

THIS STATEMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

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KEJURUTERAAN ASASTERA BERHAD

[Company No. 199701005009 (420505-H)]
(Incorporated in Malaysia)

**STATEMENT TO SHAREHOLDERS IN RELATION TO THE PROPOSED
RENEWAL OF AUTHORITY FOR SHARE BUY-BACK**

The ordinary resolution in respect of the above proposal will be tabled as Special Business at the Twenty-Third Annual General Meeting ("AGM") of Kejuruteraan Asastera Berhad ("KAB" or "the Company") which will be held at Hotel Espira Seri Petaling (Formerly known as Hotel Seri Petaling), Function Room 2 & 3, Level 2, No. 30, Jalan Radin Anum, Bandar Baru Sri Petaling, 57000 Kuala Lumpur, Malaysia on Monday, 22 June 2020 at 9.30 a.m. or any adjournment thereof. The Notice of the AGM and the Proxy Form are enclosed in the Annual Report 2019 of KAB despatched together with this Statement.

If you decide to appoint a proxy or proxies for the AGM, you must complete, sign and return the Proxy Form and deposit it at the office of the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur on or before the date and time indicated below or at any adjournment thereof. You can also have the option to lodge the proxy appointment electronically via TIIH Online at <https://tiih.online> before the proxy form lodgement cut-off time as mentioned below. For further information on the electronic lodgement of proxy form, kindly refer to the Annexure to the Proxy Form. The lodging of the Proxy Form will not preclude you from attending and voting in person at the AGM should you subsequently decide to do so.

Last date and time for lodging the Proxy Form	:	Saturday, 20 June 2020 at 9.30 a.m.
Date and time of the AGM	:	Monday, 22 June 2020 at 9.30 a.m.

This Statement is dated 22 May 2020

DEFINITIONS

Unless otherwise indicated, the following definitions shall apply throughout this Statement:-

Act	: The Malaysian Companies Act 2016, as amended from time to time and include any re-enactment thereof
Board	: The Board of Directors of KAB
Bursa Securities	: Bursa Malaysia Securities Berhad [Company No. 200301033577(635998-W)]
Code	: The Malaysian Code on Take-Overs and Mergers 2016, as amended from time to time and include any re-enactment thereof
Directors	: Shall have the meaning given in Section 2(1) of the Capital Markets and Services Act 2007
EPS	: Earnings per share
ESOS	: Employees' Share Option Scheme
KAB or Company	: Kejuruteraan Asastera Berhad [Company No. 199701005009 (420505-H)]
KAB Group or Group	: KAB and its subsidiaries, collectively
KAB Share(s) or Share(s)	: Ordinary share(s) in KAB
Listing Requirements	: Bursa Securities ACE Market Listing Requirements and any amendments made thereto from time to time
LPD	: 23 April 2020, being the latest practicable date prior to the printing of this Statement
Major Shareholders	: Means a person who has an interest or interests in one or more voting shares in the Company and the number or aggregate number of those shares; is:- (a) 10% or more of the total number of the voting shares in the Company; or (b) 5% or more of the total number of voting shares in the Company where such person is the largest shareholder of the Company. For the purpose of this definition, "interest" shall have the meaning of "interest in shares" given in Section 8 of the Act.
NA	: Net assets
Proposed Renewal	: Proposed renewal of authority for KAB to purchase its own shares up to ten percent (10%) of the total number of issued shares of KAB
Purchased Shares	: KAB Shares purchased by the Company pursuant to the Proposed Renewal
Private Placement	: Private Placement of up to 135,864,500 new ordinary shares in KAB to independent third-party investors to be identified later at an issue price to be determined later, which is currently pending completion and application
RM and sen	: Ringgit Malaysia and sen, respectively
SC	: Securities Commission Malaysia
Share Dividend	: Interim Dividend via a Share dividend distribution of treasury shares on the basis of 3 treasury shares for every 1,000 existing Shares held, which was credited to respective shareholders on 14 April 2020

Share Split	: Share split involving the subdivision of every 2 existing ordinary shares in the Company into 5 ordinary shares in the Company, which was completed on 26 February 2020
Statement	: Statement to Shareholders dated 22 May 2020 in relation to the Proposed Renewal
Substantial Shareholder	: Has the meaning given in Section 136 of the Act
Treasury Shares	: Has the meaning given under Section 127(4) of the Act

All references to “you” in this statement are referred to KAB’s shareholders.

Words importing the singular shall, where applicable, include the plural and vice versa, and words referring to the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include companies or corporations.

Any enactment referred to in this Statement is a reference to that enactment as for the time being amended or re-enacted.

All references to dates and time in this Statement are references to dates and time in Malaysia, unless otherwise stated.

Any discrepancy in the tables between the amounts listed and the totals in this Statement are due to rounding.

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KEJURUTERAAN ASASTERA BERHAD

[Company No. 199701005009 (420505-H)]
(Incorporated in Malaysia)

Registered Office:

Unit 30-01, Level 30, Tower
A, Vertical Business Suite,
Avenue 3, Bangsar South,
No 8, Jalan Kerinchi,
59200 Kuala Lumpur

22 May 2020

Board of Directors:

Yoong Kah Yin (*Independent Non-Executive Chairman*)
Dato' Lai Keng Onn (*Managing Director*)
Choong Gaik Seng (*Executive Director*)
Datin Chan Pey Kheng (*Executive Director*)
Goh Kok Boon (*Executive Director*)
Lu Chee Leong (*Independent Non-Executive Director*)
Tong Siut Moi (*Independent Non-Executive Director*)
Dato' Chan Chee Hong (*Non-Independent Non-Executive Director*)

To: The Shareholders of Kejuruteraan Asastera Berhad

Dear Sir/Madam,

PROPOSED RENEWAL OF AUTHORITY FOR SHARE BUY-BACK

1. INTRODUCTION

On 15 May 2020, the Board announced to Bursa Securities that the Company intends to seek shareholders' approval for the Proposed Renewal at the Twenty-Third AGM.

The purpose of this Statement is to provide you with information in relation to the Proposed Renewal and to seek your approval on the ordinary resolution pertaining to the Proposed Renewal to be tabled at the forthcoming AGM of the Company. The Notice of the Twenty-Third AGM and the Proxy Form are enclosed in the Annual Report 2019, despatched to you together with this Statement.

SHAREHOLDERS ARE ADVISED TO READ THE CONTENTS OF THIS STATEMENT CAREFULLY BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED RENEWAL AT THE FORTHCOMING AGM.

2. DETAILS OF THE PROPOSED RENEWAL

At the Extraordinary General Meeting held on 16 May 2019, the Company had obtained its shareholders' approval to purchase up to ten percent (10%) of the total number of issued shares of the Company and the aforesaid approval will expire at the conclusion of the Twenty-Third AGM of the Company unless the approval is renewed.

The Company proposes to seek approval from its shareholders at the Twenty-Third AGM for the renewal of authority for the proposed purchase of the Company's own shares of up to ten percent (10%) of the total number of issued shares of the Company, subject to compliance with the provision of the Act, the Listing Requirements and/or any other relevant authorities.

The Company had purchased 1,126,900 Shares which were retained as Treasury Shares. As at LPD, Shares retained as Treasury Shares were 49,388 Shares after Share Split and Share Dividend. The total number of issued shares as at LPD before adjusting for the Treasury Shares held is 925,574,998 KAB Shares.

The Proposed Renewal shall be effective immediately upon the passing of the ordinary resolution to be tabled at the Twenty-Third AGM of the Company to be convened and will continue to be in force until:-

- (a) the conclusion of the next AGM of the Company following the Twenty-Third AGM at which the ordinary resolution for the Proposed Renewal was passed, at which time the authority shall lapse unless by ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;
- (b) the expiration of the period within which the next AGM of the Company after the date is required by law to be held; or
- (c) the authority is revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting,

whichever occurs first, but shall not prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the Act and Listing Requirements.

3. QUANTUM

The maximum number of KAB Shares which may be purchased by the Company shall not exceed ten percent (10%) of the total number of issued shares of the Company in compliance with Rule 12.09 of the Listing Requirements.

However, the actual number of KAB Shares to be purchased by the Company pursuant to the Proposed Renewal, the total amount of funds involved for each purchase(s) and the time of the purchase(s) will depend on *inter alia*, the market conditions and sentiments of the stock market, the availability of financial resources of the Company and the availability of the retained profits of the Company.

4. MAXIMUM AMOUNT OF FUNDS TO BE ALLOCATED AND SOURCE OF FUNDS

The funding for the purchase of KAB Shares pursuant to the Proposed Renewal will be from internally generated funds and/or borrowings or a combination of both, the proportion of which will depend on the actual number of KAB Shares to be purchased, the price(s) of the Shares, available funds at the time of purchase(s) and other relevant cost factors.

The maximum amount allocated for such transactions shall not exceed the aggregate balance standing in the retained profits of the Company.

Based on the latest Audited Financial Statements of the Company for the financial year ended 31 December 2019, the retained profits of the Company are RM24,037,796.00.

In the event the Company purchases its own shares using external borrowings, the Board will ensure that the Company has sufficient funds to repay the external borrowings and that the repayment is not expected to have a material effect on the cash flow of the Company.

5. RATIONALE FOR THE PROPOSED RENEWAL

The Proposed Renewal will enable the Company to utilise its financial resources not immediately required for use to purchase its own Shares from Bursa Securities. It may help to stabilise the supply and demand and price of its Shares traded on Bursa Securities, thereby supporting the fundamental value of the Shares.

The KAB Shares purchased, whether to be held as Treasury Shares or subsequently cancelled, will effectively reduce the number of Shares carrying voting and participation rights. Therefore, the Proposed Renewal may increase shareholders' value and to improve, *inter alia*, the return on equity of the Group. The purchase of KAB Shares may result in an improvement to the consolidated EPS and/or NA per Share of the Group (given the decreased share base used for the computation of the EPS and NA).

The Purchased Shares can be held as Treasury Shares and resold on Bursa Securities at a higher price with the intention of realising potential gain without affecting the total issued share capital of the Company. Should any Treasury Shares be distributed as share dividends, this would serve to reward the shareholders of the Company.

6. TREATMENT OF PURCHASED SHARES

In accordance with Section 127 of the Act, the Board may, at its discretion, deal with any Purchased Shares in the following manner:-

- (a) To cancel the Purchased Shares;
- (b) To retain the Purchased Shares as Treasury Shares for distribution as share dividends to the Shareholders of the Company, which then may be applied as a reduction of the retained earnings of the Company, and/or resell on market of Bursa Securities in accordance with the relevant rules of Bursa Securities, and/or transfer for purposes of or under an employees' share scheme, and/or transfer as purchase consideration, and/or cancel subsequently;
- (c) To retain part of the Purchased Shares as Treasury Shares and cancel the remainder; or
- (d) In any other manners as may be prescribed by all applicable laws and/or regulations and guidelines applied from time to time by Bursa Securities and/or relevant authority for the time being in force.

Section 127(8) of the Act states that the holder of Treasury Shares which are held under Section 127(5) of the Act shall not confer:-

- (a) The right to attend or vote at meetings and any purported exercise of such rights is void; and
- (b) The right to receive dividends or other distribution, whether cash or otherwise, of the company's assets including any distribution of assets upon winding up of the company.

While the Purchased Shares are held as Treasury Shares, the Treasury Shares shall not be taken into account in calculating the number or percentage of shares or of a class of shares in the Company for any purpose including, without limiting the generality of Section 127(9) of the Act, the provisions of any law or requirements of the constitution of the Company or the listing requirements of a stock exchange on substantial shareholding, takeovers, notices, the requisitioning of meetings, the quorum for a meeting and the result of a vote on a resolution at a meeting.

As at the date of this Statement, the Board has yet to decide on the treatment of the Shares so purchased in future and will take into consideration the effects of such treatment on the Company

in arriving at its decision. An immediate announcement will be made to Bursa Securities upon each purchase, cancellation, resale and/or transfer of Shares pursuant to the Proposed Renewal.

7. POTENTIAL ADVANTAGES AND DISADVANTAGES OF THE PROPOSED RENEWAL

The potential advantages of the Proposed Renewal to the Company and its shareholders are as follows:-

- (a) the Proposed Renewal will allow the Company to utilise its financial resources where there are no immediate use, to purchase the KAB Shares. If the KAB Shares purchased are held as Treasury Shares or cancelled immediately, this may improve the consolidated EPS of the Group;
- (b) the Proposed Renewal may also help to stabilise the supply and demand and price of KAB Shares traded on Bursa Securities and reduce the volatility of KAB Share prices. The stability of KAB Share prices is important to maintain investors' confidence to facilitate future fund raising exercises of the Company via the equity market;
- (c) the Proposed Renewal will provide the Company opportunities for potential gains if the Purchased Shares which are retained as Treasury Shares are resold at prices higher than the purchase prices; and
- (d) in the event the Treasury Shares are distributed as share dividends, it will serve to reward the shareholders of KAB.

The potential disadvantages of the Proposed Renewal to the Company and its shareholders are as follows:-

- (a) the Proposed Renewal, if implemented, will reduce the financial resources of the Company;
- (b) the cash flow of the Company may be affected if the Company decides to utilise bank borrowings to finance the Proposed Renewal;
- (c) the funds allocated for the Proposed Renewal could be used for other better investment opportunities which may emerge in the future; and
- (d) as the funds to be allocated for the Proposed Renewal must be made wholly out of the Company's retained profits, the amount available from this account for distribution of dividends to shareholders of the Company may decrease accordingly.

The Proposed Renewal, however, is not expected to have any potential material disadvantages to the Company and its shareholders, as it will be exercised only after in-depth consideration of the financial resources of KAB which need to be balanced against investment opportunities and other proposals that can enhance the value to its shareholders. The Board, in exercising any decision in implementing the Proposed Renewal, will be mindful of the interests of the Company and its shareholders.

8. EFFECTS OF THE PROPOSED RENEWAL

The effects of the Proposed Renewal on the share capital, NA, working capital, earnings and shareholdings of Directors and Substantial Shareholders of the Company are set out below:-

(a) Share Capital

The effect of the Proposed Renewal on the issued share capital of the Company will depend on whether the Purchased Shares are cancelled or retained as Treasury Shares. The Proposed Renewal will result in a reduction of the issued shares capital of the Company if Purchased Shares are cancelled.

For illustration purposes only, the following scenarios are taken into consideration:

- a) **Minimum Scenario**
Assuming that no new shares have been issued under the Private Placement prior to KAB's purchase of its own Shares pursuant to the Proposed Renewal.
- b) **Maximum Scenario**
Assuming that up to a maximum of 135,864,500 shares have been issued under the Private Placement and the shares and/or option granted under the ESOS are fully vested and/or exercised into new KAB Shares prior to KAB's purchase of its own Shares pursuant to the Proposed Renewal.

On the assumption that the Proposed Renewal is carried out in full and all the KAB Shares so acquired are subsequently cancelled, the Proposed Renewal will result in the total number of issued shares of the Company as at the LPD to be reduced as follows:

	As at LPD	After the Proposed Renewal	
	No. of Shares	Minimum Scenario	Maximum Scenario
Issued share capital (before adjusting for the Treasury Shares held)	925,574,998	925,574,998	925,574,998
Private Placement	-	-	135,864,500
Full exercise of the Options under ESOS	-	-	277,672,499 ⁽¹⁾
	925,574,998	925,574,998	1,339,111,997
Less: Maximum number of KAB Shares that may be purchased and cancelled pursuant to the Proposed Renewal		(92,557,499)	(133,911,199)
Resultant issued share capital after cancellation of KAB Shares purchased under the Proposed Renewal	925,574,998	833,017,499	1,205,200,798

Note:

(1) Based on 30% of the total number of issued shares of the Company as at the LPD.

In the event that all the KAB Shares so purchased are retained as Treasury Shares and not to be cancelled, the Proposed Renewal will not have any effect on the total number of issued shares of the Company.

(b) Earnings

The effects of the Proposed Renewal on the consolidated earnings and EPS of KAB Group would depend on, *inter alia*, the number of Purchased Shares, the effective cost of funding as well as the interest income foregone in connection with funding such Purchased Shares. If the Purchased Shares are retained as Treasury Shares or cancelled subsequently, the number of shares applied in the computation of the EPS will be reduced and, this may improve the consolidated EPS of KAB Group.

(c) NA

The consolidated NA of the Group may increase or decrease depending on the number of KAB Shares purchased, the purchase price(s) of the KAB Shares, the effective cost of funding and the treatment of the KAB Shares purchased.

The Proposed Renewal will reduce the NA per Share when the purchase price exceeds the NA per Share at the time of purchase. On the contrary, the NA per Share will increase when the purchase price is less than the NA per Share at the time of purchase.

(d) Working Capital

The Proposed Renewal, as and when implemented, will reduce the working capital and cash flow of KAB Group, the quantum of which depends on, among others, the number of KAB Shares so purchased and the purchase price(s) of the KAB Shares.

For KAB Shares so purchased which are kept as Treasury Shares, upon their resale, the working capital and the cash flow of KAB Group will increase upon the receipt of the proceeds of the resale. The quantum of the increase in the working capital and cash flow will depend on the actual selling price(s) of the Treasury Shares and the number of Treasury Shares resold.

(e) Dividends

Assuming the Proposed Renewal is implemented in full and the dividend quantum is maintained at historical levels, the Proposed Renewal will have the effect of increasing the dividend rate of the Company as a result of the suspension of the rights of Treasury Shares to dividend entitlement or the reduction in the total number of issued shares of the Company in the event of the Treasury Shares being cancelled.

The Proposed Renewal may reduce the cash available which may otherwise be used for dividend payments. Nonetheless, the Treasury Shares may be distributed as dividends to the shareholders of the Company, if the Company so decides.

(f) Gearing

The effect of the Proposed Renewal on the gearing of the Group will depend on the proportion of borrowings utilised to fund any purchase of Shares. The utilisation of any borrowings to fund the purchase of any Shares will increase the gearing of the Group.

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(g) **Directors' And Substantial Shareholders' Shareholdings**

Based on the Registers of Directors' and Substantial Shareholders' shareholdings as at LPD and assuming that the Proposed Renewal is implemented up to the maximum of 10% of the total number of issued shares of the Company and that the Purchased Shares are from the shareholders other than the Directors and Substantial Shareholders of KAB, the effect of the Proposed Renewal on the shareholdings of the Directors and Substantial Shareholders of KAB are set out below:-

Minimum Scenario

	Number of Shares held as at LPD [@]				After Proposed Renewal [#]			
	Direct	%	Indirect	%	Direct	%	Indirect	%
Directors								
Dato' Lai Keng Onn	361,080,000	39.01	-	-	361,080,000	43.35	-	-
Choong Gaik Seng	30,090,000	3.25	-	-	30,090,000	3.61	-	-
Datin Chan Pey Kheng	5,230,394	0.57	-	-	5,230,394	0.63	-	-
Goh Kok Boon	752,250	0.08	-	-	752,250	0.09	-	-
Yoong Kah Yin	15,997,850	1.73	576,725	0.06	15,997,850	1.92	576,725	0.07
Dato' Chan Chee Hong	309,927	0.03	-	-	309,927	0.04	-	-
Lu Chee Leong	-	-	-	-	-	-	-	-
Tong Siut Moi	-	-	-	-	-	-	-	-
Substantial Shareholders								
Dato' Lai Keng Onn	361,080,000	39.01	-	-	361,080,000	43.35	-	-
GAT Success (M) Sdn Bhd	100,300,000	10.84	-	-	100,300,000	12.04	-	-
Everest Pavilion Sdn Bhd	-	-	100,300,000 ⁽¹⁾	10.84	-	-	100,300,000 ⁽¹⁾	12.04
Cherry Anne Tong Chun Ling	-	-	100,300,000 ⁽²⁾	10.84	-	-	100,300,000 ⁽²⁾	12.04
Faith Chow Poh Ten	146,486,645	15.83	4,458,335 ⁽³⁾	0.482	146,486,645	17.59	4,458,335 ⁽³⁾	0.54

Notes:

- @ Computation of percentage of shareholdings is based on total issued Shares of KAB excluding 49,388 Shares held by KAB as Treasury Shares
- # Assuming the Proposed Renewal is implemented in full, i.e. up to 10% of total number of issued shares of the Company, the Purchased Shares are held as treasury shares and that the Directors and the substantial shareholders' shareholdings in KAB remain unchanged.
- 1 Deemed interest through shares held by GAT Success (M) Sdn Bhd pursuant to Section 8 of the Act.
- 2 Deemed interest through shares held by virtue of her interest in Everest Pavilion Sdn Bhd (EPSB) pursuant to Section 8 of the Companies Act, 2016 (the Act). EPSB is deemed interested in the shares held by GAT Success (M) Sdn Bhd pursuant to Section 8 of the Act
- 3 Deemed interest through shares held by Regalis Investment Ltd pursuant to Section 8 of the Act.

Maximum Scenario

	Number of Shares held as at LPD@				After ESOS#				After ESOS, Proposed Private Placement and Proposed Renewal^			
	Direct	%	Indirect	%	Direct	%	Indirect	%	Direct	%	Indirect	%
Directors												
Dato' Lai Keng Onn	361,080,000	39.01	-	-	388,847,249	32.32	-	-	388,847,249	32.26	-	-
Choong Gaik Seng	30,090,000	3.25	-	-	57,857,249	4.81	-	-	57,857,249	4.80	-	-
Datin Chan Pey Kheng	5,230,394	0.57	-	-	32,997,643	2.74	-	-	32,997,643	2.74	-	-
Goh Kok Boon	752,250	0.08	-	-	752,250	0.06	-	-	752,250	0.06	-	-
Yoong Kah Yin	15,997,850	1.73	576,725	0.06	15,997,850	1.33	576,725	0.05	15,997,850	1.33	576,725	0.05
Dato' Chan Chee Hong	309,927	0.03	-	-	309,927	0.03	-	-	309,927	0.03	-	-
Lu Chee Leong	-	-	-	-	1,000,000	0.08	-	-	1,000,000	0.08	-	-
Tong Siut Moi	-	-	-	-	1,000,000	0.08	-	-	1,000,000	0.08	-	-
Substantial Shareholders												
Dato' Lai Keng Onn	361,080,000	39.01	-	-	388,847,249	32.32	-	-	388,847,249	32.26	-	-
GAT Success (M) Sdn Bhd	100,300,000	10.84	-	-	100,300,000	8.34	-	-	100,300,000	8.32	-	-
Everest Pavilion Sdn Bhd	-	-	100,300,000 ⁽¹⁾	10.84	-	-	100,300,000 ⁽¹⁾	8.34	-	-	100,300,000 ⁽¹⁾	8.32
Cherry Anne Tong Chun Ling	-	-	100,300,000 ⁽²⁾	10.84	-	-	100,300,000 ⁽²⁾	8.34	-	-	100,300,000 ⁽²⁾	8.32
Faith Chow Poh Ten	146,486,645	15.83	4,458,335 ⁽³⁾	0.482	146,486,645	12.17	4,458,335 ⁽³⁾	0.37	146,486,645	12.16	4,458,335 ⁽³⁾	0.37

Notes:

- @ Computation of percentage of shareholdings is based on total issued Shares of KAB excluding 49,388 Shares held by KAB as Treasury Shares
- # Assuming the Options are fully granted and exercised under ESOS
- ^ Assuming all 135,864,500 shares under the Private Placement is fully issued, the Options under ESOS is fully exercised and the maximum number of Shares bought back by KAB is 10% of the total number of issued shares.
- 1 Deemed interest through shares held by GAT Success (M) Sdn Bhd pursuant to Section 8 of the Act.
- 2 Deemed interest through shares held by virtue of her interest in Everest Pavilion Sdn Bhd (EPSB) pursuant to Section 8 of the Companies Act, 2016 (the Act). EPSB is deemed interested in the shares held by GAT Success (M) Sdn Bhd pursuant to Section 8 of the Act
- 3 Deemed interest through shares held by Regalis Investment Ltd pursuant to Section 8 of the Act.

9. PUBLIC SHAREHOLDING SPREAD

As at LPD, the public shareholding spread of the Company was 25.87%. The Proposed Renewal will be carried out in accordance with the prevailing laws at the time of the purchase including compliance with 25% public shareholding spread as required under Rule 8.02(1) of the Listing Requirements.

The Board will endeavour to ensure that the Company complies with the public shareholding spread requirements and shall not buy back the Company's Shares if the purchase would result in the public shareholding spread requirements not being met.

10. IMPLICATIONS OF THE CODE

Pursuant to the Code, if the Proposed Renewal results in any one of the Directors and/or Substantial Shareholders and their respective parties acting in concert ("Affected Persons") obtain control in the Company or if his/their existing shareholdings is between thirty-three percent (33%) and fifty percent (50%) of the voting shares or voting rights of the Company and as a result of the Proposed Renewal, increase(s) his/their holding of the voting shares or voting rights by more than two percent (2%) in any six (6) months period, the Affected Persons would be obliged to undertake a mandatory offer to acquire the remaining KAB Shares not already owned by him/them pursuant to the Code. However, a waiver to undertake a mandatory offer may be granted by the SC under the Code, subject to the Affected Persons complying with certain conditions in the Code.

The Company intends to implement the Proposed Renewal in the manner that will not result in any of the shareholders having to undertake a mandatory offer pursuant to the Code. In this respect, the Board will be mindful of the requirements of the Code when implementing the Proposed Renewal.

11. PREVIOUS PURCHASE, RESALE, CANCELLATION AND/OR TRANSFER OF TREASURY SHARES MADE IN THE PRECEDING TWELVE (12) MONTHS

Kindly refer to the Appendix I for the details of the purchases made by the Company of its own shares during the previous 12 months.

As at the LPD, a total of 49,388 Shares were held as Treasury Shares. The Company had on 14 April 2020 distributed treasury shares as interim dividend via a share dividend distribution of treasury shares on the basis of three (3) treasury shares for every one thousand (1,000) existing ordinary shares. Other than the share dividend distribution above, the Company has not resold, transferred and/or cancelled any Treasury Shares in the previous 12 months preceding this Statement.

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12. HISTORICAL SHARE PRICES

The monthly highest and lowest prices of KAB Shares as traded on Bursa Securities for the past 12 months from April 2019 to March 2020 are as follows:-

	High RM	Low RM
2019		
April	0.225	0.205
May	0.220	0.200
June	0.215	0.200
July	0.240	0.200
August	0.295	0.220
September	0.405	0.285
October	0.690	0.370
November	0.685	0.595
December	0.970	0.605
2020		
January	1.05	2.05
February	0.605	2.17
March	1.02	0.525
Last transacted market price of KAB Shares on LPD being the latest practicable date prior to printing of this Statement		0.805

(Source: Bloomberg)

13. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM

None of the Directors and/or major shareholders and/or persons connected to them, has any interest, direct or indirect, in the Proposed Renewal or the subsequent resale of the Treasury Shares, if any.

14. APPROVAL REQUIRED

The Proposed Renewal is subject to the approval of the shareholders of KAB at the Twenty-Third AGM to be convened. Save for the approval of the shareholders of KAB, there is no other approvals required for the Proposed Renewal.

15. DIRECTORS' RECOMMENDATION

The Board, having considered the Proposed Renewal, is of the opinion that the Proposed Renewal is in the best interest of the Company. Accordingly, the Board recommends that the shareholders of KAB vote in favour of the ordinary resolution pertaining to the Proposed Renewal to be tabled at the Twenty-Third AGM of the Company.

16. AGM

The Twenty-Third AGM, the notice of which is enclosed in the Annual Report 2019, will be held at Hotel Espira Seri Petaling (Formerly known as Hotel Seri Petaling), Function Room 2 & 3, Level 2, No. 30, Jalan Radin Anum, Bandar Baru Sri Petaling, 57000 Kuala Lumpur, Malaysia on Monday, 22 June 2020 at 9.30 a.m. for the purpose of considering and if thought fit, passing, with or without any modifications, the resolutions by way of poll to give effect to the Proposed Renewal.

If you are unable to attend and vote in person at the AGM, you may appoint a proxy or proxies to attend and vote on your behalf by completing, signing and returning the enclosed Proxy Form in accordance with the instructions contained therein as soon as possible, so as to arrive at the office of the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than 48 hours before the date and time for the AGM as indicated above or at any adjournment thereof. You can also have the option to lodge the proxy appointment electronically via TIIH Online at <https://tiah.online> before the proxy form lodgement cut-off time as mentioned above. For further information on the electronic lodgement of proxy form, kindly refer to the Annexure to the Proxy Form. The lodging of the Proxy Form will not preclude you from attending and voting in person at the AGM should you subsequently decide to do so.

17. FURTHER INFORMATION

You are advised to refer to the attached Appendix I for further information.

Yours faithfully
For and on behalf of the Board of Directors
KEJURUTERAAN ASASTERA BERHAD

DATO' LAI KENG ONN
MANAGING DIRECTOR

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A. FURTHER INFORMATION**1. DIRECTORS' RESPONSIBILITY STATEMENT**

This Statement has been approved by the Board of KAB who, individually and collectively, accept full responsibility for the accuracy of the information contained in this Statement and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

2. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the registered office of KAB at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan, during normal business hours from the date of this Statement to the date of the AGM:-

- (a) Constitution of the Company; and
- (b) Audited consolidated financial statements of KAB for the past two (2) financial years ended 31 December 2018 and 31 December 2019.

B. DETAILS OF THE PURCHASE(S) MADE BY THE COMPANY OF ITS OWN SHARES DURING THE PREVIOUS 12 MONTHS

During the previous 12 months and up to LPD, the details of the purchases made by the Company of its own shares are as follows:-

Date	No. of shares purchased	Minimum price (RM/shares)	Maximum price (RM/shares)	Average price (RM/shares)	Total consideration paid (RM)
20 June 2019	339,100	0.21	0.215	0.214	72,521.50
21 June 2019	433,800	0.21	0.215	0.215	93,217.00
25 June 2019	66,000	0.21	0.21	0.21	13,860.00
26 June 2019	13,000	0.21	0.21	0.21	2,730.00
27 June 2019	25,000	0.21	0.21	0.21	5,250.00
1 July 2019	250,000	0.215	0.215	0.215	53,750.00

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