

**KKB ENGINEERING BERHAD**

(Company No : 26495 - D)

(Incorporated in Malaysia)

**INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2025****Unaudited Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income**

	3 MONTHS ENDED		CUMULATIVE 12 MONTHS ENDED	
	CURRENT QUARTER ENDED 31/12/2025 RM	COMPARATIVE QUARTER ENDED 31/12/2024 RM	CURRENT PERIOD ENDED 31/12/2025 RM	COMPARATIVE PERIOD ENDED 31/12/2024 RM
Revenue from contracts with customers	32,568,307	231,581,489	177,047,466	634,264,477
Cost of sales	(27,082,470)	(203,828,466)	(138,726,571)	(530,658,101)
<b>Gross profit</b>	<u>5,485,837</u>	<u>27,753,023</u>	<u>38,320,895</u>	<u>103,606,376</u>
Selling and distribution expenses	418,723	(69,788)	(428,822)	(1,200,847)
Administrative expenses	(6,857,167)	(11,240,688)	(34,299,618)	(46,262,882)
<b>Operating (loss)/profit</b>	<u>(952,607)</u>	<u>16,442,547</u>	<u>3,592,455</u>	<u>56,142,647</u>
Finance costs	(223,098)	(1,715,596)	(2,273,635)	(5,545,493)
Finance income	487,681	447,160	1,547,123	1,969,496
Other expenses	(1,202,810)	(5,552,729)	(3,204,378)	(8,058,709)
Other income	8,115,725	2,558,836	15,188,720	8,778,992
Share of results of associates	393,105	(274,202)	788,470	2,361,023
<b>Profit before tax</b>	<u>6,617,996</u>	<u>11,906,016</u>	<u>15,638,755</u>	<u>55,647,956</u>
Income tax credit/(expense)	<u>1,468,864</u>	<u>(3,080,486)</u>	<u>(867,102)</u>	<u>(15,184,976)</u>
<b>Profit for the period</b>	<u>8,086,860</u>	<u>8,825,530</u>	<u>14,771,653</u>	<u>40,462,980</u>
<b>Other Comprehensive Income</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Comprehensive Income for the period</b>	<u>8,086,860</u>	<u>8,825,530</u>	<u>14,771,653</u>	<u>40,462,980</u>
Profit/(Loss) for the period attributable to:				
Equity holders of the parent	7,197,251	10,611,464	14,988,880	26,201,970
Non-controlling interests	889,609	(1,785,934)	(217,227)	14,261,010
	<u>8,086,860</u>	<u>8,825,530</u>	<u>14,771,653</u>	<u>40,462,980</u>
Total Comprehensive Income/(Loss) for the period attributable to:				
Equity holders of the parent	7,197,251	10,611,464	14,988,880	26,201,970
Non-controlling interests	889,609	(1,785,934)	(217,227)	14,261,010
	<u>8,086,860</u>	<u>8,825,530</u>	<u>14,771,653</u>	<u>40,462,980</u>
<b>Earnings per share attributable to equity holders of the parent:</b>				
Basic, for profit for the period (sen)	<u>2.49</u>	<u>3.68</u>	<u>5.19</u>	<u>9.07</u>
Diluted, for profit for the period (sen) - Not Applicable				

(These Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.)

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**INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2025****Unaudited Condensed Consolidated Statements of Financial Position**

	AS AT 31/12/2025 RM	AS AT 31/12/2024 RM
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant & equipment	122,348,850	129,143,604
Investment in associates	13,073,258	12,284,789
Deferred tax assets	5,844,783	6,373,640
	<u>141,266,891</u>	<u>147,802,033</u>
<b>Current assets</b>		
Inventories	79,172,030	53,467,354
Trade and other receivables	37,584,553	97,401,585
Contract assets	271,478,889	303,292,235
Other current assets	9,913,540	3,245,048
Short term funds	196,849,260	164,947,439
Cash and short-term deposits	37,411,464	53,158,426
	<u>632,409,736</u>	<u>675,512,087</u>
<b>TOTAL ASSETS</b>	<b><u>773,676,627</u></b>	<b><u>823,314,120</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Issued capital	175,254,461	175,254,461
Retained earnings	231,676,812	238,342,460
<b>Equity attributable to equity holders of the parent</b>	<u>406,931,273</u>	<u>413,596,921</u>
<b>Non-controlling interests</b>	168,531,749	53,748,976
<b>Total equity</b>	<u>575,463,022</u>	<u>467,345,897</u>
<b>Non-current liabilities</b>		
Lease liabilities	91,521	-
Deferred tax liabilities	6,605,635	5,298,002
	<u>6,697,156</u>	<u>5,298,002</u>
<b>Current liabilities</b>		
Contract liabilities	23,548,528	16,504,635
Trade and other payables	167,683,243	329,005,217
Lease liabilities	91,448	42,678
Income tax payable	193,230	5,117,691
	<u>191,516,449</u>	<u>350,670,221</u>
<b>Total liabilities</b>	<u>198,213,605</u>	<u>355,968,223</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>773,676,627</u></b>	<b><u>823,314,120</u></b>

(These Condensed Consolidated Statements of Financial Position should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.)

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**INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2025****Unaudited Condensed Consolidated Statements of Changes in Equity**

	<- Attributable to equity holders of the parent ->			Non-controlling	Total
	Issued Capital RM	Retained Earnings RM	Total RM	Interests RM	Equity RM
<b>At 1 January 2025</b>	175,254,461	238,342,460	413,596,921	53,748,976	467,345,897
Profit/(loss) for the period	-	14,988,880	14,988,880	(217,227)	14,771,653
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income/(loss) for the period	-	14,988,880	14,988,880	(217,227)	14,771,653
Issuance of redeemable preference share by a subsidiary	-	-	-	115,000,000	115,000,000
First and final dividend for FYE 31 December 2024	-	(21,654,528)	(21,654,528)	-	(21,654,528)
<b>At 31 December 2025</b>	<u>175,254,461</u>	<u>231,676,812</u>	<u>406,931,273</u>	<u>168,531,749</u>	<u>575,463,022</u>
<b>At 1 January 2024</b>	175,254,461	232,351,383	407,605,844	51,244,216	458,850,060
Profit for the period	-	26,201,970	26,201,970	14,261,010	40,462,980
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	26,201,970	26,201,970	14,261,010	40,462,980
Dividend paid to non-controlling interests	-	-	-	(11,756,250)	(11,756,250)
First and final dividend for FYE 31 December 2023	-	(20,210,893)	(20,210,893)	-	(20,210,893)
<b>At 31 December 2024</b>	<u>175,254,461</u>	<u>238,342,460</u>	<u>413,596,921</u>	<u>53,748,976</u>	<u>467,345,897</u>

(These Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.)

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**INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2025****Unaudited Condensed Consolidated Statements of Cash Flows**

	CUMULATIVE 12 MONTHS ENDED 31/12/2025 RM	CUMULATIVE 12 MONTHS ENDED 31/12/2024 RM
Profit before taxation	15,638,755	55,647,956
Adjustments for:		
Depreciation of property, plant and equipment	8,184,432	10,089,125
Finance costs	2,273,635	5,545,493
Property, plant and equipment written off	16	1,221
Gain on disposal of property, plant & equipment	(129,210)	-
Obsolete inventories written off	-	1,164,640
(Reversal of write down)/write down of inventories	(279,133)	1,329,957
Impairment loss on trade receivables	11,101	324,300
Reversal of impairment loss on trade receivables	(5,352,549)	(47,000)
Impairment of goodwill	-	1,632,667
Dividend income	(2,338,487)	(2,196,207)
Fair value changes in short term funds	(3,796,819)	(4,134,365)
Net unrealised foreign exchange gain	-	(179,691)
Interest income from financial assets	(1,547,123)	(1,969,496)
Share of results of associates	<u>(788,470)</u>	<u>(2,361,023)</u>
Total adjustments	(3,762,607)	9,199,621
Operating cash flows before changes in working capital	11,876,148	64,847,577
Changes in working capital		
Increase in inventories	(25,425,543)	(4,432,065)
Decrease/(increase) in receivables	65,152,903	(16,940,302)
Decrease/(increase) in contract assets	31,813,346	(178,858,460)
Increase in contract liabilities	7,043,893	6,663,512
(Decrease)/increase in payables	(46,321,974)	163,630,765
Increase in other current assets	<u>(1,459,444)</u>	<u>(36,170)</u>
Cash flows generated from operations	42,679,329	34,874,857
Interest paid	(2,273,635)	(5,545,493)
Net taxes paid	<u>(9,164,120)</u>	<u>(15,797,444)</u>
Net cash flows generated from operating activities	<u>31,241,574</u>	<u>13,531,920</u>
Investing activities		
Proceeds from disposal of property, plant & equipment	135,805	-
Acquisition of property, plant and equipment	(1,104,641)	(3,832,835)
Investment in short term funds	(109,225,206)	(121,605,496)
Redemption of short term funds	83,458,691	159,476,749
Interest received	1,552,700	1,966,197
Dividend received from an associate	-	40,000
Net cash flows (used in)/generated from investing activities	<u>(25,182,651)</u>	<u>36,044,615</u>
Financing activities		
Dividend paid to shareholders of the Company	(21,654,528)	(20,210,893)
Dividends paid by subsidiary to non-controlling interests	-	(11,756,250)
Repayment of principal portion of lease liabilities	(151,357)	(138,659)
Increase in short-term deposits with maturity more than 3 months	(418,949)	(409,811)
Decrease in deposits pledged for bank guarantee	-	519,100
Net cash flows used in financing activities	<u>(22,224,834)</u>	<u>(31,996,513)</u>
Net (decrease)/increase in cash and cash equivalents	(16,165,911)	17,580,022
Cash and cash equivalents at the beginning of the period	42,490,235	24,910,213
Cash and cash equivalents at the end of the period	<u>26,324,324</u>	<u>42,490,235</u>

(These Condensed Consolidated Statements of Cash Flows should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.)

## **NOTES TO THE QUARTERLY FINANCIAL STATEMENTS**

### **Selected explanatory notes pursuant to Malaysian Financial Reporting Standards ("MFRS") 134 Interim Financial Reporting**

#### **1. Basis of Preparation**

The condensed consolidated interim financial statements have been prepared in accordance with MFRS 134 *Interim Financial Reporting* issued by the Malaysian Accounting Standards Board ("MASB"), IAS 34 *Interim Financial Reporting* issued by the International Accounting Standards Board and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited annual financial statements of the Group for the financial year ended 31 December 2024. The explanatory notes attached to the condensed consolidated interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2024.

#### **2. Significant Accounting Policies**

The significant accounting policies and methods of computation applied in the interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 December 2024 except for the adoption of the following, where applicable, when they become effective:

- ❖ Amendments to MFRS 121: Lack of Exchangeability

Adoption of the above is not expected to have any material financial impact on the Group's results.

#### **3. Seasonal or cyclical factors**

The business operations of the Group are not significantly affected by any seasonal or cyclical factors in the current quarter and financial year to date.

#### **4. Unusual Items Due to Their Nature, Size or Incidence**

There were no unusual items affecting the assets, liabilities, equities, net income or cash flows of the Group in the current quarter and financial year to date.

#### **5. Changes in Estimates**

There were no significant changes in estimates of amounts reported in prior financial years which have a material effect in the current quarter and financial year to date.

#### **6. Debt and equity securities**

During the quarter, the subsidiary company i.e KKBWCT Joint Venture Sdn Bhd capitalized part of the amount due to WCT Bhd via issuance of 115,000,000 Redeemable Preference Shares at RM1.00 each.

Other than the above, there were no issuances and repayments of debt and equity securities, share buy backs, shares cancellation, shares held as treasury shares and resale of treasury shares in the current quarter and financial year to date.

## 7. Dividend paid

On 24 June 2025, the Company paid a first and final single tier dividend of seven and a half (7.5) sen per ordinary share, in respect of the financial year ended 31 December 2024.

## 8. Segmental Reporting

The information for business segments predominantly conducted in Malaysia for the current financial year to date was as follows:

### RESULTS FOR PERIOD-TO-DATE ENDED 31 DECEMBER 2025

	Manufacturing RM	Engineering RM	Eliminations RM	Consolidated RM
External revenue	80,068,290	96,979,176	-	177,047,466
Inter-segment revenue	57,274,814	4,392,593	(61,667,407)	-
Total revenue	137,343,104	101,371,769	(61,667,407)	177,047,466
Results	18,985,159	(1,861,239)	-	17,123,920
Finance costs	-	(2,273,635)	-	(2,273,635)
Share of results of associates	788,257	213	-	788,470
Profit/(loss) before tax	19,773,416	(4,134,661)	-	15,638,755
Income tax (expense)/credit	(3,248,277)	2,381,175	-	(867,102)
Profit/(loss) after tax	16,525,139	(1,753,486)	-	14,771,653

### OTHER DISCLOSURES

Finance income	169,513	1,377,610	-	1,547,123
Depreciation of property, plant and equipment	720,769	7,463,663	-	8,184,432

### RESULTS FOR PERIOD-TO-DATE ENDED 31 DECEMBER 2024

	Manufacturing RM	Engineering RM	Eliminations RM	Consolidated RM
External revenue	17,899,754	616,364,723	-	634,264,477
Inter-segment revenue	13,672,455	111,755,997	(125,428,452)	-
Total revenue	31,572,209	728,120,720	(125,428,452)	634,264,477
Results	(4,604,206)	63,436,632	-	58,832,426
Finance costs	(387)	(5,545,106)	-	(5,545,493)
Share of results of associates	426,895	1,934,128	-	2,361,023
(Loss)/profit before tax	(4,177,698)	59,825,654	-	55,647,956
Income tax credit/(expense)	3,695,134	(18,880,110)	-	(15,184,976)
(Loss)/profit after tax	(482,564)	40,945,544	-	40,462,980

## **OTHER DISCLOSURES**

Finance income	108,429	1,861,067	-	1,969,496
Depreciation of property, plant and equipment	837,298	9,251,827	-	10,089,125
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### **9. Material subsequent events**

There were no material subsequent events as at the date of this announcement.

### **10. Changes in composition of the Group**

There were no changes in composition of the Group for the current quarter and financial year to date.

### **11. Fair Value of Financial Instruments**

#### **(a) Determination of fair value**

The carrying amounts of trade and other receivables, trade and other payables, cash and short-term deposits, lease liabilities are reasonable approximation of fair values, due to their short-term and interest-bearing nature. In addition to that, trade receivables and trade payables are subject to normal trade credit terms.

#### **(b) Fair value hierarchy**

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - Quoted prices in active markets for identical assets or liabilities;

Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Quantitative disclosures of the fair value measurement hierarchy were as follows:

	Date of valuation	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
<b>Assets measured at fair value:</b>					
Short term funds	31/12/2025	196,849,260	-	-	196,849,260
	31/12/2024	164,947,439	-	-	164,947,439
		=====	=====	=====	=====

There has been no transfers between the fair value hierarchy during the period.

### **12. Contingent liabilities/Contingent assets as at 31 December 2025**

There were no material contingent liabilities or contingent assets as at the date of this announcement.

**13. Capital Commitments**

	As At 31/12/2025 RM	As At 31/12/2024 RM
Commitments in respect of capital expenditure:		
Property, plant and equipment		
- Approved and contracted for	612,821	402,458
- Approved but not contracted for	-	-
	----- 612,821	----- 402,458
	=====	=====

**14. Related Party Transactions**

	3 Months Ended		Cumulative 12 Months Ended	
	Current Quarter Ended 31/12/2025 RM	Comparative Quarter Ended 31/12/2024 RM	Current Period Ended 31/12/2025 RM	Comparative Period Ended 31/12/2024 RM
Transactions with an associate, Edisi Optima Sdn. Bhd.				
- Provision of miscellaneous services such as machineries, equipments and labour etc	264,476	218,939	1,031,005	992,322
- Rental income	22,500	28,500	96,000	114,000
- Purchase of miscellaneous services such as machineries, equipments and labour etc	86,903	44,335	164,232	108,327
Transactions with related companies of investors, Cahya Mata Sarawak Bhd. and/or Sarawak Economic Development Corporation				
- Purchase of cement, etc from CMS Infra Trading Sdn. Bhd.	179,737	334,152	1,777,558	334,152
Short term lease expense paid to companies in which certain directors of the Company have substantial financial interest and/or are also directors				
- KKB Development Sdn. Bhd.	28,650	28,650	114,600	107,800
- KKB Realty Sdn. Bhd.	19,800	19,800	79,200	79,200
- Sepang Kaya Sdn. Bhd.	33,325	33,325	133,300	132,683
Short term lease expense paid to a director, Dato Sri Kho Kak Beng	19,200	19,200	76,800	76,800
Short term lease expense paid to person connected with certain directors of the Company				
- Kho Siew Lan	4,800	4,800	19,200	19,200
- House Of Favourites	3,000	3,000	12,000	12,000
	----- 662,391	----- 734,701	----- 3,503,895	----- 1,976,484
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These transactions have been entered into with related parties on terms and conditions that are not more favourable to the related party than those generally available to the public.

**Explanatory notes pursuant to Appendix 9B of Main Market Listing Requirements of Bursa Malaysia Securities Berhad**

**15. Review Of Performance**

Financial review for current quarter and financial year to date

	Quarter		Changes (%)	Cumulative 12 months		Changes (%)
	Current Quarter	Preceding Year Corresponding Quarter		Current Period	Preceding Year Corresponding Period	
	31/12/25	31/12/24		31/12/25	31/12/24	
	RM'000	RM'000		RM'000	RM'000	
Revenue	32,568	231,581	-85.9%	177,047	634,264	-72.1%
Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA)	8,575	15,995	-46.4%	26,097	71,283	-63.4%
Profit before interest and tax	6,841	13,622	-49.8%	17,912	61,193	-70.7%
Profit before tax	6,618	11,906	-44.4%	15,639	55,648	-71.9%
Profit after tax	8,087	8,826	-8.4%	14,772	40,463	-63.5%
Profit attributable to equity holders of the parent	7,197	10,611	-32.2%	14,989	26,202	-42.8%

Group's revenue for the current quarter and year-to-date of RM32.6 million (4Q24: RM231.6 million) and RM177.0 million (FY2024: RM634.3 million) were lower by 85.9% and 72.1% respectively as compared to the preceding year corresponding period. The overall lower revenue was attributable to lower contribution from the Steel Fabrication and Civil Construction divisions, which contributed a combined revenue of RM95.5 million for the twelve months period ended 31<sup>st</sup> December 2025 as compared to RM613.6 million recorded in the preceding year corresponding period.

Similarly, the Group registered a lower pre-tax profit of RM6.6 million in the current quarter (4Q24: RM11.9 million) and year to date of RM15.6 million (FY2024: RM55.6 million), mainly impacted by the weak performance of the Steel Fabrication division which recorded a gross loss of RM3.2 million as at 31 December 2025 on the back of slower business activities and lower progress billings.

The overall group's results were impacted by the soft performance of the Engineering sector with major projects being delivered in 2024 and mid 2025 coupled with slower contract rolled out in FY2025.

Engineering Sector

The Sector's current quarter and year-to-date revenue of RM15.7 million (4Q24: RM227.1 million) and RM97.0 million (FY2024: RM616.4 million) were respectively lower by 93.1% and 84.3% as compared to the preceding year corresponding period, triggered by lower revenue from both the Civil Construction and Steel Fabrication divisions.

The decline in revenue was mainly due to the completion of major projects and activities for both the Construction and Steel Fabrication divisions have slowed down. Performance of the Steel Fabrication division which supports the major onshore fabrication for the Oil and Gas facilities was affected by slower contracts roll out by Major Oil companies in 2025.

The Group's Steel Fabrication division recorded a significant decrease of 85.8% and 88.4% in revenue for the current quarter and year-to-date, on the back of lower progress billings. Revenue was mainly from the Engineering, Procurement and Construction ("EPC") of Standard Wellhead Platforms for MLNG

FaS (F27, F22, Selasih and F23 Brownfield) for Sarawak Shell Berhad; fabrication of Bridge and Boat landing for Kasawari Carbon Capture & Storage project and other miscellaneous fabrication works. The recent contract secured in January 2026 from Petronas Carigali Sdn Bhd for the Provision of Minor Engineering, Procurement and Construction (ePC) of Fixed Offshore Structure and Host Tie-In at Erb West for Belud South Greenfield Development (GFD) Project is expected to contribute positively to the Group's performance in FY2026, in particular the Steel Fabrication division.

Similarly, current quarter and year-to-date revenue under the Civil Construction division decreased to RM5.0 million (4Q24: RM158.4 million) and RM56.7 million (FY2024: RM279.7 million) respectively, due to the completion of the Pan Borneo Highway project (Phase 1 Works Package Contract – WPC-09) undertaken by the subsidiary Company i.e KKBWCT Joint Venture Sdn Bhd in the fourth quarter of 2024. Revenue for the quarter was mainly from the water related construction project i.e the Proposed Serian Regional Water Supply Phase II (Stage 1) which is nearing its completion stage.

For the Hot-Dip Galvanising division, revenue improved to RM1.0 million in 4Q25 (4Q24: RM194K) as volume started to pick up. HDG plant resumed operation in mid-June 2025 after undergoing a major maintenance works and upgrading.

#### Manufacturing Sector

Revenue for the Manufacturing Sector saw an improvement in the current quarter and year-to-date, due to increase activities for both the Steel Pipes and LP Gas Cylinders Manufacturing divisions. Manufacturing sector recorded revenue of RM16.9 million in the current quarter (4Q24: RM4.4 million) and year-to-date of RM80.1 million (FY2024: RM17.9 million), an increase of 284.1% and 347.5% respectively over the preceding year corresponding period.

Revenue from the Group's Steel Pipes manufacturing division for the quarter increased to RM15.5 million (4Q24: RM3.4 million) and year to-date increased to RM72.3 million (FY2024: RM13.3 million) supported by revenue contribution from the Steel Pipes manufacturing plant in Kota Kinabalu, Sabah. Revenue was mostly from the supply of Mild Steel Concrete Lined Pipes and fittings to Sabah; for the Salim Water Treatment Plant in Sibul, Sarawak; the Proposed Serian Regional Water Supply Phase II (Stage 2) and for the Batu Kitang Water Treatment Plant No. 4 (Module 7), respectively.

LP Gas ("LPG") Cylinders manufacturing division recorded an increase in revenue for the current quarter and year-to-date. Revenue of RM1.3 million for the current quarter (4Q24: RM1.0 million) and RM7.8 million for the year-to-date (FY2024: RM4.6 million) was mostly for the supply of New and Reconditioning/Requalification of LPG Cylinders and Compact valves to Petrosniaga Sdn Bhd.

### **16. Material changes in the quarterly results compared to the results of the preceding quarter**

Financial review for current quarter compared with immediate preceding quarter

	Current Quarter	Immediate Preceding Quarter	Changes (%)
	31/12/25	30/09/25	
	RM'000	RM'000	
Revenue	32,568	43,784	-25.6%
Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA)	8,575	5,095	68.3%
Profit before interest and tax	6,841	2,982	129.4%
Profit before tax	6,618	2,831	133.8%
Profit after tax	8,087	1,733	366.6%
Profit attributable to equity holders of the parent	7,197	2,054	250.4%

Group's revenue for the current quarter of RM32.6 million decreased by 25.6%, compared to the immediate preceding quarter of RM43.8 million, mainly due to lower revenue from the Steel Pipes Manufacturing business and Civil Construction division although offset by higher revenue from the Steel Fabrication division.

The Civil Construction and Steel Pipes Manufacturing divisions recorded a combined revenue of RM20.5 million in 4Q25 compared to RM38.3 million in 3Q25.

Group's pre-tax profit however improved to RM6.6 million compared to RM2.8 million in the preceding quarter on the back of higher revenue from the Steel Fabrication division supported with the increase in other income, mainly from the reversal of impairment loss on trade receivables amounting to RM5.4 million in 4Q25. The Steel Fabrication division registered revenue of RM9.7 million (3Q25: RM1.0 million) and gross profit of RM1.8 million in the current quarter against a gross loss of 5.5 million in 3Q25.

## **17. Prospects**

The Group concluded FY2025 with a strong financial position and reported a positive result for the financial year ended 31 December 2025.

While the business environment remains competitive and challenging in FY2026, our diverse portfolio of businesses coupled with the Group's healthy financial position will provide us with the resilience to mitigate the adverse effects.

In January 2026, the Group has been awarded with new contract for Provision of Minor Engineering, Procurement and Construction (ePC) of Fixed Offshore Structure and Host Tie-In at Erb West for Belud South Greenfield Development (GFD) Project together with the supply orders for the MSCL Pipes and Specials which is expected to contribute positively to the Group's financial performance for the financial year ending 31 December 2026.

We are actively pursuing new opportunities to secure more infrastructure projects, including water supply and construction projects to replenish our order book for both the Engineering and Manufacturing sectors.

The Group is optimistic that tenders being pursued especially in the Water related Construction projects including the supply, laying and commissioning of Mild Steel Cement Lined pipes, other related infrastructure works and opportunities in the major Onshore fabrication works for the Oil & Gas facilities is promising from 2026 onwards.

With the existing contracts in hand, Management and Board remain positive that KKB Group will perform favourably for the financial year ending 2026, barring any unforeseen circumstances. The Group remains steadfast in its commitment to prudent cost management, efficient project execution and value creation for shareholders.

## **18. Variances from financial estimate, forecast or projection, or profit guarantee**

Not applicable to the Group as no financial estimate, forecast or projection, or profit guarantee were published.

## **19. Commentary on the company's progress to achieve the financial estimate, forecast, projection or internal targets in the remaining period to the end of the financial year and the forecast period which was previously announced or disclosed in a public document and steps taken or proposed to be taken to achieve the financial estimate, forecast, projection or internal targets**

Not applicable to the Group as no announcements or disclosures were published in a public document as to the financial estimate, forecast, projection or internal targets as at the date of this announcement.

## **20. Statement of the Board of Directors' opinion as to whether the financial estimate, forecast, projection or internal targets in the remaining period to the end of the financial year and the forecast period which was previously announced or disclosed in a public document are likely to be achieved**

Not applicable to the Group as no announcements or disclosures were published in a public document as to the financial estimate, forecast, projection or internal targets as at the date of this announcement.

## 21. Income Tax (Credit)/Expense

	3 Months Ended		Cumulative 12 Months Ended	
	Current Quarter Ended 31/12/2025 RM	Comparative Quarter Ended 31/12/2024 RM	Current Period Ended 31/12/2025 RM	Comparative Period Ended 31/12/2024 RM
Malaysian taxation				
- Current year	1,267,456	5,584,134	2,737,405	18,566,204
- Prior year	-	-	(3,706,794)	(108,048)
Deferred tax	(2,736,320)	(2,503,648)	1,836,491	(3,273,180)
	<u>(1,468,864)</u>	<u>3,080,486</u>	<u>867,102</u>	<u>15,184,976</u>
	=====	=====	=====	=====

The lower effective tax (credit)/expense for the current quarter and financial year to date were primarily attributed to the reversal of over-provision of tax in prior year, certain non-taxable income as well as the recognition of previously unrecognized deferred tax assets on unutilized business losses and unutilized capital allowances.

## 22. Status of Corporate Proposals

There were no new or outstanding corporate proposals announced which have not been completed as at the date of this announcement.

## 23. Group's Borrowings and Debt Securities

Total Group's loans and borrowings as at 31 December 2025 were as follows: -

Interest-bearing Loans and Borrowings (denominated in Ringgit Malaysia)	Secured RM	Unsecured RM
<u>Current</u>		
Lease liabilities	-	91,448
	<u>-----</u>	<u>-----</u>
<u>Non-Current</u>		
Lease liabilities	-	91,521
	<u>-----</u>	<u>-----</u>
Total borrowings	-	182,969
	=====	=====

Total Group's loans and borrowings as at 31 December 2024 were as follows: -

Interest-bearing Loans and Borrowings (denominated in Ringgit Malaysia)	Secured RM	Unsecured RM
<u>Current</u>		
Lease liabilities	-	42,678
	<u>-----</u>	<u>-----</u>
<u>Non-Current</u>		
Lease liabilities	-	-
	<u>-----</u>	<u>-----</u>
Total borrowings	-	42,678
	=====	=====

## 24. Off Balance Sheet Financial Instruments

There are no financial instruments with off balance sheet risks entered into by the Group as at the date of this announcement.

## 25. Derivative Financial Instruments

There were no derivative financial instruments entered into by the Group as at 31 December 2025.

## 26. Gains/Losses Arising from Fair Value Changes of Financial Liabilities

There were no gains/losses arising from fair value changes of financial liabilities for the current quarter and financial year to date.

## 27. Material Litigations

Saved as disclosed below, there were no pending material litigations against the Group which might materially and adversely affect the Group's financial position:-

- (i) An announcement was made to Bursa Malaysia Securities Berhad on 15 September 2023 that its subsidiary OceanMight Sdn. Bhd. ("OMSB") has issued a notice to commence arbitration proceedings ("Arbitration Notice") against Shapadu Energy Services Sdn. Bhd.

## 28. Dividend

The Board of Directors is pleased to recommend a first and final single tier dividend of 3.8 sen per ordinary share, in respect of the financial year ended 31 December 2025, subject to shareholders' approval at the forthcoming Annual General Meeting.

The date of the Annual General Meeting and the dates of the dividend entitlement and payment will be announced at a later date.

## 29. Earnings per share

	3 Months Ended		Cumulative 12 Months Ended	
	Current Quarter Ended	Comparative Quarter Ended	Current Period Ended	Comparative Period Ended
	31/12/2025	31/12/2024	31/12/2025	31/12/2024
Net profit attributable to equity holders of the parent (RM)	<u>7,197,251</u>	<u>10,611,464</u>	<u>14,988,880</u>	<u>26,201,970</u>
Weighted average number of ordinary shares in issue	<u>288,727,040</u>	<u>288,727,040</u>	<u>288,727,040</u>	<u>288,727,040</u>
Basic earnings per share for the period attributable to equity holders of the parent (sen)	<u>2.49</u>	<u>3.68</u>	<u>5.19</u>	<u>9.07</u>

There is no dilution in its earnings per ordinary share in the current quarter and financial year to date as there are no dilutive potential ordinary shares outstanding at the end of the reporting period.

## 30. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the audited financial statements for the financial year ended 31 December 2024 was not qualified.

**31. Additional Disclosures on Profit for the period**

	3 Months Ended		Cumulative 12 Months Ended	
	Current	Comparative	Current	Comparative
	Quarter Ended	Quarter Ended	Period Ended	Period Ended
	31/12/2025	31/12/2024	31/12/2025	31/12/2024
	RM	RM	RM	RM
Profit for the period is arrived at after charging/(crediting):				
Interest income from financial assets	(487,681)	(447,160)	(1,547,123)	(1,969,496)
Realised foreign exchange loss/(gain)	215,667	(194,738)	318,373	158,918
Unrealised foreign exchange gain	-	-	-	(179,691)
Rental income	(512,676)	(115,229)	(1,297,693)	(276,979)
Gain on disposal of property, plant and equipment	-	-	(129,210)	-
Depreciation of property, plant and equipment	1,734,312	2,373,781	8,184,432	10,089,125
Finance costs	223,098	1,715,596	2,273,635	5,545,493
Property, plant and equipment written off	1	1,221	16	1,221
Obsolete inventories written off (Reversal of write down)/write down of inventories	-	1,164,640	-	1,164,640
Impairment loss on trade receivables	(279,133)	1,329,957	(279,133)	1,329,957
Reversal of impairment loss on trade receivables	11,101	324,300	11,101	324,300
Impairment of goodwill	(5,352,549)	(47,000)	(5,352,549)	(47,000)
	-	1,632,667	-	1,632,667

Other than the above items which have been included in the statement of profit or loss and other comprehensive income, there were no gain or loss on disposal of quoted or unquoted investments, gain or loss on derivatives and exceptional items for the current quarter and period ended 31 December 2025.