

THIS STATEMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

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KEJURUTERAAN ASASTERA BERHAD

(Company No. 420505-H)
(Incorporated in Malaysia)

**STATEMENT TO SHAREHOLDERS IN RELATION TO THE PROPOSED
AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES**

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

The Notice of the Extraordinary General Meeting ("**EGM**") of Kejuruteraan Asastera Berhad to be held at Function Room 5, Level 2, Hotel Sri Petaling Kuala Lumpur located at 30, Jalan Radin Anum, Bandar Baru Sri Petaling, 57000 Kuala Lumpur, Malaysia on Thursday, 16 May 2019 at 10.00 a.m. or immediately following the conclusion or adjournment of the Annual General Meeting of the Company to be held at the same venue on Thursday, 16 May 2019 at 9.00 a.m., whichever is later, together with the Form of Proxy are enclosed with this Statement.

You are requested to complete, sign and return the enclosed Form of Proxy and deposit it at the office of the share registrar of the Company at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No.8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than 48 hours before the time and date appointed for holding the EGM. The completion and lodging of the Form of Proxy shall not preclude you from attending and voting in person at the EGM should you subsequently wish to do so and in such an event, your Form of Proxy shall be deemed to have been revoked.

Last day, date and time for lodging the Form of Proxy : Tuesday, 14 May 2019 at 10.00 a.m.
Day, date and time of the EGM : Thursday, 16 May 2019 at 10.00 am.

This Statement is dated 30 April 2019

DEFINITIONS

Unless otherwise indicated, the following definitions shall apply throughout this Statement:-

Act	:	The Malaysian Companies Act 2016, as amended from time to time and include any re-enactment thereof
Board	:	The Board of Directors of KAB
Bursa Securities	:	Bursa Malaysia Securities Berhad (Company No. 635998-W)
Code	:	The Malaysian Code on Take-Overs and Mergers 2016, as amended from time to time and include any re-enactment thereof
Directors	:	Shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007
EPS	:	Earnings per share
ESOS	:	Employees' Share Option Scheme
KAB or Company	:	Kejuruteraan Asastera Berhad (Company No. 420505-H)
KAB Group or Group	:	KAB and its subsidiaries, collectively
KAB Share(s) or Share(s)	:	Ordinary share(s) in KAB
Listing Requirements	:	Bursa Securities ACE Market Listing Requirements and any amendments made thereto from time to time
LPD	:	9 April 2019, being the latest practicable date prior to the printing of this Statement
Major Shareholders	:	Means a person who has an interest or interests in one or more voting shares in the Company and the number or aggregate number of those shares; is:- (a) 10% or more of the total number of the voting shares in the Company; or (b) 5% or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company. For the purpose of this definition, "interest" shall have the meaning of "interest in shares" given in Section 8 of the Act.
NA	:	Net assets
Proposed Authority	:	Proposed authority for KAB to purchase its own shares up to ten percent (10%) of the total number of issued shares of KAB
Purchased Shares	:	KAB Shares purchased by the Company pursuant to the Proposed Authority
Proposed Special Issue	:	Proposed Special Issue of up to 34,000,000 special issue shares to Bumiputera Investors to be identified and/or approved by the Ministry of International Trade and Industry
RM and sen	:	Ringgit Malaysia and sen, respectively
SC	:	Securities Commission Malaysia
Statement	:	Statement to Shareholders dated 30 April 2019 in relation to the Proposed Authority
Substantial Shareholder	:	has the meaning given in Section 136 of the Act
Treasury Shares	:	Has the meaning given under Section 127(4) of the Act

All references to “you” in this statement are referred to KAB’s shareholders.

Words importing the singular shall, where applicable, include the plural and vice versa, and words referring to the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include companies or corporations.

Any enactment referred to in this Statement is a reference to that enactment as for the time being amended or re-enacted.

All references to dates and time in this Statement are references to dates and time in Malaysia, unless otherwise stated.

Any discrepancy in the tables between the amounts listed and the totals in this Statement are due to rounding.

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KEJURUTERAAN ASASTERA BERHAD

(Company No. 420505-H)
(Incorporated in Malaysia)

Registered Office:

Unit 30-01, Level 30, Tower A,
Vertical Business Suite,
Avenue 3, Bangsar South, No
8, Jalan Kerinchi,
59200 Kuala Lumpur

30 April 2019

Board of Directors:

Ferdaus Bin Mahmood (*Independent Non-Executive Chairman*)
Dato' Lai Keng Onn (*Managing Director*)
Choong Gaik Seng (*Executive Director*)
Datin Chan Pey Kheng (*Executive Director*)
Goh Kok Boon (*Executive Director*)
Lu Chee Leong (*Independent Non-Executive Director*)
Tong Siut Moi (*Independent Non-Executive Director*)
Dato' Chan Chee Hong (*Independent Non-Executive Director*)

To: The Shareholders of Kejuruteraan Asastera Berhad

Dear Sir/Madam,

PROPOSED AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES

1. INTRODUCTION

On 26 April 2019, the Board announced to Bursa Securities that the Company intends to seek shareholders' approval for the Proposed Authority at the forthcoming EGM.

The purpose of this Statement is to provide you with information in relation to the Proposed Authority and to seek your approval on the ordinary resolution pertaining to the Proposed Authority to be tabled at the forthcoming EGM of the Company. The Notice of the EGM and the Form of Proxy are enclosed in this Statement.

SHAREHOLDERS ARE ADVISED TO READ THE CONTENTS OF THIS STATEMENT CAREFULLY BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED AUTHORITY AT THE FORTHCOMING EGM.

2. DETAILS OF THE PROPOSED AUTHORITY

The Company proposes to seek approval from its shareholders at the EGM for the authority for the proposed purchase of the Company's own shares of up to ten percent (10%) of the total number of issued shares of the Company, subject to compliance with the provision of the Act, the Listing Requirements and/or any other relevant authorities.

The Proposed Authority shall be effective immediately upon the passing of the ordinary resolution to be tabled at the EGM of the Company to be convened and will continue to be in force until:-

- (a) the conclusion of the next AGM of the Company following the EGM at which the ordinary resolution for the Proposed Authority was passed, at which time the authority shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;
- (b) the expiration of the period within which the next AGM of the Company after the date is required by law to be held; or
- (c) the authority is revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting,

whichever occurs first, but shall not prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the Act and Listing Requirements.

3. QUANTUM

The maximum number of KAB Shares which may be purchased by the Company shall not exceed ten percent (10%) of the total number of issued shares of the Company in compliance with Rule 12.09 of the Listing Requirements.

However, the actual number of KAB Shares to be purchased by the Company pursuant to the Proposed Authority, the total amount of funds involved for each purchase(s) and the time of the purchase(s) will depend on *inter alia*, the market conditions and sentiments of the stock market, the availability of financial resources of the Company and the availability of the retained profits of the Company.

4. MAXIMUM AMOUNT OF FUNDS TO BE ALLOCATED AND SOURCE OF FUNDS

The funding for the purchase of KAB Shares pursuant to the Proposed Authority will be from internally generated funds and/or borrowings or a combination of both, the proportion of which will depend on the actual number of KAB Shares to be purchased, the price(s) of the Shares, available funds at the time of purchase(s) and other relevant cost factors.

The maximum amount allocated for such transactions shall not exceed the aggregate balance standing in the retained profits of the Company.

Based on the latest Audited Financial Statements of the Company for the financial year ended 31 December 2018, the retained profits of the Company are RM16,394,834.00.

In the event the Company purchases its own shares using external borrowings, the Board will ensure that the Company has sufficient funds to repay the external borrowings and that the repayment is not expected to have a material effect on the cash flow of the Company.

5. RATIONALE FOR THE PROPOSED AUTHORITY

The Proposed Authority will enable the Company to utilise its financial resources not immediately required for use to purchase its own Shares from Bursa Securities. It may help to stabilise the supply and demand and price of its Shares traded on Bursa Securities, thereby supporting the fundamental value of the Shares.

The KAB Shares purchased, whether to be held as Treasury Shares or subsequently cancelled, will effectively reduce the number of Shares carrying voting and participation rights. Therefore, the Proposed Authority may increase shareholders' value and to improve, *inter alia*, the return on equity of the Group. The purchase of KAB Shares may result in an improvement to the consolidated EPS and/or NA per Share of the Group (given the decreased share base used for the computation of the EPS and NA).

The Purchased Shares can be held as Treasury Shares and resold on Bursa Securities at a higher price with the intention of realising potential gain without affecting the total issued share capital of the Company. Should any Treasury Shares be distributed as share dividends, this would serve to reward the shareholders of the Company.

6. TREATMENT OF PURCHASED SHARES

In accordance with Section 127 of the Act, the Board may, at its discretion, deal with any Purchased Shares in the following manners:-

- (a) To cancel the Purchased Shares;
- (b) To retain the Purchased Shares as Treasury Shares for distribution as share dividends to the Shareholders of the Company, which then may be applied as a reduction of the retained earnings of the Company, and/or resell on market of Bursa Securities in accordance with the relevant rules of Bursa Securities, and/or transfer for purposes of or under an employees' share scheme, and/or transfer as purchase consideration, and/or cancel subsequently;
- (c) To retain part of the Purchased Shares as Treasury Shares and cancel the remainder; or
- (d) in any other manners as may be prescribed by all applicable laws and/or regulations and guidelines applied from time to time by Bursa Securities and/or relevant authority for the time being in force.

Section 127(8) of the Act states that the holder of Treasury Shares which are held under Section 127(5) of the Act shall not confer:-

- (a) The right to attend or vote at meetings and any purported exercise of such rights is void; and
- (b) The right to receive dividends or other distribution, whether cash or otherwise, of the company's assets including any distribution of assets upon winding up of the company.

While the Purchased Shares are held as Treasury Shares, the Treasury Shares shall not be taken into account in calculating the number or percentage of shares or of a class of shares in the Company for any purpose including, without limiting the generality of Section 127(9) of the Act, the provisions of any law or requirements of the constitution of the Company or the listing requirements of a stock exchange on substantial shareholding, takeovers, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on a resolution at a meeting.

As at the date of this Statement, the Board has yet to decide on the treatment of the Shares so purchased in future and will take into consideration the effects of such treatment on the Company in arriving at its decision. An immediate announcement will be made to Bursa Securities upon each purchase, cancellation, resale and/or transfer of Shares pursuant to the Proposed Authority.

7. POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED AUTHORITY

The potential advantages of the Proposed Authority to the Company and its shareholders are as follows:-

- (a) the Proposed Authority will allow the Company to utilise its financial resources where there are no immediate use, to purchase the KAB Shares. If the KAB Shares purchased are held as Treasury Shares or cancelled immediately, this may improve the consolidated EPS of the Group;
- (b) the Proposed Authority may also help to stabilise the supply and demand and price of KAB Shares traded on Bursa Securities and reduce the volatility of KAB Share prices. The stability of KAB Share prices is important to maintain investors' confidence to facilitate future fund raising exercises of the Company via the equity market;
- (c) the Proposed Authority will provide the Company opportunities for potential gains if the Purchased Shares which are retained as Treasury Shares are resold at prices higher than the purchase prices; and
- (d) in the event the Treasury Shares are distributed as share dividends, it will serve to reward the shareholders of KAB.

The potential disadvantages of the Proposed Authority to the Company and its shareholders are as follows:-

- (a) the Proposed Authority, if implemented, will reduce the financial resources of the Company;
- (b) the cash flow of the Company may be affected if the Company decides to utilise bank borrowings to finance the Proposed Authority;
- (c) the funds allocated for the Proposed Authority could be used for other better investment opportunities which may emerge in the future; and
- (d) as the funds to be allocated for the Proposed Authority must be made wholly out of the Company's retained profits, the amount available from this account for distribution of dividends to shareholders of the Company may decrease accordingly.

The Proposed Authority, however, is not expected to have any potential material disadvantages to the Company and its shareholders, as it will be exercised only after in-depth consideration of the financial resources of KAB which need to be balanced against investment opportunities and other proposals that can enhance the value to its shareholders. The Board, in exercising any decision in implementing the Proposed Authority, will be mindful of the interests of the Company and its shareholders.

8. EFFECTS OF THE PROPOSED AUTHORITY

The effects of the Proposed Authority on the share capital, NA, working capital, earnings and shareholdings of Directors and Substantial Shareholders of the Company are set out below:-

(a) Share Capital

The effect of the Proposed Authority on the issued share capital of the Company will depend on whether the Purchased Shares are cancelled or retained as Treasury Shares. The Proposed Authority will result in a reduction of the issued shares capital of the Company if Purchased Shares are cancelled.

For illustration purposes only, the following scenarios are taken into consideration:

- a) **Minimum Scenario**
Assuming that no new shares have been issued under the proposed Special Issue Shares to Bumiputera Shareholders prior to KAB's purchase of its own Shares pursuant to the Proposed Authority.
- b) **Maximum Scenario**
Assuming that up to a maximum of 34,000,000 shares have been issued under the Proposed Special Issue Shares to Bumiputera Shareholders and the shares and/or option granted under the ESOS are fully vested and/or exercised into new KAB Shares prior to KAB's purchase of its own Shares pursuant to the Proposed Authority.

On the assumption that the Proposed Authority is carried out in full and all the KAB Shares so acquired are subsequently cancelled, the Proposed Authority will result in the total number of issued shares of the Company as at the LPD to be reduced as follows:

	As at LPD	After the Proposed Authority	
	No. of Shares	Minimum Scenario No. of Shares	Maximum Scenario No. of Shares
Issued share capital	320,000,000	320,000,000	320,000,000
Special Issue Shares to be issued to Bumiputera Shareholders	-	-	34,000,000
Full exercise of the Options under ESOS	-	-	96,000,000 ⁽¹⁾
	320,000,000	320,000,000	450,000,000
Less: Maximum number of KAB Shares that may be purchased and cancelled pursuant to the Proposed Authority		(32,000,000)	(45,000,000)
Resultant issued share capital after cancellation of KAB Shares purchased under the Proposed Authority	320,000,000	<u>288,000,000</u>	<u>405,000,000</u>

Note:

(1) Based on 30% of the total number of issued shares of the Company as at the LPD.

In the event that all the KAB Shares so purchased are retained as Treasury Shares and not to be cancelled, the Proposed Authority will not have any effect on the total number of issued shares of the Company.

(b) Earnings

The effects of the Proposed Authority on the consolidated earnings and EPS of KAB Group would depend on, *inter alia*, the number of Purchased Shares, the effective cost of funding as well as the interest income foregone in connection with funding such Purchased Shares. If the Purchased Shares are retained as Treasury Shares or cancelled subsequently, the number of shares applied in the computation of the EPS will be reduced and, this may improve the consolidated EPS of KAB Group.

(c) NA

The consolidated NA of the Group may increase or decrease depending on the number of KAB Shares purchased, the purchase price(s) of the KAB Shares, the effective cost of funding and the treatment of the KAB Shares purchased.

The Proposed Authority will reduce the NA per Share when the purchase price exceeds the NA per Share at the time of purchase. On the contrary, the NA per Share will increase when the purchase price is less than the NA per Share at the time of purchase.

(d) Working Capital

The Proposed Authority, as and when implemented, will reduce the working capital and cash flow of KAB Group, the quantum of which depends on, among others, the number of KAB Shares so purchased and the purchase price(s) of the KAB Shares.

For KAB Shares so purchased which are kept as Treasury Shares, upon their resale, the working capital and the cash flow of KAB Group will increase upon the receipt of the proceeds of the resale. The quantum of the increase in the working capital and cash flow will depend on the actual selling price(s) of the Treasury Shares and the number of Treasury Shares resold.

(e) Dividends

Assuming the Proposed Authority is implemented in full and the dividend quantum is maintained at historical levels, the Proposed Authority will have the effect of increasing the dividend rate of the Company as a result of the suspension of the rights of Treasury Shares to dividend entitlement or the reduction in the total number of issued shares of the Company in the event of the Treasury Shares being cancelled.

The Proposed Authority may reduce the cash available which may otherwise be used for dividend payments. Nonetheless, the Treasury Shares may be distributed as dividends to the shareholders of the Company, if the Company so decides.

(f) Gearing

The effect of the Proposed Authority on the gearing of the Group will depend on the proportion of borrowings utilised to fund any purchase of Shares. The utilisation of any borrowings to fund the purchase of any Shares will increase the gearing of the Group.

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(g)

Directors' And Substantial Shareholders' Shareholdings

Based on the Registers of Directors' and Substantial Shareholders' shareholdings as at LPD and assuming that the Proposed Authority is implemented up to the maximum of 10% of the total number of issued shares of the Company and that the Purchased Shares are from the shareholders other than the Directors and Substantial Shareholders of KAB, the effect of the Proposed Authority on the shareholdings of the Directors and Substantial Shareholders of KAB are set out below:-

Minimum Scenario

	Number of Shares held as at LPD [@]			After Proposed Authority [#]			
	Direct	%	Indirect	Direct	%	Indirect	%
Directors							
Dato' Lai Keng Onn	144,000,000	45.00	40,000,000 ⁽¹⁾	144,000,000	50.00	40,000,000 ⁽¹⁾	13.89
Choong Galk Seng	12,000,000	3.75	-	12,000,000	4.17	-	-
Datin Chan Pey Kheng	1,895,000	0.59	-	1,895,000	0.66	-	-
Goh Kok Boon	300,000	0.09	-	300,000	0.10	-	-
Lu Chee Leong	100,000	0.03	-	100,000	0.03	-	-
Ferdaus Bin Mahmood	-	-	-	-	-	-	-
Tong Siut Moi	-	-	-	-	-	-	-
Dato' Chan Chee Hong	-	-	-	-	-	-	-
Substantial Shareholders							
Dato' Lai Keng Onn	144,000,000	45.00	40,000,000 ⁽¹⁾	144,000,000	50.00	40,000,000 ⁽¹⁾	13.89
GAT Success (M) Sdn Bhd	40,000,000	12.50	-	40,000,000	13.89	-	-

Notes:

[@] Computation of percentage of shareholdings is based on total issued Shares of KAB

[#] Assuming the Proposed Authority is implemented in full, i.e. up to 10% of total number of issued shares of the Company, the Purchased Shares are held as treasury shares and that the Directors and the substantial shareholders' shareholdings in KAB remain unchanged.

1 Deemed interest through shares held by GAT Success (M) Sdn Bhd pursuant to Section 8 of the Companies Act 2016.

Maximum Scenario

	Number of Shares held as at LPD [@]				After ESOS [#]				After ESOS, Proposed Special Issue and Proposed Authority [^]			
	Direct	%	Indirect	%	Direct	%	Indirect	%	Direct	%	Indirect	%
Directors												
Dato' Lai Keng Onn	144,000,000	45.00	40,000,000 ⁽¹⁾	12.50	153,600,000	36.92	40,000,000 ⁽¹⁾	9.62	153,600,000	37.93	40,000,000 ⁽¹⁾	9.88
Choong Gaik Seng	12,000,000	3.75	-	-	21,600,000	5.19	-	-	21,600,000	5.33	-	-
Datin Chan Pey Kheng	1,895,000	0.59	-	-	11,495,000	2.76	-	-	11,495,000	2.84	-	-
Goh Kok Boon	300,000	0.09	-	-	300,000	0.07	-	-	300,000	0.07	-	-
Lu Chee Leong	100,000	0.03	-	-	1,100,000	0.26	-	-	1,100,000	0.27	-	-
Ferdous Mahmood	-	-	-	-	1,000,000	0.24	-	-	1,000,000	0.25	-	-
Tong Siut Moi	-	-	-	-	1,000,000	0.24	-	-	1,000,000	0.25	-	-
Dato' Chan Chee Hong	-	-	-	-	-	-	-	-	-	-	-	-
Substantial Shareholders												
Dato' Lai Keng Onn	144,000,000	45.00	40,000,000 ⁽¹⁾	12.50	153,600,000	36.92	40,000,000 ⁽¹⁾	9.62	153,600,000	37.93	40,000,000 ⁽¹⁾	9.88
GAT Success (M) Sdn Bhd	40,000,000	12.50	-	-	40,000,000	9.62	-	-	40,000,000	9.88	-	-
Choong Gaik Seng	-	-	-	-	21,600,000	5.19	-	-	21,600,000	5.33	-	-

Notes:

[@] Computation of percentage of shareholdings is based on total issued Shares of KAB

[#] Assumed the Options are fully granted and exercised under ESOS

[^] Assumed that the proposed Special Issues have been issued up to 34,000,000 shares, the Options under ESOS is fully exercised and the maximum number of Shares bought back by KAB is 10% of the total number of issued shares.

1 Deemed interest through shares held by GAT Success (M) Sdn Bhd pursuant to Section 8 of the Companies Act 2016.

9. PUBLIC SHAREHOLDING SPREAD

As at LPD, the public shareholding spread of the Company was 38.03%. The Proposed Authority will be carried out in accordance with the prevailing laws at the time of the purchase including compliance with 25% public shareholding spread as required under Rule 8.02(1) of the Listing Requirements.

The Board will endeavour to ensure that the Company complies with the public shareholding spread requirements and shall not buy back the Company's Shares if the purchase would result in the public shareholding spread requirements not being met.

10. IMPLICATIONS OF THE CODE

Pursuant to the Code, if the Proposed Authority results in any one of the Directors and/or Substantial Shareholders and their respective parties acting in concert ("Affected Persons") obtain control in the Company or if his/their existing shareholdings is between thirty-three percent (33%) and fifty percent (50%) of the voting shares or voting rights of the Company and as a result of the Proposed Authority, increase(s) his/their holding of the voting shares or voting rights by more than two percent (2%) in any six (6) months period, the Affected Persons would be obliged to undertake a mandatory offer to acquire the remaining KAB Shares not already owned by him/them pursuant to the Code. However, a waiver to undertake a mandatory offer may be granted by the SC under the Code, subject to the Affected Persons complying with certain conditions in the Code.

The Company intends to implement the Proposed Authority in the manner that will not result in any of the shareholders having to undertake a mandatory offer pursuant to the Code. In this respect, the Board will be mindful of the requirements of the Code when implementing the Proposed Authority.

11. PREVIOUS PURCHASE, RESALE, CANCELLATION AND/OR TRANSFER OF TREASURY SHARES MADE IN THE PRECEDING TWELVE (12) MONTHS

There have not been any previous purchase, resale, transfer and/or cancellation of treasury shares of KAB in the previous 12 months preceding this Statement. As at the date of this Statement, the Company does not hold any treasury shares.

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12. HISTORICAL SHARE PRICES

The monthly highest and lowest prices of KAB Shares as traded on Bursa Securities for the past 12 months from April 2018 to March 2019 are as follows:-

	High RM	Low RM
2018		
April	0.250	0.200
May	0.275	0.210
June	0.300	0.250
July	0.280	0.235
August	0.310	0.240
September	0.300	0.250
October	0.300	0.225
November	0.265	0.210
December	0.230	0.185
2019		
January	0.225	0.190
February	0.225	0.205
March	0.240	0.200
Last transacted market price of KAB Shares on LPD being the latest practicable date prior to printing of this Statement		0.215

(Source: Bloomberg)

13. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

None of the Directors and/or major shareholders and/or persons connected to them, has any interest, direct or indirect, in the Proposed Authority or the subsequent resale of the Treasury Shares, if any.

14. APPROVAL REQUIRED

The Proposed Authority is subject to the approval of the shareholders of KAB at the EGM to be convened. Save for the approval of the shareholders of KAB, there is no other approvals required for the Proposed Authority.

15. DIRECTORS' RECOMMENDATION

The Board, having considered the Proposed Authority, is of the opinion that the Proposed Authority is in the best interest of the Company. Accordingly, the Board recommends that the shareholders of KAB vote in favour of the ordinary resolution pertaining to the Proposed Authority to be tabled at the EGM of the Company.

16. EGM

The EGM, the notice of which is enclosed in this Statement, will be held at Function Room 5, Level 2, Hotel Sri Petaling Kuala Lumpur located at 30, Jalan Radin Anum, Bandar Baru Sri Petaling, 57000 Kuala Lumpur, Malaysia on Thursday, 16 May 2019 at 10.00 a.m. or immediately following the conclusion or adjournment of the Annual General Meeting of the Company to be held at the same venue on Thursday, 16 May 2019 at 9.00 a.m., whichever is later, for the purpose of considering and if thought fit, passing, with or without any modifications, the resolutions by way of poll to give effect to the Proposed Authority.

If you are unable to attend and vote in person at the EGM, you may appoint a proxy to attend and vote on your behalf by completing, signing and returning the enclosed Form of Proxy in accordance with the instructions contained therein as soon as possible, so as to arrive at the office of the share registrar of the Company not less than 48 hours before the time and date set for holding the EGM or any adjournment thereof. The completion and lodgement of the Form of Proxy shall not preclude you from attending and voting in person at the EGM should you subsequently wish to do so and in such an event, your Form of Proxy shall be deemed to have been revoked.

17. FURTHER INFORMATION

You are advised to refer to the attached Appendix I for further information.

Yours faithfully
For and on behalf of the Board of Directors
KEJURUTERAAN ASASTERA BERHAD

DATO' LAI KENG ONN
MANAGING DIRECTOR

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FURTHER INFORMATION

1. DIRECTORS' RESPONSIBILITY STATEMENT

This Statement has been approved by the Board of KAB who, individually and collectively, accept full responsibility for the accuracy of the information contained in this Statement and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

2. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the registered office of KAB at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, during normal business hours from the date of this Statement to the date of the EGM:-

- (a) Constitution of the Company; and
- (b) Audited consolidated financial statements of KAB for the past two (2) financial years ended 31 December 2017 and 31 December 2018.

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KEJURUTERAAN ASASTERA BERHAD

(Company No. 420505-H)
(Incorporated in Malaysia)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting of Kejuruteraan Asastera Berhad (“**KAB**” or the “**Company**”) (“**EGM**”) will be held at Function Room 5, Level 2, Hotel Sri Petaling Kuala Lumpur located at 30, Jalan Radin Anum, Bandar Baru Sri Petaling, 57000 Kuala Lumpur, Malaysia on Thursday, 16 May 2019 at 10.00 a.m. or immediately following the conclusion or adjournment of the Annual General Meeting of the Company to be held at the same venue on Thursday, 16 May 2019 at 9.00 a.m., whichever is later, for the purpose of considering and, if thought fit, passing the following resolution with or without any modifications:-

ORDINARY RESOLUTION

PROPOSED AUTHORITY FOR SHARE BUY-BACK

THAT subject always to the Companies Act 2016 (“the Act”), the Constitution of the Company, the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“Listing Requirements”) and all other applicable laws, guidelines, rules and regulations, the Company be and is hereby authorised, to the fullest extent permitted by law, to purchase such number of issued shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that:

- i. the aggregate number of issued shares in the Company (“Shares”) purchased (“Purchased Shares”) and/or held as treasury shares pursuant to this ordinary resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company as quoted on Bursa Securities as at point of purchase; and
- ii. the maximum fund to be allocated by the Company for the purpose of purchasing the shares shall not exceed the aggregate of the retained profits of the Company based on the latest audited financial statements and/or the latest management accounts (where applicable) available at the time of the purchase,

(“Proposed Share Buy-Back”).

AND THAT the authority to facilitate the Proposed Share Buy-Back will commence immediately upon passing of this Ordinary Resolution and will continue to be in force until:

- a. the conclusion of the next Annual General Meeting of the Company following at which time the authority shall lapse unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions;
- b. the expiration of the period within which the next annual general meeting of the Company is required by law to be held; or
- c. revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting,

whichever occurs first, but shall not prejudice the completion of purchase(s) by the Company of its own Shares before the aforesaid expiry date and, in any event, in accordance with the Listing Requirements and any applicable laws, rules, regulations, orders, guidelines and requirements issued by any relevant authorities.

AND THAT the Directors of the Company be and are hereby authorised, at their discretion, to deal with the Purchased Shares until all the Purchased Shares have been dealt with by the Directors in the following manner as may be permitted by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force:

- i. To cancel all or part of the Purchased Shares;
- ii. To retain all or part of the Purchased Shares as treasury shares as defined in Section 127 of the Act;
- iii. To distribute all or part of the treasury shares as dividends to the shareholders of the Company;
- iv. To resell all or part of the treasury shares;
- v. To transfer all or part of the treasury shares for the purposes of or under the employees' share scheme established by the Company and/or its subsidiaries;
- vi. To transfer all or part of the treasury shares as purchase consideration;
- vii. To sell, transfer or otherwise use the shares for such other purposes as the Minister may by order prescribe; and/or
- viii. To deal with the treasury shares in any other manner as allowed by the Act, Listing Requirements, applicable laws, rules, regulations, guidelines, requirements and/or orders of any relevant authorities for the time being in force.

AND THAT the Directors of the Company be and are authorised to take all such steps as are necessary or expedient [including without limitation, the opening and maintaining of central depository account(s) under Securities Industry (Central Depositories) Act, 1991, and the entering into all other agreements, arrangements and guarantee with any party or parties] to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed by the relevant authorities.

**BY ORDER OF THE BOARD
KEJURUTERAAN ASASTERA BERHAD**

**JOANNE TOH JOO ANN (LS 0008574)
SIA EE CHIN (MAICSA 7062413)
Company Secretaries**

Kuala Lumpur
30 April 2019

Notes:

1. *A member entitled to attend and vote at the meeting is entitled to appoint up to two (2) Proxy(ies) (or in the case of a corporation, a duly authorised representative) to attend and vote in his stead.*
2. *Where a member appoints more than one (1) Proxy, the appointment shall be invalid unless the proportion of shareholdings to be represented by each proxy is specified in the instrument appointing the proxies.*
3. *The instrument appointing a proxy shall be in writing, executed by or on behalf of the appointor.*
4. *An instrument appointing a proxy or (in the case of a power of attorney appointing an attorney to or to (inter alia) attend and vote at meetings or polls) such power of attorney or a notarially certified copy of such power of attorney and (if required by any Director) any authority under which such proxy or power of attorney is executed or a copy of such authority certified notarially or in some other way approved by the Directors shall be deposited at the office of the Company's Share Registrar situated at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, at least forty-eight (48) hours i.e. on or before 10.00 a.m., Tuesday, 14 May 2019, otherwise the person so named shall not be entitled to vote in respect thereof, or adjourned meeting at which the person named in the instrument or power of attorney proposes to vote.*
5. *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), it may appoint not more than two (2) proxies in respect of each securities account it holds with KAB Shares standing to the credit of the said Securities Account.*
6. *Where a member of the company is an exempt authorised nominee as defined under the SICDA, which holds KAB Shares for multiple beneficial owners in one securities account ("**Omnibus Account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds.*
7. *For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting the Bursa Malaysia Depository Sdn Bhd to make available to the Company pursuant to Clause 75 of the Constitution of the Company and Rule 7.16(2) of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, a Record of Depositors as at 9 May 2019 and only a Depositor whose name appear on such Record of Depositors shall be entitled to attend, vote and speak at the meeting.*

FORM OF PROXY



KEJURUTERAAN ASASTERA BERHAD

(Company No. 420505-H)
(Incorporated in Malaysia)

I/We,(NRIC/Company No.)
(Full Name in Capital Letters)

of
(Full Address)

Contact No..... being a member of **KEJURUTERAAN ASASTERA BERHAD**, hereby appoint(s).....

.....(NRIC/Company No.)
(Full Name in Capital Letters)

of
(Full Address)

and/or* ,(NRIC/Company No.)
(Full Name in Capital Letters)

of
(Full Address)

or failing whom, the Chairman of the Meeting as my/our* proxy to vote for me/us and on my/our behalf at the Extraordinary General Meeting of Kejuruteraan Asastera Berhad (“**KAB**” or the “**Company**”) (“**EGM**”) which will be held at Function Room 5, Level 2, Hotel Sri Petaling Kuala Lumpur located at 30, Jalan Radin Anum, Bandar Baru Sri Petaling, 57000 Kuala Lumpur, Malaysia on Thursday, 16 May 2019 at 10.00 a.m. or immediately following the conclusion or adjournment of the Annual General Meeting of the Company to be held at the same venue on Thursday, 16 May 2019 at 9.00 a.m., whichever is later and at any adjournment thereof in respect of my/our shareholding in the manner indicated below:-

NO.	RESOLUTION	FOR	AGAINST
1.	Ordinary Resolution – Proposed Authority		

[Please indicate with an "X" in the spaces provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific directions, your proxy will vote or abstain as he/she thinks fit.]

Dates this _____ day of _____ 2019

Signature of Member / Common Seal

No. of Ordinary Shares held :	
CDS Account No. :	
Proportion of shareholdings	First Proxy :
to be represented by proxies	Second Proxy :
Contact No . :	

NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint up to two (2) Proxy(ies) (or in the case of a corporation, a duly authorized representative) to attend and vote in his stead.
2. Where a member appoints more than one (1) Proxy, the appointment shall be invalid unless the proportion of shareholdings to be represented by each proxy is specified in the instrument appointing the proxies.
3. The instrument appointing a proxy shall be in writing, executed by or on behalf of the appointor.

4. *An instrument appointing a proxy or (in the case of a power of attorney appointing an attorney to or to (inter alia) attend and vote at meetings or polls) such power of attorney or a notarially certified copy of such power of attorney and (if required by any Director) any authority under which such proxy or power of attorney is executed or a copy of such authority certified notarially or in some other way approved by the Directors shall be deposited at the Company's Share Registrar situated at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, at least forty-eight (48) hours i.e. on or before 10.00 a.m., Tuesday, 14 May 2019, otherwise the person so named shall not be entitled to vote in respect thereof, or adjourned meeting at which the person named in the instrument or power of attorney proposes to vote.*
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6. *Where a member of the company is an exempt authorised nominee as defined under the SICDA, which holds Ordinary Shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each Omnibus Account it holds.*
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