KERJAYA PROSPEK GROUP BERHAD

(122592-U)

ANNUAL REPORT 2017

TOGETHER, WE CAN.

Vision

- To be the trusted and preferred leader in providing products and services in the construction and property industry.

Mission

- To pursue our businesses with excellence.
- To deliver quality products and services to our customers on a timely basis.
- To develop human capital and be a caring employer.
- To create value for our shareholders.
- To be a responsible corporate citizen.

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Datuk Tee Eng Ho
(Executive Chairman)
Datin Toh Siew Chuon
(Executive Director)
Tee Eng Seng
(Executive Director)
Khoo Siong Kee
(Senior Independent Non-Executive Director)
Professor Datuk Dr. Nik Mohd Zain bin Nik Yusof
(Independent Non-Executive Director)
Lim Kien Lai @ Lim Kean Lai
(Independent Non-Executive Director)

AUDIT COMMITTEE

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

NOMINATION COMMITTEE

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

REMUNERATION COMMITTEE

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

COMPANY SECRETARIES

Seow Fei San (MAICSA 7009732)
Mok Mee Kee (MAICSA 7029343)

REGISTERED OFFICE

802, 8th Floor, Block C, Kelana Square
17 Jalan SS 7/26
47301 Petaling Jaya
Selangor Darul Ehsan
Malaysia
Tel: 603-7803 1126
Fax: 603-7806 1387

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

SHARE REGISTRAR

Securities Services (Holdings) Sdn. Bhd.
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Malaysia
Tel: 603-2084 9000
Fax: 603-2094 9940

PRINCIPAL BANKERS

AmBank Islamic Berhad
AmBank (M) Berhad
Hong Leong Bank Berhad
CIMB Bank Berhad

CORPORATE OFFICE

No. 1, Jalan Wangsa Permai
2nd Floor, Bangunan One Wangsa
Taman Wangsa Permai
52200 Kuala Lumpur
Malaysia
Tel: 603-6277 2480
Fax: 603-6276 2482
Website: www.kerjayagroup.com

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Stock Name : KERJAYA
Stock Code : 7161

CORPORATE STRUCTURE

AS AT 31 MARCH 2018

KERJAYA PROSPEK GROUP BERHAD

- Acumen Industries Limited **(100%)**
- Acumen Marketing Sdn Bhd **(100%)**
- Advance Industries Sdn Bhd **(100%)**
  - Kerjaya Machinery & Equipment Sdn Bhd **(90%)**
  - Ace Equity Sdn Bhd **(100%)**
- Aurizon Investments Limited **(100%)**
- Bazarbayu Sdn Bhd **(100%)**
- Futumeds Sdn Bhd **(100%)**
- FutuProp Sdn Bhd **(100%)**
  - Senandung Raya Sdn Bhd **(100%)**
- Fututech (Labuan) Limited **(100%)**
  - Acumen Design & Development Solutions Limited **(100%)**
- Kerjaya Prospek (M) Sdn Bhd **(100%)**
  - Future Rock Sdn Bhd **(70%)**
- Kerjaya Prospek Resources Sdn Bhd **(70%)**
- Lighting Louvres Manufacturing Sdn Bhd **(100%)**
- Permatang Bakti Sdn Bhd **(100%)**

PROFILE OF BOARD OF DIRECTORS

DATUK TEE ENG HO

Executive Chairman, aged 53, Male
Malaysian

Datuk Tee Eng Ho was appointed as Executive Chairman of Kerjaya Prospek Group Berhad on 31 March 2011. He graduated with a Diploma in Technology (Building) from Tunku Abdul Rahman College and has more than 20 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.

He also sits on the Board of Eastern & Oriental Berhad as a Non-Independent Non-Executive Director.

TEE ENG SENG

Executive Director, aged 48, Male
Malaysian

Tee Eng Seng was appointed as Non-Independent Non-Executive Director of Kerjaya Prospek Group Berhad on 31 March 2011 and was re-designated as Executive Director on 15 November 2011. He started on 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 51, Female
Malaysian

Datin Toh Siew Chuon was appointed as Executive Director of Kerjaya Prospek Group Berhad on 15 November 2011.

Datin Toh is a fellow member of the Malaysian Institute of Chartered Secretaries and Administrators 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 serving in the auditing and taxation industry.

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

KHOO SIONG KEE

Senior Independent
Non-Executive Director,
aged 68, Male
Malaysian

Khoo Siong Kee, a Chartered Accountant trained in Australia, was appointed as Independent Non-Executive Director of Kerjaya Prospek Group 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, Nomination Committee and Remuneration Committee of the Company.

PROFILE OF BOARD OF DIRECTORS (Cont'd)

PROFESSOR DATUK DR. NIK MOHD ZAIN BIN NIK YUSOF
Independent Non-Executive Director, aged 71, Male
Malaysian

Professor Datuk Dr. Nik Mohd Zain bin Nik Yusof was appointed as Independent Non-Executive Director of Kerjaya Prospek Group Berhad on 21 April 2008. Professor 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.

Professor 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 from 1995 to 2002.

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.

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

LIM KIEN LAI @ LIM KEAN LAI
Independent Non-Executive Director, aged 66, Male
Malaysian

Lim Kien Lai @ Lim Kean Lai was appointed to the Board of Kerjaya Prospek Group Berhad on 15 November 2011 as Independent Non-Executive Director. He has a Diploma in Technology (Building) from Tunku 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 Tunku Abdul Rahman College before venturing in to 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, Nomination 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 5 years and none of them has any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.*

3. *Other than the recurrent related party transactions disclosed in page 22 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.*

PROFILE OF KEY SENIOR MANAGEMENT

DATUK TEE ENG HO
Executive Chairman

TEE ENG SENG
Executive Director

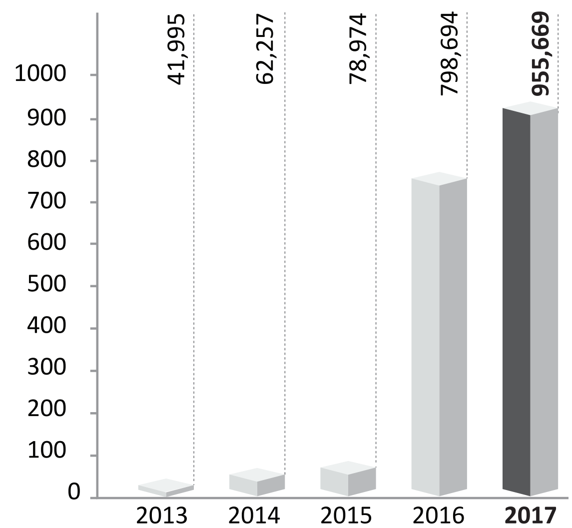
DATIN TOH SIEW CHUON
Executive Director

The profiles of the Executive Chairman and Executive Directors are outlined in the Board of Directors chapter on page 4.

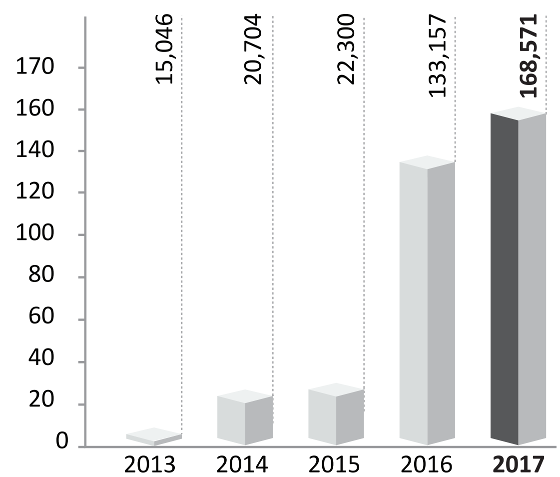
GROUP FINANCIAL HIGHLIGHTS

	2013 RM 000	2014 RM 000	2015 RM 000	2016 RM 000	2017 RM 000
Revenue	41,995	62,257	78,974	798,694	955,669
Profit Before Tax	15,046	20,704	22,300	133,157	168,571
Profit after taxation and minority interest	11,495	15,372	16,138	99,624	124,740
Total Assets	107,994	113,839	158,406	1,057,440	1,184,654
Shareholders' Fund	81,400	90,040	108,319	761,834	877,750
Net Tangible Assets	81,400	90,040	108,319	409,143	526,425
	(Sen)	(Sen)	(Sen)	(Sen)	(Sen)
Net Tangible Assets per Share	89.71	103.64	119.07	109.98	98.61
Basic earning per share	12.67	16.94	17.74	26.78	23.37

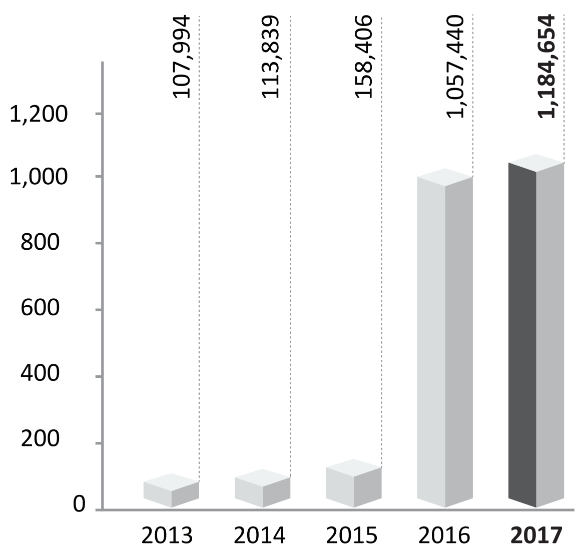
REVENUE
(RM'000)



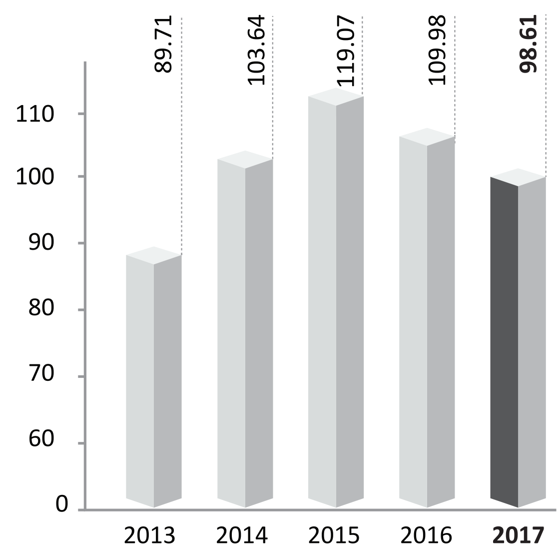
PROFIT BEFORE TAXATION
(RM'000)



TOTAL ASSETS
(RM'000)



NET TANGIBLE ASSETS PER SHARE (sen)



MANAGEMENT DISCUSSION & ANALYSIS

Dear Shareholders,

On behalf of the Board of Directors ("Board") of Kerjaya Prospek Group 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 2017 ("FY2017").

INTRODUCTION

2017 has been yet another record year for Kerjaya Prospek. We delivered a profit-after-tax of RM126.07 million on a topline of RM955.67 million. Our balance sheet remains robust, boasting a net cash position of RM185.42 million and shareholders' funds of RM877.75 million. In addition, total contract wins for the year stood at RM1.4 billion despite the soft property market. The market continues to reward our hard work and capabilities as our market capitalization grew to approximately RM1.85 billion as at 31 March 2018.

REVIEW OF ECONOMIC PERFORMANCE

During the year, the Ringgit stood strongest among the major Asian currencies supported by the double-digit acceleration in Malaysian exports and robust GDP growth. On the local bourse, foreign buying into Malaysian equities was at its highest level since 2013 and net inflows to the bond market surged as macro-economic conditions continued to improve.

The Malaysian economy registered a GDP growth of 5.9% and was one of the better performers in the region despite spillover effects a global economy contending with the ongoing uncertainty in the US Federal Reserve rate decisions, a Trump administration, policy uncertainties and rising inflation.

More specifically, low interest rates and oil prices continued to be an area of interest in global economics as oil prices continued its gradual uptick and averaged US$53 per barrel in 2017, touching the ceiling of US$70 per barrel in January 2018. The production cuts that were agreed between OPEC and non-OPEC producers at the end of 2016 took 1.8 million barrels of oil per day off the market and effectively reduced the oversupply which was weighing down on oil prices. This created a positive sentiment going into 2018 as equity markets worldwide surged to record highs during the beginning of the year.

As for our Malaysian property development sector, 2017 proved to be more challenging than the previous year as sales continued to be subdued and more completed units came onstream. The subdued sales was largely due to difficulties in securing mortgages, high property prices which were beyond the means of most purchasers and the abundance of choices from the sub-sale market. Developers were therefore very cautious and scaled down on new launches. Given the slowdown in property launches, the delay in projects created less building contract works in the market.

REVIEW OF OPERATIONS

Despite challenging conditions such as an increase in prices of raw materials and labour plaguing private sector contractors, Kerjaya Prospek delivered record revenue and earnings. This is made possible by our strong management team and the successful implementation of various strategies to improve operational efficiencies and lower our reliance on labour.

Our construction division continues to be the mainstay of the Group followed by the property development and manufacturing divisions.

MANAGEMENT DISCUSSION & ANALYSIS (Cont'd)

CONSTRUCTION DIVISION

The construction division is mainly involved in the building of high rise residential and commercial buildings for several of our premium developer clients in Malaysia.

In the financial year 2017, the construction segment recorded a revenue of RM1,108.83 million (before inter-company elimination) as compared to the preceding year of RM960.42 million, translating into a growth of approximately 15%. This segment's profit (after taxation and non-controlling interest) amounted to RM116.41 million as compared RM96.45 million in the previous financial year, registering an increase of approximately 21%.

The Group has managed to secure a total contract wins of approximately RM1.4 billion for the financial year 2017, which has contributed to the significant increase in the Group's revenue and earnings. The contracts were awarded by several notable developers such as Bina BMK Sdn Bhd, BCB Development Sdn Bhd, TSM Tower Sdn Bhd, Kerjaya Prospek Property Sdn Bhd, Aspen Vision City Sdn Bhd, Bon Estates Sdn Bhd and B.U. Development Sdn Bhd.

The construction division currently has 24 on-going projects with an outstanding order book of approximately RM3.0 billion that will continue to provide clear earnings visibility for the years to come.

PROPERTY DEVELOPMENT DIVISION

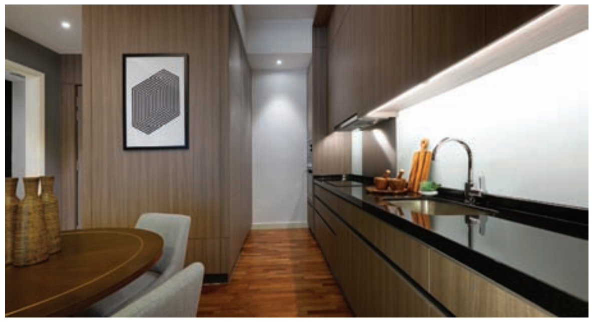
The Malaysian property sector remained sluggish and is expected to continue for the upcoming year. The slowdown of the property market can be attributed to various factors. Banks are continuing the implementation of strict policy of lending to the public, prices of raw materials and labour face upward pressure, and market sentiment remains cautious as investors delay their purchases in expectation of price adjustments in the property market.

Despite the challenging conditions, the Group managed to achieve a commendable margin in the property development division with a record RM75.51 million in revenue and RM15.00 million in segmental profit (after taxation and non-controlling interest).

As at 31 December 2017, the Group's maiden property development project; Vista Residences @ Genting Highlands, has achieved a take-up rate of more than 75% and is about 58% of project completion. Vista Residences was launched in 2016 and sits on a 1.4 acre land. Its gross development value is approximately ("GDV") RM300 million and is scheduled to be completed in the second half of 2018. The other upcoming project is a piece of land measuring approximately 8.7 acres adjacent to the Monterez Golf & Country Club, Shah Alam. The said project bears an estimated GDV of approximately RM300 million and is scheduled to be launched in 2019.

MANAGEMENT DISCUSSION & ANALYSIS (Cont'd)

MANUFACTURING DIVISION



The manufacturing division comprises of the production and supply of kitchen and lighting solutions under the brand name FORTE and BRITE-LITE respectively.

The Group's manufacturing division experienced a marginal decrease in the top and bottom line on the back of lower revenues and higher raw materials price. The Group has no intention of expanding this division as it serves as a complementary service to its construction business.

REVIEW OF FINANCIAL RESULTS

For the financial year in review, the Group has recorded an increase of 19.7% in revenue; up from its previous corresponding financial year turnover of RM798.69 to RM955.67 million.

The Group's Profit Before Tax ('PBT') also improved significantly about 26.6% from RM133.16 million in its previous corresponding financial year to RM168.57 million. The Group's Profit After Tax ('PAT') came in at RM126.07 million, registering an increase of 26.3% as compared to RM99.83 million in its previous financial year.

The construction division has contributed approximately 92% to the top line and bottom line due to steady progress construction work on-site and improved margin on the projects. Going forward, the construction segment is expected to continue to deliver positive results and improve the Group's overall turnover and profitability.

The property development division contributed approximately 8% of the Group's revenue and earnings with higher sales and higher development progress being registered for the project.

The manufacturing division recognized a slight decrease in earnings as completion of existing projects and newly secured projects were at their initial planning stage. The Group also incurred higher cost due to fixed costs and material purchased for new projects.

MANAGEMENT DISCUSSION & ANALYSIS (Cont'd)

Overall, this year has turned out to be another record year for the group. Our improved efficiency and lean operational processes has enabled us to deliver a remarkable profit. This achievement can be attributed to strong contributions and good progress from various on-going projects and an outstanding order book of approximately RM3 billion.

Administrative expenses were about 2.9% of turnover at RM27.90 million which were attributed by implementing strict control measures on site, supply chain and operational areas.

Overall, our balance sheet remains robust and has a net cash position of RM185.42 million. This strong "war-chest" will enable us to strategically invest in equipment and assets that will further expand Kerjaya Prospek's capabilities and services to grow the Group.

CORPORATE ACTIVITIES

On 3 January 2018, the Board announced a proposal to undertake a bonus and warrant issue on the basis of 6 free bonus shares for every 5 existing ordinary shares held and a 6 free bonus warrants for every 20 existing ordinary shares held. This proposal was subsequently approved in a shareholders' extraordinary meeting held on 12 February 2018. In the circumstances, the enlarged share capital of Kerjaya Prospek will therefore increase from 564,531,382 ordinary shares to 1,241,968,766 ordinary shares and together with the issued warrants on a fully diluted basis, the Group's share capital will grow to 1,411,327,750 ordinary shares.

DIVIDEND

In-line with the Group's commitment to reward shareholders, the Board had announced an interim dividend of RM0.055 per ordinary share which was duly paid out to the shareholders on 29 August 2017.

A single tier final dividend of RM0.005 per ordinary share was proposed by the Board of Directors on 13 April 2018 and will be proposed for shareholders' approval during the Annual General Meeting.

ECONOMIC OUTLOOK

Malaysian's economy grew by 5.9% in year 2017 despite the challenges and uncertainties amidst the global economy. Notwithstanding the challenges and uncertainties in the global economic and financial environment, Bank Negara Malaysia has forecasted a GDP growth of 5.5% in year 2018. The economy is expected to improve with stable inflation and low unemployment. Apart from that, the budget 2018 announced by Prime Minister Datuk Seri Najib Razak in October 2017 is expected to stimulate the economy further. Malaysian Rating Corporation Bhd ("MARC") has forecasted consumer spending growth to hover around 7% in 2018 as labour market conditions improve with the ringgit strengthening to spur the market with confidence.

FUTURE PROSPECTS, STRATEGIES AND DIRECTIONS

The outlook for the property sector is expected to remain challenging in 2018 as developers continue to remain cautious on their launches. Prevailing factors such as soft demand for new properties is expected to persist with excess inventory, cautious consumer spending and stringent capital controls may pose as challenges for purchasers and investors. Nevertheless, we expect premium developments located in prime areas such as Bandar Malaysia, Tun Razak Exchange and Iskandar Malaysia that are backed by integrated developments and transportation systems to provide growth and job flows in the local market whilst attracting foreign property investors.

MANAGEMENT DISCUSSION & ANALYSIS (Cont'd)

At the Company level, the Board and Management is confident of maintaining earnings growth supported by an outstanding order book of RM3.0 billion as at 31 December, 2017. Our orderbook cover ratio of approximately 3 times on the financial year 2017 construction revenue provides good earnings visibility going forward.

From an operational perspective, we manage our supply chain, manpower allocation, administration costs and operational efficiency very closely to help us achieve our long term objectives.

Kerjaya Prospek is a strong advocate of Industrialised Building Systems ("IBS") to improve efficiency, consistency and quality in our workmanship. Together with our value engineering and design, these state-of-the-art systems enable us to provide better value propositions to our clients; thereby tailoring the best in class solutions for our clients.

Moving forward, the Group intends to further expand our range and scope of services which now include piling and reclamation projects. The management believes that this will allow us to further add value to our clients and enhance the Group's competitive edge within the industry as we continue to grow and strive towards our mission as the top industry player.

APPRECIATION

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

I would also like to thank the Management and staffs for their hard work, without which, none of this would be possible.

And finally, I would like to thank my fellow Board members for their sound advice and able stewardship of the Company. I look forward to another remarkable year together with you on the Board.

Yours sincerely,

DATUK TEE ENG HO

Executive Chairman

CORPORATE GOVERNANCE OVERVIEW STATEMENT

This Corporate Governance Overview Statement is presented pursuant to Paragraph 15.25(1) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"). The objective of this statement is to provide an overview of the application of the corporate governance practices of the Group during the financial year ended 31 December 2017 with reference to the three (3) main principles, i.e. Board Leadership and Effectiveness, Effective Audit and Risk Management and Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders as set out in the latest Malaysian Code on Corporate Governance ("MCCG").

The Board has also provided specific disclosures on the application of each Practices in its Corporate Governance Report ("CG Report"). The CG Report was announced together with the Annual Report of the Company on 27 April 2018. Shareholders may obtain the CG Report by accessing this link www.kerjayagroup.com for further details and are advised to read this overview statement together with the CG Report.

At the start of the financial year 2017, KPGB was not a "Large Company" as defined in the Malaysia Code of Corporate Governance. Overall the Board is of the view that the Company has, in all material aspect, complied with the Principles and Practices as set out in the MCCG. The explanation for the departure of the above mentioned practices are reported in the announced CG Report in Practices 1.3, 4.5 and 6.1 respectively.

Principle A: Board Leadership and Effectiveness

(I) Board Responsibilities

The Board is entrusted for the oversight of overall management of the business affairs of the Group. The Board 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 Group and its management team.

The Board continues to ensure its effectiveness and to provide strong leadership to the Group and Management. In order to ensure that business is being properly managed, the Board performs periodic review of the financial results to overseeing the conduct of the business.

The Board is mindful of the importance of the establishment of clear roles and responsibilities in discharging its fiduciary and leadership functions including those reserved for the Board's approval and those which the Board may delegate to the Board Committees and the Management and committed to ethical values and standards. On this note, the Board has defined its Board Charter, and Code of Conduct setting out the roles, duties and responsibilities of the Board, the principles and practices of corporate governance to be followed and its commitment of fair practices to its stakeholders. The Board has reviewed its Charter on 13 April 2018. The Board Charter, Code of Conducts, whistleblowing policy as well as the terms of reference of the Board Committees are published in the Company Corporate website at http://www.kerjayagroup.com/.

The Chairman is responsible for instilling good governance practices, leadership and effectiveness of the Board through chairing of board meetings, representing the Board to shareholders, and reviewing and approving together with the Board on the strategic issues of the Group. Presently, the Board Chairman is also the Chief Executive of the Group. The combination of the roles of Chairman and Chief Executive enable the Executive Chairman to align the interest of the board, management and shareholders for maximising shareholders' wealth. Nonetheless, half of the Board members are Independent Non-Executive Directors who are able to express objective and independent views to safeguard the interest of minority shareholders.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

The Board Committees, namely Audit Committee, Nomination 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 shall report to the Board on matters considered and their recommendation thereon and table the minutes of the Board Committees meetings at Board Meetings.

In order to uphold the board effectiveness, the Board ensures that it is supported by qualified and competent Company Secretaries. Presently, the Board is assisted by two (2) qualified and competent Company Secretaries who are members of Malaysian Institute of Chartered Secretaries and Administrators. The Company Secretaries support the Board in carrying out its fiduciary duties and stewardship role and play an advisory role to the Board, particularly with regards to compliance with regulatory requirements, guidelines, legislations and the principles of best corporate governance practices. All Directors have unrestricted access to the advice and services of the Company Secretaries. The appointment and removal of Company Secretaries or Secretaries of the Board Committees shall be the prerogative of the Board as a whole.

Further information of the roles and responsibilities carried out by the Company Secretaries during the financial year ended 31 December 2017 are set out in Practice 1.4 of the Company's CG Report.

The Board understand that the supply, timeliness and quality of the information affect the effectiveness of the Board to oversee the conduct of business and to evaluate the Management's performance of the Group. The Board ensures that each Director is provided with timely notices. Board papers are issued prior to the Board meetings to enable the Directors to review and consider the agenda items to be discussed and where necessary, to obtain further explanations in order to be fully briefed before the meeting.

All Board members have unrestricted access to timely and accurate information in furtherance their duties and may seek independent professional advice when necessary in discharging its various duties, at the Company's expense. The Independent 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 management, when needed.

The Company Secretaries ensure that all Board and Board Committees' meetings are properly convened. Upon conclusion of meeting, the Company Secretaries will ensure that accurate and proper records of the proceedings and resolutions passed are recorded and the minutes are circulated to the Board members at least seven (7) days before the next meetings.

The Board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness. The Code of Conduct is published on the Company's website. In addition, the Group practises "No Gift Policy" in dealing with third parties in order to manage conflicts of interest and corruption.

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

The Board meets at least once every quarter and additional meetings are convened as and when necessary. During the Financial Year, eight (8) Board meetings were held. The record of attendance is as follows:

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

Directors	Number of Meetings Attended by Directors
Datuk Tee Eng Ho	8/8
Tee Eng Seng	8/8
Datin Toh Siew Chuon	6/8
Khoo Siong Kee	8/8
Professor Datuk Dr. Nik Mohd Zain Bin Nik Yusof	7/8
Lim Kien Lai @ Lim Kean Lai	8/8

Save for Datuk Tee Eng Ho, none of the Directors hold directorship in other listed companies.

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 is assessed and proposed by the respective directors.

Details of trainings attended by the Directors during the Financial Year are as follows:

Name of Directors	Training Programmes	Date
Datuk Tee Eng Ho	• 30% Club Business Leaders Roundtable Meeting • Corporate Governance Breakfast Series: Thought Leadership Session for Directors	10 Oct 2017 13 Oct 2017
Mr. Tee Eng Seng	• 30% Club Business Leaders Roundtable Meeting	10 Oct 2017
Datin Toh Siew Chuon	• Companies Act 2016 - Mastering the Impact on Accounting Matters and preparation of Financial Statements • 30% Club Business Leaders Roundtable Meeting	26 & 27 July 2017 10 Oct 2017
Mr. Khoo Siong Kee	• 30% Club Business Leaders Roundtable Meeting • Corporate Governance Breakfast Series: Thought Leadership Session for Directors • Invitation to Securities Commission Malaysia's Conversation with Audit Committees • Share Capital at No Par Value, Share Buybacks and Redeemable Preference Shares; Acounting Implications • Comparative Analysis of PERS, MPERS and MFRS Frameworks • National Tax Conference 2017	10 Oct 2017 13 Oct 2017 14 Nov 2017 05 Apr 2017 12 & 13 Apr 2017 25 & 26 Jun 2017

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

Name of Directors	Training Programmes	Date
Mr. Khoo Siong Kee (Cont'd)	• AOB Conversation with Auditors of Public Interest Entities and Schedule Funds • National Audit Department Seminar 2017 • Seminar Percukaian Kebangsaan 2017 • MIA Conference 2017 • A to Z of Financial Instruments - A Practical Approach to IAS 39 (IFRS9), IAS 32 and IFRS7 • Persidangan Juruaudit Koperasi 2017 • 2018 Budget Seminar	11 Oct 2017 20 & 24 Oct 2017 09 Nov 2017 07 & 08 Nov 2017 16 & 17 Nov 2017 21 Nov 2017 28 Nov 2017
Professor Datuk Dr. Nik Mohd Zain Bin Nik Yusof	• An Overview Of The Amendments To Strata Titles Act, Land Acquisition Act And National Land Code, 2016* • Latest Amendments to Strata Title Act 1985, Management of High Rise Buildings And Gated Community* • Konvensyen Memperkukuhkan Pasak Negara: Ke Arah Wasiat Lebih Tersurat* • Latest Amendments To 2016 National Land Code - Land Dealings & Land Transactions Including Leases and Tenancies Agreement* • Housing Development Act, Planning Requirements for Residential, Commercial And Industrial Development* ** Attended as speaker*	22 Feb 2017 & 26 July 2017 19 Apr 2017 & 12 Sep 2017 05 & 06 Aug 2017 17 Aug 2017 16 Nov 2017
Mr. Lim Kien Lai @ Lim Kean Lai	• 30% Club Business Leaders Roundtable Meeting • CG Breakfast Series with Directors: Intergrating an Innovation Mindset with Effective Governance	10 Oct 2017 07 Nov 2017

(II) Board Composition

In order to drive the Board's leadership and effectiveness, the Board ensures that it has the right board composition in enhancing the Board decision making process.

Presently, the Board consists of Executive and Non-Executive Directors with a mixture of suitably qualified and experienced professionals. The Board comprises six (6) members, where half of the Board is Independent Non-Executive Directors. This is in line with Practice 4.1 of the MCCG where it requires at least half of the Board members comprises independent directors. The Board is satisfied with the current composition of the Board in providing a check and balance in the Board as well as diversity of perspectives and views in Board's decision-making process through the composition of Independent Non-Executive Directors on the Board.

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

MCCG provides that the tenure of an independent Director should not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an independent Director may continue to serve on the Board subject to the re-designation of the Independent Director as a Non-Independent Director. The Board must justify and seek shareholders' approval in the event it retains as an Independent Director, a person who has served in that capacity for more than nine (9) years.

The Board does not have term limit for its Independent Directors and is of the view that the independence of the Independent Directors should be judged based on the integrity and objectivity of the Independent Director in discharging his responsibilities and not be determined solely or arbitrary by their tenure of service. The Board believes that continued contribution will provide stability and benefits to the Board and the Company as a whole, especially their invaluable knowledge of the Group and its operations gained through the years.

Professor Datuk Dr. Nik Mohd Zain bin Nik Yusof ("Professor Datuk Dr. Nik") has served the Board as Independent Director for more than nine (9) years. The Board will seek approval from the shareholders of the Company at the forthcoming Annual General Meeting to retain Professor Datuk Dr. Nik as Independent Director based on the Board's assessment and justifications:-

- He has fulfilled the criteria under the definition of Independent Director as stated in the MMLR;
- He has vast and diverse range of experiences in property development and therefore would be able to provide constructive opinion, independent judgment and to act in the best interest of the Company and shareholders;
- He has continued demonstrated his independence, integrity and due care during Board meetings; and
- He had not entered into any related party transactions with the Group.

It is provided under Article 90 of the Company's Constitution, that if the Board continues to retain the independent director after the twelfth year, the Board should seek annual shareholders' approval through a two-tier voting process.

At present, the Board does not have formal gender diversity policy. Nonetheless, the Board support the gender diversity policy and has a female Executive Director in the Board. The Board will continue to provide a working environment that is conducive, fair and with equal opportunities within the Group and to commit to zero tolerance of workplace harassment, age, religious, ethnicity, race or gender discrimination.

The appointment of Board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender. The current diversity in the ethnicity, age distribution and skillsets of the existing Board members are as follows. It shall be noted that all Executive Directors are also the top senior management.

	Race/Ethnicity				Nationality		Gender	
	Malay	Chinese	Indian	Others	Malaysian	Foreign	Male	Female
Executive Director	--	3	--	--	3	--	2	1
Independent and Non-Executive Director	1	2	--	--	3	--	3	--

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

Age Group	40-49 years	50-59 years	60-69 years	70-79 years
Executive Director	1	2	--	--
Independent and Non-Executive Director	--	--	2	1

Skill	Accounting & Finance Management	Engineering	Legal / Law	Business Management
Executive Director	1	2	--	3
Independent and Non-Executive Director	1	1	1	3

The Nomination Committee is chaired by a Senior Independent Non-Executive Director. Through the Nomination Committee the Board will consider recommendations from existing board members, management, major shareholders and third-party sources to identify suitably qualified candidates, when necessary. New board candidates proposed to fill vacancy arises from resignation, retirement or any other reasons will be reviewed by Nomination Committee before recommending to the Board for further deliberation. The evaluation process may include, reviewing the candidate's resume, biographic information, qualifications, skills, knowledge, expertise, experience, competency and his/her understanding of the Group's business environment.

Any Board Member, while holding office, is at liberty to accept other board appointments (outside the Group) so long as the appointment is not in conflict with the business of the Group and that it would not detrimentally affect his or her performance as a board member of the Company. Before accepting an offer of appointment of other directorships, the Board members must notify the Chairman of the Board.

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

During the annual assessment exercise, the Directors are given performance evaluation sheet 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. 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 Nomination Committee, Remuneration Committee and the Audit Committee are carried out by the Board with the members of the respective committees abstained from deliberation.

(III) Remuneration

The remuneration policy of the Board provides that all Executive Directors and Senior Management are remunerated based on the Group's and individual's performances, market conditions and their responsibilities whilst the remuneration of the Non-Executive Directors is determined in accordance with their experience, level of responsibilities assumed in the Board Committees, their attendance and/or special skills and expertise they bring to the Board.

The remuneration of the Executive Directors is reviewed and recommended by the Remuneration Committee to the Board for approval. All Directors shall abstain from discussions and decisions on their own remuneration.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

Pursuant to Section 230(1) of the Companies Act, 2016, the fees of the directors and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting.

The amount of Directors' fee for the financial year proposed for the shareholders' approval at the forthcoming AGM is RM171,600. In addition, shareholder's approval will also be sought at the forthcoming AGM for the payment of Directors' benefit (excluding Directors' fees) to the non-executive directors up to an amount of RM50,000 from 29 May 2018 until the next annual general meeting of the Company.

The details of remuneration paid or payable to the Directors for the Financial Year and top three Key Senior Management are as follows:

Received from the Group	Datuk Tee Eng Ho* (RM'000)	Datin Toh Siew Chuon* (RM'000)	Tee Eng Seng* (RM'000)
Directors' Fee	--	--	--
Meeting Allowances	--	--	--
Salaries	1,379	888	888
Bonus	620	400	400
Benefits-in-Kind	21	13	21
Other Emoluments	232	150	150
Total	2,252	1,451	1,459

Received from the Company	Khoo Siong Kee (RM'000)	Lim Kien Lai @ Lim Kean Lai (RM'000)	Prof Datuk Dr. Nik Mohd Zain Nik Yusof (RM'000)
Directors' Fee	66	53	53
Meeting Allowances	9	9	8
Salaries	--	--	--
Bonus	--	--	--
Benefits-in-Kind	--	--	--
Other Emoluments	--	--	--
Total	75	62	61

* The Directors are also the key Senior Management of the company.

(IV) Whistleblowing Policy and Procedure

The Board has established its Whistleblowing Policy & Procedure and 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 which was published in the Company's website 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. Stakeholders who knows of, or suspects a violation of this policy may report the incidence and their concerns to Executive Chairman, Datuk Tee Eng Ho by emailing to teeengho@kerjayaprospek.com.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

Principle B: Effective Audit and Risk Management

I. Audit Committee

The Board has established an effective and independent Audit Committee. The members of Audit Committee comprising fully Independent Non-Executive Directors and the Chairman of the Audit Committee is not the Chairman of the board. When considering the appointment of former key audit partner from its current External Auditor's firm, the Audit Committee is mindful of the minimum two (2) years cooling off period best practice under the MCCG before appointing this partner as a member of the Audit Committee. None of the present members of the Audit Committee were former audit partners of the Company's auditors. With the present composition structure and practice, the Audit Committee is able to objectively review and report its findings and recommendations to the Board.

Annually, the Audit Committee will review the appointment, performance and remuneration of the External Auditors before recommending them to the Board for approval for seeking shareholders' approval at the forthcoming AGM for re-appointment. In assessing the External Auditors, the Audit Committee will consider the adequacy of resources of the firm, quality of service and competency of the staffs assigned to the audit as well as the auditors' independence and fee.

The Audit Committee will convene meeting with the External Auditors and Internal Auditors without the presence of the Executive Directors and employees of the Group as and when necessary. As part of the Audit Committee review processes, the Audit Committee will also obtain 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.

Collectively, the Audit Committee possess a wide range of necessary skills to discharge its duties and all members of the Audit Committee are financially literate and are able to understand matters under the purview of the Audit Committee including the financial reporting process. In order to strengthen the present financial literacy of each member, all members of the Audit Committee will balance their participation in continuous professional development programmes on accounting and auditing standards, practices and rules in the future.

II. Risk Management and Internal Control

The Board is responsible for the overall risk management in the Group while Executive Directors together with the senior management team are primary responsible for managing risks in the Group.

The features of the Group's risk management and internal control framework covering the risk policy, risk appetite, risk assessment and the review process by the Board and Audit Committee and the key internal controls are presented in the Statement on Risk Management and Internal Control of the Annual Report. The Board has also commented in the said statement that they are satisfied with the effectiveness and adequacy the existing level of systems of risk management and internal control.

The Internal Audit Function is carried out by an internal audit consulting firm. The internal audit function is headed by a Director who is assisted by a manager and supported by audit executives. The Director in charge is a qualified accountant while the rest of the team members are accounting graduates from local universities. The Internal Auditors have performed its work with reference to the principles of the International Professional Practice Framework of Institute of Internal Auditors covering the conduct of the audit planning, execution, documentations, communication of findings and consultation with key stakeholders. The Audit Committee will review the engagement between the Group and the internal audit consulting firm to ensure that the Internal Auditors' objectivity and independence are not impaired or affected.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

Principle C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

I. Communication with Stakeholders

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 quarterly 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, annual reports, announcements to Bursa Securities, Board Charter and Code of Conduct.

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. Hun Chew Yong (Finance Manager)

Tel : 603-6277 2480
Email : ir@kerjayagroup.com.my

Periodically, the Group had also conducted analyst and media briefings during the year to provide detailed explanation and presentation about the business performance of the Group and its prospect.

Shareholders and investors are also encouraged to interact and feedback to the Chairman or any Executive Directors 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 with an alternative to convey their concerns and seek independent view.

Separately, the Company has also reported its Sustainability Statement on this Annual Report covering the aspects of governance, environment and social responsibility for stakeholders' reference.

II. Conduct of General Meetings

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.

The Board had adopted the recommedation of MCCG for the notice of AGM to be given to shareholders at least 28 days prior to the meeting. All Board members will ensure their attendance in the AGM and the respective chairmen of the Board Committees shall attend to questions raised pertaining to their duties.

Explanation for each proposed resolution is set out in the Notice of AGM to assist shareholders in making their decisions and exercising their voting rights. In line with Paragraph 8.29A(1) of the MMLR, all resolutions set out in the Notice of AGM will be put to vote by poll. The Company will also appoint an independent scrutineer to validate the vote cast in the AGM. The outcome of the AGM will then be announced to Bursa Securities on the same meeting day while the summary of key matters, if any, discussed during the AGM will be posted on the Company website.

Shareholders who are unable to attend the AGM are advised that they can appoint proxies to attend and vote on their behalf.

This Statement is made in accordance with the resolution of the Board dated 13 April 2018.

ADDITIONAL COMPLIANCE INFORMATION

1. AUDIT AND NON-AUDIT FEES

The amount of audit fees incurred for statutory audit services rendered to the Group by the external auditors for the financial year ended 31 December 2017 amounted to RM199,825 of which RM35,000 was incurred by Kerjaya Prospek Group Berhad.

The amount of the non-audit fees incurred for services rendered for Kerjaya Prospek Group Berhad by the external auditors for the financial year ended 31 December 2017 was nil.

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 31 December 2017 are as follow:

Transacting Parties	Interested Related Parties	Nature of Transactions	Aggregate value (RM'000)
Kerjaya Prospek Group Berhad and its subsidiaries Kerjaya Prospek Property Sdn Bhd and its subsidiaries Desanda Development Sdn Bhd Dekad Intelek Sdn Bhd	Datuk Tee Eng Ho Tee Eng Seng Datin Toh Siew Chuon Egovision Sdn Bhd Amazing Parade Sdn Bhd Kerjaya Prospek Property Sdn Bhd and its subsidiaries Desanda Development Sdn Bhd Dekad Intelek 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, renting of machineries and rental of premises by Kerjaya Prospek Group Berhad and/or its subsidiaries to Kerjaya Prospek Property Sdn Bhd and its subsidiaries, Desanda Development Sdn Bhd, Dekad Intelek Sdn Bhd, and vice versa.	65,156
Kerjaya Prospek Group Berhad and its subsidiaries Eastern & Oriental Berhad and its subsidiaries Kerjaya Hotel Sdn Bhd	Datuk Tee Eng Ho Tee Eng Seng Datin Toh Siew Chuon Egovision Sdn Bhd Amazing Parade Sdn Bhd Eastern & Oriental Berhad and its subsidiaries Kerjaya Hotel Sdn Bhd	Supply of lighting fittings, kitchen cabinetry, provision of interior design works and masonry works, provision of general building and contraction works, utilities charges, maintenance charges and other related services, which including but not limited to secondment of staffs, renting of machineries, renting of premises and provision of hospitality expenses by Kerjaya Prospek Group Berhad and its subsidiaries to Eastern & Oriental Berhad and its subsidiaries, Kerjaya Hotel Sdn Bhd and vice versa.	4,057

3. MATERIAL CONTRACTS

There is no material contract entered into by the Company or its subsidiaries involving directors' and major shareholders' interest which was entered into since the end of previous financial year and/or still subsisting at the end of the financial year.

4. UTILISATION OF PROCEEDS

The Company did not raised funds through any corporate proposal during the financial year.

STATEMENT OF RISK MANAGEMENT & INTERNAL CONTROL

The Board of Directors of Kerjaya Prospek Group Berhad ("the Board") is committed to nurture and maintain throughout the Group a sound system of risk management and internal controls and good corporate governance practices to safeguard shareholder's investment and the Group's assets in accordance to Malaysian Corporate Governance. The Board hereby presents its Statement on Risk Management and Internal Control pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements ("MMLR"). In producing this Statement, the Board has considered the latest Malaysian Code on Corporate Governance and was guided by the "Statement on Risk Management and Internal Control - Guidelines for Directors of Listed Issuers" ("Guidelines").

THE BOARD'S RESPONSIBILITIES

As the Group operates in a dynamic business environment, sound risk management and internal control systems must be in place to help the Group to achieve its business objectives. The Board acknowledges its responsibility for the Group's risk management and internal control which includes identifying principal risks, implementing appropriate control measures to manage risks and reviewing the adequacy and effectiveness of the risk management and internal control systems on continuous basis.

There are processes for identifying, evaluating, monitoring and managing significant risks that may impede the achievement of the Group's business and corporate objectives. The Board through the Audit Committee("AC") reviews the internal control processes to ascertain that measures taken to mitigate risk.

RISK MANAGEMENT

Presently, the Board as a whole remains responsible for the overall risk management in the Group while Executive Director together with the senior management team are primary responsible for managing risks in the Group.

The Board has defined its risk policy and risk appetite statement. The Group has also conducted risk awareness workshop previously for the Executive Directors and key senior management staffs. The objective of the awareness workshop is to raise risk management awareness within the Group emphasising the importance processes and their responsibilities in managing risk. All identified risks were documented in a risk register and presented to the Board for review and deliberation. These risk management processes of identification, assessment and documentation are carried out with reference to the principles of ISO31000 on Risk Management which is the internationally recognised risk management framework. During the financial year, the Internal Auditors also briefed the Audit Committee of the status of risk assessment framework in the Group.

Separately, the Group has initiated management performance review programme during the financial year. An external consultant was engaged to facilitate management in gaining the awareness and understanding the process for Key Result Areas ("KRA") and Key Performance Indicators ("KPIs") for the respective departments. This programme has enabled management staffs to recognise their responsibilities in the context of KRA and KPIs.

The Group's present key focus for its construction division is on manpower, machineries and quality delivery where it intends to improve efficiency, quality, timely delivery and value proposition to the market. With respect to its property development arm, the focus areas are to deliver market driven projects with the intended quality, ensuring their timely completion and achieving its targeted sales. By focusing and managing these risks, the Group intends to achieve its long term growth objective and meet expectations of the market and stakeholders.

STATEMENT OF RISK MANAGEMENT & INTERNAL CONTROL (Cont'd)

INTERNAL CONTROLS

Presently, the key internal control systems in the Group are:

(1) Documented policies and procedures are in place for key operating units;

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

(3) Quarterly meetings are held between AC and Management to review the financial results and to discuss new updates on regulatory, accounting and tax, if any;

(4) Regular meetings between Executive Directors 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 cash flow are prepared to monitor the cost and to prevent any significant mismatch of cash inflows and outflows;

(6) Review and approval of investment and corporate exercise by the Board and AC;

(7) Review of related party transactions; and

(8) AC's review of the quarterly financial reports, annual financial statements and internal audit reports. Discussions with Management were held to deliberate on actions to be taken to address internal control matters identified by the Internal Auditors.

The Board has engaged a professional internal audit service company to assist the Board in reviewing and strengthening the Group systems of internal control. The Internal Audit Function reports to the AC directly and has organised its work the professional work covering the conduct of the audit planning, execution, documentations, communication of findings and consultation with key stakeholders on the audit concerns. AC will approve the internal audit plan and review the progress of audit periodically. The results of the audit reviews are reported to AC and AC will subsequently report to Board for further review. Follow-up review will also be conducted to ensure that recommendations for improvement are implemented by Management accordingly.

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 review, the Board has received assurance from Executive Chairman that, to the best of his knowledge that the Group's risk management and internal control systems are operating adequately and effectively, in all material respects.

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 31 December 2017. Their review was performed in accordance with

STATEMENT OF RISK MANAGEMENT & INTERNAL CONTROL
(Cont'd)

with Recommended Practice Guide ("RPG") 5 (Revised): Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants. RPG 5 (Revised) 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.

BOARD ASSURANCE AND LIMITATION

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 fairly effective to enable the Group to achieve its business objectives. Nevertheless, the Board wishes to advise that systems of risk management and internal control are designed to manage risks to a reasonable level rather than to eliminate the risk of failure to achieve the Group's business objectives. It can therefore only provide reasonable but not absolute assurance against material misstatement or financial losses or fraud.

This Statement is made in accordance with the resolution of the Board dated 13 April 2018.

AUDIT COMMITTEE REPORT

The Audit Committee of Kerjaya Prospek Group Berhad is pleased to present the Audit Committee Report for the financial year ended 31 December 2017 ("Financial Year").

The primary objective of the audit committee is to assist the board of directors in discharging its statutory duties and responsibilities relating to the corporate accounting and practices for the Company and all its subsidiaries ("Group") and to ensure the adequacy and effectiveness of the Group's internal control measures.

1. COMPOSITION AND MEETINGS

The Audit Committee ("AC") is established by the Board of Directors ("Board") and comprises three (3) members, all of whom are Independent Non-Executive Directors. The Chairman of the AC is appointed by the Board and is an Independent Non-Executive Director. This meets the requirements of paragraph 15.09 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements ("MMLR").

The members of the AC and their attendance at meetings during the Financial Year are shown in the table below:-

Name of the AC Member	Attendance
Khoo Siong Kee - Chairman *Senior Independent Non-Executive Director*	6/6
Professor Datuk Dr. Nik Mohd Zain bin Nik Yusof - Member *Independent Non-Executive Director*	5/6
Lim Kien Lai @ Lim Kean Lai - Member *Independent Non-Executive Director*	6/6

The representatives from the Management attended the meetings by invitation for the purposes of briefing the AC on reports presented at the meeting and to clarify on issues that the AC may have with regard to the activities involving their areas of responsibilities.

The External Auditors were present at four (4) AC meetings held during the Financial Year whereas the Internal Auditors were present at four (4) meetings held during the Financial Year.

Minutes of each AC meeting were recorded and tabled for confirmation at the next following AC meeting and subsequently presented to the Board at Board meeting for information. The Company Secretary is the Secretary to the AC.

2. TERMS OF REFERENCE

Pursuant to Paragraph 9.25 of the MMLR of Bursa Malaysia Securities Berhad, the terms of reference of Audit Committee are published on the Group website for shareholders' reference at www.kerjayagroup.com

AUDIT COMMITTEE REPORT (Cont'd)

3. WORK DONE BY THE AUDIT COMMITTEE DURING THE YEAR

The works were carried out by the Audit Committee during the Financial Year up to the date of issuance of this Annual Report comprising the following:-

(1) Reviewed the Company's quarterly financial report through discussions with Management before recommending to the Board's consideration and approval, focusing particularly on financial reporting issues, significant judgement made by management and unusual events and compliance with accounting standards and other legal requirements.

(2) Reviewed with the External Auditors:

(i) the audit planning memorandum, audit strategy and scope of work for the year;

(ii) the results of the annual audit and accounting issues arising from the audit, their audit report and management letter together with management's responses to the findings of the external auditors; and

(iii) the impact of any changes to the accounting standards, the impact and adoption of new accounting standards on the Company's financial statements.

(3) Reviewed the provision of non-audit services by the External Auditors, the performance of the External Auditors and evaluated their suitability and independence before making recommendations to the Board on their re-appointment and recommendation.

(4) Reviewed the annual audited financial statements of the Company prior to submission to the Board for consideration and approval. The review focused particularly on changes of accounting policy, significant matters highlighted including financial reporting issues, significant and unusual events/transactions and how these matters are addressed and compliance with applicable approved accounting standards in Malaysia.

(5) Reviewed the related party transactions and any conflict of interest situation that may arise within the Group and to ensure that they are not more favourable to the related parties than those generally available to the public and complies with the MMLR.

(6) Reviewed the Recurrent Related Parties Transactions circular and recommend to the Board to seek shareholders' approval for renewal of shareholders mandate.

(7) Reviewed the AC Report and Statement on Risk Management & Internal Control prior to submission to the Board for consideration and approval for inclusion in the annual report of the Company.

(8) Reported to the Board on matters discussed and addressed at the AC meetings.

(9) Reviewed with the Internal Auditor:-

(i) the annual internal audit plan for adequacy of scope and coverage on the activities of the Group. Audit areas were discussed and annual internal audit plan was approved for adoption; and

(ii) the internal audit reports presented by the Internal Auditor on their findings and recommendations with respect to system and control weaknesses and management's responses to these recommendations and actions taken to improve the system of internal control and procedures.

AUDIT COMMITTEE REPORT (Cont'd)

(10) Reviewed the status of compliance of the Company with the Malaysian Code of Corporate Governance, which are within the scope and function of the AC, for the purposes of disclosure in the Statement of Corporate Governance pursuant to the requirement of paragraph 15.25 of MMLR.

(11) Reviewed the report and updates from the outsourced risk management consultant on the implementation of the Enterprise-wide Risk Management framework and the development of the key risk profile, assessed the adequacy and effectiveness of the risk management framework and the appropriateness of the management's responses to key risk areas and proposed recommendations for improvement to be implemented.

(12) Assigned by the Board to review the proposed implementation of the proposed bonus issue of shares and bonus issue of warrants.

4. INTERNAL AUDIT FUNCTION AND ITS ACTIVITIES

The internal audit function, which is outsourced to a professional services firm is an integral part of the assurance mechanism in ensuring the Group's system of internal control are adequate and effective. The Internal Auditors report directly to the AC and assist the AC to discharge its duties and responsibilities.

The Internal Auditor prepare and table the Internal Audit Plan for the consideration and approval of the AC. It conducts independent reviews of the key activities with the Group's operations based on the audit plan approved by the AC. The Internal Auditor reports to the AC four (4) times a year and provide the AC with independent views on the adequacy, integrity and effectiveness of the system of internal control after its reviews.

Prior to the presentation of report to the AC, comments from the Management are obtained and incorporated into the internal audit findings and reports. The Internal Auditor has conducted internal audit review on Human Resources Management during the Financial Year.

The costs incurred in maintaining the outsourced the internal audit function for the financial year ended 31 December 2017 is RM47,000.

5. OTHER INFORMATION

The Nomination Committee had at its meeting held in 13 April 2017 reviewed the term of office of the AC Members and assessed the performance of the AC and its Members through an annual Board Committee effectiveness assessment. The Nomination Committee is satisfied that the AC and its members discharged their functions, duties and responsibilities in accordance to with the AC's Terms of Reference. The result of the assessment was reported to the Board and the Board is in concurrence with the Nomination Committee with regard to the performance of the AC and its members.

This statement is made in accordance with the resolution of the Board dated 13 April 2018.

NOMINATION COMMITTEE REPORT

(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 Director, Mr. Khoo Siong Kee.

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) Activities of the Nomination Committee

The annual principal function of the Nomination Committee is to assess and review the performance of the board, board directors and board committees and to consider the appropriate size and composition of the Board. The underlying policy in determining the size and composition of the Board is based on the consideration of the complexity and scale of operations of the Company and the Group, the Board balance and Board's capacity to discharge its responsibilities effectively.

Following are the summary of the review activities and the criteria and processes carried out by the Nomination Committee during the financial year up to the date of issuance of this Annual Report:-

i. Review of the Performance and Effectiveness of the Board, Board Committees and Individual Director

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 peers, quality of the input of the Director and their understanding of their respective roles.

During the assessment exercise, the Directors will be given a performance evaluation sheet 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. 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 Nomination Committee, Remuneration Committee and the Audit Committee are carried out by the Board with the members of the respective committees abstained from deliberation.

ii. Annual Independence Assessment

On an annual basis, the Nomination Committee will review the independence of the Independent Directors. Criteria for assessment of independence are primarily based on the requirements and definition of "independent director" as set out in the Listing Requirements and the integrity and objectivity of the independent director in discharging his duties. The details of evaluation of independent director who has served more than nine (9) years are further discussed under the Board Composition section of the Corporate Governance Overview Statement.

NOMINATION COMMITTEE REPORT (Cont'd)

iii. Evaluation of Directors Standing for Re-Election at the Forthcoming Annual General Meeting ("AGM")

In recommending the Directors for re-election to the Board, the Nomination Committee would 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.

STATEMENT ON DIRECTORS' RESPONSIBILITIES

The Directors are required by the Companies Act 2016 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 compliance with Companies Act 2016 and 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 in accordance to approved accounting standards;
- Make judgement 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 2016.

SUSTAINABILITY STATEMENT

BUILDING A BETTER LIVING IN THE FUTURE

Our theme **Building A Better Living In The Future** highlights our efforts to continuously progress towards a sustainable future. With the on-going material and technology advancements in the industry, we provide engineering and value-added design as a key component to our services and sustainability progress.

In 2017, Kerjaya Prospek Group Berhad ("KPGB") has decided to formally put into practice its sustainability reporting practice and incorporated a sustainability statement in its Annual Report. Our Sustainability Report statement ("SR") focuses on KPGB's sustainability practices in which we focus and highlight on the economic, environmental, and social ("EES") impacts of the our activities and initiatives. This is the first year that KPGB will be initiating its sustainability. This reporting will be made in line with the new GRI Standards for sustainability reporting, prioritizing our focus on reviewing our material issues and mapping out our route forward to embed sustainability throughout our business operations. In addition, we will also demonstrate our commitment to integrate sustainability practices and preparing this statement according to the Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("MMLR"), Sustainability Reporting Guide issued by the Exchange and the guidelines issued by the Global Reporting Initiative ("GRI").

REPORTING STANDARDS

We have based our reporting approach on the framework and guidance provided by the GRI. This report has been prepared in accordance with the "core" option of the GRI Standards. This includes adhering to the GRI principles for defining the report's contents:

- Stakeholder Inclusiveness – being responsive to stakeholder expectations and interests.
- Sustainability Context – presenting performance in the wider sustainability context.
- Materiality – focusing on issues where we can have the greatest impact and that are most important to our business and stakeholders.
- Completeness – including all information that is of significant economic, environmental and social impact to enable stakeholders to assess the KPGB's performance.

REPORTING SCOPE AND BOUNDARIES

KPGB's SR 2017 has been prepared in accordance with the GRI Standards. This SR covers the reporting period from 1 January 2017 to 31 December 2017. Our focus for the said period relates to the review of the material sustainability that covers economic, environmental and social areas. The content of this report is based on the material areas that we have identified. Our scope and boundaries cover all our entities and operations in Malaysia for the construction and manufacturing divisions. We believe our report will provide a sufficient breadth of the overall sustainability impact and performance of KPGB.

OUR REPORTING PROCESS

The performance and disclosure of KPGB's sustainability report are monitored by our Sustainability Committee ("SC"), led by our Executive Chairman ("EC"). This SR has been prepared by an external Consultant who has been working closely with the Sustainability Coordinator of our Group.

SUSTAINABILITY STATEMENT (Cont'd)

EXTERNAL ASSURANCE

We have engaged an external consultant to conduct a materiality study with the relevant departments to help us understand the economic, social and environmental risks and opportunities that stakeholders see as most critical for each of our business divisions. The exercise has helped us focus on our resources and efforts on the most important issues while developing an impactful progress in the aspects of our sustainability.

ABOUT KERJAYA

Vision

To be a profitable leader in providing value-added construction services and property related products with the aim to deliver quality projects and products in a timely manner through an efficient and integrated approach.

Mission

- To create and develop critical path resources of the Group to achieve our objectives
- To maximize shareholders value
- To be a responsible corporate citizen

Our Core Values

The Board commits itself and its Directors to ethical, business-like and lawful conduct, including proper use of authority and appropriate decorum when acting as Board members.

WHO WE ARE

Kerjaya Prospek Group Berhad (formerly known as Ulbon Berhad and Fututech Berhad) made its debut in the Kuala Lumpur Stock Exchange in 1996. KPGB currently has 4 business divisions comprising of:

- Construction Division
- Property Development Division
- Manufacturing - Kitchen Cabinetry Division
- Manufacturing - Lighting Division

WHAT WE DO

KPGB is presently involved in the provision of construction services, property development, manufacturing and supply of kitchen cabinetry & lighting products.

Construction: The provision of construction services is the main business of KPGB. The construction activities of KPGB are primarily undertaken by its wholly owned subsidiary; Kerjaya Prospek (M) Sdn Bhd ("KPM"), which is

SUSTAINABILITY STATEMENT (Cont'd)

currently involved in the business of building construction, piling services, interior fit-out business and other construction related services for the residential and commercial property segment.

KPM is a Grade 7 contractor registered with the Construction Industry Development Board ("CIDB") which allows KPM to tender and manage a wide spectrum of contracts in the market. KPM is also certified under the ISO 9001: 2000 Quality Management Systems Certification by UKAS and KPM has also been certified under the ISO 14001: 2015 Environment Management System and the OHSAS : 18001-2007 Occupational Health & Safety by UKAS on 2018. KPM is a reputable main contractor that is well-recognized for constructing high rise buildings and has with a wide portfolio of well-known developer clients in the market.

Property development: The property development division is part of the plan for the Group to integrate its construction and property related businesses that can improve its' overall long term profitability and growth. The Group's foray into the property development segment begun with its maiden project is known as Vista Residences @ Genting Highlands whilst another project in the pipeline is located at the Monterez Golf & Country Club, Selangor.

Kitchen: As a project focused division, the manufacturing and supply of the kitchen cabinetry business includes design, building mock-ups, mass production to project implementation. The Group's integrated kitchen cabinetry solution brings an in-depth understanding and experiences from working with premium developers, architects and contractors. With a well-supported manufacturing facility and an experienced workforce, this division is able to deliver high quality and timely delivery of kitchens to multiple projects within planned timelines.This division complements and supports the Group's construction and property development businesses.

Lighting: As a lighting solution provider, we have our manufacturing facility and supporting workforce to deliver lighting products and solutions to our project focused market. Our extensive experience in manufacturing of lighting products includes both indoor and outdoor lighting products. Our brand "BRITE-LITE" is a well-recognised name for high quality and reliability with many project achievements to its credit. This division complements and supports the Group's construction and property development businesses.

Location of Headquarters

No.1, Jalan Wangsa Permai
2nd Floor Bangunan One Wangsa
Taman Wangsa Permai
52200 Kuala Lumpur
Tel : 603-6277 2480
Fax : 603-6276 2482

Registered office

802, 8th Floor, Block C Kelana Square
17 Jalan SS 7/26 47301 Petaling Jaya
Selangor Darul Ehsan Malaysia
Tel : 603-7803 1126
Fax : 603-7806 1387

SUSTAINABILITY STATEMENT (Cont'd)

OUR PRODUCTS & SERVICES-OPERATIONS

KPGB has been delivering performance to its shareholders for many years and intends to carry on doing so moving forward. This is made possible by KPGB's strong management team and the successful implementation of various strategies to improve operational efficiencies and lower its reliance on general labour.

Our construction division continues to be the mainstay of the Group followed by the property development and manufacturing divisions.

CONSTRUCTION DIVISION

The construction division is mainly involved in the construction of high rise residential and commercial buildings for many well-known developer clients in Malaysia.

In the financial year 2017, the construction segment recorded a revenue of RM1,108.8million as compared to the preceding year of RM960.4 million, translating into a growth of approximately 15%. This segmental profit amounted to RM116.4 million as compared RM96.5 million in the previous financial year, registering an increase of approximately 21%.

The Group has managed to secure a total contract wins of approximately RM1.4 billion for the financial year 2017, which has contributed to the significant increase in the Group's revenue and earnings. The contracts were awarded by several notable developers such as Bina BMK Sdn Bhd, BCB Development Sdn Bhd, TSM Tower Sdn Bhd, Kerjaya Prospek Property Sdn Bhd, Aspen Vision City Sdn Bhd, Bon Estates Sdn Bhd and B.U. Development Sdn Bhd. The construction division currently has 24 on-going projects with an outstanding order book of approximately RM3.0 billion that will continue to provide clear earnings visibility for the years to come.

PROPERTY DEVELOPMENT DIVISION

The Malaysian property sector remained sluggish and is expected to continue for the upcoming year. The slowdown of the property market can be attributed to various factors. Banks are continuing the implementation of strict policy of lending to the public, prices of raw materials and labours have seen increasing, market sentiment has proven to remain cautious as investors are delaying their purchases in expectation of a drop in property prices. Despite the challenging condition, the Group managed a commendable achievement in the property development division with a record revenue of RM75.5million and RM15.0million in segmental profit.

The Group's maiden development; Vista Residences @ Genting Highlands ("Vista Residences"), was launched in January 2016 and as at 31 December 2017, Vista Residences has achieved a take-up rate of more than 75% and is at approximately 58% of project completion. Vista Residences bears a Gross Development Value ("GDV") of approximately RM300 million which sits on 1.4 acres of land and is scheduled to be completed by 2018. Another project in the pipeline is a land sited near the Monterez Golf & Country Club, Selangor which is planned for a residential high-rise development that has an estimated GDV of about RM300 million. This project is slated to be launched in 2019.

MANUFACTURING DIVISION

The Manufacturing division comprises of the manufacturing and supply of kitchen cabinetry and lighting products

SUSTAINABILITY STATEMENT (Cont'd)

under the brand name of "FORTE" and "BRITE-LITE" respectively.

The Group's manufacturing division plays a supporting role in the Group and complements the main business of construction and its property development arm. In its latest results as at 31 December 2017, the manufacturing division experienced a marginal decrease in its top and bottom lines due to the increase of raw materials price.

Key Highlights For 2017

Market	Market Capitalization : RM1.1 B (as at 2 January 2017)	
Business	For Financial Year Ended 31 December 2017	
1	Revenue	955.7 Million
2	Profit Before Tax	168.6 Million
3	Profit after tax (PAT)	126.07 Million
4	Basic Earnings Per Share	23.37 Sen.

OUR APPROACH TO DRIVING SUSTAINBILITY

Our approach to sustainability is based on our core values of delivering value, teamwork, integrity and building relationships. Accordingly, relevant policies and procedures will be written at Group level to support such move towards sustainability.Whenever practical and required, we will incorporate the sustainability factor in our businesses. The following value-added sustainability framework forms the basis of KPGB's step to strengthen our approach towards sustainability.

SUSTAINABILITY STRATEGY

As a public listed Group, we are committed and guided by our corporate policies, operational strategies and corporate governance with the objective to improve shareholders' value in the long term.

GOVERNANCE OF THE SUSTAINABILITY

Being a public listed Group, KPGB complies with high standards of corporate governance ("CG") practices and monitored under the leadership of its' Board of Directors, as guided by the Malaysian Code on CG 2017.

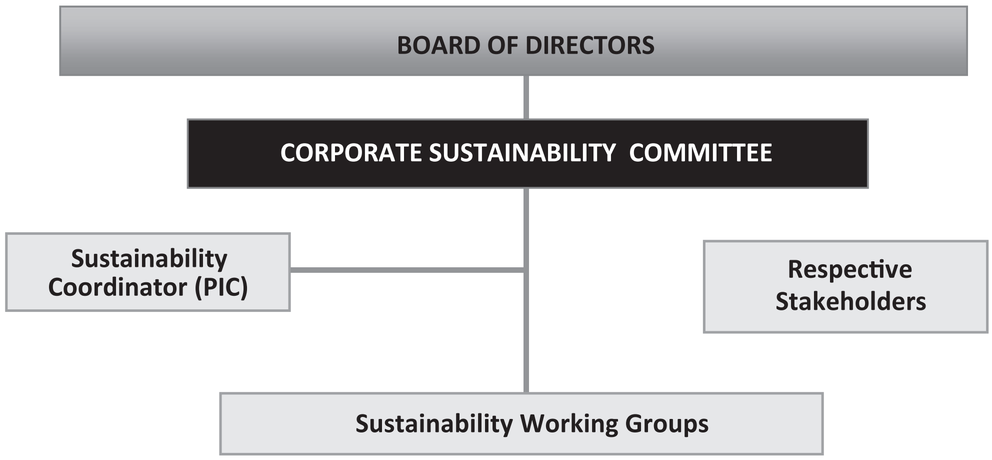
In line with sustainability, the Board has the ultimate responsibility to ensure that the sustainability efforts are embedded in the strategic direction of the company. We have established a Corporate Sustainability Committee ("CSC"), to oversee the formulation, implementation and effective management of our sustainability matters in line with the strategies.

The CSC is also supported by various working groups responsible for implementing the initiatives within the organization. The Executive Chairman will provide the Board with updates (if any) of key EES risks and opportunities ("sustainability matters").

SUSTAINABILITY STATEMENT (Cont'd)

The governance of our sustainability agenda is a process that is important to the Group as it enables the business to effectively embed sustainability. Good governance structures also ensure that KPGB is aligned to the principles and standards. Demonstrating its commitment from the top, the Group's sustainability agenda is governed by a CSC. The CSC comprises of members of KPGB's executive directors and is chaired by the Executive Chairman.

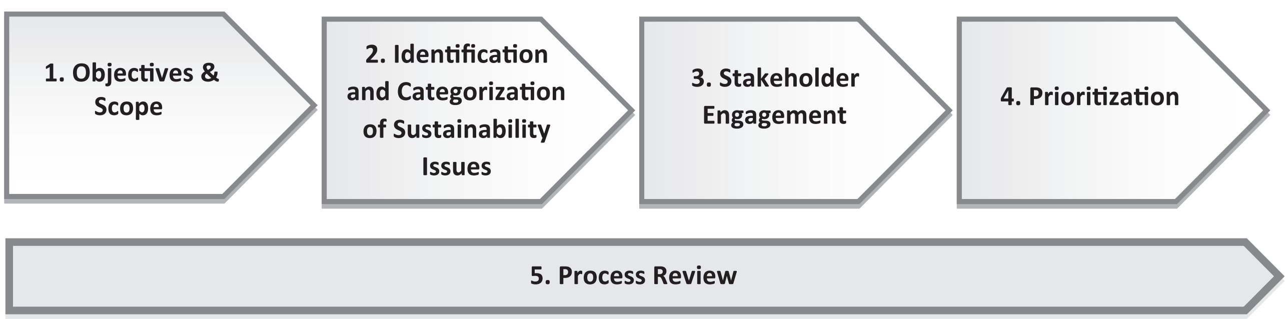
ORGANISATION STRUCTURE FOR SUSTAINBIILITY



STRATEGIES AND DIRECTIONS

Despite the present challenging operating environment, KPGB continues to practice prudence and stay focused on delivering quality growth, whilst being operating mindful of emerging risks. The Group is committed to uphold constructive and responsible financing through its management.

OUR MATERIALITY ASSESSMENT PROCESS



1. Objectives & Scope

KPGB undertook a materiality study within the top management and middle management to determine the objectives and scope of the sustainability reporting. Our scope and boundaries coverall our entities and operations in Malaysia for the construction and manufacturing division.

SUSTAINABILITY STATEMENT (Cont'd)

2. Identification of Relevant Sustainability Matters

The process is initiated with sustainability issues that are relevant to the KPGB and its stakeholders. In generating the list, the Group assessed the operating environment and emerging trends affecting the construction sector and conducted a study across a broad range of references to identify the relevant sustainability issues. The references included the Bursa Malaysia's Sustainability Reporting Guide and Toolkits, and international standards such as the Global Reporting Initiative Standards.

Moving forward, in 2018, we have planned to undertake a view of material factors and sustainability matters in order to ensure that our understanding of both the current and future risks and opportunities facing our markets is adequately addressed, as well as together stakeholder perspectives and ensure we are responding to their needs. As we update our material factors, we will continue to evolve our management approach to ensure that we are addressing them in a holistic and integrated manner. This may involve developing new policies and procedure, implementing various initiatives, measures and action plans, setting indicators, as well as to establish a proper mechanism to capture, analyse and report sustainability data and information.

OUR MATERIAL FACTORS

As we monitor, manage and report on a wide variety of issues, the key to our approach is focusing our resources on material sustainability risks and opportunities that are associated with each materials factor. Understanding our key priorities allows us to put our time, resources and investment to the best use. Combining the views from stakeholders and KPGB's Management on the materiality process, the materiality table has been derived to show the different levels of importance of the sustainability matters.

Material Factors

Table 1

Material Factors	Scale 12 – 15 - Very Important
Data Reporting and Verification	15
Compliance	15
Local Environmental Impact	14
Safety Record	14
Innovation	14
Local Impact Assessment & Improvement	12
Corporate Governance	15
Customer Satisfaction	12

The above scale is based on internal assessment

SUSTAINABILITY STATEMENT (Cont'd)

Our Stakeholders Engagement

Our interaction involves a large number of different stakeholder groups and this kind of engagement is important to ensure that we can identify, prioritize and address material matters to be adopted in our business strategies. The business and functional units are empowered to interact with their respective stakeholders on their chosen platforms. All issues raised by stakeholders are brought to the attention of the Management Committee or Management Meetings by the respective business and functional units. On-going engagements where applicable are carried out on a regular basis as they are integral to our business development, relationships with stakeholders and commitment to sustainability.

Stakeholder Group	Engagement Approach	Frequency	Engagement Focus & Objectives
Customers	1. Customer satisfaction survey 2. Project Issues 3. Planning 4. Work Quality 5. Progress Report	Weekly	1. CONQUAS, Qlassic / GBI (Green Building Index)/ Benchmark of standard of the quality of workmanship of construction project 2. Bi-weekly meeting with client/Consultant to discuss on Progress, Technical, drawing material, contract awarded & site co-ordination work, others pending issue to complete. Ensure the design & physical work co-ordinate without discrepancies & delay. 3. Master Work Program look ahead task completion and projection % completion on Structural, Arch, M&E Works. 4. PQP – Inspection on Structural, Architecture & M&E works. To ensure all trade work follow specification and method statement. / To ensure materials & work done quality to meet as per client's requirement. 5. Weekly progress, target physical work completion with stated the manpower resource. Critical work & obstruction. / To enhance method of work and site operating system to smooth flow sequence of work.
Employees	1. Employees satisfaction survey in the process 2. Consultation & monitoring	Daily/ Yearly	1. Yearly review by management for the performance capture on attendance, deliver target meet, achievement level / To evaluate & measurable value that demonstrates how effectively employee is achieving key company objectives. 2. To check & liaise daily task to perform & complete. Understanding the critical and issue to settle.

SUSTAINABILITY STATEMENT (Cont'd)

Group	Engagement Approach	Frequency	Engagement Focus & Objectives
Suppliers	1. Code of Ethics 2. Request for Proposal 3. Supplier Evaluations 4. Quarterly review 5. Review new purchases	On-going	1. Sound payment practices and vendor performance. 2. Submission of the quotation and propose materials for comparison and acceptable. / Value for cost. 3. Evaluation of material and products delivered. Site checking and feedback of quality & spec assurance. 4. Request for site inspection from manufacture and supplier to ensure quality and method of way to install and apply on site. 5. Market review of the new products and improvement of the quality materials comparison. Quality, spec price control to suit the construction requirement.
Regulators	1. Compliance with local authorities requirements	On-going	1. Comply with all the requirements. 2. Submission component part of works for approval, testing, stamping or certifying. Construction Industry Development Board (CIDB)/ Jabatan Keselamatan and Kesihatan Pekerjaan (JKKP)/ Occupational Safety, Health , and Environment (OSHE)
Community	1. Community development programmes 2. Update the neighborhood	On-going	Social requirements and specific feedback on programmes.
Media	1. Press releases 2. Conferences 3. Interviews 4. Advertising	Annually/ Quarterly	New developments for public knowledge/ promotion
Non-governmental organisations	Face to face meetings	On-going	Environmental matters

Prioritization of Material Sustainability Matters

KPGB has undertaken a stakeholder prioritization and engagement process to engage with its stakeholders. These

SUSTAINABILITY STATEMENT (Cont'd)

include on-going efforts to engage with stakeholders in the usual course of business through the day-to-day operations, as well as specific engagements carried out to seek stakeholders' feedback. The outcome of these engagements was considered in the course of the Group's materiality assessment.

As part of the process in conducting the materiality assessment of sustainability matters, the Group has conducted the specific engagement process as follows:

- To determine the key stakeholders with whom the Group should engage, the Group carried out assessments to identify key stakeholders based on each stakeholder's influence and dependence on the Group.
- To gain an insight into these key stakeholders' concerns, interests and expectations, the Group conducted stakeholder engagement surveys using a set of focused questionnaire and/or discussions including on-going sessions throughout the year to gauge stakeholders' concerns pertaining to the list of sustainability matters identified.
- Where applicable, KPGB also took into account feedbacks from other stakeholder groups, gathered through various channels and through the ongoing engagements during the course of conducting its business operation.

Process Review

The materiality process is undertaken as a key component of the KPGB's journey towards identifying the material sustainability matters. Table 1 which addressed its material sustainability matters in its business operations.

WHISTLEBLOWING POLICY AND PROCEDURES

The Board encourages employees within the Group and parties working with 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.

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 out and is available for reference at the Company's website at www.kerjayagroup.com

CORPORATE GOVERNANCE AND COMPLIANCE

KPGB, guided by the Malaysian Code on CG, has been proactive in promoting good corporate governance and ensures that the principles and best practices of good governance are applied throughout the Group. Details of our corporate governance framework and practices are elaborated in the Corporate Governance Overview Statement of the Annual Report.

SUSTAINABILITY STATEMENT (Cont'd)

To ensure compliance with all internal controls, laws and regulations, the Group has clearly established documented standard operating policies and procedures, defined levels of authority, and guidelines for recruitment and human capital development. These policies, procedures and guidelines are subject to regular reviews and improvements, and have been communicated to relevant staff levels.

RISK MANAGEMENT

An integral part of good corporate governance, an Enterprise Risk Management framework Policies and Procedures has been developed to enables KPGB to proactively identify, communicate and manage risks and exposures in an integrated, systematic and consistent manner. In driving risk awareness, decision-making and business processes are put through prudent risk assessment.

OUR SUPPLY CHAIN

Sustainability in supply chain has been increasingly recognized as an important aspect in corporate responsibility. In making responsible sourcing decisions, KPGB has started to explore putting in place an appropriate approach to consider suppliers' EES credentials in the lifecycle of supply chain.

In the emplacement of new suppliers, the Group intends to incorporate sustainability – related criteria in assessing the suppliers' business practices such as workplace relations and, occupational health and safety. For existing vendors and suppliers, the Group intends to send out surveys to selected suppliers for them to share and affirm their commitment towards EES.

KPGB is cognizant that there is still much to improve on managing sustainability in supply chain, and will continue to collaborate with its suppliers and vendors to work towards enhancing the sustainability practices with respect to EES matters.

COMMITMENT TO QUALITY

KPGB has the policies, procedures and best practices in place to deliver products and services of outstanding quality. Furthermore, regular reviews, process improvements and quality control assessments will ensure that our processes are compliant and continually enhanced.

CUSTOMER SATISFACTION

Customer satisfaction and engagement were identified as one of the important material issues in the marketplace dimension for the relevant divisions. Understanding and knowing customers' expectations will improve our bottom line, strengthen our brands and enhance the Group's reputation in the long term. To achieve such objectives, we will conduct ad hoc customer satisfaction surveys. The feedback generated provides insights into customers' expectations will enable us to develop and deliver better products and services to the market.

SAFETY AND HEALTH

It is one of our key priorities to maintain a safe and healthy work environment for our workforce. Our Safety and Health Policy goes beyond the requirements of the Occupational Safety and Health Act 1994 to ensure that our talents work under safe conditions. Our operations are governed by an internally established occupational safety, health and environmental management system, which is compliant with the international standards. We also believe in providing a comfortable and conducive working environment for our employees. We have been certified under OHSAS 18001:2007 Occupational Health and Safety on 2018.

OUR FOCUS ON SECURITY

We believe in the right to security for the public, our customers, our residents, partners and investors – as well as for the generations to come. Security is an important issue for all the departments and business units, and each departments plays a crucial role in order to enhance security for our stakeholders.

ENVIRONMENTAL

Towards a Greater Planet

We are mindful of the environmental impact of our activities and maintain full compliance with all the environmental regulations. We take responsibility to manage our environmental impact seriously. KPGB will continue to develop effective environmental initiatives to protect the environment. We are certified under ISO 14001: 2015 Environmental Management System by UKAS on 2018.

The industry we are in have extensive direct and indirect impact on the environment and by aligning ourselves with the goals of sustainable development, we will be able to design and construct buildings sustainably. Our emphasis is to grow the business without compromising the quality of the environment that we live in.

POLLUTION CONTROL

KPGB conducts pollution control during earthworks construction to minimise or prevent the pollution of the environment. The relevant workers are given a checklist to submit to the person in charge to ensure that a thorough monitoring process could be carried out.

Our methodology includes:

- Provide canvas sheet, plastic sheet as protection of soil during minor excavation
- Provide sheet pile to prevent soil collapse during deep excavation
- Provide and maintain proper washing bay for vehicle leaving the site to ensure no muds brought out to public area.
- Provide water sprinkler or water spray to lay down dust.

Other initiatives undertaken to ensure a safer environment with lesser pollution includes a thorough monitoring on the air quality and noise level at one of our project sites; namely "Eco Sky" Project at Jalan Ipoh, Kuala Lumpur. The objective was to determine the ambient air and noise characteristics within the vicinity of the proposed project site.

VEHICLE EMISSION

Vehicle and machine emissions are one of the key material issues in the construction and manufacturing industry. KPGB ensures that the air quality is protected and continues to explore strategies to improve this aspect. As a whole, all the vehicles and machines are required to undergo scheduled maintenance, testing and repair works on a periodic basis.

SUSTAINABILITY STATEMENT (Cont'd)

WATER MANAGEMENT & CONSUMPTION

We promote water saving practices among employees and adopt water efficient technologies and equipment wherever possible. The water consumed at our head office is obtained from the municipal water supply namely; Syarikat Syabas. We have taken small steps to control the water usage to be in line with the sustainability efforts, which includes:

- Seeking out any water leakages. Conducting checks and fixing leaks immediately, where possible.
- Use of surface water rain water

The water usage below is presented for the Head Office in Kuala Lumpur. Consumption figures are for both KPGB's staff and other building tenants.

Currently, we are unable to extract the water usage in "units" volume. In the circumstances, utilization is therefore represented in Ringgit Malaysia. It should also be noted that during the relevant period, the comparison figures are combined with the electricity usage as there is no such separation made in the accounting report previously. Moving forward, we intend to monitor the water and electricity separately by establishing a mechanism for this purpose.

Environment	2015 (RM'000)	2016 (RM'000)	2017 (RM'000)
Total Water and Electricity Consumption- Head Office	140	207	227

The increase in usage could be due to the following :

1. Increase in the cost of water.

2. Increase in the number of employees, visitors and tenants in the location.

3. Increase in maintenance activities of the location.

4. Increase in events held at location.

As for the construction sites, we utilise the underground water for certain purposes in addition to the municipal water supply. This will provide cost savings to the company. Harvested rainwater and underground water are used for identified purposes at the construction sites.

ENERGY MANAGEMENT

We understand that energy management is essential for combating climate change and for lowering an organisation's overall environmental footprint. Our electricity supply is from the local supply namely; TNB. We aim to minimize the energy usage in our head office by implementing the following efforts:

SUSTAINABILITY STATEMENT (Cont'd)

- A lighting schedule across key areas in our head office to switch-off lights during certain identified times.
- Campaign to remind all staff to switch-off lights, water dispenser, air conditioning and any otherelectrical appliances in the office and pantry when not in use.
- Practice daily shut-down of the air con overnight and increasing the "temperature setting"during cool and rainy days.

WASTE MANAGEMENT

KPGB acknowledges that the environmental impact of paper usage is significant. The Group's approach to waste management is to avoid unnecessary paper consumption and waste generation, where possible and appropriate, in order to reduce the wastage. KPGB is always mindful to reduce the usage of paper to further reduce waste. Generally, the Group practises the following on its paper management initiatives:

- Reducing papers – to avoid any printing and photocopying, if possible, and encourage paperless and electronic modes of usage. In addition, if printing or photocopying is necessary, then to practise double sided printing or reduce the paper size for economic reasons.
- Re-using one-sided printed papers – by printing on the other side of the printed papers
- Recycling papers – he papers by having proper recycling bins

STORAGE AND COLLECTION OF CONSTRUCTION AND RECYCLABLES

KPGB has carried out some initiatives for storage and collection of construction waste and recyclables. Theinitiatives include:

- To provide dedicated areas and storage bins for non-hazardous material for recycling during construction.
- To provide dedicated area and storage for collection of non-hazardous material for recycling.
- To designate a dedicated area where "on-site" sorted waste materials can be stored in separate segment for collection facilities.

REDUCE, REUSE AND RECYCLE IN CONSTRUCTION

Reduce, reuse and recycle waste management practices have been embraced at all project sites. These involved a provision for waste management at site, implementation of segregation of waste and programmes to cultivate good practices among employees. In addition, a Waste Management Plan is prepared at every site to outline specific measures for waste handling and to identify opportunities to minimise waste generation.

We have delegated a set of roles and responsibilities to all employees to come out with a waste management plan to be implemented whilst carrying out construction works. For instance, all recyclable materials will be collected by the general workers and those materials will be placed at the recycle bins within the site for further action. Steel bars will be gathered at one place and be sent to the nearest KerjayaProspek (M) SdnBhd's store. When the collected steel bars reach certain amount of value, it will be sold to responsible parties for recycling purpose.

SUSTAINABILITY STATEMENT (Cont'd)

Table below shows the types of items recycle/ reused/ disposal at site.

No	Items Recyced/ Reused/Disposal in Construction
1	Steel
2	Plastic
3	Paper
4	Aluminium
5	Concrete
6	Glass
7	Waste Oil
8	Construction soil

SOCIAL

Health & Safety ("H&S")

The H&S of our employees and other external relevant stakeholders are a priority for us. We take our responsibility to manage and mitigate the occurrence of H&S incidences very seriously. All incidents that occur are recorded by personnel in charge as well as H&S personnel, and are investigated thoroughly to ensure a complete understanding of the cause of any incident. This allows us to then take steps to mitigate the risk of similar repeats of such incidents. We comply with the requirements set out by the Department of Safety & Health ("DOSH") and receive periodic checks by DOSH representatives to ensure continuous compliance.

As part of our efforts to prevent the occurrence of H&S incidents, our management team monitors the news for global incidents that have occurred on sites similar to ours. These incidents are then used as a guide by the operations team, allowing them to test their responses as well as update their standard operating procedures where required.

The Workplace

Employees are the backbone of any business and are central to the functioning of the business operations. They play a vital role in the success and sustainability of the organization. KPGB advocates a corporate philosophy in providing a healthy and safe workplace with a proper working environment for its entire workforce. Employees of different background, gender, age and ethnicity are given fair opportunities for career growth, fair performance evaluation and compensation programmes which commensurate with their rank and level of employment. KPGB in full filling its responsibility as a caring employer, focuses on building long lasting relationships with its employees.

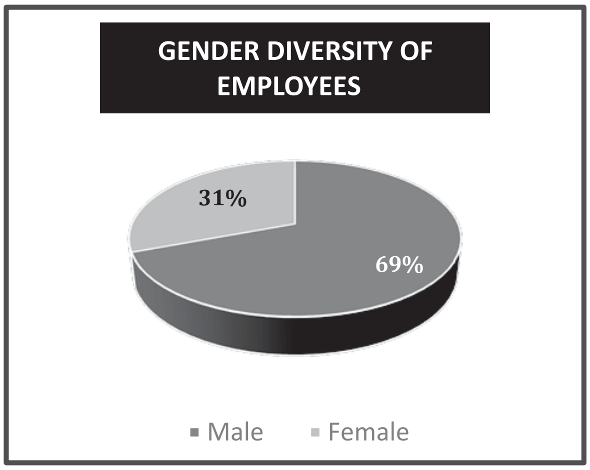
The following initiatives have been adopted by the Group:

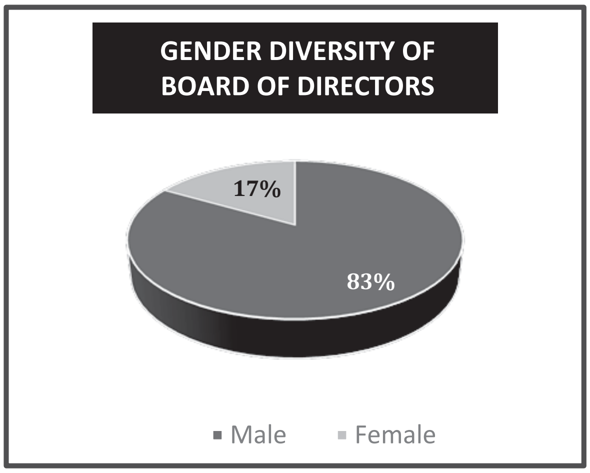
Employees' Welfare and Well-being

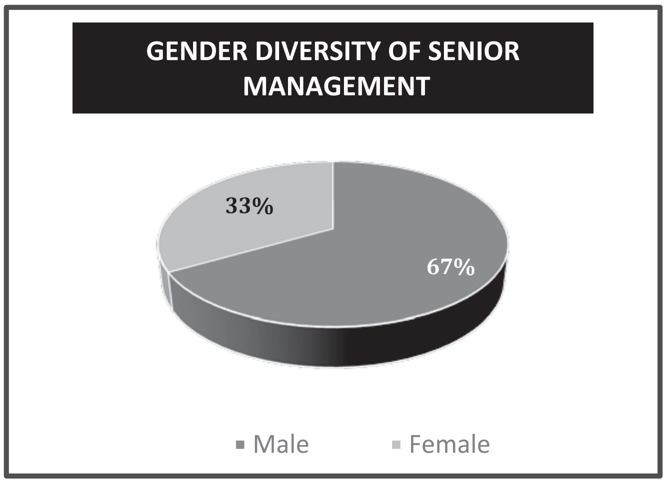
- Medical benefits;
- Regularly updating of human resource policies and staff benefits;
- Encouraging a healthy and building good relationship among staff by providing support for social activities;

SUSTAINABILITY STATEMENT (Cont'd)

Employment Diversity In Terms Of Gender in KPGB







Safe, Healthy and Conducive Work Environment

The Group places great emphasis on safety and health aspects of its employees while maintaining a comfortable and conducive work environment through the following initiatives:

- The setting up of Occupational Safety and Health Committee to initiate various health and safety programmes to enhance employees' awareness in work place;
- Ensuring a safe workplace with 24 hours' security surveillance;
- Constant updating and promoting the awareness of safety precautions and health issues;
- Employees are required to wear safety gears at work place to minimize work injuries at the construction and manufacturing arm;
- Maintaining a workplace that is free from theft, violence, harassment, intimidation and other unsafe and disruptive influences due to internal and external conditions.

Training and Development

The Group recognizes the importance of human capital development to meet challenges. It continues to build and upgrade its human resources to ensure that they can realize their full potential with the following efforts:

SUSTAINABILITY STATEMENT (Cont'd)

- To engage in external training workshops for employees on both technical related skills and soft management skills;
- Participate in external trainings and activities to broaden the knowledge base and exposure of its employees to keep abreast on new developments in their respective field of expertise;
- New employees will participate in new employees' orientation as well as on-site visit to get clear insights into the Group's operations.

Recreational, Sports and Leisure Activities

The Group encourages its employees to participate in sports and recreational activities in order to cultivate a good work-life balance culture. This would lead to a more productive workforce team and develop a caring, harmonious, cohesive and vibrant team-spirit based working environment.

Contributing to the Well-Being of Our Communities

Being sustainable encompasses an appreciation of the symbiotic relationship between ourselves and our communities. As such, playing an active role in engaging and giving back to our communities forms an integral part of the work that we do.

The Group contributes to charitable organizations on a yearly basis.

Looking Ahead

This is KPGB's first Sustainability Statement, and although we have made some development towards formalising sustainability within our business, we recognise that we still have room for enhancement, both in terms of initiatives undertaken and our reporting structure. As we continue on our sustainability journey, our ultimate goal is to build a sustainable business for generations to come. To achieve this, we will continually keep abreast of developments in our industry, actively and regularly engage our stakeholders, build upon our existing sustainability framework, and seek to further embed sustainable practices within our businesses so as to improve our overall sustainability performance.

Moving forward, we will be adding metrics and targets to measure issues that are material to our businesses and move towards benchmarking our progress against international standards of reporting.

As we look to the future, it is our hope that we will continue to introduce new and exciting quality for our customers, enrich our local communities, create value for our stakeholders, and be anorganisation that people will be proud to associate.

CORPORATE SOCIAL RESPONSIBILITY

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 effort and at all times 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 following:

- Organised technical in-house training or send selected staffs for external training course in order to continuously enhance and retain talent pool;
- Create health and safety awareness through a series of seminars and trainings which includes of fire drills exercise, chemical handling procedures, construction site safety measures;
- 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.

CORPORATE SOCIAL RESPONSIBILITY (Cont'd)

Apart from the welfare and development of the employees, the Group is not forgetting its role and responsibilities towards the society. As an effort to support and grow local talent, the Group collaborates with various local universities 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 recognises the importance of environmental health and encourages employees to take a proactive approach towards the care of the environment. Recycle and reuse resources and practice energy saving are always the objectives of the Group in helping the environment.

FINANCIAL STATEMENTS

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST DECEMBER, 2017

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST DECEMBER, 2017

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, 2017.

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 before taxation	168,571,357	53,953,519
Taxation	(42,502,081)	(124,297)
	126,069,276	53,829,222
Attributable to:		
Owners of the Company	124,740,059	53,829,222
Non-controlling interests	1,329,217	-
	126,069,276	53,829,222

DIVIDEND

Since the end of the previous financial year, the Company has paid an single tier interim dividend of 5.50 sen per ordinary share amounting to RM30,817,017 based on 560,304,133 ordinary shares, in respect of the financial year ended 31st December, 2017 on 29th August, 2017.

At the forthcoming Annual General Meeting, a single-tier final dividend in respect of the current financial year of 0.50 sen per ordinary share amounting to RM6,209,844 based on 1,241,968,766 ordinary shares (as at the date of this report) will be proposed for shareholders' approval. The single-tier final dividend was proposed by the Board of Directors on 13th April, 2018.

The financial statements for the current financial year do not reflect this single-tier final dividend. This dividend payment will be accounted for in the shareholders' equity as an appropriation of retained profits in the financial year ending 31st December, 2018.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year under review other than as disclosed in Note 18 to the financial statements.

ISSUE OF SHARES

During the financial year, the issued and paid-up share capital of the Company increased by RM388,125,524 from RM254,532,782 to RM642,658,306 by way of issuance of 55,465,818 new ordinary shares as at the end of the financial year detailed as follows:

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST DECEMBER, 2017
(Cont'd)

ISSUE OF SHARES (CONT'D)

(a) Issuance and listing of 33,344,828 new ordinary shares pursuant to the conversion of Redeemable Convertible Preferences Shares ("RCPS"); and
(b) Issuance and listing of 22,120,990 new ordinary shares pursuant to the exercise of Warrants 2007/2017;

The newly issued Kerjaya Shares rank pari passu in all respects with the existing ordinary shares 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.

DIRECTORS

The directors in office during the financial year until the date of this report are:

Datuk Tee Eng Ho
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			
	Balance at 1.1.2017	Bought	Sold	Balance at 31.12.2017
Direct interest:				
Datin Toh Siew Chuon	2,322,700	372,443	-	2,695,143
Lim Kien Lai @ Lim Kean Lai	50,000	20,000	-	70,000
Khoo Siong Kee	10,100	-	-	10,100
Indirect interest:				
Datuk Tee Eng Ho *	367,070,342	44,592,270	(15,000,000)	396,662,612
Tee Eng Seng *	367,070,342	44,592,270	(15,000,000)	396,662,612
Datin Toh Siew Chuon *	367,070,342	44,592,270	(15,000,000)	396,662,612

* Deemed interested by virtue of their interest in Egovision Sdn. Bhd. and Amazing Parade Sdn. Bhd. pursuant to section 8(4) of the Companies Act, 2016.

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST DECEMBER, 2017

(Cont'd)

DIRECTORS' INTEREST (CONT'D)

	Number of Warrants 2007/2017			
	Balance at 1.1.2017	Bought	Sold/ Converted	Balance at 31.12.2017
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 8(4) of the Companies Act, 2016.

	Number of Redeemable Convertible Preference Shares Held			
	Balance at 1.1.2017	Bought	Sold/ Converted	Balance at 31.12.2017
Indirect interest:				
Datuk Tee Eng Ho *	33,344,828	-	(33,344,828)	-
Tee Eng Seng *	33,344,828	-	(33,344,828)	-
Datin Toh Siew Chuon *	33,344,828	-	(33,344,828)	-

* Deemed interested by virtue of their interest in Egovision Sdn. Bhd. and Amazing Parade Sdn. Bhd. pursuant to section 8 (4) of the Companies Act, 2016.

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.

Other than the above, the director in office at the end of the financial year did not have any interest in ordinary shares, warrants and RCPS 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.

DIRECTORS' REMUNERATION

The amounts of remunerations received and receivable by the directors of the Company during the financial year are disclosed in Note 27 of the financial statements.

INDEMNIFYING DIRECTORS, OFFICERS OR AUDITORS

The amount of insurance coverage during the financial year is RM5,000,000 for the directors and officers of the Company.

WARRANTS 2007/2017

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

REDEEMABLE CONVERTIBLE PREFERENCE SHARES

The movement and salient terms of RCPS are disclosed in Note 17 to the financial statements.

HOLDING COMPANY

The holding company of the Company is Egovision Sdn. Bhd., a company incorporated in Malaysia, and owns 50.02% of the Company's equity shareholdings as at 13th April, 2018.

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.

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST DECEMBER, 2017

(Cont'd)

OTHER STATUTORY INFORMATION (CONT'D)

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.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

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

SIGNIFICANT EVENTS SUBSEQUENT TO THE FINANCIAL YEAR END

Details of significant events subsequent to the financial year end are disclosed in Note 40 to the financial statements.

AUDITORS' REMUNERATION

The amount paid or payable to the auditors as remuneration for their service is disclosed in Note 25 of 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: 13th April, 2018
Kuala Lumpur

STATEMENT BY DIRECTORS

(Pursuant to Section 251[2] of the Companies Act, 2016)

We, DATUK TEE ENG HO and TEE ENG SENG, being two of the directors of KERJAYA PROSPEK GROUP BERHAD, state that, in our opinion, the financial statements set out on pages 62 to 144 are drawn up in accordance with Malaysian Financial Reporting Standards and the Companies Act, 2016 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, 2017 and of the results and cash flows of the Group and of the Company for the financial year ended on that date.

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

DATUK TEE ENG HO
Director

TEE ENG SENG
Director

Dated: 13th April, 2018
Kuala Lumpur

STATUTORY DECLARATION

(Pursuant to Section 251[1][b] of the Companies Act, 2016)

I, DATUK TEE ENG HO, being the director primarily responsible for the financial management of KERJAYA PROSPEK GROUP BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 62 to 144 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
13th April, 2018

DATUK TEE ENG HO

Before me,

LAI DIN
License No. W668
Commissioner of oaths
Kuala Lumpur

INDEPENDENT AUDITORS' REPORT

Report to the members of *KERJAYA PROSPEK GROUP BERHAD*

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Kerjaya Prospek Group Berhad, which comprise the statements of financial position as at 31st December, 2017 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 year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 62 to 144.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31st December, 2017, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company of the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In arriving at our audit opinion above on the financial statements, the key audit matter that had the greatest effect on our audit was as follows:

Revenue Recognition of Construction Contracts and Property Development

The Group recognises construction contracts and property development revenue in the statements of comprehensive income based on the stage of completion method. This is assessed by reference to the proportion of actual costs incurred for work performed to date relative to the estimated total costs for the projects at completion.

The process to measure the construction contracts and property development revenue recognised includes the estimation of total project costs and determination of stage of completion. In making these assessments, the management considers past experience and relies on the work of independent experts.

INDEPENDENT AUDITORS' REPORT (Cont'd)

Key Audit Matters (cont'd)

Revenue Recognition of Construction Contracts and Property Development (cont'd)

How our audit addressed this matter:

- We evaluated the design and implementation of key controls in respect of revenue and cost recognition and budgeting process of construction and property development costs;

- We agreed total construction contract revenue on a sample basis to construction contracts and approved variation orders. We tested samples of actual sales of development properties to signed sales and purchase agreements;

- We selected a sample of major projects to critically assess their total estimated construction and development costs, the reasonableness of their percentage of completion and variations within contract revenue and contract costs by reviewing sub-contracts, quotations and variation order documents and testing the construction and development costs incurred to date to relevant documents such as sub-contractor claim certificates.

- On a test basis, we checked the calculation of the percentage of completion and that the percentage of revenue and costs recognised in the statements of comprehensive income is appropriate.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report and directors' report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the annual report and directors' report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the annual report and directors' report and, in doing so, consider whether the annual report and directors' report are materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the annual report and directors' report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards presentation of financial statements in accordance with Malaysian Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITORS' REPORT (Cont'd)

Responsibilities of Directors for the Financial Statements (cont'd)

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatement can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of theses financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's and of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors.

- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITORS' REPORT (Cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we also report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 6 to the financial statements.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 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 KOON LIANG
02909/02/2019 J
Chartered Accountant

Dated: 13th April, 2018
Kuala Lumpur

STATEMENTS OF FINANCIAL POSITION

AS AT 31ST DECEMBER, 2017

	Note	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	**145,324,938**	118,056,449	**29,700**	33,300
Investment properties	5	**5,142,200**	7,475,456	**-**	-
Investment in subsidiaries	6	**-**	-	**462,864,493**	462,864,481
Other investments	7	**13,068,990**	43,000	**-**	-
Intangible assets	8	**353,186,448**	353,223,766	**-**	-
Trade and other receivables	10	**135,357,643**	82,340,730	**-**	-
		652,080,219	561,139,401	**462,894,193**	462,897,781
Current assets					
Inventories	11	**71,804,992**	70,447,050	**-**	-
Trade and other receivables	10	**238,516,260**	265,655,347	**119,678,688**	128,738,138
Accrued billings in respect of property development	12	**-**	6,885,579	-	-
Tax recoverable		**2,988,947**	1,123,982	**136,471**	156,976
Other current assets	13(a)	**33,848,307**	19,749,991	-	-
Cash and bank balances	15	**185,415,523**	132,438,613	**78,381,955**	24,364,317
		532,574,029	496,300,562	**198,197,114**	153,259,431
TOTAL ASSETS		**1,184,654,248**	1,057,439,963	**661,091,307**	616,157,212
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	16	**642,658,306**	254,532,782	**642,658,306**	254,532,782
RCPS - equity component	17	**-**	36,523,318	**-**	36,523,318
Reserves	18	**724,227**	330,333,440	**-**	330,009,168
Retained profit/(accumulated losses)		**234,367,330**	140,444,288	**14,973,113**	(8,039,092)
		877,749,863	761,833,828	**657,631,419**	613,026,176
Non-controlling interests		**1,861,779**	532,562	**-**	-
TOTAL EQUITY		**879,611,642**	762,366,390	**657,631,419**	613,026,176
Non-current liabilities					
Deferred tax liabilities	9	**8,046,160**	6,601,713	**-**	51,857
Trade and other payables	19	**49,017,495**	39,012,283	**-**	-
		57,063,655	45,613,996	**-**	51,857

STATEMENTS OF FINANCIAL POSITION (Cont'd)

AS AT 31ST DECEMBER, 2017

	Note	Group 2017 RM	Group 2016 RM	Company 2017 RM	Company 2016 RM
Current liabilities					
Trade and other payables	19	**145,944,061**	163,450,135	**3,459,888**	974,354
Other current liabilities	13(b)	**76,979,898**	73,280,680	**-**	-
Progress billing due to property development	12	**14,914,523**	-	**-**	-
RCPS - liability component	17	**-**	2,104,825	**-**	2,104,825
Income tax payable		**10,140,469**	5,787,816	**-**	-
Short term borrowing	20	**-**	4,836,121	**-**	-
		247,978,951	249,459,577	**3,459,888**	3,079,179
TOTAL LIABILITIES		**305,042,606**	295,073,573	**3,459,888**	3,131,036
TOTAL EQUITY AND LIABILITIES		**1,184,654,248**	1,057,439,963	**661,091,307**	616,157,212

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST DECEMBER, 2017

		Group		Company	
	Note	**2017**	2016	**2017**	2016
		RM	RM	**RM**	RM
					(Restated)
Revenue	21	**955,669,306**	798,694,405	**51,500,000**	25,000,000
Cost of sales	22	**(770,468,154)**	(650,465,843)	**-**	-
Gross profit		**185,201,152**	148,228,562	**51,500,000**	25,000,000
Other operating income	23	**19,881,003**	15,161,678	**3,237,385**	715,536
		205,082,155	163,390,240	**54,737,385**	25,715,536
Administrative expenses		**(27,907,541)**	(26,848,736)	**(669,286)**	(2,689,904)
Other operating expenses		**(116,512)**	(124,880)	-	-
Profit from operations		**177,058,102**	136,416,624	**54,068,099**	23,025,632
Finance costs	24	**(8,486,745)**	(3,259,265)	**(114,580)**	(580,937)
Profit before taxation	25	**168,571,357**	133,157,359	**53,953,519**	22,444,695
Taxation	28	**(42,502,081)**	(33,330,433)	**(124,297)**	(16,621)
Profit after taxation		**126,069,276**	99,826,926	**53,829,222**	22,428,074
Other comprehensive expenses:					
Item that is or may be reclassified subsequently to profit or loss					
- Foreign currency translation	18	**399,955**	27,922	**-**	-
Total comprehensive income for the year		**126,469,231**	99,854,848	**53,829,222**	22,428,074
Profit for the financial year attributable to:					
Owners of the Company		**124,740,059**	99,624,364		
Non-controlling interest		**1,329,217**	202,562		
		126,069,276	99,826,926		
Total comprehensive income attributable to:					
Owners of the Company		**125,140,014**	99,652,286		
Non-controlling interest		**1,329,217**	202,562		
		126,469,231	99,854,848		
Earnings per share attributable to Owners of the Company (sen)	29	**23.37**	26.78		
Diluted earnings per share (sen)	29	**23.37**	23.74		

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST DECEMBER, 2017

	Note	<----Non-distributable	---->		<----Distributable	---->	
	Note	Share capital RM	Reserves RM (Note 18)	RCPS equity component RM (Note 17)	Retained profit RM	Non-controlling interest RM	Total RM
Group							
At 1st January, 2016		45,861,306	670,878	-	61,787,292	-	108,319,476
Issuance of shares pursuant to:							
- Acquisition of subsidiaries		18,448,276	24,351,724	357,843,318	-	330,000	400,973,318
- Exercise of warrant 2007/2017		1,723,200	1,309,632	-	-	-	3,032,832
- Conversion of RCPS		138,500,000	182,820,000	(321,320,000)	-	-	-
- Private placement		50,000,000	125,200,000	-	-	-	175,200,000
Share issuance expenses		-	(4,046,716)	-	-	-	(4,046,716)
Total comprehensive income for the year		-	27,922	-	99,624,364	202,562	99,854,848
RCPS dividend		-	-	-	(688,440)	-	(688,440)
Dividend paid	30	-	-	-	(20,278,928)	-	(20,278,928)
At 31st December, 2016		254,532,782	330,333,440	36,523,318	140,444,288	532,562	762,366,390
Issuance of shares pursuant to:							
- Exercise of warrant 2007/2017		19,005,116	461,358	-	-	-	19,466,474
- Conversion of RCPS		38,680,000	-	(36,523,318)	-	-	2,156,682
Share issuance expenses		-	(30,118)	-	-	-	(30,118)
Total comprehensive income for the year		-	399,955	-	124,740,059	1,329,217	126,469,231
Effect of implementation of Companies Act, 2016		330,440,408	(330,440,408)	-	-	-	-
Dividend paid	30	-	-	-	(30,817,017)	-	(30,817,017)
At 31st December, 2017		642,658,306	724,227	-	234,367,330	1,861,779	879,611,642

STATEMENTS OF CHANGES IN EQUITY (Cont'd)

FOR THE YEAR ENDED 31ST DECEMBER, 2017

	Note	<----Non-distributable----	---->	RCPS equity component RM (Note 17)	<----Distributable----	---->	
		Share capital RM	Reserves RM (Note 18)		(Accumulated losses)/ Retained profit RM	Non-controlling interest RM	Total RM
Company							
At 1st January, 2016		45,861,306	374,528	-	(9,499,798)	-	36,736,036
Issuance of shares pursuant to:							
- Acquisition of subsidiaries		18,448,276	24,351,724	357,843,318	-	-	400,643,318
- Exercise of warrant 2007/2017		1,723,200	1,309,632	-	-	-	3,032,832
- Conversion of RCPS		138,500,000	182,820,000	(321,320,000)	-	-	-
- Private placement		50,000,000	125,200,000	-	-	-	175,200,000
Share issuance expenses		-	(4,046,716)	-	-	-	(4,046,716)
Total comprehensive income for the year		-	-	-	22,428,074	-	22,428,074
RCPS dividend		-	-	-	(688,440)	-	(688,440)
Dividend paid	30	-	-	-	(20,278,928)	-	(20,278,928)
At 31st December, 2016		254,532,782	330,009,168	36,523,318	(8,039,092)	-	613,026,176
Issuance of shares pursuant to:							
- Exercise of warrant 2007/2017		19,005,116	461,358	-	-	-	19,466,474
- Conversion of RCPS		38,680,000	-	(36,523,318)	-	-	2,156,682
Share issuance expenses		-	(30,118)	-	-	-	(30,118)
Total comprehensive income for the year		-	-	-	53,829,222	-	53,829,222
Effect of implementation of Companies Act, 2016		330,440,408	(330,440,408)	-	-	-	-
Dividend paid	30	-	-	-	(30,817,017)	-	(30,817,017)
At 31st December, 2017		642,658,306	-	-	14,973,113	-	657,631,419

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31ST DECEMBER, 2017

		Group		Company	
	Note	**2017**	2016	**2017**	2016
		RM	RM	**RM**	RM
CASH FLOWS FROM/ (USED IN) OPERATING ACTIVITIES					
Profit before taxation		**168,571,357**	133,157,359	**53,953,519**	22,444,695
Adjustments for:					
Amortisation of intangible asset		**34,073**	25,004	**-**	-
Allowance for impairment losses on					
- trade receivables		**116,512**	124,880	**-**	-
Bad debt written off		**10,000**	360,216	**-**	-
Bad debt recovery		**-**	(2,093,380)	**-**	-
Depreciation of property, plant and equipment		**23,782,967**	12,916,063	**3,600**	2,700
Dividend income		**-**	-	**(51,500,000)**	(25,000,000)
Interest income		**(4,650,087)**	(3,323,539)	**(1,437,385)**	(715,536)
Interest expenses		**90,699**	876,274	**-**	540,285
Gain on disposal of property, plant and equipment		**(2,438,000)**	(511)	**-**	-
Net fair value adjustments		**4,151,795**	(1,800,316)	**-**	-
Allowance for diminution of investment		**1,953,899**	-	**-**	-
Reversal of allowance for doubtful debts		**-**	-	**(1,800,000)**	-
Unrealised gain on foreign exchange		**-**	(44,954)	**-**	-
Operating profit/(loss) before working capital changes		**191,623,215**	140,197,096	**(780,266)**	(2,727,856)
(Increase)/decrease in inventories:					
- property under development		**4,500,918**	(9,639,308)	**-**	-
- others		**(520,800)**	321,854	**-**	-
- investment properties		**(5,388,060)**	(15,214,136)	**-**	-
(Increase)/decrease in trade and other receivables		**(26,004,339)**	(6,555,388)	**10,859,450**	(96,860,105)
Increase in other current assets		**(14,098,316)**	(5,271,666)	**-**	-
Increase in trade and other payables		**10,147,516**	38,557,223	**2,485,534**	99,074
Increase/(decrease) in other current liabilities		**3,699,218**	(47,191,427)	**-**	-
Cash generated from/(used in) operations		**164,009,352**	95,204,248	**12,564,718**	(99,488,887)
Interest received		**4,650,087**	3,323,539	**1,437,385**	715,536
Interest paid		**(90,699)**	(876,274)	**-**	(540,285)
Income taxes refund		**376,963**	8,759	**-**	-
Income taxes paid		**(38,895,124)**	(30,325,864)	**(103,792)**	(101,720)
Net cash generated from/(used in) operating activities		**130,050,579**	67,334,408	**13,898,311**	(99,415,356)

STATEMENTS OF CASH FLOWS (Cont'd)

FOR THE YEAR ENDED 31ST DECEMBER, 2017

	Note	Group		Company	
		2017 RM	2016 RM	**2017 RM**	2016 RM
CASH FLOWS (USED IN)/ FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment		**(53,288,316)**	(71,255,954)	**-**	(36,000)
Purchase of investment properties		**-**	(3,750,210)	**-**	-
Purchase of intangible assets		**-**	(83,220)	**-**	-
Purchase of other investment		**(14,979,889)**	-	**-**	-
Acquisition of subsidiary company	A	**-**	(19,087,418)	**(12)**	(458,000,000)
Proceed from disposal of property, plant and equipment		**7,011,360**	-	**-**	-
Dividend received, net		**-**	-	**51,500,000**	25,000,000
Net cash (used in)/generated from investing activities		**(61,256,845)**	(94,176,802)	**51,499,988**	(433,036,000)
CASH FLOWS (USED IN)/ FROM FINANCING ACTIVITIES					
Dividend paid		**(30,817,017)**	(20,278,928)	**(30,817,017)**	(20,278,928)
Repayment of bank borrowing		**-**	(421,532)	**-**	-
Payment of share issuance expenses		**(30,118)**	(4,046,716)	**(30,118)**	(4,046,716)
Proceeds from issuance of RCPS		**-**	38,680,000	**-**	38,680,000
Proceeds from issuance of share capital		**19,005,116**	138,243,200	**19,005,116**	358,223,200
Proceeds from issuance of share capital to NCI		**3**	330,000	**-**	-
Proceeds from conversion of RCPS		**-**	-	**-**	182,820,000
Proceeds from exercise of warrant		**461,358**	1,309,632	**461,358**	1,309,632
Net cash (used in)/generated from financing activities		**(11,380,658)**	153,815,656	**(11,380,661)**	556,707,188
Net increase in cash and cash equivalents		**57,413,076**	126,973,262	**54,017,638**	24,255,832
Effect of foreign exchange rate changes		**399,955**	27,922	**-**	-
Cash and cash equivalents at beginning of year		**127,602,492**	601,308	**24,364,317**	108,485
Cash and cash equivalents at end of year	B	**185,415,523**	127,602,492	**78,381,955**	24,364,317

STATEMENTS OF CASH FLOWS (Cont'd)

FOR THE YEAR ENDED 31ST DECEMBER, 2017

NOTE

A. **ACQUISITION OF SUBSIDIARY COMPANIES**

	Group	
	2017	2016
	RM	RM
Total cost of acquisition	**-**	458,000,000
Less: Non-cash consideration	**-**	(402,800,000)
Consideration settled in cash	**-**	55,200,000
Cash and cash equivalents of subsidiaries acquired	**-**	(36,112,582)
Net cash outflow of the Group on acquisition	**-**	19,087,418

B. **CASH AND CASH EQUIVALENTS**

Cash and cash equivalents included in the statements of cash flows comprise the following statements of financial position amounts:

	Group		Company	
	2017	2016	**2017**	2016
	RM	RM	**RM**	RM
Cash and bank balances	**185,415,523**	132,438,613	**78,381,955**	24,364,317
Less: Short term borrowing	**-**	(4,836,121)	**-**	-
	185,415,523	127,602,492	**78,381,955**	24,364,317

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER, 2017

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, 2017 have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs") and the requirements of the Companies Act, 2016 in Malaysia.

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

The accounting policies adopted by the Group and 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, 2017.

Description	Effective for annual period beginning on or after
Amendments to MFRS 112, Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses	1st January, 2017
Amendments to MFRS 107, Statement of Cash Flows – Disclosure Initiative	1st January, 2017
Amendments to MFRS 12, Disclosure of Interests in Other Entities (Annual Improvements to MFRS Standards 2014 – 2016 Cycle)	1st January, 2017

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31ST DECEMBER, 2017

2. BASIS OF PREPARATION (CONT'D)

(a) Changes in Accounting Policies and Effects Arising from Adoption of New and Revised Standards and Amendments (cont'd)

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

(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 Company are as listed below:

Description	Effective for annual period beginning on or after
Amendments to MFRS 2: Classification and Measurement of Share Based Payment Transactions	1st January, 2018
Amendments to MFRS 1 and MFRS 128: Annual Improvements to MFRSs 2014 - 2016 Cycle	1st January, 2018
Amendments to MFRS 140: Investment Property – Transfers of Investment Property	1st January, 2018
MFRS 9: Financial Instruments	1st January, 2018
MFRS 15: Revenue from Contracts with Customers and clarifications to MFRS 15	1st January, 2018
IC Interpretation 22, Foreign Currency Transactions and Advance Consideration	1st January, 2018
Amendments to MFRS 4: Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts	1st January, 2018
MFRS 16: Lease	1st January, 2019
Amendments to MFRS 128: Long-term Interests in Association and Joint Venture	1st January, 2019

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31ST DECEMBER, 2017

2. BASIS OF PREPARATION (CONT'D)

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

Description	Effective for annual period beginning on or after
Amendments to MFRS 9: Prepayment Features with Negative Compensation	1st January, 2019
IC Interpretation 23, Uncertainty over Income Tax Treatments	1st January, 2019
MFRS 17: Insurance Contract	1st January, 2021
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.	To be announced

The Group and the Company are expected to apply the abovementioned pronouncement beginning from the respective dates the pronouncements become effective. The initial application of the abovementioned pronouncements are not to be expected to have any material impact to the financial statements of the Group and the Company except as mentioned below:

(i) MFRS 15, Revenue from Contracts with Customers

MFRS 15 establishes a five-step model that will apply to revenue arising from contracts with customers. MFRS 15 will supersede the current revenue recognition guidance including MFRS 118 Revenue, MFRS 111 Construction Contracts and the related interpretations when it becomes effective.

The core principle of MFRS 15 is that an entity should recognise revenue which depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

Either a full or modified retrospective application is required for annual periods beginning on or after 1st January, 2018 with early adoption permitted. The Group plans to adopt the new standard on the required effective date.

The Group has engaged an independent consultant to perform assessment of adopting MFRS 15 based on currently available information. This assessment may be subject to changes arising from ongoing analysis until the group adopts MFRS 15.

The Group has identified the following areas that will be affected:

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 (cont'd)

- Accounting for separate performance obligations in relation to construction contract and property development activities which could affect the timing of the recognition of revenue going forward;

- Presentation of contract assets and contract liabilities in the statement of financial position, as required by MFRS 15 a separate presentation of contract assets and contract liabilities in the statement of financial position.

The analysis above are based on the assessments undertaken to date and maybe subject to changes arising from further detailed analyses or additional reasonable and supportable information being made available to the Group in future.

Overall, based on its assessment, the Directors expect that the application of MFRS 15 will not result in significant impacts on the financial statements of the Group.

(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.

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31ST DECEMBER, 2017

2. BASIS OF PREPARATION (CONT'D)

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

(ii) MFRS 9, Financial Instruments (cont'd)

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.

The Group has engaged an independent consultant to perform assessment of all three aspects of MFRS 9 based on currently available information and may subject to changes arising from further reasonable and supportable information being made available to the Group in year 2018 when the Group adopts MFRS 9.

MFRS 9 requires the Group to record ECL on all of its debt securities, loans and trade receivables, either on a 12-month or lifetime basis. The Group intends to apply the simplified approach and record lifetime expected losses on all trade receivables.

Overall, the Group does not expect a significant impact on its financial statements upon the adoption of MFRS 9. The expected impacts for the application of MFRS 9 in the next financial year are as follows:

- Increase in allowance for impairment of trade receivable by approximately RM6,200,000; and
- Decrease in opening retained earnings by approximately RM6,200,000.

(iii) MFRS 16, Leases

MFRS 16 specifies how an MFRS reporter will recognise, measure, present and disclose leases. The Standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with MFRS 16's approach to lessor accounting substantially unchanged from its predecessor, MFRS 117.

At lease commencement, a lessee will recognise a right-of-use asset and a lease liability. The right-of-use asset is treated similarly to other non-financial assets and depreciated accordingly and the liability accrues interest. The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease if that can be readily determined. If that rate cannot be readily determined, the lessees shall use their incremental borrowing rate.

Either a full or modified retrospective application is required for annual periods beginning on or after 1st January, 2019 with early adoption permitted.

Overall, the Group does not expect a significant impact on its financial statements upon the adoption of MFRS 16 on the required effective date.

Aside from MFRS 9, MFRS 15 and MFRS 16, the adoption of other amendments to published standards are not expected to have a material impact to the financial statements of the Company.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31ST DECEMBER, 2017

2. BASIS OF PREPARATION (CONT'D)

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31ST DECEMBER, 2017

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of Consolidation (cont'd)

(i) Business Combinations (cont'd)

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.

(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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Foreign Currencies (cont'd)

(ii) Foreign Currency Transactions (cont'd)

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31ST DECEMBER, 2017

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Property, Plant and Equipment and Depreciation (cont'd)

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:

Leasehold land and buildings	1% - 3%
Plant, machinery and site equipment	7.5% - 20%
Vessel	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.

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

3. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

(d) **Intangible Assets (cont'd)**

(i) Goodwill (cont'd)

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31ST DECEMBER, 2017

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Investment Properties (cont'd)

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

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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 exceeds 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.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31ST DECEMBER, 2017

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Financial Assets (cont'd)

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

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 exceeds 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.

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.

Investment in quoted shares in the Group is designated as financial asset 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Financial Assets (cont'd)

(iii) Held-to-Maturity Investments (cont's)

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31ST DECEMBER, 2017

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31ST DECEMBER, 2017

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

(ii) Available-for-Sale Financial Assets (cont'd)

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31ST DECEMBER, 2017

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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.

(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 reason able 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.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31ST DECEMBER, 2017

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Inventories (cont'd)

(ii) 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 aproportion 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.

(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.

(i) 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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31ST DECEMBER, 2017

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Financial Liabilities (cont'd)

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

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.

(ii) 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.

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31ST DECEMBER, 2017

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Financial Guarantee Contracts (cont'd)

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31ST DECEMBER, 2017

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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) 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.

(ii) 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.

(iii) 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.

(iv) Interest Income

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

(v) Dividend

Dividend income is recognised when the right to receive payment is established.

(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.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31ST DECEMBER, 2017

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(t) Income Taxes (cont'd)

(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.

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.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31ST DECEMBER, 2017

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(t) Income Taxes (cont'd)

(ii) Deferred Tax (cont'd)

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.

(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 38 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 and approved.

(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) Compound Financial Instruments

Compound financial instruments issued by the Group comprise of redeemable convertible preference shares ("RCPS") that can be converted to share capital at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(x) Compound Financial Instruments (cont'd)

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are recognised directly in equity.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method until extinguished on conversion or maturity of the compound instrument. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except when the compound instrument is redeemed or repurchased before maturity. Upon conversion of the convertible instrument into equity shares, the amount credited to share capital is the aggregate of the carrying amounts of the liability components classified within liability and equity at the time of conversion. No gain or loss is recognised.

(y) 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)
FOR THE YEAR ENDED 31ST DECEMBER, 2017

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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

(a) Impairment of Investment in Subsidiaries (cont'd)

The carrying amount of investment in subsidiaries as at 31st December, 2017 were RM462,864,493 (2016: RM462,864,481). 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 5 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31ST DECEMBER, 2017

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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

(d) Deferred Tax Assets (cont'd)

The total carrying value of recognised tax losses and capital allowances of the Group were RM Nil (2016: RM1,300,000). The unrecognised tax losses, capital allowances and provisions of the Group and of the Company were approximately RM32,000,000 (2016: RM33,700,000) and RM Nil (2016: 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)

FOR THE YEAR ENDED 31ST DECEMBER, 2017

4. PROPERTY, PLANT AND EQUIPMENT

	As at 1.1.2017 RM	Addition RM	Reclassification RM	Disposal/ Write-off Transfer RM	As at 31.12.2017 RM
Group					
2017					
COST					
Leasehold land and buildings	**19,031,982**	**5,284,054**	**-**	**(2,331,690)**	**21,984,346**
Plant, machinery and site equipment	**135,296,780**	**45,733,232**	**-**	**(65,000)**	**180,965,012**
Vessel	**15,880,241**	**-**	**-**	**-**	**15,880,241**
Other assets *	**16,400,278**	**2,271,030**	**3,300**	**(357,000)**	**18,317,608**
	186,609,281	**53,288,316**	**3,300**	**(2,753,690)**	**237,147,207**

	As at 1.1.2017 RM	Charge for the year RM	Reclassification RM	Disposal/ Write-off/ Transfer RM	As at 31.12.2017 RM
ACCUMULATED DEPRECIATION/ IMPAIRMENT					
Leasehold land and buildings	**1,389,233**	**253,846**	**-**	**(11,896)**	**1,631,183**
Plant, machinery and site equipment	**53,682,704**	**20,268,601**	**-**	**(65,000)**	**73,886,305**
Vessel	**799,339**	**1,588,032**	**-**	**-**	**2,387,371**
Other assets *	**12,681,556**	**1,592,799**	**55**	**(357,000)**	**13,917,410**
	68,552,832	**23,703,278**	**55**	**(433,896)**	**91,822,269**

	As at 31.12.2017 RM
NET BOOK VALUE	
Leasehold land and buildings	**20,353,163**
Plant, machinery and site equipment	**107,078,707**
Vessel	**13,492,870**
Other assets *	**4,400,198**
	145,324,938

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31ST DECEMBER, 2017

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

	As at 1.1.2016 RM	Addition RM	Acquisition of subsidiaries RM	Disposal/ Write-off Transfer RM	As at 31.12.2016 RM
2016					
COST					
Leasehold land and buildings	4,344,704	8,351,400	23,251,414	(16,915,536)	19,031,982
Plant, machinery and site equipment	24,610,454	62,740,323	48,026,165	(80,162)	135,296,780
Vessel	-	15,880,241	-	-	15,880,241
Other assets *	7,218,520	1,733,213	7,938,960	(490,415)	16,400,278
	36,173,678	88,705,177	79,216,539	(17,486,113)	186,609,281

	As at 1.1.2016 RM	Charge for the year RM	Acquisition of subsidiaries RM	Disposal/ Write-off/ Transfer RM	As at 31.12.2016 RM
ACCUMULATED DEPRECIATION/ IMPAIRMENT					
Leasehold land and buildings	908,941	144,155	336,137	-	1,389,233
Plant, machinery and site equipment	22,747,364	10,380,881	20,554,459	-	53,682,704
Vessel	-	799,339	-	-	799,339
Other assets *	5,624,679	1,591,688	5,502,590	(37,401)	12,681,556
	29,280,984	12,916,063	26,393,186	(37,401)	68,552,832

	As at 31.12.2016 RM
NET BOOK VALUE	
Leasehold land and buildings	17,642,749
Plant, machinery and site equipment	81,614,076
Vessel	15,080,902
Other assets *	3,718,722
	118,056,449

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31ST DECEMBER, 2017

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

	As at 1.1.2017 RM	Addition RM	As at 31.12.2017 RM
Company			
2017			
COST			
Office equipment	**57,022**	**-**	**57,022**
Furniture and fittings	**2,376**	**-**	**2,376**
Signboard	**36,000**	**-**	**36,000**
	95,398	**-**	**95,398**

	As at 1.1.2017 RM	Charge for the year RM	As at 31.12.2017 RM
ACCUMULATED DEPRECIATION/ IMPAIRMENT			
Office equipment	**57,022**	**-**	**57,022**
Furniture and fittings	**2,376**	**-**	**2,376**
Signboard	**2,700**	**3,600**	**6,300**
	62,098	**3,600**	**65,698**

	As at 31.12.2017 RM
NET BOOK VALUE	
Office equipment	**-**
Furniture and fittings	**-**
Signboard	**29,700**
	29,700

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31ST DECEMBER, 2017

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

	As at 1.1.2016 RM	Addition RM	As at 31.12.2016 RM
2016			
COST			
Office equipment	57,022	-	57,022
Furniture and fittings	2,376	-	2,376
Signboard	-	36,000	36,000
	59,398	36,000	95,398

	As at 1.1.2016 RM	Charge for the year RM	As at 31.12.2016 RM
ACCUMULATED DEPRECIATION/ IMPAIRMENT			
Office equipment	57,022	-	57,022
Furniture and fittings	2,376	-	2,376
Signboard	-	2,700	2,700
	59,398	2,700	62,098

	As at 31.12.2016 RM
NET BOOK VALUE	
Office equipment	-
Furniture and fittings	-
Signboard	33,300
	33,300

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31ST DECEMBER, 2017

5. INVESTMENT PROPERTIES

	Group	
	2017	2016
	RM	RM
Land and buildings		
Cost		
At 1st January	**7,475,456**	3,725,246
Addition	-	11,213,966
Disposal	**(2,253,567)**	-
Transfer to inventories (Note 11)	-	(7,463,756)
Depreciation charged (Note 25)	**(79,689)**	-
At 31st December	**5,142,200**	7,475,456

6. INVESTMENT IN SUBSIDIARIES

	Company	
	2017	2016
	RM	RM
Unquoted shares, at costs	**487,202,019**	487,202,007
Accumulated impairment	**(24,337,526)**	(24,337,526)
	462,864,493	462,864,481

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31ST DECEMBER, 2017

6. INVESTMENT IN SUBSIDIARIES (CONT'D)

Name	Country of Incorporation	Principal Activities	Proportion (%) of Ownership Interest	
			2017	2016
Held by the Company:				
Advance Industries Sdn. Bhd.	Malaysia	Construction, sub-contractors works, manufacturing, assembly, installation and sales of light fittings, kitchen cabinetry, 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, and others for the purpose of building and construction works.	**100**	100
Fututech (Labuan) Ltd.	Malaysia	Investment holding.	**100**	100
Bazarbayu Sdn. Bhd.	Malaysia	Property development activities.	**100**	100
FutuProp Sdn. Bhd.	Malaysia	Investment holding and has not commenced business since the date of incorporation.	**100**	100

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31ST DECEMBER, 2017

6. INVESTMENT IN SUBSIDIARIES (CONT'D)

Name	Country of Incorporation	Principal Activities	Proportion (%) of Ownership Interest 2017	2016
Held by the Company (cont'd):				
Acumen Industries Limited *	Hong Kong	Dormant. Intended principal activity is investment holding.	**100**	100
Aurizon Investments Limited	British Virgin Islands	Investment holding	**100**	100
Kerjaya Prospek (M) Sdn. Bhd.*	Malaysia	Building construction and property development.	**100**	100
Permatang Bakti Sdn. Bhd.*	Malaysia	Building construction.	**100**	100
Kerjaya Prospek Resources Sdn. Bhd. (Incorporated on 17th August, 2017)	Malaysia	Dormant. Intended principal activities are supply, manufacture, trading for gondola and its related services	**70**	-
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 the provision of contract workmanship and other related services.	**100**	100

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31ST DECEMBER, 2017

6. INVESTMENT IN SUBSIDIARIES (CONT'D)

Name	Country of Incorporation	Principal Activities	Proportion (%) of Ownership Interest	
			2017	2016
Held by Advance Industries Sdn. Bhd. (cont'd):				
Kerjaya Machinery & Equipment Sdn. Bhd.	Malaysia	General trading, land and property investment and investment holding and the provision of services relating to application/renewal of permits, operation service, maintenance and leasing for heavy machineries.	**90**	90
Held by Fututech (Labuan) Limited.:				
Acumen Design & Development Solutions Limited *	Hong Kong	Dormant.	**100**	100
Held by FutuProp Sdn. Bhd.:				
Senandung Raya Sdn. Bhd.	Malaysia	Property development activities.	**100**	100
Held by Kerjaya Prospek (M) Sdn. Bhd.:				
Future Rock Sdn. Bhd.*	Malaysia	Building construction and marine engineering works.	**70**	70

* Audited by firms of auditors other than Ong & Wong

2017

On 17th August, 2017, the Company incorporated a 70% owned subsidiary namely Kerjaya Prospek Resources Sdn. Bhd. which its total paid up ordinary share capital is RM10.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31ST DECEMBER, 2017

6. INVESTMENT IN SUBSIDIARIES (CONT'D)

2016

On 20th January, 2016, the Company acquired the entire issued and paid-up ordinary share capital in Kerjaya Prospek (M) Sdn. Bhd. ("KPSB") and Permatang Bakti Sdn. Bhd. for a purchase consideration of RM438,000,000 and RM20,000,000 respectively.

The above total purchase considerations of RM458,000,000 were satisfied via:

(i) the issuance of 36,896,552 new ordinary shares of RM0.50 each of the Company each at an issue price of RM1.16 per share; and
(ii) the issuance of 310,344,828 new Redeemable Convertible Preference Shares ("RCPS") of RM0.50 each of the Company at an issue price of RM1.16 per share as disclosed in Note 16; and
(iii) an cash settlement of RM55,200,000.

The fair values of the identifiable assets and liabilities as at the date of acquisition were as follows:

	2016 RM
Property, plant and equipment	52,823,353
Deferred tax assets	1,718,929
Trade and other receivables	271,254,907
Other assets	11,985
Cash and bank balances	36,112,582
Trade and other payables	(129,909,267)
Short-term borrowings	(421,532)
Income tax payable	(4,360,387)
Other liabilities	(118,884,593)
Deferred tax liabilities	(3,480,246)
Total identifiable net assets	104,865,731
Goodwill arise from the acquisitions of subsidiaries (Note 8(i))	353,134,269
Total cost of acquisition	458,000,000

On 7th March, 2016, KPSB, a wholly-owned subsidiary of the Company, acquired 70 ordinary shares of RM1.00 each in Future Rock Sdn. Bhd., representing 70% equity interest for a total cash consideration of RM70. The aforesaid acquisition had no material impact on the Group's financial statements.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31ST DECEMBER, 2017

6. INVESTMENT IN SUBSIDIARIES (CONT'D)

Subsequently, on 14th March, 2016, KPSB, a wholly-owned subsidiary of the Company, further acquired 299,930 ordinary shares of RM1 each in Future Rock Sdn. Bhd., representing 70% equity interest for a total cash consideration of RM299,930. The aforesaid acquisition had no material impact on the Group's financial statements.

On 9th August, 2016, Kerjaya Machinery & Equipment Sdn. Bhd. (formerly known as Kerjaya Petroleum Sdn. Bhd. and Segi Rancak Sdn. Bhd.) ("KME"), a wholly-owned subsidiary of the Company, had issued 299,998 new ordinary shares of RM1.00 each and 30,000 ordinary shares representing 10% of issued shares were allotted to non-controlling interest. The aforesaid KME allotment had no material impact on the Group's financial statements.

On 30th September, 2016, 90% of the equity interest in KME, were transferred from FutuProp Sdn. Bhd., a wholly-owned subsidiary of the Company to Advance Industries Sdn. Bhd., a wholly-owned subsidiary of the Company at no gain no loss.

7. OTHER INVESTMENTS

	Group	
	2017	2016
	RM	RM
Available for sale financial assets:		
(i) Club membership		
Cost	**93,500**	93,500
Allowance for impairment	**(50,500)**	(50,500)
	43,000	43,000
(i) Quoted shares in Singapore, at cost		
Cost	**14,979,889**	-
Allowance for diminution in value	**(1,953,899)**	-
	13,025,990	-
Total other investments	**13,068,990**	43,000

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31ST DECEMBER, 2017

8. INTANGIBLE ASSETS

	Group	
	2017	2016
	RM	RM
(i) Goodwill		
COST		
At 1st January	**353,134,269**	-
Addition (Note 6)	**-**	353,134,269
At 31st December	**353,134,269**	353,134,269
(ii) Computer Software		
COST		
At 1st January	**174,594**	91,374
Addition	**-**	83,220
Reclassification	**(3,300)**	-
At 31st December	**171,294**	174,594
ACCUMULATED AMORTISATION		
At 1st January	**85,097**	60,093
Amortisation charged (Note 25)	**34,073**	25,004
Reclassification	**(55)**	-
At 31st December	**119,115**	85,097
Net carrying amount		
At 1st January	**89,497**	31,281
At 31st December	**52,179**	89,497
Total intangible assets	**353,186,448**	353,223,766

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31ST DECEMBER, 2017

9. DEFERRED TAX ASSETS/(LIABILITIES)

	Group		Company	
	2017	2016	**2017**	2016
	RM	RM	**RM**	RM
At 1st January	**(6,601,713)**	(509,235)	**(51,857)**	-
Acquisition of subsidiaries	**-**	(1,761,317)	**-**	-
Transfer to statement of profit or loss and other comprehensive income (Note 28)	**(1,496,304)**	(4,279,304)	**-**	-
Transfer to statement of changes in equity				
- Conversion/Issuance of RCPS	**51,857**	(51,857)	**51,857**	(51,857)
At 31st December	**(8,046,160)**	(6,601,713)	**-**	(51,857)

The deferred tax assets / (liabilities) recognised is in respect of the followings:				
- Temporary difference between depreciation and capital allowance	**(12,653,033)**	(5,755,397)	**-**	-
- Provision and others	**4,606,873**	(794,459)	**-**	-
- Unwinding of discount in RCPS	**-**	(51,857)	**-**	(51,857)
	(8,046,160)	(6,601,713)	**-**	(51,857)

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31ST DECEMBER, 2017

9. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

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

	Group		Company	
	2017	2016	**2017**	2016
	RM	RM	**RM**	RM
Unused tax losses	**8,510,818**	9,246,373	**-**	726,019
Unabsorbed capital allowances	**13,877,383**	13,900,916	**-**	-
Unutilised reinvestment allowances	**4,722,545**	6,167,246	**-**	-
Other deductible temporary differences	**4,427,145**	4,425,347	**-**	-
	31,537,891	33,739,882	**-**	726,019

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.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31ST DECEMBER, 2017

10. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2017	2016	**2017**	2016
	RM	RM	**RM**	RM
Non-Current				
Trade Receivables				
Retention sum	**135,357,643**	82,340,730	-	-
Current				
Trade Receivables				
Third parties	**224,429,200**	247,120,108	**-**	-
Retention sum	**1,542,223**	3,670,246	**-**	-
	225,971,423	250,790,354	**-**	-
Less: Allowance for impairment				
- Third parties	**(6,145,130)**	(6,028,618)	**-**	-
	219,826,293	244,761,736	**-**	-
Other Receivables				
Amount due from subsidiaries		-	**140,640,640**	151,496,590
Prepayment	**94,747**	404,815	**6,489**	6,489
Deposits	**3,926,378**	356,160	**-**	-
Other receivables	**14,668,842**	20,132,636	**-**	3,500
	18,689,967	20,893,611	**140,647,129**	151,506,579
Less: Allowance for impairment				
- Amount due from subsidiaries	-	-	**(20,968,440)**	(22,768,441)
	18,689,967	20,893,611	**119,678,688**	128,738,138
Total - current	**238,516,260**	265,655,347	**119,678,688**	128,738,138
Total trade and other receivables	**373,873,903**	347,996,077	**119,678,688**	128,738,138

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31ST DECEMBER, 2017

10. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Trade Receivables

Trade receivables are non-interest bearing and are generally on 30 to 90 (2016: 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	
	2017	2016
	RM	RM
Neither past due nor impaired	**212,434,464**	263,133,046
1 to 30 days past due not impaired	**43,787,957**	8,660,163
31 to 60 days past due not impaired	**26,111,722**	721,009
61 to 90 days past due not impaired	**7,226,606**	6,717,860
More than 90 days past due not impaired	**65,623.187**	47,870,388
	142,749,472	63,969,420
	6,145,130	6,028,618
Impaired	**361,329,066**	333,131,084

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 RM142,749,472 (2016: RM63,969,420) that are past due at the reporting date but not impaired. Based on their payment history, the Group believes that no further 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	
	2017	2016
	RM	RM
At 1st January	**6,028,618**	5,903,738
Charge for the year (Note 25)	**116,512**	124,880
At 31st December	**6,145,130**	6,028,618

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

Other receivables that are impaired

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.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31ST DECEMBER, 2017

11. INVENTORIES

	Group	
	2017	2016
	RM	RM
At cost/realisable value:		
(i) Property Under Development		
Leasehold Land		
At 1st January/31st December	**25,493,498**	25,493,498
Development Costs		
At 1st January	**52,958,392**	22,584,301
Costs incurred during the year	**47,845,550**	30,374,091
At 31st December	**100,803,942**	52,958,392
Cumulative Cost recognised in profit or loss:		
Leasehold Land		
At 1st January	**(1,210,400)**	(294,400)
Recognised during the year (Note 22)	**(2,072,272)**	(916,000)
At 31st December	**(3,282,672)**	(1,210,400)
Development Costs		
At 1st January	**(24,717,440)**	(4,898,657)
Recognised during the year (Note 22)	**(50,274,195)**	(19,818,783)
At 31st December	**(74,991,635)**	(24,717,440)
Total property under development	**48,023,133**	52,524,050
(ii) Others		
Raw materials	**2,712,549**	2,371,185
Work-in-progress	**375,996**	113,795
Finished goods	**141,118**	223,884
	3,229,663	2,708,864

11. INVENTORIES (CONT'D)

	Group	
	2017	2016
	RM	RM
(iii) Investment properties		
Completed leasehold land and buildings, at cost:		
At 1st January	**15,214,136**	-
Acquisition of subsidiaries	**-**	5,198,160
Addition	**5,338,060**	2,552,220
Transfer from investment properties (Note 5)	**-**	7,463,756
At 31st December	**20,552,196**	15,214,136
Total inventories	**71,804,992**	70,447,050

12. (PROGRESS BILLING)/ACCRUED BILLINGS IN RESPECT OF PROPERTY DEVELOPMENT

	Group	
	2017	2016
	RM	RM
Cumulative revenue recognised in profit or loss	**118,209,051**	42,701,604
Cumulative billings to purchasers	**(133,123,574)**	(35,816,025)
(Progress billing)/Accrued billings	**(14,914,523)**	6,885,579

The progress/accrued billings were derived from the development project of the Group in one of its subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31ST DECEMBER, 2017

13. OTHER CURRENT ASSETS / (LIABILITIES)

	Group	
	2017	2016
	RM	RM
(a) Other Current Assets		
Amount due from customers for contract works (Note 14)	**33,848,307**	19,749,991
(b) Other Current Liabilities		
Amount due to customers for contract works (Note 14)	**(76,979,898)**	(73,280,680)

14. AMOUNT DUE TO CUSTOMERS FOR CONTRACT WORKS

	Group	
	2017	2016
	RM	RM
Construction contract costs incurred to date	**2,626,206,096**	1,823,499,106
Attributable profits	**489,762,382**	275,664,748
	3,115,968,478	2,099,163,854
Less: Progress billings	**(3,159,100,069)**	(2,152,694,543)
	(43,131,591)	(53,530,689)
Presenting after appropriate offsetting as follows:		
Amount due from customers for contract works	**33,848,307**	19,749,991
Amount due to customers for contract works	**(76,979,898)**	(73,280,680)
	(43,131,591)	(53,530,689)

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31ST DECEMBER, 2017

15. CASH AND BANK BALANCES

	Group		Company	
	2017	2016	**2017**	2016
	RM	RM	**RM**	RM
Cash in hand and at bank	**50,683,400**	71,498,223	**13,780,651**	144,240
Quoted unit trust*	**100,921,748**	24,220,077	**64,601,304**	24,220,077
Deposits with licensed banks	**33,810,375**	36,720,313	**-**	-
	185,415,523	132,438,613	**78,381,955**	24,364,317

The fixed deposits earned interest rates ranging from 3.52% to 4.00% (2016: 3.52% to 4.00%) per annum and have average maturities range from 29 to 61 (2016: 29 to 61) days.

* Stated at market price.

16. SHARE CAPITAL

	Group and Company			
	Number of ordinary shares		Amount	
	2017	2016	**2017**	2016
	Unit	Unit	**RM**	RM
Authorised				
At 1st January	**-**	300,000,000	**-**	150,000,000
Created during the year	**-**	900,000,000	**-**	450,000,000
At 31st December	**-**	1,200,000,000	**-**	600,000,000

The new Companies Act, 2016 which came into effect on 31st January, 2017, abolished the concept of authorised share capital.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31ST DECEMBER, 2017

16. SHARE CAPITAL (CONT'D)

	Group and Company			
	Number of ordinary shares		Amount	
	2017	2016	**2017**	2016
	Unit	Unit	**RM**	RM
Issued and fully paid				
At 1st January	**509,065,564**	91,722,612	**254,532,782**	45,861,306
Issued pursuant to:				
- Acquisition of subsidiaries	**-**	36,896,552	**-**	18,448,276
- Conversion of warrant	**22,120,990**	3,446,400	**19,005,116**	1,723,200
- Conversion of RCPS (Note 17)	**33,344,828**	277,000,000	**38,680,000**	138,500,000
- Private placement	**-**	100,000,000	**-**	50,000,000
*Effect of implementation of Companies Act,2016.	**-**	-	**330,440,408**	-
At 31st December	**564,531,382**	509,065,564	**642,658,306**	254,532,782

* The new Companies Act, 2016 which came into effect on 31st January, 2017, abolished the concept of par value of share capital and consequently, the amount of RM330,440,408 standing to the credit of the share premium account becomes part of the Company's share capital pursuant to the transitional provisions set out in Section 618 (2) of the Companies Act, 2016.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

16. SHARE CAPITAL (CONT'D)

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 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 was fixed at RM1.00 per share and the exercise period was ten years commencing on and including the date of issuance which expired on 20th December, 2017;

(c) the new ordinary shares 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 were 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 had 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 were as follows:

(a) each warrant entitles its registered holder to subscribe for one (1) new ordinary share 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 was ten years commencing on and including the date of issuance which expired on 20th December, 2017;

(c) the new ordinary shares 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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31ST DECEMBER, 2017

16. SHARE CAPITAL (CONT'D)

Warrants 2007/2017 (cont'd)

(d) the Warrants 2007/2017 holders were 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:

	2017 Unit	2016 Unit
At 1st January	**22,322,754**	25,769,154
Exercised during the year	**(22,120,993)**	(3,446,400)
Expired	**(201,761)**	-
At 31st December	**-**	22,322,754

17. REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS")

	Group and Company			
	Number of RCPS		Amount	
	2017 Unit	2016 Unit	**2017 RM**	2016 RM
Authorised				
At 1st January	**-**	-	-	-
Created during the year	**-**	400,000,000	-	200,000,000
At 31st December	**-**	400,000,000	-	200,000,000

The new Companies Act, 2016 which came into effect on 31st January, 2017, abolished the concept of authorised share capital.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31ST DECEMBER, 2017

17. REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS") (CONT'D)

	Group and Company			
	Number of RCPS		Amount	
	2017	2016	**2017**	2016
	Unit	Unit	**RM**	RM
Issued and fully paid				
At 1st January	**33,344,828**	-	**36,523,318**	-
Issuance during the year	**-**	310,344,828	**-**	360,000,000
Conversion during the year (Note 16)	**(33,344,828)**	(277,000,000)	**(36,523,318)**	(321,320,000)
Liability component	**-**	-	**-**	(2,104,825)
Deferred tax	**-**	-	**-**	(51,857)
At 31st December	**-**	33,344,828	**-**	36,523,318

On 20th January, 2016, the Company has created 400,000,000 RCPS amounting to RM200,000,000 as the new class of shares of the Company and that the Memorandum and Articles of Association of the Company has been altered accordingly.

On 21st January, 2016, the Company has completed the issuance of 310,344,828 new RCPS of the Company at an issue price of RM1.16 per unit to acquire the entire issued and paid-up ordinary share capital in KPSB.

The RCPS is redeemable at any time at the discretion of the Company from the date of issue to the third anniversary of the issue date for new ordinary shares in the Company at the price equivalent to the issue price of the RCPS by giving not less than thirty (30) days prior written notice.

Any unredeemed or unconverted RCPS shall be automatically converted into new ordinary shares of the Company at the end of the third anniversary of the issue date.

The RCPS confer on the holders the following rights and privileges:

(i) The right to receive a cumulative preferential dividend out of the distributable profits of the Company at a fixed rate of 2% per annum per share compounded annually, on the issue price of RCPS, payable annually in arrears.

(ii) The right to convert the RCPS, on any market day at any time during the issue date up to the 3rd anniversary of the issue date, into one new ordinary share of the Company. The new ordinary shares to be allotted and issued upon conversion of the RCPS would rank pari passu in all respects with the existing ordinary shares of the Company.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31ST DECEMBER, 2017

17. REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS") (CONT'D)

(iii) The right to receive notice of and attend the general meetings of the Company, and shall have the right on a poll at any general meeting of the Company to one vote for each RCPS held:

(a) upon any resolution which varies or abrogate the rights attached to the RCPS;
(b) upon any resolution for the reduction of capital of the Company;
(c) upon any resolution for the disposal of the whole of the Company's property, business and/or undertaking; and
(d) upon any resolution for the winding up of the Company.

18. RESERVES

	Group		Company	
	2017	2016	**2017**	2016
	RM	RM	**RM**	RM
(a) Other reserve	**475,000**	475,000	**-**	-
(b) Share premium	**-**	330,009,168	**-**	330,009,168
(c) Foreign currency translation reserve	**249,227**	(150,728)	**-**	-
	724,227	330,333,440	**-**	330,009,168

(a) Other reserve

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31ST DECEMBER, 2017

18. RESERVES (CONT'D)

(b) Share premium

	Group and Company	
	2017	2016
	RM	RM
At 1st January	**330,009,168**	374,528
Issuance of ordinary shares pursuant to:		
- acquisition of subsidiaries	**-**	24,351,724
- exercise of warrants 2007/2017	**461,358**	1,309,632
- conversion of RCPS	**-**	182,820,000
- private placement	**-**	125,200,000
Share issuance expenses	**(30,118)**	(4,046,716)
*Effect of implementation of Companies Act, 2016	**(330,440,408)**	-
At 31st December	**-**	330,009,168

* The new Companies Act, 2016 which came into effect on 31st January, 2017, abolished the concept of par value of share capital and consequently, the amount of RM330,440,408 standing to the credit of the share premium account becomes part of the Company's share capital pursuant to the transitional provisions set out in Section 618 (2) of the Companies Act, 2016.

(c) Foreign currency translation reserve

	Group	
	2017	2016
	RM	RM
At 1st January	**(150,728)**	(178,650)
Change during the year	**399,955**	27,922
At 31st December	**249,227**	(150,728)

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.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31ST DECEMBER, 2017

19. TRADE AND OTHER PAYABLES

	Group		Company	
	2017	2016	**2017**	2016
	RM	RM	**RM**	RM
Non-Current				
Trade Payables				
Retention sum	**49,017,495**	39,012,283	**-**	-
Current				
Trade Payables				
Third parties	**130,682,375**	147,472,887	**-**	-
Retention sum	**1,852,904**	2,283,949	**-**	-
	132,535,279	149,756,836	**-**	-
Other Payables				
Accruals	**7,460,061**	2,467,326	**266,650**	76,252
Amount due to subsidiaries	**-**	-	**3,184,895**	-
Other payables	**5,532,734**	9,207,931	**8,343**	169,010
Dividends payables	**-**	729,092	**-**	729,092
Deposit received	**415,987**	1,288,950	**-**	-
	13,408,782	13,693,299	**3,459,888**	974,354
Total - current	**145,944,061**	163,450,135	**3,459,888**	974,354
Total trade and other payables	**194,961,556**	202,462,418	**3,459,888**	974,354

(a) Trade Payables

Trade payables are non-interest bearing and are normally settled on 14 to 90 (2016: 14 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 (2016: 90) days term.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31ST DECEMBER, 2017

20. SHORT TERM BORROWING

	Group	
	2017	2016
	RM	RM
Bank overdraft	**-**	4,836,121

The bank overdraft is secured by way of corporate guarantee granted by the Company and bears interest of approximately 5.05% (2016: 5.05%) per annum.

21. REVENUE

	Group		Company	
	2017	2016	**2017**	2016
	RM	RM	**RM**	RM (Restated)
Construction activities	**879,692,228**	757,723,540	**-**	-
Property development activities	**75,507,447**	32,290,490	**-**	-
Manufacturing activities	**469,631**	8,448,175	**-**	-
Dividend	**-**	-	**51,500,000**	25,000,000
Others	**-**	232,200	**-**	-
	955,669,306	798,694,405	**51,500,000**	25,000,000

22. COST OF SALES

	Group	
	2017	2016
	RM	RM
Construction costs	**717,722,501**	623,017,963
Property development costs (Note 11 (i))	**52,346,467**	20,734,783
Manufacturing costs	**399,186**	6,713,097
	770,468,154	650,465,843

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31ST DECEMBER, 2017

23. OTHER OPERATING INCOME

	Group		Company	
	2017	2016	**2017**	2016
	RM	RM	**RM**	RM
				(Restated)
Advertisement	**-**	191,086	**-**	-
Administrative charges	**41,123**	23,901	**-**	-
Bad debt recovery	**-**	2,093,380	**-**	-
Foreign worker - Accommodation	**183,888**	300,259	**-**	-
Foreign worker - Levy fee	**1,312,459**	1,344,400	**-**	-
Fair value adjustment on discounting of retention sum receivables/ payables	**2,186,415**	4,142,655	**-**	-
Gain on disposal of property, plant and equipment	**2,438,000**	511	**-**	-
Gain on fair value on short term fund	**20,826**	-	**-**	-
Insurance compensation	**325,515**	143,685	**-**	-
Interest income from fixed deposits and current account	**4,650,087**	3,323,539	**1,372,105**	715,536
Management fee	**-**	25,740	**-**	-
Management fee rebate	**65,280**	-	**65,280**	
Penalty charges	**1,414,978**	1,316,598	**-**	-
Realised gain on foreign exchange	**11,108**	1,165	**-**	-
Rental of machinery	**850,308**	552,774	**-**	-
Rental of others	**224,658**	219,090	**-**	-
Retention sum recover	**2,089,857**	-	**-**	-
Reversal of allowance for doubtful debt	**-**	-	**1,800,000**	-
Promotion and event	**1,415**	1,024,372	**-**	-
Sales of scrap	**3,484,006**	127	**-**	-
Unrealised gain on foreign exchange	**-**	44,954	**-**	-
Miscellaneous	**581,080**	413,442	**-**	-
	19,881,003	15,161,678	**3,237,385**	715,536

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31ST DECEMBER, 2017

24. FINANCE COSTS

	Group		Company	
	2017	2016	**2017**	2016
	RM	RM	**RM**	RM
Bank overdraft interest	**35,199**	318,747	**-**	-
Bank charges	**-**	65	**-**	-
Term loan interest	**-**	1,295	**-**	-
LC charges	**55,500**	15,882	**-**	-
Fair value adjustment on discounting of retention sum receivables/payables	**6,338,210**	2,342,339	**-**	-
Allowance for diminution in value	**1,943,256**	-	**-**	-
Fair value adjustment on unit trust	**114,580**	-	**114,580**	-
Revolving credit interest	**-**	540,285	**-**	540,285
RCPS dividend	**-**	40,652	**-**	40,652
	8,486,745	3,259,265	**114,580**	580,937

25. PROFIT BEFORE TAXATION

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

	Group		Company	
	2017	2016	**2017**	2016
	RM	RM	**RM**	RM
Auditors' remuneration				
- statutory audits				
- current year	**199,825**	199,902	**35,000**	32,000
- (over)/under provision in previous year	**(1,137)**	3,160	**380**	(1,060)
- other services	**1,050**	1,000	**1,050**	1,000
Allowance for impairment losses				
- trade receivables (Note 10(a))	**116,512**	124,880	**-**	-
Amortisation of intangible asset (Note 8(ii))	**34,073**	25,004	**-**	-
Bad debt written off	**10,000**	360,216	**-**	-

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31ST DECEMBER, 2017

25. PROFIT BEFORE TAXATION (CONT'D)

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

	Group		Company	
	2017	2016	**2017**	2016
	RM	RM	**RM**	RM
Depreciation of property, plant and equipment (Note 4)	**23,703,278**	12,916,063	**3,600**	2,700
Depreciation of investment properties (Note 5)	**79,689**	-	**-**	-
Employee benefits expense (Note 26)	**25,938,667**	15,760,897	**-**	-
Finance cost (Note 24)	**8,486,745**	3,259,265	**114,580**	580,937
Directors' remuneration (Note 27)				
- executive	**5,107,267**	3,759,300	**-**	-
- non-executive	**197,600**	181,120	**197,600**	181,120
Rental expenses				
- machineries	**-**	148,635	**-**	-
- premises	**445,588**	384,705	**-**	-

26. EMPLOYEE BENEFITS EXPENSE

	Group	
	2017	2016
	RM	RM
Wages and salaries	**20,093,672**	12,189,550
Social security contributions	**234,517**	174,198
Contributions to defined contribution plan	**2,507,543**	1,478,698
Other benefits	**3,102,935**	1,918,451
	25,938,667	15,760,897

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31ST DECEMBER, 2017

27. DIRECTORS' REMUNERATION

	Group		Company	
	2017	2016	**2017**	2016
	RM	RM	**RM**	RM
Executive				
- salaries and other emoluments	**4,579,341**	3,356,506	**-**	-
- contributions to defined contribution plan	**527,926**	402,794	**-**	-
Total executive directors' remuneration (Note 25)	**5,107,267**	3,759,300	**-**	-
Non-executive				
- fees				
- current year	**171,600**	156,000	**171,600**	156,000
- overprovision in previous year	**-**	(5,880)	**-**	(5,880)
- other emoluments				
- current year	**26,000**	18,000	**26,000**	18,000
- underprovision in previous year	**-**	13,000	**-**	13,000
Total non-executive directors' remuneration (Note 25)	**197,600**	181,120	**197,600**	181,120
	5,304,867	3,940,420	**197,600**	181,120

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

	Number of Directors	
	2017	2016
Executive directors		
- RM800,001 - RM1,000,000	**-**	2
- RM1,000,001 and above	**3**	1
Non-executive directors		
- below RM50,000	-	-
- RM50,001 - RM100,000	**3**	3

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31ST DECEMBER, 2017

28. TAXATION

	Group		Company	
	2017	2016	**2017**	2016
	RM	RM	**RM**	RM
Current income tax				
- Malaysian income tax	**40,915,365**	29,180,713	**-**	-
- (Over)/underprovision in previous year	**(43,611)**	(129,584)	**124,297**	16,621
- Real property gain tax	**134,023**	**-**	**-**	-
	41,005,777	29,051,129	**124,297**	16,621
Deferred income tax (Note 9)				
- relating to origination and reversal of temporary differences	**1,601,545**	(797,425)	**-**	-
- relating to reduction in Malaysian income tax rate	**-**	(6,288)	**-**	-
- (Over)/under provision in previous year	**(105,241)**	5,083,017	**-**	-
	1,496,304	4,279,304	**-**	-
Income tax expense recognised in statement of profit or loss and other comprehensive income	**42,502,081**	33,330,433	**124,297**	16,621

28. 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, 2017 and 2016 is as follows:

	Group		Company	
	2017	2016	**2017**	2016
	RM	RM	**RM**	RM
Profit before tax	**168,571,357**	133,157,359	**53,953,519**	22,444,695
Taxation at Malaysian statutory tax rate of 24% (2016: 24%)	**40,457,126**	31,957,766	**12,948,845**	5,386,727
Effect of SME tax at 19% for first RM500,000 chargeable income	**-**	(50,000)	**-**	-
Income not subject to tax	**(333,326)**	(2,164,839)	**(13,129,818)**	(6,052,818)
Non-deductible expenses	**8,781,855**	6,651,871	**180,973**	666,091
Deferred tax assets not recognised	**1,075**	15,604	**-**	-
Effect on opening deferred tax of reduction in Malaysia statutory tax rate	**-**	(26,328)	**-**	-
Deferred tax assets recognised on previously unrecognised tax losses and capital allowance	**1,827,764**	-	**-**	-
Real propety gain tax	**134,023**	-	**-**	-
Utilisation of current year's capital allowance	**(7,870,856)**	(8,007,074)	**-**	-
Utilisation of previously unrecognised reinvestment allowance	**(346,728)**	-	**-**	-
(Over)/under provision of deferred tax in previous year	**(105,241)**	5,083,017	**-**	-
(Over)/underprovision of income tax in previous year	**(43,611)**	(129,584)	**124,297**	16,621
	42,502,081	33,330,433	**124,297**	16,621

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31ST DECEMBER, 2017

28. TAXATION (CONT'D)

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2016: 24%) of the estimated assessable profit for the year.

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

29. EARNINGS PER SHARE

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

	Group	
	2017	2016
	RM	RM
(a) Basic		
Profit, net of tax attributable to owners of the Company	**124,740,059**	99,624,364
Weighted average number of ordinary shares outstanding	**533,830,468**	372,032,047
Basic earnings per share (sen)	**23.37**	26.78
(b) Diluted		
Profit, net of tax attributable to owners of the Company	**124,740,059**	99,624,364
Weighted average number of ordinary shares as above	**533,830,468**	372,032,047
Effect of outstanding warrants	**-**	14,317,902
Effect of outstanding RCPS	**-**	33,344,828
	533,830,468	419,694,777
Diluted earnings per share (sen)	**23.37**	23.74

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31ST DECEMBER, 2017

30. DIVIDEND

	Net Dividend Per Share Sen	Total Amount RM	Date of payment RM
2017			
Single tier interim	5.50	30,817,017	29th August, 2017
2016			
Single tier interim	4.00	20,278,928	18th August, 2016

At the forthcoming Annual General Meeting, a single-tier final dividend in respect of the current financial year of 0.50 sen per ordinary share amounting to RM6,209,844 based on 1,241,968,766 ordinary shares (as at the date of this report) will be proposed for shareholders' approval. The single-tier final dividend was proposed by the Board of Directors on 13th April, 2018.

The financial statements for the current financial year do not reflect this single-tier final dividend. This dividend payment will be accounted for in the shareholders' equity as an appropriation of retained profits in the financial year ending 31st December, 2018.

31. RELATED PARTY DISCLOSURES

a) Significant related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the related parties and their relationships with the Group are as follows:

	2017 RM	2016 RM
Rental of office premise	**495,600**	240,000
Construction contract sum	**64,221,214**	55,382,879
Sales of finished goods	**26,563**	42,792
Purchase of goods/services	**114,661**	-
Refreshement/gift	**87,722**	-
Accommodation for staffs	**4,033,212**	-

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31ST DECEMBER, 2017

31. RELATED PARTY DISCLOSURES (CONT'D)

a) Significant related party transactions (cont'd)

The significant related parties are Dekad Intelek Sdn. Bhd., Kerjaya Prospek Property Sdn. Bhd., and Kerjaya Hotel Sdn. Bhd. in which the executive directors of the company have either common directorship or/and substantial equity interest.

(b) Compensation of key management personnel

The key management personnel comprised mainly executive directors of the Group and of the Company. Their remuneration is disclosed in Note 27.

32. CONTIGENT LIABILITIES

	Company	
	2017	2016
	RM	RM
Corporate guarantees in respect of credit facilities granted to subsidiaries	**25,021,973**	21,567,673

33. COMMITMENTS

Operating lease commitments - as lessee

The Group has entered into commercial lease on office buildings and residential for staff accomodation. 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	
	2017	2016
	RM	RM
Not later than one year	**635,180**	286,550
Later than one year and not later than five years	**19,800**	66,600
	654,980	353,150

34. HOLDING COMPANY

The holding company of the Company is Egovision Sdn. Bhd., a company incorporated in Malaysia, and owns 50.02% of the Company's equity shareholdings as at 13th April, 2018.

35. 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)	19

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.

36. 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 minimises credit risk by dealing exclusively with high credit rating counterparties.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31ST DECEMBER, 2017

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

(a) Credit Risk (cont'd)

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 2 (2016: 4) debtors in the construction segment representing 39% (2016: 98%) of the gross trade receivables.

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.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31ST DECEMBER, 2017

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

(b) Liquidity Risk (cont'd)

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.

	<----------------------31.12.2017	-----------------------------	--->
	On demand or within one year RM	**One to five year RM**	**Total RM**
Group			
Financial Liabilities			
Trade and other payables	**145,944,061**	**49,017,495**	**194,961,556**
Company			
Trade and other payables	**3,459,888**	**-**	**3,459,888**

	<----------------------31.12.2016	-----------------------------	--->
	On demand or within one year RM	**One to five year RM**	**Total RM**
Group			
Financial Liabilities			
Trade and other payables	163,450,135	39,012,283	202,462,418
Short term borrowing	4,836,121	-	4,836,121
Company			
Trade and other payables	974,354	-	974,354

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31ST DECEMBER, 2017

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

(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 reporting date, the Group has short term borrowing facility which is bank overdraft, that may expose to interest rate risk as the bank overdraft interest rate is calculated based on cost of fund of the borrowing bank that subject to fluctuation plus a fixed spread. However, the fluctuation of the cost of fund is remote and the impact is not material.

(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	
	2017	2016
	RM	RM
United States Dollar ("USD")	**516,640**	644,560
Singapore Dollar ("SGD")	**496,097**	83,733
	1,012,737	728,293

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

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31ST DECEMBER, 2017

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

(d) Foreign Currency Risk (cont'd)

Sensitivity Analysis for Foreign Currency Risk

The following table demonstrates the sensitivity of the Group's profit to a reasonably possible change in the USD 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	
		2017	2016
		RM	RM
USD/RM	- strengthened 10%	**51,664**	64,456
	- weakened 10%	**(51,664)**	(64,456)
SGD/RM	- strengthened 10%	**49,610**	8,373
	- weakened 10%	**(49,610)**	(8,373)

37. 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, 2017 and 2016.

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.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31ST DECEMBER, 2017

37. CAPITAL MANAGEMENT (CONT'D)

	Group		Company	
	2017	2016	**2017**	2016
	RM	RM	**RM**	RM
Trade and other payables	**194,961,556**	202,462,418	**3,459,888**	974,354
Less: Net cash and bank balances	**(185,415,523)**	(127,602,492)	**(78,381,955)**	(24,364,317)
Net debt	**9,546,033**	74,859,926	**(74,922,067)**	(23,389,963)
Equity attributable to the owners of the parent, representing total capital	**877,749,863**	761,833,828	**657,631,419**	613,026,176
Capital and net debt	**887,295,896**	836,693,754	**582,709,352**	589,636,213
Gearing ratio	1%	9%	**0%**	0%

38. 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) Construction segment - Main building construction works, provision of contract workmanship and other related services.

(ii) Manufacturing segment - Manufacturing, assemble, installation and sale of light fitting, furniture and kitchen cabinetry and related products.

(iii) Properties segments - Development of residential or commercial properties.

(iv) Others - Investment holding 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.

38. SEGMENT INFORMATION (CONT'D)

	Construction RM	Manufacturing RM	Properties RM	Others RM	Elimination RM	Total RM
31st December, 2017						
Revenue						
External sales	879,692,228	469,631	75,507,447	-	-	955,669,306
Inter-segment sales	229,136,855	4,805,822	-	51,500,000*	(285,442,677)	-
Total revenue	1,108,829,083	5,275,453	75,507,447	51,500,000	(285,442,677)	955,669,306
Results						
Segment results	161,686,570	1,990,817	19,781,333	53,706,400	(60,107,018)	177,058,102
Finance costs						(8,486,745)
Profit before tax						168,571,357
Taxation						(42,502,081)
Profit for the year						126,069,276
Assets						
Segment assets	702,694,502	107,057,800	83,160,749	672,714,905	(380,973,708)	1,184,654,248
Unallocated assets						-
Consolidated total assets						1,184,654,248
Liabilities						
Segment liabilities	442,986,068	106,914,305	55,562,675	25,554,393	(325,974,835)	305,042,606
Unallocated liabilities						-
Consolidated total liabilities						305,042,606
Other information						
Depreciation of property, plant and equipment	23,328,019	371,659	-	3,600	-	23,703,278
Depreciation of investment properties	79,689	-	-	-	-	79,689
Amortisation of intangible assets	34,073	-	-	-	-	34,073

* Mainly are dividend income from subsidiaries, which will be eliminated upon consolidation.

38. SEGMENT INFORMATION (CONT'D)

	Construction RM	Manufacturing RM	Properties RM	Others RM	Elimination RM	Total RM
31st December, 2016						
Revenue						
External sales	757,723,540	8,448,175	32,290,490	232,200	-	798,694,405
Inter-segment sales	202,697,458	998,279	-	25,000,000*	(228,695,737)	-
Total revenue	960,420,998	9,446,454	32,290,490	25,232,200	(228,695,737)	798,694,405
Results						
Segment results	129,101,862	6,737,059	10,862,391	22,910,458	(33,195,146)	136,416,624
Finance costs						(3,259,265)
Profit before tax						133,157,359
Taxation						(33,330,433)
Profit for the year						99,826,926
Assets						
Segment assets	720,880,744	110,124,349	71,405,023	617,573,119	(462,543,272)	1,057,439,963
Unallocated assets						-
Consolidated total assets						1,057,439,963
Liabilities						
Segment liabilities	529,605,977	112,062,597	58,796,687	10,933,314	(416,325,002)	295,073,573
Unallocated liabilities						-
Consolidated total liabilities						295,073,573
Other information						
Depreciation of property, plant and equipment	12,448,652	441,714	-	25,697	-	12,916,063
Amortisation of intangible assets	24,829	-	-	175	-	25,004

* Mainly are dividend income from subsidiaries, which will be eliminated upon consolidation.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31ST DECEMBER, 2017

39. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) On 31st March, 2017, Kerjaya Prospek (M) Sdn Bhd ("KPSB"), a wholly-owned subsidiary of the Company, has accepted a Letter of Award ("LA") from Bina BMK Sdn. Bhd. ("BBMK") for the main building works for a proposed development project comprising of thirty-two (32) unit three (3) storey terrace house on Lot PT 287 – PT 313 & PT 321 – PT 325, Kawasan Tebusguna, Bandar Tanjung Pinang, (Fasa 1), Daerah Timur Laut, Pulau Pinang, which is a development project of E&O Property (Penang) Sdn. Bhd.

The contract sum of the Award is RM 31.6 million, The construction works to be undertaken by KPSB is expected to commence on 22nd March, 2017 ("Date of Commencement") and due to be completed on 21st September, 2018.

(b) On 11th May, 2017, KPSB, a wholly-owned subsidiary of the Company, has accepted a Letter of Award ("LA") from BCB Development Sdn. Bhd. ("BCB") at the total contract sum of RM 207.36 million.

The contract is for the main building works for a proposed development project comprising of ninety-nine (99) unit three (3) storey bungalow, one hundred sixty-six (166) unit three (3) storey semi-detached house, one (1) unit two (2) storey club house, two (2) unit security guard house, four (4) unit electrical substations and one (1) unit single storey mosque on Lot PT142768 (Lot lama 140594), Persiaran Anggerik Oncidium, Seksyen 31, 40460 Shah Alam, Selangor Darul Ehsan, which is a development project of BCB Development Sdn Bhd.

The construction works to be undertaken by KPSB is expected to commence on 15th May, 2017 ("Date of Commencement") and due to be completed on 30th September, 2019.

(c) On 23rd May, 2017, KPSB, a wholly-owned subsidiary of the Company, has accepted a letter of award ("LA") from TSM Tower Sdn Bhd ("TSM") at the total contract sum of RM 77 million.

The contract is for the building and external works for a proposed development project comprising of one (1) block of twenty-four (24) storey office building on Lot 67328, Jalan PJU 7/6, Mutiara Damansara, Mukim Sungai Buluh, Daerah Petaling, Selangor Darul Ehsan, which is a development project of TSM Towers Sdn Bhd.

The construction works to be undertaken by KPSB is expected to commence on 29th May, 2017 ("Date of Commencement") and due to be completed on 28th August, 2018.

(d) On 20th July, 2017, KPSB, a wholly-owned subsidiary of the Company, has accepted a letter of award ("LA") from Kerjaya Prospek Property Sdn Bhd ("KP Property"), a related party, at a total contract sum of RM 64.22 million.

The contract is for foundation piling works and associated sub-structure works for proposed mixed development comprising of one (1) block of twenty-five (25) storey hotel and office building and two (2) blocks of fifty-three (53) storey service apartment building on top of eleven (11) storey podium, one (1) partial underground level and three (3) storey basement on Lot 45770, 45771, 45772, 2915 and 2917, Jalan Puchong, Mukim Petaling, Wilayah Persekutuan Kuala Lumpur, of which is a development of KP Property.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31ST DECEMBER, 2017

39. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

The construction works to be undertaken by KPSB is expected to commence on 2nd August, 2017 ("Date of Commencement") and due to be completed on 1st October, 2018.

The contract is regarded as Recurrent Related Party Transactions of a Revenue or Trading Nature ("RRPT") pursuant to the Bursa Malaysia Securities Berhad Main Market Listing Requirements of which the mandate to enter into such RRPT had been obtained from its shareholders at the recent Annual General Meeting of the Company held on 25th May, 2017.

KP Property is a company owned by Datuk Tee Eng Ho and Mr. Tee Eng Seng (whom are brothers and both the directors and major shareholders of the Company and Datin Toh Siew Chuon (director of the Company and spouse of Datuk Tee Eng Ho).

Saved for Datuk Tee Eng Ho, Mr. Tee Eng Seng and Datin Toh Siew Chuon, none of the Directors and/or substantial shareholders of the Company or persons connected to them have any interest, whether direct or indirect, in the Contract.

(e) On 1st August, 2017, Future Rock Sdn. Bhd. ("FRSB"), a 70%-owned subsidiary of the Company, has accepted a letter of award ("LA") from China Communications Construction Company (M) Sdn Bhd ("CCC") on the appointment of FRSB as a subcontractor for the project known as "Perimeter Bund (CH100 to CH1150) for Phase 2B of the Seri Tanjung Pinang Phase 2 Project".

The value of the Award is for RM 45.95 million. The construction works to be undertaken by FRSB is expected to commence on 27th July, 2017 ("Date of Commencement") and due to be completed on 26th May, 2018.

(f) On 3rd August, 2017, the Company has issued 30,650,000 new ordinary shares at RM1.16 per share to Amazing Parade 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.

(g) The Company has issued 22,120,990 new ordinary shares pursuant to the conversion of warrants 2007/2017 for the period January, 2017 to December, 2017 at the exercise price of RM0.88 per share.

(h) On 17th August, 2017, KPSB, a wholly-owned subsidiary of the Company, has accepted a letter of award ("LA") at a total contract sum of RM 442 million from Aspen Vision City Sdn Bhd ("AV City"), a subsidiary of Aspen Vision Land Sdn. Bhd., which in turn a subsidiary of Aspen (Group) Holdings Limited ("Aspen"), a company listed on Catalist of the Singapore Exchange Securities Trading Limited.

The contract is for the main building works for a proposed development project known as "Vertu Resort", a prestigious project jointly developed by Aspen Group and IKEA Southeast Asia, which consists of five (5) condominium blocks ranging from 20-storeys to 36-storeys consisting of 1,246 units of condominiums to be built above an 8-storey car park podium with one storey above the car park for community recreational facilities on Plot 10 (Fasa 4) Sebahagian Lot 282, MK. 13, S.P.S Pulau Pinang.

39. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

The construction works to be undertaken by KPSB is expected to commence on 4th September, 2017 ("Date of Commencement") and due to be completed within 38 months from the Date of commencement.

(i) On 17th August, 2017, the Company has invest 70% equity interest in a new incorporated company with a proposed name of Kerjaya Prospek Resources Sdn. Bhd. ("KP Resources") with an initial share capital of RM 10 at an issue price of RM 1 per share to undertake the business of supplying, manufacturing, trading of gondola lift and providing related services and on incorporation, the Company will hold 7 ordinary shares in KP Resources while the remaining 30% equity interest would be taken up by Mech Tech Machinery Sdn Bhd (Company No.1237043-V).

The company nominate Datuk Tee Eng Ho, Mr Tee Eng Seng, Mr Tee Eng Tiong as representatives of the Company in KP Resources and they shall act as the first directors alongside with Mr Er Seng Toh upon incorporation.

(j) On 30th August, 2017, the Company has issued 2,694,828 new ordinary shares at RM1.16 per share to Amazing Parade 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 was paid on conversion.

(k) On 18th September, 2017, KPSB, a wholly-owned subsidiary of the Company, has accepted a letter of award ("LA") from Bon Estates Sdn Bhd ("Bon Estates"), an unrelated third party property developer, in respect of main building works, hardscape works, external works and other ancillary works for a proposed residential development project known as "The Estate".

The value of the award is for RM 291 million which covers the construction of main building works, hardscape works, external works and other ancillary works for The Estate, which comprises two (2) towers residential high-rise of forty-six (46) storey each, with a total of 328 units condominium and three (3) storey podium for recreational facilities to be built on top of four and a half (4 1/2) level basement car park sited on a 3.68 acres of freehold land along Jalan Pantai Prima (Jalan 112/H), Off Jalan Kerinchi, South of Bangsar, Kuala Lumpur.

The contract is expected to commence in September 2017 and to be completed within 32 months from the commencement date.

(l) On 22nd November, 2017, KPSB, a wholly-owned subsidiary of the Company, has accepted a letter of award ("LA") from B.U. Developments Sdn. Bhd. ("B.U."), an unrelated third party property developer, in respect of main building works for a proposed residential development project "The Sanctuary" located at Batu Uban, Penang.

The value of the award is for RM 245.35 million which covers 2 phases of the construction of main building works for the Triuni Residences of Batu Uban project, which comprises three (3) towers of residential high-rise ranging from twenty-two (22) to twenty-four (24) storey each, with a total of 552 units condominium to be built on top of three (3) level basement car park sited on Lot 11784 (Lot Lama PT.2808), Mukim 13, Daerah Timur Laut, Jalan Sultan Azlan Shah, Pulau Pinang.

The contract is expected to commence on 30th November, 2017 and has an overall completion period of 48 months from the date of commencement of works with separate commencement dates and completion dates.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

FOR THE YEAR ENDED 31ST DECEMBER, 2017

40. SIGNIFICANT EVENTS SUBSEQUENT TO THE FINANCIAL YEAR END

(a) On 3rd January, 2018, the Company proposed to undertake the following proposals:

(i) Proposed bonus issue of up to 677,437,658 new ordinary shares in the Company ("Kerjaya Shares" or "Shares")("Bonus Shares") on the basis of 6 bonus shares for every 5 existing Kerjaya Shares and;

(ii) Proposed bonus issue of up to 169,359,414 new warrants in the Company ("bonus warrants") on the basis of 6 bonus warrants for every 20 existing Kerjaya Shares ("Proposed bonus issue of warrants").

The proposed bonus issue of shares and warrants were subject to and conditional upon approval being obtained from the shareholders of the Company at the Extraordinary General Meeting ("EGM") held on 12th February, 2018, which approval has been obtained in the EGM on 12th February, 2018.

The bonus issue of shares has been completed following the listing of and quotation for 677,437,384 bonus shares on the Main Market of Bursa Securities on 28th February, 2018.

The proposals bonus issue of warrants are deemed completed following the listing of and quotation for 169,358,984 on the Main Market of Bursa Securities on 7th March, 2018.

(b) On 12th April, 2018, KPSB, a wholly-owned subsidiary of the Company, has accepted a letter of award for Superstructure S2 (Parcel 3) main building works ("LA") from BBCC Development Sdn Bhd, an unrelated third party property developer, in respect of main building works for a proposed mixed development project located on part of Lot PT143 Seksyen 56 at Jalan Hang Tuah/Jalan Pudu, Wilayah Persekutuan, Kuala Lumpur.

The contract covers the construction of main building works for the project, which comprises one (1) block of eight (8) storey car park podium with connection from parcel to parcel, a six (6) storey car park and two (2) towers of high-rise buildings of thirty-five (35) and forty-seven (47) storey each, with a total of 666 units service apartments to be built on part of Lot PT143, Seksyen 56 at Jalan Hang Tuah/Jalan Pudu, Wilayah Persekutuan, Kuala Lumpur.

The contract sum for the contract is RM357.30 million only. The contract is expected to commence on 23rd April, 2018 and to be completed within 36 months from the commencement date.

(c) On 13th April, 2018, the Company proposed to seek its shareholders' approval on renewal of share buy-back authority at the upcoming Annual General Meeting.

41. COMPARATIVE

Some comparative figures have been reclassified to conform with current year's presentation.

42. AUTHORISATION FOR ISSUE

The financial statements of the Group and of the Company for the financial year ended 31st December, 2017 were authorised for issue in accordance with a resolution of the Board of Directors on 13th April, 2018.

TOP 10 LIST OF PROPERTIES

No	Address / Location	Tenure	Area (Square metre)	Description/ Existing use	Approximate Age of Building	Net Carrying Amount (RM'000)	Date pf Last Revaluation (R)/ Acquisition (A)
1.	Lot 12068 Pekan Klebang Seksyen 111 Melaka (Land)	Leasehold expiring in 2109	20,234 sq meter	Vacant	2	4,947	01/06/2015
2.	Unit No.10 Lot 9625 Sungai Buloh Batu 11 Jalan Kuala Selangor	Leasehold expiring in 2068	918.77 sq meter	Workshop	4	4,229	31/05/2013
3.	Pajakan Mukim PM640 Lot No. 10492 Tempat Batu 28 Ijok Mukim Ijok District Kuala Selangor Negeri Selangor	Leasehold expiring in 2077	13,691 sq ft	Factory	15	3,276	11/05/2011
4.	No 15, Jalan Pengaturcara U1/51G, Seksyen U1 40150 Shah Alam, Selangor	Freehold	408.6 sq meter	Vacant	2	2,660	30/10/2015
5.	No 14, Jalan Medini Timur 10 Bandar Medini Iskandar 79250 Iskandar Puteri Johor Darul Takzim (Lot 284, Type B)	Leasehold expiring in 2110	2,249 sq ft	Vacant	1	1,276	15/04/2015
6.	No 12, Jalan Medini Timur 10 Bandar Medini Iskandar 79250 Iskandar Puteri Johor Darul Takzim (Lot 285, Type B)	Leasehold expiring in 2110	2,249 sq ft	Vacant	1	1,276	15/04/2015
7.	No 7, Jalan Medini Timur 8 Bandar Medini Iskandar 79250 Iskandar Puteri Johor Darul Takzim (Lot 267, Type B)	Leasehold expiring in 2110	1,756 sq ft	Vacant	2	1,269	15/04/2015
8.	No 5, Jalan Medini Timur 8 Bandar Medini Iskandar 79250 Iskandar Puteri Johor Darul Takzim (Lot 268, Type B)	Leasehold expiring in 2110	1,756 sq ft	Vacant	2	1,269	15/04/2015
9.	B2-23-1, My habitat 3 Jalan Aman, Off Jalan Tun Razak 55000 Kuala Lumpur.	Freehold	1,141 sq ft	Vacant	6	1,262	02/03/2011
10.	A1-25-2, My habitat 3 Jalan Aman, Off Jalan Tun Razak 55000 Kuala Lumpur	Freehold	883 sq ft	Vacant	6	931	02/03/2011

ANALYSIS OF SHAREHOLDINGS

As at 30th March, 2018

Issued Share Capital	:	RM642,658,306.46 represented by 1,241,968,766 ordinary shares ("OS")
Class of Shares	:	Ordinary share
Voting Rights	:	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 30TH MARCH, 2018 (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	274	10.51	11,149	0.00
100 to 1,000	223	8.55	111,263	0.01
1,001 to 10,000	1,271	48.73	4,653,173	0.37
10,001 to 100,000	635	24.35	17,453,469	1.41
100,001 to less than 5% of issued shares	202	7.75	347,081,967	27.95
5% and above of issued shares	3	0.12	872,657,745	70.26
Total	**2,608**	**100.00**	**1,241,968,766**	**100.00**

THE 30 LARGEST SECURITIES ACCOUNT HOLDERS AS AT 30TH MARCH, 2018 (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	519,381,464	41.82
2.	PACIFIC TRUSTEES BERHAD AMAZING PARADE SDN BHD	251,482,759	20.25
3.	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR EGOVISION SDN BHD (ESS2.7189-9)	101,793,522	8.20
4.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD	56,321,480	4.53
5.	HSBC NOMINEES (ASING) SDN BHD HSBC BK PLC FOR ASIA EX JAPAN EQUITY SMALLER COMPANIES (LXG HGIF)	26,870,140	2.16

ANALYSIS OF SHAREHOLDINGS (Cont'd)

No.	Holder Name	No. of Shares	% of Issued Share Capital
6.	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR EASTSPRING INVESTMENTSSMALL-CAP FUND	18,252,620	1.47
7.	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD-KENANGA GROWTH FUND	17,701,600	1.43
8.	ONE PERMATANG SDN BHD	17,600,000	1.42
9.	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 14)	15,037,660	1.21
10.	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR EASTSPRING INVESTMENTS ISLAMIC SMALL-CAP FUND	13,840,200	1.11
11.	TOKIO MARINE LIFE INSURANCE MALAYSIA BHD AS BENEFICIAL OWNER (PF)	12,136,300	0.98
12.	AMSEC NOMINEES (TEMPATAN) SDN BHD MTRUSTEE BERHAD FOR CIMB ISLAMIC DALI EQUITY GROWTH FUND (UT-CIMB-DALI)	11,635,140	0.94
13.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (KENANGA)	10,331,060	0.83
14.	CARTABAN NOMINEES (TEMPATAN) SDN BHD PAMB FOR PRULINK EQUITY FOCUS FUND	7,776,560	0.63
15.	CARTABAN NOMINEES (TEMPATAN) SDN BHD RHB TRUSTEES BERHAD FOR MANULIFE INVESTMENT SHARIAH PROGRESS FUND	6,835,600	0.55
16.	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR EASTSPRING INVESTMENTSMY FOCUS FUND	6,029,540	0.49
17.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TOH SIEW CHUON	5,929,314	0.48
18.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (ARIM)	5,250,000	0.42
19.	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR EASTSPRING INVESTMENTSEQUITY INCOME FUND	5,075,400	0.41
20.	CIMB ISLAMIC NOMINEES (TEMPATAN) SDN BHD CIMB ISLAMIC TRUSTEE BERHAD-KENANGA SYARIAH GROWTH FUND	4,487,240	0.36
21.	LOO SOO LOONG	4,400,000	0.35
22.	AMANAH RAYA BERHAD KUMPULAN WANG BERSAMA SYARIAH	4,070,000	0.33

ANALYSIS OF SHAREHOLDINGS (Cont'd)

No.	Holder Name	No. of Shares	% of Issued Share Capital
23.	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR AFFIN HWANG AIIMAN GROWTH FUND (4207)	3,831,960	0.31
24.	HSBC NOMINEES (ASING) SDN BHD HSBC TUB AG FOR HSHK ASIAN SMALL CAPS (INKA MBH)	3,668,940	0.30
25.	CARTABAN NOMINEES (TEMPATAN) SDN BHD PAMB FOR PRULINK EQUITY INCOME FUND	3,655,960	0.29
26.	MAYBANK NOMINEES (TEMPATAN) SDN BHD NATIONAL TRUST FUND (IFM KENANGA)	3,330,000	0.27
27.	CARTABAN NOMINEES (TEMPATAN) SDN BHD PBTB FOR TAKAFULINK DANA EKUITI	2,977,040	0.24
28.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KENANGA ISLAMIC INVESTORS BHD FOR LEMBAGA TABUNG HAJI	2,345,100	0.19
29.	LUM KWOK WENG @ LUM KOK WENG	2,321,000	0.19
30.	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD-KENANGA MALAYSIAN INC FUND	2,154,120	0.17
	TOTAL	**1,146,521,719**	**92.31**

DIRECTORS' SHAREHOLDINGS IN THE COMPANY
(AS PER REGISTER OF DIRECTORS' SHAREHOLDINGS AS AT 30TH MARCH, 2018)

	No. of Shares held			
Name of Directors	**Direct**	**%**	**Indirect**	**%**
Datuk Tee Eng Ho	-	-	*[2] 872,657,745	*[2] 70.26
Tee Eng Seng	-	-	*[2] 872,657,745	*[2] 70.26
Datin Toh Siew Chuon	5,929,314	0.48	*[2] 872,657,745	*[2] 70.26
Khoo Siong Kee	22,220	*[1] 0.00	-	-
Lim Kien Lai @ Lim Kean Lai	154,000	0.01	-	-
Professor Datuk Dr. Nik Mohd Zain bin Nik Yusof	-	-	-	-

Notes:-

*[1] Negligible
*[2] Deemed interested by virtue of their interest in Egovision Sdn. Bhd. and Amazing Parade Sdn. Bhd. pursuant to Section 8 of the Companies Act, 2016

ANALYSIS OF SHAREHOLDINGS (Cont'd)

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS
(AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 30TH MARCH, 2018)

	No. of Shares Held			
Name of Substantial Shareholders	**Direct**	**%**	**Indirect**	**%**
Amazing Parade Sdn. Bhd.	251,482,759	20.25	-	-
Egovision Sdn. Bhd.	621,174,986	50.02	-	-
Datuk Tee Eng Ho	-	-	*[1] 878,587,059	*[1] 70.74
Tee Eng Seng	-	-	*[2] 872,657,745	*[2] 70.26
Datin Toh Siew Chuon	5,929,314	0.48	*[2] 872,657,745	*[2] 70.26

Notes:-

*[1] Deemed interested by virtue of his spouse's direct shareholding and his interest in Egovision Sdn. Bhd. and Amazing Parade Sdn. Bhd. pursuant to Section 8 of the Companies Act, 2016.

*[2] Deemed interested by virtue of their interest in Egovision Sdn. Bhd. and Amazing Parade Sdn. Bhd. pursuant to Section 8 of the Companies Act, 2016.

DIRECTORS' SHAREHOLDINGS IN RELATED CORPORATION
(AS PER REGISTER OF DIRECTORS' SHAREHOLDINGS AS AT 30TH MARCH, 2018)

	Direct No. of Ordinary Shares in Egovision Sdn. Bhd.	**%**	**Indirect** No. of Ordinary Shares in Egovision Sdn. Bhd.	**%**
Datuk Tee Eng Ho	30,001	25.00	-	-
Tee Eng Seng	60,002	50.00	-	-
Datin Toh Siew Chuon	30,001	25.00	-	-

ANALYSIS OF WARRANTHOLDINGS

As at 30th March, 2018

No. of 2018/2023 Warrants Issued : 169,358,984

No. of 2018/2023 Warrants Outstanding : 169,358,984

ANALYSIS BY SIZE OF HOLDINGS AS AT 30TH MARCH, 2018 (WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNT BELONGING TO THE SAME PERSON)

Size of Warrantholdings	No. of Holders	%	No. of Holdings	%
Less than 100	420	18.25	9,622	0.01
100 to 1,000	992	43.11	398,216	0.24
1,001 to 10,000	620	26.94	2,028,441	1.20
10,001 to 100,000	200	8.69	6,675,913	3.94
100,001 to less than 5% of issued shares	66	2.87	41,248,010	24.36
5% and above of issued shares	3	0.13	118,998,782	70.26
Total	**2,301**	**100.00**	**169,358,984**	**100.00**

THE 30 LARGEST SECURITIES ACCOUNT HOLDERS AS AT 30TH MARCH 2018 (WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNT BELONGING TO THE SAME PERSON)

No.	Holder Name	No. of Holdings	%
1.	EGOVISION SDN BHD	70,824,745	41.82
2.	PACIFIC TRUSTEES BERHAD AMAZING PARADE SDN BHD	34,293,103	20.25
3.	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR EGOVISION SDN BHD (ESS2.7189-9)	13,880,934	8.20
4.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD	6,142,070	3.63
5.	HSBC NOMINEES (ASING) SDN BHD HSBC BK PLC FOR ASIA EX JAPAN EQUITY SMALLER COMPANIES (LXG HGIF)	3,664,110	2.16
6.	ONE PERMATANG SDN BHD	2,400,000	1.42
7.	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR EASTSPRING INVESTMENTSSMALL-CAP FUND	2,352,630	1.39

ANALYSIS OF WARRANTHOLDINGS (Cont'd)

No.	Holder Name	No. of Holdings	%
8.	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD-KENANGA GROWTH FUND	2,056,950	1.21
9.	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR EASTSPRING INVESTMENTS ISLAMIC SMALL-CAP FUND	1,887,300	1.11
10.	TOKIO MARINE LIFE INSURANCE MALAYSIA BHD AS BENEFICIAL OWNER (PF)	1,654,950	0.98
11.	AMSEC NOMINEES (TEMPATAN) SDN BHD MTRUSTEE BERHAD FOR CIMB ISLAMIC DALI EQUITY GROWTH FUND (UT-CIMB-DALI)	1,586,610	0.94
12.	RHB NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN LEE GEK	1,379,720	0.81
13.	CARTABAN NOMINEES (TEMPATAN) SDN BHD PAMB FOR PRULINK EQUITY FOCUS FUND	1,060,440	0.63
14.	CARTABAN NOMINEES (TEMPATAN) SDN BHD RHB TRUSTEES BERHAD FOR MANULIFE INVESTMENT SHARIAH PROGRESSFUND	959,400	0.57
15.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (KENANGA)	920,840	0.54
16.	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR EASTSPRING INVESTMENTSMY FOCUS FUND	822,210	0.49
17.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TOH SIEW CHUON	808,542	0.48
18.	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR EASTSPRING INVESTMENTSEQUITY INCOME FUND	692,100	0.41
19.	CHIA SOW TECK	635,068	0.37
20.	LOO SOO LOONG	600,000	0.35
21.	CHONG LOKE CHEN	591,000	0.35
22.	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR AFFIN HWANG AIIMAN GROWTH FUND (4207)	522,540	0.31
23.	HSBC NOMINEES (ASING) SDN BHD HSBC TUB AG FOR HSHK ASIAN SMALL CAPS (INKA MBH)	500,310	0.30
24.	CARTABAN NOMINEES (TEMPATAN) SDN BHD PAMB FOR PRULINK EQUITY INCOME FUND	498,540	0.29

ANALYSIS OF WARRANTHOLDINGS (Cont'd)

No.	Holder Name	No. of Holdings	%
25.	PUA GEOK TAN	425,090	0.25
26.	CARTABAN NOMINEES (TEMPATAN) SDN BHD PBTB FOR TAKAFULINK DANA EKUITI	405,960	0.24
27.	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEH BEE SUAN (TEH1101C)	400,000	0.24
28.	CIMB ISLAMIC NOMINEES (TEMPATAN) SDN BHD CIMB ISLAMIC TRUSTEE BERHAD KENANGA SYARIAH GROWTH FUND	384,360	0.23
29.	MAYBANK NOMINEES (TEMPATAN) SDN BHD TEE TONG LAI	354,880	0.21
30.	CHONG MEEI FEN	345,800	0.20
	TOTAL	**153,050,202**	**90.37**

DIRECTORS' WARRANTHOLDINGS
(AS PER REGISTER OF DIRECTORS' WARRANTHOLDINGS AS AT 30TH MARCH, 2018)

	No. of Warrants Held			
Name Director	**Direct**	**%**	**Indirect**	**%*[2]**
Datuk Tee Eng Ho		-	*[1] 118,998,782	*[1] 70.26
Tee Eng Seng		-	*[1] 118,998,782	*[1] 70.26
Datin Toh Siew Chuon		0.48	*[1] 118,998,782	*[1] 70.26
Khoo Siong Kee		0.00	-	-
Lim Kien Lai @ Lim Kean Lai		0.01	-	-
Professor Datuk Dr. Nik Mohd Zain bin Nik Yusof	-	-	-	-

Note:-

*[1] Deemed interested by virtue of their interest in Egovision Sdn. Bhd. and Amazing Parade Sdn. Bhd. pursuant to Section 8 of the Companies Act, 2016.
*[2] Based on percentage of outstanding securities as at 30th March, 2018

NOTICE TO SHAREHOLDERS

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Thirty-Fourth Annual General Meeting of the Company will be held at Grand Lotus Room, Swiss Garden Residences KL, Jalan Pudu, Bukit Bintang, 55100 Kuala Lumpur on Monday, 28th May, 2018 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, 2017 and the Reports of Directors and Auditors thereon.

2. To approve a single-tier final dividend of 0.5 sen per ordinary share for the financial year ended 31st December, 2017. *Ordinary Resolution 1*

3. To approve the payment of Directors' fees of RM171,600 in respect of the financial year ended 31st December, 2017. *Ordinary Resolution 2*

4. To approve the payment of Directors' benefits (excluding Directors' fees) to the Non-Executive Directors up to an amount of RM50,000 from 29th May, 2018 until the next annual general meeting of the Company. *Ordinary Resolution 3*

5. To re-elect the following Directors retiring in accordance with Article 89 of the Company's Constitution:-

   (i) Datin Toh Siew Chuon *Ordinary Resolution 4*
   (ii) Khoo Siong Kee *Ordinary Resolution 5*

6. To appoint Messrs Ong & Wong as Auditors of the Company and authorise the Directors to determine their remuneration. *Ordinary Resolution 6*

7. To consider and if thought fit, to pass the following Ordinary Resolutions, with or without modifications:-

   (A) PROPOSED RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR

   "THAT Professor Datuk Dr. Nik Mohd Zain bin Nik Yusof who has served the Board as Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years be and is hereby retained as Independent Non-Executive Director of the Company." *Ordinary Resolution 7*

   (B) AUTHORITY TO ALLOT SHARES

   "THAT subject always to the Companies Act, 2016 **("Act")** and the approvals of the relevant authorities, the Directors be and are hereby authorised pursuant to Section 75 of the Act, to allot shares in the Company at any time until the conclusion of the next Annual General Meeting upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued pursuant to this Resolution does not exceed 10% of the total number of issued shares of the Company for the time being." *Ordinary Resolution 8*

NOTICE TO SHAREHOLDERS

NOTICE OF ANNUAL GENERAL MEETING (Cont'd)

(C) PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

Ordinary Resolution 9

"THAT subject always to the Companies Act, 2016 **("Act")**, provisions of the Company's Constitution and the requirements of Bursa Malaysia Securities Berhad **("Bursa Securities")** and any other relevant approvals, the Directors of the Company be and are hereby authorised to purchase the Company's ordinary shares **("Shares")** through Bursa Securities, subject to the following:-

(a) The maximum number of Shares which may be purchased by the Company shall not exceed ten per centum (10%) of the total number of issued Shares of the Company at any point in time;

(b) The maximum fund to be allocated by the Company for the purpose of purchasing its Shares shall not exceed the retained profits of the Company;

(c) The authority conferred by this resolution will be effective upon passing of this resolution and will continue in force until:-

(i) the conclusion of the next Annual General Meeting **("AGM")** of the Company, at which time it will lapse, unless by ordinary resolution passed at that meeting, the authority is renewed; or

(ii) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extensions as may be allowed pursuant to Section 340(4) of the Act); or

(iii) the authority is revoked or varied by an ordinary resolution passed by the shareholders in general meeting;

whichever occurs first;

(d) Upon completion of the purchase(s) of the Shares by the Company, the Shares shall be dealt with in the following manner as the Directors of the Company may decide:-

(i) cancel the Shares so purchased; or

(ii) retain the Shares so purchased as treasury shares; or

(iii) retain part of the Shares so purchased as treasury shares and/or cancel the remainder of the Shares/ treasury shares; or

(iv) distribute the treasury shares as dividends to shareholders; or

(C) PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY (cont'd)

(v) resell the treasury shares or any of the treasury shares on Bursa Securities in accordance with the relevant rules of Bursa Securities; or

(vi) transfer the treasury shares or any of the treasury shares for the purposes of or under an employees' share scheme; or

(vii) transfer the treasury shares or any of the treasury shares as purchase consideration; or

(viii) sell, transfer or otherwise use the treasury shares for such other purposes as the Minister charged with the responsibility for companies may by order prescribe.

THAT the Directors of the Company be and are hereby authorised to take all such steps and enter into all agreements, arrangements and guarantees with any party or parties as are necessary to implement, finalise and give full effect to the aforesaid purchase with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time to implement or to effect the purchase of its own shares."

(D) PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

"THAT, subject to the Companies Act, 2016 ("Act"), the Constitution 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 Part B of the Circular to Shareholders dated 27th April, 2018 in relation to the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Recurrent RPTs") provided that such transactions are:- *Ordinary Resolution 10*

(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").

NOTICE TO SHAREHOLDERS

NOTICE OF ANNUAL GENERAL MEETING (Cont'd)

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

(a) the conclusion of the next Annual General Meeting **("AGM")** of the Company, at which time it will lapse, unless by ordinary resolution passed at that meeting, the authority is renewed; or

(b) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

(c) the authority is revoked or varied by ordinary resolution passed by the shareholders in 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."

8. To consider and if thought fit, to pass the following Special Resolution, with or without modifications:- *Special Resolution 1*

PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY

"THAT the draft new set of the Constitution of the Company in the form and manner as set out in Appendix A attached herewith be and is hereby approved and adopted as the new Constitution of the Company, in substitution for, and to the exclusion of, the existing Constitution of the Company AND THAT the Directors be and are hereby authorised to do all such acts and things and to take such steps that are necessary to give effect to adoption of the new Constitution of the Company."

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

NOTICE TO SHAREHOLDERS

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT a single-tier final dividend of 0.5 sen per ordinary share for the financial year ended 31st December, 2017, if approved by shareholders, will be paid on 10th July, 2018 to shareholders whose names appear in the Record of Depositors of the Company at the close of business on 12th June, 2018.

A Depositor shall qualify for entitlement only in respect of:-

(i) shares transferred to the Depositor's Securities Account before 4.00 p.m. on 12th June, 2018 in respect of transfers; and

(ii) shares bought on Bursa Malaysia Securities Berhad on a cum-entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD

SEOW FEI SAN
MOK MEE KEE
Secretaries

Petaling Jaya
27th April, 2018

Notes to the Notice of Thirty-Fourth Annual General Meeting:-

1. Proxy

1.1 Only depositors whose names appear in the Record of Depositors as at 18th May, 2018 shall be regarded as members and entitled to attend, speak and vote at the meeting.

1.2 A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy may but need not be a member of the Company and a member may appoint any persons to be his proxy.

1.3 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.

1.4 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.

1.5 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.

NOTICE TO SHAREHOLDERS

Notes to the Notice of Thirty-Fourth Annual General Meeting:- (cont'd)

1.6 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.

1.7 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.

2. Audited Financial Statements for the financial year ended 31st December, 2017

*The shareholders' approval on the Audited Financial Statements are not required pursuant to the provisions of Section 340(1) of the Companies Act, 2016 ("**Act**"), hence, the matter will not be put for voting.*

3. Ordinary Resolutions 2 and 3: Directors' fees and benefits payable to the Non-Executive Directors

*Pursuant to Section 230(1) of the Act, the fees of the directors and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. In this respect, the Board agreed that the shareholders' approval shall be sought at the Thirty-Fourth Annual General Meeting ("**AGM**") on the Directors' fees and benefits in two (2) separate resolutions as below:-*

- *Ordinary Resolution 2 on payment of Directors' fees in respect of the preceding year 2017; and*
- *Ordinary Resolution 3 on payment of Directors' benefits (excluding Directors' fees) from 29th May, 2018 until the next AGM.*

The Directors' benefits payable to the Directors are essentially the meeting allowance for attendance of Board/Board Committee meetings. The Directors' benefits from 29th May, 2018 until the conclusion of the next AGM is estimated not to exceed RM50,000. The Board will seek shareholders' approval at the next AGM in the event the amount of the Directors' benefits is insufficient due to an increase in Board/Board Committee meetings and/or increase in Board size.

Details of the Directors' fees payable to the Non-Executive Directors for the financial year ended 31st December, 2017 are disclosed in the Corporate Governance Overview Statementas contained in 2017 Annual Report.

4. Ordinary Resolution 7: Proposed Retention of Independent Non-Executive Director

The proposed Ordinary Resolution 7 is proposed pursuant to recommendation of the Malaysian Code of Corporate Governance and if passed, will allow Professor Datuk Dr. Nik Mohd Zain bin Nik Yusof to be retained and continue to act as Independent Non-Executive Director of the Company.

NOTICE TO SHAREHOLDERS

Notes to the Notice of Thirty-Fourth Annual General Meeting:- (cont'd)

4. Ordinary Resolution 7: Proposed Retention of Independent Non-Executive Director (cont'd)

The full details of the Board's justifications for the retention of Professor Datuk Dr. Nik Mohd Zain bin Nik Yusof as Independent Non-Executive Director is set out in the Corporate Governance Overview Statement as contained in 2017 Annual Report.

Professor Datuk Dr. Nik Mohd Zain bin Nik Yusof was appointed on Board as Director of the Company on 21st April, 2008. As at the date of printing of this Annual Report, he had served on the Board for a period of 10 years.

5. Ordinary Resolution 8: Authority to Allot Shares

The proposed Ordinary Resolution 8, if passed, will empower the Directors of the Company to allot not more than 10% of the total number of issued shares of the Company subject to approvals of all the relevant governmental and/or other regulatory bodies and for such purposes as the Directors consider would be in the interest of the Company. This authorisation will, unless revoked or varied by the Company in general meeting, expire at the next Annual General Meeting of the Company.

As at the date of printing of this Annual Report, no new shares in the Company were issued pursuant to the authority granted to the Directors at the Thirty-Third Annual General Meeting held on 25th May, 2017 and which will lapse at the conclusion of the Thirty-Fourth 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, repayment of bank borrowing and/or acquisitions.

6. Ordinary Resolution 9: Proposed renewal of share buy-back authority

The proposed Ordinary Resolution No. 9, if passed, will empower the Directors of the Company to purchase the Company's ordinary shares of up to ten percent (10%) of the total number of issued shares of the Company by utilising the funds allocated which shall not exceed the total retained earnings of the Company. Further information on the proposed renewal of share buy-back authority is set out in the Circular to Shareholders dated 27th April, 2018, which is despatched together with the 2017 Annual Report.

7. Ordinary Resolution 10: Proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature

The proposed Ordinary Resolution 10, 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 renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature is set out in the Circular to Shareholders dated 27th April, 2018, which is despatched together with the 2017 Annual Report.

NOTICE TO SHAREHOLDERS

Notes to the Notice of Thirty-Fourth Annual General Meeting:- (cont'd)

8. Special Resolution 1: Proposed amendments to the Constitution of the Company

The proposed Special Resolution 1, if passed, will give full effect to the proposed amendments to the Constitution of the Company by substituting the existing Constitution with the new set of Constitution as set out in Appendix A.

The rationale of the proposed amendment to the existing Constitution is to ensure continued compliance and to bring the Constitution of the Company in line with the following laws and regulations:-

(i) Amended Bursa Malaysia Securities Berhad Main Market Listing Requirements which was issued on 29th November, 2017; and
(ii) Companies Act, 2016 which came into effect on 31th January, 2017.

KERJAYA PROSPEK GROUP BERHAD (122592-U)
(Incorporated in Malaysia)

CDS Account No.

PROXY FORM

I/We ____
(FULL NAME IN CAPITAL LETTER AND I/C NO.)
of ____
(ADDRESS)

being a member/members of **KERJAYA PROSPEK GROUP BERHAD** (the "Company") hereby appoint

____ of
(FULL NAME IN CAPITAL LETTER AND I/C NO.)
____
(ADDRESS)
or failing him/her, ____
(FULL NAME IN CAPITAL LETTER AND I/C NO.)
of ____
(ADDRESS)

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-Fourth Annual General Meeting of the Company to be held at Grand Lotus Room, Swiss Garden Residences KL, Jalan Pudu, Bukit Bintang, 55100 Kuala Lumpur on Monday, 28 May 2018 at 11.00 a.m., or at any adjournment thereof and to vote as indicated below:

NO.	ORDINARY RESOLUTIONS	FOR	AGAINST
1	To approve a single tier final dividend		
2	To approve the Directors' fees		
3	To approve the Directors' benefits		
4	To re-elect Datin Toh Siew Chuon as a Director of the Company		
5	To re-elect Khoo Siong Kee as a Director of the Company		
6	To appoint Messrs Ong & Wong as Auditors of the Company		
7	To approve the proposed retention of Professor Datuk Dr. Nik Mohd Zain bin Nik Yusof as Independent Non-Executive Director of the Company		
8	To approve authority to allot shares		
9	To approve the proposed renewal of share buy - back authority		
10	To approve the proposed renewal of shareholders' mandate for recurrent related party transactions		
NO.	**SPECIAL RESOLUTION**		
1	To approve the proposed amendments to the Constitution of the Company		

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.

Dated this _________ day of __________________ 2018

No. of ordinary shares held

____
Signature of Member / Common Seal

Notes:

1. *Only depositors whose names appear in the Record of Depositors as at 18 May 2018 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. A proxy may but need not be a member of the Company and a member may appoint any persons to be his proxy.*
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

Please fold here to seal

Please Affix
Stamp Here

The Company Secretary
KERJAYA PROSPEK GROUP BERHAD (122592-U)
802, 8th Floor, Block C
Kelana Square, 17 Jalan SS7/26
47301 Petaling Jaya
Selangor Darul Ehsan

Please fold here to seal

KERJAYA PROSPEK GROUP BERHAD (122592-U)

No.1, Jalan Wangsa Permai, 2nd Floor, Bangunan One Wangsa
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