

KEJURUTERAAN ASASTERA BERHAD (“KAB” OR “THE COMPANY”)

MEMORANDUM OF UNDERSTANDING BETWEEN KAB TECHNOLOGIES SDN BHD, A WHOLLY OWNED SUBSIDIARY OF THE COMPANY, AND RESOURCE DATA MANAGEMENT ASIA SDN BHD (“RDMA”)

1. INTRODUCTION

Pursuant to Rule 9.03 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, the Board of Directors of KAB wishes to announce that KAB Technologies Sdn Bhd (Company No.1274868-D) (“KABT”), a wholly-owned subsidiary of KAB, had on 3 September 2019 entered into a Memorandum of Understanding (“MOU”) with Resource Data Management Asia Sdn Bhd (Company No. 897998-H) (“RDMA”) (hereinafter referred to collectively as “Parties” and individually as “Party”).

2. INFORMATION ON RDMA

RDMA was incorporated on 12 April 2010 as a private limited company incorporate under the Companies Act 1965. The share capital of RDMA is RM1,000,000 comprising 1,000,000 ordinary shares.

RDMA is principally engaged in

- General distributing of electronic control system that provides world class temperature management assurance and flexible building automation for a wide variety of industries
- Energy monitoring and control systems
- Auditing and consulting for energy efficiency projects

The existing directors of RDMA are Jesudason Selvaraj and Rajpall Singh A/L Kaka Singh.

The shareholding structure of RDMA is as follows:-

Name of Shareholders	Percentage of Shareholdings
Resource Data Management Group Limited	100%

3. RATIONALE AND BENEFIT FOR ENTERING INTO MOU

3.1 Upon signing of the MOU, both Parties will work together to maximise the benefits from both Parties’ mutual interests in translating areas of business practices into developing new technology solutions, expansion of market shares as well as identifying strategic business developments and revenue generations for both Parties.

3.2 The Benefits of the MOU are to:-

- (a) create mutual understanding of the strategy and business needs of both organisations to enable broader understanding for KABT of the benefits and opportunities of working with RDMA's technology and solutions and assist RDMA's understanding of the benefits and opportunities of working with KABT;
- (b) identify synergies between RDMA and KABT – funded research, business development, engineering technology and training activities where they relate to RDMA and KABT business strategies;
- (c) create opportunities for future joint or allied business activities and projects which translates into revenue growth, innovative technologies or solutions for use by KABT and RDMA;
- (d) influence both Parties in continuous research and development investments by articulating RDMA's technology, software and hardware needs with KABT, and encouraging a technological change in the KABT's solutions to address all business needs;
- (e) identify and measure the impact arising from RDMA and KABT collaboration with Resource Data Management Ltd.'s developments on its technology enabled through this partnership; and
- (f) act mutually as advocates for environmental improvement technology research, the partnership with each other, when interacting with decision-makers and other stakeholders.

4. SALIENT TERMS OF THE MOU

- 4.1 The MOU can be amended only in writing and subject to mutual agreement by the Parties.
- 4.2 The MOU will come into effect on the date of signing of the MOU ("Commencement Date") and will remain in force for a period of 36 months from the Commencement Date ("MOU period").
- 4.3 The MOU can be terminated at any time by any Party following a consultation period of 30 calendar days or such period as agreed otherwise between the Parties and thereafter giving 30 calendar days' written notice of termination to the other Party.

4.4 During the MOU period:

- a. The management of partnership will be managed through a Steering Board which will meet twice per annum.
- b. Membership of the Steering Board will consist of the following, with a small number of additional representatives, selected as appropriate, to cover emerging areas of interest:

RDMA

Head of Sustainable Business
Director of Innovation & Technology

KABT

Managing Director
Head of Business Development & Strategy

- c. The Steering Board will review the collaborative activities in the points of the working relationship and agree new activities based on the alignment of strategy and objectives, levels of engagement and commitment between the Parties, communications, forthcoming opportunities.
- d. The intellectual property and data will be handled on a case-by-case basis with the basic governing principles as stated in the MOU.

5. EFFECTS OF THE MOU

The MOU will not have any effect on the share capital and substantial shareholders' shareholding of the Company.

The MOU 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 2019.

6. INTERESTS 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 MOU.

7. DIRECTORS' STATEMENT

The Board of Directors of KAB, after having considered the MOU, is of the opinion that the MOU is in the best interest of the Company.

This announcement is dated 3 September 2019.