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KAB SOLIDIFIES ITS POSITION IN RENEWABLE SOLAR ENERGY

KAB bags solar projects in Thailand

KUALA LUMPUR, 9 June 2021 – Kejuruteraan Asastera Berhad (“KAB” or the “Company”), an electrical and mechanical engineering services provider in Malaysia, is pleased to announce that the Company has recently established its presence in Thailand. Energy Optimization (Thailand) Co Ltd, an indirect subsidiary of the Company, has recently secured four (4) new projects with a combined installed capacity of 3,912-kilowatt peak solar photovoltaic (“PV”) systems under the build-own-operate-transfer (BOOT) model.

Details of the four (4) projects are as follows:

- (i) A power purchase agreement (“PPA”), for a period of 20 years was signed on 1 April 2021 with Tanaosree Thai Chicken Co Ltd for a 966-kilowatt peak capacity solar PV system;
- (ii) Two (2) PPAs, for a period of 15 years each, were signed on 11 May 2021 with Aapico PCL for a 999-kilowatt peak solar PV system and a 450-kilowatt-peak solar PV system, giving a total installed capacity of 1,449-kilowatt peak; and
- (iii) A PPA, for a period of 10 years was signed on 14 May 2021 with Roongthavorn Plastic Co Ltd for a 1,497-kilowatt peak solar PV system.

The above projects’ combined capital expenditure will be approximately RM11.4 million. The development of the respective project’s solar PV system is expected to be completed within a year from the signing of the PPA.

“It is no doubt that KAB is actively expanding its business into the green energy solutions. I am happy to say that our successful penetration into the Thailand market is a testament of our strategic executions as we continue to grow this business segment aggressively. We are currently in the midst of finalising a few more projects in Malaysia and Thailand with a combined capacity of 10,206-kilowatt peak. Barring any unforeseen circumstances, we are confident in securing them within the next month or so and this



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will ultimately bolster our profitability with the stability of the recurring income through the execution of the PPAs.

Not only are we strengthening our position in this green energy solutions business by providing clean and cost-effective energy solutions, we are continuing our efforts in strengthening our position in the Asian region. To recap, our first project in Thailand was to provide chiller optimisation systems for 11 Robinsons malls across Thailand and we are delighted that we are now able to extend our capabilities to provide solar PV systems. Moving forward, we are tendering for a total installed capacity of approximately 62,703-kilowatt peak of solar PV systems in Malaysia, Thailand and Vietnam, which will augment our position in the Asian region,” said KAB managing director Dato’ Lai Keng Onn.

He further added, “In light of the agenda of sustainability and renewable energy that has been the main topic of discussions among companies as part of their corporate social responsibility, we expect that there will be exponential growth in demand for our services from this business segment in the coming years.”

To recap, KAB’s maiden solar project kicked off in February 2021, through the subscription for an 80% equity interests in Mayang Hijau Sdn Bhd (“MHSB”) by KAB’s wholly owned subsidiary, KAB Smart Solar Energy Sdn Bhd. MHSB is a company that builds, owns and operates solar PV systems. Prior to the subscription, MHSB has, in December 2020 executed a 25-year PPA with an aerospace company that manufactures components and parts for the aerospace industry. The subscription of the equity interests in MHSB is to invest and execute the project with a total installed capacity of 1,580-kilowatt peak solar PV system. Following the subscription exercise, KAB has bagged 2 outright purchase contracts in succession with KIPMall Desa Coalfields and KAMI Food Services Sdn Bhd for a 551-kilowatt peak and 520-kilowatt peak solar PV system respectively.

With the award of these local and Thailand projects, the Company now has a total of 5,492-kilowatt peak installed capacity of solar PV systems that will generate sustainable recurring income for up to 25 years.



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In line with KAB's strategic business direction to focus on energy efficiency and clean energy solutions, the Company is optimistic of its growth trajectory from the green energy solutions as it is gaining positive momentum. The Company has seen its green energy solutions business segment experiencing remarkable growth since its expansion back in 2018, particularly the renewable solar energy solutions.

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 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 RM1.24 billion as at 9 June 2021, at 11:30 am.

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

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