



PRESS RELEASE

KAB 3Q22 net profit boosted by sustainable energy solutions' fourth consecutive profitable quarter

- *Increasing concession income from Sustainable Energy Solutions segment with potential concession revenue of more than RM500.0 million until 2046*
- *Mechanical and Electrical Engineering segment benefitting from easing key raw material prices; sizeable order book of RM238 million*

KUALA LUMPUR, 23 November 2022 – Engineering and energy solutions provider **Kejuruteraan Asastera Berhad** (“KAB”, the “Group”, “敬业”) reported that its net profit for the third quarter ended 30 September 2022 (3Q22) was boosted to RM1.0 million from RM0.2 million a year ago, as the sustainable energy solutions (SES) segment achieved its fourth consecutive profitable quarter on higher contributions from renewable and clean energy assets.

The SES segment recorded RM0.2 million operating profit in 3Q22 versus operating loss of RM0.5 million in the third quarter ended 30 September 2021 (3Q21), while segment revenue jumped to RM3.6 million from RM0.5 million in 3Q21. The higher revenue came from energy supply concession of a 1.5 megawatt (MW) cogeneration facility in Negeri Sembilan which was newly acquired in 2021, a 2.2 MW Waste Heat Recovery power plant, as well as solar photovoltaic (PV) systems in Malaysia and Thailand.

The Group’s Mechanical and Electrical (M&E) engineering segment reported higher revenue of RM44.6 million in 3Q22 versus RM31.8 million in 3Q21 in line with project recognition progress. However, higher commodity prices for copper and iron ore reduced segment operating profit to RM2.0 million from RM2.4 million previously. The M&E segment had an order book of RM238.0 million as of 7 October 2022.

Altogether, 3Q22 revenue rose 50.9% to RM48.3 million compared to RM32.0 million in 3Q21.



“The Group’s SES segment is gaining traction in our expansion of sustainable energy generation across Southeast Asia. Our aspirations are guided by our Environmental, Social, and Governance (ESG) commitment, as we prioritise sustainable growth while upholding labour and human rights throughout our value chain. Furthermore, we strive to combat climate change more effectively, through continuous operational improvement with our engineering and SES expertise.

The SES segment profits also helped mitigate temporary challenges of the construction and engineering sector, while our M&E segment began to benefit from the easing of key raw material prices and labour restrictions. We maintain a healthy M&E segment outlook with 23 projects comprising commercial, residential, and industrial buildings in Kuala Lumpur, Selangor, and Johor.

Going forward, the expected proceeds from our proposed private placement to fund our SES growth will fuel the momentum of our transformation into a leading one-stop engineering and energy solutions provider in the region and enable us to add more high-quality assets.”

**Dato’ Lai Keng Onn (“拿督黎敬安”)
Group Managing Director of Kejuruteraan Asastera Berhad**

As at 17 November 2022, the Group is eyeing potential SES concession revenue of more than RM500.0 million until 2046. This includes the cogeneration facility and Waste Heat Recovery power plant, both in Negeri Sembilan, with estimated concession value of RM50.6 million and RM57.3 million respectively, in addition to 14 solar PV contracts in Malaysia and Thailand comprising concession projects with estimated concession value of RM146.8 million as well as direct installation projects.

Additionally, the Group’s wholly owned subsidiary KAB Energy Holdings Sdn Bhd proposed to acquire a 11 MW mini hydro power plant in Indonesia with concession value of RM270 million over a 20-year period via a power purchase contract with a stated owned utility company.

For the first nine months ended 30 September 2022 (9m22), group revenue improved to RM143.9 million from RM121.9 million in the corresponding period last year (9m21). 9m22 group net profit decreased to RM2.3 million from RM3.1 million in 9m21 on higher commodity prices.



The Group's shareholders had at an Extraordinary General Meeting on 17 November 2022, approved a business diversification to include provision of SES. Shareholders also approved a proposed private placement issuance of up to 361.6 million shares, with potential proceeds of RM134.0 million based on an illustrative issue price of RM0.3705 per placement share. Of the total proceeds, approximately 76.3% will go towards the funding existing and future SES projects and working capital requirements, while 23.1% will go towards paring down bank borrowings.

The independent third-party investors for the private placement will be identified in due course, and the private placement proposal is expected to be completed in the first quarter of 2023.

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ABOUT KEJURUTERAAN ASASTERA BERHAD

Established in 1997, Kejuruteraan Asastera Berhad ("KAB" or the "Group") is an electrical and mechanical engineering and energy solutions company.

KAB's engineering segment covers all aspects of electrical, mechanical and associated engineering services for both commercial and residential buildings. KAB is registered under the Construction Industry Development Board (CIDB) with a Grade 7 and Suruhanjaya Tenaga with a Class A certification.

Its Sustainable Energy Solutions (SES) segment encompasses the provision of Energy Efficient Solutions, Clean Energy Generation, and Renewable Energy Generation.

Other potential segments include telecommunication infrastructure and robotic solutions.

KAB is a constituent of FTSE Bursa Malaysia EMAS Index and secured 3-Star ESG Rating by FTSE Russell in December 2021.

For more information, please log on to <https://asastera.com>.

Issued for and on behalf of Kejuruteraan Asastera Berhad by Aquilas Advisory (Malaysia) Sdn Bhd. For media enquiries, please contact:

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