



## **PRESS RELEASE**

# **KAB 4Q22 impacted by high raw material prices but Sustainable Energy Solutions continue to deliver strong growth**

- *SES segment contribution rises to 42.6% of 4Q22 operating profit*
- *Group orderbook from M&E engineering and SES segments grows to RM878 million*

**KUALA LUMPUR, 23 February 2023** – Engineering and energy solutions provider **Kejuruteraan Asastera Berhad** (“KAB”, the “Group”, “敬业”) reported that its group net profit was lower at RM0.6 million in the fourth quarter ended 31 December 2022 (4Q22) compared to RM1.4 million in 4Q21, in line with the decline in group revenue to RM46.6 million in 4Q22 from RM52.8 million previously, due to higher raw material prices impacting its Mechanical and Electrical (M&E) Engineering segment.

However, the Group’s Sustainable Energy Solutions (SES) segment continued on its strong growth trajectory, as the segment’s operating profit surged 270.9% to RM1.3 million in 4Q22 from RM0.3 million in the previous corresponding quarter.

The improved SES performance was underpinned by 15.5% higher segment revenue of RM6.6 million compared to RM5.7 million previously, largely attributed to the commencement of a recently acquired cogeneration power plant in Negeri Sembilan, in addition to revenue from solar photovoltaic (PV) systems in Malaysia and Thailand that commenced in early 2022.

With the increased profitability, the SES segment became a key contributor to the Group's performance at 42.6% of Group operating profit in 4Q22, turning around from a loss in the full year ended 31 December 2021.

Meanwhile, the M&E segment saw the continued softness in the construction and property sector, registering RM41.9 million in revenue in 4Q22 versus RM47.9 million previously. At the same time, rising raw material prices have compressed the segment’s profit margin, with operating profit declining to RM2.4 million in 4Q22 from RM3.7 million previously.



“While the construction and property markets remain challenging for our M&E segment, our SES segment has emerged as a rising star for our Group with its rapid growth in various forms of clean and renewable energy.

KAB has successfully transformed into a one-stop provider of engineering and energy solutions, and we aim to be a leader in the Southeast Asia region. Our comprehensive sustainable energy solutions and engineering expertise positions us as a technology leader, and a highly reliable provider to organisations seeking to optimise energy utilisation.

Our recent Engineering, Procurement, Construction, and Commissioning (EPCC) award from Petronas Gas Berhad (PGB) to build a 52MW gas-fired power plant, as well as being appointed as their technical partner, further underscores our industry-leading strengths to cater to the stringent requirements of major multinational companies.

We will continue to pursue larger projects to accelerate our growth in this sector as sustainable energy becomes increasingly demanded by organisations worldwide. Going forward, we expect the SES segment performance to continue improving, to eventually reach 50% operating profit contribution in the next few years.”

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

KAB’s subsidiary KAB Energy Holdings Sdn Bhd (KABEH) recently signed a share purchase agreement with PGB to acquire a 10% stake in PGB’s subsidiary Regas Terminal (Lahad Datu) Sdn Bhd (RGTLD) on 9 February 2023, after securing a Letter of Award from RGTLD for the EPCC of a RM230 million power plant in Sabah. The Group also assumed the role of technical partner to PGB.

The Group’s orderbook from the M&E engineering and SES segments grew to RM878 million as at 31 December 2022 compared to RM482 million in end-2021.

KAB’s SES portfolio currently has solar PV systems, cogeneration, waste-heat-recovery and biogas assets in Malaysia and Thailand.

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## **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:**

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