



CONTENT FROM THE INTELLIGENT INVESTOR

MALAYSIA – Attracting Sustainable Business

Malaysia is rapidly establishing itself as a global technology and manufacturing hub. With a strategic geographic location, a skilled workforce, and a government committed to innovation, the country is poised to become a leading player in the global economy.

In recent years, Malaysia has made significant strides in developing its technology sector. The government has implemented various initiatives to foster innovation and attract foreign investment, including tax incentives, research and development grants, and establishing technology parks. The country's strategic data center initiatives have attracted major tech giants, including Amazon, Google, and Oracle. In May, Google detailed its plans to invest \$2 billion in the Malaysian data center and cloud industry. Amazon announced in August that it was investing \$6.2 billion in Malaysia.

Malaysia also enjoys a long history of excellence in high-value manufacturing, particularly in electronics, electrical appliances, and automotive components. A prime example is Bermaz Auto, a prominent

player in the Malaysian automotive industry whose commitment to quality, customer service and innovative technologies has contributed to its success and established it as a leading automotive company in the region.

In addition to its economic growth, Malaysia is committed to sustainable development and has embarked on a transition to a low-carbon economy, setting ambitious targets for renewable energy adoption. The country is rich in renewable energy resources, including solar, wind and hydropower, and companies like KAB are leading the charge in the development of renewable energy projects and clean energy technologies. By embracing clean energy and reducing its reliance on fossil fuels, Malaysia is attracting environmentally conscious businesses and investors, further solidifying its position as a global leader in sustainable development.

As Malaysia continues to invest in technology, innovation and sustainability, it is well-positioned to become a leading economic force and flagbearer for environmentally friendly businesses in Southeast Asia.

BERMAZ AUTO – Driving Success

The Malaysian automotive industry is a powerhouse in Southeast Asia, known for its dynamism and fierce competitiveness. Contributing a significant 4% to the nation's GDP, it's the third-largest automotive market in the region and ranks 23rd globally. The industry's impact stretches across various sectors, driving employment, manufacturing and technological innovation—making it a crucial engine of Malaysia's economic growth.

One company shining brightly in this landscape is Bermaz Auto. As the distributor and provider of after-sales services for Mazda, Kia and XPeng, Bermaz Auto has made its presence felt in townships all across Malaysia. Listed on the Bursa Malaysia Securities Berhad since November 2013, Bermaz

Auto has consistently earned the trust of investors thanks to its strategic focus on local assembly, exceptional after-sales services and cutting-edge vehicle technologies. In a highly competitive market, the company's formula for success is clear: innovation and customer satisfaction.

This September, Bermaz Auto made headlines again with a bold move that caught the attention of analysts and industry insiders alike. The company's decision to acquire a substantial stake in automotive parts manufacturer EPMB was hailed as a smart play, not just to diversify its income streams but also to strengthen its supply chain. This deal is set to bolster Bermaz Auto's Complete Knockdown (CKD) program, ensuring long-term viability and giving the company a competitive edge. Analysts are

buzzing with optimism, especially with the upcoming launch of the new Kia Sportage and an expected surge in electric vehicle (EV) sales.

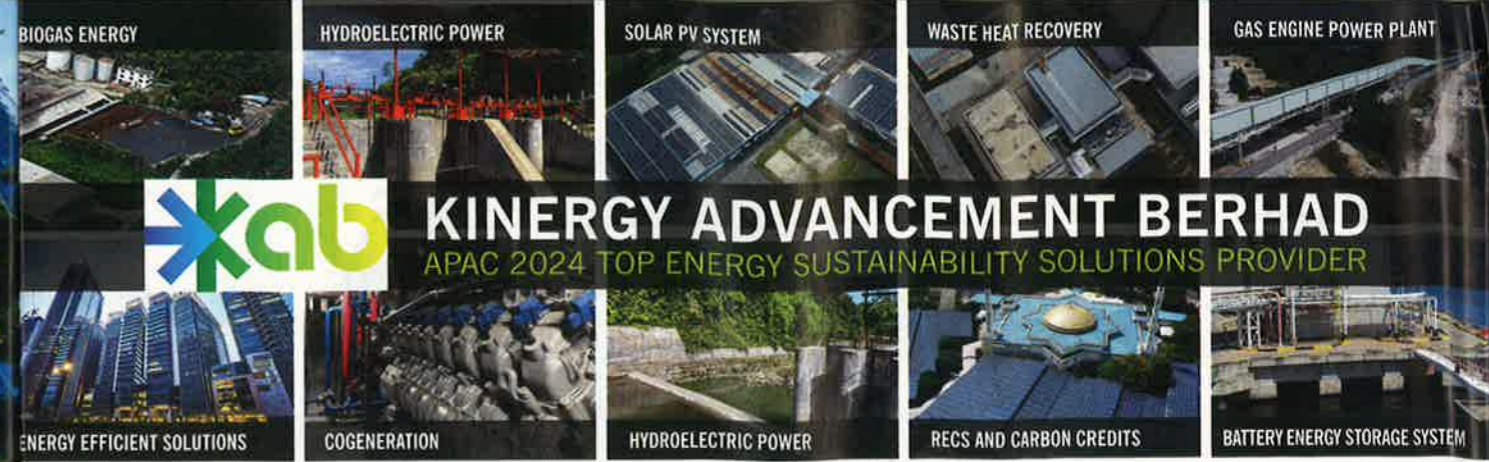
But at the heart of Bermaz Auto's market dominance lies its historic partnership with Mazda. Since forming a joint venture with Mazda Motor Corporation in 2012, Bermaz Auto has successfully positioned Mazda as a premium yet accessible brand. Through its focus on sleek design, exhilarating driving dynamics, and an unwavering commitment to customer satisfaction, the company has built a loyal following. Investors also applaud its dedication to sustainability and reducing carbon emissions. The future looks even greener, with plans to introduce more hybrid and electric models.

"Looking ahead, our strategy



Executive Chairman
Tan Sri Dato' Sri Ben Yeoh Choon San

remains clear," said Executive Chairman Tan Sri Dato' Sri Ben Yeoh Choon San. "It's all about engaging with our customers and enhancing their ownership experience. Owning a Mazda is more than just owning a car—it's about embracing a lifestyle."



We Invest in Our Present, Tomorrow, and Future: ENERGIZING Tomorrow's Sustainable Energy Solutions Today

Currently, KAB offers up to **10** Advanced ENERGY Alternatives.

- ▶ **CLEAN ENERGY**
- ▶ **RENEWABLE ENERGY**
- ▶ **ENERGY EFFICIENT**

Leading the charge in green transformation is Kinergy Advancement Berhad (KAB), a private-sector powerhouse whose ambitious vision is reshaping Malaysia's energy landscape.

- **CO-GENERATION**
- **WASTE HEAT RECOVERY (WHR)**
- **GAS ENGINE POWER PLANT (IPP)**
- **SOLAR PV SYSTEM**
- **BIOGAS | BIOMASS ENERGY**
- **HYDROELECTRIC POWER**
- **RECS & CARBON CREDITS**
- **CHILLER OPTIMISATION**
- **BUILDING MANAGEMENT SYSTEM (BMS)**
- **BATTERY ENERGY STORAGE SYSTEM (BESS)**

KAB was founded in 1997 as a domestic engineering company specializing in electrical engineering. By 2018, long before sustainability became a buzzword, KAB had set its sights on energy-efficient solutions. "Historically, we specialized in the electrical construction of shopping malls, office buildings, industrial warehouses and factories," explained KAB founder and Group Managing Director Dato' Lai Keng Onn. "We identified a gap in post-construction energy management, presenting an opportunity to implement solutions for enhanced efficiency and cost-savings performance." In 2023, those energy solutions were contributing so significantly to KAB's bottom line that it established a dedicated sustainable energy solutions division, and the company rebranded itself as Kinergy Advancement Berhad to reflect its new direction.

The name change was more than cosmetic. KAB's approach now goes beyond infrastructure design, and the company manages projects from conception to operation, providing clients with a holistic energy service. "We have the ability to tailor solutions and services to each client's specific needs," says Dato' Lai.

KAB's 3 Flexible Business Models –

- (1) Traditional project commissioning.
- (2) A 'zero capex' model where KAB builds and owns the power plant and sells the energy back to the client, or
- (3) a joint-venture arrangement in which KAB co-owns the project with the client.

An example of KAB's innovative partnerships is its appointment as the local technical partner of the energy giant Petronas, and its JV is a critical player in clean energy projects. "Clean energy transition is crucial in reducing emissions and improving energy access," Dato' Lai explained. "For instance, with waste heat recovery, we are able to convert the wasted heat generated by factories that still use furnaces and convert that heat into their factories' energy supply. No additional feedstock is required." KAB introduced this innovative use of waste energy in Malaysia, which has the capability to build, own, and operate ORC-type waste heat recovery systems in the country.

KAB's bold vision doesn't stop with efficiency. The company has made a series of strategic acquisitions that have rapidly diversified its portfolio and expanded its sustainable energy assets, particularly in response to the urgent global demand for energy supply. Those projects not only contribute to Malaysia's sustainable energy targets but also significantly support KAB's endeavors to scale sustainable solutions nationwide. It is also increasingly active in both the biogas, biomass and hydroelectric sectors while leveraging its engineering expertise to explore further energy-related developments.

As part of its plan to assert itself as a leading player in the global energy transition, Malaysia has actively encouraged investment in a rapidly expanding network of data centers. The downside of this otherwise successful strategy is that data centers require vast amounts of electricity and cooling, leading to increased carbon emissions. KAB is rising to the challenge. "We're offering a district cooling system in anticipation of the wave of data centers set to be built in the north and south of Malaysia," Dato' Lai said. "This will become a crucial part of our portfolio."

WHERE EFFICIENCY MEETS COST-EFFECTIVE PERFORMANCE

KAB's solutions and services are centered on maximizing efficiency, ensuring it remains a top priority in every project execution and investment decision. Its primary focus is on reducing energy consumption across large commercial complexes, industrial facilities, hotels, hospitals and more. Leveraging smart technologies, KAB's solutions can integrate systems for real-time monitoring of efficiency and energy savings throughout their operational lifecycle. With this innovative approach, KAB is helping reduce the energy footprint of Malaysia's rapidly expanding infrastructure.

As Malaysia races towards its carbon-neutral target of 2050, KAB is at the heart of the country's energy revolution. Its ground-breaking solutions in clean and renewable energy, energy efficiency and sustainable low-carbon technologies will play a vital role in shaping Malaysia's future energy ecosystem. With the right strategies and a relentless drive for innovation, KAB is poised to remain a dominant force in meeting the nation's growing energy needs while leading the charge toward a carbon-neutral future.

**"Here are the Pillars of Our Solutions:
Efficiency as Our Priority. Energy Alternatives and Cost Savings as our Strengths,
with Performance as our Assurance."**

– Dato' Lai
Founder & Group Managing Director of KAB Group of Companies



DATO' LAI KENG ONN
KAB founder and Group Managing Director