



PRESS RELEASE

FOR IMMEDIATE RELEASE

**KPOWER POSTS 8TH CONSECUTIVE RECORD-BREAKING
QUARTERLY PERFORMANCE FOR THE FINANCIAL
PERIOD ENDED (“FPE”) 31 MARCH 2021**

KUALA LUMPUR, 20 MAY 2021 – KPower Berhad (formerly known as Kumpulan Powernet Berhad) (“**KPower**” or “**the Group**”) (“**7130**”) announced its interim financial results for the third quarter (“**Q3**”) of its Financial Period Ended 31 March 2021 (“**FPE 31 March 2021**”).

For the Q3 FPE 31 March 2021, the Group posted a significant **334% or RM105.98 million growth in its revenue to RM137.66 million**. Consistent with this increase, KPower also registered **RM14.23 million in Profit After Tax (“PAT”), reflecting a significant increase of RM11.55 million or 432%** as well as **RM19.35 million in Profit Before Tax (“PBT”), an increase of RM15.50 million or 403%**, for the same period. This is the eighth consecutive record-breaking quarter achieved by the Group.

Meanwhile, the Group’s **consolidated quarterly revenue** for the cumulative nine months ended 31 March 2021 is recorded at **RM284.79 million, representing another massive growth of RM228.30 million or 404%, from RM56.48 million**. KPower also posted another massive increase in its **PAT amounting to RM31.62 million from RM5.47 million or an increase of RM26.15 million or 478%** for the same period. Concurrently, the Group also generated a **PBT of approximately RM43.00 million, recording an increase of RM35.20 million or 451%** for the same period.



The Group's mainstay, the Construction Related Activities segment remains its largest revenue contributor in Q3 FPE 31 March 2021 with RM127.00 million or approximately 92% of its total revenue. This was due to recorded site progress of existing projects, commencement of works in Indonesia as well as contributions from order-based projects in Malaysia and abroad.

Its Logistics segment assumed the second largest revenue contributor position with RM5.12 million derived from transportation services contributed from its newly acquired subsidiary, Chemtrax Sdn. Bhd.

Meanwhile, the Group's Healthcare segment also recorded a significantly higher revenue amounting to RM4.56 million as a result of higher sales recorded from the distribution of COVID-19-related products in Indonesia.

While the world, including Malaysia, continues to see the rise and ebb of the COVID-19 pandemic and by extension, the COVID-19 related challenges both locally and regionally, the Group sees this as an opportunity as governments worldwide has continued to be accommodative, pro-active and supportive towards businesses, minimising impact on the economy in efforts to contain the widespread of the virus.

Group Managing Director, Mustakim Mat Nun commented, "For the past 2 years, the management's continuous efforts on the enhancement of our workforce through the building of our internal expertise, capabilities and capacities has since produced positive results. Recently, KPower's 50MW bid for the Large-Scale Solar 4 ("**LSS4**") competitive bidding was shortlisted in the exercise conducted by the Energy Commission ("**EC**")."

"The pandemic has brought many challenges and we have since adapted to safeguard KPower's long term profitability, viability and business sustainability as per new shareholder's directive since June 2019. The successful collaboration with Perbadanan Kemajuan Negeri Pahang ("**PKNP**") for the development of 50MW solar photovoltaic plant in the state of Pahang further demonstrates KPower's ability to



work together with state entities and marks the Group's venture into the asset ownership business model."

He further added, "We were also awarded RM510 million worth of contracts for the engineering, procurement, construction and commission ("EPCC") and the completion of mini hydro power plants in the states of Pahang and Perak. As a result, our orderbook has surpassed RM1 billion as at today for the financial year and we are well on our way to achieve RM2 billion orderbook by this financial year end."

"Construction related activities continue to prevail as our Group's main business driver. We continue to leverage and strengthen our regional presence while diversifying our product offerings as our key strategy to ride on the industry's potential growth."

In the interest of achieving sustainable growth, KPower will continue with its efforts of building internal expertise, capabilities and capacities as it further cements its status as the go-to contractor for construction related business in the sustainable energy, utilities and infrastructure segments.

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About KPower Berhad (formerly known as Kumpulan Powernet Berhad)

KPower Berhad (formerly known as 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.



Issued by: Glow Communications on behalf of **KPower Berhad** (formerly known as Kumpulan Powernet Berhad)
Date: **20 May 2021**

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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, and we undertake no obligation, to release publicly any revisions to these forward-looking statements that might reflect events or circumstances occurring after the date of this release or those that might reflect the occurrence of unanticipated events.