



PRESS RELEASE

FOR IMMEDIATE RELEASE

KPOWER ANNOUNCES Q1 FPE 30 SEPTEMBER 2021 RESULTS

The Group remains resilient reflected by positive results despite operational challenges from the Movement Control Order

KUALA LUMPUR, 29 NOVEMBER 2021 – KPower Berhad (“KPower” or “the Group”) (“7130”) announced its interim financial results for the first quarter (“**Q1**”) for its Financial Period Ended 30 September 2021 (“**FPE 30 September 2021**”).

For the financial period under review, the Group posted a slight decrease of 23% or RM13.28 million, in revenue to RM43.78 million for Q1 FPE 30 September 2021 with profit before tax (“**PBT**”) of RM4.52 million.

The Group’s mainstay, the Construction Related Activities segment remains its largest revenue contributor in Q1 FPE 30 September 2021 with RM39.65 million, or approximately 91% of its total revenue. This, however, represented a decrease as compared to the corresponding period of the previous year. The decrease is mainly due to the Movement Control Order (“**MCO**”) and emergency measures as enforced by the Malaysian and Indonesian Government respectively, which disrupted the construction progress of the Group’s projects in both countries as there were limitations on number of workforces allowed on-site and type of works allowed to be carried out during the period.

KPower’s logistics segment assumed the second largest revenue contributor position with RM4.04 million derived from transportation services contributed from Chemtrax Sdn. Bhd., KPower Logistics Sdn. Bhd.’s 51%-owned subsidiary.



The uncertainty in global and domestic economies, combined with a series of containment measures enforced to overcome the spread of COVID-19 and the heightened business environment surrounding the Group have created a challenging business environment to the overall economy, the market and KPower specifically. Despite this challenging environment, KPower has remained resilient as reflected by the positive results it has continued to generate.

Group Managing Director, Mustakim Mat Nun said, “The past year since the pandemic started has been a steep learning curve for us. The uncertainty brought on by the pandemic and other factors required us to be flexible with the ability to adapt our whole business structure, operations and resources, while working hand in hand with our business partners, to better withstand the disruption from the COVID-19 pandemic amongst others.”

“Our effort has been reflected in our positive result despite the near halt in domestic economy when a full lockdown was instated in June this year as well as other containment measures enforced abroad. We anticipate that we will continue to be resilient in the current volatile business environment and further thrive when business and economic activities normalise in the near future.”

He further commented, “We remain upbeat on our prospects as we continuously work on securing new projects and business opportunities including asset ownership-based investment, backed by our strong regional presence in the Energy and Utilities segment while we simultaneously establish synergy between all of our business operating segments.”

While KPower is involved in the hydropower and solar energy under the sustainable energy and utilities segment, the Group also aspires to reinforce its footing in the RE segment by establishing itself as a one-stop centre for RE solutions, serving the entire RE spectrum, including waste-to-energy and wind energy. This will include establishing and further solidifying its capacity and capabilities in investment as well as design and construction work.



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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 led by En. Mustakim Mat Nun, 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)

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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.