

**KEJURUTERAAN ASASTERA BERHAD ("KAB" OR "THE COMPANY")  
THE COMPANY AND YL GLOBAL VENTURES SDN. BHD. ("YLGV") ENTERED INTO A JOINT  
VENTURE TERM SHEET**

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## **1. INTRODUCTION**

Pursuant to Paragraph 9.03 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Board of Directors of KAB wishes to announce that the Company had on 14 September 2021 entered into a Joint Venture ("JV") Term Sheet with YL Global Ventures Sdn. Bhd. ("YLGV") to form a JV via KAB Robotic and Automation Solutions Sdn. Bhd. ("KAB-RBT") to venture into robotics distribution business.

KAB and YLGV shall subscribe 70% and 30% in the equity interest in KAB-RBT in cash, respectively.

## **2. DETAILS OF THE JOINT VENTURE**

### **2.1 Information of YLGV**

YLGV is an Investment holding company.

YLGV has via its wholly-owned subsidiary company, iSense Sdn Bhd ("iSense"), procured an exclusivity agreement with OTSAW Digital Pte Ltd ("OTSAW") as the sole distributor for OTSAW for the sale and distribution of robots in Malaysia.

### **2.2 Information of KAB-RBT**

KAB-RBT was incorporated on 8 September 2021 as a private limited company in Malaysia. The share capital of KAB-RBT is RM100 comprising 100 ordinary shares.

The proposed principal activity of KAB-RBT is distributing, marketing, selling and other ancillary services for ultraviolet C disinfection system and other robotic solutions.

The JV company will target a selection of public areas and widely used facilities to promote rapid adoption includes Hospitals, Shopping Malls, Educational Facilities, Concert Halls, etc.

The Board of Directors of KAB-RBT shall comprise two (2) nominees from KAB and one (1) nominee from YLGV as follows:-

No.	Directors	Company
1	Dato' Lai Keng Onn	KAB
2	To be determined	KAB
3	Dato' Yau Kok Seng	YLGV

The shareholding structure of the KAB-RBT shall at all times, be as follows:-

Shareholders	Number of Shares	Percentage (%)
KAB	70	70%
YLGV	30	30%
Total	100	100%

### **2.3 Salient Terms of the JV Term Sheet**

The salient terms of the JV Term Sheet are as follows:-

- 2.3.1 The JV Term Sheet is not legally binding.
- 2.3.2 KAB and YLGV expect to enter into a definitive agreement, subsequent to the JV Term Sheet and the termination and default clauses would be stated in the agreement.

### 2.3.3 Shareholding Structure

The shareholders of KAB-RBT shall provide the equity capital for the JV of RM100,000.00 ("Initial Capital") and the further share capital will be kept at a maximum of RM 2,000,000.00.

The shares issued will be of a non-dilutive nature.

Any future funding will be in the form of shareholders loans at concessional interest rate from the controlling shareholders.

### 2.3.4 Roles & Responsibilities

#### YLGV

- (i) YLGV has via iSenze, secured the exclusive distribution agreement with OTSAW.
- (ii) YLGV is to identify and negotiate potential acquisition targets in the industrial robotics.
- (iii) YLGV jointly with KAB, is to initiate discussions and lobby the appropriate authorities on the establishment of the first robotics hub in Malaysia.
- (iv) YLGV, via iSenze, is to ensure OTSAW will provide training for the marketing teams and the after-sales technical staff.

#### KAB

KAB shall be responsible for daily operations which would include but not limited to setting up, inter alia:-

- (i) a management team,
- (ii) an offline physical showroom,
- (iii) an online sales and marketing platform, and
- (iv) an after-sales technical team.

The online and offline marketing teams along with the technical sales team are to be trained by OTSAW.

## **3. RATIONALE, BENEFIT AND PROSPECTS OF THE JV TERM SHEET**

The JV is a new business venture of KAB to expand into the robotics solutions business and simultaneously further develop its existing electrical and engineering business division. The expansion comprises of value-added services provided by KAB, such as the installation of the integration solutions into KAB's heating, ventilation and air-conditioning systems. There is potential demand for such robotics solutions particularly from government agencies, hospitality, healthcare, aviation and commercial building management facilities.

## **4. RISK FACTORS OF THE JV TERM SHEET**

There are no foreseeable significant risks other than normal business and operational risk associated with the contracts.

## **5. EFFECTS OF THE JV TERM SHEET**

### **5.1 Share capital and substantial shareholders' shareholding**

The JV Term Sheet will not have any effect on the share capital and substantial shareholders' shareholding of KAB.

## **5.2 Earnings per share, net assets per share and gearing**

The JV Term Sheet is not expected to have any material effect on the earnings per share, net assets per share and gearing for the financial year ending 31 December 2021.

## **6. INTERESTS OF DIRECTORS AND/OR SUBSTANTIAL SHAREHOLDERS AND/OR PERSON CONNECTED THEM**

None of the Directors nor major shareholders of KAB, or persons connected with them, has any interest, direct or indirect, in the JV Term Sheet.

## **7. STATEMENT BY BOARD OF DIRECTORS**

The Board of Director of KAB, having taken into consideration all aspects of the JV, is of the opinion that the JV Term Sheet is in the best interest of KAB Group.

This announcement is dated 14 September 2021.