

**UNAUDITED CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME <sup>(1)</sup>**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	CURRENT YEAR QUARTER 31.12.2017 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 31.12.2016 <sup>(2)</sup> RM'000	CURRENT YEAR QUARTER 31.12.2017 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 31.12.2016 <sup>(2)</sup> RM'000
Revenue	31,324	N/A	114,552	N/A
Cost of sales	(24,290)	N/A	(92,589)	N/A
Gross profit	7,034	N/A	21,963	N/A
Other income	209	N/A	456	N/A
Administrative expenses	(4,191)	N/A	(11,017)	N/A
Finance costs	(324)	N/A	(1,217)	N/A
Profit before tax	2,728	N/A	10,185	N/A
Income tax expense	(1,302)	N/A	(3,409)	N/A
<b>Profit / Total comprehensive income for the period</b>	1,426	N/A	6,776	N/A
Profit / Total comprehensive income attributable to owners of the Company	1,426	N/A	6,776	N/A
Earnings per share attributable to owners of the Company (sen) <sup>(3)</sup> :				
Basic	0.51	N/A	2.71	N/A
Diluted	0.51	N/A	2.71	N/A

**Notes:**

- (1) The basis of preparation of the Unaudited Condensed Statements of Profit or Loss and Other Comprehensive Income are disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 30 October 2017 and the accompanying explanatory notes attached to the interim financial report.
- (2) There are no comparative figures for the corresponding period of the preceding quarter available as this is the third interim financial report for the fourth quarter ended 31 December 2017 announced in compliance with the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements").
- (3) Based on the Company's weighted average number of ordinary shares at the end of the reporting period.
- N/A Not applicable

UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION<sup>(1)</sup>

	Unaudited As at 31.12.2017 RM'000	Unaudited As at 31.12.2016 <sup>(2)</sup> RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	9,369	N/A
	<u>9,369</u>	<u>N/A</u>
<b>Current assets</b>		
Trade receivables	37,552	N/A
Other receivables, deposits and prepayments	1,643	N/A
Amount owing by contract customers	13,515	N/A
Deposits with licensed banks	16,244	N/A
Cash and bank balances	11,902	N/A
	<u>80,856</u>	<u>N/A</u>
<b>TOTAL ASSETS</b>	<b><u>90,225</u></b>	<b><u>N/A</u></b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	32,000	N/A
Retained profits	10,899	N/A
<b>Total equity attributable to owners of the Company</b>	<b><u>42,899</u></b>	<b><u>N/A</u></b>
<b>Non-current liabilities</b>		
Hire purchase payables	709	N/A
Term loan	5,158	N/A
Deferred tax liabilities	78	N/A
	<u>5,945</u>	<u>N/A</u>
<b>Current liabilities</b>		
Trade payables	21,480	N/A
Other payables and accruals	929	N/A
Amount owing to contract customers	8,201	N/A
Hire purchase payables	355	N/A
Short-term borrowings	9,185	N/A
Current tax liabilities	1,231	N/A
	<u>41,381</u>	<u>N/A</u>
<b>TOTAL LIABILITIES</b>	<b><u>47,326</u></b>	<b><u>N/A</u></b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b><u>90,225</u></b>	<b><u>N/A</u></b>
Net asset per share (RM) <sup>(3)</sup>	<u>0.13</u>	<u>N/A</u>

**Notes:**

- (1) The basis of preparation of the Unaudited Condensed Statement of Financial Position are disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 30 October 2017 and the accompanying explanatory notes attached to this interim financial report.
- (2) There are no comparative figures for the corresponding period of the preceding quarter available as this is the third interim financial report for the fourth quarter ended 31 December 2017 announced in compliance with the Listing Requirements.
- (3) Net assets per share is calculated based on the Company's number of ordinary shares at the end of the reporting period.
- N/A Not applicable

UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY<sup>(1)(2)</sup>

	Non- distributable Share Capital RM'000	Distributable Retained Profits RM'000	Total Equity RM'000
Balance at 01.01.2017	1,000	15,124	16,124
Bonus shares	11,000	(11,000)	-
Initial public offering shares	20,000	-	20,000
Profit after taxation / Total comprehensive income for the period	-	6,776	6,776
<b>Balance as at 31.12.2017</b>	<b>32,000</b>	<b>10,900</b>	<b>42,900</b>

**Notes:**

- (1) The basis of preparation of the Unaudited Condensed Statement of Changes in Equity are disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 30 October 2017 and the accompanying explanatory notes attached to this interim financial report.
- (2) There are no comparative figures for the corresponding period of the preceding quarter available as this is the third interim financial report for the fourth quarter ended 31 December 2017 announced in compliance with the Listing Requirements.

UNAUDITED CONDENSED STATEMENT OF CASH FLOWS<sup>(1)</sup>

	CUMULATIVE PERIOD	
	Current Period Ended 31.12.2017 RM'000	Comparative Period Ended 31.12.2016 <sup>(2)</sup> RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	10,185	N/A
Adjustments for:		
Depreciation	633	N/A
Share issue expenses	3,182	N/A
Interest expense	1,217	N/A
Interest income	(293)	N/A
Property, plant and equipment written off	14	N/A
Operating profit before changes in working capital	14,938	N/A
Increase in amount owing to contract customers	(1,638)	N/A
Increase in trade and other receivables	(3,140)	N/A
Decrease in trade and other payables	(4,457)	N/A
Cash flows from operations	5,703	N/A
Interest paid	(1,217)	
Interest received	293	N/A
Tax paid	(3,017)	N/A
Net cash from operating activities	1,762	N/A
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(3,644)	N/A
Net cash used in investing activities	(3,644)	N/A
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Placement of fixed deposits pledged to banks	(12,130)	N/A
Payment of share issue expenses	(3,182)	N/A
Drawdown of term loan	5,567	N/A
Repayment in bank factoring	(1,041)	N/A
Repayment of hire purchase obligations	64	N/A
Repayment of term loans	(3,618)	N/A
Repayment of bank overdrafts	2,829	N/A
Initial public offering proceeds	20,000	N/A
Net cash used in financing activities	8,489	N/A
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	6,607	N/A
Cash and cash equivalents at beginning of the financial period	5,295	N/A
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	11,902	N/A
<b>Cash and cash equivalents comprise :</b>		
Deposits with licensed banks	16,244	N/A
Cash and bank balances	11,902	N/A
	28,146	N/A
Less: Deposits pledged to licensed banks	(16,244)	N/A
	11,902	N/A

## **KEJURUTERAAN ASASTERA BERHAD (420505-H)**

### **INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017**

**Notes:**

- (1) The basis of preparation of the Unaudited Condensed Statement of Cash Flows are disclosed in Note A1 and should be read in conjunction with the Accountants' Report as disclosed in the Prospectus of the Company dated 30 October 2017 and the accompanying explanatory notes attached to this interim financial report.
- (2) There are no comparative figures for the corresponding period of the preceding quarter available as this is the third interim financial report for the fourth quarter ended 31 December 2017 announced in compliance with the Listing Requirements.

**PART A – EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017**

**A1 Basis of Preparation**

The interim financial statements of the Company are unaudited and have been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134 : Interim Financial Reporting, Paragraph 9.22 of the Listing Requirements.

This is the third interim financial report on the Company’s results for the fourth quarter ended 31 December 2017 announced in compliance with the Listing Requirements and as such, there are no comparative figures for the preceding year’s corresponding period.

The interim financial reports should be read in conjunction with the Accountants’ Report as disclosed in the Prospectus of the Company dated 30 October 2017.

**A2 Significant Accounting Policies**

The accounting policies and presentations adopted by the Company in this interim financial statements are consistent with those adopted for the audited financial statements of the Company for the financial period ended 31 May 2017 as disclosed in the Accountants’ Report in the Prospectus of the Company dated 30 October 2017.

The Company has not early adopted any new or revised standards, amendments or IC Interpretations which are applicable to the Company that have been issued by the MASB but are not yet effective for the Company’s current financial year ending 31 December 2017.

**A3 Auditors’ Report**

There was no qualification on the audited financial statements of the Company for the financial year ended 31 December 2016.

**A4 Seasonal and Cyclical Factors**

The business operations of the Company are not materially affected by any seasonal or cyclical factors.

**A5 Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows**

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Company during the financial quarter and period under review.

**A6 Changes in Estimates**

There were no material changes in estimates that have a material effect on the financial quarter and period under review.

**A7 Debt and Equity Securities**

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the fourth quarter ended 31 December 2017.

**A8 Dividends Paid**

No dividend has been paid during the fourth quarter ended 31 December 2017.

**PART A – EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2017**

**A9 Segmental Reporting**

The Company is principally involved in the provision of electrical and mechanical engineering services. As such, the revenue of the Company for the current financial quarter under review and the financial period to date is derived entirely from its electrical and mechanical engineering services.

No geographical analysis has been prepared as the Company operates wholly in Malaysia.

**A10 Material Events after the End of the Reporting Period**

Save as disclosed in Note B6 “Status of Corporate Proposals”, there were no other material events subsequent to the end of the current financial quarter that have not been reflected in the interim financial report.

**A11 Changes in the Composition of the Company**

There were no changes in the composition of the Company during the current financial quarter and financial period to date.

**A12 Contingent Liabilities and Contingent Assets**

Contingent liabilities of the Company as at 31 December 2017 comprised of guarantees given to third parties in respect of performance bonds for the Company’s projects amounting to RM9.22 million.

There were no contingent assets as at the date of this interim report.

**A13 Capital Commitments**

	<b>RM’000</b>
Approved and contracted but not provided for:	
- Property, plant and equipment	378
Approved but not contracted for :	-

**A14 Significant related party transactions**

There were no significant related party transactions in the current financial quarter and financial period under review.

**PART B – ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS**

**B1 Review of Company Performance**

The Company recorded revenue of RM31.32million and profit before tax of RM2.73 million for the current financial quarter ended 31 December 2017. The Company's revenue was derived from the provision of mainly electrical services.

Comparative figures for the corresponding period of the preceding quarter are not available as this is the third interim financial report for the fourth quarter ended 31 December 2017 announced in compliance with the Listing Requirements.

**B2 Comparison with Immediate Preceding Quarter Results**

The Company recorded higher gross profit of RM7.03 million for the current quarter as compared with RM5.20 million in the preceding quarter mainly due to higher revenue and better margins generated. The Company's profit before tax of RM2.73 million for the current quarter was 3.5% lower than the RM2.83 million achieved in the previous quarter. The decrease was mainly due to the non-recurrent listing expenses of approximately RM1.97 million compared with RM0.26 million incurred in previous quarter.

**B3 Prospects for the Next Financial Year**

As at 31 December 2017, the Company has an order book of RM217.1million. The Company will continue to focus on the following future plans and business strategies for the future growth and expansion of its business:-

- (i) grow its market share in Malaysia by increasing tendering activities, focusing on affordable housing sector and geographical expansion;
- (ii) strengthen its capabilities by growing its mechanical engineering services segment; and
- (iii) diversifying its revenue stream by providing maintenance services including upgrading, expansion, refurbishment, retrofitting and renovation projects.

The Board of Directors is of the opinion that the Company's financial performance for the next financial year to be satisfactory.

**B4 Profit Forecast**

The Company has not issued any profit forecast or profit guarantee in any form of public documentation and announcement.

**B5 Taxation**

	<b>Current quarter ended 31 December 2017 RM'000</b>	<b>Comparative quarter ended 31 December 2016<sup>(1)</sup> RM'000</b>	<b>Cumulative 12-month period ended 31 December 2017</b>	<b>Cumulative 12-month period ended 31 December 2016<sup>(1)</sup></b>
Income tax	1,236	N/A	3,331	N/A
Deferred tax	66	N/A	78	N/A
	<u>1,302</u>	<u>N/A</u>	<u>3,409</u>	<u>N/A</u>
Effective tax rate <sup>(2)</sup>	47.73%	N/A	33.47%	N/A

## PART B – ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

**Notes:**

- (1) Comparative figures for the corresponding period of the preceding quarter are not available as this is the third interim financial report for the fourth quarter ended 31 December 2017 announced in compliance with the Listing Requirements.
- (2) The effective tax rate for the current quarter is higher than the statutory tax rate of 24% mainly due to adjustment for non-deductible expenses.

N/A – Not applicable

**B6 Status of Corporate Proposals**

There are no other corporate proposals announced but not completed as at the date of this report.

**B7 Utilisation of Proceeds Raised from Public Issue**

The gross proceeds from the Public Issue amounting to RM20.00 million is intended to be utilised in the following manner:

Details of utilisation	Proposed Utilisation RM'000	Actual Utilisation <sup>(1)</sup> RM'000	Balance Unutilised RM'000	Estimated timeframe for utilisation upon listing
Working capital	12,100	(513)	11,587	Within 24 months
Capital expenditure	2,200	-	2,200	Within 18 months
Setting up a proposed new branch office in Johor Bahru and an additional office in Kuala Lumpur	600	(289) <sup>(2)</sup>	311	Within 12 months
Repayment of bank borrowings	1,600	-	1,600	Within 12 months
Estimated listing expenses	3,500	(3,340) <sup>(3)</sup>	160	Immediate
<b>Total</b>	<b>20,000</b>	<b>(4,142)</b>	<b>15,858</b>	

**Notes:**

- (1) Actual utilisation as at 31 December 2017.
- (2) Expenditure incurred for setting up an additional office in Kuala Lumpur prior to the listing of the Company on the ACE Market which was funded using internally generated funds and was reimbursed from the proceeds obtained from the initial public offering of the Company.
- (3) Prepaid listing expenses which was funded using internally generated funds and was reimbursed from the proceeds obtained from the initial public offering of the Company.

The utilisation of proceeds as disclosed above should be read in conjunction with the Prospectus of the Company dated 30 October 2017.

## PART B – ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

**B8. Company Borrowings and Debt Securities**

The details of the borrowings of the Company are as follows:-

	As at 31 December 2017 RM'000	As at 31 December 2016 <sup>(1)</sup> RM'000
<b>Non-current:</b>		
Term loans	5,158	N/A
Hire purchase payables	709	N/A
	5,867	N/A
<b>Current</b>		
Term loans	1,792	N/A
Hire purchase payables	355	N/A
Bank overdrafts	2,829	N/A
Bank factoring / Bank Acceptance	4,564	N/A
	9,540	N/A

All the Company's borrowings are denominated in Ringgit Malaysia.

**Note:**

- (1) Comparative figures for the corresponding period of the preceding quarter are not available as this is the third interim financial report for the fourth quarter ended 31 December 2017 announced in compliance with the Listing Requirements.

N/A – Not applicable

**B9. Material Litigation**

As at the date of this report, the Company was not engaged in any material litigation.

**B10. Dividends**

No dividend has been declared or recommended for the current quarter.

**B11. Earnings Per Share**

The basic and diluted earnings per share for the current quarter is computed as follows:-

	Individual quarter		Cumulative period	
	Quarter ended 31 December 2017	Quarter ended 31 December 2016 <sup>(3)</sup>	Current year ended 31 December 2017	Preceding year ended 31 December 2016 <sup>(3)</sup>
Profit after tax attributable to owners of the Company (RM'000)	1,426	N/A	6,776	N/A
Weighted average number of ordinary shares ('000)	279,130	N/A	249,863	N/A

PART B – ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

	Individual quarter Quarter ended 31 December 2017	Quarter ended 31 December 2016 <sup>(3)</sup>	Cumulative period Current year ended 31 December 2017	Preceding year ended 31 December 2016 <sup>(3)</sup>
Basic earnings per share (sen) <sup>(1)</sup>	0.51	N/A	2.71	N/A
Diluted earnings per share (sen) <sup>(2)</sup>	0.51	N/A	2.71	N/A

**Notes:**

- (1) The basic earnings per share is computed based on the profit attributable to the equity shareholders of the Company divided by the weighted average number of ordinary shares in issue for the period under review.
- (2) Diluted earnings per share is equivalent to the basic earnings per share as the Company does not have convertible securities as at 31 December 2017.
- (3) Comparative figures for the corresponding period of the preceding quarter are not available as this is the third interim financial report for the fourth quarter ended 31 December 2017 announced in compliance with the Listing Requirements.

N/A – Not applicable

**B12. Disclosure of Realised and Unrealised Profits**

The breakdown of the retained profits of the Company as at 31 December 2017 into realised and unrealised profits is as follows:-

	As at 31 December 2017 RM'000	As at 31 December 2016 <sup>(1)</sup> RM'000
Total retained profits of the Company:		
- Realised	10,899	N/A
- Unrealised	-	N/A
	10,899	N/A

**Note:**

- (1) Comparative figures for the corresponding period of the preceding quarter are not available as this is the third interim financial report for the fourth quarter ended 31 December 2017 announced in compliance with the Listing Requirements.

N/A – Not applicable

## PART B – ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS

**B13. Notes to the Statement of Profit or Loss and Comprehensive Income**

Profit before tax is arrived at after (crediting) / charging:

	Current quarter ended 31 December 2017 RM'000	Cumulative quarter ended 31 December 2016 <sup>(1)</sup> RM'000	Cumulative 12-month period ended 31 December 2017 RM'000	Cumulative 12-month period ended 31 December 2016 <sup>(1)</sup> RM'000
Interest income	(41)	N/A	(293)	N/A
Interest expense	324	N/A	1,217	N/A
Depreciation of property, plant and machinery	191	N/A	633	N/A
Professional fees	1,832 <sup>(2)</sup>	N/A	3,369	N/A

**Notes:**

- (1) Comparative figures for the corresponding period of the preceding quarter are not available as this is the third interim financial report for the fourth quarter ended 31 December 2017 announced in compliance with the Listing Requirements.
- (2) Out of which RM1.76 million was in relation to the listing exercise of KAB, which are non-recurrent in nature.

N/A – Not applicable

**B14. Authorised for issue**

The interim financial statements were authorised by the Board of Directors in accordance with the resolution of the Directors on 12 February 2018.