



KPOWER BERHAD

(formerly known as Kumpulan Powernet Berhad)

CORPORATE PRESENTATION

3Q FY2021

JUNE 2021

DISCLAIMER



This presentation may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other developments or companies, changes in operating expenses (including employee wages, benefits and training costs), governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the current view of management on future events.

The information contained in this presentation has not been independently verified. No representation or warranty expressed or implied is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained in this presentation. Neither KPower Berhad (formerly known as Kumpulan Powernet Berhad) ("KPower" or the "Company") or any of its affiliates, advisers or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising, whether directly or indirectly, from any use, reliance or distribution of this presentation or its contents or otherwise arising in connection with this presentation.

The past performance of KPower is not indicative of the future performance of KPower.

The value of shares in KPower ("Shares") and the income derived from them may fall as well as rise. Shares are not obligations of, deposits in, or guaranteed by, KPower or any of its affiliates. An investment in Shares is subject to investment risks, including the possible loss of the principal amount invested.



AGENDA

1 Key Highlights

2 Stock Information

3 History & Key Milestones

4 Board of Directors

5 Key Management Team

6 Corporate Structure

7 Business Segment

8 Financial Performance

9 Future Outlook

10 LSS4@MEnTARI

11 Key Takeaways

12 News & Coverage

KEY HIGHLIGHTS

Earnings Growth Catalysts

- Expansion of RE offering from Hydro to Solar
- Asset ownership business model via shortlisted in LSS4 bid
- Achieved RM1.2 billion order book for FY2020
- Aims to achieve RM2 billion order book for FY2021

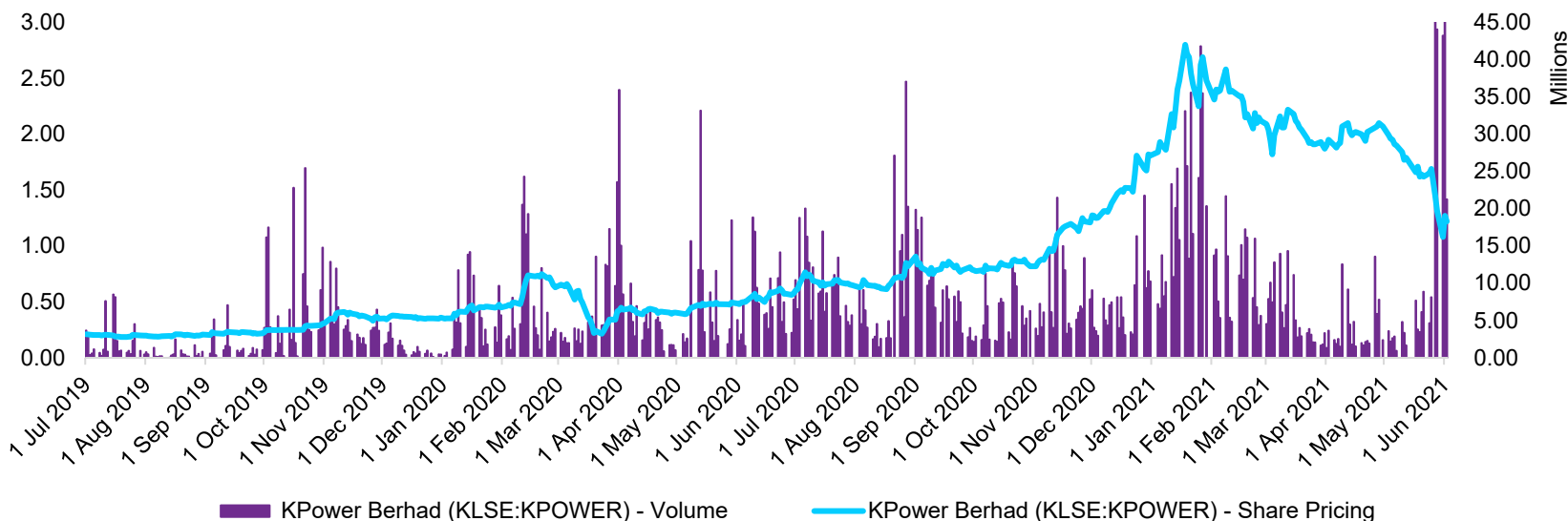
Established & Experienced Board of Directors and Management

- Directors and management with experience across diverse areas under energy, utilities and construction industries
- Ability in replicating execution capabilities for KPower's growth

STOCK INFORMATION



SHARE PRICE AND VOLUME MOVEMENT SINCE KPOWER'S ACQUISITION



Source: Bloomberg, as at 2 June 2021

Stock Name / Code	: KPOWER / Code: 7130
Market	: Main Market
Sector	: Consumer Products & Services
Shares Outstanding	: 452.3 million
Market Capital	: RM551.8 million
52-week high/low	: RM2.91/ RM0.48
Share Price	: RM1.22 (2 June 2021)
Float %	: 53.6%
Dividend Policy	: 20% of PAT

SUBSTANTIAL SHAREHOLDERS

Holder	% of Total Shares Outstanding
Mohd Abdul Karim bin Abdullah	32.36
Mustakim Mat Nun & Sarah Azreen Abdul Samat <i>via Grand Deal Vision Sdn Bhd</i>	13.99



HISTORY & KEY MILESTONES (Calendar Year)

- Aimed RM1.0 billion in order book for FYE 30 June 2020.
- Recorded RM1.2 billion order book for FY2020.

- Leading RE company in ASEAN with RM1.358 billion worth of RE-related projects in year 2020.
- Expanded regionally via:
 - RM661 million projects in Malaysia.
 - RM241 million in Laos.
 - RM401 million in Nepal.
 - RM55 million in Indonesia.
- Increased paid-up capital by RM68.7 million from 2 Private Placements: 10% + 35% of the total number of issued shares.
- Acquired 51% stake in logistics company, Chemtrax Sdn. Bhd.

2019

- Dato' Dr. Ir. Ts. Mohd Abdul Karim Abdullah, and Mustakim Mat Nun (via Grand Deal Vision Sdn. Bhd.) acquired majority stake in KPower.
- The Group diversified into energy & utilities and infrastructure & logistics.
- Secured RM270 million of utilities project in Kuala Lumpur, Malaysia.

2020

2021

- Diversified into Solar via:
 - MOA with Public Islamic Bank Berhad ("PIBB") forming collaboration to provide the financing and installation of solar photovoltaic ("PV") systems to PIBB's customers in relation to net energy metering scheme.
- Asset ownership LSS4: Shortlisted bidder under the LSS4 for development of 50MW solar photovoltaic plant in Pahang, Malaysia.
- RM510 million projects in Malaysia.
 - Expanded to Pahang in local projects.
- Acquired 70% stake in Granulab (M) Sdn. Bhd., a medical device manufacturing company, from SIRIM Berhad.
- RM73 million worth of projects in healthcare via COVID-19 related projects in Indonesia.

- Aimed to hit RM2.0 billion in order book for FY2021.
- Recorded RM1.158 billion to date.

HISTORY & KEY MILESTONES

FYE 2020

Q1

July – Sep 2019

Dato' Dr. Ir. Ts. Mohd Abdul Karim Abdullah, founder of Serba Dinamik Holdings Berhad, and Grand Deal Vision Sdn. Bhd. acquired majority stake in KPower.

Q2

Oct – Dec 2019

RM270 million of Kuala Lumpur Sewerage Treatment Plant in Malaysia.

Q3

Jan – Mar 2020

- Total of **RM431 million** of energy projects in Laos and Malaysia:
 - 32.47 MW Perak Mini Hydropower Plants: RM365 million.
 - 8 MW Nam Samoy Hydropower Plant: USD16 million.
- Private Placement: 10% of the total number of issued shares.

Q4

Apr – Jun 2020

- The Group diversified into energy & utilities and infrastructure & logistics.
- Total of **RM383 million** of energy projects Nepal and Laos:
 - 22.9 MW Mini Hydropower Plant: USD48 million.
 - 3X5 MW Nam Taep 1 and 3X5 MW Nam Taep 2 Hydropower Plants: USD41 million.
- Private Placement: 35% of the total number of issued shares.
- **Exceeded RM1.0 billion orderbook** target for the financial year ended 30 June 2020.
- **Order book stands at RM1.2 billion** for financial year ended 30 June 2020.

HISTORY & KEY MILESTONES

FYE 2021

Q1

July – Sep 2020

USD46.2 million of 22 MW Nepal Mini Hydropower Plant.

Q2

Oct – Dec 2020

- Total of **RM351 million** of energy projects in Indonesia and Malaysia:
 - 27.3 MW Perak Mini Hydropower Plant: RM296 million.
 - 3.1 MW Sg. Simpang, Sumatera Mini Hydropower Plant: USD7 million.
 - 2.6 MW Sg. Klaai, Sumatera Mini Hydropower Plant: USD6 million.
- Proposed share split and issuance of free warrants.

Q3

Jan – Mar 2021

- Total of **RM73 million** of healthcare supplies in Indonesia:
 - Supply of PCR Reagent Kit for COVID-19: USD6 million.
 - Supply of Airbag and Genose COVID-19 Kits: USD12 million.
- Acquired 51% stake in logistics company, Chemtrax Sdn. Bhd.
- MOA with Public Islamic Bank Berhad ("PIBB") forming collaboration to provide the financing and installation of **solar photovoltaic ("PV") systems** to PIBB's customers in relation to net energy metering scheme.
- **Shortlisted bidder under the LSS4** for development of 50MW solar photovoltaic plant in Pahang, Malaysia.

Q4

Apr – Jun 2021

- Acquired 70% stake in Granulab (M) Sdn. Bhd., a medical device manufacturing company, from SIRIM Berhad.
- **RM510 million** of energy projects in Malaysia:
 - 44.6 MW Pahang Mini Hydropower Plants: RM475 million.
 - 5.25 MW Perak Mini Hydropower Plant: RM35 million.
- Proposed Private Placement: not more than 20% of the total number of issued shares.



BOARD OF DIRECTORS



Dato' Dr. Ir. Ts. Mohd Abdul Karim Abdullah
Non-Independent Non-Executive Chairman
Founder of oil-and-gas engineering company Serba Dinamik Holdings Berhad since 1993. Presence in Southeast Asia, Central and South Asia, the Middle East, United States of America, Europe and most recently Africa.



Dato' Arivalagan A/L Arujunan
Non-Independent Non-Executive Director
Currently Director of Aspire Homes Sdn Bhd, a property developer.



Mustakim Mat Nun
Deputy Chairman and Group Managing Director
Over 24 years experience in Power, Water, Finance and Private Equity. Served in various locations in the middle east, ASEAN and domestic market.



Kok Pauline
Independent Non-Executive Director
Over 14 years of experience in auditing and accounting in various industries, including government linked companies (GLCs).



Sarah Azreen Abdul Samat
Non-Independent Non-Executive Director
Over 20 years of experience in corporate finance transactions involving equity issuance, mergers and acquisitions, corporate restructuring and corporate valuation.



Tan Yee Hou
Independent Non-Executive Director
Deputy Managing Director of LTKM's wholly-owned subsidiary LTK Development Sdn Bhd, which he led diversification into property sector.

KEY MANAGEMENT TEAM



KPower is led by a team of dynamic professionals with a wealth of experience in **project management and implementation, construction and investment activities especially in utility and renewable energy sectors.**



Mustakim Mat Nun

Group Managing Director

Over 24 years' experience in finance, power & water industries

Amirul Afif Abd Aziz

Group Chief Financial Officer

Over 20 years' experience in finance, power & water industries in Malaysia & Middle East



Muhammad Syukri Sulaiman

SVP, Head of Corporate Finance and Investor Relations

Over 15 years' experience in finance, power & infrastructure industries

Zainal Azwadi Zainal Abidin

SVP, Supply Chain Management

Over 20 years' experience in oil & gas, Finance & power industries



Khairulaklam Omar

SVP, Head of Project Development

Over 20 years' engineering experience in power & water covering Southeast Asia with multinational companies

Kamalulariffin Ahmad

VP, Head of Project Implementation

Over 20 years' experience in construction, water & energy project management



Lilik Harianti Saijan

VP, Head of Corporate Resources & Administration

Over 20 years' experience in multinational & government-linked companies across various sectors

Khairil Ikhzan Abd Aziz

VP, Head of Risk Management

Over 10 years' experience in credit assessment, corporate banking, capital market & structured finance



Puteri Nur Qistina Abd. Rahman

Acting Head of Finance

Over 10 years' experience in audit with several Big Four accounting firms



LEVERAGING ON HUMAN CAPITAL

The Board of Directors of KPower and key management team with **combined experience of over 200 years** will further enhance KPower's **strength to evolve for future growth**.

BOARD OF DIRECTORS

Diverse background

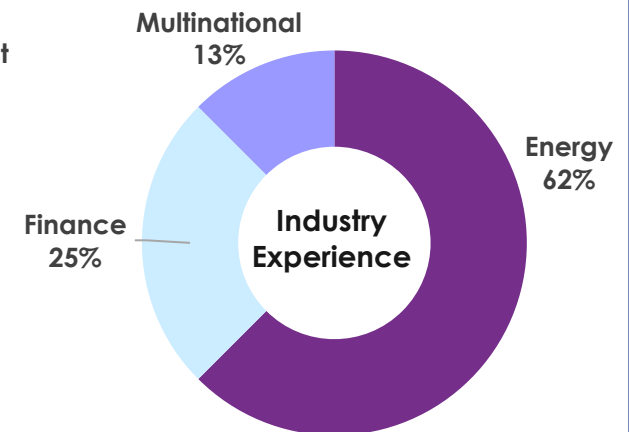
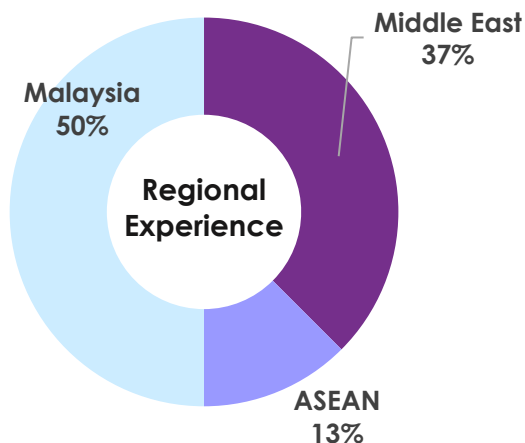
Extensive experience

Dynamic

Vast industry network

KEY MANAGEMENT

By leveraging on the management's vast experience and industry network, KPower is well positioned to land more major projects in the future.



THE NEW KPOWER - BUSINESS SEGMENT

The Company **successfully repositioned itself by expanding into new sectors to generate sustainable revenue streams**, in addition to its existing businesses.

ENERGY & UTILITIES

Green and renewable energy related to hydropower, solar, waste to energy and biomass



PROPERTY

Sustainable property development



LOGISTICS

To provide logistic solutions to complement various activities within the network of shareholders



HEALTHCARE & TECHNOLOGIES

To venture into healthcare and medical products focusing on technology applications and solutions



CORPORATE STRUCTURE



KPOWER

Energy & Utilities

Local

100%

KPower Engineering Sdn. Bhd.

Formerly known as Hypergize Link Sdn. Bhd.

International

100%

KPower International (L) Ltd.

Property

Development

100%

KPower Development Sdn. Bhd.

Formerly known as Powernet Properties Sdn. Bhd.

Investment

100%

Zelinn Limited

Logistics

100%

KPower Logistics Sdn. Bhd.

51%

Chemtrax Sdn. Bhd.

Healthcare & Technologies

100%

KPower Healthcare & Technologies Sdn. Bhd.

100%

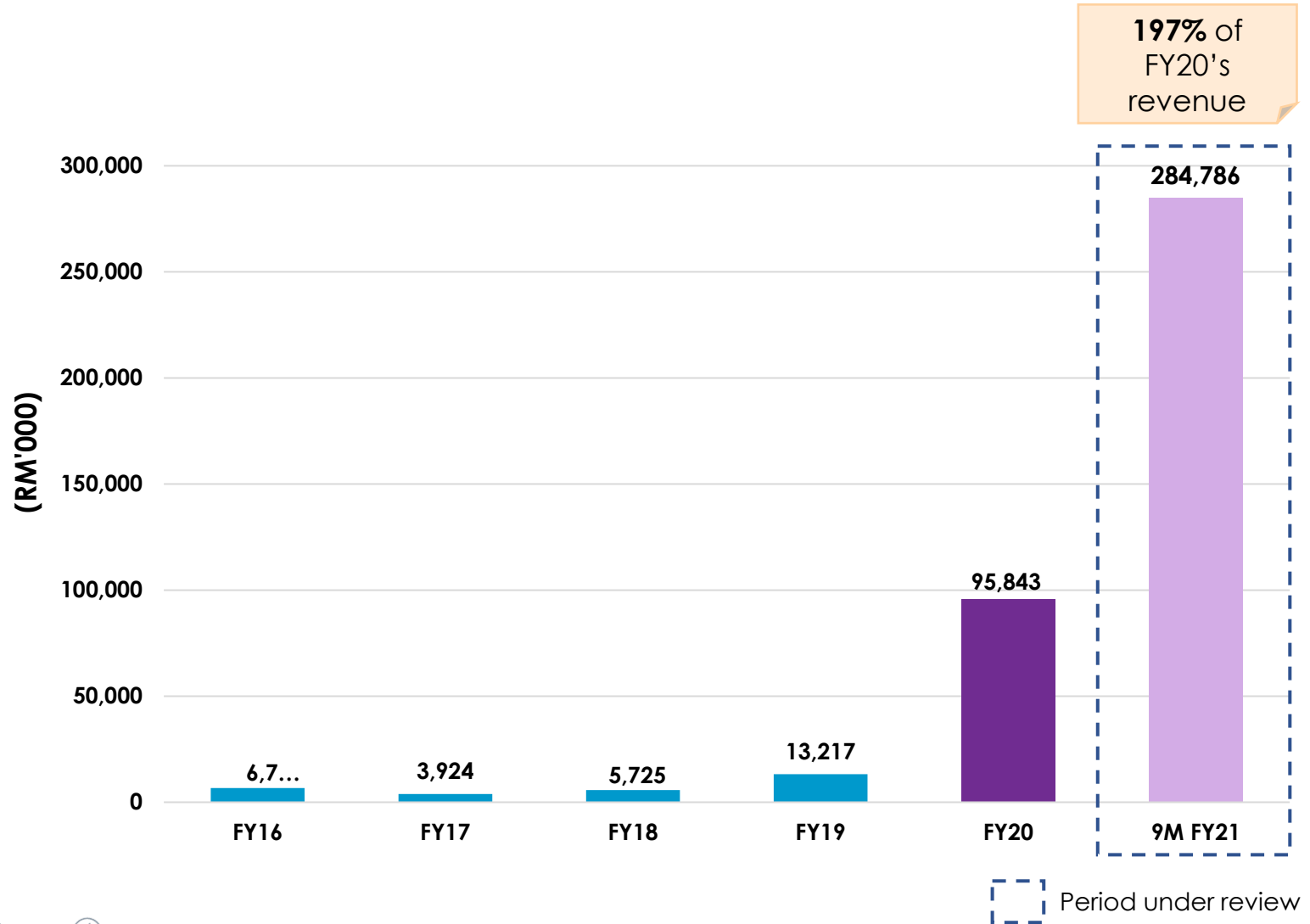
Powernet Industries Sdn. Bhd.

70%

Granulab (M) Sdn. Bhd.

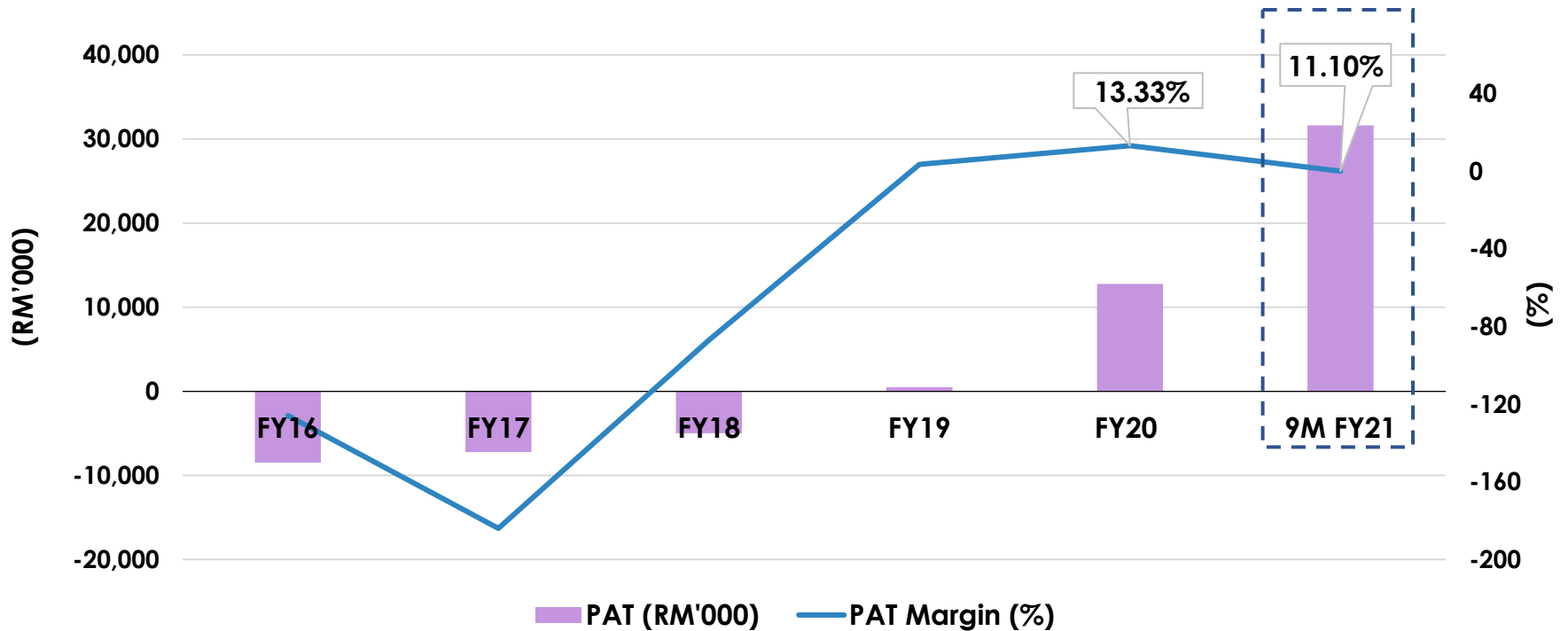


TOTAL REVENUE




PROFITABILITY

PROFIT AFTER TAX ("PAT") AND PAT MARGIN



	FY16	FY17	FY18	FY19	FY20	9M FY21
PAT (RM'000)	(8,481)	(7,218)	(4,977)	481	12,776	31,621
PAT Margin (%)	(125.89)	(183.94)	(86.94)	3.64	13.33	11.10

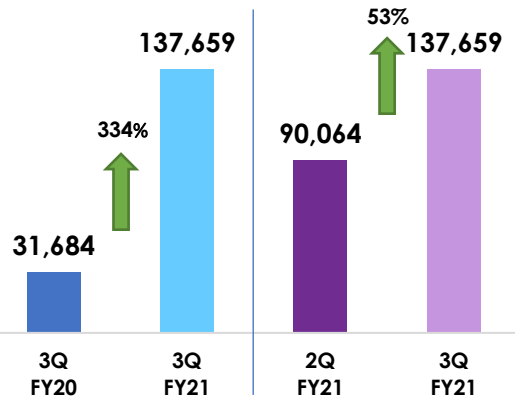
 Period under review

FINANCIAL PERFORMANCE

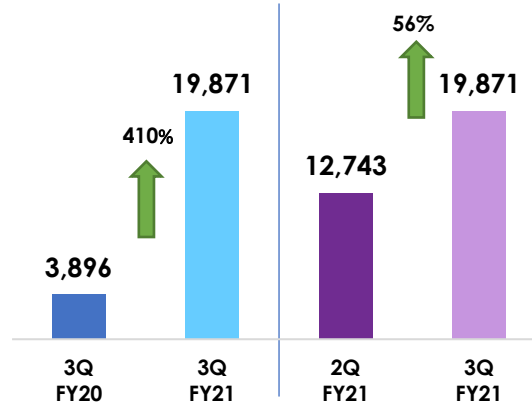
Improved Quarter-on-Quarter Performance



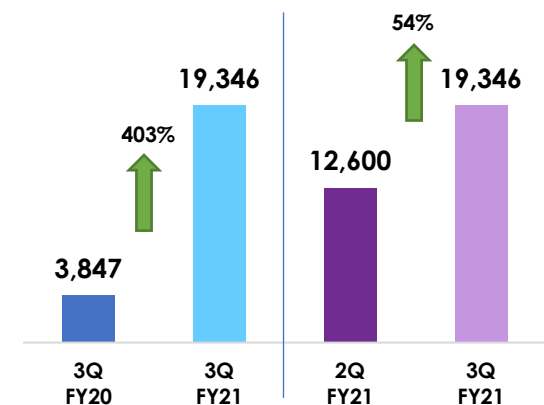
**Revenue
(RM'000)**



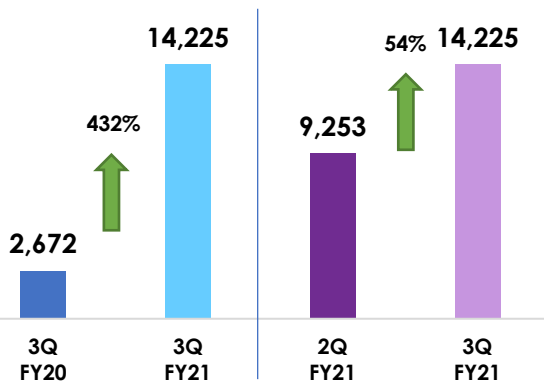
**Operating profit
(RM'000)**



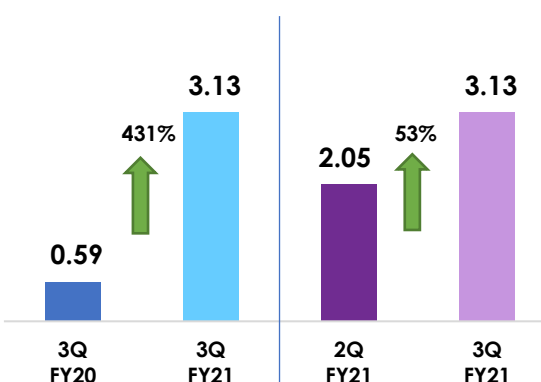
**Profit before tax
(RM'000)**



**Profit after tax
(RM'000)**



**Basic earnings
per share* (sen)**



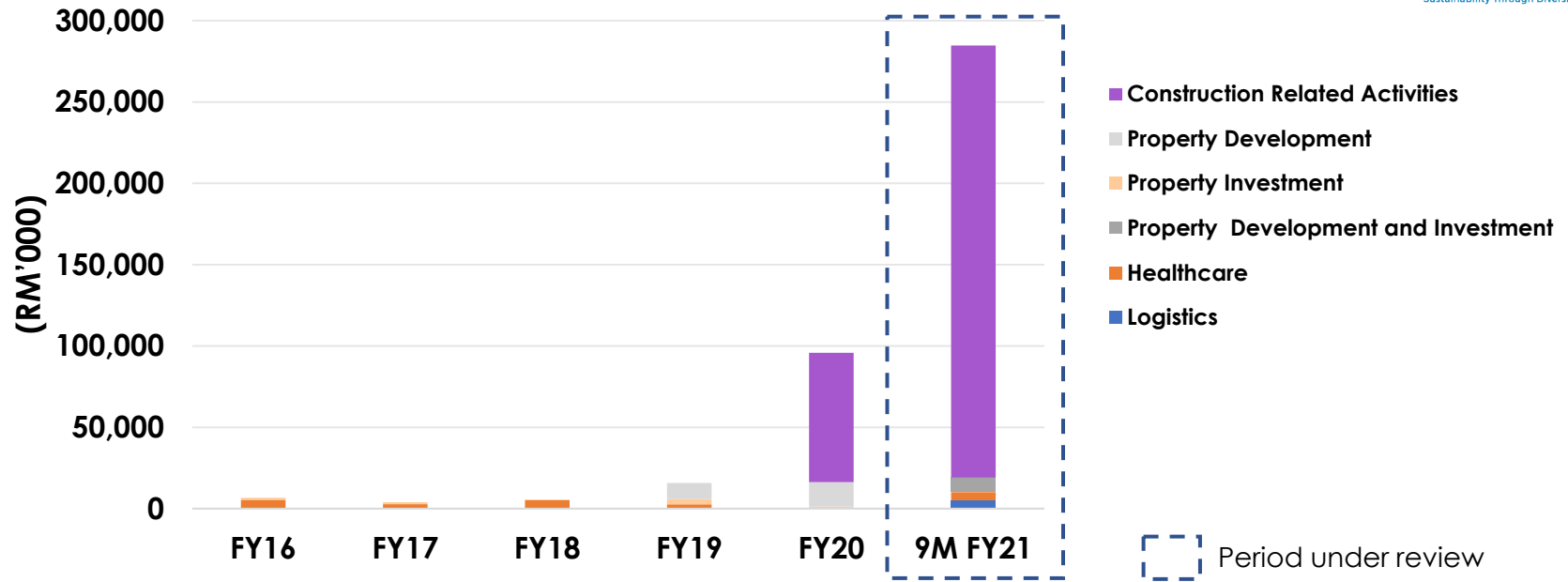
**Net asset per share*
(RM)**



*Note: Calculation based on number of shares of 452,330,648



SEGMENTAL REVENUE



Segments	FY (RM'000)					9M FY21	
	2016	2017	2018	2019	2020	RM'000	% Contribution
Construction Related Activities	-	-	-	-	79,571	265,597	93.26
Property Development	-	-	-	9,802	15,010	9,043	3.18
Property Investment	1,321	1,156	519	3,275	606		
Healthcare*	5,435	2,768	5,209	2,669	656	5,025	1.76
Logistics	-	-	-	-	-	5,121	1.80

*Note: The healthcare segment was derived from the reclassification of manufacturing segment



FUTURE OUTLOOK
Industry

OUTLOOK OF CURRENT BUSINESS



World Energy Consumption by 2050

+50%

Most of this growth comes from regions where strong economic growth is driving demand, particularly in Asia

Renewables – accounting for almost ¼ of global demand growth
+4.0%



Global Renewable Energy Investment Trends, 2010-2019

USD 2.8 trillion

total renewable energy investment

USD 301.7B

total investment in 2019



Malaysia and ASEAN's Energy Mix Target by 2025

35% share of renewable energy in installed power capacity **by 2025** (20% in 2019)

Forecasted up to **RM1.1 trillion of Renewable Energy investment in ASEAN countries**

RM 33B investments to be supported by government, public-private partnerships & private financing. Latest government stimulus via 1000 MW LSS4.

In February 2021, 187 MW Feed-in Tariff quota for Hydro, Biomass and Biogas for 2021 was released.



Asia Estimated Infrastructure Investment Needs, 2016-2030

USD 22,551B

including maintenance & rehabilitation costs (without climate change mitigation & adaptation costs)

- ⚡ Power: USD 11,689B
- 🚉 Transport: USD 7,796B
- 📶 Telecommunications: USD 2,279B
- 💧 Water & sanitation: USD 787B



Small Hydropower Plants Growth in Malaysia by 2024

225MW

(from 59.3MW in 2018)

Representing CAGR of **24%**

Sources:

U.S. Energy Information Administration; Frankfurt School-UNEP Centre; International Energy Agency; Joint Ministerial Statement of the 38th ASEAN Ministers on Energy Meeting, 19 November 2020 ; Asian Development Bank; Protégé Associates Sdn Bhd; Sustainable Energy Development Authority



SECTOR OUTLOOK

Opportunities in the Energy Sector

Main concerns of ASEAN countries

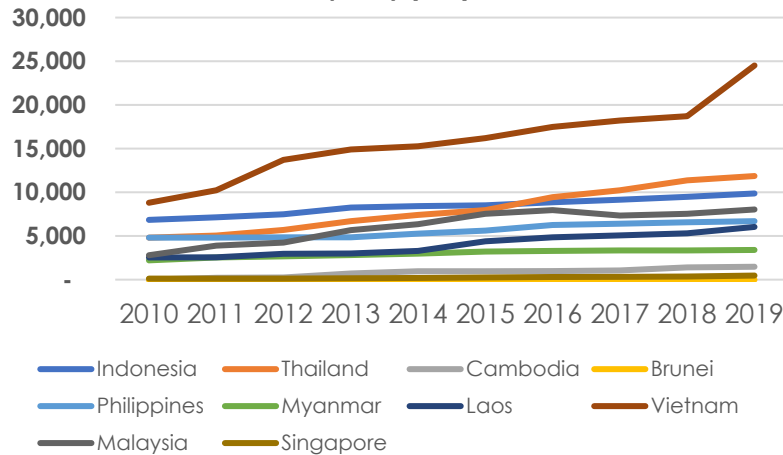
Energy security

Struggling to meet the escalating energy demand of the growing populations and economies

The need to develop energy infrastructure

Low electrification rate among the countries especially the rural areas

RE Installed Capacity (MW) in Southeast Asia



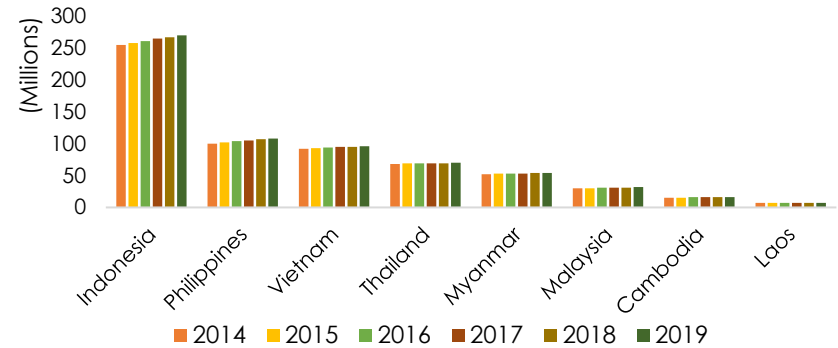
Source: Renewable Energy Statistics 2020, International Renewable Energy Agency (IRENA)

A new target of **35% renewable energy** in installed power capacity in the ASEAN region **by 2025**

Source: Joint Ministerial Statement of the 38th ASEAN Ministers on Energy Meeting, 19 November 2020

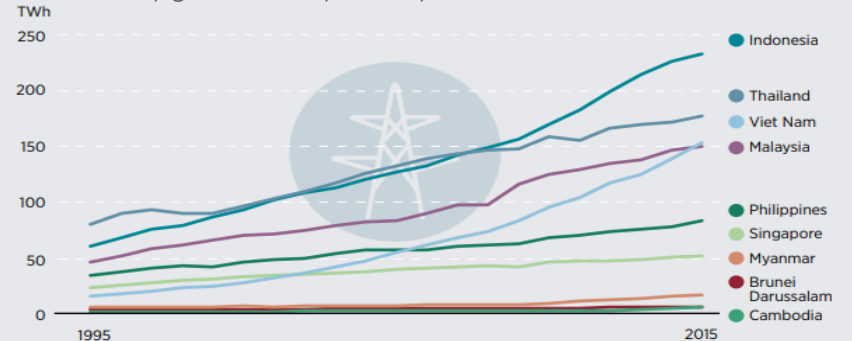
Rapid Economic & Demographic Growth

Total Population (2014-2019)



Electricity generation in the region has tripled between 1995 and 2015, reaching over 872 terawatt hours (TWh). During this period, electricity generation grew at an average rate of 7% per year, led by increases in Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam

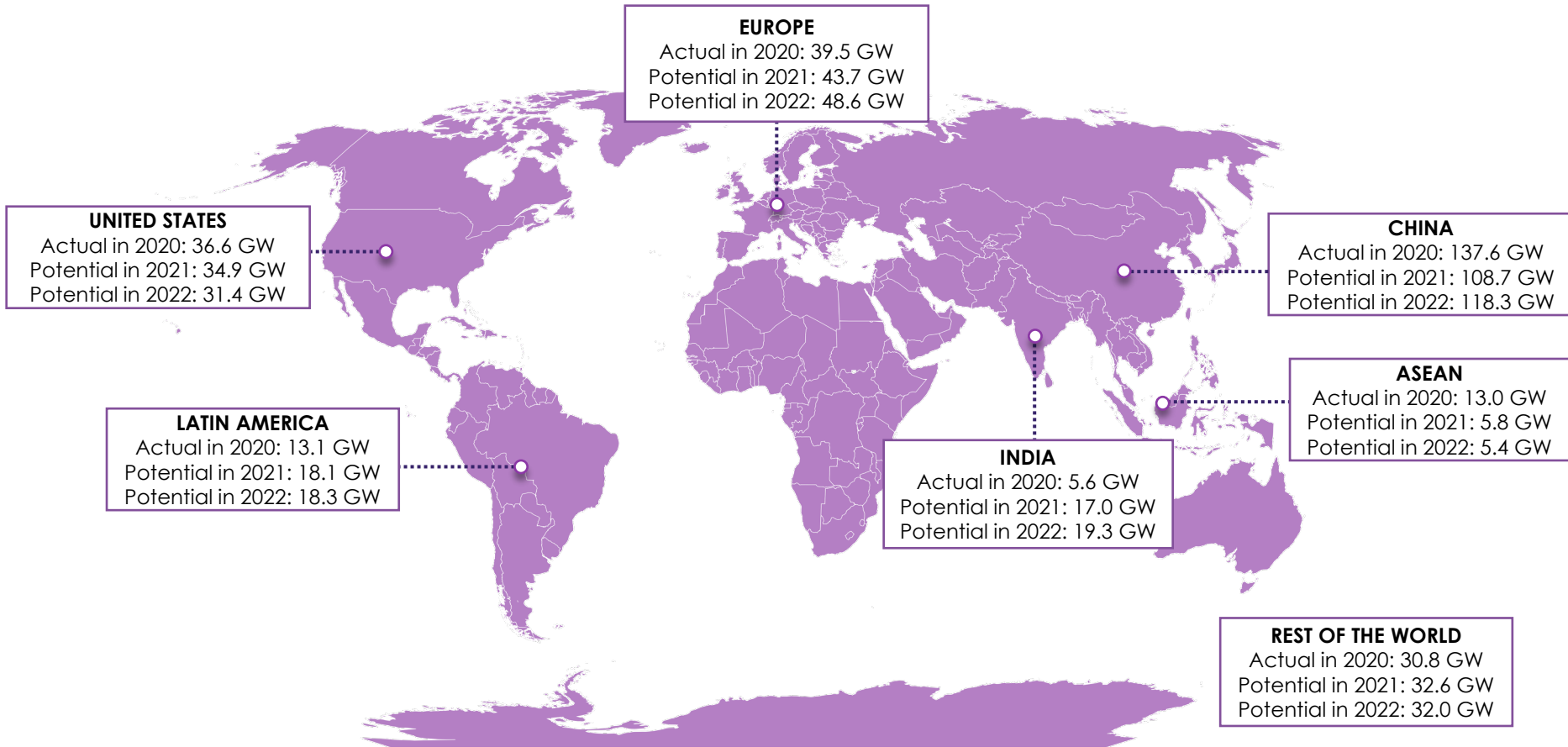
Electricity generation by country in Southeast Asia, 1995-2015



Source: International Energy Agency, 2017

SECTOR OUTLOOK

Global Annual Renewable Energy Capacity Additions

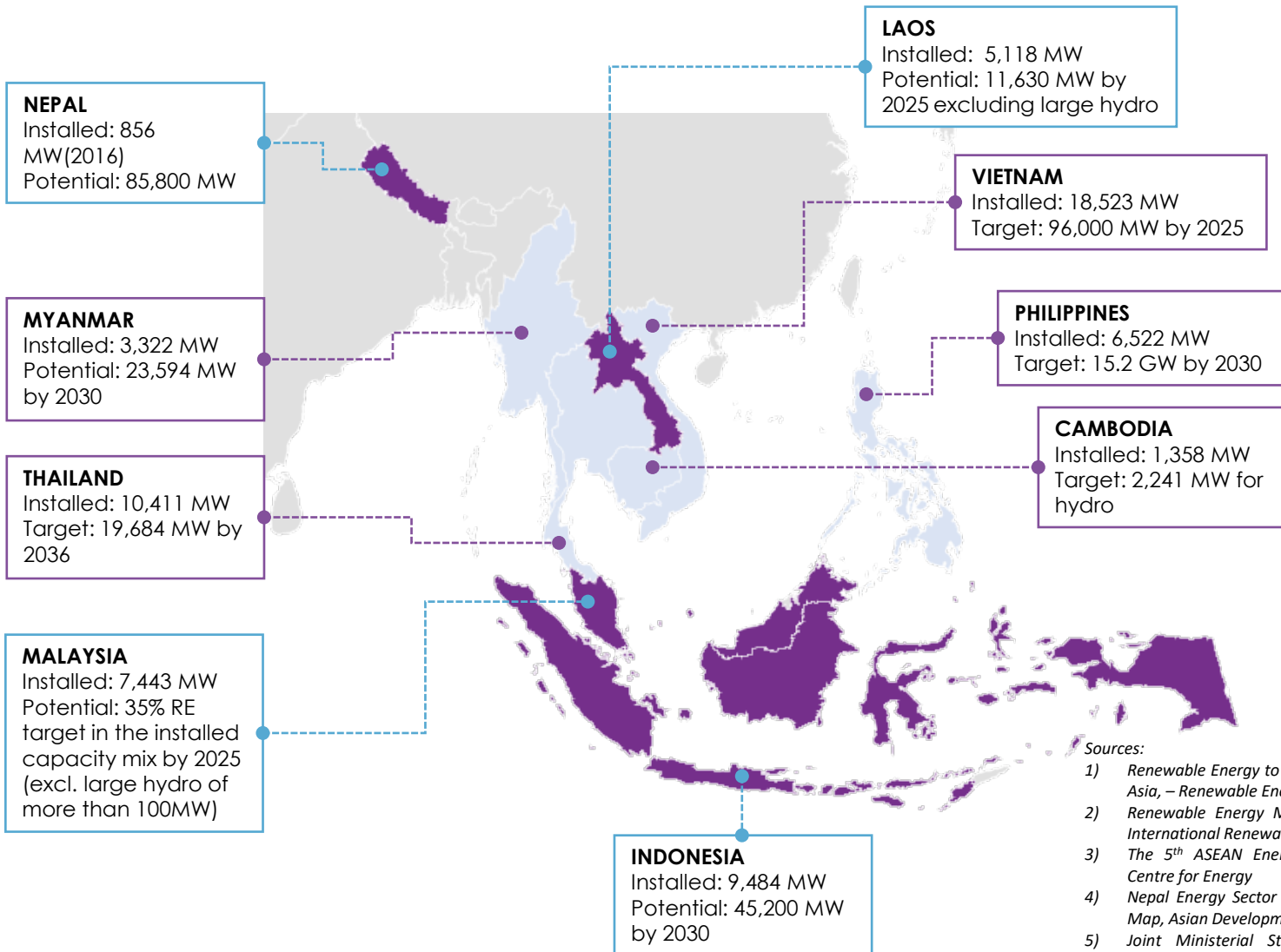


Source: Renewable Energy Market Update 2021, May 2021, International Energy Agency



SECTOR OUTLOOK

Opportunities in the Renewable Energy Sector



Sources:

- 1) *Renewable Energy to Replace Coal Power in Southeast Asia*, – Renewable Energy Institute, October 2019
- 2) *Renewable Energy Market Analysis, Southeast Asia*, International Renewable Energy Agency
- 3) *The 5th ASEAN Energy Outlook 2015-2040*, ASEAN Centre for Energy
- 4) *Nepal Energy Sector Assessment, Strategy, and Road Map*, Asian Development Bank, March 2017
- 5) *Joint Ministerial Statement of the 38th ASEAN Ministers on Energy Meeting*, 19 November 2020





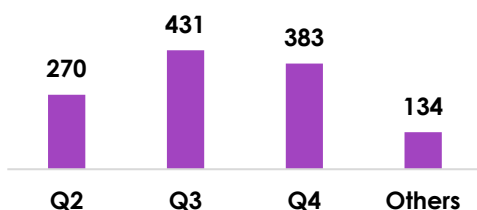
FUTURE OUTLOOK

Group

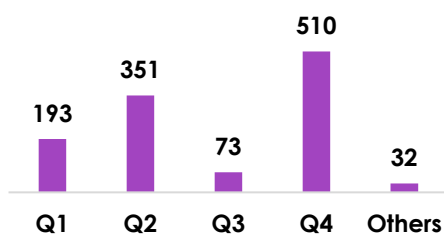
CURRENT ORDER BOOK




FYE2020 Order Book (RM'million)




FYE2021 Order Book (RM'million)



MALAYSIA 	Contract Value
Kuala Lumpur Sewerage Treatment Plant	RM270 million
32.47 MW Perak Mini Hydropower Plants	RM365 million
Property Development	RM42 million
27.3 MW Perak Mini Hydropower Plant	RM296 million
MOA with PIBB for Solar PV Systems	-
44.6 MW Pahang Mini Hydropower Plants	RM475 million
5.25 MW Perak Mini Hydropower Plant	RM35 million
Miscellaneous	RM81 million

NEPAL 	Contract Value
22.9 MW Mini Hydropower Plant	USD48 million (equivalent to approximately RM208 million)
22 MW Nepal Mini Hydropower Plant	USD46.2 million (equivalent to approximately RM193 million)

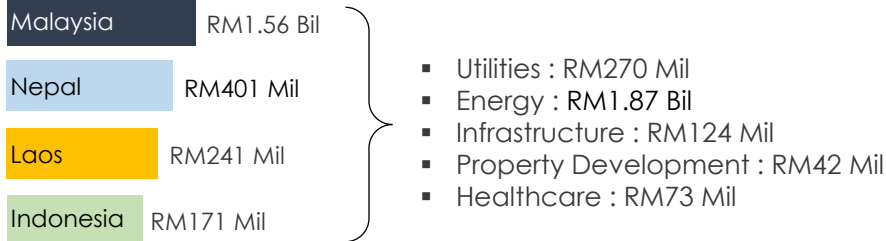
INDONESIA 	Contract Value
3.1 MW Sg. Simpang, Sumatera Mini Hydropower Plant	USD7 million (equivalent to approximately RM30 million)
2.6 MW Sg. Klaai, Sumatera Mini Hydropower Plant	USD6 million (equivalent to approximately RM25 million)
Supply of PCR Reagent Kit for COVID-19	USD6 million (equivalent to approximately RM24 million)
Supply of Airbag and Genose COVID-19 Kits	USD12 million (equivalent to approximately RM49 million)
Miscellaneous	Approximately RM43 million

LAOS 	Contract Value
8 MW Nam Samoy Hydropower Plant	USD16 million (equivalent to approximately RM66 million)
3X5 MW Nam Taep 1 and 3X5 MW Nam Taep 2 Hydropower Plants	USD41 million (equivalent to approximately RM175 million)



CURRENT TENDER ACTIVITIES

TOTAL BID WON
(since KPower's acquisition)
RM2.37 Billion



TOTAL ORDER BOOK OUTSTANDING
(as at 20 May 2021)

RM1.996 Billion

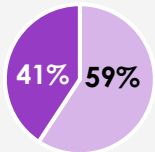
Laos & other north ASEAN countries
RM445 Million



TOTAL BID = RM4.23 Billion

Middle East
RM1.35 Billion

■ Infrastructure ■ Energy



Nepal
RM302 Million

■ Energy

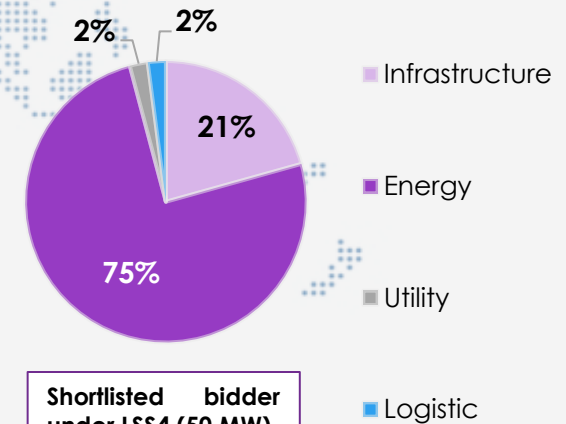


Indonesia
RM1.169 Billion

■ Energy



Malaysia
RM968 Million



Shortlisted bidder under LSS4 (50 MW)



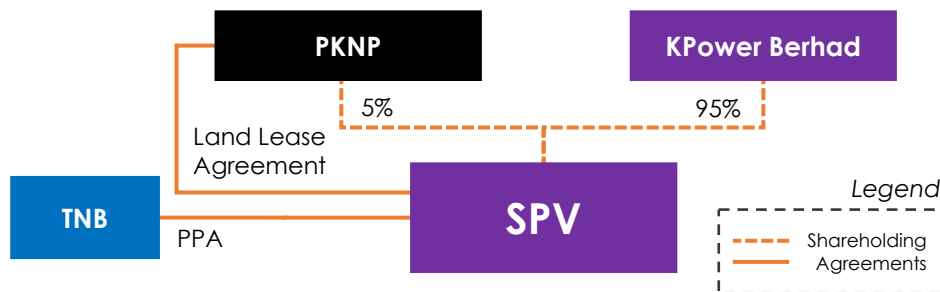
LSS4 – KPower’s 1st Asset Ownership



The Government of Malaysia (“GoM”), through Energy Commission (“EC”) had on 31 May 2020 issued a Request for Proposal (“RFP”) under the Large Scale Solar4@MEnTARI programme (“LSS4”). LSS4 will increase Peninsular Malaysia’s renewable energy generation capacity by up to 1,000 MW_{a.c.} by year 2022 and 2023.

On 2 September 2020, KPower in collaboration with Perbadanan Kemajuan Negeri Pahang (“PKNP”) (collectively known as the “Consortium”) participated and submitted a bid for a 50 MW_{a.c.} plant sited in Pekan, Pahang.

Subsequently, the Consortium has been shortlisted for development of 50 MW_{a.c.} as per EC’s announcement on 12 March 2021.



Project Details	
Site Location	PT3619 & PT3620, Mukim Bebar, Pekan, Pahang
Export Capacity	50.000 MW _{a.c.}
Interconnection Point	PMU Pekan Industri 132kV



KEY TAKEAWAYS

Improvement in financial performance from new business

- ✓ Recorded an increase in revenue by 334% y-o-y during 3Q FY2021.
- ✓ Profitability grew by 432% y-o-y in the same period.
- ✓ Driven by construction related activities mainly due to site progress of existing projects, commencement of works in Indonesia and contributions from projects based on order basis in Malaysia and abroad.

On track to expand and strengthen regional presence

- ✓ Expansion of product offering from Hydro to Solar.
- ✓ Asset ownership model via shortlisted bidder in LSS4 for development of 50MW solar photovoltaic plant in Pahang, Malaysia.
- ✓ Recent RM475 million of EPCC win marked as our first hydropower projects in Pahang, Malaysia.
- ✓ Secured RM2.37 billion across Malaysia, Laos, Indonesia and Nepal since June 2019.
- ✓ In talks with various parties to secure projects in various territories.
- ✓ Ongoing effort to expand and enhance our internal capabilities and resources to drive and support the expansion.

Steadily progressing the growing path

- ✓ Achieved RM1.2 billion order book of works in FY2020 which provides the earnings visibility for next 3-4 years.
- ✓ Out of RM2.0 billion order book target in FY2021, RM1.158 billion is secured.
- ✓ Exploring potential mergers and acquisitions to enhance business prospects.
- ✓ Major shareholders are committed to support the capital requirements of the Group.



NEWS & COVERAGE



KPower 3Q net profit jumps five fold, driven by construction activities
theedgemarkets.com/article/kpower-3q-net-profit-jumps-five-fold-driven-construction-activities
 May 20, 2021

KPower earnings jumps to RM14.14mil in Q3
thestar.com.my/business/business-news/2021/05/20/kpower-earnings-jumps-to-rm1414mil-in-q3
 20 May 2021

KPower's Q3 profit soars more than four-fold, eighth consecutive record-breaking quarter
nst.com.my/business/2021/05/691665/kpowers-q3-profit-soars-more-four-fold-eighth-consecutive-record-breaking
 May 20, 2021

KPOWER
 IPO/ML EQUITY (KPOW.KL)
9MFY21 net profit records over fivefold surge
BUY
 (Maintained)
 21 May 2021

Company report
 AmInvestment Bank
 Rationale for report: Company results
 Investment Highlights

Key Changes

	FY20	FY21	TY20	TY21
Revenue (RM mil)	481.9	601.8	1,201.4	1,251.3
Core net profit (RM mil)	12.8	61.0	21.9	23.3
FD Core EPS (sen)	0.01	0.03	0.02	0.02
FD Core EPS growth (%)	nil	22.8	22.8	0.0
Customer Net Profit (RM mil)	38.5	111.1	33.8	35.8
EPS (sen)	0.0	1.8	0.4	1.7
EPS growth (%)	nil	35.3	1.1	32.8
EPS (RM mil)	0.0	22.5	2.8	22.5
EPS growth (%)	nil	35.3	1.1	32.8

Share and Financial Data

	3Q21	6M21	9M21	Q320
Free Float	24.5	24.5	24.5	24.5
Avg Daily Volume (RM mil)	24.5	24.5	24.5	24.5
Market Cap (RM mil)	24.5	24.5	24.5	24.5
Shareholders	10.5	10.5	10.5	10.5

Price performance

In a statement today, KPower said its mainstay, the construction related activities segment, remained the largest revenue contributor in Q3 with RM127 million or 92 per cent of its total revenue.

NEWS

to RM14.14mil, or 4.17 sen earnings
 1 from RM2.67mil, or 0.64 sen EPS in



THANK YOU

C1-1-1, Solaris Dutamas, No 1, Jalan Dutamas 1, 50480 Kuala Lumpur,
Malaysia

Tel : +603-62032929

Fax: +603-62032939

Email: investor@kpower.com.my

Website: www.kpower.com.my

Elliya Harisna Junaedi

Corporate Finance & Investor Relations

Email: elliya@kpower.com.my

Effie Hanan

Public Relations & Investor Relations

Email: effiehanan@glowcomms.com.my