



KINERGY ADVANCEMENT BERHAD

Formerly known as Kejuruteraan Asastera Berhad

Powering A Sustainable Tomorrow



## KAB to Develop 1<sup>st</sup> Greenfield Biogas Project in Indonesia, Level Up RE Competence

- Extended presence in Indonesia with a 100% stake acquisition of PT GESO.
- Greenfield biogas project development with an installed capacity of 4.26MW.
- Strategic deal sealed with a 25-year exclusive PPA with PT PLN and multiple contracts with palm oil millers.

**KUALA LUMPUR, 6<sup>th</sup> JUNE 2024** – APAC 2024 Top 10 Energy Sustainability Solutions Provider, also known as the One-Stop Sustainable Energy & Engineering Solutions Specialist **Kinergy Advancement Berhad (“KAB” or “Group”, “敬业”, Bloomberg: KASB MK) (Formerly known as Kejuruteraan Asastera Berhad)**, has today via its wholly-owned subsidiary KAB Energy Holdings Sdn Bhd (“KABEH”), announced a term sheet **to acquire the entire equity interest in PT Green Energy Specialist One (“PT GESO”) and build a 4.26MW biogas plant** in Aceh, Indonesia (“Proposed Acquisition”).

This Proposed Acquisition, which includes **purchaser exclusivity over the 6.5-hectare land** where the biogas plant will be constructed, exemplifies KAB’s enhanced capabilities in not just planning and constructing but also developing, maintaining, and owning diverse energy projects, cementing its leadership in the sustainable energy sector.

PT GESO has already secured a Power Purchase Agreement (“PPA”) with PT Perusahaan Listrik Negara (“PLN”), Indonesia’s state electricity company. The PPA, which has a duration of 25 years from the commercial operation date, ensures a steady and reliable revenue stream, bolstering KAB’s recurring income on the regional stage.

Additionally, this proposed acquisition entails an exclusive agreement with **four palm oil millers’ sale and purchase of palm oil mill effluent**, securing a consistent supply of raw materials essential for biogas production to KABEH before the formal acquisition. This could be marked as one of the strategic arrangements aimed at enhancing the operational efficiency and reliability of the plant.



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KABEH has agreed to complete this strategic deal for a reasonable consideration of approximately RM8.89 million.

This plant, a premier greenfield biogas facility with an installed capacity of 4.26MW, will enhance KAB's SES diverse energy portfolio and reinforce its commitment to sustainable energy generation and environmental stewardship.

**Dato' Lai Keng Onn ("Dato' Lai")**, Executive Deputy Chairman cum Group Managing Director of KAB, said, "The acquisition of the Aceh biogas plant is a strategic move that aligns perfectly with our growth plan in the realm of sustainable energy. Indonesia, being the world's largest producer of palm oil, presents a compelling choice for this development, with abundant feedstock available for biogas production.

This project strengthens our renewable energy portfolio and positions us as a competent energy solutions provider to leverage regional growth opportunities. Upon completion, the Aceh biogas plant will be another recurring revenue generator for KAB, reinforcing our foothold in the Southeast Asian market and supporting our mission of driving sustainable energy development."

KAB, which has been recognised as APAC 2024 Top 10 Energy Sustainability Solutions Provider, is aggressively expanding its footprint in the sustainable energy space. The latest move to acquire PT GESO reflects the Group's intent to solidifying its market presence as a distinctive energy player while ensuring its advancement in the rapidly growing South-East Asian energy market.

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Key Highlights of the Acquisition:

Installed Capacity	4.26MW
Project status	<ul style="list-style-type: none"> <li>Greenfield Biogas Development - A 25-year contract with PT Perusahaan Listrik Negara (PLN)</li> <li>Land acquired</li> </ul>
PPA terms	25 years
Equity Stake To Own	100% stake in PT GESO
Purchaser Exclusivity	<ul style="list-style-type: none"> <li>A 6.5 hectares land</li> <li>Existing Palm Oil Millers Contracts</li> <li>Izin Usaha Penyediaan Tenaga Listrik (IUPTL) Licenses and Approvals</li> </ul>

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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 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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