



KINERGY ADVANCEMENT BERHAD

Formerly known as Kejuruteraan Asastera Berhad

Powering A Sustainable Tomorrow

GLOBAL
ESG
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Kinergy Advancement on Aggressive Expansion Mode

- The robust order book amounts to almost RM1 billion, and the tender book amounts to RM3 billion as of the end of 2023.
- Concession assets more than doubled from six (6) to **fourteen** (14) as of the end of 2023.
- SES comprises Clean Energy Generation (“CE”), Renewable Energy Generation (“RE”), and Energy-Efficient (“EE”) solutions.
- Currently manages **twenty-seven** (27) projects with a geographical presence in Southeast Asia.

KUALA LUMPUR, 6th May 2024 – Sustainable energy solutions specialist **Kinergy Advancement Berhad** (“KAB” or “Group”) continues to ride on aggressive growth, as proven by its **record-high Profit After Tax** (“PAT”) in FY2023, its robust **orders of almost RM1 billion** by end-2023 and the fact that its **concession assets have more than doubled** in just a year. These achievements, alongside **pending tenders of RM3 billion**, put the Group on the right track for better growth in FY2024.

In FY2023, KAB achieved a milestone with the completion of its rebranding initiative, with the unveiling of a new company name and logo. This strategic update reflects KAB's long-standing vision, which was established in 2018 to pivot towards a robust focus on SES, enhancing its positioning and identity within the regional energy sector.

The Sustainable Energy Solutions (“SES”) division will continue to be the major growth driver for KAB across **Clean Energy Generation** (“CE”), **Renewable Energy Generation** (“RE”), and **Energy-Efficient** (“EE”) **solutions**. Under this division, KAB now manages **twenty-seven (27) projects** and has an expanding geographical presence in Southeast Asia, namely Thailand, Indonesia, and the Philippines.

Notably, the number of concession assets increased from six (6) to **fourteen** (14) as of 31 December 2023, compared to the previous year's end. These assets include diverse energy

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Growing consensus & Integrating material ESG factors in our corporate practices to serve greater purposes
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solutions such as co-generation plants, waste heat recovery facilities, solar PV systems, a biogas plant, and a mini-hydro plant.

Dato’ Lai Keng Onn (“Dato’ Lai”), Executive Deputy Chairman cum Group Managing Director of KAB, said, “Our strategic pivot towards becoming a focused energy solutions provider has started to yield substantial dividends. The foresight in expanding our SES initiatives has positioned us strongly within the rapidly evolving global energy market, perfectly aligning with Malaysia’s National Energy Transition Roadmap (“NETR”) and broader sustainability targets.”

In FY2023, KAB's focused efforts have started bearing fruit, leading to substantial gains, with FY2024 projected to witness another major leap. The successful deployment of multiple prospects for the SES segment promises a continued upward trajectory.

Particularly noteworthy is the ongoing **52.0 MW** gas engine power plant project at the Sipitang Oil & Gas Industrial Park, slated for completion in 2026. This project is a joint venture with **PETRONAS Gas Berhad's ("PGB")** subsidiary, Sipitang Utilities Sdn. Bhd. will establish the **country's largest gas engine power plant**, a monumental advancement in the local energy sector.

Adding to its strategic initiatives, KAB has recently signed an MoU with LCS Holdings Co., Ltd to explore a **20.0 MW** solar farm development in the Philippines and has proposed the acquisition of shares in Tunjang Tenaga Sdn. Bhd. for a **9.6 MW** hydro plant in Kedah, Malaysia. These projects are aligned with global investment trends, which, as highlighted by the International Renewable Energy Agency (“IRENA”), will require substantial capital infusion into renewables and energy efficiency to meet 2050 objectives.

In FY2023, KAB's concerted efforts began bearing fruit: revenue increased to RM199.4 million, up 6.6% from RM187.0 million in the previous year; gross profit rose to RM41.4 million, marking a 47.5% increase from RM28.1 million; and a record Profit After Tax of RM27.6 million, which soared by an impressive 862.6% from RM2.87 million in FY2022. “These figures



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represent significant year-on-year growth, driven by our strategic repositioning and dedication to the SES sector. FY2024 is expected to mark another significant leap forward, with the realisation of multiple prospects within the SES segment.” Dato’ Lai added.

As shown in KAB’s annual report for the financial year ended 31 December 2023 (<https://kab.listedcompany.com/misc/ar/ar2023.pdf>), KAB reported a **robust order book of RM939.0 million**, complemented by pending tenders amounting to **RM3.0 billion**. This financial solidity is underpinned by strategic shifts towards high-margin SES projects, which are a significant contributor to KAB’s profitability.

ABOUT KINERGY ADVANCEMENT BERHAD

Established in 1997, Kinergy Advancement Berhad (“KAB” or the “Group”) (Formerly known as Kejuruteraan Asastera Berhad) is an energy company principally involved in providing Sustainable Energy Solutions (“SES”) as well as engineering solutions.

On 7 June 2023, KAB officially unveiled its new name and logo signifying its commitment to expanding its SES business regionally. Its SES segment encompasses the provision of Energy Efficient Solutions, Clean Energy Generation, and Renewable Energy Generation. KAB presently owns a suite of sustainable energy assets under its SES segment, namely Co-generation, Waste Heat Recovery, Solar, Biogas and Hydroelectric Power.

Its SES segment contribution to the financial performance is rising in tandem to KAB commitments in expanding its SES portfolio. The Group currently has 27 SES projects and has an expanding geographical presence in Southeast Asia, namely in Thailand, Indonesia and Philippines.

KAB is a constituent of FTSE4Good Bursa Malaysia Index and FTSE4Good Bursa Malaysia Shariah Index and has secured 3 stars ESG Ratings on FTSE Russell Assessment for three consecutive years in 2021, 2022 and 2023. The Group has also defined new targets of Scope One and Two emissions reduction of 42.0% by 2030 and 90.0% by 2050, from a 2021 base year. KAB has also launched its ASCENT ESG Campaign with the objectives of accelerating ESG and Sustainability transformation while providing support for effective ESG influence.

KAB’s engineering segment covers all aspects of electrical, mechanical and associated engineering services for both commercial and residential buildings. KAB is registered under the Construction Industry Development Board (CIDB) with a Grade 7 and Suruhanjaya Tenaga with a Class A certification.

Another potential segment is telecommunication infrastructure.

For more information, please log on to <https://kinergyadvancement.com>.

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