

New Issue of Securities (Chapter 6 of Listing Requirements) – Fund Raising

Description: Kejuruteraan Asastera Berhad (“KAB” or “the Company”) – Extension of time for the utilisation of proceeds raised from the Special Issue of up to 34,000,000 new ordinary shares in KAB to Bumiputera Investors

1. INTRODUCTION

Reference is made to the proceeds raised from the Special Issue of up to 34,000,000 new ordinary shares in KAB to Bumiputera Investors (“Special Issue”) as disclosed in the Company’s Circular to Shareholders dated 19 December 2018 (“Circular”). As announced on 8 May 2019 and 17 June 2019, the Company has raised total gross proceeds of RM6.8 million from the Special Issue (“Special Issue Proceeds”).

The Board of Directors of KAB (“Board”) wishes to announce that as at the date of this announcement, the Company has yet to fully utilise the Special Issue Proceeds.

2. DETAILS OF THE EXTENSION OF TIME

The Board has deliberated and resolved to extend the timeframe for the utilisation of the remaining unutilised Special Issue Proceeds which have been earmarked for acquisition and/or investment in other complementary businesses and/or assets for an additional six (6) months (“Extension of Time”) to 13 December 2021.

The details of the Extension of Time are set out below:-

| Details of utilisation | Proposed utilisation RM'000 | Amount utilisation RM'000 | Balance unutilised RM'000 | Estimated time frame for utilisation of Special Issue Proceeds | Revised time frame for utilisation of Special Issue Proceeds |
|---|-----------------------------|---------------------------|---------------------------|---|--|
| Acquisition and/or investment in other complementary businesses and/or assets | 6,630 | (629) | 6,001' | Within 24 months from the completion of the Special Issue (i.e. 14 June 2019) | 6 months |
| Estimated expenses for the Proposed Special Issue | 170 | (170) | - | Immediate | - |
| Total | 6,800 | (799) | 6,001 | | |

3. RATIONALE FOR THE EXTENSION OF TIME

The Company had on 5 March 2021 entered into Share Purchase Agreements (“SPAs”) with Invest Energy Sdn Bhd for the following acquisitions (“Proposed Acquisitions):-

| Company | Ordinary Shares | Cash Consideration |
|---------------------------|------------------------|---------------------------|
| Konpro Industries Sdn Bhd | 2,500,000 | RM7,930,000 |
| Meru One Sdn Bhd | 750,000 | RM4,100,000 |

The Company has earmarked the remaining unutilised Special Issue Proceeds to fund the Proposed Acquisitions which are currently pending completion subject to fulfilment of the terms and conditions as stipulated in the respective SPAs.

4. APPROVAL REQUIRED

The Extension of Time is not subject to approval from any regulatory authorities or the Company’s shareholders. As disclosed in the Circular, if the timeframe for the utilisation of proceeds that has been allocated for the said purpose will be extended, the Company shall announce the extended timeframe to Bursa Malaysia Securities Berhad and also disclose the same in KAB’s quarterly result announcement until the Company has successfully identified suitable businesses and/or assets to acquire and/or invest in.

Nevertheless, the Company shall continue to be vigilant and prudent in managing the remaining Special Issue Proceeds and will continue to disclose the status of the utilisation of Special Issue Proceeds in its quarterly results and annual reports until the proceeds have been fully utilised.

The Board is of the opinion that the aforementioned Extension of Time will not have any adverse effect on the financial performance of the Company and is in the best interest of the Company.