

KEJURUTERAAN ASASTERA BERHAD CONTINUES EXPANSION DRIVE AND PURSUES ESG ENHANCEMENTS

Kuala Lumpur, Friday, 27 November 2020 – Kejuruteraan Asastera Berhad (“KAB” or “the Group”) is pleased to announce its financial performance for the third quarter ended 30 September 2020 (3Q 2020). KAB recorded better top and bottom lines for 3Q 2020 on a quarter-on-quarter basis, following the resumption of business activities after the movement control order (MCO). The improved financial performance is also attributed to KAB’s cost control initiatives in ensuring that the Group remained profitable amidst an adverse business environment.

KAB remains steadfast in driving its expansion plans despite the movement restriction and has continued to secure several new projects since the beginning of this year. As at end-September 2020, the Group’s order book expanded 21.6.% to RM360 million (end-December 2019: RM296 million), in addition to RM422 million worth of tenders that are still pending.

KAB posted a total revenue of RM43.52 million and a profit before tax (PBT) of RM2.22 million for 3Q 2020, an increase of 65% and over 100% respectively, in comparison to the immediate preceding quarter’s (2Q 2020) revenue of RM26.31 million and PBT of RM0.22 million.

Year-on-year, the Group’s profit after tax and non-controlling interests (PATNCI) of RM1.37 million for 3Q 2020 was lower than the RM2.76 million reported for 3Q 2019.

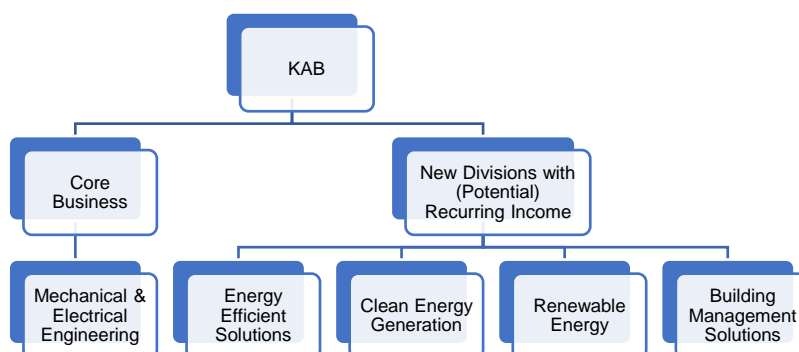
“We expect 4Q 2020 to be much better as business confidence improves and customers pick up pace in their businesses. Business activities have resumed and picked up significantly in 3Q 2020. We will continue to drive order book expansion in our core business. The MCO has set a new norm for businesses and we are well equipped to embrace the new operating environment post-pandemic,” remarks KAB’s Managing Director, Dato’ Lai Keng Onn.

With regard to KAB’s clean energy generation division, there is a cogeneration plant with a capacity of 1.5 MW which had commenced construction in October 2020 and is expected to operate in 2022. Upon Commercial Operation Date, this project is expected to contribute positively to the Group’s future earnings. In addition to this plant, KAB has also entered into commercial discussions with several customers for cogeneration plants with a total capacity of 14 MW, which would contribute significantly to the Group’s bottom line when they materialise. Separately, the movement restriction has also hampered our strategy on the international front particularly in renewable energy division, but with the situation normalising, this is also expected to contribute notably to the Group’s bottom line in FY 2021.

“Given the national and global shift towards sustainable energy solutions, the Group has been focusing its resources in this area. We believe that we are in a good position to embrace future trends like green energy, energy efficiency and energy technology that can help to reduce carbon footprint. We are optimistic that the government’s push in environmental, social and governance (ESG) will be positive for our future pipelines. In addition, we are stepping up our internal processes to support the government’s heightened expectations on ESG and sustainability practices moving forward,” added Dato’ Lai.

ABOUT KEJURUTERAAN ASASTERA BERHAD

KEJURUTERAAN ASASTERA BERHAD (“KAB”) is a mechanical and electrical (“M&E”) engineering company established in 1997 that 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 with a Grade 7 and the Energy Commission with a Class A. KAB has been accredited with the BS EN ISO 9001:2015 certificate by NQA Certification Services (M) Sdn Bhd for the scope of M&E engineering installation and maintenance services.



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