that raises questions on management integrity at each AC quarterly meetings

4. Oversight of Internal Auditors

- Reviewed and approved the annual internal audit plan for FY2025 as proposed by the Internal Auditors to ensure the adequacy of the scope and coverage of work;
- Reviewed the Internal Audit Reports presented by the internal auditors on their findings and identifying key areas of concerns as well as highlighting recommendations for improvements and carried out follow-up audits; and
- Reviewed the effectiveness and suitability of the Internal Auditors vide a formalised “Assessment on Internal Auditors”.

5. Oversight of Risk Management and Internal Control Matters / Other Matters

- Reviewed the adequacy and effectiveness of the risk management framework, risk register and the appropriateness of management’s responses to key risk areas and proposed recommendations for improvements to be implemented;
- Reviewed and discussed the collection of the trade receivables;
- Reviewed the Group’s performance against the budget for the FY2025;
- Reviewed the solvency of the Group; and
- Reviewed Corporate Governance Overview Statement and AC Report.

6. Oversight of Potential Conflict of Interest Situation

- Reviewed and assessed the potential conflict of interest situations that arise within the group, and the measure has been taken to mitigate conflict of interest situation

INTERNAL AUDIT FUNCTION

1. Appointment

The Group has appointed an outsourced independent consulting firm to carry out the internal audit function, namely Talent League Sdn. Bhd. (“Talent League”), providing the Board with a reasonable assurance of adequacy of the scope, functions and resources of the internal audit function. The purpose of the internal audit function is to provide the Board, through the AC, assurance of the effectiveness of the system of internal control in the Group.

The internal audit function is independent. It performs audit assignments with impartiality, proficiency and due professional care.

The profile of Talent League is set out as follows:-

Date of appointment	20 May 2021
Principal Engagement Director	Mr. Roy Thean Chong Yew
Qualifications	- Member of the Malaysian Institute of Accountants; - Member of the Malaysian Institute of Certified Public Accountants; and - Member of the Institute of Internal Auditors Malaysia.
Experiences	Mr. Roy Thean has over twenty (20) years of working experience in local and international professional services firms. His work encompasses a wide range of professional services with his core practice being in corporate finance and advisory work for transaction support services including business valuations, financial due diligence, preparation of business plans and financial modelling, internal control and business risk review, corporate governance, risk management, merger/acquisition related services, internal and external auditing.
Number of resources	Talent League deployed 3 to 4 personnel per audit review.

For FY2025, the Talent League engagement team personnel have affirmed to the AC that in relation to the Group, they were free from any relationships or conflicts of interest, which could impair their objectivity and independency.

AUDIT COMMITTEE REPORT

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

2. Summary of Internal Audit Works for the FY2025

During the FY2025, summary of works undertaken by Talent League comprised the following:-

- Reviewed compliance with policies, procedures and standards, relevant external rules and regulations;
- Assessed the adequacy and integrity of the Group's system of internal controls for the review period from 1 January 2025 to 31 December 2025 for Purchasing and Ordering (M&E), Payroll Processing and Control (M&E) and Indonesia Branch Operations;
- The internal audit performed met the objective of highlighting to the AC the audit findings which required follow-up actions by the management, any outstanding audit issues which required corrective actions to be taken to ensure an adequate and effective internal control system within the Group, as well as any weaknesses in the Group's internal control system;
- Presentation of audit findings and corrective actions to be taken by management in the quarterly AC meetings;
- Ensured that those weaknesses were appropriately addressed and that recommendations from the internal audit reports and corrective actions on reported weaknesses were taken appropriately within the required timeframe; and
- Reviewed and assessed the key observation of the internal audit function of the Group as well as the accompanying findings of the thematic reviews and key takeaways, issued by Bursa Securities.

The internal auditor is guided by the International Professional Practices Framework 2024 – Global Internal Audit Standards, promulgated by the Institute of Internal Auditors. Observations and findings from the audit reviews, including the recommended corrective actions were discussed with the management. The internal audit report together with the management's response and proposed corrective action plans were then presented to the AC for its review during the quarterly meetings. Follow up review was also conducted to ensure corrective actions have been implemented.

Further details of the activities of internal audit function are set out in the Statement on Risk Management and Internal Control in this Annual Report.

3. Total Costs Incurred for the FY2025

The total fees incurred for the outsourced internal audit function of the Group for FY2025 is MYR31,500 (FY2024: MYR40,500).

This AC Report was presented and approved at the meeting of the Board of Directors held on 28 April 2026.

1. INTRODUCTION

The Board of Directors ("the Board") is pleased to present its Statement on Risk Management and Internal Control which outlines the nature and scope of the risk management and internal control of Kinergy Advancement Berhad ("Kinergy" or "the Group") and its subsidiary companies for the financial year ended 31 December 2025 ("FY2025"). This Statement on Risk Management and Internal Control is in line with the Main Market Listing Requirements ("Main LR") of Bursa Malaysia Securities Berhad on the status of the Group's compliance with the principles and best practices relating to risk management and internal control as stipulated in the Malaysian Code on Corporate Governance. The Board is committed to maintaining a sound system of internal control of the Group and is pleased to provide the following statement, which outlines the nature and scope of internal control of the Group during the current financial year.

2. BOARD RESPONSIBILITIES

The Board recognises the importance of sound systems on risk management and internal control in safeguarding the assets of the Group. However, the systems are designed to manage rather than to eliminate the business risk entirely. The Board is guided by the systems which provide only reasonable and not absolute assurance against the material misstatement or fraud.

The Group has in place an ongoing process to identify, evaluate, monitor and manage significant risks through the internal controls set out in order to attain a reasonable assurance that business objectives have been met. These controls are regularly reviewed by the Board and subject to continuous improvement.

3. RISK MANAGEMENT FRAMEWORK

The Board has established and developed an Enterprise Risk Management framework to achieve the following objectives:

- communicate and disseminate across the organisation the vision, role and direction of the Group;
- identify, assess, evaluate and manage the various principal risks which affect the Group's business;
- create a risk-awareness culture and risk ownership for more effective management of risks;
- formulate a systematic process of review, tracking and reporting on keys risks identified and corresponding mitigation procedures; and
- define a set of risk appetite and risk tolerance level within business practices.

A risk analysis of the Group is conducted on a regular basis including constantly reviewing the process in identifying, evaluating and putting up necessary action to assess and monitor the impacts of the risk on the operation and business. The process requires management to utilise a risk matrix by comprehensively identifying and assessing all types of risks in terms of likelihood and magnitude of impact as well as to address the adequacy and application of mechanisms in place to manage, mitigate, avoid or eliminate these risks. Significant risks identified are subsequently brought to the attention of Risk Management Committee ("RMC") and report the same to the Board at the scheduled Board meetings. This serves as the ongoing process of identifying, assessing and managing risks faced by the Group and has been in place for the financial year under review and up to the date of approval of this statement for inclusion in the Annual Report.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Group's risk management monitoring continues to be driven by the Executive Directors and assisted by the selected key management personnel. The Executive Directors and the selected key management personnel are responsible for identifying, evaluating and monitoring risks and taking appropriate and timely actions to manage the risks. These processes are embedded and carried out as part of the Group's operating and business management processes. External and relevant professionals would be drawn on to assist and provide advice to the management when necessary. To ensure the objectivity of the review on the risk management processes and internal control procedures in the Group, the RMC and Audit Committee ("AC") are tasked by the Board to undertake this role respectively.

In conducting its review, the processes are regularly reviewed by the Board via the AC at the quarterly Board meeting with the assistance from an outsourced independent consulting firm namely, Talent League Sdn. Bhd. To further review and improve the existing internal control procedures within the Group. The Group will continue to focus on the key risks and corresponding controls to ensure that they are able to respond effectively to the fast-changing business and competitive environment.

The management further supplements the review on the control and risk assessment when presenting the quarterly financial reports on performance and results to the AC and the Board including pertinent explanations on the performance of the Group. With management consultation, the AC reviews and analyses the interim financial results in corroboration with management representations on the operations as well as deliberates the annual report and audited financial statements before recommending these documents to the Board for approval.

4. INTERNAL CONTROL FRAMEWORK

The other key elements of the Group's internal control procedures are as described below:

- Quarterly monitoring of operational results against the budget by the management and tabling for the Board's review and discussion;
- Regular and comprehensive information provided to the Board, covering financial performance and key performance business indicators;
- Regular updates of internal policies and procedures, to reflect changing risks or resolve operational efficiencies; and
- Regular management meetings with all key personnel of respective departments to address weaknesses and improve efficiency.

The Board is of the view that there are no significant breakdown or weaknesses in the system of internal control of the Group that may have material impact against the operations of the Group for the FY2025.

5. MANAGEMENT WITH RESPONSIBILITIES AND ASSURANCE

In accordance to the Bursa Securities' Guidelines, the management is responsible to the Board for identifying risks relevant to the business of the Group's objectives and strategies; implementing and maintaining sound systems of risk management and internal control; and monitoring and reporting to the Board of significant control deficiencies and changes in risks that could significantly affect the Group's achievement of its objective and performance.

In producing this Statement, the Board has received assurance from the Executive Deputy Chairman cum. Group Managing Director ("GMD") and Chief Financial Officer that, to the best of their knowledge, the Group's risk management and internal control systems are operating adequately and effectively, in all material aspects.

6. BOARD ASSURANCE AND LIMITATION

The Board confirms that the process for identifying, evaluating and managing significant risks in the Group is ongoing. For the financial year under review, there was no material losses resulting from significant internal control weaknesses. The Board is satisfied that the existing systems of risk management and internal control are effective and efficient to enable the Group to achieve its business objectives.

The Board wishes to reiterate that the risk management processes and internal control procedures would be continuously improved in line with the evolving business development. The Board is guided by the risk management processes and internal control procedures which provide to only manage rather than to eliminate the risks of failure in achieving business objectives. Therefore, these processes and procedures within the Group can only provide reasonable but not absolute assurance against material misstatements, frauds and losses.

This Statement was presented and approved at the meeting of the Board of Director held on 28 April 2026.

7. CONCLUSION

The GMD, being the person primarily responsible for the overseeing and managing of the operational affairs of the Group has provided assurance to the Board that the Group's risk management and internal control system, have been operated adequately and effectively, in all material aspects, based on the Group's policies and procedures. Under the purview of the GMD and Executive Directors, the head of departments are empowered with the responsibility of managing their respective operations.

The Board recognises the necessity to monitor closely the adequacy, integrity and effectiveness of the Group's risk management processes and internal control procedures, by taking into consideration the fast-changing business environment. Although the Board is of the view that the present processes and procedures are adequately in place to safeguard the Group's assets and sufficient to detect any fraud or irregularities, the Board is on a constant watch for any improvement that may strengthen its current system from time to time.

8. REVIEW OF THE STATEMENT BY THE EXTERNAL AUDITORS

The external auditors have reviewed this Statement on Risk Management and Internal Control in accordance with Paragraph 15.23 of the Main LR of Bursa Securities. Their review has been conducted in accordance with the scope as set out in the Audit and Assurance Practice Guide 3 - Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report, issued by the Malaysian Institute of Accountants to assess whether the Statement on Risk Management and Internal Control is both supported by the documentation prepared by or for the Directors and appropriately reflects the process which the Directors have adopted in reviewing the adequacy and integrity of the system of internal control for the Group.

Based on their review, the external auditors have reported to the Board that nothing has come to their attention which causes them to be of the opinion of that this Statement is inconsistent with their understanding of the reviewing process adopted by the Board for the adequacy and integrity of internal control of the Group.

ADDITIONAL COMPLIANCE INFORMATION

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS

(i) Private Placement 2024

The Proposed Private Placement was undertaken in accordance with the general mandate pursuant to Sections 75 and 76 of the Companies Act, 2016 ("Act"), which was obtained from the shareholders of Kinergy Advancement Berhad ("Kinergy" or "the Group") at its 27th annual general meeting ("AGM") convened on 31 May 2024.

On 20 June 2024, Malacca Securities Sdn. Bhd. ("Malacca Securities") had announced on behalf of the Board that Kinergy proposed to undertake a private placement of up to 198,634,288 new ordinary shares in Kinergy ("Placement Shares 2024") representing 10% of the total number of issued shares, excluding treasury shares.

Bursa Malaysia Securities Berhad ("Bursa Securities") had on 19 July 2024 approved the listing and quotation of up to 198,634,288 shares to be issued pursuant to the Proposed Private Placement 2024, with conditions.

The Group had issued the Placement Shares 2024 on various dates to the identified investors:

- On 6 December 2024, 61,266,000 Placement Shares 2024 had been issued at MYR0.3250 per Placement Share 2024.
- On 23 December 2024, 31,096,000 Placement Shares 2024 had been issued at MYR0.3300 per Placement Share 2024.
- On 18 April 2025, 48,454,500 Placement Shares 2024 had been issued at MYR0.3300 per Placement Share 2024.
- On 15 August 2025, 57,817,788 Placement Shares 2024 had been issued at MYR0.3300 per Placement Share 2024.

The Group received approval from Bursa Securities on 10 January 2025 for a time extension of up to 18 July 2025 to complete the implementation of Private Placement 2024.

On 18 July 2025, Bursa Securities granted the Group a further extension of time of 3 months until 18 October 2025 to complete the implementation of the Private Placement 2024.

As at the date of this Annual Report, the proposed utilisation of the gross proceeds from the Proposed Private Placement 2024, amounting to MYR66.23 million, is as follows:-

Purposes	Proposed Utilisation ⁽¹⁾ MYR'000	Actual Proceed ⁽²⁾ MYR'000	Actual Utilisation MYR'000	Balance Unutilised MYR'000	Intended Timeframe for Unutilised
Repayment of Bank Borrowings	30,000	32,930	(32,930)	-	Within 6 months
Funding for Renewable Energy ("RE")	35,925	32,016	-	32,016	Within 36 months
Defrayment of Estimated Expenses for the Proposed Private Placement	300	296	(296)	-	Within 1 month
Total	66,225	65,242	(33,226)	32,016	

Note:

⁽¹⁾ The utilisation of proceeds as disclosed above should be read in conjunction with the Announcement of the Group dated 20 June 2024.

⁽²⁾ As at the date of this Annual Report, the Group had issued a total of 198,634,288 Placement Shares 2024 at various prices to arrive at a total proceeds of MYR65.24 million.

2. AUDIT AND NON-AUDIT FEES

The amount of audit fees and non-audit fees incurred for services rendered to Kinergy and its subsidiary companies and the Group by the external auditors for the financial year ended 31 December 2025 ("FY2025") are as follows:-

	Group MYR'000	Company MYR'000
Audit Fees	416	105
Non-Audit Fees	10	10
Total	426	115

3. MATERIAL CONTRACTS

There is no material contract that the Group entered into during the financial year which involves the interest of the Director and major shareholders.

4. CONTRACTS RELATING TO LOANS

There is no contract relating to loan made by the Group involving interests of Directors and major shareholders during the financial year.

5. RECURRENT RELATED PARTY TRANSACTIONS ("RRPT")

The Group did not seek mandate from its shareholders on RRPT during FY2025.

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

Pursuant to Paragraph 9.25A of the MAIN Market Listing Requirements, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

(a) Group Total Income and Total Assets

Total Income	Remarks	Group	
		2025 MYR'000	2024 MYR'000
Revenue		478,293	219,984
Other income		6,220	10,600
Interest/Finance income		2,243	1,530
Total		486,756	232,114
Total Assets		705,682	458,314

ADDITIONAL COMPLIANCE INFORMATION

(b) Business Activities

Shariah Non-Compliant Activities	Remarks	Group	
		2025 MYR'000	2024 MYR'000
Interest income		1,723	1,469
Total		1,723	1,469

(c) Component of Financial Position**(i) Cash Component**

Islamic Account/Instruments	Remarks	Group	
		2025 MYR'000	2024 MYR'000
Cash at bank		12,209	10,225
Deposits with licensed bank		34,998	19,954
Total Cash		47,207	30,179
Conventional Account/Instruments			
Cash at bank		36,808	14,975
Deposits with licensed bank		33,557	32,924
Total Cash		70,365	47,899

(ii) Debt Component

Islamic Financing	Remarks	Group	
		2025 MYR'000	2024 MYR'000
Current			
Bank overdrafts		2,764	3,266
Term loans		20,846	11,130
Revolving credit and loans		10,000	-
Invoice financing		8,903	5,792
Non-Current			
Term loans		28,701	24,578
Total Financing		71,214	44,766

Conventional Borrowing	Remarks	Group	
		2025 MYR'000	2024 MYR'000
Current			
Bank overdrafts		9,008	10,618
Banker's acceptances		10,600	27,889
Term loans		53,238	8,228
Revolving credit and loans		13,670	12,670
Invoice financing		1,476	-
Non-Current			
Term loans		87,068	77,682
Total Debt		175,060	137,087

STATEMENT ON DIRECTORS' RESPONSIBILITY FOR PREPARING THE FINANCIAL STATEMENTS

This statement is prepared as required by the Main Market Listing Requirement ("Main LR") of Bursa Malaysia Securities Berhad ("Bursa Securities").

The Directors are required to prepare annual financial statement which are in accordance with applicable approved accounting standards; to give a true and fair view of the financial position of Kinergy Advancement Berhad ("Kinergy" or "the Company") and its subsidiary companies ("the Group") as at the end of the financial year; and the financial performance of the Group for the financial year.

The Directors consider that in preparing the financial statements of the Group and the Company for the financial year ended 31 December 2025:-

- the Group and the Company have adopted appropriate and suitable accounting policies and applied them consistently;
- the statement is supported by reasonable and prudent judgement and estimates;
- all applicable approved accounting standards in Malaysia, including but not limited to Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS"); and
- prepare the financial statements on a going concern basis.

The Directors are also responsible for ensuring that the Group and the Company keep proper accounting records which disclose the financial position of the Group and the Company with reasonable accuracy at any time, thus enabling for financial statements to be complied with the requirements of the Companies Act 2016 and have been made out in accordance with applicable MFRS, IFRS and the Main LR of Bursa Securities.

The Directors are also responsible for taking necessary steps as are reasonably open to them to ensure appropriate systems are in place to safeguard the assets of the Group and of the Company, and to detect and prevent fraud and other irregularities. The systems, by their nature, can only provide reasonable and not absolute assurance against material misstatements, whether due to fraud or error.

The Directors hereby confirm that suitable accounting policies have been consistently applied in the preparation of the financial statements. The Directors also confirm that there have been adequate accounting records maintained to safeguard the assets of the Group.

This Statement on Directors' Responsibility for preparing the financial statement was approved by the Board on 28 April 2026.

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FINANCIAL STATEMENTS

SECTION

06

DIRECTORS' REPORT

For the financial year ended 31 December 2025

DIRECTORS' REPORT

For the financial year ended 31 December 2025

The directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of provision of electrical and mechanical engineering services and operation of generating facilities that produce electric energy. The principal activities of the subsidiary companies are set out in Note 7 to the financial statements.

RESULTS

	Group MYR'000	Company MYR'000
Profit/(loss) for the financial year attributable to:-		
- Owners of the Company	27,894	(3,040)
- Non-controlling interests	(189)	-
	27,705	(3,040)

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year.

The directors do not recommend any final dividend for the financial year ended 31 December 2025.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those as disclosed in the financial statements.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and had satisfied themselves that there were no known bad debts to be written off and that adequate allowance had been made for the doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would require the write off of bad debts or render the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain whether any current assets, other than debts, were unlikely to realise in the ordinary course of business their value as shown in the accounting records of the Group and of the Company and to the extent so ascertained were written down to an amount that they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances that would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:-

- any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person, or
- any contingent liability in respect of the Group and of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of the Group and of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company for the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the current financial year.

SHARES AND DEBENTURES

During the financial year, the issued and paid-up share capital of the Company was increased from MYR194,720,000 to MYR229,790,000 by way of the issuance of:-

- 48,454,500 new ordinary shares for a total cash consideration of MYR15,990,000 by way of private placement at an issue price MYR0.330 per ordinary share; and
- 57,818,000 new ordinary shares for a total cash consideration of MYR19,080,000 by way of private placement at an issue price MYR0.330 per ordinary share.

TREASURY SHARES

As at 31 December 2025, the Company held a total of 88,898 issued and paid-up ordinary shares as treasury shares. The treasury shares are held at a carrying amount of MYR4,231. No treasury shares was resold or cancelled during the financial year.

DIRECTORS' REPORT

For the financial year ended 31 December 2025

DIRECTORS' REPORT

For the financial year ended 31 December 2025

DIRECTORS OF THE COMPANY

The directors of the Company in office at any time during the financial year and during the period from the end of the financial year to the date of this report are:-

Dato’ Lai Keng Onn - Executive Deputy Chairman cum. Group Managing Director

Lu Chee Leong

Tong Siut Moi

Datin Chan Pey Kheng

Datuk Dr. Ong Peng Su

Jonathan Wu Jo-Han

Gs. Ts. Dr. Amanda Lee Sean Peik

Dato Seri Nazir Hussin bin Akhtar Hussin (appointed on 15 July 2025)

Choong Gaik Seng (resigned on 15 July 2025)

Datuk Wira Mubarak Hussain bin Akhtar Husin (resigned on 24 October 2025)

The directors who hold office in the subsidiary companies (excluding directors who are also directors of the Company) during the financial year and during the period from the end of the financial year to the date of this report are:-

Tang Ming Yng

Tang Weihann

Kamal Husin bin Akhtar Husin

Nor Azli bin Nor Hashim

Jesudason Selvaraj

ChanChai Kitprotpisuth

Heng Boon Liang

Kong Chak Fung

Ong Kian Boon

Luechai Keawmahakhun

Arianto Mudji Jono

Tey Seu Ann

Datuk Wira Mubarak Hussain bin Akhtar Husin (appointed on 16 January 2025)

DIRECTORS OF THE COMPANY

The directors who hold office in the subsidiary companies (excluding directors who are also directors of the Company) during the financial year and during the period from the end of the financial year to the date of this report are (Cont’d.):-

Mohd Azad Bin Jasmi (appointed on 16 January 2025)

Chin Sze How (appointed on 7 August 2025)

Lai Yiew Kwan (appointed on 20 August 2025)

Cherdchai Yiwlek (appointed on 26 January 2026)

Sakorn Suriyabhivadh (appointed on 26 January 2026)

Nopadej Karnasuta (appointed on 26 January 2026)

Khawar Ahmad Khan (appointed on 26 January 2026)

Praopetch Srijayanta (appointed on 26 January 2026)

Lai Chuan Shenq (resigned on 4 February 2025)

Umar Rafie bin Mohammad Zaini (resigned on 10 June 2025)

Moo Yee Wan (resigned on 28 July 2025)

DIRECTORS’ INTERESTS

According to the register of directors’ shareholding under Section 59 of the Companies Act 2016, the interests of directors in office at the end of the financial year in the ordinary shares of the Company and its related corporations during the financial year are as follows:-

	Number of ordinary shares			
	As at 1/1/2025	Addition	Sold	As at 31/12/2025
The Company				
<u>Direct interest</u>				
Dato’ Lai Keng Onn	388,096,525	4,529,000	-	392,625,525
Datin Chan Pey Kheng	14,363,709	-	-	14,363,709
<u>Indirect interest</u>				
a) Corporate shareholder, Stocqtech Sdn. Bhd.				
Dato’ Lai Keng Onn*	160,000,000	-	-	160,000,000
b) Corporate shareholder, Fastrans Venture Sdn. Bhd.				
Dato’ Lai Keng Onn*	23,400,000	-	-	23,400,000

DIRECTORS' REPORT

For the financial year ended 31 December 2025

DIRECTORS' REPORT

For the financial year ended 31 December 2025

	Number of ordinary shares			
	As at 1/1/2025	Addition	Sold	As at 31/12/2025
Subsidiaries				
- KAB Technologies Thai Co., Ltd.				
<u>Direct interest</u>				
Dato' Lai Keng Onn^	470	-	-	470
Jonathan Wu Jo-Han^	-	4,700	-	4,700
- KAB Gree Solar Thai Co., Ltd.				
<u>Direct interest</u>				
Dato' Lai Keng Onn^	500	-	-	500
Jonathan Wu Jo-Han^	-	500	-	500
- PT Inpolo Mitra Elektrindo				
<u>Direct interest</u>				
Jonathan Wu Jo-Han#	100	-	-	100

* Deemed interest in the shares and warrants held by Fastrans Ventures Sdn. Bhd. and Stocqtech Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

^ Ordinary shares of THB100 each.

Ordinary shares of IDR100,000 each.

By virtue of Section 8 of the Companies Act 2016, Dato' Lai Keng Onn is deemed to be interested in the shares of the subsidiary companies during the financial year to the extent the Company has an interest.

None of the other directors holding office at the end of the financial year held any interest in the ordinary shares of the Company and of its related corporations.

SUBSIDIARY COMPANIES

Details of the subsidiary companies are disclosed in Note 7 to the financial statements.

DIRECTORS' REMUNERATION

The details of the remuneration paid to or receivable by the Directors of the Group and the Company in respect of the financial year ended 31 December 2025 are as follows:-

	Group MYR'000	Company MYR'000
<u>Executive directors</u>		
Salaries and allowances	3,221	509
Bonus	421	-
Employees Provident Fund	353	27
Social security cost	5	2
Employment Insurance System	*	*
Benefits in kind	73	-
	4,073	538
<u>Non-executive directors</u>		
Fee	585	585
	4,658	1,123

* Less than MYR1,000

No payment has been paid to or payable to any third party in respect of the services provided to the Company or any of its subsidiary companies by the directors or past directors of the Company during the financial year.

AUDITORS' REMUNERATION

Auditors' remuneration is as follows:-

	Group MYR'000	Company MYR'000
HLB Ler Lum Chew PLT		
- Statutory audit	320	105
- Other services	10	-
	330	105

INDEMNITY AND INSURANCE COSTS FOR DIRECTORS, OFFICERS OR AUDITORS

There was no indemnity given to or insurance effected for Directors or officers of the Company in accordance with Section 289 of the Companies Act, 2016 in Malaysia.

The Company has agreed to indemnify the Auditors, HLB Ler Lum Chew PLT as permitted under Section 289 of the Companies Act, 2016 in Malaysia.

DIRECTORS' REPORT

For the financial year ended 31 December 2025

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by directors or the fixed salary of a full-time employee of the Company as shown below) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

There were no arrangements during and at the end of the financial year, to which the Company or its subsidiary companies is a party, which had the object of enabling the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SUBSEQUENT EVENT

Detail of subsequent event is disclosed in Note 43 to the financial statements.

AUDITORS

The auditors, HLB Ler Lum Chew PLT, Chartered Accountants, have indicated their willingness to accept re-appointment.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors

Dato’ Lai Keng Onn

Jonathan Wu Jo-Han

Kuala Lumpur
Date: 28 April 2026

INDEPENDENT AUDITORS’ REPORT

To the Members of Kinergy Advancement Berhad
(Incorporated in Malaysia, Registration No. 199701005009 (420505-H))

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Kinergy Advancement Berhad, which comprise the statements of financial position as at 31 December 2025 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 161 to 247.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025 and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants (“By-Laws”) and the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards) (“IESBA Code”), as applicable to audits of financial statements of public interest entities and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITORS' REPORT

To the Members of Kinergy Advancement Berhad

(Incorporated in Malaysia, Registration No. 199701005009 (420505-H))

INDEPENDENT AUDITORS' REPORT

To the Members of Kinergy Advancement Berhad

(Incorporated in Malaysia, Registration No. 199701005009 (420505-H))

KEY AUDIT MATTERS (CONT'D.)

1. Revenue recognition for construction activities

(Refer to Note 2(f)(i), Note 3(k) and Note 27 to the financial statements)

The risk

During the financial year, the Group's and the Company's revenue is mainly contributed by construction contracts amounting to MYR381.8 million and MYR101.8 million respectively.

We focused on this area because the accounting for construction contracts activities is inherently complex as it involves the use of significant estimates and judgements made by the management which includes the following:

- Estimation of the total budgeted project costs and the assessment of cost yet to be incurred to complete these projects;
- Determination of the progress towards satisfaction of the performance obligations and overall progress of the Group's and the Company's projects;
- Consideration of variation orders and claims with the Group's and the Company's customers; and
- Estimation of damages in transaction price arising from liquidated and ascertained damages.

How our audit addressed the key audit matter

The details of our audit procedures are as follows:

- Obtained an understanding over project budget approvals and revenue recognition process;
- Evaluated the management's key judgements used in the estimation of budgeted project contract costs by examining documentation with subcontractors, historical evidence or results and retrospective review of these estimates;
- Verified the budgeted revenue by examining the projects' approved letters of award;
- Discussed with the project team to understand the nature of the variation orders and claims included in the budgeted revenue and inspected the correspondences from the customers;
- Inspected the costs incurred to date and compared against sub-contractor claim certificates and suppliers' invoices to corroborate the projects' progress towards satisfaction of the performance obligations and reasonableness of the estimated project budget; and
- Performed re-computations on the calculation of the progress towards satisfaction of performance obligation to ascertain there is no mathematical error in the profit recognition.

KEY AUDIT MATTERS (CONT'D.)

2. Impairment assessment of trade receivables

(Refer to Note 2(f)(ii), Note 3(h)(i) and Note 13 to the financial statements)

The risk

As at 31 December 2025, the Group's and Company's trade receivables balance is MYR150.9 million and MYR98.1 million respectively.

In assessing the expected credit loss allowance, the Group and the Company considered the historical loss rate of the receivables, any specific known adverse conditions in respect of the receivables' credit risk profile and economic trends, which are subjective in nature.

We focused on this area due to the use of significant estimates and judgement in determining the credit risk exposures and loss allowance of the receivables.

How our audit addressed the key audit matter

The details of our audit procedures are as follows:

- Tested the underlying data of the trade receivables ageing analysis to ascertain its accuracy and completeness;
- Scrutinised the trade receivable ageing and investigated trends and conditions that may indicate specific conditions for individual receivables which would give rise to increased credit risk exposures;
- Held discussions with management on significant past due balances and corroborated against subsequent receipts testing and review of customer correspondences;
- Reviewed the appropriateness and reasonableness of the assumptions applied in the management assessment of the expected credit loss, taking into account specific known receivables' circumstances; and
- Recomputed the probability of default using historical data and forward-looking assumptions applied by management.

3. Acquisition of Jati Cakerawala Sdn. Bhd. ("Jati")

(Refer to Note 3(a) and Note 7 to the financial statements)

The risk

During the financial year, the Group acquired the entire equity interest in Jati for a total purchase consideration of MYR47.85 million.

The acquisition of Jati is mainly to due to its indirect interest in a retired brownfield power plant site which has proximity to an energy transmission line and gas pipeline. Notwithstanding the above, Jati does not have any active operations as at the acquisition date.

We focused on this area due to the subjectivity involved in determining whether the acquisition of Jati constitutes an acquisition of business in accordance with MFRS 3 "Business Combinations".

How our audit addressed the key audit matter

The details of our audit procedures are as follows:

- Obtained an understanding over the Group's rationale for acquiring Jati;
- Reviewed the sales and purchase agreement and assess the terms and conditions for the acquisition of Jati;
- Assessed management's determination of the acquisition date of Jati, being the date that the Group obtained control in Jati;
- Reviewed management's assessment of the elements of a business, which include whether Jati possess inputs and processes applied to those inputs that have an ability to contribute to the creation of outputs within Jati's operations; and
- Reviewed the appropriateness of the disclosures in the financial statements.

INDEPENDENT AUDITORS' REPORT

To the Members of Kinergy Advancement Berhad
(Incorporated in Malaysia, Registration No. 199701005009 (420505-H))

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

The Directors of the Company are responsible for the other information. The other information comprises the information included in the Directors' Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITORS' REPORT

To the Members of Kinergy Advancement Berhad
(Incorporated in Malaysia, Registration No. 199701005009 (420505-H))

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D.)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law and regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT

To the Members of Kinergy Advancement Berhad

(Incorporated in Malaysia, Registration No. 199701005009 (420505-H))

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, as disclosed in Note 7 to the financial statements.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

The financial statements of the Company for the year ended 31 December 2024 were audited by another firm of chartered accountants who expressed an unmodified opinion on these financial statements in their report dated 28 April 2025.

HLB LER LUM CHEW PLT

201906002362 & AF 0276
Chartered Accountants

CHEW LOONG JIN

03279/03/2027
Chartered Accountant

28 April 2026
Kuala Lumpur

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2025

		Group			Company		
		31.12.2025 MYR'000	31.12.2024 MYR'000 (Restated)	1.1.2024 MYR'000 (Restated)	31.12.2025 MYR'000	31.12.2024 MYR'000 (Restated)	1.1.2024 MYR'000 (Restated)
	Note						
ASSETS							
Non-Current Assets							
Property, plant and equipment	4	136,289	155,827	161,966	5,361	4,283	3,986
Investment properties	5	20,818	20,104	20,553	13,698	14,003	14,317
Right-of-use assets	6	6,437	3,090	2,991	5,547	2,162	1,974
Investment in subsidiary companies	7	-	-	-	36,336	36,646	36,613
Investments accounted for using equity method	8	60,893	300	300	-	-	-
Intangible assets	9	3,098	4,102	5,317	-	-	-
Deferred tax assets	10	1,190	1,113	877	69	69	69
Other investments	11	18,889	8,703	6,237	-	-	-
Total Non-Current Assets		247,614	193,239	198,241	61,011	57,163	56,959
Current Assets							
Inventories	12	475	227	824	-	-	-
Trade receivables	13	150,878	65,541	50,550	98,100	51,426	46,317
Contract assets	14	131,055	62,972	50,544	13,095	36,638	49,706
Other receivables, deposits and prepayments	15	51,145	54,788	30,905	41,196	44,182	23,541
Amount due from subsidiary companies	16	-	-	-	126,686	116,858	80,926
Current tax assets		6,943	3,469	2,485	2,706	1,915	2,551
Deposits with licensed banks	17	68,555	52,878	40,924	33,866	32,026	36,652
Cash and bank balances		49,017	25,200	23,084	2,286	4,987	3,352
Total Current Assets		458,068	265,075	199,316	317,935	288,032	243,045
Total Assets		705,682	458,314	397,557	378,946	345,195	300,004

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2025

		Group			Company		
		31.12.2025	31.12.2024	1.1.2024	31.12.2025	31.12.2024	1.1.2024
		MYR'000	MYR'000	MYR'000	MYR'000	MYR'000	MYR'000
	Note		(Restated)	(Restated)		(Restated)	(Restated)
EQUITY AND LIABILITIES							
Equity Attributable to Owners of the Company							
Share capital	18	229,790	194,720	148,847	229,790	194,720	148,847
Foreign currency translation reserve	19	(12,016)	(899)	(419)	-	-	-
Treasury shares	20	(4)	(4)	(4)	(4)	(4)	(4)
Fair value reserve	21	(1,337)	(1,700)	(2,030)	-	-	-
Retained earnings	22	54,063	26,169	28,080	28,757	31,797	31,623
		270,496	218,286	174,474	258,543	226,513	180,466
Non-controlling interests		1,635	1,722	1,051	-	-	-
Total Equity		272,131	220,008	175,525	258,543	226,513	180,466
Non-Current Liabilities							
Deferred tax liabilities	10	5,135	5,422	2,198	-	-	-
Borrowings	23	115,769	102,260	68,733	2,414	22,688	22,927
Lease liabilities	24	4,661	1,876	1,365	3,920	1,105	531
Total Non-Current Liabilities		125,565	109,558	72,296	6,334	23,793	23,458
Current Liabilities							
Borrowings	23	130,505	79,593	57,011	55,740	53,895	43,412
Lease liabilities	24	870	378	350	824	316	292
Trade payables	25	42,555	36,556	54,845	36,199	30,807	44,397
Contract liabilities	14	100,348	4,390	9,059	4,011	3,752	5,333
Other payables and accruals	26	21,540	3,707	28,471	9,982	3,011	1,858
Amount due to subsidiary companies	16	-	-	-	7,313	3,108	788
Current tax liabilities		12,168	4,124	-	-	-	-
Total Current Liabilities		307,986	128,748	149,736	114,069	94,889	96,080
Total Liabilities		433,551	238,306	222,032	120,403	118,682	119,538
Total Equity and Liabilities		705,682	458,314	397,557	378,946	345,195	300,004

The accompanying accounting policies and explanatory notes form an integral part of the financial statements

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 December 2025

	Note	Group		Company	
		2025 MYR'000	2024 MYR'000 (Restated)	2025 MYR'000	2024 MYR'000
Revenue	27	478,293	219,984	155,662	122,049
Cost of sales		(408,959)	(190,595)	(146,584)	(106,773)
Gross profit		69,334	29,389	9,078	15,276
Other income	28	8,463	12,130	1,686	2,685
Administrative expenses		(25,400)	(24,557)	(8,897)	(10,495)
Profit from operations		52,397	16,962	1,867	7,466
Finance costs	29	(12,081)	(9,508)	(4,323)	(4,594)
Share of result in a joint venture		(1,061)	-	-	-
Profit/(Loss) before taxation	30	39,255	7,454	(2,456)	2,872
Income tax expense		(11,550)	(8,847)	(584)	(2,698)
Profit/(Loss) for the financial year	33	27,705	(1,393)	(3,040)	174
Other comprehensive income:-					
<i>Item that may be reclassified subsequently to profit or loss</i>					
- foreign currency translation differences for foreign operations		(11,117)	(480)	-	-
<i>Item that will not be reclassified subsequently to profit or loss</i>					
- fair value changes on equity investments at fair value through other comprehensive income		363	330	-	-
Total comprehensive income/(expense) for the financial year		16,951	(1,543)	(3,040)	174
Profit/(Loss) for the financial year attributable to:-					
- Owners of the Company		27,894	(1,911)	(3,040)	174
- Non-controlling interest		(189)	518	-	-
		27,705	(1,393)	(3,040)	174
Total comprehensive income/(expense) for the financial year attributable to:-					
- Owners of the Company		17,140	(2,061)	(3,040)	174
- Non-controlling interest		(189)	518	-	-
		16,951	(1,543)	(3,040)	174
Basic earnings/(loss) per share (sen)	34	1.31	(0.10)		
Diluted earnings/(loss) per share (sen)	34	1.31	(0.10)		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2025

Group	Non-Distributable				Distributable Retained earnings MYR'000	Total MYR'000	Non- controlling interest MYR'000	Total equity MYR'000
	Share capital MYR'000	Foreign currency translation reserve MYR'000	Fair value adjustment MYR'000	Treasury shares MYR'000				
Balance as at 1 January 2024	148,847	(161)	-	(4)	45,104	193,786	3,034	196,820
Effects of prior year adjustments (Note 42)	-	(258)	(2,030)	-	(17,024)	(19,312)	(1,983)	(21,295)
Balance as at 1 January 2024 (restated)	148,847	(419)	(2,030)	(4)	28,080	174,474	1,051	175,525
Total comprehensive income/(expense) for the financial year (restated)	-	(480)	330	-	(1,911)	(2,061)	518	(1,543)
Transactions with owners:-								
Issuance of shares (Note 18)	45,873	-	-	-	-	45,873	-	45,873
Additional investment in a subsidiary by non- controlling interest	-	-	-	-	-	-	100	100
Effect of changes in ownership without change in control	-	-	-	-	-	-	53	53
Total transactions with owners	45,873	-	-	-	-	45,873	153	46,026
Balance as at 31 December 2024 (restated)	194,720	(899)	(1,700)	(4)	26,169	218,286	1,722	220,008

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2025

Group	Non-Distributable				Distributable Retained earnings MYR'000	Total MYR'000	Non- controlling interest MYR'000	Total equity MYR'000
	Share capital MYR'000	Foreign currency translation reserve MYR'000	Fair value adjustment MYR'000	Treasury shares MYR'000				
Balance as at 1 January 2025	194,720	(899)	(1,700)	(4)	26,169	218,286	1,722	220,008
Total comprehensive (expense)/income for the financial year	-	(11,117)	363	-	27,894	17,140	(189)	16,951
Transactions with owners:-								
Issuance of shares (Note 18)	35,070	-	-	-	-	35,070	-	35,070
Acquisition of interest in a subsidiary from non-controlling interest	-	-	-	-	-	-	(100)	(100)
Effect of changes in ownership without change in control	-	-	-	-	-	-	202	202
Total transactions with owners	35,070	-	-	-	-	35,070	102	35,172
Balance as at 31 December 2025	229,790	(12,016)	(1,337)	(4)	54,063	270,496	1,635	272,131

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2025

Company	← Non-Distributable →		Distributable	
	Share capital MYR'000	Treasury shares MYR'000	Retained earnings MYR'000	Total MYR'000
Balance as at 1 January 2024	148,847	(4)	38,287	187,130
Effects of prior year adjustments (Note 42)	-	-	(6,664)	(6,664)
Balance as at 31 January 2024 (Restated)	148,847	(4)	31,623	180,466
Total comprehensive income for the financial year	-	-	174	174
Transactions with owners:-				
Issuance of shares (Note 18)	45,873	-	-	45,873
Balance as at 31 December 2024	194,720	(4)	31,797	226,513
Total comprehensive expense for the financial year	-	-	(3,040)	(3,040)
Transactions with owners:-				
Issuance of shares (Note 18)	35,070	-	-	35,070
Balance as at 31 December 2025	229,790	(4)	28,757	258,543

The accompanying accounting policies and explanatory notes form an integral part of the financial statements

STATEMENTS OF CASH FLOWS

For the financial year ended 31 December 2025

Note	Group		Company	
	2025 MYR'000	2024 MYR'000 (Restated)	2025 MYR'000	2024 MYR'000 (Restated)
Cash flows from operating activities				
Profit/(Loss) before taxation	39,255	7,454	(2,456)	2,872
Adjustment for:-				
Depreciation of property, plant and equipment	4 11,758	11,806	400	216
Depreciation of investment properties	5 456	449	305	314
Depreciation of right-of-use of assets	6 618	710	563	621
Amortisation of intangible assets	9 499	496	-	-
Gain on bargain purchase	-	(5,724)	-	-
Gain on disposal of plant and equipment	(268)	(163)	(268)	(538)
Gain on disposal of an associate	(650)	-	-	-
Impairment loss on:-				
- Investment in subsidiary companies	-	-	12	-
- trade receivables	-	2,124	-	2,124
- other receivables	1,384	-	1,384	-
- intangible assets	505	719	-	-
Interest income	(2,243)	(1,530)	(805)	(1,321)
Interest expenses	12,081	9,508	4,323	4,594
Loss on disposal of right-of-use assets	26	-	26	-
Loss on striking off a subsidiary	-	-	140	-
Plant and equipment written off	985	662	23	-
Share of results in joint venture	1,061	-	-	-
Unwinding of discount on trade receivables	-	(45)	-	(45)
Waiver of debts	-	(2,874)	-	-
Operating profit before working capital changes	65,467	23,592	3,647	8,837
Changes in working capital:-				
Inventories	(248)	597	-	-
Trade receivables	(85,337)	(17,064)	(46,674)	(7,187)
Other receivables, deposits and prepayments	1,093	(23,883)	1,602	(20,621)
Amount due from/to subsidiary companies	-	-	(5,465)	(33,664)
Contract assets/(liabilities)	27,875	(17,097)	23,802	11,487
Trade payables	(21,907)	(18,470)	5,392	(13,589)
Other payables and accruals	17,962	(24,278)	6,971	1,152
Cash generated from/(used in) operations	4,905	(76,603)	(10,725)	(53,585)
Interest received	2,243	1,530	805	1,321
Interest paid	(12,081)	(9,508)	(4,323)	(4,594)
Tax paid	(7,573)	(3,207)	(1,704)	(2,063)
Tax refund	366	-	329	-
Net cash used in operating activities	(12,140)	(87,788)	(15,618)	(58,921)

STATEMENTS OF CASH FLOWS

For the financial year ended 31 December 2025

	Note	Group		Company	
		2025 MYR'000	2024 MYR'000 (restated)	2025 MYR'000	2024 MYR'000 (restated)
Cash flows from investing activities					
Purchase of plant and equipment		(2,886)	(4,428)	(1,582)	(208)
Additions to right-of-use assets		(223)	(13)	(223)	(128)
Net cash (outflow)/inflow on acquisition of subsidiary companies		(46,466)	4	-	-
Investment in other investments		(9,823)	(2,135)	-	-
Proceeds from disposal of property, plant and equipment		349	538	349	538
Proceeds from disposal of an associate		950	-	-	-
Dividend received from a joint venture		12,240	-	-	-
Net cash (used in)/from investing activities		(45,859)	(6,034)	(1,456)	202
Cash flows from financing activities					
Acquisition of additional interest (from)/by non-controlling interests		(100)	51	-	-
Drawdown of term loans		84,889	67,672	-	-
Repayment of term loans		(14,007)	(27,444)	(243)	(208)
Repayment of lease liabilities		(491)	(562)	(428)	(388)
Net (repayment of)/proceeds from other borrowings		(1,702)	21,538	(16,271)	16,134
Increase in pledged deposits		(15,381)	(16,650)	(1,547)	(65)
Proceeds from issuance of new shares		35,070	45,873	35,070	45,873
Net cash from financing activities		88,278	90,478	16,581	61,346
Net increase/(decrease) in cash and cash equivalents		30,279	(3,344)	(493)	2,627
Cash and cash equivalents at the beginning of the financial year		11,318	8,628	(8,485)	(11,112)
Effect of foreign exchange rate changes		(4,054)	6,034	-	-
Cash and cash equivalents at the end of the financial year	36	37,543	11,318	(8,978)	(8,485)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

1. GENERAL INFORMATION

Kinergy Advancement Berhad ("Kinergy" or "the Company") is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities").

The addresses of the registered office and principal place of business of the Company are as follows:-

Registered office : Level 7, Menara Milenium
Jalan Damanlela, Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur

Principal place of business : 28-01, Level 28, Menara Vista Petaling
137 Jalan Puchong
58200 Kuala Lumpur

The Company is principally engaged in the business of the provision of electrical and mechanical engineering services and operation of generating facilities that produce electric energy. The principal activities of the subsidiary companies are set out in Note 7 to the financial statements.

These financial statements were authorised for issue by the Board of Directors on 28 April 2026.

2. BASIS OF PREPARATION

a) Statement of compliance

The financial statements of the Group and the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act 2016 in Malaysia.

b) Adoption of amendments to MFRSs

The Group and the Company have applied to the following accounting standards and amendments of the MFRSs for the financial year beginning on 1 January 2025:-

Amendments to MFRSs

MFRS 121 The Effect of Changes in Foreign Exchange Rates - Lack of Exchangeability

The adoption of the above amendments to MFRSs did not have any significant effect on the financial statements of the Group and of the Company and did not result in significant changes to the Group and to the Company's existing accounting policies.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

2. BASIS OF PREPARATION (CONT'D.)

c) New MFRS and amendments to MFRSs that have been issued, but yet to be effective

The Group and the Company have not adopted the following new MFRSs and amendments to MFRSs that have been issued but yet to be effective:-

		Effective for financial periods beginning on or after
<u>New MFRS</u>		
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountability: Disclosure	1 January 2027
<u>Amendments to MFRSs</u>		
MFRS 7 and MFRS 9	Classification and Measurement of Financial Instruments	1 January 2026
MFRS 7 and MFRS 9	Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendments that are part of Annual improvements – Volume II:-		1 January 2026
• Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	
• Amendments to MFRS 7	Financial Instruments: Disclosures	
• Amendments to MFRS 9	Financial Instruments	
• Amendments to MFRS 10	Consolidated Financial Statements	
• Amendments to MFRS 107	Statement of Cash Flows	
MFRS 121	The Effect of Changes in Foreign Exchange Rates – Translation to a Hyperinflationary Presentation Currency	1 January 2027
MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The adoption of the accounting standards and amendments to accounting standards are not expected to have any significant impact to the financial statements of the Group and of the Company.

d) Basis of measurement

The financial statements have been prepared on the historical cost basis except as disclosed the financial statements.

e) Functional and presentation currency

These financial statements are presented in Malaysian Ringgit ("MYR"), which is also the Company's functional currency.

2. BASIS OF PREPARATION (CONT'D.)

f) Use of estimation and judgements

The preparation of the financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Significant areas of estimation uncertainty and critical judgements in applying accounting policies that have a significant effect on the amounts recognised in the financial statements are as follows:-

i) Revenue from construction contracts

The Group and the Company recognises construction contract revenue and costs by reference to the progress towards complete satisfaction of that performance obligation at the reporting date. This is measured based on direct measurements of the value transferred by the Group and Company to the customer and the Group's and Company's efforts or budgeted inputs to the satisfaction of the performance obligation. Significant judgement is required in determining:

- the completeness and accuracy of the budgets; and
- the extent of the costs incurred.

Substantial changes in cost estimates can in future periods have, a significant effect on the Group's and Company's revenue recognised. In making the above judgement, the Group and the Company relies on past experience and work of specialists.

ii) Measurement of Expected Credit Loss ("ECL") allowance for trade receivables

The Group and the Company uses a provision matrix to calculate ECLs for trade receivables. The provision matrix is initially based on the Group's and the Company's historical default rates. The Group and the Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The information about the ECLs on the Group's and the Company's trade receivables is disclosed in Note 38(b)(i) to the financial statements.

iii) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. These calculations require the use of significant judgements and estimates as set out in Note 9 to the financial statements.

iv) Fair value of equity instruments

The fair value of equity instruments that are not traded in an active market is determined by valuation techniques based on the discounted cash flows method. These calculations are subjective in nature and involves the use of significant estimates and judgement from management. Changes in assumptions about these factors could affect the reported fair value of these equity investments.

3. MATERIAL ACCOUNTING POLICY INFORMATION

a) Basis of consolidation

i) Subsidiaries and business combinations

The Group applies the acquisition method to account for business combinations from the acquisition date when the acquired set of activities meets the definition of a business and control is transferred to Group.

ii) Non-controlling interests

At the acquisition date, components of non-controlling interests of the Group are measured at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

iii) Associates and joint ventures

Investment in associates and joint ventures are accounted for in the consolidated financial statements of the Group using the equity method.

The carrying amount of the investment in associates and joint ventures is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the associate and joint venture, adjusted where necessary to ensure consistency with the accounting policies of the Group.

b) Financial instruments

Financial assets – subsequent measurements and gains and losses

Debt instruments at amortised cost

These assets are subsequently measured at amortised cost under the effective interest method. The gross carrying amount is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities – subsequent measurements and gains and losses

Financial liabilities are classified at amortised cost. Financial liabilities are subsequently measured at amortised cost under the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Equity investments

This category comprises investment in equity that is not held for trading, and the Group and the Company irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis.

c) Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

3. MATERIAL ACCOUNTING POLICY INFORMATION

c) Property, plant and equipment (Cont'd.)

Freehold land are not depreciated as they have infinite useful life. Capital work-in-progress are stated at cost and are not depreciated. Upon completion, capital work-in-progress are transferred to categories of property, plant and equipment depending on nature of assets and depreciation commences when they are ready for their intended use. Other property, plant and equipment are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives based on the following rate:

	Rate (%)
Buildings	2
Furniture, fittings and equipment	10 - 20
Electrical equipment	20
Motor vehicles	20
Renovation	20
Telecommunication tower	10
Plant and machinery	4 - 12.5

d) Leases

Lessee accounting

The Group and the Company presents right-of-use assets and lease liabilities as separate lines in the statements of financial position.

Short-term leases and leases of low value assets

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. Accordingly, the Group and the Company recognises the lease payments as an operating expense on a straight-line basis over the term of lease.

Right-of-use assets

The right-of-use assets are measured at cost less accumulated depreciation and any accumulated impairment losses, and adjust for any remeasurement of the lease liabilities. The right of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use assets or the end of the lease term.

Lease liabilities

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the incremental borrowing rate. The Group and the Company have elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

e) Intangible assets

Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the Group's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

Other intangible assets

Other intangible assets comprise the customer contracts. These assets are amortised over its useful lives of 9 to 11 years. See accounting policy Note 3(h)(ii) to the financial statements on impairment of non-financial assets.

f) Investment properties

Investment properties are properties which are owned or held under a leasehold interest to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are stated at cost less accumulated depreciation and accumulated impairment losses. Investment properties are depreciated on a straight-line basis to write down the cost of each asset to their residual values over their estimated useful lives. Freehold land is not depreciated as it has indefinite life. The principal annual rate of depreciation for other investment properties are as follows:-

	Rate (%)
Buildings	2
Leasehold land	1

g) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in value with original maturities of three months or less, and are used by the Group and the Company in the management of their short-term commitments. These also include bank overdrafts that form an integral part of the Group's and the Company's cash management.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

h) Impairment

i) Financial assets

The Group and the Company recognise loss allowances for expected credit losses on financial assets and financial guarantees measured at amortised cost or fair value through comprehensive income, except for investments in equity instruments, and interest in subsidiaries and associates.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for debt securities that are determined to have low credit risk at the reporting date, cash and bank balance and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured as 12 months expected credit loss.

Loss allowances for trade receivable are always measured at an amount equal to lifetime expected credit loss.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument, while 12 months expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date.

The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

Expected credit losses are a probability-weighted estimate of credit losses. The Group and the Company estimate the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment and including forward-looking information, where available.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

An impairment loss in respect of debt investments measured at fair value through other comprehensive income is recognised in profit or loss and the allowance account is recognised in other comprehensive income.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost and debt securities at fair value through other comprehensive income are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedures for recovery amounts due.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

h) Impairment (Cont'd.)

ii) Non-financial assets

The carrying amounts of non-financial assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units. Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to group of cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (group of cash-generating units) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

i) Inventories

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

j) Foreign currency

Transactions denominated in foreign currencies are translated and recorded at the rates of exchange prevailing at the respective dates of transactions. At the end of each reporting period, foreign currency monetary assets and liabilities are retranslated into the functional currency using the exchange rates at the reporting date (i.e. the closing rate).

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated at the exchange rate at the date of the transaction (i.e. historical rate). Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

The assets and liabilities of foreign operations are translated into MYR at the rate of exchange ruling at the reporting date and income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in the profit or loss.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income through the foreign currency translation reserve.

k) Revenue and other income

Revenue from contracts with customers

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration which the Group and the Company expect to be entitled in exchange for transferring promised goods or services to a customer, net of goods and service tax, returns, rebates and discounts. Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each distinct good or services promised in the contract. Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

k) Revenue and other income (Cont'd.)

Revenue from contracts with customers (Cont'd.)

i) Construction contracts

Revenue from construction activities contracts are recognised when or as the control of the asset is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group's performance creates and enhances an asset that the customer controls as the Group performs.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

The progress towards complete satisfaction of the performance obligation is measured based on the Group's effort or inputs to the satisfaction of the performance obligation (e.g. by reference to the property development costs incurred up to the end of the reporting period as a percentage of total estimated costs for complete satisfaction of the contract) that best depict the Group's performance in satisfying the performance obligation.

Incremental costs of obtaining a contract, if recoverable, are capitalised as contract cost assets and are subsequently amortised consistently with the pattern of revenue for the related contract.

ii) Sale of electricity

Revenue from the sale of electricity is recognised over time as customers simultaneously received and consume the benefits provided by the Group's performance when electricity is delivered based on contractual terms stipulated in respective agreements with customers.

Electricity revenue includes an estimated value of the electricity consumed by customer from the date of the last meter reading available and reporting period end. Accrued unbilled revenue is recognised as receivables and is reversed in the following month when actual billings occur.

iii) Services rendered

Revenue from services is recognised over time using the output method. The Group and the Company recognise revenue from services in the amount to which the Group and the Company has a right to invoice because the right to consideration from the customers corresponds directly with the value to the customers of the Group's and the Company's performance completed to-date.

iv) Goods sold

Revenue from the sale of goods is recognised upon delivery of goods where the control of the goods has been passed to the customers, net of goods and services taxes and discounts.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

k) Revenue and other income (Cont'd.)

Revenue from other sources and other income

i) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset is accounted for in accordance with the accounting policy on borrowing costs.

ii) Rental income

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Rental income from sub-leased property is recognised as other income.

l) Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

m) Operating segments

An operating segment is a component of the Group and the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's and the Company's other components. All operating segments' operating results are reviewed regularly by the chief operating decision maker, which in this case is the Executive Directors of the Company, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

n) Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares.

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4. PROPERTY, PLANT AND EQUIPMENT

Group	Cost					As at 31.12.2025 MYR'000
	As at 1.1.2025 MYR'000	Acquisition of subsidiary companies MYR'000	Additions MYR'000	Disposal/ Written off MYR'000	Translation differences MYR'000	
2025						
Freehold land	1,020	-	-	(760)	-	260
Buildings	5,155	-	-	-	-	5,155
Furniture, fittings and equipment	2,066	-	197	(1,207)	(26)	1,030
Electrical equipment	11,176	-	163	(729)	(155)	10,455
Motor vehicles	2,777	46	621	(1,438)	(28)	1,978
Renovation	866	-	964	(812)	-	1,018
Telecommunication tower	1,220	-	257	(20)	-	1,457
Plant and machinery	173,862	-	684	-	(11,774)	162,772
Capital work-in-progress	9,370	-	-	-	-	9,370
	207,512	46	2,886	(4,966)	(11,983)	193,495

Group (Cont'd.)	Accumulated Depreciation				As at 31.12.2025 MYR'000
	As at 1.1.2025 MYR'000	Charge for the financial year (Note 30) MYR'000	Disposal/ Written off MYR'000	Translation differences MYR'000	
2025					
Buildings	1,086	108	-	-	1,194
Furniture, fittings and equipment	1,624	142	(1,142)	(36)	588
Electrical equipment	2,533	861	(682)	(71)	2,641
Motor vehicles	2,264	242	(1,322)	(24)	1,160
Renovation	750	55	(754)	-	51
Telecommunication tower	151	122	-	-	273
Plant and machinery	36,091	10,228	-	(2,206)	44,113
	44,499	11,758	(3,900)	(2,337)	50,020

	Accumulated impairment loss		As at 31.12.2025 MYR'000
	As at 1.1.2025 MYR'000	Impairment (Note 29) MYR'000	
Plant and machinery	6,273	-	6,273
Capital work-in-progress	913	-	913
	7,186	-	7,186

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

Cost										
	As at 1.1.2024 MYR'000	Effect of prior year adjustments MYR'000	As at 1.1.2024 MYR'000	Transfers MYR'000	Transfers from right of-use assets (Note 6) MYR'000	Acquisition of subsidiary companies MYR'000	Additions MYR'000	Disposal/ Written off MYR'000	Translation differences MYR'000	As at 31.12.2024 MYR'000
Group										
2024										
Balance as at 1 January 2024 (restated)										
Freehold land	1,020	-	1,020	-	-	-	-	-	-	1,020
Buildings	5,155	-	5,155	-	-	-	-	-	-	5,155
Furniture, fittings and equipment	2,504	-	2,504	-	-	-	146	(582)	(2)	2,066
Electrical equipment	11,936	-	11,936	-	-	-	217	(652)	(325)	11,176
Motor vehicles	2,992	-	2,992	-	1,511	-	208	(1,934)	-	2,777
Renovation	865	-	865	-	-	-	1	-	-	866
Telecommunication tower	870	-	870	-	-	-	350	-	-	1,220
Plant and machinery	163,704	2	163,706	16,597	-	-	832	-	(7,273)	173,862
Capital work-in- progress	14,655	111	14,766	(16,597)	-	8,458	2,742	-	1	9,370
	203,701	113	203,814	-	1,511	8,458	4,496	(3,168)	(7,599)	207,512

Group (Cont'd.)	Accumulated Depreciation							As at 31.12.2024 MYR'000
	As at 1.1.2024 MYR'000	Effect of prior year adjustments MYR'000	As at 1.1.2024 MYR'000 (Restated)	Transfers from right of-use assets (Note 6) MYR'000	Charge for the financial year (Note 30) MYR'000	Disposal/ Written off MYR'000	Translation differences MYR'000	
2024								
Buildings	979	-	979	-	108	-	(1)	1,086
Furniture, fittings and equipment	1,566	-	1,566	-	258	(197)	(3)	1,624
Electrical equipment	1,739	-	1,739	-	819	-	(25)	2,533
Motor vehicles	2,930	-	2,930	1,206	62	(1,934)	-	2,264
Renovation	720	-	720	-	30	-	-	750
Telecommunication tower	62	-	62	-	89	-	-	151
Plant and machinery	24,219	2,447	26,666	-	10,440	-	(1,015)	36,091
	32,215	2,447	34,662	1,206	11,806	(2,131)	(1,044)	44,499

NOTES TO THE FINANCIAL STATEMENTS

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4. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

Group (Cont'd.)	Accumulated Impairment loss				
	As at 1.1.2024 MYR'000	Effect of prior year adjustments MYR'000	As at 1.1.2024 MYR'000 (Restated)	Impairment (Note 29) MYR'000	As at 31.12.2024 MYR'000
Plant and machinery	1,260	5,013	6,273	-	6,273
Capital work-in-progress	-	913	913	-	913
	1,260	5,926	7,186	-	7,186

Group (Cont'd.)	Net carrying amount		
	As at 31.12.2025 MYR'000	As at 31.12.2024 MYR'000 (Restated)	As at 1.1.2024 MYR'000 (Restated)
Freehold land	260	1,020	1,020
Buildings	3,961	4,069	4,176
Furniture, fittings and equipment	442	442	938
Electrical equipment	7,814	8,643	10,197
Motor vehicles	818	513	62
Renovation	967	116	145
Telecommunication tower	1,184	1,069	808
Plant and machinery	112,386	131,498	130,767
Capital work-in-progress	8,457	8,457	13,853
	136,289	155,827	161,966

Company	Cost			
	As at 1.1.2025 MYR'000	Additions MYR'000	Disposal/ Written off MYR'000	As at 31.12.2025 MYR'000
2025				
Freehold land	260	-	-	260
Building	4,216	-	-	4,216
Furniture, fitting and equipment	1,287	42	(953)	376
Motor vehicles	2,647	621	(1,389)	1,879
Renovation	718	919	(718)	919
	9,128	1,582	(3,060)	7,650

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

	Accumulated Depreciation			
	As at 1.1.2025 MYR'000	Charge for the financial year (Note 30) MYR'000	Disposal/ Written off MYR'000	As at 31.12.2025 MYR'000
Building	805	90	-	895
Furniture, fitting and equipment	1,182	53	(930)	305
Motor vehicles	2,140	230	(1,308)	1,062
Renovation	718	27	(718)	27
	4,845	400	(2,956)	2,289

Company	Cost				
	As at 1.1.2024 MYR'000	Transfers from right of-use assets (Note 6) MYR'000	Additions MYR'000	Disposal MYR'000	As at 31.12.2024 MYR'000
2024					
Freehold land	260	-	-	-	260
Building	4,216	-	-	-	4,216
Furniture, fitting and equipment	1,287	-	-	-	1,287
Motor vehicles	2,862	1,511	208	(1,934)	2,647
Renovation	718	-	-	-	718
	9,343	1,511	208	(1,934)	9,128

	Accumulated depreciation				
	As at 1.1.2024 MYR'000	Transfers from right of-use assets (Note 6) MYR'000	Charge for the financial year (Note 30) MYR'000	Disposal MYR'000	As at 31.12.2024 MYR'000
Building	716	-	89	-	805
Furniture, fitting and equipment	1,114	-	68	-	1,182
Motor vehicles	2,809	1,206	59	(1,934)	2,140
Renovation	718	-	-	-	718
	5,357	1,206	216	(1,934)	4,845

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

	Net carrying amount	
	As at 31.12.2025 MYR'000	As at 31.12.2024 MYR'000
Freehold land	260	260
Buildings	3,321	3,411
Furniture, fittings and equipment	71	105
Motor vehicles	817	507
Renovation	892	-
	5,361	4,283

i) The plant and machineries and electrical equipment of the Group at carrying amount of MYR120,200,000 (31.12.2024 – MYR140,141,000; 1.1.2024 – MYR140,964,000) have been pledged to licensed banks as securities for credit facilities as disclosed in Note 23 to the financial statements.

ii) The freehold land and buildings of the Group and the Company at carrying amount of MYR3,145,000 (31.12.2024 – MYR3,227,000; 1.1.2024 – MYR3,309,000) and MYR2,507,000 (31.12.2024 – MYR2,570,000; 1.1.2024 – MYR2,634,000) have been pledged to licensed banks as securities for credit securities as disclosed in Note 23 to the financial statements.

iii) Additions of property, plant and equipment are by way of:-

	Group		Company	
	2025 MYR'000	2024 MYR'000	2025 MYR'000	2024 MYR'000
Cash	2,886	4,428	1,582	208
Acquired under hire purchase financing	-	68	-	-
	2,886	4,496	1,582	208

5. INVESTMENT PROPERTIES

Group	Freehold land MYR'000	Leasehold land MYR'000	Buildings MYR'000	Total MYR'000
2025				
At cost				
As at 1 January 2025	2,113	4,097	15,734	21,944
Addition	-	-	1,170	1,170
As at 31 December 2025	2,113	4,097	16,904	23,114
Accumulated depreciation				
As at 1 January 2025	-	462	1,378	1,840
Charge for the financial year (Note 30)	-	82	374	456
As at 31 December 2025	-	544	1,752	2,296
Net carrying amount				
As at 31 December 2025	2,113	3,553	15,152	20,818
2024				
At cost				
As at 1 January 2024/31 December 2024	2,113	4,097	15,734	21,944
Accumulated depreciation				
As at 1 January 2024	-	380	1,011	1,391
Charge for the financial year (Note 30)	-	82	367	449
As at 31 December 2024	-	462	1,378	1,840
Net carrying amount				
As at 31 December 2024	2,113	3,635	14,356	20,104

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5. INVESTMENT PROPERTIES (CONT'D.)

Company	Freehold land MYR'000	Leasehold land MYR'000	Buildings MYR'000	Total MYR'000
2025				
At cost				
As at 1 January 2025/ 31 December 2025	1,773	3,722	9,735	15,230
Accumulated depreciation				
As at 1 January 2025	-	389	838	1,227
Charge for the financial year (Note 30)	-	75	230	305
As at 31 December 2025	-	464	1,068	1,532
Net carrying amount				
As at 31 December 2025	1,773	3,258	8,667	13,698
2024				
At cost				
As at 1 January 2024/31 December 2024	1,773	3,722	9,735	15,230
Accumulated depreciation				
As at 1 January 2024	-	315	598	913
Charge for the financial year (Note 30)	-	74	240	314
As at 31 December 2024	-	389	838	1,227
Net carrying amount				
As at 31 December 2024	1,773	3,333	8,897	14,003
Additions of investment properties are by way of: -				
	Group			
	2025 MYR'000	2024 MYR'000		
Contra settlement with trade receivables	1,170	-		
	1,170	-		

Investment properties of the Group and of the Company comprise commercial and residential properties that are intended to be leased to third parties.

The freehold land and building of the Group and the Company totaling MYR6,072,000 (31.12.2024 - MYR6,213,000) and MYR5,137,000 (31.12.2024 - MYR5,252,000) have been pledged to licensed bank as securities for credit facilities as disclosed in Note 23 to the financial statements.

The total fair value of investment properties of the Group and of the Company as at financial year end was MYR29,967,000 (31.12.2024 - MYR27,323,000) and MYR21,945,000 (31.12.2024 - MYR18,711,000) respectively. The fair value of the investment properties are categorised as level 2 fair value and was arrived from Directors' estimation by reference to recent transaction price of comparable properties. The most significant input used in the valuation was price per square foot.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

5. INVESTMENT PROPERTIES (CONT'D.)

The following are recognised in profit or loss in respect of investment properties:-

	Group		Company	
	2025 MYR'000	2024 MYR'000	2025 MYR'000	2024 MYR'000
Rental income	595	553	342	351
Direct operating expenses:-				
- income generating investment	(120)	(82)	(67)	(50)
- non-income generating investment properties	(29)	(75)	(29)	(61)

6. RIGHT-OF-USE ASSETS

Group	Office MYR'000	Leasehold land MYR'000	Motor vehicles MYR'000	Total MYR'000
2025				
At cost				
As at 1 January 2025	-	2,116	2,846	4,962
Additions	3,093	17	1,257	4,367
Disposal	-	-	(710)	(710)
As at 31 December 2025	3,093	2,133	3,393	8,619
Accumulated depreciation				
As at 1 January 2025	-	575	1,297	1,872
Charge for the financial year (Note 30)	86	70	462	618
Disposal	-	-	(308)	(308)
As at 31 December 2025	86	645	1,451	2,182
Net carrying amount				
As at 31 December 2025	3,007	1,488	1,942	6,437

NOTES TO THE FINANCIAL STATEMENTS

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6. RIGHT-OF-USE ASSETS (CONT'D.)

Group	Office MYR'000	Leasehold land MYR'000	Motor vehicles MYR'000	Total MYR'000
2024				
At cost				
As at 1 January 2024	-	2,148	3,243	5,391
Effect of prior year adjustment (Note 42)	-	(32)	-	(32)
As at 1 January 2024 (restated)	-	2,116	3,243	5,359
Transfers to property, plant and equipment (Note 4)	-	-	(1,511)	(1,511)
Additions	-	-	1,114	1,114
As at 31 December 2024	-	2,116	2,846	4,962
Accumulated depreciation				
As at 1 January 2024	-	422	1,861	2,283
Effect of prior year adjustment (Note 42)	-	85	-	85
As at 1 January 2024 (restated)	-	507	1,861	2,368
Charge for the financial year (Note 30)	-	68	642	710
Transfers to property, plant and equipment (Note 4)	-	-	(1,206)	(1,206)
As at 31 December 2024	-	575	1,297	1,872
Net carrying amount				
As at 31 December 2024	-	1,541	1,549	3,090

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

6. RIGHT-OF-USE ASSETS (CONT'D.)

Company	Office MYR'000	Leasehold land MYR'000	Motor vehicles MYR'000	Total MYR'000
2025				
At cost				
As at 1 January 2025	-	760	2,648	3,408
Additions	3,093	-	1,257	4,350
Disposal	-	-	(710)	(710)
As at 31 December 2025	3,093	760	3,195	7,048
Accumulated depreciation				
As at 1 January 2025	-	147	1,099	1,246
Charge for the financial year (Note 30)	86	15	462	563
Disposal	-	-	(308)	(308)
As at 31 December 2025	86	162	1,253	1,501
Net carrying amount				
As at 31 December 2025	3,007	598	1,942	5,547
2024				
At cost				
As at 1 January 2024	-	760	3,045	3,805
Transfers to property, plant and equipment (Note 4)	-	-	(1,511)	(1,511)
Additions	-	-	1,114	1,114
As at 31 December 2024	-	760	2,648	3,408
Accumulated depreciation				
As at 1 January 2024	-	132	1,699	1,831
Charge for the financial year (Note 30)	-	15	606	621
Transfers to property, plant and equipment (Note 4)	-	-	(1,206)	(1,206)
As at 31 December 2024	-	147	1,099	1,246
Net carrying amount				
As at 31 December 2024	-	613	1,549	2,162

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

6. RIGHT-OF-USE ASSETS (CONT'D.)

The leasehold land of the Group and the Company at net carrying amounts of MYR895,000 (31.12.2024 – MYR918,000; 1.1.2024 – MYR940,000) and MYR598,000 (31.12.2024 – MYR613,000; 1.1.2024 – MYR628,000) respectively have been pledged to licensed banks as securities for credit facilities granted to the Group and to the Company as disclosed in Note 23 to the financial statements.

Additions of right-of-use assets are by way of:-

	Group		Company	
	2025 MYR'000	2024 MYR'000	2025 MYR'000	2024 MYR'000
Cash	223	128	223	128
Financed by lease arrangements	4,144	986	4,127	986
	4,367	1,114	4,350	1,114

7. INVESTMENT IN SUBSIDIARY COMPANIES

	Company		
	31.12.2025 MYR'000	31.12.2024 MYR'000 (Restated)	1.1.2024 MYR'000 (Restated)
Unquoted shares, at costs:-			
- Within Malaysia	1,511	1,651	1,651
- Outside Malaysia	1	1	1
	1,512	1,652	1,652
Less: Impairment loss	(12)	-	-
	1,500	1,652	1,652
Advance to subsidiary companies treated as quasi-investment	34,836	34,994	34,961
	36,336	36,646	36,613

The advance to subsidiary company is unsecured, non-interest bearing with no fixed terms of repayment. The Company does not anticipate repayment of the advances and they are determined to form part of the Company's net investment in the subsidiary companies.

Movement on the provision for impairment of investment in subsidiary companies is as follows:-

	Company	
	31.12.2025 MYR'000	31.12.2024 MYR'000
At 1 January	-	-
Impairment loss during the financial year	12	-
At 31 December	12	-

7. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D.)

The details of the subsidiary companies are as follows:-

Name of subsidiary companies	Place of incorporation	Principal activity	Effective ownership interest		
			31.12.2025 %	31.12.2024 %	1.1.2024 %
KAB Energy Holdings Sdn. Bhd.	Malaysia	Investment holding and construction, operation and maintenance of general facilities that produce electric energy	100	100	100
KAB Energy Power Sdn. Bhd.	Malaysia	To raise financing via the issuance of Sukuk Murabahah of up to MYR500,000,000 in nominal value from time to time pursuant to the Multi-Currency Sukuk Programme and investment holdings	100	100	100
Eliq Management Sdn. Bhd.	Malaysia	Investment properties and management services and investment holding	100	100	100
KAB Telco Sdn. Bhd.	Malaysia	Operation of telecommunication infrastructure	100	100	100
KAB Signature Management Sdn. Bhd.	Malaysia	Provision of accounting, finance, administrative, human resources and management services to its related companies	100	100	100
KAB Robotic and Automation Solutions Sdn. Bhd. [#]	Malaysia	Distributing, marketing, selling and other ancillary services for ultraviolet C disinfection system and other robotic solutions	-	70	70
KAB TGreen Energy Sdn. Bhd.	Malaysia	Dormant since incorporation. Intended principal activities are developing, financing, constructing, operating and maintaining waste-to-energy facility.	100	100	100

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

7. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D.)

The details of the subsidiary companies are as follows:-

Name of subsidiary companies	Place of incorporation	Principal activity	Effective ownership interest		
			31.12.2025 %	31.12.2024 %	1.1.2024 %
KAB Bina Jaya Sdn. Bhd.	Malaysia	Dormant since incorporation. Intended principal activities are construction, civil, and structure, piling and any services related to construction.	100	100	100
Fortune Electrical Services Sdn. Bhd.	Malaysia	Dormant since incorporation. Intended principal activities are mechanical & engineering services	51	51	51
KAB (HK) Investment Co., Ltd. *	Hong Kong	Dormant since incorporation. Intended principal activity is investment holding	100	100	100
<i>Subsidiary companies of KAB Energy Power Sdn. Bhd.</i>					
KIEV CRG Sdn. Bhd.	Malaysia	Operation of generation facilities that produce electric energy and transmission, distribution and sales of electricity	100	100	100
KAB Carewell O&M Services Sdn. Bhd.	Malaysia	Operation and maintenance services for any kind of equipment and facilities	100	100	100
Dynagen Power (M) Sdn. Bhd.	Malaysia	Build, operate and generation of all types of energy system, renewable and non-renewable nature, consultancy and engineering services for the related works.	100	100	100

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7. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D.)

The details of the subsidiary companies are as follows:-

Name of subsidiary companies	Place of incorporation	Principal activity	Effective ownership interest		
			31.12.2025 %	31.12.2024 %	1.1.2024 %
<i>Subsidiary companies of KAB Energy Holdings Sdn. Bhd.</i>					
KAB Technologies Sdn. Bhd.	Malaysia	Design, installation and commissioning of energy monitoring and saving software	100	100	100
KAB Smart Solar Energy Sdn. Bhd.	Malaysia	Provisioning of engineering, procurement, construction and commission services for solar photovoltaic systems and green technology engineering services	100	100	100
KAB Core Connect O&M Services Sdn. Bhd.	Malaysia	Dormant since incorporation. Intended principal activities are repair and maintenance of industrial machinery and equipment.	100	100	100
Comtest Electrical Services Sdn. Bhd.	Malaysia	Dormant since incorporation. Intended principal activities are mechanical and electrical engineering, fabrication and construction activities.	100	100	100
Genplan Advisory & Management Sdn. Bhd.	Malaysia	Dormant since incorporation. Intended principal activities are to engage in energy and engineering projects, including facilitating the development of green, clean, and sustainable energy generation to deliver enhanced energy efficiency and management.	100^	100^	100^
Matahari Suria Sdn. Bhd.	Malaysia	Operation of general facilities that produce electric energy	100	100	100

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

7. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D.)

The details of the subsidiary companies are as follows:-

Name of subsidiary companies	Place of incorporation	Principal activity	Effective ownership interest		
			31.12.2025 %	31.12.2024 %	1.1.2024 %
<i>Subsidiary companies of KAB Energy Holdings Sdn. Bhd. (Cont'd.)</i>					
PT Inpolo Mitra Elektrindo *	Indonesia	Operation and service related to electricity generation	100^	100	100
Future Biomass Gasification Sdn. Bhd.	Malaysia	Renewable energy development	100	100	100
Ultimate Green Energy Sdn. Bhd.	Malaysia	Construction, Engineering and Project Management services for oil and gas, petrochemicals and related industries	49~	49~	-
Tunjang Tenaga Sdn. Bhd.	Malaysia	Investment holding and project management consultancy	100	100	-
KAB Infra Sdn. Bhd. ®	Malaysia	Construction and operation of generation facilities and sale of electricity	60	-	-
PKB KABEH Sustainable Energy Solutions Sdn. Bhd.	Malaysia	Construction, energy, investment and project management	80	-	-
Power Raise Innovation Sdn. Bhd.	Malaysia	Investment holding and construction, operation and maintenance of generation facilities	100	-	-
Jati Cakerawala Sdn. Bhd.	Malaysia	Investment holding	100	-	-
Silver Renewables Sdn. Bhd. ®	Malaysia	Construction and concession of mini hydro power plant	100	-	-
<i>Subsidiary company of KAB Robotic and Automation Solutions Sdn. Bhd.</i>					
iSenze Sdn. Bhd. #	Malaysia	General trading	-	100	100
<i>Subsidiary company of KAB (HK) Investment Co., Ltd.</i>					
V-Tez Intelligent Solutions (V) Co., Ltd.*	Vietnam	Electrical installation services, construction of electrical works, technical consultancy services and other specialised construction activities	100	100	100

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

7. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D.)

The details of the subsidiary companies are as follows:-

Name of subsidiary companies	Place of incorporation	Principal activity	Effective ownership interest		
			31.12.2025 %	31.12.2024 %	1.1.2024 %
<i>Subsidiary companies of KAB Technologies Sdn. Bhd.</i>					
Econergy Plus Sdn. Bhd.	Malaysia	Provision of energy solutions, operation, maintenance and management of power generation assets and other facilities.	100	100	100
KABT Unified Engineering Solutions Sdn. Bhd.	Malaysia	Provision of energy control service and solution using proprietary building management automation system	80	80	80
TVT Link Tech Solutions Sdn. Bhd.	Malaysia	Maintenance services to electrical equipment and facilities	100	60	60
KAB Technologies Thai Co., Ltd. *	Thailand	Investment holding	100^	100^	100^
<i>Subsidiary companies of KAB Smart Solar Energy Sdn. Bhd.</i>					
Mayang Hijau Sdn. Bhd.	Malaysia	Developing, financing, constructing, operating and maintaining self-owned or leased solar photovoltaic projects and projects involving green technology	80	80	80
KAB Gree Solar Sdn. Bhd.	Malaysia	Developing, financing, constructing, operating, and maintaining solar photovoltaic project and projects involving green technology	100	100	100
<i>Direct and indirect subsidiary companies of KAB Technologies (Thai) Co., Ltd.</i>					
Energy Optimization (Thailand) Co., Ltd.*	Thailand	Design and implementation of energy saving equipment	80^	80^	80^
iTrans Green Energy Thai Co., Ltd. *	Thailand	Dormant since incorporation. Intended principal activities are produce and distribute alternate energy	80^	80^	80^

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

7. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D.)

The details of the subsidiary companies are as follows:-

Name of subsidiary companies	Place of incorporation	Principal activity	Effective ownership interest		
			31.12.2025 %	31.12.2024 %	1.1.2024 %
<u>Subsidiary company of Energy Optimization (Thailand) Co., Ltd.</u>					
KAB Gree Solar Thai Co., Ltd. *	Thailand	Dormant since incorporation. Intended principal activities are contractor installation and maintenance of solar power systems, supply of spare parts and equipment	80^	80^	98
<u>Subsidiary companies of KAB Telco Sdn. Bhd.</u>					
KAB Integrated Networks Sdn. Bhd.	Malaysia	Operate a network of multi-operator telecommunications towers at strategic locations and providing facilities and services relating to maintenance of telecommunication structure and fibre in building coverage	100^	100^	100^
Significant Technologies Sdn. Bhd.	Malaysia	Operate a network of multi-operator telecommunications towers at strategic locations and providing facilities and services relating to maintenance of telecommunication structure and fibre in building coverage	100^	100^	100^
<u>Subsidiary company of Tunjang Tenaga Sdn. Bhd.</u>					
SDF Hydro Sdn. Bhd.	Malaysia	Construction and concession of mini hydro power plant	80	80	-
<u>Subsidiary company of Jati Cakerawala Sdn. Bhd.</u>					
Eentier Sdn. Bhd.®	Malaysia	Construction and operation of generation facilities that produce electric energy, transmission, distribution and sale of electricity	100	-	-

7. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D.)

- ~ Although the Group has less than 50% of the ownership in the equity interest of Ultimate Green Energy Sdn. Bhd., the Group has determined that it has control through representation on the subsidiary's Board of Directors.
- ^ Ownership interest amounting to 51%, 0.03%, 11%, 20%, 20%, 2%, 60% and 60% (31.12.2024: 51%, 0.03%, 11%, 20%, 20%, 2%, 60% and 60%) for Genplan Advisory & Management Sdn. Bhd., PT Inpolo Mitra Elektrindo, KAB Technologies Thai Co., Ltd., Energy Optimization (Thailand) Co., Ltd., iTrans Green Energy Thai Co., Ltd., KAB Gree Solar Thai Co., Ltd., KAB Integrated Networks Sdn. Bhd. and Significant Technologies Sdn. Bhd. respectively were held in trust on behalf of the Group under the name of certain Directors of the Group, certain Directors of the subsidiary companies and nominees.
- * Audited by a firm other than HLB Ler Lum Chew PLT
- # Strike off during the financial year with no significant effect to the Group.
- @ The audited financial statements for the financial year ended 31 December 2025 of these subsidiaries are not available at the date of the financial statements of the Group. However, the Directors are of the opinion that the financial contribution of these subsidiaries are not material to the Group. Hence, the management accounts of the said subsidiaries for the financial year ended 31 December 2025 have been used for consolidation purposes.

The place of incorporation is also the principal place of business of the respective subsidiaries.

The Company's investment in Jati with a carrying amount of MYR47,845,000 (2024 - Nil) has been charged to a bank borrowing facility as disclosed in Note 23 to the financial statements.

Information related to non-controlling interest of subsidiaries are not disclosed as they are not material to the Group.

For the financial year ended 31 December 2025

(a) Incorporation during the financial year

On 17 January 2025, the Group incorporated a company, PKB KABEH Sustainable Energy Solutions Sdn. Bhd. ("PKB KABEH") with a cost of investment of MYR80, representing 80% equity interest in PKB KABEH.

On 15 May 2025, the Group incorporated an wholly owned subsidiary, Power Raise Innovation Sdn. Bhd with cost of investment of MYR100.

On 27 August 2025, the Group incorporated a company, KAB Infra Sdn. Bhd. ("KAB INFRA") with a cost of investment of MYR900, representing 60% equity interest in KAB INFRA.

On 10 September 2025, the Group incorporated a company, Eentier Sdn. Bhd. ("Eentier") with a cost of investment of MYR1,000, representing 100% equity interest in Eentier.

On 28 November 2025, the Group incorporated a company, Silver Renewables Sdn. Bhd. ("Silver") with a cost of investment of MYR100, representing 100% equity interest in Silver.

The above incorporations do not have significant effect to the Group financial statements.

(b) Acquisition during the financial year

On 26 August 2025, the Group acquired the remaining 40% equity interest in TVT Link Tech Solutions Sdn. Bhd. ("TVT Link") from its non-controlling interest for MYR100,000 and TVT Link became a wholly owned subsidiary of the Group. The acquisition do not have a significant effect to the Group financial statements.

On 6 May 2025, the Group acquired 47.5% of ordinary shares in Jati Cakerawala Sdn. Bhd. ("Jati") with cost of investment of MYR35,000,000,

On 28 July 2025 and 5 August 2025, the Group further acquired 22.5% and 30% of the shares in Jati with cost of investment of MYR5,505,000 and MYR7,340,000 respectively.

Upon completion of the acquisition, Jati became a wholly owned subsidiary of the Group.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

7. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D.)

For the financial year ended 31 December 2025

(b) Acquisition during the financial year (Cont'd.)

The provisionally determined fair value of the assets and liabilities identified arising from the acquisition of Jati is as follows:

	2025 MYR'000
Property, plant and equipment	46
Investment in joint venture	74,194
Other receivables, deposits and prepayments	4
Cash and bank balances	1,379
Current tax assets	133
Trade payables	(27,906)
Other payables	(5)
Group's interest in fair value of net identifiable liabilities	47,845
Total purchase consideration	(47,845)
Add: Cash and cash equivalents acquired	1,379
Net cash outflow on acquisition	(46,466)

Acquisition related costs of MYR55,000 have been charged to administrative expenses during the financial year.

(c) Measurement period adjustments of Tunjang Tenaga Sdn. Bhd. ("TTSB")

During the financial year, the Group reassessed and finalised the fair value of identified assets and liabilities acquired on the date of acquisition of TTSB. The adjusted fair values of the identifiable assets and liabilities as at the date of acquisition were:-

	As previously stated MYR'000	Measurement period adjustment MYR'000	As restated MYR'000
Property, plant and equipment	8,458	-	8,458
Trade receivables	6	-	6
Other receivables, deposits and prepayments	*	-	*
Cash and bank balances	4	-	4
Trade payables	(24,963)	24,783	(180)
Other payables	(2,464)	-	(2,464)
Group's interest in fair value of net identifiable liabilities	(18,959)	24,783	5,824
Purchase consideration	*	*	*
Minority interest	(100)	-	(100)
Goodwill/(Negative goodwill)	(19,059)	24,783	5,724

* Less than MYR1,000.

Please refer to Note 42(a)(ii) to the financial statements for more information.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

7. INVESTMENT IN SUBSIDIARY COMPANIES (CONT'D.)

For the financial year ended 31 December 2024

On 19 June 2024, the Group incorporated a company, Ultimate Green Energy Sdn. Bhd. ("UGESB") with cost of investment of MYR49 which representing 49% equity interest in UGESB.

The above acquisition and incorporation do not have significant effects to the financial statements.

8. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

(a) Investment in an associate company

	Group	
	31.12.2025 MYR'000	31.12.2024 MYR'000
Unquoted shares, at costs:-		
As at 1 January	300	300
Disposal	(300)	-
As at 31 December	-	300

The associated company is as follows:-

Name of company	Place of incorporation	Principal activities	Effective ownership interest	
			31.12.2025 %	31.12.2024 %
Mentari Kamuning Sdn. Bhd. *	Malaysia	Dormant	-	30

* The company remains dormant since the date of incorporation on 17 August 2023.

On 7 January 2025, the Group has disposed the entire equity interest in Mentari Kamuning Sdn. Bhd. and resulting a gain on disposal amounting to MYR650,000.

Summarised financial information of the associate is not disclosed as it is not material to the Group.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

8. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD (CONT'D.)

(b) Investment in a joint venture

	Group	
	31.12.2025 MYR'000	31.12.2024 MYR'000
Unquoted shares, at cost	74,194	-
Share of post acquisition results	(13,301)	-
As at 31 December	60,893	-

The joint venture are as follows:-

Name of company	Place of incorporation	Principal activities	Effective ownership interest	
			31.12.2025 %	31.12.2024 %
Teknologies Tenaga Perlis Consortium Sdn. Bhd. ("TTPC")	Malaysia	Operating and maintaining an electricity generation plant	80	-

Despite the Group has more than 80% equity interest in TTPC, it does not give the Group power to control TTPC pursuant to the Shareholders' Agreement which require unanimous consent with the remaining shareholder of TTPC.

The summarised financial information of the joint venture are as follows:

	TTPC MYR'000
2025	
Non-current assets	67,780
Current assets	12,901
Current liabilities	(4,565)
Net assets	76,116
Revenue	-
Loss/Total comprehensive expense for the financial year	(1,326)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

8. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD (CONT'D.)

(b) Investment in a joint venture (Cont'd.)

The reconciliation of net assets/(liabilities) of the associate to the carrying amount of the investment in joint ventures are as follows:

	TTPC MYR'000
2025	
The Group's share of total comprehensive expense	(1,061)
The Group's share of net assets	60,893
Dividend received during the financial year	12,240
Effective interest in joint venture	80%

9. INTANGIBLE ASSETS

Group	Goodwill MYR'000	Other intangible assets MYR'000	Total MYR'000
At cost			
As at 1 January 2024/31 December 2024/ 31 December 2025	4,579	5,002	9,581
Accumulated amortisation			
As at 1 January 2024	-	452	452
Effect of prior year adjustments (Note 42)	-	457	457
As at 1 January 2024 (restated)	-	909	909
Charge for the financial year	-	496	496
As at 31 December 2024	-	1,405	1,405
Charge for the financial year	-	499	499
As at 31 December 2025	-	1,904	1,904
Accumulated impairment loss			
As at 1 January 2024	1,012	-	1,012
Effect of prior year adjustments (Note 42)	2,343	-	2,343
As at 1 January 2024 (restated)	3,355	-	3,355
Impairment	719	-	719
As at 31 December 2024	4,074	-	4,074
Impairment	505	-	505
As at 31 December 2025	4,579	-	4,579

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

9. INTANGIBLE ASSETS (CONT'D.)

Group	Goodwill MYR'000	Other intangible assets MYR'000	Total MYR'000
Net carrying amount			
As at 31 December 2025	-	3,098	3,098
As at 31 December 2024	505	3,597	4,102
As at 1 January 2024	1,224	4,093	5,317

Goodwill arising from business combinations has been allocated to each cash-generating units ("CGU") for impairment testing as follows:-

	Group		
	31.12.2025 MYR'000	31.12.2024 MYR'000 (Restated)	1.1.2024 MYR'000 (Restated)
Sustainable Energy Solutions ("SES") unit	-	505	1,224

Key assumption used to determine recoverable amount

The recoverable amount of the Group's CGU has been determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering the remaining tenure of the Energy Performance Agreement ("EPA") of the CGU.

The key assumptions used for the value-in-use calculation are as follows:

	31.12.2025	31.12.2024
Remaining EPA tenure (years)	4	5
Pre-tax discount rate (%)	11	11

Due to the reduction of the remaining tenure of the EPA over the years, the Group recognised an impairment loss of MYR505,000 (2024: MYR719,000) based on the recoverable amount of the CGU which has been charged to administrative expenses.

10. DEFERRED TAX ASSETS/(LIABILITIES)

Deferred tax assets/(liabilities) presented after appropriate offsetting are as follows:-

	Group			Company	
	31.12.2025 MYR'000	31.12.2024 MYR'000 (Restated)	1.1.2024 MYR'000 (Restated)	31.12.2025 MYR'000	31.12.2024 MYR'000
Deferred tax assets	1,190	1,113	877	69	69
Deferred tax liabilities	(5,135)	(5,422)	(2,198)	-	-
	(3,945)	(4,309)	(1,321)	69	69

The movement on the net deferred tax assets/(liabilities) is as follows:-

	Group		Company	
	31.12.2025 MYR'000	31.12.2024 MYR'000 (Restated)	31.12.2025 MYR'000	31.12.2024 MYR'000
As at 1 January	(4,309)	(1,321)	69	69
Recognised in profit or loss (Note 33)	489	(3,157)	-	-
Effect of foreign exchange rate changes	(125)	169	-	-
As at 31 December	(3,945)	(4,309)	69	69

The components of deferred tax assets and liabilities during the financial year are as follows:-

	Group			Company	
	31.12.2025 MYR'000	31.12.2024 MYR'000 (Restated)	1.1.2024 MYR'000 (Restated)	31.12.2025 MYR'000	31.12.2024 MYR'000
Deferred tax assets					
Trade receivables	238	238	238	238	238
Unutilised tax losses	1,906	2,018	639	-	-
Unabsorbed capital allowances	202	410	4,016	-	-
	2,346	2,666	4,893	238	238
Offsetting	(1,156)	(1,533)	(4,016)	(169)	(169)
	1,190	1,113	877	69	69

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

10. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D.)

	Group			Company	
	31.12.2025 MYR'000	31.12.2024 MYR'000 (Restated)	1.1.2024 MYR'000 (Restated)	31.12.2025 MYR'000	31.12.2024 MYR'000
Deferred tax liabilities					
Property, plant and equipment	(5,462)	(6,026)	(5,146)	(82)	(82)
Intangible assets	(742)	(862)	(981)	-	-
Trade payables	(87)	(87)	(87)	(87)	(87)
	(6,291)	(6,975)	(6,214)	(169)	(169)
Offsetting	1,156	1,533	4,016	169	169
	(5,135)	(5,422)	(2,198)	69	69

Unutilised tax losses and unabsorbed capital allowances of the Group which are available to set off against future chargeable income for which the tax effects have not been recognised in the financial statements are shown below:-

	Group		
	31.12.2025 MYR'000	31.12.2024 MYR'000	1.1.2024 MYR'000
Unutilised tax losses	2,435	2,931	2,922
Unabsorbed capital allowances	6,575	2,086	2,086
	9,010	5,017	5,008
Deferred tax assets not recognised @ 24% (31.12.2024 – 24%; 1.1.2024 – 24%)	2,162	1,204	1,202

The expiry of unutilised tax losses not recognised are as follows:-

	Group		
	31.12.2025 MYR'000	31.12.2024 MYR'000	1.1.2024 MYR'000
2028	1,189	1,491	1,491
2029	-	50	50
2030	-	50	50
2031	-	87	87
2032	270	802	802
2033	287	442	442
2034	42	9	-
2035	647	-	-
	2,435	2,931	2,922

11. OTHER INVESTMENTS

	Group		
	31.12.2025 MYR'000	31.12.2024 MYR'000 (Restated)	1.1.2024 MYR'000 (Restated)
Fair value through other comprehensive income			
- Unquoted shares in Malaysia	18,889	8,703	6,237
Fair value gain of investment recognised in other comprehensive income	363	330	

12. INVENTORIES

	Group	
	31.12.2025 MYR'000	31.12.2024 MYR'000
At cost		
- Finished goods	475	227

13. TRADE RECEIVABLES

	Group			Company		
	31.12.2025 MYR'000	31.12.2024 MYR'000 (Restated)	1.1.2024 MYR'000 (Restated)	31.12.2025 MYR'000	31.12.2024 MYR'000 (Restated)	1.1.2024 MYR'000 (Restated)
Trade receivables	158,739	73,402	56,287	105,861	59,187	51,953
Less: Impairment losses (Note 38 (b)(i))	(7,861)	(7,861)	(5,737)	(7,761)	(7,761)	(5,636)
	150,878	65,541	50,550	98,100	51,426	46,317

Included in trade receivables as at financial year end is retention sum of MYR19,511,000 (31.12.2024 – MYR19,414,000; 1.1.2024 – MYR22,218,000) relating to construction contracts.

The normal credit terms of trade receivables range from 30 to 90 (31.12.2024 – 30 to 90; 1.1.2024: 30 to 90) days. Other credit terms are assessed and approved on a case-by-case basis.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

14. CONTRACT ASSETS/(LIABILITIES)

	Group		Company	
	31.12.2025 MYR'000	31.12.2024 MYR'000	31.12.2025 MYR'000	31.12.2024 MYR'000
Contract assets	131,055	62,972	13,095	36,638
Contract liabilities	(100,348)	(4,390)	(4,011)	(3,752)
	30,707	58,582	9,084	32,886

Contract assets and contract liabilities of the Group and the Company mainly relate to construction contracts. The analysis of contract assets and contract liabilities are as follows:-

	Group		Company	
	31.12.2025 MYR'000	31.12.2024 MYR'000	31.12.2025 MYR'000	31.12.2024 MYR'000
At 1 January	58,582	41,485	32,886	44,373
Revenue recognised during the financial year	381,835	124,602	101,811	56,782
Less: Billing	(409,710)	(107,505)	(125,613)	(68,269)
	(27,875)	17,097	(23,802)	(11,487)
At 31 December	30,707	58,582	9,084	32,886

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) are expected to be satisfied over the following periods as follows:-

	Group		Company	
	31.12.2025 MYR'000	31.12.2024 MYR'000	31.12.2025 MYR'000	31.12.2024 MYR'000
Within 1 year	14,220	80,196	5,822	80,196
More than one year	617,410	20,049	40,642	20,049
	631,630	100,245	46,464	100,245

15. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group			Company		
	31.12.2025 MYR'000	31.12.2024 MYR'000 (Restated)	1.1.2024 MYR'000 (Restated)	31.12.2025 MYR'000	31.12.2024 MYR'000 (Restated)	1.1.2024 MYR'000 (Restated)
Other receivables	47,260	49,267	28,460	43,135	45,053	24,344
Less: Impairment loss (Note 38(b)(i))	(2,571)	(1,187)	(1,187)	(2,571)	(1,187)	(1,187)
	44,689	48,080	27,273	40,564	43,866	23,157
Deposits	1,187	2,179	1,582	551	243	384
Prepayments	5,269	4,529	2,050	81	73	-
	51,145	54,788	30,905	41,196	44,182	23,541

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

16. AMOUNT DUE FROM/(TO) SUBSIDIARY COMPANIES

The amount due from/(to) subsidiary companies are unsecured, interest free and repayable on demand.

17. DEPOSITS WITH LICENSED BANKS

Included in deposits with licensed banks of the Group and of the Company are amounts of MYR68,257,000 (31.12.2024 – MYR52,876,000) and MYR33,573,000 (31.12.2024 – MYR32,026,000) respectively which have been pledged to licensed banks as security for bank credit facilities granted to the Group and the Company as disclosed in Note 23 to the financial statements.

The effective interest rates of fixed deposits with licensed banks during the financial year range from 1.75% to 2.60% (31.12.2024 – 1.07% to 4.40%) per annum.

18. SHARE CAPITAL

	Group and company			
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
	Number of ordinary shares'000		MYR'000	MYR'000
As at 1 January	2,078,794	1,945,116	194,720	148,847
Issuance of shares	106,272	133,678	35,070	45,873
As at 31 December	2,185,066	2,078,794	229,790	194,720

For the financial year ended 31 December 2025

The issued and paid-up share capital of the Company was increased from MYR194,720,000 to MYR229,790,000 by way of the issuance of:-

- 48,454,500 new ordinary shares for a total cash consideration of MYR15,990,000 by way of private placement at an issue price MYR0.330 per ordinary share; and
- 57,817,788 new ordinary shares for a total cash consideration of MYR19,080,000 by way of private placement at an issue price MYR0.33 per ordinary share; and

For the financial year ended 31 December 2024

The issued and paid-up share capital of the Company was increased from MYR148,847,000 to MYR194,720,000 by way of the issuance of 133,677,900 new ordinary shares for a total cash consideration of MYR45,873,000 by way of private placements at an issue price of between MYR0.325 to MYR0.380 per ordinary share.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank pari-passu with regard to the Company's residual assets.

19. FOREIGN CURRENCY TRANSLATION RESERVE

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of a foreign operation whose functional currency is different from that of the Group's presentation currency.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

20. TREASURY SHARES

	31.12.2025	31.12.2024	31.12.2025	31.12.2024
	Number of ordinary shares'000		MYR'000	MYR'000
As at 1 January/31 December	89	89	4	4

The repurchased shares are held as treasury shares and carried at cost in accordance with the requirements of section 127 of the Companies Act, 2016. Treasury shares have no rights to voting, dividends and participation in other distribution.

21. FAIR VALUE RESERVE

Fair value reserve represents the cumulative fair value changes in the fair value of financial assets (other investments) through other comprehensive income until they are disposed.

22. RETAINED PROFITS

The Company may distribute dividend out of its retained profits under the single tier system to its shareholders without tax consequences.

23. BORROWINGS

	Group		Company	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
	MYR'000	MYR'000	MYR'000	MYR'000
Non-current				
<u>Secured</u>				
Term loans	115,769	102,260	2,414	22,688
Current				
<u>Secured</u>				
Banker's acceptance	10,600	27,889	10,600	27,889
Trade finance	10,379	5,792	1,476	458
Revolving credit	23,670	12,670	11,800	11,800
Bank overdrafts	11,772	13,884	11,557	13,472
Term loans	74,084	19,358	20,307	276
	130,505	79,593	55,740	53,895
Total	246,274	181,853	58,154	76,583
Total borrowings				
<u>Secured</u>				
Banker's acceptance	10,600	27,889	10,600	27,889
Trade finance	10,379	5,792	1,476	458
Revolving credit	23,670	12,670	11,800	11,800
Banker overdrafts	11,772	13,884	11,557	13,472
Term loans	189,853	121,618	22,721	22,964
	246,274	181,853	58,154	76,583

23. BORROWINGS (CONT'D.)

The remaining maturities of the borrowings are as follows:-

	Group		Company	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
	MYR'000	MYR'000	MYR'000	MYR'000
On demand or within one year	130,505	79,593	55,740	53,895
Later than one year and not later than two years	60,711	46,924	327	5,317
Later than two years and not later than five years	38,404	33,419	1,090	10,352
Later than five years	16,654	21,917	997	7,019
	246,274	181,853	58,154	76,583

The effective interest rates for the Group and the Company are as follows:-

	Group		Company	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
	%	%	%	%
Banker's acceptance	3.92 - 5.21	3.92 - 5.21	3.92 - 5.21	3.92 - 5.21
Trade finance	6.43 - 6.85	5.13	6.43 - 6.85	5.13
Revolving credit	4.33 - 4.80	4.88	4.33 - 4.80	4.88
Bank overdrafts	7.39	7.74 - 8.70	7.74 - 8.70	7.74 - 8.70
Term loans	4.92 - 7.75	2.60 - 7.32	4.92 - 7.75	2.60 - 7.32

The bank facilities are secured by the followings:

- First and legal charge over the property, plant and equipment of the Group and the Company as disclosed in Note 4 to the financial statements;
- First and legal charge over the investment properties as disclosed in Note 5 to the financial statements;
- Right-of-use assets as disclosed in Note 6 to the financial statements;
- Fixed deposits of the Group and of the Company as disclosed in Note 17 to the financial statements;
- Certain facilities agreement for the sum of all monies securities;
- Personal guarantee by certain directors of the Company and directors of certain subsidiaries;
- Guarantee by Credit Guarantee Corporation;
- Assignment of all rights, interests and benefits of the customer and the proceeds from the sale of electricity in respect of the power purchase agreement of certain subsidiaries;
- Assignment over all residual proceeds received in relation to contracts under Sustainable Energy Solutions project of the Company and a subsidiary company;
- Joint and several guarantee to be executed by former directors of certain subsidiary companies;
- Guarantee of 80% from the approved amount under Government Guarantee Scheme COVID-19 (GCS Prihatin); and
- Ordinary shares of a subsidiary, Jati Cakerawala Sdn. Bhd.

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24. LEASE LIABILITIES

	Group			Company		
	31.12.2025 MYR'000	31.12.2024 MYR'000 (Restated)	1.1.2024 MYR'000 (Restated)	31.12.2025 MYR'000	31.12.2024 MYR'000 (Restated)	1.1.2024 MYR'000
Minimum lease payments:-						
- not later than one year	1,191	496	435	1,067	382	320
- later than one year and not later than two years	1,188	578	520	1,094	378	320
- later than two years but not later than five years	3,080	1,079	551	2,825	821	264
- later than five years	1,218	681	767	535	-	-
	6,677	2,834	2,273	5,521	1,581	904
Less: Future interest charge	(1,146)	(580)	(558)	(777)	(160)	(81)
Present value of lease liabilities	5,531	2,254	1,715	4,744	1,421	823
Analysed as:						
Current	4,661	1,876	1,365	3,920	1,105	531
Non-current	870	378	350	824	316	292
	5,531	2,254	1,715	4,744	1,421	823

The effective interest rates for the Group and the Company are as follows:-

	Group			Company		
	31.12.2025 %	31.12.2024 %	1.1.2024 %	31.12.2025 %	31.12.2024 %	1.1.2024 %
Lease liabilities	4.17 - 6.16	2.11 - 5.70	4.75 - 6.16	4.17 - 6.16	2.11 - 3.29	4.75 - 6.16

The Group and the Company obtain lease facilities to finance their purchase of motor vehicles. Implicit interest rate of the lease is fixed at the inception of the lease arrangements, and the lease instalments are fixed throughout the lease period. There are no significant restriction clauses imposed on the lease arrangements.

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25. TRADE PAYABLES

The normal credit terms of trade payables range from 30 to 120 days (31.12.2024 – 30 to 120 days; 1.1.2024 – 30 to 120 days). However, credit terms may vary dependent on negotiation with the suppliers.

Included in trade payables of the Group and the Company as at financial year end are retention sums of MYR12,610,000 (31.12.2024 – MYR13,064,000; 1.1.2024 – MYR15,940,000) relating to construction contracts.

26. OTHER PAYABLES AND ACCRUALS

	Group			Company		
	31.12.2025 MYR'000	31.12.2024 MYR'000 (Restated)	1.1.2024 MYR'000 (Restated)	31.12.2025 MYR'000	31.12.2024 MYR'000 (Restated)	1.1.2024 MYR'000 (Restated)
Other payables	17,272	2,822	22,802	9,476	2,231	1,566
Accruals	4,084	235	108	409	186	216
Deposits received	184	650	5,561	97	594	76
	21,540	3,707	28,471	9,982	3,011	1,858

Included in other payables of the Group is an amount due to corporate shareholders of the subsidiary companies amounting to MYR25,000 (31.12.2024 – MYR25,000; 1.1.2024 – MYR175,000).

Included in other payables of the Group is an amount due to a Director of the Company amounting to MYR3,329,000 (31.12.2024 – Nil; 1.1.2024 – Nil).

27. REVENUE

	Group		Company	
	2025 MYR'000	2024 MYR'000 (Restated)	2025 MYR'000	2024 MYR'000
Construction contracts	381,835	124,602	101,811	56,782
Sales of electricity	26,674	28,849	-	-
Services rendered	22,744	6,133	-	-
Sales of goods	46,182	59,953	53,851	65,267
Revenue from contracts with customers	477,435	219,537	155,662	122,049
Rental income	858	447	-	-
	478,293	219,984	155,662	122,049
Timing of revenue:-				
- at a point of time	46,182	59,953	53,851	65,267
- over time	431,253	159,584	101,811	56,782
	477,435	219,537	155,662	122,049
Primary geographical markets:-				
- Malaysia	464,114	203,684	155,662	122,049
- Thailand	1,610	1,490	-	-
- Indonesia	11,411	14,363	-	-
	477,435	219,537	155,662	122,049

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28. OTHER INCOME

	Group		Company	
	2025 MYR'000	2024 MYR'000 (Restated)	2025 MYR'000	2024 MYR'000
Gain on disposal of plant and equipment	268	163	268	538
Gain on disposal of an associate	650	-	-	-
Interest income	2,243	1,530	805	1,321
Realised gain on foreign exchange	-	30	-	-
Rental income	725	417	342	351
Sundry income	951	1,347	271	430
Gain on bargain purchase	-	5,724	-	-
Unwinding of discount on trade receivables	-	45	-	45
Decommissioning work	2,067	-	-	-
Bank charges to subcontractors	1,559	-	-	-
Waiver of debts	-	2,874	-	-
	8,463	12,130	1,686	2,685

29. FINANCE COSTS

	Group		Company	
	2025 MYR'000	2024 MYR'000 (Restated)	2025 MYR'000	2024 MYR'000
Commission fee on bank guarantee	-	12	-	-
Interest on bank overdraft	971	1,308	961	1,283
Interest on term loans	9,283	6,359	1,710	1,743
Interest on trade finance	1,650	1,557	1,551	1,492
Interest on lease liabilities	154	117	101	61
Other interest expense	23	155	-	15
Total finance costs	12,081	9,508	4,323	4,594

30. PROFIT BEFORE TAXATION

	Group		Company	
	2025 MYR'000	2024 MYR'000 (Restated)	2025 MYR'000	2024 MYR'000
This is arrived after charging:-				
Auditors' remuneration:-				
- statutory audit	416	355	105	132
- other services	10	13	10	13
- under provision in prior years	8	-	-	-
Depreciation:-				
- property, plant and equipment (Note 4)	11,758	11,806	400	216
- investment properties (Note 5)	456	449	305	314
- right-of-use assets (Note 6)	618	710	563	621
Amortisation of intangible assets	499	496	-	-
Employee benefit expense (Note 31)	18,912	15,387	1,346	1,449
Impairment loss on:-				
- trade receivables	-	2,124	-	2,124
- other receivables	1,384	-	1,384	-
- goodwill	505	719	-	-
- investment in subsidiary	-	-	12	-
Plant and equipment written off	985	662	23	-
Loss on disposal of right-of-use assets	26	-	26	-
Loss on striking off a subsidiary	-	-	140	-
Lease of low value assets	200	4	37	-
Short term leases	263	189	128	120

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31. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2025 MYR'000	2024 MYR'000	2025 MYR'000	2024 MYR'000
Salaries, bonus, wages and allowances	17,689	13,941	1,272	1,377
Defined contribution plan	1,598	1,320	54	64
Social security cost	151	113	8	8
Employment insurance system	17	13	*	*
	19,455	15,387	1,334	1,449

Included in employee benefits expense of the Group and of the Company are executive directors' emoluments excluding benefits-in-kind, amounting to MYR4,000,000 (2024 – MYR3,863,000) and MYR538,000 (2024 – MYR644,000) respectively as disclosed in Note 32 to the financial statements.

32. DIRECTORS' EMOLUMENTS

The details of remuneration receivable by directors of the Group and the Company during the year are as follows:-

	Group		Company	
	2025 MYR'000	2024 MYR'000	2025 MYR'000	2024 MYR'000
Executive directors				
Salaries and allowance	3,221	3,027	509	568
Bonus	421	509	-	48
Employees Provident Fund	353	323	27	27
Social security cost	5	4	2	1
Employment insurance system	*	*	*	*
Total executive directors' remuneration (excluding benefits-in-kind) (Note 31)	4,000	3,863	538	644
Estimated money value of benefits-in-kind	73	55	-	20
Total executive directors' remuneration (including benefits-in-kind)	4,073	3,918	538	664
Non-executive directors fees	585	558	585	558
	4,658	4,476	1,123	1,222

* Less than MYR1,000

33. INCOME TAX EXPENSE

Income tax is calculated at the Malaysian statutory tax rates of 24% (2024 – 24%) of the estimated assessable profit for the financial year. Taxation for other jurisdictions is calculated at the prevailing tax rates in the respective jurisdictions.

	Group		Company	
	2025 MYR'000	2024 MYR'000 (Restated)	2025 MYR'000	2024 MYR'000
Malaysian income tax:-				
- current year	11,654	3,564	400	1,600
- (over)/under provision in prior years	385	2,126	184	1,098
	12,039	5,690	584	2,698
Deferred taxation (Note 10):-				
- current year	(489)	2,609	-	-
- under provision in prior years	-	548	-	-
	(489)	3,157	-	-
	11,550	8,847	584	2,698

The numerical reconciliation between the effective tax rate and the applicable tax rate is as follows :

	Group		Company	
	2025 %	2024 % (Restated)	2025 %	2024 %
Applicable tax rate	24	24	(24)	24
Different tax rates in other countries	*	*	-	-
Non-allowable expenses	5	75	40	32
Non-taxable income	*	*	-	-
Utilisation of previously unrecognised tax credits	-	(16)	-	-
Under provision of income tax in prior years	1	29	8	38
Under provision of deferred tax in prior years	-	7	-	-
Effective tax rate	30	119	24	94

* Less than 1%

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34. EARNINGS PER SHARE

Basic:-

Basic earnings per share is calculated by dividing the profit for the financial year attributable to ordinary shareholders by weighted average number of ordinary shares in issue during the financial year as follows:-

	Group	
	2025	2024 (Restated)
Profit/(Loss) for the financial year attributable to ordinary owners of the Company (MYR'000)	27,894	(1,911)
Weighted average number of ordinary shares in issue (unit'000)	2,134,908	1,988,387
Basic earnings/(loss) per share (sen)	1.31	(0.10)

Diluted:-

No diluted earnings per share is presented as there are no dilutive potential ordinary shares.

35. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes as follows:-

Group	At 1 January MYR'000	Net change in financing cash flows MYR'000	Purchase of plant and equipment MYR'000	Disposal MYR'000	Addition of new lease MYR'000	Effect of foreign exchange rate changes MYR'000	At 31 December MYR'000
2025							
Term loans	121,618	70,882	-	-	-	(2,647)	189,853
Other borrowings	46,351	(1,702)	-	-	-	-	44,649
Lease liabilities	2,254	(491)	-	(376)	4,144	-	5,531
	170,223	68,689	-	(376)	4,144	(2,647)	240,033
2024							
Term loans	81,777	40,228	68	-	-	(455)	121,618
Other borrowings	24,813	21,538	-	-	-	-	46,351
Lease liabilities	1,715	(562)	-	-	1,101	-	2,254
	108,305	61,204	68	-	1,101	(455)	170,223

35. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES (CONT'D.)

Company	At 1 January MYR'000	Net change in financing cash flows MYR'000	Disposal MYR'000	Acquisition of new lease MYR'000	At 31 December MYR'000
2025					
Term loans	22,964	(243)	-	-	22,721
Other borrowings	40,147	(16,271)	-	-	23,876
Lease liabilities	1,421	(428)	(376)	4,127	4,744
	64,532	(16,942)	(376)	4,127	51,341
2024					
Term loans	23,172	(208)	-	-	22,964
Other borrowings	24,013	16,134	-	-	40,147
Lease liabilities	823	(388)	-	986	1,421
	48,008	15,538	-	986	64,532

Cash outflows for leases as a lessee:-

	Group		Company	
	2025 MYR'000	2024 MYR'000	2025 MYR'000	2024 MYR'000
Included in cash flows from operating activities:-				
Payment relating to short-term leases	263	189	128	120
Payment relating to low-value assets	200	4	37	-
Interest paid in relation to lease liabilities	154	117	101	61
Included in cash flows from financing activities:-				
Repayment of lease liabilities	491	562	428	388
	1,108	872	694	569

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36. CASH AND CASH EQUIVALENTS

	Group		Company	
	2025 MYR'000	2024 MYR'000	2025 MYR'000	2024 MYR'000
Cash and bank balances	49,017	25,200	2,286	4,987
Bank overdraft	(11,772)	(13,884)	(11,557)	(13,472)
Deposits with licensed banks	68,555	52,878	33,866	32,026
	105,800	64,194	24,595	23,541
Less: Pledged deposits	(68,257)	(52,876)	(33,573)	(32,026)
	37,543	11,318	(8,978)	(8,485)

The currency exposure profiles of cash and cash equivalents are as follows:-

	Group		Company	
	2025 MYR'000	2024 MYR'000	2025 MYR'000	2024 MYR'000
Ringgit Malaysia	100,108	58,429	24,595	23,541
Indonesian Rupiah	750	4,831	-	-
Thai Baht	758	819	-	-
Hong Kong Dollar	31	15	-	-
Vietnamese Dong	7	58	-	-
US Dollar	4,146	42	-	-
	105,800	64,194	24,595	23,541

37. SEGMENT INFORMATION

Segmental information is primarily presented in respect of the Group's business segment which is based on the Group's management and internal reporting structure.

The reportable business segments of the Group comprise the following:-

Engineering : Provision of engineering solutions
Sustainable Energy Solutions ("SES") : Provision of clean energy, renewable energy and energy efficient solutions

Other non-reportable segments comprise operations to subsidiary companies which are trading, investment holding and dormant.

Segment revenue, results, assets and liabilities include items directly attributable to a segment and those where a reasonable basis of allocation exists. Inter-segment revenues are eliminated on consolidation.

Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

37. SEGMENT INFORMATION (CONT'D.)

a) Business segment

2025	Engineering MYR'000	SES MYR'000	Non-reportable segments MYR'000	Total MYR'000	Eliminations MYR'000	Consolidated MYR'000
Revenue						
External customers	148,722	328,180	1,391	478,293	-	478,293
Inter-segment	6,941	-	10,329	17,270	(17,270)	-
	155,663	328,180	11,720	495,563	(17,270)	478,293
Results						
Interest income	805	1,438	*	2,243	-	2,243
Interest expenses	(4,289)	(7,689)	(103)	(12,081)	-	(12,081)
Impairment loss on goodwill	-	(505)	-	(505)	-	(505)
Depreciation of property, plant and equipment	(399)	(11,183)	(176)	(11,758)	-	(11,758)
Depreciation of investment properties	(304)	-	(152)	(456)	-	(456)
Depreciation of right-of-use assets	(563)	(47)	(8)	(618)	-	(618)
Amortisation of intangible assets	-	(499)	-	(499)	-	(499)
Gain on disposal of plant and equipment	268	-	-	268	-	268
Gain on disposal of an associate	-	650	-	650	-	650
Impairment loss on other receivables	(1,384)	-	-	(1,384)	-	(1,384)
Plant and equipment written off	-	(985)	-	(985)	-	(985)
Taxation	(584)	(10,875)	(91)	(11,550)	-	(11,550)
Segment results	(1,730)	28,347	1,088	27,705	-	27,705
Assets						
Additions to non-current assets	5,932	2,223	268	8,423	-	8,423
Segment assets	378,026	611,122	63,302	1,052,450	(346,768)	705,682
Segment liabilities	(119,137)	(525,045)	(68,912)	(713,094)	279,543	(433,551)

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37. SEGMENT INFORMATION (CONT'D.)

a) Business segment (Cont'd.)

2024	Engineering MYR'000	SES MYR'000	Non- reportable segments MYR'000	Total MYR'000	Eliminations MYR'000	Consolidated MYR'000
Revenue						
External customers	111,415	106,714	1,855	219,984	-	219,984
Inter-segment	2,684	569	9,409	12,662	(12,662)	-
	114,099	107,283	11,264	232,646	(12,662)	219,984
Results						
Interest income	1,322	160	48	1,530	-	1,530
Interest expenses	(4,594)	(4,853)	(61)	(9,508)	-	(9,508)
Depreciation of property, plant and equipment	(216)	(11,382)	(208)	(11,806)	-	(11,806)
Depreciation of investment properties	(315)	-	(134)	(449)	-	(449)
Depreciation of right-of-use assets	(621)	(81)	(8)	(710)	-	(710)
Amortisation of intangible assets	-	(496)	-	(496)	-	(496)
Gain on bargain purchase	-	5,724	-	5,724	-	5,724
Gain on disposal of plant and equipment	-	-	163	163	-	163
Impairment loss on trade receivables	(2,124)	-	-	(2,124)	-	(2,124)
Impairment loss on intangible assets	-	(719)	-	(719)	-	(719)
Plant and equipment written off	-	(662)	-	(662)	-	(662)
Unwinding of discount on trade receivables	45	-	-	45	-	45
Waiver of debts	-	-	2,874	2,874	-	2,874
Taxation	(2,586)	(6,028)	(233)	(8,847)	-	(8,847)
Segment results	(7,150)	6,538	(781)	(1,393)	-	(1,393)
Assets						
Additions to non-current assets	1,322	4,126	162	5,610	-	5,610
Segment assets	348,411	328,841	67,154	744,406	(286,092)	458,314
Segment liabilities	(117,905)	(298,245)	(64,605)	(480,755)	242,449	(238,306)

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37. SEGMENT INFORMATION (CONT'D.)

a) Business segment (Cont'd.)

Additions to non-current assets consist of:-

	2025 MYR'000	2024 MYR'000
Property, plant and equipment	2,886	4,496
Investment properties	1,170	-
Right-of-use assets	4,367	1,114
	8,423	5,610

b) Geographical information

Geographical information of revenue by location of customers is disclosed in Note 27 to the financial statements.

Non-current assets information based on the geographical location of assets are as follows:-

	Non-current assets	
	2025 MYR'000	2024 MYR'000
Malaysia	92,526	94,144
Thailand	7,835	8,620
Indonesia	66,281	80,359
	166,642	183,123

Non-current assets information presented above consist of the following items as presented in the consolidated statement of financial position:-

	2025 MYR'000	2024 MYR'000
Property, plant and equipment	136,289	155,827
Investment properties	20,818	20,104
Right-of-use assets	6,437	3,090
Intangible assets	3,098	4,102
	166,642	183,123

c) Information about a major customer

Revenue from three (2024 – one) major customer amount to MYR323,286,000 (2024 – MYR13,213,000), arising from sales by the engineering and sustainable energy solutions segment (2024 - engineering).

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38. FINANCIAL INSTRUMENTS

a) Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:-

- i) Financial assets measured at amortised cost ("FAAC");
- ii) Financial assets measured at fair value through other comprehensive income ("FVTOCI"); and
- iii) Financial liabilities measured at amortised cost ("FLAC").

Group	Carrying amount MYR'000	FAAC MYR'000	FVTOCI MYR'000	FLAC MYR'000
2025				
Financial assets				
Other investments	18,889	-	18,889	-
Trade receivables	150,878	150,878	-	-
Other receivables and deposits	45,876	45,876	-	-
Deposits with licensed banks	68,555	68,555	-	-
Cash and bank balances	49,017	49,017	-	-
	333,215	314,326	18,889	-
Financial liabilities				
Trade payables	(42,555)	-	-	(42,555)
Other payables and accruals	(21,540)	-	-	(21,540)
Borrowings	(246,274)	-	-	(246,274)
Lease liabilities	(5,531)	-	-	(5,531)
	(315,900)	-	-	(315,900)
2024 (Restated)				
Financial assets				
Other investments	8,703	-	8,703	-
Trade receivables	65,541	65,541	-	-
Other receivables and deposits	50,259	50,259	-	-
Deposits with licensed banks	52,878	52,878	-	-
Cash and bank balances	25,200	25,200	-	-
	202,581	193,878	8,703	-
Financial liabilities				
Trade payables	(36,556)	-	-	(36,556)
Other payables and accruals	(3,707)	-	-	(3,707)
Borrowings	(181,853)	-	-	(181,853)
Lease liabilities	(2,254)	-	-	(2,254)
	(224,370)	-	-	(224,370)

38. FINANCIAL INSTRUMENTS (CONT'D.)

a) Categories of financial instruments (Cont'd.)

Company	Carrying amount MYR'000	FAAC MYR'000	FLAC MYR'000
2025			
Financial assets			
Trade receivables	98,100	98,100	-
Other receivables and deposits	41,115	41,115	-
Amount due from subsidiary companies	126,686	126,686	-
Deposits with licensed banks	33,866	33,866	-
Cash and bank balances	2,286	2,286	-
	302,053	302,053	-
Financial liabilities			
Trade payables	(36,199)	-	(36,199)
Other payables and accruals	(9,982)	-	(9,982)
Amount due to subsidiary companies	(7,313)	-	(7,313)
Borrowings	(58,154)	-	(58,154)
Lease liabilities	(4,744)	-	(4,744)
	(116,393)	-	(116,393)
2024 (Restated)			
Financial assets			
Trade receivables	51,426	51,426	-
Other deposits	44,109	44,109	-
Amount due from subsidiary companies	116,858	116,858	-
Deposits with licensed banks	32,026	32,026	-
Cash and bank balances	4,987	4,987	-
	249,406	249,406	-
Financial liabilities			
Trade payables	(30,807)	-	(30,807)
Other payables and accruals	(3,011)	-	(3,011)
Amount due to subsidiary companies	(3,108)	-	(3,108)
Borrowings	(76,583)	-	(76,583)
Lease liabilities	(1,421)	-	(1,421)
	(114,930)	-	(114,930)

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38. FINANCIAL INSTRUMENTS (CONT'D.)

b) Financial risk management

The Group and the Company have exposure to the following risks from its use of financial instruments:-

- Credit risk
- Liquidity and cash flow risk
- Market risk

i) Credit risk

Credit risk is the risk of a financial loss if a customer or a counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers. The Company's exposure to credit risk arises principally from its receivables from customers and advances to subsidiary companies.

Inter-company loans and receivables*Risk management objectives, policies and processes for managing the risk*

The Company provides unsecured loans and advances to its subsidiary companies. The Company monitors the results of the subsidiary companies regularly.

Exposure to credit risk, credit quality and collateral

At the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

Recognition and measurement of impairment losses

As at the end of the reporting period, there was no indication that the loans and advances to the subsidiary companies are not recoverable. The Company does not specifically monitor the ageing of current advances to the subsidiary companies.

Receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis through the review of trade receivables ageing. The Group monitors the results of the related parties regularly to safeguard credit risk on balances from intercompany balances.

The maximum exposure to credit risk for the Group is the carrying amount of the financial assets shown in the statements of financial position.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the Group and the Company have significant concentration of credit risk in the form of outstanding balance of approximately MYR75,740,000 and MYR71,050,000 (2024 – MYR15,668,000 and MYR15,668,000) due from two and three (2024 – one and one) customer which represents 47% and 67% (2024 – 21% and 27%) of the total trade receivables of the Group and of the Company.

A significant portion of these receivables are regular customers that have been transacting with the Group and the Company. The Group and the Company use ageing analysis to monitor the credit quality of the receivables. Any past due receivables having significant balances, which are deemed to have higher credit risk, are monitored individually.

38. FINANCIAL INSTRUMENTS (CONT'D.)

b) Financial risk management (Cont'd.)

i) Credit risk (Cont'd.)

Receivables (Cont'd.)*Exposure to credit risk, credit quality and collateral* (Cont'd.)

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by:-

- The carrying amount of each class of financial assets recognised in the statements of financial position; and
- A nominal amount of MYR88,455,000 (2024 – MYR50,528,000) relating to corporate guarantees provided by the Company to the banks on the subsidiary companies' bank borrowings.

The trade receivables are not secured by any collateral or supported by any other credit enhancements.

Recognition and measurement of impairment losses

The Group and the Company use an allowance matrix to measure the expected credit losses ("ECL") of trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on credit risk and days past due.

The ageing analysis of the Group's and of the Company's trade receivables is as follows:-

	Gross MYR'000	Loss allowance MYR'000	Net MYR'000
2025			
Group			
Not past due	61,862	(1,726)	60,136
Past due 1 - 90 days	29,927	(835)	29,092
Past due more than 90 days	43,908	(1,225)	42,683
Retention sum	19,511	(544)	18,967
	155,208	(4,330)	150,878
Individual impairment	3,531	(3,531)	-
	158,739	(7,861)	150,878
Company			
Not past due	14,166	(599)	13,567
Past due 1 - 90 days	26,871	(1,136)	25,735
Past due more than 90 days	41,882	(1,770)	40,112
Retention sum	19,511	(825)	18,686
	102,430	(4,330)	98,100
Individual impairment	3,431	(3,431)	-
	105,861	(7,761)	98,100

NOTES TO THE FINANCIAL STATEMENTS

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38. FINANCIAL INSTRUMENTS (CONT'D.)

b) Financial risk management (Cont'd.)

i) Credit risk (Cont'd.)

Receivables (Cont'd.)*Recognition and measurement of impairment losses (Cont'd.)*

	Gross MYR'000	Loss allowance MYR'000	Net MYR'000
2024 (Restated)			
Group			
Not past due	31,792	(1,970)	29,822
Past due 1 - 90 days	3,100	(192)	2,908
Past due more than 90 days	15,565	(965)	14,600
Retention sum	19,414	(1,203)	18,211
	69,871	(4,330)	65,541
Individual impairment	3,531	(3,531)	-
	73,402	(7,861)	65,541
Company			
Not past due	17,852	(1,386)	16,466
Past due 1 - 90 days	3,100	(241)	2,859
Past due more than 90 days	15,390	(1,195)	14,195
Retention sum	19,414	(1,508)	17,906
	55,756	(4,330)	51,426
Individual impairment	3,431	(3,431)	-
	59,187	(7,761)	51,426

38. FINANCIAL INSTRUMENTS (CONT'D.)

b) Financial risk management (Cont'd.)

i) Credit risk (Cont'd.)

Receivables (Cont'd.)*Recognition and measurement of impairment losses (Cont'd.)*

The movements in the Group's and the Company's the loss allowance for impairment in respect of trade receivables and other receivables during the financial year are as follows:-

	Trade receivables MYR'000	Other receivables MYR'000	Total MYR'000
Group			
At 1 January 2024	1,077	-	1,077
Effect of prior year adjustments (Note 42)	4,660	1,187	5,847
At 1 January 2024 (restated)	5,737	1,187	6,924
Addition	2,124	-	2,124
At 31 December 2024	7,861	1,187	9,048
Addition	-	1,384	1,384
At 31 December 2025	7,861	2,571	10,432
Company			
At 1 January 2024	160	-	160
Effect of prior year adjustments (Note 42)	5,477	1,187	6,664
At 1 January 2024 (restated)	5,637	1,187	6,824
Addition	2,124	-	2,124
At 31 December 2024	7,761	1,187	8,948
Addition (Note 30)	-	1,384	1,384
At 31 December 2025	7,761	2,571	10,332

NOTES TO THE FINANCIAL STATEMENTS

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38. FINANCIAL INSTRUMENTS (CONT'D.)

b) Financial risk management (Cont'd.)

ii) Liquidity and cash flow risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as and when they fall due. The Group's and the Company's exposure to liquidity risk arises principally from its payables and borrowings.

The Group and the Company maintain a level of cash and cash equivalents deemed adequate by the management to ensure, as far as possible, that they will have sufficient liquidity to meet their liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

Maturity analysis

The table below summarises the maturity profile of the Group's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:-

Group	On demand or within 1 year MYR'000	1 - 2 years MYR'000	2 - 5 years MYR'000	More than 5 years MYR'000	Total MYR'000
2025					
Financial liabilities					
Trade payables	42,555	-	-	-	42,555
Other payables and accruals	21,540	-	-	-	21,540
Borrowings	137,522	64,780	42,583	19,507	264,392
Lease liabilities	1,191	1,188	3,080	1,218	6,677
	202,808	65,968	45,663	20,725	335,164
2024 (Restated)					
Financial liabilities					
Trade payables	36,556	-	-	-	36,556
Other payables and accruals	3,707	-	-	-	3,707
Borrowings	84,677	46,632	37,871	25,329	194,509
Lease liabilities	496	578	1,079	681	2,834
	125,436	47,210	38,950	26,010	237,606

38. FINANCIAL INSTRUMENTS (CONT'D.)

b) Financial risk management (Cont'd.)

ii) Liquidity and cash flow risk (Cont'd.)

Maturity analysis (Cont'd.)

Company	On demand or within 1 year MYR'000	1 - 2 years MYR'000	2 - 5 years MYR'000	More than 5 years MYR'000	Total MYR'000
2025					
Financial liabilities					
Trade payables	36,199	-	-	-	36,199
Other payables and accruals	9,982	-	-	-	9,982
Amount due to subsidiary companies	7,313	-	-	-	7,313
Borrowings	55,884	455	1,341	1,142	58,822
Lease liabilities	1,067	1,094	2,825	535	5,521
Financial guarantee*	88,455	-	-	-	88,455
	198,900	1,549	4,166	1,677	206,292
2024 (Restated)					
Financial liabilities					
Trade payables	30,807	-	-	-	30,807
Other payables and accruals	3,011	-	-	-	3,011
Amount due to subsidiary companies	3,108	-	-	-	3,108
Borrowings	59,369	17,477	505	1,191	78,542
Lease liabilities	382	378	821	-	1,581
Financial guarantee*	50,528	-	-	-	50,528
	147,205	17,855	1,326	1,191	167,577

* Based on the maximum amount that can be called for under the financial guarantee contract.

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38. FINANCIAL INSTRUMENTS (CONT'D.)

b) Financial risk management (Cont'd.)

iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest/expense rates and other prices that will affect the Group's and the Company's financial position or cash flows.

Foreign exchange rate risk

The Group and the Company have minimal exposure to foreign currency risk as the sales and purchases of the Group and the Company are denominated in the respective functional currency of Group entities.

Interest rate risk

The Group's and the Company's fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest/expense rates. The Group's and the Company's floating rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Short term investments such as deposits with licensed banks are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

The Group's and the Company's policy is to borrow principally on the floating rate basis but to retain a proportion of fixed rate debt. The mix between fixed and floating rate borrowings is set to reduce the impact of an upward change in interest rates while enabling benefits to be enjoyed if interest rates fall.

Exposure to interest rate risk

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:-

	Group		Company	
	2025 MYR'000	2024 MYR'000	2025 MYR'000	2024 MYR'000
<i>Fixed rate instruments</i>				
Fixed deposits	68,555	52,878	33,866	32,026
Lease liabilities	(5,531)	(2,254)	(4,744)	(1,421)
	(63,024)	50,624	29,122	30,605
<i>Floating rate instruments</i>				
Borrowings	(246,274)	(181,853)	(58,154)	(76,583)

38. FINANCIAL INSTRUMENTS (CONT'D.)

b) Financial risk management (Cont'd.)

ii) Market risk (Cont'd.)

Interest rate risk (Cont'd.)*Interest rate risk sensitivity analysis**Fair value sensitivity analysis for fixed rate instruments*

Since the Group's and the Company's fixed rate financial assets and liabilities are measured at amortised cost, possible change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for floating rate instruments

At the reporting date, if interest rates had been 100 basis points lower/higher, with all other variables held constant, the Group's and the Company's profit net of tax would have been MYR1,871,000 and MYR442,000 (2024 – MYR1,382,000 and MYR582,000) respectively higher/lower, arising mainly as a result of lower/higher interest expense on floating rate borrowings. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

c) Fair value information

The Group and the Company measure fair value using the following fair value hierarchy that reflects the significance of the input used in making the measurements:

- Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities.
 Level 2 : Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).
 Level 3 : Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The carrying amounts of deposits with licensed banks, cash and bank balances, trade and other receivables and deposits, trade and other payables and accruals, and floating rate borrowings are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

For the Group's unquoted investment, the fair value was determined based on a discounted cash flow model, forecasted based on relevant terms of the investee's power purchase agreement with its off-taker whose forecast were approved by the board of directors of the investee. Changes in assumptions could lead to different measurements of fair value. If the discount rate and lack of marketability discount is higher by 1% respectively from management's estimates assuming no change in the other variables, the carrying amount of the other investment would be lower by MYR1,142,000 and MYR170,000 respectively.

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38. FINANCIAL INSTRUMENTS (CONT'D.)

c) Fair value information (Cont'd.)

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position:-

Group	Fair value of financial statements carried at fair value			
	Level 1 MYR'000	Level 2 MYR'000	Level 3 MYR'000	Total MYR'000
2025				
Financial assets				
Other investments	-	-	18,889	18,889
2024 (Restated)				
Financial assets				
Other investment	-	-	8,703	8,703

39. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains an optimal capital structure in order to support its businesses and maximise shareholders' value. The Group manages its capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Group and the Company manage their capital based on debt-to-equity ratio. The debt-to-equity ratio is calculated as total borrowings from financial institutions divided by total equity. The Group's policy is to keep the debt-to-equity ratio below 2.5 times.

	Group		Company	
	2025 MYR'000	2024 MYR'000 (Restated)	2025 MYR'000	2024 MYR'000 (Restated)
Total borrowings	246,274	181,853	58,154	76,583
Total lease liabilities	5,531	2,254	4,744	1,421
Total financing	251,805	184,107	62,898	78,004
Total equity	272,131	220,008	258,542	226,513
Debt-to-equity ratio	0.93	0.83	0.24	0.34

There was no change in the Group's and the Company's approach to capital management during the financial year.

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40. CAPITAL COMMITMENT

	Group	
	2025 MYR'000	2024 MYR'000
Authorised and contracted for:-		
- Property, plant and equipment	978	930

41. RELATED PARTIES

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group and the Company if the Group and the Company have the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly. The key management personnel include all the Directors of the Group and of the Company, and certain members of the senior management of the Group and of the Company.

Significant related party transactions

Related party transactions entered into the normal course of business under normal trade terms. The significant related party transactions of the Group and of the Company are show below. The related party balances are shown in Notes 16 to the financial statements.

	Company	
	2025 MYR'000	2024 MYR'000
Transaction with subsidiary companies		
KAB Signature Management Sdn. Bhd.		
- Management fee	868	140
KAB Smart Solar Energy Sdn. Bhd.		
- Purchase	-	257
TVT Link Tech Solutions Sdn. Bhd.		
- Facilities and maintenance services	-	312
KAB Energy Holdings Sdn. Bhd.		
- Sales of cable	6,941	2,641
Future Biomass Gasification Sdn. Bhd.		
- Report and valuation services	-	43

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41. RELATED PARTIES (CONT'D.)

Compensation of key management personnel

	Group		Company	
	2025 MYR'000	2024 MYR'000	2025 MYR'000	2024 MYR'000 (Restated)
Short-term employee benefit	5,311	4,432	1,096	1,175
Defined contribution plan	458	423	27	27
Benefits-in-kind	78	60	-	20
	5,847	4,915	1,123	1,222

Included in key management personnels compensation is directors' emoluments as disclosed in Note 32 to the financial statements.

42. PRIOR YEAR ADJUSTMENTS AND COMPARATIVE FIGURES

The financial statements of the Group and the Company for the financial year ended 31 December 2024 were audited by another firm of chartered accountants.

During the financial year, a review was performed on opening balances. Accordingly, prior year adjustments and certain comparative figures have been reclassified to conform with current years' presentation. A summary of the effects is set out as follows:

(a) Effect on retained earnings

	Note	Group		Company	
		2025 MYR'000	2024 MYR'000	2025 MYR'000	2024 MYR'000
As previously stated		66,576	45,104	38,461	38,287
- Impairment loss on goodwill	(i)	(3,062)	(2,343)	-	-
- Measurement period adjustments	(ii)	(19,059)	-	-	-
- Under depreciation of property, plant and equipment	(iii)	(3,067)	(2,447)	-	-
- Under amortisation of intangible assets	(iv)	(953)	(457)	-	-
- Net adjustments to Expected Credit Loss allowances on receivables	(v)	(5,847)	(5,847)	(6,664)	(6,664)
- Impairment loss on property, plant and equipment	(vi)	(5,926)	(5,926)	-	-
- Net (under)/over-recognition of deferred taxation	(vii)	(2,599)	172	-	-
- Prepayment written off	(viii)	(820)	(820)	-	-
- Others		(160)	(175)	-	-
- Tax effect arising from the adjustments		1,086	819	-	-
		(40,407)	(17,024)	(6,664)	(6,664)
As restated		26,169	28,080	31,797	31,623

42. PRIOR YEAR ADJUSTMENTS AND COMPARATIVE FIGURES (CONT'D.)

(a) Effect on retained earnings (Cont'd.)

- (i) The Group reassessed the determination of the carrying amounts for cash-generating units ("CGU") to which goodwill is allocated to which resulted in the CGU carrying amount exceeding its recoverable amount in prior year.
- (ii) The Group reassessed and finalised the initial acquisition accounting within the 12 month measurement period of TTSB pursuant to MFRS 3 "Business Combinations" based on new information obtained about facts and circumstances that existed as of the acquisition date. Accordingly, certain transactions were assessed to form part of the business combination and had been adjusted against the provisional goodwill in prior year.
- (iii) The Group reassessed the useful lives of property, plant and equipment ("PPE") and identified an under recognition of depreciation charge relating to a subsidiary, whereby the depreciation useful lives previously used exceeded the tenure of the expected consumption of the PPE pursuant the renewable energy power purchase agreement.
- (iv) The Group identified an under-amortisation of intangible assets that should have been amortised in prior years.
- (v) The Group and the Company reassessed the Expected Credit Loss ("ECL") assessment on the receivables and the impact for the ECL allowance applied on the receivable portfolio in accordance with MFRS 9 "Financial Instruments" had been adjusted retrospectively as prior year adjustments.
- (vi) The Group conducted a review of the Group's PPE and identified certain assets that are no longer expected to generate future economic benefits and should have been impaired since prior financial years.
- (vii) The Group reviewed the deferred tax computation and identified errors that should be adjusted in prior years.
- (viii) The Group reassessed the prepayment of a subsidiary and identified that the prepayment is no longer valid and should be written off in prior years.

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42. PRIOR YEAR ADJUSTMENTS AND COMPARATIVE FIGURES (CONT'D.)

(b) Effect on Statement of Financial Position

Statements of financial position	As at 1.1.2024 MYR'000	Effect of prior year adjustments MYR'000	As at 1.1.2024 MYR'000 (Restated)
Group			
Assets			
Non-Current Assets			
Property, plant and equipment	170,226	(8,260)	161,966
Investment properties	20,553	-	20,553
Right-of-use assets	3,108	(117)	2,991
Investments accounted for using equity method	300	-	300
Intangible assets	8,117	(2,800)	5,317
Deferred tax assets	877	-	877
Other investments	8,268	(2,031)	6,237
Total Non-Current Assets	211,449		198,241
Current Assets			
Inventories	824	-	824
Trade receivables	80,114	(29,564)	50,550
Contract assets	50,544	-	50,544
Other receivables, deposits and prepayments	8,780	22,125	30,905
Current tax assets	2,485	-	2,485
Deposits with licensed banks	40,924	-	40,924
Cash and bank balances	23,084	-	23,084
Total Current Asset	206,755		199,316
Total Assets	418,204		397,557
EQUITY AND LIABILITIES			
Equity Attributable to Owners of the Company			
Share capital	148,847	-	148,847
Foreign currency translation reserve	(161)	(258)	(419)
Treasury shares	(4)	-	(4)
Fair value reserve	-	(2,030)	(2,030)
Retained earnings	45,104	(17,024)	28,080
	193,786		174,474
Non-controlling interests	3,034	(1,983)	1,051
Total Equity	196,820		175,525
Non-Current Liabilities			
Deferred tax liabilities	3,188	(990)	2,198
Borrowings	68,733	-	68,733
Lease liabilities	1,422	(57)	1,365
Total Non-Current Liabilities	73,343		72,296

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31 December 2025

42. PRIOR YEAR ADJUSTMENTS AND COMPARATIVE FIGURES (CONT'D.)

(b) Effect on Statement of Financial Position (Cont'd.)

Statements of financial position	As at 1.1.2024 MYR'000	Effect of prior year adjustments MYR'000	As at 1.1.2024 MYR'000 (Restated)
Group			
Current Liabilities			
Borrowings	57,011	-	57,011
Lease liabilities	356	(6)	350
Trade payables	54,845	-	54,845
Contract liabilities	9,059	-	9,059
Other payables and accruals	26,770	1,701	28,471
Total Current Liabilities	148,041		149,736
Total Liabilities	221,384		222,032
Total Equity and Liabilities	418,204		397,557
Company			
Assets			
Non-Current Assets			
Property, plant and equipment	3,986	-	3,986
Investment properties	14,317	-	14,317
Right-of-use assets	1,974	-	1,974
Investment in subsidiary company	1,652	34,961	36,613
Deferred tax assets	69	-	69
Total Non-Current Assets	21,998		56,959
Current Assets			
Trade receivables	71,519	(25,202)	46,317
Contract assets	49,706	-	49,706
Other receivable, deposits and prepayments	384	23,157	23,541
Amount due from subsidiary companies	115,867	(34,941)	80,926
Current tax assets	2,551	-	2,551
Deposits with licensed banks	36,652	-	36,652
Cash and bank balances	3,352	-	3,352
Total Current Asset	280,031		243,045
Total Assets	302,029		300,004

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42. PRIOR YEAR ADJUSTMENTS AND COMPARATIVE FIGURES (CONT'D.)

(b) Effect on Statement of Financial Position (Cont'd.)

Statements of financial position	As at 1.1.2024 MYR'000	Effect of prior year adjustments MYR'000	As at 1.1.2024 MYR'000 (Restated)
Company			
EQUITY AND LIABILITIES			
Equity Attributable to Owners of the Company			
Share capital	148,847	-	148,847
Treasury shares	(4)	-	(4)
Retained earnings	38,287	(6,664)	31,623
Total Equity	187,130		180,466
Non-Current Liabilities			
Borrowings	22,927	-	22,927
Lease liabilities	531	-	531
Total Non-Current Liabilities	23,458		23,458
Current Liabilities			
Borrowings	43,412	-	43,412
Lease liabilities	292	-	292
Trade payables	41,200	3,197	44,397
Contract liabilities	5,333	-	5,333
Other payables and accruals	416	1,442	1,858
Amount due to subsidiary companies	788	-	788
Total Current Liabilities	91,441		96,080
Total Liabilities	114,899		119,538
Total Equity and Liabilities	302,029		300,004

42. PRIOR YEAR ADJUSTMENTS AND COMPARATIVE FIGURES (CONT'D.)

(b) Effect on Statement of Financial Position (Cont'd.)

Statements of financial position	As at 31.12.2024 MYR'000	Effect of prior year adjustments MYR'000	As at 31.12.2024 MYR'000 (Restated)
Group			
Assets			
Non-Current Assets			
Property, plant and equipment	164,495	(8,668)	155,827
Investment properties	20,104	-	20,104
Right-of-use assets	3,200	(110)	3,090
Investment accounted for using equity method	300	-	300
Intangible assets	27,176	(23,074)	4,102
Deferred tax assets	1,113	-	1,113
Other investments	10,403	(1,700)	8,703
Total Non-Current Assets	226,791		193,239
Current Assets			
Inventories	227	-	227
Trade receivables	115,200	(49,659)	65,541
Contract assets	62,972	-	62,972
Other receivables, deposits and prepayments	11,941	42,847	54,788
Current tax assets	5,238	(1,769)	3,469
Deposits with licensed banks	52,878	-	52,878
Cash and bank balances	25,200	-	25,200
Total Current Asset	273,656		265,075
Total Assets	500,447		458,314
EQUITY AND LIABILITIES			
Equity Attributable to Owners of the Company			
Share capital	194,720	-	194,720
Foreign currency translation reserve	(979)	80	(899)
Treasury shares	(4)	-	(4)
Fair value reserve	-	(1,700)	(1,700)
Retained earnings	66,576	(40,407)	26,169
	260,313	-	218,286
Non-controlling interests	3,704	(1,982)	1,722
Total Equity	264,017		220,008

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

42. PRIOR YEAR ADJUSTMENTS AND COMPARATIVE FIGURES (CONT'D.)

(b) Effect on Statement of Financial Position (Cont'd.)

Statements of financial position	As at 31.12.2024 MYR'000	Effect of prior year adjustments MYR'000	As at 31.12.2024 MYR'000 (Restated)
Group			
Non-Current Liabilities			
Deferred tax liabilities	4,078	1,344	5,422
Borrowings	102,260	-	102,260
Lease liabilities	1,928	(52)	1,876
Total Non-Current Liabilities	108,266		109,558
Current Assets			
Borrowings	79,593	-	79,593
Lease liabilities	384	(6)	378
Trade payables	36,322	234	36,556
Contract liabilities	4,390	-	4,390
Other payables and accruals	1,750	1,957	3,707
Current tax liabilities	5,725	(1,601)	4,124
Total Current Liabilities	128,164		128,748
Total Liabilities	236,430		238,306
Total Equity and Liabilities	500,447		458,314

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

42. PRIOR YEAR ADJUSTMENTS AND COMPARATIVE FIGURES (CONT'D.)

(b) Effect on Statement of Financial Position (Cont'd.)

Statements of financial position	As at 31.12.2024 MYR'000	Effect of prior year adjustments MYR'000	As at 31.12.2024 MYR'000 (Restated)
Company			
Assets			
Non-Current Assets			
Property, plant and equipment	4,283	-	4,283
Investment properties	14,003	-	14,003
Right-of-use assets	2,162	-	2,162
Investment in subsidiary companies	1,652	34,994	36,646
Deferred tax assets	69	-	69
Total Non-Current Assets	22,169		57,163
Current Assets			
Trade receivables	99,918	(48,492)	51,426
Contract assets	36,368	-	36,638
Other receivable, deposits and prepayments	316	43,866	44,182
Amount due from subsidiary companies	151,852	(34,994)	116,858
Current tax assets	3,515	(1,600)	1,915
Deposits with licensed banks	32,026	-	32,026
Cash and bank balances	4,987	-	4,987
Total Current Asset	329,252		288,032
Total Assets	351,421		345,195
EQUITY AND LIABILITIES			
Equity Attributable to Owners of the Company			
Share capital	194,720	-	194,720
Treasury shares	(4)	-	(4)
Retained earnings	38,461	(6,664)	31,797
Total Equity	233,177		226,513
Non-Current Liabilities			
Borrowings	22,688	-	22,688
Lease liabilities	1,105	-	1,105
Total Non-Current Liabilities	23,793		23,793

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

42. PRIOR YEAR ADJUSTMENTS AND COMPARATIVE FIGURES (CONT'D.)

(b) Effect on Statement of Financial Position (Cont'd.)

Statements of financial position	As at 31.12.2024 MYR'000	Effect of prior year adjustments MYR'000	As at 31.12.2024 MYR'000 (Restated)
Company			
Current Assets			
Borrowings	53,895	-	53,895
Lease liabilities	316	-	316
Trade payables	30,807	-	30,807
Contract liabilities	3,752	-	3,752
Other payables and accruals	973	2,038	3,011
Amount due to subsidiary companies	3,108	-	3,108
Current tax liabilities	1,600	(1,600)	-
Total Current Liabilities	94,451		94,889
Total Liabilities	118,244		118,682
Total Equity and Liabilities	351,412		345,195

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

42. PRIOR YEAR ADJUSTMENTS AND COMPARATIVE FIGURES (CONT'D.)

(c) Statement of Profit or Loss and Other Comprehensive income (Cont'd.)

Statements of profit or loss and other comprehensive income	As previously stated 2024 MYR'000	Effect of prior year adjustments MYR'000	As restated 2024 MYR'000
Group			
Revenue	244,768	(24,784)	219,984
Cost of sales	(190,595)	-	(190,595)
Gross profit	54,173	(24,784)	29,389
Other income	6,406	5,724	12,130
Administrative expenses	(22,739)	(1,818)	(24,557)
Other expenses	(3)	3	-
Profit from operations	37,837	(20,875)	16,962
Finance costs	(9,502)	(6)	(9,508)
Profit/(Loss) before taxation	28,335	(20,881)	7,454
Income tax expense	(6,344)	(2,503)	(8,847)
Profit for the financial year	21,991	(23,384)	(1,393)
Other comprehensive income:-			
<i>Item that may be reclassified subsequently to profit or loss</i>			
- foreign currency translation differences for foreign operations	(818)	338	(480)
<i>Item that will not be reclassified subsequently to profit or loss</i>			
- fair value changes on equity investments at fair value through other comprehensive income	-	330	330
Total comprehensive income/(expense) for the financial year	21,173	(22,716)	(1,543)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

42. PRIOR YEAR ADJUSTMENTS AND COMPARATIVE FIGURES (CONT'D.)

(d) Statement of Cash Flows

Statements of cash flows	As previously stated 31.12.2024 MYR'000	Effect of prior year adjustments MYR'000	As restated 31.12.2024 MYR'000
Cash flows from operating activities			
Group			
Profit before taxation	28,335	(20,881)	7,454
Adjustment for:-			
Depreciation of property, plant and equipment	11,186	620	11,806
Depreciation of investment properties	449	-	449
Depreciation of right-of-use of assets	717	(7)	710
Amortisation of intangible assets	-	496	496
Gain on bargain purchase	-	(5,724)	(5,724)
Gain on disposal of plant and equipment	(538)	375	(163)
Impairment loss on trade receivables	2,124	-	2,124
Impairment loss on intangible assets	-	719	719
Interest income	(1,530)	-	(1,530)
Interest expenses	9,502	6	9,508
Loss on disposal of plant and equipment	375	(375)	-
Other payables written back	(2,664)	2,664	-
Plant and equipment written off	662	-	662
Unwinding of discount on trade receivables	(45)	-	(45)
Waiver of debts	(210)	(2,664)	(2,874)
Operating profit before working capital changes	48,363	(24,771)	23,592
Changes in working capital:-			
Inventories	597	-	597
Trade receivables	(37,159)	20,095	(17,064)
Other receivables, deposits and prepayments	(3,162)	(20,721)	(23,883)
Contract assets/(liabilities)	(17,097)	-	(17,097)
Trade payables	(43,485)	25,015	(18,470)
Other payables and accruals	(24,533)	255	(24,278)
Cash used in operations	(76,476)	(127)	(76,603)
Interest received	1,530	-	1,530
Interest paid	(9,502)	(6)	(9,508)
Tax paid	(3,207)	-	(3,207)
Net cash used in operating activities	(87,655)	(133)	(87,788)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

42. PRIOR YEAR ADJUSTMENTS AND COMPARATIVE FIGURES (CONT'D.)

(d) Statement of Cash Flows (Cont'd.)

Statements of cash flows	As previously stated 31.12.2024 MYR'000	Effect of prior year adjustments MYR'000	As restated 31.12.2024 MYR'000
Group			
Cash flows from investing activities			
Purchase of plant and equipment	(4,216)	(212)	(4,428)
Additions to right-of-use assets	(128)	115	(13)
Net cash inflow on acquisition of subsidiary companies	4	-	4
Investment in other investments	(2,135)	-	(2,135)
Acquisition of additional interest by non-controlling interests	51	(51)	-
Proceeds from disposal of property, plant and equipment	538	-	538
Net cash used in investing activities	(5,886)	(148)	(6,034)
Cash flows from financing activities			
Acquisition of additional interest by non-controlling interests	-	51	51
Drawdown of term loans	67,672	-	67,672
Repayment of term loans	(27,444)	-	(27,444)
Repayment of lease liabilities	(452)	(110)	(562)
Net proceeds from other borrowings	21,538	-	21,538
Increase in pledged deposits	(16,650)	-	(16,650)
Proceeds from issuance of new shares	45,873	-	45,873
Net cash from financing activities	90,537	(59)	90,478
Net decrease in cash and cash equivalents	(3,004)	(340)	(3,344)
Cash and cash equivalents at the beginning of the financial year	8,628	-	8,628
Effect of foreign exchange rate changes	5,694	340	6,034
Cash and cash equivalents at the end of the financial year	11,318	-	11,318

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

NOTES TO THE FINANCIAL STATEMENTS

31 December 2025

42. PRIOR YEAR ADJUSTMENTS AND COMPARATIVE FIGURES (CONT'D.)

(d) Statement of Cash Flows (Cont'd.)

	As previously stated 31.12.2024 MYR'000	Effect of prior year adjustments MYR'000	As restated 31.12.2024 MYR'000
Statements of cash flows			
Cash flows from operating activities			
Company			
Profit before taxation	2,872	-	2,872
Adjustment for:-			
Depreciation of property, plant and equipment	216	-	216
Depreciation of investment properties	314	-	314
Depreciation of right-of-use of assets	621	-	621
Gain on disposal of plant and equipment	(538)	-	(538)
Impairment loss on trade receivables	2,124	-	2,124
Interest income	(1,321)	-	(1,321)
Interest expenses	4,594	-	4,594
Unwinding discounts on trade receivables	(45)	-	(45)
Operating profit before working capital changes	8,837	-	8,837
Changes in working capital:-			
Trade receivables	(30,478)	23,291	(7,187)
Other receivables, deposits and prepayments	68	(20,689)	(20,621)
Amount due from/to subsidiary companies	(33,664)	-	(33,664)
Contract assets/(liabilities)	11,487	-	11,487
Trade payables	(10,392)	(3,197)	(13,589)
Other payables and accruals	557	595	1,152
Cash used in operations	(53,585)	-	(53,585)
Interest received	1,321	-	1,321
Interest paid	(4,594)	-	(4,594)
Tax paid	(2,063)	-	(2,063)
Net cash used in operating activities	(58,921)	-	(58,921)
Cash flows from investing activities			
Purchase of plant and equipment	(208)	-	(208)
Additions to right-of-use assets	(128)	-	(128)
Proceeds from disposal of property, plant and equipment	538	-	538
Net cash from investing activities	202	-	202

42. PRIOR YEAR ADJUSTMENTS AND COMPARATIVE FIGURES (CONT'D.)

(d) Statement of Cash Flows (Cont'd.)

	As previously stated 31.12.2024 MYR'000	Effect of prior year adjustments MYR'000	As restated 31.12.2024 MYR'000
Statements of cash flows			
Company			
Cash flows from financing activities			
Repayment of term loans	(208)	-	(208)
Repayment of lease liabilities	(388)	-	(388)
Net proceeds from other borrowings	16,134	-	16,134
Increase in pledged deposits	(65)	-	(65)
Proceeds from issuance of new shares	45,783	-	45,783
Net cash from financing activities	61,346	-	61,346
Net increase in cash and cash equivalent	2,627	-	2,627
Cash and cash equivalents at the beginning of the financial year	(11,112)	-	(11,112)
Cash and cash equivalents at the end of the financial year	(8,485)	-	(8,485)

43. SUBSEQUENT EVENT

- (a) On 28 January 2026, a wholly-owned subsidiary of the Group, KAB Energy Holdings Sdn. Bhd. ("KABEH") has entered into a Sale and Purchase Agreement ("SPA") with B.Grimm Power Tiara Sdn. Bhd. ("BGPTSB"), for the purpose of divesting 1,960,784 ordinary shares ("Share Divestment"), being 49% of the issued share capital of Jati Cakerawala Sdn. Bhd. ("Jati") held by KABEH for a total consideration of MYR41,521,000.

The proposed divestment supports Group's disciplined strategic expansion and energy portfolio optimisation strategy, reaffirming its long-term growth priorities. It establishes a tangible operational track record in gas-fired power plant development through the commitment to undertake a flagship large-scale gas turbine power plant project. The divestment also serves to demonstrate enhanced execution credibility and further formalises Group's collaboration with B.Grimm, providing strong third-party validation and reflecting shared confidence in Group's long-term energy growth ambitions.

On 27 January 2026, the condition precedents of the SPA has been fulfilled and the disposal of Jati's shares has been completed.

- (b) On 9 February 2026, the wholly-owned subsidiary of the Group, KAB Energy Holdings Sdn. Bhd. has entered into a Virtual Power Purchase Agreement ("VPPA") with Safran Landing Systems Malaysia Sdn. Bhd. ("SAFRAN"), for the purpose of effectively neutralising the electricity consumption by SAFRAN's plant through the procurement of a virtual supply of hydropower.

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act 2016

We, Dato’ Lai Keng Onn and Jonathan Wu Jo-Han, being two of the directors of Kinergy Advancement Berhad, do hereby state on behalf of the directors that in our opinion, the financial statements set out on pages 161 to 247 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025 and of their financial performance and cash flows for the financial year ended on that date.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors

Dato’ Lai Keng Onn

Kuala Lumpur,
Date : 28 April 2026

Jonathan Wu Jo-Han

STATUTORY DECLARATION

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Chin Sze How, MIA No. 44678, being the officer primarily responsible for the financial management of Kinergy Advancement Berhad, do solemnly and sincerely declare that the financial statements set out on pages 161 to 247, to the best of my knowledge and belief, are correct.

And, I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared at Kuala Lumpur on 28 April 2026.

Chin Sze How
(MIA No. 44678)

Before me

Commissioner for Oaths

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ADDITIONAL INFORMATION

SECTION

07

LIST OF PROPERTIES

LIST OF PROPERTIES

Location and Address of Properties	Brief Description and Existing Use	Land ("L")/ Built-Up Area ("BUA") (sq meters)	Age of Building (Years)	Tenure and Year of Expiry	Date of Acquisition ("A")/ Valuation ("V")	Audited Net Book Value As At 31.12.2025 (MYR)
PM 8456, Lot 101280, Mukim of Petaling, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur, Malaysia. Property address: No. 18, Jalan Radin Bagus, 9, Bandar Baru Seri Petaling, 57000 Kuala Lumpur, Malaysia.	Three-storey shop office	570 (BUA)	11	99-year leasehold, expiring on 5 April 2110 (i.e. remaining tenure of approximately 84 years as at Dec'25)	23 March 2017 (V)	3,105,464
HSD 13198, PT 8891, Mukim Kajang, Daerah Ulu Langat, Selangor, Malaysia. Property address: No. 86, Jalan Taming 5, Taming Jaya Industrial Park, 43300 Balakong, Selangor, Malaysia.	One and a half storey terrace factory used as a warehouse	222.96 (BUA)	30	Freehold	28 April 2017 (V)	1,074,666
GRN 190203, Lot 128236, Mukim Klang, Daerah Klang, Selangor, Malaysia. Property address: Lot No. 19 Gravit 8, PT 128236, Kota Bayuemas/KS9, 42000 Pel. Klang, Selangor, Malaysia.	Three-storey Shop Office	153 (BUA)	9	Freehold	9 September 2021 (V)	1,245,498
GRN Mukim 283, Lot 1098, Tempat Batu 8, Jalan Kuala Lumpur, Mukim Cheras, Daerah Hulu Langat, Selangor, Malaysia. Property address: B-19-07 Green Residence Condo, Jalan Sayang 1, Taman Rasa Sayang, 43200 Batu 9 Cheras, Selangor, Malaysia.	Residential	144.65 (BUA)	9	Freehold	7 September 2021 (V)	660,818

Location and Address of Properties	Brief Description and Existing Use	Land ("L")/ Built-Up Area ("BUA") (sq meters)	Age of Building (Years)	Tenure and Year of Expiry	Date of Acquisition ("A")/ Valuation ("V")	Audited Net Book Value As At 31.12.2025 (MYR)
HSD 156027, PT 148718, Mukim Klang, Daerah Klang, Selangor, Malaysia. Property address: A1-28-11, Blok A1, Gravit 8, Jalan Bayu Laut/KS9, Kota Bayuemas, 41200 Klang, Selangor, Malaysia.	Residential	59 (BUA)	9	Freehold	13 June 2016 (A)	301,425
PN 62395, Lot 57417, Mukim of Bukit Raja, Daerah Petaling, Selangor, Malaysia.	Vacant land held for development	6,015 (L)	Not applicable	99-year leasehold, expiring on 3 December 2105 (i.e. remaining tenure of approximately 79 years as at Dec'25)	1 July 2021 (V)	3,051,251
Geran 321056, Lot 72023 (formerly held under HS(D) 287224, PT 25), Pekan Country Height Daerah Petaling Selangor, Malaysia. Property address: A-13-13, Residensi Paisley, Jalan MP 1 Tropicana Metropark, 47500 Subang Jaya, Selangor, Malaysia.	Residential	90.3 (BUA)	4	Freehold	27 February 2019 (A)	628,642
Geran 78870 Lot 480726, Mukum Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur, Malaysia. Property address: J-29-16, Ekocheras Service Apartment, No. 693, Jalan Cheras, Batu 5, 56000 Kuala Lumpur, Malaysia.	Residential	70.8 (BUA)	5	Freehold	5 May 2021 (A)	537,332

LIST OF PROPERTIES

Location and Address of Properties	Brief Description and Existing Use	Land ("L")/ Built-Up Area ("BUA") (sq meters)	Age of Building (Years)	Tenure and Year of Expiry	Date of Acquisition ("A")/ Valuation ("V")	Audited Net Book Value As At 31.12.2025 (MYR)
Geran 78870, Lot 480726, Mukum Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur, Malaysia.						
Property address: J-29-06, Ekocheras Service Apartment, No.693, Jalan Cheras, Batu 5, 56000 Kuala Lumpur, Malaysia.	Residential	70.8 (BUA)	5	Freehold	5 May 2021 (A)	537,332
GRN 317216, Lot 91995, (formerly HS(D) 112756, PT 1424), Mukim Damansara, Daerah Petaling, Selangor, Malaysia.						
Property address: D-10-33, H2O Ara Damansara, No.1, Jalan PJU 1/3, Ara Damansara, 47301 Petaling Jaya, Selangor, Malaysia.	Residential	93.7 (BUA)	5	Freehold	21 July 2021 (A)	645,584
Geran 78870, Lot 480726, Mukum Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur, Malaysia.						
Property address: J-20-09, Ekocheras Service Apartment, No.693, Jalan Cheras, Batu 5, 56000 Kuala Lumpur, Malaysia.	Residential	70.8 (BUA)	5	Freehold	26 October 2021 (A)	518,363

LIST OF PROPERTIES

Location and Address of Properties	Brief Description and Existing Use	Land ("L")/ Built-Up Area ("BUA") (sq meters)	Age of Building (Years)	Tenure and Year of Expiry	Date of Acquisition ("A")/ Valuation ("V")	Audited Net Book Value As At 31.12.2025 (MYR)
Hakmilik Pajakan Mukim 6395, Lot 18152, Section 2 in the Town of Ulu Kelang, District of Gombak, Selangor, Malaysia.						
Property address: A-33A-06, Block A, Residensi Xtreme Meridian, Jalan Bemban, Ampang, Selangor, 55000 Kuala Lumpur, Malaysia.	Residential	68.3 (BUA)	5	99-year leasehold, expiring on 25 January 2094 (i.e. remaining tenure of approximately 68 years as at Dec'25)	10 December 2021 (A)	568,725
Hakmilik Pajakan Mukim 6395, Lot 18152, Section 2 in the Town of Ulu Kelang, District of Gombak, Selangor, Malaysia.						
Property address: A-36-06, Block A, Residensi Xtreme Meridian, Jalan Bemban, Ampang, Selangor, 55000 Kuala Lumpur, Malaysia.	Residential	68.3 (BUA)	5	99-year leasehold, expiring on 25 January 2094 (i.e. remaining tenure of approximately 68 years as at Dec'25)	10 December 2021 (A)	572,030
GM 105, Lot 274, Mukim Ampang, Tempat Batu 4 Ampang Road, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur, Malaysia.						
Property address: B-09-13, The Elements, No.5, Jalan Bemban Ampang, Off Jalan Ampang, 55000 Kuala Lumpur, Malaysia.	Residential	146 (BUA)	5	Freehold	10 December 2021 (A)	846,684

LIST OF PROPERTIES

Location and Address of Properties	Brief Description and Existing Use	Land ("L")/ Built-Up Area ("BUA") (sq meters)	Age of Building (Years)	Tenure and Year of Expiry	Date of Acquisition ("A")/ Valuation ("V")	Audited Net Book Value As At 31.12.2025 (MYR)
Geran 78870, Lot 480726, Mukum Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur, Malaysia.						
Property address: E-31-01, Ekocheras Service Apartment, No. 693, Jalan Cheras, Batu 5, 56000 Kuala Lumpur, Malaysia.	Residential	115 (BUA)	4	Freehold	17 January 2022 (A)	811,861
Geran 78870, Lot 480726, Mukum Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur, Malaysia.						
Property address: H-20-10, Ekocheras Service Apartment, No. 693, Jalan Cheras, Batu 5, 56000 Kuala Lumpur, Malaysia.	Residential	108 (BUA)	3	Freehold	2 February 2022 (A)	755,229
Geran 78870, Lot 480726, Mukum Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur, Malaysia.						
Property address: H-30-05, Ekocheras Service Apartment, No. 693, Jalan Cheras, Batu 5, 56000 Kuala Lumpur, Malaysia.	Residential	71 (BUA)	4	Freehold	2 February 2022 (A)	522,860

LIST OF PROPERTIES

Location and Address of Properties	Brief Description and Existing Use	Land ("L")/ Built-Up Area ("BUA") (sq meters)	Age of Building (Years)	Tenure and Year of Expiry	Date of Acquisition ("A")/ Valuation ("V")	Audited Net Book Value As At 31.12.2025 (MYR)
Geran 333002/M1/2/53 Mukim Klang, Daerah Klang, Selangor, Malaysia.						
Property address: L1-07, Gravit 8, Jalan Bayu Laut/KS9, Kota Bayuemas, 41200 Klang, Selangor, Malaysia.	Residential	282 (BUA)	4	Freehold	02 February 2022 (A)	1,611,512
PT 357, HSD 185508, Pekan Sungai Besi, District of Petaling, Selangor Darul Ehsan						
Property address: No. 12A, Jalan Dagang SB 4/1 Taman Sungai Besi Indah, 43300 Seri Kembangan Selangor, Malaysia.	Four-storey Shop Office	164 (BUA)	4	99-year leasehold, expiring on 28 May 2102 (i.e. remaining tenure of approximately 77 years as at Dec'25)	20 Feb 2020 (V)	934,373
PT 357, HSD 185509, Pekan Sungai Besi, District of Petaling, Selangor, Malaysia.						
Property address: No. 12, Jalan Dagang SB 4/1 Taman Sungai Besi Indah, 43300 Seri Kembangan Selangor, Malaysia.	Four-storey Shop Office	164 (BUA)	4	99-year leasehold, expiring on 28 May 2102 (i.e. remaining tenure of approximately 77 years as at Dec'25)	19 Mar 2010 (A)	934,373
PN 36165, Lot 1259, Mukim Bandar Kundang, Daerah Gombak, Selangor, Malaysia.						
Property address: No. G-11, 1-11, 2-11, Avia Plus, Jalan Desa Utama, Bandar Country Homes, 48000 Rawang, Selangor, Malaysia.	Three-storey Commercial Shop Office	3,808 (BUA)	3	99-year leasehold, expiring on 18 September 2089 (i.e. remaining tenure of approximately 64 years as at Dec'25)	09 Oct 2020 (A)	1,6511,512

LIST OF PROPERTIES

Location and Address of Properties	Brief Description and Existing Use	Land ("L")/ Built-Up Area ("BUA") (sq meters)	Age of Building (Years)	Tenure and Year of Expiry	Date of Acquisition ("A")/ Valuation ("V")	Audited Net Book Value As At 31.12.2025 (MYR)
PN 53949, Lot No. 481319, Mukim Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur, Malaysia. Property address: G-25, Residensi M Vertika, No. 555, Jalan Cheras, 56000 Kuala Lumpur, Malaysia.	Retail Shop	91.05 (BUA)	3	99-year leasehold, expiring on 14 Aug 2116 (i.e. remaining tenure of approximately 91 years as at Dec'25)	02 February 2022 (A)	1,611,512
PN 53949, Lot No. 481319, Mukim Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur, Malaysia. Property address: 1-25, Residensi M Vertika, No. 555, Jalan Cheras, 56000 Kuala Lumpur.	Retail Shop	126.99 (BUA)	3	99-year leasehold, expiring on 14 Aug 2116 (i.e. remaining tenure of approximately 91 years as at Dec'25)	23 Nov 2021 (A)	1,340,794
GRN 27331, Lot 162 Seksyen 92, Bandar Kuala Lumpur, Daerah Kuala Lumpur Negeri Wilayah Persekutuan Kuala Lumpur, Malaysia. Property address: A-55-03 Residensi Trofi 1, No. 1, Jalan 2, Sungai Besi, 55200 Kuala Lumpur, Malaysia.	Residential	74.97 (BUA)	3	Freehold	22 Sep 2021 (A)	573,291
GRN 80280, Lot 20098, Seksyen 67, Bandar Kuala Lumpur, Daerah Kuala Lumpur Property address: C-42-3A, Residensi Agile Delima, No. 3, Jalan Delima, Bukit Bintang, 55100 Kuala Lumpur, Malaysia.	Residential	58.1 (BUA)	1	Freehold	20 Mar 2022 (A)	1,152,368

SHAREHOLDINGS STATISTIC

ANALYSIS OF SHAREHOLDINGS AS AT 3 APRIL 2026

Total number Issued Shares as at 3 April 2026	:	2,185,066,069 ordinary shares
Treasury Shares as at 3 April 2026	:	88,898 ordinary shares
Adjusted Capital (after netting treasury shares as at 3 April 2026)	:	2,184,977,171 ordinary shares
Class of Shares	:	Ordinary shares
Voting Rights	:	One (1) vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS AS PER RECORD OF DEPOSITORS AS AT 3 APRIL 2026

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Issued Capital
1 - 99	650	16.06	21,726	0.00
100 – 1,000	451	11.14	220,192	0.01
1,001 - 10,000	1,357	33.53	7,995,274	0.37
10,001 – 100,000	1,208	29.85	43,951,852	2.01
100,001 – 109,248,857*	379	9.36	1,792,760,813	82.05
109,248,858 and above**	2	0.05	340,027,314	15.56
TOTAL	4,047	100.00	2,184,977,171	100.00

* Less than 5% of Issued Holdings
** 5% and above of Issued Holdings

SUBSTANTIAL SHAREHOLDERS AS AT 3 APRIL 2026

The substantial shareholders based on the Register of Substantial Shareholders of the Company and their shareholdings are as follows:-

Name of Shareholders	Nationality/ Incorporated in	No. of shares beneficially held			
		Direct	%	Indirect	%
Dato’ Lai Keng Onn	Malaysian	357,625,525	16.37	218,400,000 ⁽¹⁾	10.00
Stocqtech Sdn. Bhd.	Malaysia	160,000,000	7.32	-	-
Dato’ Gan Kong Hiok	Malaysian	234,640,948	10.739	-	-

Notes:-
⁽¹⁾ Deemed interest through shares held by Fastrans Venture Sdn. Bhd., Stocqtech Sdn. Bhd. and VDone Legacy Ventures Sdn. Bhd. pursuant to Section 8 of the Act.

SHAREHOLDINGS STATISTICS

SHAREHOLDINGS STATISTICS

DIRECTORS' SHAREHOLDINGS AS AT 3 APRIL 2026

The Directors' shareholdings based on the Register of Directors' Shareholdings of the Company are as follows:-

Name of Directors	Nationality/ Incorporated in	No. of shares beneficially held			
		Direct	%	Indirect	%
Datuk Dr. Ong Peng Su	Malaysian	-	-	-	-
Dato' Lai Keng Onn	Malaysian	357,625,525	16.37	218,400,000 ⁽¹⁾	10.00
Datin Alicia Chan Pey Kheng	Malaysian	14,363,709	0.66	-	-
Jonathan Wu Jo-Han	Malaysian	-	-	-	-
Dato' Seri Nazir Hussin bin Akhtar Hussin	Malaysian	-	-	-	-
Lu Chee Leong	Malaysian	-	-	-	-
Tong Siut Moi	Malaysian	-	-	-	-
Gs. Ts. Dr. Amanda Lee Sean Peik	Malaysian	-	-	-	-

Notes:-

⁽¹⁾ Deemed interest through shares held by Fastrans Venture Sdn. Bhd., Stocqtech Sdn. Bhd. and VDone Legacy Ventures Sdn. Bhd. pursuant to Section 8 of the Act

LIST OF THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS AS AT 3 APRIL 2026 (ORDINARY SHARES)

No.	Name	No. of Shares Beneficially Held	%
1.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Dato' Lai Keng Onn	174,653,366	7.99
2.	RHB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Dato' Gan Kong Hiok	165,373,948	7.57
3.	MCI Capital Sdn. Bhd.	98,507,000	4.51
4.	Amanah Raya Berhad Kumpulan Wang Bersama Syariah	92,362,000	4.23
5.	MBSB Investment Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Stocqtech Sdn. Bhd. (MID0054)	83,333,334	3.81
6.	MBSB Investment Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Stocqtech Sdn. Bhd. (MGN-LKO0002M)	76,666,666	3.51
7.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for Lim Nyuk Sang @ Freddy Lim (MQ0423)	65,705,000	3.01
8.	CIMB Group Nominees (Tempatan) Sdn. Bhd. CIMB Commerce Trustee Berhad – Kenanga Growth Fund	63,912,500	2.93
9.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Mogems Sdn. Bhd.	57,817,788	2.65
10.	CitiGroup Nominees (Asing) Sdn. Bhd. Exempt AN For Citibank New York (Norges Bank 22)	57,000,000	2.61

No.	Name	No. of Shares Beneficially Held	%
11.	Amanah Raya Berhad Kumpulan Wang Bersama	55,633,000	2.55
12.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for Agrobulk Holdings Sdn. Bhd. (MY4739)	51,502,680	2.36
13.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Dato' Lai Keng Onn (7005927)	48,627,897	2.23
14.	Kenanga Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Dato' Gan Kong Hiok (001)	47,017,000	2.15
15.	Citigroup Nominees (Tempatan) Sdn. Bhd. Kumpulan Wang Persaraan (Diperbadankan) (Kenanga)	45,078,200	2.06
16.	Maybank Investment Bank Berhad	40,300,000	1.84
17.	TA Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Dato' Lai Keng Onn	40,053,000	1.83
18.	Kenanga Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Agrobulk Holdings Sdn. Bhd. (RC)	40,000,000	1.83
19.	Amsec Nominees (Tempatan) Sdn. Bhd. Ambank (M) Berhad	38,000,000	1.74
20.	Cartaban Nominees (Tempatan) Sdn. Bhd. CN CIMB Commerce Trustee Berhad for Kenanga Growth Fund Series 2	37,615,600	1.72
21.	CIMSEC Nominees (Tempatan) Sdn. Bhd. CIMB for Dato' Lai Keng Onn (PB)	36,451,000	1.67
22.	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Armani Synergy Sdn. Bhd.	35,309,000	1.62
23.	VDone Legacy Ventures Sdn. Bhd.	35,000,000	1.60
24.	Chan Wah Kiang	31,718,100	1.45
25.	Malacca Equity Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Mohamed Faroz bin Mohamed Jakel	30,000,000	1.37
26.	Citigroup Nominees (Asing) Sdn. Bhd. UBS AG	29,019,100	1.33
27.	MBSB Investment Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Dato' Lai Keng Onn (MGN-LKO0002M)	24,623,559	1.13
28.	RHB Investment Bank Berhad IVT (SHQ-TRES BOOK) EQD TEAM	23,951,000	1.10
29.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Fastrans Ventures Sdn. Bhd.	23,400,000	1.07
30.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for Dato' Lai Keng Onn (MY3685)	17,700,000	0.81
TOTAL		1,666,330,738	76.26

NOTICE OF ANNUAL GENERAL MEETING

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twenty-Ninth Annual General Meeting ("29th AGM") of Kinergy Advancement Berhad ("Kinergy" or "the Company") will be held physically at **The Pearl Kuala Lumpur, in Swan 3, Level 7**, Batu 5, Jalan Klang Lama, 58000 Kuala Lumpur, Wilayah Persekutuan on Monday, 15 June 2026 at 9:00 a.m., or at any adjournment thereof, for the following purposes:-

AGENDA

As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 December 2025 together with the Reports of the Directors and the Auditors thereon. (Please refer to Explanatory Note 1)
2. To approve the payment of Directors' fees payable to the Directors of the Company amounting to MYR650,000/- for the financial year ending 31 December 2026. (Resolution 1)
3. To re-elect the following Directors who are retiring in accordance with Clause 76(3) of the Company's Constitution, and being eligible, have offered themselves for re-election-
 - (a) Datuk Dr. Ong Peng Su; (Resolution 2)
 - (b) Datin Alicia Chan Pey Kheng; (Resolution 3)
 - (c) Mr. Jonathan Wu Jo-Han. (Resolution 4)
4. To re-elect Dato' Seri Nazir Hussin bin Akhtar Hussin who is retiring in accordance with Clause 78 of the Company's Constitution, and being eligible, has offered himself for re-election. (Resolution 5)
5. To re-appoint Messrs. HLB Ler Lum Chew as Auditors of the Company until the conclusion of the next AGM and to authorise the Directors to determine their remuneration. (Resolution 6)

As Special Business

To consider and, if thought fit, with or without any modification, to pass the following resolutions as Ordinary Resolution:-

6. **Ordinary Resolution**
Retention of Mr. Lu Chee Leong as Independent Non-Executive Director (Resolution 7)

"**THAT** Mr. Lu Chee Leong, who will be serving as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years since 30 May 2017, be and is hereby retained as an Independent Non-Executive Director of the Company."

7. **Ordinary Resolution**
Retention of Ms. Tong Siut Moi as Independent Non-Executive Director (Resolution 8)

"**THAT** Ms. Tong Siut Moi, who will be serving as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years since 30 May 2017, be and is hereby retained as an Independent Non-Executive Director of the Company."

8. **Ordinary Resolution**
Authority to Issue Shares pursuant to the Companies Act 2016 (Resolution 9)

"**THAT**, subject always to the Companies Act 2016 ("the Act"), the Constitution of the Company and the approvals from Bursa Malaysia Securities Berhad ("Bursa Securities") and any other relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered pursuant to the Act, to issue and allot shares in the capital of the Company from time to time at such price and upon such terms and conditions, for such purposes and to such person or persons whomsoever the Directors may in their absolute discretion deem fit provided always that the aggregate number of shares issued pursuant to this Resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being;

THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities;

AND THAT pursuant to Section 85 of the Act to be read together with Clause 12(2) of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued shares arising from any issuance of new shares in the Company pursuant to this mandate;

AND FURTHER THAT such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company."

9. **Ordinary Resolution**
Proposed Renewal of Authority for Share Buy-Back (Resolution 10)

"**THAT**, subject to the Companies Act 2016 ("the Act"), the Constitution of the Company, Main Market Listing Requirements of Bursa Securities and all other applicable laws, rules and regulations and guidelines for the time being in force and the approvals of all relevant governmental and/or regulatory authority, the Company be and is hereby authorised to purchase such number of issued shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities as the Directors may deem fit, necessary and expedient in the interest of the Company ("Proposed Renewal of Share Buy-Back Authority") provided that:-

NOTICE OF ANNUAL GENERAL MEETING

- (i) the aggregate number of ordinary shares to be purchased and/or held by the Company pursuant to this resolution shall not exceed ten per centum (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at the point of purchase; and
- (ii) the maximum funds to be allocated by the Company for the purpose of purchasing its own shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or the latest unaudited financial statements (where applicable) available at the time of the purchase;

THAT upon completion of the purchase by the Company of its own shares, the Directors of the Company be and are hereby authorised to deal with the ordinary shares purchased in their absolute discretion in the following manner:

- (i) cancel all the shares so purchased; and/or
- (ii) retain the ordinary shares so purchased as treasury shares for distribution as dividend to the shareholders and/or resell on the market of Bursa Securities and/or transfer under an employees' share scheme and/or transfer as purchase consideration; and/or
- (iii) retain part thereof as treasury shares and cancel the remainder; or
- (iv) in any other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of Bursa Securities and any other authority for the time being in force;

THAT such authority conferred by this resolution shall commence upon the passing of this resolution and shall continue to be in force until:-

- (a) the conclusion of the next AGM of the Company following this AGM at which such resolution was passed, at which time it will lapse, unless by an ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (b) the expiration of the period within which the next AGM of the Company after that date is required by law to be held; or
- (c) the authority is revoked or varied by an ordinary resolution passed by the shareholders of the Company at a general meeting,

whichever occurs first,

AND THAT the Directors of the Company be and are hereby authorised to do all acts, deeds and things as they may consider expedient or necessary in the best interests of the Company to give full effect to the Proposed Renewal of Share Buy-Back Authority with full powers to assent to any conditions, modifications, variations and/or amendments as may be imposed by the relevant authorities and to take all such steps, and do all such acts and things as the Board of Directors may deem fit and expedient in the best interests of the Company."

- 10. To transact any other ordinary business of which due notice shall have been given.

By Order of the Board

(duly signed)

CHUA SIEW CHUAN (SSM PC No. 201908002648) (MAICSA 0777689)
CHENG CHIA PING (SSM PC No. 202008000730) (MAICSA 1032514)
 Company Secretaries

Kuala Lumpur
 30 April 2026

Notes:

Information for Shareholders/Proxies

1. This is a **physical** general meeting, to be attended by shareholders and/or proxies **in-person** only. In respect of deposited securities, only members whose names appear in the Record of Depositors on 8 June 2026 ("**General Meeting Record of Depositors**") shall be eligible to attend the AGM.
2. A member (including authorised nominee) entitled to attend and vote at the AGM, may appoint more than one (1) proxy to attend and vote at the AGM, to the extent permitted by the Act, Securities Industry (Central Depositories) Act, 1991, Main Market Listing Requirements ("**Main LR**") of **Bursa Securities**, and the Rules of Bursa Malaysia Depository Sdn. Bhd. Where a member appoints more than one (1) proxy, the appointments shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
3. A proxy may but does not need to be a member of the Company and notwithstanding this, a member entitled to attend and vote at the AGM is entitled to appoint any person as his/her proxy to attend and vote instead of the member at the AGM without limitation. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the AGM shall have the same rights as the member to attend, participate, speak, and vote at the AGM.
4. In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of its officer or attorney duly authorised.
5. Where a member is an exempt authorised nominee who holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies of which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

NOTICE OF ANNUAL GENERAL MEETING

6. Publication of Notice of 29th AGM and Proxy Form on corporate website

Pursuant to Section 320(2) of the Act, a copy of this Notice together with the Proxy Form is available at the corporate website of Kinergy at <https://www.kinergyadvancement.com/investor-relations/agm>.

7. Submission of Proxy Form in either hard copy form or electronic form

The appointment of proxy(ies) may now be made either in hard copy form or by electronic form, and shall be deposited with the Company's Share Registrar, namely, Securities Services (Holdings) Sdn. Bhd., either at the designated office as stated below or vide Securities Services e-Portal, not less than forty-eight (48) hours before the time appointed for holding the AGM or adjournment thereof (i.e., **on or before Saturday, 13 June 2026 at 9:00 a.m.**):-

Mode of Submission	Designated Address
Hard copy	Securities Services (Holdings) Sdn. Bhd. Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan
Electronic appointment	Securities Services e-Portal Weblink: https://sshsb.net.my/ Kindly refer to Appendix I in Administrative Guide

The lodging of the said instrument shall not preclude you from attending, participating, speaking and voting in person at the 29th AGM should you subsequently wish to do so, provided a notice of termination of proxy authority in writing is given to the Company not less than forty-eight (48) hours before the commencement of the AGM or any adjournment thereof

8. Please ensure **ALL** the particulars as required in the proxy form are completed, signed and dated accordingly.
9. Please bring an **ORIGINAL** of the following identification papers (where applicable) and present it to the registration staff for verification:-
 - (a) Identity card (NRIC) (Malaysian), or
 - (b) Police report (for loss of NRIC) / Temporary NRIC (Malaysian), or
 - (c) Passport (Foreigner).
10. For a corporate member who has appointed a representative instead of a proxy to attend this meeting, please bring the **ORIGINAL** certificate of appointment executed in the manner as stated in the proxy form if this has not been lodged at the Company's registered office earlier.

Explanatory Notes:-

1. Item 1 of the Agenda - Audited Financial Statements for the financial year ended 31 December 2025

This Agenda item is meant for discussion only, as the provision of Section 340(1)(a) of the Act does not require a formal approval for the Audited Financial Statements from the shareholders. Therefore, this Agenda item is not put forward for voting.

2. Resolution 1 - Payment of Directors' fees

Section 230(1) of the Companies Act 2016 provides amongst others, that the fees of the Directors of a listed company shall be approved at a general meeting.

In this respect, the Board wishes to seek shareholders' approval at the 29th AGM of the Company on the following resolution:-

Ordinary Resolution 1 is proposed to seek the shareholders' approval for the payment of Directors' fees payable to the Directors of an amount of up to MYR650,000/- for the financial year ending 31 December 2026.

3. Resolutions 2, 3, 4 and 5 - Re-election of Directors

In determining the eligibility of the Directors to stand for re-election at the forthcoming 29th AGM of the Company, the Nominating Committee ("**NC**"), as guided by the requirements of Paragraph 2.20A of the Main Market Listing Requirements of Bursa Securities has recommended Datuk Dr. Ong Peng Su, Datin Alicia Chan Pey Kheng, Mr. Jonathan Wu Jo-Han, and Dato' Seri Nazir Hussin bin Akhtar Hussin for re-election as Directors pursuant to the Constitution of the Company ("**Retiring Directors**"). The Board has conducted a separate assessment and being satisfied with the performance/contribution of the Retiring Directors. Therefore, the Board recommended that the same to be tabled to the shareholders of the Company for approval at the forthcoming 29th AGM of the Company under Resolutions 2, 3, 4 and 5 respectively.

The evaluation criteria adopted as well as the process of assessment by the Board have been duly elaborated in the Corporate Governance Overview Statement of the Annual Report 2025 of the Company. All the Retiring Directors have consented to their re-election and abstained from deliberations and voting in relation to their individual re-election at the NC and Board Meetings, respectively. The Retiring Directors also provided the fit and proper declarations in the prescribed forms in accordance with the Directors' Fit & Proper Policy adopted by the Company.

4. Resolution 6 - Re-appointment of Auditors

The Audit Committee ("**AC**"), having assessed the suitability, objectivity and independence of Messrs. HLB Ler Lum Chew, recommended the latter's re-appointment as External Auditors of the Company to the Board for consideration. Upon review, the Board in turn would like to recommend the same to the shareholders for approval at the 29th AGM of the Company. The evaluation criteria adopted as well as the process of assessment by the AC and Board, respectively, have been duly elaborated in the Corporate Governance Report of the Company for the financial year ended 31 December 2025.

NOTICE OF ANNUAL GENERAL MEETING

5. Resolution 7 – Retention of Mr. Lu Chee Leong

Mr. Lu Chee Leong (“**Mr. Lu**”) was appointed as an Independent Non-Executive Director of the Company on 30 May 2017. He will be serving the Board in this capacity for a cumulative term exceeding nine (9) years.

Pursuant to the annual performance and Independence assessment conducted by the Board through the Nominating Committee (“**NC**”), Mr. Lu was evaluated based on his skills, expertise and ability to exercise independent judgement. The Board, based on the NC’s recommendation, considers him to remain independent and recommends that he be retained as an Independent Non-Executive Director, subject to the shareholders’ approval through a two-tier voting process in accordance with the Guidance to Practice 5.3 of the Malaysian Code on Corporate Governance (“**MCCG**”).

6. Resolution 8 – Retention of Ms. Tong Siut Moi

Ms. Tong Siut Moi (“**Ms. Tong**”) was appointed as an Independent Non-Executive Director of the Company on 30 May 2017. She will be serving the Board in this capacity for a cumulative term exceeding nine (9) years.

Pursuant to the annual performance and Independence assessment conducted by the Board through the NC, Ms. Tong was evaluated based on her skills, expertise and ability to exercise independent judgement. The Board, based on the NC’s recommendation, considers her to remain independent and recommends that she be retained as an Independent Non-Executive Director, subject to the shareholders’ approval through a two-tier voting process in accordance with the Guidance to Practice 5.3 of the MCCG.

The justification for these recommendations includes the following:

- They continue to fulfil the independence criteria as prescribed under Paragraph 1.01 of the Main Market Listing Requirements (“**MMLR**”) of Bursa Securities and are capable of exercising objective and independent judgement while contributing to effective oversight, balance and diverse perspectives at Board level.
- They have not engaged in any business or other relationships that could impair their independence, objectivity, or ability to act in the best interests of the Company.
- They do not have any conflict of interest, whether business-related or otherwise, with the Company.
- They have not maintained any significant personal or social relationships, directly or indirectly, with the Executive Deputy Chairman cum. Group Managing Director, major shareholders, or members of Management (including their immediate family members), aside from professional engagements in line with their responsibilities as Independent Directors.

7. Resolution 9 - Authority to Issue Shares pursuant to the Companies Act 2016

The proposed resolution is intended to renew the authority granted to the Directors of the Company at the Twenty-Eighth Annual General Meeting (28th AGM) of the Company held on 29 May 2025 (“**Previous Mandate**”) to issue and allot shares at any time to such persons in their absolute discretion without convening a general meeting provided that the aggregate number of the shares does not exceed 10% of the total number of issued shares of the Company for the time being (hereinafter referred to as the “**General Mandate**”).

On 20 June 2024, Malacca Securities Sdn. Bhd. (“Malacca Securities”) had announced on behalf of the Board that Kinergy proposed to undertake a private placement of up to 198,634,288 new ordinary shares in Kinergy representing 10% of the total number of issued shares, excluding treasury shares, pursuant to the Previous Mandate.

Bursa Malaysia Securities Berhad (“Bursa Securities”) had on 19 July 2024 approved the listing and quotation of up to 198,634,288 shares to be issued pursuant to the Previous Mandate, with conditions.

As at the date of this Notice, the Company had issued a total of 198,634,288 Placement Shares at various prices to raise a total proceeds of MYR65,242,985.04/- from the identified investors:-

Series No.	Date of Issuance	No. of Placement Shares	Issue Price	Proceeds Raised
Tranche 1	6 December 2024	61,266,000 ordinary shares	MYR0.3250 per Placement Share	MYR19,911,450/-
Tranche 2	23 December 2024	31,096,000 ordinary shares	MYR0.3300 per Placement Share	MYR10,261,680/-
Tranche 3	18 April 2025	48,454,500 ordinary shares	MYR0.3300 per Placement Share	MYR15,989,985/-
Tranche 4	15 August 2025	57,817,788 ordinary shares	MYR0.3300 per Placement Share	MYR19,079,870.04/-
				MYR65,242,985.04/-

NOTICE OF ANNUAL GENERAL MEETING

The details of utilisation of the proceeds from the abovementioned Placement Shares were as follow:-

Purposes	Proposed Utilisation MYR'000	Actual Proceeds MYR'000	Actual Utilisation MYR'000	Balance Unutilised MYR'000	Intended Timeframe for Unutilised
Repayment of Bank Borrowings	30,000	32,930	(32,930)	-	Within 6 Months
Funding for Renewable Energy ("RE")	35,925	32,016	-	32,016	Within 36 Months
Defrayment of Estimated Expenses	300	296	(296)	-	Within 1 Months
Total	66,225	65,242	(33,226)	32,016	

The said General Mandate will provide flexibility to the Company to raise additional funds expeditiously and efficiently through issuance and allotment of new shares, grant of rights to subscribe for shares, conversion of any security into shares or allotment of shares under an agreement or option or offer for purposes, including but not limited to placement of shares for working capital, repayment of borrowings, the Company's future project(s), acquisitions and/or for issuance of shares as settlement of purchase consideration or such other application as the Directors may deem fit in the best interest of the Company.

The Board, having considered the current and prospective financial position, working capital requirements and capacity of the Company, is of the opinion that the General Mandate is in the best interests of the Company and its shareholders.

Pursuant to Section 85 of the Act read together with Clause 12(2) of the Constitution of the Company, shareholders have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company or other convertible securities.

The proposed Resolution 9, if passed, will exclude existing shareholders' pre-emptive rights to be offered new shares and/or convertible securities to be issued by the Company pursuant to the said Resolution.

8. Resolution 10 - Proposed Renewal of Share Buy-Back Authority

The proposed resolution is intended to allow the Company to purchase its own shares of up to ten per centum (10%) of the total number of issued shares in the Company at any time within the time period stipulated in the Main Market Listing Requirements of Bursa Securities. This authority will, unless revoked or varied at a general meeting, expire at the conclusion of the next Annual General Meeting of the Company.

Please refer to Statement to Shareholders dated 30 April 2026 available together with the Annual Report 2025 for more information.

ADMINISTRATIVE GUIDE

29TH ANNUAL GENERAL MEETING ("AGM") OF KINERGY ADVANCEMENT BERHAD ("Kinery" or "the Company")

Date : Monday, 15 June 2026
Time : 9:00 a.m.
Venue : **The Pearl Kuala Lumpur**
Batu 5, Jalan Klang Lama, 58000 Kuala Lumpur, Wilayah Persekutuan.
Meeting Room : **Swan 3, Level 7**

This is a physical AGM. Members and/or proxies are to attend in-person only.

Registration

- Registration is from 8:00 a.m. and will end at a time as announced by the Chairman of the meeting before commencement of voting.
- Registration will take place at the registration counters located at **The Pearl Kuala Lumpur, in Swan 3, Level 7**, Batu 5, Jalan Klang Lama, 58000 Kuala Lumpur, Wilayah Persekutuan.
- Kindly present your **original National Registration Identity Card ("NRIC") or Passport for verification** by the Registrar. Photocopy of NRIC or Passport is not allowed. Upon verification of your NRIC or Passport and signing of the Attendance List, you will be given a wristband for identification. Please ensure you collect your original NRIC or Passport thereafter.
- No individual will be allowed to enter the venue without the wristband. There will be no replacement in the event you lose or misplace the wristband.
- No individual will be allowed to register on behalf of another person, registration will handle only verification of identity and registration of shareholders and/or proxy holders. If you have any enquiries on other matters, please refer to our staff who will be at hand to provide assistance.

General Meeting Record of Depositors

Only depositors whose **names appear in the General Meeting Record of Depositors as at 8 June 2026 will be entitled to attend the AGM** or to appoint proxy to attend and/or vote on the depositor's behalf.

Submission of Proxy Form in either hard copy form or electronic form

The appointment of proxy(ies) may now be made either in hard copy form or by electronic form, and shall be deposited with the Company's Share Registrar, namely, Securities Services (Holdings) Sdn. Bhd., either at the designated office as stated below or vide Securities Services e-Portal, not less than forty-eight (48) hours before the time appointed for holding the AGM or adjournment thereof (i.e., **on or before Saturday, 13 June 2026 at 9:00 a.m.**):-

Mode of Submission	Designated Address
Hard copy	Securities Services (Holdings) Sdn. Bhd. Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan
Electronic appointment	Securities Services e-Portal Weblink: https://sshsb.net.my/ Kindly refer to Appendix I in Administrative Guide

ADMINISTRATIVE GUIDE

29TH ANNUAL GENERAL MEETING ("AGM") OF KINERGY ADVANCEMENT BERHAD ("Kinergy" or "the Company")

The lodging of the said instrument shall not preclude you from attending, participating, speaking and voting in person at the 29th AGM should you subsequently wish to do so, provided a notice of termination of proxy authority in writing is given to the Company not less than forty-eight (48) hours before the commencement of the AGM or any adjournment thereof.

Corporate Representative

Any corporate member who wishes to appoint a representative instead of a proxy to attend the AGM should present a valid instrument appointing a corporate representative which shall be in writing under the common seal of the corporation.

Voting Procedure

1. The voting at the 29th AGM will be conducted on a poll in accordance with Paragraph 8.29A of Bursa Malaysia Securities Berhad Main Market Listing Requirements. The Company has appointed Securities Services (Holdings) Sdn. Bhd. ("SS") as Poll Administrator to conduct the poll and Commercial Quest Sdn. Bhd. as scrutineers to verify the poll results.

Door gifts

The Company will not provide any door gifts to shareholders or proxy.

Parking

You are advised to park your vehicle at the Basement Parking. All attendees are entitled to a flat parking rate of MYR7.00 per entry. Please take note it is a ticketless parking and payment could be made by Visa, Master or TnG card.

Refreshment

Coffee and Tea will be served before the commencement of and after the 29th AGM at the designated area.

Enquiry

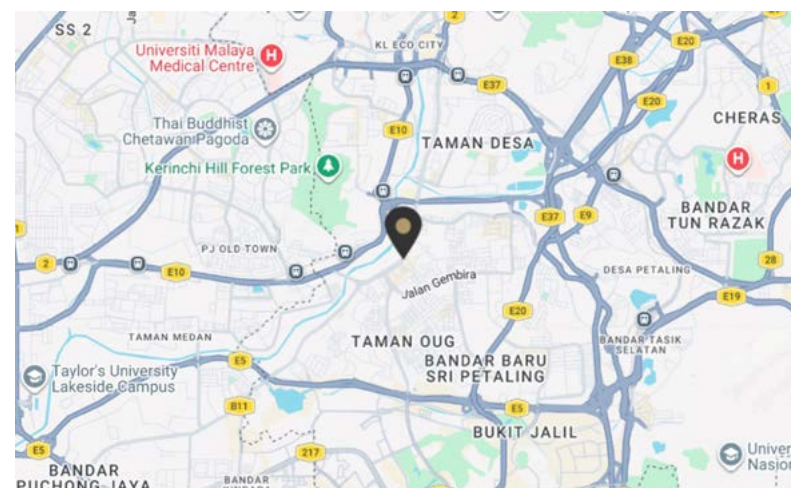
If you have any enquiry relating to the registration for the 29th AGM, please contact the following persons from our Shares Registrar during office hours from Monday to Friday, 8:30 a.m. to 12:15 p.m. and from 1:15 p.m. to 5:30 p.m.:

Securities Services (Holdings) Sdn. Bhd.

General Line : +603-2084 9000
Email : info@sshsb.com.my

Officers : Wong Piang Yoong (DID: +603-2084 9168)
: Nurhayati Ang (DID: +603-2084 9162)
: Jasmine Lim Mei Chen (DID: +603 2084 9006)

Location map



ADMINISTRATIVE GUIDE

29TH ANNUAL GENERAL MEETING ("AGM") OF KINERGY ADVANCEMENT BERHAD ("Kinergy" or "the Company")



APPENDIX I SECURITIES SERVICES E-PORTAL

(A) Sign up for a user account at Securities Services e-Portal

- | | |
|---|--|
| <p>Step 1 Visit https://sshsb.net.my/</p> <p>Step 2 Sign up for a user account</p> <p>Step 3 Wait for our notification email that will be sent within one (1) working day</p> <p>Step 4 Verify your user account within seven (7) days of the notification email and log in</p> | <ul style="list-style-type: none"> • This is a ONE-TIME registration. If you already have a user account, you need not register again. • Your email address is your User ID. • Please proceed to either (B) or (C) below once you are a registered user. |
|---|--|

REGISTER AS A USER BY 11 JUNE 2026 TO SUBMIT E-PROXY FORM

(B) Submit e-Proxy Form

- | Meeting Date and Time | Proxy Form Submission Closing Date and Time |
|-----------------------------------|---|
| Monday, 15 June 2026 at 9:00 a.m. | Saturday, 13 June 2026 at 9:00 a.m. |
- Log in to <https://sshsb.net.my/> with your registered email and password.
 - Look for **Kinergy Advancement Berhad** under Company Name and **29th AGM on 15 June 2026 at 9:00 a.m. – Submission of Proxy Form** under Event and click ">" to submit your proxy forms online for the meeting by the submission closing date and time above.

- Step 1 Check if you are submitting the proxy form as –
- Individual shareholder
 - Corporate or authorised representative of a body corporate
- For body corporates, the appointed corporate/authorised representative is to upload the evidence of authority (e.g. Certificate of Appointment of Corporate Representative, Power of Attorney, letter of authority or other documents proving authority). All documents that are not in English or Bahasa Malaysia have to be accompanied by a certified translation in English in 1 file. The original evidence of authority and translation thereof, if required, have to be submitted to The Company's Share Registrar at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan for verification before the proxy form submission closing date and time above or handover the said document to the registrar at the registration counter.

- Step 2 Enter your CDS account number or the body corporate's CDS account number and corresponding number of securities. Then enter the information of your proxy(ies) and the securities to be represented by your proxy(ies).
- You may appoint the Chairman of the meeting as your proxy where you are not able to participate.**

- Step 3 Proceed to indicate how your votes are to be casted against each resolution.

- Step 4 Review and confirm your proxy form details before submission.

- A copy of your submitted e-Proxy Form can be accessed via **My Records** (refer to the left navigation panel).
- You need to submit your e-Proxy Form for **every CDS account(s)** you have or represent.



KINERGY ADVANCEMENT BERHAD
[Registration No: 199701005009 (420505-H)]
(Incorporated in Malaysia)

PROXY FORM

No. of Shares	
Email Address	
CDS Account No	
Contact Number	

I/We _____ NRIC/Passport/Company No _____
(Name in full)

being a member/members of the above named Company, hereby appoint:

Proxy 1			
Full Name (in Block and as per NRIC/Passport)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Email	Contact No.		

and/or (delete as appropriate)

Proxy 2			
Full Name (in Block and as per NRIC/Passport)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Email	Contact No.		

or failing him/ her* the Chairman of the Meeting as my/our proxy to vote for me/us and on my/our behalf at the 29th Annual General Meeting of the Company to be held physically at **The Pearl Kuala Lumpur, in Swan 3, Level 7**, Batu 5, Jalan Klang Lama, 58000 Kuala Lumpur, Wilayah Persekutuan on Monday, 15 June 2026 at 9:00 a.m. or any adjournment thereof.

* Delete the words "or failing him/her, the Chairman of the Meeting" if you wish to appoint some other person(s) to be your proxy.

My/Our proxy is to vote as indicated below:

ORDINARY RESOLUTIONS		FOR	AGAINST
Resolution 1	To approve the payment of Directors' fees of the Company amounting to MYR650,000/- for the financial year ending 31 December 2026.		
Resolution 2	To re-elect Dato' Dr. Ong Peng Su, a Director who retires pursuant to Clause 76(3) of the Company's Constitution.		
Resolution 3	To re-elect Datin Alicia Chan Pey Kheng, a Director who retires pursuant to Clause 76(3) of the Company's Constitution.		
Resolution 4	To re-elect Mr. Jonathan Wu Jo-Han, a Director who retires pursuant to Clause 76(3) of the Company's Constitution.		
Resolution 5	To re-elect Dato' Seri Nazir Hussin bin Akhtar Hussin, a Director who retires pursuant to Clause 78 of the Company's Constitution.		
Resolution 6	To re-appoint Messrs. HLB Ler Lum Chew as Auditors of the Company until the conclusion of the next AGM and authorise the Directors to determine their remuneration.		

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ORDINARY RESOLUTIONS		FOR	AGAINST
Resolution 7	As Special Business <u>Ordinary Resolution</u> Retention of Mr. Lu Chee Leong as Independent Non-Executive Director.		
Resolution 8	As Special Business <u>Ordinary Resolution</u> Retention of Ms. Tong Siut Moi as Independent Non-Executive Director.		
Resolution 9	As Special Business <u>Ordinary Resolution</u> Authority to issue shares pursuant to the Companies Act 2016.		
Resolution 10	As Special Business <u>Ordinary Resolution</u> Proposed Renewal of Authority for Share Buy-Back		

(Please indicate with an `X` in the appropriate spaces how you wish to cast your vote. If you do not indicate how you wish your proxy to vote on any Resolution, the proxy will vote as he thinks fit or, at his discretion, abstain from voting.)

Dated this _____ day of _____ 2026

Signature/Common Seal of Shareholder

Notes:

INFORMATION FOR SHAREHOLDERS/PROXIES

1. This is a **physical** general meeting, to be attended by shareholders and/or proxies **in-person** only. In respect of deposited securities, only members whose names appear in the Record of Depositors on 8 June 2026 ("**General Meeting Record of Depositors**") shall be eligible to attend the AGM.
2. A member (including authorised nominee) entitled to attend and vote at the AGM, may appoint more than one (1) proxy to attend and vote at the AGM, to the extent permitted by the Act, Securities Industry (Central Depositories) Act, 1991, Main Market Listing Requirements ("**Main LR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**"), and the Rules of Bursa Malaysia Depository Sdn. Bhd. Where a member appoints more than one (1) proxy, the appointments shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
3. A proxy may but does not need to be a member of the Company and notwithstanding this, a member entitled to attend and vote at the AGM is entitled to appoint any person as his/her proxy to attend and vote instead of the member at the AGM without limitation. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the AGM shall have the same rights as the member to attend, participate, speak and vote at the AGM.
4. In the case of a corporate member, the instrument appointing a proxy must be either under its common seal or under the hand of its officer or attorney duly authorised.
5. Where a member is an exempt authorised nominee who holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies of which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
6. **Publication of Notice of 29th AGM and Proxy Form on corporate website**

Pursuant to Section 320(2) of the Act, a copy of this Notice together with the Proxy Form are available at the corporate website of Kinergy at <https://www.kinergyadvancement.com/agm.html>.

7. **Submission of Proxy Form in either hard copy form or electronic form**

The appointment of proxy(ies) may now be made either in hard copy form or by electronic form, and shall be deposited with the Company’s Share Registrar, namely, Securities Services (Holdings) Sdn. Bhd., either at the designated office as stated below or vide Securities Services e-Portal, not less than forty-eight (48) hours before the time appointed for holding the AGM or adjournment thereof (i.e., **on or before Saturday, 13 June 2026 at 9:00 a.m.**):-

Mode of Submission	Designated Address
Hard copy	Securities Services (Holdings) Sdn. Bhd. Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan
Electronic appointment	Securities Services e-Portal Weblink: https://sshsb.net.my/ Kindly refer to Appendix I in Administrative Guide

The lodging of the said instrument shall not preclude you from attending, participating, speaking and voting in person at the 29th AGM should you subsequently wish to do so, provided a notice of termination of proxy authority in writing is given to the Company not less than forty-eight (48) hours before the commencement of the AGM or any adjournment thereof.

8. Please ensure **ALL** the particulars as required in the proxy form are completed, signed and dated accordingly.
9. Please bring an **ORIGINAL** of the following identification papers (where applicable) and present it to the registration staff for verification:-

(a) Identity card (NRIC) (Malaysian), or
(b) Police report (for loss of NRIC) / Temporary NRIC (Malaysian), or
(c) Passport (Foreigner).
10. For a corporate member who has appointed a representative instead of a proxy to attend this meeting, please bring the **ORIGINAL** certificate of appointment executed in the manner as stated in the proxy form if this has not been lodged at the Company’s registered office earlier.

**AFFIX
STAMP
HERE**

**SHARE REGISTRAR
KINERGY ADVANCEMENT BERHAD**

[Company Registration No. 199701005009 (420505-H)]

c/o Securities Services (Holdings) Sdn. Bhd.
Level 7, Menara Milenium,
Jalan Damanlela,
Pusat Bandar Damansara,
50490 Kuala Lumpur,
Malaysia

kinergyadvancement.com

General Enquiries

kab@kinergyadvancement.com

Public Relations | Investor Relations

investor-relation@kinergyadvancement.com

Kinergy Advancement Berhad

Registration No. 199701005009 (420505-H)

