



PRESS RELEASE

FOR IMMEDIATE RELEASE

**KPOWER'S PROFIT AFTER TAX JUMPS 759% IN Q1
FINANCIAL PERIOD ENDED ("FPE") 30 SEPTEMBER 2020**

Key Highlights

- **Substantial year-on-year improvement in Profit After Tax by 759% from RM0.95 million to RM8.14 million in Q1 FPE 30 September 2020**
- **Noteworthy surge in revenue by 411% or RM45.90 million, from RM11.12 million in FPE 30 September 2019 to RM57.06 million for the financial period under review.**

KUALA LUMPUR, 30 NOVEMBER 2020 – Kumpulan Powernet Berhad ("KPower" or "the Group") ("7130") announced its interim financial results for the first quarter ("Q1") for its Financial Period Ended 30 September 2020 ("FPE 30 September 2020").

For the financial period under review, the Group posted a **substantial 759% increase or RM7.20 million, in Profit After Tax ("PAT") to RM8.14 million for Q1 FPE 30 September 2020**. KPower also posted an **increase of 411% or RM45.90 million in revenue, from RM11.16 million to RM57.06 million**.

The Construction Related Activities segment is the Group's largest revenue contributor with RM52.81 million, reflecting an increase of RM48.54 million or 1,137% as compared to the corresponding period of the previous year. The surge in the Construction Related Activities revenue was due to additional works on current construction projects and preliminary works on new construction projects in Laos and Nepal.



In line with the momentum of the global and domestic economic recovery, KPower continues to record strong earnings throughout the period, underpinned by its construction related activities in the energy, utilities and infrastructure segment.

Group Managing Director, Mustakim Mat Nun said, “We remain upbeat on the prospects of the Group in view of the resilient outlook for energy sector. We are optimistic that Governments across the region will continue to focus on the energy, utilities and infrastructure industries as they are key industries in revitalising and expanding the economy.”

He further elaborated, “In actual fact, the ASEAN region recently increased the renewable energy’s installed capacity target to 35% by 2025. This target is set under the ASEAN Plan of Action for Energy Cooperation (“**APAEC**”) Phase 2 which will be implemented during the period of 2021 until 2025.”

“This and the recent signing of Regional Comprehensive Economic Partnership trade agreement shows the region is serious in expanding and growing its economy. KPower, having established our operation regionally is naturally excited and well positioned to partake in this development. This will definitely augur well for our growth and expansion plan.”

KPower plans to further expand its geographical presence in the energy sector within ASEAN and South Asia. The Group also intends to build its capabilities in other renewable energy spectrum such as large-scale solar projects and widen its product offerings to include hybrid wind/solar energy projects targeting the Europe, Middle East and Central Asia markets.

In consonance with the improved global manufacturing sector and positive Industrial Production Index (“**IPI**”) in the third quarter of 2020, KPower is also currently exploring other products within the textile industry in order to enhance its Manufacturing segment.



To date, the Group has secured a sizeable RM1.4 billion orderbook in Malaysia, ASEAN countries and Nepal and aims to further increase its orderbook by an additional RM2.0 billion by the Financial Year End 30 June 2021.

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About Kumpulan Powernet Berhad

Kumpulan Powernet Berhad (“KPower” or “the Group”) operates in the sustainable energy and utilities segment and specialises in Renewable Energy (“RE”).

Incorporated on 3rd February 1997, KPower was listed on 22nd March 2002 as a textile manufacturing company and was subsequently transferred to the Main Market of Bursa Securities in 2009.

In June 2019, the Group transformed its business with the emergence of New Major Shareholders namely Dato’ Dr. Ir. Ts. Mohd Abdul Karim bin Abdullah and Grand Deal Vision Sdn. Bhd. who acquired over 51% equity stake. KPower was further strengthened with the appointment of new members of the Board and Key Management Team. Led by En. Mustakim Mat Nun, KPower embarked on a major transformation into new segments including sustainable energy and utilities with focus on construction-related activities and specialised engineering services.

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Forward-Looking Statements

The statement included in this press release, other than statements of historical facts, are forward-looking statements. Forward-looking statement generally can be identified by the use of forward-looking terminology such as “may,” “will,” “expect,” “intend,” “estimate,” “anticipate,” “plan,” “seek,” or “believe.” These forward-looking statements, which are subject to risks, uncertainties, and assumptions, may include projections of our future financial performance based on our growth strategies and anticipated trends in our business. These statements are only predictions based on our current expectations about future event. There are important factors that could cause our actual results, level of activity, performance, or achievements to differ materially from the results, level of activity, performance or achievements expressed or implied by the forward-looking statement, including, but not limited to our ability to win additional business. Although we believe the expectations reflected in the forward- looking statements are reasonable, we cannot guarantee future result, level of activity, performance, or achievements. You should not rely upon forward-looking statements as predictions of future events. These forward-looking statements apply only as of the date of this press release; as such, they should not be unduly relied upon as circumstances change. Except as required by law, we are not obligated,



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