



KINERGY ADVANCEMENT BERHAD

Formerly known as Kejuruteraan Asastera Berhad

Powering A Sustainable Tomorrow



## KAB's Sustainable Energy Focus Drives Record Earnings of RM29 million in FY2023

- KAB records a historic high revenue of RM199.41 million in FY2023, highlighting a 6.6% YoY increase.
- The SES segment's earnings skyrocket by 863.6%, becoming the leading revenue contributor to the Group.
- Completion of PT Inpolo Mitra Elektrindo, a mini-hydropower plant, significantly boosts KAB's Profit After Tax to RM28.88 million.

	4Q23	4Q22	YoY for Quarter (%)	12MFY23	12MFY22	YoY for 9M (%)
<b>Kinergy Advancement Berhad</b>						
Revenue (RM'000)	62,947	46,605	35.1	199,410	187,002	6.6
PAT (RM'000)	2,645	530	399.1	28,877	2,789	935.4
<b>Sustainable Energy Segment</b>						
Revenue (RM'000)	35,863	4,482	700.2	61,708	11,191	451.4
Segment Result (RM'000)	8,398	1,276	550.3	36,096	3,750	862.6

**KUALA LUMPUR, 29<sup>th</sup> February 2024** – Sustainable energy & engineering solutions specialist **Kinergy Advancement Berhad** (“KAB” or “Group”, “敬业”, **Bloomberg: KASB MK**) (Formerly known as **Kejuruteraan Asastera Berhad**), is thrilled to announce its financial results for the financial year ended 31 December 2023 (“FY2023”), showcasing record earnings and revenue that underscore the Group's successful pivot towards renewable energy and its commitment to sustainability.

In a year marked by significant growth, KAB recorded an unprecedented revenue of **RM199.41 million** for FY2023, marking a 6.6% increase from the previous year. This substantial growth was mainly due to the Group's strategic shift towards **Sustainable Energy Segment** (“SES”), which experienced a **more than fivefold** increase from the previous year within this segment.

Correspondingly, the Group's Profit After Tax (“PAT”) for FY2023 soared to a new record of **RM28.88 million**, showcasing an exponential growth of **more than tenfold** from the RM2.78 million profit reported in FY2022. The surge in the PAT was mainly driven by an impressive

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862.6% growth in its SES segment results to RM36.10 million and further boosted by the substantiated gain from the completion of PT Inpola Mitra Elektrindo, a mini-hydropower plant in the third quarter of FY2023.

**Dato’ Lai Keng Onn (“Dato’ Lai”)**, Executive Deputy Chairman cum Group Managing Director of KAB said, “Our record-breaking financial performance in FY2023 is a testament to KAB’s resilience and our strategic pivot towards sustainable energy solutions. The remarkable performance in our SES segment, coupled with our continuous growth potential, underlines the significance of sustainable energy in meeting the escalating demand for cleaner energy today. It also reaffirms our expertise in delivering solutions that can shape and contribute to a greener planet and greater positive environmental impact.”

In the fourth quarter of FY2023 (“4Q23”), KAB’s revenue soared by **35.1%** to RM62.95 million, up from RM46.61 million in the same quarter of the previous year. A significant highlight from this quarter’s earnings was the SES segment, surpassing the engineering segment to become KAB’s leading revenue generator, contributing 56.97% to the total revenue. This was mainly due to contributions from new projects and new entities acquired for the SES segment.

In line with the strong growth, the Group’s PAT surged by **399.1%** to RM2.65 million in 4Q23 as compared to RM0.53 million recorded in 4Q22. The significant improvement in the results was mainly due to more lucrative tariffs and contributions from new projects.

“The management’s strategy in shifting our focus from engineering works in construction and property projects to higher-margin sustainable energy solutions have yielded a bountiful harvest throughout 2023. Along with our record earnings, we are also on track to meeting our operational objectives and ESG, sustainability targets.” Dato’ Lai said.

According to him, the Group is also cautiously optimistic about its outlook going forward, led by the SES segment. The surge of earnings in the Group’s SES segment during FY2023 reflects a robust demand for green, clean and renewable energy and KAB’s successful integration of profitable projects and new entities in the SES segment.

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“Our role as a holistic Energy and Engineering Solutions Provider is solidified by our outstanding performance in FY2023. It’s gratifying to witness the success of our transformational journey, transitioning from an engineering to an **Energy-focused** entity. The shift has proven rewarding, particularly with our expansion into the SES segment. FY2023 has demonstrated the success of our strategic diversification into the SES segment, showcasing significant potential for meeting future energy needs and facilitating energy transition. Again, I strongly believe that the exceptional performance in FY2023 reaffirms our position as a leading Energy and Engineering Solutions Provider,” he firmly added.

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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 24 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. Another potential segment is telecommunications infrastructure.

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

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