

KEJURUTERAAN ASASTERA BERHAD'S GROWTH TRAJECTORY ON TRACK DESPITE SOFT EARNINGS IN 2Q 2019

Kuala Lumpur, Tuesday, 20 August 2019 – Kejuruteraan Asastera Berhad (“KAB” or “the Group”) is pleased to announce its financial performance for the second quarter ended 30 June 2019 (2Q 2019). KAB reported a lower net profit year-on-year for the current quarter amid cyclicality in earnings recognition. This is typical for companies involved in engineering industry, in line with the varying pace of progress under each cycle of the S-curve. As KAB expects progress to pick up in its key projects, coupled with a stronger order book, the Group is confident in achieving growth for the full year FY Dec 2019. As at end-June 2019, the Group's order book expanded 13% to RM337 million (end-March 2019: RM297 million) in addition to RM219 million worth of tenders that are still pending and 3 new projects amounting to approximately RM38 million pending for letter of award.

KAB posted a total revenue of RM33.92 million and a profit before tax (PBT) of RM2.51 million for 2Q 2019, a reduction by 11.9% and 43.9%, respectively, in comparison to the preceding year corresponding quarter's (2Q 2018) revenue of RM38.51 million and PBT of RM4.48 million. Similarly, in 1H 2019, the Group's revenue and PBT came in at RM64.99 million and RM5.79 million, below those of 1H 2018. KAB's financial performance was softer in the current quarter and cumulative period as the Group's projects was still at an early stage and had yet to reach the peak level, which resulted in lower earnings being recognised as compared to 1H 2018 which was at the peak during that period.

Year-on-year, the Group's profit after tax and non-controlling interests (PATNCI) of RM4.24 million for 1H 2019 was 24.5% lower than RM5.62 million reported for 1H 2018. Earnings per share (EPS) stood at 1.30 sen versus 1.76 sen from the corresponding three-month period of last year.

KAB's Managing Director Dato' Lai Keng Onn remarked, “the Group's growth trajectory for the full year remains on track as we expect the progress of our key projects to accelerate in 2H 2019.” “Our next phase of growth would be driven by revenue streams from new business segments such as the provision of maintenance services and the development of energy efficiency solutions for our clients,” 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 (CIDB) with a Grade 7 and the Energy Commission with a Class A. In 2008, 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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