

**KEJURUTERAAN ASASTERA BERHAD (“KAB” OR “THE COMPANY”)  
GENERAL ANNOUNCEMENT**

**NON RELATED PARTY TRANSACTIONS (CHAPTER 10 OF LISTING REQUIREMENTS)**

**SUBJECT:**

**PROPOSED ACQUISITION BY KAB ENERGY POWER SDN BHD (“KABE”), A 90% SUBSIDIARY OF KAB, OF 7 ORDINARY SHARES IN KIEV CRG SDN. BHD. (“KIEV”), REPRESENTING 70% OF THE TOTAL PAID UP SHARE CAPITAL IN KIEV FOR A TOTAL CASH CONSIDERATION OF RM175,000.00**

**1. INTRODUCTION**

Pursuant to Rule 10.05 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“AMLR”), the Board of Directors of KAB (“Board”) wishes to announce that KAB Energy Power Sdn Bhd (“KABE”), a 90% subsidiary of KAB and Tree Hill Sdn Bhd [Company No. 199301017654 (272392-W)] (“THSB”) (“Purchasers”) have on 5 February 2020 entered into a Sale and Purchase Agreement (“SPA”) with KIEV Energy Sdn Bhd [Company No. 201801028588 (1290614-K)] (“Vendor”) to acquire the entire issued shares in KIEV (“Shares”) for a total cash consideration of RM250,000.00 (“Purchase Consideration”) (“the Proposed Acquisition”).

KABE, Vendor and THSB are collectively referred to as the “Parties” and individually as “Party”.

**2. DETAILS OF THE PROPOSED ACQUISITION**

**2.1 Information on KIEV**

KIEV was incorporated on 20 August 2018 as a private limited company incorporated in Malaysia. The share capital of KIEV is RM1 comprising 1 ordinary share as of the date of announcement.

KIEV is principally engaged in operation of generation facilities that produce electric energy, operation of transmission, distribution and sales of electricity.

The existing directors of KIEV are Jasveen Singh Pasricha and Anand Ramakrishnan.

The current shareholding structure of KIEV is as follows:-

Name of Shareholder	Number of Ordinary Shares	%
KIEV Energy Sdn Bhd	1	100

Upon completion of the Proposed Acquisition, KIEV will become a 70% owned indirect subsidiary of KAB.

## 2.2 Salient Terms of the SPA

The salient terms of the SPA in relation to the Proposed Acquisition are as follows:-

### 2.2.1 Sale and Conditions Precedent

(i) Subject to the fulfilment of the condition precedent as stated in SPA and subject to the conditions of the SPA, the Vendor hereby agrees to sell and the Purchasers agree to purchase the Shares free from Encumbrances with all rights attached thereto (including, without limitation, all dividends and distributions paid or declared thereon) as from the completion date in the following proportion:

- a) KABE, seven (7) ordinary shares, forming part of the Shares; and
- b) THSB, three (3) ordinary shares, forming part of the Shares.

The sale of Shares to KABE and THSB are inter-conditional and, accordingly, completion shall only take place if all (but not some only) of the Shares are sold at completion.

(ii) The Proposed Acquisition shall be conditional upon the fulfilment of the following ("Condition Precedent")

- a) the completion of the issuance by KIEV, and the subscription by the Vendor of nine (9) ordinary shares of Ringgit Malaysia One (RM1.00) each in KIEV;
- b) the Purchasers confirming to the Vendor in writing, within the condition period, that the Purchasers are satisfied with the outcome of the due diligence conducted by the Purchasers' advisors on the Company, with the date on which the Condition Precedent is fulfilled or is otherwise waived by the Purchasers to be the "CP Satisfaction Date". The Purchasers may waive the Condition Precedent at any time by joint notice in writing to the Vendor;
- c) In the event the Condition Precedent is not waived or fulfilled within the Conditional Period (or any extension thereof), then:
  - SPA shall cease to be of any effect whatsoever save for the clauses on confidentiality, notices and governing law and jurisdiction in the SPA which shall survive and neither Party shall have any claim against the other save in respect of claims arising out of any antecedent breach of the SPA; and
  - The Purchasers' solicitors shall refund the Purchase Consideration without interest to the Purchasers.

### 2.2.2 Purchase Consideration

Pursuant to the SPA, the Purchasers had agreed to transfer to the Purchasers' solicitors (acting as stakeholders) an amount of Ringgit Malaysia Two Hundred and Fifty Thousand (RM250,000) representing the consideration for the sale, purchase and transfer of the Shares. The Purchasers' solicitors shall (and the Purchasers shall procure the Purchasers' solicitors to) pay the Purchase Consideration to the Vendor in the following manner:-

- i. **Ringgit Malaysia One Hundred and Fifty Thousand (RM150,000) ("Initial Payment")**, to be paid on the date falling seven Business Days from the CP Satisfaction Date ("Completion Date"); and
- ii. **Ringgit Malaysia One Hundred Thousand (RM100,000) ("Remaining Payment")**, to be paid on such date falling six (6) months (or such other time period as may be mutually agreed between the Parties) after all the necessary approvals/permits/consents as may be required by the Company to undertake the project as stated in the SPA ("Relevant Payment Date").

### 2.2.3 Completion Date

- i. Completion for the Shares shall take place on the Completion Date at the office of the Vendor's solicitors, or such other place as the Parties may mutually agree in writing.
- ii. On the Completion Date:
  - a) the Purchasers' solicitors shall (and the Purchases shall procure the Purchasers' solicitors to) pay the Initial Payment to an account determined by the Vendor as stated in the SPA and provide sufficient evidence that such transfer has been completed; and
  - b) the Vendor's solicitors shall (and the Vendor shall procure that the Vendor's solicitors) deliver the documents stated in the SPA to any of the Purchasers.
- iii. The Purchasers' solicitors shall (and the Purchasers shall procure the Purchasers' solicitors to) pay the Remaining Payment to the Vendor by no later than the Relevant Payment Date.
- iv. The Vendor irrevocably and unconditionally acknowledges and agrees that the payment by the Purchasers or the Purchasers' solicitors (as the case may be) of the Purchase Consideration (or any part thereof) to an account shall be deemed as payment to the Vendor, and the Purchasers shall be deemed to have fully discharged their payment obligations, as far as the Purchase Consideration (or the relevant part thereof) is concerned, under the SPA.

- v. Notwithstanding the fact that, on Completion Date, only the Initial Payment has been paid by the Purchasers, the legal and beneficial ownership of the Shares shall be deemed to be transferred to the Purchasers on the Completion Date and the Parties shall in good faith cooperate with each other by executing all documents and taking such steps as may be necessary to vest the full beneficial ownership to the Shares in the Purchasers as at the Completion Date.

### **3. RATIONALE, BENEFIT AND PROSPECTS FOR THE PROPOSED ACQUISITION**

The Proposed Acquisition is part of the group's expansion strategy into the energy industry to build a steady stream of recurring income.

### **4. RISKS FACTORS IN RELATION TO THE PROPOSED ACQUISITION**

The Board does not foresee any material risks pursuant to the Proposed Acquisition except for the political and economic risk and inherent business risk factors associated with energy efficiency industry.

### **5. EFFECTS OF THE PROPOSED ACQUISITION**

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

The Proposed Acquisition will not have any effect on the share capital and substantial shareholders' shareholdings of KAB.

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

The Proposed Acquisition 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 2020.

### **6. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM**

None of the Directors and/or major shareholders of KAB, as well as persons connected to them, have any interest, direct or indirect, in the Proposed Acquisition.

### **7. DIRECTORS' STATEMENT**

The Board, after having considered the Proposed Acquisition is of the opinion that the Proposed Acquisition is in the best interest of the Company.

This announcement is dated 5 February 2020