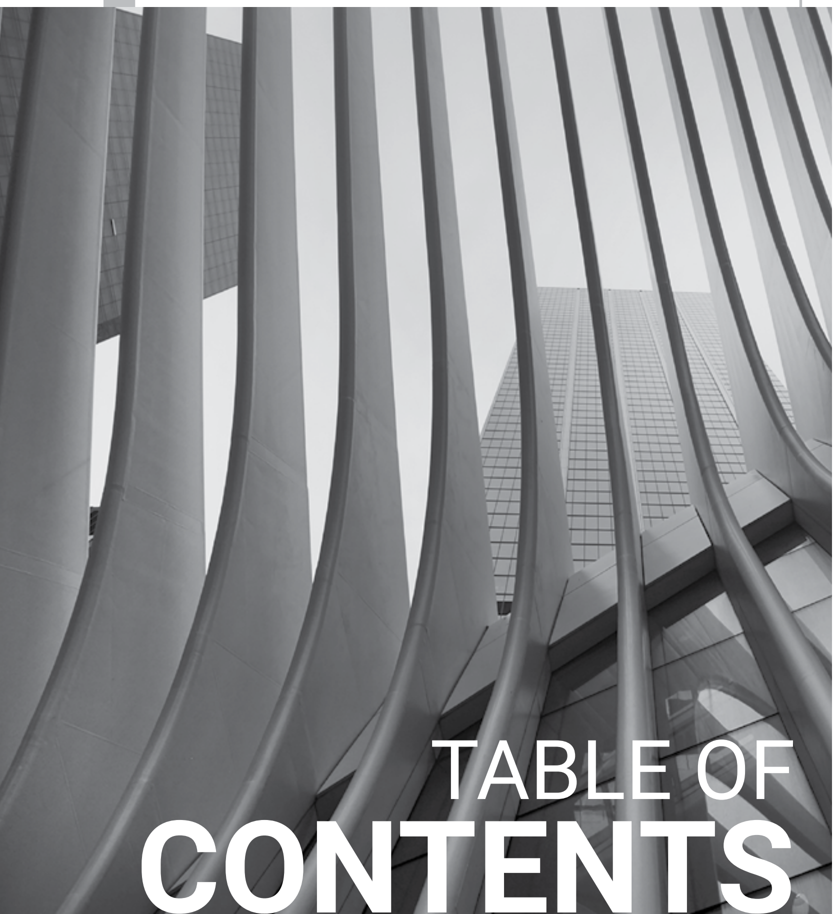
KERJAYA
PROSPEK
GROUP
BERHAD

198401010054 (122592-U)

ANNUAL REPORT 2021

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
(Non-Independent Non-Executive Chairman)

Datin Toh Siew Chuon
(Executive Director)

Tee Eng Seng
(Executive Director)

Tee Eng Tiong
(Executive Director & Chief Executive Officer)

Chan Kam Chiew
(Independent Non-Executive Director)

Maylee Gan Suat Lee
(Independent Non-Executive Director)

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

AUDIT COMMITTEE

Chan Kam Chiew - Chairman
(Independent Non-Executive Director)

Maylee Gan Suat Lee - Member
(Independent Non-Executive Director)

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

NOMINATION COMMITTEE

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

Chan Kam Chiew - Member
(Independent Non-Executive Director)

Maylee Gan Suat Lee - Member
(Independent Non-Executive Director)

REMUNERATION COMMITTEE

Maylee Gan Suat Lee - Chairman
(Independent Non-Executive Director)

Chan Kam Chiew - Member
(Independent Non-Executive Director)

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

COMPANY SECRETARIES

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

REGISTERED OFFICE

802, 8th Floor, Block C,
Kelana Square 17 Jalan 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 2022

KERJAYA PROSPEK GROUP BERHAD
198401010054 (122592-U)

- 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) Sdn. Bhd.
- 100% Kerjaya Prospek (M) Sdn. Bhd.
  - 100% Future Rock Sdn. Bhd.
- 49% Kerjaya Bina BMK Sdn. Bhd.
- 100% Kerjaya Prospek Resources Sdn. Bhd.
- 100% Lighting Louvres Manufacturing Sdn. Bhd.
- 100% Permatang Bakti Sdn. Bhd.
- 51% Virent Energy Solutions Sdn. Bhd.
  - 100% Virent Energy Sdn. Bhd.

Profile of Directors

DATUK TEE ENG HO

Non-Independent Non-Executive Chairman
(redesignated on 12 May 2021)

Nationality	Malaysian
Age / Gender	57 / Male
Date of Appointment	31 March 2011

Length of Service:

11 years 2 months

Board Committee:

Nil

Present Directorship in Listed Entities:

Eastern & Oriental Berhad
(Executive Chairman)

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

TEE ENG SENG

Executive Director

Nationality	Malaysian
Age / Gender	52 / Male
Date of Appointment	31 March 2011

Length of Service:

11 years 2 months

Board Committee:

Nil

Present Directorship in Listed Entities:

Kerjaya Prospek Property Berhad (Executive Director), Eastern & Oriental 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 Directors (Cont'd)

DATIN TOH SIEW CHUON
Executive Director

Nationality	Malaysian
Age / Gender	56 / Female
Date of Appointment	15 November 2011

Length of Service:

10 years 6 months

Board Committee:

Nil

Present Directorship in Listed Entities:

Kerjaya Prospek Property Berhad (Executive Chairman)

Academic/ Professional Qualifications:

- Member of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA)
- Member of the Malaysian Associate of Certified Chartered Accountants

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

Profile of Directors (Cont'd)

TEE ENG TIONG
Executive Director / Chief Executive Officer

Nationality	Malaysian
Age / Gender	44 / Male
Date of Appointment	12 May 2021

Length of Service:

11 months

Board Committee:

Nil

Present Directorship in Listed Entities:

Nil

Academic/ Professional Qualifications:

- Masters of Engineering (Civil Construction Management) from Universiti Teknologi Malaysia
- Bachelor of Engineering (Civil Construction Management) from Universiti Teknologi Malaysia
- Member of Board of Engineers Malaysia

Working Experience:

Mr Tee started his career as a Site Engineer in Kerjaya Prospek (M) Sdn Bhd in 2002, where he began his involvement in the construction industry, and progressed as a Project Engineer in 2004. He has more than 18 years working experience in the construction industry, specifically in high rise building and has delivered successful projects within time and cost to clients' satisfaction, for projects worth more than RM4.5 billion in total, in Kuala Lumpur, Klang Valley, Penang and Johor Bahru. His full-time commitment and focus using construction management strategies has mold him to possess extensive technical knowledge and technique, in addition for the proven ability to implement and complete projects in specific timeline, requirements and standards.

Board Skills Matrix:

- Engineering
- Business Management

Profile of Directors (Cont'd)

CHAN KAM CHIEW
Independent Non-Executive Director

Nationality	Malaysian
Age / Gender	57 / Male
Date of Appointment	12 May 2021

Length of Service:

11 months

Board Committee:

- Audit Committee (Chairman)
- Nomination Committee (Member)
- Remuneration Committee (Member)

Present Directorship in Listed Entities:

Nil

Academic/ Professional Qualifications:

- Member of Malaysian Institute of Accountants
- Member of The Malaysian Institute of Certified Public Accountants ("MICPA")
- Member of The Institute of Corporate Directors Malaysia

Working Experience:

Mr. Chan joined KPMG in Kuala Lumpur in 1984. He was a Partner in the Assurance Services of KPMG Malaysia from 1998 until his retirement as a Senior Partner in December 2020. He had also served in KPMG San Francisco office from 1991 to 1993.

Mr Chan has over 36 years of experience in providing audit and business advisory services to clients in a wide range of industries. His portfolio of clients included a wide range of public listed companies and multinational corporations in various industries including those in automotive, real estate investments trust, property development and construction, oil and gas, electronics and information technology, freight and shipping, industrial manufacturing, food and beverages, retail and consumer and banking and financial services. In addition to statutory audits, he had led and been involved in assignments in relation to IFRS reviews, initial public offerings and reverse takeovers, mergers and acquisitions (including cross borders), financial due diligence reviews, provision of financial advisory services and review of policies and procedures.

Mr Chan had served on the Board of Malaysian Accounting Standards Board ("MASB") for 2 terms from 2012 to 2018. He had also served as a member as well as chaired a few working groups of MASB and was an examiner for the Regulatory and Financial Reporting Framework examination for the MICPA.

Board Skills Matrix:

- Accounting & Finance Management
- Business Management

Profile of Directors (Cont'd)

MAYLEE GAN SUAT LEE

Independent Non-Executive Director

Nationality	Malaysian
Age / Gender	45 / Female
Date of Appointment	12 May 2021

Length of Service:

11 months

Board Committee:

- Audit Committee (Member)
- Nomination Committee (Member)
- Remuneration Committee (Chairman)

Present Directorship in Listed Entities:

Nil

Academic/ Professional Qualifications:

- Bachelor of Laws (Hons) degree from the University of London
- Masters of Science in Information Technology (MSc IT) from the University of Staffordshire
- Registered company secretary of the Companies Commission of Malaysia (CCM)
- Member of the Fintech Association of Malaysia (FAOM)
- Member of the Malaysian Association of Company Secretary (MACS)

Working Experience:

Ms. Maylee joined Messrs. Lee Hishamuddin Allen & Gledhill in 2004 as a legal associate in the corporate department from 2004 to 2008, and thereafter founded the legal firm Messrs. Maylee Gan & Tai in 2008.

Ms. Maylee has over 16 years of experience in providing legal services in corporate matters to clients from a wide range of industries. Her portfolio of clients includes public listed companies and multinational corporations in various industries including those in real estate development and construction, investment, retail and consumer banking and financial services, private equity funding, fintech, peer to peer lending, automotive, electronics and information technology, industrial manufacturing, oil and gas. Amongst the key area of her practise are in commercial and corporate matters, merger and acquisition, securities and capital markets, compliance and regulatory matters, banking and finance including corporate finance and cross-border financing, technology contracts, real estate, intellectual property, tax matters, industrial relation matters, civil litigation matters, and estate planning matters.

Board Skills Matrix:

- Legal
- Business Management

Profile of Directors (Cont'd)

DATUK MOHAMED RAZEEK BIN MD HUSSAIN MARICAR

Independent Non-Executive Director

Nationality	Malaysian
Age / Gender	64 / Male
Date of Appointment	1 June 2018

Length of Service:

4 years

Board Committee:

- Audit Committee (Member)
- Nomination Committee (Chairman)
- Remuneration Committee (Member)

Present Directorship in Listed Entities:

Nil

Academic/ Professional Qualifications:

- Bachelor of Science (Civil Engineering) degree from The University of the South Bank, London (formerly known as Polytechnic of the South Bank)
- Member of the Institute of Engineers Malaysia
- Independent Director of KWEST Sdn. Bhd.
- Chairman of the Malaysia-Qatar Joint Business Council
- Council Member of the Malaysian Rail Industry Corporation

Working Experience:

Datuk Mohamed Razeek has more than 41 years of experience in the corporate, construction and property industries. He began his career as a design engineer in a consulting firm in London in 1981 and later in Malaysia. He joined Sime UEP Berhad in 1987, and subsequently Land and General Berhad in 1991 for 13 years, where he ultimately served as Executive Director.

He was appointed as Project Director by Eastern and Oriental Berhad in 2003, where he managed high-end real estate developments, and the first phase reclamation works at Seri Tanjung Pinang. He then served as Sr Vice President in DAMAC and was based in Dubai and Cairo for a year.

He returned to Malaysia for Malaysian Resources Corporation Berhad as Chief Operating Officer ("COO") and was subsequently appointed as the Chief Executive Officer in 2009. He became DRB-HICOM Berhad's COO in 2012 with a portfolio covering Services, Education, Property, and Defense, and retired in 2018.

Datuk Razeek is currently the Group CEO of Dhaya Maju Infrastructure (Asia) Sdn. Bhd., since 2018.

Board Skills Matrix:

- Engineering
- Business Management

Profile of Directors (Cont'd)

OTHERS INFORMATION ON DIRECTORS

Family Relationship with Directors and/or Major Shareholders

Datuk Tee Eng Ho, Tee Eng Seng and Tee Eng Tiong 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 and Tee Eng Tiong. 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 145 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 2021 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

Tee Eng Tiong
Chief Executive Office/Executive Director

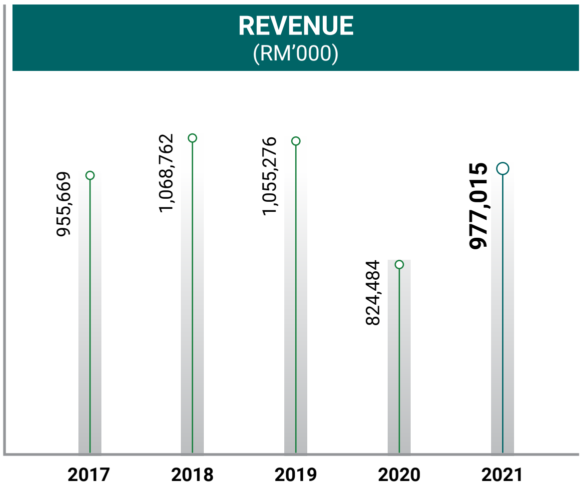
Tee Eng Seng
Executive Director

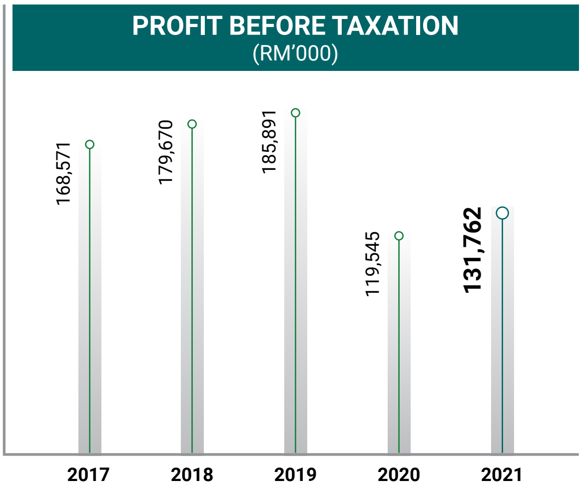
Datin Toh Siew Chuon
Executive Director

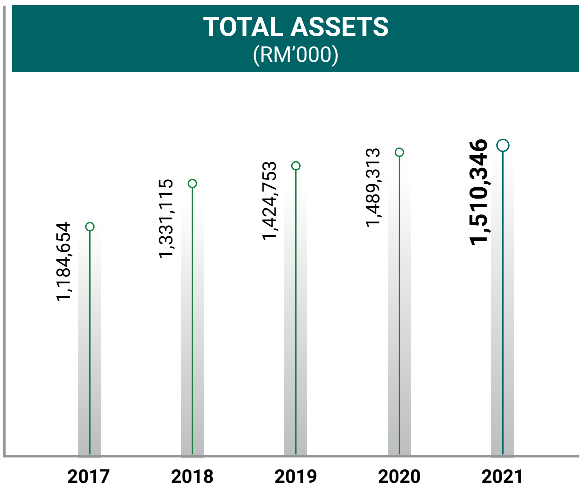
The profiles of the Chief Executive Officer and Executive Directors are outlined in their respective profile on page 4 to 9.

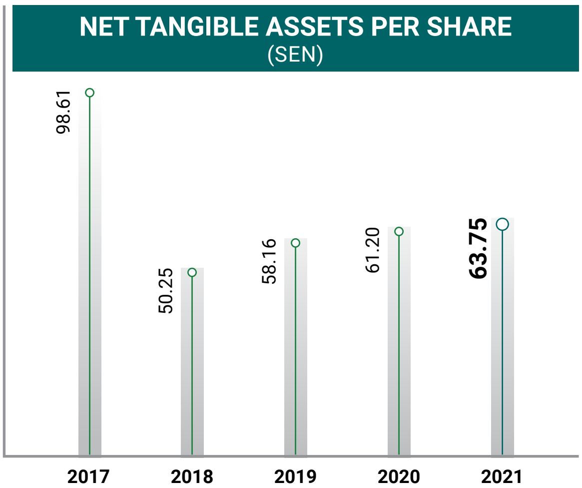
Group Financial Highlights

	2017 RM'000	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000
Revenue	955,669	1,068,762	1,055,276	824,484	977,015
Profit Before Taxation	168,571	179,670	185,891	119,545	131,762
Profit after taxation and minority interest	124,740	138,199	140,180	90,755	96,962
Total Assets	1,184,654	1,331,115	1,424,753	1,489,313	1,510,346
Shareholder's Fund	877,750	976,753	1,070,953	1,110,199	1,145,032
Net Tangible Assets	526,425	623,598	717,744	754,030	788,810
	sen	sen	sen	sen	sen
Net Tangible Assets per share	98.61	50.25	58.16	61.20	63.75
Basic earning per share	23.37	11.13	11.36	7.37	7.82









Notable Achievement of Awards

1 2017

The Edge Billion Ringgit Club

Gold Award: Highest Returns To Shareholders Over Three Years in Construction Sector

2 2018

The Edge Billion Ringgit Club

Gold Award: Highest Returns To Shareholders Over Three Years in Construction Sect

3 2019

The Edge Billion Ringgit Club

Highest Returns To Shareholders Over Three Years in Construction Sector

4 2019

The Edge Billion Ringgit Club

Highest Growth Profit After Tax Over Three Years in Construction Sector

5 2020

The Edge Billion Ringgit Club

Highest Growth Profit After Tax Over Three Years in Construction Sector

6 2017

Forbes: Asia's Best Under A Billion

Kerjaya Prospek Group Berhad Top 200 Public-Traded Company in Asia Pacific Region

7 2018

Property Insight Prestigious Developer Awards

Best Main Contractor

8 2019

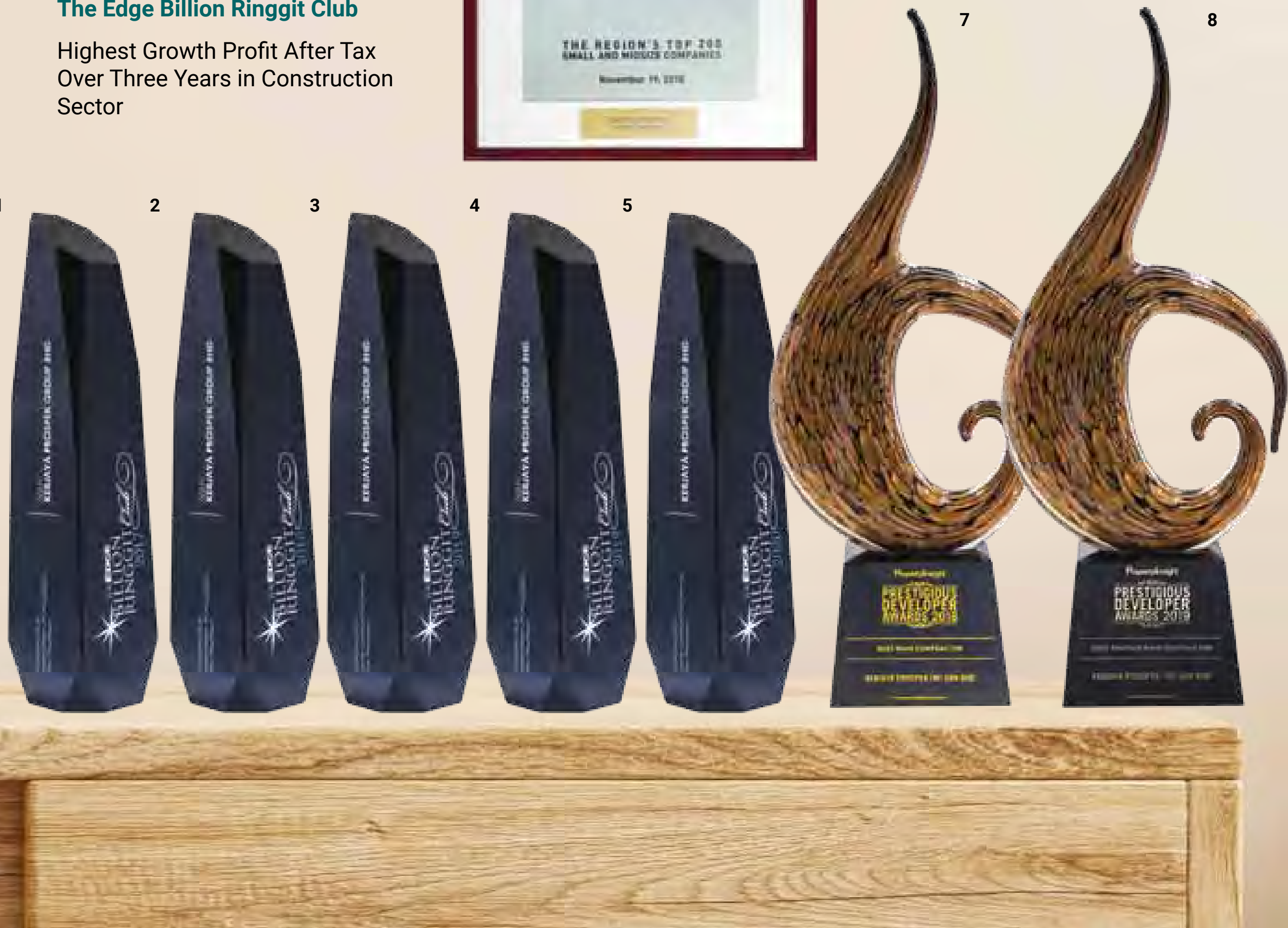
Property Insight Prestigious Developer Awards

Best Premium Main Contractor

6

7 8

1 2 3 4 5



Notable Achievement of Awards (Cont'd)

9 2015-2016

The Brandlaureate Award

Best Brands Award Corporate Branding in Construction

10 2015-2016

The Brandlaureate Award

Brandpreneurial Leadership Award

11 2019

The Brandlaureate Award

World Best Brands Award in Services Building Construction Category

12 2019

The Brandlaureate Award

Brandpreneur Leadership of The Year Award

13 2017

CONQUAS: Setia Sky 88 Phase 1 @ Johor

Score: 81.6

14 2018

CONQUAS: Setia Sky 88 Phase 2 @ Johor

Score: 83.3

15 2018

CONQUAS: EcoSky 975 units Residential @ Jalan Ipoh, KL

Score: 83.6

12


14


13


15


9
10
11


Notable Achievement of Awards (Cont'd)

16 2019

QLASSIC: Eco Terraces, 333 units Apartment @ Penang

Score: 84%

17 2021

QLASSIC: The Estate @ South Bangsar, KL

Score: 83%

18 2021

QLASSIC: Vertu Resort @ Batu Kawan, Penang

Score: 82%

19 2017

Setia Quality Excellence Award Building Category

Setia Sky 88 Phase 1, Johor

20 2021

SHASSIC ACHIEVER: Lucentia Residences @ BBCC, Jalan Pudu

16

17

19

18

20

Chairman's Statement

To our esteemed 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 2021 ("FYE2021").

On this note, I am very pleased to report that Kerjaya Prospek weathered through the storm and maintained its run of profitability for the fourth consecutive year as a listed entity. Our prudent and conservative strategies have proven effective in protecting the Group's bottomline, whilst successfully overcoming multiple headwinds.

OPERATING PERFORMANCE

2021 proved to be another arduous year not just for the Group, but for the entire construction sector as the industry was weighed down by the prolonged effects of the coronavirus (COVID-19) pandemic and uncertainties amid political uncertainties.

Throughout the year, the Malaysian Government imposed multiple variations of the Movement Control Order (MCO) as an effort to curtail the spread of the COVID-19 virus in Malaysia. During MCO 2.0, Controlled MCO and MCO 3.0, we were allowed to carry out site works under strict standard operating procedures (SOP) as the construction industry was part of the five essential economic sectors authorised to operate.

However, from June till end-July 2021, a nationwide full MCO was implemented to combat the rampant spread of COVID-19 within the country. During this period, multiple restrictions were imposed such as strict travel restrictions, closure of non-essential services, reduction of operating hours and work force, and measures that affected our business activities, to name a few.

Nevertheless, the Government announced its four-phase National Recovery Plan in June 2021 as its strategic initiative to help the country emerge from the COVID-19 pandemic and economic struggles. Following the mass rollout of vaccinations, the country was once again on its recovery path as economic sectors gradually reopened and restrictions were progressively lifted.

Despite a tumultuous year, Kerjaya Prospek still surpassed its RM1 billion target of new contracts by bagging RM1.02 billion worth of projects in FYE2021. This bolstered the Group's outstanding order book to RM3.5 billion as at 31 December 2021. Our achievement speaks volume of the market's confidence in our ability to deliver projects in a timely manner and meet the clients' requirements.

Having said that, we will continue to leverage on our expertise in high-rise construction to secure new projects and enhance operational efficiency in terms of quality, safety and pricing of our buildings by investing in innovative technologies and Industrialised Building System ("IBS").

Chairman's Statement (Cont'd)

REVIEW OF FINANCIAL PERFORMANCE

In FYE2021, the Group's revenue increased to RM977.0 million or 18.5% as compared to RM824.5 million in FYE2020 due to higher progress billings of the construction projects in the year under review. The construction segment contributed close to 100% of the Group's revenue in the year under review due to the absence of property launches in FYE2021 and minimal contribution from its manufacturing segment. The profit after tax ("PAT") rose to RM96.9 million or 6.7% as compared to RM90.8 million achieved in the preceding year. The higher PAT was mainly attributed to the increase in revenue recorded in FYE2021.

Kerjaya Prospek's strong order book, robust balance sheet and net cash holding of RM176.5 million provide the Group with a buffer to withstand challenges in the foreseeable future. The Group will continue to maintain its strategy on enhancing operational efficiency, aggressively tendering for new projects and actively looking out for landbanking opportunities. Further details of the Group's financial performance are contained in the Management Discussion and Analysis section within this Annual Report.

LOOKING AHEAD

According to the International Monetary Fund, global GDP will continue to expand in 2022, albeit at a slower pace of 4.4% compared to 5.9% in 2021. This comes on the back of prolonged micro-and-macroeconomic issues such as resurgence of COVID-19 cases due to the Omicron variant, diminished fiscal support, and lingering supply bottlenecks. Nevertheless, the Group will constantly review its business strategies and assess market conditions to overcome potential challenges ahead.

On the local front, the Malaysian Government forecasted Malaysia's GDP to remain on its recovery path within the expansion range of 5.5% to 6.5% in 2022. The nation's economy is expected to be driven by normalisation in economic and social activities, resumption of projects with high multiplier effects and strong external demand.

Additionally, the construction sector in Malaysia is forecasted to grow by 11.5% as projected by the Ministry of Finance Malaysia.

On 20 January 2022, Bank Negara Malaysia ("BNM") maintained the Overnight Policy Rate ("OPR") at 1.75% to incentivise economic recovery from the adverse impacts of COVID-19 on the economy. The market sentiment on the purchase of properties is expected to be driven by the supportive measures implemented by the Government and BNM. These measures are mainly to provide financial assistance for the citizens and to boost the property sector.

In March 2022, the Government had approved the construction of the Mass Rapid Transit (MRT) 3, which will link the existing MRT 1 and MRT 2 lines around Greater Klang Valley. This will be a boon for the recovery of the construction industry in Malaysia as local contractors will be given priority for job opportunities and business.

The Group remains cautiously optimistic of the industry's outlook for the financial year ending 31 December 2022, on the back of the gradual economic recovery, fiscal initiatives, improving market sentiment and liberalization of the workers' movement control. Despite the obstacles and uncertainties ahead, the Group will continue to assess and revise its business strategies accordingly to overcome challenges in the year ahead.

APPRECIATION

On behalf of the Board, I would like to express our sincerest gratitude to all our shareholders, for your continuous support and unwavering confidence in Kerjaya Prospek. I would also like to extend my appreciation to our business partners, clients, suppliers and all other stakeholders for your continued support even during these trying times. Last but not least, I would like to thank my fellow Kerjaya Prospek family for your effort and contribution to the Group. Without you all, Kerjaya Prospek would not be where it is today.

Datuk Tee Eng Ho
Non-Independent Non-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 utmost 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 2021 ("FYE2021") and the outlook for 2022.

OVERVIEW

Since the inception of Kerjaya Prospek, it was mainly involved in designing, manufacturing, marketing of lighting products, and premium kitchen cabinetry. Over the years, the Group diversified 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.

Today, the Group is one of the nation's leading high-rise contractors boasting a robust track record of over 20 years and we have serviced numerous notable clients. We would like to extend our sincerest appreciation for their unwavering support and confidence given by our reputable clients to the Group throughout the year despite these trying times. With their backing, we were able to surpass our internal target of RM1.00 billion worth of new contracts awarded in FYE2021 with RM1.02 billion secured in the year.

The Group had also moved up the value chain in the last few years by establishing its property development division to integrate its business and expand its revenue stream to enhance the long-term prospects of the Group. The Group completed its maiden project Vista Residences @ Genting Highlands in 2019 and has been fully taken-up since. In FYE 2022, the Group is targeting to launch two development projects, namely Monterez development and Yakin Land development in the first half of FYE2022, with a combined gross development value ("GDV") of

Management Discussion & Analysis (Cont'd)

OVERVIEW (CONT'D)

approximately RM630.0 million. Construction for these developments has begun and is slated for completion by end of 2025, barring any unforeseen circumstances.

Throughout the years, Kerjaya Prospek and its subsidiaries have won various prestigious awards, which speak volume of the Group's ability to consistently post strong performances year after year. Notable ones include 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 four 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.

OBJECTIVES AND STRATEGIES

At Kerjaya Prospek, our goal has always been to provide the best quality and value of works for our clients rather than focusing solely on the price of contracts. The Group has a deep understanding of the need of its clients, providing the Group with a competitive advantage to establish strong business relationships as well as retain clients' trust and confidence. Evidently, the addition of RM1.02 billion worth of new contracts into our order book in FYE2021 is a testament of Kerjaya Prospek's competence of consistently delivering high-quality projects in a timely manner.

As a result, Kerjaya Prospek has grown to be an award-winning builder for constructing numerous prestigious projects and for its quality workmanship. 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 and 83.3 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, 83% for The Estate South Bangsar and 82% for Vertu Resort. This assessment was evaluated by the Construction Industry Development Board Malaysia based on the workmanship quality of the building construction works. Besides that, the Group was awarded the 5-Star Safety and Health Assessment System in Construction Achiever rating by the Construction Industry Development Board for its Lucentia @ BBCC project.

As a pioneer of innovative forward-thinking techniques in the local construction industry, we are constantly looking for new digital technologies that can help boost the quality of our final product and allow us to reduce raw material wastages and enhance efficiency. Conventional construction methods have long been proven to be inefficient in terms of the wastage of building materials, labour force and the delivery time of projects.

We invested in the Industrialised Building System ("IBS") in 2011, and since then we have implemented IBS technology into numerous project developments. The Group strongly believes that IBS is key in driving the Group's success and will continue to invest in it. Since its implementation, the IBS approach has aided the Group in enhancing its operational efficiency through various aspects such as reduction of building materials waste and dependency on manual labour, improved quality control, as well as hasten the time of projects to be delivered.

Management Discussion & Analysis (Cont'd)

REVIEW OF GROUP'S FINANCIAL PERFORMANCE

Despite new iterations of the Movement Control Order ("MCO") implemented throughout the year under review, namely MCO 2.0, Controlled MCO and MCO3.0, the Group was able to carry out site works under strict standard operating procedures ("SOP") as the construction industry was part of the five essential economic sectors authorised to operate.

As a result, FYE2021 revenue grew by 18.5% to RM977.0 million as compared to RM824.5 million in the financial year ended 31 December 2020 ("FYE2020"). In line with the improved top line, the Group's profit before tax ("PBT") and profit after tax ("PAT") rose by 10.2% and 6.7% respectively to RM131.8 million and RM96.9 million respectively for FYE2021. The improved performance was mainly attributable to higher progress billings as compared to the previous year amidst operational restrictions in FYE2021. The construction division remains as the Group's largest revenue generator in FYE2021 followed by the manufacturing division. The Group's property development division did not contribute any revenue in the year under review due to the absence of property development launches.

Despite the challenging market sentiment, the Group still surpassed its RM1 billion target of new contract wins by securing RM1.02 billion worth of projects in FYE2021. This boosted the Group's order book to RM3.5 billion as at end 2021, which will provide earnings visibility over the next five years.

The Group's prudent approach enabled Kerjaya Prospek to sustain its balance sheet, with a low gearing ratio of 0.03 times and a net cash position of RM176.5 million. With its healthy cash position, the Group is able to leverage on this to negotiate for better pricing when procuring raw materials and it also allowed the Group to withstand the harsh impacts of COVID-19.

CONSTRUCTION DIVISION

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 generated RM976.6 million or 99.95% of the Group's total revenue in FYE2021. The segment's earnings increased by 29.4% to RM133.4 million as compared to RM103.1 million in the preceding financial year, which was mainly due to higher progress billings recorded in FYE2021 as a result of fewer operational disruptions as compared to the preceding year.

In 2021, the Group was awarded seven contracts worth RM1.0 billion, by notable property developers namely UEM Sunrise Berhad, Eastern & Oriental Group ("E&O") and Teguh Harian Group. As at 31 December 2021, the Group had 34 on-going construction projects with a total outstanding order book of approximately RM3.5 billion.

PROPERTY DEVELOPMENT DIVISION

Due to the weak property market sentiment in FYE2021, the Group decided to delay the launch of its property development projects, namely Monterez and Yakin Land Development. Therefore, this division did not contribute any revenue in FYE2021 due to the absence of property launches during the year. The division registered earnings of RM0.3 million in FYE2021 as compared to RM7.5 million in the preceding year as the Group recorded sale of units at Vista Residence @ Genting Highlands, the Group's maiden property project in FYE2020.

Going forward, the Group aims to launch Monterez and Yakin Land Development in the first half of 2022, as the Group is optimistic of a recovery in demand for properties. The two developments, which are currently being constructed, will have a total combined gross development value of RM630 million and are slated for completion by end of 2025.

Monterez Development

Yakin Land Development

Management Discussion & Analysis (Cont'd)

MANUFACTURING DIVISION

The manufacturing division is complementary to the Group's construction and property development divisions. It provides kitchen and lighting solutions under the brand names of 'FORTE' and 'BRITE-LITE'. The revenue from the manufacturing division declined by RM0.2 million or 35.7% to RM0.3 million from RM0.5 million in the preceding year. In tandem with the weaker revenue, the division's earnings decreased by 61.1% to RM0.5 million. The Group will continue its business objective and strategy of providing kitchen and lighting products for inter Group utilisation.

CORPORATE/MAJOR OPERATIONAL ACTIVITIES

On 9 April 2021, the Group was awarded a contract worth RM153.5 million by BBCC Development Sdn. Bhd., to undertake construction works of a proposed mixed development off Jalan Hang Tuah/Jalan Pudu, Kuala Lumpur.

On 26 April 2021, the Group secured its second contract for FYE2021 through the award of a RM202.6 million contract from Tanjung Pinang Development Sdn Bhd ("TPD"), an indirect subsidiary of E&O, to the Group's joint venture company with Gamuda Berhad. The contract entails the execution and completion of infrastructure works which consist of the Gurney Marine Bridge between Jalan Gurney and Andaman Island.

On 5 May 2021, the Group secured its third contract worth RM28.4 million from Persada Mentari Sdn. Bhd., an indirect subsidiary of E&O, in respect of contract works for site works and earthworks, foundation piling system and pile caps construction, basement construction and all associated works for the proposed two blocks of 35 storey service apartment located Kawasan Tebusguna Tanah Seri Tanjung Pinang (FASA 2A), Pulau Pinang.

On 30 July 2021, the Group bagged a contract worth RM139.0 million from Damansara Peak Sdn. Bhd., an indirect subsidiary of E&O, for the construction and completion of substructure works, main building works and all associated external works for 54 units of three-storey villas located at Damansara Heights, Kuala Lumpur.

Management Discussion & Analysis (Cont'd)

CORPORATE/MAJOR OPERATIONAL ACTIVITIES (CONT'D)

On 10 September 2021, the Group was awarded a RM126.1 million contract from UEM Sunrise Bhd's subsidiary company Sunrise Alliance Sdn Bhd. This contract encompasses building works for a proposed residential development project located in Bandar Putra Permai, Petaling.

On 14 October 2021, the Group was awarded a RM258.0 million contract by Teguh Harian Group for the undertaking of construction works for a residential development in Johor.

DIVIDEND

On 26 August 2021, the Board of Directors declared an interim dividend of 1.5 sen per ordinary share in respect of FYE2021, amounting to RM18.5 million, which was paid out on 8 October 2021.

The Board had also declared its second interim dividend in respect of FYE2021 of 2.0 sen per ordinary share on 28 February 2022, signifying a dividend payout of RM24.8 million and is to be paid on 8 April 2022.

The total dividend payout for FYE2021 was 3.5 sen per share or RM43.3 million, equivalent to 44.7% of FYE2021 PAT. This is significantly higher than the Group's dividend policy of distributing at least 25% of its PAT.

MOVING FORWARD

2022 is expected to be a better year for the country in general as the nation begins its transition into the endemic phase of COVID-19 from April 2022. Under this phase, the nation's borders will be fully opened after almost two years of being closed and there will also be fewer SOPs in place. The opening of borders bodes well for the construction industry as it allows local players to resolve the shortage of foreign labour.

On top of that, the Government had announced some stimulus packages that would benefit the construction and property development industries. In the Budget 2022, the Government allocated RM3.5 billion for infrastructure projects, among them the Pan-Borneo Highway and Central Spine Road projects. Besides that, the Government announced that the real property gains tax will not be applied for properties sold after the sixth year and allocated RM2.0 billion under housing credit guarantee scheme to assist gig workers and small traders without steady income to apply for mortgage loan.

Furthermore, BNM has kept the Overnight Policy Rate at 1.75% during the first monetary policy meeting in January 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 2022, the Group remains cautiously optimistic of its prospects. While the vaccines have allowed global and local economies to recover, the vaccines do not prevent the infection of COVID-19 and an outbreak of COVID-19 would still impact our site activities. The efficacy for vaccines will also wane off after a few months and booster shots will be required, which will cost the Group. Therefore, the Group will continue to assess the market condition and will strategise accordingly in order to overcome the challenges ahead.

Nevertheless, the Group is confident that its operations and financial performance will allow the Group to ride the recovery path back to pre-pandemic levels, and will continue to strive to deliver value to its shareholders, backed by the strong outstanding order book of approximately RM3.5 billion and healthy balance sheet with net cash of RM176.5 million.

Thank You

On behalf of the Board of Directors, I would like to express our sincerest appreciation to our customers, vendors, suppliers, consultants, associates, bankers, and business partners, for your continuous trust and unwavering support to Kerjaya Prospek. I 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, I would like to extend my heartfelt thanks to the Board of Directors, the senior management team, and all our employees for their commitments, contributions and hard work to bring the Group to where it is today.

Corporate Governance Overview Statement

The Board of Directors ("the Board") recognises the importance of adopting high standards of corporate governance within the Group to ensure that the recommendation of the Malaysian Code on Corporate Governance 2021 ("the Code" or "MCCG") are practiced as a mean of managing the business and affairs of the Group with integrity and professionalism so as to enhance business prosperity and corporate accountability in order to protect the interest of shareholders, whilst ensuring at the same time the interest of other stakeholders are safeguarded.

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 2021 ("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 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 details of how the Company embrace or apply the MCCG are outlined in our Corporate Governance Report ("CG Report"). The CG Report is submitted to Bursa Securities together with the Annual Report of the Company on 27 April 2022. 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 to provide comprehensive disclosure of the application of each principles and practices set out in the MCCG during the Financial Year.

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 as recommended by the MCCG including those reserved for the Board's approval and those which the Board may delegate to the Board Committees and the Management.

Aside from the core responsibilities listed above, significant matters required deliberation and approval from the Board is clearly defined as the matters reserved for the Board's consideration and approval, which including decision on Group strategic/business plan, restructuring proposal, corporate exercises, investments or divestments, risk management policies, nomination of auditors, nomination of directors, review of the financial statement, financial and borrowing activities, annual budget, dividend policy, new issues of securities, ensuring compliances of regulatory and reviewing the adequacy and integrity of internal controls.

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 ultimate responsibility for the final decision on all matters have to be approved by the Board. Also, the Board is informed of the key issues and recommendations or decisions made by each Board Committees through the reporting and tabling of minutes of the Board Committees meetings at Board Meetings.

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

i. Roles and Responsibilities of the Board (Cont'd)

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.

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

The Chairman of the Board is a Non-Independent Non-Executive Director. The roles of the Chairman and Chief Executive are distinct and separate to engender accountability and facilitate clear division of responsibilities to ensure that there is a balance of power and authority in the Company. The Chairman of the Board is responsible for instilling good governance practices, provides leadership at Board Level, chairing meetings of the Company and the Board, represent the Board to shareholders and together with the Board, reviews and approves the strategic objectives and policies of the Group. The Chief Executive is responsible for the implementation of the Company's strategic plan, policies and decision adopted by the Board to achieve the Company's objective of creating long term value for its shareholders.

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 1.5 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, Corporate Code of Conduct & Code of Ethics, Whistleblowing Policy & Procedures and Anti-Bribery and Corruption Policy & Guidelines

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 18 April 2022. The Board Charter sets out, amongst others, the roles and responsibilities of the Board, the Chairperson, the Executive Director and Independent Director. 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 18 April 2022. 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 Audit Committee Chairman, Mr. Chan Kam Chiew by emailing to whistleblowing@kerjayagroup.com.

The Board has adopted the Anti-Bribery and Corruption Policy & Guidelines across the Group in line with the guidelines provided under Section 17A of the Malaysian Anti-Corruption Commission Act 2009 on 1 June 2020. The Board believes that the policy would be key in ensuring a systematic approach to prevent corruption, and complying with applicable legal and regulatory requirements in the various jurisdictions in which the Group operates. Every director, employee and person acting on the Group's behalf is responsible for maintaining the Group's reputation and for conducting company business honestly and professionally.

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

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

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, five (5) Board meetings were held. The record of attendance is as follows:

Directors	Number of Meetings Attended by Directors
Datuk Tee Eng Ho	5/5
Tee Eng Seng	5/5
Datin Toh Siew Chuon	5/5
Datuk Mohamed Razeek bin Md Hussain Maricar	5/5
Tee Eng Tiong (appointed on 12 May 2021)	3/3
Chan Kam Chiew (appointed on 12 May 2021)	3/3
Maylee Gan Suat Lee (appointed on 12 May 2021)	3/3
Khoo Siong Kee (resigned on 12 May 2021)	2/2
Lim Kien Lai @ Lim Kean Lai (resigned on 12 May 2021)	2/2

Directors are encouraged to attend seminars and/or conferences organised by relevant regulatory authorities and professional bodies to keep abreast with latest developments in the market place and new statutory and regulatory requirements. The training needs of each Director is assessed and proposed by the respective Directors.

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

Name of Directors	Training Programmes Attended (Unless Otherwise Stated)	Date
Datuk Tee Eng Ho	• ESG Investing: More Than Just "Doing Good" • 2022 Budget	28 May 2021 14 December 2021
Tee Eng Seng	• ESG Investing: More Than Just "Doing Good" • MIA's Capital Market Conference 2021 • 2022 Budget	28 May 2021 17 June 2021 14 December 2021
Datin Toh Siew Chuon	• ESG Investing: More Than Just "Doing Good" • MIA's Capital Market Conference 2021 • 2022 Budget	28 May 2021 17 June 2021 14 December 2021
Tee Eng Tiong	• ESG Investing: More Than Just "Doing Good" • Mandatory Accreditation Program (MAP)	28 May 2021 26 to 28 July 2021

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

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

Name of Directors	Training Programmes Attended (Unless Otherwise Stated)	Date
Chan Kam Chiew	• Doubling Down on Corporate Governance Watch 2020 and Malaysian Code on Corporate Governance (2021 Update) • Corporate Liability on Corruption under the MACC Act 2009 • From Business Challenges to Tax Challenges: Conversations with your Tax Advisors • Mandatory Accreditation Program (MAP) • The Updated Malaysian Code on Corporate Government 2021 • BDO Tax Budget Webinar 2021 • KPMG Tax and Business Summit 2021 • AOB Conversation with Audit Committees • Budget 2022: Key Updates and Changes for Corporate Accountants • ISRS 4400 (revised)	4 June 2021 7 July 2021 13 July 2021 26 to 28 July 2021 29 September 2021 10 November 2021 17 to 18 November 2021 29 November 2021 2 December 2021 21 December 2021
Maylee Gan Suat Lee	• ESG Webinar for FTSEGood Bursa Malaysia Index • Company Secretaries Training Programme Essential 1.0 (part C) • Mandatory Accreditation Program (MAP) • Members' Voluntary Winding Up and Company Secretary Practices • Appeals in Civil Court: Practice and Procedure • Pleadings: Mastering the Act • Pre-trial Process: Preparation and Compliance • Injunction: Procedural Application • AOB Conversation with Audit Committees • Fraud Risk Management Training 2021	6 July 2021 15 July 2021 26 to 28 July 2021 7 August 2021 11 August 2021 13 August 2021 19 August 2021 24 August 2021 29 November 2021 2 December 2021
Datuk Mohamed Razeek bin Md Hussain Maricar	• Conflict of Interest	14 September 2021

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. The Board has adopted the Fit and Proper Policy in line with the requirements of MMLR of Bursa Securities and MCCG on 18 April 2022. The purpose of the Fit and Proper Policy is to set out the Company's approach to the assessment of the fitness and propriety of persons who hold, or who are the appointed or elected as Directors on the Board as well as Senior Management of the Group.

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

vii. Board Composition and Independence (Cont'd)

Presently, the Board consists of Executive and Non-Executive Directors with a mixture of suitably qualified and experienced professionals. The Board comprises seven (7) members, where 43% of the Board is Independent Non-Executive Directors and has fully complied with the requirement for one third (1/3) of its members to be independent as stated in Paragraph 15.02(1) of the MMLR of Bursa Securities. To comply with Practice 5.2 of the MCCG where it requires at least half of the Board members comprises independent directors, the Board will require to add one (1) more independent director to the present composition but the Board did not set a timeframe to fulfil the said MCCG's recommendation as the Board opined that finding a independent candidate that is right fit for the Company is more important than other factors.

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.

On an annual basis, the Nomination Committee would review the independence of the Independent Directors. Criteria for assessment of independence are based on the requirements and definition of "independent director" as set out in the MMLR. Each Independent Directors is required to confirm their independence by giving the Board a written confirmation of their independence. In addition, consideration would also be given to assess whether the independent directors are able to act independently of management and free from any business or other relationship.

viii. Tenure Limit of Independent Directors

MCCG provides that at least half of the board comprises independent directors. For 'Large Companies' defined in the MCCG, the board comprises a majority independent directors. The MCCG further provides that the tenure of an independent director should not exceed a cumulative term limit of nine (9) years. Upon completion of the nine (9) years, an independent director may continue to serve on the board as a non-independent director. If the board intends to retain an independent director beyond nine (9) years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

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 from the date of first appointment. Upon completion of nine (9) years, the Board may subject to the assessment of the Nominating Committee, on an annual basis at annual general meeting, recommend and subject to valid justifications and obtaining shareholders' approval, retain an Independent Director beyond the nine (9) years' term through a two-tier voting process. Should the resolution tabled to the shareholders to retain an Independent Director who has served for nine (9) years or more in the same capacity defeated, the said Independent Director may continue to serve on the Board but shall be redesignated as a Non-Independent Non-Executive Director. Where the tenure of an Independent Directors exceeds a cumulative term of twelve (12) years or more in the same capacity, the said Independent Director if continue to serve on the Board, shall be redesignated to non-independent director. For good governance practice, the Company would incorporate the following provisions in its Constitution and seek its shareholders approval at the forthcoming annual general meeting:-

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

(a) Annual re-appointment by the shareholders 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 nine (9) years; and

(b) Redesignation to non-independent director should the said director continue to serve on the Board for a cumulative term of beyond twelve (12) years.

Corporate Governance Overview Statement (Cont'd)

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

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

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. Nevertheless, none of the Directors of the Company has served for a cumulative term of nine (9) years.

ix. Diversity of the Board and Management

The Board recognises the benefit of gender diversity. The Board through its Nomination Committee will conduct Board appointment process in a manner that promotes gender diversity as formalised in the Gender Diversity Policy and Target ("Gender Diversity Policy") was reviewed on 18 April 2022. Based on the Gender Diversity Policy, the Board shall comprise at least one (1) woman director at all times. However, the Board endeavours to have at least 30% women directors on the Board.

The Board support the gender diversity policy and has one (1) female Executive Director and One (1) Independent Non-Executive Director in the Board (i.e. 28.6% women directors). To achieve 30% women directors on Board as recommended in the MCCG, the Board will require to add one (1) more woman director to the present composition but 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. Nevertheless, the Board is mindful of the said recommendation in the MCCG and would continue to assess and explore the opportunities. 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.

The appointment of Board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender. The current diversity in the ethnicity, age distribution and skillsets of the existing Board members are as follows:-

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

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

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

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

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

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 an Independent Non-Executive Director and comprises exclusively Independent Non-Executive Directors. The Nomination Committee is empowered to identify and recommend new appointments to the Board. Potential candidates may be proposed by existing Board members, senior management, major shareholders and third-party referral/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. For appointment of Independent Directors, the Nomination Committee would also assess whether the candidate meets the requirements for independence based on the criteria prescribed in the MMLR of Bursa Securities.

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. Pursuant to the Board Charter, any Director, before accepting an offer of appointment of other directorships, shall notify the Chairman of the Board on the acceptance of the proposed appointment.

During the Financial Year, the Nomination Committee had assessed the following nomination of appointment of Directors proposed by the senior management of which all nominations were approved by the Board:-

Date	Nature of Change	Name of Director	Designation & Directorate
12.05.2021	Appointment	Tee Eng Tiong	Chief Executive Officer & Executive Director
12.05.2021	Appointment	Chan Kam Chiew	Independent Non-Executive Director
12.05.2021	Appointment	Maylee Gan Suat Lee	Independent Non-Executive Director

In identifying candidates for nomination of appointment for Independent Directors, the management did not utilise independent sources to identify suitably qualified candidate simply because it is to shorten the appointment process and also the management already have knowledge of the candidates' personal qualities, experience, expertise, reputation, etc through other business encounters.

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 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. 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 Committee is chaired by an Independent Director and comprises exclusively Independent Non-Executive Directors. The Remuneration Committee is tasked to review the remuneration policy for the Directors and Senior Management of the Group.

The remuneration policy of the Company provides that all Executive Directors and Senior Management are remunerated based on the Group 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 and Senior Management shall be reviewed and determined by the Remuneration Committee, who makes recommendation to the Board for approval. On the recommendation of the Remuneration Committee, the Board reviews and approves the remuneration of the Executive Directors with the respective Executive Director abstained from discussions and decisions on their own remuneration. Under normal circumstances, the respective Director(s) would be excused from the relevant meetings before the deliberation on their remuneration take place.

The Executive Directors shall be entitled to participate in the Company's annual cash bonus. The amount of bonus shall be reviewed and determined by the Remuneration Committee, who makes recommendation to the Board for approval. Salaries (fixed sum or by way of a percentage of profits) and other remuneration including benefits payable to Executive Directors pursuant to a contract of service need not be determined by the Company in general meeting and it may not include a commission on or a percentage of turnover. Executive Directors shall also be entitled to other benefits provided to employee of the Company and other additional benefits, if so, recommended by the Remuneration Committee to the Board for approval.

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

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

The remuneration of Non-Executive Directors, which is made up of Directors' fee, meeting allowance if any and other benefits, if any, proposed by the Remuneration Committee is determined by the Board. The said fees and any benefits payable to the Non-Executive Directors shall from time to time be determined by the Company in general meeting. Such fees and any benefits payable to the Non-Executive Directors shall be subject to annual approval at annual general meeting in accordance with the provisions in the Constitution of the Company.

All Non-Executive Directors (regardless their chairmanship in the Board and/or Board Committee) are currently paid fixed director fees as a member of the Board.

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. At the last Annual General Meeting held on 27 May 2021, the Company had obtained shareholders' approval for the payment of Directors' fees of RM196,284 to the Non-Executive Directors for their services as Directors in respect of the financial year ended 31 December 2020. At the said general meeting, the Company had also obtained shareholders' approval to empower the Board to pay directors' benefits of not more than RM50,000 per annum to the Non-Executive Directors as meeting allowance for attendance of Board and Board Committee meetings for the period from 27 May 2021 until the next annual general meeting.

The amount of Directors' fee proposed for the shareholders' approval at the forthcoming AGM is RM200,427. 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 38th Annual General Meeting until the following annual general meeting of the Company.

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)	Tee Eng Tiong (RM'000)
Directors' Fee	–	–	–	–
Meeting Allowances	–	–	–	–
Salaries	677.8	1,202.5	1,202.5	573.4
Bonus	–	100.2	100.2	75.0
Benefits-in-Kind	81.7	–	21.2	1.6
Other Emoluments	–	157.3	157.3	76.0
Total	**759.5**	**1,460.0**	**1,481.2**	**726.0**

* Datuk Tee Eng Ho was redesignated from Executive Chairman to Non-Independent Non-Executive Chairman on 12th May 2021

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

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

Received from Subsidiaries	NON-INDEPENDENT NON-EXECUTIVE DIRECTORS
	Datuk Tee Eng Ho (RM'000)
Directors' Fee	–
Meeting Allowances	–
Salaries	535.2
Bonus	70.0
Benefits-in-Kind	10.6
Other Emoluments	73.1
Total	**688.9**

Received from Subsidiaries	NON-INDEPENDENT NON-EXECUTIVE DIRECTORS				
	Chan Kam Chiew (RM'000)	Maylee Gan Suat Lee (RM'000)	Datuk Mohamed Razeek bin Md Hussain Maricar (RM'000)	Khoo Siong Kee ^ (RM'000)	Lim Kien Lai @ Lim Kean Lai ^ (RM'000)
Directors' Fee	52.0	38.3	60.0	29.0	21.1
Meeting Allowances	3.5	3.5	8.5	5.0	5.0
Salaries	–	–	–	–	–
Bonus	–	–	–	–	–
Benefits-in-Kind	–	–	–	–	–
Other Emoluments	–	–	–	–	–
Total	**55.5**	**41.8**	**68.5**	**34.0**	**26.1**

^ Resigned on 12th May 2021

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	Tee Eng Tiong
RM700 – RM750	–	–	–	√
RM750 – RM800	√	–	–	–
RM1,450 – RM1,500	–	√	√	–

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.

The Audit Committee has policy that requires a former partner of the external audit firm to observe a cooling-off period of at least three (3) years before being appointed as a member of the Audit Committee. This applies to all former partners of the audit firm and/or the affiliates firm (including those providing advisory services, tax consultancy, etc). 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.

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.

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 clarity of presentation of report produced, appropriateness of audit fees to perform audit, competency of the staffs assigned to the audit as well as the auditors' independence 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.

Corporate Governance Overview Statement (Cont'd)

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, an independent professional service provider whose principal responsibility is to undertake internal audits in accordance with the approved risk-based internal audit plan. The outsourced internal audit function was headed by Ms. Melissa Koay, Executive Director. She is a Certified Member of the Institute of Internal Auditors Malaysia, a member of the Malaysian Institute of Accountants and a Fellow Member of the Association of Chartered Certified Accountants, United Kingdom. Ms. Melissa is also a Certified Internal Auditor. The team members who performed the internal audit assessment include an Executive Director and another two (2) to three (3) members who possess accounting 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, Corporate Code of Conduct and Code of Ethics, Whistleblowing Policy & Procedure and Anti-Bribery and Corruption Policy & Guidelines.

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

Contact Person: Mr Tee Eng Tiong (Chief Executive Officer & Executive Director)
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. Chan Kam Chiew to act as the 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

The Company's general meeting remains the principal forum for dialogue with shareholders, in particular, private investors, whereby they are provided with an opportunity to participate, raise questions pertaining to issues in the Annual Report, Audited Financial Statements and corporate developments/proposals of the Group, the resolutions being proposed and/or on the business of the Group and communicate their expectations and possible concerns.

The Board had adopted the recommendation of MCCG for the notice of general meetings to be given to shareholders at least 28 days prior to the meetings. All Board members will ensure their attendance in the general meetings and the respective chairman of the Board Committees, Senior Management and the Group's external auditors as well as the Company's advisers shall attend to respond to shareholders' questions during the general meetings of the Company as the case may be.

Explanation for each proposed resolution is set out in the notice of general meetings 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 general meetings will be put to vote by poll. The Company will also appoint an independent scrutineer to validate the vote cast in the general meetings. The outcome of the general meetings will then be announced to Bursa Securities on the same meeting day while the summary of key matters of the annual general meeting, if any, discussed during the said general meetings will be posted on the Company website. Minutes of general meetings will be published on the Company's website no later than 30 business days after the general meeting to comply with the recommended Practice 13.6 of the MCCG.

The Company hold its general meetings at the time and venue which are convenient and easily accessible to all shareholders. The Company will also leverage technology for smooth conduct and/or broadcast of virtual general meetings (fully virtual or hybrid) to facilitate greater shareholders' participation and engagement with the Board as well as to enhance the proceedings of general meetings, including voting in absentia (i.e. without being physically present at general meetings) and remote shareholders' participation where shareholders are provided with sufficient opportunity to pose questions during the general meetings and receive meaningful responses.

General meetings of the Company remain important avenues for the Board and Management to have better engagement with the shareholders present.

Only shareholders whose names appear in the Record of Depositors as at the date determined are entitled to attend and vote at the General Meetings. Shareholders are encouraged to attend general meetings of the Company. Shareholders who are unable to attend the general meetings are advised that they can appoint proxy(ies) to attend and vote on their behalf.

This Statement is made in accordance with the resolution of the Board dated 18 April 2022.

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.

RISK MANAGEMENT

The Group has an ongoing process for identifying, evaluating and managing the significant risks faced by the Group throughout the financial year under review. This is to ensure that all high risks are adequately addressed at various levels within the Group. Risk management is embedded in the Group's management system and it is every employee's responsibility. The Group firmly believes that risk management is critical for the Group's continued profitability and the enhancement of shareholder value. The risk profile of the Group was established during risk mapping and assessment sessions facilitated by the external consultant. The risk responses and internal controls that the Management has taken and/or is taking are documented in the risk templates. For each of the risks identified, a risk owner is assigned to ensure appropriate risk response actions are carried out and the implementation of the actions are being closely monitored.

The Board regards risk management as an integral part of the Group's business operations and has oversight over this critical area through the Risk management Committee ("RMC"). The RMC, supported by the Internal Audit team, provides an independent assessment of the effectiveness of the Group's Enterprise Risk Management ("ERM") framework and reports to the Board. The Group's ERM is consistent with the ERM framework and involves systematically identifying, analysing, measuring, monitoring and reporting on the risks that may affect the achievement of its business objectives. This framework helps to reduce the uncertainties surrounding the Group's internal and external environment.

The ERM process is based on the following principles:

- Consider and manage risks enterprise-wide;
- Integrate risk management into business activities;
- Manage risk in accordance with the Risk Management framework;
- Tailor responses to business circumstances; and
- Communicate risks and responses to Management

During the financial year under review, the following risk management activities were carried out:

- Risk review and update by the respective Heads of Departments, where key risks identified were rated in terms of likelihood of the risk occurring and its impact should the risk occur;
- Update of the Group's risk profile based on risk review and update; and
- The results of the risk review and update were reported to the Risk Management Committee

RISK MANAGEMENT (CONT'D)

The Board recognises the importance of effective ERM in enhancing shareholder value while upholding a high standard of corporate governance. Combining a strong and sustained commitment from the Board and Senior Management with a clear direction and oversight from all levels of leadership, the Group embraces a holistic risk management approach to achieve its business targets with minimal surprises. The abovementioned risk management practices of the Group serve as the on-going process used to identify, evaluate and manage significant risks for the financial year under review and up to the date of approval of this Statement.

Monitoring Activities

In the year under review, the following monitoring activities were undertaken to provide assurance on the effectiveness of risk management and internal controls:

a) Our Board through our RMC has reviewed the risk management updates as well as the progress of compliance status of the internal control and risk management system; and

b) Our RMC has reviewed the process and compliance, exceptions identified by external auditors and internal auditors on a periodic basis. The implementation of the recommendations is tracked and reported to the RMC on a periodic basis.

Management has taken the necessary actions to remediate weaknesses identified for the year under review. Our Board and senior leadership continuously assess the effectiveness of monitoring activities over risks and take measures to strengthen our risk management and internal control environment.

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;

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

OTHER KEY ELEMENTS OF THE GROUP'S CONTROL ENVIRONMENT (CONT'D)

(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.

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 2021. 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 ("AAPG3") issued by the Malaysian Institute of Accountants. ("AAPG3") 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 18 April 2022.

Audit Committee Report

The Board of Directors ("**Board**") of Kerjaya Prospek Group Berhad ("**Company**") is pleased to present the report of its Audit Committee ("**AC**") for the financial year ended 31 December 2021 ("**Financial Year**").

The primary objective of the AC is to assist the Board in discharging its statutory duties and responsibilities relating to the corporate accounting and financial reporting practices for the Company and all its subsidiaries ("**Group**") and to ensure the adequacy and effectiveness of the Group's system of internal control, providing oversight of both external and internal audit functions.

1. COMPOSITION AND MEETINGS

The AC is established by the 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 paragraphs 15.09 and 15.10 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**MMLR**").

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

Name of the AC Member and Directorship	**Attendance**
Chan Kam Chiew – Chairman (appointed on 12 May 2021) *Independent Non-Executive Director*	3/3
Maylee Gan Suat Lee – Member (appointed on 12 May 2021) *Independent Non-Executive Director*	3/3
Datuk Mohamed Razeek bin Md Hussain Maricar - Member *Independent Non-Executive Director*	5/5
Khoo Siong Kee – Chairman (resigned on 12 May 2021) *Senior Independent Non-Executive Director*	2/2
Lim Kien Lai @ Lim Kean Lai – Member (resigned on 12 May 2021) *Independent Non-Executive Director*	2/2

A full agenda and comprehensive set of meeting papers were circulated to each AC members with sufficient notification prior to each meeting. There were five (5) Audit Committee sittings during the Financial Year. The Internal and External Auditors were called in when relevant.

The representatives from the Management attended the meetings by invitation for 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.

At the invitation of the AC, the Internal Auditors attended three (3) meetings during the Financial Year whilst the External Auditors attended two (2) meetings. During the Financial Year, the AC met separately with the External Auditors without the presence of the Management.

Proceedings of each AC meeting are recorded and minutes of meetings are 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

The AC is governed by its Terms of Reference.

Pursuant to Paragraph 9.25 of the MMLR of Bursa Malaysia Securities Berhad, the Terms of Reference of AC is 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

In accordance with its Terms of Reference, the works undertaken by the AC during the Financial Year included the deliberation and review of 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) Reviewed the revised Related Party Transaction Policy & Procedure and recommended the same to the Board for endorsement and adoption.

(9) Reviewed the amended Terms of Reference of the AC to ensure that the terms of reference adopted are aligned with the development of the rules, regulations, guidelines, best practices issued and recommended the said revised Terms of Reference to the Board for endorsement and adoption.

(10) Discussed on Bursa Securities' letter to all listed issuers on key observations on the effectiveness of internal audit function of listed issuers.

(11) Discussed on updates on a legal suit involving a wholly-owned subsidiary of the Company.

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

3. WORK DONE BY AC DURING THE FINANCIAL YEAR (CONT'D)

In accordance with its Terms of Reference, the works undertaken by the AC during the Financial Year included the deliberation and review of the following:-

(13) Reviewed with the Internal Auditors 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 Auditors 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.

(14) Reviewed the status of compliance of the Company with regard to the Malaysian Code on 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.

(15) Discussed on updates on Enterprise-wide Risk Management framework and reporting structure and the proposed recommendations for improvement to be implemented.

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 audit function is outsourced to Tricor Axcelasia 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 Internal Auditors report directly to the AC and assist the AC to discharge its duties and responsibilities.

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. All the staff involved in the internal audit were required to provide a conflict-of-interest declaration annually as well as the declaration on compliance of code of ethics from the Institute of Internal Auditors.

The Internal Auditors prepare and table the Internal Audit Plan for the consideration and approval of the AC. They conduct independent reviews of the key activities of the Group's operations based on audit plan approved by the AC.

During the Financial Year, the Internal Auditors have carried out field audit works covering one of its subsidiaries, Kerjaya Prospek (M) Sdn. Bhd. in relation to health and safety management, project closure 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 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).

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 19 April 2021 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

The Board of Directors ("**Board**") of Kerjaya Prospek Group Berhad ("**Company**") is pleased to present the report of its Nominating Committee for the financial year ended 31 December 2021.

The primary objective of the Nominating Committee is to assist the Board in establishing board nomination policy and examining/recommending the skills and characteristics required of board candidates, assessing the recommended candidates to fill vacancies on the Board which require the Board's approval; and assessing and evaluating the performance of the Board and individual directors' effectiveness on an annual basis.

Information on the Nominating Committee, board appointment and annual evaluation can also be found in Corporate Governance Overview Statement of this Annual Report.

1. COMPOSITION OF NOMINATION COMMITTEE

The present Nomination Committee comprises three (3) Non-Executive Directors, all of whom are Independent Directors and is chaired by an Independent Director, Datuk Mohamed Razeek bin Md Hussain Maricar.

Chairman	:	Datuk Mohamed Razeek bin Md Hussain Maricar (Independent Non-Executive Director)
Members	:	Mr. Chan Kam Chiew (Independent Non-Executive Director)
	:	Ms. Maylee Gan Suat Lee (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 2021 ("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.

2. ACTIVITIES OF THE NOMINATION COMMITTEE (CONT'D)

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 Main Market Listing Requirements of Bursa Malaysia Securities Berhad 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

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.

iv. Nomination of Appointment to the Board

During the Financial Year, the Nomination Committee had assessed the following nominations of appointment of Directors proposed by the senior management of which all nominations were approved by the Board:-

Date	Name of Director	Designation & Directorate
12.05.2021	Tee Eng Tiong	Executive Director & Chief Executive Officer
12.05.2021	Chan Kam Chiew	Independent Non-Executive Director
12.05.2021	Maylee Gan Suat Lee	Independent Non-Executive Director

Further details on the Nominating Committee's activities on the above nomination are discussed in the Corporate Governance Overview Statement of this Annual Report.

v. Nomination of Appointment to the Board Committees

During the Financial Year, the Nomination Committee had recommended changes to the composition of the Audit Committee, Nomination Committee and Remuneration Committee following the appointments of Directors as set out in item 2(iv) above and resignation of 2 long-serving independent directors of the Company, namely, Mr. Khoo Siong Kee and Mr. Lim Kien Lai @ Lim Kean Lai on 12 May 2021.

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

This Sustainability Report ("Report") elaborates Kerjaya Prospek Group Berhad ("Kerjaya"/the "Company")'s concepts, practices and achievements of its sustainable development and social responsibility during the financial year ended 31 December ("FYE") 2021 from the economic, environmental and social ("EES") as well as governance aspects.

Scope of the Report

The Report covers Kerjaya and its subsidiaries ("the Group"). Information disclosed in this Statement encompasses our business and non-business related activities.

KERJAYA PROSPEK GROUP BERHAD

CONSTRUCTION

PROPERT DEVELOPMENT

MANUFACTURING

The Report covers the period from 1 January 2021 to 31 December 2021. All information in the Report is disclosed from the Group level.

Reporting principles

The Report is prepared in accordance with the requirements of the:

- Bursa Malaysia Securities Berhad ("**Bursa Malaysia**")'s Sustainability Reporting Guide (2nd Edition);
- Listing Requirements of Bursa Malaysia [Paragraph 29 of Appendix 9C of the Main Market Listing Requirements (supplemented by Practice Note 9)]; and
- Sustainability Reporting Standards ("**GRI Standards**") core option published by Global Reporting Initiative.

The Report follows the reporting principles of:

MATERIALITY	The Group identifies key EES issues through stakeholder engagement and materiality assessment
QUANTITATIVES	The Report states the Group's key environmental and social KPI's on a quantitative basis; quantitative information is accompanied by a narrative, explaining its purpose, impacts, and giving comparative data where appropriate
BALANCE	The Report provides an unbiased picture of the Group's environmental and social performance

Sustainability Report (Cont'd)

COMMITMENT TO SUSTAINABILITY DEVELOPMENT

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 Bursa Malaysia's Sustainability Reporting Guide (2nd Edition), the Group's sustainability practices are to ensure that EES's risks and opportunities are tied in with our governance framework and social responsibilities. This enables our corporate success and behaviour to be judged and measured by the public.

In this respect, our mission, as a responsible corporate citizen, is to ensure high standards of governance across our business to promote responsible business practices, manage environmental impacts, and meet the social needs of the community in which we operate, which is in line with our corporate culture.

OUR POLICY ON SUSTAINABILITY

- Embrace Sustainability in Organisation Culture
- Capitalise on Latest Technology and Information
- Strengthen the Core Businesses
- Build Regional Global Connectivity
- Foster a High Performance Partnership

The Group continued success in maintaining a sustainable business and generating long-term shareholders' value is influenced by several internal and external factors. Each material factor presents unique risks and opportunities to our organisation and is a key consideration in our approach to strategies formulation and execution as it substantially influences the assessments and decisions of our stakeholders. The Board regularly reviews these factors to assess their impacts on our business model over the near, medium and long term.

In line with the circular economy, Kerjaya 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 must take care and ultimately, it is in tandem with the EES principles.

People
Buiding a resilient workforce and serving our community

+

Profit
Sustaining our economy and business earning

+

Planet
Conserving our environment

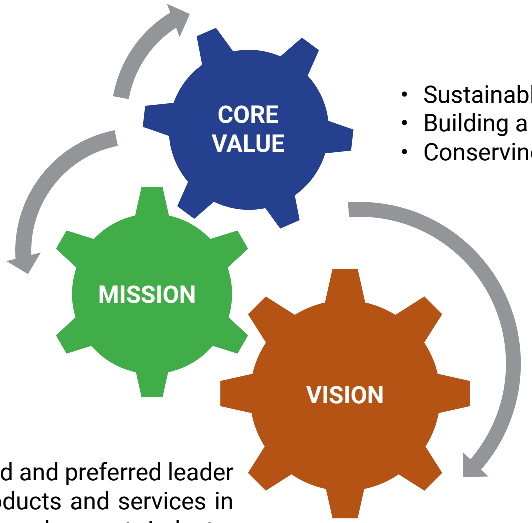
=

Triple Bottom Line

GOVERNANCE FRAMEWORK

Vision, Mission and Core Value

Our vision and mission are the cornerstones of our commitment to the sustainability of the Group. Our core values are the guiding principles that we uphold in day-to-day operations and conduct ourselves to support our vision and shape our culture.



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

- Sustainable Profitability
- Building a resilient workforce
- Conserving our environment

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

Governance Structure

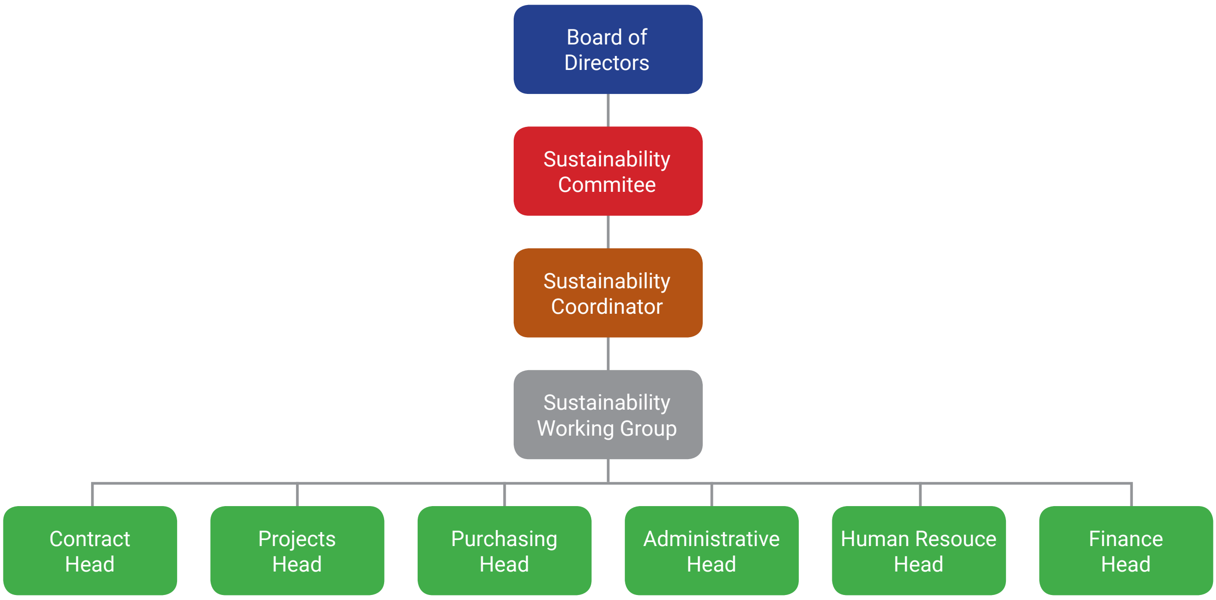
Sustainability is embedded in our organisational approach and is led from the top. The Board of Directors ("**Board**") plays a vital guidance and oversight role in advancing sustainability across the organisation. The Board should have an overall fluency in sustainability so that they can connect sustainability issues to the strategic decision making for the business. The Board must have a basic understanding of sustainability to ask the right questions and ultimately tie sustainability back to the business and strategic decision making.

Hence, the Group has formed a Sustainability Committee ("**the Committee**") which is directly accountable to the Board. Our Committee is currently chaired by Chief Executive Officer ("**CEO**") with Executives Directors as committee members. The heads from different departments form a Sustainability Working Group that reporting to the Committee coordinated by Sustainability Coordinator. The Committee meets the Board half yearly to deliberate on the focus areas of our strategic sustainability developments, its direction and goals. The driving principle behind is to develop specific policy recommendations, enhance efficiency, minimise costs and engage staff in sustainability.

The responsibility of the Board includes the following:

- Oversee the sustainability efforts and initiatives of the Group
- Review and endorse the material sustainability matters of the Group
- Review and endorse the sustainability initiatives proposed by the Committee
- Review and endorse the annual sustainability report for inclusion in the annual report
- Set strategies that support long-term value creation

GOVERNANCE FRAMEWORK (CONT'D)



The responsibility of the Committee to promote and embed sustainability in the Group includes overseeing the following:

- Stakeholders' engagement
- Identification of material sustainability matters that are relevant to the Group's business operation
- Management of material sustainability risks and opportunities including of sustainability initiatives and measures to be implemented across the Group
- Tracking and communication of sustainability strategies, priorities and targets as well as performance against targets to internal and external stakeholders

The Committee also cascades sustainability matters to their respective teams in the form of policies, internal memos and updates to the Group's Standard Operating Procedures ("**SOPs**") to continue embedding sustainability in every aspect of the Group's daily operation. In addition to that, internal and external stakeholders remain informed of the Company's sustainability strategies, priorities as well as targets and performance against target through engagements and disclosures in the Company's website.

The Board also acknowledges that risk management and internal control are integral to our corporate governance and it is responsible for establishing a sound risk management framework and internal control system as well as to ensure their adequacy and effectiveness. The review of the adequacy and effectiveness of the risk management framework and the system of internal control is delegated by the Board to the Audit Committee.

The Group's performance is also tracked with the assistance of the Nomination and Remuneration Committee. Performance evaluation of the Board and Senior Management include a review of the performance of the Group in addressing the Group's material sustainability risks and opportunities.

Ethical Business Practices and Anti-Bribery and Corruption Policy & Guidelines

The Board recognises the importance of ethical business conduct across the operations to maintain our stakeholders' trust. Our businesses are conducted with integrity through good governance as mentioned by the Corporate Code of Conduct and Code of Ethic.

GOVERNANCE FRAMEWORK (CONT'D)

Good governance is the bedrock of our business, led by ethical business practices and integrity. We have embedded the highest standards of governance in our business not only by complying with the law but through processes and directives that continue to reinforce the principles.

The Group has established and adopted Anti-Bribery and Corruption Policy & Guidelines ("**ABC Policy**") as we are committed to a zero-tolerance approach in our efforts to prevent corrupt and bribery practices. We are committed to conduct our business ethically, as well as in conformity with all applicable laws. This ABC Policy is applicable to the Board, our employees as well as any third parties associated with us.

The Group inducts all new employees on the Company's ABC Policy as well as Corporate Code of Conduct and Code of Ethic, during the dedicated in-house orientation programme. Any updates are done through the internal network and all employees sign off on the Company's policies on confidentiality and conflict of interest, integrity and prevention of staff fraud once they have attended the Group's internal briefings.

STAKEHOLDERS' ENGAGEMENT AND COMMUNICATION

The Board continued to engage our stakeholders actively throughout the fiscal year as part of our sustainability assessment process. Engagement with stakeholders allows us to gain a more complete understanding of our materiality issues and matters whilst, we are also able to capture the key aspects and impacts of our sustainability journey.

The table below lists our key stakeholder groups and their respective areas of interest as well as methods by which the Board engages them.

STAKEHOLDERS	ENGAGEMENT METHODS	ENGAGEMENT AREAS
Shareholders	• Annual & Extraordinary General Meetings • Press releases • Bursa announcements • Quarterly report • Annual report • Timely update on corporate website	• Financial and operational performance • Dividend policy • Return on investments
Government	• Compliances to laws and regulations	• Operation regulations • Bursa listing requirements • Companies Act • Labour law • Taxations • Department of Environment • Construction Industry Development Board • Occupational Safety and Health Act
Board of directors	• Board meetings	• Corporate strategy • Corporate governance
Employees	• Technical and skills trainings • Performance review • Departmental meetings • In-house newsletters / communications	• Occupational safety & health • Remuneration policy • Career development • Performance review • Fair employment practices • Minimum housing standards

STAKEHOLDERS' ENGAGEMENT AND COMMUNICATION (CONT'D)

STAKEHOLDERS	ENGAGEMENT METHODS	ENGAGEMENT AREAS
Financial Institutions	• Bursa announcements • Quarterly report • Annual report • Timely update on corporate website	• Financial and operational performance • Funding requirement
Customers	• Customer Relationship Management • Facilities management review • Marketing events, roadshows and sales galleries	• Customer satisfactions • After-sales services • Quality assurance
Suppliers & Contractors	• New Supplier Form • Regular meetings • Quality audit on services and products • Contract negotiation	• Services and products' quality • Legal compliances
Communities	• Charity and welfare programs	• Social contribution • Job opportunities • Donation and financial aid
Analyst / Media	• Annual & Extraordinary General Meetings • Press conferences and media releases	• Financial and operational performance • General announcements

MATERIALITY ASSESSMENT

The Board conducted a materiality assessment, collecting views from our stakeholders on key material sustainability matters that may have a significant economic, environmental and social impact on our business or substantively influence the assessment and decisions of our stakeholders.

Identification
- identification of sustainability issues via industry benchmark and comparative analysis

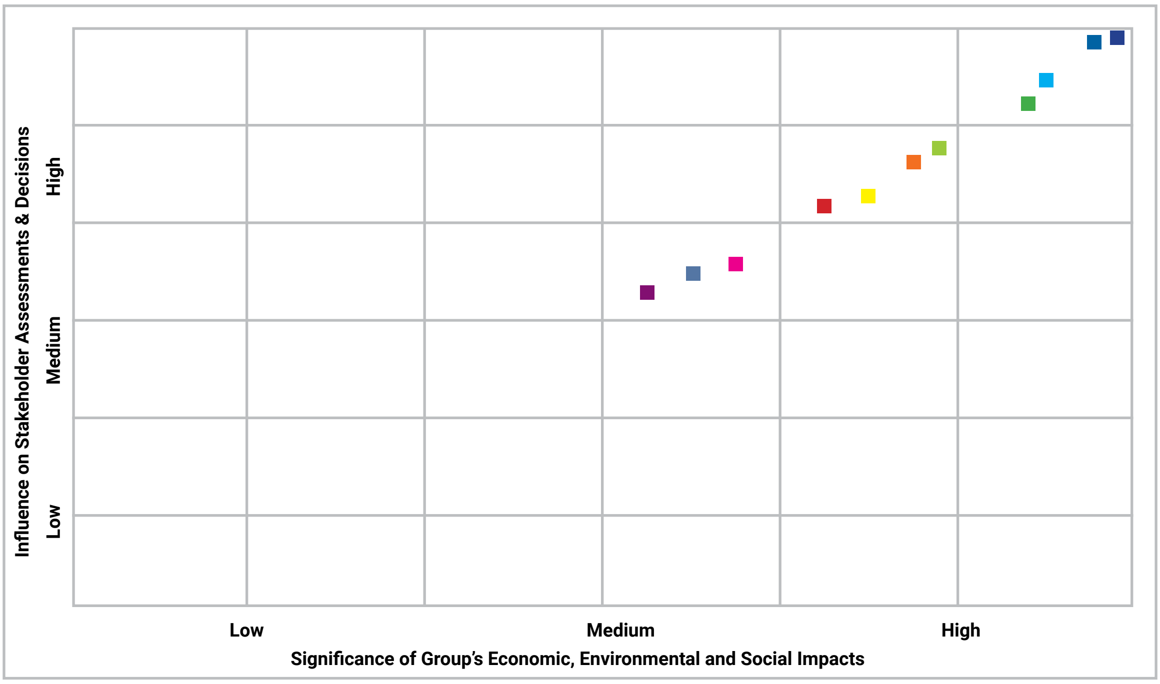
Prioritisation
- priortisation is assessed based on the significance and importance of EES to external and internal stakeholders

Validation
- validation is doneby Sustainability Committee

Review
- the material sustainability matter are reviewed and reassessed on their relevance from time to time

Sustainability Report (Cont'd)

MATERIALITY ASSESSMENT (CONT'D)



- Financial Sustainability
- Product Responsibility
- Occupational Health & Safety
- Corporate Governance Compliance
- Ethics & Integrity
- Community Engagement
- Supply Chain Management
- Talent Attraction, Retention & Development
- Energy & Water Savings
- Waste & Recycling
- Environmental Management

RESPONSES TO SUSTAINABLE DEVELOPMENT GOALS ("SDG(S)")

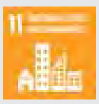
In September 2015, all one hundred and ninety-three (193) United Nation member states adopted "Agenda 2030" - a plan to solve the world's most pressing EES problems over the next fifteen (15) years. It consists of seventeen (17) goals and one hundred and sixty-nine (169) targets that cover a broad set of challenges such as economic inclusion, geopolitical instability, depleting natural resources, environmental degradation and climate change. Malaysia is committed to "Agenda 2030" through its SDG Roadmap.

We support the SDGs, recognise their strategic importance to our business and to the world, hence we are committed to helping achieve them. The Group has well-established programs to ensure we operate sustainably and responsibly, following our long-standing commitment to ethical corporate citizenship and promoting sustainability in all our activities. All the SDGs are relevant to our operations to varying degrees and we are already contributing to many of these goals.

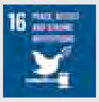
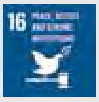
RESPONSES TO SUSTAINABLE DEVELOPMENT GOALS ("SDG(S)") (CONT'D)

SUSTAINABILITY RISKS AND RESPONSES

The Board understands the importance of addressing sustainability risks and opportunities in an integrated and strategic manner to support the Group's long-term strategy and success. The Board proactively considers sustainability issues when overseeing the planning, performance and long-term strategy of the Company to ensure the Company remains resilient so as to deliver durable and sustainable value as well as maintain the confident of its stakeholders.

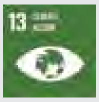
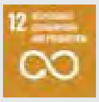
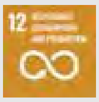
Rank	Material Sustainability Matters	ESS Pillar	SDGs	Risks	Responses
1	Financial Sustainability	Economic		Fast changing customers' needs	Deliver sustainable financial growth by continuingly enhancing our market competitiveness and venture into other investment opportunities
2	Product Responsibility	Economic	 	Poor quality of the product potentially affects customer satisfaction and hence reputation of the Group	Quality assurance via ISO 9001:2015 - Quality Management System Standards and QLASSIC score

SUSTAINABILITY RISKS AND RESPONSES (CONT'D)

Rank	Material Sustainability Matters	ESS Pillar	SDGs	Risks	Responses
3	Supply Chain Management	Economic		Poor quality by suppliers and contractors potentially affects customer satisfaction and hence reputation of the Group	Quality assurance via ISO 9001:2015 - Quality Management System Standards and periodic assessments on suppliers and contractors
4	Occupational Health & Safety	Social	 	Public health emergencies such as COVID-19 outbreak in early 2020, have severe impact on public health	The Group promotes comprehensive health and safety management and establishes the Occupational Health and Safety Committee
5	Corporate Governance Compliance	Social		Non-compliance potentially tarnishes the image of the Group	Improve awareness via training throughout the organisation
6	Ethics & Integrity	Social		Corruption directly correlated to the branding and reputation of the Group	We take a zero-tolerance approach to all forms of bribery and corruptions
7	Community Engagement	Social	 	Corporate social responsibility to contribute to society	Continuous engagement with community to bring positive difference for people across all walks of life
8	Talent Attraction, Retention & Development	Social	   	Staff engagement, transforming staff to evolving needs and supporting employment with limited resources without compromise is challenging. The loss of talent will critically affect the overall business	The Group continues to cultivate a high-performance culture and nurture a vibrant and diverse workforce with robust training and succession plan

Sustainability Report (Cont'd)

SUSTAINABILITY RISKS AND RESPONSES (CONT'D)

Rank	Material Sustainability Matters	ESS Pillar	SDGs	Risks	Responses
9	Energy & Water Savings	Environmental	  	Intensified climate change	Maximise energy efficiency via green energy and conserve water usage
10	Waste & Recycling	Environmental	 	Waste creation and illegal waste disposal	Engagement of licensed waste collector and to use aluminium formwork in replacement of timber in construction sites
11	Environmental Management	Environmental	 	Environmental pollution potentially results in complaints and penalties	Measures to control excessive noise, air and water pollution

ECONOMIC

Financial Sustainability

Our shareholders are the ultimate owners of the Company and as such, the Group's healthy and sustainable financial performance and position is one of the material sustainability matters to our Group. We define this economic performance as our ability to continuously grow our business over the time. Hence, we have set ourselves a bold target of at least 5% growth per annum on revenue and profit after tax. In this context, our total revenue has increased by 19%, from RM824.5 million in FYE 2020 to RM977.0 million in FYE 2021. Similarly, our profit after tax has reported an increase of 7%, from RM90.8 million in FYE 2020 to RM96.9 million in FYE 2021.

To promote transparency, our shareholders are entitled to timely and quality information on the Group's financial performance and position. Apart from the Annual General Meeting where shareholders are encouraged to ask questions to the Board and Executive Management on business operations, and the financial performance and position of the Group, the Group's corporate website at www.kerjayagroup.com also provides a link on investor relations where quarterly and annual financial statements, announcements, financial information, annual reports, circulars/statements to shareholders and other pertinent information are uploaded on a timely basis when available.

Sustainability Report (Cont'd)

ECONOMIC (CONT'D)

Financial Sustainability (Cont'd)

To generate sustainable and long-term economic value for our shareholders, we seek to continue enhancing our marketing competitiveness by keeping abreast of the latest market demand. As a trusted nation builder, Kerjaya adheres to the "customer-oriented" business concept and continue to pursue innovation to keep up with the needs of our customers such as usage of green cement which reduces the dependency on calcium oxide, switching to aluminosilicates which is a substance that releases less carbon dioxide.

We understand that customers are our most important innovation partners. As we are constantly challenged to stay ahead of the competition, customer feedback is a valuable and immense resource of ideas that can ensure our product development and innovation alignment with their current and future needs. Hence, we collect feedback from our customers via various channels i.e. social media, e-commerce platform, website, hotline, frontline staff so that we hear their expectation and thus advance the future improvements.

Product Responsibility

As one of Malaysia's most trusted builders, Kerjaya maintains strong trust and working relationships with its customers in a highly competitive market space. The Group's charter to value the customers' wellbeing, safety and satisfaction are at the core of our commitment to products responsibility throughout the products' lifecycle.

CUSTOMERS' SATISFACTION
Internationally recognised best practices and international quality and safety accreditation
Experienced workforce that equipped with professional knowledge and comprehensive training
Prompt delivery and reliable customer service
Efficient after-sales service, create an integrated and resilient workforce

When customers choose Kerjaya, they have cast their vote of confidence in the quality of our products. To reciprocate this trust, we serve wholeheartedly to satisfy their needs and expectations by offering high-quality products. For our commitment to quality and customer satisfaction, we are ISO 9001:2015 - Quality Management System Standards certified. This accreditation enhanced our credibility and upheld our standard in the construction industry. Furthermore, our Group is in compliance with all relevant laws and regulations governing safety and quality.

With almost thirty (30) years of industry expertise, we are well-established in construction of high-end commercial and high-rise residential buildings, property development and manufacturing of lighting and kitchen solutions. We possess teams of well-equipped employees with industry knowledge who are able to manage and deliver customers' expectation. To keep abreast with more technological advances and innovations that have besieged the sectors that we are involved in, Kerjaya advocates technology embracement in our processes. On top of upskilling ourselves, as a move to reduce human error and over reliance on manual labour, we constantly innovate and adopt Industrialised Building System (IBS) to increase operational efficiencies and improve the quality of our final products to our clients.

In addition to that, we use Quality Assessment System of Construction ("QLASSIC") as an assessment tool to evaluate the quality of workmanship of building projects based on Construction Industry Standard (CIS) 7:2014. We endeavour to provide high-quality products to our customers, hence we set the target of achieving QLASSIC score of at least 80 points for all our projects. We observed that our construction time has been reduced as building components are pre-fabricated off-site and also lower wastage of building materials that lead to a safe and clean building site. We are proudly to share that we have achieved:

- 82 points for Vertu Resort Project @ Batu Kawan, Penang; and
- 83 points for The Estate Project @ South Bangsar, Kuala Lumpur in 2021.

Sustainability Report (Cont'd)

ECONOMIC (CONT'D)

Product Responsibility (Cont'd)

Vertu Resort @ Batu Kawan, Penang

The Estate @ South Bangsar, KL

Amidst the pandemic, cybersecurity risk is intensifying, particularly with the widespread remote working and increased online interactions. In this environment, remaining cyber-resilient and building stakeholder trust in the company's data security and privacy practices are strategic imperatives. The Group views cyberattack risks as something to be reduced, if not eliminated.

The Group's IT equipment shall be uniformly installed with a designated anti-virus software. In the year under review, similar to last year, there have been no incidence or breach from malware, ransomware, hacking or other cyberattacks on its database. The Group's IT has conducted its routine IT audits and has given the Group's assets a clean bill of health, including exposure from unauthorised software usage.

Privacy of personal data is safeguarded by strictly complying with the Personal Data Protection Act 2010 (PDPA). We commit to using the customer information we collect only for the purpose intended and notified.

Supply Chain Management

The nature of business for the construction and property development industry is highly localised and the Group focuses its procurement activities on local vendors to support local job creation and price-competitiveness. As Kerjaya is a Malaysian-play construction counter, usage of local raw materials and local expertise, where possible, is an important indicator of the Group's robustness of operations. Hence we have set target to achieve at least 90% of building materials to be sourced locally. In the period under review, more than 90% of the Group's procurement budget was spent on local suppliers, ensuring the Group's control on the quality, cost-effectiveness and timeliness of delivery from suppliers.

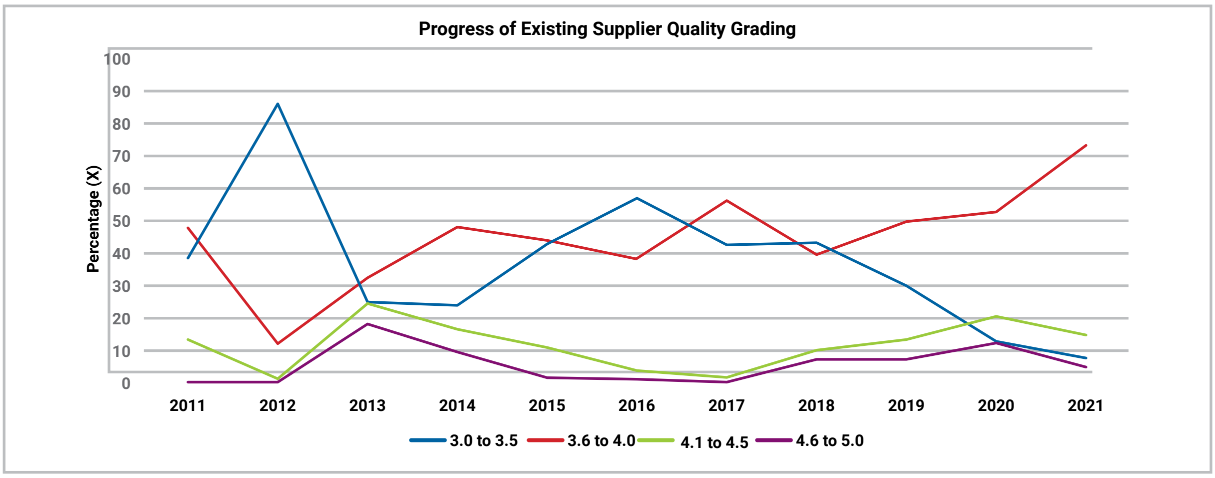
To our suppliers, we are committed to enhance our processes and engage with our suppliers to identify and manage risks, increase productivity and efficiency within the supply chain, underpinned by values of integrity and transparency. We look to create value, by looking for opportunities to collaborate and to share best practices with our suppliers.

ECONOMIC (CONT'D)

Supply Chain Management (Cont'd)

At the start of a new project, identification of suitable suppliers and vendors related to the quality of service and product output are among the key determinants during the tender or bid call. 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.

We value the long-term cooperation with our suppliers, which has resulted in better efficiency, reliability of delivering of product. Periodic assessments are conducted to ensure that the quality of products and services are on par with our requirements and standards. Existing suppliers and contractors undergo an annual audit where operational issues are addressed. The target was set whereby we strive to achieve at least 35% of our suppliers achieve the score of 4.1 and above. A 10-year longitudinal report charts the relationship Kerjaya has with its suppliers and contractors, in FYE 2021, the suppliers scoring 4.1 and above made up of 19% of total suppliers. 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.



Kerjaya is committed to address the environmental and social impacts of our business within our operations and across our supply chain. We trust that operating a sustainable business will enable us to serve our customers for generations to come. Hence, we aspire to use our influence to engage our stakeholders to promote sustainable supply chain and thus strengthen the resilience of our business.

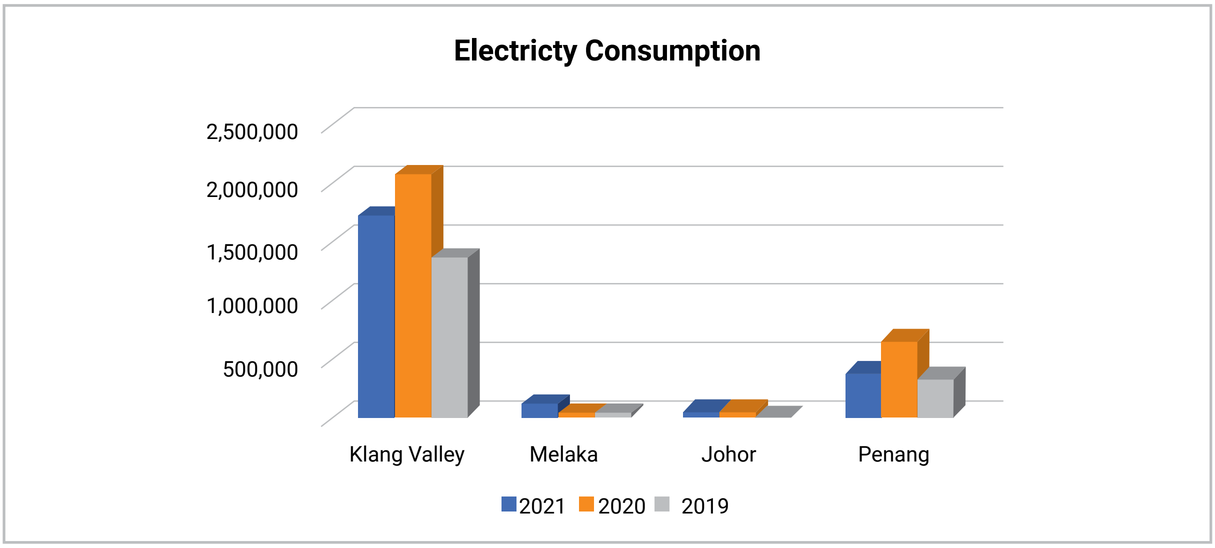
We encourage our suppliers to adopt responsible and sustainable practises with respect to a range of environmental and social issues. We have included these expectations in our current ISO-certified process of engaging with new suppliers. This process gives preference to suppliers which integrate considerations for environmental conservation, protection of endangered species, protection of labour rights and welfare, equal opportunities, no corruptions or bribery and no pending environmental issues.

Sustainability Report (Cont'd)

ENVIRONMENT

Energy & Water Savings

As a Group with its foundations in the environment protection, the Group is aware of the interaction and tender balance between the built and natural environments. We have evaluated our operations to enhance energy efficiency to reduce our carbon footprint to support cleaner and sustainable growth. We implement appropriate measures to advance energy efficiency to minimise the impacts on the environment brought about by our daily operations. We aim to reduce our energy intensity of which the target for electricity cost is set at 0.30% of total revenue. As part of our ongoing efforts to energy conservation, we seen a reduction in electricity cost from 0.50% of revenue in FYE 2020 to 0.37% of revenue in FYE 2021.



As part of our commitment, Kerjaya has formed a renewable 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 Kerjaya's strong commitment towards EES initiatives in the reduction of carbon footprint and also to create more sustainable environment.

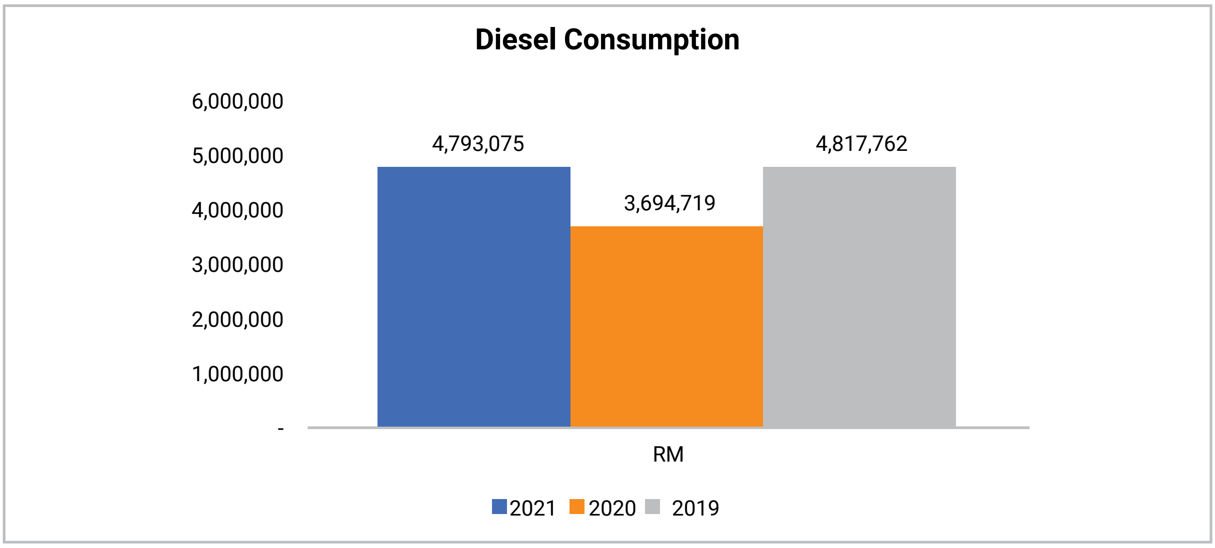
We made every effort to promote efficient use of electricity. We have set target to install solar panel at our warehouses and factories . In FYE 2021, we have completed the solar panel installation at our warehouse located at Rawang, Selangor. We will continue to explore the feasibility of installing solar panel at project sites cabin which will ultimately reduce our dependency on fuel especially generator set which uses diesel to generate energy. By adopting renewable energy through usage of solar panel, carbon emissions will be reduced.

ENVIRONMENT (CONT'D)

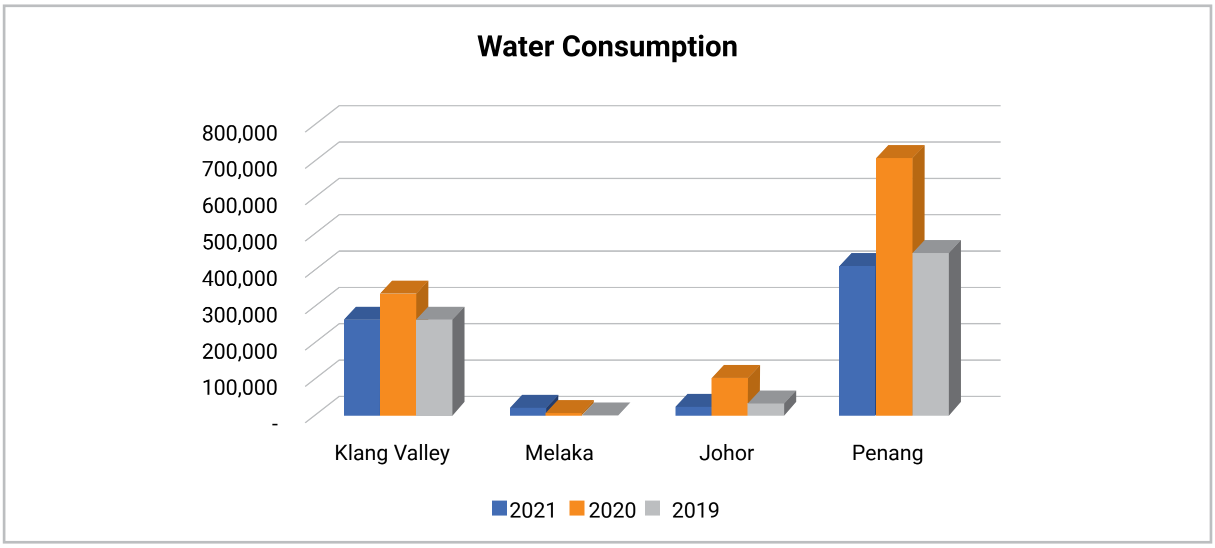
Energy & Water Savings (Cont'd)

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.

We are depending on diesel to generate electricity to operate our heavy machinery and vehicles such as cranes, excavators, gensets, backhoes and many more. Therefore, fuel consumption is inevitable for most machineries. However, we continue to invest in new machines periodically as some old machines can cause increase in fuel and diesel consumption. Therefore, this move reduces the Group's overall carbon footprint and cost as well as efficiency of operations.



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. Our target for water cost is set at 0.10% of total revenue. 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. The water cost over total revenue reported an improvement from 0.15% in FYE 2020 to 0.09% in FYE 2021.



Sustainability Report (Cont'd)

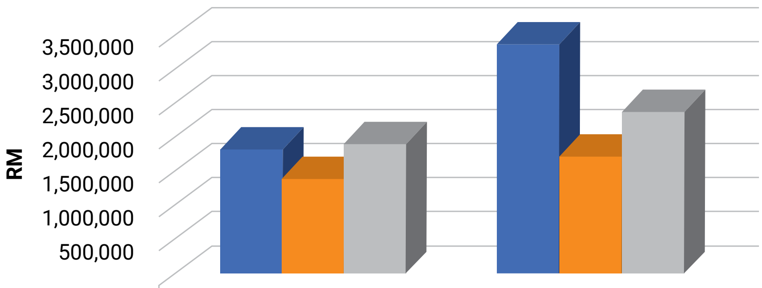
ENVIRONMENT (CONT'D)

Waste & Recycling

We are mindful of waste production in our construction sites and we handle 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 the waste is transported by a licensed contractor to approved treatment facilities prior to disposal.

Building materials such as steel bar, timber, concrete, aluminium, plastic and glass are valuable materials that are high in demand. Therefore, these are not wasted and able to be reused and recycled. Scrap iron is collected to resell for recycling.

Scrap Iron



	kg	RM
2021	1,871,501	3,344,421
2020	1,442,076	1,785,652
2019	1,913,366	2,402,595

Another initiative to reduce and recycle waste is application of aluminium formwork in construction sites in replacement of timber. It is our target to achieve usage of aluminium formwork by at least 90% in all the construction sites and instead, we achieved 100% in FYE 2021.

Waste classification is important in development of a robust waste management system. Waste segregation has been done by placing different bins in and around all of our construction sites.

ENVIRONMENT (CONT'D)

Environmental Management

We are committed to minimise the environmental impact of our businesses. We constantly focus on developing a positive and proactive environmental culture to be embraced in all aspects of our business with the goal of zero pollution incidents.

For Tanjung Pinang Development, adverse impacts during dredging and reclamation activities towards the environment will be minimised as far as practicable. Hence, we constantly engage a professional Environment Consultant to monitor and assess impacts to environment such as marine water quality, air quality and noise pollution. Based on the samples collected, the marine water quality is in compliance with the relevant regulations where the air quality is in compliance to the Recommended Malaysian Air Quality Guidelines (RMAQG).

Noise pollution is inevitable, this happens from the use of heavy machineries, tools and equipment that can be hazardous to the public and construction workers, however it can be controlled and reduced. We 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 receive feedback on noise pollution and there isn't any major complaint being reported during FYE 2021. The assessment performed by external consultant in FYE 2021 via sampling indicated that, all sampling stations complied with the maximum permissible noise level for day time and night time limit.

SOCIAL

Occupational Health & Safety

The Group believes that the safety and well-being of its employees are the foundation of its success. Hence, we strive to provide a safe and healthy environment for our employees and to ensure safe practices in all aspects of our business operations. The Group has in place a policy that highlights our commitment to:

- ensure compliance with laws and regulations in relation to occupational safety and health;
- set targets and measures to drive occupational safety and health performance across the organisation; and
- promote a culture where all employees share the commitment to prevent harm to the safety and health of our employees, contractors and the general public.

Our Safety Officers are registered with Department of Occupational Safety and Health ("DOSH"). In this respect, the Group places importance on continuous compliance with all relevant health and safety laws and regulations such as Occupational Safety and Health Act, 1994 ("OSHA"). In Malaysia, OSHA is the main framework of the Company's Occupational Safety & Health provisions. The Group continues sending its Safety & Health personnel for OSHA-related training, amounting to 340 manhours across the Group. Safety Induction Training were conducted for all of our newly joined employees in fieldwork. The programme is designed to train employees to become fully aware on the safety and health measures and to meet the OSHA's guidelines. Workers are equipped with safety protective wear and equipment when involving in potentially dangerous works. Furthermore, safety briefings are compulsorily conducted to all visitors or contractors on the awareness of safety before entering to the site.

Furthermore, we 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.

SOCIAL (CONT'D)

Occupational Health & Safety (Cont'd)

Within Kerjaya, an Environmental Occupational Health and Safety Committee is established to monitor and review work-related incidents within the facilities, especially the injury frequency for industrial accidents. Depending on the severity of injury (either minor or major), the chain of response is swift so as to provide immediate support to the employee concerned. In addition, the committee has through the year under review, monitored and adjusted, where necessary, the SOPs to adhere to safety and health guidelines and regulatory requirements as well as industry best practices for all operational bases. Apart from the above, we also ensure that an Emergency Response Team is formed in every construction site.

The Group's target for Occupational Safety and Health is to reach a zero major accident. Unfortunately, there was one accident or claim for work-related injury in the year under review as compare to zero accidents in prior year.

As Coronavirus Disease 2019 ("**COVID-19**") has affected all areas of business throughout the world since 2020, it has become a social responsibility for Kerjaya to act accordingly. It is our Group's immediate priority to protect the safety and health of our employees. Construction sites operated during the COVID-19 pandemic are protected by implementing measures to minimise the risk of spreading the infection. Cleaning, disinfecting and other maintenance and security services performed by building service employees are critical to reduce COVID-19 infections to protect the public health.

Against the backdrop of COVID-19 pandemic, we continue to strive building a high-energy team while navigating the storms of change. We start to use various virtual meeting platform like Zoom Meeting, Google Meet and Microsoft Teams as our new means of engagement with our employees to minimise physical meeting.

We have come out with a business continuity plan that helps to minimise 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 SOPs for all our construction sites that outlined the best practices for construction sites are strictly followed in order to maintain the health and safety of all workers required to perform duties during the COVID-19 crisis.

Social distancing and maintaining a high level of occupational safety and health are emphasised in the Construction SOPs. In connection therewith, the construction SOPs outline 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 SOPs
- 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

SOCIAL (CONT'D)

Occupational Health & Safety (Cont'd)

As a construction and property development company, the Group is compliant to all local land codes, both Federal and State as well as local councils concerning site safety, health and management.

- the relevant laws, in particular the Construction Industry Development Board ("CIDB") Act and the Prevention and Control of Infectious Diseases Act 1988
- regulations issued by local authorities
- other SOPs issued by the CIDB, the Malaysia National Security Council, the Ministry of Health and other relevant ministries or government agencies.

We continue to 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. In FYE 2021, a total of 25 employees undergone for safety training, corresponding to 5.2% of the entire local workforce in the Group.

We are committed to provide and respect fundamental human rights and safeguard against violation of human rights. We guarantee an anti-discriminatory and anti-harassment workplace, one that is safe and healthy and above all, ethical in conduct. Employees are not restricted from unionising and are afforded the freedom of association per local laws and practice.

We are committed to the continuous improvement of our workers' accommodation as we understand that this is a key in ensuring our staff welfare and well-being especially during this COVID-19 pandemic. We are in compliance with the Workers' Minimum Standards of Housing and Amenities (Amendment) Act 2019 (Act 446) whereby as an industry leader, we have set by example as the pioneer in the industry to use concept of modular construction for our employees' accommodations. The living quarters of our site workers are enhanced by ensuring reasonable number of workers living in the right size of the space with the required amenities and facilities. Every single site worker is also given an appropriate size and thickness of single bed as well as a cupboard with lock to keep their possessions.

As such, our employees' accommodation can be adapted according to the total number of employees as well as size and location of the construction project being implemented. The temporary placement is also equipped with toilets, drains and ventilation which is comfortable and according to specification. It is built within the construction site to reduce the movement of workers into and out of the site, limiting the risk of COVID-19 transmission. This placement has been approved by the Kuala Lumpur City Hall ("**DBKL**") and the Department of Labour ("**JTK**").

SOCIAL (CONT'D)

Occupational Health & Safety (Cont'd)

Talent Attraction, Retention & Development

A good team is a business's surety that the Group grows from strength to strength and on this basis, employees are a valuable business capital or asset and part of the Kerjaya's family. As a renowned construction and property development company in Malaysia, Kerjaya instils respect and trust amongst its employees. This enables the Group to retain and attract top talent to its team. The Group strives to improve the employee turnover rate to less than 20%. The actual turnover for FYE 2021 is 48% and the Group recognises that immediate action plans are needed to increase employee retention via job and personal development via training, diversity workforce, employees benefits and welfare and employees' engagement.

The Group also recognises that the Industrial Revolution 4.0 will place pressure in organisations to continuously upskill and reskill our workforce, to stay relevant and productive. Employees are encouraged to attend internal or external training or pursue professional development to enhance their knowledge and skill for career enhancement and personal development, human resource management, technical skills, and others. In FYE 2021, our employees undergone 1,788 training hours which was closed to our target of at least 2,000 training hours.

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.

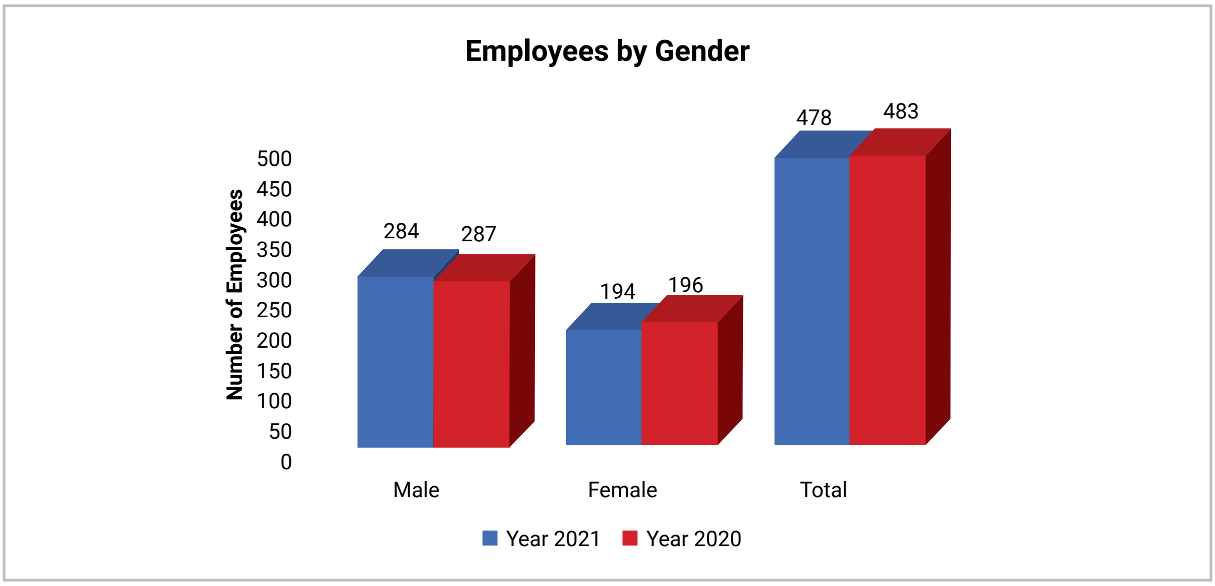
Kerjaya complies with the statutory requirements and regulations on wages and benefits such as minimum wages order, Employee Provident Fund and Social Security Organisation. In addition, employees' welfare which includes travel allowance, subsidies for hospitalisation and surgical insurance coverage and group personnel insurance, uniform and protective appliances are also provided.

SOCIAL (CONT'D)

Talent Attraction, Retention & Development (Cont'd)

A diverse workforce is our aim towards developing and nurturing the right talent. Having a diverse team of employees, across age, gender and industry experience, encourages open-minded dialogues, broadens our positive influence and reach, helps bridge gaps, and brings in new perspectives and strategies. Diversity refers to the differences in workforce by gender, age, ethnicity and disability. These measurements are considered across the Board, from the Directors to the Management and the rest of the workforce. 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 processes 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.

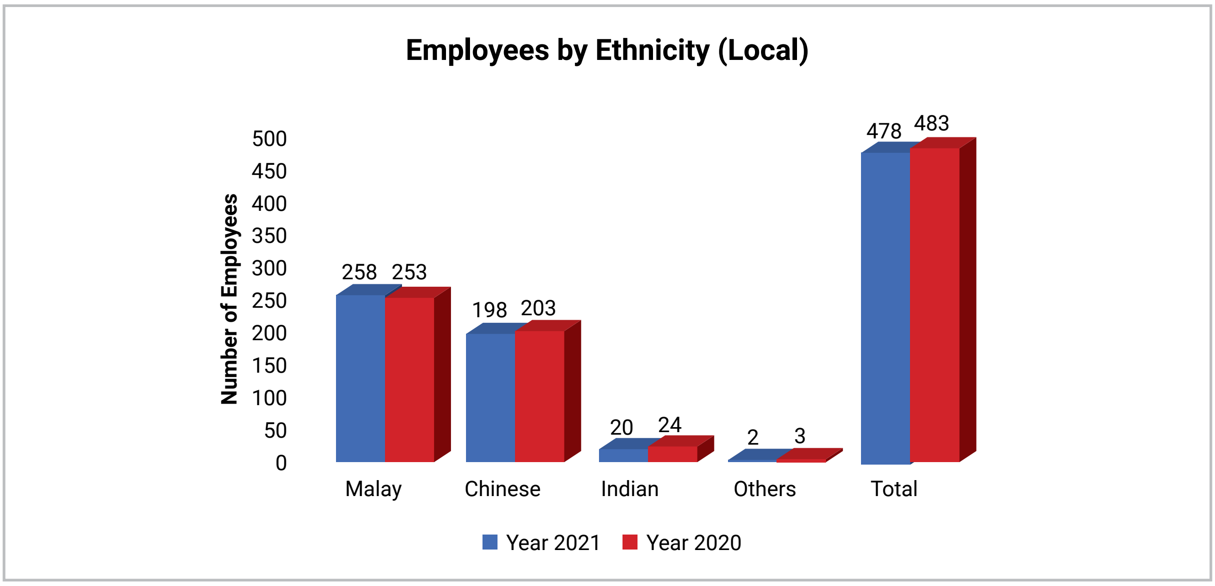
The Directors are cognisant of the ongoing initiative to increase female representation in the boardroom and are looking into increasing female representation should the right director be found. We draw strength from the diversity and inclusiveness that is prevalent in our workplace. During the period under review, Kerjaya has a total of 478 full time employees within the Group and 59% are male and 41% are female and this was closed to our target of 60% male and 40% female. Considering that construction sector is a male dominant industry, this ratio is still acceptable. As such, gender diversity is not an issue in Kerjaya.

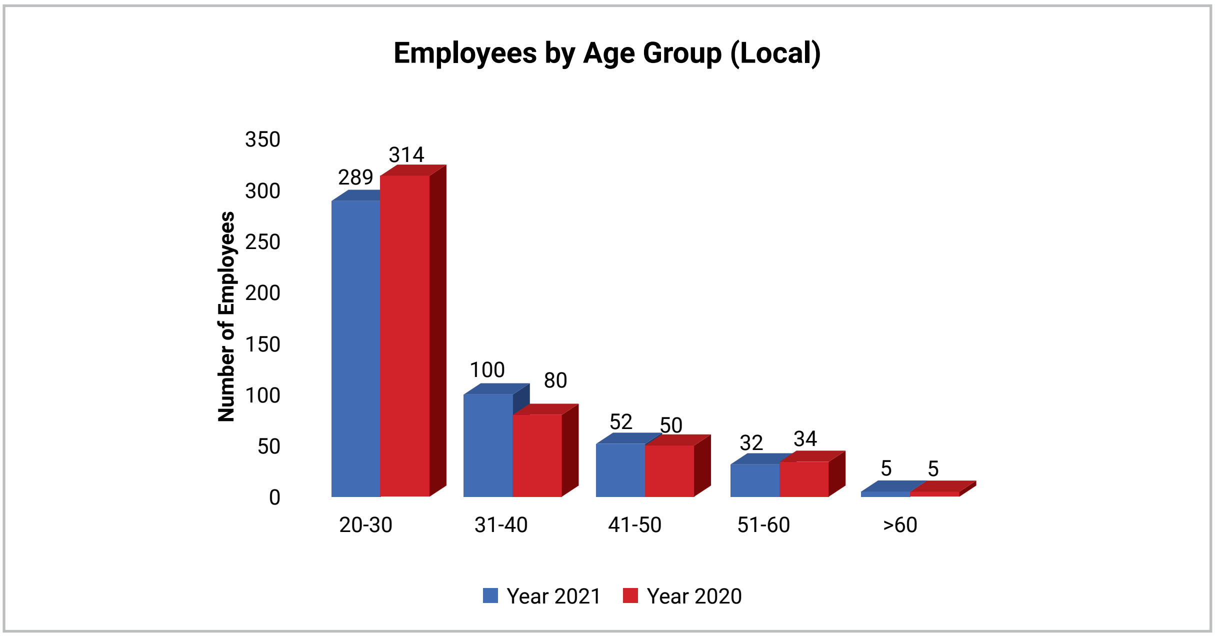


Sustainability Report (Cont'd)

SOCIAL (CONT'D)

Talent Attraction, Retention & Development (Cont'd)



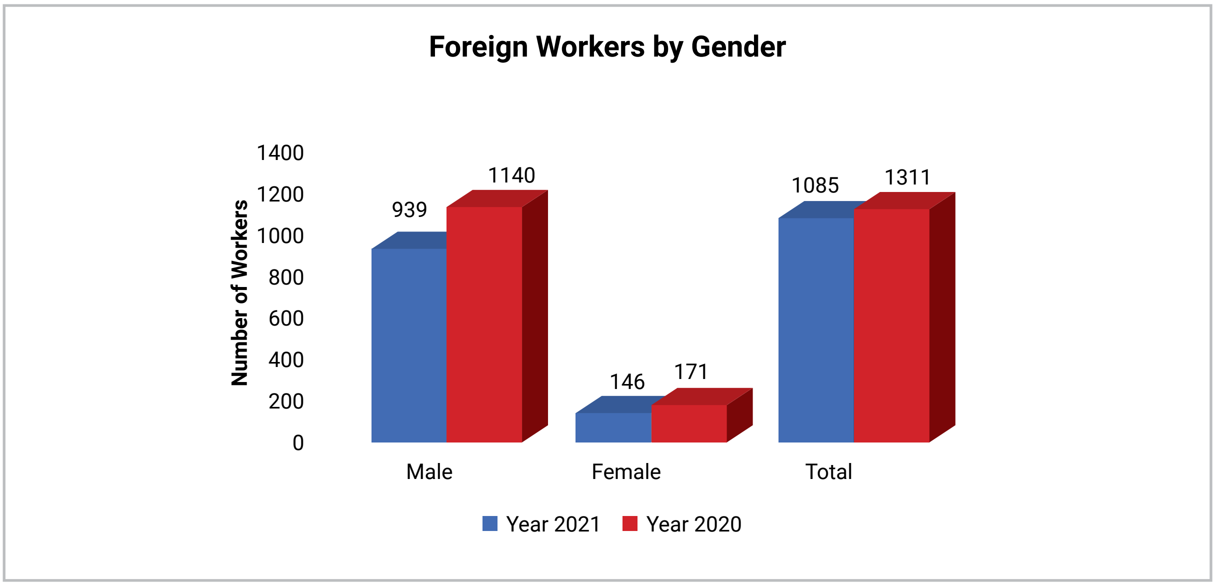


SOCIAL (CONT'D)

Talent Attraction, Retention & Development (Cont'd)

At Kerjaya, we foster fair recruitment practices by embracing diversity and inclusion. We are committed to provide 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 was a drop of foreign workers employment where total foreign worker employed in FYE 2021 was 1,085 compared with 1,311 in FYE 2020. 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 basis; therefore, the Group does not foresee any major issue should the Government imposed further restrictions on foreign labour employment.



For critical and leadership roles, succession planning is vital to our long-term performance as part of our Group's sustainability move. Our HR Department will review the Group's human resources plan including the succession management framework and activities, human resources initiatives such as jobs and salary review, and the annual manpower budget. The succession planning across the Group is implemented by stages where the training program is designed specifically for management staff.

For many years, we recognised the importance of engaging with our workforce. Employees' engagement is important to an organisation because it motivates employees to do their best. We consider effective engagement a key element of the Company's ability to create value as we recognise that our people are our greatest asset. Management regularly engages with the workforce through a range of activities such as annual dinner, festive celebrations, sport activities etc. During COVID-19 pandemic, Kerjaya takes care of its foreign workers whereby food aid and essential items are being distributed to them.

Sustainability Report (Cont'd)

SOCIAL (CONT'D)

Talent Attraction, Retention & Development (Cont'd)

Corporate Governance Compliance

Corporate governance is essential to the overall sustainability of our Group. It ensures that each and every element of the Group operates as it should and that all our stakeholders are treated fairly and justly in their dealings with us. We are obliged by regulatory requirements to maintain a strict standard of corporate governance. The Group has taken cognisance of the changes in the Malaysian Code on Corporate Governance ("**MCCG**") that were announced on 28 April 2021. The MCCG 2021 updates aim to promote new and enhanced best practices to fortify corporate governance practices and build business resilience and sustainability. We have started working on with some changes to ensure compliances which is spelt out in our "Corporate Governance Overview Statement" that stipulates our commitments and responsibilities.

The Group's corporate governance is directly overseen by the Board, which takes a direct and proactive interest in all aspects of the Group's management. However, the need for good corporate governance is not merely a top-down exercise, it is also communicated to each and every one of our employees as well as our business partners.

Ethics & Integrity

Kerjaya 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 in support of the National Anti-Corruption Plan 2019-2023.

We are committed to a zero-tolerance approach in our efforts to prevent corrupt and bribery practices. 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.

In addition to that, Kerjaya adopts whistleblowing policy that provides platform for any stakeholders such as employees and others to raise their concerns. Issues raised will be investigated and appropriate action will be taken to ensure that the matter is resolved effectively and within the Company wherever possible. The Whistleblowing Policy and Procedures is available on our website at www.kerjayagroup.com.

SOCIAL (CONT'D)

Community Engagement

As we are deeply rooted in the community we operate, we actively engage in community outreach programmes and activities. We are proud of having the privilege to serve various segments of the community towards providing for social empowerment and helping to make a positive difference for people across all walks of life. We have from time to time made various donations and contribution to orphanages, old folks homes, disability homes and non-profit organisations. We have set target of contributing a minimum of RM100,000 back to community on a yearly basis and we have achieved approximately RM85,000 in FYE 2021.

OUR COMMITMENT

As a responsible corporate citizen, the Group shall endeavour to undertake sustainable and responsible practices to add value to sustainable business growth, environmental stewardship and social responsibility.

Rewarding our shareholder	Sustaining long term value	Advancing our business	Investing in our human resources	Contributing to society
Dividend	Investment in our resources to ensure long-term benefits to our various stakeholders	Reinvestment in our core business	Competitive remuneration, compensation, benefits and trainings	Continued upliftment of our society's well-being through taxes and donations

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 2021 amounted to RM205,791 of which RM40,000 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 2021 were RM33,100 and RM3,800 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 2021 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.	549
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.	398,891

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.	1,164
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.	306

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 2021

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, 2021.

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	131,762,336	41,711,753
Taxation	(34,883,250)	(18,455)
	96,879,086	41,693,298
Attributable to:		
Owners of the Company	96,962,047	41,693,298
Non-controlling interests	(82,961)	–
	96,879,086	41,693,298

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 1.5 sen per share on 1,237,372,000 ordinary shares amounting to RM18,560,576 in respect of the financial year ended 31st December, 2020 was paid on 7th July, 2021.

(ii) a single tier interim dividend of 1.5 sen per share on 1,237,372,000 ordinary shares amounting to RM18,560,575 in respect of the financial year ended 31st December, 2021 was paid on 8th October, 2021.

(iii) a single tier interim dividend of 2.0 sen per share on 1,236,754,200 ordinary shares amounting to RM24,735,084 in respect of the financial year ended 31st December, 2021 was paid on 08th April, 2022 .

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.

Directors' Report (Cont'd)

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 (resigned on 12.05.2021)
Lim Kien Lai @ Lim Kean Lai (resigned on 12.05.2021)
Datuk Mohamed Razeek Bin Md Hussain Maricar
Tee Eng Tiong (appointed on 12.05.2021) *
Chan Kam Chiew (appointed on 12.05.2021)
Maylee Gan Suat Lee (appointed on 12.05.2021)

<u>Subsidiaries directors</u>
Chua Kwee Nam
Tan Chee Keong
Tee Eng Han
IR. Abdul Aziz Bin Dato' M. Khalid (appointed on 07.04.2021, first director)

* A director who also holds office in certain 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 or its related corporations during the financial year were as follows:

	Number of Ordinary Shares			
	Balance at 1.1.2021	**Bought**	**Sold**	**Balance at 31.12.2021**
Direct interest in the Company:				
Datin Toh Siew Chuon	5,988,607	–	–	5,988,607
Datuk Mohamed Razeek Bin Md Hussain Maricar	155,035	–	–	155,035
Indirect interest in the Company:				
Datuk Tee Eng Ho *	881,384,321	1,615,000	–	882,999,321
Tee Eng Seng *	881,384,321	1,615,000	–	882,999,321
Datin Toh Siew Chuon *	881,384,321	1,615,000	–	882,999,321
Tee Eng Tiong ^	17,776,000	–	1,615,000	16,161,000

DIRECTORS' INTEREST (CONT'D)

	Number of Warrants 2018/2023			
	Balance at 1.1.2021	Bought	Sold	Balance at 31.12.2021
Direct interest in the Company:				
Datin Toh Siew Chuon	808,542	–	–	808,542
Datuk Mohamed Razeek Bin Md Hussain Maricar	10,500	–	–	10,500
Indirect interest in the Company:				
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
Tee Eng Tiong ^	2,400,000	–	–	2,400,000

* 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.

^ Deemed interested by virtue of his interest in One Permatang Sdn. Bhd. pursuant to section 8(4) of the Companies Act, 2016.

	Number of Ordinary Shares			
	Balance at 1.1.2021	Bought	Sold	Balance at 31.12.2021
Direct interest in the ultimate holding company:				
Datuk Tee Eng Ho	30,001	–	–	30,001
Tee Eng Seng	60,002	–	–	60,002
Datin Toh Siew Chuon	30,001	–	–	30,001

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, Tee Eng Seng and Tee Eng Tiong 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 remuneration 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 the 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 other than as disclosed in Note 33 of the financial statements.

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' Report (Cont'd)

DIRECTORS' REMUNERATION

The amounts of remunerations received and receivable by the directors of the Company during the financial year are disclosed in Note 29 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 RM12,920 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.

ULTIMATE HOLDING COMPANY

The Directors regarded Egovision Sdn. Bhd., a company incorporated in Malaysia, as the ultimate holding company during the financial year and until the date of this report.

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 financial statement 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.

OTHER STATUTORY INFORMATION (CONT'D)

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

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

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

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

In the opinion of the directors:

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

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

MATERIAL LITIGATION

Details of material litigation during the financial year are disclosed in Note 35 to the financial statements.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Details of significant events during the financial year are disclosed in Note 42 to the financial statements.

SIGNIFICANT EVENTS SUBSEQUENT TO THE FINANCIAL YEAR END

Details of significant events subsequent to the financial year end are disclosed in Note 43 to the financial statements.

AUDITORS' REMUNERATION

The amount paid or payable to the auditors as remuneration for their service is disclosed in Note 27 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.

DATIN TOH SIEW CHUON
Director

TEE ENG SENG
Director

Dated: 18 April 2022
Kuala Lumpur

Statement by Directors

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

We, **DATIN TOH SIEW CHUON** 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 85 to 157 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, 2021 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.

DATIN TOH SIEW CHUON
Director

TEE ENG SENG
Director

Dated: 18 April 2022
Kuala Lumpur

Statutory Declaration

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

I, **DATIN TOH SIEW CHUON**, 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 85 to 157 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)
)
) **DATIN TOH SIEW CHUON**

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
(Company No: 1198401010054 (122592-U)
(Incorporated in Malaysia)

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, 2021 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 85 to 157.

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, 2021, 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, 2021 amounted to RM356,121,928.

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.

Independent Auditors' Report (Cont'd)

Key Audit Matters (Cont'd)

(a) Impairment Assessment on Goodwill (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 2021, the Group's portfolio of completed properties with a net carrying value of RM79,999,388 (2020: RM73,283,206) 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.

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.

Independent Auditors’ Report (Cont’d)

Auditors’ Responsibilities for the Audit of the Financial Statements (Cont’d)

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, 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 for the audited financial statements for the financial year ended 31st December 2021 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: 18 April 2022
Kuala Lumpur

Statements of Financial Position

as at 31st December 2021

		Group		Company	
	Note	2021 RM	2020 RM	2021 RM	2020 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	**93,167,905**	122,735,989	**15,300**	18,900
Right-of-use assets	5	**895,561**	1,025,863	**–**	–
Investment properties	6	**880,661**	1,688,800	**–**	–
Investment in subsidiaries	7	**–**	–	**459,674,605**	458,797,156
Other investments	8	**1,945,673**	13,726,733	**150,000**	–
Intangible assets	9	**356,222,184**	356,169,218	**–**	–
Deferred tax assets	10	**–**	–	**–**	–
Trade and other receivables	11	**230,397,548**	200,491,804	**–**	–
		683,509,532	695,838,407	**459,839,905**	458,816,056
Current assets					
Inventories	12	**197,034,248**	167,195,178	**–**	–
Trade and other receivables	11	**407,801,775**	349,629,966	**106,075,074**	88,873,880
Contract assets	13	**11,005,940**	9,364,185	**–**	–
Tax recoverable		**674,259**	554,288	**82,852**	84,567
Cash and bank balances	15	**210,320,073**	266,730,576	**124,734,048**	153,934,689
		826,836,295	793,474,193	**230,891,974**	242,893,136
TOTAL ASSETS		**1,510,345,827**	1,489,312,600	**690,731,879**	701,709,192

Statement of Financial Position (Cont'd)

	Note	Group		Company	
		2021 RM	2020 RM	2021 RM	2020 RM
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	**(5,186,068)**	(4,996,188)	**(5,186,068)**	(4,996,188)
Reserves	18	**584,279**	667,164	**–**	–
Retained profit		**506,975,863**	471,870,051	**24,985,415**	45,148,352
		1,145,032,380	1,110,199,333	**662,457,653**	682,810,470
Non-controlling interests		**867,048**	110,554	**–**	–
TOTAL EQUITY		**1,145,899,428**	1,110,309,887	**662,457,653**	682,810,470
Non-current liabilities					
Deferred tax liabilities	10	**6,239,497**	8,414,163	**–**	–
Trade and other payables	19	**134,230,054**	124,540,325	**–**	–
Lease liabilities	20	**351,855**	993,319	**–**	–
		140,821,406	133,947,807	**–**	–
Current liabilities					
Trade and other payables	19	**158,818,684**	121,345,844	**28,274,226**	18,898,722
Contract liabilities	13	**19,580,383**	39,402,514	**–**	–
Lease liabilities	20	**772,593**	30,074	**–**	–
Income tax payable		**10,628,800**	3,664,850	**–**	–
Revolving credit	21	**25,000,000**	–		
Short term borrowing	22	**8,824,533**	80,611,624	**–**	–
		223,624,993	245,054,906	**28,274,226**	18,898,722
TOTAL LIABILITIES		**364,446,399**	379,002,713	**28,274,226**	18,898,722
TOTAL EQUITY AND LIABILITIES		**1,510,345,827**	1,489,312,600	**690,731,879**	701,709,192

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

Statements of Profit or Loss and Other Comprehensive Income

for the year ended 31st December 2021

	Note	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
Revenue	23	**977,014,843**	824,484,222	**30,000,000**	23,500,000
Cost of sales	24	**(819,810,239)**	(695,214,167)	**–**	–
Gross profit		**157,204,604**	129,270,055	**30,000,000**	23,500,000
Other operating income	25	**18,842,525**	31,062,194	**13,051,054**	11,864,174
		176,047,129	160,332,249	**43,051,054**	35,364,174
Administrative expenses		**(29,135,974)**	(26,961,317)	**(698,837)**	(599,347)
Other operating expenses		**(6,154,973)**	(15,540,838)	**(68,798)**	(4,136,846)
Net reversal/ (allowance) of impairment on financial assets		**(7,894,444)**	2,667,433	**–**	–
Profit from operations		**132,861,738**	120,497,527	**42,283,419**	30,627,981
Finance costs	26	**(1,099,402)**	(952,109)	**(571,666)**	–
Profit before taxation	27	**131,762,336**	119,545,418	**41,711,753**	30,627,981
Taxation	30	**(34,883,250)**	(28,771,575)	**(18,455)**	(11,478)
Profit after taxation		**96,879,086**	90,773,843	**41,693,298**	30,616,503
Other comprehensive (income)/expenses: Item that is or may be reclassified subsequently to profit or loss					
- Foreign currency translation	18	**(82,885)**	(18,635)	**–**	–
Total comprehensive income for the year		**96,796,201**	90,755,208	**41,693,298**	30,616,503
Profit for the year attributable to:					
Owners of the Company		**96,962,047**	90,754,868		
Non-controlling interest		**(82,961)**	18,975		
		96,879,086	90,773,843		
Total comprehensive income attributable to:					
Owners of the Company		**96,879,162**	90,736,233		
Non-controlling interest		**(82,961)**	18,975		
		96,796,201	90,755,208		
Earnings per share attributable to Owners of the Company (sen)	31	**7.84**	7.37		
Diluted earnings per share (sen)	31	**–**	–		

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

Statements of Changes in Equity

for the year ended 31st December 2021

		← 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, 2020		642,658,306	(10,893,186)	685,799	438,502,188	2,080,999	1,073,034,106
Profit for the year		–	–	–	90,754,868	18,975	90,773,843
Other comprehensive expense		–	–	(18,635)	–	–	(18,635)
Total comprehensive (expense)/income for the year		–	–	(18,635)	90,754,868	18,975	90,755,208
Transactions with owners							
Acquisition of a subsidiary		–	–	–	–	49	49
Repurchase of treasury shares		–	(8,385,329)	–	–	(1,989,469)	(10,374,798)
Dividend paid	32	–	14,282,327	–	(57,387,005)	–	(43,104,678)
Total transactions with owners		–	5,896,998	–	(57,387,005)	(1,989,420)	(53,479,427)
At 31st December, 2020		642,658,306	(4,996,188)	667,164	471,870,051	110,554	1,110,309,887
Profit for the year		–	–	–	96,962,047	(82,961)	96,879,086
Other comprehensive expense		–	–	(82,885)	–	–	(82,885)
Total comprehensive (expense)/income for the year		–	–	(82,885)	96,962,047	(82,961)	96,796,201
Transactions with owners Acquisition of a subsidiary		–	–	–	–	869,455	869,455
Repurchase of treasury shares		–	(189,880)	–	–	–	(189,880)
Dividend paid/ declared	32	–	–	–	(61,856,235)	(30,000)	(61,886,235)
Total transactions with owners		–	(189,880)	–	(61,856,235)	839,455	(61,206,660)
At 31st December, 2021		642,658,306	(5,186,068)	584,279	506,975,863	867,048	1,145,899,428

Statements of Changes in Equity (Cont'd)

	Note	← Non-distributable Share capital RM	→ Treasury shares RM (Note 17)	← Distributable → Retained profit RM	Total RM
Company					
At 1st January, 2020		642,658,306	(10,893,186)	71,918,854	703,683,974
Profit for the year, representing total comprehensive income for the year		–	–	30,616,503	30,616,503
Transactions with owners					
Repurchase of treasury shares		–	(8,385,329)	–	(8,385,329)
Dividend paid	32	–	14,282,327	(57,387,005)	(43,104,678)
Total transaction with owners		–	5,896,998	(57,387,005)	(51,490,007)
At 31st December, 2020		642,658,306	(4,996,188)	45,148,352	682,810,470
Profit for the year, representing total comprehensive income for the year		–	–	41,693,298	41,693,298
Transactions with owners					
Repurchase of treasury shares		–	(189,880)	–	(189,880)
Dividend paid/ declared	32	–	–	(61,856,235)	(61,856,235)
Total transaction with owners		–	(189,880)	(61,856,235)	(62,046,115)
At 31st December, 2021		642,658,306	(5,186,068)	24,985,415	662,457,653

Statements of Cash Flows

for the year ended 31st December 2021

	Note	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before taxation		**131,762,336**	119,545,418	**41,711,753**	30,627,981
Adjustments for:					
Amortisation of intangible asset		**28,884**	31,363	**–**	–
Amortisation of right-of-use assets		**915,961**	1,221,934	**–**	–
Allowance/(Reversal) for impairment losses on					
- amount due from subsidiaries		**–**	–	**(10,889,923)**	(9,215,522)
- trade and other receivables		**7,919,693**	(2,518,968)	**–**	–
- cash and bank balances		**(25,249)**	58,001	**1,682**	56,138
- inventories		**340,666**	11,596,544	**–**	–
- investment in subsidiaries		**–**	–	**–**	4,067,391
Bad debt written off		**89,725**	1,400,050	**54,503**	–
Depreciation of property, plant and equipment		**32,335,982**	36,271,881	**3,600**	3,600
Depreciation of investment properties		**19,545**	23,808	**–**	–
Dividend income		**–**	(223,892)	**(30,000,000)**	(23,500,000)
Interest income		**(4,368,768)**	(5,878,635)	**(2,070,821)**	(2,486,708)
Interest expenses		**1,084,802**	864,228	**–**	–
Impairment loss on goodwill		**17,201**	–	**–**	–
Lease interest	C	**14,600**	87,881	**–**	–
Loss/(Gain) on disposal of					
- property, plant and equipment		**1,617,306**	(1,998)	**–**	–
- investment properties		**(175,293)**	–	**–**	–
Gain on disposal of other investment		**(1,160,548)**	(8,741,025)	**–**	–
Gain on application of practical expendient under MFRS 16		**–**	(29,340)	**–**	–
Gain on modification of lease		**–**	(11,398)	**–**	–
Allowance for diminution of investment		**2,769,706**	(1,716,870)	**–**	–
Termination of lease contracts		**19,698**	–	**–**	–
Operating profit/(loss) before working capital changes		**173,206,247**	151,978,982	**(1,189,206)**	(447,120)
Increase in inventories		**(29,741,483)**	(6,928,580)	**–**	–
(Increase)/Decrease in trade and other receivables		**(96,073,083)**	(50,590,616)	**(6,365,774)**	72,616,769
(Increase)/Decrease in contract assets		**(1,641,755)**	2,278,824	**–**	–
Increase/(Decrease) in trade and other payables		**21,826,604**	(49,692,473)	**(15,359,581)**	(30,686,668)
(Decrease)/Increase in contract liabilities		**(19,811,484)**	9,094,909	**–**	–
Cash generated from/(used in) operations		**47,765,046**	56,141,046	**(22,914,561)**	41,482,981
Interest received		**4,368,768**	5,878,635	**2,070,821**	2,486,708
Interest paid		**(1,099,402)**	(864,228)	**–**	–
Income taxes refund		**–**	711,224	**–**	–
Income taxes paid		**(30,213,167)**	(35,965,917)	**(16,739)**	(9,262)
Net cash generated from/(used in) operating activities		**20,821,245**	25,900,760	**(20,860,479)**	43,960,427

Statement of Cash Flows (Cont'd)

	Note	Group 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 RM
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment and intangible assets		**(9,482,337)**	(19,157,201)	**–**	–
Purchase of other investment		**(150,000)**	(9,920,135)	**(150,000)**	–
Acquisition of subsidiary	A	**74,107**	–	**(367,500)**	(51)
Acquisition of additional interest in a subsidiaries		**–**	(4,981,161)	**(509,949)**	(3)
Placement of deposit in licensed banks		**(3,243,943)**	(2,067,691)	**(1,683,780)**	(3,108)
Proceed from disposal of property, plant and equipment and investment properties		**5,992,188**	2,000	**–**	–
Proceed from disposal of other investment		**10,266,561**	18,419,728	**–**	–
Proceed from issuance of share capital to NCI		**872,452**	–	**–**	–
Dividend received, net		**–**	–	**30,000,000**	23,500,000
Net cash generated from/(used in) investing activities		**4,329,028**	(17,704,460)	**27,288,771**	23,496,838
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividend paid		**(37,121,151)**	(24,543,653)	**(37,121,151)**	(24,543,653)
Drawndown of revolving credit	D	**25,000,000**	–	**–**	–
Purchase of treasury shares		**(189,880)**	(8,385,329)	**(189,880)**	(8,385,329)
Repayment of lease liabilities	C	**(704,301)**	(1,238,880)	**–**	–
Net cash used in financing activities		**(13,015,332)**	(34,167,862)	**(37,311,031)**	(32,928,982)
Net increase/(decrease) in cash and cash equivalents		**12,134,941**	(25,971,562)	**(30,882,739)**	34,528,283
Effect of foreign exchange rate changes		**(27,544)**	(5,900)	**–**	–
Changes in expected credit loss ("ECL") for cash and cash equivalents		**25,249**	(58,001)	**(1,682)**	(56,138)
Cash and cash equivalents at beginning of year		**170,419,532**	196,454,995	**153,854,743**	119,382,598
Cash and cash equivalents at end of year	B	**182,552,178**	170,419,532	**122,970,322**	153,854,743

Statement of Cash Flows (Cont'd)

NOTE

A. ACQUISITION OF A SUBSIDIARY

	Group	
	2021 RM	**2020 RM**
Total cost of acquisition	**10,000**	–
Less: Non-cash consideration	**–**	–
Consideration settled in cash	**10,000**	–
Less: Cash and cash equivalents acquired	**(84,107)**	–
Net cash outflow of the Group on acquisition	**(74,107)**	–

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	
	2021 RM	**2020 RM**	**2021 RM**	**2020 RM**
Cash and bank balances	**210,358,901**	266,876,692	**124,804,505**	154,003,463
Less: Allowance for ECL	**(120,961)**	(146,116)	**(70,457)**	(68,774)
Deposits pledged with licensed banks	**(18,861,229)**	(15,699,420)	**(1,763,726)**	(79,946)
Short term borrowing	**(8,824,533)**	(80,611,624)	**–**	–
	182,552,178	170,419,532	**122,970,322**	153,854,743

C. CASH OUTFLOWS FOR LEASES AS A LESSEE

	Group	
	2021 RM	**2020 RM**
Included in net cash from operating activities		
- Interest on lease liabilities	**14,600**	87,881
Included in net cash from financing activities		
- Payment of lease liabilities	**704,301**	1,238,880
	718,901	1,326,761

D. RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASHFLOWS ARISING FROM FINANCING ACTIVITIES

	At 1.1.2020 RM	**Net changes from financing cash flows RM**	**At 31.12.2020/ 1.1.2021 RM**	**Net changes from financing cash flows RM**	**At 31.12.2021 RM**
Revolving credit	**–**	**–**	**–**	**25,000,000**	**25,000,000**

Notes to the Financial Statements
- 31st December 2021

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, 2021 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, 2021.

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
Amendment to MFRS 16 Leases – Covid-19-Related Rent Concessions beyond 30th June 2021	1st April, 2021

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
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
MFRS 17 Insurance Contracts	1st January, 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1st January, 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1st January, 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1st January, 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	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 is not 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.

Capital work-in-progress consists of building under construction for intended use. Capital work-in-progress is not depreciated until the assets are ready for their intended use.

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

Leasehold lands are depreciated over the remaining period of their leases ranging from 47 to 88 years (2020: 48 to 89 years).

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

Buildings	2%
Plant, machinery and site equipment	7.5% - 20%
Vessel and equipment	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 33.33% and assessed for impairment whenever there is an indication that it may be impaired. The amortisation period and the amortisation method for computer software with finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on computer software with finite lives is recognised in profit or loss.

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Investment Properties

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

Freehold properties are depreciated over a period of 50 years.

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

(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)

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 expired 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 expired. 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) <u>Land held for property development</u>

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Inventories (Cont'd)

(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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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.

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) Short Term Benefits

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) Defined Contribution Plans

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Leases

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and corresponding lease liability with respect to all lease agreements in which it is the lessee, except for low-value assets and short-term leases with 12 months or less. For these leases, the Group recognises the lease payments as an operating expenses on a straight-line method over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use assets and the associated lease liabilities are presented as a separate line item in the statements of financial position.

The right-of-use asset is initially measured at cost. Cost included the initial amount of the corresponding lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any incentives received.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses, and adjustment for any remeasurement of the lease liability. The depreciation starts from the commencement date of the lease. If the lease transfers ownership of the underlying asset to the Group of the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset 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 the right-of-use assets are determined on the same basis as those property, plant and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is remeasured when there is a change in the future lease payments (other than lease modification that is not accounted for as a separate lease) with the corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in profit or loss if the carrying amount has been reduced to zero.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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) Construction Contracts

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.

(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 from sales of goods is measured at the fair value of the receivable consideration and is recognised performance obligation is satisfied. 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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

- 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(q) Income Taxes (Cont'd)

(ii) Deferred Tax (Cont'd)

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

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

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

(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.

Notes to the Financial Statements (Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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, 2021 were RM459,674,605 (2020: RM458,797,156). Further details are disclosed in Note 7 to the financial statements. Based on management's review, no further adjustment for impairment is required for the investment in subsidiaries by the Company during the current year.

(b) Impairment of 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 39 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)

(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.

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.

Notes to the Financial Statements (Cont'd)

4. PROPERTY, PLANT AND EQUIPMENT

Group	As at 1.1.2021 RM	Addition RM	Acquired in business combination RM	Disposal/ Write-off/ Transfer RM	As at 31.12.2021 RM
2021					
COST					
Building under constructions	**3,560,690**	**828,140**	**–**	**–**	**4,388,830**
Freehold land	**10,011,110**	**–**	**–**	**–**	**10,011,110**
Leasehold land and buildings	**14,758,396**	**–**	**–**	**–**	**14,758,396**
Plant, machinery and site equipment	**257,207,418**	**8,286,575**	**18,000**	**–**	**265,511,993**
Vessel and equipment	**13,097,241**	**83,000**	**–**	**(13,097,241)**	**83,000**
Other assets *	**18,770,965**	**198,690**	**–**	**(193,960)**	**18,775,695**
	317,405,820	**9,396,405**	**18,000**	**(13,291,201)**	**313,529,024**
ACCUMULATED DEPRECIATION/ IMPAIRMENT					
Leasehold land and buildings	**1,920,763**	**232,941**	**–**	**–**	**2,153,704**
Plant, machinery and site equipment	**169,769,840**	**30,711,672**	**900**	**–**	**200,482,412**
Vessel and equipment	**6,015,059**	**437,958**	**–**	**(6,451,636)**	**1,381**
Other assets *	**16,964,169**	**953,411**	**–**	**(193,958)**	**17,723,622**
	194,669,831	**32,335,982**	**900**	**(6,645,594)**	**220,361,119**
NET BOOK VALUE					
Building under constructions					**4,388,830**
Freehold land					**10,011,110**
Leasehold land and buildings					**12,604,692**
Plant, machinery and site equipment					**65,029,581**
Vessel and equipment					**81,619**
Other assets *					**1,052,073**
					93,167,905

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

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

Group	As at 1.1.2020 RM	Addition RM	Disposal/ Write-off/ Transfer RM	As at 31.12.2020 RM
2020				
COST				
Building under construction	1,669,360	1,891,330	–	3,560,690
Freehold land	–	10,011,110	–	10,011,110
Leasehold land and buildings	14,758,396	–	–	14,758,396
Plant, machinery and site equipment	250,448,063	6,759,355	–	257,207,418
Vessel and equipment	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
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 and equipment	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
NET BOOK VALUE				
Building under construction				3,560,690
Freehold land				10,011,110
Leasehold land and buildings				12,837,633
Plant, machinery and site equipment				87,437,578
Vessel and equipment				7,082,182
Other assets *				1,806,796
				122,735,989

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

Notes to the Financial Statements (Cont'd)

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

Company	As at 1.1.2021 RM	Addition RM	As at 31.12.2021 RM
2021			
COST			
Office equipment	**57,022**	**–**	**57,022**
Furniture and fittings	**2,376**	**–**	**2,376**
Signboard	**36,000**	**–**	**36,000**
	95,398	**–**	**95,398**
ACCUMULATED DEPRECIATION/ IMPAIRMENT			
Office equipment	**57,022**	**–**	**57,022**
Furniture and fittings	**2,376**	**–**	**2,376**
Signboard	**17,100**	**3,600**	**20,700**
	76,498	**3,600**	**80,098**
NET BOOK VALUE			
Office equipment			**–**
Furniture and fittings			**–**
Signboard			**15,300**
			15,300

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

	As at 1.1.2020 RM	Addition RM	As at 31.12.2020 RM
Company			
2020			
COST			
Office equipment	57,022	–	57,022
Furniture and fittings	2,376	–	2,376
Signboard	36,000	–	36,000
	95,398	–	95,398
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
NET BOOK VALUE			
Office equipment			–
Furniture and fittings			–
Signboard			18,900
			18,900

(a) Land and building with carrying amount of RM6,838,952 (2020: RM7,005,302) of the Group have been pledged for borrowings as disclosed in Note 22.

(b) The remaining lease period for the leasehold land and buildings of the Group ranges from 47 to 88 (2020: 48 to 89) years.

5. RIGHT-OF-USE ASSETS

	Group 2021 RM	2020 RM
Cost		
At 1 January	**3,501,148**	3,299,260
Additional	**1,481,470**	201,888
Modifications	**(676,113)**	–
Termination of lease contracts	**(19,698)**	–
At 31 December	**4,286,807**	3,501,148
Accumulated amortisation		
At 1 January	**(2,475,285)**	(1,253,351)
Charge for the financial year (Note 27)	**(915,961)**	(1,221,934)
At 31 December	**(3,391,246)**	(2,475,285)
Net carrying amount at 31 December	**895,561**	1,025,863

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

	As at 1.1.2021 RM	Addition RM	Disposal/ Retirement RM	As at 31.12.2021 RM
Group				
2021				
COST				
Freehold properties	**1,784,134**	**–**	**(840,533)**	**943,601**

	As at 1.1.2021 RM	Charge for the year RM	Disposal/ Retirement RM	As at 31.12.2021 RM
ACCUMULATED DEPRECIATION/ IMPAIRMENT				
Freehold properties	**95,334**	**19,545**	**(51,939)**	**62,940**

	As at 31.12.2021 RM
NET CARRYING AMOUNT	
Freehold properties	**880,661**

6. INVESTMENT PROPERTIES (CONT'D)

	As at 1.1.2020 RM	Addition RM	Disposal/ Retirement RM	As at 31.12.2020 RM
2020				
COST				
Freehold properties	1,784,134	–	–	1,784,134

	As at 1.1.2020 RM	Charge for the year RM	Disposal/ Retirement RM	As at 31.12.2020 RM
ACCUMULATED DEPRECIATION/ IMPAIRMENT				
Freehold properties	71,526	23,808	–	95,334

	As at 31.12.2020 RM
NET CARRYING AMOUNT	
Freehold properties	1,688,800

	Group	
	2021 RM	2020 RM
Fair value - Freehold properties	**1,150,000**	2,546,000

Freehold properties consist of one unit (2020: three units) of freehold apartments.

(a) Fair value basis of investment properties

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.

(b) Income and expenses recognised in profit of loss

The following are recognised in profit or loss in respect of investment properties:

	Group	
	2021 RM	2020 RM
Rental income	**–**	20,300
Direct operating expenses of:		
- income generating properties	**–**	(6,342)
- non-income generating properties	**(15,217)**	(8,993)

7. INVESTMENT IN SUBSIDIARIES

	Company 2021 RM	Company 2020 RM
Unquoted shares, at costs	**488,079,522**	487,202,073
Accumulated impairment	**(28,404,917)**	(28,404,917)
	459,674,605	458,797,156

Details of the subsidiaries as at 31st December, 2021 and 2020 are as below:

Name	Country of Incorporation	Principal Activities	Proportion (%) of Ownership Interest 2021	2020
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

7. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries as at 31st December, 2021 and 2020 are as below: (Cont'd)

Name	Country of Incorporation	Principal Activities	Proportion (%) of Ownership Interest 2021	2020
Held by the Company: (Cont'd)				
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
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**	100
Virent Energy Solutions Sdn. Bhd.	Malaysia	Solar, energy solutions and renewables, engineering, commissioning contracting works and related investments.	**51**	51
Kerjaya Bina BMK Sdn. Bhd.	Malaysia	Building construction.	**49**	–
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

7. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries as at 31st December, 2021 and 2020 are as below: (Cont'd)

Name	Country of Incorporation	Principal Activities	Proportion (%) of Ownership Interest 2021	2020
Held by Fututech (Labuan) Limited.:				
Acumen Design & Development Solutions Limited * ^	Hong Kong	Dormant.	–	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**	100
Held by Bazarbayu Sdn. Bhd.:				
Yakin Land Sdn. Bhd. *	Malaysia	Property development activities.	**100**	100
Held by Virent Energy Solutions Sdn. Bhd.:				
Virent Energy Sdn. Bhd.	Malaysia	Solar renewables and provision of energy solutions	**100**	–

^ Deregistered on 31st December, 2021
* Audited by firms of auditors other than Ong & Wong

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. After considering the future prospects and profitability of the subsidiary companies, the Management are of the opinion that no additional impairment in the value of the investment has occurred and therefore no further allowance for impairment loss is required to be made in respect of investment in subsidiary companies in the financial statements of the Company during the financial year.

In the previous financial year, impairment loss on investment in subsidiaries amounted to RM4,067,391 had been recognised in respect of certain subsidiaries due to continuing reported losses.

7. INVESTMENT IN SUBSIDIARIES (CONT'D)

2021

(a) Additional investment in an existing subsidiary company

On 1st March, 2021, the Company subscribed additional 509,949 ordinary shares in Virent Energy Solutions Sdn. Bhd.. Conversely Virent Capital Sdn. Bhd. has on the same day subscribed up to 489,951 ordinary shares of the total issued capital in Virent Energy Solutions Sdn. Bhd.. Upon the share subscription, the Company's effective equity interest remained unchanged.

(b) Incorporation of new subsidiary company

(i) On 7th April, 2021, the Company has subscribed 49 ordinary shares representing 49% of the total issued capital in Kerjaya Bina BMK Sdn. Bhd. for a total consideration of RM49, the subsidiary company was incorporated on 07th April, 2021. Conversely Bina BMK Sdn. Bhd. has on the same day subscribed up to 51 ordinary shares representing 51% of the total issued capital in Kerjaya Bina BMK Sdn. Bhd..

(ii) The Company consider that it controls Kerjaya Bina BMK Sdn. Bhd. even though it owns less that fifty percent (50%) of the voting rights. This is due to the Company having control over the Board and the power to govern the relevant activity of this entity.

(iii) On 21st Jun, 2021, the Company subscribed additional 367,451 ordinary shares in Kerjaya Bina BMK Sdn. Bhd.. Conversely Bina BMK Sdn. Bhd. has on the same day subscribed up to 382,449 ordinary shares of the total issued capital in Kerjaya Bina BMK Sdn. Bhd.. Upon the share subscription, the Company's effective equity remained unchanged.

(c) Acquisition of new subsidiary company

On 24th May, 2021, the Company's owned subsidiary, Virent Energy Solutions Sdn. Bhd. acquired 10,000 ordinary shares representing 100% of the total issued share capital of Virent Energy Sdn. Bhd. ("VE") for a total cash consideration of RM10,000. As result, of the acquisition, VE become an indirect owned subsidiary of the Company.

2020

(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..

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 2021 RM	Group 2020 RM	Company 2021 RM	Company 2020 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	**–**	–
Quoted shares, in Malaysia	**1,752,673**	4,522,379	**–**	–
	1,752,673	13,683,733	**–**	–
(iii) Unquoted shares, at cost				
Unquoted shares, in Malaysia	**150,000**	–	**150,000**	–
Total other investments	**1,945,673**	13,726,733	**150,000**	–

9. INTANGIBLE ASSETS

	Group 2021 RM	Group 2020 RM
(i) Goodwill		
Cost		
At 1st January	**356,126,010**	353,134,269
Addition	**13,119**	2,991,741
At 31st December	**356,139,129**	356,126,010
Accumulated Impairment Losses		
At 1st January	**–**	–
Addition	**17,201**	–
At 31st December	**17,201**	–
Net Carrying Amount		
At 1st January	**356,126,010**	353,134,269
At 31st December	**356,121,928**	356,126,010

9. INTANGIBLE ASSETS (CONT'D)

	Group 2021 RM	Group 2020 RM
(ii) Computer Software		
Cost		
At 1st January	**257,226**	257,226
Addition	**85,932**	–
At 31st December	**343,158**	257,226
Accumulated Amortisation		
At 1st January	**214,018**	182,655
Amortisation charged (Note 27)	**28,884**	31,363
At 31st December	**242,902**	214,018
Net Carrying Amount		
At 1st January	**43,208**	74,571
At 31st December	**100,256**	43,208
Total intangible assets	**356,222,184**	356,169,218

Goodwill on consolidation

(a) Key assumptions used to determine the recoverable amount

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.

(b) Impairment loss recognised during the financial year

The Group recognised an impairment loss of RM17,201 (2020: RM Nil) during the financial year in respect of the goodwill arising on consolidation.

10. DEFERRED TAX ASSETS/(LIABILITIES)

	Group		Company	
	2021 RM	**2020 RM**	**2021 RM**	**2020 RM**
At 1st January	**(8,414,163)**	(7,429,407)	**–**	–
Transfer to/(from) statement of profit or loss and other comprehensive income (Note 30)	**2,174,666**	(984,756)	**–**	–
At 31st December	**(6,239,497)**	(8,414,163)	**–**	–
Presented after appropriate offsetting as follows:				
Deferred tax assets	**–**	–	**–**	–
Deferred tax liabilities	**(6,239,497)**	(8,414,163)	**–**	–
	(6,239,497)	(8,414,163)	**–**	–
The deferred tax assets/(liabilities) recognised is in respect of the followings:				
- Temporary difference between depreciation and capital allowance	**(7,371,396)**	(9,825,128)	**–**	–
- Provision and others	**1,131,899**	1,410,965	**–**	–
	(6,239,497)	(8,414,163)	**–**	–

The deferred tax assets (stated at gross) which have not been recognised in the financial statements are as follows:

	Group		Company	
	2021 RM	**2020 RM**	**2021 RM**	**2020 RM**
Unused tax losses	**6,043,250**	6,551,201	**–**	–
Unabsorbed capital allowances	**13,899,211**	17,775,786	**–**	–
Other deductible temporary differences	**4,427,145**	528,742	**–**	–
	24,369,606	24,855,729	**–**	–

At the reporting date, the Group has unused tax losses and unabsorbed capital allowances that are available for offset against future taxable profits for the companies in which the losses and allowance arose. The availability of the unused tax losses and unabsorbed capital allowances for offsetting against future taxable of the respective subsidiaries are also subject to no substantial change in shareholdings under the Income Tax Act, 1967 and guidelines issued by the tax authority.

Pursuant to an amendment to Section 44(5F) of the Income Tax Act, 1967, the time limit to unused tax losses has been extended to a maximum of 10 consecutive years. This amendment is deemed to have effect from the year of assessment 2019.

Furthermore, unused tax losses brought forward from year of assessment 2018 can be carried forward for another 10 consecutive years of assessment (i.e. from year of assessment 2019 to 2028).

11. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2021 RM	**2020 RM**	**2021 RM**	**2020 RM**
Non-Current				
Trade Receivables				
Retention sum	**230,397,548**	200,491,804	**–**	–
Current				
Trade Receivables				
Third parties	**404,885,152**	323,832,131	**–**	–
Less: Allowance for impairment				
- Third parties	**(16,606,006)**	(11,123,517)	**–**	–
	388,279,146	312,708,614	**–**	–
Other Receivables				
Amount due from subsidiaries	**–**	–	**106,292,932**	100,011,673
Prepayment	**209,229**	85,439	**4,500**	17,781
Deposits	**7,474,535**	8,139,859	**–**	–
Other receivables	**12,216,046**	29,064,725	**28,404**	28
	19,899,810	37,290,023	**106,325,836**	100,029,482
Less: Allowance for impairment				
- Amount due from subsidiaries	**–**	–	**(250,762)**	(11,155,602)
- Third parties	**(377,181)**	(368,671)	**–**	–
	19,522,629	36,921,352	**106,075,074**	88,873,880
Total - current	**407,801,775**	349,629,966	**106,075,074**	88,873,880
Total trade and other receivables	**638,199,323**	550,121,770	**106,075,074**	88,873,880

11. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Trade Receivables

Trade receivables are non-interest bearing and are generally on 30 to 90 (2020: 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 to 60 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	
	2021	**2020**
	RM	**RM**
Not past due	**430,682,223**	408,492,425
1 to 30 days past due	**30,908,289**	39,344,222
31 to 60 days past due	**21,956,681**	19,797,429
61 to 90 days past due	**92,080,279**	5,076,228
More than 90 days past due	**59,655,228**	51,613,631
	204,600,477	115,831,510
Impaired	**(16,606,006)**	(11,123,517)
	618,676,694	513,200,418

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 RM204,600,477 (2020: RM115,831,510) 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)

Receivables that are impaired

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

	Group	
	2021 **RM**	**2020** **RM**
At 1st January	**11,123,517**	13,647,977
Reversal for the year	**–**	(2,530,250)
Charge for the year	**5,482,489**	5,790
At 31st December	**16,606,006**	11,123,517

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	
	2021 **RM**	**2020** **RM**
At 1st January	**368,671**	363,179
Charge for the year	**8,510**	5,492
At 31st December	**377,181**	368,671

(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	
	2021 **RM**	**2020** **RM**
At 1st January	**11,155,602**	20,371,124
Reversal for the year	**(10,904,840)**	(9,215,522)
At 31st December	**250,762**	11,155,602

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 2021 RM	2020 RM
At cost/realisable value:		
(i) Property Development Costs		
Leasehold Land		
At 1st January	**69,726,549**	69,726,549
Additional	**4,518,385**	–
At 31st December	**74,244,934**	69,726,549
Development Costs		
At 1st January	**21,957,377**	13,732,321
Costs incurred during the year	**18,141,832**	8,225,056
At 31st December	**40,099,209**	21,957,377
Total property develoment costs	**114,344,143**	91,683,926
(ii) Others		
Raw materials	**1,863,232**	1,848,531
Work-in-progress	**411,742**	379,515
Finished goods	**415,743**	–
	2,690,717	2,228,046
(iii) Completed properties		
At cost	**80,340,054**	84,879,750
Impairment	**(340,666)**	(11,596,544)
	79,999,388	73,283,206
Total inventories	**197,034,248**	167,195,178

During the financial year, the amount of inventories recognised in the profit or loss account as expense in cost of sales of Group was RM8,537,315 (2020: RM20,624,520) as disclosed in Note 24.

13. CONTRACT ASSETS/(LIABILITIES)

	Group	
	2021 RM	**2020 RM**
Contract Assets		
(a) Amount due from customers for contract works (Note 14)	**11,005,940**	9,364,185
Contract Liabilities		
(a) Amount due to customers for contract works (Note 14)	**(19,580,383)**	(39,402,514)

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	
	2021 RM	**2020 RM**
Construction contract costs incurred to date	**3,829,785,009**	3,477,886,954
Attributable profits	**709,546,456**	666,532,014
	4,539,331,465	4,144,418,968
Less: Progress billings	**(4,547,905,908)**	(4,174,457,297)
	(8,574,443)	(30,038,329)

Presenting after appropriate offsetting as follows:

Amount due from customers for contract works (Note 13)	**11,005,940**	9,364,185
Amount due to customers for contract works (Note 13)	**(19,580,383)**	(39,402,514)
	(8,574,443)	(30,038,329)

15. CASH AND BANK BALANCES

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Cash in hand and at bank	**114,416,306**	133,381,045	**75,476,183**	70,089,070
Cash at securities account	**184,793**	368,824	**184,793**	368,824
Quoted unit trust*	**76,896,572**	117,058,740	**47,379,803**	83,465,623
Deposits with licensed banks	**18,943,363**	16,068,083	**1,763,726**	79,946
	210,441,034	266,876,692	**124,804,505**	154,003,463
Less: Allowance for ECL (MFRS 9)	**(120,961)**	(146,116)	**(70,457)**	(68,774)
	210,320,073	266,730,576	**124,734,048**	153,934,689

The deposits with licensed banks earned interest rates ranging from 1.55% to 1.90% (2020: 1.60% to 3.75%) per annum and have average maturities range from 31 to 365 (2020: 31 to 365) 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 RM17,097,503 and RM1,763,726 (2020: RM15,699,420 and RM79,946) 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	
	2021 Unit	2020 Unit	2021 RM	2020 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.

16. SHARE CAPITAL (CONT'D)

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 were as follow:

	2021 Unit	**2020 Unit**
At 1st January/ 31st December	**169,358,984**	169,358,984

17. TREASURY SHARES

	Group and Company			
	Number of ordinary shares		**Amount**	
	2021 Unit	**2020 Unit**	**2021 RM**	**2020 RM**
At 1st January	**4,566,766**	9,090,600	**4,996,188**	10,893,186
Repurchased during the year	**157,800**	7,747,500	**189,880**	8,385,329
Distribution as share dividends	**–**	(12,271,334)	**–**	(14,282,327)
At 31st December	**4,724,566**	4,566,766	**5,186,068**	4,996,188

During the financial year, the Company repurchased 157,800 (2020: 7,747,500) ordinary shares from the open market at an average price of RM1.20 (2020: RM1.08) per share. The total consideration paid for the repurchase including transaction costs was RM189,880 (2020: RM8,385,329).

Subsequent to the financial year and up to the date of this report, the Company repurchased a further 490,000 from the open market.

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	
		2021	**2020**	**2021**	**2020**
		RM	**RM**	**RM**	**RM**
(a)	Other reserve	**475,000**	475,000	**–**	–
(b)	Foreign currency translation reserve	**109,279**	192,164	**–**	–
		584,279	667,164	**–**	–

(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	
	2021	**2020**
	RM	**RM**
At 1st January	**192,164**	210,799
Change during the year	**(82,885)**	(18,635)
At 31st December	**109,279**	192,164

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.

19. TRADE AND OTHER PAYABLES

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Non-Current				
Trade Payables				
Retention sum	**88,829,794**	81,301,982	**–**	–
Other Payables				
Other Payable	**45,400,260**	43,238,343	**–**	–
Total - non-current	**134,230,054**	124,540,325	**–**	–
Current				
Trade Payables				
Third parties	**116,113,296**	91,080,402	**–**	–
Retention sum	**1,248,572**	705,768	**–**	–
	117,361,868	91,786,170	**–**	–
Other Payables				
Accruals	**3,342,015**	5,009,423	**267,027**	219,772
Amount due to subsidiaries	**–**	–	**3,267,115**	106,000
Other payables	**12,676,436**	5,725,717	**5,000**	11,925
Dividend payable	**24,765,084**	18,561,025	**24,735,084**	18,561,025
Deposit received	**673,281**	263,509	**–**	–
	41,456,816	29,559,674	**28,274,226**	18,898,722
Total - current	**158,818,684**	121,345,844	**28,274,226**	18,898,722
Total trade and other payables	**293,048,738**	245,886,169	**28,274,226**	18,898,722

19. TRADE AND OTHER PAYABLES (CONT'D)

(a) Trade Payables

Trade payables are non-interest bearing and are normally settled on 14 to 90 (2020: 14 to 90) days term.

Retention sum payables are monies withheld by the Group and will be released to contractors upon expiry of 1 - 60 months from the date of completion of work.

(b) Other Payables

(i) Other payable under non-current liabilities is remaining purchase consideration of RM 45,400,260 (2020: RM 43,238,343) payable to third party of land acquisition cost by one of the Company's subsidiary. The amount bears interest at 5% (2020: 5%) per annum.

(ii) Other payables under current liabilities are non-interest bearing and are normally settled on an average term of 90 (2020: 90) days term.

20. LEASE LIABILITIES

	Group	
	2021	**2020**
	RM	**RM**
At 1 January	**1,023,393**	2,101,123
- Additions	**1,481,470**	605,520
- Derecognition due to lease modification	**(676,114)**	(415,030)
- Gain on application of practical expedient under MFRS 16	**–**	(29,340)
- Interest expenses recognised in profit or loss (Note 26)	**14,600**	87,881
- Lease payment	**(718,901)**	(1,326,761)
At 31 December	**1,124,448**	1,023,393
Analysed by:-		
Current	**772,593**	30,074
Non-current	**351,855**	993,319
	1,124,448	1,023,393

The effective interest rates of the finance lease liabilities are between 3.16% and 3.35% (2020: 5.15%) per annum.

21. REVOLVING CREDIT

(a) The revolving credit is secured by corporate guarantee by the Company.

(b) The revolving credit at the end of the reporting period bore effective interest rate as follows:-

	Group 2021 Per annum	Group 2020 Per annum
Floating rates revolving credit	**3.18%**	–

22. SHORT TERM BORROWING

	Group 2021 RM	Group 2020 RM
Bank overdraft	**8,824,533**	80,611,624

The bank overdraft is secured by charges on certain properties (note 4) and way of corporate guarantee granted by the Company and bears interest of approximately 4.10% (2020: 3.35%) per annum.

23. REVENUE

	Group		Company	
	2021 RM	**2020 RM**	**2021 RM**	**2020 RM**
Revenue from contracts with customers				
(i) Recognised over time				
- Construction activities	**967,924,169**	807,813,482	**–**	–
- Property development activities	**–**	2,713,280	**–**	–
	967,924,169	810,526,762	**–**	–
(ii) Recognised at a point in time				
- Sale of completed properties	**8,639,045**	13,485,000	**–**	–
- Manufacturing activities	**451,629**	472,460	**–**	–
Dividend income	**–**	–	**30,000,000**	23,500,000
	977,014,843	824,484,222	**30,000,000**	23,500,000

Notes to the Financial Statements (Cont'd)

24. COST OF SALES

	Group 2021 RM	Group 2020 RM
Construction costs	**811,120,716**	674,222,078
Property development costs for completed properties (Note 12 (iii))	**–**	1,952,377
Cost of completed properties	**8,537,315**	18,672,143
Manufacturing costs	**152,208**	367,569
	819,810,239	695,214,167

25. OTHER OPERATING INCOME

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Gain on modification of term of a financial liability	**–**	6,788,398	**–**	–
Gain on disposal of quoted shares	**1,160,548**	8,741,026	**–**	–
Interest income from fixed deposits and current account	**4,368,768**	5,878,635	**2,070,821**	2,486,709
Miscellaneous	**2,580,541**	1,236,556	**–**	–
Other income	**4,083,343**	3,838,598	**–**	–
Penalty charges	**1,101,199**	1,450,034	**–**	–
Reversal on allowance for impairment loss				
- Amount due from subsidiaries	**–**	–	**10,889,923**	9,215,522
Sales of scrap	**4,103,948**	1,990,368	**–**	–

26. FINANCE COSTS

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Bank overdraft interest	**1,084,802**	864,228	**–**	–
Fair value loss and redemption on short term fund	**–**	–	**571,666**	–
Lease interest (Note 20)	**14,600**	87,881	**–**	–
	1,099,402	952,109	**571,666**	–

27. PROFIT BEFORE TAXATION

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

	Group		Company	
	2021 RM	**2020 RM**	**2021 RM**	**2020 RM**
Auditors' remuneration				
- statutory audits				
- current year	**204,691**	205,748	**38,900**	36,000
- other services	**1,100**	1,100	**1,100**	1,100
- Under provision in prior year	**6,472**	–	**2,900**	–
(Reversal)/allowance for impairment losses				
- Trade receivables	**7,941,762**	(2,524,460)	**–**	–
- Other receivables	**(22,069)**	5,492	**–**	–
- Cash and bank balances	**(25,249)**	58,001	**1,682**	56,138
- Inventories	**340,666**	11,596,544	**–**	–
- Investment in subsidiaries	**–**	–	**–**	4,067,391
Allowance/(Reversal) for other investments	**2,769,706**	(1,716,870)	**–**	–
Amortisation of intangible asset (Note 9(ii))	**28,884**	31,363	**–**	–
Amortisation of right-of-use assets (Note 5)	**915,961**	1,221,934	**–**	–
Bad debt written off	**89,725**	1,400,050	**54,503**	–
Depreciation of property, plant and equipment (Note 4)	**32,335,982**	36,271,881	**3,600**	3,600
Depreciation of investment properties (Note 6)	**19,545**	23,808	**–**	–
Employee benefits expense (Note 28)	**32,719,700**	34,448,123	**–**	–
Fair value loss and redemption on short term fund	**–**	–	**571,666**	–
Finance cost (Note 26)	**1,099,402**	952,109	**–**	–
Directors' remuneration (Note 29)				
- executive	**4,401,098**	4,865,360	**–**	–
- non-executive	**918,419**	202,572	**240,639**	202,572
Impairment loss on goodwill	**17,201**	–	**–**	–
Loss on disposal of property, plant and equipment	**1,645,606**	–	**–**	–
Loss on foreign exchange				
- Realised	**–**	1,884	**–**	–
Rental expenses				
- premises	**174,970**	54,700	**–**	–
Termination of lease contracts	**19,698**	–	**–**	–

28. EMPLOYEE BENEFITS EXPENSE

	Group	
	2021	**2020**
	RM	**RM**
Wages and salaries	**25,231,398**	25,629,229
Social security contributions	**543,880**	586,002
Contributions to defined contribution plan	**2,835,424**	2,848,458
Other benefits	**4,108,998**	5,384,434
	32,719,700	34,448,123

29. DIRECTORS' REMUNERATION

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM	**RM**	**RM**	**RM**
Executive				
- salaries and other emoluments	**3,931,677**	4,344,054	**–**	–
- contributions to defined contribution plan	**469,421**	521,306	**–**	–
Total executive directors' remuneration (Note 27)	**4,401,098**	4,865,360	**–**	–
Non-executive				
- salaries and other emoluments	**605,161**	–	**–**	–
- contributions to defined contribution plan	**72,619**	–	**–**	–
- fees				
- current year	**200,427**	180,072	**200,427**	180,072
- underprovision previous year	**16,212**	–	**16,212**	–
- other emoluments				
- current year	**24,000**	22,500	**24,000**	22,500
Total non-executive directors' remuneration (Note 27)	**918,419**	202,572	**240,639**	202,572
	5,319,517	5,067,932	**240,639**	202,572

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

	Number of Directors	
	2021	**2020**
Executive directors		
- RM50,000 - RM1,000,000	**1**	–
- RM1,000,000 - RM2,000,000	**2**	2
- RM2,000,001 - RM3,000,000	**–**	1
Non-executive directors		
- below RM50,000	**1**	1
- RM50,001 - RM1,000,000	**3**	2

Notes to the Financial Statements (Cont'd)

30. TAXATION

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Current income tax				
- Malaysian income tax	**35,777,373**	27,579,639	**18,455**	8,052
- Underprovision in previous year	**1,268,733**	200,251	**–**	3,426
- Real property gain tax	**11,810**	6,929	**–**	–
	37,057,916	27,786,819	**18,455**	11,478
Deferred income tax (Note 10)				
- relating to origination and reversal of temporary differences	**(22,409)**	2,265,485	**–**	–
- Overprovision in previous year	**(2,152,257)**	(1,280,729)	**–**	–
	(2,174,666)	984,756	**–**	–
Income tax expense recognised in statement of profit or loss and other comprehensive income	**34,883,250**	28,771,575	**18,455**	11,478

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31st December, 2021 and 2020 is as follows:

	Group		Company	
	2021 RM	2020 RM	2021 RM	2020 RM
Profit before tax	**131,762,336**	119,545,418	**41,711,753**	30,627,981
Taxation at Malaysian statutory tax rate of 24% (2020: 24%)	**31,622,961**	28,690,900	**10,010,821**	7,350,715
Income not subject to tax	**(1,020,763)**	(5,570,464)	**(10,314,184)**	(8,479,281)
Non-deductible expenses	**5,080,378**	7,064,105	**233,346**	1,047,595
Deferred tax assets not recognised	**224,275**	355,849	**88,472**	89,023
Deferred tax assets recognised on previously unrecognised tax losses and capital allowance	**(86,494)**	(655,203)	**–**	–
Real property gain tax	**11,810**	6,929	**–**	–
Utilisation of current year's capital allowance	**(65,393)**	(40,063)	**–**	–
Overprovision of deferred tax in previous year	**(2,152,257)**	(1,280,729)	**–**	–
Underprovision of income tax in previous year	**1,268,733**	200,251	**–**	3,426
	34,883,250	28,771,575	**18,455**	11,478

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2020: 24%) of the estimated assessable profit for the year.

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

31. 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 2021	2020
(a) Basic		
Profit after tax attributable to owners of the Company (RM)	**96,962,047**	90,754,868
Weighted average number of ordinary shares outstanding	**1,237,377,896**	1,232,037,115
Basic earnings per share (sen)	**7.84**	7.37

(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.

32. DIVIDENDS

	Net Dividend Per Share Sen	Total Amount RM	Date of payment RM
2021			
Single tier final	1.5	**18,560,576**	7th July, 2021
Single tier interim	1.5	**18,560,575**	8th October, 2021
Single tier interim	2.0	**24,735,084**	8th April, 2022
		61,856,235	
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	

33. 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:

	2021 RM	2020 RM
Rental of office premise	**406,800**	393,070
Construction contract sum	**242,883,209**	102,067,798
Sales of finished goods	**11,160**	33,178
Purchase of goods/services	**303,205**	1,075,726
Others*	**276,771**	57,124

* 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 in these related parties.

(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 29.

34. CORPORATE GUARANTEES

	Group and Company 2021 RM	 2020 RM
Corporate guarantees given to customers/suppliers of subsidiary companies	**175,594,297**	168,364,300

	Company 2021 RM	 2020 RM
Corporate guarantees given to financial institutions for credit facilities granted to subsidiary companies	**81,831,045**	78,534,721

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.

35. MATERIAL LITIGATION

On 10 September, 2020, one of the Company's subsidiary, Kerjaya Prospek (M) Sdn. Bhd. ("KPSB") had received a Writ of Summons and Statement of Claim issued by the Kuala Lumpur High Court, whereby Pembinaan Yeng Tong Sdn. Bhd. (the "Plaintiff") demanded inter-alia, payment of works done, expenses and loss and damages totalling RM35.6 million ("Claims").

KPSB has obtained legal advice from its solicitors and is of the view that Plaintiff has no strong legal basis for the Claims and KPSB has a fair defence against the Claims. KPSB appointed solicitors has entered counterclaim against the Plaintiff accordingly.

On 5 May 2021, the Court has given direction to proceed with full Trial as parties were unable to agree to arbitrate this matter pursuant to section 24A of the Courts of Judicature Act 1964.

This legal action is fixed for Trial on 17 - 20 May 2022 and 20 - 24 June 2022.

36. ULTIMATE HOLDING COMPANY

The ultimate holding company of the Company is Egovision Sdn. Bhd., a company incorporated in Malaysia, and owns 50.73% of the Company's equity shareholdings as at 18th April, 2022.

37. 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
Revolving credit	21
Short term borrowings	22

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.

(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.

38. 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.

During the current and previous financial year, the Group's policy is not to enter into any derivatives.

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.

<u>Exposure to credit risk</u>

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.

<u>Credit Risk Concentration Profile</u>

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.

The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk.

(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.

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

(b) Liquidity Risk (Cont'd)

Analysis of Financial Instruments by Remaining Contractual Maturities

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

	31.12.2021		
	On demand or within one year RM	One to five year RM	Total RM
Financial Liabilities			
Group			
Trade and other payables	**158,818,684**	**134,230,054**	**293,048,738**
Contract liabilities	**19,580,383**	**–**	**19,580,383**
Lease liabilities	**772,593**	**351,855**	**1,124,448**
Revolving credit	**25,000,000**	**–**	**25,000,000**
Short term borrowing	**8,824,533**	**–**	**8,824,533**
Company			
Trade and other payables	**28,274,226**	**–**	**28,274,226**
Corporate guarantees* (Note 34)	**81,831,045**	**–**	**81,831,045**

	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
Contract liabilities	39,402,514	–	39,402,514
Lease liabilities	30,074	993,319	1,023,393
Short term borrowing	80,611,624	–	80,611,624
Company			
Trade and other payables	18,898,722	–	18,898,722
Corporate guarantees* (Note 34)	78,534,721	–	78,534,721

* 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.

38. 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 RM Nil (2020: RM9,161,354) 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	
	2021 RM	**2020 RM**
Singapore Dollar ("SGD")		
Other investments	**–**	9,161,354
Cash and bank balances	**15,811,401**	5,310,197
	15,811,401	14,471,551
United States Dollar ("USD")		
Cash and bank balances	**123,247**	118,803
	15,934,648	14,590,354

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

(d) Foreign Currency Risk (Cont'd)

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

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	
	2021 RM	2020 RM
USD/RM - strengthened 10%	**12,325**	11,880
- weakened 10%	**(12,325)**	(11,880)
SGD/RM - strengthened 10%	**1,581,140**	1,447,155
- weakened 10%	**(1,581,140)**	(1,447,155)

39. 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			
31.12.2021			
Group			
Other investments - quoted shares	**1,752,673**	**–**	**1,752,673**
Trade and other receivables (excluding prepayment)	**637,990,094**	**637,990,094**	**–**
Cash and bank balances	**210,320,073**	**133,423,501**	**76,896,572**
Company			
Trade and other receivables (excluding prepayment)	**106,070,574**	**106,070,574**	**–**
Cash and bank balances	**124,734,048**	**77,354,245**	**47,379,803**

39. CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONT'D)

	Carrying amount RM	AC RM
Financial liabilities		
31.12.2021		
Group		
Trade and other payables	**293,048,738**	**293,048,738**
Lease liabilities	**1,124,448**	**1,124,448**
Revolving credit	**25,000,000**	**25,000,000**
Short term borrowing	**8,824,533**	**8,824,533**
Company		
Trade and other payables	**28,274,226**	**28,274,226**

	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

	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

40. 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 shareholders' 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, 2021 and 2020.

The debts to equity ratios as at 31st December, 2021 and 2020 were as follow:

	Group		**Company**	
	2021 RM	**2020 RM**	**2021 RM**	**2020 RM**
Revolving credit	**25,000,000**	–	**–**	–
Short term borrowing	**8,824,533**	80,611,624	**–**	–
Less: Net cash and bank balances	**(210,320,073)**	(266,730,576)	**(124,734,048)**	(153,934,689)
Net cash surplus	**(176,495,540)**	(186,118,952)	**(124,734,048)**	(153,934,689)
Total equity	**1,145,899,428**	1,110,309,887	**662,457,653**	682,810,470
Gearing ratio	**N/A***	N/A*	**N/A***	N/A*

* N/A – Not applicable as the Group and the Company has net cash positions.

There were no changes in the Group's approach to capital management during the financial year.

41. 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.

<u>Information about major customers</u>

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

	Revenue		Segment
	2021	**2020**	
	RM	**RM**	
Customer A	**121,084,939**	163,671,535	Construction
Customer B	**147,131,341**	102,971,096	Construction
Customer C	**146,619,990**	106,755,288	Construction
Customer D	**156,083,160**	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.

41. SEGMENT INFORMATION (CONT'D)

	Construction RM	Manufacturing RM	Properties RM	Others RM	Elimination RM	Total RM
31st December, 2021						
Revenue						
External sales	976,563,214	289,629	–	162,000	–	977,014,843
Inter-segment sales	86,875,229	2,946,665	–	30,000,000 *	(119,821,894)	–
Total revenue	1,063,438,443	3,236,294	–	30,162,000	(119,821,894)	977,014,843
Results						
Segment results	133,273,095	546,999	327,726	31,509,079	(32,795,161)	132,861,738
Finance costs						(1,099,402)
Profit before tax						131,762,336
Taxation						(34,883,250)
Profit for the year						96,879,086
Assets						
Segment assets	917,254,659	44,453,622	159,166,546	716,172,377	(326,701,377)	1,510,345,827
Unallocated assets						–
Consolidated total assets						1,510,345,827
Liabilities						
Segment liabilities	381,182,034	13,683,244	138,999,769	80,832,489	(250,251,137)	364,446,399
Unallocated liabilities						–
Consolidated total liabilities						364,446,399
Other information						
Depreciation of property, plant and equipment	32,275,600	33,920	22,862	3,600	–	32,335,982
Depreciation of investment properties	19,545	–	–	–	–	19,545
Amortisation of intangible assets	28,884	–	–	–	–	28,884

41. SEGMENT INFORMATION (CONT'D)

	Construction RM	Manufacturing RM	Properties RM	Others RM	Elimination RM	Total RM
31st December, 2020						
Revenue						
External sales	821,298,482	472,460	2,713,280	–	–	824,484,222
Inter-segment sales	49,676,462	4,258,951	–	23,500,000 *	(77,435,413)	–
Total revenue	870,974,944	4,731,411	2,713,280	23,500,000	(77,435,413)	824,484,222
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

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

42. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) On 9th April, 2021, one of the Company's subsidiary company, Kerjaya Bina BMK Sdn. Bhd. ("BMK") has accepted a letter of award amounting to RM153.5 million from BBCC Development Sdn. Bhd., a joint venture company set up by Employees Provident Fund, UDA Holdings Berhad. and Eco World Development Group Berhad., in respect of construction of main building for a proposed development project located at Lot PT 50001, Seksyen 56, Off Jalan Hang Tuah/ Jalan Pudu, Wilayah Persekutuan, Kuala Lumpur.

(b) On 26th April, 2021, one of the Company's subsidiaries, Kerjaya Prospek (M) Sdn. Bhd. ("KPSB") has accepted a letter of award amounting to RM202.6 million through its 50% joint venture partnership with Gamuda Engineering Sdn. Bhd., a wholly-owned subsidiary of Gamuda Berhad., from Tanjung Pinang Development Sdn. Bhd. ("TPD")., an indirect subsidiary company of Eastern & Oriental Berhad., in respect of contract work for execution and completion of infrastructure works on Gurney Marine Bridge, linking Jalan Gurney to the Seri Tanjung Pinang Phase 2 ("STP2") Island, 55.47 meter-wide main road from Gurney Marine Bridge to Gurney roundabout, upgrading of Gurney roundabout and all other associated civil engineering works for the STP2, Pulau Pinang.

(c) On 5th May, 2021, KPSB has accepted a letter of award amounting to RM28.398 million from Persada Mentari Sdn. Bhd., an indirect subsidiary company of Eastern & Oriental Berhad., in respect of contract works for execution and completion of site works and earthworks, foundation piling system and pile caps construction, basement construction and all associated works for the proposed two blocks of 35 storey service apartments with one level basement on Plot B, Kawasan Tebusguna Tanah Seri Tanjung Pinang (FASA 2A) Daerah Timur Laut, Pulau Pinang.

(d) On 30th July, 2021, KPSB has accepted a letter of award amounting to RM139.0 million from Damansara Peak Sdn. Bhd., an indirect subsidiary company of Eastern & Oriental Berhad., in respect of construction and completion of substructure works, main building works and all associated external works for the proposed 54 units 3storey villa on PT 8971 to PT 8981 and PT 9730 to PT 9732 Jalan Teruntung, Damansara Heights, Mukim Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur.

(e) On 10th September, 2021, KPSB has accepted a letter of award amounting to RM126.10 million from Sunrise Alliance Sdn. Bhd., a subsidiary company of UEM Sunrise Berhad., in respect of main building works for a proposed residential development project located at Lot 93720 (PN 102216), Jalan Equire 9, Taman Equine, Bandar Putra Permai, Mukim Petaling, Daerah Petaling, Selangor Darul Ehsan.

(f) On 14th October, 2021, KPSB has accepted a letter of award amounting to RM258.0 million from Teguh Harian Build-Tech Sdn. Bhd., in respect of a contract for main building works for a proposed residential development project at Kampung Bendahara, Mukim Plentong, Johor Darul Takzim.

43. SIGNIFICANT EVENTS SUBSEQUENT TO THE FINANCIAL YEAR END

(a) On 22nd February, 2022, KPSB has accepted a letter of award amounting to RM710.1 million from Nikmat Merpati Sdn. Bhd., in respect of main building works and external works for a proposed residential development project at Jalan Enggang, Bandar Ulu Kelang, Daerah Gombak, Selangor Darul Ehsan.

(b) On 6th April, 2022, KPSB has accepted a letter of award amounting to RM265.0 million from Persada Mentari Sdn. Bhd., an indirect subsidiary of Eastern & Oriental Berhad., in respect of a contract for main building works for a proposed residential development project at Plot B (Sebahagian Lot PT 16) Kawasan Terbusguna Tanah Seri Tanjung Pinang (Fasa 2A), Daerah Timur Laut, Pulau Pinang.

44. COMPARATIVE FIGURES

The following figures have been reclassified to conform with the presentation of the current financial year:-

	As Restated	As Previously Reported
	Group	
	2021	**2020**
Statement of profit or loss and other comprehensive income (Extract):-		
Revenue	**824,484,222**	810,999,222
Cost of sales	**(695,214,167)**	(676,542,024)
Administrative expenses	**(26,961,317)**	(32,148,460)
Statement of cash flows (Extract):-		
Net cash generated from operating activities	**25,900,760**	27,873,542
Net cash used in investing activities	**(17,704,460)**	(19,677,242)

45. AUTHORISATION FOR ISSUE

The financial statements of the Group and of the Company for the financial year ended 31st December, 2021 were authorised for issue in accordance with a resolution of the Board of Directors on 18th April, 2022.

Top 10
List of Properties
as at 31st December 2021

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	2	7,398	2/01/2020
2	Lot 12068, Pekan Klebang Seksyen 111, Melaka (Land)	Leasehold expiring in 2109	20,234 square metre	Vacant	6	4,734	1/06/2015
3	P-01-01, Vista Residence, Genting Permai Avenue, 69000 Genting Highlands Pahang	Leasehold expiring in 2116	9,666 square feet	Vacant	3	4,180	3/01/2019
4	Unit No.10, Lot 9625 Sungai Buloh Batu 11, Jalan Kuala Selangor.	Leasehold expiring in 2068	918.77 square metre	Workshop	8	3,884	31/05/2013
5	P-02-01, Vista Residence, Genting Permai Avenue, 69000 Genting Highlands Pahang	Leasehold expiring in 2116	9,666 square feet	Vacant	3	3,577	3/01/2019
6	P-01-02, Vista Residence, Genting Permai Avenue, 69000 Genting Highlands Pahang	Leasehold expiring in 2116	6,943 square feet	Vacant	3	3,002	3/01/2019
7	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	19	2,955	11/05/2011
8	GM3565, Lot 703, Mukim Serendah, Daerah Hulu Selangor	Freehold	1.1255 hectare	Vacant	2	2,613	2/01/2020
9	P-02-02, Vista Residence, Genting Permai Avenue, 69000 Genting Highlands Pahang	Leasehold expiring in 2116	7007 square feet	Vacant	3	2,593	3/01/2019
10	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	2	2,250	2/10/2020

Analysis of Shareholdings

as at 31st March 2022

Class of Shares	:	Ordinary Share ("Shares")
Issued Share Capital	:	1,241,968,766 Shares
Treasury shares	:	5,214,566 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 2022
(WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNT BELONGING TO THE SAME PERSON)

Size of Shareholders	No. of Shareholders	% of Shares	No. of Shareholdings	% of Issued Share Capital
Less than 100	602	13.08	20,330	0.00
100 to 1,000	665	14.45	376,082	0.03
1,001 to 10,000	2,336	50.75	9,702,408	0.78
10,001 to 100,000	797	17.31	23,363,827	1.89
100,001 to less than 5% of issued shares	199	4.32	262,398,576	21.22
5% and above of issued shares	4	0.09	940,892,977	76.08
Total	**4,603**	**100.00**	**1,236,754,200***	**100.00**

Note:
* *Exclude a total of 5,214,566 treasury shares retained by the Company as per record of depositors as at 31 March 2022*

THE 30 LARGEST SECURITIES ACCOUNT HOLDERS AS AT 31 MARCH 2022
(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	41.62
2.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT- AMBANK (M) BERHAD FOR AMAZING PARADE SDN BHD (SMART)	251,975,000	20.37
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	5.78
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	18,799,058	1.52
7.	ONE PERMATANG SDN BHD	16,161,000	1.31
8.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (KENANGA)	12,498,103	1.01
9.	HSBC NOMINEES (ASING) SDN BHD HSBC BK PLC FOR ASIA EX JAPAN EQUITY SMALLER COMPANIES (LXG HGIF)	12,105,480	0.98
10.	MAYBANK (NOMINEES) TEMPATAN SDN BHD NATIONAL TRUST FUND (IFM KENANGA)	10,419,902	0.84

Analysis of Shareholdings (Cont'd)

THE 30 LARGEST SECURITIES ACCOUNT HOLDERS AS AT 31 MARCH 2022 (CONT'D)
(WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNT BELONGING TO THE SAME PERSON)

No.	Holder Name	No. of Shares	% of Issued Share Capital
11.	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR EGOVISION SDN. BHD. (ESS2. 7189-9)	9,891,457	0.80
12.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (PHEIM)	7,247,575	0.59
13.	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR ALLIANZ LIFE INSURANCE MALAYSIA BERHAD (MEF)	7,109.300	0.57
14.	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR MANULIFE INVESTMENT SHARIAH PROGRESSFUND	6,903,956	0.56
15.	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD FOR KENANGA SHARIAH GROWTH OPPORTUNITIES FUND (50156 TR01)	6,281.000	0.51
16.	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR NORGES BANK (FI 17)	6,112,967	0.49
17.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TOH SIEW CHUON	5,988,607	0.48
18.	CIMB ISLAMIC NOMINEES (TEMPATAN) SDN BHD CIMB ISLAMIC TRUSTEE BERHAD - KENANGA SYARIAH GROWTH FUND	5,854,079	0.47
19.	CARTABAN NOMINEES (TEMPATAN) SDN BHD PAMB FOR PRULINK EQUITY FOCUS FUND	4,708,825	0.38
20.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (ARIM)	4,484,400	0.36
21.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (AMUNDI)	4,073,800	0.33
22.	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR EASTSPRING INVESTMENT ISLAMIC SMALL-CAP FUND	4,000,000	0.32
23.	AMAZING PARADE SDN BHD	3,637,586	0.29
24.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD URUSHARTA JAMAAH SDN BHD (AMUNDI 2)	3,460,500	0.28
25.	LEMBAGA TABUNG HAJI	3,323,000	0.27
26.	CIMB ISLAMIC NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD - KENANGA GROWTH OPPORTUNITIES FUND (50154 TR01)	3,152,200	0.25
27.	CARTABAN NOMINEES (TEMPATAN) SDN BHD PAMB FOR PRULINK EQUITY INCOME FUND	2,827,719	0.23
28.	AMANAH RAYA BERHAD KUMPULAN WANG BERSAMA SYARIAH	2,599,223	0.21
29.	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR EASTSPRING INVESTMENTSEQUITY INCOME FUND	2,583,045	0.21
30.	LOO SOO LOONG	2,424,000	0.20
	TOTAL	**1,126,827,777**	**91.10**

Analysis of Shareholdings (Cont'd)

DIRECTORS' SHAREHOLDINGS IN THE COMPANY
(AS PER REGISTER OF DIRECTORS' SHAREHOLDINGS AS AT 31 MARCH 2022)

	No. of Shares held			
Name of Directors	**Direct**	**%**	**Indirect**	**%**
Datuk Tee Eng Ho	–	–	*2 882,999,321	*2 71.40
Tee Eng Seng	–	–	*2 882,999,321	*2 71.40
Datin Toh Siew Chuon	5,988,607	0.48	*2 882,999,321	*2 71.40
Tee Eng Tiong	–	–	*3 16,161,000	*3 1.31
Chan Kam Chiew	–	–	–	–
Maylee Gan Suat Lee	–	–	–	–
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*
*3 *Deemed interested by virtue of his interest in One Permatang Sdn. Bhd. pursuant to Section 8 of the Companies Act, 2016*

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS
(AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 31 MARCH 2022)

	No. of Shares Held			
Name of Substantial Shareholdings	**Direct**	**%**	**Indirect**	**%**
Amazing Parade Sdn. Bhd.	255,612,586	20.67	–	–
Egovision Sdn. Bhd.	627,386,735	50.73	–	–
Datuk Tee Eng Ho	–	–	*1 888,987,928	*1 71.88
Tee Eng Seng	–	–	*2 882,999,321	*2 71.40
Datin Toh Siew Chuon	5,988,607	0.48	*2 882,999,321	*2 71.40
Employees Provident Fund Board	87,228,474	7.05	–	–

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*

Analysis of Shareholdings (Cont'd)

DIRECTORS' SHAREHOLDINGS IN RELATED CORPORATION
(AS PER REGISTER OF DIRECTORS' SHAREHOLDINGS AS AT 31 MARCH 2022)

	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 31st March 2022

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 2022 (WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNT BELONGING TO THE SAME PERSON)

Size of Warrantholdings	No. of Holders	%	No. of Holdings	%
Less than 100	483	25.22	12,229	0.01
100 to 1,000	721	37.65	266,410	0.16
1,001 to 10,000	351	18.33	1,447,268	0.85
10,001 to 100,000	258	13.47	9,834,545	5.81
100,001 to less than 5% of issued warrants	100	5.22	38,799,750	22.91
5% and above of issued warrants	2	0.11	118,998,782	70.26
Total	**1,915**	**100.00**	**169,358,984**	**100.00**

THE 30 LARGEST SECURITIES ACCOUNT HOLDERS AS AT 31 MARCH 2022 (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.	PUA GEOK TAN	2,970,090	1.75
4.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD	2,853,470	1.68
5.	ONE PERMATANG SDN BHD	2,400,000	1.42
6.	LUM KWOK WENG @ LUM KOK WENG	1,492,600	0.88
7.	TAI KOK WEI	1,400,000	0.83
8.	RHB CAPITAL NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN TEONG HENG (CEB)	1,311,400	0.77
9.	MAYBANK SECURITIES NOMINESS (ASING) SDN BHD MAYBANK KIM ENG SECURITIES PTE LTD FOR CHUMPON CHANTHARAKULPONGSA @ CHAN TEIK CHUAN	1,060,000	0.63
10.	CHIA SOW TECK	1,032,868	0.61

Analysis of Warrantholdings (Cont'd)

THE 30 LARGEST SECURITIES ACCOUNT HOLDERS AS AT 31 MARCH 2022 (CONT'D)
(WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNT BELONGING TO THE SAME PERSON)

No.	Holder Name	No. of Holdings	%
11.	ANG KAH KEEM	955,100	0.56
12.	CHONG MEEI FEN	903,000	0.53
13.	LIM BAN HENG	874,500	0.52
14.	MAYBANK NOMINESS (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TOH SIEW CHUON	808,542	0.48
15.	MAYBANK NOMINESS (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEE TONG LAI	728,680	0.43
16.	NG CHEE THONG	676,500	0.40
17.	WOO KAM FOOK	643,000	0.38
18.	WONG KONG WAI	629,500	0.37
19.	LOO SOO LOONG	600,000	0.35
20.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM BAN HON (E-TMR/MLK)	550,000	0.32
21.	TAI SHEAU YANN	500,000	0.30
22.	TEE YONG SIANG	464,000	0.27
23.	TER LEONG SWE	440,100	0.26
24.	HO WEI FUN	406,220	0.24
25.	CIMB ISLAMIC NOMINEES (TEMPATAN) SDN BHD CIMB ISLAMIC TRUSTEE BERHAD - KENANGA SYARIAH GROWTH FUND	384,360	0.23
26.	TEE YONG SHENG	365,480	0.22
27.	CHEW KWEK FOONG	350,000	0.21
28.	TAN CHOR DENG	334,200	0.20
29.	CHUAH SOON AN	330,000	0.19
30.	MAYBANK NOMINEES (TEMPATAN) SDN BHD NATIONAL TRUST FUND (IFM KENANGA) (410196)	326,250	0.19
	TOTAL	**144,788,642**	**85.49**

Analysis of Warrantholdings (Cont'd)

DIRECTORS' WARRANTHOLDINGS
(AS PER REGISTER OF DIRECTORS' WARRANTHOLDINGS AS AT 31 MARCH 2022)

	No. of Warrants Held			
Name of Directors	**Direct**	**%**	**Indirect**	**%**
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
Tee Eng Tiong	–	–	*2 2,400,000	*2 1.42
Chan Kam Chiew	–	–	–	–
Maylee Gan Suat Lee	–	–	–	–
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 *Deemed interested by virtue of their interest in One Permatang Sdn. Bhd. pursuant to Section 8 of the Companies Act, 2016*

*3 *Based on percentage of outstanding securities as at 31 March 2022*

Notice of Thirty-Eighth Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Thirty-Eighth Annual General Meeting of the Company will be held fully virtual through live streaming and online remote voting using Remote Participation and Voting ("RPV") facilities via Securities Services e-Portal provided by Securities Services (Holdings) Sdn. Bhd. in Malaysia at https://sshsb.net.my from the broadcast venue at No. 1, Jalan Wangsa Permai, 1st Floor, Bangunan One Wangsa, Taman Wangsa Permai, 52200 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur on Thursday, 26 May 2022 at 11.00 a.m. or at any adjournment thereof to transact the following businesses:-

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 December 2021 and the Reports of Directors and Auditors thereon.

2. To approve the payment of Directors' fees to the Non-Executive Directors of RM200,427 in respect of the financial year ended 31 December 2021. *Ordinary Resolution 1*

3. 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 2022 until the next annual general meeting of the Company. *Ordinary Resolution 2*

4. To re-elect the following Directors, who retire pursuant to the Company's Constitution:-

   (i) Tee Eng Tiong (Article 83) *Ordinary Resolution 3*
   (ii) Chan Kam Chiew (Article 83) *Ordinary Resolution 4*
   (iii) Maylee Gan Suat Lee (Article 83) *Ordinary Resolution 5*

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

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

   (A) AUTHORITY TO ALLOT SHARES

   "THAT subject always to the Companies Act 2016 **("Act")** and the approvals of the relevant authorities, the Directors be and are hereby authorised pursuant to Section 75 of the Act, to allot shares in the Company at any time until the conclusion of the next Annual General Meeting upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued pursuant to this Resolution does not exceed 10% of the total number of issued shares of the Company for the time being." *Ordinary Resolution 7*

(B) PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

Ordinary Resolution 8

"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."

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

Ordinary Resolution 9

"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 27 April 2022 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."

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

PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY

"THAT the amendments to the Constitution of the Company in the manner detailed in 'Appendix A' to the Annual Report 2021 be and are hereby approved."

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

BY ORDER OF THE BOARD

SEOW FEI SAN (SSM Practising Certificate No. 201908002299)
MOK MEE KEE (SSM Practising Certificate No. 201908002288)
Secretaries

Petaling Jaya
27 April 2022

Notes to the Notice of Thirty-Eighth Annual General Meeting ("38th AGM"):-

1. Proxy

1.1 *For the purposes of determining a member who shall be entitled to attend and vote at the forthcoming 38th AGM, the Company shall be requesting the Record of Depositors as at 19 May 2022. Only depositors whose names appear in the Record of Depositors as at 19 May 2022 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 our share registrar's office at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia at least forty eight (48) hours before the time for holding the meeting or any adjournment thereof.*

Notice of Thirty-Eighth Annual General Meeting (Cont'd)

Notes to the Notice of Thirty-Eighth Annual General Meeting ("38th AGM"):- (Cont'd)

2. Audited Financial Statements for the financial year ended 31 December 2021

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.*

3. Ordinary Resolutions 1 and 2: 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 38th AGM on the Directors' fees and benefits in two (2) separate resolutions as below:-

- *Ordinary Resolution 1 on payment of Directors' fees to the Non-Executive Directors in respect of the financial year ended 31 December 2021; and*

- *Ordinary Resolution 2 on payment of Directors' benefits (excluding Directors' fees) to the Non-Executive Directors from 27 May 2022 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 2022 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 2021 are disclosed in the Corporate Governance Overview Statement as contained in Annual Report 2021.

4. Ordinary Resolutions 3 to 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 38th AGM, 1 Director will be retiring in accordance with Article 90(1) of the Company's Constitution. The said Director is Datuk Mohamed Razeek bin Md Hussain Maricar ***("Datuk Razeek")****. Datuk Razeek has expressed his decision to retire at close of the 38th AGM. In view thereof, Datuk Razeek will retire from office upon conclusion of the 38th AGM of the Company.*

Re-election of Directors who retire in accordance with Article 83 of the Company's Constitution

Article 83 of the Company's Constitution provides that the Directors shall have power from time to time and at any time to appoint additional Directors either to fill a casual vacancy or as an addition to the Board but so that the total number of Directors shall not at any time exceed the maximum number fixed by or pursuant to this Constitution. A Director so appointed shall hold office only until the conclusion of the next annual general meeting, but shall be eligible for re-election (but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting).

Pursuant to the said Article 83, three (3) Directors, namely, Tee Eng Tiong, Chan Kam Chiew and Maylee Gan Suat Lee will retire at the forthcoming AGM of the Company as they were appointed after last year's AGM. They being eligible for re-election have also given their respective consent for re-election at the 38th AGM.

Notes to the Notice of Thirty-Eighth Annual General Meeting ("38th AGM"):- (Cont'd)

5. Ordinary Resolution 7: Authority to Allot Shares

The proposed Ordinary Resolution 7, 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.

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 business expansion and investment activities / projects, working capital, repayment of bank borrowing and/or acquisitions.

As at the date of issuance 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 27 May 2021 and which will lapse at the conclusion of the 38th AGM.

6. Ordinary Resolution 8: Proposed Renewal of Share Buy-back Authority

The proposed Ordinary Resolution No. 8, 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 27 April 2022, which is despatched together with the Notice of Annual General Meeting.

7. Ordinary Resolution 9: Proposed of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The proposed Ordinary Resolution 9, 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 27 April 2022, which is despatched together with the Notice of Annual General Meeting.

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

The proposed Special Resolution 1, if passed, will give full effect to the proposed amendments to Article 90(2) of the Constitution of the Company as set out in Appendix A to the Annual Report 2021.

The proposed amendments was made to be in line with the following enhancements made to the Malaysian Code on Corporate Governance:-

(a) Company to seek shareholders' approval using the two-tier voting approach to retain independent directors with tenure of more than 9 years; and

(b) A 12 year tenure limit for independent directors without further extension.

Appendix A

DETAILS OF THE PROPOSED AMENDMENTS TO THE CONSITUTION OF THE COMPANY

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

Article 90 (2)

THAT the existing Article 90 (2) which reads as follows:

'The independent director, as defined by the Listing Requirements, 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 Malaysian Code on Corporate Governance if he has served for a cumulative term of beyond twelve (12) years.'

be and is hereby amended by deleting Article 90(2) in its entirety and substituted with a new Article 90(2) which read as follows:

'The independent director, as defined by the Listing Requirements, shall be subject to:-

(a) Annual re-appointment by the members at annual general meeting by ordinary resolution if he has served for a cumulative term of beyond nine (9) years or such other term as recommended by the Malaysian Code on Corporate Governance and/or provided in the Listing Requirements; and

(b) Redesignation to non-independent director should the said director continue to serve on the Board for a cumulative term of beyond twelve (12) years or such other term as recommended by the Malaysian Code on Corporate Governance and/or provided in the Listing Requirements.'

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./COMPANY 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-Eighth Annual General Meeting of the Company to be held fully virtual through live streaming and online remote voting using Remove Participation and Voting ("RPV") facilities via Securities Services e-Portal provided by Securities Services (Holdings) Sdn. Bhd. in Malaysia at https://sshsb.net.my from broadcast venue at No. 1, Jalan Wangsa Permai, 1st Floor, Bangunan One Wangsa, Taman Wangsa Permai, 52200 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur on Thursday, 26 May 2022 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 Directors' fees		
2	To approve the Directors' benefits		
3	To re-elect Tee Eng Tiong as a Director of the Company		
4	To re-elect Chan Kam Chiew as a Director of the Company		
5	To re-elect Maylee Gan Suat Lee as a Director of the Company		
6	To appoint Messrs Ong & Wong as Auditors of the Company		
7	To approve authority to allot shares		
8	To approve the proposed renewal of share buy-back authority		
9	To approve the proposed shareholders' mandate for recurrent related party transactions		
NO.	**SPECIAL RESOLUTION**		
1	To approve the proposed amendments to the Constitution of the Company		

Please indicate with an "X" in the space above on how you wish to cast your vote. In the absence of specific directions, your proxy will vote or abstain as he/she thinks fit.

Dated this ________ day of ________________ 2022

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 38th AGM, the Company shall be requesting the Record of Depositors as at 19 May 2022. Only depositors whose names appear in the Record of Depositors as at 19 May 2022 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 our share registrar's office at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia 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 Share Registrar
KERJAYA PROSPEK GROUP BERHAD
Registration No. 198401010054 (122592-U)
Level 7, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
Damansara Heights
50490 Kuala Lumpur
Wilayah Persekutuan Kuala Lumpur
Malaysia

Please fold here to seal

TOGETHER, WE CAN.

KERJAYA PROSPEK GROUP BERHAD
198401010054 (122592-U)

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