

**KEJURUTERAAN ASASTERA BERHAD ("KAB" OR THE "COMPANY")
- INCORPORATION OF A WHOLLY-OWNED SUBSIDIARY IN HONG KONG, CHINA**

1. Introduction

Pursuant to Rule 9.19(24) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, the Board of Directors of KAB wishes to inform that the Company has on 13 August 2018, incorporated a wholly-owned subsidiary in Hong Kong, China known as KAB (HK) Investment Co., Limited (Company No. 2733578).

2. Information on new wholly-owned subsidiary

KAB (HK) Investment Co., Limited was incorporated on 13 August 2018 as a limited company in Hong Kong, China with an initial issued and paid up share capital of HKD1,000 comprising 1,000 ordinary shares.

The intended principal activity of KAB (HK) Investment Co., Limited is as an investment holding company.

3. Financial Effect of the Incorporation

The incorporation of KAB (HK) Investment Co., Limited will not have any effect on the share capital and substantial shareholders' shareholdings of KAB. It is also not expected to have any material effect on the net assets, gearing and earnings of KAB for the financial year ending 31 December 2018.

4. Directors' and Major Shareholders' Interests

None of the Directors or major shareholders of KAB or persons connected with them, have any direct or indirect interest in the incorporation of KAB (HK) Investment Co., Limited.

This announcement is dated 20 August 2018.