



KINERGY ADVANCEMENT BERHAD

Formerly known as Kejuruteraan Asastera Berhad

Powering A Sustainable Tomorrow

KAB EYES STRONG EARNINGS AHEAD AS SUSTAINABLE ENERGY BUSINESS LIFTS QUARTERLY PROFIT TO FRESH-HIGH

SES Segment's Record Profits showed sustainable growth and segmental leaps, with more than a 2-fold increase in revenue and a close to 10-fold increase in PAT.

	3Q23	3Q22	YoY for Quarter (%)	9MFY23	9MFY22	YoY for 9M (%)
Kinergy Advancement Berhad						
Revenue (RM'000)	48,623	48,297	0.7	136,463	143,923	-5.2
PAT (RM'000)	20,318	1,071	1,797.1	26,232	2,301	1,040.0
Sustainable Energy Segment						
Revenue (RM'000)	12,883	3,631	254.8	25,845	11,801	119.0
Segment Result (RM'000)	21,323	219	9,636.5	27,698	2,475	1,019.1

KUALA LUMPUR, 21 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, has today reported its **strongest-ever** quarterly Profit After Tax (“PAT”) in the third quarter ended 30 September 2023 (“3Q23”), boosted by its **sustainable energy solutions (“SES”) business**. In the quarter, the Group benefited from an increase in energy tariffs, new revenue streams and a gain from acquisition, which resulted in outstanding financial performance.

KAB saw its PAT surging by nearly **19-fold** to **RM20.32 million** against RM1.07 million in the preceding year corresponding quarter (“3Q22”). The SES segment has continued its bold growth trajectory, as it recorded a revenue of RM12.88 million, a significant increase of 254.8% from RM3.63 million registered in 3Q22 whilst its segment results surged 9,636.5% to approximately RM21.32 million in 3Q23 from RM0.22 million in the previous year corresponding. The recent completion of acquisition of PT Inpola Mitra Elektrindo a **mini-hydropower plant**, has also substantiated a gain which lifted the Group's bottom line. Amongst other contributing factors, the steep rise in electricity tariffs has also benefited KAB to reaping additional gain from its existing assets as well as **new power assets**.

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The core SES segment's increased contribution is stabilised through the Group's strengthened recurring income. Meanwhile, the new power assets of KAB are a solar farm facility in **Universiti Teknologi Malaysia Kuala Lumpur** and a **mini-hydro plant in Indonesia**.

For the quarter under review, the Group recorded a higher revenue of RM48.62 million, as compared to RM48.30 million in 3Q22. Despite the slight growth in overall revenue, the SES segment contributed 26.5% of the total revenue, representing a growth in the segment from 7.5% in the preceding quarter under review. This reflects not only a modest increase but also indicates sustainable growth within the business.

Dato' Lai Keng Onn, Executive Deputy Chairman cum Group Managing Director of KAB, said: "The management's strategy in shifting our focus from mechanical and electrical ("M&E") engineering works in construction and property projects to higher-margin sustainable energy solutions have started to bear fruit. For the full-year 2023, we are poised to achieve our best financial performance since the pre-pandemic 2019. We are also on track to meeting our operational objectives and ESG, sustainability targets."

Following the stellar results in 3Q23, KAB's PAT for the first nine-month period ended 30 September 2023 ("9M23") increased slightly over **11-fold** y-o-y to RM26.23 million from RM2.30 million in the previous corresponding period. Revenue was recorded at RM136.46 million as compared to RM143.92 million in 9M22.

The lower revenue was due to the temporary effects of strategically repositioning KAB's contract portfolio with a greater focus on SES. It is noteworthy that SES contributed about 19% of the Group's total revenue in 9M23 as compared to just 8.2% in 9M22.

As of 30 September 2023, KAB is well-supported with an order book of RM911 million, comprising RM751 million for SES and RM160 million for M&E segments. Meanwhile, approximately RM2,513 million and RM293 million worth of tenders for SES and M&E are still pending.

Moving forward, KAB is actively expanding its client base in the energy landscape as it pushes forward with its penetration into ASEAN markets, offering high growth potential, mainly attributed to its provision of value-adding sustainable solutions to businesses, showcasing its capability in delivering energy operational optimisation.



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"We are very pleased to have recently completed the acquisition Future Biomass Gasification Sdn Bhd, a **biogas plant** located in **Kedah, Malaysia**. Year to date, we have successfully **added three (3)** significant **assets** into our portfolio, namely, our **solar, mini-hydro** and **biogas plants** that will provide sustainable earnings and transform us into a holistic technical expert for a wide array of sustainable energy solutions.

"Our specialist capability has been recognised including by PETRONAS, which awarded us two (2) engineering, procurement, construction, and commissioning ("EPCC") contracts this year alone. On 6 November 2023, PETRONAS appointed us to provide RM33.30 million in EPCC for utility expansion and energy infrastructure enhancement of LNG carriers transformation to floating storage units at Pengerang.

"This award strengthens our position within the sustainable energy space and our reputational capabilities as a One-Stop Energy and Engineering Solutions Provider delivering competent standard services and solutions to clients. We hope to replicate our success with more job wins in the sustainable energy space in the future." Dato' Lai concluded.



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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 21 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.

Another potential segment is telecommunications infrastructure.

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

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