



KPOWER BERHAD

(formerly known as Kumpulan Powernet Berhad)

CORPORATE PRESENTATION

1Q FY2021

DECEMBER 2020

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AGENDA



1 Investment Merits

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 Key Takeaways

11 News & Coverage



Earnings Growth Catalysts

- On growth mode with focus on renewable energy, utilities and infrastructure jobs
- Achieved RM1.2 billion order book for FY2020
- Aims to achieve RM2 billion order book for FY2021

Established & Experienced Board of Directors and Management

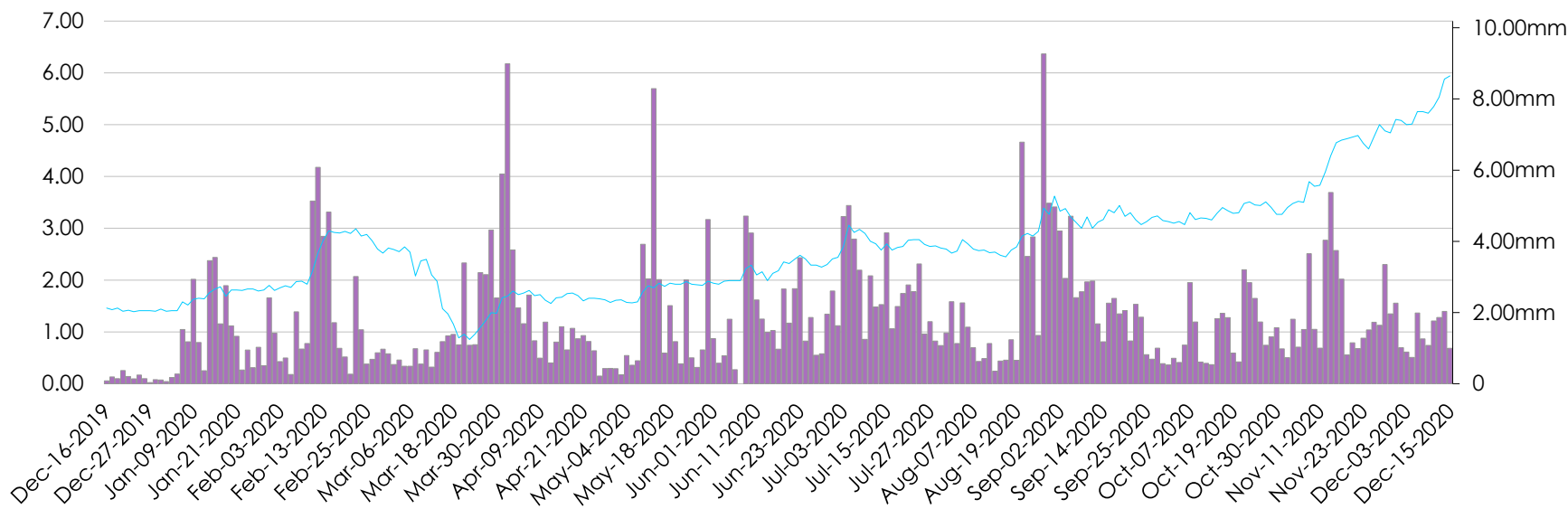
- Directors and management with experience across diverse areas under energy, utilities and construction industries
- Ability in replicating execution capabilities for KPower's growth



STOCK INFORMATION



1-YEAR SHARE PRICE AND VOLUME MOVEMENT



| | |
|---------------------------|--------------------------------|
| Stock Name / Code | : KPOWER / Code: 7130 |
| Market | : Main Market |
| Sector | : Consumer Products & Services |
| Shares Outstanding | : 113.08 million |
| Market Capital | : RM 671.7 million |
| 52-week high/low | : RM 6.00 / RM 0.85 |
| Share Price | : RM 5.94 (15 December 2020) |
| Dividend Policy | : 20% of PAT |

SUBSTANTIAL SHAREHOLDERS

| Holder | % of Total Shares Outstanding |
|-------------------------------|-------------------------------|
| Mohd Abdul Karim bin Abdullah | 32.94 |
| Grand Deal Vision Sdn Bhd | 14.94 |

Source: S&P Capital IQ, as at 15 December 2020



HISTORY & KEY MILESTONES

- **Exceeded RM1.0 billion orderbook** target for the financial year ended 30 June 2020.
- Secured the following projects:
 - USD16 million of renewable energy project in Laos.
 - RM365 million of renewable energy project in Perak, Malaysia.
 - USD48 million of renewable energy project in Nepal.
 - USD41 million of civil works for a hydropower project in Laos.
 - USD46.2 million of renewable energy project in Nepal.
 - USD13 million of renewable energy projects in Indonesia.
 - RM296 million of renewable energy project in Perak, Malaysia
- Private Placements: 10% + 35% of the total number of issued shares.
- Diversification of the Company's principal activities.
- Acquired 51% stake in logistics company, Chemtrax Sdn. Bhd.
- Proposed share split and issuance of free warrants.

- KPower, via Zelinn Limited acquired a freehold student accommodation building in Liverpool.
- KPower acquired development rights for a commercial development in Sentul, Kuala Lumpur.

2013-2016

1979-2002

2019

2020

- Founded as a textile manufacturer.
- KPower is formed as an investment holding company.
- Listed on Bursa Malaysia's second board in 2002.

- 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.
- The Group diversified into energy & utilities and infrastructure & logistics.
- Secured RM270 million of utilities project in Kuala Lumpur, Malaysia.



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 23 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 13 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 19 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 23 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 and 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 and Acting Head of Risk & Compliance

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



Khairulaklam Omar

SVP, Head of Project Development

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

Kamalulariffin Ahmad

VP, Head of Project Implementation

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



Puteri Nur Qistina Abd. Rahman

Acting Head of Finance

10 years of experience in audit with several Big Four accounting firms

Lilik Harianti Saijan

VP, Head of Corporate Resources & Administration

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



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

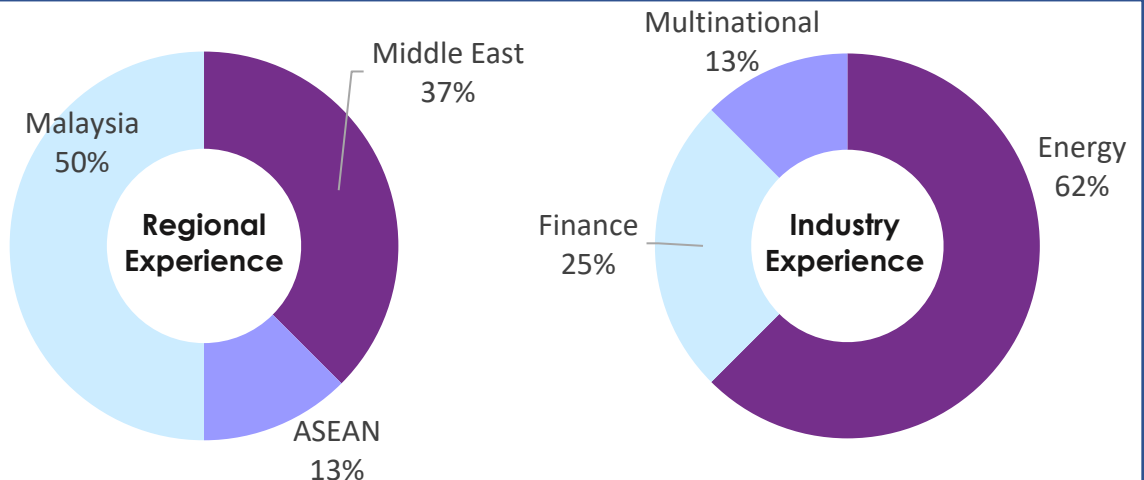
Extensive experience

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

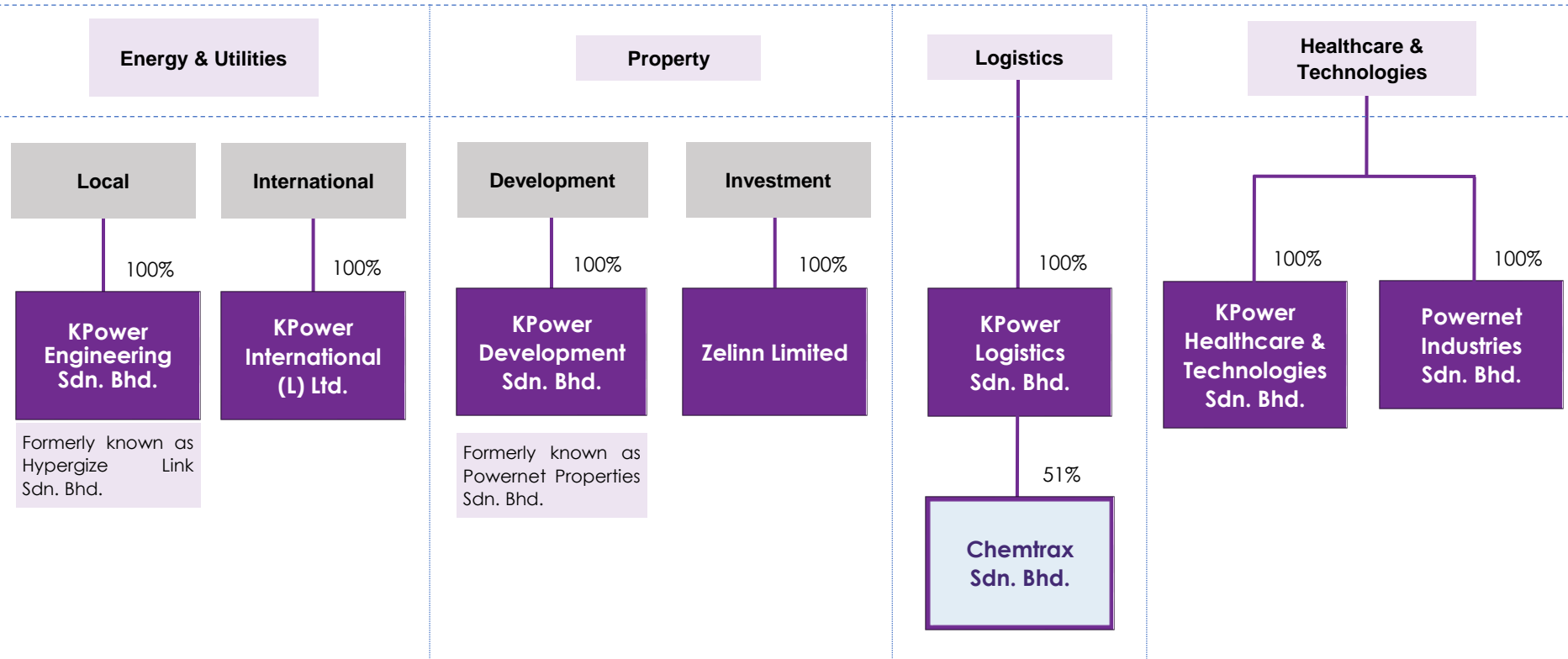
To venture into healthcare and medical products focusing on technology applications and solutions



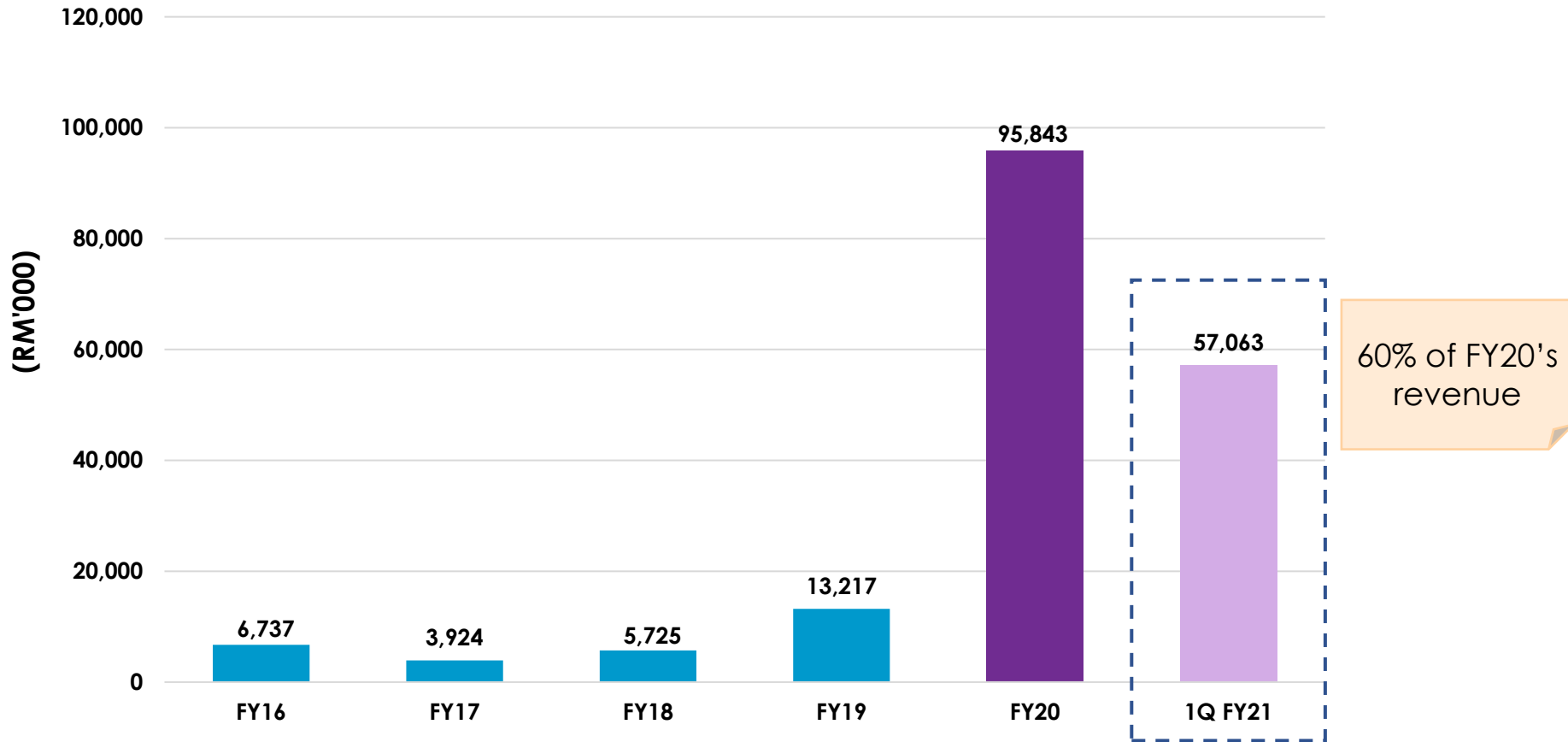
CORPORATE STRUCTURE



KPOWER



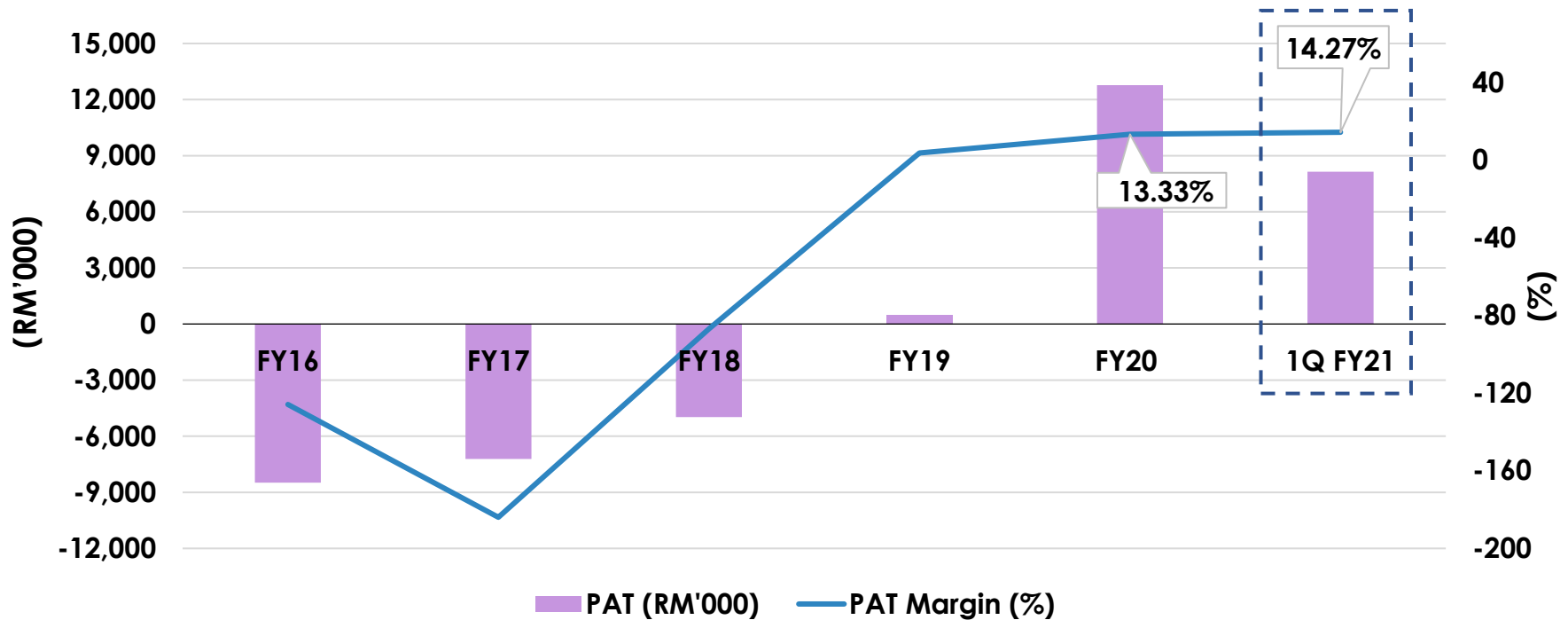
TOTAL REVENUE




 Quarter under review

PROFITABILITY

PROFIT AFTER TAX (“PAT”) AND PAT MARGIN



| | FY16 | FY17 | FY18 | FY19 | FY20 | 1Q FY21 |
|-----------------------|----------|----------|---------|------|--------|---------|
| PAT (RM'000) | (8,481) | (7,218) | (4,977) | 481 | 12,776 | 8,143 |
| PAT Margin (%) | (125.89) | (183.94) | (86.94) | 3.64 | 13.33 | 14.27 |

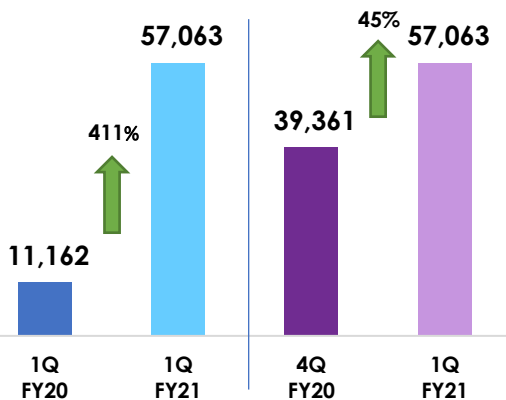
 Quarter under review

FINANCIAL PERFORMANCE

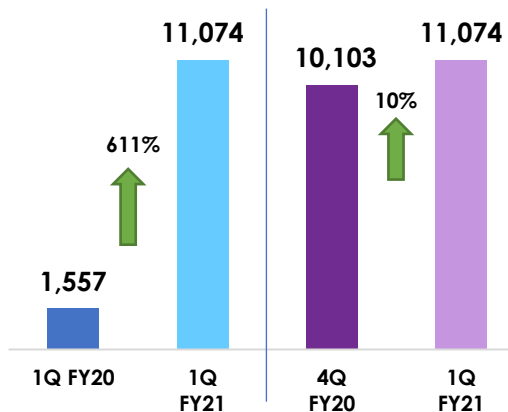
Improved Quarter-on-Quarter Performance



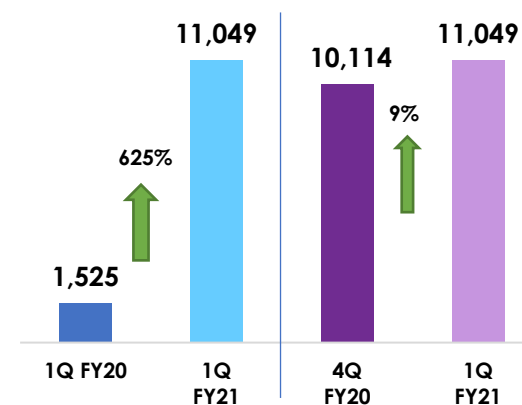
Revenue
(RM'000)



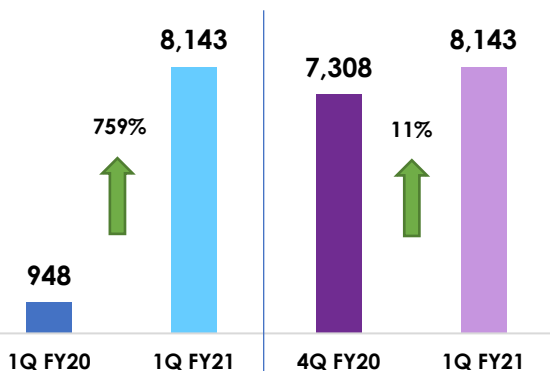
Operating profit/(loss)
(RM'000)



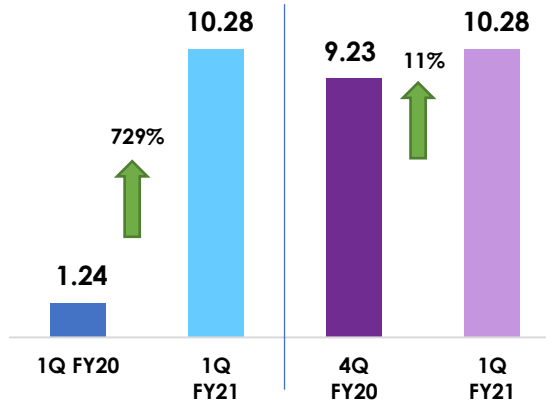
Profit/(loss) before tax
(RM'000)



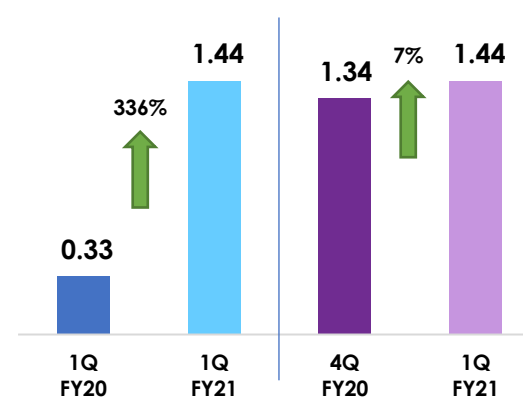
Profit/(loss) after tax
(RM'000)



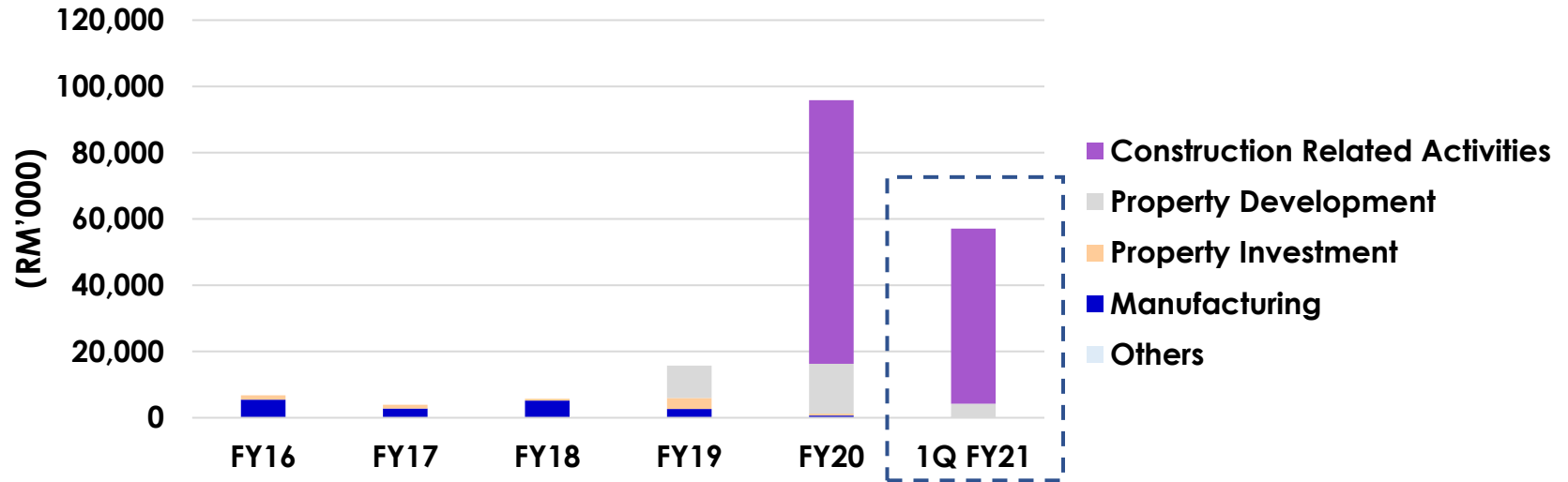
Basic earnings/(loss)
per share (sen)




Net asset per share
(RM)



SEGMENTAL BREAKDOWN



| Segments | FY (RM'000) | | | | | 1Q FY21 | |
|---------------------------------|-------------|-------|-------|-------|--------|---------|----------------|
| | 2016 | 2017 | 2018 | 2019 | 2020 | RM'000 | % Contribution |
| Construction Related Activities | - | - | - | - | 79,571 | 52,809 | 92.54 |
| Property Development | - | - | - | 9,802 | 15,010 | 4,092 | 7.17 |
| Property Investment | 1,321 | 1,156 | 519 | 3,275 | 606 | 21 | 0.04 |
| Manufacturing | 5,435 | 2,768 | 5,209 | 2,669 | 656 | 141 | 0.25 |
| Others | 8 | - | - | - | - | - | - |

 Quarter under review



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% from renewable energy in installed power capacity (20% in 2019)

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



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



SECTOR OUTLOOK

Opportunities in the Energy Sector

Main concerns of ASEAN countries

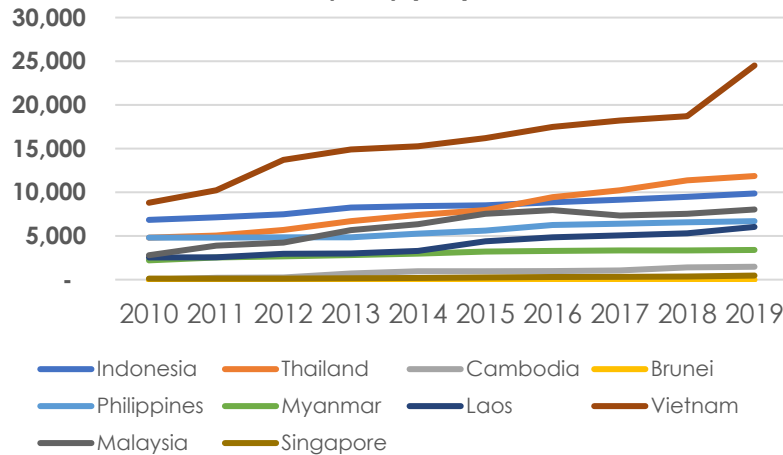
Energy security

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



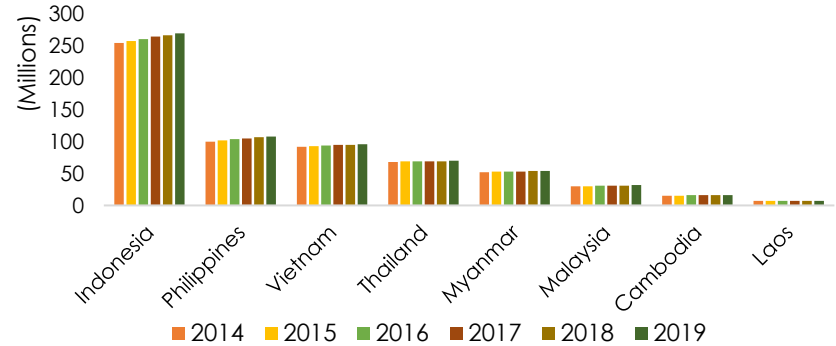
Source: Renewable Energy Statistics 2020, International Renewable Energy Agency (IRENA)

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

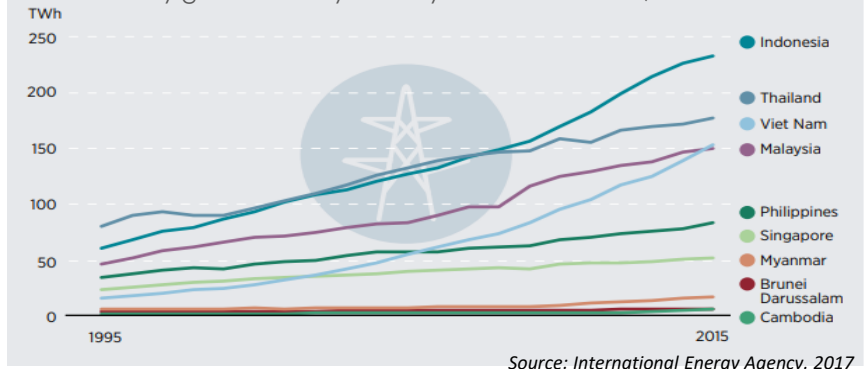
Rapid Economic & Demographic Growth

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

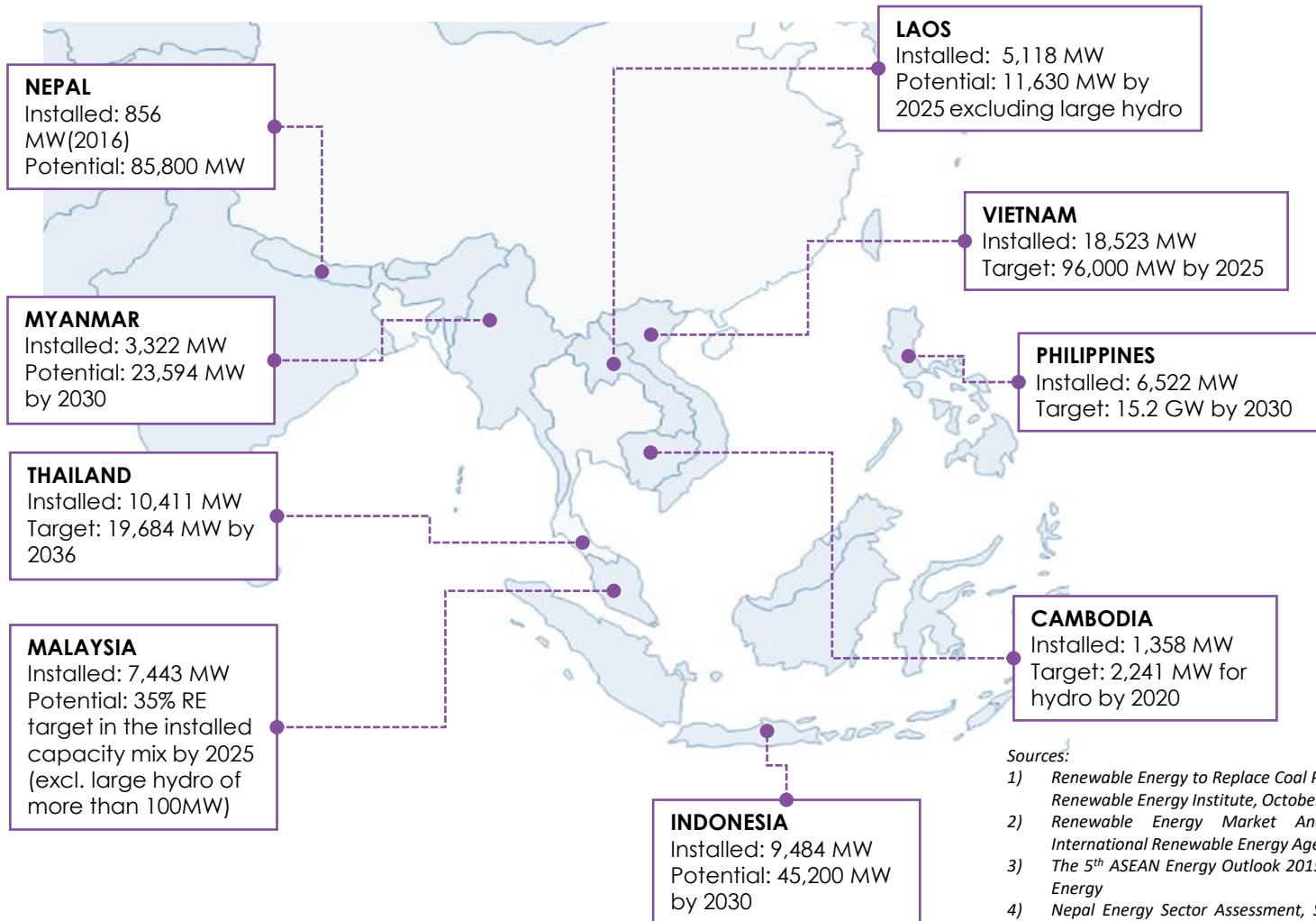
Electricity generation by country in Southeast Asia, 1995-2015



Source: International Energy Agency, 2017

SECTOR OUTLOOK

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



SECTOR OUTLOOK

Opportunities in the Utilities Industry – Water Related Activities



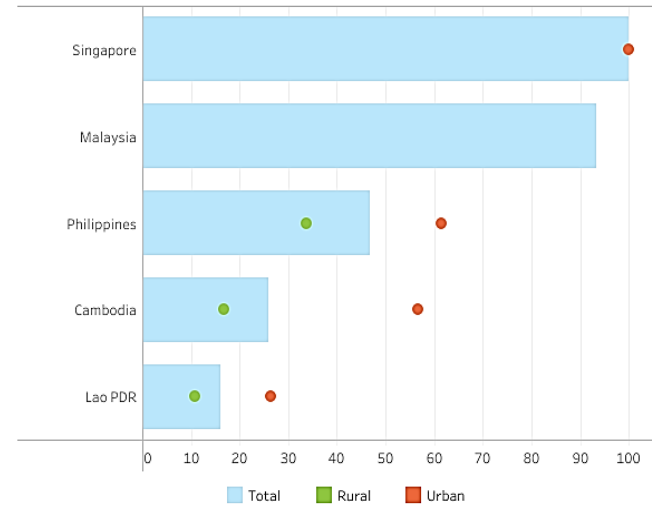
Growth Opportunities

Propelled by a rapid population growth & urbanisation

Inadequate infrastructure

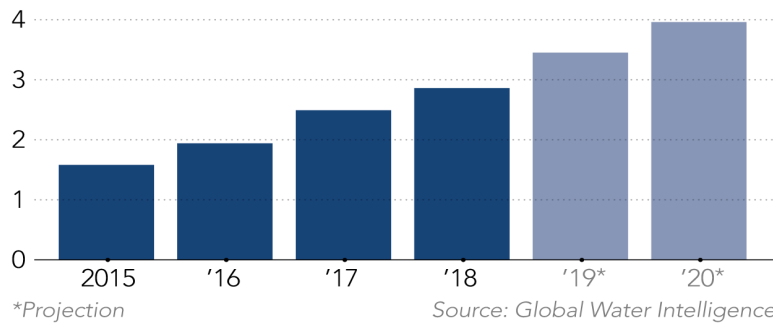
- In Southeast Asia, the water and wastewater services industry is still nascent with a highly fragmented market.
- Although Singapore and Malaysia are currently the markets with the most activity, developing markets such as Indonesia, Vietnam, and the Philippines are expected to offer strong growth opportunities in the coming years.

Proportion of the Population Using Safely Managed Drinking Water Services, 2017 (%)



Investment in Sea

Rising sewage treatment investment in Southeast Asia (in billions of dollars)



The Asia Pacific (Asia) total water and wastewater services industry market is considered to be at the growth stage, with varied development stage across countries in the region.

~300 million have no access to safe drinking water

~1.5 billion people lack basic sanitation

Sources:

1. Asian Development Bank
2. Water Situation and Opportunities in Asia, Asiawater.org
3. Growth Opportunities in APAC Water & Wastewater Services Market, Frost & Sullivan





FUTURE OUTLOOK

Group

CURRENT ORDER BOOK



8 MW NAM SAMOY HYDROPOWER PLANT

Contract Value : USD16 million
(equivalent to approximately RM66 million)

3X5 MW NAM TAEP 1 AND 3X5 MW NAM TAEP 2 HYDROPOWER PLANTS

Contract Value : USD41 million
(equivalent to approximately RM175 million)



KUALA LUMPUR SEWERAGE TREATMENT PLANT

Contract Value : RM270 million

32.47 MW PERAK MINI HYDROPOWER PLANTS

Contract Value : RM365 million

PROPERTY DEVELOPMENT & OTHER JOBS

Contract Value : RM53 million

27.3 MW PERAK MINI HYDROPOWER PLANT

Contract Value : RM296 million



3.1 MW SG. SIMPANG, SUMATERA MINI HYDROPOWER PLANT

Contract Value : USD7 million
(equivalent to approximately RM30 million)

2.6 MW SG. KLAAI, SUMATERA MINI HYDROPOWER PLANT

Contract Value : USD6 million
(equivalent to approximately RM25 million)

MISCELLANEOUS

Contract Value : Approximately RM40 million



22.9 MW NEPAL MINI HYDROPOWER PLANT

Contract Value : USD48 million (equivalent to approximately RM208 million)

22 MW NEPAL MINI HYDROPOWER PLANT

Contract Value : USD46.2 million
(equivalent to approximately RM193 million)

CURRENT TENDER ACTIVITIES

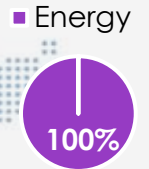
TOTAL BID WON

RM1.721 Billion



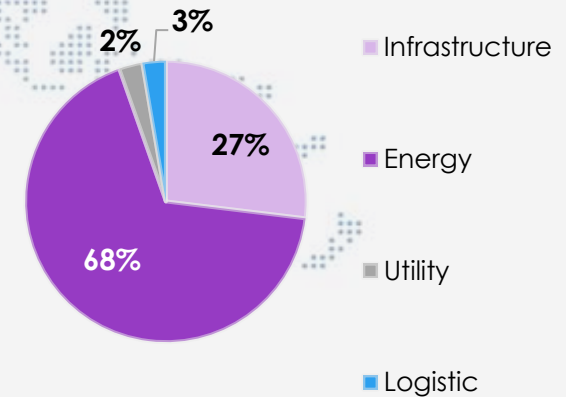
- Utilities : RM270 Mil
- Energy : RM1.361 Bil
- Infrastructure : RM52 Mil
- Property Development : RM42 Mil

Laos RM44 Million



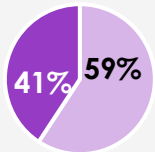
TOTAL BID = RM3.91 Billion

Malaysia RM743 Million



Middle East RM1.35 Billion

■ Infrastructure ■ Energy



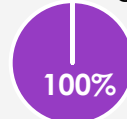
Nepal RM602 Million

■ Energy



Indonesia RM1.169 Billion

■ Energy



KEY TAKEAWAYS

Improvement in financial performance from new business

- ✓ Recorded an increase in revenue by 411% y-o-y during 1Q FY2021.
- ✓ Profitability grew by 759% y-o-y in the same period.
- ✓ Driven by construction related activities mainly arise from preliminary works on the construction projects.

On track to expand and strengthen regional presence

- ✓ Secured RM984 million of utilities, energy, and property project in Malaysia.
- ✓ Secured RM401 million of energy project in Nepal.
- ✓ Secured RM241 million of energy project in Laos.
- ✓ Secured RM95 million of energy project in Indonesia.

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, RM544 million is secured.
- ✓ Exploring potential mergers and acquisitions to enhance business prospects.
- ✓ Major shareholders are committed to support the capital requirements of the Group.



THANK YOU