

## KINERGY ADVANCEMENT BERHAD (“KAB” OR THE “COMPANY”)

### PROPOSED PRIVATE PLACEMENT OF UP TO 198,634,288 NEW ORDINARY SHARES IN KAB (“KAB SHARES” OR “SHARES”), REPRESENTING 10% OF THE TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY (EXCLUDING TREASURY SHARES) PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016 (“PROPOSED PRIVATE PLACEMENT”)

This announcement is dated 27 June 2024.

Reference is made to the Company’s earlier announcement dated 20 June 2024 in relation to the Proposed Private Placement (“**Earlier Announcement**”). Unless stated otherwise, abbreviations and definitions used throughout this announcement shall bear the same meaning as those defined in the Earlier Announcement.

On behalf of the Board, Malacca Securities wishes to provide the details of fund-raising exercises undertaken by the Company for the past 5 years.

#### (i) Private Placement 2022

On 12 April 2024, the Company had completed a private placement of 178,437,112 new KAB Shares and raised total gross proceeds of approximately RM60.95 million.

A summary of the Private Placement 2022 is as follows:-

<b>Tranche</b>	<b>Date of listing</b>	<b>Number of Shares</b>	<b>Issue price</b>	<b>Proceeds raised</b>
			RM	RM’000
First tranche	5 October 2023	137,121,212	0.33	45,250
Second tranche	29 January 2024	41,315,900	0.38	15,700
<b>Total</b>		<b>178,437,112</b>		<b>60,950</b>

As at LPD, the RM60.95 million raised have been fully utilised as follows:-

<b>Details of utilisation</b>	<b>Actual proceeds raised</b>	<b>Actual utilisation up to LPD</b>
	RM’000	RM’000
Working capital	16,379	(a)16,379
Repayment of bank borrowings	14,104	(b)14,104
Funding for existing and future SES projects	29,942	(c)29,942
Expenses for the diversification proposal and Private Placement 2022	525	(d)525
<b>Total</b>	<b>60,950</b>	<b>60,950</b>

**Notes:-**

- (a) The proceeds allocated for general working capital had been utilised as follows:-

	<u>RM'000</u>
Staff costs	5,226
Other operating and administrative expenses <sup>(aa)</sup>	11,153
<b>Total</b>	<b><u>16,379</u></b>

**Note:-**

- (aa) Mainly comprised of upgrade of facilities and system, upkeep cost (repair and maintenance) for SES projects, due diligence fees for SES projects, purchase of spare parts for SES power plants and renovation cost for SES office.
- (b) The Group had utilised approximately RM14.10 million to repay part of its bank borrowings as set out below:-

<u>Type of facility</u>	<u>Purpose of the borrowings</u>	<u>Repayment amount</u> RM'000	<u>Effective interest rate per annum</u> %	<u>Actual interest savings per annum</u> RM'000
Trade financing	To finance the Group's M&E projects	8,141	4.71 – 5.44	398
Overdrafts	For the Group's working capital purpose	5,963	6.89 – 7.10	419
<b>Total</b>		<b><u>14,104</u></b>		<b><u>817</u></b>

- (c) The Group had utilised approximately RM29.94 million for the funding of its SES projects in Malaysia as follows:-

	<u>RM'000</u>
Acquisition of a biogas plant in Kedah, Malaysia	15,000
Installation of solar PV system in Selangor, Malaysia	3,500
Development of a gas power plant in Sabah, Malaysia	<sup>(aa)</sup> 11,442
<b>Total</b>	<b><u>29,942</u></b>

**Note:-**

- (aa) Being downpayment for a gas engine for the development of the gas power plant.
- (d) These include professional fees paid to the principal adviser, independent market researcher, due diligence solicitors and company secretary for the diversification proposal and Private Placement 2022 as well as the placement fee paid to the placement agent for the Private Placement 2022.

(ii) **Private placement 2021**

On 20 July 2022, the Company had completed a private placement of 116,100,000 new KAB Shares and raised total gross proceeds of approximately RM42.80 million (“**Private Placement 2021**”).

A summary of the Private Placement 2021 is as follows:-

<u>Tranche</u>	<u>Date of listing</u>	<u>Number of Shares</u>	<u>Issue price</u> RM	<u>Amount</u> RM'000
First tranche	14 September 2021	23,000,000	0.4000	9,200
	15 September 2021	2,000,000	0.4000	800
Second tranche	8 October 2021	32,500,000	0.4000	13,000
Third tranche	17 November 2021	28,600,000	0.3500	10,010
Fourth tranche	31 January 2022	20,000,000	0.3019	6,038
Fifth tranche	20 July 2022	10,000,000	0.3750	3,750
<b>Total</b>		<b>116,100,000</b>		<b>42,798</b>

As at LPD, the RM42.80 million raised have been fully utilised as follows:-

<u>Details of utilisation</u>	<u>Actual proceeds raised</u> RM'000	<u>Amount utilised as at LPD</u> RM'000
Repayment of borrowings	25,000	(a)25,000
Working capital	15,000	(b)15,000
Funding for energy projects	2,397	(c)2,397
Tender deposits, tender bonds and/or performance bonds	-	-
Expenses for the Private Placement 2021	401	(d)401
<b>Total</b>	<b>42,798</b>	<b>42,798</b>

**Notes:-**

- (a) The Group had utilised approximately RM25.00 million to repay part of its bank borrowings as set out below:-

<u>Type of facility</u>	<u>Purpose borrowing</u>	<u>of</u>	<u>Repayment amount</u> RM'000	<u>Effective interest rate per annum</u> %	<u>Actual interest savings per annum</u> RM'000
Trade financing	Payment suppliers	to	4,339	4.71	204
Banker acceptances	Payment suppliers	to	13,020	3.30 – 3.65	456

<u>Type of facility</u>	<u>Purpose of borrowing</u>	<u>Repayment amount</u>	<u>Effective interest rate per annum</u>	<u>Actual interest savings per annum</u>
Overdrafts	For the Group's working capital purpose	7,641	5.50	459
<b>Total</b>		<b>25,000</b>		<b>1,119</b>

(b) The proceeds allocated for the general working capital had been utilised as follows:-

	<u>RM'000</u>
Staff costs	7,500
Other operating and administrative expenses <sup>(aa)</sup>	7,500
<b>Total</b>	<b>15,000</b>

**Note:-**

(aa) Mainly comprised of payment to sub-contractors, suppliers and site worker wages for M&E business.

(c) The proceeds allocated for the funding for energy projects of RM2.40 million had been utilised for the Group's solar power projects in Thailand and Malaysia as follows:-

<u>Solar power projects</u>	<u>RM'000</u>
Project development, feasibility study and due diligence costs	214
Purchase of solar PV panels and its related installation cost	2,183
<b>Total</b>	<b>2,397</b>

(d) These include professional fees paid to the principal adviser, independent market researcher, due diligence solicitors and company secretary for the Private Placement 2021 as well as the placement fee paid to the placement agent for the Private Placement 2021.

**(iii) Private placement 2020**

On 16 April 2021, the Company had completed a private placement of 30,596,700 new KAB Shares and raised total gross proceeds of approximately RM22.00 million ("Private Placement 2020").

A summary of the Private Placement 2020 is as follows:-

<u>Tranche</u>	<u>Date of listing</u>	<u>Number of Shares</u>	<u>Issue price</u>	<u>Amount</u>
			RM	RM'000
First tranche	2 December 2019	16,230,000	0.5853	9,499
Second tranche	16 November 2020	6,033,600	0.8287	5,000
Third tranche	10 February 2021	8,333,100	0.9000	7,500
<b>Total</b>		<b>30,596,700</b>		<b>21,999</b>

As at LPD, the RM22.00 million raised have been fully utilised as follows:-

<b>Details of utilisation</b>	<b>Actual proceeds raised</b>	<b>Amount utilised as at LPD</b>
	RM'000	RM'000
Expansion of customised energy efficiency solutions business	17,000	(a)17,000
Project costs and expenses	4,500	(b)4,500
Acquisition and/or investment in other complementary businesses and/or assets	143	(c)143
Expenses for the Private Placement 2020	356	(d)356
<b>Total</b>	<b>21,999</b>	<b>21,999</b>

**Notes:-**

- (a) The proceeds allocated for the expansion of customised energy efficiency solutions business had been utilised as follows:-

	<b>RM'000</b>
Development of chiller optimisation solution	4,000
Funding for implementation of customised energy efficiency solutions	9,000
Working capital mainly comprised of staff cost, due diligence costs, consultancy fees, and maintenance cost	4,000
<b>Total</b>	<b>17,000</b>

- (b) The proceeds allocated for the project costs and expenses of RM4.50 million had been utilised for the Group to provide tender deposits and bank guarantees to secure customers against the performance of KAB Group (as a contractor) for its contractual obligations.
- (c) The proceeds allocated for the acquisition and/or investment in other complementary businesses and/or assets of RM0.14 million had been utilised for the acquisition of remaining 15.00% equity interest in KAB Smart Solar Sdn Bhd in order to have full control of this subsidiary which involved in SES projects.
- (d) These include professional fees paid to the principal adviser, independent market researcher, due diligence solicitors and company secretary for the Private Placement 2020 as well as the placement fee paid to the placement agent for the Private Placement 2020.

(iv) **Special issue 2019**

On 17 June 2019, the Company had completed a special issue of 34,000,000 new KAB Shares to Bumiputera investors approved by the Ministry of International Trade and raised total gross proceeds of approximately RM6.80 million ("**Special Issue 2019**").

A summary of the Special Issue 2019 exercise is as follows:-

<b>Tranche</b>	<b>Date of listing</b>	<b>Number of Shares</b>	<b>Issue price</b>	<b>Amount</b>
			RM	RM'000
First tranche	8 May 2019	15,000,000	0.20	3,000
Second tranche	17 June 2019	19,000,000	0.20	3,800
<b>Total</b>		<b>34,000,000</b>		<b>6,800</b>

As at LPD, the RM6.80 million raised have been fully utilised as follows:-

<b>Details of utilisation</b>	<b>Actual proceeds raised</b>	<b>Amount utilised as at LPD</b>
	RM'000	RM'000
Acquisition and/or investment in other complementary businesses and/or assets	6,630	(a)6,630
Expenses for the Special Issue 2019	170	(b)170
<b>Total</b>	<b>6,800</b>	<b>6,800</b>

**Notes:-**

- (a) The proceeds allocated for the acquisition and/or investment in other complementary businesses and/or assets had been utilised as follows:-

	<b>RM'000</b>
Subscription of 80.00% equity interest in Mayang Hijau Sdn Bhd (as part of the Group's strategic investments to undertake solar projects)	800
Investment in KAB Technologies Sdn Bhd (including fund utilised for KAB Technologies Sdn Bhd's working capital purpose) (as part of the Group's strategic investments to undertake chiller optimisation projects)	890
Acquisition of 70.00% equity interest in Kiev Crg Sdn Bhd (including fund utilised for Kiev Crg Sdn Bhd's working capital purpose) (as part of the Group's strategic investments to embark into clean energy generation business)	4,940
<b>Total</b>	<b>6,630</b>

- (b) These include professional fee paid to the principal adviser, due diligence solicitors and company secretary, placement fee paid to the placement agent, fees to relevant authorities, printing and despatch cost for the Special Issue 2019.

Save as disclosed above, the Company has not undertaken any other fund-raising exercises in the past 5 years prior to the Earlier Announcement.