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KAB FORMS SPV TO EXPAND ITS MECHANICAL WORK DIVISION

KAB listed as one of the constituents of the FBM EMAS Index

KUALA LUMPUR, 21 July 2021 – Kejuruteraan Asastera Berhad (“KAB” or the “Group”), an electrical and mechanical engineering services provider in Malaysia, is pleased to announce that its wholly owned subsidiary, KAB Technologies Sdn Bhd (“KABT”) has entered into a Binding Term Sheet with Vodex Technical Services Sdn Bhd (“Vodex”).

Under the Binding Term Sheet, a special purpose vehicle (“SPV”), named TVT Link Tech Solutions Sdn Bhd (“TVT Link”) was formed. KABT holds a 60% stake in TVT Link and the remaining 40% is held by Vodex. The employees and all existing operations and maintenance (“O&M”) contracts will be novated to TVT Link. These O&M contracts are expected to provide an estimated 10% additional contribution to the Group’s bottom line, going forward.

Vodex, established in 2011 is an outsourced-focus technical management and engineering company, providing mechanical and electrical O&M solutions that complement the core business of its customers to optimise operational efficiencies. With more than 10 years of experience, Vodex’s multi-technical solutions are offered to residential and commercial buildings, shopping malls, condominiums and convenience stores, with a typical O&M contract period ranging between eighteen months to two years, while the longer-term ones range between five to six years. Vodex is registered and certified under the Construction Industry Development Board of Malaysia (CIDB) and was awarded the Asia Pacific Excellence Service Award in 2013.

“KAB has been actively involved mainly in the electrical scope of work and today, I am very excited with the opportunity to partner Vodex as it will further enhance our mechanical engineering and operations and maintenance services segments. When we made our debut on the ACE Market of Bursa Malaysia Securities Berhad in 2017, part of KAB’s strategies was to expand into these business segments. Therefore, through this partnership we are confident that we will be able to expedite our growth plans



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and at the same time, complement our expansion in the operations and maintenance services. Given Vodex's track record, we are able to leverage on its outstanding expertise and in-depth experience to offer comprehensive mechanical engineering services to our customers. I believe this partnership marks the beginning of a long-term win-win relationship with Vodex and will bring about new growth opportunities by integrating the capabilities and resources of both parties to maximise synergy," said KAB managing director Dato' Lai Keng Onn.

Separately, KAB has been listed as one of the constituents of the FTSE Bursa Malaysia EMAS Index ("FBM EMAS Index"). FBM EMAS Index comprises the FTSE Bursa Malaysia Top 100 Index and FTSE Bursa Malaysia Small Cap Index. Being a constituent of the FBM EMAS Index, the Group will be provided with an environmental, social and governance rating (ESG Rating) in accordance with the globally accepted FTSE4Good Methodology and Rating Model.

Commenting on the listing on the FBM EMAS Index, Dato' Lai added, "This is yet another achievement for KAB to be recognised and listed on the FBM EMAS Index, as one of the top public listed companies that has continuously demonstrated strong business performances along with socially responsible business practices. This listing further drives our responsibility and commitment towards our stakeholders, the environment and society, focusing on sustainable growth as we strive to meet the highest standards of good ESG practices. This has brought the Group closer to be listed into the prestigious FTSE4Good Bursa Malaysia Index as we continue to strike a good balance between profitability and sustainability."

ABOUT KEJURUTERAAN ASASTERA BERHAD

Kejuruteraan Asastera Berhad ("KAB" or the "Company"), established in 1997 is a Malaysia-based electrical and mechanical engineering company. The Company's core business covers all aspects of electrical, mechanical and associated engineering services for both commercial and residential buildings. Today, KAB has a comprehensive project portfolio that continues to grow with the support of its team of



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competent, dedicated and qualified people, constantly gaining new knowledge and experience, and is always keen to apply new technologies. KAB is registered under the Construction Industry Development Board (CIDB) with a Grade 7 and Suruhanjaya Tenaga with a Class A. KAB's market capitalisation stands at RM1.51 billion as at 21 July 2021, at 11:30 am.

For more information, please log on to <http://asastera.com>.

Issued by Imej Jiwa Communications Sdn Bhd on behalf of Kejuruteraan Asastera Berhad

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