



PRESS RELEASE

FOR IMMEDIATE RELEASE

KPOWER POSTS RM102.37 MILLION IN CUMULATIVE 6-MONTH REVENUE FOR FPE 31 DECEMBER 2021

KUALA LUMPUR, 25 FEBRUARY 2022 – KPower Berhad (“KPower” or “the Group”) (“7130”) announced its interim financial results for the second quarter (“Q2”) for its Financial Period Ended 31 December 2021 (“FPE 31 December 2021”).

The Group posted **an increase in revenue of approximately RM14.80 million or 34% for its Q2 FPE 31 December 2021** as compared to the immediate preceding quarter (“Q1FY2022”). As a result, KPower has also **posted an increase in its Profit Before Tax (“PBT”) to RM4.82 million** representing an increase of 5% as compared to Q1FY2022. This brings about the revenue and PBT generated by the Group to RM102.37 million and RM9.34 million for the FPE 31 December 2021.

Its Construction Related Activities segment continues to be the largest contributor to its topline, contributing RM53.74 million in Q2 FPE 31 December 2021 which translates to approximately 92% of its total revenue. However, this represents a decrease as compared to the corresponding period of the previous year due to lower construction contribution from on-going construction projects which were only allowed to operate with strict adherence to the Standard Operating Procedures. Other contributing factors were the price hike of construction materials which resulted in a disrupted supply chain and shortage of labour on-site.

“Although it has been a tough ride for us with the anticipated waning recovery pace of the economy, the continuing rise in COVID-19 cases nationwide as well as the recent issues relating to a previous major shareholder, the Group continues to chart another positive performance during our second quarter ended 31 December 2021,” **said Executive Chairman and Group Managing Director Mustakim Mat Nun.**



“This was a result of our heightened focus to strengthen our Construction Related Activities segment particularly in the energy and utilities sub-segments. The recent contracts awarded to us signify our business partners’ vote of confidence and trust in our expertise and capabilities in the energy and utilities infrastructure space,” he added further.

“Next, we intend to expand our offering in the utilities segment where our newly formed and wholly-owned subsidiary KPower Digital Sdn. Bhd., had recently secured contracts and successfully established its initial presence in the telecommunications industry within Malaysia. We hope that as we navigate this challenging economic scenario, we will continue to create long-term value for our shareholders.”

To recap, the Group had in January 2022, was awarded a RM104.97 million contract from Fabulous Sunview Sdn. Bhd. to undertake amongst others, the procurement, testing and maintenance of a solar photovoltaic plant with total capacity of 50 MWac in Peninsular Malaysia. In February, the Group and its partner Tellhow International Engineering & Contracting Co., Ltd. accepted another RM70.00 million contract from One River Power Sdn. Bhd. to take-over from the previous contractor and complete the engineering, design, procurement, construction, and commissioning of small hydro power plants in Sg. Bengkoka Upper, Sg. Bengkoka Lower and Sg. Togohu in Sabah.

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About KPower Berhad

KPower 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.



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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.