



KINERGY ADVANCEMENT BERHAD  
Formerly known as Kejuruteraan Asastera Berhad

Powering A Sustainable Tomorrow

## KAB SECURES FIRST BIOMASS COGENERATION PROJECT TO PRODUCE UP TO 30MW OF ELECTRICITY AND 80 TONNES OF STEAM PER HOUR

*KAB has a guaranteed steady supply of feedstock supplied by XSDIP to power the biomass-fuelled steam turbine cogeneration plant*

*The Company signs HoA with a People's Republic of China company, namely XSD International Paper Sdn. Bhd., broadening its clientele based internationally.*

**KUALA LUMPUR, 13 July 2023 – Kinergy Advancement Berhad (“KAB”, the “Group”, “敬业”, Bloomberg: KASB MK),** a leading One-Stop Energy & Engineering Solutions Provider, today is pleased to announce that the Group’s wholly-owned subsidiary KAB Energy Holdings Sdn Bhd (“KABEH”) has inked a Heads of Agreement (“HoA”) with XSD International Paper Sdn. Bhd. (“XSDIP”), to initiate KAB’s first biomass project, focusing on power and steam generation. This project allows KABEH to develop, own and operate a biomass-fuelled steam turbine cogeneration plant (“Plant”) that can generate up to 30MW of electricity and 80 tonnes of steam per hour.

XSDIP is in the business of managing activities of holding companies, manufacturing pulp, paper and paperboard, and wholesaling a variety of goods without any particular specialisation. Notably, XSDIP is a 100% foreign owned entity from the People’s Republic of China and serves as an indication to KAB’s continuous strategy in broadening its customer base and reach.

Dato’ Lai Keng Onn (“Dato’ Lai”), Executive Deputy Chairman cum Group Managing Director of KAB, said: "We are thrilled to embark on this collaborative venture with XSDIP, as we strengthen our SES foothold in peninsular Malaysia through our maiden biomass cogeneration project. Together, XSDIP and KABEH have initiated discussions that encompass the comprehensive aspects of developing, owning, and operating the Plant. This momentous step is facilitated through a signed HoA, wherein all parties commit to leveraging their collective expertise and resources."

"The primary objective of this project is to revolutionise our energy generation by harnessing the power of biomass or agricultural waste as a sustainable and environmentally friendly alternative energy source. Through the Plant, we can efficiently generate up to 30MW of electricity and 80 tonnes of steam per hour, not only reducing the waste produced but also promoting an efficient and responsible utilisation of biomass resources. We aim to not only generate electricity through utilising biomass fuel

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*Growing consensus & Integrating material ESG factors in our corporate practices to serve greater purposes*  
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derived from Empty Fruit Bunches (“EFB”) and woodchips but also through burning gas to generate steam, contributing to a more greenhouse gas (“GHG”) neutral approach.”

“We plan to implement this transformative biomass project on a vast undivided plot of 300 acres in Kulim, Kedah. This ambitious endeavour encompasses multiple phases, with the current signing of the HoA marking the commencement of the development of approximately 5.06 acres. XSDIP’s expressed interest in procuring thermal energy in the form of steam generated by KABEH represents a significant opportunity to enhance our recurrent income base. This collaboration has the potential to bolster our financial sustainability and contribute to long-term growth.”

“This partnership serves as a testament to our unparalleled expertise and will strengthen KAB’s Sustainable Energy Solutions (SES) portfolio further. Additionally, this partnership is also aligned with the Group’s overarching strategy of expanding recurrent income, innovative development, and sustainable energy initiatives. This project is expected to contribute to KAB’s vision of powering a sustainable energy future.”

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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 a 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 17 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’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://asastera.com>.

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