



KINERGY ADVANCEMENT BERHAD

Formerly known as Kejuruteraan Asastera Berhad

Powering A Sustainable Tomorrow

## KAB SUCCESSFULLY COMPLETES SPA TO ACQUIRE ITS PREMIER BIOGAS POWER PLANT

*This propels the Group forward in making its maiden venture into the lucrative sustainable-energy sector and securing a new stream of long-term sustainable income.*

**KUALA LUMPUR, 16 NOVEMBER 2023 – Kinergy Advancement Berhad (“KAB”, the “Group”, “敬业”, Bloomberg: KASB MK) (Formerly known as Kejuruteraan Asastera Berhad)**, a leading One-Stop Energy & Engineering Solutions Provider, is pleased to announce that the Group’s wholly owned subsidiary KAB Energy Holdings Sdn Bhd (“KABEH”) has completed the Sale and Purchase Agreement (“SPA”) to acquire the entire equity of Future Biomass Gasification Sdn Bhd (“FBG”), which owns a 2.4-megawatt biogas power plant in Kedah, from Future NRG Sdn Bhd (“FNSB”). FGB is henceforth one of the 33 subsidiaries under KAB Group of Companies.

The transaction, valued at RM15.0 million, effectively diversified KAB’s Sustainable Energy Solutions (“SES”) asset portfolio, providing the Group its First-ever biogas power plant.

With an existing Renewable Energy Power Purchase Agreement (“REPPA”) with Tenaga Nasional Berhad (“TNB”) to supply energy to the national grid until March 2034, the biogas power plant is expected to generate long-term, recurring income for the Group, thus KAB strengthening its earnings visibility for the next 10 years. The REPPA, which came with a tenure of 16 years. KAB expects the new asset to start contributing positively to the Group’s earnings and earnings per share from the financial year ending 31 December 2023.

Dato’ Lai Keng Onn (“Dato’ Lai”), Executive Deputy Chairman cum Group Managing Director of KAB, said: “We are determined that this successful transaction will be marked as our maiden venture into the biogas renewable energy sector. This will further strengthen our position as a prominent energy player in the sustainable-energy space – a status which we have built within 5 years through our successful acquisitions of sustainable energy projects, and more importantly, through the consistent recognition of our technical expertise. We believe the Group’s ongoing pursuit of expansion in the sustainable energy space holds immense promise for long-term growth.



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With the completion of the SPA, our Group will now be able to capitalise on the huge potential of more than 500MW of the biogas industry in Malaysia. This sector has huge growth potential, given the vast availability of palm oil effluent as fuel in the country. Gaining a strategic foothold in this area is therefore a game changer for our ability to ramp up our competitive edge and add further value to our stakeholders and business partners.

On that note, we are encouraged that there is a growing awareness about the tangible benefits of our SES services particularly in key segments such as Clean Energy Generation, Renewable Energy Generation, and Energy-Efficient Solutions. These services now encompass biogas, solar power, hydropower, co-generation and waste-heat-recovery assets in Malaysia, Thailand, and Indonesia. Concurrently, we are witnessing a growing interest among businesses in implementing sustainable energy at their premises.

As such, our top priority is to ensure that our SES services not only optimise our clients' operational performance but also empower their pursuit of achieving Environmental, Social and Governance ("ESG") targets, thereby contributing to their journey towards becoming a more sustainable and environmentally conscious organisation. This aligns seamlessly with our overarching objective of establishing a sustainable supply chain within our distinctive ecosystem."

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### 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 electrical and mechanical 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 19 SES projects and has an expanding geographical presence in Southeast Asia, namely in Thailand and Indonesia.

KAB is a constituent of FTSE Bursa Malaysia EMAS Index and secured 3 stars ESG Ratings on FTSE Russell Assessment for two consecutive years in 2021 and 2022. 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.

Other potential segments include telecommunication infrastructure and robotic solutions.

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

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**Issued By: Esente Advisory Sdn. Bhd. on behalf of Kinergy Advancement Berhad**

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*Growing consensus & Integrating material ESG factors in our corporate practices to serve greater purposes*

**DIGITISATION • EFFICIENCY • ENGAGEMENT**