



**KHEN ENERGY LIMITED
and its Subsidiaries**

Registration Number: 199706776D

**Condensed Interim Financial Statements
For the six months ended 30 June 2026**

This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr Shervyn Essex, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg.

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Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

Period Ended 30 June 2026

Consolidated statement of profit or loss

	Note	6 months ended		Change %
		30.06.2026 (1H 2026) US\$'000	30.06.2025 (1H 2025) US\$'000	
Continuing operations				
Revenue	5	2,263	2,945	(23)
Cost of sales		(596)	(957)	(38)
Gross profit		1,667	1,988	(16)
Other operating income, net		387	42,058	(99)
Administrative and marketing expenses		(1,306)	(1,378)	(5)
Profit from operating activities		748	42,668	(98)
Finance income		387	363	7
Finance costs	7	(337)	(1,076)	(69)
Net finance income/(cost)		50	(713)	n.m.
Profit before taxation	8	798	41,955	(98)
Income tax expense	9	(690)	(534)	29
Profit from continuing operations		108	41,421	(100)
Profit attributable to:				
Owners of the Company		108	41,421	(100)
Non-controlling interests		-	-	n.m.
Profit for the period		108	41,421	(100)
Profit attributable to owners of the Company related to:				
Profit from continuing operations		108	41,421	(100)
Total profit attributable to owners of the Company		108	41,421	(100)

Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income (cont'd)
Period Ended 30 June 2026

Consolidated statement of profit or loss (cont'd)

		6 months ended	
		30.06.2026	30.06.2025
		(1H 2026)	(1H 2025)
	Note	US\$'000	US\$'000
Earnings per share for profit for the period attributable to the owners of the Company during the period:			
Basic (US cents)			
- Continuing operations	10	0.040	97.837
- Discontinued operations		-	-
Diluted (US cents)			
- Continuing operations	10	0.019	97.837
- Discontinued operations		-	-
<i>Note:</i>			
Weighted average number of ordinary shares (in thousand):			
Basic	10	273,189	42,337
Diluted*	10	562,643	42,337

The weighted average number of ordinary shares for 1H 2026 is 273,189,291. The weighted average number of 42,336,596 ordinary shares for 1H 2025 includes 13,659,369 plus effects of Subscription Shares and Settlement shares plus shareholders who received fractional shares issued during the period and is presented based on the new number of shares as a result of the share consolidation. Refer to Note 10 and Note 18 for details.

**On a diluted basis, the weighted average number of 562,642,710 for 1H 2026 includes 193,418,018 adjusted share options and 96,035,401 conversion shares, with the balance representing base ordinary shares. For 1H2025, the outstanding convertibles (including perpetual securities, share options and redeemable exchangeable preference shares) were excluded in the computation of the diluted earnings per share because these convertibles were anti-dilutive for the respective financial period*

Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income (cont'd)

Period Ended 30 June 2026

Consolidated statement of comprehensive income

	6 months ended		Change %
	30.06.2026 (1H 2026) US\$'000	30.06.2025 (1H 2025) US\$'000	
Profit for the period	108	41,421	(100)
Other comprehensive (loss)			
Items that will not be reclassified to profit or loss:			
Net change in fair value of actuarial gain or loss	(39)	(1)	>100
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences relating to financial statements of foreign operations	(176)	(337)	(48)
Other comprehensive loss for the period	(215)	(338)	(36)
Total comprehensive (loss)/income for the period	(107)	41,083	n.m.
Total comprehensive (loss)/income attributable to:			
Owners of the Company	(107)	41,083	n.m.
Non-controlling interests	-	-	n.m.
Total comprehensive (loss)/income for the period	(107)	41,083	n.m.

n.m. = not meaningful

Condensed Interim Statements of Financial Position

As at 30 June 2026

Note	Group		Company		
	30/6/2026	31/12/2025	30/6/2026	31/12/2025	
	USD'000	USD'000	USD'000	USD'000	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	
Non-Current Assets					
Property, plant and equipment	12	15,230	5,392	25	37
Right-of-use assets		266	364	4	37
Subsidiaries		-	-	99	195
Trade and other receivables	13	5	5	-	-
		15,501	5,761	128	269
Current Assets					
Inventories		542	547	-	-
Trade and other receivables	13	1,970	1,653	102	363
Amounts due from subsidiaries	13	-	-	244	-
Amounts due from joint ventures	13	-	57	-	-
Cash and bank balances	14	4,096	10,652	198	38
Cash and bank balances (restricted)	14	2,725	-	-	-
		9,333	12,909	544	401
		9,333	12,909	544	401
Total Assets		24,834	18,670	672	670
Equity					
Share capital	17	289,180	289,180	289,180	289,180
Convertible debt security	18	6,184	6,410	6,184	6,410
Other reserves		(13,105)	(12,890)	(1)	-
Accumulated losses		(269,333)	(269,441)	(305,116)	(304,251)
Net surplus/(deficit) in equity		12,926	13,259	(9,753)	(8,661)
Non-current liabilities					
Trade and other payables	15	236	217	-	-
Financial liabilities	16	7,314	227	2	2
Deferred tax liabilities		402	519	-	-
		7,952	963	2	2
Current liabilities					
Trade and other payables	15	3,601	3,930	2,962	9,291
Amounts due to joint ventures	15	-	26	-	-
Amounts due to subsidiaries	15	-	-	7,460	-
Financial liabilities	16	60	106	1	38
Provision for tax		295	386	-	-
		3,956	4,448	10,423	9,329
Total liabilities		11,908	5,411	10,425	9,331
Total equity and liabilities		24,834	18,670	672	670

Condensed Interim Consolidated Statement of Cash Flows

Period Ended 30 June 2026

		6 months ended	
		30.06.2026 (1H 2026) (Unaudited) US\$'000	30.06.2025 (1H 2025) (Unaudited) US\$'000
	Note		
Cash flows from operating activities			
Profit for the period		108	41,421
Adjustments for:			
Depreciation of property, plant and equipment	5	320	334
Depreciation of right-of-use assets	5	55	16
Gain on debt forgiveness		—	(42,100)
Gain on disposal of property, plant and equipment		—	(18)
Fair value gain on reserves		39	—
Finance income	7	(387)	(363)
Finance cost	7	337	1,076
Income tax expense		690	534
		1,162	900
Changes in:			
- Inventories		5	(42)
- Trade and other receivables		(261)	(506)
- Trade and other payables		(921)	62
Cash (used in)/generated from operations		(15)	414
Income tax paid		(890)	(1,106)
Net cash (used in) operating activities		(905)	(692)
Cash flows from investing activities			
Purchase of property, plant and equipment	12	(10,114)	(109)
Proceeds from disposal of property, plant and equipment		—	18
Finance income received		387	363
Net cash (used in)/from investing activities		(9,727)	272
Cash flows from financing activities			
Proceeds from issuance of ordinary shares		—	1,750
Proceeds from bank loans		7,141	—
Repayment to scheme creditors		—	(1,000)
Repayment of convertible loan		(226)	—
(Increase)/Decrease in restricted cash		(2,725)	10,196
Payment of lease liabilities		(114)	(10)
Finance cost paid		—	(1)
Net cash from financing activities		4,076	10,935
Net (decrease) / increase in cash and cash equivalents		(6,556)	10,515
Cash and cash equivalents at beginning of period		10,652	230
Cash and cash equivalents at end of period	14	4,096	10,745

Condensed Interim Statements of Changes in Equity

Period Ended 30 June 2026

Group	Note	Attributable to owners of the Company								
		Share capital	Perpetual securities	Redeemable exchangeable preference shares	Convertible debt security	Other reserve	Foreign currency translation reserves	Fair value reserve	Hedging reserve	Accumulated losses
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance as at 1 January 2026		289,180	-	-	6,410	36	(10,237)	(2,689)	-	(269,441)
Total comprehensive income/(loss) for the year		-	-	-	-	(2)	(176)	(37)	-	108
Profit for the year										108
Other comprehensive income										
Equity investments at FVOCI – net change in fair value						(2)		(37)		
Foreign currency translation differences relating to financial statements of foreign operations							(176)	-		
Transactions with owners, recognised directly in equity										
Issue of ordinary shares								-		-
Convertible debt security - repayment		-	-	-	(226)	-	-	-	-	(226)
Fair value reserve										-
Total transactions with owners		-	-	-	(226)	-	-	-	-	(226)
Balance as at 30 June 2026		289,180	-	-	6,184	34	(10,413)	(2,726)	-	(269,333)

Condensed Interim Statements of Changes in Equity (cont'd)
Period Ended 30 June 2026

Group	Note	Attributable to owners of the Company									Total US\$'000
		Share capital US\$'000	Perpetual securities US\$'000	Redeemable exchangeable preference shares US\$'000	Convertible debt security US\$'000	Other reserve US\$'000	Foreign currency translation reserves US\$'000	Fair value reserve US\$'000	Hedging reserve US\$'000	Accumulated losses US\$'000	
Balance as at 1 January 2025		274,553	6,811	7,042	–	36	(9,846)	(3,968)	(10)	(325,524)	(50,906)
Total comprehensive (loss)/income for the period		–	–	–	–	–	(337)	(1)	–	41,421	41,083
Transactions with owners of the Company, recognised directly in equity											
Contributions by and distributions to owners											
Issue of ordinary shares	18	13,389	–	–	–	–	–	–	–	–	13,389
Convertible debt security	19	–	–	–	6,410	–	–	–	–	–	6,410
Share issue expense		(10)	–	–	–	–	–	–	–	–	(10)
Gain on compromise of perpetual securities	18	647	(6,811)	–	–	–	–	–	–	8,281	2,117
Gain on compromise of redeemable exchangeable preference shares	18	601	–	(7,042)	–	–	–	–	–	6,864	423
Total transactions with owners		14,627	(6,811)	(7,042)	6,410	–	–	–	–	15,145	22,329
Balance as at 30 June 2025		289,180	–	–	6,410	36	(10,183)	(3,969)	(10)	(268,958)	12,506

Condensed Interim Statements of Changes in Equity (cont'd)

Period Ended 30 June 2026

Company	Note	Share capital US\$'000	Perpetual securities US\$'000	Convertible debt security US\$'000	Fair value reserve US\$'000	Accumulated losses US\$'000	Total US\$'000
Balance as at 1 January 2026		289,180	—	6,410	-	(304,251)	(8,661)
Total comprehensive income for the period		—	—	(226)	(1)	(865)	(1,092)
Transactions with owners of the Company, recognised directly in equity							
Contributions by and distributions to owners							
Issue of ordinary shares	18	—	—	—	—	—	—
Convertible debt security	19	—	—	—	—	—	—
Share issue expense		—	—	—	—	—	—
Gain on compromise of perpetual securities	18	—	—	—	—	—	—
Total transactions with owners		—	—	—	—	—	—
Balance as at 30 June 2026		289,180	—	6,184	(1)	(305,116)	(9,753)

Condensed Interim Statements of Changes in Equity

Period Ended 30 June 2026

Company	Note	Share capital US\$'000	Perpetual securities US\$'000	Convertible debt security US\$'000	Fair value reserve US\$'000	Accumulated losses US\$'000	Total US\$'000
Balance as at 1 January 2025		274,553	6,811	–	(1,276)	(360,305)	(80,217)
Total comprehensive income for the period		–	–	–	–	39,655	39,655
Transactions with owners of the Company, recognised directly in equity							
Contributions by and distributions to owners							
Issue of ordinary shares	18	13,389	–	–	–	–	13,389
Convertible debt security	19	–	–	6,410	–	–	6,410
Share issue expense		(10)	–	–	–	–	(10)
Gain on compromise of perpetual securities	18	647	(6,811)	–	–	8,281	2,117
Gain on compromise of redeemable exchangeable preference shares	18	601	–	–	–	–	601
Total transactions with owners		14,627	(6,811)	6,410	–	8,281	22,507
Balance as at 30 June 2025		289,180	–	6,410	(1,276)	(312,369)	(18,055)

Notes to the Condensed Interim Financial Statements

1 Corporate information

Khen Energy Limited (the “**Company**”) is incorporated in Singapore and whose shares are publicly traded on the Catalist of the Exchange.

These condensed interim consolidated financial statements of the Group as at and for the six-month period ended 30 June 2026 comprise the Company and its subsidiaries (together referred to as the “**Group**” and individually as “**Group Entities**”) and the Group’s interest in joint ventures.

The principal activities of the Company are those of investment holding and the provision of management services to its subsidiaries. The principal activities of the Group are mainly generating and sale of energy and power generation services.

2 Going concern

Assessment of Going Concern

Background

The Group recorded a net profit of US\$108,000 (30 June 2025: US\$41,421,000) for the financial period ended 30 June 2026. As at 30 June 2026, the Group was in a net asset position of US\$12,926,000 (31 December 2025: US\$13,259,000) and in a net current asset position of US\$5,377,000 (31 December 2025: US\$8,461,000) respectively. As at 30 June 2026, the Company was in a net liability position of US\$9,753,000 (31 December 2025: US\$8,661,000) and in a net current liability position of US\$9,879,000 (31 December 2025: US\$8,928,000) respectively.

In assessing the appropriateness of the going concern assumption, Management has prepared cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements. These forecasts incorporate assumptions on the Group’s expected operating performance, working capital requirements and available financing.

Based on these forecasts and after considering the Group’s ability to generate sufficient cash flows from operations, the directors are satisfied that the Group will be able to meet its obligations as and when they fall due and that the use of the going concern assumption is appropriate.

3 Basis of preparation

The condensed interim financial statements for the six months ended 30 June 2026 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2025.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I), except for the adoption of new and amended standards as set out in Note 3.1.

The functional currency of the Company, being the parent entity, is the United States dollar (“US\$”), which reflects the primary economic environment in which the Company operates. Each subsidiary determines its own functional currency based on the primary economic environment in which it operates. Accordingly, the functional currencies of certain subsidiary corporations differ from that of the Company.

Basis of preparation (cont'd)

The condensed interim financial statements are presented in United States dollars ("US\$"), which is the presentation currency of the Group. The financial statements of subsidiary corporations whose functional currencies differ from the Group's presentation currency have been translated into US\$ in accordance with FRS 21 The Effects of Changes in Foreign Exchange Rates.

Unless otherwise stated, all financial information presented in these financial statements has been rounded to the nearest thousand United States dollars (US\$'000).

3.1 New standards and interpretations not yet adopted

The Group has adopted all new and revised SFRS(I)s, interpretations and amendments thereto that are effective for annual reporting periods beginning on or after 1 January 2026. These include amendments to SFRS(I) 9 *Financial Instruments* and SFRS(I) 7 *Financial Instruments: Disclosures*. Following an assessment of the requirements of the new and amended standards, management concluded that their adoption does not have a material effect on the Group's and the Company's accounting policies, financial position, financial performance or disclosures. Accordingly, no adjustments to the amounts previously recognised in the financial statements were required upon adoption.

3.2 Use of estimates and judgements

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2025.

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.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim financial period are discussed as follows:

Cash flow forecast

The Group reviews its forecasts of future cash flows in the foreseeable future and the availability of positive cash flows to repay its lenders in the next 12 months. Such an assessment requires the Group to review its operations, including future market demand for its services and its cash deployment in different locations. Significant judgement is required in deriving the Group's forecasts.

Valuation of non-financial assets

The Group assesses the impairment of non-financial assets, including property, plant and equipment, right-of-use assets and intangible assets, whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors considered important that could trigger an impairment review include (but are not limited) to the following:

- Extended periods of idle capacity;
- Significant decline in market prices;
- Inability to renew contracts upon expiry; and
- Significant adverse industry, regulatory or economic trends.

Basis of preparation (cont'd)

3.2 Use of estimates and judgements (cont'd)

The complexity of the estimation process and issues related to the assumptions, risks and uncertainties inherent in the application of the Group's accounting estimates in relation to the non-financial assets could affect the amounts reported in the financial statements. If business conditions were different, or if different assumptions were used in the application of this and other accounting estimates, it is likely that materially different amounts could be reported in the Group's financial statements.

Valuation of investments in subsidiaries

The Company determines whether there is impairment on the investments in subsidiaries where events or changes in circumstances indicate that the carrying amount of the investments may be impaired. If any such indications exist, the recoverable amount is estimated. The level of allowance is evaluated by the Company on the basis of factors that affect the recoverability of the investments. These factors include, but are not limited to, the activities and financial position of the entities, and market estimates in order to calculate the present value of the future cash flows. The valuation of the investments in subsidiaries are dependent on the outcome of these factors affecting management's forecasts of future cash flows. Actual events that result in deviations from management's estimation may result in higher impairment losses on the investments.

Impairment of trade and other receivables

Based on the Group's historical credit loss experience, trade receivables exhibited significantly different loss patterns for each revenue segment. The Group has applied credit evaluations by customer within each revenue segment. Accordingly, management has determined the expected loss rates by grouping the receivables in each revenue stream. In relation to the Group's operation in Sri Lanka, no loss allowance for trade receivables of the Group was recognised as at 30 June 2026 and 31 December 2025.

As the Company currently has only one customer, the Group assesses the expected credit loss ("ECL") on trade receivables based on the customer's specific credit risk profile and the Company's historical credit loss experience. In relation to the Company's operations in Sri Lanka, no loss allowance for trade receivables was recognised as at 30 June 2026 and 31 December 2025.

The assessment of the correlation between historical credit loss experience, forecast economic conditions and historical observed expected loss rates is a significant estimate. The Group's historical credit loss experience and forecast economic conditions may also not be representative of customer's actual default in the future.

ECL on trade and other receivables are probability weighted estimates of credit losses which are determined by evaluating a range of possible outcomes and taking into account past events, current conditions and assessment of future economic conditions.

4 Seasonal operations

The Group's business is dependent on the weather conditions in Sri Lanka during the financial period where the mini hydro power plants are located.

5 Segment and revenue information

The Group's revenue, capital expenditure, assets and liabilities were mainly derived from one single business segment in the business of generating and sale of energy and power generation services.

Other operations include management services, which are not individually material reportable segments.

Information regarding the results of the reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are typically reviewed by the Group's Chief Executive Officer (the Chief Operating Decision Maker). However, following the resignation of the Group's Chief Executive Officer, the internal management reports are now being reviewed by the Company's Director of Finance during this transition period. 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.

5.1 Reportable segments

6 months ended 30 June 2026	Energy and power services US\$'000	Others US\$'000	Total US\$'000
REVENUE			
External revenue	2,263	–	2,263
RESULT			
Reportable segment results from operating activities	1,667	–	1,667
Finance cost	(22)	(315)	(337)
Gain on disposal of property, plant and equipment	–	–	–
Other income	14	–	14
Reportable segment income/(loss) before income tax	1,659	(315)	1,344
Tax expense	(690)	–	(690)
Reportable segment income for the period	969	(315)	654
Unallocated finance cost			–
Unallocated finance income			387
Unallocated expenses			(933)
Profit for the period			108
OTHER SEGMENTAL INFORMATION			
Reportable segment assets	24,738	96	24,834
Unallocated assets			–
Total assets			24,834
Reportable segment liabilities	8,833	3,023	11,856
Unallocated liabilities			52
Total liabilities			11,908
Capital expenditure	10,072	42	10,114
Depreciation expenses	362	–	362
Unallocated depreciation expenses			13
			375

5.1 Reportable segments (cont'd)

6 months ended 30 June 2025	Energy and power services US\$'000	Others US\$'000	Total US\$'000
REVENUE			
External revenue	2,945	–	2,945
RESULT			
Reportable segment results from operating activities	1,988	–	1,988
Finance cost	(915)	(27)	(942)
Gain on disposal of property, plant and equipment	18	–	18
Gain on debt forgiveness	–	42,100	42,100
Other income	11	–	11
Share of results of joint ventures	–	–	–
Reportable segment income before income tax	1,102	42,073	43,175
Tax expenses	(534)	–	(534)
Reportable segment income for the period	568	42,073	42,641
Unallocated finance cost			(134)
Unallocated finance income			363
Unallocated expenses			(1,449)
Profit for the period			41,421
OTHER SEGMENTAL INFORMATION			
Reportable segment assets	18,281	33	18,314
Unallocated assets			593
Total assets			18,907
Reportable segment liabilities	2,139	3,955	6,094
Unallocated liabilities			307
Total liabilities			6,401
Capital expenditure	109	–	109
Depreciation expenses	350	–	350

5.2 Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by primary geographical markets, major products and service lines and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments.

	Energy and power Services		Others		Total	
	6 months ended		6 months ended		6 months ended	
	30.06.2026	30.06.2025	30.06.2026	30.06.2025	30.06.2026	30.06.2025
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Primary geographical markets / Major product/service line						
Sri Lanka – Sale of energy and power generation services	2,263	2,945	–	–	2,263	2,945
Timing of revenue recognition						
At a point in time	2,263	2,945	–	–	2,263	2,945

6 Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2026 and 31 December 2025:

	Amortised cost US\$'000	Other financial liabilities US\$'000	Total carrying amount US\$'000
Group			
30 June 2026			
Financial assets not measured at fair value			
Trade and other receivables ⁽³⁾	1,975	–	1,975
Cash and bank balances	6,821	–	6,821
Financial liabilities not measured at fair value			
Trade and other payables	–	(3,837)	(3,837)
Lease liabilities	–	(233)	(233)
31 December 2025 (Audited)			
Financial assets not measured at fair value			
Trade and other receivables ⁽³⁾	1,554	–	1,554
Cash and bank balances	10,652	–	10,652
Cash and bank balances (restricted)	–	–	–
Financial liabilities not measured at fair value			
Trade and other payables	–	(4,173)	(4,173)
Lease liabilities	–	(333)	(333)

⁽³⁾ Excludes prepayments.

	Amortised cost US\$'000	Other financial liabilities US\$'000	Total carrying amount US\$'000
Company			
30 June 2026			
Financial assets not measured at fair value			
Trade and other receivables ⁽³⁾	346	–	346
Cash and bank balances	198	–	198
Financial liabilities not measured at fair value			
Trade and other payables	–	(10,422)	(10,422)
Financial liabilities	–	(3)	(3)

⁽³⁾ Excludes prepayments.

6 Financial assets and financial liabilities (cont'd)

	Amortised cost US\$'000	Other financial liabilities US\$'000	Total carrying amount US\$'000
Company			
31 December 2025 (Audited)			
Financial assets not measured at fair value			
Trade and other receivables ⁽³⁾	347	—	347
Cash and cash balances	38	—	38
Financial liabilities not measured at fair value			
Trade and other payables	—	(9,291)	(9,291)
Financial liabilities	—	(40)	(40)

⁽³⁾ Excludes prepayments.

7 Net finance cost

	6 months ended	
	30.06.2026 (1H 2026) US\$'000	30.06.2025 (1H 2025) US\$'000
<u>Finance income</u>		
Interest income from bank deposits	387	363
<u>Finance cost</u>		
Interest expense on:		
- Lease liabilities	(23)	(9)
- Secured loans	—	(1,066)
- Convertible debt security	(314)	—
Bank charges	—	(1)
	(337)	(1,076)
Net finance cost	50	(713)

8 Profit before income tax

The following (income)/expense items have been included in arriving at profit before income tax:

	6 months ended	
	30.06.2026	30.06.2025
	(1H 2026)	(1H 2025)
	US\$'000	US\$'000
Depreciation of property, plant and equipment	320	334
Depreciation of right-of-use assets	55	16
Loss on disposal of property, plant and equipment	—	(18)
Gain on debt forgiveness	—	42,100
Foreign exchange loss, net	(47)	(273)

8.1 Related party transactions

	6 months ended	
	30.06.2026	30.06.2025
	(1H 2026)	(1H 2025)
	US\$'000	US\$'000
Transactions with shareholders		
Interest payable	314	27
Rental paid/payable	30	2

9 Income tax expense

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	6 months ended	
	30.06.2026	30.06.2025
	(1H 2026)	(1H 2025)
	US\$'000	US\$'000
Current income tax expense	799	600
Deferred income tax credit relating to origination and reversal of temporary differences	(109)	(66)
	690	534

10 Earnings per share

Basic earnings per share

The calculation of basic earnings per share is calculated by dividing profit attributable to equity holders of the Group by the weighted average number of ordinary shares outstanding (excluding treasury shares) during the financial period.

	6 months ended	
	30.06.2026 (1H 2026) US\$'000	30.06.2025 (1H 2025) US\$'000
Total profit attributable to ordinary shareholders		
- From continuing operations	108	41,421
- From discontinued operations	–	–
	30.06.2026 (1H 2026)	30.06.2025 (1H 2025)
Weighted average number of ordinary shares outstanding		
Outstanding ordinary shares at 1 January	273,189,291	13,659,329
Share consolidation (Note 18)	–	–
Effect of Subscription Shares and Settlement Shares issued	–	28,677,043
Effect of additional shares issued for shareholders who hold a fraction of a consolidated share	–	224
Weighted average number of ordinary shares outstanding during the financial period	<u>273,189,291</u>	<u>42,336,596</u>

Diluted earnings per share

For the purpose of calculating diluted earnings per share, profit attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares.

	6 months ended	
	30.06.2026 (1H 2026)	30.06.2025 (1H 2025)
Weighted average number of ordinary shares outstanding		
For basic earnings per share	273,189,291	42,336,596
Adjustments for		
- Share options ¹	193,418,018	–
- Conversion shares	96,035,401	–
	<u>562,642,710</u>	<u>42,336,596</u>

Diluted earnings per share for the financial period ended 30 June 2025 were the same as the basic earnings per share for the same period because the exercise price of share options exceeded the average market share price for the same period, making them anti-dilutive and excluded from the calculation.

¹ Excludes Employee Share Option Scheme (ESOS)

11 Net asset value

	Group		Company	
	30.06.2026 US\$ cents	31.12.2025 US\$ cents	30.06.2026 US\$ cents	31.12.2025 US\$ cents
Net asset value per ordinary share based on existing issued share capital excluding treasury shares as at the end of the period reported on	4.73	4.85	(3.57)	(3.17)
Number of ordinary shares (excluding treasury shares) *	273,189,291	273,189,291	273,189,291	273,189,291

* The number of ordinary shares (excluding treasury shares) are presented based on new number of shares as a result of share consolidation. Refer to Note 17 for movement of number of ordinary shares (excluding treasury shares).

12 Property, plant and equipment

During the six months ended 30 June 2026, the Group acquired plant and equipment amounting to US\$10,114,000 (30 June 2025: US\$109,000) for 3 new renewable energy projects and disposed of plant and equipment amounting to US\$ Nil (30 June 2025: US\$ 18,000).

There are no indicators of impairment in the current period.

13 Trade and other receivables

	----- Group -----		----- Company -----	
	30.06.2026	31.12.2025	30.06.2026	31.12.2025
	US\$'000	US\$'000	US\$'000	US\$'000
Non-current				
Prepayments	5	5	–	–
	5	5	–	–
Current				
Trade receivables – third parties	1,625	1,228	–	–
Trade receivables – amounts due from subsidiaries	–	–	244	606
Allowance for impairment loss	–	–	–	(416)
Net trade receivables	1,625	1,228	244	190
Amounts due from joint ventures (non-trade)	–	57	–	57
Prepayments	117	161	23	16
Deposits paid	46	15	14	15
Other receivables	182	249	65	85
	345	482	102	173
Total trade and other receivables	1,975	1,715	346	363

During the financial period ended 30 June 2026, the Company did not recognise a loss allowance on trade receivables from subsidiary corporations, as the Company intends to offset them with amounts due to subsidiaries.

During the financial period ended 30 June 2026, no loss allowance was recognised by the Group for amounts due from joint ventures, as the Group intends to offset them with amounts due to joint ventures.

Non-trade amounts due from joint ventures were US\$ Nil (31 December 2025: US\$57,000).

14 Cash and bank balances

	----- Group -----		----- Company -----	
	30.06.2026	31.12.2025	30.06.2026	31.12.2025
	US\$'000	US\$'000	US\$'000	US\$'000
Cash and bank balances	4,096	10,652	198	38
Cash and bank balances (restricted)	2,725	-	-	-
Total Cash and bank balances	6,821	10,652	198	38

As of 30 June 2026, there was a lien over US\$2,725,000 (LKR 860m) of the Group's cash balances for the bank loan facilities for the Group's new battery energy storage projects in Sri Lanka (the "BESS Projects") to facilitate the procurement process, pending the finalization of security documents required for the bank loan facilities. On 6 August 2026, US\$1,584,000 (LKR 500m) of the lien has been released. The balance lien on LKR 360m of cash is for the issuance of a bonded warehouse bank guarantee for the BESS Projects to allow the clearance of imported goods, pending the approval of the bonded warehouse application.

15 Trade and other payables

	----- Group -----		----- Company -----	
	30.06.2026	31.12.2025	30.06.2026	31.12.2025
	US\$'000	US\$'000	US\$'000	US\$'000
Non-current				
Staff retirement liabilities	236	217	—	—
	236	217	—	—
Current				
Trade payables	18	19	—	—
Non-trade amounts due to:				
- subsidiaries	—	—	7,460	6,276
- joint ventures	—	27	—	27
Accrued operating expenses	2,490	2,855	1,884	1,999
Accrued interest payable	637	349	637	349
Other payables	456	706	441	640
	3,601	3,956	10,422	9,291
Total trade and other payables	3,837	4,173	10,422	9,291

16 Financial liabilities

	----- Group -----		----- Company -----	
	30.06.2026	31.12.2025	30.06.2026	31.12.2025
	US\$'000	US\$'000	US\$'000	US\$'000
Non-current				
Secured loan	7,141	—	—	—
Lease liabilities	173	227	2	2
	7,314	227	2	2
Current				
Lease liabilities	60	106	1	38
	60	106	1	38
Total financial liabilities	7,374	333	3	40

During the financial period ended 30 June 2026, the Group obtained secured bank loan facilities to finance the acquisition of plant and equipment for three new renewable energy projects with a Standardised Power Purchase Agreement for 20 years and two Energy Storage Agreements for 15 years each. As at 30 June 2026, the outstanding carrying amount of the secured loans was US\$7,140,937 and classified as a non-current financial liability, measured at amortised cost. The loans are secured by (i) mortgages on the shares of the project companies, the plant and equipment and land and/or leasehold rights to the land; and (ii) assignment of project receivables. The loan facilities bear a floating interest rate at the Central Bank of Sri Lanka's monthly average weighted prime lending rate plus margin of 1% per annum and is repayable over 10 years. The carrying amount of the secured loan approximates its fair value as the applicable interest rate is considered to approximate the prevailing market rate for similar borrowings with comparable terms and credit risk.

17 Share capital

	Group and Company			
	30.06.2026		31.12.2025	
	No. of shares	Amount US\$'000	No. of shares	Amount US\$'000
Issued and fully paid, with no par value				
At 1 January	273,189,291	289,180	13,659,329	274,553
Consolidation of shares	—	—	—	—
Issuance of Subscription Shares	—	—	177,298,085	10,000
Issuance of Settlement Shares	—	—	82,229,171	4,627
Additional shares issued for shareholders who hold a fraction of a consolidated share	—	—	2,706	—
At 30 June / 31 December	273,189,291	289,180	273,189,291	289,180

On 11 June 2025, 177,298,084,384 Subscription Shares under the Proposed Subscriber Transactions, 82,229,157,781 Settlement Shares (comprising 10,654,276,257 Bilateral Settlement Shares and 71,574,881,524 Scheme Shares) (the “**Issuance of Shares**”) were allotted and issued as new ordinary shares. In addition, 193,416,092,056 Options under the Proposed Subscriber Transactions has been allotted to the Subscriber.

The Company announced on 17 June 2025 that it completed a share consolidation of every one thousand (1,000) existing ordinary shares in the share capital of the Company into one (1) consolidated ordinary share (the “**Consolidated Shares**”) (the “**Share Consolidation Exercise**”). Accordingly, the number of ordinary shares (excluding treasury shares) of the Company was adjusted to 273,189,291 Consolidated Shares as of 17 June 2025 with the share capital at US\$289,180,000.

The Company did not hold any treasury shares and subsidiary holdings as at 30 June 2026 and 31 December 2025.

As at 30 June 2026, the issued and paid-up share capital excluding treasury shares of the Company comprised 273,189,291 (31 December 2025: 273,189,291) ordinary shares.

18 Convertible debt security

On 16 June 2025, the Company entered into a 5-year convertible loan agreement with CMIL with a principal of S\$8,225,895 (equivalent to US\$6,410,000) and interest at 10% per annum payable semi-annually (the “**Convertible Debt Security**”). CMIL has the option to convert, at any time prior to maturity, the Convertible Debt Security into ordinary shares of the Company at a fixed conversion price of S\$0.084 per share. The Company has no contractual obligation to deliver cash or any other financial asset to CMIL at any time during the term of the convertible loan or upon maturity. Settlement, including at maturity, will be effected solely through the issuance of a fixed number of the Company’s own equity instruments in exchange for a fixed amount of cash received at the inception of the convertible loan. Accordingly, the Convertible Debt Security satisfies the “fixed-for-fixed” condition as prescribed under paragraph 16(b)(i) of SFRS(I) 1-32 and is classified as an equity instrument and recorded in equity in the consolidated statement of financial position. If the Convertible Debt Security were fully converted, this would result in the issuance of 97,927,321 new ordinary shares in the capital of the Company. As at 30 June 2026, no new ordinary shares in the capital of the Company had been allotted and issued by the Company pursuant to the conversion of Convertible Debt Security by CMIL.

During the six months ended 30 June 2026, the Group made several prepayments amounting to US\$ 226,000 in total pursuant to the terms of the Convertible Debt Security where the Group shall have the right (but not the obligation) at any time to make prepayment or early repayment (whether in full or in part) of the Loan, or any Accrued Interest, prior to the Maturity Date, without any repayment or early repayment penalty.

	----- Group -----		----- Company -----	
	30.06.2026	31.12.2025	30.06.2026	31.12.2025
	US\$'000	US\$'000	US\$'000	US\$'000
At January	6,410	–	6,410	–
Convertible debt security	–	6,410	–	6,410
Prepayments during the period	(226)	–	(226)	–
At 30 June / 31 December	<u>6,184</u>	<u>6,410</u>	<u>6,184</u>	<u>6,410</u>

19 Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

Other Information Required by Listing Rule Appendix 7C

1 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The condensed consolidated statement of financial position of Khen Energy Limited and its subsidiaries as at 30 June 2026 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

2 Where the figures have been audited or reviewed, the auditors' report (including any modifications or emphasis of a matter).

Not applicable.

3 Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-

3(a) Updates on the efforts taken to resolve each outstanding audit issue

Not applicable.

3(b) Confirmation from the Board that the impact of all outstanding audit issued on the financial statements have been adequately disclosed.

Not applicable.

4 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Income Statement Review

Continuing operations

1H 2026 vs 1H 2025

The Group's revenue for the six months ended 30 June 2026 ("1H 2026") decreased by US\$682,000 from US\$2,945,000 to US\$2,263,000 as compared to the corresponding six months ended 30 June 2025 ("1H 2025"). The decrease in revenue was mainly due to lower generation as a result of lower rainfall.

The Group's cost of sales for 1H 2026 decreased by US\$361,000 to US\$596,000 as compared to 1H 2025. The decrease in cost of sales was primarily attributable to a write-back of approximately US\$213,000 of replacement parts previously accrued but no longer required as lower cost alternatives were found. The remaining decrease was due to a decrease in plant maintenance and reduced staff costs during the period.

As a result of the above, the Group's gross profit for 1H 2026 decreased by US\$321,000 to US\$1,667,000 as compared to 1H 2025.

Other operating income in 1H 2026 decreased by US\$41,726,000 was largely due to absence of a one-time gain on debt forgiveness in 1H 2025 following the completion of the corporate restructuring (refer to Note 2).

Administrative and marketing expenses in 1H 2026 decreased by US\$72,000 to US\$1,306,000 as compared to 1H 2025 mainly due to write-back of approximately US\$99,000 of accrued expenses relating to dormant subsidiaries that are no longer required as they have been struck off.

Finance income in 1H 2026 increased by US\$24,000 to US\$387,000 as compared to 1H 2025 mainly due to higher interest income from placement of more fixed deposits with financial institutions by the subsidiaries in Sri Lanka.

Finance costs in 1H 2026 decreased by US\$739,000 to US\$337,000 compared to 1H 2025 mainly due to cessation of interest charge by a financial institution upon discharge of the Group's obligations to the financial institution after the Scheme of Arrangement came into effect in 16 June 2025.

Income tax expense in 1H 2026 increased by US\$156,000 to US\$690,000 as compared to 1H 2025 mainly due to higher dividend taxes incurred by subsidiary corporation in Sri Lanka, as higher dividends were declared to the holding company during 1H 2026.

Statement of Financial Position Review

Non-current Assets

The Group's Non-current Assets amounted to US\$15,501,000 as at 30 June 2026. The increase of US\$9,740,000 as compared to 31 December 2025 was mainly due to an increase in property, plant and equipment (US\$9,838,000) purchased for three new renewable projects, partially offset by a decrease in right-of-use assets of US\$98,000.

Current Assets

The Group's Current Assets amounted to US\$9,333,000 as at 30 June 2026. The decrease of US\$3,576,000 as compared to 31 December 2025 was mainly attributable to a decrease of US\$3,831,000 in cash and bank balances, US\$3,275,000 of which was utilised for the purchase of property, plant and equipment for the three new projects. Amount due from joint ventures decreased by US\$57,000 (written off) as the joint venture entity was struck-off during the period. Inventories decreased by US\$5,000 as stock items were used for repairs and maintenance. The decrease was partially offset by an increase in trade receivables of US\$317,000 during 1H 2026, due to lower collection of receivables.

Total Liabilities

The Group's Total Liabilities amounted to US\$11,908,000 as at 30 June 2026. The increase of US\$6,497,000 as compared to 31 December 2025 was primarily from an increase in financial liabilities (secured bank loans) of US\$7,141,000 obtained to finance the purchase of plant and equipment for three new renewable energy projects. Trade and other payables decreased by US\$336,000 due mainly to write-back of accrued expenses and provisions that are no longer required. The decrease is also partially due to a decrease in deferred tax liabilities (US\$117,000) and lower provision for income tax in the current period (US\$91,000).

Statement of Cash Flows Review

1H 2026 vs 1H 2025

Cash Flow used in Operating Activities

The Group's net cash used in operating activities in 1H 2026 was US\$905,000 compared to US\$692,000 in 1H 2025, an increase of US\$213,000. This increase was primarily due to lower collection of trade receivables and higher payment of trade payables in 1H 2026.

Cash Flow from Investing Activities

The Group's net cash from investing activities in 1H 2026 was a net cash outflow of US\$9,727,000 compared to a net cash inflow of US\$272,000 in 1H 2025. The increase in outflows of US\$9,999,000 was made up mainly of purchase of property, plant and equipment of US\$9,838,000.

Cash Flow from Financing Activities

The Group's net cash from financing activities in 1H 2026 was US\$6,801,000. This was mainly due to proceeds from secured bank loans of US\$7,141,000 partially offset by repayment of convertible loan US\$226,000 and payment of lease liabilities US\$114,000. Compared with 1H 2025, this is a decrease of US\$4,134,000 and is due primarily to one-off proceeds from issuance of ordinary shares and a decrease in restricted cash in 1H 2025.

5 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable. No forecast or prospect statement had been previously disclosed to shareholders.

6 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

As at the date of this announcement, the Group would like to update that:

- (a) In relation to the Sri Lanka mini hydro power plants operations, barring any unforeseen circumstances, the plants continue to operate normally and generate a positive operating cashflow albeit at lower levels due to lower rainfall. The operations in Sri Lanka are subject to vagaries of changing weather patterns and the effects of climate change. In addition, any unforeseen breakdowns or unscheduled maintenance may also affect the operations and hence cash flow from the Sri Lanka mini hydro power plants ("MHPPs").
- (b) The Group has 3 renewable energy projects under construction, comprising a 5.0MW ground mounted solar plant and 2x10MW/MWH standalone grid connected battery energy storage systems. Barring any unforeseen circumstances, these projects are expected to become operational within the next 6 months from the date of this announcement.

The Company will make necessary announcements as and when there are further material developments on the above matter.

7 Dividend

(a) Current Financial Period Reported on

No dividend was declared for the current financial period reported on.

(b) Corresponding Period of the Immediately Preceding Financial Year

No dividend was declared for the corresponding period of the immediately preceding financial year.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

8 If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision

No dividend has been declared or recommended for the financial period as the Group will require cash for future investments and acquisition opportunities.

9 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect

The Group has not obtained a general and specific mandate from shareholders for interested person transactions (“IPTs”) since it lapsed on 31 July 2023.

The IPTs during the period from 1 January 2026 to 30 June 2026 were of amount less than S\$100,000.

Name of interested person	Nature of relationship	Aggregate value of all IPTs during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders’ mandate pursuant to Rule 920) US\$	Aggregate value of all IPTs conducted under shareholders’ mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) US\$
<u>Rental expenses</u> Yin Khing Investments Pte Ltd	An entity with common director as the controlling shareholder of the Company	NIL ⁴	NIL
<u>Interest expenses</u> CMIL	A wholly owned subsidiary of the controlling shareholder of the Company	NIL ⁵	NIL

⁴ Rental expenses amounting to US\$37,680 were paid/payable during the period from 1 January 2026 to 30 June 2026. However, this transaction was below the S\$100,000 threshold.

⁵ Interest expenses amounting to US\$18,903 were paid/payable during the period from 1 January 2026 to 30 June 2026 in relation to the Convertible Debt Security (Note 18). For the sake of clarity, the Convertible Debt Security was approved by shareholders at the Extraordinary General Meeting dated 4 June 2025, which is not an IPT as it was entered into prior to CMIL's holding company becoming the controlling shareholder of the Company as part of restructuring exercise. However, for good corporate governance, the Company voluntarily discloses it under this section.

10 Additional information required pursuant to Rule 706A

The following entities have been struck off:

- (a) CES Hydro Power Group Pte Ltd (on 9 Apr 2026)
- (b) Grenzone Pte. Ltd. (on 16 Jul 2026)

Save as disclosed above, the Company did not acquire and dispose of any shares in any companies during 1H 2026.

11 Confirmation of undertakings from Directors and Executive Officers

The Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Catalist Rule 720(1).

12 Confirmation by Directors pursuant to Rule 705(5) of the Listing Manual Section B: Rules of Catalyst

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited interim financial statements of the Group for the period ended 30 June 2026 to be false or misleading in any material aspect.

On behalf of the Board of Directors

.....
Chew Thiam Keng
Non-Executive Director

.....
Alex Tan Tiong Huat
Independent Non-Executive Director

BY ORDER OF THE BOARD

Zhan Aijuan
Company Secretary
12 August 2026

This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr Shervyn Essex, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg.