

UNAUDITED CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME ⁽¹⁾

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31.03.2018 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.03.2017 ⁽²⁾ RM'000	CURRENT YEAR QUARTER 31.03.2018 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31.03.2017 ⁽²⁾ RM'000
Revenue	32,797	N/A	32,797	N/A
Cost of sales	(27,064)	N/A	(27,064)	N/A
Gross profit	5,733	N/A	5,733	N/A
Other income	164	N/A	164	N/A
Administrative expenses	(2,221)	N/A	(2,221)	N/A
Finance costs	(405)	N/A	(405)	N/A
Profit before tax	3,271	N/A	3,271	N/A
Income tax expense	(915)	N/A	(915)	N/A
Profit / Total comprehensive income for the period	2,356	N/A	2,356	N/A
Profit / Total comprehensive income attributable to owners of the Company	2,356	N/A	2,356	N/A
Earnings per share attributable to owners of the Company (sen) ⁽³⁾ :				
Basic	0.74	N/A	0.74	N/A
Diluted	0.74	N/A	0.74	N/A

Notes:

- (1) The basis of preparation of the Unaudited Condensed Statements of Profit or Loss and Other Comprehensive Income are disclosed in Note A1 and should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to this interim financial report.
- (2) There are no comparative figures for the corresponding period of the preceding quarter available as this is the fourth interim financial report for the first quarter ended 31 March 2018 announced in compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements").
- (3) Based on the Company's weighted average number of ordinary shares at the end of the reporting period.
- N/A Not applicable

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2018

	Current Quarter 31.03.2018	Immediate Preceding Quarter 31.12.2017	Changes (Amount / %)	
	RM'000	RM'000	RM'000	%
Revenue	32,797	31,324	1,473	4.7
Operating Profit	5,733	7,034	(1,301)	(18.5)
Profit Before Interest and Tax	3,676	3,052	624	20.4
Profit Before Tax	3,271	2,728	543	19.9
Profit After Tax	2,356	1,426	930	65.2
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent holders of the parent	2,356	1,426	930	65.2

UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION⁽¹⁾

	Unaudited As at 31.03.2018 RM'000	Audited As at 31.12.2017 ⁽²⁾ RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	9,405	9,369
	<u>9,405</u>	<u>9,369</u>
Current assets		
Trade receivables	43,165	37,552
Other receivables, deposits and prepayments	2,038	1,643
Amount owing by contract customers	12,916	13,515
Deposits with licensed banks	13,551	16,244
Cash and bank balances	12,765	11,902
	<u>84,435</u>	<u>80,856</u>
TOTAL ASSETS	<u>93,840</u>	<u>90,225</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	32,000	32,000
Retained profits	13,256	10,899
Total equity attributable to owners of the Company	<u>45,256</u>	<u>42,899</u>
Non-current liabilities		
Hire purchase payables	621	709
Term loan	5,066	5,158
Deferred tax liabilities	78	78
	<u>5,765</u>	<u>5,945</u>
Current liabilities		
Trade payables	22,271	21,480
Other payables and accruals	1,025	929
Amount owing to contract customers	12,803	8,201
Hire purchase payables	350	355
Short-term borrowings	5,167	9,185
Current tax liabilities	1,203	1,231
	<u>42,819</u>	<u>41,381</u>
TOTAL LIABILITIES	<u>48,584</u>	<u>47,326</u>
TOTAL EQUITY AND LIABILITIES	<u>93,840</u>	<u>90,225</u>
Net asset per share (RM) ⁽³⁾	0.14	0.13

KEJURUTERAAN ASASTERA BERHAD (420505-H)

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2018

Notes:

- (1) The basis of preparation of the Unaudited Condensed Statement of Financial Position are disclosed in Note A1 and should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to this interim financial report.
- (2) There are no comparative figures for the corresponding period of the preceding quarter available as this is the fourth interim financial report for the first quarter ended 31 March 2018 announced in compliance with the Listing Requirements.
- (3) Net assets per share is calculated based on the Company's number of ordinary shares at the end of the reporting period.
- N/A Not applicable

UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY⁽¹⁾⁽²⁾

	Non-distributable Share Capital RM'000	Distributable Retained Profits RM'000	Total Equity RM'000
Balance at 01.01.2018	32,000	10,900	42,900
Profit after taxation / Total comprehensive income for the period	-	2,356	2,356
Balance as at 31.03.2018	32,000	13,256	45,256

Notes:

- (1) The basis of preparation of the Unaudited Condensed Statement of Changes in Equity are disclosed in Note A1 and should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to this interim financial report.
- (2) There are no comparative figures for the corresponding period of the preceding quarter available as this is the fourth interim financial report for the first quarter ended 31 March 2018 announced in compliance with the Listing Requirements.

UNAUDITED CONDENSED STATEMENT OF CASH FLOWS⁽¹⁾

	CUMULATIVE PERIOD	
	Current Period Ended 31.03.2018 RM'000	Comparative Period Ended 31.03.2017 ⁽²⁾ RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	3,271	N/A
Adjustments for:		
Depreciation	199	N/A
Share issue expenses	-	N/A
Interest expense	286	N/A
Interest income	(140)	N/A
Property, plant and equipment written off	-	N/A
Operating profit before changes in working capital	3,616	N/A
Increase in amount owing to contract customers	5,201	N/A
Increase in trade and other receivables	(6,007)	N/A
Increase in trade and other payables	886	N/A
Cash flows from operations	3,696	N/A
Interest paid	(286)	
Interest received	140	N/A
Tax paid	(942)	N/A
Net cash from operating activities	2,608	N/A
CASH FLOWS USED IN INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(236)	N/A
Net cash used in investing activities	(236)	N/A
CASH FLOWS FROM FINANCING ACTIVITIES		
Placement of fixed deposits pledged to banks	2,692	N/A
Payment of share issue expenses	-	N/A
Drawdown of term loan	-	N/A
Repayment in bank factoring	(2,513)	N/A
Repayment of hire purchase obligations	(92)	N/A
Repayment of term loans	(1,603)	N/A
Initial public offering proceeds	-	N/A
Net cash used in financing activities	(1,516)	N/A
NET INCREASE IN CASH AND CASH EQUIVALENTS	856	N/A
Cash and cash equivalents at beginning of the financial period	9,073	N/A
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	9,929	N/A
Cash and cash equivalents comprise :		
Deposits with licensed banks	13,551	N/A
Cash and bank balances	12,765	N/A
Bank overdrafts	(2,836)	N/A
	23,480	N/A
Less: Deposits pledged to licensed banks	(13,551)	N/A
	9,929	N/A

KEJURUTERAAN ASASTERA BERHAD (420505-H)

INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2018

Notes:

- (1) The basis of preparation of the Unaudited Condensed Statement of Cash Flows are disclosed in Note A1 and should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to this interim financial report.
- (2) There are no comparative figures for the corresponding period of the preceding quarter available as this is the fourth interim financial report for the first quarter ended 31 March 2018 announced in compliance with the Listing Requirements.

PART A – EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2018

A1 Basis of Preparation

The interim financial statements of the Company are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134 : Interim Financial Reporting and Rule 9.22 of the Listing Requirements.

This is the fourth interim financial report on the Company’s results for the first quarter ended 31 March 2018 announced in compliance with the Listing Requirements and as such, there are no comparative figures for the preceding year’s corresponding period.

The interim financial reports should be read in conjunction with the audited financial statements of the Company for the financial year ended 31 December 2017.

A2 Significant Accounting Policies

The accounting policies and presentations adopted by the Company in this interim financial statements are consistent with those adopted for the audited financial statements of the Company for the financial year ended 31 December 2017.

The Company has not early adopted any new or revised standards, amendments or IC Interpretations which are applicable to the Company that have been issued by the MASB but are not yet effective for the Company’s current financial year ending 31 December 2018.

A3 Auditors’ Report

There was no qualification on the audited financial statements of the Company for the financial year ended 31 December 2017.

A4 Seasonal and Cyclical Factors

The business operations of the Company are not materially affected by any seasonal or cyclical factors.

A5 Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Company during the financial quarter and period under review.

A6 Changes in Estimates

There were no material changes in estimates that have a material effect on the financial quarter and period under review.

A7 Debt and Equity Securities

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the first quarter ended 31 March 2018.

A8 Dividends Paid

No dividends have been paid during the first quarter ended 31 March 2018.

PART A – EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017

A9 Segmental Reporting

The Company is principally involved in the provision of electrical and mechanical engineering services. As such, the revenue of the Company for the current financial quarter under review and the financial period to date is derived entirely from its electrical and mechanical engineering services.

No geographical analysis has been prepared as the Company operates wholly in Malaysia.

A10 Material Events after the End of the Reporting Period

Further to what is disclosed in Note B6 “Status of Corporate Proposals” and Note B10 “Dividends”, the Company incorporated the following 3 wholly owned subsidiaries on 3 April 2018 to undertake the following activities:-

<u>Company</u>	<u>Activity</u>
1. KAB Technologies Sdn Bhd	I. Design, installation and commissioning of energy monitoring and saving software systems
2. KAB Construction Sdn Bhd	I. General construction II. Property development
3. KAB M&E Engineering Sdn Bhd	I. Provision of electrical and mechanical services. II. Installation, testing and commissioning of electrical systems. III. Installation, testing and commissioning of air-conditioning and mechanical ventilation systems.

A11 Changes in the Composition of the Company

There were no changes in the composition of the Company during the current financial quarter.

A12 Contingent Liabilities and Contingent Assets

Contingent liabilities of the Company as at 31 March 2018 comprised of guarantees given to third parties in respect of performance bonds for the Company’s projects amounting to RM9.51 million.

There were no contingent assets as at the date of this interim report.

A13 Capital Commitments

	RM'000
Approved and contracted but not provided for:	
- Property, plant and equipment	378
Approved but not contracted for :	-

A14 Significant related party transactions

There were no significant related party transactions in the current financial quarter and financial period under review.

A15 Financial Liabilities

The Company has not entered into any derivatives and do not have any financial liabilities.

PART B – ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B1 Review of Company Performance

The Company recorded revenue of RM32.80 million and profit before tax of RM3.27 million for the current financial quarter ended 31 March 2018. The Company's revenue was derived from the provision of mainly electrical engineering services.

Comparative figures for the corresponding period of the preceding quarter are not available as this is the fourth interim financial report for the first quarter ended 31 March 2018 announced in compliance with the Listing Requirements.

B2 Comparison with Immediate Preceding Quarter Results

The Company recorded lower gross profit of RM5.73 million for the current quarter as compared with RM7.03 million in the preceding quarter mainly due to higher costs despite higher revenues.

The Company's profit before tax of RM3.27 million for the current quarter was 19.9% higher than the RM2.73 million achieved in the previous quarter. The increase was mainly due to the non-recurrent listing expenses of approximately RM1.97 million incurred in the previous quarter.

B3 Prospects for the Financial Year

The Company will continue to focus on the following future plans and business strategies for the future growth and expansion of its business:-

- (i) grow its market share in Malaysia by increasing tendering activities, focusing on affordable housing sector and geographical expansion;
- (ii) strengthen its capabilities by growing its mechanical engineering services segment; and
- (iii) diversifying its revenue stream by providing maintenance services including upgrading, expansion, refurbishment, retrofitting and renovation projects.
- (iv) In the area of technology innovation, we are planning to collaborate with a software specialist to develop our own proprietary internet-of-Things based software that can monitor ventilation and air-conditioning systems in order to enhance operational efficiencies and reduce cost.

The Board of Directors is of the opinion that the Company's financial performance for the current year to be satisfactory.

B4 Profit Forecast

The Company has not issued any profit forecast or profit guarantee in any form of public documentation and announcement.

B5 Taxation

	Current quarter ended 31 March 2018 RM'000	Comparative quarter ended 31 March 2017⁽¹⁾ RM'000	Cumulative 12-month period ended 31 March 2018 RM'000	Cumulative 12-month period ended 31 March 2017⁽¹⁾ RM'000
Income tax	837	N/A	837	N/A
Deferred tax	78	N/A	78	N/A
	<u>915</u>	<u>N/A</u>	<u>915</u>	<u>N/A</u>
Effective tax rate ⁽²⁾	27.97%	N/A	27.97%	N/A

PART B – ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

Notes:

- (1) Comparative figures for the corresponding period of the preceding quarter are not available as this is the fourth interim financial report for the first quarter ended 31 March 2018 announced in compliance with the Listing Requirements.
- (2) The effective tax rate for the current quarter is higher than the statutory tax rate of 24% mainly due to adjustment for non-deductible expenses.

N/A – Not applicable

B6 Status of Corporate Proposals

On 23 April 2018, the Company announced that it proposes to undertake a proposed establishment of an employees' share option scheme ("ESOS") involving up to 30% of the total number of issued shares of the Company (excluding treasury shares, if any) for eligible directors and employees of the Company and its subsidiaries ("Proposed ESOS").

On 2 May 2018, Bursa Securities had granted its approval for the listing of such number of new ordinary shares in the Company to be issued pursuant to the Proposed ESOS.

On 21 May 2018, the shareholders of the Company had approved the Proposed ESOS during the extraordinary general meeting held for the Proposed ESOS.

B7 Utilisation of Proceeds Raised from Public Issue

The gross proceeds from the Public Issue amounting to RM20.00 million is intended to be utilised in the following manner:

Details of utilisation	Proposed Utilisation RM'000	Actual Utilisation ⁽¹⁾ RM'000	Balance Unutilised RM'000	Estimated timeframe for utilisation upon listing
Working capital	12,100	(6,077)	6,023	Within 24 months
Capital expenditure	2,200	(235)	1,965	Within 18 months
Setting up a proposed new branch office in Johor Bahru and an additional office in Kuala Lumpur	600	(289) ⁽²⁾	311	Within 12 months
Repayment of bank borrowings	1,600	(1,415)	185	Within 12 months
Estimated listing expenses	3,500	(3,340) ⁽³⁾	160	Immediate
Total	20,000	(11,356)	8,644	

Notes:

- (1) Actual utilisation as at 31 March 2018.
- (2) Expenditure incurred for setting up an additional office in Kuala Lumpur prior to the listing of the Company on the ACE Market of Bursa Securities which was funded using

PART B – ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

internally generated funds and was reimbursed from the proceeds obtained from the initial public offering of the Company.

- (3) Prepaid listing expenses which was funded using internally generated funds and was reimbursed from the proceeds obtained from the initial public offering of the Company.

As at the date of this report, save for approximately RM11.4 million which has been utilised for various purposes as disclosed above, there is no other utilisation of IPO proceeds.

PART B – ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B8. Company Borrowings and Debt Securities

The details of the borrowings of the Company are as follows:-

	As at 31 March 2018 RM'000	As at 31 March 2017 ⁽¹⁾ RM'000
Long term:		
Term loans	5,066	N/A
Hire purchase payables	621	N/A
	5,687	N/A
Short tem:		
Term loans	280	N/A
Hire purchase payables	350	N/A
Bank overdrafts	2,836	N/A
Bank factoring / Bank Acceptance	2,051	N/A
	5,517	N/A

All the Company's borrowings are secured and denominated in Ringgit Malaysia.

Note:

- (1) Comparative figures for the corresponding period of the preceding quarter are not available as this is the fourth interim financial report for the first quarter ended 31 March 2018 announced in compliance with the Listing Requirements.

N/A – Not applicable

B9. Material Litigation

Save as disclosed below, the Company is not engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, which has or would have a material and adverse effect on the financial position or business of the Company and, to the best of the Board's knowledge and belief, the Board is not aware of any proceedings pending or threatened against the Company or of any facts likely to give rise to any proceedings which might materially and adversely affect the financial position or business of the Company:-

(i) Kuala Lumpur Sessions Court Suit No: WA-A52C-40-12/2017

The Company has initiated a suit against Cangkat Mentari Sdn Bhd ("CMSB") on 20 December 2017 for losses incurred amounting to RM160,982.20 for defect rectification which CMSB failed to carry out under the construction contract for the project known as "Cadangan Pembangunan Kompleks Pangsapuri Perkhidmatan 21 Tingkat dan Pejabat 22 Tingkat di No. 11 (PT 1090), Jalan Judo 13/45, Seksyen 13, Shah Alam, Selangor" ("Adina Project"). The Company is also claiming back advance payments made by the Company to CMSB during the course of the Adina Project.

CMSB has counterclaimed against the Company for unpaid progress claims amounting to RM549,851.35. An earlier application by CMSA to transfer the proceedings from the Sessions Court to the High Court was withdrawn by CMSA and subsequently struck out by the court without any order for costs.

The court has directed the parties to undergo mediation on 8 May 2018 and the matter was not settled. As the matter was not settled during mediation, the trial will then continue on 23 July 2018 until 26 July 2018.

PART B – ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

(ii) Kuala Lumpur Sessions Court Suit No: WA-B52NCVC-7-01/2018

The Company has also initiated a suit against CMSB on 4 January 2018 for losses incurred amounting to RM601,028.97 in relation to defect rectification which CMSB failed to carry out under the construction contract for the project known as “Cadangan Pembangunan Komersial (2 Blok Perniagaan 4-5 Tingkat, 1 Blok Pejabat 28 Tingkat dan 1 Blok Pangsapuri Servis 20 Tingkat) di atas 2 hingga 5 Tingkat Besmen Tempat Letak Kereta di atas Lot 53298 (PT 97930) Kota Damansara, Petaling Jaya” (“Cascade Project”). The Company is also claiming back advance payments made by the Company to CMSB during the course of the Cascade Project.

CMSB has counterclaimed against the Company for unpaid progress claims amounting to RM728,336.03. An earlier application by CMSA to transfer the proceedings from the Sessions Court to the High Court was withdrawn by CMSA and subsequently struck out by the court without any order for costs.

The court has directed the parties to undergo mediation on 8 May 2018 and the matter was not settled. As the matter was not settled during mediation, the trial will then continue on 13 August 2018 until 17 August 2018.

Based on advice received from the solicitors acting for the Company, the Board is of the view that the Company has an even chance of success in its claims and a good defence against CMSB’s counterclaim in relation to both the above-mentioned claims.

B10. Dividends

An announcement was made on 26 February 2018 in relation to the entitlement of an interim Single Tier Dividend of 0.5 sen per share to be paid on April 6 2018. The entitlement date for the dividend is on 13 March 2018.

B11. Earnings Per Share

The basic and diluted earnings per share for the current quarter is computed as follows:-

	Quarter ended 31 March 2018	Quarter ended 31 March 2017 ⁽³⁾
Profit after tax attributable to owners of the Company (RM'000)	2,356	N/A
Weighted average number of ordinary shares ('000)	320,000	N/A
Basic earnings per share (sen) ⁽¹⁾	0.74	N/A
Diluted earnings per share (sen) ⁽²⁾	0.74	N/A

Notes:

- (1) The basic earnings per share is computed based on the profit attributable to the equity shareholders of the Company divided by the weighted average number of ordinary shares in issue for the period under review.

PART B – ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

- (2) Diluted earnings per share is equivalent to the basic earnings per share as the Company does not have convertible securities as at 31 March 2018.
- (3) Comparative figures for the corresponding period of the preceding quarter are not available as this is the fourth interim financial report for the first quarter ended 31 March 2018 announced in compliance with the Listing Requirements.

N/A – Not applicable

B12. Disclosure of Realised and Unrealised Profits

The breakdown of the retained profits of the Company as at 31 March 2018 into realised and unrealised profits is as follows:-

	As at 31 March 2018 RM'000	As at 31 March 2017⁽¹⁾ RM'000
Total retained profits of the Company:		
- Realised	13,256	N/A
- Unrealised	-	N/A
	13,256	N/A

Note:

- (1) Comparative figures for the corresponding period of the preceding quarter are not available as this is the fourth interim financial report for the first quarter ended 31 March 2018 announced in compliance with the Listing Requirements.

N/A – Not applicable

PART B – ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

B13. Notes to the Statement of Profit or Loss and Comprehensive Income

Profit before tax is arrived at after (crediting) / charging:

	Current quarter ended 31 March 2018 RM'000	Cumulative quarter ended 31 March 2017⁽¹⁾ RM'000	Cumulative 12-month period ended 31 March 2018 RM'000	Cumulative 12-month period ended 31 March 2017⁽¹⁾ RM'000
Interest income	(140)	N/A	(140)	N/A
Interest expense	286	N/A	286	N/A
Depreciation of property, plant and machinery	199	N/A	199	N/A
Professional fees	210	N/A	210	N/A
Provision for and write off receivables	N/A	N/A	N/A	N/A
Provision for and write off inventories	N/A	N/A	N/A	N/A
Gain or loss on disposal of quoted or unquoted investments of properties	N/A	N/A	N/A	N/A
Impairment of assets	N/A	N/A	N/A	N/A
Foreign exchange gain or loss	N/A	N/A	N/A	N/A
Gain or loss on derivatives	N/A	N/A	N/A	N/A
Exceptional items	N/A	N/A	N/A	N/A

Notes:

- (1) Comparative figures for the corresponding period of the preceding quarter are not available as this is the fourth interim financial report for the first quarter ended 31 March 2018 announced in compliance with the Listing Requirements.

N/A – Not applicable

B14. Authorised for issue

The interim financial statements were authorised by the Board of Directors in accordance with the resolution of the Directors on 21 May 2018.