



KINERGY ADVANCEMENT BERHAD
GROUP OF COMPANIES

NewsLetter

F E B R U A R Y 2 0 2 4

2024



KAB Newsletters

KEY EVENTS



FINANCIAL PERFORMANCE
4Q FY2023
REAFFIRMS THE SUCCESS OF
SES EXPANSION

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WITH A 9.6 MEGAWATT
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4Q23

HITS

HISTORIC HIGHS

DRIVEN BY **SES SEGMENT**

Released on 29 Feb 2024

EXCEPTIONAL PERFORMANCE REAFFIRMS KAB AS THE
**LEADING ENERGY AND ENGINEERING
SOLUTIONS PROVIDER**

SUCCESSFUL TRANSFORMATION SINCE JUNE 2023

Read More:
[Bursa Announcement](#)
[Press Release](#)



03

RENEWABLE ENERGY PORTFOLIO STRATEGIC EXPANSION

HYDRO



28 Feb 2024

INVESTMENT IN A

9.6MW

MINI HYDROELECTRIC

POWER PLANT @Pedu Dam, Kedah

An [announcement](#) filed with Bursa Malaysia on 28 February 2024 to acquire a 9.6MW mini-hydropower plant in Kedah, Malaysia. The Group's mini-hydropower total installed capacity will be **elevated to 20.6MW**, further expanding our footprint in sustainable energy across ASEAN. This addition aligns with our strategic business and sustainability objectives to expand the renewable energy portfolio and is expected to supply consistent production and generation of renewable energy.

Read More:
[Press Release](#)

04

DISCUSSING ESG | SUSTAINABILITY THE EDGE MALAYSIA

23 Feb 2024

Being Resourceful Is Important

We published a piece discussing on the evolving decarbonisation strategies on The Edge Malaysia.

Highlighting two key mechanisms in ESG and sustainability circles :

- ✱ Renewable Energy Certificates (RECs)
- ✱ Carbon Credits (CC)

The market's increasing focus on sustainability is driving advocacy and adoption of sustainable practices for decarbonisation.

Renewable Energy Certificates (RECs) and Carbon Credits (CC) as tools for managing ESG and sustainability targets has its effectiveness in transitioning to a lower carbon economy is discussed. The article reflects the company's commitment to practice sustainability and stay level with the market evolution.

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KAB's Perspective on the Decarbonisation Dynamics:
Renewable Energy Certificates (RECs) and Carbon Credits (CC)



Energy sources are inherently vital as we live in a modern world with the rapidly evolving aspect of sustainability approach. The rising energy demand which leads to environmental and economic implications has heightened the urgency of addressing how energy sources are harnessed and managed for clean transition that represent best practices across businesses. Arguably, energy sources used by the renewable energy industry may not be all green. For instance, power generation by burning organic material from sustainable forests may be considered renewable. However, since it generates CO₂, it may not necessarily be classified as green energy. This perspective underlines a necessity for businesses to explore strategies aimed at managing or, at least mitigating, the impact of different energy sources on their carbon footprint generation. Two key mechanisms, widely discussed in ESG spheres, emerge as instrumental in shaping a lower-carbon future with their sustainable principles and frameworks: RECs' and CC'.

Decarbonisation of the electricity sector in Malaysia

The market's support for sustainability creates a macro-level impact, drawing attention to claims of being environmentally friendly and the procurement of green energy. RECs have somehow been recognised as the simplest and cost-effective solution for companies to meet their renewable energy goals and enhance regulatory compliance.

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Tradeable RECs allow the purchase of 1 megawatt-hour (MWh) of renewable energy source and displace 1 MWh of conventional power used by the businesses for their electricity consumption. By purchasing these credits, companies are certified to claim reductions in the climate change effects they generate.

In the midst of rapid decarbonisation in the energy sector, our national electricity utility company has introduced the Green Energy Tariff (GET) programme, supported by mRec¹. This initiative offers consumers low-carbon electricity options, ensuring they receive green electricity and reduce their carbon footprints. This programme is also supported by Malaysia's Energy Commission, which, in its guidelines released on February 15, 2023, promotes renewable energy use and conserves non-renewable energy. The proceeds from the GET will also support the nation's renewable energy development initiatives and agenda. Moreover, it provides insights into the Energy Commission's tariffs and pricing strategy, aiming to stimulate the adoption of RE sources. Hence, it underscores the potential to enrich the RE value chain by embracing a more varied energy mix, as well as meeting the aspiration of Malaysia's National Energy Transition Roadmap (NETR).

However, this option is only expected to drive a reduction in businesses' Scope 2 greenhouse gas (GHG) emissions.

CC, on the other hand, tackles the mitigation of both Scope 1 and Scope 3 emissions, with its overarching aim being to reduce GHG emissions in the atmosphere. Here we intend to provide a good basis for its values in two angles. CC can be viewed as beneficial credits used by companies to offset their carbon dioxide or other GHG up to a certain limit, with 1 carbon credit equivalent to 1 ton of carbon dioxide. Several countries have introduced its market-based approaches to support the scaling efforts of its CC market, for example the Emission Trading Schemes (ETS)² also known as Cap-and-Trade³, is a tradeable-permit market system for GHG emissions. It offers companies with surplus allowances the opportunity to sell unused credits to those in need. High-emission companies or those pursuing business expansion may opt to raise their emission caps by investing in verified carbon credits generated from certified climate action projects. This allows them to strike a more optimal balance between profitability and sustainability. Ultimately, this system enables companies to be held accountable for their unavoidable emissions while also fostering climate action practices to help balance total worldwide emissions. Additionally, it offers industries the chance to capitalise on a new economic resource.

In fact, market-based solutions for clean energy are on the rise, including the importance of energy portfolio management and increased awareness of environmental attributes, which may lead to the adoption of renewable purchase obligations. Purchasing these certificates means an additional investment fund is required, particularly considering that their prices are subject to the forces of supply and demand. Likely, these mechanisms could be influenced by market regulations. Therefore, achieving a delicate balance among factors within the regulatory framework will become essential to create a more level playing field for sustainable energy sources in Malaysia.



[READ THE FULL ARTICLE](#) |

05



19 Feb 2024

& PEOPLE CULTURE

We welcomed our employees back to the office with a warm celebration to kick off 2024, filled with the festive sounds of firecrackers. Colleagues gathered to continue traditions, coming together for a Lou Sang, symbolising prosperity and good fortune.



#CNY2024withKAB



06

To learn more about how KAB delivers **social, environmental and economic value**, visit the company's FY22 Sustainability Report at <https://www.kinergyadvancement.com/esg>.

[This page serves to provide comprehensive insights into our sustainability practices and achievements.]



We wish to continue **inspiring and encouraging other businesses to adopt similar sustainable practices**.

By sharing our experiences and successes, we aim to create a ripple effect that will contribute to a more sustainable world for future generations.

For more information, visit our official **LinkedIn** here:

<https://www.linkedin.com/company/kinergy-advancement-berhad/>

SHOW YOUR SUPPORT | LIKE OUR POSTS | SHARE WITH YOUR NETWORK

- We nurture a **UNIQUE** sustainable ecosystem within our supply chain.
- We are actively contributing to a sustainable world through **IMPACTFUL** business practices and offerings.

07

FOR MORE UPDATES:





POWERING A SUSTAINABLE 2024 TOMORROW

DIGITISATION . EFFICIENCY . ENGAGEMENT

<https://www.kinergyadvancement.com>