KERJAYA PROSPEK
GROUP BERHAD (122592-U)
(Formerly known as Fututech Berhad)

Attitude is Everything

ANNUAL REPORT 2015

FORTE KITCHENS

BRITE-LITE
Energy management through intelligent lighting solutions

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

Datuk Tee Eng Ho
Executive Chairman

Datin Toh Siew Chuon
Executive Director

Mr Tee Eng Seng
Executive Director

Mr Khoo Siong Kee
Senior Independent Non-Executive Director

Professor Datuk Dr. Nik Mohd Zain bin Nik Yusof
Independent Non-Executive Director

Mr Lim Kien Lai @ Lim Kean Lai
Independent Non-Executive Director

COMPANY SECRETARY

Ms Seow Fei San
(MAICSA 7009732)

Ms Mok Mee Kee
(MAICSA 7029343)

SHARE REGISTRAR

Securities Services (Holdings) Sdn Bhd
Level 7, Menara Milenium
Jalan Damanlela, Pusat Bandar Damansara
Damansara Heights, 50490 Kuala Lumpur

Tel : 603-2084 9000
Fax : 603-2094 9940

AUDITORS

Ong & Wong
Chartered Accountants Malaysia
Unit C-20-5, Block C, 20th Floor
Megan Avenue II, 12, Jalan Yap Kwan Seng
50450 Kuala Lumpur

Tel : 603-2161 1000
Fax : 603-2166 9131

REGISTERED OFFICE

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17 Jalan SS7/26, 47301 Petaling Jaya
Selangor Darul Ehsan

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Fax : 603-7806 1387

CORPORATE OFFICE

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2nd Floor, Bangunan One Wangsa
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52200 Kuala Lumpur

Tel : 03-6277 2480
Fax : 03-6276 2482

PRINCIPAL BANKERS

Hong Leong Bank Berhad
Ambank (M) Berhad
Malayan Banking Berhad
RHB Bank Berhad

Stock Exchange Listing

Main Market of
Bursa Malaysia Securities Berhad

WEBSITE

www.kerjayagroup.com

PROFILE OF DIRECTORS

DATUK TEE ENG HO
Executive Chairman, aged 51, Malaysian

Datuk Tee Eng Ho was appointed as the Executive Chairman of Kerjaya Prospek Group Berhad (formerly known as Fututech Berhad) on 31 March 2011. He graduated with a Diploma in Technology (Building) from Tunku Abdul Rahman College and has more than 21 years of experience in Civil & Building Construction.

Datuk Tee also privately owns a group of companies involved in property development and has undertaken various remarkable residential and mix development projects in Malaysia.

TEE ENG SENG
Executive Director, aged 46, Malaysian

Tee Eng Seng was appointed as Non-Independent Non-Executive Director of Kerjaya Prospek Group Berhad (formerly known as Fututech Berhad) on 31 March 2011 and was re-designated as Executive Director on 15 November 2011. He started his career working in construction related companies and has more than 20 years of experience in Civil and Building Construction.

Mr. Tee also privately owns a group of companies involved in property development and has undertaken various remarkable residential and mix development projects in Malaysia.

DATIN TOH SIEW CHUON
Executive Director, aged 49, Malaysian

Datin Toh Siew Chuon was appointed as the Executive Director of Kerjaya Prospek Group Berhad (formerly known as Fututech Berhad) on 15 November 2011.

Datin Toh is a fellow member of the Institute of Chartered Secretary and Administrator and a member of the Malaysian Associate of Certified Chartered Accountants. She started her career as practice in audit firm focusing on auditing and taxation. She has also accumulated more than 20 years of experience in a construction company after audit and tax practice.

Datin Toh also privately owns a group of companies involved in property development and has undertaken various remarkable residential and mix development projects in Malaysia.

KHOO SIONG KEE
Senior Independent Non-Executive Director, aged 66, Malaysian

Khoo Siong Kee, a Chartered Accountant trained in Australia, was appointed as the Independent Non-Executive Director of Kerjaya Prospek Group Berhad (formerly known as Fututech Berhad) on 25 April 2011. Mr. Khoo is a fellow member of the Institute of Chartered Accountants in Australia and a member of the Malaysian Institute of Accountants. He is also a fellow member of Chartered Tax Institute of Malaysia.

Mr. Khoo is also the Chairman of the Audit Committee, Nominating Committee and Remuneration Committee of the Company.

Profile of Directors (cont'd)

PROFESSOR DATUK DR. NIK MOHD ZAIN BIN NIK YUSOF
Independent Non-Executive Director, aged 69, Malaysian

Professor Datuk Dr. Nik was appointed as Independent Non-Executive Director of Kerjaya Prospek Group Berhad (formerly known as Fututech Berhad) on 21 April 2008. Datuk Dr. Nik obtained a Bachelor of Arts (Honours) from the Universiti Malaya, Malaysia and Master of Arts from the University of Wisconsin, Madison, USA and later gained a PHD in Law from the University of Kent, Canterbury, United Kingdom in 1989.

Datuk Dr. Nik has vast local and international working experience through his years of involvement in various councils, committees and land settlement schemes. He was a past-Chairman of the Prime Ministers Quality Award committee for both the public sector and the socio-economy. He has also been the examiner for the Prime Ministers Quality Award and was the alternate chairman to the evaluation committee for public sector from 1996 to 1997. He was the Secretary General, Ministry of Land and Co-operative Development.

He was a professor of Land Law at Universiti Teknologi Malaysia until January 2005. He is currently the Chairman of Yayasan Peneroka Negara, Malaysia and also an Adjunct Professor for Universiti Putra Malaysia. He also does occasional lectures and provides training at national and international seminars on land and property matters.

Datuk Dr. Nik is also a member of the Audit Committee, Nominating Committee and Remuneration Committee of the Company.

LIM KIEN LAI @ LIM KEAN LAI
Independent Non-Executive Director, aged 64, Malaysian

Lim Kien Lai @ Lim Kean Lai was appointed to the Board of Kerjaya Prospek Group Berhad (formerly known as Fututech Berhad) on 15 November 2011 as Independent Non-Executive Director. He has a Diploma in Technology (Building) from Tuanku Abdul Rahman College and holds a Degree in Master of Science in Construction Management, Aston University, United Kingdom.

Mr. Lim served as a lecturer in Tuanku Abdul Rahman College before venturing into his own practice on project management and construction services in 1983. He was the Managing Director of Macro Resources Sdn Bhd, a subsidiary of Lien Hoe Corporation Bhd and had undertaken and completed many projects in Malaysia. Currently he is the Chief Executive Officer of Integrated Professional Services Sdn. Bhd., a company involved in the construction of medical centres.

Mr. Lim is also a member of the Audit Committee, Nominating Committee and Remuneration Committee of the Company.

Notes:

1. Datuk Tee Eng Ho and Tee Eng Seng are brothers and substantial shareholders of the Company. Datin Toh Siew Chuon is the spouse of Datuk Tee Eng Ho and sister-in-law to Tee Eng Seng. None of the other directors has any family relationships with each other and with any substantial shareholders of the Company.
2. None of the directors has any conviction for offences other than traffic offences within the past 10 years.
3. Other than the recurrent related party transactions disclosed in page 29 of the Annual Report, none of the directors has any conflict of interest with the Company.
4. The director's shareholdings and warrant holdings in the Company are disclosed in the Analysis of Shareholdings and Warrant holdings of the Annual Report.

CORPORATE STRUCTURE
as at 6th April, 2016

KERJAYA PROSPEK

KERJAYA PROSPEK GROUP BERHAD
(formerly know as Fututech Berhad)

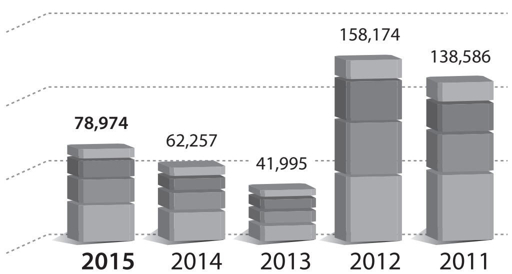
- 100% **Acumen Industries Limited, Hong Kong**
- 100% **Acumen Marketing Sdn. Bhd.**
- 100% **Advance Industries Sdn. Bhd.**
  - 100% **Ace Equity Sdn. Bhd.**
- 100% **Aurizon Investments Limited**
- 100% **Bazarbayu Sdn. Bhd.**
- 100% **Futumeds Sdn. Bhd.**
- 100% **FutuProp Sdn. Bhd.**
  - 100% **Segi Rancak Sdn. Bhd.**
  - 100% **Senandung Raya Sdn. Bhd.**
- 100% **Fututech (Labuan) Ltd.**
  - 100% **Acumen Design & Development Solutions Limited**
- 100% **Kerjaya Prospek (M) Sdn. Bhd.**
  - 70% **Future Rock Sdn. Bhd.**
- 100% **Lighting Louvres Manufacturing Sdn. Bhd.**
- 100% **Permatang Bakti Sdn. Bhd.**

5-YEARS FINANCIAL SUMMARY

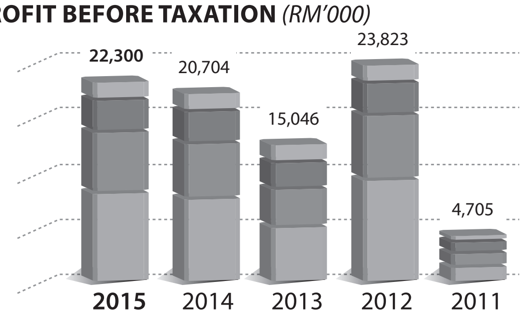
	2015 RM'000	2014 RM'000	2013 RM'000	2012 RM'000	2011 RM'000
Revenue	78,974	62,257	41,995	158,174	138,586
Profit Before Taxation	22,300	20,704	15,046	23,823	4,705
Profit after taxation and minority interest	16,138	15,372	11,495	23,422	5,568
Total Assets	158,406	113,839	107,994	130,657	92,996
Shareholder's Fund	108,319	94,040	81,400	72,631	49,201
Net Tangible Assets	108,319	94,040	81,400	72,631	49,201

	sen	sen	sen	sen	sen
Net Tangible Assets per share	119.07	104.00	89.70	80.05	54.22
Basic earnings per share	17.74	16.94	12.67	25.81	8.17
Dividend per share (net of tax)	3.00	3.00	3.00	–	–

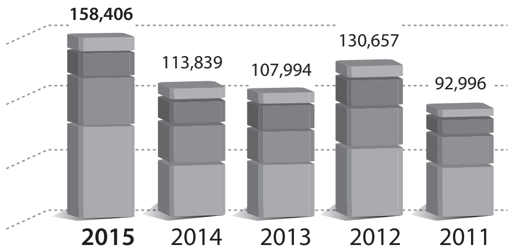
REVENUE *(RM'000)*



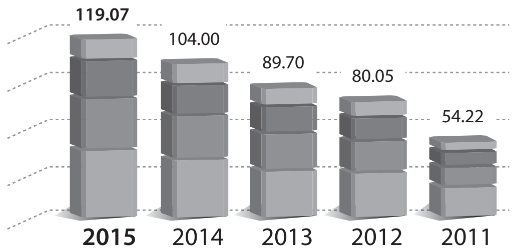
PROFIT BEFORE TAXATION *(RM'000)*



TOTAL ASSETS *(RM'000)*



NET TANGIBLE ASSETS PER SHARE *(sen)*



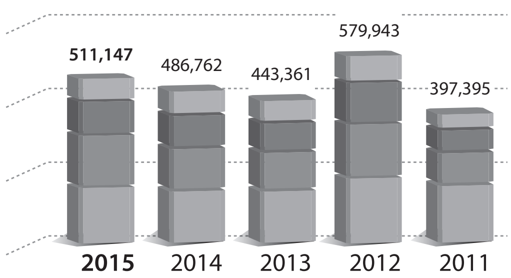
5-Years Financial Summary (cont'd)

KERJAYA PROSPEK (M) SDN BHD (1)

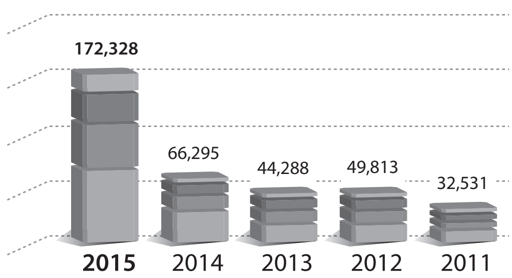
	2015 (2) RM'000	2014 (3) RM'000	2013 (3) RM'000	2012 (3) RM'000	2011 (2) RM'000
Revenue	511,147	486,762	443,361	579,943	397,395
Profit Before Taxation	172,328	66,295	44,288	49,813	32,531
Profit after taxation and minority interest	149,505	50,259	33,237	36,137	24,671
Total Assets	271,947	464,121	374,002	270,727	212,340
Shareholder's Fund	101,834	204,329	161,261	128,024	93,072
Net Tangible Assets	101,834	204,329	161,261	128,024	93,072

	RM	RM	RM	RM	RM
Net Tangible Assets per share	20.37	40.87	32.25	25.60	18.61
Basic earnings per share	29.90	10.05	6.65	7.23	4.93
Dividend per share (net of tax)	50.40	–	–	–	–

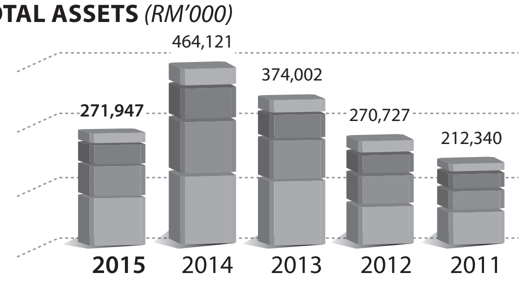
REVENUE *(RM'000)*



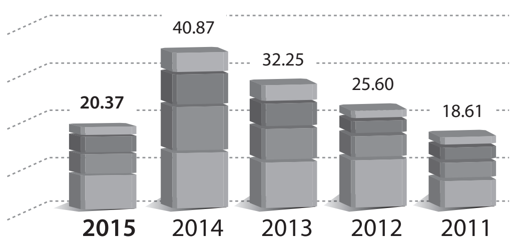
PROFIT BEFORE TAXATION *(RM'000)*



TOTAL ASSETS *(RM'000)*



NET TANGIBLE ASSETS PER SHARE *(RM)*



Notes:-

(1) On 21 January 2016, the Company completed the acquisition of the entire equity interest of the Kerjaya Prospek (M) Sdn Bhd. Accordingly, Kerjaya Prospek (M) Sdn Bhd become wholly-owned subsidiary of the Company.

(2) As per audited financial statement

(3) As per accountants' report as enclosed in the Circular to Shareholders dated 29 December 2015

(4) Take into account the following events pursuant to the share sale agreement in respect of Kerjaya Prospek (M) Sdn Bhd dated 15 September 2015:
- ** Gain on disposal of assets*
- *^ Declaration of dividends, disposal of assets and settlement of related party advances*

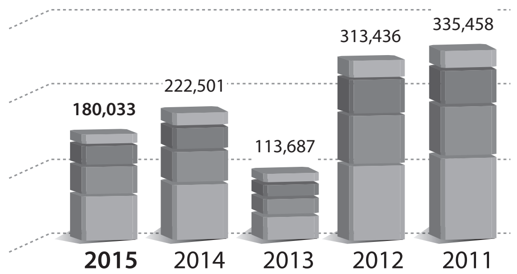
5-Years Financial Summary (cont'd)

PERMATANG BAKTI SDN BHD [(1)]

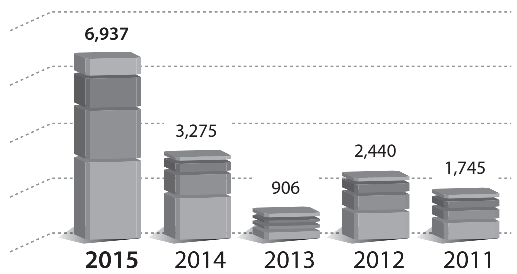
	2015 [(2)] RM'000	2014 [(3)] RM'000	2013 [(3)] RM'000	2012 [(3)] RM'000	2011 [(2)] RM'000
Revenue	180,033	222,501	113,687	313,436	335,458
Profit Before Taxation	6,937	3,275	906	2,440	1,745
Profit after taxation and minority interest	6,283	2,444	657	1,864	1,300
Total Assets	89,974	120,972	82,982	93,832	133,211
Shareholder's Fund	3,032	13,130	10,686	10,029	8,294
Net Tangible Assets	3,032	13,130	10,686	10,029	8,294

	RM	RM	RM	RM	RM
Net Tangible Assets per share	1.52	6.57	5.34	5.01	4.15
Basic earnings per share	3.14	1.22	0.33	0.93	0.65
Dividend per share (net of tax)	8.20	–	–	–	–

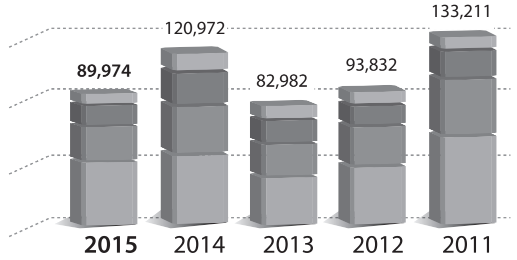
REVENUE *(RM'000)*



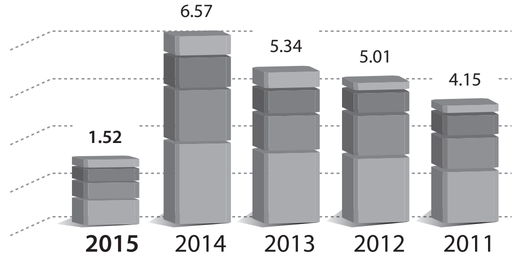
PROFIT BEFORE TAXATION *(RM'000)*



TOTAL ASSETS *(RM'000)*



NET TANGIBLE ASSETS PER SHARE *(RM)*



Notes:-

(1) On 21 January 2016, the Company completed the acquisition of the entire equity interest of the Permatang Bakti Sdn Bhd. Accordingly, Permatang Bakti Sdn Bhd become wholly-owned subsidiary of the Company.

(2) As per audited financial statement

(3) As per accountants' report as enclosed in the Circular to Shareholders dated 29 December 2015

(4) Take into account the following events pursuant to the share sale agreement in respect of Permatang Bakti Sdn Bhd dated 15 September 2015:

** Gain on disposal of assets*

^ Declaration of dividends, disposal of assets and settlement of related party advances

Dear Shareholders,

On behalf of the Board of Directors ("Board") of Kerjaya Prospek Group Berhad, formerly known as Fututech Berhad ("Kerjaya Prospek" or "the Group"), I am pleased to present to you the annual report and audited financial statements of the Group for the financial year ended 31 December 2015 ("FYE2015").

FINANCIAL PERFORMANCE REVIEW

2015 was a sluggish and challenging year for not only the local economy in Malaysia, but on a global scale which was impacted by the dire oil and commodity prices. The weak Malaysian Ringgit during the year threw our investors' market into a halt coupled with the spilling effects of the Goods and Service Tax (GST) from 2014, Malaysian economy was taken on a bumpy ride.

According to the Malaysian Economy Fourth Quarter 2015 report, against a tainted global economic background, the Malaysian economy managed to sustain a positive growth of 5.0% for 2015. Malaysia's economic growth was supported by the continued domestic expansion, which was largely driven by the private sector. The construction sector itself grew at a moderate pace of 8.2%, which was dragged down by a slower residential sub-sector as compared to the 11. 8% growth in 2014. Nevertheless, the construction sector achieved a sustained growth, which was underpinned by both the industrial and commercial property segments during the year.

Despite the economic storm throughout the financial year, Kerjaya Prospek sustained a positive profit growth across the board in all its business segments, namely construction, manufacturing and property development.

Chairman's Statement (cont'd)

For FYE2015, the Group reported a revenue increase of 27% with RM78.97 million as compared to its previous financial year of RM62.26 million. This reflected in a profit after tax ("PAT") growth of 5% with RM16.14 million, translating to basic earnings per share of 17.74 sen. The Group's net asset per share for FYE2015 presented an increase of 16% with RM1.19 as compared to RM1.04 in FYE2014.

Kerjaya Prospek's construction segment remains to be the core profit contributor, which made up approximately 69% of the Group's revenue with RM54.82 million. The Group's manufacturing segment contributed a revenue of RM13.75 million, presenting a slight increase of RM5.50 million. For FYE2015, the Group's latest business segment, property development has recognised its first revenue of RM10.41 million and PAT before eliminations of RM3.89 million. The property development's profit was derived from the Group's maiden development project – Vista Residences @ Genting Highlands ("Vista Residences") in Genting Permai. This development project bearing a gross development value of approximately RM300 million which sits on 1.4 acres land was launched on 9th January, 2016. Comprising of 378 serviced apartments and 28 retail units, Vista Residences is scheduled to be completed by 2019.

SEIZING OPPORTUNUE GROWTH AND VALUE PROPOSITION

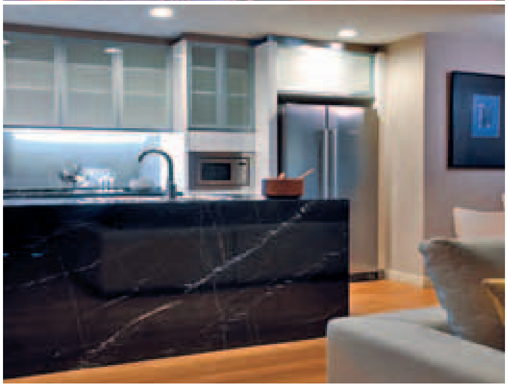
Kerjaya Prospek was listed on the Kuala Lumpur stock exchange in 1996 and was operating as a steel product manufacturer. In 2002, the steel product business was divested and Kerjaya Prospek started to build its expertise and focus as an integrated manufacturer and contractor providing synergistic designs and fit-out solutions for kitchen and lighting. Today, our house brands FORTE and BRITE-LITE are well-recognized brands in the premium property market where we provide complete fit-out solutions for sizable construction projects.

Throughout our business expansion journey, we have successfully diversified the Group's businesses into construction and property development to enhance our value proposition in the market. Our construction expertise is contracted by some of the highest profile blue chip companies in Malaysia.

2015 has been a year of compelling growth where we have entered into Share Sale Agreements for the acquisition of the entire issued and paid up capital of Kerjaya Prospek (M) Sdn Bhd ("KPSB") and Permatang Bakti Sdn Bhd ("PBSB") ("Acquisitions") for a total purchase consideration of RM458 million. The purchase consideration for the Acquisitions was satisfied in the following manner:

1) RM42.8 million via the issuance of 36,896,552 of new Kerjaya Prospek ordinary shares;
2) RM360.0 million via the issuance of 310,344,828 of redeemable convertible preference shares in Kerjaya Prospek ("RCPS"); and
3) RM55.2 million via cash.

Upon the completion of the Acquisitions in January, 2016, the construction business of the enlarged Group was aggressively expanded by approximately 32 times.



Chairman's Statement (cont'd)

KPSB was an established construction player that had accumulated over 20 years of industry expertise and a valuable track record of notable high-end construction projects across Malaysia such as the St. Mary Residences @ KLCC, Lumina Kiara @ Mont Kiara and Quayside Condominiums, Seri Tanjung Pinang amongst others. KPSB has long been contracting projects for some of the most reputable property developers in Malaysia, for the likes of Eastern & Oriental Berhad, Eco World Development Group Berhad, SP Setia Berhad and many more. The company completed its first high-end construction job in 2007 with the project Dua Residency in Kuala Lumpur. Further in 2014, the company made a new record in building the tallest building in Malacca - The Shore @ Malacca River, which was awarded with the Best Commercial Landscape Architecture Award Malaysia 2015 – 2016 at the prestigious Asia Pacific Property Award.

Having a completed construction project portfolio worth more than RM3 billion, KPSB has been generating a strong profit performance with the revenue for FYE2015 increased to RM511.1 million from RM486.8 million reported in FYE2014. The company's revenue presents a 2-year (FYE2013 – FYE2015) compounded annual growth rate of 7.4 %. In line with its revenue's growth, the PAT after stripping off the extraordinary gain on disposal of assets recorded a 2-year (FYE2013 – FYE2015) compounded annual growth rate of 36%, with the average PAT of approximately RM50 million per year.

KPSB and PBSB collectively added a total confirmed order book value of RM2.6 billion to our enlarged Group as at 31st December, 2015. The consolidation of the respective expertise and resources from the Acquisitions has equipped us with a higher stature to undertake a wider spectrum of premium projects moving forward.

With the Acquisitions, our objective and approach to becoming a sizable entity in the construction sector has begun. We believe that such growth path will enhance both our construction earnings and shareholders' value in the longer term.

Now, with 33% of our development portfolio derived from Penang with the remaining 67% plotted across Johor and the Klang Valley, we are confident that we have structured a resilient portfolio that will continue to support our robust growth prospects.

Chairman's Statement (cont'd)

One of the enlarged Group's competitive edge and investment value is in its ability to effortlessly manage and operate its entire construction project in-house, which enables Kerjaya Prospek to drive a higher EBITDA (earnings before interest, tax, depreciation and amortization) margin of 18% against the industry average of 10%. Driven by our focus in operation efficiency, prudent management, solid client and supplier partnership, we have presented a steady 4-year compounded annual growth rate of 30.48%, in our profit after tax.

CORPORATE ACTIVITIES

In conjunction with the Acquisitions, Kerjaya Prospek had also proposed to undertake the private placement of up to 100 million new shares of Kerjaya Prospek post completion of the Acquisitions ("Private Placement").

The shareholders' of Kerjaya Prospek had on 20th January, 2016 unanimously approved the Acquisitions and Private Placement as well as a few ancillary proposals, which includes the change of name from Fututech Berhad to Kerjaya Prospek Group Berhad.

On 22nd March, 2016, the Board announced the fixed issue price for its Private Placement comprising 40 million new ordinary shares of RM0.50 each in Kerjaya Prospek at RM1.65 per placement share.

Following the completion of the Acquisitions and the issuance of the 40 million new private placement shares as part of the Private Placement, the Group's enlarged paid-up share capital has increased to RM133 million with partial conversion of the RCPS. Approximately 87% of the 40 million new private placement shares are allocated to institutional funds.

DIVIDEND

The Board stands by a belief in building long term shareholder's interests and sharing the fruits of our success with our shareholders, whilst ensuring adequate funds for the Group's investments in sustaining strategic long-term growth.

On 26th May, 2015, the Board had approved a single-tier interim dividend of 3.0 sen per ordinary share in respect of FYE2015. A total amount of RM2.73 million was paid out to shareholders on 5th July, 2015.

FUTURE PROSPECTS AND MARKET OUTLOOK

Moving forward into 2016, the Board and Management is confident in maintaining a positive growth supported by its combined outstanding order book of RM 2.1 billion as at 31st March, 2016. Kerjaya Prospek holds one of the largest orderbook-to-revenue ratios in the industry of approximately 3.5 times, presenting high earnings visibility that will continue to gear up on the Group's robust growth prospects.

Kerjaya Prospek will continue to replenish its order book with a target of minimum RM600 million new order annually. Resulting from its strategic Acquisitions, Kerjaya Prospek's PAT for the next three (3) financial years is underpinned with an aggregated profit guarantee of RM150 million.

Now, as an expanded construction player that has garnered a prominent track record with a list of blue chip clients, Kerjaya Prospek is strategically positioned to tap into and secure a broader spectrum of projects. Leveraging on the Group's matured presence in Penang, Kerjaya Prospek is well poised to benefit from its client's anticipated growth trajectory from the resilient property market of Penang.

Chairman's Statement (cont'd)

Kerjaya Prospek is comprehensively equipped with various teams of technical expertise covering construction, property development and manufacturing which enables us to deliver an integrated and complimenting business model and strategy. This in turn results in a cost effective and seamless business operation and management for the Group.

Our core business focus remains to be in construction as this is where our strength and key expertise lies. Acknowledging that there is on-going material and technological advancements in the industry, Kerjaya Prospek have always noted engineering and value-added design as a key component to our services. Our team of expertise are adequately qualified and trained to provide optimum solutions to our clients. Moving forth, the Group plans to further develop and expand its construction segment with capabilities in piling and reclamation projects. The management believes that this will further enhance the Group's competitive edge within the industry as we continue to grow and strive towards our mission as a top industry player.

According to Economic Report 2015/2016, the Malaysian economy for 2016 will experience growth at a more moderate pace driven by the services and manufacturing sectors. In view of the expected hindrance to the overall economy due to the lowering oil and gas prices, the construction sector is forecasted to grow by 8.4%, which is expected to be supported by the new and existing civil engineering projects mainly in the transport and petrochemical segments. Additionally, the government's on-going initiatives in improving public infrastructure across Malaysia will continue to ignite construction and infrastructure project opportunities for companies such as Kerjaya Prospek moving forward.

APPRECIATION

On behalf of the Board and the senior management team, I would like to express our sincere gratitude to our clients, business partners, associates, bankers, shareholders and the respective regulatory authorities, who has contributed to our success thus far. Your continued support and trust in Kerjaya Prospek is greatly appreciated.

To our employees, thank you for your tireless efforts, dedication and commitment to the Group.

DATUK TEE ENG HO
Executive Chairman

STATEMENT ON CORPORATE GOVERNANCE

The Board of Directors ("**Board**") of Kerjaya Prospek Group Berhad ("**Kerjaya**" or "**Company**") is pleased to report that for the financial year ended 31st December 2015, the Company has continued to apply good governance practices in managing and directing the business of the Group by adopting the principles and the best practices prescribed in the latest Malaysian Code on Corporate Governance ("**Code**") released by the Securities Commission Malaysia in March 2012.

The Board has conducted a review of its current practices and proceedings against the principles and recommendations in the Code. The result of this review has been used as the basis for the Board in describing the application of the principles and the extent of compliance with the Best Practices advocated therein in compliance with the Main Market Listing Requirements ("**Listing Requirements**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**").

A. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES

(i) Functions and Responsibilities of the Board and Management

The Board is entrusted for the oversight and overall management of the business affairs of the Company. The Board of Directors is responsible for determining all major policies, reviewing the system of internal control, ensuring that effective strategies and management are in place, for assessing the performance of the Company and its management team.

The Board Charter, which was adopted by the Board on 2012 and reviewed accordingly when needs arise, sets out the roles, duties and responsibilities of the Board and various legislations and regulations affecting their conduct and the principles and practices of good corporate governance that are to be applied in all their dealings in respect, and on behalf of, the Company. The Board Charter is available for reference at the Company's website www.kerjayagroup.com

The principal responsibilities of the Board outlined in the Company's Board Charter include the following:

- reviewing, approving and monitoring the overall strategies and direction of the Group;
- overseeing and evaluating the conduct and performance of the Group's businesses, including its control and accountability systems;
- identifying and managing principal risks affecting the Group;
- reviewing the adequacy and integrity of the Group's internal control systems, including systems for compliance with applicable laws, regulations, rules and guidelines;
- approving major capital expenditure, capital management and acquisitions/divestitures;
- ensuring that the statutory accounts of the Company are fairly stated and otherwise conform with the relevant regulations including acceptable accounting policies that result in balanced and understandable financial statements;
- ensuring high standards of ethics and corporate behaviour in the conduct of business;
- approving policies relating to investors relations programme and shareholder communication and overseeing stakeholders communications; and
- commitment in governing management and providing oversight of the Company, including the appointment of senior management, the implementation of appropriate policies and procedures that govern the management conduct, ensure sustainability of the Company, the monitoring of performance and succession planning.

A. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES (CONT'D)

(i) Functions and Responsibilities of the Board and Management (cont'd)

The Board is also ultimately responsible for the adequacy and integrity of the Company's internal control system. Details pertaining to the Company's internal control system and its effectiveness are available in the Statement on Internal Control and Risk Management of this Annual Report.

The Board is mindful of the importance of the establishment of clear roles and responsibilities in discharging its fiduciary and leadership functions as recommended by the Code including those reserved for the Board's approval and those which the Board may delegate to the Board Committees and the Management. There is a clear division of responsibilities between the Chairman, the Executive Director and the Group Chief Executive Officer.

Key matters reserved for the Board's approval include business plan, annual budget, dividend policy, business continuity plan, new issues of securities, business restructuring and disposal and acquisition of assets/investments.

The Board Committees, namely Audit Committee, Nominating Committee and Remuneration Committee are entrusted with specific responsibilities to oversee the Group's affairs with authority to act on behalf of the Board and operate within their respective Terms of Reference. Although specific powers are delegated to the Board Committees, the Board Committees would report to the Board on matters considered and their recommendation thereon. The ultimate responsibility for the final decision on all matters, however, lies with the Board. Also, the Board is informed of the key issues and recommendation/decision made by each Board Committees through the tabling of minutes of the Board Committees meetings at Board Meetings.

As regards the duties delegated to the Chairman, Executive Directors and Independent Director, their responsibilities are set out in the Board Charter which is available for reference at the Company's website at www.kerjayagroup.com

The Chairman provides leadership at Board level, chairing the meetings of the Company and the Board, represents the Board to shareholders and together with the Board, reviews and approves the strategic objectives and policies of the Group. The Board Chairman is an Executive Director and remains so after due assessment and reviewed by the Nomination Committee which had taken into consideration of the following justifications:

a) The Chairman's vast experience in managing the Group's main business in the property and construction areas which would enable him to provide the Board with a diverse set of experience, expertise and skills to better manage and run the Group;

b) The Chairman has demonstrated his objectivity in deliberating and making decision aligning with the shareholders' interest at large during his tenure as Executive Chairman of the Company.

The Chairman also ensures that management proposals are deliberated by Directors, executive and non-executive alike, and examined taking into account the interests of shareholders and other stakeholders.

The Executive Directors provide executive leadership and are accountable to the Board for the business direction and operational decisions of the Group and ensuring the policies and corporate strategies set by the Board are effectively implemented. The non-executive Directors of calibre and experience provide the necessary balance of power and authority to the Board. The independent non-executive Directors provide unbiased and independent views to safeguard the interest of minority shareholders.

A. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES (CONT'D)

(ii) Succession Planning

The Board reckon the importance of succession planning to ensure the sustainability and continuity of the Company. The Board ensuring that all candidates appointed to senior management positions are of sufficient calibre and that there are programmes to provide for the orderly succession of senior management. Succession planning also includes appointing, assessing, training, fixing the compensation of and where appropriate, replacing senior management when necessary.

(iii) Code of Conduct and Ethics

The Board commits itself and its Directors to ethical, businesslike and lawful conduct, including proper use of authority and appropriate decorum when acting as Board members. The Company's Code of Conduct and Ethics for Directors are clearly spelled outand is available for reference at the Company's website at www.kerjayagroup.com

(iv) Corporate Social Responsibility and Sustainability

The Board places great importance on corporate social responsibility ("CSR") and business sustainability and embraces CSR as an integral part of the Group's business philosophy and corporate culture. The strategies to promote sustainability and its implementation can be found in the Company's website at www.kerjayagroup.com

The CSR activities of the Group during the financial year are set out on page 32 of this Annual Report.

(v) Whistleblowing Policy and Procedure

The Board encourages employees within the Group to report suspected and/or known misconduct, wrongdoings, corruption, fraud, waste and/or abuse involving resources of the Company. The whistleblowing policy and procedure adopted by the Company provides and facilitates a mechanism for any individual to report concerns about any suspected and/or known misconduct, wrongdoings, corruption, fraud, waste and/or abuse.

(vi) Corporate Disclosure Policy & Procedure

The Board places importance in ensuring disclosures made to shareholders and investors are accurate, clear, timely and comprehensive as they are critical towards building and maintaining corporate credibility and investor confidence. As such, the Board has adopted a corporate disclosure policy & procedures setting out the policies and procedures for disclosure of material information of the Group. The said Policy applies to all Directors, management, officers and employees of the Group.

(vii) Access to Information and Advice

The Board has unrestricted access to timely and accurate information in furtherance of its duties.

All Directors have full access to the advice and services of the Company Secretaries and the Management within their respective jurisdictions to ensure effective functioning of the Board and may seek independent professional advice when necessary in discharging its various duties, at the Company's expense. The Directors may also interact directly with, or request further explanation, information or updates on any aspect of the Company's operations or business concerns from the Management.

A. ESTABLISH CLEAR ROLES AND RESPONSIBILITIES (CONT'D)

(viii) Qualified and Competent Company Secretaries

The Company Secretaries of the Group are experienced, competent and knowledgeable, play an important role in advising the Board on issues relating to corporate compliance with the relevant laws, rules, procedures and regulations affecting the Board and the Group, as well as best practices of governance. The Directors have ready and unrestricted access to the advice and services of the Company Secretaries. The Board is regularly kept up to date on and apprised of any regulations and guidelines.

The Company Secretaries are responsible for advising the Directors of their obligations and duties to disclose their interest in securities, disclosure of any conflict of interest in a transaction involving the Group, prohibition on dealing in securities and restrictions on disclosure of price-sensitive information.

The Company Secretaries also safeguard all statutory books and records of the Company and maintain the statutory registers of the Company. Company Secretaries also ensure all Board meetings are properly convened, and that accurate and proper records of the proceedings and resolutions passed are recorded. In addition, the Company Secretaries also ensure that any change in the Group's statutory information should be duly completed in the relevant prescribed forms and lodged with the Registrar of Companies within the required period of time.

B. STRENGTHEN COMPOSITION

(i) Audit Committee

The Audit Committee comprises solely Independent Non-Executive Directors. The role of the Audit Committee is to support the Board in overseeing the processes for production of the financial data, review the financial reports and the internal control of the Company. The composition and Terms of Reference of the Audit Committee together with its reports are presented in Audit Committee Report in this Annual Report.

(ii) Nomination Committee

(a) Composition of Nomination Committee

The Nomination Committee comprises three (3) Non-Executive Directors, all of whom are Independent Directors and is chaired by a Senior Independent Non-Executive Director, Mr. Khoo Siong Kee. The members are:

Chairman	:	Mr. Khoo Siong Kee *Senior Independent Non-Executive Director*
Member	:	Professor Datuk Dr. Nik Mohd Zain bin Nik Yusof *Independent Non-Executive Director*
	:	Mr. Lim Kien Lai @ Lim Kean Lai *Independent Non-Executive Director*

B. STRENGTHEN COMPOSITION (CONT'D)

(ii) Nomination Committee (cont'd)

(b) Functions of the Nomination Committee

The functions of Nomination Committee are:

(a) recommend to the Board the nomination of a person or persons to be a Board member(s) by shareholder(s) or Director(s);

(b) recommend to the Board, Directors to fill the seats on Board Committees;

(c) assess the effectiveness of the Board as a whole, the committees of the Board and the contribution of each existing individual Director and thereafter, recommend its findings to the Board; and

(d) review the required mix of skills and experience and other qualities, including core competencies which Non-Executive Directors should bring to the Board and thereafter, recommend its findings to the Board.

(c) Activities of the Nomination Committee

The summary of the activities of the Nomination Committee during the financial year are as follows:-

(a) Annual review the mix of skill and experience and other qualities of the Board.

(b) Assess the effectiveness of the Board as a whole, the Board Committees and the Directors.

(c) Discuss the Directors' retirement by rotation.

(d) Appointment to the Board and Gender Diversity Policy

The Board does not set specific criteria for assessment and selection of director candidate. However, consideration would be taken on the need to meet the regulatory requirements such as Companies Act, 1965 and the Bursa Securities Listing Requirements and other criteria discussed in the following paragraphs.

The Nomination Committee is empowered to identify and recommend new appointments to the Board. The potential candidates may be proposed by existing Directors, senior management, shareholders or third party referral. Under normal circumstances, the Nomination Committee would review new board candidates proposed by the Executive Directors to fill vacancy arises from resignation, retirement or any other reasons and make the recommendation to the Board thereon for decision. Based on the recommendation of the Nomination Committee, the Board would evaluate and decide on the appointment of the proposed candidate.

B. STRENGTHEN COMPOSITION (CONT'D)

(ii) Nomination Committee (cont'd)

(d) Appointment to the Board and Gender Diversity Policy (cont'd)

Upon receipt of the proposal, the Nomination Committee is responsible to conduct an assessment and evaluation on the proposed candidate. The assessment/evaluation process may include, at the Nomination Committee's discretion, reviewing the candidate's resume, curriculum vitae, biographical information, candidate's qualifications and conducting background searches as well as formal or informal interview.

In discharging its duty, the Nomination Committee will assess the suitability of an individual to be appointed to the Board by taking into consideration the individual's skills, knowledge, expertise, experience, strength of qualities and competency and understanding of the business environment.

For appointment of Independent Directors, the Nomination Committee would also assess whether the candidate meets the requirements for independence based on criteria prescribed in the Listing Requirements.

At present, the Company does not have a formal gender diversity policy but is supportive of gender diversity policy. Presently, the Board has a female Executive Director. The Board acknowledges the recommendation of the Code on gender diversity. The Board is of the opinion that it is important to recruit and retain the best available talent regardless of gender, ethnicity and age with priority of the Group's need to maximise the effectiveness of the Board, taking into account the balance of skills, experience, knowledge and independence, and based on the Group's needs and circumstances.

Nevertheless, the Company shall provide a suitable working environment that is free from harassment and discrimination in order to attract/retain women participation in the Board. The Group is committed to provide fair and equal opportunities and nurturing diversity with the Group. Also, the Group had zero tolerance of workplace harassment, age, religious, ethnicity, race or gender discrimination.

(e) Review of Directors Proposed for Re-election

In accordance with the Articles of Association of the Company, all newly appointed Directors are subject to retirement by rotation and are entitled for re-election at the first annual general meeting after their appointment.

Pursuant to Article 89 of the Company's Articles of Association, at each annual general meeting one-third (1/3) of the Directors for the time being or if number is not a multiple of three (3), the number nearest to one-third (1/3) shall retire from office by rotation and an election of Directors shall take place provided always that each Director shall retire at least once in every (3) years but shall be eligible for re-election.

At general meeting of the Company, the election of each Director is to be voted separately unless a resolution that it shall be so made has first been agreed to by the meeting without any vote being given against it as provided in Section 126(1) of the Companies Act, 1965.

B. STRENGTHEN COMPOSITION (CONT'D)

(ii) Nomination Committee (cont'd)

(e) Review of Directors Proposed for Re-election (cont'd)

Further, pursuant to Section 129(6) of the Companies Act, 1965, Directors who over the age of 70 may, by a resolution (passed by a majority of not less than three-fourth (3/4) of such members of the Company) of which no shorter notice than the required to be given to the members of the Company of an annual general meeting has been duly given, be appointed or re-appointed as a Director of the Company to hold office until the conclusion of the next annual general meeting.

In recommending the Directors for re-election to the Board, the Nominating Committee would also refer to the individual Directors' annual assessment result to ensure that feedback given and scoring achieved by the relevant directors who are retiring by rotation are satisfactory.

(f) Annual Assessment on the Performance of Individual Directors and Effectiveness of the Board and Board Committees

The Nomination Committee undertakes annual assessment to evaluate the performance of each individual Directors, the effectiveness of the Board and the Board Committees.

The effectiveness of the Board and Board Committees are assessed in the areas of board structure/mix, decision making and boardroom participation and activities, meeting administration and conducts, skill and competencies and role and responsibilities whilst the performance of the individual Directors are assessed in the areas of contribution and interaction with peer, quality of the input of the Director, understanding of role, etc.

During the annual assessment exercise, the Directors are given a performance evaluation sheets for Individual Director Self/Peer Evaluation and Board Evaluation to complete. In addition, Directors who are members of the Board Committees are given additional performance evaluation sheets for the respective Board Committees to complete. Sufficient time is given to the Directors to complete the forms and upon completion, the forms are submitted to the Company Secretary for compilation of rating and scores which summary would then be presented to the Nominating Committee for further review and assessment.

For good corporate governance, the Nomination Committee would not review its own effectiveness and the performances of the Nomination Committee members. Instead, such review would be carried out by the Board as a whole with the members of the Nomination Committee abstained from deliberation.

In view that the Nomination Committee members are also members of the Remuneration Committee and the Audit Committee, the assessment of the effectiveness and performances of the Remuneration Committee and the Audit Committee are also carried out by the Board.

The Director who is subject to re-election and/or re-appointment at next Annual General Meeting are assessed by the Nomination Committee (with the relevant Nomination Committee member abstaining on his own re-election) before recommendation is made to the Board and shareholders for the re-election and/or re-appointment.

Outcome of the assessment and recommendation would be reported to the Board for information and decision on areas for improvement.

B. STRENGTHEN COMPOSITION (CONT'D)

(ii) Nomination Committee (cont'd)

(g) Assessment of Independent Directors

On an annual basis, the Nomination Committee would also review the independence of the Independent Directors. More details are set out in section C(ii) of this statement.

(iii) Remuneration Committee

(a) Composition of Remuneration Committee

The Remuneration Committee comprises mainly of Non-Executive Directors. The members of the Remuneration Committee are:

Chairman	:	Mr. Khoo Siong Kee *Senior Independent Non-Executive Director*
Members	:	Professor Datuk Dr. Nik Mohd Zain bin Nik Yusof *Independent Non-Executive Director*
	:	Mr. Lim Kien Lai @ Lim Kean Lai *Independent Non-Executive Director*

(b) Functions of the Remuneration Committee

The main function of the Remuneration Committee is to recommend to the Board, the remuneration packages of Executive Directors and/or other persons of the Group as the Remuneration Committee is designated to consider as and when necessary.

(c) Remuneration Policies and Procedures

<u>**Remuneration of Executive Directors**</u>

The remuneration of the Executive Directors shall be reviewed and determined by the Remuneration Committee, who make recommendation to the Board for approval. On the recommendation of the Remuneration Committee, the Board reviews and approves the remuneration of the Executive Directors with the respective Executive Director abstained from discussions and decisions on their own remuneration. Under normal circumstances, the respective Director(s) would be excused from the relevant meetings before the deliberation on their remuneration take place.

Executive Director is remunerated based on the individual performance and Group's performance. The remuneration of the Executive Directors is structured to attract, retain and motivate them in order to drive the Group successfully.

Statement on Corporate Governance (cont'd)

B. STRENGTHEN COMPOSITION (CONT'D)

(iii) Remuneration Committee (cont'd)

(c) Remuneration Policies and Procedures (cont'd)

Annual Bonus of Executive Directors

The Executive Directors shall be entitled to participate in the Company's annual cash bonus. The amount of bonus shall be reviewed and determined by the Remuneration Committee, who make recommendation to the Board for approval.

Other benefits of Executive Directors

Executive Directors shall also be entitled to other benefits provided to employee of the Company and other additional benefits, if so, recommended by the Remuneration Committee to the Board for approval.

Remuneration for Non-Executive Directors

The remuneration of non-executive directors, which made up of Directors' fee, meeting allowance and other benefits, if any, proposed by the Remuneration Committee is determined by the Board. The remuneration of the Non-Executive Directors is determined in accordance with their experience and the level of responsibilities assumed.

Others Remuneration

The Directors may be remunerated by a fixed sum (for non-executive director) or by a percentage of profits (for executive directors) or otherwise as may be determined by the Board for the performance of extra services or to make any special exertions in going or residing away from his usual place of business or residence for any purpose of the Company or giving special attention to the business of the Company. Such remuneration may be either in addition to or in substitution for his or their share in the remuneration from time to time provided for the directors. Such remuneration would be proposed by the Remuneration Committee to the Board for decision.

(d) Directors' Fee and meeting allowances

All Non-Executive Directors are paid fixed director fees as a member of the Board. In addition, the Non-Executive Directors are entitle for payment of meeting allowances for each attendance at Board meeting and Board Committee meetings. The Chairman of the Board Committee also receive a fixed fee for their chairmanship in the committee.

Directors' fees payable to Non-Executive Directors are subject to the approval of the Company's shareholders at Annual General Meetings ("AGM").

B. STRENGTHEN COMPOSITION (CONT'D)

(iii) Remuneration Committee (cont'd)

(d) Directors' Fee and meeting allowances (cont'd)

The aggregate remuneration paid or payable to the Directors in the Company for the financial year ended 31st December, 2015 is as follows:

	Fees RM	Salaries and Other Emolument RM	EPF and Socso RM	Total RM
Executive Directors	–	1,740,578	212,336	1,952,914
Non-Executive Directors	123,420*	16,500	–	139,920

* subject to shareholders' approval at the AGM.

The numbers of Directors of the Company whose total remuneration fall within the respective band are as follows:

Remuneration band (RM)	Executive Directors	Non-executive Directors
RM50,000 and below	–	3
RM300,001 – RM350,000	–	–
RM350,001 – RM400,000	3	–
RM800,001 – RM850,000	1	–

At present, it is not the Company's policy of paying meeting allowances to Executive Directors.

C. REINFORCE INDEPENDENCE

(i) Board Composition

As of the date of this statement, the Board consists of six (6) members, comprising three (3) Executive Directors and three (3) Independent Non-Executive Directors. This is in compliance with Paragraph 15.02 of the Listing Requirements which requires at least two (2) or one third of the Board, whichever is the higher, are Independent Directors.

The present size and composition of the Board is appropriate for the complexity and scale of operations of the Company and the Group. As presently constituted, the Board is well balanced and has the stability, continuity and commitment as well as the capacity to discharge its responsibility effectively.

The Chairman of the Company is an is an Executive Director and remains so after due assessment by the Nomination Committee. The justifications are as per stated under (i) Functions and Responsibilities of the Board and Management.

C. REINFORCE INDEPENDENCE (CONT'D)

(ii) Assessment of Independent Directors

On an annual basis, the Nominating Committee would review the independence of the Independent Directors. Criteria for assessment of independence are very much based on the requirements and definition of "independent director" as set out in the Listing Requirements.

Each Independent Directors is required to confirm their independence by giving the Board a written confirmation of their independence.

In addition, consideration would also be given to assess whether the independent directors are able to act independently of management and free from any business or other relationship.

(iii) Tenure of Independent Directors

None of the Independent Directors have served the Company exceeding a cumulative terms of nine (9) years.

At present, the Company does not have a formal policy to limit the tenure of independent directors to 9 years. However, the Board is mindful of the recommendations in the Code to ensure effectiveness of independent directors.

D. FOSTER COMMITMENT

(i) Time Commitment

The underlying factors of directors' commitment to the Company are devotion of time and continuous improvement of knowledge and skill sets.

Board members have accordingly declared their directorship in other listed company annually to Company Secretary in a pre-prepared form and none of the Board member has exceeded 5 directorships in listed issuers as per stated in paragraph 15.06 of Listing Requirements of Bursa Securities. Adequate time and attention has been contributed to the Company's business affairs.

Most the Directors have full attendance at Board and Board Committee meetings held during the financial year ended 31st December, 2015. Details of the attendance are set out in the relevant sections of this Statement.

To facilitate the Directors' planning, Board and Board Committee meetings are usually fixed three (3) months in ahead.

D. FOSTER COMMITMENT (CONT'D)

(ii) Board Meetings and Attendance

The Board meets at least once every quarter and additional meetings are convened as and when necessary. All proceedings, deliberations and conclusions of the Board meetings are duly minuted and signed by the Chairman of the meetings.

The Chairman ensures that each Director is provided with timely notices for each Board meeting and Board papers are issued prior to the Board meetings to enable the Directors to review and consider the agenda items to be discussed in the Board meeting and where necessary, to obtain further explanations in order to be fully briefed before the meeting.

The Board has unrestricted access to timely and accurate information in furtherance of its duties.

During the financial year ended 31st December, 2015, nine (9) Board meetings were held. The record of attendance is as follows:

Directors	Number of Meetings Attended by Directors
Datuk Tee Eng Ho	9/9
Mr. Tee Eng Seng	8/9
Datin Toh Siew Chuon	9/9
Mr. Khoo Siong Kee	9/9
Professor Datuk Dr. Nik Mohd Zain Bin Nik Yusof	9/9
Mr. Lim Kien Lai @ Lim Kean Lai	9/9
Former Director	
Mr. Loo Soo Loong (resigned on 11.12.2015)	9/9

All the Directors have complied with the minimum 50% attendance requirement as stipulated by the Listing Requirements.

(iii) Directors' Training

All members of the Board have attended the Mandatory Accreditation Programme, prescribed by Bursa Securities. Directors are encouraged to attend seminars and/or conferences organised by relevant regulatory authorities and professional bodies to keep abreast with latest developments in the market place and new statutory and regulatory requirements. The training needs of each Director would be assessed and proposed by the individual Director. Each Director determines the areas of training that he may require for personal development as a Director or as a member of the Board Committees.

D. FOSTER COMMITMENT (CONT'D)

(iii) Directors' Training (cont'd)

All Directors have attended at least one training during the financial year. Details of trainings attended by the Directors are as follows:

Name of Directors	Training Programmes
Datuk Tee Eng Ho	• Land related laws in Property Development
Mr. Tee Eng Seng	• Land related laws in Property Development
Datin Toh Siew Chuon	• Investment Analysis on Property Industry • Cost of Capital and Discounts & Premiums • Land related laws in Property Development
Mr. Khoo Siong Kee	• Risk Management and Internal Control • The Board's response in Light of Rising Shareholder Engagements • National Tax Conference 2015 • Half Day Seminar On Quality Control • Mia Conference 2015 • Seminar Percukaian Kebangsaan 2015
Professor Datuk Dr. Nik Mohd Zain Bin Nik Yusof	• Risk Management and Internal Control • Land related laws in Property Development • Current trends in Shareholders' Activism & Predicting Financial Crime - Detection, Prevention & Remediation • 10th NAPREC Conference
Mr. Lim Kien Lai @ Lim Kean Lai	• The Board's response in Light of Rising Shareholder Engagements
Former Director	
Mr. Loo Soo Loong (resigned on 11.12.2015)	• Technical Briefing on computation of Percentage Ratios • The Board's response in Light of Rising Shareholder Engagements • Land related laws in Property Development

The Board is also regularly updated by the Company Secretaries on the latest update and amendments to the Listing Requirements.

E. UPHOLD INTEGRITY IN FINANCIAL REPORTING

(i) Financial Reporting

The Board is responsible for presenting a balanced, clear and meaningful assessment of the Group's financial position and prospect to the Company's shareholders through the annual financial statements and quarter announcements. The quarter results and annual financial statements are reviewed by the Audit Committee and recommended to the Board for approval before its release to Bursa Securities. The details of activities carried out by Audit Committee are disclosed in Report of the Audit Committee.

E. UPHOLD INTEGRITY IN FINANCIAL REPORTING (CONT'D)

(ii) Relationship with Auditors

The Board has established formal and transparent relationships with both the external and internal auditors through the Audit Committee. The relationship between the Audit Committee and both the external and internal auditors are described in the terms of reference of the Audit Committee Report.

(iii) Assessment of Suitability and Independence of External Auditors

The Audit Committee at its meeting held on 5th April, 2016 undertook annual assessment of the suitability and independence of external auditors before recommendation is made to the Board for re-appointment of the external auditors at the annual general meeting of the Company. In its assessment, the Audit Committee considered several factors, which included adequacy of resources of the firm, quality of service and competency of the staff assigned to the audit and the external auditors' independence. Being satisfied with Messrs Ong & Wong's performance and audit independence, the Audit Committee recommended the appointment of Messrs Ong & Wong as external auditors for the financial year ending 31st December, 2016. The Board at its meeting held on 5th April, 2016 approved the Audit Committee's recommendation and agreed to put forward a resolution on the re-appointment of Messrs Ong & Wong to the shareholders for approval at the forthcoming AGM.

Also, the Audit Committee has obtained written assurance from the external auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

F. RECOGNISE AND MANAGE RISKS

Internal Control

The Board has the overall responsibility in maintaining a sound and effective system of internal controls for the Group which covers not only financial controls but also operational and compliance controls as well as risk management.

The Group outsourced its internal audit function to an professional firm, as part of its efforts in ensuring that the Group's systems of internal controls are adequate and effective.

The internal audit function adopts a risk-based approach and prepares its audit plans based on significant risks identified. The internal audit provides an assessment of the adequacy, efficiency and effectiveness of the Group's existing internal control policies and procedures and provides recommendations, if any, for the improvement of the control policies and procedures. The results of the audit reviews are presented and discussed during the Audit Committee meetings. Management is responsible for ensuring that the necessary corrective actions on reported weaknesses are taken within the required time frame. The action plans are reviewed and followed up by the internal audit function on a periodical basis to ensure the recommendations are effectively implemented.

The Statement on Risk Management and Internal Control is furnished on page 38 of this Annual Report, and this provides an overview of the state of internal controls within the Group.

G. RELATION WITH SHAREHOLDERS AND INVESTORS

The Company recognises the importance of keeping shareholders and investors informed of the Group's business and corporate developments. Such information is disseminated via the Company's annual reports, various disclosures to Bursa Securities including quarter financial results and various announcements made from time to time.

The Group maintains a website at www.kerjayagroup.com where shareholders or investors may access information on the Group under "Investor Relation" link encompassing corporate information, latest financial results, latest annual reports, announcements to Bursa Securities, Board Charter and Code of Conduct of the Board. Shareholders and investors are always encouraged to interact and feedback to the Chairman or any Executive Director for opinions or concerns. The Board had also identified Mr. Khoo Siong Kee to act as the Senior Independent Director to provide shareholders and investors an alternative way to convey their concerns and seek independent view.

The following personnel have been identified as the investor contact persons of the Group:

Contact Person: (a) Datuk Tee Eng Ho (Executive Chairman)
(b) Ms. Tan Suan Suan (Senior Finance Manager)
Tel: 603-6277 2480
Email: ir@kerjayagroup.com

The AGM remains the principal forum for dialogue with shareholders where they are provided with an opportunity to raise questions pertaining to issues in the Annual Report, audited financial statements and corporate developments in the Group, the resolutions being proposed and/or on the business of the Group. Shareholders who are unable to attend are allowed to appoint proxies to attend and vote on their behalf. Members of the Board as well as auditors of the Company are present to answer questions raised at the meeting.

H. COMPLIANCE WITH THE CODE

This Statement is made in compliance with relevant provisions in the Listing Requirements.

The Board strives to ensure that the Company complies with the Principles and Best Practices of the Code. The Board will endeavor to improve and enhance the procedures from time to time.

OTHER COMPLIANCE INFORMATION

1. NON-AUDIT FEE

The non-audit fees paid to the external auditor by the Group for the financial year ended 31 December 2015 amounted to RM1,000.

2. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

The recurrent related party transactions of a revenue or trading nature of the Group conducted pursuant to the shareholders' mandate during the financial year ended 31st December, 2015 are as follows:

Transacting Parties	Interested Related Parties	Nature of Transactions	Aggregate Value (RM'000)
Kerjaya Prospek (M) Sdn Bhd Permatang Bakti Sdn Bhd Kerjaya Prospek Group Berhad (fka Fututech Berhad)	Datuk Tee Eng Ho Tee Eng Seng Datin Toh Siew Chuon Egovision Sdn Bhd Kerjaya Prospek (M) Sdn Bhd Permatang Bakti Sdn Bhd	Supply of light fittings, kitchen cabinetry, provision of interior design works and masonry works, provision of general building and construction works and other related services, which including but not limited to secondment of staffs and renting of machineries	14,185
Dekad Inteleck Sdn Bhd ("DISB") Ace Equity Sdn Bhd ("Ace")	Datuk Tee Eng Ho Tee Eng Seng Datin Toh Siew Chuon DISB	Renting of the 2nd Floor of No. 1, Jalan Wangsa Permai, Bangunan One Wangsa, Taman Wangsa Permai, 52200 Kuala Lumpur from DISB measuring approximately 7,000 square feet by Ace	108
Kerjaya Photo Centre Sdn Bhd ("KPhoto") Coco Mart (M) Sdn Bhd ("Cocomart") Kerjaya Hotel Sdn Bhd ("KHotel") MIO Boutique Hotel Sdn Bhd ("MIO") Kerjaya Prospek Group Berhad (fka Fututech Berhad)	Datuk Tee Eng Ho Tee Eng Seng Datin Toh Siew Chuon KPhoto MIO KHotel Cocomart	Purchase of miscellaneous and sundry items and staff benefits given on accommodation at hotel.	19

Other Compliance Information (cont'd)

3. MATERIAL CONTRACTS

Saved as disclosed below, there were no material contracts entered into by the Company and/or its subsidiaries involving Directors' and/or major shareholders' interest, that are still subsisting at the end of the financial year.

On 15th September, 2015, the Company entered into conditional share sale agreements ("the agreements") for the proposed acquisitions of the entire equity interest in Kerjaya Prospek (M) Sdn Bhd ("KPSB") and Permatang Bakti Sdn Bhd ("PBSB") ("Proposed Acquisitions") for a total consideration of RM458.0 million.

Kerjaya Prospek, principally engaged in the business of building construction, is owned by the Company's Executive Chairman, Datuk Tee Eng Ho (25%) and its Executive Directors Datin Toh Siew Chuon (25%) and Tee Eng Seng (50%). Likewise, Permatang Bakti, also principally engaged in building construction, is jointly held by Datuk Tee Eng Ho (75%) and Datin Toh Siew Chuon (25%).

The Proposed Acquisitions was pending completion as at the end of the financial year and subsequently completed on 20th January, 2016.

4. SHARE BUY-BACK

There were no share buy-back exercise undertaken by the Company during the financial year.

5. OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

During the financial period from May 2015 to December 2015, the Company has issued 985,600 new ordinary shares of RM0.50 each arising from the exercise of the Company's warrants 2007/2017. The exercise price was set at RM0.88 per warrant.

During the financial year, the Company did not issue any options, warrants or convertible securities.

6. UTILISATION OF PROCEEDS

There was no proceeds raised by the Company during the financial year.

7. DEPOSITORY RECEIPT PROGRAMME

There was no Depository Receipt Programme sponsored by the Company during the financial year.

8. SANCTIONS AND/OR PENALTIES

There were no other sanctions and/or penalties imposed on the Company and/or its subsidiaries, Directors or Management by any regulatory bodies during the financial year.

9. PROFIT GUARANTEE

There was no profit guarantee given by the Company during the financial year.

10. VARIATION IN RESULTS

There were no variance of 10% or more between the audited results for the financial year and the unaudited results announced.

11. REVALUATION POLICY

The Group has not adopted any revaluation policy during the financial year.

CORPORATE SOCIAL RESPONSIBILITIES

As a responsible corporate citizen, the Group reckons the fact that maximizing the return for its shareholders is not the only measure of value. The Group strikes its best afford to reward and motivate the employees, giving back to the society and protect the environment and mother earth.

To the employees, the Group is committed in providing a safe and conducive working environment and strived to be a sustainable employer of choice. Various activities have been carried out throughout the year with the aim to promote teamwork and communication among staffs and to foster a caring, family-like company culture. The activities include the followings:

- Organised technical in-house training or sent selected staffs for external training course in order to continuously enhance skill sets and retain talent pool;
- Create health and safety awareness through a series of seminars and trainings which inclusive of fire drills exercise, chemical handling procedures, construction site safety measurements;
- Departmental gathering, annual dinner, company trip and sponsor of regular badminton session are other ways in which staffs are encouraged to further their camaraderie beyond the work setting and maintain a work-life balance.

Apart from the welfare and development of employees, the Group not forgetting its role and responsibilities toward the society. As an effort to support and grow local talent, the Group collaborates with various local university and colleges to provide internship opportunities to deserving individuals from vast specialty such as Quantity Surveying, Accountancy, Business Administration and others. The Group will also offer potential candidate to join as permanent staff straight after graduation.

The Group answers to the social needs by making direct donation to orphanage houses, old folk homes and disability or regularly support charity organization, amongst others, Magnum Foundation, St John Ambulance and Eco World Foundation.

The Group recognises the importance of environmental health and encourages employees to take proactive approach towards the care of the environment. Recycle and reuse of resources and energy saving practices are always the objectives of the Group in helping the environment.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are required by the Companies Act, 1965 to ensure that financial statements for each financial year which give a true and fair view of the state of affairs of the Group and the Company at the end of the financial year is in accordance with the applicable approved accounting standards.

In preparing those financial statements, the Directors of the Company are required to:

- Adopt a suitable accounting policies and then applied them consistently;
- Make judgment and estimates that are prudent and reasonable;
- Ensure applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Group and of the Company and that the financial statements comply with the Companies Act, 1965.

REPORT OF THE AUDIT COMMITTEE

The members of the Audit Committee ("the Committee") during the financial year ended 31st December 2015 are as follows:-

Name	Designation	Directorship
Mr. Khoo Siong Kee*	Chairman	Senior Independent Non-Executive Director
Professor Datuk Dr. Nik Mohd Zain bin Nik Yusof	Member	Independent Non-Executive Director
Mr. Lim Kien Lai @ Lim Kean Lai	Member	Independent Non-Executive Director

* Mr. Khoo Siong Kee is member of the Malaysian Institute of Accountants ("MIA").

OBJECTIVES

The principle objectives of the Committee are to assist the Board in discharging its statutory duties and responsibilities relating to accounting and reporting practices of the holding company and each of its subsidiaries. In addition, the Committee shall assess the suitability and independence of external auditors, evaluate the quality of the audits performed by the internal and external auditors, provide assurance that the financial information presented by Management is relevant, reliable and timely, oversee compliance with laws and regulations and applicable financial reporting standards, observe the proper code of conduct and determine the quality, adequacy and effectiveness of the Group's control environment.

COMPOSITION OF THE COMMITTEE

The Committee shall be appointed by the Board from amongst the Directors of the Company which fulfills the Bursa Securities Listing Requirements and its number shall consist of not less than three (3) members, all of whom shall be Non-Executive Directors, with a majority being Independent Directors. The members of the Committee shall elect a Chairman from amongst themselves who is an Independent Non-Executive Director. No alternate Director shall be appointed as a member of the Committee.

At least one (1) member of the Committee shall be a member of the MIA or if he/she is not a member of MIA, he/she must have at least three (3) years working experience and;

(i) He/she must have passed the examinations specified in Part I of the First Schedule of the Accountants Act, 1967; or

(ii) He/she must be a member of one of the associated of accountants as specified in Part II of the First Schedule of the Accountants Act, 1967; or

(iii) Fulfills such other requirements as prescribed or approved by Bursa Securities.

In the event of any vacancy on the Committee resulting in the non-compliance with the Listing Requirements of Bursa Securities, the Board shall within three (3) months of the event, appoint such new member as may be required to comply with the requirements.

The Board shall review the terms of reference and performance of the Committee and each of its members at least once every three (3) years. The company secretary or any other person appointed by the Committee shall be the secretary of the Committee.

MEETINGS OF THE COMMITTEE

The Committee shall meet at least four times in a year or upon the request of the Chairman at any time at the Chairman's discretion subject to the quorum of at least two (2) Independent Directors discharging their duties and responsibilities at one time. The Executive Directors, Accountants, representatives of the internal and external auditors or any employee of the Company who the Committee thinks fit may attend its meetings upon invitation to assist and to provide pertinent information as necessary. A resolution in writing signed by all members of the Committee shall be as valid and effectual as if it had been passed at a meeting of the Committee.

AUTHORITY OF THE COMMITTEE

- The Committee shall have explicit authority to investigate any matter within its terms of reference. It shall have the authority to seek any information it requires from any employee of the Group and all employees are directed to co-operate with any request made by the Committee.
- The Committee shall have full and unrestricted access to any information pertaining to the Company and all the resources required to perform its duties. The Committee can seek for external legal or other independent professional advice it considers necessary.
- The Committee shall have direct communication channels with the internal and external auditors and be able to convene meetings with internal and/or external auditors, without the presence of the Executive Directors and employees of the Group whenever deemed necessary.
- Where the Committee is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Listing Requirements, the Committee shall report such matter to Bursa Securities.

DUTIES AND RESPONSIBILITIES OF THE COMMITTEE

The Audit Committee shall review and, where appropriate, report to the Board the following:

(a) External Audit

- The audit plan and scope, including the competency and resources arrangement of the external auditors;
- The external auditors' audit report and their evaluation of the system of internal controls;
- Significant audit findings and related Management responses to ensure that appropriate and prompt remedial actions have been taken;
- The assistance given by the employees to the external auditors, and any difficulties encountered in the course of the audit work.
- The appointment of the external auditors, the audit fee and any questions of resignation or dismissal;
- The suitability and independence of the external auditors for re-appointment.

(b) Internal Audit

- The adequacy of the scope, functions, competency and resources of the internal audit functions and that it has the necessary authority to carry out its work;
- The internal audit programme and processes or investigation undertaken and together with Management's responses to ascertain that appropriate actions are taken on the recommendations of the internal audit function;
- Any appraisal or assessment conducted on the performance of members of the internal audit function and approve any appointment or termination of senior staff of the internal audit function

Report of the Audit Committee (cont'd)

DUTIES AND RESPONSIBILITIES OF THE COMMITTEE (CONT'D)

(c) Risk Management and Internal Control

- The adequacy and effectiveness of risk management, internal control and governance systems instituted in the Company and the Group;
- The Group's risk management policy and implementation of the risk management framework.

(d) Financial Reporting

Review the quarter financial results and the year end financial statements of the Group and of the Company and to recommend to the Board for approval, focusing particularly on:

- Changes in or implementation of accounting policies and practices;
- Significant adjustments from the audit;
- Significant unusual events;
- Compliance with accounting standards and other legal requirements;
- Going concern assumption

(e) Related Party Transactions ("RPT") and Recurrent Related Party Transactions ("RRPT")

- Review any RPT and conflict of interest situation that may arise within the Company or the Group.
- Review RRPT that exceeded the threshold approved by the Shareholders in the mandate.

(f) Share Options

Review and verify on the allocation of share options to ensure compliance with the criteria for allocation of share options (if any).

Apart from the above functions, the Committee may carry out any other function that may be mutually agreed upon by the Committee and the Board, which would be beneficial to the Company to ensure the effectiveness discharge of the Committee's duties and responsibilities.

SUMMARY OF ACTIVITIES

The Committee held six (6) meetings during the financial year ended 31st December, 2015.

Details of the attendance by the Members are as follows:

Name of Members	Directorship	Number of Meetings Attended
Mr. Khoo Siong Kee	Senior Independent Non-Executive Director	6/6
Professor Datuk Dr. Nik Mohd Zain bin Nik Yusof	Independent Non-Executive Director	6/6
Mr. Lim Kien Lai @ Lim Kean Lai	Independent Non-Executive Director	6/6

SUMMARY OF ACTIVITIES (CONT'D)

During the financial year ended 31st December, 2015, the Committee carried out its duties as set out in its Terms of Reference, including but not limited to:

- Review the audit plans prepared by external auditors;
- Review the quarter financial statements during the financial year prior to submission to the Board for consideration and approval;
- Review the audited financial statements for the financial year ended 31st December, 2015 and discuss significant audit issues and findings with the external auditors;
- Review the internal audit reports, audit recommendations made and Management's responses to these recommendations and actions plan to improve the system of internal control and procedures.
- Review the Statement on Risk Management and Internal Control, Statement on Corporate Governance and recommend to the Board for inclusion in the Annual Report;
- Review the procedures for identification of related party transactions and the appropriateness of such transactions, if any, before recommending to the Board for approval;
- Review the recurrent related party transactions of a revenue or trading nature on quarterly basis in accordance with the mandate given by shareholders;
- Meet with the external auditors without the presence of the Executive Director and Management.

In addition to the above, the Committee members also attended training and were briefed on the latest changes in the approved accounting standards by the external auditors.

INTERNAL AUDIT FUNCTION

The Group's internal audit function is outsourced to external consultants. The outsourced internal auditors assist the Board and the Committee in providing independent assessment on the adequacy, efficiency and effectiveness of the Group's internal control systems. They report directly to the Committee.

On annual basis, an internal audit plan is tabled to the Committee for review and approval. The internal auditors execute the audits based on the approved plan. The results of the audit reviews are reported to the Committee. In addition, the internal auditors carry out follow up reviews to ensure that previously reported matters have been adequately addressed by Management and the results of such reviews are also reported to the Committee.

For the financial year ended 31st December, 2015, the amount of fees and related expenses incurred in respect of the internal audit reviews performed by the professional service firm was RM52,486.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Malaysia Code on Corporate Governance specify that the Board of Directors of public listed companies should establish a sound risk management framework and internal controls system to safeguard shareholders' investment and Group's assets.

The Board is pleased to present the following Statement on Risk Management and Internal Control ("Statement") for the financial year ended 31st December, 2015. This Statement is prepared pursuant to paragraph 15.26(b) of the MMLR of Bursa Securities and guided by the "Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers" ("Guideline") endorsed by the Bursa Securities.

BOARD'S COMMITMENT AND RESPONSIBILITIES

As the Group operates in a dynamic business environment, a sound risk management and internal control system must be in place to help the Group to achieve its business objectives. In view of this, the Board remains committed towards maintaining a sound system of risk management and internal control and believes that a balanced achievement of its business objectives and operational efficiency can be attained.

Principally, the Guideline suggests the Board to:

- Embed risk management in all aspects of the Group's activities, which encompasses all subsidiaries of the Company; and

- Review risk management framework, processes, responsibilities and assess periodically to ensure present policies and systems provide reasonable assurance that risk is managed appropriately and in line with the evolving business development.

The Board emphasises that the systems of internal control should be an on-going effort. It should also be noted that all risk management framework and systems of internal control could only manage rather than eliminate risk of failure to achieve business objectives.

RISK MANAGEMENT AND INTERNAL CONTROL

It is always the priority of the Board to implement a series of structured risk management program over years. It is envisaged that this will include but not limit to the followings:

- Periodically review and assess the risk management policy and risk appetite statement to embrace current Board's objective and business direction and recommend for changes or update if necessary;

- Conducts risk management refresher programs in the Group for strengthening and enforcing the importance of risk management practices in the Group;

- Monitors and report to the Board on the appropriateness and effectiveness of risk mitigation action plans identified and carried out;

In order to ensure the objectivity of the review of the risk management and systems of internal control in the Group, Audit Committee ("AC") is entrusted by the Board to undertake this role. However, the Board as a whole remains responsible for all the actions of the committee with regard to the execution of the delegated role.

RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

In conducting its review, AC is assisted by Executive Directors ("ED") together with the senior management team that dealing with the operation and business affairs on daily basis.

Amongst others, the key elements of the Group's internal control system that will provide certain extent of assurance and comfort to AC are described below:

1) Clearly defined policies, procedures and practices are in place for key operating units. These documented policies and procedures are regularly reviewed and updated to address operational deficiencies and change of risks.

2) Structured organisation chart and clear lines of reporting and responsibilities maintained to avoid conflict of interest and to enforce accountability. Line of authority is clearly defined and communicated to all staffs.

3) Periodic meetings between AC and Management to review the financial results, to deliberate any potential collaborations or to discuss any latest development from regulatory, accounting and tax prospective that may have impact to the business operation.

4) Regular meetings between ED and Management to understand the productivity, progression of projects, quality control, defects and complains and to decide on necessary action plan.

5) Budgeted project costing and projects' cash flow will be prepared to monitor the cost and to prevent any significant mismatch.

The AC has also engaged professional internal audit consultant to conduct internal control review at least once a year. This includes assessing the adequacy of the control environment, control activities, risk assessment, information and communication as well as monitoring activities. Key risk areas identified from the assessment will constitute as part of the key audit areas reflected in the internal audit plan.

AC will approve the internal audit plan and necessary audit will then be conducted. The result of the audit will be presented to the AC directly for approval before AC propose to Board for further deliberation and adoption.

Periodic follow-up reviews will also be conducted to ensure that recommendations for improvement have been implemented by Management on timely basis.

MANAGEMENT RESPONSIBILITIES AND ASSURANCE

In accordance with the Bursa Securities' Guidelines, Management is responsible to highlight risks relevant to the business of the Group's objectives and strategies; implementing and maintaining sound systems of risk management and internal control; and monitoring and reporting to the Board of significant control deficiencies and changes in risks that could significantly affect the Group achievement of its objectives and performance.

For the financial year under reviewed, the Board has received assurance from Chief Executive Officer and Chief Financial Officer that, to the best of their knowledge that the Group's risk management and internal control systems are operating adequately and effectively, in all material aspects.

Statement on Risk Management and Internal Control (cont'd)

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

Pursuant to paragraph 15.23 of the MMLR, the external auditors have reviewed this Statement for inclusion in the annual report for the financial year ended 31st December, 2015. Their review was performed in accordance with Recommended Practice Guide 5 (RPG 5) issued by the Malaysian Institute of Accountants. RPG 5 does not require external auditor to form an opinion on the effectiveness of the Group's risk management and internal control system.

The external auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the processes the Board has adopted in reviewing the adequacy and effectiveness of the risk management and internal control systems of the Group.

THE BOARD'S CONCLUSION

For the financial year under review, there was no material loss resulted from significant control weaknesses that would require disclosure in the annual report. The Board is satisfied that the existing level of systems of internal control and risk management are effective to enable the Group to achieve its business objectives.

FINANCIAL
STATEMENTS

DIRECTORS' REPORT
for the year ended 31st December, 2015

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31st December, 2015.

PRINCIPAL ACTIVITIES

The Company is principally an investment holding company. The principal activities of the subsidiaries are disclosed in Note 6 to the financial statements. There have been no significant changes in the activities during the financial year.

RESULTS

	Group RM	Company RM
Profit for the year	16,138,370	2,767,544

DIVIDEND

Since the end of the previous financial year, the Company has paid an interim single tier dividend of 3.00 sen per ordinary share totalling to RM2,725,353 in repect of the financial year ended 31st December, 2015 on 15th July, 2015.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

ISSUE OF SHARES

The following ordinary shares were issued by the Company during the financial year:

Class	Number of shares	Term of issue	Purpose of issue
Ordinary	985,600	Cash	Exercise of Warrant

These new ordinary shares rank pari passu with the existing shares in issue of the Company.

SHARE OPTION

The Company did not grant any option to any person to take up the unissued shares of the Company during the financial year.

CHANGE OF NAME

The Company has changed its name from Fututech Berhad to Kerjaya Prospek Group Berhad on 21st January, 2016.

DIRECTORS

The directors who served since the date of the last report and at the date of this report are:

Datuk Tee Eng Ho
Loo Soo Loong *(resigned on 11.12.2015)*
Tee Eng Seng
Datin Toh Siew Chuon
Khoo Siong Kee
Professor Datuk Dr. Nik Mohd Zain bin Nik Yusof
Lim Kien Lai @ Lim Kean Lai

DIRECTORS' INTEREST

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares and warrants in the Company during the financial year were as follows:

	Number of Ordinary shares of RM0.50 each			
	Balance at 1.1.2015	**Bought**	**Sold**	**Balance at 31.12.2015**
Direct interest:				
Datin Toh Siew Chuon	2,322,700	–	–	2,322,700
Lim Kien Lai @ Lim Kean Lai	68,900	–	–	68,900
Khoo Siong Kee	10,100	–	–	10,100
Indirect interest:				
Datuk Tee Eng Ho *	63,173,790	–	–	63,173,790
Tee Eng Seng *	63,173,790	–	–	63,173,790
Datin Toh Siew Chuon *	–	63,173,790	–	63,173,790

* Deemed interested by virtue of their interest in Egovision Sdn. Bhd. pursuant to Section 6A (4) of the Companies Act, 1965.

Directors' Report (cont'd)

DIRECTORS' INTEREST (CONT'D)

	Number of warrants 2007/2017			
	Balance at 1.1.2015	**Bought**	**Sold**	**Balance at 31.12.2015**
Direct interest:				
Datin Toh Siew Chuon	372,443	–	–	372,443
Indirect interest:				
Datuk Tee Eng Ho *	11,247,442	–	–	11,247,442
Tee Eng Seng *	11,247,442	–	–	11,247,442
Datin Toh Siew Chuon *	–	11,247,442	–	11,247,442

* Deemed interested by virtue of their interest in Egovision Sdn. Bhd. pursuant to Section 6A (4) of the Companies Act, 1965.

Datuk Tee Eng Ho, Datin Toh Siew Chuon and Tee Eng Seng by virtue of their interest in ordinary shares in the Company are also deemed interested in shares of all the Company's subsidiaries to the extent the Company has an interest.

None of the other directors in office at the end of the financial year had any interest in shares and warrants in the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by directors shown in the financial statements, or the fixed salary of a full-time employee of the Company) by reason of a contract made by the Company or a related corporation with any director or with a firm of which the director is a member or with a company in which the director has a substantial financial interest.

Neither during nor at the end of the financial year was the Company a party to any arrangements whose object was to enable the directors to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

WARRANTS 2007/2017

The movement and salient terms of Warrants 2007/2017 are disclosed in Note 16 to the financial statements.

HOLDING COMPANY

The holding company of the Company is Egovision Sdn. Bhd., a company incorporated in Malaysia, and owns 68.87% of the Company's equity shareholdings.

OTHER STATUTORY INFORMATION

Before the Statement of Profit or Loss and Other Comprehensive Income and Statement of Financial Position of the Group and of the Company were made out, the directors took reasonable steps:

i) to ascertain that proper action had been taken in relation to the writing off of bad debts, the making of allowance for doubtful debts and have satisfied themselves that there were no known bad or doubtful debts; and

ii) to ensure that any current assets which were unlikely to realise their book value in the ordinary course of business had been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances:

i) which would require any amount to be written off as bad debts or provided for as doubtful debts;

ii) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading;

iii) which have arisen which render adherence to the existing methods of valuation of assets or liabilities in the financial statements of the Group and of the Company misleading or inappropriate; and

iv) not otherwise dealt with in this report or in the financial statements of the Group and of the Company, that would render any amount stated in the respective financial statements misleading.

At the date of this report, there does not exist:

i) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or

ii) any contingent liability in respect of the Group and of the Company that has arisen since the end of the financial year.

No contingent liability or other liabilities of the Group and of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group or of the Company to meet their obligations when they fall due.

In the opinion of the directors:

i) the results of the operations of the Group and of the Company for the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature; and

ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

Directors' Report (cont'd)

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Details of significant events during the financial year are disclosed in Note 39 to the financial statements.

SUBSEQUENT EVENTS AFTER THE BALANCE SHEET DATE

Details of the subsequent events after the balance sheet date are disclosed in Note 40 to the financial statements.

AUDITORS

The Auditors, ONG & WONG, have indicated their willingness to continue in the office.

Signed on behalf of the Board in accordance with a resolution of the directors.

DATUK TEE ENG HO
Director

TEE ENG SENG
Director

Dated: 5th April, 2016
Kuala Lumpur

STATEMENT BY DIRECTORS
(Pursuant to Section 169[15] of the Companies Act, 1965)

We, **DATUK TEE ENG HO** and **TEE ENG SENG**, being two of the directors of **KERJAYA PROSPEK GROUP BERHAD** *(formerly known as Fututech Berhad)*, state that, in our opinion, the financial statements set out on pages 50 to 115 are drawn up in accordance with Malaysian Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31st December, 2015 and of the results and cash flows of the Group and of the Company for the financial year ended on that date.

Further to the Statement by directors pursuant to Section 169[15] of the Companies Act, 1965, the information set out in Note 37 to the financial statements have been prepared in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the directors.

DATUK TEE ENG HO
Director

TEE ENG SENG
Director

Dated: 5th April, 2016
Kuala Lumpur

STATUTORY DECLARATION
(Pursuant to Section 169[16] of the Companies Act, 1965)

I, **DATUK TEE ENG HO**, being the director primarily responsible for the financial management of **KERJAYA PROSPEK GROUP BERHAD** *(formerly known as Fututech Berhad)*, do solemnly and sincerely declare that the financial statements set out on pages 50 to 115 are drawn up, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared)
by the abovenamed at Kuala Lumpur)
in Wilayah Persekutuan on 5th April, 2016)
)

DATUK TEE ENG HO

Before me,

LAI DIN
License No. W668
Commissioner of Oaths
Kuala Lumpur

INDEPENDENT AUDITORS' REPORT

to the members of Kerjaya Prospek Group Berhad

(formerly known as Fututech Berhad)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of **Kerjaya Prospek Group Berhad** (*formerly known as Fututech Berhad*), which comprise the statements of financial position as at 31st December, 2015 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 50 to 115.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with Malaysian Financial Reporting Standards and the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 31st December, 2015 and of its financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and the Companies Act, 1965 in Malaysia.

Independent Auditors' Report (cont'd)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act.

b) We have considered the financial statements and the auditors' report of all the subsidiaries of which we have not acted as auditors, which are indicated in Note 6 in the financial statements.

c) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the financial statements of the Group and we have received satisfactory information and explanations required by us for those purposes.

d) The audit reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

OTHER REPORTING RESPONSIBILITIES

The supplementary information set out in Note 37 to the financial statements is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

ONG & WONG
AF 0241
Chartered Accountants

ONG KONG LAI
494/06/16(J/PH)
Partner of Firm

Dated: 5th April, 2016
Kuala Lumpur

STATEMENTS OF FINANCIAL POSITION
as at 31st December, 2015

		Group		Company	
	Note	**2015 RM**	**2014 RM**	**2015 RM**	**2014 RM**
ASSETS					
Non-current assets					
Property, plant and equipment	4	**6,892,694**	7,374,426	**–**	–
Investment properties	5	**3,725,246**	1,554,660	**–**	–
Investment in subsidiaries	6	**–**	–	**4,864,481**	4,864,481
Other investments	7	**43,000**	43,000	**–**	–
Intangible assets	8	**31,281**	23,598	**–**	–
Deferred tax assets	9(a)	**–**	259,305	**–**	–
Trade and other receivables	10	**7,656,463**	9,560,734	**–**	–
		18,348,684	18,815,723	**4,864,481**	4,864,481
Current assets					
Inventories	11	**45,915,460**	37,042,347	**–**	–
Trade and other receivables	10	**58,665,538**	25,833,220	**31,878,033**	24,546,257
Accrued billings in respect of property development	12	**9,141,077**	–	**–**	–
Tax recoverable		**72,514**	64,655	**71,877**	64,135
Other current assets	13(a)	**14,466,340**	3,456,317	**–**	–
Cash and bank balances	15	**11,795,910**	28,626,608	**108,485**	6,524,921
		140,056,839	95,023,147	**32,058,395**	31,135,313
TOTAL ASSETS		**158,405,523**	113,838,870	**36,922,876**	35,999,794

Statements of Financial Position (cont'd)

		Group		Company	
	Note	**2015 RM**	**2014 RM**	**2015 RM**	**2014 RM**
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	16	**45,861,306**	45,368,506	**45,861,306**	45,368,506
Reserves	17	**670,878**	297,331	**374,528**	–
Retained profit/ (accumulated losses)		**61,787,292**	48,374,275	**(9,499,798)**	(9,541,989)
TOTAL EQUITY		**108,319,476**	94,040,112	**36,736,036**	35,826,517
Non-current liabilities					
Deferred tax liabilities	9(b)	**509,235**	525,236	**–**	–
Trade and other payables	18	**3,218,109**	2,680,787	**–**	–
		3,727,344	3,206,023	**–**	–
Current liabilities					
Trade and other payables	18	**31,934,648**	15,394,465	**186,840**	173,277
Other current liabilities	13(b)	**1,587,514**	274,710	**–**	–
Income tax payable		**1,641,939**	923,560	**–**	–
Short term borrowing	19	**11,194,602**	–	**–**	–
		46,358,703	16,592,735	**186,840**	173,277
TOTAL LIABILITIES		**50,086,047**	19,798,758	**186,840**	173,277
TOTAL EQUITY AND LIABILITIES		**158,405,523**	113,838,870	**36,922,876**	35,999,794

The annexed notes form an integral part of these financial statements

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31st December, 2015

	Note	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
Revenue	20	**78,973,723**	62,257,418	**–**	–
Cost of sales	21	**(55,324,323)**	(39,130,416)	**–**	–
Gross profit		**23,649,400**	23,127,002	**–**	–
Other operating income	22	**3,021,010**	1,150,643	**4,070,955**	4,232,687
		26,670,410	24,277,645	**4,070,955**	4,232,687
Administrative expenses		**(3,818,669)**	(3,242,061)	**(1,303,411)**	(359,866)
Other operating expenses		**(124,880)**	(61,520)	**–**	–
Profit from operations		**22,726,861**	20,974,064	**2,767,544**	3,872,821
Finance costs	23	**(426,557)**	(270,192)	**–**	–
Profit before taxation	24	**22,300,304**	20,703,872	**2,767,544**	3,872,821
Taxation	27	**(6,161,934)**	(5,331,380)	**–**	(7,741)
Profit after taxation		**16,138,370**	15,372,492	**2,767,544**	3,865,080
Other comprehensive expenses:					
Item that is or may be reclassified subsequently to profit or loss					
- Foreign currency translation	17	**(981)**	(9,879)	**–**	–
Total comprehensive income for the year		**16,137,389**	15,362,613	**2,767,544**	3,865,080
Attributable to:					
Equity holders of the Company		**16,137,389**	15,362,613		
Earnings per share attributable to equity holders of the Company (sen)	28	**17.74**	16.94		
Diluted earnings per share (sen)	28	**15.77**	N/A		

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY
for the year ended 31st December, 2015

		< --- Non-distributable --- >		Distributable	
	Note	Share capital RM	Reserves RM (Note 17)	Retained profit/ (accumulated losses) RM	Total RM
Group					
At 1st January, 2014		45,368,506	307,210	35,723,893	81,399,609
Total comprehensive income for the year		–	(9,879)	15,372,492	15,362,613
Dividend paid	29	–	–	(2,722,110)	(2,722,110)
At 31st December, 2014		45,368,506	297,331	48,374,275	94,040,112
Issuance of shares		492,800	374,528	–	867,328
Total comprehensive income for the year		–	(981)	16,138,370	16,137,389
Dividend paid	29	–	–	(2,725,353)	(2,725,353)
At 31st December, 2015		45,861,306	670,878	61,787,292	108,319,476
Company					
At 1st January, 2014		45,368,506	–	(10,684,959)	34,683,547
Total comprehensive income for the year		–	–	3,865,080	3,865,080
Dividend paid	29	–	–	(2,722,110)	(2,722,110)
At 31st December, 2014		45,368,506	–	(9,541,989)	35,826,517
Issuance of share		492,800	374,528	–	867,328
Total comprehensive income for the year		–	–	2,767,544	2,767,544
Dividend paid	29	–	–	(2,725,353)	(2,725,353)
At 31st December, 2015		45,861,306	374,528	(9,499,798)	36,736,036

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS
for the year ended 31st December, 2015

	Note	Group 2015 RM	Group 2014 RM	Company 2015 RM	Company 2014 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before taxation		**22,300,304**	20,703,872	**2,767,544**	3,872,821
Adjustments for:					
Amortisation of intangible asset		**15,915**	13,556	**–**	–
Allowance for impairment losses on					
- trade receivables		**124,880**	53,520	**–**	–
Depreciation of property, plant and equipment		**1,144,835**	1,042,370	**–**	–
Dividend income		**–**	–	**(4,000,000)**	(4,200,000)
Interest income		**(322,165)**	(777,522)	**(70,955)**	(32,687)
Interest expenses		**104,420**	–	**–**	–
Other receivables written off		**–**	8,000	**–**	–
Inventories written off		**–**	145,544	**–**	–
Loss on disposal of property, plant and equipment		**–**	6,667	**–**	–
Net fair value adjustments		**(1,545,894)**	137,159	**–**	–
Unrealised gain on foreign exchange		**(119)**	–	**–**	–
Operating profit/(loss) before working capital changes		**21,822,176**	21,333,166	**(1,303,411)**	(359,866)
Increase in inventories:					
- property under development		**(8,787,753)**	(23,490,340)	**–**	–
- others		**(85,361)**	(321,881)	**–**	–
(Increase)/decrease in trade and other receivables		**(38,422,580)**	(13,649,484)	**(7,331,777)**	5,350,307
(Increase)/decrease in other current assets		**(11,010,023)**	2,423,020	**–**	–
Increase in trade and other payables		**16,851,975**	4,921,603	**13,563**	22,277
Increase/(decrease) in other current liabilities		**1,312,804**	(12,958,474)	**–**	–
Cash (used in)/generated from operations		**(18,318,762)**	(21,742,390)	**(8,621,625)**	5,012,718
Interest received		**322,165**	777,522	**70,955**	32,687
Interest paid		**(104,420)**	–	**–**	–
Income taxes refund		**–**	625,643	**–**	57,630
Income taxes paid		**(5,207,990)**	(4,159,632)	**(7,741)**	–
Net cash (used in)/generated from operating activities		**(23,309,007)**	(24,498,857)	**(8,558,411)**	5,103,035

Statements of Cash Flows (cont'd)

	Note	Group		Company	
		2015	**2014**	**2015**	**2014**
		RM	**RM**	**RM**	**RM**
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment		**(663,103)**	(1,721,732)	**–**	–
Purchase of investment properties		**(2,170,586)**	(1,554,660)	**–**	–
Purchase of intangible assets		**(23,598)**	–	**–**	–
Net proceeds from disposal of property, plant and equipment		**–**	20,000	**–**	–
Acquisition of subsidiary company		**–**	–	**–**	(249,998)
Dividend received, net		**–**	–	**4,000,000**	4,200,000
Net cash (used in)/generated from investing activities		**(2,857,287)**	(3,256,392)	**4,000,000**	3,950,002
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividend paid		**(2,725,353)**	(2,722,110)	**(2,725,353)**	(2,722,110)
Proceeds from issuance of share capital		**492,800**	–	**492,800**	–
Proceeds from exercise of warrant		**374,528**	–	**374,528**	–
Net cash used in financing activities		**(1,858,025)**	(2,722,110)	**(1,858,025)**	(2,722,110)
Net decrease in cash and cash equivalents		**(28,024,319)**	(30,477,359)	**(6,416,436)**	6,330,927
Effect of foreign exchange rate changes		**(981)**	(9,879)	**–**	–
Cash and cash equivalents at beginning of year		**28,626,608**	59,113,846	**6,524,921**	193,994
Cash and cash equivalents at end of year	A	**601,308**	28,626,608	**108,485**	6,524,921

Statements of Cash Flows (cont'd)

NOTE

A. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM	**RM**	**RM**	**RM**
Cash and bank balances	**11,795,910**	14,769,890	**108,485**	18,724
Deposits with licensed banks	**–**	13,856,718	**–**	6,506,197
	11,795,910	28,626,608	**108,485**	6,524,921
Less: Short term borrowing	**(11,194,602)**	–	**–**	–
	601,308	28,626,608	**108,485**	6,524,921

The annexed notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
- 31st December, 2015

1. GENERAL INFORMATION

The Company is principally an investment holding company. The principal activities of the subsidiaries are disclosed in Note 6 to the financial statements.

The Company is a public limited liability company incorporated and domiciled in Malaysia, and is listed on the main market of Bursa Malaysia Securities Berhad.

The registered office is located at 802, 8th Floor, Block C, Kelana Square, 17 Jalan SS7/26, 47301 Petaling Jaya, Selangor Darul Ehsan.

The principal place of business of the Company is located at No. 1, 2nd Floor, Bangunan One Wangsa, Jalan Wangsa Permai, Taman Wangsa Permai, 52200 Kuala Lumpur.

2. BASIS OF PREPARATION

The financial statements for the financial year ended 31st December, 2015 have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs") and the requirements of the Companies Act, 1965 in Malaysia.

(a) Changes in Accounting Policies and Effects Arising from Adoption of New and Revised Standards and Interpretations

The accounting policies adopted by the Group and by the Company are consistent with those adopted in the previous financial year except for the adoption of the following new, revised MFRSs and amendments which are effective for annual period beginning on or after 1st January, 2015.

Description		**Effective for annual period beginning on or after**
MFRS 119	Employee Benefits (Amendments relating to Defined Benefit Plans: Employee Contributions)	1st July, 2014
Amendments to MFRSs contained in the document entitled Annual Improvements 2010 – 2012 Cycle		1st July, 2014
Amendments to MFRSs contained in the document entitled Annual Improvements 2011 – 2013 Cycle		1st July, 2014

The adoption of the above Standards and Amendments has no material impact to the financial statements of the Group and of the Company.

Notes to the Financial Statements (cont'd)

2. BASIS OF PREPARATION (CONT'D)

(b) Standards and Amendments Issued But Not Yet Effective

At the date of authorisation for issue of the financial statements, the new and revised Standards and Amendments issued but not yet effective and not early adopted by the Group and the Company are as listed below:

Description	Effective for annual period beginning on or after
Amendments to MFRSs contained in the document entitled Annual Improvements 2012 - 2014 Cycle	1st January, 2016
MFRS 14, Regulatory Deferral Accounts	1st January, 2016
Amendments to MFRS 11, Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operation	1st January, 2016
Amendments to MFRS 116, Property, Plant and Equipment and MFRS 138, Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation	1st January, 2016
Amendments to MFRS 116, Property, Plant and Equipment and MFRS 141, Agriculture – Agriculture; Bearer Plants	1st January, 2016
Amendments to MFRS 101, Presentation of Financial Statements - Disclosure initiative	1st January, 2016
Amendments to MFRS 10, 12, 127 and 128	1st January, 2016
MFRS 15, Revenue from Contacts with Customers	1st January, 2018
MFRS 9, Financial Instruments	1st January, 2018
Amendments to MFRS 7, Financial Instruments: Disclosures – Mandatory Effective Date of MFRS 9 and Transition Disclosure	1st January, 2018

The Group and the Company will adopt the above pronouncements when they become effective in the respective financial year. The Group and the Company do not expect any material impact to the financial statements of the above pronouncements other than the Standards described below, for which the effects of adoption are still being assessed.

2. BASIS OF PREPARATION (CONT'D)

(b) Standards and Amendments Issued But Not Yet Effective (cont'd)

(i) MFRS 15 Revenue from Contracts with Customers

MFRS 15, *Revenue from Contracts with Customers* was issued in September, 2014 and established a five-step model that will apply to recognition of revenue arising from contracts with customers. Under this Standard, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principle of this Standard is to provide a more structured approach to measuring and recognizing revenue.

This Standard is applicable to all entities and will supersede all current revenue recognition requirements under MFRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1st January, 2018 with early adoption permitted.

(ii) MFRS 9, Financial Instruments

MFRS 9, *Financial Instruments*, will replace MFRS 139, *Financial Instruments: Recognition and Measurement*.

MFRS 9 retains but simplifies the mixed measurement model in MFRS 139 and establishes three primary measurement categories for financial assets: amortised cost, fair value through profit or loss and fair value through other comprehensive income ("OCI"). The basis of classification depends on the entity's business model and the cash flow characteristics of the financial asset. Investments in equity instruments are always measured at fair value in OCI (provided the instrument is not held for trading). A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flow and the cash flow represent principal and interest.

For liabilities, the standard retains most of the MFRS 139 requirements. These include amortised cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that in case where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than to profit or loss, unless this creates an accounting mismatch.

MFRS 9 introduces an expected credit loss model on impairment for all financial assets that replaces the incurred loss impairment model used in MFRS 139. The expected credit loss model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

This Standard will come into effect on or after 1st January, 2018 with early adoption permitted. Retrospective application is required, but comparative information is not compulsory.

Notes to the Financial Statements (cont'd)

2. BASIS OF PREPARATION (CONT'D)

(b) Standards and Amendments Issued But Not Yet Effective (cont'd)

(iii) Amendments to MFRS 101, Presentation of Financial Statements – Disclosure initiatives

The amendments to MFRS 101 provide further guidance on the presentation and disclosure of the financial statements. When applying this amendments, an entity shall decide, taking into consideration all relevant facts and circumstances, how it aggregates information in its financial statements, which include notes. An entity shall not reduce the understandability of its financial statements by obscuring material information with immaterial information or by aggregating material items that have different natures and functions. The directors anticipate that the amendments may result in more substantial disclosures being made in the financial statements.

The impact of MFRS 9 and MFRS 15 are still being assessed. Aside from MFRS 9 and MFRS 15, the adoption of amendments to published standards are not expected to have a material impact to the financial statements of the Group and the Company.

(c) Basis of Measurement

The financial statements have been prepared on the historical cost basis except for the significant accounting policies as disclosed in Note 3 below.

The financial statements are presented in Ringgit Malaysia ("RM").

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Consolidation

(i) Business Combinations

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Acquisitions of subsidiaries are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of Consolidation (cont'd)

(i) Business Combinations (cont'd)

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with MFRS 139 Financial Instrument: Recognition and Measurement, either in profit or loss or as change to other comprehensive income. If the contingent consideration is classified as equity, it is not to be remeasured until it is finally settled within equity.

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any) is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. The accounting policy for the goodwill is set out in Note 3(d)(i) to the financial statements. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

(ii) Transactions with Non-Controlling Interest

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and is presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, if any, separately from equity attributable to owners of the Company.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Foreign Currencies

(i) Functional and Presentation Currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia (RM), which is also the Company's functional currency.

(ii) Foreign Currency Transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date.

Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions.

Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

(iii) Foreign Operations

The assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the reporting date and income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in the profit or loss.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Property, Plant and Equipment and Depreciation

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment except for freehold land, are measured at cost less accumulated depreciation and accumulated impairment losses, if any. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Freehold land has an unlimited useful life and therefore is not depreciated.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings	2% - 3%
Plant and machinery	7.5% - 10%
Office equipment, furniture, fittings, motor vehicles, and renovations	10% - 20%

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each year-end, and adjusted prospectively, if appropriate.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

(d) Intangible Assets

(i) Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses, if any.

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Intangible Assets (cont'd)

(i) Goodwill (cont'd)

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the allocated goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

Goodwill and fair value adjustments arising on the acquisition of foreign operation on or after 1st January, 2006 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated in accordance with the accounting policy set out in Note 3(b) to the financial statements.

Goodwill and fair value adjustments which arose on acquisitions of foreign operation before 1st January, 2006 are deemed to be assets and liabilities of the Company and are recorded in RM at the rates prevailing at the date of acquisition.

(ii) Computer Software

Computer software is measured initially at cost. Following initial acquisition, computer software is measured at cost less any accumulated amortisation and accumulated impairment losses, if any.

The useful life of computer software is assessed to be finite. Computer software is amortised on a straight-line basis over the estimated economic useful lives at an annual rate of 20% and assessed for impairment whenever there is an indication that it may be impaired. The amortisation period and the amortisation method for computer software with finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on computer software with finite lives is recognised in profit or loss.

Gain or losses arising from derecognition of computer software is measured as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in profit or loss when the asset is derecognised.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Investment Properties

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment losses.

Freehold land has an unlimited useful life and therefore is not depreciation. Leasehold land and building are depreciated over the remaining period of their leases of 99 years.

Investment properties are derecognised when either they have been disposed or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal.

Investment property under construction (IPUC) is measured at fair value (when the fair value is reliably determinable). When assessing whether the fair value of IPUC can be determined reliably the Company considers, among other things:

(a) Is the asset being constructed in a developed liquid market?
(b) Has a construction contract with the contractor been signed?
(c) Have the required building and letting permits been obtained?
(d) What percentage of rentable area has been pre-leased to tenants?

IPUC for which fair value cannot be determined reliably is measured at cost less impairment.

IPUC are not depreciated as these assets are not yet available for use.

(f) Impairment of Non-Financial Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Impairment of Non-Financial Assets (cont'd)

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

(g) Subsidiaries

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

In the Company's separate financial statements, investment in subsidiaries are accounted for at cost less impairment losses, if any.

(h) Financial Assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets.

(i) Financial Assets at Fair Value through Profit or Loss

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at fair value through profit or loss are recognised separately in profit or loss as part of other losses or other income.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Financial Assets (cont'd)

(i) Financial Assets at Fair Value through Profit or Loss (cont'd)

Financial assets at fair value through profit or loss could be presented as current or non-current. Financial assets that are held primarily for trading purposes are presented as current whereas financial assets that are not held primarily for trading purposes are presented as current or non-current based on the settlement date.

The Group and the Company have not designated any financial assets as at fair value through profit or loss.

(ii) Loans and Receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

(iii) Held-to-Maturity Investments

Financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold the investment to maturity.

Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

Held-to-maturity investments are classified as non-current assets, except for those having maturity within 12 months after the reporting date which are classified as current.

The Group and the Company have not designated any financial assets as held-to-maturity investments.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Financial Assets (cont'd)

(iv) Available-for-Sale Financial Assets

Available-for-sale financial assets are financial assets that are designated as available for sale or are not classified in any of the three preceding categories.

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss.

The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an available-for-sale equity instrument are recognised in profit or loss when the Group's and the Company's right to receive payment is established.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss, if any.

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

(i) Impairment of Financial Assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired.

(i) Trade and Other Receivables and Other Financial Assets Carried at Amortised Cost

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Impairment of Financial Assets (cont'd)

(i) Trade and Other Receivables and Other Financial Assets Carried at Amortised Cost (cont'd)

Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable becomes uncollectible, it is written off against the allowance account.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(ii) Available-for-Sale Financial Assets

Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss.

Impairment losses on available-for-sale equity investments are not reversed in profit or loss in the subsequent periods. Increase in fair value, if any, subsequent to impairment loss is recognised in other comprehensive income. For available-for-sale debt investments, impairment losses are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

(k) Construction Contract

Where the outcome of a construction contract can be reliably estimated, contract revenue and contract costs are recognised as revenue and expenses respectively by using the stage of completion method. The stage of completion is measured by reference to the proportion of contract costs incurred for work performed to date to the estimated total contract costs.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that are likely to be recoverable. Contract costs are recognised as expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Contract revenue comprises the initial amount of revenue agreed in the contract and variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and they are capable of being reliably measured.

When the total of costs incurred on construction contracts plus recognised profits (less recognised losses) exceeds progress billings, the balance is classified as amount due from customers on contracts. When progress billings exceed costs incurred plus, recognised profits (less recognised losses), the balance is classified as amount due to customers on contracts.

(l) Inventories

Inventories are stated at lower of cost and net realisable value.

(i) Land held for property development

Land held for property development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is stated at cost less any impairment losses.

Land held for property development is reclassified as inventories – properties under development at the point when development activities have been commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

Cost associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commission, conversion fees and other relevant levies.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Inventories (cont'd)

(ii) Property under development

Property under development comprise all costs associated with the acquisition of land and all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities. Borrowing costs are capitalised in accordance with the accounting policy on borrowing costs.

When the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognised in the profit or loss by using the stage of completion method. The stage of completion is determined by the proportion of property development costs incurred for the work performed up to the reporting date over the estimated total property development costs to completion. Under this method, profits are recognised as the property development activity progresses.

Where the financial outcome of a development activity cannot be reliably estimated, property development revenue is recognised only to the extent of property development costs incurred that is probable will be recoverable, and property development costs on properties sold are recognised as an expense in the period in which they are incurred.

Any foreseeable loss on a development project, including costs to be incurred over the defects liability period, is recognised as an expense immediately in the profit or loss.

Cost of properties under development not recognised as an expense is recognised as an asset and is stated at the lower of cost and net realisable value.

The excess of revenue recognised in the profit or loss over billings to purchasers is classified as accrued billings under current assets and the excess of billings to purchasers over revenue recognised in the profit or loss is classified as progress billings under current liabilities.

(iii) Others

Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Raw materials: purchase costs on a weighted average basis.
- Finished goods and work-in-progress: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(n) Financial Liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of MFRS 139, are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

(a) Financial Liabilities at Fair Value through Profit or Loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities held for trading include derivatives entered into by the Group and the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

The Group and the Company have not designated any financial liabilities as at fair value through profit or loss.

(b) Other Financial Liabilities

The Group's and the Company's other financial liabilities include trade payables, other payables and loans and borrowings.

Trade and other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Financial Liabilities (cont'd)

(b) Other Financial Liabilities (cont'd)

Loans and borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(o) Financial Guarantee Contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee. If the debtor fails to make payment relating to financial guarantee contract when it is due and the Group, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

(p) Borrowing Costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

Notes to the Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(q) Employee Benefits

Defined Contribution Plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. The Malaysian companies in the Group make contributions to the Employees Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(r) Leases

As Lessee

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Leased assets are depreciated over the estimated useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life and the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(s) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

(i) Sale of Goods

Revenue is recognised net of sales taxes and upon transfer of significant risks and rewards of ownership of the goods to the customer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(s) Revenue (cont'd)

(ii) Construction Contracts

Revenue from construction contracts is accounted for by the stage of completion methods as described in Note 3(k) to the financial statements.

(iii) Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

(iv) Property Development

Revenue from property development projects is recognised progressively as the project activity progresses and is in respect of sales when the agreements have been finalised. The recognition of revenue is based on the percentage of completion method, net of discount, and is consistent with the method adopted for profit recognition.

Provision for foreseeable losses is made when estimated future revenue realisable is lower than the carrying amount of the project, is recognised as an expense immediately in the profit or loss.

(t) Income Taxes

(i) Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(ii) Deferred Tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(t) Income Taxes (cont'd)

(ii) Deferred Tax (cont'd)

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(u) Segment Reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 36 to the financial statements, including the factors used to identify the reportable segments and the measurement basis of segment information.

(v) Share Capital and Share Issuance Expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

(w) Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group.

(x) Significant Accounting Judgements and Estimates

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

(i) Judgements Made in Applying Accounting Policies

In the process of preparing the financial statements, there were no significant judgements made in applying the accounting policies of the Group which may have significant effects on the amounts recognised in the financial statements.

Notes to the Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(x) Significant Accounting Judgements and Estimates (cont'd)

(ii) Key Sources of Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Impairment of Investment in Subsidiaries

The management determines whether the carrying amounts of its investments are impaired at reporting date. This involves measuring the recoverable amounts which includes fair value less costs to sell and valuation techniques. Valuation techniques include amongst others, discounted cash flows analysis and in some cases, based on current market indicators and estimates that provide reasonable approximations to the detailed computation or based on total shareholders' equity of the subsidiaries.

The carrying amount of investment in subsidiaries as at 31st December, 2015 were RM4,864,481 (2014: RM4,864,481). Further details are disclosed in Note 6 to the financial statements. Based on management's review, no further adjustment for impairment is required for the investment in subsidiaries by the Company during the current year.

(b) Impairment of Loans and Receivables

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's loans and receivables' at the reporting date is disclosed in Note 10 to the financial statements.

(c) Useful Lives of Property, Plant and Equipment

The cost of property, plant and equipment is depreciated on a straight-line basis over the assets' estimated economic useful lives. Management estimates the useful lives of these plant and equipment to be within 10 to 15 years. These are common life expectancies applied in the manufacturing industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of the Group's property, plant and equipment at the reporting date is disclosed in Note 4 to the financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(x) Significant Accounting Judgements and Estimates (cont'd)

(ii) Key Sources of Estimation Uncertainty (cont'd)

(d) Deferred Tax Assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses, capital allowances and provisions can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

The total carrying value of recognised tax losses, capital allowances and other deductible temporary differences of the Group were approximately RM1,479,000 (2014: RM3,044,000). The unrecognised tax losses, capital allowances and provisions of the Group and of the Company were approximately RM24,000,000 (2014: RM23,793,000) and RM1,136,000 (2014: RM706,000) respectively.

(e) Construction Contracts and Property Development

The Group recognises construction contracts and property development revenue and expenses in the statement of comprehensive income by using the stage of completion method. The stage of completion is determined by the proportion that costs incurred for work performed to date bear to the estimated total costs, respectively or by reference to physical stage of completion.

Significant judgement is required in determining the stage of completion, the extent of the costs incurred, the estimated total revenue and costs, the physical completion, as well as the recoverability of the costs. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

Notes to the Financial Statements (cont'd)

4. PROPERTY, PLANT AND EQUIPMENT

	As at 1.1.2015 RM	Addition RM	As at 31.12.2015 RM
Group			
2015			
COST			
Long term leasehold land	1,051,975	–	1,051,975
Buildings	3,292,729	–	3,292,729
Plant and machinery	24,600,154	10,300	24,610,454
Other assets *	6,565,717	652,803	7,218,520
	35,510,575	663,103	36,173,678

	As at 1.1.2015 RM	Charge for the year RM	As at 31.12.2015 RM
ACCUMULATED DEPRECIATION/ IMPAIRMENT			
Long term leasehold land	205,964	14,196	220,160
Buildings	622,926	65,855	688,781
Plant and machinery	22,230,553	516,811	22,747,364
Other assets *	5,076,706	547,973	5,624,679
	28,136,149	1,144,835	29,280,984

	As at 31.12.2015 RM
NET BOOK VALUE	
Long term leasehold land	831,815
Buildings	2,603,948
Plant and machinery	1,863,090
Other assets *	1,593,841
	6,892,694

* Other assets consist of office equipment, furniture, fittings, motor vehicles and renovations.

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	As at 1.1.2014 RM	Addition RM	Disposal/ Retirement RM	As at 31.12.2014 RM
2014				
COST				
Long term leasehold land	1,051,975	–	–	1,051,975
Buildings	3,292,729	–	–	3,292,729
Plant and machinery	23,137,431	1,462,723	–	24,600,154
Other assets *	6,624,708	259,009	(318,000)	6,565,717
	34,106,843	1,721,732	(318,000)	35,510,575

	As at 1.1.2014 RM	Charge for the year RM	Disposal/ Retirement RM	As at 31.12.2014 RM
ACCUMULATED DEPRECIATION/ IMPAIRMENT				
Long term leasehold land	191,769	14,195	–	205,964
Buildings	557,071	65,855	–	622,926
Plant and machinery	21,715,809	514,744	–	22,230,553
Other assets *	4,920,463	447,576	(291,333)	5,076,706
	27,385,112	1,042,370	(291,333)	28,136,149

	As at 31.12.2014 RM
NET BOOK VALUE	
Long term leasehold land	846,011
Buildings	2,669,803
Plant and machinery	2,369,601
Other assets *	1,489,011
	7,374,426

* Other assets consist of office equipment, furniture, fittings, motor vehicles and renovations.

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	As at 1.1.2015/31.12.2015 RM
Company	
COST	
Office equipment	**57,022**
Furniture and fittings	**2,376**
	59,398

	As at 1.1.2015/31.12.2015 RM
ACCUMULATED DEPRECIATION	
Office equipment	**57,022**
Furniture and fittings	**2,376**
	59,398

	As at 1.1.2015/31.12.2015 RM
NET BOOK VALUE	
Office equipment	**–**
Furniture and fittings	**–**
	–

5. INVESTMENT PROPERTIES

	Group 2015 RM	Group 2014 RM
Land and buildings, at cost		
At 1st January	**1,554,660**	–
Addition	**2,170,586**	1,554,660
At 31st December	**3,725,246**	1,554,660

The investment properties are still under construction as at 31st December, 2015.

6. INVESTMENT IN SUBSIDIARIES

	Company 2015 RM	Company 2014 RM
Unquoted shares, at costs	**29,202,007**	29,202,007
Accumulated impairment	**(24,337,526)**	(24,337,526)
	4,864,481	4,864,481

Name	Country of Incorporation	Principal Activities	Proportion (%) of Ownership Interest 2015	Proportion (%) of Ownership Interest 2014
Held by the Company:				
Advance Industries Sdn. Bhd.	Malaysia	Construction, sub-contractors, manufacturing, assembly, installation and sales of light fittings, advertising point-of-sale, furniture and related products.	**100**	100
Acumen Marketing Sdn. Bhd.	Malaysia	Supply of lightings, light fittings, outdoor fittings advertising point-of-sale, furniture and related products.	**100**	100
Lighting Louvres Manufacturing Sdn. Bhd.	Malaysia	Manufacturing and sale of aluminium lighting louvres.	**100**	100
Futumeds Sdn. Bhd.	Malaysia	Construction, sub-contractors, installation and sale of light fittings, advertising point-of-sale, furniture and related products.	**100**	100
Fututech (Labuan) Limited	Malaysia	Investment holding.	**100**	100
Acumen Industries Limited *	Hong Kong	Dormant. Intended principal activity is investment holding.	**100**	100
Bazarbayu Sdn. Bhd.	Malaysia	Property development.	**100**	100
FutuProp Sdn. Bhd.	Malaysia	Investment holding and has not commenced business since the date of incorporation.	**100**	100
Aurizon Investments Limited*	British Virgin Islands	Investment holding and has not commenced business since the date of incorporation.	**100**	100

Notes to the Financial Statements (cont'd)

6. INVESTMENT IN SUBSIDIARIES (CONT'D)

Name	Country of Incorporation	Principal Activities	Proportion (%) of Ownership Interest 2015	2014
Held by Advance Industries Sdn. Bhd.:				
Ace Equity Sdn. Bhd.	Malaysia	Supply and installation of aluminium and glazing works, stones works, interior fixtures, fittings, lightings, cabinetry and related products and provision of contract workmanship and other related services.	**100**	100
Held by Fututech (Labuan) Limited.:				
Acumen Design & Development Solutions Limited *	Hong Kong	Provision of consultancy services and supply of advertising point-of-sale products.	**100**	100
Held by FutuProp Sdn. Bhd.:				
Senandung Raya Sdn. Bhd.	Malaysia	Property development.	**100**	100
Segi Rancak Sdn. Bhd.	Malaysia	Investment holding and has not commenced business since the date of incorporation.	**100**	100

* Audited by firms of auditors other than Ong & Wong

7. OTHER INVESTMENTS

	Group 2015 RM	Group 2014 RM
Available for sale financial assets:		
Club membership	**93,500**	93,500
Allowance for impairment	**(50,500)**	(50,500)
	43,000	43,000

There is no movement in the allowance for impairment account during the year.

8. INTANGIBLE ASSETS

	Group 2015 RM	Group 2014 RM
Computer Software		
COST		
At 1st January	**67,776**	67,776
Addition	**23,598**	–
At 31st December	**91,374**	67,776
ACCUMULATED AMORTISATION		
At 1st January	**44,178**	30,622
Amortisation charged (Note 24)	**15,915**	13,556
At 31st December	**60,093**	44,178
Net carrying amount		
At 1st January	**23,598**	37,154
At 31st December	**31,281**	23,598

9. DEFERRED TAX ASSETS / (LIABILITIES)

	Group	
	2015	**2014**
	RM	**RM**
At 1st January	**(265,931)**	(34,285)
Transfer to statement of profit or loss and other comprehensive income (Note 27)	**(243,304)**	(231,646)
At 31st December	**(509,235)**	(265,931)

Presenting after appropriate offsetting as follows:

	Group	
	2015	**2014**
	RM	**RM**
(a) Deferred tax assets	**–**	259,305
(b) Deferred tax liabilities	**(509,235)**	(525,236)
	(509,235)	(265,931)

	Group	
The deferred tax assets / (liabilities) recognised is in respect of the followings:		
- Temporary difference between depreciation and capital allowance	**(878,973)**	(1,026,981)
- Provision and others	**369,738**	761,050
	(509,235)	(265,931)

The deferred tax assets which are not been recognised in the financial statements are as follows:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM	**RM**	**RM**	**RM**
Unused tax losses	**6,080,123**	5,872,811	**1,136,492**	705,781
Unabsorbed capital allowances	**13,542,965**	13,542,965	**–**	–
Other deductible temporary differences	**4,376,746**	4,376,746	**–**	–
	23,999,834	23,792,522	**1,136,492**	705,781

The unused tax losses and unabsorbed capital allowances of the Group and of the Company are available for offsetting against future taxable profits of the respective entities within the Group, subject to no substantial change in shareholdings under the Income Tax Act, 1967 and guidelines issued by the tax authority.

10. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM	**RM**	**RM**	**RM**
Non-Current				
Trade Receivables				
Retention sum	**7,656,463**	9,560,734	**–**	–
Current				
Trade Receivables				
Third parties	**54,735,607**	19,657,620	**–**	–
Retention sum	**3,329,532**	3,970,366	**–**	–
	58,065,139	23,627,986	**–**	–
Less: Allowance for impairment				
- Third parties	**(5,903,738)**	(5,778,858)	**–**	–
	52,161,401	17,849,128	**–**	–
Other Receivables				
Amount due from subsidiaries	**–**	–	**54,638,849**	47,308,576
Prepayment	**6,027,479**	6,702,031	**6,489**	6,122
Deposits	**227,590**	1,239,051	**–**	–
Other receivables	**249,068**	43,010	**1,136**	–
	6,504,137	7,984,092	**54,646,474**	47,314,698
Less: Allowance for impairment				
- Amount due from subsidiaries	**–**	–	**(22,768,441)**	(22,768,441)
	6,504,137	7,984,092	**31,878,033**	24,546,257
Total - current	**58,665,538**	25,833,220	**31,878,033**	24,546,257
Total trade and other receivables	**66,322,001**	35,393,954	**31,878,033**	24,546,257

10. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Trade Receivables

Trade receivables are non-interest bearing and are generally on 30 to 90 (2014: 30 to 90) days term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Retention sum receivables are monies withheld by contract customers and will be released to the Group upon expiry of 30 months from the date of completion of construction contracts.

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	Group	
	2015	**2014**
	RM	**RM**
Neither past due nor impaired	**11,651,286**	22,461,291
1 to 30 days past due not impaired	**1,422,178**	1,276,053
31 to 60 days past due not impaired	**63,561**	1,294,700
61 to 90 days past due not impaired	**5,127**	1,075,455
More than 90 days past due not impaired	**46,392,991**	836,620
More than 365 days past due not impaired	**282,721**	465,743
	48,166,578	4,948,571
Impaired	**5,903,738**	5,778,858
	65,721,602	33,188,720

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group. None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the year.

10. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Trade Receivables (cont'd)

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM48,166,578 (2014: RM4,948,571) that are past due at the reporting date but not impaired. Based on their payment history, the Group believes that no allowance for impairment is necessary. These receivables are unsecured.

Receivables that are impaired

The Group's trade receivables that are impaired as at the reporting date and the movement of the allowance for impairment accounts are as follows:

	Group	
	2015	**2014**
	RM	**RM**
At 1st January	**5,778,858**	5,725,338
Charge for the year (Note 24)	**124,880**	53,520
At 31st December	**5,903,738**	5,778,858

Trade receivables that are collectively and individually determined to be impaired at the reporting date mainly relate to balances which have been significantly long outstanding. These receivables are not secured by any collateral or credit enhancements.

(b) Other Receivables

These amounts are unsecured and non-interest bearing. There is no movement in the allowance for impairment account during the year.

(c) Amounts Due From Subsidiaries

These amounts are unsecured, non-interest bearing and are repayable on demand. There is no movement in the allowance for impairment account.

Notes to the Financial Statements (cont'd)

11. INVENTORIES

	Group 2015 RM	Group 2014 RM
At cost/realisable value		
(i) Property Under Development		
Leasehold Land		
At 1st January	**25,493,498**	9,042,540
Costs incurred during the year	**–**	16,450,958
At 31st December	**25,493,498**	25,493,498
Development Costs		
At 1st January	**8,603,492**	1,564,110
Costs incurred during the year	**13,980,809**	7,039,382
At 31st December	**22,584,301**	8,603,492
Cumulative Cost recognised in profit or loss:		
Leasehold Land		
At 1st January	**–**	–
Recognised during the year (Note 21)	**(294,400)**	–
At 31st December	**(294,400)**	–
Development Costs		
At 1st January	**–**	–
Recognised during the year (Note 21)	**(4,898,657)**	–
At 31st December	**(4,898,657)**	–
Total property under development	**42,884,742**	34,096,990

11. INVENTORIES (CONT'D)

	Group 2015 RM	Group 2014 RM
(ii) Others		
Raw materials	**2,632,392**	2,396,205
Work-in-progress	**315,239**	320,930
Finished goods	**83,087**	228,222
	3,030,718	2,945,357
Total inventories	**45,915,460**	37,042,347

During the financial year, inventories amounted to RM3,056,785 (2014: RM2,962,985) has been recognised in the cost of sales of the Group.

In year 2014, inventories amounted to RM145,544 has been written off.

12. ACCRUED BILLINGS IN RESPECT OF PROPERTY DEVELOPMENT

	Group 2015 RM	Group 2014 RM
Cumulative revenue recognised in profit or loss	**10,411,114**	–
Cumulative billings to purchasers	**(1,270,037)**	–
Accrued billings / (progress billings)	**9,141,077**	–

The accrued billings were derived from the development project of the Group at Goh Tong Jaya, Genting Highlands.

Notes to the Financial Statements (cont'd)

13. OTHER CURRENT ASSETS / (LIABILITIES)

	Group 2015 RM	Group 2014 RM
(a) Other Current Assets		
Prepayments	–	270,224
Amount due from customers for contract works (Note 14)	**14,466,340**	3,186,093
	14,466,340	3,456,317
(b) Other Current Liabilities		
Amount due to customers for contract works (Note 14)	**(1,587,514)**	(274,710)

14. AMOUNT DUE TO CUSTOMERS FOR CONTRACT WORKS

	Group 2015 RM	Group 2014 RM
Construction contract costs incurred to date	**380,859,181**	312,119,492
Attributable profits	**105,015,955**	85,124,782
	485,875,136	397,244,274
Less: Progress billings	**(472,996,310)**	(394,332,891)
	12,878,826	2,911,383

Presenting after appropriate offsetting as follows:

	Group 2015 RM	Group 2014 RM
Amount due from customers for contract works	**14,466,340**	3,186,093
Amount due to customers for contract works	**(1,587,514)**	(274,710)
	12,878,826	2,911,383

15. CASH AND BANK BALANCES

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM	**RM**	**RM**	**RM**
Cash in hand and at bank	**11,795,910**	14,769,891	**108,485**	18,724
Deposits with licensed banks	**–**	13,856,717	**–**	6,506,197
	11,795,910	28,626,608	**108,485**	6,524,921

The fixed deposits earned interest rates ranging from 2.70% to 3.60% (2014: 3.06% to 3.48%) per annum and have average maturities range from 30 to 90 (2014: 9 to 30) days.

16. SHARE CAPITAL

	Group and Company			
	Number of ordinary shares		Amount	
	2015	**2014**	**2015**	**2014**
			RM	**RM**
Authorised				
At 1st January/ 31st December	**300,000,000**	300,000,000	**150,000,000**	150,000,000
Issued and fully paid				
At 1st January/	**90,737,012**	90,737,012	**45,368,506**	45,368,506
Issued during the year	**985,600**	–	**492,800**	–
At 31st December	**91,722,612**	90,737,012	**45,861,306**	45,368,506

Warrants 2007/2017

The Warrants 2007/2017 were constituted under a Deed Poll dated 22nd November, 2007 ("Warrants 2007/2017 Deed Poll") and issued on 21st December, 2007 in conjunction with the issuance of the Company's Rights Issue in 2007. The salient features of the warrants are as follows:

(a) each warrant entitles its registered holder to subscribe for one (1) new ordinary share of RM1.00 each at the exercise price during the exercise period; subject to adjustments in accordance with the provisions of the Warrants 2007/2017 Deed Poll;

(b) the exercise price is fixed at RM1.00 per share and the exercise period is ten years commencing on and including the date of issuance which expires on 20th December, 2017;

16. SHARE CAPITAL (CONT'D)

Warrants 2007/2017 (cont'd)

(c) the new ordinary shares of RM1.00 each to be issued pursuant to the exercise of the warrants will rank pari passu in all respects with the existing issued ordinary shares of the Company; and

(d) the Warrants 2007/2017 holders are not entitled to participate in any distribution and/or offer of further securities in the Company until and unless such warrant holders exercise their warrants for new ordinary shares.

The Renounceable Rights Issue during the financial year ended 31st December, 2011 has resulted in adjustments to both the number and exercise price of the Warrants 2007/2017, which were made in accordance with the provisions of the Warrant 2007/2017 Deed Poll. The revised salient features of the warrants are as follows:

(a) each warrant entitles its registered holder to subscribe for one (1) new ordinary share of RM0.50 each at the exercise price during the exercise period; subject to adjustments in accordance with the provisions of the Warrants 2007/2017 Deed Poll;

(b) the exercise price is fixed at RM0.88 per share and the exercise period is ten years commencing on and including the date of issuance which expires on 20th December, 2017;

(c) the new ordinary shares of RM0.50 each to be issued pursuant to the exercise of the warrants will rank pari passu in all respects with the existing issued ordinary shares of the Company; and

(d) the Warrants 2007/2017 holders are not entitled to participate in any distribution and/or offer of further securities in the Company until and unless such warrant holders exercise their warrants for new ordinary shares.

The Company's unexercised warrants arising from the adjustments were as follow:

	2015 **RM**	**2014** **RM**
At 1st January	**26,754,754**	26,754,754
Exercised during the year	**(985,600)**	–
At 31st December	**25,769,154**	26,754,754

17. RESERVES

Group

		2015 RM	2014 RM
(a)	Other reserve	**475,000**	475,000
(b)	Share premium	**374,528**	–
(c)	Foreign currency translation reserve	**(178,650)**	(177,669)
		670,878	297,331

Company

	2015 RM	2014 RM
Share premium	**374,528**	–

(a) Other reserve

The other reserve is in respect of capitalisation of retained profits by a subsidiary for a bonus issue.

(b) Share premium

	Group/Company	
	2015 RM	**2014 RM**
At 1st January	**–**	–
Issuance of ordinary shares pursuant to:		
- exercise of warrants 2007/2017	**374,528**	–
At 31st December	**374,528**	–

(c) Foreign currency translation reserve

	Group	
	2015 RM	**2014 RM**
At 1st January	**(177,669)**	(167,790)
Charged during the year	**(981)**	(9,879)
At 31st December	**(178,650)**	(177,669)

The foreign currency translation reserve represents foreign exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

18. TRADE AND OTHER PAYABLES

	Group		Company	
	2015 RM	**2014 RM**	**2015 RM**	**2014 RM**
Non-Current				
Trade Payables				
Retention sum	**3,218,109**	2,680,787	**–**	–
Current				
Trade Payables				
Third parties	**21,169,571**	10,681,561	**–**	–
Retention sum	**5,548,818**	3,431,833	**–**	–
	26,718,389	14,113,394	**–**	–
Other Payables				
Accruals	**1,125,180**	986,687	**186,840**	173,277
Advance received from purchasers	**1,081,572**	–	**–**	–
Other payables	**2,623,198**	148,075	**–**	–
Deposit received	**386,309**	146,309	**–**	–
	5,216,259	1,281,071	**186,840**	173,277
Total - current	**31,934,648**	15,394,465	**186,840**	173,277
Total trade and other payables	**35,152,757**	18,075,252	**186,840**	173,277

(a) Trade Payables

Trade payables are non-interest bearing and are normally settled on 30 to 90 (2014: 30 to 90) days term.

Retention sum payables are monies withheld by the Group and will be released to contractors upon expiry of 30 months from the date of completion of work.

(b) Other Payables

These amounts are non-interest bearing. Other payables are normally settled on an average term of 90 (2014: 90) days term.

19. SHORT TERM BORROWING

	Group 2015 RM	Group 2014 RM
Bank overdraft	**11,194,602**	–

The bank overdraft is secured by way of corporate guarantee granted by the Company and bears interest of approximately 5.05% per annum.

20. REVENUE

	Group 2015 RM	Group 2014 RM
Construction activities	**54,817,016**	54,014,708
Property development activities	**10,411,114**	–
Manufacturing activities	**13,745,593**	8,242,710
	78,973,723	62,257,418

21. COST OF SALES

	Group 2015 RM	Group 2014 RM
Construction costs	**39,665,627**	32,569,302
Property development costs (Note 11 (i))	**5,193,057**	–
Manufacturing costs	**10,465,639**	6,561,114
	55,324,323	39,130,416

22. OTHER OPERATING INCOME

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM	**RM**	**RM**	**RM**
Dividend income	**–**	–	**4,000,000**	4,200,000
Fair value adjustment on discounting of retention sum receivables/payables	**1,868,031**	133,033	**–**	–
Gain on disposal of property, plant and equipment	**–**	3,000	**–**	–
Interest income from loans and receivables	**322,165**	777,522	**70,955**	32,687
Proceeds from insurance claims	**–**	93,120	**–**	–
Realised gain on foreign exchange	**122,299**	–	**–**	–
Rental of machinery	**576,000**	109,935	**–**	–
Sales of scrap	**38,297**	28,718	**–**	–
Miscellaneous	**94,218**	5,315	**–**	–
	3,021,010	1,150,643	**4,070,955**	4,232,687

23. FINANCE COSTS

	Group	
	2015	**2014**
	RM	**RM**
Bank overdraft interest	**104,420**	–
Fair value adjustment on discounting of retention sum receivables/payables	**322,137**	270,192
	426,557	270,192

24. PROFIT BEFORE TAXATION

The following items have been included in arriving at profit before taxation:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM	**RM**	**RM**	**RM**
Auditors' remuneration				
- statutory audits				
- current year	**101,412**	89,272	**35,010**	30,000
- underprovision in previous year	**3,000**	2,400	**–**	–
- other services				
- current year	**1,000**	1,000	**1,000**	1,000
Allowance for impairment losses				
- trade receivables (Note 10(a))	**124,880**	53,520	**–**	–
Amortisation of intangible asset (Note 8)	**15,915**	13,556	**–**	–
Depreciation of property, plant and equipment (Note 4)	**1,144,835**	1,042,370	**–**	–
Employee benefits expense (Note 25)	**5,576,299**	5,768,688	**–**	–
Foreign exchange loss				
- unrealised	**119**	–	**–**	–
Loss on disposal of property, plant and equipment	**–**	6,667	**–**	–
Inventories written off (Note 11)	**–**	145,544	**–**	–
Non-executive directors' remuneration (Note 26)	**145,832**	120,397	**145,832**	120,397
Other receivebles written off	**–**	8,000	**–**	–
Rental expenses				
- machineries	**3,258,635**	–	**–**	–
- premises	**243,981**	215,412	**–**	–

Notes to the Financial Statements (cont'd)

25. EMPLOYEE BENEFITS EXPENSE

	Group	
	2015	**2014**
	RM	**RM**
Wages and salaries	**4,754,647**	4,809,468
Social security contributions	**24,536**	24,333
Contributions to defined contribution plan	**448,012**	442,323
Other benefits	**349,104**	492,564
	5,576,299	5,768,688

Included in employee benefits expense of the Group is executive directors' remuneration amounting to RM1,952,914 (2014: RM1,956,010), as further disclosed in Note 26 below.

26. DIRECTORS' REMUNERATION

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM	**RM**	**RM**	**RM**
Executive				
- salaries and other emoluments	**1,740,578**	1,752,202	**–**	–
- contributions to defined contribution plan	**212,336**	203,808	**–**	–
Total executive directors' remuneration	**1,952,914**	1,956,010	**–**	–
Non-executive				
- fees	**129,332**	111,397	**129,332**	111,397
- other emoluments	**16,500**	9,000	**16,500**	9,000
Total non-executive directors' remuneration (Note 24)	**145,832**	120,397	**145,832**	120,397
	2,098,746	2,076,407	**145,832**	120,397

26. DIRECTORS' REMUNERATION (CONT'D)

The number of directors of the Company whose total remuneration during the year fell within the following bands is analysed below:

	Number of Directors	
	2015	**2014**
Executive directors		
- RM300,001 - RM350,000	**–**	2
- RM350,001 - RM400,000	**3**	1
- RM500,001 - RM550,000	**–**	–
- RM700,001 - RM750,000	**–**	–
- RM750,001 - RM800,000	**–**	–
- RM800,001 and above	**1**	1
Non-executive directors		
- below RM50,000	**3**	3

27. TAXATION

	Group		Company	
	2015 RM	**2014 RM**	**2015 RM**	**2014 RM**
Current income tax				
- Malaysian income tax	**5,918,085**	5,098,953	**–**	7,741
- Underprovision in previous year	**545**	781	**–**	–
	5,918,630	5,099,734	**–**	7,741
Deferred income tax (Note 9)				
- relating to origination and reversal of temporary differences	**288,969**	231,836	**–**	–
- Overprovision in previous year	**(45,665)**	(190)	**–**	–
	243,304	231,646	**–**	–
Income tax expense recognised in statement of profit or loss and other comprehensive income	**6,161,934**	5,331,380	**–**	7,741

27. TAXATION (CONT'D)

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31st December, 2015 and 2014 is as follows:

	Group		Company	
	2015	**2014**	**2015**	**2014**
	RM	**RM**	**RM**	**RM**
Profit before tax	**22,300,304**	20,703,872	**2,767,544**	3,872,821
Taxation at Malaysian statutory tax rate of 25% (2014: 25%)	**5,575,076**	5,175,968	**691,886**	968,205
Income not subject to tax	**(300,233)**	(28,106)	**(1,000,000)**	(1,050,000)
Non-deductible expenses	**452,743**	125,772	**308,114**	47,559
Deferred tax assets not recognised	**65,963**	98,960	**–**	41,977
Deferred tax assets recognised on previously unrecognised tax losses and capital allowance	**(14,135)**	(41,805)	**–**	–
Realisation of deferred tax assets previously recognised	**550,826**	–	**–**	–
Utilisation of current year's capital allowance	**(123,186)**	–	**–**	–
Overprovision of deferred tax in previous year	**(45,665)**	(190)	**–**	–
Underprovision of income tax in previous year	**545**	781	**–**	–
	6,161,934	5,331,380	**–**	7,741

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2014: 25%) of the estimated assessable profit for the year.

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

28. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing profit for the year, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2015	**2014**
	RM	**RM**
(a) Basic		
Profit, net of tax attributable to owners of the parent	**16,138,370**	15,372,492
Weighted average number of ordinary shares outstanding	**90,968,795**	90,737,012
Basic earnings per share (sen)	**17.74**	16.94
(b) Diluted		
Profit, net of tax attributable to owners of the parent	**16,138,370**	15,372,491
Weighted average number of ordinary shares outstanding	**90,968,795**	90,737,012
Effect of fully dilution of warrants	**11,347,279**	*
	102,316,074	
Diluted earnings per share (sen)	**15.77**	N/A

* No diluted earnings per share calculated in prior years as the exercise of outstanding warrants to ordinary shares would be anti-dilutive. There were no other transactions involving the potential dilution of ordinary shares outstanding.

29. DIVIDEND

	Net dividend per share RM	Total Amount RM	Date of payment RM
2015			
Interim single tier	0.03	2,725,353	15th July, 2015
2014			
Interim single tier	0.03	2,722,110	10th October, 2014

Notes to the Financial Statements (cont'd)

30. RELATED PARTY DISCLOSURES

(a) Significant related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

	Group	
	2015	**2014**
	RM	**RM**
Rental of office premise		
- A company related to directors	**112,000**	96,000
Rental of machinery		
- A company related to directors	**3,258,635**	–
Staff secondment		
- A company related to directors	**130,961**	298,885
Construction contract		
- Companies related to directors	**22,266,942**	43,332,994
Sale of finished goods		
- Companies related to directors	**26,836**	382,797

A company related to directors during the financial year under the rental expenses refers to Permatang Bakti Sdn. Bhd. and Dekad Intelek Sdn. Bhd., companies in which two of the directors of the Company, Datuk Tee Eng Ho and Datin Toh Siew Chuon are the directors.

A company related to directors during the financial year under the rental of machinery, staff secondment, construction contract and sale of finished goods refers to Kerjaya Prospek (M) Sdn. Bhd., a company in which three of the directors of the Company, Datuk Tee Eng Ho, Tee Eng Seng and Datin Toh Siew Chuon are the directors.

(b) Compensation of key management personnel

The key management personnel comprised mainly executive and non-executive directors of the Group and of the Company. The directors' remuneration is disclosed in Note 26.

31. COMMITMENTS

Operating lease commitments - as lessee

The Group has entered into commercial lease on office buildings. The lease have an average tenure of two years with two-year renewal option with contingent rent provision included in the contract. There are no restrictions placed upon the Group by entering into the lease.

Future minimum rentals payable under non-cancellable operating lease at the reporting date are as follows:

	Group	
	2015	**2014**
	RM	**RM**
Not later than one year	**123,200**	88,400
Later than one year and not later than five years	**180,000**	3,200
	303,200	91,600

32. HOLDING COMPANY

The holding company of the Company is Egovision Sdn. Bhd., a company incorporated in Malaysia, and owns 68.87% of the Company's equity shareholdings.

33. FAIR VALUE OF FINANCIAL INSTRUMENTS

Determination of Fair Value

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value:

	Note
Trade and other receivables (current)	10
Deposits with licensed banks	15
Trade and other payables (current)	18

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are re-priced to market interest rates on or near the reporting date.

Non-current trade receivables and payables

The fair values of these financial instruments are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the reporting date.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks. The Audit Committee provides independent oversight to the effectiveness of the risk management process.

It is, and has been throughout the current and previous financial year, the Group's policy that no derivatives shall be undertaken.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and bank balances), the Group minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Information regarding credit enhancements for trade and other receivables is disclosed in Note 10 to the financial statements.

Credit Risk Concentration Profile

The Group determines concentrations of credit risk by monitoring the business segment of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the reporting date are mainly arising from the construction segment.

At the reporting date, the Group has significant concentration of credit risk in the form of outstanding balances due from 4 (2014: 4) debtors in the construction segment representing 98% (2014: 93%) of the gross trade receivables.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Credit Risk (cont'd)

Financial assets that are neither past due nor impaired

Information regarding trade and other receivables that are neither past due nor impaired is disclosed in Note 10 to the financial statements.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 10 to the financial statements.

(b) Liquidity Risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

Analysis of Financial Instruments by Remaining Contractual Maturities

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	<----------31.12.2015	----------	---------->
Group	**On demand or within one year RM**	**One to five year RM**	**Total RM**
Financial Liabilities			
Trade and other payables	**31,934,648**	**3,218,109**	**35,152,757**
Short term borrowing	**11,194,602**	–	**11,194,602**
Company			
Trade and other payables	**186,840**	–	**186,840**

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Liquidity Risk (cont'd)

Analysis of Financial Instruments by Remaining Contractual Maturities (cont'd)

	<----------31.12.2014---------->		
Group	**On demand or within one year RM**	**One to five year RM**	**Total RM**
Financial Liabilities			
Trade and other payables	15,394,465	2,680,787	18,075,252
Company			
Trade and other payables	173,277	–	173,277

(c) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

As the Group has no significant interest-bearing financial assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's interest-bearing financial assets are mainly short term in nature and have been mostly placed in fixed deposits or occasionally, in short term commercial papers.

Borrowings at floating rates shall expose the Group to cash flow interest rate risk whereas borrowings obtained at fixed rates expose the Group to fair value interest rate risk. The Group's policy is to manage its interest rate exposure by maintaining a mix of fix and floating rate of borrowings when the need arises.

As at the balance sheet date, the Group has short term borrowing which is bank overdraft, that may expose to interest rate risk as the bank overdraft interest rate is calculated at cost of fund of the borrowing bank plus a fixed spread. However, the fluctuation of the cost of fund is remote and the impact is not material.

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(d) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to transactional currency risk primarily through sales and purchases that are denominated in a currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily United States Dollar ("USD") and Singapore Dollar ("SGD"). Foreign exchange exposures in these transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

The unhedged financial assets of the Group that are not denominated in the functional currency are as follows:

	Group	
	2015	**2014**
	RM	**RM**
United States Dollar ("USD")	**548,949**	282,491
Australian Dollar ("AUD")	**–**	59,456
Singapore Dollar ("SGD")	**49,158**	–
	598,107	341,947

As at the balance sheet date, the Group has no unhedged financial liabilities that are not denominated in the functional currency.

<u>Sensitivity Analysis for Foreign Currency Risk</u>

The following table demonstrates the sensitivity of the Group's profit to a reasonably possible change in the USD, AUD and SGD exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

		Gain/(loss) in profit or loss	
		2015	**2014**
		RM	**RM**
USD/RM	- strengthened 10%	**54,895**	28,249
	- weakened 10%	**(54,895)**	(28,249)
AUD/RM	- strengthened 2%	**–**	1,189
	- weakened 2%	**–**	(1,189)
SGD/RM	- strengthened 10%	**4,916**	–
	- weakened 10%	**(4,916)**	–

35. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies or processes during the years ended 31st December, 2015 and 2014.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio at an acceptable limit. The Group includes within net debt, loans and borrowings, trade and other payables, less cash and bank balances. Capital represents equity attributable to the owners of the parent.

	Group		**Company**	
	2015 RM	**2014 RM**	**2015 RM**	**2014 RM**
Trade and other payables	**35,152,757**	18,075,252	**186,840**	173,277
Less: Net cash and bank balances	**(601,308)**	(28,626,608)	**(108,485)**	(6,524,921)
Net debt	**34,551,449**	(10,551,356)	**78,355**	(6,351,644)
Equity attributable to the owners of the parent, representing total capital	**108,319,476**	94,040,112	**36,736,036**	35,826,517
Capital and net debt	**142,870,925**	94,040,112	**36,814,391**	35,826,517
Gearing ratio	**24%**	0%	**0%**	0%

36. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services, and has four reportable operating segments as follows:

(i) Manufacturing segment - Manufacturing, supply and installation of light fitting and kitchen cabinetry and related products.

(ii) Construction segment - Supply and installation of aluminium works, interior fixtures and provision of contract workmanship.

(iii) Properties – Development of residential or commercial properties.

(iv) Investments and others.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

36. SEGMENT INFORMATION (CONT'D)

	Construction RM	Manufacturing RM	Properties RM	Investments and others RM	Elimination RM	Total RM
31st December, 2015						
Revenue						
External sales	54,817,016	13,745,593	10,411,114	–	–	78,973,723
Inter-segment sales	20,329,718	762,928	–	–	(21,092,646)	–
Total revenue	75,146,734	14,508,521	10,411,114	–	(21,092,646)	78,973,723
Results						
Segment results	16,550,690	2,921,675	5,194,345	2,727,430	(4,667,279)	22,726,861
Finance costs						(426,557)
Profit before tax						22,300,304
Taxation						(6,161,934)
Profit for the year						16,138,370
Assets						
Segment assets	102,844,212	99,317,499	53,504,969	37,268,156	(134,601,827)	158,333,009
Unallocated assets						72,514
Consolidated total assets						158,405,523
Liabilities						
Segment liabilities	(87,944,196)	(67,813,119)	(49,150,663)	(41,825,797)	196,647,728	(50,086,047)
Unallocated liabilities						–
Consolidated total liabilities						(50,086,047)
Other information						
Depreciation of property, plant and equipment	618,016	526,819	–	–	–	1,144,835
Amortisation of intangible assets	15,915	–	–	–	–	15,915

36. SEGMENT INFORMATION (CONT'D)

	Construction RM	Manufacturing RM	Properties RM	Investments and others RM	Elimination RM	Total RM
31st December, 2014						
Revenue						
External sales	54,014,708	8,242,710	–	–	–	62,257,418
Inter-segment sales	24,148,201	3,308,891	–	–	(27,457,092)	–
Total revenue	78,162,909	11,551,601		–	(27,457,092)	62,257,418
Results						
Segment results	17,250,515	4,423,129	(25,860)	3,838,523	(4,512,243)	20,974,064
Finance costs						(270,192)
Profit before tax						20,703,872
Taxation						(5,331,380)
Profit for the year						15,372,492
Assets						
Segment assets	61,075,532	85,553,996	28,451,407	37,260,949	(98,567,669)	113,774,215
Unallocated assets						64,655
Consolidated total assets						113,838,870
Liabilities						
Segment liabilities	(46,735,741)	(63,644,417)	(27,679,131)	(41,583,675)	159,844,206	(19,798,758)
Unallocated liabilities						–
Consolidated total liabilities						(19,798,758)
Other information						
Depreciation of property, plant and equipment	452,631	589,739	–	–	–	1,042,370
Amortisation of intangible assets	13,556	–	–	–	–	13,556

37. SUPPLEMENTARY INFORMATION – BREAKDOWN OF RETAINED PROFIT/ (ACCUMULATED LOSSES) INTO REALISED AND UNREALISED

The breakdown of the retained profit/(accumulated losses) of the Group and of the Company as at 31st December, 2015 into realised and unrealised profit/(losses) is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25th March, 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Listing Requirements of Bursa Malaysia Securities Berhad, as issued by the Malaysian Institute of Accountants.

	Group		Company	
	2015 RM	**2014 RM**	**2015 RM**	**2014 RM**
Total retained profit/ (accumulated losses) of the Company and its subsidiaries				
- Realised	**(1,284,411)**	(17,036,224)	**(9,499,798)**	(9,541,989)
- Unrealised	**(1,302,709)**	368,805	**–**	–
	(2,587,120)	(16,667,419)	**(9,499,798)**	(9,541,989)
Less: Consolidation adjustments	**64,374,412**	65,041,694	**–**	–
Retained profit/ (accumulated losses)	**61,787,292**	48,374,275	**(9,499,798)**	(9,541,989)

38. CHANGE OF NAME

The Company has changed its name from Fututech Berhad to Kerjaya Prospek Group Berhad on 21st January, 2016.

Notes to the Financial Statements (cont'd)

39. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) On 15th September, 2015, the Company had entered into: -

(i) a conditional share sale agreement ("**SSA**") with Datuk Tee Eng Ho, Datin Toh Siew Chuon and Tee Eng Seng for the proposed acquisition of 5,000,000 ordinary shares of RM1.00 each in Kerjaya Prospek (M) Sdn. Bhd. ("**KPSB**"), representing the entire equity interest in KPSB for a consideration of RM438.0 million ("**Proposed KPSB Acquisition**"); and

(ii) a conditional SSA with Datuk Tee Eng Ho and Datin Toh Siew Chuon for the proposed acquisition of 2,000,000 ordinary shares of RM1.00 each in Permatang Bakti Sdn. Bhd. ("**PBSB**"), representing the entire equity interest in PBSB for a cash consideration of RM20.0 million ("**Proposed PBSB Acquisition**").

(The Proposed KPSB Acquisition and the Proposed PBSB Acquisition are collectively referred to as the "**Proposed Acquisitions**").

In addition, the Company also proposes to undertake the following: -

(i) proposed private placement of up to 100,000,000 new ordinary shares of RM0.50 each in Kerjaya Prospek Group Berhad (formerly known as Fututech Berhad) ("**KPGB Share(s)**" or "**Share(s)**") at an issue price to be determined and to placee(s) to be identified at a later stage ("**Proposed Private Placement**");

(ii) proposed increase in the authorised share capital of the Company from RM150,000,000 comprising 300,000,000 KPGB Shares to RM800,000,000 comprising 1,200,000,000 KPGB Shares and 400,000,000 redeemable convertible preference shares of RM0.50 each in the Company ("**RCPS**") ("**Proposed Increase in Authorised Capital**"); and

(iii) proposed amendments to the Memorandum and Articles of Association of the Company to facilitate the creation and issuance of RCPS pursuant to the Proposed KPSB Acquisition ("**Proposed Amendments to M&A**").

(The Proposed Acquisitions, the Proposed Private Placement, the Proposed Increase in Authorised Capital and the Proposed Amendments to M&A are collectively referred to as the "**Proposals**").

The Proposals are subject to the approval of the shareholders of the Company at the forthcoming Extraordinary General Meeting.

(b) On 26th October, 2015, Company had proposed to change its name from Fututech Berhad to Kerjaya Prospek Group Berhad ("**Proposed Change of Name**"). Following the completion of the Proposed Acquisitions, the construction earnings of the Group will be further entrenched. Hence, the Proposed Change of Name is to enable the Company to leverage on KPSB brand name and to create synergy amongst its brand and construction business moving forward.

The Proposed Change of Name is subject to the approval of the shareholders of the Company at the forthcoming Extraordinary General Meeting.

40. SUBSEQUENT EVENTS AFTER THE BALANCE SHEET DATE

(a) On 20th January, 2016, the shareholders of the Company had on the Extraordinary General Meeting unanimously approved the Proposals and the Proposed Change of Name.

Subsequently, the Proposed Acquisitions have been completed on 21st January, 2016 in accordance with the respective terms of the KPSB SSA and PBSB SSA. Accordingly, KPSB and PBSB are now wholly-owned subsidiaries of the Company.

In addition, Company has received the Certificate of Incorporation on change of name of the Company dated 21st January, 2016 ("**Form 13**"). As per the Form 13, with effect from 21st January, 2016, the Company's name has been changed to Kerjaya Prospek Group Berhad.

(b) On 7th March, 2016, the Company's wholly-owned subsidiary KPSB acquired a 70% equity interest in a company known as Future Rock Sdn. Bhd. ("**Future Rock**") represented by 70 ordinary shares of RM1.00 each for a total cash consideration of RM70.00. The remaining 30% equity interest is held by Sierra Hallmark Sdn. Bhd.

Future Rock was incorporated on 3rd February, 2016. The present authorised share capital of Future Rock is RM400,000.00 divided into 400,000 shares of RM1.00 each ("**Shares**") of which 100 Shares are fully paid-up.

Future Rock is principally engaged in construction related businesses.

(c) On 21st March, 2016, Future Rock has accepted a Letter of Award ("**LA**") from China Communications Construction Company (M) Sdn. Bhd. ("**CCCC**") dated 17th March, 2016, on the appointment of Future Rock as a subcontractor for the dredging works of the project known as "Reclamation for Seri Tanjung Pinang (Phase II) Development (STP2) Penang" ("**Project**") ("**Award**").

The value of the Award is for RM181.31 million which comprises work for the dredging of access channel and channel for the Project. The dredging works to be undertaken by Future Rock is expected to commence within two (2) weeks as of execution of the LA and due to be completed on 18th March, 2018.

A Subcontract Agreement for the Award will be executed within 60 days after the acceptance of the LA by Future Rock.

(d) On 30th March, 2016, the Company has issued 136,000,000 new ordinary shares of RM0.50 each pursuant to the followings:

(i) 40,000,000 new ordinary shares of RM0.50 each issued at RM1.65 per shares to several placees arising from the private placement exercise. Total gross proceeds raised from the placement exercise amounted to RM66,000,000.00; and

(ii) 96,000,000 new ordinary shares of RM0.50 each issued at RM1.16 per shares to Egovision Sdn. Bhd. arising from the conversion of RCPS. Conversion price of RM1.16 per share was deemed settled by way of set-off against the issue price of the RCPS and no additional consideration paid on conversion.

(e) The Company has issued 950,200 new ordinary shares of RM0.50 each pursuant to the conversion of warrants 2007/2017 for the period January, 2016 to April, 2016 at the exercise price of RM0.88 per shares.

41. AUTHORISATION FOR ISSUE

The financial statements of the Group and of the Company for the financial year ended 31st December, 2015 were authorised for issue in accordance with a resolution of the Board of Directors on 5th April, 2016.

LIST OF PROPERTY OWNED BY THE GROUP
as at 31st December, 2015

Address/ Location	Tenure	Area (square metre)	Description/ Existing use	Approximate Age of Building	Net Carrying Amount (RM'000)	Date of Last Revaluation (R)/ Acquisition (A)
Pajakan Mukim PM640 Lot No. 10492 Tempat Batu 28 Ijok Mukim Ijok District Kuala Selangor Negeri Selangor	Leasehold Expiring In 2077	13,961	Factory	13 years	3,436	R: 11.05.2011

LIST OF ON-GOING CONSTRUCTION PROJECTS
as at 31st December, 2015

KERJAYA PROSPEK (M) SDN BHD AND PERMATANG BAKTI SDN BHD

No.	Project	Description/Location of project	Type of project	Owner of project	Contract value (RM'000)
1	Seri Tanjung Pinang ("STP") Tamarind Apartment	Construct and complete main building works for two (2) blocks of service apartment (1,104 units)/Bandar Tanjung Pinang, Penang	Residential	E&O Property (Penang) Sdn Bhd	427,169
2	Quayside Andaman Series Condominiums, Seri Tanjung Pinang	Construct and complete main building works for three (3) blocks of condominium (548 units)/Bandar Tanjung Pinang, Penang	Residential	E&O Property (Penang) Sdn Bhd	409,930
3	Eco Sky (Condominium)	Construct and complete main building works for three (3) blocks of condominium (975 units)/Kuala Lumpur	Residential	Eco Sky Development Sdn Bhd	382,300
4	Sky 88 – Phase I	Construct and complete main building works for two (2) blocks of condominium (872 units)/Bandar Johor Bahru, Johor Darul Takzim	Residential	Setia City Development Sdn Bhd	298,368
5	Setia Wangsa Condominium	Construct and complete main building works for four (4) blocks of condominium (600 units)/Kuala Lumpur	Residential	Kerjaya Prospek Property Sdn Bhd	180,000
6	Sky 88 – Phase II	Construct and complete main building works for one (1) block of service apartment (250 units)/Bandar Johor Bahru, Johor Darul Takzim	Residential	Setia City Development Sdn Bhd	165,137
7	Tribeca	Construct and complete main building works for one (1) block of condominium (318 units)/Kuala Lumpur	Residential	Bakti Dinamik Sdn Bhd	152,002
8	E-Medini – Phase II	Construct and complete main building works for 240 units terrace house/ Bandar Johor Bahru, Johor Darul Takzim	Residential	Nuri Merdu Sdn Bhd	149,887
9	E-Medini – Phase I	Construct and complete main building works for 218 units terrace house/ Bandar Johor Bahru, Johor Darul Takzim	Residential	Nuri Merdu Sdn Bhd	149,565
10	Eco Sky (Shop Office)	Construct and complete main building works for 140 units shop office / Kuala Lumpur	Commercial	Eco Sky Development Sdn Bhd	107,550

List of On-Going Construction Projects (cont'd)

No.	Project	Description/Location of project	Type of project	Owner of project	Contract value (RM'000)
11	Residency V	Construct and complete main building works for one (1) block of condominium (412 units)/Kuala Lumpur	Residential	Kerjaya Prospek Property Sdn Bhd	90,000
12	STP Condo – Block 6	Construct and complete main building works for one (1) block of 18-storey shop office/ Bandar Tanjung Pinang, Penang	Commercial	WCW Technologies Sdn Bhd	52,500
13	STP – Injection Piling Work for Apartment	Construct and complete foundation piling works and pile caps construction for two (2) blocks of service apartment (1,104 units)/ Bandar Tanjung Pinang, Penang	Residential	E&O Property (Penang) Sdn Bhd	24,300
14	Kia Peng – Injection Piling Work for Apartment	Construct and complete foundation piling works and pile caps construction for two (2) blocks of service apartment (328 units)/ Jalan Kia Peng, Kuala Lumpur	Residential	Patsawan Properties Sdn Bhd	14,929

ACE EQUITY SDN BHD

No.	Project	Description/Location of project	Type of project	Owner of project	Contract value (RM'000)
1	73 - Bukit Serdang	Construct and complete main building works of 73 units courtyard villas at Seri Kembangan, Selangor	Residential	Meridian Score Sdn Bhd	83,000

LIST OF RECENT MAJOR COMPLETED PROJECTS

KERJAYA PROSPEK (M) SDN BHD AND PERMATANG BAKTI SDN BHD

No.	Project	Description/Location of project	Type of project	Owner of project	Contract value (RM'000)
1	Setapak Residency	Construct and complete main building works for one (1) block of apartment (100 units)/ Kuala Lumpur	Residential	Desanda Development Sdn Bhd	32,000
2	Sky Peak	Construct and complete main building works for one (1) block of condominium (482 units)/Bandar Johor Bahru, Johor Darul Takzim	Residential	Setia Indah Sdn Bhd	117,772
3	The Shore @ Malacca River	Construct and complete main building works for 3 towers of serviced residences (746 units), a 4-star hotel (306 rooms) and a shopping mall/Malacca	Mix Development	Kerjaya Hotel Sdn Bhd	240,000
4	All Seasons	Construct and complete main building works for four (4) blocks of apartment (808 units)/Penang	Residential	Lembaman Development Sdn Bhd	185,000
5	Quayside Condominiums, Seri Tanjung Pinang	Construct and complete main building works for four (4) blocks of condominium (698 units)/Bandar Tanjung Pinang	Residential	E&O Property (Penang) Sdn Bhd	416,843
6	St. Mary Residences	Construct and complete main building works for three (3) blocks of luxury condominium (657 units)/Kuala Lumpur	Residential	Mergexcel Property Development Sdn Bhd	399,465
7	Aman City – My Habitat	Construct and complete main building works for two (2) blocks of service apartment (383 units)/Kuala Lumpur	Residential	Rawang Lakes Sdn Bhd	131,000
8	Marina Complex	Construct and complete main building works for business complex/Bandar Tanjung Pinang, Penang	Commercial	E&O Property (Penang) Sdn Bhd	243,275
9	Dua Residency	Construct and complete main building works for two (2) blocks of luxury apartment (288 units)/Kuala Lumpur	Residential	Edisi Utama Sdn Bhd	187,978
10	Lumina Kiara	Construct and complete main building of three (3) blocks of apartment (104 units)/Kuala Lumpur	Residential	ECH Development Sdn Bhd	60,107

ANALYSIS OF SHAREHOLDINGS
as at 6th April, 2016

Authorised Share Capital	:	RM800,000,000.00
Paid-up Share Capital	:	RM239,949,594.50 divided into 265,554,361 ordinary shares of RM0.50 each ("OS") and 214,344,828 Redeemable Convertible Preference Shares of RM0.50 each ("RCPS")
Class of Shares	:	OS - Listed Securities RCPS - Non-listed Securities
Voting Rights for OS	:	One vote per shareholder on a show of hands or one vote per ordinary share on a poll

ANALYSIS OF LISTED SECURITIES BY SIZE OF HOLDINGS AS AT 6TH APRIL, 2016
(WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNT BELONGING TO THE SAME PERSON)

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Share Capital
Less than 100	304	17.09	7,880	0.00
100 to 1,000	531	29.85	337,805	0.13
1,001 to 10,000	653	36.71	2,720,549	1.02
10,001 to 100,000	197	11.07	6,421,551	2.42
100,001 to less than 5% of issued shares	92	5.17	59,996,234	22.59
5% and above of issued shares	2	0.11	196,070,342	73.83
Total	**1,779**	**100.00**	**265,554,361**	**100.00**

THE 30 LARGEST SECURITIES ACCOUNT HOLDERS AS AT 6TH APRIL, 2016
(WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNT BELONGING TO THE SAME PERSON)

No.	Holder Name	No. of Shares	% of Issued Share Capital
1.	EGOVISION SDN BHD	149,800,559	56.41
2.	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR EGOVISION SDN. BHD. (ESS2. 7189-9)	46,269,783	17.42
3.	TOKIO MARINE LIFE INSURANCE MALAYSIA BHD AS BENEFICIAL OWNER (PF)	5,770,000	2.17
4.	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR EASTSPRING INVESTMENTSSMALL-CAP FUND	3,770,000	1.42
5.	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR ALLIANZ LIFE INSURANCE MALAYSIA BERHAD (MEF)	3,500,000	1.32
6.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TOH SIEW CHUON	2,322,700	0.87
7.	MALACCA EQUITY NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PHILLIP CAPITAL MANAGEMENT SDN BHD	2,293,000	0.86
8.	LOO SOO LOONG	2,000,000	0.75
9.	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR EASTSPRING INVESTMENTSEQUITY INCOME FUND	1,900,000	0.72

Analysis of Shareholdings (cont'd)

THE 30 LARGEST SECURITIES ACCOUNT HOLDERS AS AT 6TH APRIL, 2016 (CONT'D)
(WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNT BELONGING TO THE SAME PERSON)

No.	Holder Name	No. of Shares	% of Issued Share Capital
10.	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR EASTSPRING INVESTMENTSMY FOCUS FUND	1,600,000	0.60
11.	CARTABAN NOMINEES (TEMPATAN) SDN BHD RHB TRUSTEES BERHAD FOR MANULIFE INVESTMENT SHARIAH PROGRESSFUND	1,577,300	0.59
12.	SEE BOON YONG	1,548,500	0.58
13.	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 14)	1,500,000	0.56
14.	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR HONG LEONG PENNY STOCKFUND	1,500,000	0.56
15.	TEE SUN EE	1,370,800	0.52
16.	LUM KWOK WENG @ LUM KOK WENG	1,358,200	0.51
17.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (AFFIN HWNG SM CF)	1,252,600	0.47
18.	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR ALLIANZ LIFE INSURANCE MALAYSIA BERHAD (ULIFE)	1,080,000	0.41
19.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR AZIZAN BIN ABD RAHMAN (PB)	1,000,000	0.38
20.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (MYBK AM SC E)	1,000,000	0.38
21.	LEE HWA YANG	1,000,000	0.38
22.	MAYBANK NOMINEES (TEMPATAN) SDN BHD TEE TONG LAI	1,000,000	0.38
23.	YONG KAR SENG PETER	1,000,000	0.38
24.	TAI KOK WEI	736,300	0.28
25.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (ESPG IV SC E)	730,000	0.27
26.	CARTABAN NOMINEES (TEMPATAN) SDN BHD SSBT AFM FUND SAGS FOR UNIVERSITI MALAYA	678,100	0.26
27.	UOBM NOMINEES (TEMPATAN) SDN BHD UOB ASSET MANAGEMENT (MALAYSIA) BERHAD FOR GIBRALTAR BSN AGGRESSIVE FUND	640,000	0.24
28.	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR ALLIANZ LIFE INSURANCE MALAYSIA BERHAD (ULIFE2)	630,000	0.24
29.	TOKIO MARINE LIFE INSURANCE MALAYSIA BHD AS BENEFICIAL OWNER (NPF)	615,000	0.23
30.	TOKIO MARINE LIFE INSURANCE MALAYSIA BHD AS BENEFICIAL OWNER (TMEF)	615,000	0.23
	Total	**240,057,842**	**90.40**

Analysis of Shareholdings (cont'd)

DIRECTORS' SHAREHOLDINGS IN THE COMPANY
(AS PER REGISTER OF DIRECTORS' SHAREHOLDINGS AS AT 6TH APRIL, 2016)

	No. of OS held				No. of RCPS held	
Name of Directors	**Direct**	**%**	**Indirect**	**%**	**Indirect**	**%**
Datuk Tee Eng Ho	–	–	*2 196,070,342	*2 73.83	*3 214,344,828	*3 100.00
Tee Eng Seng	–	–	*2 196,070,342	*2 73.83	*3 214,344,828	*3 100.00
Datin Toh Siew Chuon	2,322,700	0.88	*2 196,070,342	*2 73.83	*3 214,344,828	*3 100.00
Khoo Siong Kee	10,100	*1 0.00	–	–	–	–
Lim Kien Lai @ Lim Kean Lai	68,900	0.03	–	–	–	–
Professor Datuk Dr. Nik Mohd Zain bin Nik Yusof	–	–	–	–	–	–

Notes: -

*1 Negligible

*2 Deemed interested by virtue of their interest in Egovision Sdn. Bhd. pursuant to Section 6A of the Companies Act, 1965

*3 Deemed interested by virtue of their interest in Egovision Sdn. Bhd. and Amazing Parade Sdn. Bhd. pursuant to Section 6A of the Companies Act, 1965

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS
(AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 6TH APRIL, 2016)

	No. of OS Held			
Name of Substantial Shareholders	**Direct**	**%**	**Indirect**	**%**
Egovision Sdn. Bhd.	196,070,342	73.83	–	–
Datuk Tee Eng Ho	–	–	*1 198,393,042	*1 74.71
Tee Eng Seng	–	–	*2 196,070,342	*2 73.83
Datin Toh Siew Chuon	2,322,700	0.88	*2 196,070,342	*2 73.83

Notes:-

*1 Deemed interested by virtue of his spouse's direct shareholding and his interest in Egovision Sdn. Bhd. pursuant to Section 6A of the Companies Act, 1965.

*2 Deemed interested by virtue of their interest in Egovision Sdn. Bhd. pursuant to Section 6A of the Companies Act, 1965.

DIRECTORS' SHAREHOLDINGS IN RELATED CORPORATION
(AS PER REGISTER OF DIRECTORS' SHAREHOLDINGS AS AT 6TH APRIL, 2016)

	Direct	
	No. of Ordinary Shares of RM1.00 each in Egovision Sdn. Bhd.	**%**
Datuk Tee Eng Ho	30,001	25%
Tee Eng Seng	60,002	50%
Datin Toh Siew Chuon	30,001	25%

ANALYSIS OF WARRANTHOLDINGS
as at 6th April, 2016

No. of 2007/2017 Warrants Issued : 26,754,754
No. of 2007/2017 Warrants Outstanding : 24,833,954

ANALYSIS BY SIZE OF HOLDINGS AS AT 6TH APRIL, 2016
(WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNT BELONGING TO THE SAME PERSON)

Size of Warrantholdings	No. of Holders	%	No. of Holdings	%
Less than 100	152	24.56	6,825	0.03
100 to 1,000	73	11.79	43,101	0.17
1,001 to 10,000	220	35.54	1,121,956	4.52
10,001 to 100,000	141	22.78	4,425,102	17.82
100,001 to less than 5% of issued shares	31	5.01	6,692,528	26.95
5% and above of issued shares	2	0.32	12,544,442	50.51
Total	**619**	**100.00**	**24,833,954**	**100.00**

THE 30 LARGEST SECURITIES ACCOUNT HOLDERS AS AT 6TH APRIL, 2016
(WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNT BELONGING TO THE SAME PERSON)

No.	Holder Name	No. of Holdings	%
1.	EGOVISION SDN BHD	11,247,442	45.29
2.	I-WEN MORSINGH	1,297,000	5.22
3.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR YAP CHING LOON (SMART)	636,228	2.56
4.	HO WEI FUN	490,200	1.97
5.	PUA GEOK TAN	411,000	1.65
6.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TOH SIEW CHUON	372,443	1.50
7.	KENANGA NOMINEES (TEMPATAN) SDN BHD DERRICK KONG YING KIT (PCS)	370,000	1.49
8.	CHIA SOW TECK	306,028	1.23
9.	LEE KOK GUAN	277,588	1.12
10.	RHB NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN LEE GEK	261,000	1.05
11.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE KOK GUAN (100317)	235,000	0.95
12.	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN TEONG HENG (CEB)	233,400	0.94
13.	LEE MENG GEN	228,200	0.92
14.	SEE BOON YONG	221,000	0.89
15.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR TI JIA JUN (M12025)	216,400	0.87

Analysis of Warrantholdings (cont'd)

THE 30 LARGEST SECURITIES ACCOUNT HOLDERS AS AT 6TH APRIL, 2016 (CONT'D)
(WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNT BELONGING TO THE SAME PERSON)

No.	Holder Name	No. of Holdings	%
16.	LIM CHEE KIAT	199,040	0.80
17.	TEE KIAN KOK	180,000	0.72
18.	CHOW CHEE FAI	179,400	0.72
19.	LEE SENG HOI	159,000	0.64
20.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN CHUNG CHING (E-PTS)	151,500	0.61
21.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB BANK FOR ALLAN PILLAI A/L V KANAPATHI PILLAI (MY0295)	148,017	0.60
22.	UOB KAY HIAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	136,676	0.55
23.	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN MOOI KIM (RH3 MARGIN)	128,900	0.52
24.	ONG XIEN CHUN	126,900	0.51
25.	LOH LEE FONG	125,900	0.51
26.	SZE SEE CHUEN	120,900	0.49
27.	TEOH HOCK SOON	120,900	0.49
28.	YAP BOOI LEK	120,000	0.48
29.	OOI SWEE CHENG	113,897	0.46
30.	HLIB NOMINEES (TEMPATAN) SDN BHD HONG LEONG BANK BHD FOR TEH SHIOU CHERNG	112,800	0.45
	Total	**18,926,759**	**76.21**

DIRECTORS' WARRANTHOLDINGS
(AS PER REGISTER OF DIRECTORS' WARRANTHOLDINGS AS AT 6TH APRIL, 2016)

	No. of Warrants Held			
Name of Directors	**Direct**	**%**	**Indirect**	**%**
Datuk Tee Eng Ho	–	–	*1 11,247,442	*1 45.29
Tee Eng Seng	–	–	*1 11,247,442	*1 45.29
Datin Toh Siew Chuon	372,443	1.50	*1 11,247,442	*1 45.29
Khoo Siong Kee	–	–	–	–
Lim Kien Lai @ Lim Kean Lai	–	–	–	–
Professor Datuk Dr. Nik Mohd Zain bin Nik Yusof	–	–	–	–

Note:-

*1 Deemed interested by virtue of their interest in Egovision Sdn. Bhd. pursuant to Section 6A of the Companies Act, 1965

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Thirty-Second Annual General Meeting of the Company will be held at No. 1, Jalan Wangsa Permai, 1st Floor, Bangunan One Wangsa, Taman Wangsa Permai, 52200 Kuala Lumpur on Friday, 27th May, 2016 at 11.00 a.m. to transact the following businesses:-

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31st December, 2015 and the Reports of Directors and Auditors thereon. ***(Please refer Note 8)***

2. To approve payment of Directors' fees. ***Ordinary Resolution 1***

3. To re-elect the following Directors retiring in accordance with Article 89 of the Company's Articles of Association:-

   (i) Mr. Lim Kien Lai @ Lim Kean Lai ***Ordinary Resolution 2***
   (ii) Mr. Khoo Siong Kee ***Ordinary Resolution 3***

4. To appoint Messrs Ong & Wong as Auditors of the Company and authorise the Directors to determine their remuneration. ***Ordinary Resolution 4***

5. As Special Business to consider and if thought fit, to pass the following Resolutions, with or without modifications: -

ORDINARY RESOLUTION - AUTHORITY TO ISSUE SHARES

"**THAT** subject always to the Companies Act, 1965 and the approvals of the relevant authorities, the Directors be and are hereby empowered, pursuant to Section 132D of the Companies Act, 1965, to allot and issue shares in the Company from time to time at such price, upon such terms and conditions, for such purposes and to such person or persons whomsoever as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares issued pursuant to this Resolution does not exceed 10% of the issued share capital of the Company for the time being and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company." ***Ordinary Resolution 5***

ORDINARY RESOLUTION - PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

"**THAT**, subject to the Companies Act, 1965 **("Act")**, the Memorandum and Articles of Association of the Company and the Bursa Malaysia Securities Berhad Main Market Listing Requirements, approval be and is hereby given to the Company and its subsidiaries **("Kerjaya Group")** to enter into all transactions involving the interests of Directors, major shareholders or persons connected with Directors and/or major shareholders of the Group **("Related Parties")** as specified in Section 2.2.2 of Proposed Shareholders' Mandate in the Circular to Shareholders dated 28th April, 2016 **("Recurrent RPTs")** provided that such transactions are:- ***Ordinary Resolution 6***

(i) recurrent transactions of a revenue or trading nature;
(ii) necessary for the day-to-day operations;
(iii) carried out in the ordinary course of business on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public; and
(iv) are not to the detriment of the minority shareholders,

("RRPT Mandate").

AND THAT such approval shall continue to be in force until:-

(a) the conclusion of the next Annual General Meeting of the Company, at which time it will lapse, unless by a resolution passed at that meeting, the authority is renewed; or
(b) the expiration of the period within which the next Annual General Meeting of the Company is required to be held pursuant to Section 143(1) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 143(2) of the Act); or
(c) revoked or varied by a resolution passed by shareholders in a general meeting; or

whichever is earlier; and the aggregate value of the Recurrent RPTs be disclosed in the annual report of the Company.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary to give full effect to the RRPT Mandate."

6. To transact any other business of which due notice shall have been received.

BY ORDER OF THE BOARD

SEOW FEI SAN
MOK MEE KEE
Secretaries

Petaling Jaya
28th April, 2016

Notes:

1. *Only depositors whose names appear in the Record of Depositors as at 19th May, 2016 shall be regarded as members and entitled to attend, speak and vote at the meeting.*

2. *A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. There shall be no restriction as to the qualification of the proxy. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.*

3. *A member may appoint not more than two (2) proxies to attend the meeting. Where a member appoints two (2) proxies, he shall specify the proportion of his shareholdings to be represented by each proxy.*

Notes: (cont'd)

4. *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.*

5. *Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.*

6. *The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if the appointer is a corporation, either under its Common Seal or under the hand of its officer or attorney duly authorised.*

7. *The instrument appointing a proxy must be deposited at the Registered Office of the Company at 802, 8th Floor, Block C, Kelana Square, 17 Jalan SS7/26, 47301 Petaling Jaya, Selangor Darul Ehsan at least forty eight (48) hours before the time for holding the meeting or any adjournment thereof.*

8. *The Audited Financial Statements for the financial year ended 31st December, 2015 are laid before the shareholders pursuant to the provisions of Section 169(1) and (3) of the Companies Act, 1965 for discussion only. It does not require shareholders' approval thus will not be put for voting.*

9. *Explanatory notes on Special Business:*

Ordinary Resolution 5 – Authority to Issue Shares

The Proposed Ordinary Resolution 5, if passed, will give the Directors of the Company, from the date of the Thirty-Second Annual General Meeting, authority to issue shares from the unissued capital of the Company for such purposes as the Directors may deem fit and in the interest of the Company. The authority, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

As at the date of this Notice, no new shares in the Company were issued pursuant to the authority granted to the Directors at the Thirty-First Annual General Meeting held on 23rd June, 2015 and which will lapse at the conclusion of the Thirty-Second Annual General Meeting.

The authority will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/or acquisitions.

Ordinary Resolution 6 – Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The proposed Ordinary Resolution 6, if passed, will enable the Company and/or its Subsidiaries to enter into recurrent transactions involving the interests of Related Parties, which are of a revenue or trading nature and necessary for the Group's day-to-day operations, subject to the transactions being carried out in the ordinary course of business and on terms not to the detriment of the minority shareholders of the Company. Further information on the Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature is set out in the Circular to Shareholders dated 28th April, 2016, which is despatched together with the Company's Annual Report 2015.

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CDS Account No.

KERJAYA PROSPEK GROUP BERHAD (122592-U)
(formerly known as Fututech Berhad)
(Incorporated in Malaysia)

FORM OF PROXY

I/We ....
(FULL NAME IN BLOCK)
of ....
(ADDRESSS)
being a member/members of **KERJAYA PROSPEK GROUP BERHAD** (the "Company") hereby appoint

....of
(FULL NAME IN BLOCK)
....
(ADDRESSS)
or failing him/her ....
(FULL NAME)
of ....
(ADDRESSS)
or failing him/her, the Chairman of the Meeting, as *my/our proxy, to vote for *me/us and on *my/our behalf at the Thirty-Second Annual General Meeting ("AGM") of the Company to be held at No. 1, Jalan Wangsa Permai, 1st Floor, Bangunan One Wangsa, Taman Wangsa Permai, 52200 Kuala Lumpur on Friday, 27th May, 2016 at 11.00 a.m., or at any adjournment thereof and to vote as indicated below:-

	FOR	AGAINST
ORDINARY RESOLUTION 1		
ORDINARY RESOLUTION 2		
ORDINARY RESOLUTION 3		
ORDINARY RESOLUTION 4		
ORDINARY RESOLUTION 5		
ORDINARY RESOLUTION 6		

Please indicate with an "X" in the space above on how you wish to cast your vote. In the absence of specific directions, your proxy will vote or abstain as he/she thinks fit.

No. of ordinary shares held

Dated this __________ day of ______________________ 2016

____
Signature of Member / Common Seal

Notes:

1. *Only depositors whose names appear in the Record of Depositors as at 19th May, 2016 shall be regarded as members and entitled to attend, speak and vote at the meeting.*
2. *A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. There shall be no restriction as to the qualification of the proxy. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.*
3. *A member may appoint not more than two (2) proxies to attend the meeting. Where a member appoints two (2) proxies, he shall specify the proportion of his shareholdings to be represented by each proxy.*
4. *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.*
5. *Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds.*
6. *The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing, or if the appointer is a corporation, either under its Common Seal or under the hand of its officer or attorney duly authorised.*
7. *The instrument appointing a proxy must be deposited at the Registered Office of the Company at 802, 8th Floor, Block C, Kelana Square, 17 Jalan SS7/26, 47301 Petaling Jaya, Selangor Darul Ehsan at least forty eight (48) hours before the time for holding the meeting or any adjournment thereof.*

Fold this flap for sealing

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AFFIX
STAMP

The Company Secretary
KERJAYA PROSPEK GROUP BERHAD (122592-U)
(formerly known as Fututech Berhad)
802, 8th Floor, Block C
Kelana Square, 17 Jalan SS7/26
47301 Petaling Jaya
Selangor Darul Ehsan

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KERJAYA PROSPEK GROUP BERHAD (122592-U)
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