



**PRESS RELEASE**

**FOR IMMEDIATE RELEASE**

**KPOWER POSTS RM386.09 MILLION IN REVENUE FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021 DRIVEN BY CONSTRUCTION-RELATED ACTIVITIES**

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**KUALA LUMPUR, 23 SEPTEMBER 2021 – KPower Berhad** (formerly known as Kumpulan Powernet Berhad) (“**KPower**” or “**the Group**”) (“**7130**”) announced its interim financial results for the fourth quarter (“**Q4**”) of its Financial Period Ended 30 June 2021 (“**FPE 30 June 2021**”) and its consolidated results for the Financial Year Ended 30 June 2021 (“**FYE 30 June 2021**”).

For the Q4 FPE 30 June 2021, the Group posted a significant growth of **157% or RM61.94 million in its revenue to RM101.31 million**. KPower also registered **RM6.61 million in Profit After Tax (“PAT”)**, a slight decrease of approximately **RM0.70 million or 10%** as compared to the corresponding period of FPE 30 June 2020. Correspondingly, the Group also recorded a slight decline in its Profit Before Tax (“PBT”) of approximately **RM1.71 million or 17%** for the same reporting period.

Despite the challenges from COVID-19, the Group recorded a growth of over 300% in its **consolidated revenue** for the cumulative 12 months ended 30 June 2021. The consolidated revenue of **RM386.09 million** represents a growth of **RM290.25 million or 303%, from RM95.84 million** as compared to the corresponding period of FPE 30 June 2020. KPower also posted another massive increase in its **PAT amounting to RM38.23 million as compared to RM12.78 million** from the same reporting period which represents an increase of **RM25.46 million or 199%**. Concurrently, the Group also generated a **PBT of RM51.40 million, recording an increase of approximately RM33.50 million or 187%** for the same period.



The Group's largest business segment, the Construction Related Activities segment, driven mainly by its Renewable Energy business, remains its largest revenue contributor in Q4 FPE 30 June 2021 generating RM95.49 million or approximately 94% of its total revenue. This represents an increase of RM57.57 million or 152% from the corresponding period of the previous year, contributed from the progress of existing projects and order-based projects in Malaysia and Indonesia.

Meanwhile, its Logistics segment contributed RM5.12 million whereas the Group's Healthcare segment contributed RM0.49 million to the Group's topline in Q4 FPE 30 June 2021.

**Group Managing Director, Mustakim Mat Nun** commented, "We continue to see growth in all our business segments particularly our mainstay, the Construction Related Activities segment despite the ongoing challenges presented by the outbreak of the COVID-19 virus, especially with the increase in number of cases regionally and the re-imposition of the Full Movement Control Order locally."

"While hydro remains our strong point, we also intend to build our capabilities in other renewable energy ("**RE**") spectrum. KPower's diversification of RE sector into solar energy was massively enhanced by the recent signing of the 21-year large-scale solar photovoltaic power purchase agreement with Tenaga Nasional Berhad in respect to our successful bid for the fourth round of large-scale solar programme ("**LSS4**") initiated by the Energy Commission. It was a significant boost to our status as one of the key RE players in Malaysia. Not only that, it also signified our maiden venture into the asset ownership business model which will simultaneously further unlock our long-term value in the engineering, procurement, construction and commissioning ("**EPCC**") space."

"The future of the RE sector in Malaysia continues to look promising especially with the revised energy transition plans which saw an upward revision of the projected RE installed capacity from 20% by 2025 to 31% by 2025 and 40% in 2035. To date, the installed capacity for RE in Malaysia is 7,995MW. The RE installed capacity is projected to increase more than double to 18,000MW by 2035, presenting us with



boundless opportunities to be captured. Being only one of the few players with capabilities in the hydro and solar segments, it is in our best interest to capitalise on these opportunities through our asset ownership business initiatives for the Group's long-term benefits."

KPower is also optimistic of its Logistics segment's future performance due to the anticipated growth of the logistics sector as a result of increased demand from the reopening of all economic activities. Currently, Chemtrax Sdn. Bhd., which is 51% owned by KPower Logistics Sdn. Bhd., a wholly-owned subsidiary of KPower, is on a growth trend from its existing customers under the rubber glove manufacturing sector. This, combined with Chemtrax's 20 years of experience, its logistics facilities, assets and KPower's solid network and financial strength, the Group believes that its Logistics segment will continue to contribute positively to its earnings.

Besides focusing on its core competencies in activities relating to sustainable energy and utilities, KPower also intends to grow its Healthcare and Technologies segment which is under the purview of its wholly owned subsidiary, KPower Healthcare & Technologies Sdn. Bhd. The Group is confident that by leveraging on the technical knowhow, licenses and certifications held by Granulab (M) Sdn. Bhd., a 70%-owned subsidiary of KPower, as well as the existing network of the majority shareholders and experience of the key management, the Group will continue to make significant headway in the segment in the near future.

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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 3<sup>rd</sup> February 1997, KPower was listed on 22<sup>nd</sup> 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 led by En Mustakim Mat Nun transformed its business into sustainable energy and utilities with focus on construction-related activities and specialised engineering services. The Group has recently embarked massively into asset ownership business initiatives through its successful bid for the fourth round of large-scale solar programme (LSS4).



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For further media enquiries, please contact:

Effie Hanan  
Contact Number: +6012 591 3314  
Email: [effiehanan@glowcomms.com.my](mailto:effiehanan@glowcomms.com.my)

Syahira Zakaria  
Contact Number: +6012 395 8199  
Email: [syahira@glowcomms.com.my](mailto:syahira@glowcomms.com.my)

### **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.