KERJAYA PROSPEK GROUP BERHAD
198401010054 (122592-U)

ANNUAL REPORT 2020

VISION

- To Be The Trusted And Preferred Leader In Providing Products And Services In The Construction And Property Industry.

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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.

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)

Mr. Lim Kien Lai @ Lim Kean Lai
(Independent Non-Executive Director)

Datuk Mohamed Razeek bin Md Hussain Maricar
(Independent Non-Executive Director)

AUDIT COMMITTEE

Khoo Siong Kee - *Chairman*
(Senior Independent Non-Executive Director)

Lim Kien Lai @ Lim Kean Lai - *Member*
(Independent Non-Executive Director)

Datuk Mohamed Razeek bin Md Hussain Maricar - *Member*
(Independent Non-Executive Director)

NOMINATION COMMITTEE

Khoo Siong Kee - *Chairman*
(Senior Independent Non-Executive Director)

Lim Kien Lai @ Lim Kean Lai - *Member*
(Independent Non-Executive Director)

Datuk Mohamed Razeek bin Md Hussain Maricar - *Member*
(Independent Non-Executive Director)

REMUNERATION COMMITTEE

Khoo Siong Kee - *Chairman*
(Senior Independent Non-Executive Director)

Lim Kien Lai @ Lim Kean Lai - *Member*
(Independent Non-Executive Director)

Datuk Mohamed Razeek bin Md Hussain Maricar - *Member*
(Independent Non-Executive Director)

COMPANY SECRETARIES

Seow Fei San
(MAICSA 7009732)
(SSM Practising Certificate No. 201908002299)

Mok Mee Kee
(MAICSA 7029343)
(SSM Practising Certificate No. 201908002288)

REGISTERED OFFICE

802, 8th Floor, Block C,
Kelana Square 17 Jalan SS7/26
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 2
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
Public 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 2021

KERJAYA PROSPEK GROUP BERHAD
198401010054 (122592-U)

- 100% Acumen Industries Limited
- 100% Acumen Marketing Sdn Bhd
- 100% Advance Industries Sdn Bhd
  - 90% Kerjaya Machinery & Equipment Sdn Bhd
  - 100% Ace Equity Sdn Bhd
- 100% Aurizon Investments Limited
- 100% Bazarbayu Sdn Bhd
  - 100% Yakin Land Sdn Bhd
- 100% Futumeds Sdn Bhd
- 100% FutuProp Sdn Bhd
  - 100% Senandung Raya Sdn Bhd
- 100% Fututech (Labuan) Ltd
  - 100% Acumen Design & Development Solutions Limited
- 100% Kerjaya Prospek (M) Sdn Bhd
  - 100% Future Rock Sdn Bhd
- 100% Lighting Louvres Manufacturing Sdn Bhd
- 100% Permatang Bakti Sdn Bhd
- 100% Kerjaya Prospek Resources Sdn Bhd
- 51% Virent Energy Solutions Sdn Bhd

Profile of Board of Directors

Nationality : Malaysian
Age/Gender : 56 / Male
Date of Appointment : 31 March 2011

Length of Service: 10 years 1 month

Board Committee: Nil

Present Directorship in Listed Entities: Eastern & Oriental Berhad (Non-Independent Non-Executive Director)

Academic/ Professional Qualifications: Diploma in Technology (Building) from Tunku Abdul Rahman College

Working Experience: Datuk Tee has more than 30 years of experience in Civil & Building Construction. He is also an indirect major shareholders of Kerjaya Prospek Property Berhad which involves in property development and has undertaken various remarkable residential and mix development projects in Malaysia.

Board Skills Matrix:
- Engineering
- Business Management

Nationality : Malaysian
Age/Gender : 51 / Male
Date of Appointment : 31 March 2011

Length of Service: 10 years 1 month

Board Committee: Nil

Present Directorship in Listed Entities: Kerjaya Prospek Property Berhad (Executive Director)

Academic/ Professional Qualifications: Sijil Pelajaran Malaysia

Working Experience: Mr. Tee Eng Seng started his career working in construction related companies and has more than 20 years of experience in Civil and Building Construction. Mr. Tee is also an indirect major shareholders of Kerjaya Prospek Property Berhad which involves in property development and has undertaken various remarkable residential and mix development projects in Malaysia.

Board Skills Matrix:
- Engineering
- Business Management

Profile of Board of Directors (Cont'd)

DATIN TOH SIEW CHUON
Executive Director

Nationality	: Malaysian
Age/Gender	: 55 / Female
Date of Appointment	: 15 November 2011

Length of Service: 9 years and 5 months

Board Committee: Nil

Present Directorship in Listed Entities: Kerjaya Prospek Property Berhad (Executive Chairman)

Academic/ Professional Qualifications:
- The Malaysian Institute of Chartered Secretaries and Administrators (MAICSA)
- Association of Chartered Certified Accountants (ACCA)

Working Experience: Datin Toh 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 left auditing and taxation line. She is also an indirect major shareholders of Kerjaya Prospek Property Berhad which involves in property development and has undertaken various remarkable residential and mix development projects in Malaysia.

Board Skills Matrix:
- Accounting & Finance Management
- Engineering
- Business Management

KHOO SIONG KEE
Senior Independent Non-Executive Director

Nationality	: Malaysian
Age/Gender	: 71 / Male
Date of Appointment	: 25 April 2011

Length of Service: 10 years

Board Committee:
- Audit Committee (Chairman)
- Nomination Committee (Chairman)
- Remuneration Committee (Chairman)

Present Directorship in Listed Entities: Nil

Academic/ Professional Qualifications:
- Fellow Member of Chartered Accountants Australia and New Zealand
- Associate Member of Malaysian Institute of Accountants (MIA)
- Associate Member of The Malaysian Institute of Certified Public Accountants (MICPA)
- Member of The Institute of Internal Auditors of Malaysia
- Fellow Member of Chartered Tax Institute of Malaysia (CTIM)
- Member of Financial Planning Association of Malaysia
- Member of Malaysian Association of Company Secretaries
- B.A. (Major in Accounting) Macquarie University, Australia

Working Experience: Mr. Khoo is a Chartered Accountant trained in Australia with more than 30 years of experience in the profession. He is a Licensed Liquidator and Receiver and Tax Agent issued by the Ministry of Finance Malaysia. Mr Khoo is a Managing Audit Partner of Mustapha, Khoo & Co (Audit Firm AF:0599).

Board Skills Matrix:
- Accounting & Finance Management
- Business Management

Profile of Board of Directors (Cont'd)

LIM KIEN LAI @ LIM KEAN LAI
Independent Non-Executive Director

Nationality : **Malaysian**
Age/Gender : **69 / Male**
Date of Appointment : **15 November 2011**

Length of Service: 9 years and 5 months

Board Committee:
- Audit Committee (Member)
- Nomination Committee (Member)
- Remuneration Committee (Member)

Present Directorship in Listed Entities: Nil

Academic/ Professional Qualifications:
- Diploma in Technology (Building) from Tunku Abdul Rahman College
- Degree in Master of Science in Construction Management, Aston University, United Kingdom

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

Board Skills Matrix:
- Engineering
- Business Management

Profile of Board of Directors (Cont'd)

DATUK MOHAMED RAZEEK BIN MD HUSSAIN MARICAR
Independent Non-Executive Director

Nationality : **Malaysian**
Age/Gender : **63 / Male**
Date of Appointment : **1 June 2018**

Length of Service: 2 years 10 months

Board Committee:
- Audit Committee (Member)
- Nomination Committee (Member)
- Remuneration Committee (Member)

Present Directorship in Listed Entities: Nil

Academic/ Professional Qualifications:
- Bachelor of Science (Civil Engineering) degree from The Polytechnic of the South Bank, London
- Member of the Institute of Engineers Malaysia

Working Experience: Datuk Mohamed Razeek has more than 37 years of experience in the corporate, construction and property industries. He began his carrier as a design engineer in a consulting firm in London in 1981 and later in Malaysia. He joined Sime UEP Berhad in 1987 and joined Land and General Bhd in 1991 for 13 years, where he ultimately served as Executive Director. He was appointed as Project Director with Eastern and Oriental Bhd in 2003 where he managed high end real estate development and the first phase reclamation works at Seri Tanjung Pinang. For 1 year he was based in Dubai and Cairo for DAMAC as Sr Vice President. He returned to Malaysia for MRCB as Chief Operating Officer ("COO") and was subsequently appointed Chief Executive Officer in 2009. He joined DRB-HICOM Bhd in 2012 as COO with a portfolio covering Services, Education, Property and Defense. He retired from DRB-HICOM Bhd at the age of 60 in 2018.

Datuk Razeek is currently Group Chief Executive Officer of DMIA Sdn Bhd since April 2018.

Board Skills Matrix:
- Engineering
- Business Management

Profile of Board of Directors (Cont'd)

OTHERS INFORMATION ON DIRECTORS

Family Relationship with Directors and/or Major Shareholders

Datuk Tee Eng Ho and Tee Eng Seng are brothers and major 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/or with any major shareholders of the Company.

Conflict of Interests with the Company

Save for the recurrent related party transactions disclosed on page 130 of this Annual Report, none of the Directors has any conflict of interests with the Company.

Conviction for Offences

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.

Attendance of Board Meetings

The attendance of the Directors at Board Meetings held during the financial year ended 31 December 2020 is disclosed in the Corporate Governance Overview Statement contained in this Annual Report.

Directors' Shareholding and Warrant Holdings

All Directors have direct and/or indirect interests in securities of the Company. Details of their interest are disclosed in the Analysis of Shareholdings and Warrant Holdings contained in this Annual Report.

Profile of
Key Senior Management

Datuk Tee Eng Ho
Executive Chairman

Tee Eng Seng
Executive Director

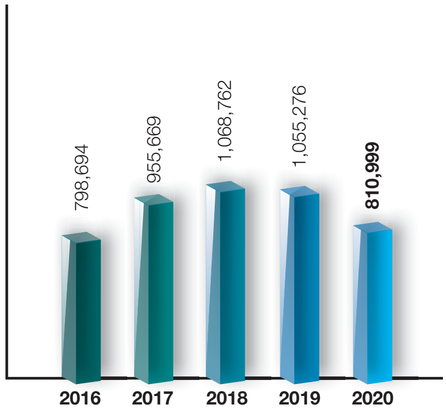
Datin Toh Siew Chuon
Executive Director

The profiles of the Executive Chairman and Executive Directors are outlined in their respective profile on page 4 to 5.

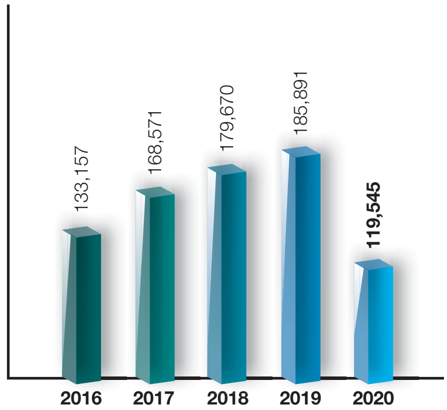
Group
Financial Highlights

	2016 RM'000	2017 RM'000	2018 RM'000	2019 RM'000	2020 RM'000
Revenue	798,694	955,669	1,068,762	1,055,276	810,999
Profit Before Taxation	133,157	168,571	179,670	185,891	119,545
Profit after taxation and minority interest	99,624	124,740	138,199	140,180	90,755
Total Assets	1,057,440	1,184,654	1,331,115	1,424,753	1,489,313
Shareholder's Fund	761,834	877,750	976,753	1,070,953	1,110,199
Net Tangible Assets	409,143	526,425	623,598	717,744	754,030
	sen	sen	sen	sen	sen
Net Tangible Assets per share	109.98	98.61	50.25	58.16	61.20
Basic earning per share	26.78	23.37	11.13	11.36	7.37

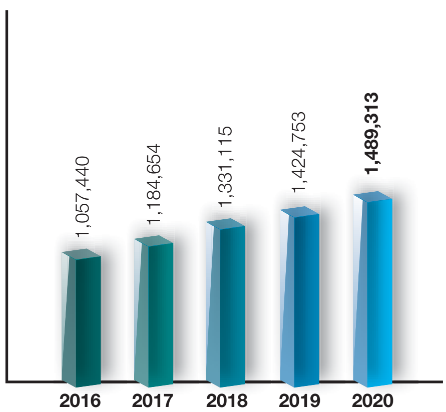
REVENUE (RM'000)



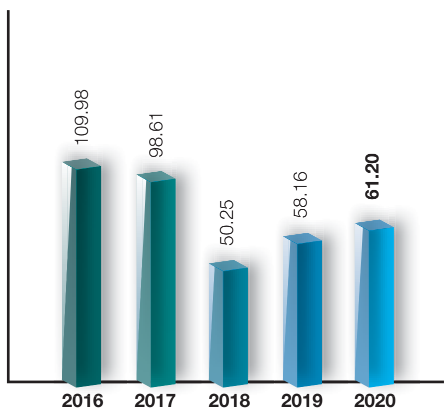
PROFIT BEFORE TAXATION (RM'000)



TOTAL ASSETS (RM'000)



NET TANGIBLE ASSETS PER SHARE (Sen)



Notable
Achievement of Awards

Kerjaya Prospek awarded highest return to shareholders over 3 years in the Construction category by the Edge Billion Ringgit Club in 2017, 2018 and 2019.

Kerjaya Prospek awarded highest growth in profit after tax over 3 years in the Construction category by the Edge Billion Ringgit Club in 2019 and 2020.

Kerjaya Prospek, one of the five Malaysian-based companies with strong stock-trading assets have been made headway by being listed in Forbes Asia 2017 & 2018 "Best Under a Billion" list, which ranks the top 200 publicity traded companies in the Asia-Pacific (APAC) region.

Kerjaya Prospek awarded as Best Main Contractor and Best Premium Main Contractor in Prestigious Developer Awards 2018 and 2019 respectively by Property Insight.

Kerjaya Proskek awarded an excellent score of 83.6 for the CONQUAS certification by the Building and Construction Authority ("BCA") of Singapore in the Architectural assessment for Eco Sky – Residential project which was the highest score achieved by a Malaysian building project.

Kerjaya Prospek received the CONTRACTOR QUALITY EXELLENCE AWARD for 2017 in the Building Category for the works on the Setia Sky 88 (Phase 1) project from Setia City Development (wholly-owned subsidiary of SP Setia Berhad). At time of completion, Seta Sky 88 was tallest building in Johor.

Kerjaya Prospek was recently 'QLASSIC"certified with a score of 84% for its Eco Terace project. This assessment which is evaluated by the Construction Industry Development Board Malaysia, is based on the workmanship quality of the building construction works.

Kerjaya Prospek was selected as one of the companies qualified under the GLP ("Green Land Policy") ("Qualified Companies") which were assessed to have good standard of corporate governance conduct and disclosure practices.

Chairman's **Statement**

To Our Valued Shareholders,

On behalf of the Board of Directors ("Board") of Kerjaya Prospek Group Berhad ("Kerjaya Prospek" or the "Group"), I am pleased to present the annual report and audited financial statements of the Group for the financial year ended 31 December 2020 ("FYE2020").

OPERATING PERFORMANCE

In general, 2020 was a challenging year for most industries, including construction and property sectors, due to the uncertainties caused by the Covid-19 pandemic & political landscape. On 18 March 2020, the Malaysian government ("Government") implemented the Movement Control Order ("MCO") in order to curb the spread of the Covid-19 virus, which affected the top and bottom lines of Kerjaya Prospek. In order to adhere to the Standard Operating Procedures provided by the Government, all construction projects were put on hold. On 19 April 2020, with the approval from Ministry of International Trade and Industry ("MITI"), Kerjaya Prospek resumed work gradually and was back to full capacity in early July 2020. The suspension caused delays to the projects. The Group also incurred additional expenses through the compliances of the standard operating procedures set by MITI prior to the resumption of the construction projects. In the last quarter of 2020, Kerjaya Prospek's construction projects took another hit from the third wave of Covid-19 given the increase in cases amongst the foreign workers in the manufacturing and construction sectors. Although Kerjaya Prospek had all its foreign workers tested and limited the number and movement of workers between sites, work at 2 sites (Bukit Bintang City Centre and Arte Cheras) was halted for 2 weeks due to the infection amongst the workers. Fortunately, the impact was kept to a minimal. We were better prepared when the government announced MCO 2.0 early this year. We managed to get MITI's approval overnight for all our sites to continue operating. This helped cushion/minimise the impact on our operations.

Even though faced with the undesired impact throughout the year, Kerjaya Prospek achieved an order book replenishment of RM1.5 billion in FY2020, which is 25% or RM0.3 billion improvement as compared to the RM1.2 billion in the preceding year. This brings the outstanding order book to RM3.5 billion as at 31 December 2020. It is a good testament of the clients' confidence in Kerjaya Prospek's capability to delivery projects and meet the clients' requirements. Kerjaya Prospek will continue to invest in innovative technologies and Industrialise Building System ("IBS") in order to optimize our operational performance in terms of quality, safety, pricing and environmental of our buildings, thereby bringing additional value for the clients.

REVIEW OF FINANCIAL PERFORMANCE

In FYE2020, the Group's revenue decreased to RM811.0 million or 23.1% as compared to RM1,055.3 million in FY2019 due to the impact of the Covid-19 pandemic. The construction segment contributed 99.6% of the total revenue, property segment contributed 0.3% and the manufacturing segment contributed 0.1%. The profit after tax ("PAT") decreased to RM 90.8 million or 35.3% as compared to RM140.3 million achieved in the preceding year. The decline in PAT, which was mainly registered in quarter 1 and 2 of FY2020, was due to the complete halt of the construction sector. Even then, Kerjaya Prospek still stands out among its peers by delivering a double digit return in earnings.

Kerjaya Prospek's strong order book, healthy balance sheet and net cash holdings of RM186.1 million will enable the Group to ride out these trying times. The Group will continue its strategy on cost optimisation, aggressively tender for new projects and look into other investment opportunities. Further details of the Group's financial performance are contained in the Management Discussion and Analysis section within this Annual Report.

LOOKING AHEAD

The rollout of Covid-19 vaccines will be the key driver underpinning the optimism of a global recovery in 2021. Although we expect 2021 to be a recovery year, the global and domestic markets will continue to be subjected to a high degree of uncertainties, particularly with respect to the unresolved trade war between China and United States, prolonged pandemic period, unstable local political backdrop and labour shortage issue. The Group will review and revise its business strategies to meet the challenges ahead.

Based on the World Economic Outlook report by the International Monetary Fund, it has forecasted the global economy to grow by 5.5 percent and for Malaysia's Gross Domestic Product ("GDP") to grow by 7.0 percent in 2021. Apart from that, Bank Negara Malaysia ("BNM") has projected Malaysia's GDP to grow by between 6.0% and 7.5% in 2021. The GDP shrunk by 5.6% in 2020. The domestic market outlook is expected to be healthy against the decline in 2020, even under the various uncertainties in between.

Since November 2020, the Malaysian Government has actively signed contracts with pharmaceutical companies for the supply of Covid-19 vaccines, which will benefit everyone and thereby stabilises the domestic economy. With the arrival of the vaccines, the Malaysian Government started its vaccination programme and the Prime Minister Tan Sri Muhyiddin Yassin became the first person to receive the Covid-19 vaccine on 24 February 2021. This has definitely improved the market sentiments and boosted the progress of the current development projects from the uncertain job flows and the foreign labour issues for the construction division.

In 2020, the Malaysian Government approved to increase the ceiling of the government debt-to-GDP ratio to 60% until 2022. This enables the Government to unveil the economic stimulus package of RM320 billion. The Government has also announced multiple economic stimulus packages in order to support businesses and households from the impact of the Covid-19 pandemic. This includes the reintroduction of Home Ownership Campaign ("HOC") from 1st June 2020 until 31st May 2021, which offers citizens to enjoy an exemption on stamp duty and memorandum of transfer within the campaign period. In 2020, BNM decided to have four consecutive Overnight Policy Rate ("OPR") reductions to a record-low of 1.75% due to the severe impact of the Covid-19 on the economy. Based on the notable recovery of the domestic market, BNM decided to retain the OPR at 1.75% in its second monetary policy meeting in March 2021. The market sentiment on property purchases will likely be boosted, with the supportive measures implemented by the Government and BNM. The measures are mainly to provide financial relief for the citizens and to drive the property sector into recovery stage.

The Group remains cautiously optimistic of the industry's outlook for the financial year ending 31 December 2021, on the back of supportive monetary policies, fiscal initiatives, vaccine availability and liberalization of the workers' movement control. However, the Group will remain heedful of the inoculation and get ready to take additional precautionary measures against the cost, side effect and ineffective vaccines. With the challenges and uncertainties ahead, the Group will continue to review and revise its business strategies to meet the challenges in the year ahead.

APPRECIATION

On behalf of the Board, I would like to extend our gratitude to our shareholders, for your continuous trust and confidence in Kerjaya Prospek. I would also like to express my sincere appreciation to our business partners, clients, suppliers and all other stakeholders for your unwavering support during this tough year. Last but not least, I would like to thank my fellow Kerjaya Prospek family for your efforts and contribution to the Company. Together, we can achieve great things.

Thank You

Datuk Tee Eng Ho
Executive Chairman

Management
Discussion & Analysis

Dear shareholders,

On behalf of the Board of Directors of Kerjaya Prospek Group Berhad ("Kerjaya Prospek" or the "Group"), it is our pleasure to present the management discussion and analysis to provide an overview and assessment of the financial and operational performance of the Group for the financial year ended 31 December 2020 ("FYE2020") and the outlook for 2021.

OVERVIEW

When Kerjaya Prospek was founded 3 decades ago, it primarily focused on designing, manufacturing, marketing of lighting products, and premium kitchen cabinetry. Nowadays, the Group has expanded its expertise into building construction, project management, property development, infrastructure works and other construction related services for the premium residential property and high-rise buildings.

With relentless and undivided effort by the Group's management and staff, Kerjaya Prospek has become one of the leading construction players in the industry, well known for its quality workmanship while consistently delivering double digit profit margins since 2015. We would like to express our gratitude for the trust and confidence given by our reputable clients to our Group throughout the year. With their support, Kerjaya Prospek was awarded seven contracts worth a total of RM1.5 billion in FYE2020, bringing its outstanding order book to RM3.5 billion. Since its foray into infrastructure works back in 2016 via the reclamation works for the second phase of Seri Tanjung Pinang, the Group has expanded its reach into infrastructure projects. Of the seven contracts awarded in 2020, three involved infrastructure works, with a total contract sum of RM260 million.

Management Discussion & Analysis (Cont'd)

By expanding the value chain upstream, the property development division is part of the Group's related diversification to integrate its business and broaden its earnings base to enhance the long-term prospects of the Group. Its maiden project, Vista Residences @ Genting Highlands, which was completed in 2019, is 99.5% sold . The Group is targeting to launch two development projects, which are the Monterez project and Yakin Land project in the second half of FYE2021, with a combined gross development value ("GDV") of about RM630 million.

Vista Residences @ Genting Highlands completed in 2019

Along the years, Kerjaya Prospek and its subsidiaries have won numerous prestigious awards, a testament of the Group's outstanding performance. Some of the notable ones are the Forbes Asia's Best Under A Billion list in 2017 and 2018, Best Main Contractor title in the Prestigious Developer Awards 2018 and the Best Premium Main Contractor title in the Prestigious Developer Awards 2019 by Property Insight. Kerjaya Prospek also won the sectoral corporate awards in The Edge Billion Ringgit Club for three consecutive years from 2017 to 2019 for attaining the highest return to shareholders over three years under the Construction Category. On top of that, in 2019 and 2020, it won the 'highest growth in profit after tax over three years' under the Construction Category.

The Edge Billion Ringgit Club 2020

Management Discussion & Analysis (Cont'd)

OBJECTIVES AND STRATEGIES

Kerjaya Prospek has garnered years of experience and successfully completed numerous notable projects and built its name as a leading contractor of high-rise buildings in Malaysia. The Group understands the need of its clients and the nucleus of domestic consumers, which brings a competitive advantage for the Group to gain and retain the confidence and trust of its clients. Adding RM1.5 billion worth of contracts into the order book for the FYE2020 is an affirmation of the capabilities of Kerjaya Prospek in delivering projects that always meet the clients' requirements. This encourages the Group to continue to maintain and improve its high standards of quality in the building construction.

The growth strategy of Kerjaya Prospek has never been about being the biggest nor the price, but rather about how Kerjaya Prospek can create additional value for its clients. We treat all our projects with same importance and interest, and committed to complete the projects on-time, within budget and of the highest quality.

As a result, Kerjaya Prospek has delivered a lot of remarkable projects and gained recognition on its quality workmanship through various awards. The Group's Eco Sky received the highest CONQUAS score of 83.6 marks in Malaysia under the high-rise building category. In addition, the Sky88 Johor project received the Setia Quality Excellence Award with CONQUAS scores of 81.6 (Phase 1) and 83.3 (Phase 2) marks, with a ranking of second and fourth highest scores respectively under the high-rise building category in Malaysia. On top of that, Kerjaya Prospek secured 84% in the 'QLASSIC' assessment for its Eco Terrace project. This assessment was evaluated by the Construction Industry Development Board Malaysia based on the workmanship quality of the building construction works.

With digital technology gradually coming into play in the construction industry, the conventional construction methods have been challenged in terms of the waste of building materials, labour force and the delivery time of projects. Leveraging technology to achieve greater heights is a philosophy that the Group believes in. Indeed, Kerjaya Prospek has started to invest in the "Industrialised Building System" ("IBS") since 2011, where the Group believes that the IBS is key in driving the business' success and will continue to invest in it. Over the years, the IBS approach has assisted the Group to attain better construction quality and productivity, reduce building materials waste, the dependency on manual labour, and improve the delivery time of the projects. Echoing the Government's call for the construction players to adopt IBS in construction projects, using IBS will turn out to be a competitive advantage for the Group to secure more projects in the future.

Kerjaya Prospek recently formed a renewables and energy solutions division to provide one-stop energy solutions with key objective to optimise the Group and end users' energy consumption and savings. It is a renewables investor (Lessor and PPA) as well as full turnkey service provider which includes engineering, procurement, construction and commissioning ("EPCC"), comprehensive operation and maintenance ("O&M") services. Based on the Government's Renewable Energy ("RE") target of 20% by 2025, it is estimated that it will require 5,787 MW of additional RE supply out of which 2,700MW is solar related. Excluding the 1,000MW announced in 1st Quarter 2021 under the fourth cycle of the large-scale solar programme ("LSS4") and estimated 500MW under the Net Energy Metering (NEM) schemes, another 1,200MW will still be available for LSS projects from 2021-23. This new renewables and energy solutions division will strengthen and further forge the Group's strong commitment towards Environment, Social and Governance ("ESG") initiatives to contribute in reducing carbon footprint and also create more sustainable environment. The Group believes that there is a synergy with its construction division and RE can generate a new income stream in the long run.

With the start of the vaccination programme in February 2021, the Government aims to solidify the economic recovery and achieve a Gross Development Product ("GDP") growth of 6.0-7.5% in 2021. Although the Group expects 2021 to be a recovery year, the global and domestic markets will continue to be subjected to a high degree of uncertainties. The Group will review and revise its business strategies to meet the challenges ahead.

REVIEW OF GROUP'S FINANCIAL PERFORMANCE

On 18 March 2020, the Government implemented the Movement Control Order ("MCO") in order to prevent the spread of Covid-19 cases. All construction projects were suspended during the MCO. Although the Group managed to resume work gradually and back to full capacity in early July 2020, the top and bottom lines were affected. As a result, the revenue contracted by 23.1% to RM811.0 million as compared to the preceding year's RM1,055.3 million. The Group registered a profit before tax ("PBT") and profit after tax ("PAT") of RM119.5 million and RM90.8 million respectively for FYE2020, representing a year-on-year decrease of 35.7% and 35.3% from the financial year ended 31 December 2019 ("FYE2019"). However, the Group achieved a higher order book replenishment of RM1.5 billion as compared to the previous year's RM1.2 billion, which will further enhance the earnings visibility of the Group for the next few years. The decreased in the profits was mainly due to the suspension of the construction projects during the MCO and the additional cost incurred for the Covid-19 testing. The construction division remains the largest contributor to the Group's total revenue, followed by the manufacturing and property development divisions.

The Group's financial condition remains robust given its healthy balance sheet, which can be attributed to the net cash of RM186.1 million. With the sufficient cash position, the Group will gain advantage to win the confidence of clients on Kerjaya Prospek's capacity to deliver the projects on time and allows the Group to explore and enter into any yield accretive business opportunities to come, be it in the construction segment, property development segment or other investments.

CONSTRUCTION DIVISION

Arte Mont Kiara

The Group's construction division is mainly involved in main building construction, project management, interior fit-out and miscellaneous construction related services for the premium high-rise residential and commercial buildings.

The construction division was the main revenue contributor of the Group in FYE2020. It brought RM807.8 million or 99.6% to the Group's total revenue in FYE2020. The segment's earnings contracted by 34.6% to RM75.0 million as compared to RM122.3 million in the preceding financial year, which was mainly due to the suspension of the construction projects as a result of the implementation of the MCO.

In 2020, the Group was awarded seven contracts worth approximately RM1.5 billion, RM0.3 billion or 25% higher than the preceding year, by reputable property developers such as Aspen (Group) Holdings Limited, Eastern & Oriental Berhad Group and Gamuda Berhad. As at 31 December 2020, the Group has 28 on-going construction projects with a total outstanding order book of approximately RM3.5 billion. This huge order book will continue to provide significant earnings visibility for the next few financial years.

Lucentia @ BBCC

Management Discussion & Analysis (Cont'd)

PROPERTY DEVELOPMENT DIVISION

The Malaysian property sector took a hit in 2020 as the sector faced a triple whammy of oversupply, weak economy and COVID-19 pandemic. Due to the uncertainties, consumer sentiment was weak during the year as many of them adopted a wait-and-see attitude in terms of purchasing big ticket items like properties with the spending mainly focus on the necessities. Along with the gradual recovery of the economy supported by various measures taken by the Government and Bank Negara Malaysia ("BNM"), consumer confidence will return and the demand for properties will increase. Therefore, the Group expects the property sector in Malaysia to gradually recover in 2021 in anticipation of a better economic outlook and a low interest rate environment.

The division contributed RM2.7 million or 0.3% to the Group's total revenue for the financial year 2020. The revenue was mainly from the sale of units at Vista Residence @ Genting Highlands, the maiden property project by Kerjaya Prospek, which has achieved a take-up rate of 99.5% for its residential and commercial units. Vista Residences, which sits on 1.4 acres of land, has a GDV of approximately RM300 million. With the anticipation that the economy will recover in 2021, the Group targets to launch two new development projects in the second half of 2021 with a total combined GDV of RM630 million, in order to drive the earnings contribution of the property development division. The projects are Monterez Development in Shah Alam and Yakin Land Development in Dutamas.

Monterez Development

MANUFACTURING DIVISION

The manufacturing division is a complementary division. It provides kitchen solutions and lighting solutions for the Group's construction business under the brand names of 'FORTE' and 'BRITE-LITE'. The revenue from the manufacturing division increased by RM0.1 million or 33.3% to RM0.5 million as compared to RM0.4 million in the preceding year. Earnings wise, the Group recorded a decrease of 61.5% to RM1.5 million due to the shutdown of the manufacturing plant and the delay in construction projects during the first MCO period. The Group will continue its business objective and strategy of providing kitchen and lighting products for the inter Group utilization.

CORPORATE/MAJOR OPERATIONAL ACTIVITIES

On 13 January 2020, the Group was awarded a contract worth RM617.0 million by Aspen Vision City Sdn. Bhd., a joint venture company between Aspen Group and IKEA Southeast Asia, to undertake the construction works for a proposed apartment project located in Penang.

On 20 January 2020, the Group accepted its second contract for FYE2020 worth RM332.0 million from Patsawan Properties Sdn. Bhd., a joint venture company between Eastern & Oriental Berhad ("E&O") and Mitsui Fudosan Asia Pte. Ltd, to handle the building works for a proposed development project in Kuala Lumpur.

On 23 January 2020, the Group was awarded its third contract for the month worth RM41.5 million, bringing its replenishment order book to RM1 billion. The contract is from Tanjung Pinang Development Sdn Bhd ("TPD"), an indirect subsidiary of E&O, to undertake the infrastructure works for the proposed Seri Tanjung Pinang (Phase 2A) ("STP 2") Development located in Penang.

On 1 September 2020, the Group secured its first contract from Gamuda Berhad for a contract sum of RM203.7 million, to undertake construction works for the proposed residential and commercial development project located in Kuala Lumpur known as Maya Bay Residences, Gamuda Cove.

On 14 September 2020, the Group's subsidiary accepted a letter of award from TPD for a contract sum of RM154.4 million, to undertake the coastal protection structure works for Phase 2B and part of Phase 2C of reclamation for STP 2 development project.

On 15 September 2020, the Group acquired the remaining 30% equity interest in Kerjaya Prospek Resources Sdn. Bhd. ("KPRSB") for a total consideration of RM3.0. Upon the acquisition, KPRSB became a wholly-owned subsidiary of Kerjaya Prospek.

On 21 October 2020, the Group was awarded the third contract by TPD for the STP 2 projects to undertake infrastructure works for sewerage treatment plants worth RM64.0 million.

On 28 December 2020, the Group won its seventh contract for FYE2020 from Aspen Vision City Sdn. Bhd., worth RM61.9 million, to undertake building works for a proposed residential project in Penang. This brought the total contract won in FYE2020 to approximately RM1.5 billion and outstanding order book to RM3.5 billion.

On 23 October 2020, the Group acquired the remaining 10% equity interest in Yakin Land Sdn Bhd ("YLSB") for a total consideration of RM150,000 and upon the acquisition, YLSB became a wholly-owned subsidiary of Kerjaya Prospek (M) Sdn Bhd.

On 2 November 2020, the Group acquired the remaining 30% equity interest in Future Rock Sdn Bhd ("Future Rock") for a total consideration of RM5.0 million and upon the acquisition, Future Rock became a wholly-owned subsidiary of Kerjaya Prospek (M) Sdn Bhd.

On 31 December 2020, the Group set up a 51% owned subsidiary company, namely, Virent Energy Solutions Sdn. Bhd., to undertake future projects relating to renewable energy.

DIVIDEND

On 25 November 2019, the Board of Directors declared an interim dividend of 1.5 sen per ordinary share for FYE2019. RM18.5 million or 13.2% of FYE2019 PAT, was paid on 6 January 2020.

During the last Annual General Meeting ("AGM"), the shareholders approved a single-tier final dividend of 2.0 sen per ordinary share and distribution of share dividend on the basis of one treasury share for every one hundred ordinary shares for the FYE2020. A total of RM24.5 million was paid on 28 August 2020 with 12,271,334 treasury shares (valued at RM14.3 million) distributed to the shareholders.

For FYE2019, the Group declared a total dividend of RM57.3 million which is 40.9% of FYE2019 PAT, 15.9 percentage points above the Group's dividend policy of 25% of PAT.

On 26 November 2020, the Board of Directors declared an interim dividend of 1.5 sen per ordinary share for FYE2020. RM18.6 million was paid out to the shareholders on 6 January 2021.

The Board has proposed a single tier final dividend of 1.5 sen per ordinary share on 19 April 2021, giving a dividend payout of RM18.6 million, subject to the shareholders' approval at the forthcoming annual general meeting. The dividend will be paid on 7 July 2021. Including this single tier final dividend, the total dividend for FYE2020 works out to RM37.1 million, which is equivalent to 40.9% of FYE2020 PAT. This is 15.9 percentage points higher than the Group's dividend policy of 25% of PAT.

Management
Discussion & Analysis (Cont'd)

MOVING FORWARD

With the roll out of the vaccines, 2021 is expected to be a recovery year. The Government has implemented a number of monetary and fiscal measures to combat the pandemic while safeguarding the welfare of the people and businesses. In total, the stimulus measures introduced have reached RM320 billion or about 20.4% of the GDP.

On top of the stimulus packages, the Government has also increased the country's development expenditure for 2021 by RM19 billion or 38% to RM69 billion in Budget 2021 (the largest ever). This will open more doors for the construction players to participate in relevant projects and thereby boost the construction sector. Additionally, the Government reintroduced the Home Ownership Campaign (HOC) in June 2020, which includes Real Property Gains Tax exemption, stamp duty exemption and the removal of the 70% margin of financing limit. Furthermore, BNM has kept the Overnight Policy Rate ("OPR") at a record-low of 1.75% during the second monetary policy meeting in March 2021. All these incentives implemented by the government will benefit and encourage the purchase of properties in this low-cost and low-interest environment, thereby boost the revitalization of the property sector.

For 2021, the Group acknowledges that uncertainties are here to stay. The vaccines have brought hope to the global and local economies. As the vaccines require time to roll out and the effectiveness is still unproven, the global and domestic markets will continue to be subjected to a high degree of uncertainties. Therefore, the Group will continue to examine the market situation and tweak its business strategies accordingly in order to meet the challenges ahead.

In fact, in January 2021, the government enforced the second MCO from 13 January until 4 March 2021, to curb the spread of the Covid-19 virus. A positive note on this is some construction projects are allowed to proceed with MITI's approval, thus the impact of the second MCO on the construction projects is less detrimental as compared to the previous MCO.

The Group is cautiously optimistic and confident that its operations and financial performance can ride on the recovery path and continue to deliver value to its shareholders, backed by the strong outstanding order book of approximately RM3.5 billion and healthy balance sheet with RM186.1 million net cash.

Thank You

On behalf of the Board of Directors, We would like to extend our appreciation to our customers, vendors, suppliers, consultants, associates, bankers, and business partners, for your trust and support of Kerjaya Prospek. We would also like to thank all the government agencies and local authorities for their assistance and encouragement given to the Group.

Last but not least, We would like to express our heartfelt thanks to the Board of Directors, the senior management team, and all our employees for their commitments, contributions and hard work throughout the year.

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 ("Practices") of the Group during the financial year ended 31 December 2020 ("Financial Year") up to the date of issuance of this statement 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 Malaysian Code on Corporate Governance ("MCCG").

The Board of Directors ("Board") has also provided specific disclosures on the application of each Practices in its Corporate Governance Report ("CG Report"). The CG Report was announced to Bursa Securities together with the Annual Report of the Company on 28 April 2021. A copy of the CG Report can be obtained from the Company's website at www.kerjayagroup.com. Shareholders are advised to read this overview statement together with the CG Report.

Based on the Company's market capitalisation on the first trading day of the Financial Year, the Company is not a "Large Company" defined in the MCCG. Overall, the Board is of the view that the Company has, in all material aspects, complied with the Principles and Practices as set out in the MCCG. The explanation for the departure of the MCCG practices are reported in the CG Report.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

i. Roles and Responsibilities of the Board

The Board is entrusted for the oversight of overall management of the business affairs of the Group. The Board is responsible for formulating the Group's strategic plan and directions, 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 provides 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. 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 make recommendation to the Board for further decision. The minutes of the Board Committees are also tabled to the Directors at quarterly Board Meetings for information.

In discharging the Board's duties, the Board is guided by its Board Charter, Code of Conduct, Code of Ethics as well as the terms of reference of the Board Committees as they set out the Board's roles, duties and responsibilities, the principles and practices of corporate governance to be followed and its commitment of fair practices to its stakeholders. Further information on Board Charter, Code of Conduct and Code of Ethics are discussed in item (v) of this Part of the Statement whilst details on the terms of reference of the Board Committees are published in the Company's website at www.kerjayagroup.com.

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

ii. Roles and Responsibilities of the Chairman & Separation of Roles between the Chairman and the Chief Executive

The Chairman of the Board 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 Board is mindful of the dual role of the Board Chairman and Chief Executive held by Datuk Tee Eng Ho but, is satisfied that, having regard to the experience and leadership of Datuk Tee, it is in the interest of the Company to maintain the above arrangement so that the Board could have the benefit of a Chairman who is knowledgeable about the business of the Group and is capable to guide discussion. The combination of the roles of Chairman and Chief Executive enable the Executive Chairman to exercise his power for proper purpose and in good faith in the best interest of the Company, to align the interest of the Board, Management and shareholders for maximising shareholders' wealth. Nonetheless, half of the Board members are Independent Directors on the Board, who are capable to express objective and independent views, the effectiveness of the Board and Board independence in terms of MCCG continues to be considerably enhanced and not in the least compromised.

iii. Roles and Responsibilities of the Company Secretaries

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, corporate disclosure and governance related 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 are set out in Practice 1.4 of the Company's CG Report.

iv. Dissemination of Information to Directors

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. Notice of meeting and meeting materials (including meeting minutes) are usually circulated to the Directors/Board Committee Members seven (7) days in advance of the meeting date 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 to 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 the Management, when needed.

The Company Secretaries ensure that all Board and Board Committees' meetings are properly convened. Draft meeting minutes are circulated to the chairman of the meeting for review as soon as the minute is drafted. Meeting minutes record the proceedings of the meeting and resolutions passed by the Board/Board Committees including the names of the Directors abstained from voting or deliberation on a particular matter.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

v. Establishment and Implementation of Board Charter, Code of Conduct & Code of Ethics and Whistleblowing Policy & Procedures

The Board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness. The Board has formally adopted a Board Charter and it was last reviewed on 13 April 2018. The Board Charter sets out, amongst others, the roles and responsibilities of the Chairman, the Chief Executive, the Board, each Board Committees and the Management. It also sets out the processes and procedures for convening board meeting, governance matters, risk management, compliance and internal controls, etc. The Board Charter will be reviewed periodically and updated in accordance with the needs of the Company to ensure consistency with the Board's strategic intent as well as relevant standards of corporate governance.

In addition to the above, the Board has also reviewed its Corporate Code of Conduct on 11 June 2020. The said Code of Conduct provides guidance to stakeholders on the ethical behaviour to be expected from the Group and sets out the Board's responsibilities as well as the Management's responsibilities to communicate, measure and monitor its values and performance to achieve objectives and to instil values.

The Board has formally adopted its Code of Ethics which sets out the principles and the expected standard of ethical and behaviour. The Group also practises "No Gift Policy" in dealing with third parties in order to manage conflicts of interest and corruption.

The Group practises an open and honest policy in enabling the employees to report on any suspected and/or known misconduct, wrongdoings, corruption, fraud, waste and/or abuse involving resources of the Company. Hence, the Board has established its Whistleblowing Policy & Procedure aimed to provide and facilitate a mechanism for any individual to report concerns about any suspected and/or known misconduct, wrongdoings, corruption, fraud, waste and/or abuse. Stakeholders who know of, or suspect 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.

The Board Charter, Corporate Code of Conduct, Code of Ethics and Whistleblowing Policy & Procedure are published on the Company's website at www.kerjayagroup.com.

vi. Board Meeting Attendance and Directors' Training

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, six (6) Board meetings were held. The record of attendance is as follows:

Directors	Number of Meetings Attended by Directors
Datuk Tee Eng Ho	6/6
Tee Eng Seng	6/6
Datin Toh Siew Chuon	6/6
Khoo Siong Kee	6/6
Lim Kien Lai @ Lim Kean Lai	6/6
Datuk Mohamed Razeek bin Md Hussain Maricar	6/6

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.

Corporate Governance
Overview Statement (Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

vi. Board Meeting Attendance and Directors' Training (Cont'd)

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

Name of Directors	Training Programmes Attended (Unless Otherwise Stated)	Date
Datuk Tee Eng Ho	• Anti-Bribery and Corruption Training	18 September 2020
Tee Eng Seng	• Anti-Bribery and Corruption Training	18 September 2020
Datin Toh Siew Chuon	• Anti-Bribery and Corruption Training	18 September 2020
Khoo Siong Kee	• National Tax Conference 2020 • MIA Webinar Series: Valuation in Practice for Transaction and Reporting: Part 1 – Valuation Fundamentals • Webinar Series: Level 2: Valuation in Practice for Transaction and Reporting – Business Combination • Anti-Bribery and Corruption Training • MIA Webinar Series: Applying MFRS 15 and MPERS S34 Construction Contracts and Property Development Activities • Webinar Series: Level 3: Valuation in Practice for Transaction and Reporting – Valuation of Intangible Assets • 2021 Budget Seminar	25 & 26 August 2020 9 & 10 September 2020 17 & 18 September 2020 18 September 2020 21 & 22 September 2020 23 & 24 September 2020 3 December 2020
Lim Kien Lai @ Lim Kean Lai	• Finding Gems from Bursa Malaysia website • Anti-Bribery and Corruption Training • Be an Informed Investor to Create Wealth • Build a Diversified Portfolio with Extended Traded Bonds and Sukuk	14 September 2020 18 September 2020 21 September 2020 26 October 2020
Datuk Mohamed Razeek bin Md Hussain Maricar	• Raising Defenses: Section 17A, MACC Act • Anti-Bribery and Corruption Training	9 & 10 June 2020 18 September 2020

Details of the Directors' directorships in other listed companies are set out in their respective profiles of this Annual Report.

vii. Board Composition and Independence

In order to drive the Board's leadership and effectiveness, the Board ensures that it has the right board composition to enhance 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 as well as its diversity of perspectives and views in Board's decision-making process through the composition of Independent Non-Executive Directors on the Board. Each Directors demonstrating their own skillsets, commitment and functional experiences.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

vii. Board Composition and Independence (Cont'd)

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 as well as the criteria set out in the Independent Directors Assessment Policy. 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.

viii. Tenure Limit of Independent Directors

The Board has outlined a policy to facilitate the annual independence assessment of the Company's Independent Directors. The Independent Directors Assessment Policy adopted by the Company 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 may, in exceptional cases, subject to the assessment of Nomination Committee, on an annual basis at annual general meeting, recommend and subject to valid justifications and obtaining shareholders' approval, retains an Independent Director, beyond the nine (9) years term. For good governance, the Company has also incorporated the following provisions in its Constitution:-

The independent director, as defined by the MMLR, shall be subject to:-

(a) Annual re-appointment by the members at annual general meeting by way of an ordinary resolution, if he has served for a cumulative term of nine (9) years; and

(b) Annual re-appointment by the members at annual general meeting by ordinary resolution through a two-tier voting process as recommended by the MCCG if he has served for a cumulative term of beyond twelve (12) years.

The Board is of the view that the independence of the Independent Directors should not be determined solely or arbitrarily by their length of service. Independence should be judged based on the integrity and objectivity of the Independent Director in discharging his responsibilities. The Board also 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.

In embracing good governance, the Board would assess the objectivity of retaining an Independent Director who has served beyond nine (9) years. At the last annual general meeting ("2020 AGM"), the re-appointment of Mr. Khoo Siong Kee ("Mr. Khoo") and Mr. Lim Kien Lai @ Lim Kean Lai ("Mr. Lim"), who has served the Board for a cumulative term of nine (9) years and eight (8) years respectively as at the 2020 AGM was approved by the members.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

viii. Tenure Limit of Independent Directors (Cont'd)

As at the date of this Annual Report, Mr. Khoo and Mr. Lim have served the Board for over ten (10) years and nine (9) years respectively. The Board wishes to retain Mr. Khoo and Mr. Lim as Independent Directors and is therefore seeking members' approval at the forthcoming 37th AGM for retaining them as Independent Directors in accordance with Article 90(2) of the Company's Constitution. Subject to the members' approval being obtained at the 37th AGM, Mr. Khoo and Mr. Lim will not be re-designated as Non-Independent Non-Executive Director of the Company and will be subject to annual re-appointment by members at the annual general meeting. The Board's justification for retaining Mr. Khoo and Mr. Lim as Independent Directors are as follows:-

- They have fulfilled the criteria under the definition of Independent Director as stated in the MMLR;
- Mr. Khoo is an experienced Chartered Accountant and is a member of the Malaysian Institute of Accountants and a member of the Chartered Tax Institute of Malaysia. His diverse range of experiences provide confidence to the Board as Chairman of the Audit Committee who oversees the periodic review of the financial results of the Group thus it is of the best interest of the Group to maintain the current appointment;
- Mr. Lim's technical knowledge on construction sector is a valuable asset to the Group. With his expertise and knowhow in project management, he contributes ideas, design and technical knowledge which continuously improves the efficiency and effectiveness of the Group's operations;
- They have continued demonstrated their independence, integrity and due care during Board meetings; and
- They had not entered into any related party transactions with the Group.

ix. Diversity of the Board and Senior Management

The Nomination Committee is empowered by the Board through its Terms of Reference to make recommendation to the Board the appropriate composition in the appointment of directors, including diversity, individual merits, experience and the size of non-executive and women participation. As at the date of the Annual Report, the Board comprises directors with diverse backgrounds and has a participation of 50% non-executive directors and one (1) women directors (i.e. 17%). Based on the Company's Gender Diversity Policy & Target, the Board endeavours to have at least one women participation on the Board at all times. To achieve 30% women directors on Board as recommended in the MCCG for large company, the Board will require to add one (1) more woman director to the present composition but in view that the Company is not a large company as defined in MCCG, the Board did not set a timeframe to fulfil the said MCCG's recommendation as the Board opined that finding a female candidate that is right fit for the Company is more important than other factors. At management level, a few senior management positions are held by women employees. 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.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

ix. Diversity of the Board and Senior Management (Cont'd)

The current diversity in the ethnicity, age distribution and skillsets of the existing Board members are as follows:-

	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	–

Age Group	50-59 years	60-69 years	70-79 years
Executive Director	3	–	–
Independent and Non-Executive Director	–	2	1

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

It shall be noted that all Executive Directors are also the top senior management.

x. Chairmanship of Nomination Committee, Board Appointment and Annual Evaluation

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. The Board acknowledges the recommendation of the MCCG for large company to engage independent experts periodically to facilitate objective and candid Board evaluation. Presently, the annual assessment by the Board on its effectiveness is conducted internally by the Management and the Board opined that the present arrangement is suffice and adequate for the current size of the company. The Board would engage the services of independent experts when the need arises.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

x. Chairmanship of Nomination Committee, Board Appointment and Annual Evaluation (Cont'd)

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

During the annual assessment exercise, the Directors are given a performance evaluation sheets for Individual Director Self/Peer Evaluation and Board Evaluation to complete. In addition, Directors who are members of the Board Committees are given additional performance evaluation sheets for the respective Board Committees to complete. Sufficient time is given to the Directors to complete the forms and upon completion, the forms are submitted to the Chairman for tabling to the Nomination Committee for review in due course. For good corporate governance, the Nomination Committee did not review its own effectiveness and the performance of the Nomination Committee members. Instead, such review was carried out by the Board as a whole with the members of the Nomination Committee abstained from deliberation. In view that the Nomination Committee members are also members of the Remuneration Committee and the Audit Committee, the assessment of the effectiveness and performances of the Remuneration Committee and the Audit Committee were also carried out by the Board.

The results of the annual assessment on the Board, the Board Committees and individual Directors for the Financial Year were all satisfactory.

The Directors who are subject to re-election and/or re-appointment at the next Annual General Meeting shall be assessed by the Nomination Committee before recommendation is made to the Board and shareholders for the re-election and/or re-appointment. Appropriate assessment and recommendation by the Nomination Committee would be based on inter-alia the yearly assessment conducted.

xi. Remuneration Committee and Remuneration of the Board & Senior Management

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 (who are also the Senior Management) 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.

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 proposed for the shareholders' approval at the forthcoming AGM is RM196,284. 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 the forthcoming 37th Annual General Meeting until the following annual general meeting of the Company.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

xi. Remuneration Committee and Remuneration of the Board & Senior Management (Cont'd)

The details of remuneration paid or payable to the Directors for the Financial Year are as follows:

Received from Subsidiaries	EXECUTIVE DIRECTORS		
	Datuk Tee Eng Ho (RM'000)	Datin Toh Siew Chuon (RM'000)	Tee Eng Seng (RM'000)
Directors' Fee	–	–	–
Meeting Allowances	–	–	–
Salaries	1,743.3	1,122.4	1,122.4
Bonus	155.7	100.2	100.2
Benefits-in-Kind	10.6	15.0	21.3
Other Emoluments	228.8	147.6	147.6
Total	**2,138.4**	**1,385.2**	**1,391.5**

Received from the Company	INDEPENDENT NON-EXECUTIVE DIRECTORS		
	Khoo Siong Kee (RM'000)	Lim Kien Lai @ Lim Kean Lai (RM'000)	Datuk Mohamed Razeek bin Md Hussain Maricar (RM'000)
Directors' Fee	79.9	58.2	58.2
Meeting Allowances	7.5	7.5	7.5
Salaries	–	–	–
Bonus	–	–	–
Benefits-in-Kind	–	–	–
Other Emoluments	–	–	–
Total	**87.4**	**65.7**	**65.7**

It shall be noted that all Executive Directors are also the top senior management. As required under the MCCG to disclose top five (5) Senior Management's remuneration in the band of RM50,000, the table append below shows the remuneration of the Executive Directors (who are also the top senior management) in the following bands:-

Remuneration Band (RM'000)	EXECUTIVE DIRECTORS/SENIOR MANAGEMENT		
	Datuk Tee Eng Ho	Datin Toh Siew Chuon	Tee Eng Seng
RM1,350 – RM1,400		√	√
RM2,100 – RM2,150	√		

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

i. Chairmanship of the Audit Committee and Independence of the 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. The Chairman of the Audit Committee is a member of the Malaysian Institute of Accountants.

Collectively, the Audit Committee possesses a wide range of necessary skills to discharge its duties and 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. Periodically, Companies Secretaries, External Auditors and Internal Auditor update the Audit Committee on changes to the relevant guidelines, laws and regulations and accounting standards to ensure the Audit Committee members are kept abreast with latest developments in the statutory and accounting requirements.

For effectiveness and independence conduct of the Audit Committee's functions, the Audit Committee have separate discussions with the External Auditors and Internal Auditor without the presence of the Executive Directors and employees of the Group as and when necessary to discuss matters that the Audit Committee or the auditors believe should be discussed privately or to have a discussion about any matters of significance that arose during the audit process.

Also, as part of the Audit Committee's review processes, the Audit Committee will 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.

It is stated in the Audit Committee's Terms of Reference that a former key audit partner is required to observe a minimum two (2) years cooling off period before appointed as a member of the Audit Committee. Presently, 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.

ii. Assessment of External Auditors

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 annual general meeting for re-appointment. In assessing the External Auditors, the Audit Committee will take into consideration 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 to determine the suitability and objectivity of the External Auditors.

iii. Establishment of Risk Management and Internal Control Framework

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. Issues related to risk management and internal control were also discussed and presented to the Audit Committee at its quarterly meetings. The Board opined that foregoing approach is suffice for the time being to oversees the company's risk management framework and policies without the need to establish a separate risk management committee. The Board has also commented in its Statement of Risk Management and Internal Control contained in this Annual Report that they are satisfied with the effectiveness and adequacy the existing level of systems of risk management and internal control. Further details of 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 can be found in the said Statement on Risk Management and Internal Control of this Annual Report.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

iv. Effectiveness of Internal Audit

The Audit Committee is responsible for reviewing the engagement of the Internal Auditor. In assessing the Internal Auditor, the Audit Committee will take into consideration 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 to determine the suitability and objectivity of the Internal Auditors.

For the Financial Year under review, the Internal Audit Function was outsourced to Tricor Axcelasia Sdn. Bhd. (Formerly known as Axcelasia Columbus Sdn. Bhd.), an independent professional service provider whose principle responsibility is to undertake internal audits in accordance with the approved risk-based internal audit plan. The outsourced internal audit function was headed by Mr. Derek Lee Siew Weng, Senior Executive Director. He is a Certified Internal Auditor ('CIA'); Certification in Risk Management Assurance ('CRMA'), and he is also a qualified professional accountant. The team members who performed the internal audits include a Executive Director level professional who is a CIA and another three (3) members who possess professional qualification and/or a university degree. The internal audits conducted is guided by the International Professional Practices Framework issued by the Institute of Internal Auditors Inc.

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 Relations" link encompassing corporate information, latest financial results, annual reports, announcements to Bursa Securities, Board Charter, Terms of Reference of Board Committees, Code of Conduct and Code of Ethics.

The following personnel has been identified as the investor contact person of the Group:

Contact Person: Datuk Tee Eng Ho (Executive Chairman)
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 in this Annual Report covering the aspects of governance, environment and social responsibility for stakeholders' reference.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

ii. Conduct of General Meetings

Annual General Meeting ("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 recommendation 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.

Where required, explanation for proposed resolution is provided in the notes to 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 may appoint proxies to attend and vote on their behalf.

This Statement is made in accordance with the resolution of the Board dated 19 April 2021.

Statement on Risk Management **and 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 is 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 in maintaining a sound and effective risk management and internal control system to safeguard shareholders' investment and the Group's assets.

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.

ENTERPRISE RISK MANAGEMENT FRAMEWORK

The Board as a whole remains 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.

In Year 2019, the Group has engaged Tricor Axcelasia Sdn. Bhd. (formerly know as Axcelasia Columbus Sdn. Bhd.) ("ACSB") to review and further enhance its Enterprise Risk Management ("ERM") framework, which covers the components such as ERM policy statement, ERM reporting structure, ERM reporting frequency and roles & responsibilities for ERM. These components are in practice for continuous risk management practices. In addition, ACSB had performed risk assessment on strategic perspective and the construction operation via a facilitated brainstorming workshop with the Executive Directors and senior management team.

Risks information were documented in risk registers to facilitate management's continuous risk management efforts. Result of the strategic and construction risk assessment was 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 ISO 31000 on Risk Management which is an internationally recognised risk management framework.

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

ENTERPRISE RISK MANAGEMENT FRAMEWORK

The Group's key risk have been identified, monitored and deliberated by AC. The following table details the key risk and its mitigation actions:

Risk	Description	Mitigation
Business continuity challenges	In view of the recent crisis on Covid-19 pandemic, the Group like many organisations faces business continuity challenges that can lead to financial losses if not properly managed.	The Board together with Senior Management are committed to respond to these challenges as they evolve.
Contractual risk	Upon signing of contracts with clients, suppliers, vendors, purchasers and etc, the company is obliged to the contractual terms and obligations stated in the contracts. Inappropriate managing of contractual exposure may lead to termination of contract, litigation issue, reputation impact or financial losses to the Company.	The legal and technical department will assess the contractual teams and advise on contract clause and implementation.
Corporate compliance challenges	The Group is subjected to various business regulatory requirements such as Company Act 2016, Income Tax Act 1967, Malaysian Anti-Corruption Commission Act (2018), Bursa Listing Requirements, CIDB Act 520, Safety & Health Act 1974, Labour Law and etc. Failure to comply with laws and regulations would result to penalisation by the authorities and possible jail term to Directors.	The Group mitigates this risk with continuously obtaining update information on the new changes in government policies and regulation from the relevant authorities, consultants and business associates, and obtaining advice and input from government agencies and consultants in tackling those changes in the policies and regulations. Moreover, standard operating procedure serves as guidance for employees.
Project management challenges (project delay; project quality challenges; H.S.E hazards)	The Group construction outstanding order book as at 31 December 2020 stood at RM3.5 million, it is crucial to plan, execute, and manage each project effectively as any delay or quality issue would negatively affecting the track records of the company and clients may imposed Liquidated Ascertain Damages or claim the performance bond. Health Safety and Environmental matters are also significant for project execution and management team to pay attention to. Any Health Safety and Environmental incident happen to the project site would attract significant & negative attention which ultimately causing financial & reputational damage.	The Group mitigates such risk by keeping track and managing the sub-contractor's performance closely. Project assessments are carried out during the tender stage to better plan and manage delays. In addition, the Group perform stringent selection process to appoint qualified and competent sub-contractors. Besides that, only competent / licensed person is engaged for any hazardous work and Health Safety and Environmental training are provided to workers and contractors.

INTERNAL AUDIT FUNCTION

The Board has engaged a professional service firm 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 covering the conduct of the audit planning, execution, documentations, communication of findings and consultation with key stakeholders on the internal audit findings. AC approves the internal audit plan and monitors the progress of audit periodically. The results of the internal 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. Further details of the internal audit function are set out in the Audit Committee Report included in this Annual Report.

OTHER KEY ELEMENTS OF THE GROUP'S CONTROL ENVIRONMENT

Apart from risk management and internal audit, the Board has put in place the following pertinent measures to strengthen the internal control systems of the Group:

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

(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 achievements and challenges relating to productivity, progression of projects, quality control, defects, complains in order to decide on necessary action plans timely;

(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.

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 and all Executive Directors 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.

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

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

Pursuant to paragraph 15.23 of the MMLR, the External Auditors have reviewed this Statement for inclusion in the annual report for the financial year ended 31 December 2020. Their review was performed in accordance with Audit and Assurance Practice Guide 3 - Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report ("AAPG 3") issued by the Malaysian Institute of Accountants. AAPG 3 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 19 April 2021.

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 2020 (“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*	5/5
Lim Kien Lai @ Lim Kean Lai - Member *Independent Non-Executive Director*	5/5
Datuk Mohamed Razeek bin Md Hussain Maricar - Member *Independent Non-Executive Director*	5/5

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 three (3) AC meetings whilst the Internal Auditors were present of two (2) AC 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 Company’s website at www.kerjayagroup.com for shareholders’ reference.

Audit
Committee Report
(Cont'd)

3. WORK DONE BY AC DURING THE FINANCIAL YEAR

The works were carried out by AC during the Financial Year 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 on:

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

(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.

(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.

(4) Reviewed the annual audited financial statements of the Company for the Financial Year. 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 Circular to Shareholders in relation to the Renewal of the Recurrent Related Party Transactions Mandate and recommended to the Board to seek shareholders' approval for renewal of the said mandate.

(7) Reviewed the AC Report and Statement on Risk Management & Internal Control 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 on:-

(i) the annual internal audit plan on 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.

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

(11) Briefed on the status of the drafting of policies and procedures on anti-corruption and anti-bribery under the corporate liability provisions in the MACC Amendments Act 2018.

4. INTERNAL AUDIT FUNCTION AND ITS ACTIVITIES DURING THE FINANCIAL YEAR

The internal audit function is an integral part of the assurance mechanism in ensuring the Group's systems of internal control are adequate and effective. The Internal Auditor reports directly to the AC and assists the AC to discharge its duties and responsibilities. The internal audit function is outsourced to Tricor Axcelasia Sdn. Bhd. (formerly known as Axcelasia Columbus Sdn. Bhd.) an external professional firm and the personnel handling the Group's audits are free from any relationship or conflict of interest, which could impair their objectivity and independence.

The number of staff deployed for the internal audit reviews was three to four staff per cycle including the Engagement Director. The staff involved in the internal audit reviews possesses professional qualification and/or a university degree. Most of them are members of the Institute of Internal Auditors Malaysia.

The Internal Auditor prepares and tables 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.

During the Financial Year, the Internal Auditor have carried out the field audit works covering the Company and one of its subsidiaries, Kerjaya Prospek (M) Sdn. Bhd. in relation to contract & tender, project management, procurement of construction materials and follow-up of prior internal audit reports to assess the key internal controls used to manage the risk associated with operation processes and providing the AC with independent views on the adequacy, integrity and effectiveness of the system of internal control. 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 audit was conducted using a risk-based approach and is guided by the International Professional Practices Framework (IPPF).

In addition, the professional service firm assisted in establishing a formal ERM Framework for the Group and have performed strategic and construction risks assessment via a facilitated brainstorming workshop with the Executive Chairman and the senior management team.

The costs incurred in maintaining the outsourced the internal audit function for the Financial Year is RM24,000.

5. OTHER INFORMATION

The Nomination Committee had at its meeting held in 11 June 2020 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 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.

Nomination
Committee Report

1. 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)
Members	:	Mr. Lim Kien Lai @ Lim Kean Lai (Independent Non-Executive Director)
	:	Datuk Mohamed Razeek bin Md Hussain Maricar (Independent Non-Executive Director)

2. ACTIVITIES OF THE NOMINATION COMMITTEE

The annual principal function of the Nomination Committee is to assess and review the performance of the Board, Board of 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 ended 31 December 2020 ("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 Directors

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 Directors 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 Bursa Malaysia Securities Berhad Main Market 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.

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

The Directors are responsible for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Group and of the Company and that the financial statements comply with the Companies Act 2016.

Sustainability **Report**

SUSTAINABILITY REPORT

This report discloses Kerjaya Prospek Group Berhad ("KPGB", "Kerjaya Prospek" or "the Company") and its subsidiaries ("the Group"'or "KPGB Group") business and non-business related activities towards sustainability within all entities.

As one of the leading construction companies, sustainability is a commitment we keep close to our hearts. Instead of looking into sustainability agenda and efforts as something that is aspirational, we also take concrete action that is measurable and result-driven. We are mindful of our responsibility to our industry, our environment, our people and community. We constantly and progressively monitor the environmental impact of our operations, nurture our people's potential and build strong ties with our local communities.

In line with the circular economy, KPGB Group achieves greater business value and positive societal impact, ultimately benefitting the Group's triple bottom line – People, Planet and Profit. This is the interest of all stakeholders which we have to take care and ultimately, it is in tandem with the economic, environmental, social and governance principles and in line with the United Nations Sustainable Development Goals (UNSDG).

REPORTING FRAMEWORK

The Group continues to observe and improve our Sustainability Reporting based on the following guidelines and references: -

OUR COMMITMENT

Our sustainability initiatives reflect our drive towards maximising opportunities for growth and optimising operational efficiency in tandem with long term value creation. We uphold sustainability driven business acumen without compromising our social responsibilities towards stakeholders and the environment we are operating in. We nurture a diverse pool of talent through talent development, focused teamwork and maintaining their well-being at workplace.

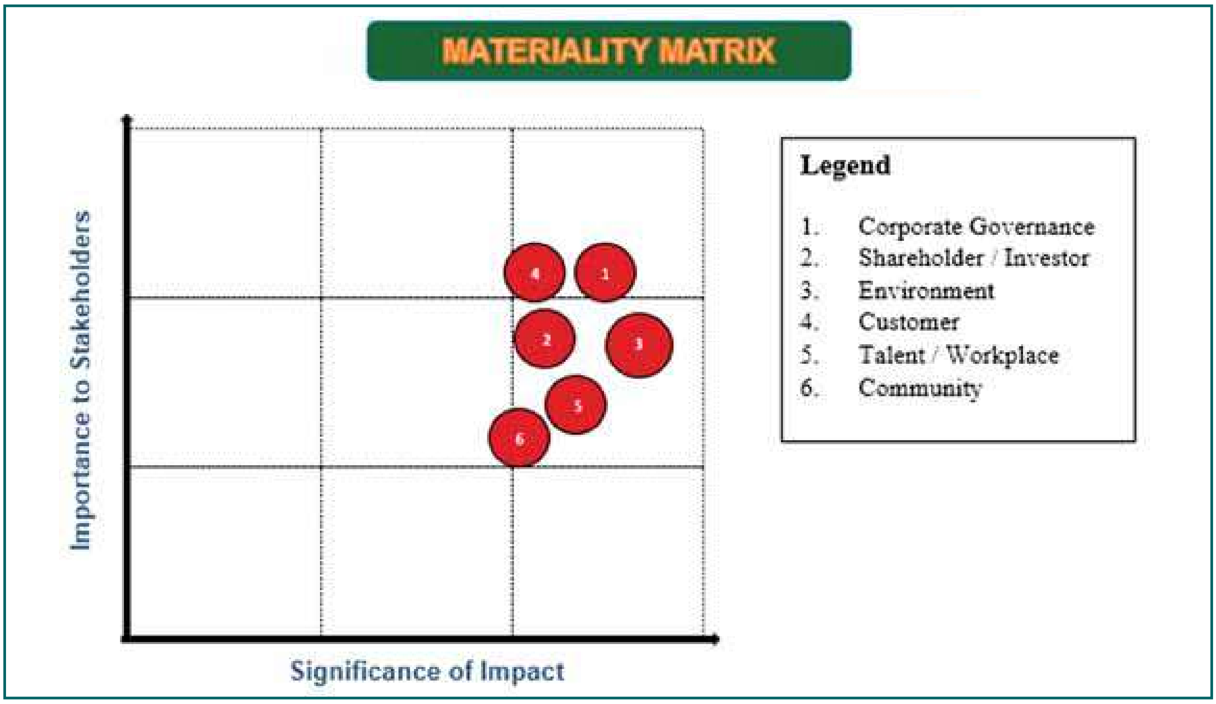
This year we have implemented our sustainability strategies across all business units using UNSDG approaches. All the 17 SDGs are integrated. Action in one area will affect one another. As such, our Sustainability Reporting will encompass the following SDGs:

STRUCTURE & GOVERNANCE

Sustainability
Report (Cont'd)

MATERIALITY ASSESSMENT

Through active and transparent lines of communication and engagement with our stakeholders, we reviewed the outcome of stakeholder prioritisation exercise to better understand the dynamic shift of our stakeholders needs and influence. With this, we are able to gauge and prepare for the changing expectations of KPGB's diverse stakeholder group. By revising our Materiality Matrix, it also renews our focus on matters over which our stakeholders have concerns.



In our aim to be at the forefront, we have always taken a forward-looking approach in the planning and layout design of the projects we undertake. We take initiative to discuss with our Project team in spearheading the consolidation of the design process and promotion of biodiversity enrichment, social interaction with nature and general well-being of our residents. As such, all our projects are aligned with global sustainability agenda where carbon emissions and pollution are minimised.

ECONOMIC

CUSTOMERS

Our construction segments are developing achievable roadmaps for respective project sites incorporating circular economy goals such as green building, energy management and biodiversity.

As a trusted nation builder, we constantly engage with our customers to proactively build, nurture and strengthen our relationship with them. With our engagement, we understand better our customers' evolving needs and thus, we are able to provide services that exceed our customers' expectations. For our commitment to quality and customer satisfaction, we are ISO 9001:2015 Quality Management System Standards certified. This accreditation enhanced our credibility and uphold our standard in the construction industry.


GCL INTERNATIONAL

Certificate of Registration

QUALITY MANAGEMENT SYSTEM

KERJAYA PROSPEK (M) SDN BHD
PERMATANG BAKTI SDN BHD
ACE EQUITY SDN BHD

ISO 9001:2015

KPGB Group continues using Malaysia's Construction Industry Development Board ("CIDB")'s Industrialised Building System ("IBS") as detailed and based upon the Construction Industry Standard 7 (2014), CIS 7:2014. The Quality Assessment System of Building Construction ("QLASSIC"), an industry standard since 2006. With this approach, construction time has been reduced as building components are pre-fabricated off site. Ultimately, IBS produces a superior quality finish on top of its environmentally friendly feature which has lower wastage of building materials thus leaving a "cleaner and heathier building" site. This is in line with UNSDG approaches which emphasize on Industry Innovation and Infrastructure and Sustainable Cities and Communities.

In terms of product innovation, the Group's continuous usage of green cement, which was previously disclosed, helps reduce dependence on calcium oxide, by switching to aluminosilicates, a substance that releases less carbon dioxide.

Being a trusted nation builder requires relentless commitment towards growth and improvement. There was a slight drop in our total revenue i.e. from RM1,055.3 million for financial year ended 2019 to RM811.0 million for the year under review and this represents a decrease of 23%. Despite a decrease in revenue, our profit after tax was RM90.8 million and this has contributed to building a resilient economy. Our Group revenue comprises construction, property development as well as manufacturing segment. This contribution has indirectly created employment opportunities to many Malaysians.

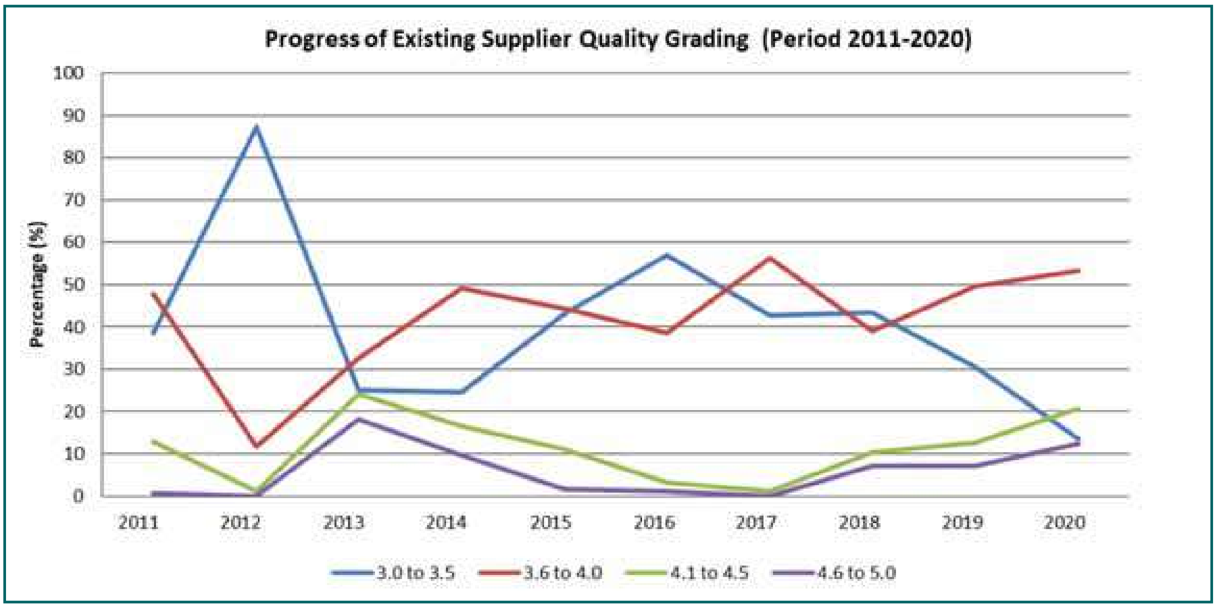
Our manufacturing arm which is involved in lighting solution and kitchen cabinet solution also complement our construction segment. We are currently exploring the possibility of using solar energy for our kitchen cabinet factory.

Sustainability
Report (Cont'd)

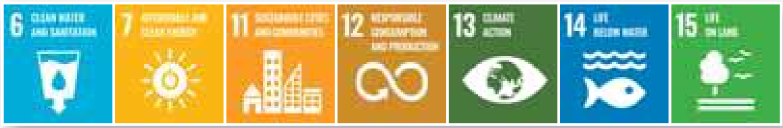
SUPPLIERS AND CONTRACTORS

To support the local economy, the Group procures most of its construction materials from local vendors. By supporting local vendors, indirectly it helps to improve the sustainability of Malaysia's construction industry as opportunities are given to them to expand, grow, job creation and ultimately improve the quality of their products as well as minimise carbon footprint across geographies. This will benefit our end users who are our clients as we are able to deliver better quality projects apart from being cost effective. With this, our customer satisfaction is taken care of. Our No Gift policy and Anti Bribery Corruption Policy have also been established to ensure all procurement transactions are conducted with integrity.

The selection of new suppliers and vendors through fit-assessment and is logged in its New Supplier Form in line with the Group's operational, environmental and social goals. As our Group's operations are ISO-certified, suppliers will need to adhere to clauses within ISO 9001:2015 and ISO 14001:2015 standards. Existing Suppliers and Contractors undergo an annual audit where operational issues are addressed. A 10-year longitudinal report charts the relationship KPGB has with its Suppliers and Contractors and in the last 2 years, the Suppliers scoring 4.1 above has increased from 19.7% in Year 2019 to 33.1% in Year 2020. Those with unsatisfactory performance have either been terminated or reproved, while those with satisfactory performance and improvements have had their contracts renewed to secure services and products for the Group.



ENVIRONMENTAL



Our Sustainability Framework reinforces our commitment in achieving environmental sustainability in operating our business. Our continuous effort calls for us to rehabilitate the natural environment affected by our activities and we constantly look for opportunities to improve our environmental performance.

KPGB recognises the risks posed by our operations on climate change. Therefore, our focus has always been reducing and monitoring emissions from our construction activities which include transportation of building materials as well as using heavy machineries at project sites. We have also engaged a professional consultant to submit Environmental Report for our projects, one of which is Reclamation of Seri Tanjung Pinang – Phase 11 (STP 2) Tanjung Tokong, Penang.

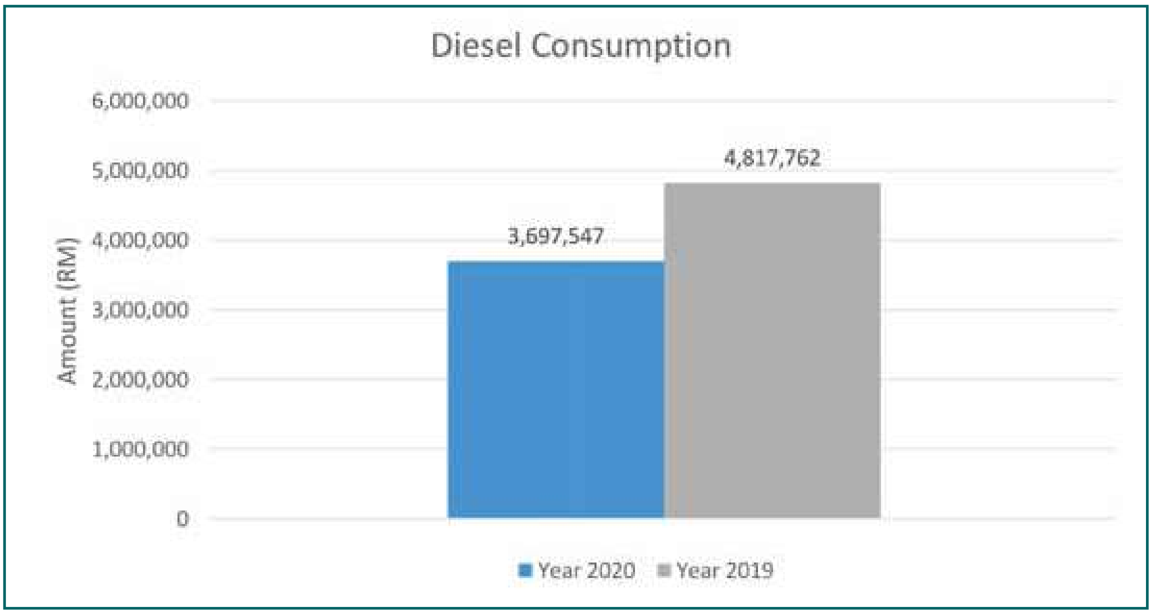
With this in mind, we are certified and registered against the provisions of ISO 14001:2015 Environmental Management System, an International Standard by Global Group, United Kingdom.

ENERGY

a) Fuel/ Diesel Consumption

We depend on diesel generate electricity and to operate our heavy machinery and vehicles such as cranes, excavators, gensets, backhoes and many more. Therefore, fuel consumption is inevitable for most machineries.

KPGB continues to invest in new machines periodically as some old machines can cause increase in fuel and diesel consumption. Therefore, investing in new machines gradually will improve in consumption of energy efficiency too apart from reducing breakdowns.

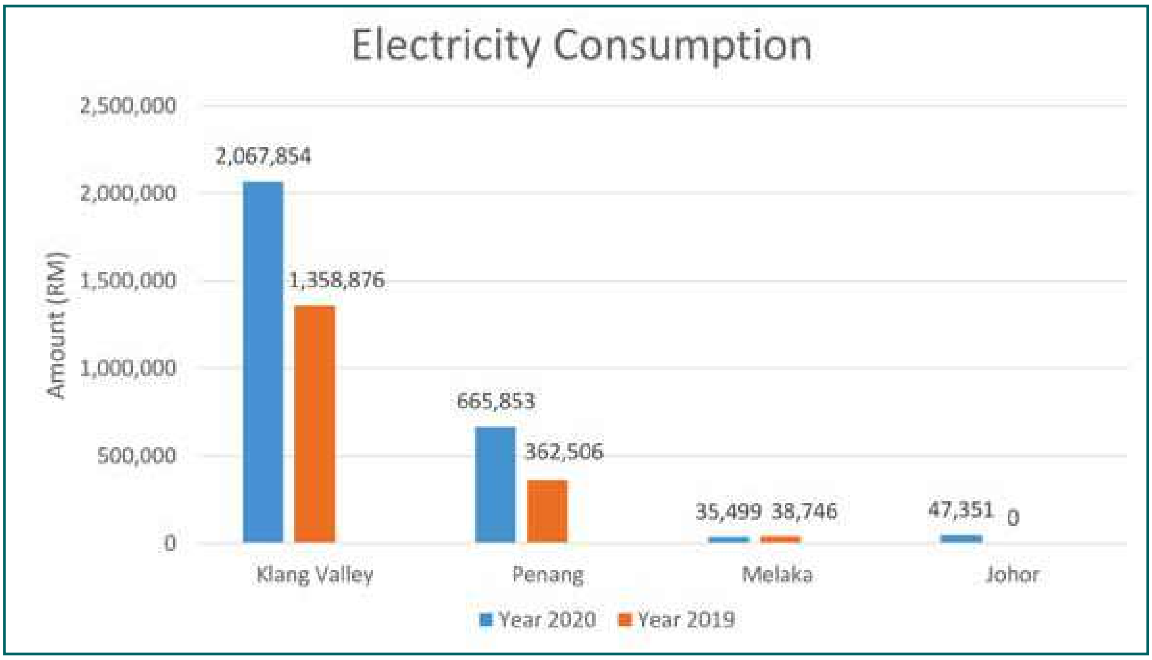


Sustainability
Report (Cont'd)

ENERGY (CONT'D)

b) Electricity Consumption

We made every effort to promote efficient use of electricity and we are exploring the feasibility of solar panel at project sites cabin. This will ultimately reduce our dependency on fuel especially generator set (genset) which uses diesel to generate energy. By adopting renewable energy through usage of solar panel, carbon footprint will also be reduced.

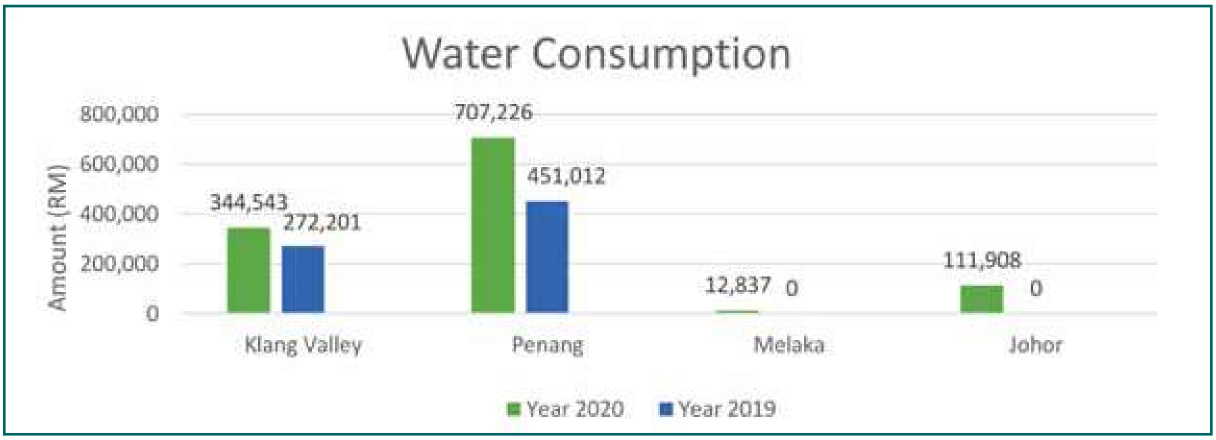


Electricity consumption has increased over the year under review as we have increased construction sites and also our states of operation from 3 regions in previous years increased to 4 regions. The 4 regions included are Klang Valley, Johor Bahru, Melaka and Penang.

As part of our commitment, KPGB has formed a renewable and energy solutions division as a one-stop energy solutions provider with key objective to optimise end users' energy consumption and savings. This new division will strengthen and further forge KPGB's strong commitment towards ESG initiatives in contributing the reduction of carbon footprint and also create more sustainable environment.

WATER

Water as a limited resource is important and should be used wisely to ensure there is no wastage. We strive water conservation in every way we operate especially at construction sites where mortar mixing, worker consumption and site cleaning are required. We depend on use of piped water and water from natural resources. We are exploring rain water harvesting as an alternative source as currently we reuse water from silt traps for dust suppression and road work cleaning.



During the year under review, we have managed to conserve water consumption despite expanding the states we operate from 2 to 4 states. This is in line with our initiatives to protect the wastage of this precious resource.

WASTE AND RECYCLING

We are mindful of waste production in our construction sites and we handled it with caution. Waste productions could be hazardous and can have adverse impact on the environment and general public health. Our scheduled waste management is in compliance with Department of Environment (DOE) requirements whereby we monitor and ensure waste is transported by a licensed contractor to approved treatment facilities prior to disposal. Building materials like steel bar, timber, concrete, aluminium, plastic and glass are high in demand and valuable materials. Therefore, these are not wasted and able to be reused and recycled.

It is our every attempt to minimise waste too be it a construction sites as well as corporate office. We encourage waste minimisation efforts such as Reuse, Recycle and Reduce in our daily work.

Recycle bins at construction site

Sustainability Report (Cont'd)

NOISE MONITORING

Noise pollution is inevitable, however it can be controlled and reduced. This happens from the use of heavy machineries, tools and equipment and can be hazardous to the public and construction workers. We therefore implemented measures to control excessive noise exposure which include the installation of noise barriers and limiting work activity at night. We also engage with local communities on regular basis to minimise noise pollution.

We continue to engage with a professional Environment Consultant in managing the Environment impact for one of our key projects in Penang i.e Reclamation of Seri Tanjung Pinang – Phase 11 (STP 2) Tanjung Tokong. The sampling taken and assessment indicated that, all stations complied with the maximum permissible noise level for day time and night time limit.



Noise monitoring

Apart from Noise level, the consultant was engaged to complete a comprehensive Environmental monitoring programme and this include Water Quality, Sediment Quality, Air Quality within and around the STP 2 working area.

Based on the monthly environmental report for the month of November 2020, the Consultant has issued a Certificate of Analysis each for Marine Water Quality, Sediment Quality, Air Quality as the sampling taken are in compliance with DOE's DEIA Approval conditions.

Water Condition for STP2 Middle Bridge

Collect Water Sample

Collecting Sediment Sample

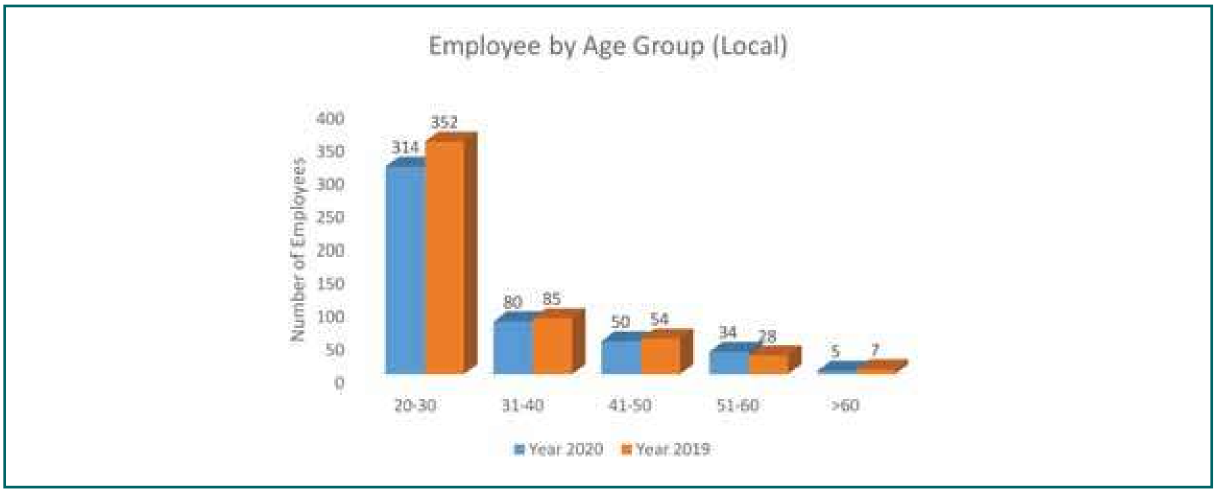
SOCIAL

TALENT AND WORKPLACE

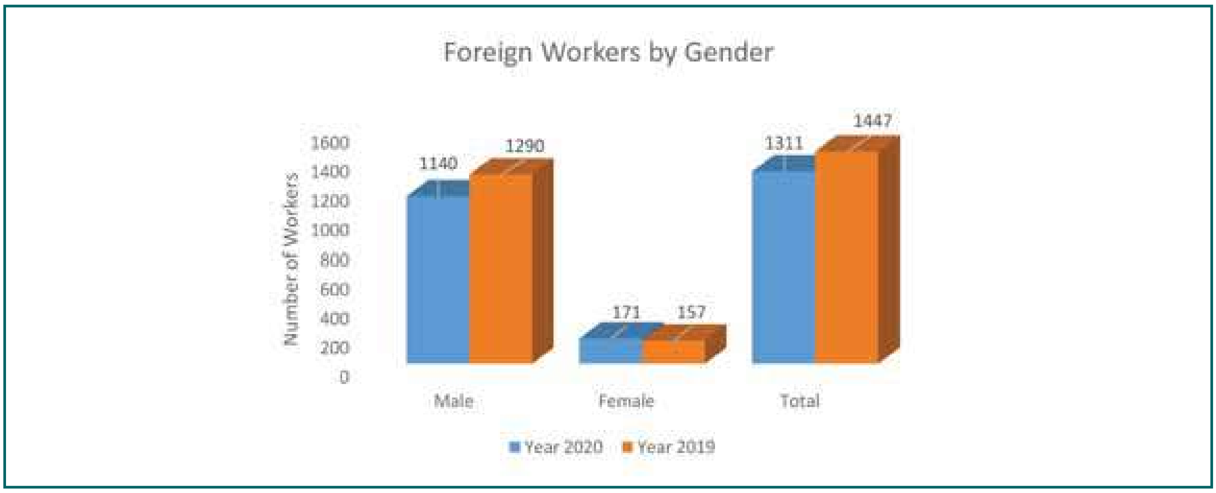
A diverse workforce is our aim towards developing and nurturing the right talent. With this, we provide equal opportunity to all employees based on their talents and potential for growth. We do not condone to any form of discrimination in the workplace. Our hiring and recruitment process are also merit based although the construction industry is a male dominated sector. Regardless of this, we continue to build talents as being a construction-based company, human capital is most important assets as their level of commitment and productivity are key factors to our continued success and overall performance.

During the period under review, KPGB has a total of 483 full time employees withing the Group and 59% are male and 41% are female. Considering that construction sector is a male dominant industry, this ratio is still acceptable. As such, gender diversity is not an issue at all in KPGB.

TALENT AND WORKPLACE (CONT'D)



At KPGB, we foster fair recruitment practices by embracing diversity and inclusion. We are committed to providing equality in opportunity in employment to all potential candidates regardless of gender, age and race. Our performance management process serves as a bridging factor that links our employees' performance outcomes with rewards and their learning needs.



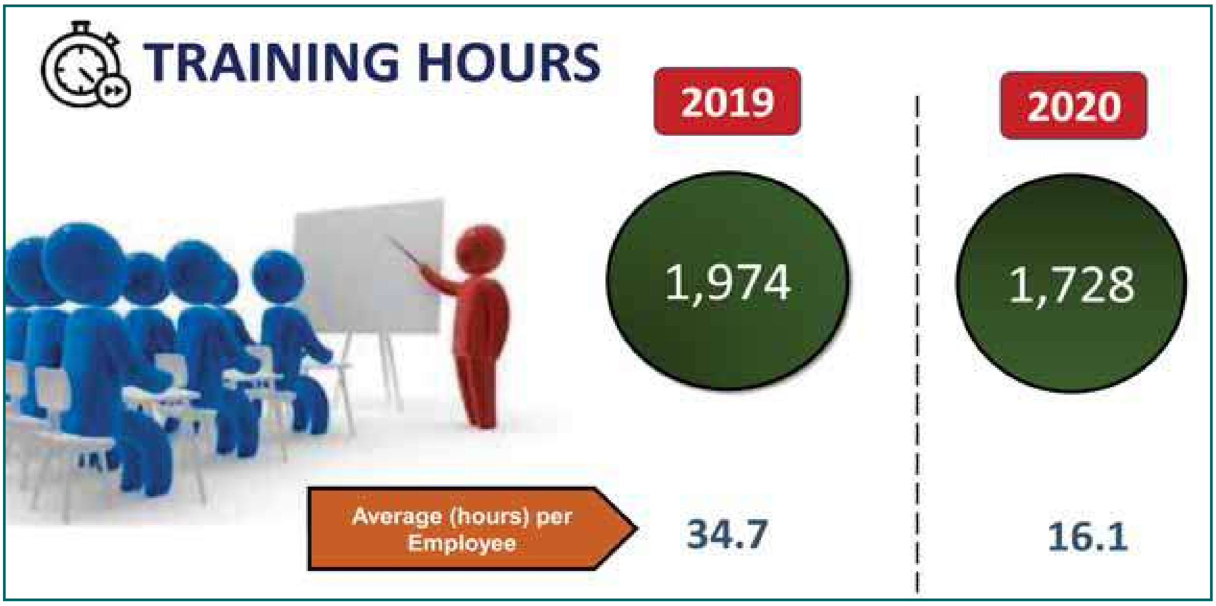
There is a slight drop of foreign workers employment where total foreign worker employed for year 2020 was 1,311 compared with 1,447 for year 2019. Foreign labours are still required to fill low skilled positions and these positions are mostly required in construction sites. All our foreign workers are on contractual employment basis; therefore, the Group does not foresee any major issue should the Government imposed further restrictions on foreign labour employment.

While COVID-19 pandemic has disrupted a number of businesses since 18 March 2020, construction industry is not spared. Businesses across multiple sectors came to a standstill, delivering a significant blow to our economy. Although all businesses were affected since then, we continue to strive building a high-energy team while navigating the storms of change. We started using various digital platform like Zoom Meeting, Google Meet and Microsoft Teams as our new means of engagement with our employees during the Government's Movement Control Order (MCO). This is to ensure employees' productivity is not compromised while ensuring that all employees continue to play their role too.

TALENT AND WORKPLACE (CONT'D)

Currently, we have recognised 3 areas i.e. staff turnover, succession planning to key senior positions and employment of foreign workers as minor risks in talent issue. We believe succession planning is also a key in building a sustainable business for our business growth. Therefore, we are taking every measure to mitigate and address these 3 areas.

Our continuous effort to provide training to our staff is part of our effort in talent retention. It is also to upskill our employees apart from broadening their knowledge.



Our type of training for employees comprises Occupational, Safety and Health, Functional, Soft skills and Leadership, Risk Management and Governance. None of the employees are neglected in training as we believe everyone needs to be given an opportunity to upskill and enhance their skillsets. During the year under review, average training hours per employees was 16.1 and this indicates a slight drop as compared to 34.7 hours for financial year ended 31 December 2019. We view the slight drop as unavoidable as the MCO has disrupted some of our training courses.

Apart from the above, our Human Resource Department has been updating the following as an initiative to enhance the safety aspect of our employees as well as talent retention effort:-

(i) Employees Benefit & Compensation

KPGB Group complies with the statutory requirements and regulations on wages and benefits such as minimum wages order, EPF and SOCSO. In addition, employee welfare which include travel allowance, subsidies for hospitalisation and surgical insurance coverage and group personnel insurance, uniform and protective appliances are also provided.

(ii) Training & Development

We continuously conduct Safety Induction, Weekly Toolbox meetings and Safety training, CIDB Accreditation, QLASSIC Assessment, First Aid Course training and Fire Drill training for our construction workers as we believe their safety is paramount in their nature of tasks.

Sustainability Report (Cont'd)

HEALTH AND SAFETY

KPGB Group continuously adhere to the requirements of the Occupational Safety and Health Act 1994 (OSHA 1994). To uphold this, we have also gained ISO 45001:2018 certification for aligning our occupational health and safety standards to internationally recognised best practices. This certification helps us to put in place the policies, procedures and controls needed for our organisation to achieve the best possible working conditions and workplace health and safety, especially our construction sites.


GCL
Certificate of Registration
OCCUPATIONAL HEALTH & SAFETY MANAGEMENT SYSTEM
KERJAYA PROSPEK (M) SDN BHD
PERMATANG BAKTI SDN BHD
ACE EQUITY SDN BHD
ISO 45001:2018
IAF

Within the KPGB Group, an Environmental Occupational Health and Safety Committee is established to monitor and review work-related incidents within the facilities, especially the injury frequency rate for industrial accidents. Depending on severity of injury (either 'minor' or 'major'), the chain of response is swift and able to support the employee concerned. In addition, the committee has through the year under review, monitored and adjusted, where necessary, the SOPs to adhere to for safety and health measures, regulatory requirements and industry best practices for all operational bases.

Apart from the above, we also ensure that an Emergency Response Team (ERT) is formed in every construction site.

Construction sites operating during the Coronavirus (COVID-19) pandemic need to ensure they are protecting their workforce by implementing measures to minimize the risk and spread of infection. Cleaning, disinfecting, and other maintenance and security services performed by building service employees are critical to protecting the public health by reducing COVID19 infections.

A business continuity plan will minimize the impact on business and facilitate a speedy resumption of activities if the business has been forced to scale back or close during the pandemic. The Standard Operating Procedures (SOP) for all our construction sites outlines the best practices for construction sites in order to maintain the health and safety of all workers required to perform duties during the COVID-19 crisis. The protocols, which include prevention, detection and response measures, will minimize the impacts of the crisis and ensure business continuity in the construction industry.

Protocols for operations

Social distancing and maintaining a high level of occupational health and safety are emphasised in the Construction SOP. In connection therewith, the Construction SOP outlines protocols for matters including:

- the management of the workforce through regular swab test and daily temperature checking;
- the transportation of construction materials and supplies;
- providing information to employees on COVID-19 preventive measures and company standard operation procedures;
- the appointment of a coordinator to supervise the COVID-19 preventive measures;
- establishing an emergency response protocol;
- cooperation with the relevant authorities by implementing contact tracing;
- implementation of COVID-19 preventive measures at the entrance of construction sites or premises or hostel;
- implementation of COVID-19 preventive measures during the execution of construction works;

HEALTH AND SAFETY (CONT'D)

Compliance with laws and other standard operating procedures

Apart from the Construction SOP, KPGB has always been complying with the following:

- the relevant laws, in particular the CIDB Act and the Prevention and Control of Infectious Diseases Act 1988;
- regulations issued by local authorities; and
- other standard operating procedures issued by the CIDB, the Malaysia National Security Council, the Ministry of Health and other relevant ministries or government agencies.

COMMUNITY ENGAGEMENT

Being at the forefront of the construction industry brings both the responsibility and opportunity for building community resilience. Our efforts include community programme that address various social issues and concerns by supporting the vulnerable sections of the society, fund raising and food contribution.

April 2020 - Provide food during MCO period to all site workers.

January 2020 - Fogging at Bon Estate,
residential apartment for dengue prevention

June 2020 – Food Donation to Rumah Amal Cahaya,
Tengku Ampuan Rahimah (RACTAR)

Sustainability
Report (Cont'd)

GOVERNANCE

INVESTORS

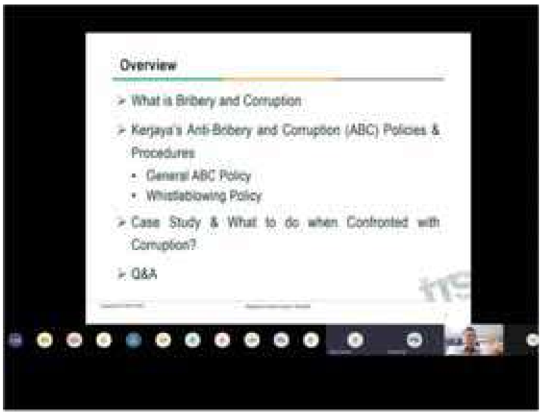
The Group's main engagement with investors and shareholders are done through its quarterly reporting, analyst briefings and Annual General Meeting. The regular updates to the investing community are part and parcel of maintaining a good relationship particularly with institutional investors. The Management and Board of Directors present the full year operational and financial reports through this Annual Report and at each Annual General Meeting held.

ANTI-BRIBERY AND CORRUPTION

KPGB Group fully supports the initiative by BURSA Malaysia in an effort to enhance the quality and integrity of listed issuers where the Listing Requirements for both Main and ACE Market be amended to encapsulate anti-corruption measures ("Anti-Corruption Amendments") in support of the National Anti-Corruption Plan 2019-2023.

The Group has adopted a "No Gift Policy" and committed to doing business honestly and ethically, with integrity, and in full compliance with all applicable laws and regulations. The Group does not tolerate any malpractice, impropriety, statutory non-compliance or wrongdoing by any employee in his/her course of work.

During the year under review, a total of 170 employees which included the Directors attended Anti Bribery and Corruption training and this is to ensure Governance compliance as well as to enhance integrity amongst employees too. It was held on 18 September 2020 and through Microsoft Teams platform. The Anti-Corruption Amendments which took effect on 1 June 2020 requires listed issuers to establish and implement policies and procedures to prevent corrupt practices, thereby providing them with a measure of assurance and a defence against corporate liability for corruption under Section 17A of the Malaysian Anti-Corruption Commission Act 2009.



WHISTLEBLOWING POLICY

This objective of this whistleblowing policy and procedure is to provide an opportunity for concerns raised by employees, directors and others to be investigated and for appropriate action to be taken. This is to ensure that the matter is resolved effectively and within the Company wherever possible.

This whistleblowing policy is also available on our webpage at http://www.kerjayagroup.com/ under Corporate Governance section.

CONCLUSION

As our country battled a raging COVID-19 outbreak since 18 March 2020, there is tremendous pressure to make a quick rebound in all sectors. More than anything, there is an increasing realisation that sound ESG practices are no longer something 'nice to have'. Rather, they are 'must-haves' if one is attempting to build a business that is resilient, responsive and future-ready." At KPGB Group and in the midst of towering coronavirus curves, our ESG practices are not neglected, in fact enhanced and reviewed each year. Covid-19 pandemic and its aftermath will continue to dominate its impact; however, we believe we can mitigate this risk as our Sustainability Framework has been in place since 2017.

Corporate Social **Responsibilities**

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

Contribution to Shun Ren Primary School Tehel Melaka for Children Day

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 which inclusive Anti Bribery and Corruption Training and sent selected staffs for external training course in order to continuously enhance skill sets and retain talent pool;
- Create health and safety awareness through a series of seminars and trainings which inclusive of fire drills exercise, proper way of handling chemical, construction site safety measures;
- Departmental gathering, annual dinner, festivals celebrations are other ways in which staffs are encouraged to further their camaraderie beyond the work setting and maintain a work-life balance.

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

The Group answers to the social needs by making direct donation to orphanages, old folks homes, disability homes and non-profit organisations.

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.

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 2020 amounted to RM205,748 of which RM36,000 was incurred by Kerjaya Prospek Group Berhad.

The amount of the non-audit fees incurred for services rendered to the Group and the Company's auditors for the financial year ended 31 December 2020 were RM32,700 and RM1,100 respectively.

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 2020 are as follow:

Transacting Parties	Interested Related Parties	Nature of Transactions	Aggregate value (RM'000)
Kerjaya Prospek Group Berhad and its subsidiaries Desanda Development Sdn Bhd Dekad Intelek Sdn Bhd Coco Mart (M) Sdn Bhd	Datuk Tee Eng Ho Tee Eng Seng Datin Toh Siew Chuon Egovision Sdn Bhd Amazing Parade Sdn Bhd Desanda Development Sdn Bhd Dekad Intelek Sdn Bhd Coco Mart (M) 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, rental of premises, supply of groceries and general supplies by Desanda Development Sdn Bhd, Dekad Intelek Sdn Bhd and Coco Mart (M) Sdn Bhd to Kerjaya Prospek Group Berhad and its subsidiaries and vice versa	801
Kerjaya Prospek Group Berhad and its subsidiaries Eastern & Oriental Berhad and its subsidiaries	Datuk Tee Eng Ho Tee Eng Seng Datin Toh Siew Chuon Egovision Sdn Bhd Amazing Parade Sdn Bhd Eastern & Oriental Berhad and its subsidiaries	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, and renting of premises by Kerjaya Prospek Group Berhad and its subsidiaries to Eastern & Oriental Berhad and its subsidiaries and vice versa.	591,800

Additional Compliance Information (Cont'd)

2. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (CONT'D)

Transacting Parties	Interested Related Parties	Nature of Transactions	Aggregate value (RM'000)
Kerjaya Prospek Group Berhad and its subsidiaries Kerjaya Prospek Property Berhad and its subsidiaries	Datuk Tee Eng Ho Tee Eng Seng Datin Toh Siew Chuon Egovision Sdn Bhd Amazing Parade Sdn Bhd Kerjaya Prospek Property Berhad and its subsidiaries	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 Kerjaya Prospek Property Berhad and its subsidiaries and vice versa.	181
Kerjaya Prospek Group Berhad and its subsidiaries YHH Sales and Marketing Sdn Bhd	Datuk Tee Eng Ho Tee Eng Seng Datin Toh Siew Chuon Egovision Sdn Bhd Amazing Parade Sdn Bhd YHH Sales and Marketing Sdn Bhd	Supply of hardware and all sorts of construction and building materials to Kerjaya Prospek Group Berhad and its subsidiaries.	575

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 fund through any corporate proposal during the financial year.

FINANCIAL **STATEMENTS**

Directors' Report
for the Year Ended 31st December, 2020

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, 2020.

PRINCIPAL ACTIVITIES

The Company is principally an investment holding company. The principal activities of the subsidiaries are disclosed in Note 7 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	119,545,418	30,627,981
Taxation	(28,771,575)	(11,478)
	90,773,843	30,616,503
Attributable to:		
Owners of the Company	90,754,868	30,616,503
Non-controlling interests	18,975	–
	90,773,843	30,616,503

DIVIDENDS

The amount of dividends declared and paid by the Company since the end of the previous financial year were as follows:

i) a single tier final dividend of 2 sen per share on 1,227,182,666 ordinary shares amounting to RM24,543,653 in respect of the financial year ended 31st December, 2019 was paid on 28th August, 2020.

ii) a single tier final dividend via share dividend distribution of 116 sen per share on 12,271,334 treasury shares on the basis of 1 treasury share for every 100 ordinary shares held in the Company amounting to RM14,282,327 in respect of the financial year ended 31st December, 2019 was distributed on 28th August, 2020.

iii) a single tier interim dividend of 1.5 sen per share on 1,237,402,000 ordinary shares amounting to RM18,561,025 in respect of the financial year ended 31st December, 2020 was paid on 6th January, 2021.

At the forthcoming Annual General Meeting, a single tier final dividend in respect of the current financial year of 1.5 sen per ordinary share will be proposed for shareholders' approval. The total estimated dividend payable is approximately RM18,561,025. The single tier final dividend was proposed by the board of Directors on 19th April, 2021.

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, 2021.

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, there was no issue of shares.

TREASURY SHARES

Details of the treasury shares are disclosed in Note 17 to the financial statements.

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
Lim Kien Lai @ Lim Kean Lai
Datuk Mohamed Razeek Bin Md Hussain Maricar

Subsidiaries directors
Chua Kwee Nam (appointed on 31.12.2020)
Er Seng Toh (resigned on 08.06.2020)
Tan Chee Keong (appointed on 31.12.2020)
Tee Eng Tiong
Tee Eng Han
Wong Wai Sam (resigned on 02.11.2020)

* A director who also holds office in the subsidiary companies.

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 1.1.2020	**Bought**	**Sold**	**Balance at 31.12.2020**
Direct interest:				
Datin Toh Siew Chuon	5,929,314	59,293	–	5,988,607
Lim Kien Lai @ Lim Kean Lai	174,000	1,740	–	175,740
Khoo Siong Kee	22,220	222	–	22,442
Datuk Mohamed Razeek Bin Md Hussain Maricar	153,500	1,535	–	155,035
Indirect interest:				
Datuk Tee Eng Ho *	872,657,745	8,726,576	–	881,384,321
Tee Eng Seng *	872,657,745	8,726,576	–	881,384,321
Datin Toh Siew Chuon *	872,657,745	8,726,576	–	881,384,321

Directors' Report (Cont'd)

DIRECTORS' INTEREST (CONT'D)

	Number of Warrants 2018/2023 Balance at 1.1.2020	Bought	Sold	Balance at 31.12.2020
Direct interest:				
Datin Toh Siew Chuon	808,542	–	–	808,542
Lim Kien Lai @ Lim Kean Lai	41,000	–	–	41,000
Khoo Siong Kee	3,030	–	–	3,030
Datuk Mohamed Razeek Bin Md Hussain Maricar	10,500	–	–	10,500
Indirect interest:				
Datuk Tee Eng Ho *	118,998,782	–	–	118,998,782
Tee Eng Seng *	118,998,782	–	–	118,998,782
Datin Toh Siew Chuon *	118,998,782	–	–	118,998,782

* 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.

Datin Toh Siew Chuon is the spouse of Datuk Tee Eng Ho. In accordance with the Companies Act 2016, the interest and deemed interest of Datuk Tee Eng Ho in the shares of the Company and of its related corporations shall also treated as the interest of Datin Toh Siew Chuon.

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 other directors in office at the end of the financial year did not have any interest in ordinary shares and warrants in the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

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

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

DIRECTORS' REMUNERATION

The amounts of remunerations received and receivable by the directors of the Company during the financial year are disclosed in Note 28 of the financial statements.

INDEMNIFYING DIRECTORS, OFFICERS OR AUDITORS

During the financial year, the total amount of indemnity sum insured and annual premium paid for Directors of the Group were RM20,000,000 and RM17,100 respectively. There were no indemnity and insurance effected for auditors of the Group.

WARRANTS 2018/2023

The salient terms and movement of Warrants 2018/2023 are disclosed in Note 16 to the financial statements.

HOLDING COMPANY

The holding company of the Company is Egovision Sdn. Bhd., a company incorporated in Malaysia, and owns 50.70% of the Company's equity shareholdings as at 19th April, 2021.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 7 to the financial statements.

The available auditors' reports on the financial statements of the subsidiaries did not contain any qualification.

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 debts and adequate allowance had been made for 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 render the amount provided for as doubtful debts inadequate to any substantial extent;

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

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

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

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

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

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

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

Directors' Report (Cont'd)

OTHER STATUTORY INFORMATION (CONT'D)

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 41 to the financial statements.

AUDITORS' REMUNERATION

The amount paid or payable to the auditors as remuneration for their service is disclosed in Note 26 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: 19th April, 2021
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 72 to 142 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, 2020 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: 19th April, 2021
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 72 to 142 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)
19th April, 2021)
)

DATUK TEE ENG HO
Director

Before me,
Datin Raihela binti Wanchik
License No. W275
Commissioner of Oaths
Kuala Lumpur

Independent Auditors' 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, 2020 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 72 to 142.

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, 2020, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International 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' International Code of Ethics for Professional Accountants (including International Independence Standards) ("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:

(a) Impairment Assessment on Goodwill

As disclosed in Note 9 to the financial statements, goodwill on consolidation as at 31st December, 2020 amounted to RM356,126,010.

Goodwill requires annual impairment assessment. This has been performed by comparing the carrying amounts to their corresponding recoverable amounts. The recoverable amounts were determined using the discounted cash flow method.

We determined this to be a key audit matter given the significant management judgement and estimates applied in determining the recoverable amounts.

Key Audit Matters (Cont'd)

How our audit addressed this matter:

- We obtained management's impairment analysis and gained an understanding of their impairment assessment process;

- We assessed the reasonableness of the assumptions used and judgements made in determining the recoverable amounts; and

- We also assessed the adequacy of the Group's disclosures about those assumptions in the financial statements.

(b) Carrying value of completed properties held as inventories

As at 31st December 2020, the Group's portfolio of completed properties with a net carrying value of RM73,283,206 (2019: RM85,463,703) was carried at the lower of cost and net realisable value.

We focused on the carrying amount of completed properties because the estimation made by management on the net realisable values of unsold completed properties involved significant judgement. Management determined the net realisable values of the completed properties with reference to recent transacted prices of similar properties, net of expected discounts to be given which were approved by the management.

How our audit addressed this matter:

- We tested the carrying amount of unsold completed properties on a sample basis, by comparing to the recent selling prices for similar units stated in the signed sale and purchase agreements, net of discounts given;

- We considered the adequacy of the Group's disclosures relating to completed properties in the financial statements; and

- We reviewed the procedures performed by the component auditors in respect of the Group's completed properties of subsidiaries not audited by us.

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.

Independent
Auditors' Report
(Cont'd)

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.

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 these 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.

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, actions taken to eliminate threats or safeguards applied.

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 7 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 KONG LAI
00494/06/2022 J
Chartered Accountant

Dated: 19th April, 2021
Kuala Lumpur

Statements of **Financial Position**

As at 31st December, 2020

	Note	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	**122,735,989**	140,052,559	**18,900**	22,500
Right-of-use assets	5	**1,025,863**	2,045,909	**–**	–
Investment properties	6	**1,688,800**	1,712,608	**–**	–
Investment in subsidiaries	7	**–**	–	**458,797,156**	462,864,493
Other investments	8	**13,726,733**	11,562,766	**–**	–
Intangible assets	9	**356,169,218**	353,208,840	**–**	–
Deferred tax assets	10	**–**	515,671	**–**	–
Trade and other receivables	11	**200,491,804**	191,203,867	**–**	–
		695,838,407	700,302,220	**458,816,056**	462,886,993
Current assets					
Inventories	12	**167,195,178**	171,863,142	**–**	–
Trade and other receivables	11	**349,629,966**	307,202,877	**88,873,880**	152,275,127
Contract assets	13	**9,364,185**	11,643,009	**–**	–
Tax recoverable		**554,288**	792,303	**84,567**	86,783
Cash and bank balances	15	**266,730,576**	232,949,670	**153,934,689**	119,459,436
		793,474,193	724,451,001	**242,893,136**	271,821,346
TOTAL ASSETS		**1,489,312,600**	1,424,753,221	**701,709,192**	734,708,339
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	16	**642,658,306**	642,658,306	**642,658,306**	642,658,306
Treasury shares	17	**(4,996,188)**	(10,893,186)	**(4,996,188)**	(10,893,186)
Reserves	18	**667,164**	685,799	**–**	–
Retained profit		**471,870,051**	438,502,188	**45,148,352**	71,918,854
		1,110,199,333	1,070,953,107	**682,810,470**	703,683,974
Non-controlling interests		**110,554**	2,080,999	**–**	–
TOTAL EQUITY		**1,110,309,887**	1,073,034,106	**682,810,470**	703,683,974
Non-current liabilities					
Deferred tax liabilities	10	**8,414,163**	7,945,078	**–**	–
Trade and other payables	19	**124,540,325**	122,930,615	**–**	–
Lease liabilities	20	**993,319**	1,998,215	**–**	–
		133,947,807	132,873,908	**–**	–

Statements of Financial Position (Cont'd)

	Note	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
Current liabilities					
Trade and other payables	19	**121,345,844**	153,884,773	**18,898,722**	31,024,365
Contract liabilities	13	**39,402,514**	30,476,209	**–**	–
Lease liabilities	20	**30,074**	102,908	**–**	–
Income tax payable		**3,664,850**	11,518,371	**–**	–
Short term borrowing	21	**80,611,624**	22,862,946	**–**	–
		245,054,906	218,845,207	**18,898,722**	31,024,365
TOTAL LIABILITIES		**379,002,713**	351,719,115	**18,898,722**	31,024,365
TOTAL EQUITY AND LIABILITIES		**1,489,312,600**	1,424,753,221	**701,709,192**	734,708,339

Statements of Profit or Loss and other Comprehensive Income

For the Year Ended 31st December, 2020

	Note	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
Revenue	22	**810,999,222**	1,055,276,023	**23,500,000**	40,000,000
Cost of sales	23	**(676,542,024)**	(838,604,905)	**–**	–
Gross profit		**134,457,198**	216,671,118	**23,500,000**	40,000,000
Other operating income	24	**31,062,194**	13,552,064	**11,864,174**	2,932,747
		165,519,392	230,223,182	**35,364,174**	42,932,747
Administrative expenses		**(32,148,460)**	(31,163,780)	**(599,347)**	(611,293)
Other operating expenses		**(15,540,838)**	(9,652,364)	**(4,136,846)**	(24,328)
Net reversal/ (allowance) of impairment on financial assets		**2,667,433**	(2,630,240)	**–**	–
Profit from operations		**120,497,527**	186,776,798	**30,627,981**	42,297,126
Finance costs	25	**(952,109)**	(885,629)	**–**	–
Profit before taxation	26	**119,545,418**	185,891,169	**30,627,981**	42,297,126
Taxation	29	**(28,771,575)**	(45,641,063)	**(11,478)**	(51,422)
Profit after taxation		**90,773,843**	140,250,106	**30,616,503**	42,245,704
Other comprehensive (income)/expenses: Item that is or may be reclassified subsequently to profit or loss					
- Foreign currency translation	18	**(18,635)**	10,090	**–**	–
Total comprehensive income for the year		**90,755,208**	140,260,196	**30,616,503**	42,245,704

	Note	Group 2020 RM	Group 2019 RM
Profit for the year attributable to:			
Owners of the Company		**90,754,868**	140,180,333
Non-controlling interest		**18,975**	69,773
		90,773,843	140,250,106
Total comprehensive income attributable to:			
Owners of the Company		**90,736,233**	140,190,423
Non-controlling interest		**18,975**	69,773
		90,755,208	140,260,196
Earnings per share attributable to Owners of the Company (sen)	30	**7.37**	11.36
Diluted earnings per share (sen)	30	**–**	–

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

Statements of Changes in Equity
For the Year Ended 31st December, 2020

		Non-distributable			Distributable		
	Note	Share capital RM	Treasury shares RM (Note 17)	Reserves RM (Note 18)	Retained profit RM	Non-controlling interest RM	Total RM
Group							
At 1st January, 2019		642,658,306	(8,056,108)	675,709	341,474,802	2,001,856	978,754,565
Total comprehensive income for the year		–	–	10,090	140,180,333	69,773	140,260,196
Acquisition of subsidiary		–	–	–	–	9,370	9,370
Repurchase of treasury shares		–	(2,837,078)	–	–	–	(2,837,078)
Dividend paid	31	–	–	–	(43,152,947)	–	(43,152,947)
At 31st December, 2019		642,658,306	(10,893,186)	685,799	438,502,188	2,080,999	1,073,034,106
Total comprehensive income for the year		–	–	(18,635)	90,754,868	18,975	90,755,208
Acquisition of subsidiary		–	–	–	–	49	49
Accretion of interest in subsidiaries		–	–	–	–	(1,989,469)	(1,989,469)
Repurchase of treasury shares		–	(8,385,329)	–	–	–	(8,385,329)
Dividend paid	31	–	14,282,327	–	(57,387,005)	–	(43,104,678)
At 31st December, 2020		642,658,306	(4,996,188)	667,164	471,870,051	110,554	1,110,309,887

Statements of Changes in Equity (Cont'd)

		Non-distributable			Distributable		
	Note	Share capital RM	Treasury shares RM (Note 17)	Reserves RM (Note 18)	Retained profit RM	Non-controlling interest RM	Total RM
Company							
At 1st January, 2019		642,658,306	(8,056,108)	–	72,826,097	–	707,428,295
Total comprehensive income for the year		–	–	–	42,245,704	–	42,245,704
Repurchase of treasury shares		–	(2,837,078)	–	–	–	(2,837,078)
Dividend paid	31	–	–	–	(43,152,947)	–	(43,152,947)
At 31st December, 2019		642,658,306	(10,893,186)	–	71,918,854	–	703,683,974
Total comprehensive income for the year		–	–	–	30,616,503	–	30,616,503
Repurchase of treasury shares		–	(8,385,329)	–	–	–	(8,385,329)
Dividend paid	31	–	14,282,327	–	(57,387,005)	–	(43,104,678)
At 31st December, 2020		642,658,306	(4,996,188)	–	45,148,352	–	682,810,470

Statements of Cash Flows

For the Year Ended 31st December, 2020

	Note	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before taxation		**119,545,418**	185,891,169	**30,627,981**	42,297,126
Adjustments for:					
Amortisation of intangible asset		**31,363**	32,420	**–**	–
Amortisation of right-of-use assets		**1,221,934**	1,253,351	**–**	–
Allowance/(reversal) for impairment losses on					
- amount due from subsidiaries		**–**	–	**(9,215,522)**	–
- trade and other receivables		**(2,518,968)**	2,715,082	**–**	–
- cash and bank balances		**58,001**	(97,568)	**56,138**	11,360
- inventories		**11,596,544**	–	**–**	–
- investment in subsidiaries		**–**	–	**4,067,391**	–
Bad debt written off		**1,400,050**	–	**–**	–
Depreciation of property, plant and equipment		**36,271,881**	36,379,274	**3,600**	3,600
Depreciation of investment properties		**23,808**	31,470	**–**	–
Dividend income		**(223,892)**	–	**(23,500,000)**	(40,000,000)
Interest income		**(5,878,635)**	(6,002,364)	**(2,486,708)**	(2,697,664)
Interest expenses		**864,228**	715,718	**–**	–
Lease interest		**87,881**	169,911	**–**	–
Gain on disposal of property, plant and equipment investment properties and inventories (Net)		**(1,998)**	(192,797)	**–**	–
Gain on disposal of other investment		**(8,741,025)**	–	**–**	–
Gain on application of practical expendient under MFRS 16		**(29,340)**	–	**–**	–
Gain on modification of lease		**(11,398)**	–	**–**	–
Loss on disposal of other investment		**–**	72,856	**–**	–
Loss on sales of inventories		**5,187,143**	–	**–**	–
Allowance for diminution of investment		**(1,716,870)**	7,221,550	**–**	–
Operating profit/(loss) before working capital changes		**157,166,125**	228,190,072	**(447,120)**	(385,578)
(Increase)/decrease in inventories:					
- property development costs		**(8,225,056)**	(52,456,419)	**–**	–
- others		**712,523**	(70,404)	**–**	–
- investment properties		**(2,630,408)**	11,516,934	**–**	–
(Increase)/decrease in trade and other receivables		**(50,590,616)**	(91,731,793)	**72,616,769**	35,277,146
Decrease in contract assets		**2,278,824**	27,514,791	**–**	–
(Decrease)/increase in trade and other payables		**(49,692,473)**	5,420,268	**(30,686,668)**	6,456,124
Increase/(decrease) in contract liabilities		**9,094,909**	(2,720,370)	**–**	–

Statements of Cash Flows (Cont'd)

	Note	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
CASH FLOWS FROM OPERATING ACTIVITIES (Cont'd)					
Cash generated from operations		**58,113,828**	125,663,079	**41,482,981**	41,347,692
Interest received		**5,878,635**	6,002,364	**2,486,708**	2,697,664
Interest paid		**(864,228)**	(715,718)	**–**	–
Income taxes refund		**711,224**	1,610,126	**–**	62,474
Income taxes paid		**(35,965,917)**	(44,399,143)	**(9,262)**	(23,224)
Net cash generated from operating activities		**27,873,542**	88,160,708	**43,960,427**	44,084,606
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment		**(34,614,983)**	(35,704,637)	**–**	–
Purchase of other investment		**(9,920,135)**	(11,641,520)	**–**	–
Acquisition of subsidiary	A	**–**	(1,344,053)	**(51)**	–
Acquisition of additional interests in subsidiaries		**(4,981,161)**	–	**(3)**	–
(Placement in)/uplift of deposits in licensed banks		**(2,067,691)**	12,347,158	**(3,108)**	(76,838)
Proceed from disposal of property, plant and equipment and inventories		**13,487,000**	5,876,450	**–**	–
Proceed from disposal of other investment		**18,419,728**	896,516	**–**	–
Dividend received, net		**–**	–	**23,500,000**	40,000,000
Net cash (used in)/generated from investing activities		**(19,677,242)**	(29,570,086)	**23,496,838**	39,923,162
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividend paid		**(24,543,653)**	(24,659,777)	**(24,543,653)**	(24,659,777)
Purchase of treasury shares		**(8,385,329)**	(2,837,078)	**(8,385,329)**	(2,837,078)
Repayment of lease liabilities		**(1,238,880)**	(1,368,048)	**–**	–
Net cash used in financing activities		**(34,167,862)**	(28,864,903)	**(32,928,982)**	(27,496,855)
Net (decrease)/increase in cash and cash equivalents		**(25,971,562)**	29,725,719	**34,528,283**	56,510,913
Effect of foreign exchange rate changes		**(5,900)**	98,828	**–**	–
Changes in expected credit loss ("ECL") for cash and cash equivalents		**(58,001)**	97,568	**(56,138)**	(11,360)
Cash and cash equivalents at beginning of year		**196,454,995**	166,532,880	**119,382,598**	62,883,045
Cash and cash equivalents at end of year	B	**170,419,532**	196,454,995	**153,854,743**	119,382,598

NOTE

A. ACQUISITION OF SUBSIDIARY

	Group	
	2020 RM	2019 RM
Total cost of acquisition	**–**	1,350,000
Less: Non-cash consideration	**–**	–
Consideration settled in cash	**–**	1,350,000
Cash and cash equivalents of subsidiary acquired	**–**	(5,947)
Net cash outflow of the Group on acquisition	**–**	1,344,053

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	
	2020 RM	2019 RM	**2020 RM**	2019 RM
Cash and bank balances	**266,812,855**	232,973,948	**154,003,463**	119,472,072
Less: Allowance for ECL	**(82,279)**	(24,278)	**(68,774)**	(12,636)
Deposits pledged with licensed banks	**(15,699,420)**	(13,631,729)	**(79,946)**	(76,838)
Short term borrowing	**(80,611,624)**	(22,862,946)	**–**	–
	170,419,532	196,454,995	**153,854,743**	119,382,598

Notes to the Financial Statements
– 31st December, 2020

1. GENERAL INFORMATION

The Company is principally an investment holding company. The principal activities of the subsidiaries are disclosed in Note 7 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, 2020 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, 2020.

Description	Effective for annual period beginning on or after
Amendments to MFRS 3: Definition of a Business	1st January, 2020
Amendments to MFRS 101: Presentation of Financial Statements – Definition of Material	1st January, 2020
Amendments to MFRS 108: Accounting Policies, Changes in Accounting Estimates and Errors	1st January, 2020
Amendments to MFRS 7, MFRS 9 and MFRS 139: Interest Rate Benchmark Reform	1st January, 2020
Amendments to MFRS 16 Leases: Covid-19-Related Rent Concessions	1st June, 2020

2. BASIS OF PREPARATION (CONT'D)

(b) Standards and Amendments Issued But Not Yet Effective

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

Description	Effective for annual period beginning on or after
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform-Phase 2	1st January, 2021
MFRS 1: Annual Improvements to MFRS Standards 2018 - 2020	1st January, 2022
Amendments to MFRS 3 Business Combinations: Reference to the Conceptual	1st January, 2022
MFRS 9: Annual Improvements to MFRS Standards 2018 - 2020	1st January, 2022
Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use	1st January, 2022
Amendments to MFRS 137: Provisions, Contingent Liabilities and Contingent Assets - Onerous Contract-Cost of Fulfilling a Contract	1st January, 2022
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1st January, 2023
MFRS 17 Insurance Contracts	1st January, 2023
Amendments to MFRS 10: Consolidated Financial Statements and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The Group and the Company are expected to apply the abovementioned pronouncements beginning from the perspective dates the pronouncements become effective. The initial application of the abovementioned pronouncements are not to be expected to have any material impact to financial statements of the Group and of the Company.

(c) Basis of Measurement

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

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

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Consolidation

(i) Business Combinations

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

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

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

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

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 9 Financial Instrument: Recognition and Measurement, either in profit or loss or as change to other comprehensive income. If the contingent consideration is classified as equity, it is not to be remeasured until it is finally settled within equity.

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of Consolidation (Cont'd)

(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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Foreign Currencies (Cont'd)

(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.

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% - 33.33%

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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 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.

Notes to the
Financial Statements
(Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Investment Properties

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

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

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.

(f) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Recognition and initial measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

An embedded derivative is recognised separately from the host contract where the host contract is not a financial asset, and accounted for separately if, and only if, the derivative is not closely related to the economic characteristics and risks of the host contract and the host contract is not measured at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

(ii) Financial instrument categories and subsequent measurement

Financial assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group and the Company change their business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Financial Instruments (Cont'd)

(ii) Financial instrument categories and subsequent measurement (Cont'd)

Financial assets (Cont'd)

a. Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets where the effective interest rate is applied to the amortised cost.

b. Fair value through other comprehensive income

i. Debt investments

Fair value through other comprehensive income category comprises debt investment where it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the debt investment, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The debt investment is not designated as at fair value through profit or loss. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets where the effective interest rate is applied to the amortised cost.

ii. Equity investments

This category comprises investment in equity that is not held for trading, and the Group and the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income on initial recognition. This election is made on an investment-by-investment basis. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are not reclassified to profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Financial Instruments (Cont'd)

(ii) Financial instrument categories and subsequent measurement (Cont'd)

Financial assets (Cont'd)

c. Fair value through profit or loss

All financial assets not measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss. This includes derivative financial assets (except for a derivative that is a designated and effective hedging instrument). On initial recognition, the Group and the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as fair value through profit or loss are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognized in the profit or loss.

All financial assets, except for those measured at fair value through profit or loss and equity investments measured at fair value through other comprehensive income, are subject to impairment assessment.

Financial liabilities

The categories of financial liabilities at initial recognition are as follows:

a. Fair value through profit or loss

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument), contingent consideration in a business combination and financial liabilities that are specifically designated into this category upon initial recognition.

On initial recognition, the Group and the Company may irrevocably designate a financial liability that otherwise meets the requirements to be measured at amortised cost as at fair value through profit or loss:

i. if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise;

ii. a group of financial liabilities or assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the Group's key management personnel; or

iii. if a contract contains one or more embedded derivatives and the host is not a financial asset in the scope of MFRS 9, where the embedded derivative significantly modifies the cash flows and separation is not prohibited.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Financial Instruments (Cont'd)

(ii) Financial instrument categories and subsequent measurement (Cont'd)

Financial liabilities (Cont'd)

a. Fair value through profit or loss (Cont'd)

Financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair value with gains or losses, including any interest expense are recognised in the profit or loss.

For financial liabilities where it is designated as fair value through profit or loss upon initial recognition, the Group and the Company recognise the amount of change in fair value of the financial liability that is attributable to change in credit risk in the other comprehensive income and remaining amount of the change in fair value in the profit or loss, unless the treatment of the effects of changes in the liability's credit risk would create or enlarge an accounting mismatch.

b. Amortised cost

Other financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

(iii) Regular way purchase or sale of financial assets

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date or settlement date accounting in the current year.

Trade date accounting refers to:

a. the recognition of an asset to be received and the liability to pay for it on the trade date, and

b. derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

Settlement date accounting refers to:

a. the recognition of an asset on the day it is received by the Group and the Company, and

b. derecognition of an asset and recognition of any gain or loss on disposal on the day that is delivered by the Group and the Company.

Any change in the fair value of the asset to be received during the period between the trade date and the settlement date is accounted in the same way as it accounts for the acquired asset.

Generally, the Group and the Company applies settlement date accounting unless otherwise stated for the specific class of asset.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Financial Instruments (Cont'd)

(iv) 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 in accordance with the original or modified terms of a debt instrument.

Financial guarantees contracts issued are initially measured at their fair value and, if not designated as at FVTPL and do not arise from a transfer of a financial asset, are subsequently measured at the higher of:

- the loss allowance determined in accordance with MFRS 9; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15, Revenue from Contracts with Customers.

Liabilities arising from financial guarantees are presented together with other provisions.

(v) Hedge accounting

At inception of a designated hedging relationship, the Group and the Company document the risk management objective and strategy for undertaking the hedge. The Group and the Company also document the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

a. Fair value hedge

A fair value hedge is a hedge of the exposure to changes in fair value of a recognised asset or liability or an unrecognised firm commitment, or an identified portion of such an asset, liability or firm commitment, that is attributable to a particular risk and could affect the profit or loss.

In a fair value hedge, the gain or loss on the hedging instrument shall be recognised in profit or loss (or other comprehensive income, if the hedging instrument hedges an equity instrument which the Group and the Company have elected to present the subsequent changes in fair value of the investment in equity in other comprehensive income).

The hedging gain or loss on the hedged item shall adjust the carrying amount of the hedged item and be recognised in profit or loss. If the hedged item is a financial asset (or a component thereof) that is measured at fair value through other comprehensive income, the hedging gain or loss on the hedged item shall be recognised in profit or loss. However, if the hedged item is an equity instrument for which an entity has elected to present changes in fair value in other comprehensive income, those amounts shall remain in other comprehensive income. When a hedged item is an unrecognised firm commitment (or a component thereof), the cumulative change in the fair value of the hedged item subsequent to its designation is recognised as an asset or a liability with a corresponding gain or loss recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Financial Instruments (Cont'd)

(v) Hedge accounting (Cont'd)

b. Cash flow hedge

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with all, or a component of, a recognised asset or liability or a highly probable forecast transaction and could affect the profit or loss. In a cash flow hedge, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised in other comprehensive income and accumulated in equity and the ineffective portion is recognised in profit or loss. The effective portion of changes in the fair value of the derivative that is recognised in other comprehensive income is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge.

Subsequently, the cumulative gain or loss recognised in other comprehensive income is reclassified from equity into profit or loss in the same period or periods during which the hedged forecast cash flows affect profit or loss. If the hedge item is a non-financial asset or liability, the associated gain or loss recognised in other comprehensive income is removed from equity and included in the initial amount of the asset or liability. However, loss recognised in other comprehensive income that will not be recovered in one or more future periods is reclassified from equity into profit or loss immediately.

The Group designates only the change in fair value of the spot element of forward contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts ("forward points") and/or the foreign currency basis spread are separately accounted for as cost of hedging and recognised in a cost of hedging reserve within equity.

Cash flow hedge accounting is discontinued prospectively when the hedging instrument expires or is sold, terminated or exercised, the hedge is no longer highly effective, the forecast transaction is no longer expected to occur or the hedge designation is revoked. If the hedge is for a forecast transaction, the cumulative gain or loss on the hedging instrument remains in equity until the forecast transaction occurs. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve and the cost of hedging reserve remains in equity until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Financial Instruments (Cont'd)

(vi) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(vii) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group and the Company currently have a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liability simultaneously.

(g) Impairment

(i) Financial Assets and Contract Assets

The Group and the Company recognise an allowances for expected credit losses ("ECLs") on financial assets measured at amortised cost, debt investments measured at fair value through other comprehensive income, contract assets and lease receivables. Expected credit losses are a probability-weighted estimate of credit losses.

ECLs are recognised in three stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from defaults events that are possible within next-12 months ("a 12-month ECL"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default ("a lifetime ECL").

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information, where available.

The Group and the Company estimate the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience, adjusted for forward-looking factors specific debtors and the economic environment.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Impairment (Cont'd)

(i) Financial Assets and Contract Assets (Cont'd)

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

An impairment loss in respect of debt investments measured at fair value through other comprehensive income is recognised in profit or loss and the allowance account is recognised in other comprehensive income.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost and debt securities at fair value through other comprehensive income are credit impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedures for recovery amounts due.

(ii) Non-financial Assets

The Group and the Company assess 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 and the Company make 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.

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Investment in 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.

(i) 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.

(j) Contract Assets and Contract Liabilities

A contract asset is recognised when the Group's or the Company's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment in accordance to MFRS 9, Financial Instruments.

A contract liability is stated at cost and represents the obligation of the Group or the Company to transfer goods or services to a customer for which consideration has been received or the amount is due from the customers.

(k) 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 development cost

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Inventories (Cont'd)

(ii) Property development cost (Cont'd)

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

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

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

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

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

(iii) Completed development properties

Units of development properties completed and held for sale are stated at the lower of cost and net realisable value. Costs comprise costs of acquisition of land including all related costs incurred subsequent to the acquisition necessary to prepare the land for intended use, related development costs to projects and direct buildings costs.

(iv) Others

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

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

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

(l) 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Provisions (Cont'd)

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.

(m) 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.

(n) Employee Benefits

(i) <u>Short Term Benefits</u>

Wages, salaries, bonuses and social security contributions ("Socso") are recognised as expenses in the year in which the associated services are rendered by employees of the Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) <u>Defined Contribution Plans</u>

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. The Group make contributions to the Employee 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.

(o) Leases

The Group has applied MFRS 16 Leases using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 January 2019. Accordingly, the comparative information presented for 2018 has not been restated – i.e. it is presented, as previously reported under MFRS 117 Leases and related interpretations.

(i) Recognition and initial measurement

(a) As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Leases (Cont'd)

(i) Recognition and initial measurement (Cont'd)

(a) As a lessee (Cont'd)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the respective Group entities' incremental borrowing rate. Generally, the Group entities use their incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Group is reasonably certain to exercise; and
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The Group excludes variable lease payments that linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

The Group has elected not to recognise right-of-use and lease liabilities for short-term leases that have lease term of 12 months or less and leases as an expenses on a straight-line basis over the lease term.

(b) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

If an arrangement contains lease and non-lease components, the Group applies MFRS 15 to allocate the consideration in the contract based on the stand-alone selling prices.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sublease as an operating lease.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Leases (Cont'd)

(ii) Subsequent measurement

(a) As a lessee

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property,plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustments is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(b) As a lessor

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of "revenue".

(p) Revenue Recognition

Revenue from a contract with a customer is recognised when control of the goods or services are transferred to the customer. Revenue is measured based on the consideration specified in the contract to which the entity expects to be entitled in exchange for transferring the goods or services to the customer, excluding amounts collected on behalf of third parties.

If a contract with a customer contains more than one performance obligation, the total consideration is collected to each performance obligation based on the relative stand-alone selling prices of the goods or services promised in the contract.

(i) <u>Construction Contracts</u>

Revenue from construction contracts is recognised over time in the period in which the services are rendered using the input method, determined based the proportion of construction costs incurred for work performed to date over the estimated total construction costs. Transaction price is computed based on the price specified in the contract and adjusted for any variable consideration such as incentives and penalties. Past experience is used to estimate and provide for the variable consideration, using most likely method and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

A receivable is recognised when the construction services are rendered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. If the construction services rendered exceed the payment received, a contract asset is recognised. If the payments exceed the construction services rendered, a contract liability is recognised.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Revenue Recognition (Cont'd)

(ii) Property Development

Revenue is recognised progressively when property development services are rendered and such services do not create an asset with an alternative's use to the Group, and the Group has a present right to payment for services rendered to date. The progress towards complete satisfaction of the performance obligation is measured based on a method that best depicts the Group's performance in satisfying the performance obligation of the contract. The Group recognise revenue over time using the input method, which based on the actual cost incurred to date on the property development project as compared to the total budgeted cost for the respective development projects.

When the services rendered exceed the billings to customers, a contract asset is recognised. If the billings exceed the services rendered, a contract liability is recognised.

(iii) Sale of Goods

Revenue is recognised net of sales taxes and upon transfer of control over 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 Income

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

(q) Income Taxes

(i) Current Tax

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

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

(ii) Deferred Tax

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(q) Income Taxes (Cont'd)

(ii) Deferred Tax (Cont'd)

- 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.

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.

(r) 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 40 to the financial statements, including the factors used to identify the reportable segments and the measurement basis of segment information.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(s) 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.

(t) 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.

(u) 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.

The carrying amount of investment in subsidiaries as at 31st December, 2020 were RM458,797,156 (2019: RM462,864,493). Further details are disclosed in Note 7 to the financial statements. During the financial year the Company performed an impairment review of its investment in certain subsidiaries, where the carrying amount of investments exceeded its share of net assets in the respective subsidiary companies at the reporting date. The review gave rise to recognition of an impairment loss of investment in subsidiaries of RM4,067,391 as disclosed in Note 7 to the financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(u) Significant Accounting Judgements and Estimates (Cont'd)

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

(b) Impairment of Financial Assets

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 financial assets at the reporting date is disclosed in Note 38 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) 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.

(v) Fair value measurement

Fair value of an asset or liability, except for lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(v) Fair value measurement (Cont'd)

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

4. PROPERTY, PLANT AND EQUIPMENT

Group	As at 1.1.2020 RM	Addition RM	Disposal/ Write-off/ Transfer RM	As at 31.12.2020 RM
2020				
COST				
Leasehold land and buildings	**16,427,756**	**11,902,440**	**–**	**28,330,196**
Plant, machinery and site equipment	**250,448,063**	**6,759,355**	**–**	**257,207,418**
Vessel	**13,097,241**	**–**	**–**	**13,097,241**
Other assets *	**18,552,148**	**293,518**	**(74,701)**	**18,770,965**
	298,525,208	**18,955,313**	**(74,701)**	**317,405,820**

	As at 1.1.2020 RM	Charge for the year RM	Disposal/ Write-off/ Transfer RM	As at 31.12.2020 RM
ACCUMULATED DEPRECIATION/ IMPAIRMENT				
Leasehold land and buildings	**1,687,822**	**232,941**	**–**	**1,920,763**
Plant, machinery and site equipment	**136,087,470**	**33,682,370**	**–**	**169,769,840**
Vessel	**4,705,331**	**1,309,728**	**–**	**6,015,059**
Other assets *	**15,992,026**	**1,046,842**	**(74,699)**	**16,964,169**
	158,472,649	**36,271,881**	**(74,699)**	**194,669,831**

Notes to the
Financial Statements
(Cont'd)

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

Group	As at 31.12.2020 RM
2020	
NET BOOK VALUE	
Leasehold land and buildings	**26,409,433**
Plant, machinery and site equipment	**87,437,578**
Vessel	**7,082,182**
Other assets *	**1,806,796**
	122,735,989

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

Group	As at 1.1.2019 RM	Addition RM	Disposal/ Write-off/ Transfer RM	Reclassification RM	As at 31.12.2019 RM
2019					
COST					
Leasehold land and buildings	25,045,858	8,489,189	(17,107,291)	–	16,427,756
Plant, machinery and site equipment	224,420,869	26,407,194	(380,000)	–	250,448,063
Vessel	15,880,241	–	(2,783,000)	–	13,097,241
Other assets *	18,395,562	217,845	(5,736)	(55,523)	18,552,148
	283,742,530	35,114,228	(20,276,027)	(55,523)	298,525,208

	As at 1.1.2019 RM	Charge for the year RM	Disposal/ Write-off/ Transfer RM	Reclassification RM	As at 31.12.2019 RM
ACCUMULATED DEPRECIATION/ IMPAIRMENT					
Leasehold land and buildings	1,454,881	232,941	–	–	1,687,822
Plant, machinery and site equipment	102,963,428	33,504,042	(380,000)	–	136,087,470
Vessel	3,975,403	1,379,304	(649,376)	–	4,705,331
Other assets *	14,730,863	1,262,987	(1,824)	–	15,992,026
	123,124,575	36,379,274	(1,031,200)	–	158,472,649

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

Group	As at 31.12.2019 RM
2019	
NET BOOK VALUE	
Leasehold land and buildings	14,739,934
Plant, machinery and site equipment	114,360,593
Vessel	8,391,910
Other assets *	2,560,122
	140,052,559

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

Company	As at 1.1.2020 RM	Addition RM	As at 31.12.2020 RM
2020			
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 1.1.2020 RM	Charge for the year RM	As at 31.12.2020 RM
ACCUMULATED DEPRECIATION/ IMPAIRMENT			
Office equipment	**57,022**	**–**	**57,022**
Furniture and fittings	**2,376**	**–**	**2,376**
Signboard	**13,500**	**3,600**	**17,100**
	72,898	**3,600**	**76,498**

	As at 31.12.2020 RM
NET BOOK VALUE	
Office equipment	**–**
Furniture and fittings	**–**
Signboard	**18,900**
	18,900

Notes to the Financial Statements (Cont'd)

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

	As at 1.1.2019 RM	Addition RM	As at 31.12.2019 RM
2019			
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 1.1.2019 RM	Charge for the year RM	As at 31.12.2019 RM
ACCUMULATED DEPRECIATION/ IMPAIRMENT			
Office equipment	57,022	–	57,022
Furniture and fittings	2,376	–	2,376
Signboard	9,900	3,600	13,500
	69,298	3,600	72,898

	As at 31.12.2019 RM
NET BOOK VALUE	
Office equipment	–
Furniture and fittings	–
Signboard	22,500
	22,500

5. RIGHT-OF-USE ASSETS

	Group	
	2020	2019
	RM	RM
Cost		
At 1st January	**3,299,260**	–
Additional during the financial year	**201,888**	–
Initial application of MFRS 16	**–**	3,299,260
At 31st December	**3,501,148**	3,299,260
Accumulated amortisation		
At 1st January	**(1,253,351)**	–
Charge for the financial year (Note 26)	**(1,221,934)**	(1,253,351)
At 31st December	**(2,475,285)**	(1,253,351)
Net carrying amount at 31st December	**1,025,863**	2,045,909

The Group leases a number of residential units for staff accommodation that have an average tenure of two years with two years renewal option.

6. INVESTMENT PROPERTIES

	Group	
	2020	2019
	RM	RM
Land and buildings		
At carrying amount		
At 1st January	**1,712,608**	2,592,815
Disposal	**–**	(848,737)
Depreciation charged (Note 26)	**(23,808)**	(31,470)
At 31st December	**1,688,800**	1,712,608
At fair value	**2,546,000**	2,750,000

The fair values of the investment properties are within level 2 of the fair value hierarchy and are arrived at by reference to market evidence of transaction prices for similar properties, location and category of properties. The most significant input into this valuation approach is the price per square foot of comparable properties.

7. INVESTMENT IN SUBSIDIARIES

	Company	
	2020	2019
	RM	RM
Unquoted shares, at costs	**487,202,073**	487,202,019
Accumulated impairment	**(28,404,917)**	(24,337,526)
	458,797,156	462,864,493

During the financial year, the Company performed an impairment review of its investments in certain subsidiaries, where the carrying amount of investments exceeded its share of net assets in the respective subsidiary companies at the reporting date. The review gave rise to the recognition of an impairment loss of investment in subsidiaries of RM4,067,391 (2019: RM Nil) as disclosed in Note 26.

Details of the subsidiaries as at 31st December, 2020 and 2019 are as below:

Name	Country of Incorporation	Principal Activities	Proportion (%) of Ownership Interest	
			2020	2019
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 work.	**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
Acumen Industries Limited *	Hong Kong	Dormant. Intended principal activity is investment holding.	**100**	100
Aurizon Investments Limited	British Virgin Islands	Investment holding.	**100**	100

7. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries as at 31st December, 2020 and 2019 are as below: (Cont'd)

Name	Country of Incorporation	Principal Activities	Proportion (%) of Ownership Interest 2020	2019
Held by the Company: (Cont'd)				
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.	Malaysia	Dormant. Intended principal activities are supply, manufacture, trading for gondola and its related services.	**100**	70
Virent Energy Solutions Sdn. Bhd.*	Malaysia	Solar, energy solutions and renewables, engineering, commissioning contracting works and related investments.	**51**	–
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
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.	**100**	70

7. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries as at 31st December, 2020 and 2019 are as below: (Cont'd)

Name	Country of Incorporation	Principal Activities	Proportion (%) of Ownership Interest	
			2020	2019
Held by Bazarbayu Sdn. Bhd.:				
Yakin Land Sdn. Bhd. *	Malaysia	Property development activities.	**100**	90

* Audited by firms of auditors other than Ong & Wong

<u>2020</u>

(a) Additional investment in an existing subsidiaries companies

(i) On 15th September, 2020, the Company acquired 3 ordinary shares of Kerjaya Prospek Resources Sdn. Bhd. for a total cash consideration of RM3. The effective equity interest increases from 70% to 100%.

(ii) On 20th October, 2020, the Company's wholly-owned subsidiary, Bazarbayu Sdn. Bhd. acquired 10,000 ordinary shares of Yakin Land Sdn. Bhd. for total cash consideration of RM150,000. The effective equity interest increases from 90% to 100%.

(iii) On 2nd November, 2020 the Company's wholly-owned subsidiary, Kerjaya Prospek (M) Sdn. Bhd. acquired 300,000 ordinary shares of Future Rock Sdn. Bhd. for total cash consideration of RM5,000,000. The effective equity interest increases from 70% to 100%.

(b) Incorporation of new subsidiary company

On 31st December, 2020, the Company has subscribed 51 ordinary shares representing 51% of the total issued capital in Virent Energy Solutions Sdn. Bhd. for a total consideration of RM51, the subsidiary company was incorporated on 31st December, 2020. Conversely Virent Capital Sdn. Bhd. has on the same day subscribed up to 49 ordinary shares representing 49% of the total issued capital in Virent Energy Solutions Sdn. Bhd..

<u>2019</u>

(a) Acquisition of new subsidiary company

On 10th January, 2019, the Company's wholly-owned subsidiary, Bazarbayu Sdn. Bhd. acquired 90,000 ordinary shares representing 90% of the total issued capital of Yakin Land Sdn. Bhd. ("YLSB") for a total cash consideration of RM1,350,000. As result of the acquisition, YLSB become an indirect wholly-owned subsidiary of the Company.

The Group has assessed the non-controlling interests in the subsidiaries of the Group and has determined that the non-controlling interests are not individually and collectively material to the Group's financial position, performance and cash flows.

8. OTHER INVESTMENTS

		Group	
		2020	2019
		RM	RM
(i)	**Club membership**		
	Cost	**95,000**	95,000
	Allowance for impairment	**(52,000)**	(52,000)
		43,000	43,000
(ii)	**Quoted shares, at fair value**		
	Quoted shares, outside Malaysia	**9,161,354**	5,165,478
	Quoted shares, in Malaysia	**4,522,379**	6,354,288
		13,683,733	11,519,766
	Total other investments	**13,726,733**	11,562,766

9. INTANGIBLE ASSETS

		Group	
		2020	2019
		RM	RM
(i)	**Goodwill**		
	COST		
	At 1st January	**353,134,269**	353,134,269
	Addition	**2,991,741**	–
	At 31st December	**356,126,010**	353,134,269
(ii)	**Computer Software**		
	COST		
	At 1st January	**257,226**	171,294
	Addition	**–**	85,932
	At 31st December	**257,226**	257,226

9. INTANGIBLE ASSETS (CONT'D)

(ii) Computer Software (Cont'd)

	Group	
	2020	2019
	RM	RM
ACCUMULATED AMORTISATION		
At 1st January	**182,655**	150,235
Amortisation charged (Note 26)	**31,363**	32,420
At 31st December	**214,018**	182,655
Net carrying amount		
At 1st January	**74,571**	21,059
At 31st December	**43,208**	74,571
Total intangible assets	**356,169,218**	353,208,840

(a) Goodwill on consolidation

The Group performed impairment review on goodwill annually.

The recoverable amount of goodwill as at the end of the financial year was determined using the discounted cash flows method and was based on the following assumptions:

(i) Cash flow projections based on the most recent financial budgets approved by Management covering a 5-year period.
(ii) Gross profit margin – based on the range of forecasted margin for projects.
(iii) Discount rate – based on the industry weighted average cost.

The Management believes that there is no significant possible change in any of the above key assumptions would cause the carrying value of the goodwill to materially exceed its recoverable amount.

10. DEFERRED TAX ASSETS/(LIABILITIES)

	Group		Company	
	2020 RM	2019 RM	**2020 RM**	2019 RM
At 1st January	**(7,429,407)**	(7,010,068)	**–**	–
Transfer to statement of profit or loss and other comprehensive income (Note 29)	**(984,756)**	(419,339)	**–**	–
At 31st December	**(8,414,163)**	(7,429,407)	**–**	–
Presented after appropriate offsetting as follows:				
Deferred tax assets	**–**	515,671	**–**	–
Deferred tax liabilities	**(8,414,163)**	(7,945,078)	**–**	–
	(8,414,163)	(7,429,407)	**–**	–
The deferred tax assets/(liabilities) recognised is in respect of the followings:-				
- Temporary difference between depreciation and capital allowance	**(9,825,128)**	(9,782,159)	**–**	–
- Provision and others	**1,410,965**	2,352,752	**–**	–
	(8,414,163)	(7,429,407)	**–**	–

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

	Group		Company	
	2020 RM	2019 RM	**2020 RM**	2019 RM
Unused tax losses	**6,551,201**	5,061,834	**–**	–
Unabsorbed capital allowances	**17,775,786**	13,877,383	**–**	–
Other deductible temporary differences	**528,742**	4,427,145	**–**	–
	24,855,729	23,366,362	**–**	–

The unused tax losses and unabsorbed capital allowances of the Group 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.

Pursuant to Section 11 of the Finance Act 2018 (Act 812), special provision relating to Section 43 & 44 of Income Tax Act 1967, a time limit has imposed on the unused tax losses to be carried forward for a maximum of 7 consecutive years of assessment, this section has effect from the year of assessment 2019 and subsequent years of assessment.

Notes to the Financial Statements (Cont'd)

11. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2020 RM	2019 RM	**2020 RM**	2019 RM
Non-Current				
Trade Receivables				
Retention sum	**200,491,804**	191,203,867	**–**	–
Current				
Trade Receivables				
Third parties	**323,832,131**	292,107,316	**–**	–
Retention sum	**–**	77,913	**–**	–
	323,832,131	292,185,229	**–**	–
Less: Allowance for impairment				
- Third parties	**(11,123,517)**	(13,647,977)	**–**	–
	312,708,614	278,537,252	**–**	–
Other Receivables				
Amount due from subsidiaries	**–**	–	**100,011,673**	172,633,698
Prepayment	**85,439**	319,876	**17,781**	12,525
Deposits	**8,139,859**	8,979,001	**–**	–
Other receivables	**29,064,725**	19,729,927	**28**	28
	37,290,023	29,028,804	**100,029,482**	172,646,251
Less: Allowance for impairment				
- Amount due from subsidiaries	**–**	–	**(11,155,602)**	(20,371,124)
- Third parties	**(368,671)**	(363,179)	**–**	–
	36,921,352	28,665,625	**88,873,880**	152,275,127
Total - current	**349,629,966**	307,202,877	**88,873,880**	152,275,127
Total trade and other receivables	**550,121,770**	498,406,744	**88,873,880**	152,275,127

11. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Trade Receivables

Trade receivables are non-interest bearing and are generally on 30 to 90 (2019: 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	
	2020	2019
	RM	RM
Not past due	**408,322,816**	313,796,554
1 to 30 days past due	**39,149,400**	20,561,835
31 to 60 days past due	**19,488,464**	5,948,143
61 to 90 days past due	**4,891,010**	3,153,993
More than 90 days past due	**41,348,728**	126,280,594
	104,877,602	155,944,565
Impaired	**11,123,517**	13,647,977
	524,323,935	483,389,096

Receivables that are not past due

Trade receivables that are not past due relate to customers with good track records with the Group. Based on past experience, the Board believes that no further allowance for impairment is necessary in respect of those balances.

None of the Group's trade receivables that are not past due have been renegotiated during the financial year.

Receivables that are past due

The Group has trade receivables amounting to RM104,877,602 (2019: RM155,944,565) that are past due at the reporting date. Based on their payment history, the Group believes that no further allowance for impairment is necessary. These receivables are unsecured by any collateral or credit enhancements.

11. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Trade Receivables (Cont'd)

<u>Receivables that are impaired</u>

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	
	2020	2019
	RM	RM
At 1st January	**13,647,977**	10,932,895
Reversal for the year	**(2,530,250)**	(469,002)
Charge for the year	**5,790**	3,184,084
At 31st December	**11,123,517**	13,647,977

Impairment loss for trade receivables are collectively and individually assessed using the simplified approach as disclosed in Note 3(g)(i), by reference to historical credit loss experience and observable data such as current changes and future forecasts in economic conditions.

(b) Other Receivables

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

	Group	
	2020	2019
	RM	RM
At 1st January	**363,179**	365,988
Reversal for the year	**–**	(2,809)
Charge for the year	**5,492**	–
At 31st December	**368,671**	363,179

(c) Amounts Due From Subsidiaries

The Company's amount due from subsidiaries that are impaired as at the reporting date and the movement of the allowance for impairment accounts are as follows:

	Company	
	2020	2019
	RM	RM
At 1st January	**20,371,124**	20,371,124
Reversal for the year	**(9,215,522)**	–
At 31st December	**11,155,602**	20,371,124

These amounts are unsecured, non-interest bearing and are repayable on demand. The credit risk in respect of these amounts is considered low but is individually assessed for impairment at the reporting date.

The Group and the Company recognised the loss allowance measured at an amount equal to lifetime expected credit losses.

12. INVENTORIES

	Group 2020 RM	2019 RM
At cost/realisable value:		
(i) Property Development Costs		
Leasehold Land		
At 1st January	**69,726,549**	25,493,498
Additional	**–**	52,670,272
Transfer to completed properties	**–**	(8,437,221)
At 31st December	**69,726,549**	69,726,549
Development Costs		
At 1st January	**13,732,321**	176,244,761
Costs incurred during the year	**8,225,056**	42,400,511
Transfer to completed properties	**–**	(204,912,951)
At 31st December	**21,957,377**	13,732,321
Cumulative Cost recognised in profit or loss:		
Leasehold Land		
At 1st January	**–**	(6,044,111)
Recognised during the year (Note 23)	**–**	(1,318,454)
Transfer to completed properties	**–**	7,362,565
At 31st December	**–**	–
Development Costs		
At 1st January	**–**	(143,845,264)
Recognised during the year (Note 23)	**–**	(34,961,973)
Transfer to completed properties	**–**	178,807,237
At 31st December	**–**	–
Total property develoment costs	**91,683,926**	83,458,870

12. INVENTORIES (CONT'D)

	Group 2020 RM	2019 RM
(ii) Others		
Raw materials	**1,848,531**	2,329,625
Work-in-progress	**379,515**	610,944
	2,228,046	2,940,569
(iii) Completed properties		
Completed leasehold land and buildings, at cost:		
At 1st January	**85,463,703**	49,647,360
Addition	**15,912,707**	560,000
Transfer from property, plant and equipment (Note 4)	**–**	17,107,291
Transfer from property development costs	**–**	20,846,432
Property development costs for completed properties	**(1,952,377)**	–
Disposal	**(14,544,283)**	(2,697,380)
Impairment	**(11,596,544)**	–
At 31st December	**73,283,206**	85,463,703
Total inventories	**167,195,178**	171,863,142

13. CONTRACT ASSETS/(LIABILITIES)

	Group 2020 RM	2019 RM
Contract Assets		
(a) Amount due from customers for contract works (Note 14)	**9,364,185**	11,643,009
Contract Liabilities		
(a) Amount due to customers for contract works (Note 14)	**(39,402,514)**	(30,476,209)

The contract assets relate to the Group's rights to consideration for work performed but not yet billed at the reporting date for its property development and construction activities. The contract assets will be transferred to trade receivables when the rights become unconditional.

The contract liabilities relate to the advance consideration received from a customer for construction contract, which revenue is recognised over time during the property development and constructions activities.

14. AMOUNT DUE FROM/(TO) CUSTOMERS FOR CONTRACT WORKS

	Group	
	2020	2019
	RM	RM
Construction contract costs incurred to date	**3,477,886,954**	3,676,747,559
Attributable profits	**666,532,014**	729,850,963
	4,144,418,968	4,406,598,522
Less: Progress billings	**(4,174,457,297)**	(4,425,431,722)
	(30,038,329)	(18,833,200)
Presenting after appropriate offsetting as follows:		
Amount due from customers for contract works (Note 13)	**9,364,185**	11,643,009
Amount due to customers for contract works (Note 13)	**(39,402,514)**	(30,476,209)
	(30,038,329)	(18,833,200)

15. CASH AND BANK BALANCES

	Group		Company	
	2020	2019	**2020**	2019
	RM	RM	**RM**	RM
Cash in hand and at bank	**133,317,208**	31,078,587	**70,089,070**	18,749,537
Cash at securities account	**368,824**	494,884	**368,824**	494,884
Quoted unit trust*	**117,058,740**	187,407,901	**83,465,623**	100,150,813
Deposits with licensed banks	**16,068,083**	13,992,576	**79,946**	76,838
	266,812,855	232,973,948	**154,003,463**	119,472,072
Less: Allowance for ECL (MFRS 9)	**(82,279)**	(24,278)	**(68,774)**	(12,636)
	266,730,576	232,949,670	**153,934,689**	119,459,436

The deposits with licensed banks earned interest rates ranging from 1.60% to 3.75% (2019: 2.85% to 3.75%) per annum and have average maturities range from 31 to 365 (2019: 29 to 61) days.

Included in deposits with licensed banks of the Group and of the Company at the end of the reporting period was an amount of RM15,699,420 and RM79,946 (2019: RM13,631,729 and RM76,838) which has been pledged to licensed banks as security for banking facilities granted to the Group and the Company.

* Quoted unit trust represent short term investment in highly liquid money market. These deposits are readily convertible to cash and have insignificant risk of changes in value.

16. SHARE CAPITAL

	Group and Company			
	Number of ordinary shares		Amount	
	2020	2019	**2020**	2019
	RM	RM	**RM**	RM
Issued and fully paid				
At 1st January/ 31st December	**1,241,968,766**	1,241,968,766	**642,658,306**	642,658,306

The holders of ordinary shares (except treasury 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.

Warrants 2018/2023

The Warrants 2018/2023 were constituted under a Deed Poll dated 12nd February, 2018 ("Warrants 2018/2023 Deed Poll") and listed on 7th March, 2018 in conjunction with the issuance of the Company's Rights Issue in 2018. The salient features of the warrants are as follows:

(a) each bonus warrant entitles its registered holder to subscribe for one (1) new ordinary share at the exercise price during the exercise period; any bonus warrants not exercised during the exercise period will therefore lapse and cease to be valid for any purposes;

(b) the exercise price is fixed at RM1.60 per share and the exercise period is five (5) years commencing on and including the date of issuance which will expire on 23rd February, 2023.

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

	2020	2019
	Unit	Unit
At 1st January/ 31st December	**169,358,984**	169,358,984

17. TREASURY SHARES

	Group and Company			
	Number of ordinary shares		Amount	
	2020	2019	**2020**	2019
	Unit	Unit	**RM**	RM
At 1st January	**9,090,600**	6,834,700	**10,893,186**	8,056,108
Repurchased during the year	**7,747,500**	2,255,900	**8,385,329**	2,837,078
Distribution as share dividends	**(12,271,334)**	–	**(14,282,327)**	–
At 31st December	**4,566,766**	9,090,600	**4,996,188**	10,893,186

During the financial year, the Company repurchased 7,747,500 (2019: 2,255,900) ordinary shares from the open market at an average price of RM1.08 (2019: RM1.26) per share. The total consideration paid for the repurchase including transaction costs was RM8,385,329 (2019: RM2,837,078).

17. TREASURY SHARES (CONT'D)

The repurchased transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016 in Malaysia.

12,271,334 treasury shares were distributed as share dividends to the shareholders on 28th August, 2020 on the basis of 1 treasury share for every 100 ordinary shares held in the Company at the entitlement date on 14th August, 2020.

18. RESERVES

	Group		Company	
	2020	2019	**2020**	2019
	RM	RM	**RM**	RM
(a) Other reserve	**475,000**	475,000	**–**	–
(b) Foreign currency translation reserve	**192,164**	210,799	**–**	–
	667,164	685,799	**–**	–

(a) Other reserve

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

(b) Foreign currency translation reserve

	Group	
	2020	2019
	RM	RM
At 1st January	**210,799**	200,709
Change during the year	**(18,635)**	10,090
At 31st December	**192,164**	210,799

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.

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19. TRADE AND OTHER PAYABLES

	Group		Company	
	2020 RM	2019 RM	**2020 RM**	2019 RM
Non-Current				
Trade Payables				
Retention sum	**81,301,982**	75,260,342	**–**	–
Current				
Trade Payables				
Third parties	**91,080,402**	114,713,967	**–**	–
Retention sum	**705,768**	1,781,019	**–**	–
	91,786,170	116,494,986	**–**	–
Non-Current				
Other Payable	**43,238,343**	47,670,273	**–**	–
Current				
Other Payables				
Accruals	**5,009,423**	9,041,872	**219,772**	262,027
Amount due to subsidiaries	**–**	–	**106,000**	12,262,237
Other payables	**5,725,717**	9,608,246	**11,925**	6,931
Dividend payable	**18,561,025**	18,493,170	**18,561,025**	18,493,170
Deposit received	**263,509**	246,499	**–**	–
	29,559,674	37,389,787	**18,898,722**	31,024,365
Total - non-current	**124,540,325**	122,930,615	**–**	–
Total - current	**121,345,844**	153,884,773	**18,898,722**	31,024,365
Total trade and other payables	**245,886,169**	276,815,388	**18,898,722**	31,024,365

(a) Trade Payables

Trade payables are non-interest bearing and are normally settled on 14 to 90 (2019: 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

(i) Include in other payable under non-current liabilities is remaining purchase consideration of RM 43,238,343 (2019: RM 47,670,273) payable to third party of the land acquisition by one of the Company's subsidiary.

(ii) Other payables under current liabilities are non-interest bearing and are normally settled on an average term of 90 (2019: 90) days term.

20. LEASE LIABILITIES

	Group	
	2020	2019
	RM	RM
At 1st January	**2,101,123**	–
- initial application of MFRS 16	**–**	3,299,260
- Additions	**605,520**	–
- Derecognition due to lease modification	**(415,030)**	–
- Gain on application of practical expedient under MFRS 16	**(29,340)**	
- Interest expenses recognised in profit or loss (Note 25)	**87,881**	169,911
- Lease payment	**(1,326,761)**	(1,368,048)
At 31st December	**1,023,393**	2,101,123
Minimum payment		
- not later than one year	**857,950**	1,505,200
- later than one year and not later than five years	**221,700**	746,200
	1,079,650	2,251,400
Future finance charges on lease	**(56,257)**	(150,277)
Present value of lease payables	**1,023,393**	2,101,123
Current	**30,074**	102,908
Non-current	**993,319**	1,998,215
	1,023,393	2,101,123
Present value of finance lease liabilities		
- not later than one year	**30,074**	102,908

The interest rate for discounting the future amount is estimated at 5.15% (2019: 5.15%) per annum.

21. SHORT TERM BORROWING

	Group	
	2020	2019
	RM	RM
Bank overdraft	**80,611,624**	22,862,946

The bank overdraft is secured by way of corporate guarantee granted by the Company and bears interest of approximately 3.35% (2019: 4.60%) per annum.

Notes to the Financial Statements (Cont'd)

22. REVENUE

	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
Revenue from contracts with customers				
(i) Recognised over time				
- Construction activities	**802,331,347**	993,411,067	**–**	–
- Property development activities	**2,713,280**	48,621,717	**–**	–
	805,044,627	1,042,032,784	**–**	–
(ii) Recognised at a point in time				
- Manufacturing activities	**5,954,595**	13,243,239	**–**	–
Dividend income	**–**	–	**23,500,000**	40,000,000
	810,999,222	1,055,276,023	**23,500,000**	40,000,000

23. COST OF SALES

	Group 2020 RM	Group 2019 RM
Construction costs	**669,121,447**	794,936,153
Property development costs for completed properties (Note 12 (i) and (iii))	**1,952,377**	36,280,427
Manufacturing costs	**5,468,200**	7,388,325
	676,542,024	838,604,905

24. OTHER OPERATING INCOME

	Group		Company	
	2020	2019	**2020**	2019
	RM	RM	**RM**	RM
Administrative charges	**18,905**	16,339	**–**	–
Deposit forfeited	**–**	63,294	**–**	–
Dividend income	**223,892**	–	**–**	–
Commission on properties sold	**–**	183,310	**–**	–
Fair value adjustment on short term fund	**58,326**	101,059	**76,292**	119,542
Gain on modification of lease	**11,398**	–	**–**	–
Gain on modification of term of a financial liability	**6,788,398**	–	**–**	–
Gain on disposal of property, plant and equipment and investment properties	**1,998**	670,177	**–**	–
Gain on disposal of quoted shares	**8,741,026**	–	**–**	–
Insurance compensation	**204,961**	147,124	**–**	–
Interest income from fixed deposits and current account	**5,878,635**	6,002,364	**2,486,709**	2,697,664
Late payment interest	**11,270**	–	**–**	–
Management fee	**91,871**	111,000	**–**	–
Management fee rebate	**85,651**	115,541	**85,651**	115,541
Miscellaneous	**1,236,556**	1,334,339	**–**	–
Other income	**3,838,598**	–	**–**	–
Penalty charges	**1,450,034**	2,188,998	**–**	–
Realised gain on foreign exchange	**15**	–	**–**	–
Rental of machinery	**–**	93,931	**–**	–
Rental of others	**426,372**	82,700	**–**	–
Reversal on allowance for impairment loss - Amount due from subsidiaries	**–**	–	**9,215,522**	–
Reversal of allowance for doubtful debt	**–**	–	**–**	–
Sales of extra linen	**3,920**	5,350	**–**	–
Sales of scrap	**1,990,368**	2,436,538	**–**	–
	31,062,194	13,552,064	**11,864,174**	2,932,747

25. FINANCE COSTS

	Group	
	2020	2019
	RM	RM
Bank overdraft interest	**864,228**	703,986
LC charges	**–**	11,732
Lease interest (Note 20)	**87,881**	169,911
	952,109	885,629

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26. PROFIT BEFORE TAXATION

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

	Group		Company	
	2020	2019	**2020**	2019
	RM	RM	**RM**	RM
Auditors' remuneration				
- statutory audits				
- current year	**205,748**	205,098	**36,000**	36,000
- other services	**1,100**	1,100	**1,100**	1,100
(Reversal)/allowance for impairment losses				
- Trade receivables (Note 11(a))	**(2,524,460)**	2,715,082	**–**	–
- Other receivables (Note 11(b))	**5,492**	–	**–**	–
- Cash and bank balances	**58,001**	(97,568)	**56,138**	11,360
- Inventories	**11,596,544**	–	**–**	–
- Investment in subsidiaries	**–**	–	**4,067,391**	–
(Reversal)/Allowance for other investments	**(1,716,870)**	7,221,550	**–**	–
Amortisation of intangible asset (Note 9(ii))	**31,363**	32,420	**–**	–
Amortisation of right-of-use assets (Note 5)	**1,221,934**	1,253,351	**–**	–
Bad debt written off	**1,400,050**	–	**–**	–
Depreciation of property, plant and equipment (Note 4)	**36,271,881**	36,379,274	**3,600**	3,600
Depreciation of investment properties (Note 6)	**23,808**	31,470	**–**	–
Employee benefits expense (Note 27)	**34,448,123**	34,287,192	**–**	–
Fair value adjustment on discounting of retention sum receivables/ payables	**–**	489,476	**–**	–
Finance cost (Note 25)	**952,109**	885,629	**–**	–
Directors' remuneration (Note 28)				
- executive	**4,865,360**	6,262,026	**–**	–
- non-executive	**202,572**	226,827	**202,572**	226,827
Loss on foreign exchange				
- Realised	**1,884**	40	**–**	–
- Unrealised	**–**	54,725	**–**	–
Loss on sales of inventories	**5,187,143**	477,380	**–**	–
Rental expenses				
- premises	**54,700**	65,383	**–**	–

27. EMPLOYEE BENEFITS EXPENSE

	Group 2020 RM	Group 2019 RM
Wages and salaries	**25,629,229**	27,957,944
Social security contributions	**586,002**	458,325
Contributions to defined contribution plan	**2,848,458**	3,730,105
Other benefits	**5,384,434**	2,140,818
	34,448,123	34,287,192

28. DIRECTORS' REMUNERATION

	Group 2020 RM	Group 2019 RM	Company 2020 RM	Company 2019 RM
Executive				
- salaries and other emoluments	**4,344,054**	5,679,352	**–**	–
- contributions to defined contribution plan	**521,306**	582,674	**–**	–
Total executive directors' remuneration (Note 26)	**4,865,360**	6,262,026	**–**	–
Non-executive				
- fees				
- current year	**180,072**	204,327	**180,072**	204,327
- other emoluments				
- current year	**22,500**	22,500	**22,500**	22,500
Total non-executive directors' remuneration (Note 26)	**202,572**	226,827	**202,572**	226,827
	5,067,932	6,488,853	**202,572**	226,827

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

	Number of Directors 2020	Number of Directors 2019
Executive directors		
- RM1,000,000 - RM2,000,000	**2**	2
- RM2,000,001 - RM3,000,000	**1**	1
Non-executive directors		
- below RM50,000	**1**	2
- RM50,001 - RM100,000	**2**	2

29. TAXATION

	Group		Company	
	2020 RM	2019 RM	**2020 RM**	2019 RM
Current income tax				
- Malaysian income tax	**27,579,639**	45,376,671	**8,052**	21,745
- Under/(Over) provision in previous year	**200,251**	(202,057)	**3,426**	29,677
- Real property gain tax	**6,929**	47,110	**–**	–
	27,786,819	45,221,724	**11,478**	51,422
Deferred income tax (Note 10)				
- relating to origination and reversal of temporary differences	**2,265,485**	1,103,541	**–**	–
- Over provision in previous year	**(1,280,729)**	(684,202)	**–**	–
	984,756	419,339	**–**	–
Income tax expense recognised in statement of profit or loss and other comprehensive income	**28,771,575**	45,641,063	**11,478**	51,422

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31st December, 2020 and 2019 is as follows:

	Group		Company	
	2020 RM	2019 RM	**2020 RM**	2019 RM
Profit before tax	**119,545,418**	185,891,169	**30,627,981**	42,297,126
Taxation at Malaysian statutory tax rate of 24% (2019: 24%)	**28,690,900**	44,613,881	**7,350,715**	10,151,310
Income not subject to tax	**(5,570,464)**	(2,644,751)	**(8,479,281)**	(10,291,550)
Non-deductible expenses	**7,064,105**	3,338,971	**1,047,595**	60,769
Deferred tax assets not recognised	**355,849**	1,142,014	**89,023**	101,216
Deferred tax assets recognised on previously unrecognised tax losses and capital allowance	**(655,203)**	–	**–**	–
Real property gain tax	**6,929**	47,110	**–**	–
Utilisation of current year's capital allowance	**(40,063)**	–	**–**	–
Utilisation of previously unrecognised reinvestment allowance	**–**	30,097	**–**	–
Over provision of deferred tax in previous year	**(1,280,729)**	(684,202)	**–**	–
Under/(Over) provision of income tax in previous year	**200,251**	(202,057)	**3,426**	29,677
	28,771,575	45,641,063	**11,478**	51,422

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2019: 24%) of the estimated assessable profit for the year.

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

30. 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	
	2020	2019
	RM	RM
(a) Basic		
Profit, net of tax attributable to owners of the Company	**90,754,868**	140,180,333
Weighted average number of ordinary shares outstanding	**1,232,037,115**	1,234,133,280
Basic earnings per share (sen)	**7.37**	11.36

(b) Diluted

The diluted earnings per share is not presented in the financial statements as the effect of the assumed conversion of the Warrants 2018/2023 during the financial period is anti-dilutive.

31. DIVIDENDS

	Net Dividend Per Share Sen	Total Amount RM	Date of payment RM
2020			
Single tier final	2.0	**24,543,653**	28th August, 2020
Single tier final via share dividend		**14,282,327**	28th August, 2020
Single tier interim	1.5	**18,561,025**	6th January, 2021
		57,387,005	
2019			
Single tier final	2.0	24,659,777	3rd July, 2019
Single tier interim	1.5	18,493,170	6th January, 2020
		43,152,947	

At the forthcoming Annual General Meeting, a single tier final dividend in respect of the current financial year of 1.5 sen per ordinary share will be proposed for shareholders' approval. The total estimated dividend payable is approximately RM18,561,025. The single tier final dividend was proposed by the board of Directors on 19th April, 2021.

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, 2021.

Notes to the Financial Statements (Cont'd)

32. 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:

	2020 RM	2019 RM
Rental of office premise	**393,070**	541,200
Construction contract sum	**102,067,798**	102,074,663
Sales of finished goods	**33,178**	1,978,144
Purchase of goods/services	**1,075,726**	930,076
Others*	**57,124**	18,044

* Others consist of facilities chargeable, sewerage charges and maintenance of motor vehicle.

The significant related parties are Kerjaya Property Sdn. Bhd. (formerly known as Kerjaya Prospek Property Sdn. Bhd.), Kerjaya Prospek Property Berhad (formerly known as GSB Group Berhad), Eastern & Oriental Berhad, YHH Sales and Marketing Sdn. Bhd., Desanda Development Sdn. Bhd., Dekad Intelek 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 28.

33. CORPORATE GUARANTEES

	Group and Company	
	2020 RM	2019 RM
Corporate guarantees given to customers/suppliers of subsidiary companies	**168,364,300**	147,464,330

	Company	
	2020 RM	2019 RM
Corporate guarantees given to financial institutions for credit facilities granted to subsidiary companies	**78,534,721**	24,978,295

The corporate guarantees provided by the Company to financial institutions have not been recognised in the financial statements since the fair value on initial recognition was not material as the financial guarantees provided by the Company did not contribute towards credit enhancement of the subsidiaries.

34. CONTINGENT LIABILITY

On 10th September, 2020, one of the Company's subsidiary, Kerjaya Prospek (M) Sdn. Bhd. ("KPSB") had received a letter from Messrs. Wong & Partners, the solicitors acting for Pembinaan Yeng Tong Sdn. Bhd. ("Plaintiff"), accompanied by a Writ of Summons dated 7th September, 2020 and Statement of Claim ("Claims") dated 7th September, 2020 issued by the Kuala Lumpur High Court demanding inter-alia, payment of works done, expenses and loss and damages totaling RM35,861,133.95.

KPSB has been advised and is of the view that Plaintiff has no legal basis for the Claims and has a fair chance to defend against the claim by the Plaintiff. KPSB has appointed its Solicitors to defend itself and counterclaim against the Plaintiff accordingly.

35. HOLDING COMPANY

The holding company of the Company is Egovision Sdn. Bhd., a company incorporated in Malaysia, and owns 50.70% of the Company's equity shareholdings as at 19th April, 2021.

36. FAIR VALUE INFORMATION

a) Financial Instruments not Carried at Fair Value

(i) The following are financial instruments that are not carried at fair value:

	Note
Trade and other receivables (current)	11
Cash and bank balances (excluding unit trust)	15
Trade and other payables (current)	19
Short term borrowings	21

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

(i) Non-current trade receivables and payables

The carrying amount of these financial instruments are reasonable approximate of their fair value which 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.

b) Financial Instruments Carried at Fair Value

(i) Other investments and quoted unit trusts

Fair value of quoted shares investment and unit trusts are derived from quoted price (unadjusted) in active markets for identical financial assets that the entity can access at the reporting date.

37. 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.

Trade and other receivables

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, if any, for trade and other receivables is disclosed in Note 11 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 no significant concentration of credit risk in the form of outstanding balances due from particular debtors in the construction segment of the gross trade receivables.

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

(b) Liquidity Risk

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

Analysis of Financial Instruments by Remaining Contractual Maturities

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

	31.12.2020		
	On demand or within one year RM	**One to five year RM**	**Total RM**
Financial Liabilities			
Group			
Trade and other payables	**121,345,844**	**124,540,325**	**245,886,169**
Short term borrowing	**80,611,624**	**–**	**80,611,624**
Company			
Trade and other payables	**18,898,722**	**–**	**18,898,722**
Corporate Guarantees* (Note 33)	**78,534,721**	**–**	**78,534,721**

	31.12.2019		
	On demand or within one year RM	**One to five year RM**	**Total RM**
Financial Liabilities			
Group			
Trade and other payables	153,884,773	122,930,615	276,815,388
Short term borrowing	22,862,946	–	22,862,946
Company			
Trade and other payables	31,024,365	–	31,024,365
Corporate Guarantees* (Note 33)	24,978,295	–	24,978,295

* These financial guarantees contracts are allocated to the earliest period in which the guarantees could be called. However, based on circumstances at the end of the financial year, the directors do not foresee the guarantees will be called.

Notes to the Financial Statements (Cont'd)

37. 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. The Group's exposure to interest rate risk arises mainly from borrowings with variable rates. The Group's policy is to obtain the most favourable interest rates available and by maintaining a balances portfolio mix of fixed and floating rate borrowings.

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.

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.

In additional, the Group has four foreign subsidiaries, of which all are dormant except for one subsidiary, which is holding other investments of RM9,161,354 (2019: RM5,165,478) denominated in SGD. The Group did not undertake any hedging for these investments and is therefore exposed to a foreign currency risk. However, the impact on the foreign currency risk is immaterial as exhibited in the sensitivity analysis for foreign currency risk below.

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

	Group	
	2020	2019
	RM	RM
Singapore Dollar ("SGD")		
Other investments	**9,161,354**	5,165,478
Cash and bank balances	**5,310,197**	510,426
	14,471,551	5,675,904
United States Dollar ("USD")		
Cash and bank balances	**118,803**	120,753
	14,590,354	5,796,657

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

37. 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	
		2020	2019
		RM	RM
USD/RM	- strengthened 10%	**11,880**	12,075
	- weakened 10%	**(11,880)**	(12,075)
SGD/RM	- strengthened 10%	**1,447,155**	567,590
	- weakened 10%	**(1,447,155)**	(567,590)

38. CLASSIFICATION OF FINANCIAL INSTRUMENTS

The Group and the Company financial assets and financial liabilities are measured on an ongoing basis at either fair value or at amortised cost based on their respective classification. The significant accounting policies in note 3 describe how the classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised.

The table below provides an analysis of financial instruments categorised under MFRS 9 as follows:

(i) Amortised cost ("AC"); and
(ii) Fair value through profit or loss ("FVTPL")

	Carrying amount RM	AC RM	FVTPL RM
Financial assets			
31.12.2020			
Group			
Other investments - quoted shares	**13,683,733**	**–**	**13,683,733**
Trade and other receivables (excluding prepayment)	**550,036,331**	**550,036,331**	**–**
Cash and bank balances	**266,730,576**	**149,671,836**	**117,058,740**
Company			
Trade and other receivables (excluding prepayment)	**88,856,100**	**88,856,100**	**–**
Cash and bank balances	**153,934,689**	**70,469,066**	**83,465,623**

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38. CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONT'D)

	Carrying amount RM	AC RM
Financial liabilities		
31.12.2020		
Group		
Trade and other payables	**245,886,169**	**245,886,169**
Lease liabilities	**1,023,393**	**1,023,393**
Short term borrowing	**80,611,624**	**80,611,624**
Company		
Trade and other payables	**18,898,722**	**18,898,722**

	Carrying amount RM	AC RM	FVTPL RM
Financial assets			
31.12.2019			
Group			
Other investments - quoted shares	11,519,766	–	11,519,766
Trade and other receivables (excluding prepayment)	498,086,868	498,086,868	–
Cash and bank balances	232,949,670	45,541,769	187,407,901
Company			
Trade and other receivables (excluding prepayment)	152,262,602	152,262,602	–
Cash and bank balances	119,459,436	19,308,623	100,150,813

	Carrying amount RM	AC RM
Financial liabilities		
31.12.2019		
Group		
Trade and other payables	276,815,388	276,815,388
Lease liabilities	2,101,123	2,101,123
Short term borrowing	22,862,946	22,862,946
Company		
Trade and other payables	31,024,365	31,024,365

39. 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, 2020 and 2019.

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

	Group		Company	
	2020 RM	2019 RM	**2020 RM**	2019 RM
Trade and other payables	**245,886,169**	276,815,388	**18,898,722**	31,024,365
Lease liabilities	**1,023,393**	2,101,123	**–**	–
Less: Net cash and bank balances	**(186,118,952)**	(210,086,724)	**(153,934,689)**	(119,459,436)
Net debt	**60,790,610**	68,829,787	**(135,035,967)**	(88,435,071)
Equity attributable to the owners of the parent, representing total capital	**1,110,199,333**	1,070,953,107	**682,810,470**	703,683,974
Capital and net debt	**1,170,989,943**	1,139,782,894	**547,774,503**	615,248,903
Gearing ratio	**5%**	6%	**0%**	0%

40. 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 - Main building construction works, provision of contract workmanship and other related services.

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

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

(iv) Investment - Investment holding companies.

(v) Others - Others dormant companies.

40. SEGMENT INFORMATION (CONT'D)

Information about major customers

The following are major customers with revenue equal or more than 10% of the Group's total revenue:

	Revenue		Segment
	2020	2019	
	RM	RM	
Customer A	**163,671,535**	151,752,372	Construction
Customer B	**102,971,096**	114,746,318	Construction
Customer C	**106,755,288**	–	Construction
Customer D	**98,776,601**	–	Construction

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.

40. SEGMENT INFORMATION (CONT'D)

	Construction RM	Manufacturing RM	Properties RM	Others RM	Elimination RM	Total RM
31st December, 2020						
Revenue						
External sales	807,813,482	472,460	2,713,280	–	–	810,999,222
Inter-segment sales	49,676,462	4,258,951	–	23,500,000 *	(77,435,413)	–
Total revenue	857,489,944	4,731,411	2,713,280	23,500,000	(77,435,413)	810,999,222
Results						
Segment results	103,070,317	1,406,138	7,524,874	38,406,367	(29,910,169)	120,497,527
Finance costs						(952,109)
Profit before tax						119,545,418
Taxation						(28,771,575)
Profit for the year						90,773,843
Assets						
Segment assets	875,287,620	55,031,180	140,067,040	725,158,054	(306,231,294)	1,489,312,600
Unallocated assets						–
Consolidated total assets						1,489,312,600
Liabilities						
Segment liabilities	407,201,213	24,731,821	120,076,651	75,003,777	(248,010,749)	379,002,713
Unallocated liabilities						–
Consolidated total liabilities						379,002,713
Other information						
Depreciation of property, plant and equipment	36,212,278	33,141	22,862	3,600	–	36,271,881
Depreciation of investment properties	23,808	–	–	–	–	23,808
Amortisation of intangible assets	31,363	–	–	–	–	31,363

40. SEGMENT INFORMATION (CONT'D)

	Construction RM	Manufacturing RM	Properties RM	Others RM	Elimination RM	Total RM
31st December, 2019						
Revenue						
External sales	1,006,300,275	354,031	48,621,717	–	–	1,055,276,023
Inter-segment sales	92,460,909	11,149,232	–	40,000,000 *	(143,610,141)	–
Total revenue	1,098,761,184	11,503,263	48,621,717	40,000,000	(143,610,141)	1,055,276,023
Results						
Segment results	164,112,565	5,035,770	11,228,052	39,266,187	(32,865,776)	186,776,798
Finance costs						(885,629)
Profit before tax						185,891,169
Taxation						(45,641,063)
Profit for the year						140,250,106
Assets						
Segment assets	859,948,024	90,013,442	138,042,671	740,585,168	(403,836,084)	1,424,753,221
Unallocated assets						–
Consolidated total assets						1,424,753,221
Liabilities						
Segment liabilities	446,901,242	81,887,695	123,785,092	53,184,642	(354,039,556)	351,719,115
Unallocated liabilities						–
Consolidated total liabilities						351,719,115
Other information						
Depreciation of property, plant and equipment	36,337,660	15,152	22,862	3,600	–	36,379,274
Depreciation of investment properties	31,470	–	–	–	–	31,470
Amortisation of intangible assets	32,420	–	–	–	–	32,420

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

41. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) On 2nd January, 2020, KPSB entered into Sale and Purchase Agreement with Kerjaya Property Sdn. Bhd. (formerly known as Kerjaya Prospek Property Sdn. Bhd.) ("KPP"), a company owned by Datuk Tee Eng Ho and Mr. Tee Eng Seng, the major shareholders and Directors of the Company, for acquisition of two pieces of freehold agriculture lands located at GM 3564, Lot 698 measuring approximately 3.1869 hectare and GM 3565, Lot 703 measuring approximately 1.1255 hectare in Mukim of Serendah, Daerah Hulu Selangor for a total purchase consideration of RM10,011,110.

(b) On 13th January, 2020, KPSB has accepted a letter of award amounting to RM617 million from Aspen Vision City Sdn. Bhd., an indirect subsidiary of Aspen (Group) Holdings Limited and joint venture company between Ikea Southeast Asia, in respect of piling, pile cap works and main building works for a proposed residential and commercial development project located at Plot 21, Plot 22 and Plot 23, sebahagian Lot 282, Mukim 13, Seberang Perai Selatan, Pulau Pinang.

(c) On 20th January, 2020, KPSB has accepted a letter of award amounting to RM331.95 million from Patsawan Properties Sdn. Bhd., and indirect join venture company of Eastern & Oriental Berhad, a related party, with Mitsui Fudosan Asia Pte. Ltd., in respect of construction of main building works for a proposed development of 491 units serviced apartment located at Lot 393, Seksyen 63, Jalan Kia Peng, Kuala Lumpur.

(d) On 23rd January, 2020, KPSB has accepted a letter of award amounting to RM41.45 million from Tanjung Pinang Development Sdn. Bhd., an indirect subsidiary of Eastern & Oriental Berhad, a related party, in respect of contract works for execution and completion of infrastructure works comprising roadworks, water reticulation system, street lighting works and all associated works for the proposed Seri Tanjung Pinang Phase 2A Development ("STP2"), Daerah Timur Laut, Pulau Pinang.

(e) In response to the Covid-19 pandemic, the Government of Malaysia implemented the Movement Control Order ("MCO") on 18th March, 2020, which has since been extended and replaced with Conditional MCO and Recovery MCO up to 31st August, 2020. As a result, all construction projects were halted, and this has affected the construction progress and supply chains of the construction industry.

The Group obtained approval from Ministry of International Trade and Industry since 19th April, 2020 in stages to resume operations. Whilst the Group is taking steps to return to normalcy, it will take time to catch up on construction works and gradually operate with full workforce. With various adversities and challenges in the current market conditions, the Group's operations and financial performance will inevitably be impacted for the financial year ending 31st December, 2020.

The Group will continue to exercise prudence in its business dealings, reducing cost and will rely on its strong financial statements to address the adverse risk Covid-19 may have on the Group's operations and financial performance.

(f) On 1st September, 2020, KPSB has accepted a letter of award amounting to RM203.75 million from Gamuda Land (T12) Sdn. Bhd. (formerly known as Salak Land Development Sdn. Bhd.) in respect of main building works for a proposed residential and commercial development project located at Lot 68054, Mukim Tanjung Dua Belas, Daerah Kuala Langat, Selangor Darul Ehsan.

(g) On 10th September, 2020, KPSB had received a letter from Messrs. Wong & Partners, the solicitors acting for Pembinaan Yeng Tong Sdn. Bhd. accompanied by a Writ of Summons dated 7th September, 2020 and Statement of Claim dated 7th September, 2020 issued by the Kuala Lumpur High Court demanding inter-alia, payment of works done, expenses and loss and damages totaling RM35,861,133.95.

(h) On 14th September, 2020, Future Rock Sdn. Bhd. ("FRSB"), 70% owned subsidiary of KPSB has accepted a letter of award amounting to RM154.40 million from Tanjung Pinang Development Sdn. Bhd., and indirect subsidiary company of Eastern & Oriental Berhad., in respect of proposed construction of temporary coastal protection structure for Phase 2B and part of Phase 2C of reclamation for Seri Tanjung Pinang (Phase II) Development (STP 2) Project at Tanjung Tokong, Penang.

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

(i) On 21st October, 2020, KPSB has accepted a letter of award amounting to RM64 million from Tanjung Pinang Development Sdn. Bhd., and indirect subsidiary company of Eastern & Oriental Berhad., in respect of contract works for execution and completion of sewerage treatment plant and all associated work on Plot 20, and infrastructure works comprising roadside surface water drainage and sewerage reticulation system for the proposed Seri Tanjung Pinang Phase 2A Development ("STP2"), Daerah Timur Laut, Pulau Pinang.

(j) On 28th December, 2020, KPSB had accepted a letter of award amounting to RM61,865,867.79 from Aspen Vision City Sdn. Bhd., an indirect subsidiary of Aspen (Group) Holdings Limited, a company listed on Catalist of the Singapore Exchange Securities Trading Limited, in respect of main building works for a proposed residential development project located at PT 6024, part of PT 6027 and part of PT 6047, Mukim 13, Lebuhraya Bandar Cassia, Batu Kawan, Daerah Seberang Perai Selatan, Pulau Pinang.

(k) On 31st December, 2020, the Company has subscribed 51 ordinary shares representing 51% of the total issued capital in Virent Energy Solutions Sdn. Bhd. for a total consideration of RM51, the subsidiary company was incorporated on 31st December, 2020. Conversely Virent Capital Sdn. Bhd. has on the same day subscribed up to 49 ordinary shares representing 49% of the total issued capital in Virent Energy Solutions Sdn. Bhd..

42. AUTHORISATION FOR ISSUE

The financial statements of the Group and of the Company for the financial year ended 31st December, 2020 were authorised for issue in accordance with a resolution of the Board of Directors on 19th April, 2021.

Top 10
List of Properties
as at 31st December, 2020

No	Address/ Location	Tenure	Area	Description/ Existing use	Approximate Age of Building	Net Carrying Amount RM'000	Date of Acquisition
1	GM3564, Lot 698, Mukim Serendah, Daerah Hulu Selangor	Freehold	3.1869 hectare	Vacant	1	7,398	2/1/2020
2	Lot 12068, Pekan Klebang Seksyen 111, Melaka (Land)	Leasehold expiring in 2109	20,234 square metre	Vacant	5	4,787	1/6/2015
3	Unit No.10, Lot 9625 Sungai Buloh Batu 11, Jalan Kuala Selangor.	Leasehold expiring in 2068	918.77 square metre	Workshop	7	3,970	31/5/2013
4	Pajakan Mukim PM640 Lot No. 10492, Tempat Batu 28 Ijok, Mukim Ijok District Kuala Selangor Negeri Selangor	Leasehold expiring in 2077	13,691 square feet	Factory	18	3,036	11/5/2011
5	No. 2, Jalan BPP 6/7, Karisma Hill, Bandar Putra Permai, 43300 Seri Kembangan, Selangor. (Lot 11)	Leasehold expiring in 2098	5,110 square feet	Vacant	1	2,622	2/10/2020
6	GM3565, Lot 703, Mukim Serendah, Daerah Hulu Selangor	Freehold	1.1255 hectare	Vacant	1	2,613	2/1/2020
7	No. 8, Jalan BPP 6/7, Karisma Hill, Bandar Putra Permai, 43300 Seri Kembangan, Selangor. (Lot 08)	Leasehold expiring in 2098	5,110 square feet	Vacant	1	2,586	2/10/2020
8	No. 2A, Jalan BPP 6/7, Karisma Hill, Bandar Putra Permai, 43300 Seri Kembangan, Selangor. (Lot 10)	Leasehold expiring in 2098	5,110 square feet	Vacant	1	2,564	2/10/2020
9	No. 12A, Jalan BPP 6/7, Karisma Hill, Bandar Putra Permai, 43300 Seri Kembangan, Selangor. (Lot 05)	Leasehold expiring in 2098	5,110 square feet	Vacant	1	2,491	2/10/2020
10	No. 13, Jalan BPP 6/7, Karisma Hill, Bandar Putra Permai, 43300 Seri Kembangan, Selangor. (Lot 19)	Leasehold expiring in 2098	4,931 square feet	Vacant	1	2,247	2/10/2020

Analysis of **Shareholdings**
as at 31 March 2021

Class of Shares	:	Ordinary Share ("Shares")
Issued Share Capital	:	1,241,968,766 Shares
Treasury shares	:	4,596,766 treasury shares held by the Company
Voting Rights of Share	:	One vote per shareholder on a show of hands or one vote per Share on a poll

ANALYSIS OF LISTED SECURITIES BY SIZE OF HOLDINGS AS AT 31 MARCH 2021
(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	522	9.87	18,315	0.00
100 to 1,000	732	13.84	442,613	0.04
1,001 to 10,000	2,830	53.50	12,075,360	0.98
10,001 to 100,000	980	18.52	29,722,969	2.40
100,001 to less than 5% of issued shares	222	4.20	255,834,766	20.67
5% and above of issued shares	4	0.07	939,277,977	75.91
Total	**5,290**	**100.00**	**1,237,372,000***	**100.00**

Note:

* Exclude a total of 4,596,766 treasury shares retained by the Company as per record of depositors as at 31 March 2021

THE 30 LARGEST SECURITIES ACCOUNT HOLDERS AS AT 31 MARCH 2021
(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	514,675,278	41.59
2.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT- AMBANK (M) BERHAD FOR AMAZING PARADE SDN BHD (SMART)	250,360,000	20.23
3.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR EGOVISION SDN.BHD. (SMART)	102,820,000	8.31
4.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD	71,422,699	5.77
5.	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD - KENANGA GROWTH FUND	19,288,018	1.56
6.	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR EASTSPRING INVESTMENTSSMALL-CAP FUND	18,446,458	1.49

Analysis of Shareholdings (Cont'd)

THE 30 LARGEST SECURITIES ACCOUNT HOLDERS AS AT 31 MARCH 2021 (CONT'D)

(WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNT BELONGING TO THE SAME PERSON)

No.	Holder Name	No. of Shares	% of Issued Share Capital
7.	ONE PERMATANG SDN BHD	17,776,000	1.44
8.	HSBC NOMINEES (ASING) SDN BHD HSBC BK PLC FOR ASIA EX JAPAN EQUITY SMALLER COMPANIES (LXG HGIF)	16,882,880	1.36
9.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (KENANGA)	12,498,103	1.01
10.	MAYBANK (NOMINEES) TEMPATAN SDN BHD NATIONAL TRUST FUND (IFM KENANGA) (410196)	10,419,902	0.84
11.	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR EGOVISION SDN. BHD. (ESS2. 7189-9)	9,891,457	0.80
12.	CARTABAN NOMINEES (TEMPATAN) SDN BHD PAMB FOR PRULINK EQUITY FOCUS FUND	7,854,325	0.63
13.	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR NORGES BANK (FI 17)	7,278,767	0.59
14.	CARTABAN NOMINEES (TEMPATAN) SDN BHD RHB TRUSTEES BERHAD FOR MANULIFE INVESTMENT SHARIAH PROGRESSFUND	6,903,956	0.56
15.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TOH SIEW CHUON	5,988,607	0.48
16.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (PHEIM)	5,615,275	0.45
17.	CIMB ISLAMIC NOMINEES (TEMPATAN) SDN BHD CIMB ISLAMIC TRUSTEE BERHAD - KENANGA SYARIAH GROWTH FUND	5,545,379	0.45
18.	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR EASTSPRING INVESTMENTS ISLAMIC SMALL-CAP FUND	4,986,202	0.40
19.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (ARIM)	4,484,400	0.36
20.	AMAZING PARADE SDN BHD	3,637,586	0.29
21.	CARTABAN NOMINEES (TEMPATAN) SDN BHD PAMB FOR PRULINK EQUITY INCOME FUND	2,827,719	0.23
22.	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR EASTSPRING INVESTMENTSEQUITY INCOME FUND	2,783,045	0.22
23.	LOO SOO LOONG	2,424,000	0.20

Analysis of Shareholdings (Cont'd)

THE 30 LARGEST SECURITIES ACCOUNT HOLDERS AS AT 31 MARCH 2021 (CONT'D)

(WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNT BELONGING TO THE SAME PERSON)

No.	Holder Name	No. of Shares	% of Issued Share Capital
24.	LEMBAGA TABUNG HAJI	2,368,551	0.19
25.	LUM KWOK WENG @ LUM KOK WENG	2,344,210	0.19
26.	AMANAH RAYA BERHAD KUMPULAN WANG BERSAMA SYARIAH	2,335,323	0.19
27.	HSBC NOMINEES (ASING) SDN BHD HSBC TUB AG FOR HSHK ASIAN SMALL CAPS (INKA MBH)	2,092,025	0.17
28.	MAYBANK NOMINEES (TEMPATAN) SDN BHD TEE TONG LAI	1,948,411	0.16
29.	PERMODALAN NASIONAL BERHAD INVESTMENT PROCESSING DEPT	1,935,867	0.16
30.	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR DANA MAKMUR PHEIM (211901)	1,838,000	0.15
	TOTAL	**1,119,672,443**	**90.49**

DIRECTORS' SHAREHOLDINGS IN THE COMPANY

(AS PER REGISTER OF DIRECTORS' SHAREHOLDINGS AS AT 31 MARCH 2021)

	No. of Shares held			
Name of Directors	**Direct**	**%**	**Indirect**	**%**
Datuk Tee Eng Ho	–	–	*2881,384,321	*271.23
Tee Eng Seng	–	–	*2881,384,321	*271.23
Datin Toh Siew Chuon	5,988,607	0.48	*2881,384,321	*271.23
Khoo Siong Kee	22,442	*10.00	–	–
Lim Kien Lai @ Lim Kean Lai	175,740	0.01	–	–
Datuk Mohamed Razeek Bin Md Hussain Maricar	155,035	0.01	–	–

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

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS
(AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 31 MARCH 2021)

	No. of Shares Held			
Name of Substantial Shareholdings	**Direct**	**%**	**Indirect**	**%**
Amazing Parade Sdn. Bhd.	253,997,586	20.53	–	–
Egovision Sdn. Bhd.	627,386,735	50.70	–	–
Datuk Tee Eng Ho	–	–	*1887,372,928	*171.71
Tee Eng Seng	–	–	*2881,384,321	*271.23
Datin Toh Siew Chuon	5,988,607	0.48	*2881,384,321	*271.23
Employees Provident Fund Board	81,522,374	6.59	–	–

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 31 MARCH 2021)

	Direct		Indirect	
	No. of Ordinary Shares in Egovision Sdn. Bhd.	**%**	**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 31 March 2021

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 31 MARCH 2021
(WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNT BELONGING TO THE SAME PERSON)

Size of Warrantholdings	No. of Holders	%	No. of Holdings	%
Less than 100	471	24.27	11,696	0.01
100 to 1,000	750	38.64	279,000	0.16
1,001 to 10,000	364	18.75	1,413,932	0.84
10,001 to 100,000	271	13.96	10,658,854	6.29
100,001 to less than 5% of issued warrants	83	4.28	37,996,720	22.44
5% and above of issued warrants	2	0.10	118,998,782	70.26
Total	**1,941**	**100.00**	**169,358,984**	**100.00**

THE 30 LARGEST SECURITIES ACCOUNT HOLDERS AS AT 31 MARCH 2021
(WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNT BELONGING TO THE SAME PERSON)

No.	Holder Name	No. of Holdings	%
1.	EGOVISION SDN BHD	84,705,679	50.02
2.	AMAZING PARADE SDN BHD	34,293,103	20.25
3.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD	3,764,570	2.22
4.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LAI CHENG KUAN (8070081)	2,750,000	1.62
5.	ONE PERMATANG SDN BHD	2,400,000	1.42
6.	PUA GEOK TAN	2,132,590	1.26
7.	LUM KWOK WENG @ LUM KOK WENG	1,980,000	1.17
8.	TAI KOK WEI	1,508,000	0.89
9.	ANG KAH KEEM	1,251,300	0.74
10.	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN TEONG HENG (CEB)	1,235,400	0.73
11.	MAYBANK NOMINESS (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YONG NYEN YIN	1,080,000	0.64
12.	CHIA SOW TECK	914,668	0.54
13.	CHONG MEEI FEN	903,000	0.53

THE 30 LARGEST SECURITIES ACCOUNT HOLDERS AS AT 31 MARCH 2021 (CONT'D)
(WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNT BELONGING TO THE SAME PERSON)

No.	Holder Name	No. of Holdings	%
14.	NG CHEE THONG	810,400	0.48
15.	MAYBANK NOMINESS (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TOH SIEW CHUON	808,542	0.48
16.	TER LEONG SWE	772,500	0.46
17.	MAYBANK NOMINEES (TEMPATAN) SDN BHD TEE TONG LAI	728,680	0.43
18.	YAP KEAN TECK	645,900	0.38
19.	LOO SOO LOONG	600,000	0.35
20.	WONG CHOONG LEONG	586,800	0.35
21.	TAI SHEAU YANN	500,000	0.30
22.	HO WEI FUN	406,220	0.24
23.	CIMB ISLAMIC NOMINEES (TEMPATAN) SDN BHD CIMB ISLAMIC TRUSTEE BERHAD - KENANGA SYARIAH GROWTH FUND	384,360	0.23
24.	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM POO LIAN (MY2782)	370,000	0.22
25.	TEE YONG SHENG	365,480	0.22
26.	WOO KAM FOOK	350,000	0.21
27.	MAYBANK NOMINEES (TEMPATAN) SDN BHD NATIONAL TRUST FUND (IFM KENANGA) (410196)	326,250	0.19
28.	TAN BOON KIAT	319,000	0.19
29.	LUM KWOK WENG @ LUM KOK WENG	316,500	0.19
30.	TAN WEE MIN	310,000	0.18
	TOTAL	**147,518,942**	**87.10**

Analysis of Warrantholdings (Cont'd)

DIRECTORS' WARRANTHOLDINGS

(AS PER REGISTER OF DIRECTORS' WARRANTHOLDINGS AS AT 31 MARCH 2021)

	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	808,542	0.48	*1 118,998,782	*1 70.26
Khoo Siong Kee	3,030	*3 0.00	–	–
Lim Kien Lai @ Lim Kean Lai	41,000	0.02	–	–
Datuk Mohamed Razeek Bin Md Hussain Maricar	10,500	0.01		

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 31 March 2021

*3 Negligible

Notice to Shareholders

NOTICE OF THIRTY-SEVENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Thirty-Seventh Annual General Meeting of the Company will be held at Bloomsvale Sales Gallery, No. 137, Jalan Puchong, 58200 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur on Thursday, 27 May 2021 at 11.00 a.m. to transact the following businesses:-

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 December 2020 and the Reports of Directors and Auditors thereon.

2. To approve a final dividend of 1.5 sen per ordinary share for the financial year ended 31 December 2020. *Ordinary Resolution 1*

3. To approve the payment of Directors' fees of RM196,284 in respect of the financial year ended 31 December 2020. *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 27 May 2021 until the next annual general meeting of the Company. *Ordinary Resolution 3*

5. To re-elect the following Directors who retire in accordance with Article 90(1) of the Company's Constitution:-

   (i) Datin Toh Siew Chuon *Ordinary Resolution 4*
   (ii) Mr. 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 KHOO SIONG KEE AS INDEPENDENT DIRECTOR

   "THAT subject to the passing of Ordinary Resolution 5, Mr. Khoo Siong Kee be and is hereby retained as Senior Independent Non-Executive Director of the Company and he shall continue to act as an independent director notwithstanding that he has been on the Board of the Company for a cumulative term of more than nine (9) years." *Ordinary Resolution 7*

   (B) PROPOSED RETENTION OF LIM KIEN LAI @ LIM KEAN LAI AS INDEPENDENT DIRECTOR

   "THAT Mr. Lim Kien Lai @ Lim Kean Lai be and is hereby retained as Independent Non-Executive Director of the Company and he shall continue to act as an independent director notwithstanding that he has been on the Board of the Company for a cumulative term of more than nine (9) years." *Ordinary Resolution 8*

(C) AUTHORITY TO ALLOT SHARES

Ordinary Resolution 9

"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 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."

(D) PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

Ordinary Resolution 10

"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

(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."

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

Ordinary Resolution 11

"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 28 April 2021 in relation to the Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("**Recurrent RPTs**") provided that such transactions are:-

(i) recurrent transactions of a revenue or trading nature;

(ii) necessary for the day-to-day operations;

(iii) carried out in the ordinary course of business on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public; and

(iv) are not to the detriment of the minority shareholders,

("RRPT Mandate").

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

(a) the conclusion of the next Annual General Meeting ("**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:-

PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY

"THAT the amendments to the Constitution of the Company in the manner detailed in 'Appendix A' to the Annual Report 2020 be and are hereby approved." *Special Resolution 1*

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

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS ALSO HEREBY GIVEN THAT a final dividend of 1.5 sen per ordinary share for the financial year ended 31 December 2020, if approved by shareholders, will be paid on 7 July 2021 to shareholders whose names appear in the Record of Depositors of the Company at the close of business on 21 June 2021.

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 21 June 2021 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 (SSM Practising Certificate No. 201908002299)
MOK MEE KEE (SSM Practising Certificate No. 201908002288)
Secretaries

Petaling Jaya
28 April 2021

Notes to the Notice of Thirty-Seventh Annual General Meeting ("37th AGM"):-

1. Proxy

1.1 For the purposes of determining a member who shall be entitled to attend and vote at the forthcoming 37th AGM, the Company shall be requesting the Record of Depositors as at 20 May 2021. Only depositors whose names appear in the Record of Depositors as at 20 May 2021 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 need not be a member of the Company and there is no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the meeting shall have the same rights as the member to speak at the meeting.

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 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.

1.6 The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing (or if such appointor is a corporation, either under its Common Seal or under the hand of an officer or attorney duly authorised or in some other manner approved by Directors).

1.7 The instrument appointing a proxy, together with the power of attorney or other authority (if any) under which it is signed or certified copy 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 31 December 2020

The audited financial statements are laid before the members pursuant Section 340(1) of the Companies Act 2016 ("Act"). The members' approval on the audited financial statements is not required and the same is for discussion only hence, the matter will not be put for voting.

Notice to Shareholders (Cont'd)

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 37th AGM on the Directors' fees and benefits in two (2) separate resolutions as below:-

- *Ordinary Resolution 2 on payment of Directors' fees to the Non-Executive Directors in respect of the financial year ended 31 December 2020; and*
- *Ordinary Resolution 3 on payment of Directors' benefits (excluding Directors' fees) to the Non-Executive Directors from 27 May 2021 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 27 May 2021 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 31 December 2020 are disclosed in the Corporate Governance Overview Statement as contained in Annual Report 2020.

4. ***Ordinary Resolutions 4 and 5: Re-election of Directors***

Re-election of Directors who retire in accordance with Article 90(1) of the Company's Constitution

Article 90(1) of the Company's Constitution provides that at the annual general meeting in every year, one-third of the Directors of the Company for the time being, or if the number is not a multiple of three, then the number nearest to one-third shall retire from office so that all Directors shall retire from office once at least in each three (3) years. A retiring Director shall retain office until the close of the meeting at which he retires. Also, a retiring Director shall be eligible for re-election pursuant to Article 91 of the Constitution.

At the forthcoming 37th AGM, 2 Directors will be retiring in accordance with Article 90(1) of the Company's Constitution. They are Datin Toh Siew Chuon and Mr. Khoo Siong Kee who being eligible for re-election have given their consent for re-election at the 37th AGM.

5. ***Ordinary Resolutions 7 & 8: Proposed Retention of Independent Non-Executive Director***

The proposed Ordinary Resolutions 7 and 8 are proposed pursuant to Article 90(2) of the Company's Constitution and if passed, will allow Mr. Khoo Siong Kee ("Mr. Khoo") and Mr. Lim Kien Lai @ Lim Kean Lai ("Mr. Peter Lim") to be retained and continue to act as Independent Non-Executive Directors of the Company notwithstanding that they have been on the Board for a cumulative term of more than nine (9) years.

Article 90(2) of the Company's Constitution provides that the independent director shall be subject to annual re-appointment by the members at annual general meeting by way of an ordinary resolution, if he has served for a cumulative term of nine (9) years.

The Board wishes to retain Mr. Khoo and Mr. Peter Lim as Independent Directors. Full details of the Board's justifications for the retention of Mr. Khoo and Mr. Peter Lim as Independent Directors are set out in the Corporate Governance Overview Statement as contained in 2020 Annual Report.

For more information on the tenure of their directorships, please refer table below:-

Name of Director	***Date of Appointment***	***Tenure of Directorship***	
		As at the date of the 37th AGM	***As at the date of the next AGM in year 2022***
Mr. Khoo	*25.04.2011*	*10 years 1 month*	*11 years 1 month*
Mr. Peter Lim	*15.11.2011*	*9 years 6 months*	*10 years 6 months*

6. Ordinary Resolution 9: Authority to Allot Shares

The proposed Ordinary Resolution 9, 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 last Annual General Meeting held on 3 August 2020 and which will lapse at the conclusion of the 37th AGM.

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.

7. Ordinary Resolution 10: Proposed Renewal of Share Buy-back Authority

The proposed Ordinary Resolution No. 10, 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 28 April 2021, which is despatched together with the Notice of Annual General Meeting.

8. Ordinary Resolution 11: Proposed of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The proposed Ordinary Resolution 11, if passed, will enable the Company and/or its Subsidiaries to enter into recurrent transactions involving the interests of Related Parties, which are of a revenue or trading nature and necessary for the Group's day-to-day operations, subject to the transactions being carried out in the ordinary course of business and on terms not to the detriment of the minority shareholders of the Company. Further information on the proposed shareholders' mandate for recurrent related party transactions of a revenue or trading nature is set out in the Circular to Shareholders dated 28 April 2021, which is despatched together with the Notice of Annual General Meeting.

9. 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 as set out in Appendix A to the Annual Report 2020.

The rationale of the proposed amendments to the existing Constitution is to ensure continued compliance with the relevant laws and regulations and to further enhance the administrative efficiency of the Board.

Appendix A

DETAILS OF THE PROPOSED AMENDMENTS TO THE CONSITUTION OF THE COMPANY

It is proposed that the Constitution of the Company be amended in the following manner:

1. <u>Articles 42, 43, 44 and 45</u>

THAT the existing Articles 42, 43, 44 and 45 be and are hereby amended by replacing the word "**Member**" with "**holder of the Securities**" and the word "share" with "Securities" appearing throughout the said aforesaid articles and that the amended Articles 42, 43, 44 and 45 shall read as follows:

<u>Article 42</u>

In the case of the death of a **holder of the Securities**, the legal representatives of the deceased where he was a sole holder shall be the only person recognised by the Company as having any title to his interest in the **Securities**.

<u>Article 43</u>

Subject to the Rules of the Bursa Depository, any person becoming entitled to the **Securities** in consequence of the death or bankruptcy of a **holder of the Securities** may, upon such evidence being produced as may from time to time properly be required by the Directors and subject as hereinafter provided, elect either to be registered himself as holder of the **Securities** or to have some person nominated by him registered as the transferee thereof, but the Directors shall, in either case, have the same rights to decline or suspend registration as they would have had in the case of a transfer of the **Securities** by that **holder of the Securities** before his death or bankruptcy.

<u>Article 44</u>

If the person so becoming entitled to have the **Securities** transferred to him, a notice in writing signed by him stating that he so elects must be served by him on the Bursa Depository. If he elects to have the **Securities** transferred to another person he shall testify his election by serving a notice in writing to that effect to the Company and on the Bursa Depository. All the limitations, restrictions and provisions of this Constitution relating to the rights to transfer shall be applicable to any such notice of transfer as aforesaid as if the death or bankruptcy of the **holder of the Securities** had not occurred and the notice or transfer were a transfer signed by that **holder of the Securities**.

<u>Article 45</u>

Where the registered holder of any **Securities** dies or becomes bankrupt his personal representative of the assignee of his estate, as the case may be, shall, upon the production of such evidence as may from time to time be properly required by the Directors in that behalf, be entitled to the same dividends and other advantages and to the same rights (whether in relation to meetings of the Company or to voting or otherwise) as the registered holder would have been entitled to if he had not died or become bankrupt.

2. <u>Article 47</u>

THAT the existing Article 47 which reads as follows:

"The Company may from time to time, by special resolution convert all or any of its paid-up shares into stock and may from time to time, in like manner, re-convert any such stock into paid-up shares of any denomination."

be and is hereby amended by replacing the word "**special**" with "**ordinary**" appearing in the first line of the existing article and that the amended Article 47 shall read as follows:

"The Company may from time to time, by **ordinary** resolution convert all or any of its paid-up shares into stock and may from time to time, in like manner, re-convert any such stock into paid-up shares of any denomination."

Appendix A
(Cont'd)

3. Article 51

THAT the existing Article 51 which reads as follows:

"(1) The Company may from time to time by special resolution:-

(a) Consolidate and divide all or any part of its share capital, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived; or

(b) Sub-divide its shares or any of the shares, whatever is in the subdivision, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived; or

(c) Reduce its share capital in any manner permitted or authorised under the law and subject to any consent required by the law.

(2) Anything done in pursuance of this Article shall be done in the manner provided by and subject to any conditions imposed by the Act or so far as the Act shall not be applicable then in accordance with the terms of the resolution authorising the same or so far as such resolution shall not be applicable then in such manner as the Directors deem most expedient."

be and is hereby amended by deleting the existing article in its entirety and substituting therefor the following new Article 51, read as follows:

"(1) The Company may from time to time by **ordinary** resolution:-

(a) Consolidate and divide all or any part of its share capital, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived; or

(b) Sub-divide its shares or any of the shares, whatever is in the subdivision, the proportion between the amount paid and the amount, if any, unpaid on each subdivided share shall be the same as it was in the case of the share from which the subdivided share is derived; or

(2) **The Company may** by special resolution reduce its share capital in any manner permitted or authorised under the law and subject to any consent required by law.

(3) Anything done in pursuance of this Article shall be done in the manner provided by and subject to any conditions imposed by the Act or so far as the Act shall not be applicable then in accordance with the terms of the resolution authorising the same or so far as such resolution shall not be applicable then in such manner as the Directors deem most expedient."

4. Article 148

THAT the existing Article 148 be and is hereby amended by inserting the following new sub-article immediately after sub-article 148(b):

"(c) A Member's address, electronic mail address and any other contact details provided to Bursa Depository shall be deemed as the last known address, electronic mail address and contact details respectively for the purposes of communication including but not limiting to service of notices and/or documents to the Member."

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KERJAYA PROSPEK GROUP BERHAD
Registration No. 198401010054 (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-Seventh Annual General Meeting of the Company to be held at Bloomsvale Sales Gallery, No. 137, Jalan Puchong, 58200 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur on Thursday, 27 May 2021 at 11.00 a.m., or at any adjournment thereof and to vote as indicated below:-

NO.	ORDINARY RESOLUTIONS	FOR	AGAINST
1	To approve the 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 Khoo Siong Kee as Senior Independent Non-Executive Director of the Company		
8	To approve the proposed retention of Lim Kien Lai @ Lim Kean Lai as Independent Non-Executive Director of the Company		
9	To approve authority to allot shares		
10	To approve the proposed renewal of share buy-back authority		
11	To approve the proposed shareholders' mandate for recurrent related party transactions		
NO.	**SPECIAL RESOLUTION**		
12	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 ________________ 2021

No. of ordinary shares held

For appointment two proxies, percentage of shareholdings to be represented by the proxies:-		
	No. of shares	Percentage
Proxy 1		
Proxy 2		
Total		

____
Signature of Member / Common Seal

Fold this flap for sealing

Notes:

1. *For the purposes of determining a member who shall be entitled to attend and vote at the forthcoming 37th AGM, the Company shall be requesting the Record of Depositors as at 20 May 2021. Only depositors whose names appear in the Record of Depositors as at 20 May 2021 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 need not be a member of the Company and there is no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the meeting shall have the same rights as the member to speak at the meeting.*
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 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 appointor or of his attorney duly authorised in writing (or if such appointor is a corporation, either under its Common Seal or under the hand of an officer or attorney duly authorised or in some other manner approved by Directors).*
7. *The instrument appointing a proxy, together with the power of attorney or other authority (if any) under which it is signed or certified copy 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.*

Please fold here to seal

Please Affix
Stamp Here

The Company Secretary
KERJAYA PROSPEK GROUP BERHAD
Registration No. 198401010054 (122592-U)
802, 8th Floor, Block C
Kelana Square, 17 Jalan SS7/26
47301 Petaling Jaya
Selangor Darul Ehsan

Please fold here to seal

TOGETHER, WE CAN.

KERJAYA
PROSPEK
GROUP
BERHAD

198401010054 (122592-U)

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Web : www.kerjayagroup.com