



PRESS RELEASE

KAB's sustainable energy segment records turnaround in 2Q22

- *Buoyed by acquisition of power plant in fourth quarter of 2021 as well as commencement of solar photovoltaic (PV) systems*

KUALA LUMPUR, 23 August 2022 – Engineering and energy solutions provider **Kejuruteraan Asastera Berhad** (“KAB”, the “Group”, “敬业”) reported that its Sustainable Energy Solutions (“SES”) segment posted a turnaround with operating profit of RM1.4 million in the second quarter ended 30 June 2022 (“2Q22”) on maiden contributions from its newly-acquired power plant in the fourth quarter of 2021, as well as commencement of solar PV systems.

The turnaround contrasted the SES segment’s RM0.3 million operating loss in the previous corresponding quarter, on the back of a ten-fold revenue jump to RM4.2 million in 2Q22 versus RM0.4 million a year ago. The Group recognised revenue from the energy supply concession of a 2.2-megawatt (MW) Waste Heat Recovery power plant and a 1.5 MW cogeneration facility, both located in Negeri Sembilan, as well as 15 solar PV systems in Malaysia and Thailand.

The first half ended 30 June 2022 (1H22) posted similar improvements, as the SES segment raked in RM2.3 million operating profit from an operating loss of RM0.8 million previously. 1H22 revenue jumped to RM8.2 million from RM0.5 million a year ago.

“The SES segment made up nearly 10% of group revenue in 1H22. This is a significant step towards becoming a steady contributor to KAB, as we transform into a one-stop engineering and energy solutions provider in Southeast Asia.

This growth pace is set to accelerate further, thanks to recently acquired assets of an 11-MW mini-hydro power plant in Indonesia, and a solar PV system on the rooftop of Universiti Teknologi Malaysia in Kuala Lumpur. Both have existing concessions which are expected to provide recurring income stream for eight to 25 years.

We believe renewable energy will be an increasingly dominant energy source of the Southeast Asia region in the future, and with the huge untapped potential, we will continue to pursue attractive assets across the region. We are looking to expand our SES orderbook amounting to RM481 million as at 30 June 2022.”

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



In July 2022, the Group's wholly-owned subsidiary KAB Energy Holdings Sdn Bhd ("KABEH") entered into a Share Sale Agreement to acquire 100% stake in PT Inpola Mitra Elektrindo ("PT IME") which owns a mini-hydro power plant called "Kombih III" in North Sumatera, Indonesia. The Kombih III mini hydro power plant commenced commercial operations in October 2021 and began supplying electricity to Indonesia's state-owned utility company PT Perusahaan Listrik Negara for an initial 20-year concession period.

This was followed by KABEH's acquisition of Matahari Suria Sdn Bhd in August 2022, which owns a rooftop solar PV system on the rooftop of Universiti Teknologi Malaysia Kuala Lumpur, and has an ongoing power purchase contract to supply energy to Tenaga Nasional Berhad under a feed-in tariff concession of RM0.98 per kWh up to 2037.

The significant SES segment growth led the 6.2% revenue rise to RM42.6 million in 2Q22, from RM40.2 million previously. 2Q22 net profit amounted to RM0.6 million compared to RM1.0 million previously due to the higher raw material costs faced by the Mechanical & Electrical ("M&E") segment.

1H22 group revenue improved 6.3% to RM95.6 million from RM89.9 million in the previous corresponding period, with the M&E segment remaining the major revenue contributor at RM87.8 million. 1H22 net profit was lower at RM1.2 million versus RM2.9 million previously, on higher raw material costs faced by the M&E segment, particularly for copper and iron ore.

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:

Mr. Tay Tze Yi	tayty@aquilas.com.my	T: 03-2711 1391 / 016-3380 555
Ms. Julia Pong	julia@aquilas.com.my	T: 03-2711 1391 / 012-3909 258