KERJAYA PROSPEK GROUP BERHAD

198401010054 (122592-U)

ANNUAL REPORT 2022

VISION

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

MISSION

- To Pursue Our Businesses With Excellence.
- To Deliver Quality Products And Services To Our Customers On A Timely Basis.
- To Develop Human Capital And Be A Caring Employer.
- To Create Value For Our Shareholders.
- To Be A Responsible Corporate Citizen.

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Corporate Information

BOARD OF DIRECTORS

Datuk Tee Eng Ho / (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)
Professor Datuk Dr. Nik Mohd Zain Bin Nik Yusof / (Independent Non-Executive Director)
Chong Swee Ying / (Independent Non-Executive Director)

AUDIT COMMITTEE

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

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

Professor Datuk Dr. Nik Mohd Zain Bin Nik Yusof - Member
(Independent Non-Executive Director)

Chong Swee Ying - Member
(Independent Non-Executive Director)

NOMINATION COMMITTEE

Professor Datuk Dr. Nik Mohd Zain Bin Nik Yusof - Chairman
(Independent Non-Executive Director)

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

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

Chong Swee Ying - Member
(Independent Non-Executive Director)

REMUNERATION COMMITTEE

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

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

Professor Datuk Dr. Nik Mohd Zain Bin Nik Yusof - Member
(Independent Non-Executive Director)

Chong Swee Ying - Member
(Independent Non-Executive Director)

COMPANY SECRETARIES

Seow Fei San
(MAICSA 7009732)
(SSM PC No. 201908002299)
Mok Mee Kee
(MAICSA 7029343)
(SSM PC No. 201908002288)

REGISTERED OFFICE

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

AUDITORS

Nexia SSY PLT
UOA Business Park
Tower 3, 5th Floor, K03-05-08
1, Jalan Pengaturcara U1/51A
Section U1
40150 Shah Alam
Selangor Darul Ehsan
Malaysia
Tel : 603-5039 1811
Fax : 603-5039 1822

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

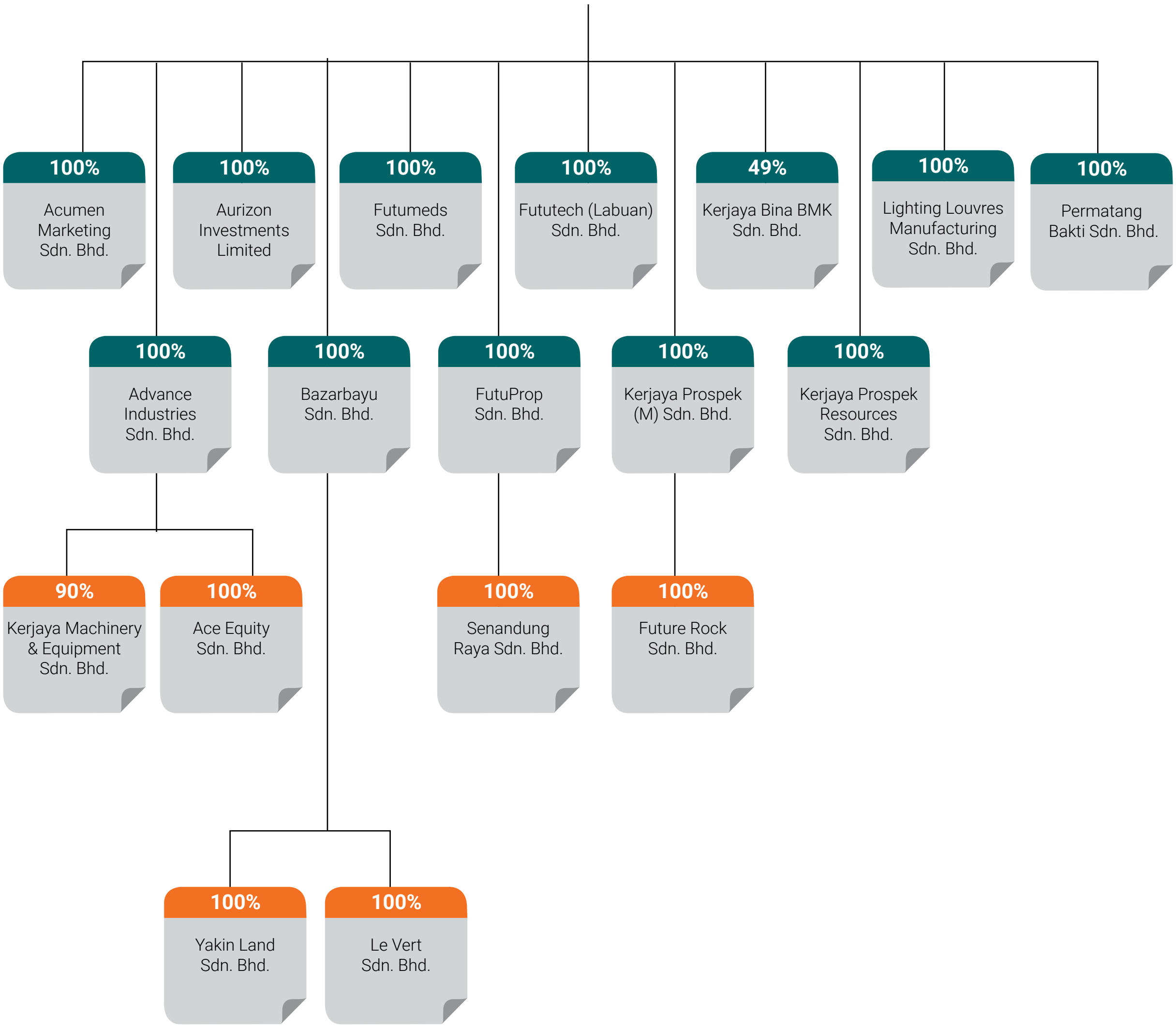
Main Market of Bursa Malaysia Securities Berhad
Stock Name : KERJAYA
Stock Code : 7161

Corporate Structure

As at 31 March 2023

KERJAYA PROSPEK GROUP BERHAD

198401010054 (122592-U)



Profile of Directors

DATUK TEE ENG HO
Non-Independent Non-Executive Chairman

Malaysian / Aged 58 / Male

Date Appointed on Board:
31 March 2011

Length of Service:
12 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

Malaysian / Aged 53 / Male

Date Appointed on Board:
31 March 2011

Length of Service:
12 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

Malaysian / Aged 57 / Female

Date Appointed on Board:
15 November 2011

Length of Service:
11 years and 6 months

Board Committee:
Nil

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

Academic/ Professional Qualifications:
- Member of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA)
- Member of the 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

Malaysian / Aged 45 / Male

Date Appointed on Board:
12 May 2021

Length of Service:
1 year and 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

Malaysian / Aged 58 / Male

Date Appointed on Board:
12 May 2021

Length of Service:
1 year and 11 months

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

Present Directorship in Listed Entities:
LGMS Berhad (Independent Non-Executive Director)

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 is the Group Finance Director of Can-One Berhad and its subsidiary, Box-Pak (Malaysia) Berhad, both of which are listed on the Main Market of Bursa Malaysia.

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

MAYLEE GAN SUAT LEE

Independent Non-Executive Director

Malaysian / Aged 46 / Female

Date Appointed on Board:
12 May 2021

Length of Service:
1 year and 11 months

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

Present Directorship in Listed Entities:
SNS Network Technology Berhad (Independent Non-Executive Director)

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 18 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)

PROFESSOR DATUK DR. NIK MOHD ZAIN BIN NIK YUSOF
Independent Non-Executive Director

Malaysian / Aged 76 / Male

Date Appointed on Board:
25 August 2022

Length of Service:
8 months

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

Present Directorship in Listed Entities:
Nil

Academic/ Professional Qualifications:
- Bachelor of Arts (Honours) from the Universiti Malaya, Malaysia
- Master of Arts from the University of Wisconsin, Madison, USA
- PHD in Law from University of Kent, Canterbury, United Kingdom

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

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

Board Skills Matrix:
- Legal
- Business Management

CHONG SWEE YING

Independent Non-Executive Director

Malaysian / Aged 59 / Female

Date Appointed on Board:
1 November 2022

Length of Service:
6 months

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

Present Directorship in Listed Entities:
AEON Co. (M) Berhad (Non-Independent Non-Executive Director)

Academic/ Professional Qualifications:
- Tunku Abdul Rahman College

Working Experience:
Chong's journey with AEON Co. (M) Berhad began in 1985 as administrative staff. She swiftly rose through the ranks. In 1990, she was the pioneer staff selected to undergo a year-long on-job training in Japan. After heading various departments as Softline Group Leader, Hardline Merchandiser, Leasing Manager and Senior Manager of Shopping Centre Management, then in 2003, she was appointed as General Manager of various departments including Shopping Centre Management, New Business Development, Store Operations and Marketing. In 2011, she was appointed as Executive Director for Aeon Fantasy (Malaysia) Sdn Bhd and promoted to Managing Director a year later. In July 2018, she retired as Managing Director and served as Advisor to AEON Fantasy (Malaysia) Sdn Bhd for over three years.

She has over three decades of diverse experience in the retail business, property management and new business development, picking up numerous Executive of the Year awards along her way.

Board Skills Matrix:
- 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 2022 is disclosed in the Corporate Governance Overview Statement contained in this Annual Report.

Directors' Shareholding

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

Profile of Key Senior Management

Tee Eng Tiong

Chief Executive Officer/Executive Director

Tee Eng Seng

Executive Director

Datin Toh Siew Chuon

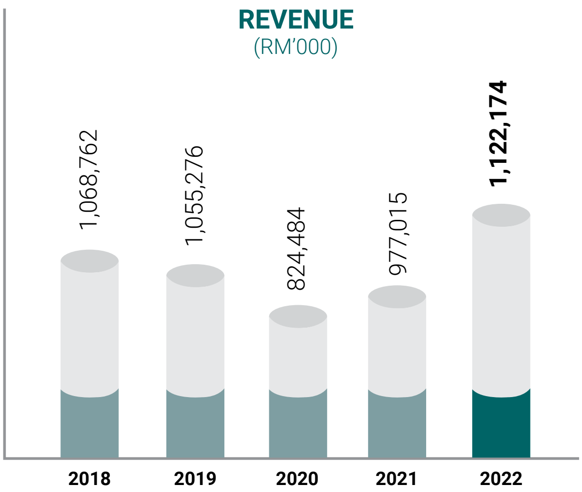
Executive Director

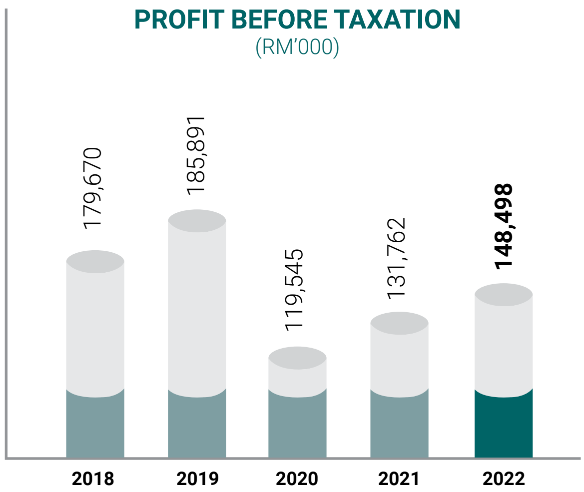
The profiles of the Chief Executive Officer and Executive Directors are outlined in their respective profile on page 4 to 11.

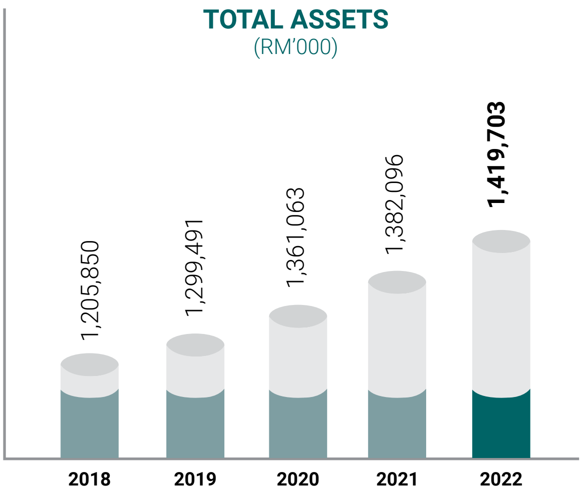
Group Financial Highlights

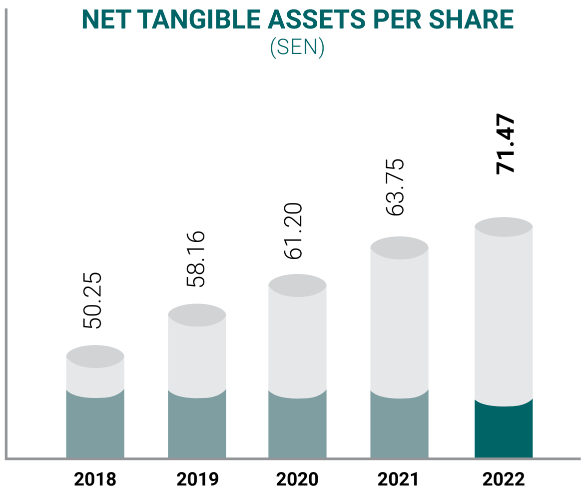
	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000
Revenue	1,068,762	1,055,276	824,484	977,015	1,122,174
Profit Before Taxation	179,670	185,891	119,545	131,762	148,498
Profit after taxation and minority interest	138,199	140,180	90,755	96,962	114,798
Total Assets*	1,205,850	1,299,491	1,361,063	1,382,096	1,419,703
Shareholder's Fund*	851,491	945,691	981,949	1,016,782	1,121,264
Net Tangible Assets	623,598	717,744	754,030	788,810	893,308
	sen	sen	sen	sen	sen
Net Tangible Assets per share	50.25	58.16	61.20	63.75	71.47
Basic earning per share	11.13	11.36	7.37	7.84	9.18

* **Restated**









Notable Achievement of Awards

1

2

3

4

5

6

7

8

1. 2017

Forbes: Asia's Best Under A Billion
Kerjaya Prospek Group Berhad
Top 200 Public-Traded Company in Asia Pacific Region

2. 2018

Property Insight Prestigious Developer Awards
Best Main Contractor

3. 2019

Property Insight Prestigious Developer Awards
Best Premium Main Contractor

4. 2017

The Edge Billion Ringgit Club
Gold Award: Highest Returns To Shareholders Over Three Years in Construction Sector

5. 2018

The Edge Billion Ringgit Club
Gold Award: Highest Returns To Shareholders Over Three Years in Construction Sector

6. 2019

The Edge Billion Ringgit Club
Highest Growth Profit After Tax Over Three Years in Construction Sector

7. 2019

The Edge Billion Ringgit Club
Highest Growth Profit After Tax Over Three Years in Construction Sector

8. 2020

The Edge Billion Ringgit Club
Highest Growth Profit After Tax Over Three Years in Construction Sector

Notable Achievement of Awards (Cont'd)

9 10

11

12

13

14

15

16

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

16. 2019

QLASSIC: Eco Terraces, 333 units Apartment @ Penang
Score: 84%

Notable Achievement of Awards (Cont'd)

17

18

19

20

21

22

17. 2021

QLASSIC: The Estate @ South Bangsar, KL
Score: 83%

18. 2021

QLASSIC: Vertu Resort @ Batu Kawan, Penang
Score: 82%

19. 2022

QLASSIC: Batu Uban @ Penang
Score: 86%

20. 2022

QLASSIC: Megah Rise Mix Development @ Petaling Jaya
Score: 84%

21. 2017

Setia Quality Excellence Award Building Category
Setia Sky 88 Phase 1, Johor

22. 2021

SHASSIC ACHIEVER: Lucentia Residences @ BBCC, Jalan Pudu

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 2022 ("FYE2022").

On this note, I am very pleased to report that Kerjaya Prospek achieved a record high revenue in FYE2022 where we experienced consecutive growth over three financial years in terms of our profitability.

REVIEW OF OPERATING PERFORMANCE

2022 was a memorable year for Kerjaya Prospek. Ever since the reopening of borders and relaxation of Covid-19 related restrictions on 1st April 2022, our economy had recovered significantly with full resumption of economic activities including construction works with 100% workforce back to construction sites.

Accounting for 3.9% of the country's gross domestic product ("GDP"), the construction sector remains as an important sector that contributes to the country's growth.

With the approval received for 1,500 foreign workers towards the end of last year, most of the foreign workers have arrived in Malaysia as of March 2023. In addition, we have received approval for another 1,000 foreign workers where they are expected to arrive latest by June 2023.

Despite the challenging macro environment in the past two years, we managed to hold our grounds and exceeded our target win for FYE2022 with contract wins amounting to RM1.8 billion which bolstered our outstanding order book to RM4.3 billion, as at 31 December 2022. The revenue achieved in FYE2022 was also a record high attained by Kerjaya Prospek. The strong performance in FYE2022 was due to our proven track record in the construction industry and we will continue to leverage on our years of experience to create value for our customers.

We have also soft launched The Vue @ Monterez Development in June 2022. In addition to The Vue @ Monterez Development, Kerjaya Prospek is looking to launch the Yakinland Development in the second half of 2023.

REVIEW OF FINANCIAL PERFORMANCE

In FYE2022, the Group's revenue increased by 14.9% to RM1,122.2 million from RM977.0 million in FYE2021 due to the improvement in the progress of construction works activities during the financial year under review. The profit after tax rose by 18.5% to RM114.8 million in FYE2022 from RM96.9 million in FYE2021 with the increase in profit margins earned from certain projects.

Kerjaya Prospek's strong order book, robust financial position and net cash holding of RM245.0 million will enable the Group to capitalise on good business opportunities. The Group will continue to focus on improving operational efficiency, aggressively tendering for new projects and implement appropriate strategies to ensure long term sustainability for the business. Further information about the Group's financial performance may be found in the Management Discussion and Analysis section of this Annual Report.

LOOKING AHEAD

The International Monetary Fund expects the global real GDP to register a slower growth rate of 2.9% in contrast to the estimated 3.4% in 2022 amidst the global headwinds such as rising interest rates and the ongoing Russian-Ukraine war. However, the global real GDP growth rate is expected to increase by 3.1% in 2024 with the reopening of China's economy.

Despite the global headwinds, Bank Negara Malaysia ("**BNM**") has an opposing view for Malaysia's economy where BNM believes that Malaysia is unlikely to head into a recession with the strong overall GDP growth rate of 8.7% in 2022, which is the highest growth rate in two decades. With the support of our domestic demand, improvement in job market, resumption of entrance of foreign workers and reopening of China's economy, BNM is positive with regards to the country's economic growth for 2023.

Based on the economic & fiscal outlook and federal government revenue estimates 2023 report, the construction sector is anticipated to register a 6.1% growth in 2023, in line with the anticipated improve in performance across all the subsectors.

The Group is therefore optimistic with the business outlook as we head into FYE2023 with the improved labour inflow and resumptions of economy activities. The construction segment remains our core revenue driver with the manufacturing and property segments complementing our business growth. We will continue to leverage on our core competency to create greater value for our shareholders.

APPRECIATION

On behalf of the Board, I would like to extend our heartfelt appreciation to our shareholders for the support and faith in Kerjaya Prospek. I would also like to thank our business partners, clients, suppliers, and all other stakeholders for the continuous support, especially during the Covid-19 pandemic. Last but not least, I would like to thank my Kerjaya Prospek colleagues for the hard work and contributions to the Group. Kerjaya Prospek would not be where it is now without you all.

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 2022 ("FYE2022") and the outlook for 2023.

Tee Eng Tiong, CEO

OVERVIEW

Kerjaya Prospek was founded 30 years ago where the business focus was mainly on designing, manufacturing, marketing of lighting products, and premium kitchen cabinetry. Through years of development, the Group has evolved into an expert in building construction, project management, property development, infrastructure works, and other construction related services for premium residential properties and high-rise buildings.

Today, the Group is one of Malaysia's leading construction players with an extensive track record of over 30 years along with huge clientele base to support growth. With that, we would like to express our gratitude to our supportive clients despite the challenging macro environment worldwide. With their backing, we managed to secure RM1.8 billion worth of new contracts in FYE2022, which surpassed our internal target of RM1.2 billion for the year under review.

Aside from Kerjaya Prospek's forte in the construction segment, the Group has established its own property development division to diversify its revenue stream to enhance the long-term prospects of the Group. On top of Vista Residence @ Genting Highlands that was completed in 2019, the Group has soft launched another project, The Vue @ Monterez in June 2022. The Group targets to soft launch the Yakin Land Development project in the second half 2023.

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 three consecutive years from 2017 to 2019 for attaining the highest return to shareholders over three years under the Construction Category. On top of that, in 2019 and 2020, it won the 'highest growth in profit after tax over three years' under the Construction Category. In 2021, the Group was won the Gold award in the PAM Award in the Commercial High-Rise category as the builder for KYM Tower. In 2022, the Group was recognised by The Edge as the 'top three companies with highest return on equity over three years' under the Construction Category.

OBJECTIVES AND STRATEGIES

At Kerjaya Prospek, we recognise the importance of providing top notch work quality and services to our clients while maintaining margins. With our established track record and competitive strength in the construction industry, we believe that we will be able to establish a long-term sustainable business relationship with the value provided by us. Evidently, the addition of RM1.8 billion worth of new contracts into our order book in FYE2022 is a testament of our capabilities and expertise in the construction industry.

The established track record in the construction segment and high standard in workmanship had resulted the Group in receiving multiple awards. The Eco Sky project 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 achieved 86% in the 'QLASSIC' assessment for its Batu Uban @ Penang and 84% for Megan Rise Mix Development in Selangor. 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.

Kerjaya Prospek has always been the forefront of the construction sector in implementing new technologies and systems that may increase efficiency and effectiveness in carrying out construction activities as well as improving the final product quality. Despite conventional construction method may come with cheaper cost in the short run, we believe that our investments in technologies may yield better returns in the years to come along with reduction in building materials wastage where it is aligned with environmental, social and governance measures.

With that said, we invested in the Industrialised Building System ("IBS") in 2011, and since then we have implemented IBS technology into numerous projects 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.

REVIEW OF GROUP'S FINANCIAL PERFORMANCE

Over the past two financial years, Malaysia was under strict Movement Control Order ("MCO") which had affected the construction site activities. Since the reopening of the economy on 1st April 2022, our construction activities have slowly returned back to pre-pandemic level.

As a result, FYE2022 revenue grew by 14.9% to RM1,122.2 million from RM977.0 million in FYE2021. In line with the improved top line, the Group's profit after tax and minority interest ("PATAMI") for FYE2022 grew by 18.5% to RM114.8 million from RM96.9 million in FYE2021. The revenue reported for FYE2022 marks a record high level where the growth driver was the improvement in the progress of construction work activities along with increased workforce given the inflow of foreign labour as compared to the two previous years.

Management Discussion & Analysis (Cont'd)

REVIEW OF GROUP'S FINANCIAL PERFORMANCE (CONT'D)

Our prudent approach has enabled us to sustain a healthy balance sheet, with a low gearing ratio of 0.01 times and a net cash position of RM245.0 million. With its healthy cash position, the Group will be able to carry out expansion plans, negotiate for better credit terms and raw material prices and sail through black swan events in times of need.

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 a revenue of RM1,116.7 million in FYE2022. The segment's profit increased by 12.1% to RM149.4 million from RM133.3 million in the preceding financial year. The main reason behind the improved financial performance was the improvement in the progress of construction works activities compared to previous financial year with the MCO was in place. The construction segment is expected to continue to be the main contributor to the Group's earnings moving forward.

In FYE2022, the Group secured 5 contracts worth RM1.8 billion from notable companies including Texas Instruments Electronics Malaysia and Bangsar Hill Park Development Sdn. Bhd. As at 31 December 2022, the Group had 36 ongoing construction projects with a total outstanding order book of approximately RM4.3 billion.

Bloomsvale

Gurney Bridge

Dredging & Rock Bund

Management Discussion & Analysis (Cont'd)

PROPERTY DEVELOPMENT DIVISION

The property segment had achieved a total revenue of RM2.9 million from the sale of properties. It reported a segmental profit of RM0.1 million as compared to a RM0.3 million in the previous year. The decreased was mainly due to marketing expenses incurred for the soft launch of The Vue @ Monterez.

Going forward, the Group aims to soft launch Yakin Land Development in the second half of 2023, having soft launched The Vue @ Monterez in June 2022. The Group remains optimistic of the property market in line with the recovery of demand for properties among Malaysians.


Monterez Development


Yakin Land Development

Management Discussion & Analysis (Cont'd)

MANUFACTURING DIVISION

The manufacturing division complements the Group's construction and property development divisions. It provides kitchen solutions under the brand name of 'FORTE'. The manufacturing segment reported a revenue of RM0.5 million in FYE2022 with a segmental profit of RM0.4 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 22 February 2022, the Group was awarded a contract worth RM710.1 million by Nikmat Merpati Sdn. Bhd. to undertake main building and external works for a proposed residential development project, Astrum Ampang at Jalan Enggang, Bandar Ulu Kelang, Selangor Darul Ehsan.

In March 2022, the Group was awarded its second contract for FYE2022 worth RM197.5 million from Yakin Land Sdn. Bhd. to undertake main building works for two blocks of apartments, housing 454 residential units, on top of four levels of car park and residential facilities as well as a two-storey basement car park at Jalan Dutamas Raya 1/38B, Kuala Lumpur.

On 6 April 2022, the Group secured its third contract for FYE2022 through its wholly owned subsidiary, Kerjaya Prospek (M) Sdn. Bhd. It was a RM265.0 million contract from Persada Mentari Sdn. Bhd., an indirect subsidiary company of Eastern & Oriental Berhad to undertake main building works for a proposed residential development project in Penang.

On 20 June 2022, Kerjaya Prospek (M) Sdn. Bhd. accepted a letter of award worth RM154.7 million from Bangsar Hill Park Development Sdn. Bhd. in respect of a contract for a proposed residential development project at Lorong Maarof, Kuala Lumpur.

CORPORATE/MAJOR OPERATIONAL ACTIVITIES (CONT'D)

On 21 October 2022, the consortium comprising Kerjaya Prospek (M) Sdn. Bhd. and Samsung C&T (KL) Sdn. Bhd., a wholly owned subsidiary of Samsung C&T Corporation, was awarded a RM1,453.7 million contract by Texas Instruments Electronics Malaysia Sdn. Bhd. ("TIEM2"), for the execution and completion of TIEM2 Bump/Probe/ AT factory construction at Taman Perindustrian Batu Berendam, Free Trade Zone, Melaka.

DIVIDEND

On 26 May 2022, the Board of Directors had approved a first interim dividend of 2.0 sen per ordinary share in respect of the financial year ended 31 December 2022. The total amount of RM24.7 million was paid on 8 July 2022.

On 22 August 2022, the Board of Directors approved a second interim dividend of 1.0 sen per ordinary share in respect of the financial year ended 31 December 2022. The total amount of RM12.6 million was paid on 7 October 2022.

On 29 November 2022, the Board of Directors had approved a third interim dividend of 1.0 sen per ordinary share in respect of the financial year ended 31 December 2022. The total amount of RM12.6 million was paid on 6 January 2023.

On 27 February 2023, a fourth interim dividend of 2.0 sen per ordinary share was approved by the Board of Directors in respect of the financial year ended 31 December 2022. The total amount of RM25.2 million was paid on 13 April 2023.

The total dividend payout for FYE2022 was 6.0 sen per share or RM75.2 million, equivalent to 65.4% of FYE2022 PATAMI. The payout is significantly higher than the Group's dividend policy of distributing at least 25% of its PAT.

MOVING FORWARD

2023 is expected to be a much better year for the Group with the full resumption of economic activities along with the approval received for foreign workers that will further increase the Group's productivity level.

On top of that, the Malaysian government had come up with a revised Budget 2023 following the change of government last year. Under the Budget 2023, the core development expenditure allocation is RM83.0 billion excluding RM14.0 billion of 1 Malaysia Development Berhad's bond redemptions where it is allocated to East Malaysia's state development, MRT3 construction, upgrading works on hospitals, flood mitigations, airport upgrades, port developments and others. These developments are expected to provide the construction sector a boost in productivity level with large number of contracts to be tendered. Another good news will be the removal of agents to hire foreign labour which can help contractors save time and costs.

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 RM4.3 billion and healthy balance sheet with net cash of RM245.0 million as at 31 December 2022.

Nevertheless, while we are optimistic of the outlook in FYE2023, we are aware of the multiple headwinds affecting the global markets including rising labour costs, raw materials costs, volatility of our local currency as well as the ongoing Russia-Ukraine war. Despite Covid-19 is no longer a major threat to our country, we will continue to take prudent steps and implement appropriate business strategies to ensure long term sustainable growth of the Group.

Thank You

The Board of Directors would like to express our sincerest appreciation to our customers, vendors, suppliers, consultants, associates, bankers, and business partners, for their 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 2022 ("**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 ("**Principles**")

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 21 April 2023. 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 which 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 oversee 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 include the 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, essentially, the Executive Directors of the Company 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.

Corporate Governance Overview Statement (Cont'd)

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 Chairman, the Chief Executive, the Board, each Board Committees and the Management. It also sets out the processes and procedures for convening board meeting, governance matters, risk management, compliance and internal controls, etc. The Board Charter will be reviewed periodically and updated in accordance with the needs of the Company to ensure consistency with the Board's strategic intent as well as relevant standards of corporate governance.

In addition to the above, the Board has in place the Corporate Code of Conduct for the Board and the Management. 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 the 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
Tee Eng Tiong	5/5
Chan Kam Chiew	5/5
Maylee Gan Suat Lee	5/5
Professor Datuk Dr. Nik Mohd Zain Bin Nik Yusof (appointed on 25 August 2022)	1/1
Chong Swee Ying (appointed on 1 November 2022)	1/1
Datuk Mohamed Razeek bin Md Hussain Maricar (retired on 26 May 2022)	3/3

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	• Sustainability Reporting & Management	25 April 2022
Tee Eng Seng	• Sustainability Reporting & Management	25 April 2022
Datin Toh Siew Chuon	• Sustainability Reporting & Management	25 April 2022
Tee Eng Tiong	• Sustainability Reporting & Management	25 April 2022
Chan Kam Chiew	• Financial Essential for Non-Finance Directors • Sustainability Management and Reporting • Assessment of Board, Board Committees, and Individual Directors • Taxation of Property Developers and Contractors • Risk Management Conference 2022 • Corporate Financial Reporting Conference 2022 • MFRS/IFRS Technical Update 2022 • AOB's Conversation with Audit Committees	15 – 16 June 2022 22 June 2022 8 July 2022 4 August 2022 10 August 2022 26 September 2022 12 October 2022 17 November 2022

Corporate Governance Overview Statement (Cont'd)

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

vi. Board Meeting Attendance and Directors' Training

Name of Directors	Training Programmes Attended (Unless Otherwise Stated)	Date
Maylee Gan Suat Lee	• Sustainability Reporting & Management • Driving the Digital Transformation of AML Compliance • Directors' Duties & Climate Change • AOB's Conversation with Audit Commitees	25 April 2022 18 June 2022 5 August 2022 17 November 2022
Professor Datuk Dr. Nik Mohd Zain Bin Nik Yusof	• AOB's Conversation with Audit Commitees	6 December 2022
Chong Swee Ying	• Reputation and Crisis Management for Board by ICDM • Top seminar in Japan • Anti Bribery & Corruption (Personal & Corporate Liability Awareness • AOB's Conversation with Audit Commitees	8 September 2022 28 October 2022 2 – 3 November 2022 17 November 2022

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 on 18 April 2022 in line with the requirements of MMLR of Bursa Securities and MCCG. 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 key responsible persons, i.e. persons who hold, or who are the appointed or elected as Directors on the Board as well as Senior Management of the Group.

Presently, the Board consists of three (3) Executive and five (5) Non-Executive Directors with a mixture of suitably qualified and experienced professionals. Half of the Board comprises Independent Directors which 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 and fully complied with Practice 5.2 of the MCCG where it requires at least half of the Board members comprises independent directors.

The Board is satisfied with the current composition of the Board in providing a check and balance as well as its diversity of perspectives and views in Board's decision-making process through the composition of Independent Non-Executive Directors on the Board. Each Directors demonstrating their own skill sets, 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 shall comprises a majority of 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.

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

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

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 Nomination 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 has incorporated the following provisions in its Constitution.

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

(a) Annual re-appointment by the 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.

Having said that, 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 also be judged based on the integrity and objectivity of the Independent Director in discharging his responsibilities. The Board believes that continued contribution will provide stability and benefits to the Board and the Company as a whole, especially their invaluable knowledge of the Group and its operations gained through the years. 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**") adopted by the Company on 19 April 2021. 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, hence, during the Financial Year, the Board appointed a second women directors on the Board. Currently, the Board has a presence of 30% women directors on the Board, as recommended in the MCCG.

At management level, a few senior management positions are held by women employees. The Board will continue to provide a working environment that is conducive, fair and with equal opportunities within the Group and to commit to zero tolerance of workplace harassment, age, religious, ethnicity, race or gender discrimination.

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

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

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	3	–	–	4	–	2	2

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

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	4	2
NB: All the Directors have more than 1 skill.				

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

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.

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

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

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 of Appointment	Nature of Change	Name of Director	Designation & Directorate
25.08.2022	Appointment	Professor Datuk Dr. Nik Mohd Zain Bin Nik Yusof	Independent Non-Executive Director
01.11.2022	Appointment	Chong Swee Ying	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. In the above process of appointment of the new Independent Directors, the fit and proper assessment of the candidates were conducted by the NC in accordance with the Directors' Fit and Proper Policy.

In assessing the candidate's fitness and propriety, the Board through the NC, had considered all relevant factors based on the overarching criteria namely, the candidate's Character and Integrity, Experience, Competence and Capability, Financial Integrity and Time Management & Commitment.

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.

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.

Corporate Governance Overview Statement (Cont'd)

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

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

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. Also, each of the Directors are required to declare that he or she remains a fit and proper person.

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.

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 26 May 2022, the Company had obtained shareholders' approval for the payment of Directors' fees of RM200,427.00 to the Non-Executive Directors for their services as Directors in respect of the financial year ended 31 December 2021. 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 2022 until the next annual general meeting.

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

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

The amount of Directors' fee proposed for the shareholders' approval at the forthcoming AGM is RM196,923. 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 39th 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 a subsidiary	EXECUTIVE DIRECTORS		
	Datin Toh Siew Chuon (RM'000)	Tee Eng Seng (RM'000)	Tee Eng Tiong (RM'000)
Directors' Fee	–	–	–
Meeting Allowances	–	–	–
Salaries	1,202.5	1,202.5	900.0
Bonus	300.6	300.6	225.0
Benefits-in-Kind	–	21.2	2.5
Other Emoluments	181.4	181.4	122.8
Total	**1,684.5**	**1,705.7**	**1,250.3**

Received from a subsidiary	NON-INDEPENDENT NON-EXECUTIVE DIRECTOR
	Datuk Tee Eng Ho (RM'000)
Directors' Fee	–
Meeting Allowances	–
Salaries	840.0
Bonus	210.0
Benefits-in-Kind	10.6
Other Emoluments	127.0
Total	**1,187.6**

Corporate Governance Overview Statement (Cont'd)

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

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

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

Received from the Company	INDEPENDENT NON-EXECUTIVE DIRECTORS				
	Chan Kam Chiew (RM'000)	Maylee Gan Suat Lee (RM'000)	Datuk Mohamed Razeek bin Md Hussain Maricar # (RM'000)	Professor Datuk Dr. Nik Mohd Zain Bin Zain Yusof ^ (RM'000)	Chong Swee Ying * (RM'000)
Directors' Fee	81.6	60.0	24.2	21.1	10.0
Meeting Allowances	7.0	7.0	5.0	1.0	0.5
Salaries	–	–	–	–	–
Bonus	–	–	–	–	–
Benefits-in-Kind	–	–	–	–	–
Other Emoluments	–	–	–	–	–
Total	**88.6**	**67.0**	**29.2**	**22.1**	**10.5**

Retired on 26 May 2022.
^ Appointed on 25 August 2022.
* Appointed on 1 November 2022.

It shall be noted that the following 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 said 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
RM1,150 – RM1,200	√	–	–	–
RM1,250 – RM1,300	–	–	–	√
RM1,650 – RM1,700	–	√	–	–
RM1,700 – RM1,750	–	–	√	–

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 during its sitting / meetings. During the Financial Year, a risk management committee had been established to provide an independent assessment of the effectiveness od the Group's Enterprise Risk Management. The Board opined that foregoing approach is suffice for the time being to oversees the company's risk management framework and policies. 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 staff 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, is 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 qualifications and/or a university degree. The internal audits conducted are 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, Anti-Bribery and Corruption Policy & Guidelines and Directors' Fit and Proper Policy

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 (virtual, 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 26 April 2023.

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.

The Board is assisted by a Risk Management Committee ("**RMC**") to oversees the Group's overall risk management framework and processes to ensure that they remain relevant for use, and monitors the effectiveness of risk treatment / mitigation plans for the management and control of the key risks.

These processes are in place are for identifying, evaluating, monitoring and managing significant risks that may impede the achievement of the Group's business and corporate objectives.

Annually, the Audit Committee ("**AC**") shall seek assurance from the Management that the Company has implemented appropriate risk management framework; and there are effective and adequate systems of internal control to address these risks.

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. 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 RMC. The RMC provides an independent assessment of the effectiveness of the Group's Enterprise Risk Management ("**ERM**") framework and shall reports to the Board semi-annually. 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

RISK MANAGEMENT (CONT'D)

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;
- The results of the risk review and update were reported to the Risk Management Committee; and
- RMC report to the Board

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

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

a) The Board through the 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) The 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.

The Management has taken the necessary actions to remediate weaknesses identified for the year under review. The 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 the audit periodically. The results of the internal audit reviews are reported to AC and AC will subsequently report to Board for further review. A 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;

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

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

(4) Regular meetings between Executive Directors and Management to understand the achievements and challenges relating to productivity, progression of projects, quality control, defects, complains in order to decide on necessary action plans timely;

(5) Budgeted project costing and cash flow are prepared to monitor the cost and to prevent any significant mismatch of cash inflows and outflows;

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

(7) Review of related party transactions; and

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

MANAGEMENT RESPONSIBILITIES AND ASSURANCE

In accordance with the 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 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 2022. Their review was performed in accordance with Audit and Assurance Practice Guide 3: Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report ("AAPG 3") issued by the Malaysian Institute of Accountants. AAPG 3 does not require external auditor to form an opinion on the effectiveness of the Group's risk management and internal control system.

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

BOARD ASSURANCE AND LIMITATION

For the financial year under review, there was no material loss resulted from significant control weaknesses that would require disclosure in the Annual Report. The Board is satisfied that the existing level of systems of internal control and risk management are fairly effective to enable the Group to achieve its business objectives. Nevertheless, the Board wishes to advise that systems of risk management and internal control are designed to manage risks to a reasonable level rather than to eliminate the risk of failure to achieve the Group's business objectives. It can therefore only provide reasonable but not absolute assurance against material misstatement or financial losses or fraud.

This Statement is made in accordance with the resolution of the Board dated 26 April 2023.

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 2022 ("**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 four (4) 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	Number of Meeting Attended
Chan Kam Chiew – Chairman *Independent Non-Executive Director*	5/5
Maylee Gan Suat Lee – Member *Independent Non-Executive Director*	5/5
Professor Datuk Dr. Nik Mohd Zain Bin Nik Yusof – Member (appointed on 25 August 2022) *Independent Non-Executive Director*	1/1
Chong Swee Ying – Member (appointed on 31 March 2023) *Independent Non-Executive Director*	N/A*
Datuk Mohamed Razeek bin Md Hussain Maricar – Member (retired on 26 May 2022) *Independent Non-Executive Director*	3/3

**Not applicable, as her appointment date is after the Financial Year.*

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

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

Audit Committee Report (Cont'd)

2. TERMS OF REFERENCE

The AC is governed by its Terms of Reference, a copy of which is published on the Company's website at www.kerjayagroup.com for shareholders' reference.

3. WORK DONE BY THE 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 Securities Commision's email to all listed issuers in relation to an alert issued by the AOB to all auditors of public interest entities regarding audit considerations for Wholesale Funds and Issuance of Perpetual Bonds and Sukuk .

(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 THE AC DURING THE FINANCIAL YEAR (CONT'D)

(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) Reviewed and approved the Proposed change of External Auditors' services.

(16) Consider and recommend to the Board the appointment of External Auditors.

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

The Group's internal audit function, reports directly to the AC, is outsourced to Tricor Axeclasia Sdn Bhd, an independent professional services provider whose principal responsibility is to undertake systematic reviews of internal controls in accordance with the approved risk based internal audit plan, to provide reasonable assurance that the system continues to operate effectively.

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.

During the Financial Year, the Internal Auditors performed audit reviews in accordance with the approved risk based internal audit plan covering the key operating subsidiary, Kerjaya Prospek (M) Sdn. Bhd. in relation to related party transaction, project management and health and safety management.

The internal audit reports were issued to the AC and presented to the AC at their scheduled quarterly meetings. The internal audit reports containing audit findings and recommendations together with Management's responses to address the control weaknesses identified during the course of internal audit review and enhance the adequacy and effectiveness of the Group's systems of internal controls. The Internal Auditors subsequently conducted follow-up audits to ensure that agreed corrective action plans were implemented appropriately.

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 RM48,000.

5. OTHER INFORMATION

The Nomination Committee had at its meeting held on 15 April 2022 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 Nomination Committee for the financial year ended 31 December 2022.

The primary objective of the Nomination 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 four (4) Non-Executive Directors, all of whom are Independent Directors and is chaired by an Independent Non-Executive Director, Professor Datuk Dr. Nik Mohd Zain Bin Nik Yusof.

Chairman	:	Professor Datuk Dr. Nik Mohd Zain Bin Nik Yusof (Independent Non-Executive Director) (appointed on 25 August 2022)
Members	:	Mr. Chan Kam Chiew (Independent Non-Executive Director)
	:	Ms. Maylee Gan Suat Lee (Independent Non-Executive Director)
	:	Ms. Chong Swee Ying (Independent Non-Executive Director) (appointed on 31 March 2023)

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 2022 ("**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. Presently, none of the Independent Directors had served the Board for a cumulative term of beyond nine (9) years.

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. The assessment took into consideration the criteria set out in the Directors' Fit and Proper Policy, a copy of which is available on the Company's website at www. Kerjayagroup.com.

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
25.08.2022	Professor Datuk Dr. Nik Mohd Zain Bin Nik Yusof	Independent Non-Executive Director
01.11.2022	Chong Swee Ying	Independent Non-Executive Director

The NC had assessed the suitability of the above candidates before recommending the candidates to the Board for appointment. The newly Board-adopted Fit & Proper Policy with effect from 18 April 2022 sets out the approach, guidelines and procedures for the assessment of the fitness and propriety of persons is being adhered to for the appointment, re-appointment and/or re-election of the Directors of the Group which is embedded in the Fit & Proper Policy.

In evaluating the suitability of candidates, the NC considers, inter-alia, their background, knowledge, fit and proper criteria (integrity, competency, experience, commitment (including time commitment), potential contribution to the Group, the current composition of the Board and board committees, the current and future needs of the Group, boardroom diversity (including gender diversity), tenure of each Director, any existing or potential conflict of interest that could affect the execution of the role as a Director, and additionally in the case of candidates proposed for appointment as Independent Directors, the candidates' independence).

This is consistent with the Group's practice of being an equal opportunity employer where all appointments and employments are based strictly on merit and are not driven by any racial or gender bias.

v. Nomination of Appointment to the Board Committees

During the Financial Year, the Nomination Committee had reviewed the composition of the board committees and 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 retirement of Datuk Mohamed Razeek bin Md Hussain Maricar at the 38th AGM of the Company.

vi. Terms of Reference ("TOR") of NC

The NC had reviewed and updated the TOR of NC to ensure it is in line with the Main Market Listing Requirement and the Malaysian Code on Corporate Governance and recommended the proposed changes to the Board for approval.

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

The Board of Directors ("**Board**") of Kerjaya Prospek Group Berhad's ("**Kerjaya**" or the "**Company**") presents this Sustainability Statement (this "Statement") which discusses the sustainability strategies, priorities, targets, and performance of Kerjaya and its subsidiaries ("**Kerjaya Group**" or the "**Group**") for the financial year ended 31 December 2022 ("**FY2022**"). This Statement discusses the sustainability considerations of the Group including the aspects of economic, environmental, social, and governance.

Kerjaya Group is principally involved in the construction segment, with other business segments including property development and the manufacturing of lighting products and premium kitchen cabinetry. All segments are managed by the Kerjaya Group and its governance structure.

KERJAYA PROSPEK GROUP BERHAD

CONSTRUCTION | PROPERT DEVELOPMENT | MANUFACTURING

For FY2022, the Group, as part of its ongoing improvement process, has undertaken an initiative to review its sustainability process with an aim to enhance the integrity of the process, as well as enabling a more structured and systematic approach towards addressing Kerjaya Group's long-term business sustainability.

This Statement discusses the sustainability practices of Kerjaya Group with a greater focus on the Construction Segment which contributed 99% and 89% to the Group's revenue and profit before tax, respectively, for the financial year under review. Activities and contributions from the Property Development and Manufacturing Segments remain comparatively insignificant, with considerably insignificant sustainability impacts. Nevertheless, the Group's sustainability concepts and beliefs continued to be carried out in the management of these segments.

Basis of preparation

The Statement has been prepared in accordance with the relevant requirements of the Main Market Listing Requirements ("**Listing Requirements**") of Bursa Malaysia Securities Berhad ("**Bursa**"), including Practice Note 9. In the preparation of this Statement, we have also considered the Sustainability Reporting Guide – 3rd Edition published by Bursa and its accompanying Toolkits, as well as other better practices.

COMMITMENT TO SUSTAINABLE DEVELOPMENT

Our Business

- √ Construction
- √ Property Development
- √ Manufacturing
  - Lighting Solution
  - Kitchen Cabinetry Solution

Our Mission

- √ 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

Our Vision

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

Sustainability Report (Cont'd)

COMMITMENT TO SUSTAINABLE DEVELOPMENT (CONT'D)

At Kerjaya Group, our belief towards sustainability is driven by our Vision and Mission, where we aim to deliver value to the industry and broader society through business excellence, quality products and services, human capital development, being a caring employer, creating value for shareholders, and becoming a responsible corporate citizen. The Group's business operations are guided by Kerjaya Group's Sustainability Policy.

OUR POLICY ON SUSTAINABILITY

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

In the management of Kerjaya Group's businesses, we always look beyond mere short-term financial performance. We are guided by our long-term business objectives, looking into areas where the internal and external environment may be significant to our business, as well as areas where we may have an impact, whether positive or negative. In this regard, we consider a wide range of matters including strategic matters as well as associated environmental and social considerations which define our position as a corporate citizen.

The Board has established a Corporate Code of Conduct which sets out the Group's responsibilities to the Group's stakeholders, including customers, suppliers and vendors, employees, communities, the environment, and the shareholders, summarised as follows:

We are responsible to our **customers**	We are responsible to our **suppliers or vendors**	We are responsible to our **employess**
By constantly striving to improve our competitiveness and quality in order to serve them better	By allowing a fair deal with us and honouring the terms agreed	By creating safe, healthy, and secured working environments, acknowleding their dignity and recognising their merit and providing fair remuneration and career progression
We are responsible to our communities	**We are responsible to our environment**	**We are responsible to our shareholder**
By embracing social equity and diversity, complying with regulatory requirements and supporting good causes and charities	By preserving and protecting the environment and natural resources to ensure sustainability	By creating wealth and rewarding them with fair return

The Group's Code of Conduct is published on Kerjaya's corporate website

As a principle, Kerjaya Group aims to reduce and minimise its environmental impacts and to protect the people it works with or is associated with through the Group's businesses. Kerjaya Group aims to become a responsible corporate through the establishment of sound corporate governance, ensuring the proper management of business affairs and delivering its responsibilities and obligations to stakeholders.

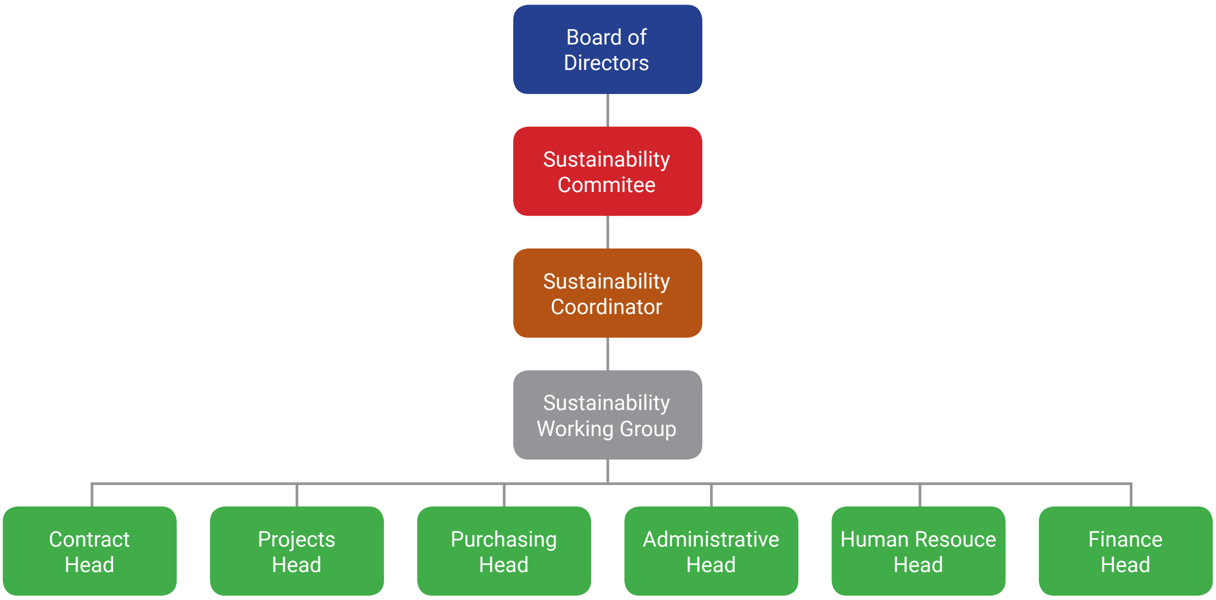
GOVERNANCE FRAMEWORK

Everything starts from a proper governance framework that guides the workings of any system. The incorporation of sustainability in Kerjaya Group's businesses and operations is driven from the top, where the Board holds ultimate responsibility for ensuring the Group's business strategies considering the long-term sustainability considerations, including environmental, social and governance aspects. These considerations are further translated into sustainability implementation strategies, action plans, and targets which the Management of the Group aim to achieve. The Board also oversees to ensure a process is in place to systematically identify, assess, prioritise, and manage sustainability issues to ensure the Group's resources are prioritised in proportion to the significance or materiality of the sustainability matters. Material sustainability matters ("**MSM**") generally have a greater significance to the creation or preservation of long-term business value.

The Board is assisted by a Sustainability Committee. The Sustainability Committee is a management-level committee, led by the Chief Executive Officer ("**CEO**"), with the Executive Directors sitting as committee members. The Management, supported by the Sustainability Committee, is responsible for driving, developing, and implementing the Group's sustainability strategies and achieving the associated targets. The Sustainability Committee is also responsible for developing sustainability policies for the Board's approval.

In this regard, the Board provides oversight, challenging the assumptions made by the Management and Sustainability Committee in their proposed sustainability strategies and policies, as well as reviewing Management's performance at least twice a year to ensure the Group's sustainability developments, directions, and goals remain relevant.

The Sustainability Committee is further supported by a Sustainability Coordinator and a Sustainability Working Group which comprises the heads of different departments and functions of the Group.



In addition to oversight of the Group's sustainability strategies and performance, the Board, through the Management, also ensures all key stakeholders of the Group are adequately communicated, including in relation to the strategies, priorities, targets and performance of sustainability matters on which stakeholders have concerns or interest. The Group acknowledges that effective engagement with stakeholders is beneficial for creating mutual and shared value, as well as fostering long-term relationships with stakeholders.

GOVERNANCE FRAMEWORK (CONT'D)

The responsibilities of the Board and the Sustainability Committee are summarised as follows:

Board	Sustainability Committee
• ensuring the Company's business strategies incorporate strategies to support long-term value creation and include environmental, social, and governance matters; • reviewing and endorsing the MSMs of the Group, as identified by Management; • reviewing the sustainability strategies, initiatives, and targets proposed by Management, ensuring they are aligned with the long-term business strategies; • reviewing the sustainability performance of the Management alongside other business performance and targets, and considering sustainability performance in the performance assessment of the Management; • reviewing and endorsing the sustainability disclosure included in the Group's Annual Report; and • ensuring strategies, priorities, targets and performance of sustainability matters are communicated to stakeholders.	• identifying MSMs relevant to the Group's operations; • reviewing the sustainability strategies, initiatives, and targets developed by Management; • reviewing the materiality assessment process as performed by the Sustainability Working Group and the MSMs identified through the process; • overseeing the consideration of MSMs in the Group's risk management process and ensuring associated sustainability risks and opportunities were identified and managed accordingly; • reviewing Management's progress and performance in relation to their management of MSMs and associated risks and opportunities; and • overseeing the adequacy and effectiveness of the Group's engagement with stakeholders.

The Group's management of sustainability matters is integrated with its risk management and internal control system, where sustainability matters, especially MSMs, are taken into consideration in the process of risk identification, assessment, and management. This enables the Group to manage sustainability risks and opportunities holistically.

Other governance bodies of the Group's corporate governance system, such as the Audit Committee and Nomination and Remuneration Committee, also incorporate such considerations in the carrying out of their roles and responsibilities, such as in relation to internal controls for managing sustainability risks, reviewing the performance of Directors and Senior Management considering their performance in managing the Group's MSMs, etc.

STAKEHOLDERS' ENGAGEMENT AND COMMUNICATION

Kerjaya Group's long-term value creation and preservation involve the interest of, as well as obligations towards, various groups of stakeholders. In this regard, we have a system of established engagement channels to interact with stakeholders for various purposes, including understanding our obligations to stakeholders, understanding stakeholders' needs and wants, having a communication channel to resolve any conflicts with stakeholders, communicating our expectations, as well as to inform stakeholders of our priorities and performance including sustainability-related matters.

The Board, via the Sustainability Committee, oversees the Group's engagement with stakeholders to ensure our engagement channels are adequate and effective to achieve our communication objectives. The following table summarises the Group's engagement activities during FY2022 and the relevant focus areas discussed with the stakeholders.

STAKEHOLDERS' ENGAGEMENT AND COMMUNICATION (CONT'D)

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 with 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 training • Performance review • Departmental meetings • In-house newsletters/communications	• Occupational safety & health • Remuneration policy • Career development • Performance review • Fair employment practices • Minimum housing standards
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 satisfaction • 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

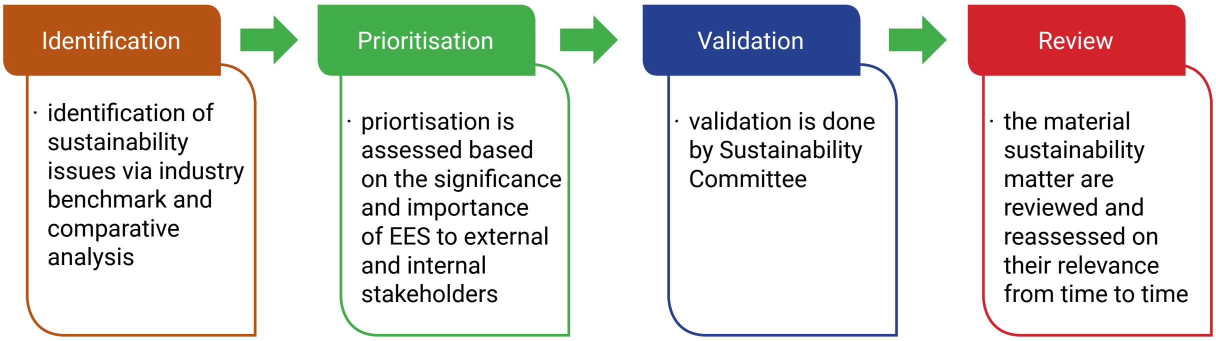
We prioritise our resources in managing sustainability matters which are more significant to the Group. We performed a materiality assessment to identify and assess how each sustainability matter affect our business and the perceptions of our stakeholders. The materiality assessment was participated by the Sustainability Working Group, including the CEO. The outcome of the materiality assessment, i.e. the materiality matrix, was subsequently reported to the Sustainability Committee and the Board.

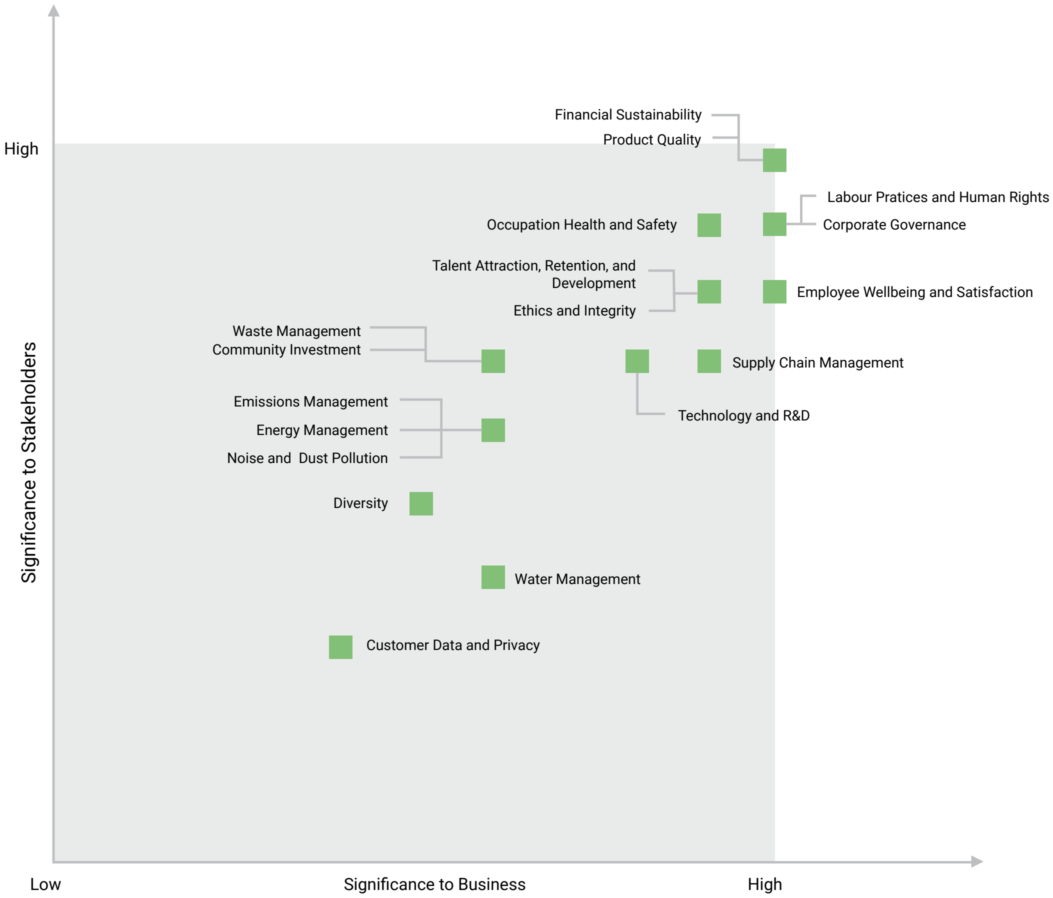
MATERIALITY ASSESSMENT (CONT'D)

In general, the materiality assessment we carried out adopts a definition of "materiality" that is in line with the Listing Requirements, i.e. a sustainability matter is considered material if it:

- reflects the Group's significant economic, environmental, and social impacts; or
- substantively influence the assessments and decisions of stakeholders.

Kerjaya Group's materiality assessment process is illustrated as follows:





Materiality Matrix

MATERIALITY ASSESSMENT (CONT'D)

The outcome of the materiality assessment is illustrated in the materiality matrix above. This year, we have included a few sustainability matters to enable a better focus on the social aspects of "**Labour Practices and Human Rights**" and "**Employee Wellbeing and Satisfaction**". The environmental matters have also been placed into categories that enable greater focus, i.e. "**Energy Management**", "**Emissions Management**", "**Noise and Dust Pollution**", "**Waste Management**", and "**Water Management**". We have also included "**Technology and R&D**" which has increasingly become important for the Group to remain competitive in the industry.

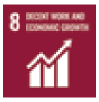
OUR SUSTAINABILITY EFFORTS AND THE SDGS

In September 2015, all one hundred and ninety-three (193) United Nation member states adopted the "Agenda 2030" – a shared blueprint for peace and prosperity for people and the planet, now and into the future. It consists of seventeen (17) Sustainable Development Goals ("**SDGs**"), supported by one hundred and sixty-nine (169) targets, towards which countries around the world need to work. The SDGs aim to address a broad set of challenges such as poverty, geopolitical instability, depleting natural resources, environmental degradation and climate change.

At Kerjaya Group, in addition to managing the Group's sustainability matters to drive long-term business value creation and preservation, we also identify areas where our efforts are able to contribute to the SDGs. The following section summarises how Kerjaya's sustainability efforts also help to contribute to the SDGs.

Sustainability Report (Cont'd)

OUR SUSTAINABILITY EFFORTS AND THE SDGS (CONT'D)

	Through our business operations and activities, we create and distribute economic value by providing 2,249 employment opportunities to local and foreign workers, contributing to the local economy through our supply chain, paying our fair share of corporate taxes, amongst others.
	Kerjaya supports quality property development projects for quality dwelling and built environment, contributing to the housing needs of a growing population. We construct high-quality buildings using quality materials and advanced technology. Our products are quality assured via ISO 9001:2015 – Quality Management System Standards. We employ IBS construction methods which enable us to efficiently use materials and reduce waste generation. For instance, we use aluminimum formworks in all our construction projects, eliminating the use of timber formwork structures that can only be used once. This technology enabled us to reduce the generation of timber waste and to maintain a cleaner project site.
	We undertake ongoing efforts to protect the people and environment, including the people that work for us and with us, the environment around our operations, as well as the broader natural environment. We have in place safety and health management systems and environmental management systems to safeguard our people and environment. Kerjaya also acknowledges the importance of considering climate change risk in relation to our long-term business strategy. We are working towards understanding our Green House Gas ("GHG") emissions footprint and will work out solutions to support the global combat against climate change.

CORPORATE GOVERNANCE

Corporate governance is one key pillar to a successful business, ensuring the Group's businesses are led by capable leaders and Management with the right expertise and experience while ensuring sufficient check and balance is in place to safeguard the interest of shareholders including minority shareholders.

Kerjaya Group's corporate governance practices are compliant with the Listing Requirements. In addition, our corporate governance practices also take into account the promulgations of the Malaysian Code on Corporate Governance ("**MCCG**") as well as other better practices.

The Group's corporate governance practices are disclosed in Corporate Governance Overview Statement, Statement on Risk Management & Internal Control, Audit Committee Report, and Nomination Committee Report in the Company's FY2022 Annual Report, as well as the Corporate Governance Report.

ETHICS AND INTEGRITY

We are committed to upholding high standards of ethics and integrity in the conduct of the Group's business. The Board has established a Code of Ethics set of ethical business practices and integrity which shall be observed by all employees, especially in the conduct of the Group's business operations.

ETHICS AND INTEGRITY (CONT'D)

The Code of Conduct and the Code of Ethics provides guidance to employees regarding acceptable behaviours, setting out our commitment to integrity – creating a business free of corruption; to human rights – providing a workplace that is free from harassment, discrimination, enslavement, child, or forced labour; and to the Group – safeguarding key assets, data and information.

A summary of the Code of Ethics is as follows:

Avoiding conflict of interest	Prohibiting corruption, including bribery, money laundering, and abuse of power	No gift policies	Compliance with laws, rules, and regulations
Compliance with occupational safety and health rules and regulations	Prohibition of any form of harassment and violence	Honesty	Equal opportunity for all employees, no discrimination, and no harassment
Confidentiality and non-disclosure	Protection of information and personal data	Protection of assets and resources	Prohibiting abuse of position or information for private or personal advantage
Respecting human rights	Prohibiting insider trading	Respect the personal dignity, privacy and rights of each individual	Treats employees with dignity and respect in the workplace, provides equal employment opportunities, creates a safe and harmonious work environment, and will not engage in any form of discrimination.

We also expect third parties who do business with us to demonstrate a similar level of ethical behaviour, and we regularly communicate our expectations in our engagements with business associates such as subcontractors and business partners. We perform due diligence and assessment on key business associates such as subcontractors and key suppliers of products and services.

Anti-Corruption and Anti-Bribery

The Group has an Anti-Bribery and Corruption Policy & Guidelines ("**ABC Policy**") which states the Group's zero-tolerance stance towards corruption and bribery. The ABC Policy is established by the Board and the Board also provides oversight for the implementation of and compliance with the policy across the Group's operations.

The ABC Policy is published on Kerjaya's corporate website.

The ABC Policy is applicable to all Directors, employees, and third parties associated with the Group's business and operations. the ABC Policy prohibits all forms of bribes and the use of facilitation payment, and it also provides guidance on transactions that are more likely abused, such as gift, entertainment, and corporate hospitality and sponsorship and donation.

Kerjaya Group adopts a risk-based approach towards managing corruption risk, where the Group's corruption risk assessment identifies high corruption risk areas within operations to enable focused risk mitigation and controls. The corruption risk assessment forms part of the Group's risk management, which covers all business segments and is reviewed at least once a year.

ETHICS AND INTEGRITY (CONT'D)

Anti-Corruption and Anti-Bribery (Cont'd)

Various controls are put in place to manage corruption risk, including the application of checks and balances and separation of power in the internal control systems, ongoing review and monitoring, and ongoing training and communication for the relevant stakeholders.

The ABC Policy is communicated to all Directors, employees, and key third parties. All Directors and employees are required to read, sign, and acknowledge their understanding of the ABC Policy, together with the Code of Conduct and Code of Ethics, once every three years.

When the ABC Policy was rolled out in 2020, all Directors and employees were given briefing or training on the ABC Policy, including the various types of corruption contained in the policy, how to avoid corruption in their day-to-day work, and how to report suspected corruption, amongst others. New Directors and employees will also be briefed on the ABC Policy, amongst other key policies, during their induction. Any updates to the ABC Policy will be disseminated to Directors, employees, and business associates, as well. Group-wide refresher training on anti-corruption will be carried out every few years.

	As at 31 December 2022
Percentage of employees communicated on anti-corruption	100%

The due diligence and assessment of key business associates include integrity considerations. During the contracting process, the Group also communicates its anti-corruption stance and refers key business associates to relevant policies of Kerjaya Group which they shall adhere to.

Kerjaya Group generally does not make political donations or sponsorships and there were none made in FY2022.

Whistleblowing Mechanism

Kerjaya Group has established a whistleblowing mechanism, formalised via the Whistleblowing Policy and Procedures ("**Whistleblowing Policy**"), to ensure there is an open channel for all stakeholders to report in confidence if they know of or suspect any serious violations of the Group Code of Conduct, Code of Ethics, or ABC Policy, in addition to serious breaches of laws and regulations. Issues raised will be investigated and appropriate action will be taken to ensure that the matter is resolved effectively.

All reports will be dealt with confidentially and the mechanism does not prohibit anonymous reporting. The reporting mechanism also includes a channel to report to an Independent Director, such as in the event a senior management is involved or conflicted in the reported incident. In addition, the Group provides employees who raise genuine concerns with protection against reprisal within the Group to ensure they will not be retaliated against for doing the right thing.

The Whistleblowing Policy is published on Kerjaya's corporate website.

FINANCIAL SUSTAINABILITY

Financial sustainability is one of the areas where we are required to manage both in the short term and the long term. One of our business objectives is to deliver shareholder value to our shareholders who have invested in us and supported us. A healthy and sustainable financial performance and position are also key to the sustainability of the business, enabling us to continue creating value and distributing value to stakeholders.

Our shareholders are entitled to timely and quality information on key matters pertaining to the Group, including the financial position and performance. Apart from the Annual General Meeting where shareholders are entitled and encouraged to engage with Directors and Senior Management to obtain a sufficient understanding of how the business is managed and performed, we also publish key information on the Group's corporate website at www.kerjaygroup.com, including quarterly and annual financial statements, announcements, financial information, annual reports, circulars/ statements to shareholders, and other pertinent information which has been announced to Bursa.

We have set for ourselves a bold target to achieve at least 5% growth in revenue and profit after tax per annum. For FY2022, with a revenue of RM1,122.2 million and profit after tax of RM114.8 million, we have exceeded our 5% target with 14.9% and 18.5% growth, respectively.

Further details on the Group's financial performance for FY2022 are available in the Management Discussion & Analysis in this Annual Report FY2022.

PRODUCT QUALITY

In this section, "Kerjaya" and "we" refers to the Construction Segment

As one of Malaysia's most trusted builders, Kerjaya maintains strong trust and working relationships with its customers in a highly competitive market space. Customers' wellbeing, safety, and satisfaction are at the core of our commitment to product responsibility and quality.

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

We are committed to offering and delivering high-quality products with our extensive experience and track record. With almost thirty (30) years of industry expertise, we have established a track record in the construction of high-end commercial and high-rise residential buildings, and we are well-equipped to deliver consistent quality to our customers. Kerjaya is also supported by a strong team of employees motivated to continuously pursue quality and perfection.

One of the key elements that enable us to deliver quality consistently is our well-established standard operating procedures which include stringent quality control processes. We are also certified with ISO 9001: 2015 – Quality Management System, demonstrating our commitment to quality and customer satisfaction. Such accreditation also helps to enhance our credibility in the construction industry, fostering trust between us and our customers.

As we continue to enhance our product quality and competitiveness, Kerjaya embraces advanced technology in its construction technology. We acknowledge the advantages and potential of technology to reduce human error and reduce reliance on manual labour and are continuously on the lookout for new technology which may be adopted. In recent years, the adoption of Industrialised Building System ("**IBS**") has helped us to enhance operational efficiencies, improved the quality of our final products, as well as reduced our exposure to environmental and social impacts at our sites.

PRODUCT QUALITY (CONT'D)

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 have set a target to achieve QLASSIC score of at least 80 points for all our projects.

We are pleased to share that we have achieved:

- 86 points for Batu Uban @ Penang; and
- 84 points for Megah Rise @ Petaling Jaya, Selangor in 2022

Batu Uban @ Penang

Megah Rise Mix Development @ Petaling Jaya

SUPPLY CHAIN MANAGEMENT

In this section, "Kerjaya" and "we" refers to the Construction Segment

The nature of business for the construction industry is highly localised, where physical proximity to raw materials, technology, and labour manpower may be crucial to cost management. On the other hand, other considerations such as material quality, manpower skills, and building technology may not be available or are limited in the local geographical context. This means that we have to strike a good balance between cost management while ensuring the quality of our final products.

We also acknowledge the role we play, through our supply chain, in supporting local job creation, talent development, and contributing to the local economy. We have a target of sourcing at least 90% of building materials locally, i.e. from Malaysian companies. During the financial year under review, 90% of Kerjaya's procurement spending on building materials is from local, Malaysian suppliers.

	FY2021	FY2022
Proportion of procurement spending (on building materials) on local suppliers	>90%	>90%

Quality of suppliers, subcontractors, and vendors

Construction activities are commonly complex and involve various business associates, including suppliers, subcontractors and vendors for various types of specialised services in fields such as earthworks, structural, drainage and sewerage, electrical, waste management, etc. At Kerjaya, we work with reliable and high-quality business associates who allow us to uphold the spirit and belief of how we do business, including in the aspects of ethics and integrity, workplace safety and health, environmental and social responsibilities, as well as product quality.

SUPPLY CHAIN MANAGEMENT (CONT'D)

Quality of suppliers, subcontractors, and vendors (Cont'd)

We maintain close collaboration with suppliers, subcontractors, and service providers with the objective of ensuring our business associates are able to support us in delivering quality products and long-term business value, considering productivity, efficiency, capability, and integrity, amongst others. We also seek to understand our business associates better, including how they do business, their concerns and view, as well as how we are able to collaborate to create shared business value in the long run.

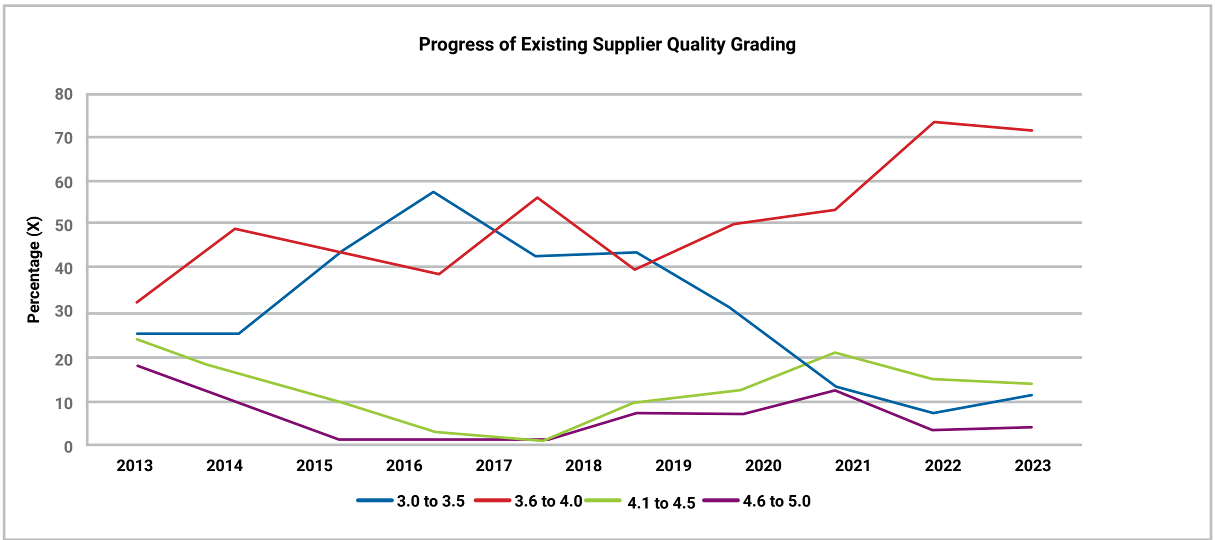
Our business associates are assessed upon engagement and annually to ensure their business ethics, integrity, and performance remain aligned with Kerjaya's beliefs. New suppliers or service providers are selected and assessed via the New Supplier Form, whose criteria are aligned with the Group's operational, environmental, and social goals. In addition, as our Group's operations are ISO-certified, suppliers are required to adhere to clauses consistent with the ISO 9001: 2015 and ISO 14001:2015 standards.

Periodic assessments are conducted by Kerjaya to assess the performance of suppliers and contractors. In our regular assessments of suppliers and service providers such as subcontractors, we also consider their risk levels pertaining to environmental and safety and health matters.

In addition, we also have internal teams to perform annual audits on our existing suppliers and contractors, auditing them in the areas of quality of products and service, price, delivery lead time and payment term. Kerjaya has a set of audit scoring method which rates the performance of suppliers and contractors from 0 to 5, with 5 being the best performance. We aim to have 35% of our suppliers attain a score of 4.1 and above.

Based on the periodic assessments and annual audits, amongst others, Kerjaya continues to work together with business associates whose performance are satisfactory, while having ongoing discussion to support each other in the betterment of working relationship, quality of products and services, and sustainable practices such as looking for solutions to reduce waste, collaborating to implement waste separation to enhance recycling rates, as well as energy and water efficiency solutions. On the other hand, business associates with unsatisfactory performance will be reproved or terminated if they are not able to keep up with Kerjaya's standards.

For FY2022, 18% of our total suppliers and contractors attained a score of 4.1 and above. Kerjaya will continue to undertake measures to enhance the quality of its supply chain.



Kerjaya strives to deliver its responsibilities in promoting and encouraging better practices in its supply chain, with respect to the protection and preservation of the environment and respecting basic human rights and dignity, beyond the compliance obligations of Kerjaya.

SUPPLY CHAIN MANAGEMENT (CONT'D)

Quality of suppliers, subcontractors, and vendors (Cont'd)

We have included various considerations in our new supplier assessment process to give preference for suppliers who are able to demonstrate better practices with respect to environmental conservation, protection of endangered species, protection of labour rights and welfare, practising equal opportunities, no corruption or bribery cases, and having no impending environmental issues.

CUSTOMER DATA AND PRIVACY

The pandemic in the past years has intensified the adoption of information technology ("**IT**") systems by businesses. This has also created incentives for perpetrators to conduct cyber attacks thereby increasing cybersecurity risks in the business environment. At Kerjaya Group, we strive to manage and mitigate cybersecurity risks as best as we can to protect the security of our data and systems, including customer and other personal data.

The Group has an IT function that supports the security of our IT systems, including conducting routine monitoring, testing, and IT audits. Other controls include putting in place hardware and software and ensuring they are updated from time to time.

During the financial year under review, there were no reported incidents which resulted in significant IT breaches. Similarly, there were no substantiated complaints concerning breaches of customer privacy and losses of customer data.

	FY2021	FY2022
Number of incidents which resulted in significant IT breaches	0	0
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	0	0

ENVIRONMENTAL MANAGEMENT

In this section, "Kerjaya" and "we" refers to the Construction Segment

As a Group with strong foundations in environment protection, the Group is aware of the interaction and tender balance between the built and natural environments. Recognising the general impacts constructions may have on the environment, Kerjaya is committed to minimising the environmental impact of its operations, on top of complying with applicable environmental laws and regulations at all sites managed by Kerjaya.

Kerjaya aims to efficiently use energy and strives to reduce greenhouse gas ("**GHG**") emissions derived from the use of energy. In addition, Kerjaya also strives to reduce GHG emissions arising from its construction activities. Understanding the urgency of global efforts to combat climate change, Kerjaya undertakes ongoing efforts to work towards reducing GHG emissions.

We are committed to using resources efficiently with an aim to reduce resource input and waste generation. Kerjaya treats and disposes of waste and wastewater responsibly, and it targets to have zero pollution incidents at all of its sites.

We generally do not operate in water-stressed areas and we generally do not withdraw a significant amount of water from natural water bodies. Nevertheless, we acknowledge that many people around the world face water scarcity and we cherish our access to water. We will use water efficiently and avoid unnecessary withdrawal of water.

ENVIRONMENTAL MANAGEMENT (CONT'D)

Where possible, we endeavour to avoid the disposal of waste and effluent to identify opportunities to reuse or recycle, towards enabling a circular economy. In this regard, we continue to collaborate with our customers and business associates at the sites to identify potential opportunities to enable circular consumption, as well as to work together to mitigate and manage negative environmental impacts from operations.

All Kerjaya subsidiaries carrying out construction activities are certified with **ISO 14001: 2015 Environmental Management System**, which were last renewed in 2021. The next renewal of the certificate will be in 2024. Their environmental practices are also subject to audits at least once a year. In addition, Kerjaya regularly engages a professional Environment Consultant to monitor and assess any significant environmental impacts of our operations, including in the areas of marine water quality, air quality, and noise pollution, as applicable.

Certain projects, such as the Seri Tanjung Pinang ("**STP**") Project, require environmental impact assessments ("**EIA**") to be conducted periodically to ensure our operations do not cause a significant impact on the environment including the biodiversity of the surrounding sites. We engage independent consultants to perform EIA for the STP once every 3 months. We work together with local authorities and the project developer to monitor and mitigate any environmental or biodiversity risks which may arise, as well as ensuring our operating procedures include relevant controls to minimise the environmental impacts of our activities.

For the financial year under review, the Group's environmental performances are compliant with the applicable laws and regulations. There were no significant non-compliance, fines, or penalties arising from environmental non-compliance during FY2022.

ENERGY AND EMISSIONS MANAGEMENT

In this section, "Kerjaya" and "we" refers to the Construction Segment

Energy and Emissions from Construction Activities

Kerjaya uses fuel in vehicles and heavy machinery such as cranes, excavators, generation sets, backhoes, and others. While the consumption of fuel is inevitable in our operations, we regularly perform maintenance on our machinery and equipment to keep them in good condition, thereby maintaining their energy efficiency. From time to time, we invest in new machinery and equipment, considering the fact that their newer conditions generally have better energy efficiency. In addition, newer models may also incorporate better technology to enable fuel efficiency. We are also actively looking into investments or methods which enable us to rely less on fossil-based fuels.

We collect electricity data for sites, based on electricity bills, in relation to our construction projects to measure the electricity intensity of our construction activities. This excludes the electricity use at our headquarters.

Electricity use for construction-related activities (excluding headquarters)	FY2021	FY2022
Electricity consumption ('000 kWh)	3,782	4,201
Energy from electricity (GJ)	13,615	15,124
Electricity intensity (kWh/ RM1'000 revenue) i.e. electricity consumption/ RM'000 construction segment revenue	3.56	3.30

We measure the electricity intensity and target to reduce the intensity as our efforts towards better electricity efficiency. Against our target of electricity intensity of 3.00 kWh/ RM1,000 revenue generated, we achieved 3.30 kWh/ RM1,000 revenue for FY2022.

ENERGY AND EMISSIONS MANAGEMENT (CONT'D)

Energy and Emissions from Construction Activities (Cont'd)

Based on the energy sources disclosed above, the total energy consumption and the greenhouse gas emissions derived from energy use for Kerjaya's Construction Segment, excluding headquarters operations, are summarised as follows.

Energy consumption (GJ)	FY2021	FY2022
Diesel	67,450	74,214
Purchased electricity	13,615	15,124
Total	81,065	89,338

GHG Emissions (tCO_2e)	FY2021	FY2022
Scope 1		
Diesel	5,005	5,507
Scope 2		
Purchased electricity	2,080	2,311
Scope 1 and Scope 2		
Total	7,085	7,817

The GHG emissions reported above are estimated based on available data. Kerjaya will continue to review and develop a structured approach towards more complete and accurate emissions reporting, including Scope 1, Scope 2, and relevant Scope 3 emissions.

Other electricity consumption

Electricity use at our Kerjaya headquarters for FY2022 is reported as follows.

Kerjaya headquarters	FY2022
Electricity consumption ('000 kWh)	405
Energy from electricity (GJ)	1,460
Associated Scope 2 emissions (tCO_2e)	223

In our offices, we practise various electricity reduction and savings measures. Majority of our office lighting utilises LED lighting systems which have better efficiency. We also have the practice of switching off air-conditioning systems and lights when not in use. We also encourage employees to rely less on air-conditioning and make use of natural ventilation and breeze depending on the current weather.

Renewable Energy

Understanding that energy consumption is inevitable and that relying on fossil fuel-powered energy sources will not be sustainable in the long run, Kerjaya has undertaken the initiative to explore renewable energy solutions.

We have undertaken initiatives to explore opportunities to install solar panel power generation systems on our premises to support or offset our energy needs. As of 31 December 2022, we have 2 solar panel systems installed and in operation, at our Petaling Jaya Headquarters and at our Rawang Factory.

ENERGY AND EMISSIONS MANAGEMENT (CONT'D)

Renewable Energy (Cont'd)

Electricity generated from solar panel systems	'000 kWh
Petaling Jaya Headquarters (in operation since September 2022)	24.9*
Rawang Factory (in operation since March 2022)	53.9*

Note:
* calculated based on system meter
** estimated based on power-generation capacity

During FY2022, we have sold 28,085 kWh of excess solar-generated power to TNB. Based on the 78,800 kWh of renewable energy generated, the emissions avoidance is estimated to be 43.4 tonnes of CO_2e.

We will continue to explore the feasibility of installing solar panel systems on our cabins at project sites to reduce reliance on diesel-based electricity powered via generator sets.

On the other hand, the Group's Manufacturing Segment which is involved in lighting solutions and kitchen cabinet solutions is also undertaking ongoing initiatives to explore energy efficiency in our process, including exploring solar power generation for the kitchen cabinet factory.

RESOURCE, WASTE, AND POLLUTIONS MANAGEMENT

In this section, "Kerjaya" and "we" refers to the Construction Segment

Strategies for resource use and waste management are generally interconnected. At Kerjaya, our waste reduction efforts begin with resource management where we always keep ourselves aware of the resources that we use, the associated waste they create, and how much effort is required to put into managing these wastes, amongst others. Our approach is also aligned with our business value creation, as these considerations are also part of our cost management strategies.

In relation to resource management, we have a team of experienced engineers and quantity surveyors to support our material planning and scheduling activities. Furthermore, as part of Kerjaya's ongoing technological development and innovation initiatives, we consider new building technology from time to time. Commonly, newer building technology helps us to use resources more efficiently and reduces waste generation. For example, the IBS technology which we have adopted enabled us to significantly reduce wastage on site, in addition to improving building efficiency.

We continue to collaborate with suppliers and service providers to explore solutions that will further enhance building efficiency, including resource and waste efficiency.

Sustainability Report (Cont'd)

RESOURCE, WASTE, AND POLLUTIONS MANAGEMENT (CONT'D)

Managing Wastes

We are committed to managing and disposing of waste and wastewater responsibly, beyond mere compliance. We target to have zero pollution incidents at all sites.

One of the key enablers of a robust waste management system is proper waste segregation practices. At all Kerjaya's sites, we have various bins and facilities to enable the segregation of waste as practical as possible. In addition, we also provide training for our employees and workers with respect to proper waste segregation.

Hazardous Waste

Waste can generally be categorised into hazardous and non-hazardous waste. The management of hazardous waste, also known as scheduled waste, is compliant with the regulations of the Department of Environment ("**DOE**") where hazardous waste is handled by licensed waste contractors. We also have monitoring systems to ensure hazardous waste is properly disposed of at approved treatment facilities prior to disposal.

Non-hazardous waste

One the key non-hazardous waste we generate is iron or steel, which requires high energy consumption in their production. We have processes to segregate iron and steel waste and sell them to third parties, enabling them to be reused or recycled, in addition to generating income for Kerjaya. In FY2022, we earned RM3.9 million from the selling of scrap iron.

We also strive to identify various ways to prevent waste from being disposed of, such as reusing materials where possible or reselling them to recycling contractors. For instance, instead of using conventional timber formwork which can be used only once, we adopted the use of aluminium formwork which can be repeatedly used. During the previous financial year, our construction sites fully adopted the use of aluminium formwork.

Ongoing efforts will be continued to identify waste to decrease the waste that will be ultimately disposed of.

The following table summarises our non-hazardous waste generated in FY2022, including how much was recycled or reused or disposed of.

Non-hazardous waste	FY2020 (t)			FY2021 (t)			FY2022 (t)		
	Generated	Diverted from disposal	Directed to disposal	Generated	Diverted from disposal	Directed to disposal	Generated	Diverted from disposal	Directed to disposal
Iron or steel	1,442	1,442	0	1,872	1,872	0	2,155	2,155	0
Total	**1,442**	**1,442**	**0**	**1,872**	**1,872**	**0**	**2,155**	**2,155**	**0**

Note:
"Diverted from disposal" include recovery, reuse, or recycling activities.
"Directed to disposal" includes incineration (regardless of whether it is used for power generation) and disposal to landfill.

RESOURCE, WASTE, AND POLLUTIONS MANAGEMENT (CONT'D)

Non-hazardous waste (Cont'd)

In our effort towards the journey of circular economy, we have set the following targets for Kerjaya's reuse and recycling rates for reducing waste directed to disposal.

Note: reuse and recycling rate is the proportion of amount diverted from disposal against the amount generated.

Reuse and recycling rate	FY2022 Target	FY2022 Actual
Iron/ steel	>95%	100%

Note:
Recycling and reuse rate of iron and steel is calculated using amount sold to third parties.

Noise, dust, and sea water

Our STP project is located at the sea of the state of Penang. Kerjaya is constantly monitoring marine water quality, considering the risk areas identified from the project's EIA report, including the biodiversity of the surrounding sea. Scheduled water sampling is conducted regularly to test and ensure water quality is in compliance with the relevant regulations.

In addition, we also monitor air quality, ensuring our activities at project sites do not create a significant nuisance to the surrounding community. Air quality may be impacted by dust and emissions from the use of fuel in equipment and machinery, as well as from dust from surface and soil arising from activities at the site.

Noise pollution is also inevitable for construction activities. Noise may be generated from the use of heavy machinery, tools, and equipment, and such noise may cause nuance or even affect the physical or mental health of construction workers or surrounding communities. Noise generation, however, can be controlled and reduced such as via the installation of noise barriers and limiting work activities at night. We maintain noise generation below the regulated levels. We also engage with local communities regularly to receive feedback on noise pollution, if any.

Environmental Performance

Overall, in FY2022, there were no cases of fines or penalties imposed by the authorities arising from non-compliance in relation to environmental management, such as waste management or pollution.

During the year, marine water quality, air quality, and noise levels, which are assessed regularly, are kept within the compliance levels and the regulated limits.

WATER MANAGEMENT

In this section, "Kerjaya" and "we" refers to the Construction Segment

In our efforts to minimise our water impact, we look into how we withdraw, use, and discharge water. We are constantly aware of water use and strive towards water conservation in every way we operate such as for mortar mixing, worker consumption and site cleaning.

For construction activities, we generally withdraw water from municipal sources. For certain projects, there may be withdrawal of groundwater but these withdrawals are not significant and are conducted in compliance with local laws and regulations.

Kerjaya undertakes initiatives to reuse or recycle water or use less fresh or clean water when other water can be used. For example, in the STP project, we take sea water for dust control purposes. In other projects, we also reuse water that has passed through silt traps for dust control purposes and road work cleaning. We have also undertaken initiatives to explore using rainwater harvesting as an alternative water source.

WATER MANAGEMENT (CONT'D)

Generally, water is discharged into municipal drainage and sewerage system. In construction activities, there may also be ground surface discharge. These water discharge activities are not currently measured.

Kerjaya's water withdrawn and discharged during FY2022 is summarised as follows.

	FY2020 (m3)^	FY2021 (m3)^	FY2022 (m3)
Water withdrawal			
Surface water from rivers, lakes, natural ponds	-	-	-
Sea water, water extracted from the sea or the ocean	Not measured	Not measured	Not measured
Groundwater from wells, boreholes	Not significant	Not significant	Not significant
Used quarry water collected in the quarry	-	-	-
Municipal water	1,176,514	258,950	252,983
External wastewater	-	-	-
Total water withdrawal	1,176,514	258,950	252,983
Water discharged			
Municipal sewerage	Not measured	Not measured	Not measured
Ground surface	Not measured	Not measured	Not measured
Total water discharged	Not measured	Not measured	Not measured

Water intensity for construction projects

We also measure our water intensity for construction project, where we measure water withdrawal per revenue from construction projects only. This calculation will exclude any water withdrawn at our headquarters.

Water withdrawn for construction-related activities (exclude headquarters)	**FY2021**	**FY2022**
Water withdrawn (m^3)	258,950	251,184
Water intensity (m^3/ RM1'000 revenue) i.e. water withdrawn/ RM'000 construction segment revenue	0.24	0.20

We measure the water intensity and target to reduce the intensity as our efforts towards better water efficiency. Against our target of water intensity of 0.20 m3/ RM1,000 revenue generated, we achieved 0.20 m3/ RM1,000 revenue for FY2022.

LABOUR PRACTICES AND HUMAN RIGHTS

Kerjaya Group is committed to respecting the fundamental human rights of everyone and aims to safeguard them from violation as far as the Group's business operations are concerned. This stance is also enshrined in the Group's Code of Ethics.

Our Code of Ethics is publicly available online and is communicated to all employees upon their induction as new employees to the Group and where there are any updates to the Code of Ethics. Our expected ethical business practices are also communicated to key business associates such as subcontractors. Any violation to the Code of Ethics can be reported via the whistleblowing channel which is accessible by all internal stakeholders such as employees and Directors, as well as external stakeholders. The whistleblowing channel is governed by the Whistleblowing Policy which is available publicly on Kerjaya's website.

We do not practise any form of child labour or forced labour, and are committed to providing a safe and healthy workplace for all employees. Similarly, we expect the same from our key business associates, especially subcontractors. In addition to complying with the minimum wage and permissible working hours, we also strive to remunerate employees fairly for their work and aim to prevent excessive working hours.

We do not restrict our employees with regard to their rights to freedom of association and collective bargaining, as per local laws and regulations.

We are an equal-opportunity employer and we adopt a non-discrimination stance in our operations where no one shall be discriminated against on the basis of race, religion, gender, sexual orientation, disability, age, nationality, culture and background. This belief is ingrained in the Group's employment practices including recruitment, performance assessment, promotion, disciplinary actions, etc, which are determined on the basis of merit.

During our regular engagements with subcontractors, we discuss matters pertaining to safety and health as well as labour practices as relevant, in addition to updates on project progress.

During the financial year under review, some of Kerjaya's labour practices-related focus include the enhancement of the quality of workers' accommodation.

With regard to the workers to whom we provide accommodation, we ensure compliance with the Workers' Minimum Standards of Housing and Amenities (Amendment) Act 2019 (Act 446). Kerjaya is the pioneer in the industry who uses the concept of modular construction for worker's accommodation, which helped to ensure workers live with sufficient space, amenities and facilities. The provision of workers' accommodation at our sites is guided by a set of established standard operating procedures.

During the financial year under review, there were no cases of substantiated complaints concerning human rights violations received by the Group.

	FY2022
Number of substantiated complaints concerning human rights violations	0

PEOPLE AND DIVERSITY

At Kerjaya, our employees comprise office-based employees and manual workers. All manual workers are foreign workers at our construction sites. As at 31 December 2022, Kerjaya has a total of 2,249 employees, broken down into 530 office-based employees and 1,719 manual workers. In addition, other workers from Kerjaya's subcontractors and service providers also work at our project sites.

We do not have part-time employees, while contract-based employees comprise approximately 28% of our 530 office-based employees. The contract-based employees include professionals such as engineers and quantity surveyors who are employed to support the Group's projects. Such practice is aligned with the Group's business nature which is primarily focused on construction projects. On the other hand, we also ensure our remuneration for contract-based employees is competitive to attract and retain talents. As all manual workers are foreign employees, all of them are employed on a contract basis.

	FY2021	FY2022
Office-based employees		
Full-time permanent employee	322	381
Full-time contract employee	156	149
Total office-based employees	**478**	**530**
Manual workers		
Foreign workers	1,085	1,719
Total employees	**1,563**	**2,249**

At Kerjaya, we embrace diversity in our workforce and we appreciate the diverse demographics across age, gender, and cultural background, amongst others. We believe this diversity brings to the Group different perspectives and encourages open discussions and dialogues which are important for innovation and developing new approaches to solving problems. Diversity is not only a focus at the employee level but is also a key focus at the Board level. The Group's diversity is strongly supported by our stance as an equal-opportunity employer, our policy on non-discrimination, and our stance against harassment and bullying in the workplace.

The construction sector is generally a male-dominated sector. Nevertheless, we aim to have a reasonable balance of 60% male and 40% female composition amongst our office-based employees. As at 31 December 2022, our male-to-female ratio for office-based employees is 58:42, which is aligned with our target.

Kerjaya Group's office-based employees by gender and age	As at 31 December 2022				
	Gender		Age		
	Male	Female	<30	30 - 50	>50
Senior Management	4	1	0	2	3
Management	34	9	4	19	20
Executives	181	149	219	103	8
Non-Executives	89	63	87	48	17
Subtotal	308	222	310	172	48
Total	**530**		**530**		

Sustainability Report
(Cont'd)

PEOPLE AND DIVERSITY (CONT'D)

Kerjaya Group office-based employees breakdown by ethnic	As at 31 December 2022
Malay	333
Chinese	176
Indian	18
Others	3
Total	**530**

TALENT ATTRACTION, RETENTION & DEVELOPMENT

One of the Group's most important investments is in human capital, where our objective is attracting and retaining talents and skills which are able to support the long-term business objectives of Kerjaya. The Group reviews its human capital on an ongoing basis, identifying the talent and skills required by the business, the gaps, as well as development needs. Our performance appraisal which is conducted for all employees serves as a basis for identifying employees' training needs as well as setting employee remuneration.

Development of Employees, Talents, and Leadership

Kerjaya Group recognises that employee training continues to be a key element in ensuring the business is able to keep up with the business environment, especially in the midst of an industry-wide transition towards Industrial Revolution 4.0, which is crucial for ensuring the Group's business remains competitive and relevant in the market.

We encourage employees to undertake continuous development to develop themselves professionally as well as personally.

The Group provides internal and external training across various fields and topics to support employees' development. Regular training is also provided on certain topics such as anti-corruption, safety and health, standard operating procedures, and others, to equip employees with the necessary knowledge to perform their work effectively.

The Group's training programme also supports its succession planning needs, which is essential for ensuring long-term sustainability and leadership for the Group's business. Our HR Department reviews the Group's human resources plan including succession management framework and activities, human resources initiatives such as jobs and salary review, and annual manpower budget. Succession planning activities are supported by a training programme designed specifically for identified Management personnel, to provide customised training focused towards developing future leaders and talents for the Group.

Both employee training and succession planning activities are carried out through close engagement with employees via our various engagement channels. We want our employees to work and grow together with us, and develop open, honest, and transparent communication with the Group.

Office-based employees	Total training hours	Average training hour
Senior Management	11.0	2.2
Management	148.5	3.5
Executive	1,163.5	3.5
Non-Executives	658.8	4.3
Total	**1,981.8**	**3.7**

TALENT ATTRACTION, RETENTION & DEVELOPMENT

Development of Employees, Talents, and Leadership (Cont'd)

We target to have our office-based employees attend a combined training hour of 2,000 hours. During FY2022, we achieved 1,982 training hours, closer to our target of 2,000 hours compared to the previous financial year under review.

Group-wide training hours for office-based employees			
Target	FY2020	FY2021	FY2022
2,000 hours	1,728 hours	1,788 hours	1,982 hours

During the financial year under review, some of the key topics on which our employees have attended training include:
- Microsoft Excel Intermediate;
- Slinging, Rigging and Signalman Competency Training; and
- Forklift Safety Competency Training and Assessment.

Employee Retention

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. We aim to take care of our employees by providing benefits and welfare that support and motivate employees, enabling them to continue to develop and grow with us.

We monitor the new hire and turnover rate of our employees, which will continue to guide our human capital management strategies.

We target to keep our turnover rate for office-based employees below 20%. In FY2022, the turnover rate was recorded at 42%, signifying an improvement from FY2021. That said, we will continue to carry out efforts to enhance our employee retention rate, including by improving our employee satisfaction.

Office-based employees	Employee number as at 31 December 2021	New hire during FY2022		Turnover during FY2022		Employee number as at 31 December 2022
		No.	Rate	No.	Rate	
Senior Management	5	0	0%	0	0%	5
Management	36	23	53%	16	37%	43
Executive	276	168	51%	114	35%	330
Non-Executives	161	85	56%	94	82%	152
Total	**478**	276	52%	224	42%	530

OCCUPATIONAL HEALTH & SAFETY

The safety and wellbeing of employees is a basic responsibility of Kerjaya Group in ensuring employees work in a safe and healthy environment. We have a policy that highlights our commitment to:

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

<u>Management System for Occupational Health and Safety</u>

In this section, "Kerjaya" and "we" refers to the Construction Segment

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 approach the management of occupational health and safety via a structured management system which is compliant with the relevant laws and regulations such as the Occupational Safety and Health Act, 1994 ("**OSHA**") as well as internationally recognised best practices. Our occupational safety and health management system is certified with ISO 45001:2018 which governs the quality of our management system including policies, procedures, and controls towards managing safety and health risk and ongoing improvement, especially for our construction sites.

Furthermore, we also obtained ISO 45001:2018 certification, for all our construction subsidiaries, 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 on our construction sites.

The Environmental and Occupational Health and Safety ("**EOHS**") Committee is established as part of the management system to monitor and review the management of occupational safety and health of Kerjaya Group, including risk assessments, any work-related incidents and accidents, their root causes, remedial action plans and progress, and safety performance targets such as injury rate of industrial accidents. The safety performance at Kerjaya Group is also summarised and reported to the Board on an annual basis.

Members of the EOHS Committee include qualified Safety Officers who are registered with the Department of Occupational Safety and Health ("**DOSH**"). The EOHS Committee also includes personnel who are involved at the operational level to ensure the perspectives of the EOHS are practical and reasonable, while also providing a channel where employees' concerns and views can be represented at the EOHS Committee.

We adopt a risk-based approach towards occupational safety and health. In addition to safety controls which are incorporated in our operational standard operating procedures, we also ensure personal protective equipment is provided to employees and workers. From time to time, safety audits and internal audits are also conducted to ensure safety procedures are complied with.

Occupational safety and health risk assessment is periodically conducted by the EOHS Committee and reviews of the safety performance at project sites are reviewed bi-weekly. The EOHS Committee's roles also include ensuring timely support is provided to the employees affected by incidents.

In addition, we also ensure that an Emergency Response Team is formed for every construction site.

OCCUPATIONAL HEALTH & SAFETY (CONT'D)

Safety Training

In this section, "Kerjaya" and "we" refers to the Construction Segment

We adopt a practice where we ensure all personnel are sufficiently trained before entering project sites. For new employees and workers, Safety Induction Training is provided to ensure they understand the risks and controls, as well as how to react to emergencies. For visitors and contractors, we provide compulsory safety briefings before they enter our sites, to ensure they are equipped with reasonable safety awareness and sufficient understanding of our safety controls to protect their safety.

In addition, regular safety and health training is provided to employees and workers at our site, such as when there are updates to our safety policies and controls, when there are significant changes to the site conditions, and as projects progress to the next phase.

We believe that having comprehensive occupational safety and health management system and controls alone is not enough, and that training is crucial to ensuring employees and workers have adequate awareness to manage occupational safety and health risks. We have undertaken and will continue to undertake efforts to provide safety and health training to employees.

During FY2022, we provided 1,442 training hours for safety and health-related training to 170 office-based employees, including Safety and Health personnel, on safety and health-related standards, considering these employees' risk exposures and the nature of their work. All manual workers receive relevant health and safety training regularly.

	FY2022
Number of employees trained on health and safety standards	170 office-based employees
Numbers of employees briefed or trained on health and safety	All manual workers at our project sites

In addition, we continued 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.

Safety performance

In this section, "Kerjaya" and "we" refers to the Construction Segment

We also collect and review other safety performance data to assess safety performance at our sites, and to identify improvement areas if necessary.

Kerjaya targets to have no major accidents, i.e. accidents that lead to serious injuries or fatalities.

We regret to report a fatal accident involving a foreign worker, who lost his life due to a forklift accident. Investigation revealed that the accident was caused by the worker's negligence. We also provided bereavement support to his family for their loss.

In response to this incident, we reviewed and enhanced our processes and internal controls. In addition, we have also increased safety and health training frequency for all workers to raise safety awareness.

Safety performance	FY2020	FY2021	FY2022
Major accidents	2	1	1
Non-fatal serious injuries	0	0	0
Fatalities	2	1	1

Moving forward, we will also undertake a review of our safety performance targets to further enhance our management of occupational safety and health, as well as safety performance.

COMMUNITY ENGAGEMENT AND CONTRIBUTIONS

As a Group principally involved in construction activities, we build quality environments for people and communities while striving to protect and preserve the natural environment. At the same time, we are also aware that some vulnerable communities may not be as fortunate, and may be neglected by society.

Our belief in sustainable development is not limited to the development of our business, but also to the broader society and environment. From time to time, Kerjaya Group carried out community engagement and contribution activities to assist and empower communities, especially children, the elderly, and people with disabilities. We believe they shall be accorded the opportunities to participate in society and not be marginalised, and we also believe that better inclusion in society can allow them to develop their potential, further contribute to society, and advance as a greater community. We also strongly encourage our employees to engage in person and contribute to these vulnerable communities in realising the spirit of inclusion and empowerment.

We have set a target of contributing a minimum of RM100,000 for community contributions on a yearly basis and we have achieved approximately RM91,200 in FY2022.

During the financial year under review, Kerjaya Group has undertaken several community initiatives, summarised as follows:

Community initiatives	Description
Local Community	Food donation, contribution for dialysis for kidney failure, food and daily necessary to charity home, spot sponsorship, etc
College / School	Poor student campaign (program makanan percuma), publication program, college/school sponsorship, etc

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 2022 amounted to RM345,000 of which RM90,000 was incurred by Kerjaya Prospek Group Berhad.

There was no non-audit services rendered to the Group by the external auditors for the financial year ended 31 December 2022.

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 2022 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	506
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.	358,375

Additional Compliance Information (Cont'd)

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

Transacting Parties	Interested Related Parties	Nature of Transactions	Aggregate value (RM'000)
Kerjaya Prospek Group Berhad and its subsidiaries Kerjaya Prospek Property Berhad and its subsidiaries	Datuk Tee Eng Ho Tee Eng Seng Datin Toh Siew Chuon Egovision Sdn Bhd Amazing Parade Sdn Bhd Kerjaya Prospek Property Berhad and its subsidiaries	Supply of lighting fittings, kitchen cabinetry, provision of interior design works and masonry works, provision of general building and contraction works, utilities charges, maintenance charges and other related services, which including but not limited to secondment of staffs, renting of machineries, renting of premises and provision of hospitality expenses by Kerjaya Prospek Group Berhad and its subsidiaries to Kerjaya Prospek Property Berhad and its subsidiaries and vice versa.	4,108
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.	224
Kerjaya Prospek Group Berhad and its subsidiaries YHH Sales and Marketing Sdn Bhd	IR. Abdul Aziz Bin Dato'M. Khalid Bina BMK Sdn Bhd	Supply of lighting fittings, kitchen cabinetry, provision of interior design works and masonry works, provision of general building and contraction works, utilities charges, maintenance charges and other related services, which including but not limited to secondment of staffs, renting of machineries, and renting of premises by Kerjaya Prospek Group Berhad and its subsidiaries to Bina BMK and its subsidiaries and vice versa.	378

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.

Additional Compliance Information (Cont'd)

4. UTILISATION OF PROCEEDS

The Company had completed the issuance of 25,239,000 new ordinary shares at RM1.60 per share via private placement on 16 June 2022. The status of utilisation of net proceeds raised from the issuance of ordinary shares, amounting to RM40,382,400 is as follows:

	Actual proceeds raised RM'000	**Actual utilisation RM'000**	**Balance utilisation RM'000**
Working capital	39,824	39,824	–
Expenses for the Private Placement	558	558	–
Total	40,382	40,382	–

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DIRECTORS' REPORT
For The Financial Year ended 31 December 2022

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 31 December 2022.

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 other than as disclosed in Note 7 to the financial statements.

FINANCIAL RESULTS

	Group RM	Company RM
Profit before taxation	148,498,472	63,939,429
Taxation	(33,654,626)	(23,412)
Profit for the year	114,843,846	63,916,017
Profit attributable to:		
Owners of the Company	114,797,654	63,916,017
Non-controlling interests	46,192	–
	114,843,846	63,916,017

DIVIDENDS

The Company declared and paid the following dividends since the end of the previous financial year:

	Company RM
First interim single tier dividend of 2.0 sen per share on 1,235,811,200 ordinary shares, declared on 26 May 2022 and paid on 8 July 2022 in respect of the financial year ended 31 December 2022.	24,716,224
Second interim single tier dividend of of 1.0 sen per share on 1,261,050,200 ordinary shares, declared on 22 August 2022 and paid on 7 October 2022 in respect of the financial year ended 31 December 2022.	12,610,502
Third interim single tier dividend of 1.0 sen per share on 1,261,050,200 ordinary shares, declared on 29 November 2022 and paid on 6 January 2023 in respect of the financial year ended 31 December 2022.	12,610,502
	49,937,228

The Directors recommended and approved the fourth interim single tier dividend of 2.0 sen per share on 1,261,050,200 ordinary shares, declared on 27 February 2023 and paid on 13 April 2023 in respect of financial year ended 31 December 2022.

Directors' Report
(Cont'd)

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 AND DEBENTURES

During the financial year, the Company increased its issued and paid-up share capital from RM642,658,306 to RM683,040,706 by way of an issuance of 25,239,000 new ordinary shares from the private placement of RM1.60 per share, amounted to RM40,382,400.

The new ordinary shares issued rank equally in all respects with the existing ordinary shares of the Company.

There were no issue of shares or debentures by the Company during the financial year.

TREASURY SHARES

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

OPTION GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued share in the Company.

DIRECTORS

The Directors in office during the financial year and during the period from the end of the financial year to the date of this report are:

Datuk Tee Eng Ho*	
Tee Eng Seng*	
Datin Toh Siew Chuon*	
Tee Eng Tiong*	
Chan Kam Chiew	
Maylee Gan Suat Lee	
Prof Datuk Dr Nik Mohd Zain Bin Nik Yusof	(Appointed on 25.8.2022)
Chong Swee Ying	(Appointed on 1.11.2022)
Datuk Mohamed Razeek Bin Md Hussain Maricar	(Retired on 26.5.2022)

<u>Subsidiaries directors</u>
Tee Eng Han
Ir. Abdul Aziz Bin Dato' M. Khalid

* A director who also holds office in certain subsidiaries companies.

Directors' Report (Cont'd)

DIRECTORS' INTEREST

According to the Register of Directors' Shareholdings, particulars of interests in the shares and/or warrants of the Company and its related corporations during the financial year of those Directors who held office at the end of the financial year were as follows:

	Number of Ordinary Shares			
	At 1.1.2022/ date of appointment#	**Additions**	**Disposals**	**At 31.12.2022**
Direct interest in the Company:				
Datin Toh Siew Chuon	5,988,607	–	–	5,988,607
Chong Swee Ying	#10,000	–	–	10,000
Indirect interest in the Company:				
Datuk Tee Eng Ho*	882,999,321	–	–	882,999,321
Tee Eng Seng*	882,999,321	–	–	882,999,321
Datin Toh Siew Chuon*	882,999,321	–	–	882,999,321
Tee Eng Tiong^	16,161,000	–	–	16,161,000

	Number of Warrants 2018/2023			
	At 1.1.2022	**Additions**	**Disposals**	**At 31.12.2022**
Direct interest in the Company:				
Datin Toh Siew Chuon	808,542	–	–	808,542
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.

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 be treated as the interest of Datin Toh Siew Chuon and vice versa.

DIRECTORS' INTEREST (CONT'D)

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 or related corporations) 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' REMUNERATION

The amounts of remunerations received and receivable by the Directors of the Company during the financial year are disclosed in Note 29 to the financial statements.

INDEMNITY AND INSURANCE COSTS FOR DIRECTORS, OFFICERS AND AUDITORS

(a) Directors and Officers

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.

(b) Auditors

Any indemnity given to or insurance effected for the auditors of the Company is to be made to the extent as permitted under Section 289 of the Companies Act 2016. To the extent permitted by law, the Company has agreed to indemnify its auditors, Nexia SSY PLT, as part of the terms of its audit engagement against claims by third parties arising from the audit for an unspecified amount. No payment has been made to indemnify Nexia SSY PLT during the financial period and up to the date of this report. There were no insurance effected for its auditors.

WARRANTS 2018/2023

The salient terms and movement of Warrants 2018/2023 are disclosed in Note 16 to the financial statements and has expired on 23 February 2023.

Directors' Report
(Cont'd)

SUBSIDIARIES

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

The 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 prepared, the Directors took reasonable steps:

(a) 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

(b) 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:

(a) 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;

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

(c) 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

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

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

(a) 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

(b) 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, except as disclosed in Note 36 to the financial statements.

In the opinion of the Directors:

(a) 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

(b) 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

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

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The 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

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

AUDITORS

The auditors, Nexia SSY PLT, have indicated their willingness to continue in office.

The auditors' remuneration is disclosed in Note 27 to the financial statements.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 26 April 2023.

Datin Toh Siew Chuon Director	**Tee Eng Seng** Director

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, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 94 to 176 are drawn up in accordance with Malaysian Financial Reporting Standards International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022 and and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 26 April 2023

Datin Toh Siew Chuon
Director

Tee Eng Seng
Director

Kuala Lumpur

Statutory Declaration

Pursuant to Section 251(1) 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 accompanying financial statements set out on pages 94 to 176 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 Datin Toh Siew Chuon
at Puchong in the state of Selangor
on 26 April 2023

Datin Toh Siew Chuon
Director

Before me,
Ng Say Jin
License No. B195
Commissioner of Oaths
Selangor

Independent Auditors' Report

To The Members of KERJAYA PROSPEK GROUP BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Kerjaya Prospek Group Berhad, which comprise the statements of financial position as at 31 December 2022 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 94 to 176.

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 31 December 2022, 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.

Independent Auditors' Report (Cont'd)

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 for 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.

1. Impairment assessment of goodwill

As at 31 December 2022, the carrying amount of goodwill recognised by the Group amounted to RM227,872,268, as disclosed in Note 9 to the financial statements. The Group is required to perform annual impairment assessment of the cash-generating units ("CGU") or groups of CGUs to which goodwill has been allocated.

Key audit matter	Our response
The Group estimated the recoverable amounts of the CGUs to which the goodwill is allocated based on value in use ("VIU"). Estimating the VIU involves discounting the estimated future cash inflows and outflows expected to be derived from the CGUs to its present value using an appropriate discount rate. We determined this to be a key audit matter as the VIU determined using discounted cash flows is complex and involves significant judgement and estimates by the management, specifically the key assumptions on the revenue growth rate, operating profit margin, long-term growth rate and discount rate.	Our audit procedures included, among others: (i) Compared prior period budgets to actual outcomes to assess reliability of management's forecasting process; (ii) Assessed and evaluated key assumptions used in forecasting revenue growth rates, operating profit margins and long-term growth rates; (iii) Assessed the appropriateness of pre-tax discount rates used by management by comparing to the market data, weighted average cost of capital of the Group and relevant risk factors; (iv) Assessed and evaluated sensitivity analysis performed by management on the cash flow projections to evaluate the impact on the impairment assessment; and (v) Assessed the adequacy of disclosures in the financial statements in relation to the key assumptions used in the impairment assessment.

Key Audit Matters (continued)

2. Impairment of trade receivables

As at 31 December 2022, the Group has gross trade receivables of RM630,023,992, as further disclosed in Note 12 to the financial statements.

Key audit matter	Our response
The Group assessed on a forward-looking basis the expected credit loss ("ECL") associated with the trade receivables using the simplified approach. We determined this to be a key audit matter because it requires management to exercise significant judgments in determining the probability of default by trade receivables and appropriate forward-looking information.	Our audit procedures included, among others: (i) Reviewed and assessed the reasonableness of management's expected credit losses model and assumptions used in determining the impairment losses of trade receivables; (ii) Recomputed the probability of default using historical data and forward-looking information adjustment applied by the Group; (iii) Recomputed the correlation coefficient between the forward-looking factors used by the Group and historical credit losses to determine the appropriateness of the forward-looking information used by the Group; and (iv) Assessed the adequacy of disclosures in the financial statements in relation to the impairment of trade receivables.

Independent Auditors' Report (Cont'd)

Key Audit Matters (continued)

3. Recoverability of the carrying amounts of property development cost and completed properties held as inventories

As at 31 December 2022, carrying value of property development cost and completed properties held as inventories by the Group amounted to RM152,283,768 and RM46,895,204 respectively, as disclosed in Note 11 to the financial statements.

Key audit matter	Our response
Management assessed the net realisable values of the completed properties based on estimates derived from recent transacted prices or revised selling prices in light of the current economic condition and future market outlook, net of expected discounts to be given which were approved by the Directors. For property development costs, management has also considered the costs yet to be incurred to complete the development project before comparing them to the net realisable value. We determined this to be a key audit matter due to significant management's estimates are involved in determining the net realisable value.	Our audit procedures included, among others: (i) For property development cost and completed properties which have recent sale transactions, we compared the carrying amounts of these development units (including costs yet to be incurred for property development costs), on a sample basis, to the selling prices stated in the signed sale and purchase agreements, net of discounts given; and (ii) For property development cost and completed properties which did not have recent sale transactions, we compared the carrying amounts of these development units (including costs yet to be incurred for property development costs), on a sample basis, to the latest market value or recent transacted prices of comparable development units in similar or nearby locations, and where applicable, prices were adjusted for the size of the units.

Key Audit Matters (continued)

4. Revenue and cost recognition from construction activities

The amount of revenue of the Group's construction activities is recognised over the period of the contract with reference to the progress towards complete satisfaction of that performance obligation amounting to RM1,105,456,034 for the financial year ended 31 December 2022, as disclosed in Note 23 to the financial statements.

Key audit matter	Our response
The progress towards complete satisfaction of performance obligation is determined with reference to the proportion of construction costs incurred for works performed to date over the estimated total construction costs for each project (input method). We determined this to be a key audit matter because significant estimates and judgements are required, in particular with regards to determining the progress towards satisfaction of a performance obligation, the extent of the construction costs incurred, the estimated total construction contracts revenue and costs, as well as the recoverability of the construction contracts projects. The estimated total revenue and costs are affected by a variety of uncertainties which are dependent on the outcome of future events.	Our audit procedures included, among others: (i) Obtained an understanding based on the Standard Operating Procedures ("SOP") from securing the contract till completion; (ii) Obtained and read relevant construction contracts to gain an understanding of the specific terms and conditions impacting revenue recognition in evaluating management's identification and assessment of the performance obligations; (iii) Identified, evaluated and assessed the reasonableness of estimates and judgements used in recognising costs and revenue arising from construction activities; (iv) Re-computed the measurement used, this includes the verification of total revenue, total costs, percentage or stages of completion and provision, if required, amongst others; (v) Compared the assessment on the potential deduction to revenue or additional costs such as delays resulting to liquidated and ascertained damages against the contractual delivery dates and estimated delivery dates; and (vi) Verified other supporting evidences and corroborative evidences such as review progress reports, interview relevant project personnel, obtain confirmations and correspondences from project owners, subcontractors and solicitors, and conduct site visitations.

Independent Auditors' Report
(Cont'd)

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information included in the 2022 Annual Report. The other information comprises the Directors' Report and Statement on Risk Management and Internal Control which were obtained prior to the date of this auditors' report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon. The other sections of the other information included in the 2022 Annual Report are expected to be made available to us subsequently.

Our opinion on the financial statements of the Group and of the Company does not cover the other information 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 other information and, in doing so, consider whether the other information is 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 this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the 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, International 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, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group and 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 auditors' 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. Misstatements 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 scepticism 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.

Independent Auditors' Report (Cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

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

- Conclude on the appropriateness of the 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 on 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 financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 7 to the financial statements.

Other Matters

1. The financial statements of Kerjaya Prospek Group Berhad for the financial year ended 31 December 2021 were audited by another auditor, who has expressed an unmodified opinion on those statements on 18 April 2022.

2. This report is made solely to the Members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Nexia SSY PLT
201906000679 (LLP0019490-LCA) & AF002009
Chartered Accountants

Yong Yoon Shing
No. 00633/03/2025 J
Chartered Accountant

Shah Alam
26 April 2023

Statements of Financial Position
As at 31 December 2022

		Group		Company	
			Restated		
		2022	2021	2022	2021
	Note	RM	RM	RM	RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	**90,474,066**	93,167,905	**11,700**	15,300
Right-of-use assets	5	**836,037**	895,561	**–**	–
Investment properties	6	**6,913,183**	880,661	**–**	–
Investment in subsidiaries	7	**–**	–	**459,164,605**	459,674,605
Other investments	8	**207,640**	1,945,673	**150,000**	150,000
Intangible assets	9	**227,955,818**	227,972,524	**–**	–
Deferred tax assets	10	**–**	–	**–**	–
		326,386,744	324,862,324	**459,326,305**	459,839,905
Current assets					
Inventories	11	**201,559,087**	197,034,248	**–**	–
Trade and other receivables	12	**627,908,797**	638,199,323	**159,189,284**	106,075,074
Contract assets	13	**7,624,269**	11,005,940	**–**	–
Tax recoverable		**518,851**	674,259	**60,971**	82,852
Cash and bank balances	15	**255,705,409**	210,320,073	**120,144,849**	124,734,048
		1,093,316,413	1,057,233,843	**279,395,104**	230,891,974
TOTAL ASSETS		**1,419,703,157**	1,382,096,167	**738,721,409**	690,731,879

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

Statements of Financial Position (Cont'd)

	Note	Group 2022 RM	Group Restated 2021 RM	Company 2022 RM	Company 2021 RM
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	16	**683,040,706**	642,658,306	**683,040,706**	642,658,306
Treasury shares	17	**(6,914,445)**	(5,186,068)	**(6,914,445)**	(5,186,068)
Reserves	18	**1,551,376**	584,279	**–**	–
Retained earnings		**443,586,629**	378,726,203	**38,964,204**	24,985,415
		1,121,264,266	1,016,782,720	**715,090,465**	662,457,653
Non-controlling interests		**516,693**	867,048	**–**	–
TOTAL EQUITY		**1,121,780,959**	1,017,649,768	**715,090,465**	662,457,653
Non-current liabilities					
Deferred tax liabilities	10	**1,877,487**	6,239,497	**–**	–
Trade and other payables	19	**47,670,273**	45,400,260	**–**	–
Lease liabilities	20	**339,801**	351,855	**–**	–
		49,887,561	51,991,612	**–**	–
Current liabilities					
Trade and other payables	19	**220,499,167**	247,648,478	**23,630,944**	28,274,226
Contract liabilities	13	**9,948,031**	19,580,383	**–**	–
Lease liabilities	20	**915,880**	772,593	**–**	–
Income tax payable		**5,956,821**	10,628,800	**–**	–
Revolving credit	21	**–**	25,000,000	**–**	–
Short term borrowing	22	**10,714,738**	8,824,533	**–**	–
		248,034,637	312,454,787	**23,630,944**	28,274,226
TOTAL LIABILITIES		**297,922,198**	364,446,399	**23,630,944**	28,274,226
TOTAL EQUITY AND LIABILITIES		**1,419,703,157**	1,382,096,167	**738,721,409**	690,731,879

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

Statements of Profit and Loss and Other Comprehensive Income
For the Financial Year ended 31 December 2022

		Group		Company	
					Restated
	Note	2022 RM	2021 RM	2022 RM	2021 RM
Revenue	23	**1,122,173,995**	977,014,843	**60,000,000**	30,000,000
Cost of sales	24	**(945,887,190)**	(819,810,239)	**–**	–
Gross profit		**176,286,805**	157,204,604	**60,000,000**	30,000,000
Other operating income	25	**12,493,610**	18,842,525	**5,286,624**	2,161,131
		188,780,415	176,047,129	**65,286,624**	32,161,131
Administrative expenses		**(33,777,134)**	(29,135,974)	**(1,353,668)**	(698,837)
Other operating expenses		**(468,302)**	(6,154,973)	**(194,522)**	(67,116)
(Impairment)/reversal of impairment on financial assets - net	27	**(5,388,887)**	(7,894,444)	**200,995**	10,888,241
Profit from operations		**149,146,092**	132,861,738	**63,939,429**	42,283,419
Finance costs	26	**(647,620)**	(1,099,402)	**–**	(571,666)
Profit before taxation	27	**148,498,472**	131,762,336	**63,939,429**	41,711,753
Taxation	30	**(33,654,626)**	(34,883,250)	**(23,412)**	(18,455)
Profit after taxation		**114,843,846**	96,879,086	**63,916,017**	41,693,298
Other comprehensive income/(expenses):					
Item that is or may be reclassified subsequently to profit or loss					
- Foreign currency translation	18	**967,097**	(82,885)	**–**	–
Total comprehensive income for the year		**115,810,943**	96,796,201	**63,916,017**	41,693,298
Profit for the year attributable to:					
Owners of the Company		**114,797,654**	96,962,047		
Non-controlling interest		**46,192**	(82,961)		
		114,843,846	96,879,086		
Total comprehensive income attributable to:					
Owners of the Company		**115,764,751**	96,879,162		
Non-controlling interest		**46,192**	(82,961)		
		115,810,943	96,796,201		
Earnings per share attributable to owners of the Company (sen)					
- Basic (sen)	31	**9.18**	7.84		
- Diluted (sen)	31	**9.18**	7.84		

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

Statements of Changes in Equity

For the Financial Year ended 31 December 2022

	Note	← Non-distributable		→	← Distributable	→	
		Share capital RM	Treasury shares RM	Reserves RM	Retained earnings RM	Non-controlling interest RM	Total Equity RM
Group							
At 1 January 2022 (Restated)		**642,658,306**	**(5,186,068)**	**584,279**	**378,726,203**	**867,048**	**1,017,649,768**
Profit for the year		**–**	**–**	**–**	**114,797,654**	**46,192**	**114,843,846**
Other comprehensive income	18(b)	**–**	**–**	**967,097**	**–**	**–**	**967,097**
Total comprehensive income for the year		**–**	**–**	**967,097**	**114,797,654**	**46,192**	**115,810,943**
Transactions with owners:							
Changes in equity in a subsidiary company		**–**	**–**	**–**	**–**	**(376,547)**	**(376,547)**
Repurchase of treasury shares	17	**–**	**(1,728,377)**	**–**	**–**	**–**	**(1,728,377)**
Dividends paid/declared	32	**–**	**–**	**–**	**(49,937,228)**	**(20,000)**	**(49,957,228)**
Issuance of shares through private placement	16	**40,382,400**	**–**	**–**	**–**	**–**	**40,382,400**
Total transactions with owners		**40,382,400**	**(1,728,377)**	**–**	**(49,937,228)**	**(396,547)**	**(11,679,752)**
At 31 December 2022		**683,040,706**	**(6,914,445)**	**1,551,376**	**443,586,629**	**516,693**	**1,121,780,959**
At 31 December 2020 (As previously reported)		642,658,306	(4,996,188)	667,164	471,870,051	110,554	1,110,309,887
Prior year adjustments	44(b)	–	–	–	(128,249,660)	–	(128,249,660)
At 1 January 2021 (Restated)		642,658,306	(4,996,188)	667,164	343,620,391	110,554	982,060,227
Profit/(Loss) for the year		–	–	–	96,962,047	(82,961)	96,879,086
Other comprehensive expense	18(b)	–	–	(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	17	–	(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 31 December 2021 (Restated)		642,658,306	(5,186,068)	584,279	378,726,203	867,048	1,017,649,768

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

Statements of Changes in Equity (Cont'd)

		<-------Non-distributable------->		<-Distributable->	
	Note	Share capital RM	Treasury shares RM	Retained earnings RM	Total equity RM
Company					
At 1 January 2022		**642,658,306**	**(5,186,068)**	**24,985,415**	**662,457,653**
Profit for the year, representing total comprehensive income for the year		**–**	**–**	**63,916,017**	**63,916,017**
Transactions with owners:					
Repurchase of treasury shares	17	**–**	**(1,728,377)**	**–**	**(1,728,377)**
Dividend paid/declared	32	**–**	**–**	**(49,937,228)**	**(49,937,228)**
Issuance of shares through private placements	16	**40,382,400**	**–**	**–**	**40,382,400**
Total transactions with owners		**40,382,400**	**(1,728,377)**	**(49,937,228)**	**(11,283,205)**
At 31 December 2022		**683,040,706**	**(6,914,445)**	**38,964,204**	**715,090,465**
At 1 January 2021		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	17	–	(189,880)	–	(189,880)
Dividend paid/declared	32	–	–	(61,856,235)	(61,856,235)
Total transactions with owners		–	(189,880)	(61,856,235)	(62,046,115)
At 31 December 2021		642,658,306	(5,186,068)	24,985,415	662,457,653

Statements of Cash Flows
For the Financial Year ended 31 December 2022

		Group		Company	
	Note	2022 RM	2021 RM	2022 RM	2021 RM
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before taxation		**148,498,472**	131,762,336	**63,939,429**	41,711,753
Adjustments for:					
Allowance for diminution of investments		**29,365**	2,769,706	**–**	–
Allowance/(reversal) for impairment losses on:					
- inventories		**–**	340,666	**–**	–
- trade and other receivables		**5,478,134**	7,919,693	**–**	–
- amount due from subsidiaries		**–**	–	**(132,805)**	(10,889,923)
- cash and bank balances		**(89,247)**	(25,249)	**(68,190)**	1,682
Amortisation of intangible asset		**29,972**	28,884	**–**	–
Amortisation of right-of-use assets		**1,064,007**	915,961	**–**	–
Bad debts written off		**–**	89,725	**58,522**	54,503
Depreciation of property, plant and equipment		**24,914,318**	32,335,982	**3,600**	3,600
Depreciation of investment properties		**12,588**	19,545	**–**	–
Dividend income		**–**	–	**(60,000,000)**	(30,000,000)
Fair value (gain)/loss on redemption of short term fund		**(372,524)**	992,308	**(122,786)**	571,666
Gain on disposal of					
- investment properties		**–**	(175,293)	**–**	–
- property, plant and equipment		**(158,873)**	–	**–**	–
- subsidiaries	E	**(38,084)**	–	**–**	–
Gain on disposal of quoted shares		**(142,389)**	(1,160,548)	**–**	–
Impairment loss on goodwill		**–**	17,201	**–**	–
Interest expenses		**647,620**	1,099,402	**–**	–
Interest income		**(4,270,370)**	(4,368,768)	**(1,745,146)**	(2,070,821)
Loss on disposal of:					
- property, plant and equipment		**468**	1,617,306	**–**	–
- subsidiaries	E	**–**	–	**90,000**	–
Property, plant and equipment written-off		**54,578**	–	**–**	–
Termination of lease contracts		**–**	19,698	**–**	–
Operating profit/(loss) before working capital changes		**175,659,035**	174,198,555	**2,022,624**	(617,540)
Increase in inventories		**(19,693,177)**	(29,741,483)	**–**	–
Decrease/(increase) in trade and other receivables		**4,429,072**	(96,073,083)	**(33,039,927)**	(6,365,774)
Increase in contract assets		**3,381,671**	(1,641,755)	**–**	–
(Decrease)/increase in trade and other payables		**(11,701,855)**	21,826,604	**(7,481,300)**	(15,359,581)
Decrease in contract liabilities		**(9,632,352)**	(19,811,484)	**–**	–
Cash generated from/(used in) operations		**142,442,394**	48,757,354	**(23,536,003)**	(22,342,895)

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

Statements of Cash Flows (Cont'd)

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
CASH FLOWS FROM OPERATING ACTIVITIES (CONT'D)					
Interest received		**4,270,370**	4,368,768	**1,745,146**	2,070,821
Interest paid		**(631,320)**	(1,084,802)	**–**	–
Income taxes refunded		**23,189**	–	**23,189**	–
Income taxes paid		**(42,557,165)**	(30,213,167)	**(24,720)**	(16,739)
Net cash generated from/(used in) operating activities		**103,547,468**	21,828,153	**(21,792,388)**	(20,288,813)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment and intangible assets		**(14,328,036)**	(9,482,337)	**–**	–
Purchase of other investments		**–**	(150,000)	**–**	(150,000)
Acquisition of subsidiaries	A	**–**	74,107	**–**	(367,500)
Acquisition of additional interests in subsidiaries		**–**	–	**–**	(509,949)
Uplift/(Placement) of deposits in licensed banks		**1,710,236**	(3,243,943)	**(47,683)**	(1,683,780)
Proceeds from disposal of property, plant and equipment and investment properties		**162,832**	5,992,188	**–**	–
Proceeds from disposal of subsidiaries	E	**130,279**	–	**420,000**	–
Proceeds from disposal of other investments		**1,851,057**	10,266,561	**–**	–
Proceeds from issuance of share capital to non-controlling interest		**–**	872,452	**–**	–
Dividend received, net		**–**	–	**40,000,000**	30,000,000
Net cash (used in)/generated from investing activities		**(10,473,632)**	4,329,028	**40,467,683**	27,288,771

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

Statements of Cash Flows (Cont'd)

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
CASH FLOW FROM FINANCING ACTIVITIES					
Dividend paid		**(62,061,810)**	(37,121,151)	**(62,061,810)**	(37,121,151)
(Repayment)/drawdown of revolving credit	D	**(25,000,000)**	25,000,000	**–**	–
Proceeds from issuance of ordinary shares	16	**40,382,400**	–	**40,382,400**	–
Purchase of treasury shares	17	**(1,728,377)**	(189,880)	**(1,728,377)**	(189,880)
Repayment of lease liabilities	C	**(889,550)**	(704,301)	**–**	–
Net cash used in financing activities		**(49,297,337)**	(13,029,932)	**(23,407,787)**	(37,311,031)
Net increase/(decrease) in cash and cash equivalents		**43,776,499**	13,127,249	**(4,732,492)**	(30,311,073)
Effect of changes foreign exchange rates		**967,097**	(27,544)	**–**	–
Fair value (gain)/loss on redemption of short term fund		**372,524**	(992,308)	**122,786**	(571,666)
Changes in expected credit losses ("ECL") for cash and cash equivalents		**89,247**	25,249	**68,190**	(1,682)
Cash and cash equivalents at beginning of the year		**182,552,178**	170,419,532	**122,970,322**	153,854,743
Cash and cash equivalents at end of the year	B	**227,757,545**	182,552,178	**118,428,806**	122,970,322

NOTES

A. ACQUISITION OF A SUBSIDIARIES

	Group 2022 RM	Group 2021 RM
Total cost of acquisition	–	(10,000)
Less: Cash and cash equivalents acquired	–	84,107
Net cash inflow 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 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Cash and bank balances (Note 15)	**255,737,123**	210,358,901	**120,147,116**	124,804,505
Less: - Allowance for ECL (Note 15)	**(31,714)**	(120,961)	**(2,267)**	(70,457)
- Deposits pledged with licensed banks (Note 15)	**(17,233,126)**	(18,943,362)	**(1,716,043)**	(1,763,726)
- Short term borrowing (Note 20)	**(10,714,738)**	(8,824,533)	**–**	–
	227,757,545	182,552,178	**118,428,806**	122,970,322

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

Statements of Cash Flows (Cont'd)

C. CASH OUTFLOWS FOR LEASES AS A LESSEE

	Group 2022 RM	Group 2021 RM
Included in net cash from financing activities - Interest on lease liabilities (Note 20)	**16,300**	14,600
Included in net cash from financing activities - Payment of lease liabilities (Note 20)	**873,250**	704,301
	889,550	718,901

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

	At 1.1.2021 RM	Net changes from financing cash flows RM	At 31.12.2021/ 1.1.2022 RM	Net changes from financing cash flows RM	At 31.12.2022 RM
Revolving credit	–	25,000,000	**25,000,000**	**(25,000,000)**	–

E. RECONCILIATION OF MOVEMENT OF DISPOSAL OF SUBSIDIARIES TO CASHFLOWS ARISING FROM FINANCING ACTIVITIES

The financial effects of the disposal of subsidiaries to the Group and to the Company at the date of disposal are summarised below:

	Group 2022 RM	Company 2022 RM
Investment in subsidiaries	**-**	**510,000**
Cash and bank balances	**289,721**	**-**
Trade and other receivables	**383,320**	**-**
Inventories	**286,372**	**-**
Property, plant and equipment	**871,142**	**-**
Trade and other payables	**(1,072,092)**	**-**
Non-controlling interest	**(376,547)**	**-**
Net assets disposed of	**381,916**	**510,000**
Gain/(loss) on disposal of subsidiaries	**38,084**	**(90,000)**
Consideration received, satisfied in cash	**420,000**	**420,000**
Less: Cash and bank balances of subsidiaries disposed of	**(289,721)**	**-**
Net cash inflow from the disposal of subsidiaries	**130,279**	**420,000**

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

Notes to the Financial Statements
For the Financial Year ended 31 December 2022

1. CORPORATE INFORMATION

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

The registered office of the Company 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.

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 other than as disclosed in Note 7.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 26 April 2023.

2. BASIS OF PREPARATION

The financial statements for the financial year ended 31 December, 2022 have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs") International Financial Reporting Standards 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 adoptions of the following new, revised MFRSs and amendments which are effective for annual period beginning on or after 1 January 2022.

Title		Effective Date
Amendments to MFRS 1:	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2022
Amendments to MFRS 3:	Business Combinations	1 January 2022
Amendments to MFRS 9:	Financial Instruments	1 January 2022
Amendments to MFRS 116:	Property, Plant and Equipment	1 January 2022
Amendments to MFRS 137:	Provisions, Contingent Liabilities and Contingent Assets	1 January 2022
Amendments to MFRS 141:	Agriculture	1 January 2022

Notes to the Financial Statements (Cont'd)

2. BASIS OF PREPARATION (CONT'D)

(b) Standards and Amendments Issued But Not Yet Effective

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

Title		Effective Date
MFRS 17:	Insurance Contracts	1 January 2023
Amendments to MFRS 17:	Insurance Contracts	1 January 2023
Amendments to MFRS 101:	Presentation of Financial Statements	1 January 2023
Amendments to MFRS 108:	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2023
Amendments to MFRS 112:	Incomes taxes	1 January 2023
Amendments to MFRS 16:	Leases	1 January 2024
Amendments to MFRS 101:	Presentation of Financial Statements	1 January 2024
Amendments to MFRS 10:	Consolidated Financial Statements	Deferred
Amendments to MFRS 128:	Investments in Associates and Joint Ventures	Deferred

The Group and the Company are expected to apply the abovementioned pronouncements beginning of the respective 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 of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the summary of significant accounting policies (Note 3).

The financial statements are presented in Ringgit Malaysia ("RM") which is the Group's functional currency.

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 46 to 73 years (2021: 47 to 74 years).

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

Buildings	2.00%
Plant, machinery and site equipment	7.50% - 20.00%
Vessel and equipment	10.00%
Office equipment, furniture, fittings, motor vehicles, renovations, solar system and signboard	10.00% - 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 property, 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 1 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 1 January 2006 are deemed to be assets and liabilities of the Group and are recorded in RM at the rates prevailing at the date of acquisition.

(ii) Computer Software

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

The useful life of computer software is assessed to be finite. Computer software is amortised on a straight-line basis over the estimated economic useful lives at an annual rate of 20.00% to 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 buildings 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 becomes 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 changes its 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 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 desigated and effective hedging instrument). On initial recognition, the Group may irrevocably designates 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 recognised 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 may irrevocably designates a financial liability that otherwise meets the requirements to be measured at amortised cost as at fair value through profit or loss:

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Financial Instruments (Cont'd)

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

Financial liabilities (Cont'd)

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

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

For financial liabilities where it is designated as fair value through profit or loss upon initial recognition, the Group recognises 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

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

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 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:

a. the loss allowance determined in accordance with MFRS 9; and

b. 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 documents the risk management objective and strategy for undertaking the hedge. The Group or 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 has 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.

Notes to the Financial Statements (Cont'd)

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 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 recognises 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 considers 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 estimates 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 assesses 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 determines 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 procedures for recovery amounts due.

(ii) Non-financial Assets

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

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

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

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

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 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 to transfer goods or services to a customer for which consideration has been received or the amount is due from the customers.

(k) Inventories

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

(i) Land held for property development

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

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

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

(ii) Property development cost

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

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Inventories

(ii) Property development cost (Cont'd)

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

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

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

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

(iii) Completed development properties

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

(iv) Others

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

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

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

(l) Provisions

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

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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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 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 Group. 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.

(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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Leases (Cont'd)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted 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.

(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 on 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 recognises 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Revenue Recognition (Cont'd)

(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) Hotel Activities

Revenue from hotel activities comprise rental of rooms and other related hotel services, and are recognised based on accrual basis, net of sales and services tax.

(v) Interest Income

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

(vi) Dividend Income

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

(q) Income Taxes

(i) Current Tax

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

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

(ii) Deferred Tax

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

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

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

- 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.

Notes to the Financial Statements (Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(q) Income Taxes (Cont'd)

(ii) Deferred Tax (cont'd)

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

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

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

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

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(s) Share Capital and Share Issuance Expenses

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

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

(t) Contingencies

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

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

(u) Significant Accounting Judgements and Estimates

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

(i) Judgements Made in Applying Accounting Policies

In the process of preparing the financial statements, except for the disclosure in Notes 9 and 44(b), there were no other 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 31 December 2022 were RM459,164,605 (2021: RM459,674,605). Further details are disclosed in Note 7. Based on management's review, no further adjustment for impairment is required for the investment in subsidiaries by the Company during the current year.

Notes to the Financial Statements (Cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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

(b) Impairment of Financial Assets

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

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's financial assets at the reporting date is disclosed in Note 39.

(c) Impairment of Goodwill

The assessment of whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit to which the goodwill is allocated. Estimating a value in use amount requires management to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill as at the reporting date is disclosed in Note 9.

(d) Useful Lives of Property, Plant and Equipment and Investment Properties

The cost of property, plant and equipment and investment properties are depreciated on a straight-line basis over the assets' estimated economic useful lives. Management estimates the useful lives of these property, plant and equipment and investment properties to be within 3 to 50 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 and investment properties at the reporting date is disclosed in Note 4 and 6 respectively.

(e) Construction Contracts and Property Development

The Group recognises construction contracts and property development revenue and expenses in the statement of profit and loss and other 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.

(f) Lease terms

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances including the past practice and any cost that will be incurred to change the asset if an option to extend is not taken. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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

(g) Income taxes

Significant judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(h) Deferred tax assets

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

(i) Contingent Liabilities

The recognition and measurement for contingent liabilities are based on management's view of the expected outcome on contingencies after consulting legal counsel for litigation cases and experts, for matters in the ordinary course of business. Furthermore, management is of the view that the chances of the financial institutions to call upon the corporate guarantees issued by the Group and the Company are remote.

(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	Leasehold building under constructions RM	Freehold land RM	Leasehold land and buildings RM	Plant, machinery and site equipment RM	Vessel and equipment RM	Other assets * RM	Total RM
Cost							
At 1 January 2022	4,388,830	10,011,110	14,758,396	265,511,993	83,000	18,775,695	313,529,024
Additions	1,966,580	–	233,368	7,864,876	–	4,249,946	14,314,770
Transfer (Note 11)	–	–	14,881,966	–	–	–	14,881,966
Disposals/write-offs	–	–	–	(585,159)	–	(1,369,403)	(1,954,562)
Reclassification (Note 6)	(6,045,110)	–	–	–	–	–	(6,045,110)
At 31 December 2022	310,300	10,011,110	29,873,730	272,791,710	83,000	21,656,238	334,726,088
Accumulated depreciation/ impairment							
At 1 January 2022	–	–	2,153,704	200,482,412	1,381	17,723,622	220,361,119
Charge for the year	–	–	385,146	23,601,873	8,292	920,007	24,915,318
Disposal/write-offs	–	–	–	(520,956)	–	(503,459)	(1,024,415)
At 31 December 2022	–	–	2,538,850	223,563,329	9,673	18,140,170	244,252,022
Carrying amount							
At 31 December 2022	310,300	10,011,110	27,334,880	49,228,381	73,327	3,516,068	90,474,066

Notes to the Financial Statements (Cont'd)

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

Group	Leasehold building under constructions RM	Freehold land RM	Leasehold land and buildings RM	Plant, machinery and site equipment RM	Vessel and equipment RM	Other assets * RM	Total RM
Cost							
At 1 January 2021	3,560,690	10,011,110	14,758,396	257,207,418	13,097,241	18,770,965	317,405,820
Additions	828,140	–	–	8,286,575	83,000	198,690	9,396,405
Acquired in business combination	–	–	–	18,000	–	–	18,000
Disposal/write-offs	–	–	–	–	(13,097,241)	(193,960)	(13,291,201)
At 31 December 2021	4,388,830	10,011,110	14,758,396	265,511,993	83,000	18,775,695	313,529,024
Accumulated depreciation/ impairment							
At 1 January 2021	–	–	1,920,763	169,769,840	6,015,059	16,964,169	194,669,831
Charge for the year	–	–	232,941	30,711,672	437,958	953,411	32,335,982
Acquired in business combination	–	–	–	900	–	–	900
Disposal/write-offs	–	–	–	–	(6,451,636)	(193,958)	(6,645,594)
At 31 December 2021	–	–	2,153,704	200,482,412	1,381	17,723,622	220,361,119
Carrying amount							
At 31 December 2021	4,388,830	10,011,110	12,604,692	65,029,581	81,619	1,052,073	93,167,905

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

Notes to the Financial Statements (Cont'd)

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

Company	Office equipment RM	Furniture and fittings RM	Signboard RM	Total RM
Cost				
At 1 January 2022/ 31 December 2022	**57,022**	**2,376**	**36,000**	**95,398**
Accumulated depreciation/ impairment				
At 1 January 2022	**57,022**	**2,376**	**20,700**	**80,098**
Charge for the year	**–**	**–**	**3,600**	**3,600**
At 31 December 2022	**57,022**	**2,376**	**24,300**	**83,698**
Carrying amount				
At 31 December 2022	**–**	**–**	**11,700**	**11,700**
Cost				
At 1 January 2021/ 31 December 2021	57,022	2,376	36,000	95,398
Accumulated depreciation/ impairment				
At 1 January 2021	57,022	2,376	17,100	76,498
Charge for the year	–	–	3,600	3,600
At 31 December 2021	57,022	2,376	20,700	80,098
Carrying amount				
At 31 December 2021	–	–	15,300	15,300

(a) Land and building with carrying amount of RM6,902,582 (2021: RM6,838,952) of the Group have been pledged for borrowings as disclosed in Note 22.

(b) The Group has entered into 4 (2021: 4) non-cancellable operating lease agreements for the use of land. The leases are for a period of 75 to 94 years with no renewal or purchase option included in the agreements. The remaining lease period for the leasehold land and buildings of the Group ranges from 46 to 73 (2021: 47 to 74) years. Leasehold land and buildings of the Group have an unexpired lease period of more than 50 years, except for one (1) leasehold land and building with a carrying amount of RM3,797,200 (2021: RM3,883,500) which has an unexpired lease period of less than 50 years. The leases do not allow the Group to assign, transfer or sublease or create any charge, lien or trust in respect of or dispose of the whole or any part of the land. A tenancy is, however, allowed with the consent of the lessor.

(c) These leases are recognised and accounted for as right-of-use assets.

5. RIGHT-OF-USE ASSETS

	Group	
	2022	**2021**
	RM	**RM**
Cost		
At beginning of the year	**4,286,807**	3,501,148
Additions	**1,004,483**	1,481,470
Modifications	**–**	(676,114)
Termination of lease contracts	**–**	(19,697)
At end of the year	**5,291,290**	4,286,807
Accumulated amortisation		
At beginning of the year	**3,391,246**	2,475,285
Charge for the financial year (Note 27)	**1,064,007**	915,961
At end of the year	**4,455,253**	3,391,246
Net carrying amount	**836,037**	895,561

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

6. INVESTMENT PROPERTIES

Group	**Freehold property RM**	**Leasehold properties RM**	**Total RM**
Cost			
At 1 January 2022	**943,601**	–	**943,601**
Reclassifications (Note 4)	–	**6,045,110**	**6,045,110**
At 31 December 2022	**943,601**	**6,045,110**	**6,988,711**
Accumulated depreciation/impairment			
At 1 January 2022	**62,940**	–	**62,940**
Charge for the year	**12,588**	–	**12,588**
At 31 December 2022	**75,528**	–	**75,528**
Carrying amount			
At 31 December 2022	**868,073**	**6,045,110**	**6,913,183**

Notes to the Financial Statements (Cont'd)

6. INVESTMENT PROPERTIES (CONT'D)

Group	Freehold property RM	Leasehold properties RM	Total RM
Cost			
At 1 January 2021	1,784,134	–	1,784,134
Disposal/Retirement	(840,533)	–	(840,533)
At 31 December 2021	943,601	–	943,601
Accumulated depreciation/impairment			
At 1 January 2021	95,334	–	95,334
Charge for the year	19,545	–	19,545
Disposal/Retirement	(51,939)	–	(51,939)
At 31 December 2021	62,940	–	62,940
Carrying amount			
At 31 December 2021	880,661	–	880,661

	Group 2022 RM	Group 2021 RM
Fair value:		
Freehold property	**692,345**	1,150,000
Leasehold properties	**5,547,742**	–
	6,240,087	1,150,000

Freehold property consist of one (2021: one) apartment. Leasehold properties consist of five (2021: Nil) 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 2022 RM	Group 2021 RM
Direct operating expenses of:		
- non-income generating properties	**(38,985)**	(15,217)

7. INVESTMENT IN SUBSIDIARIES

	Group	
	2022	**2021**
	RM	**RM**
Unquoted shares, at costs	**487,158,898**	488,079,522
Less: Accumulated impairment losses	**(27,994,293)**	(28,404,917)
	459,164,605	459,674,605

Details of the subsidiaries as at 31 December, 2022 and 2021 are as below:

Name	Country of Incorporation	Principal Activities	Proportion (%) of Ownership Interest 2022	2021
Held by the Company:				
Advance Industries Sdn. Bhd.	Malaysia	Construction, sub-contractors works, manufacturing, assembly, installation and sales of light fittings, kitchen cabinetry, furniture and related products.	**100**	100
Acumen Marketing Sdn. Bhd.	Malaysia	Supply of lightings, light fittings outdoor fittings, advertising point-of-sale, furniture and related products.	**100**	100
Lighting Louvres Manufacturing Sdn. Bhd.	Malaysia	Manufacturing and sale of aluminium lighting louvres.	**100**	100
Futumeds Sdn. Bhd.	Malaysia	Construction, sub-contractors, and others for the purpose of building and construction work.	**100**	100
Fututech (Labuan) Ltd.	Malaysia	Investment holding.	**100**	100
Bazarbayu Sdn. Bhd.	Malaysia	Property development activities.	**100**	100
FutuProp Sdn. Bhd.	Malaysia	Investment holding and has not commenced business since the date of incorporation.	**100**	100
Acumen Industries Limited *^^	Hong Kong	Dormant. Intended principal activity is investment holding.	**–**	100
Aurizon Investments Limited	British Virgin Islands	Investment holding.	**100**	100
Kerjaya Prospek (M) Sdn. Bhd.	Malaysia	Building construction and property development.	**100**	100

7. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries as at 31 December, 2022 and 2021 are as below: (Cont'd)

Name	Country of Incorporation	Principal Activities	Proportion (%) of Ownership Interest 2022	2021
Held by the Company: (Cont'd)				
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
Kerjaya Bina BMK Sdn. Bhd.	Malaysia	Building construction.	**49**	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
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

7. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries as at 31 December, 2022 and 2021 are as below: (Cont'd)

Name	Country of Incorporation	Principal Activities	Proportion (%) of Ownership Interest 2022	2021
Held by Bazarbayu Sdn. Bhd.:				
Yakin Land Sdn. Bhd. *	Malaysia	Property development activities.	**100**	100
Le Vert Sdn. Bhd. @	Malaysia	Hotel management	**100**	–
Held by Virent Energy Solutions Sdn. Bhd.:				
Virent Energy Sdn. Bhd. *#	Malaysia	Solar renewables and provision of energy solutions	–	100

* Audited by firms of auditors other than Nexia SSY PLT
^^ Deregistered on 12st August, 2022
\# Disposal during the financial year
@ Incorporated during the financial year

During the financial year, the Company performed an impairment review of its investments in certain subsidiaries, where the carrying amount of investments exceeded the share of net assets in the respective subsidiaries at the reporting date. After considering the future prospects and profitability of the subsidiaries, 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 subsidiaries in the financial statements of the Company during the financial year.

In the current and previous financial years, no further impairment losses on certain investment in subsidiaries due to continuing reported losses had been recognised.

<u>**2022**</u>

(a) Incorporation of a new subsidiary

On 12 April 2022, the Company's wholly-owned subsidiary, Bazarbayu Sdn Bhd has subscribed 100 ordinary shares representing 100% of the total issued capital in Le Vert Sdn. Bhd. for a total consideration of RM100. The subsidiary was incorporated on 12 April, 2022.

(b) Disposals of subsidiaries

On 30 June 2022, the Company had disposed the entire 510,000 ordinary shares, representing 51% of equity interest in Virent Energy Solutions Sdn. Bhd. for a total consideration of RM420,000. Following the completion of the disposal, Virent Energy Solution Sdn. Bhd. and its wholly-owned subsidiary, Virent Energy Sdn. Bhd. has ceased to be subsidiaries of the Group.

(c) Deregistration of subsidiary

On 12 August 2022, the Company had deregistered its inactive wholly-owned subsidiary, Acumen Industries Limited which was incorporated in Hong Kong, pursuant to Section 751 of the Companies Ordinance in Hong Kong.

Notes to the Financial Statements (Cont'd)

7. INVESTMENT IN SUBSIDIARIES (CONT'D)

Material partly-owned subsidiaries

Set out below is the Group's subsidiaries which have a material non-controlling interests:

Name of subsidiary	Effective equity interest		Profit/(loss) allocated to non-controlling interests		Equity of non-controlling interests	
	2022 %	2021 %	2022 RM	2021 RM	2022 RM	2021 RM
Kerjaya Bina BMK Sdn. Bhd.	**51**	51	**63,393**	30,103	**475,996**	412,603
Kerjaya Machinery & Equipment Sdn. Bhd.	**10**	10	**(17,914)**	(1,894)	**39,604**	77,518
Other subsidiaries			**713**	(111,170)	**1,093**	376,927
			46,192	(82,961)	**516,693**	867,048

Summarised financial information for each subsidiary that has non-controlling interests that are material to the Group is set out below. The summarised financial information below represents amounts before inter-company eliminations.

i Summarised statements of financial position

	Kerjaya Bina BMK Sdn. Bhd.		Kerjaya Machinery & Equipment Sdn. Bhd.	
	2022 RM	2021 RM	2022 RM	2021 RM
Non-current assets	**–**	–	**20,952**	68,692
Current assets	**5,240,040**	7,062,539	**2,412,526**	1,618,358
Non-current liabilities	**–**	–	**(900)**	(10,755)
Current liabilities	**(4,306,715)**	(6,253,514)	**(2,036,540)**	(901,120)
Net assets	**933,325**	809,025	**396,038**	775,175
Equity attributable to owners of the Company	**457,329**	396,422	**356,434**	697,657
Non-controlling interest	**475,996**	412,603	**39,604**	77,518
	933,325	809,025	**396,038**	775,175

7. INVESTMENT IN SUBSIDIARIES (CONT'D)

ii Summarised statements of profit or loss and other comprehensive income

	Kerjaya Bina BMK Sdn. Bhd.		Kerjaya Machinery & Equipment Sdn. Bhd.	
	2022	**2021**	**2022**	**2021**
	RM	**RM**	**RM**	**RM**
Revenue	**19,473,747**	10,896,382	**1,137,110**	1,305,555
Profit/(loss) before taxation	**168,609**	80,795	**(188,993)**	(15,906)
Taxation	**(44,309)**	(21,770)	**9,855**	(3,030)
Profit/(loss) for the year, representing total comprehensive income/(expenses) for the year	**124,300**	59,025	**(179,138)**	(18,936)
Profit/(loss) attributable to owners of the Company	**60,907**	28,922	**(161,224)**	(17,042)
Non-controlling interest	**63,393**	30,103	**(17,914)**	(1,894)
	124,300	59,025	**(179,138)**	(18,936)

iii Summarised statements of cash flows

	Kerjaya Bina BMK Sdn. Bhd.		Kerjaya Machinery & Equipment Sdn. Bhd.	
	2022	**2021**	**2022**	**2021**
	RM	**RM**	**RM**	**RM**
Net cash (used in)/generated from operating activities	**(462,097)**	81,375	**394,063**	242,731
Net cash used in investing activities	**–**	–	**(7,270)**	(14,500)
Net cash generated from/(used in) financing activities	**–**	750,000	**(200,000)**	(300,000)
Net (decrease)/increase in cash and cash equivalents	**(462,097)**	831,375	**186,793**	(71,769)

The details of the joint operations included in the Company's subsidiary, Kerjaya Prospek (M) Sdn. Bhd. are as follows:

Name of joint operation	Principal Activities	Proportion (%) of Ownership Interest 2022	2021
Joint operation unincorporated in Malaysia:			
Kerjaya Gamuda Joint Venture	Undertake the construction work of Gurney Marine Bridge	**50**	50
Samsung-KP Joint Venture	Undertake the construction work of TIEM2 New Bump/Probe/AT Factory	**30**	–

Notes to the Financial Statements (Cont'd)

8. OTHER INVESTMENTS

	Group		Company	
	2022 RM	**2021 RM**	**2022 RM**	**2021 RM**
Club membership, at cost	**43,000**	43,000	**–**	–
Quoted shares in Malaysia, at fair value	**14,640**	1,752,673	**–**	–
Unquoted shares in Malaysia, at cost	**150,000**	150,000	**150,000**	150,000
	207,640	1,945,673	**150,000**	150,000
Club membership				
Cost	**95,000**	95,000	**–**	–
Less: Allowance for impairment	**(52,000)**	(52,000)	**–**	–
	43,000	43,000	**–**	–
Quoted shares in Malaysia, at fair value				
Cost	**106,955**	4,522,379	**–**	–
Less: Fair value adjustments	**(92,315)**	(2,769,706)	**–**	–
	14,640	1,752,673	**–**	–
At beginning of the year	**1,752,673**	13,683,733	**–**	–
Disposals	**(1,708,668)**	(9,161,354)	**–**	–
Fair value adjustments	**(29,365)**	(2,769,706)	**–**	–
At end of the year	**14,640**	1,752,673	**–**	–
Unquoted shares in Malaysia, at cost				
Cost	**150,000**	150,000	**150,000**	150,000
Less: Allowance for impairment	**–**	–	**–**	–
	150,000	150,000	**150,000**	150,000

Notes to the Financial Statements (Cont'd)

9. INTANGIBLE ASSETS

Group	Goodwill (Restated) RM	Computer software RM	Total RM
Cost			
At 1 January 2022	**227,889,469**	**343,158**	**228,232,627**
Additions	**–**	**13,266**	**13,266**
Disposals	**(13,119)**	**–**	**(13,119)**
Write-offs	**–**	**(169,494)**	**(169,494)**
At 31 December 2022	**227,876,350**	**186,930**	**228,063,280**
Accumulated amortisation/impairment losses			
At 1 January 2022	**17,201**	**242,902**	**260,103**
Additions	**–**	**29,972**	**29,972**
Disposals	**(13,119)**	**–**	**(13,119)**
Write-offs	**–**	**(169,494)**	**(169,494)**
At 31 December 2022	**4,082**	**103,380**	**107,462**
Carrying amount			
At 31 December 2022	**227,872,268**	**83,550**	**227,955,818**
Cost			
At 1 January 2021	227,876,350	257,226	228,133,576
Additions	13,119	85,932	99,051
At 31 December 2021	227,889,469	343,158	228,232,627
Accumulated amortisation/impairment losses			
At 1 January 2021	–	214,018	214,018
Additions	17,201	28,884	46,085
At 31 December 2021	17,201	242,902	260,103
Carrying amount			
At 31 December 2021	227,872,268	100,256	227,972,524

9. INTANGIBLE ASSETS (CONT'D)

(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.

10. DEFERRED TAX ASSETS/(LIABILITIES)

	Group		Company	
	2022 RM	**2021 RM**	**2022 RM**	**2021 RM**
At beginning of the year	**(6,239,497)**	(8,414,163)	**–**	–
Transfer to statement of profit or loss and other comprehensive income (Note 30)	**4,362,010**	2,174,666	**–**	–
At end of the year	**(1,877,487)**	(6,239,497)	**–**	–
Presented after appropriate offsetting as follows:				
Deferred tax assets	**1,304,071**	1,131,899	**–**	–
Deferred tax liabilities	**(3,181,558)**	(7,371,396)	**–**	–
	(1,877,487)	(6,239,497)	**–**	–

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

The components and movements of deferred tax liabilities and deferred tax assets during the financial period/year prior to offsetting are as follows:

Deferred tax liabilities

	Group		Company	
	2022 RM	**2021 RM**	**2022 RM**	**2021 RM**
Temporary difference between depreciation and capital allowance				
At beginning of the year	**(7,371,396)**	(9,825,128)	**–**	–
Transfer to statement of profit or loss and other comprehensive income	**4,189,838**	2,453,732	**–**	–
At end of the year	**(3,181,558)**	(7,371,396)	**–**	–

Deferred tax assets

	Group		Company	
	2022 RM	**2021 RM**	**2022 RM**	**2021 RM**
Provision and others				
At beginning of the year	**1,131,899**	1,410,965	**–**	–
Transfer to statement of profit or loss and other comprehensive income	**172,172**	(279,066)	**–**	–
At end of the year	**1,304,071**	1,131,899	**–**	–

	Group		Company	
	2022 RM	**2021 RM**	**2022 RM**	**2021 RM**
The deferred tax assets/(liabilities) recognised is in respect of the followings:				
- Temporary difference between depreciation and capital allowance	**(3,181,558)**	(7,371,396)	**–**	–
- Provision and others	**1,304,071**	1,131,899	**–**	–
	(1,877,487)	(6,239,497)	**–**	–

Notes to the Financial Statements (Cont'd)

11. INVENTORIES

	Group 2022 RM	Group 2021 RM
At cost/realisable value:		
Property development costs	**152,283,768**	114,344,143
Completed properties	**46,895,204**	79,999,388
Others	**2,380,115**	2,690,717
	201,559,087	197,034,248

		2022 RM	2021 RM
(a)	**Property Development Costs**		
	Leasehold Land		
	At beginning of the year	**74,244,934**	69,726,549
	Additions during the year	**5,256,431**	4,518,385
	At end of the year	**79,501,365**	74,244,934
	Development Costs		
	At beginning of the year	**40,099,209**	21,957,377
	Costs incurred during the year	**32,683,194**	18,141,832
	At end of the year	**72,782,403**	40,099,209
		152,283,768	114,344,143
(b)	**Completed properties**		
	At net realisable value	**61,777,170**	79,999,388
	Less: Transfers to property, plant and equipment (Note 4)	**(14,881,966)**	–
		46,895,204	79,999,388
(c)	**Others**		
	Raw materials	**2,081,232**	1,863,232
	Work-in-progress	**287,234**	411,742
	Finished goods	**11,649**	415,743
		2,380,115	2,690,717

Included in leasehold land and development costs under property development costs are amounts RM59,458,671 (2021: RM57,188,658) and RM51,746,707 (2021: RM27,865,532) respectively being the total entitlement, are in respect of a Joint Venture Agreement ("JVA") with a group of landowners and a subsidiary namely Yakin Land Sdn. Bhd. ("YLSB"). YLSB is obliged to pay the landowners' entitlement of 18.5% of the Gross Development Value of the project (as defined in the JVA) generated by the development of the parcel of land belonging to the landowners progressively. Also, included in the additions of property development costs are borrowing costs capitalised during the financial year amounting to RM2,270,013 (2021: RM2,161,917). The capitalisation rate used was 5.00% (2021: 5.00%) per annum.

	2022 RM	2021 RM
Recognised in the profit or loss:		
Inventories recognised as cost of sales	**13,808,266**	8,537,315
Amount written down to net realisable value	**–**	340,666

12. TRADE AND OTHER RECEIVABLES

	Group		Company	
		Restated		
	2022	2021	2022	2021
	RM	RM	RM	RM
Trade Receivables				
Retention sum	**252,901,862**	230,397,548	**–**	–
Third parties	**377,122,130**	410,618,694	**–**	–
	630,023,992	641,016,242	**–**	–
Less: Allowance for impairment losses	**(27,369,668)**	(22,339,548)	**–**	–
	602,654,324	618,676,694	**–**	**–**
Other Receivables				
Amount due from subsidiaries	**–**	–	**159,169,756**	106,292,932
Prepayment	**246,287**	209,229	**4,500**	4,500
Deposits	**6,646,618**	7,474,535	**–**	–
Other receivables	**19,186,763**	12,216,046	**15,028**	28,404
	26,079,668	19,899,810	**159,189,284**	106,325,836
Less: Allowance for impairment				
- Amount due from subsidiaries	**–**	–	**–**	(250,762)
- Other receivables	**(825,195)**	(377,181)	**–**	–
	(825,195)	(377,181)	**–**	(250,762)
	25,254,473	19,522,629	**159,189,284**	106,075,074
Total trade and other receivables	**627,908,797**	638,199,323	**159,189,284**	106,075,074

(a) Trade Receivables

Trade receivables are non-interest bearing and are generally on 30 to 90 (2021: 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.

12. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Trade Receivables (Cont'd)

Ageing analysis of trade receivables

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

	Group	
	2022	**Restated 2021**
	RM	**RM**
Not past due	**452,143,936**	436,415,765
1 to 30 days past due	**13,292,542**	30,908,289
31 to 60 days past due	**19,106,479**	21,956,681
61 to 90 days past due	**57,688,809**	92,080,279
More than 90 days past due	**87,792,226**	59,655,228
	177,880,056	204,600,477
Impaired	**(27,369,668)**	(22,339,548)
	602,654,324	618,676,694

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 RM177,880,056 (2021: RM204,600,477) 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 not secured by any collateral or credit enhancements.

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	
	2022	**Restated 2021**
	RM	**RM**
At beginning of the year	**22,339,548**	21,195,390
Charge for the year	**5,030,120**	4,928,610
Write-offs during the year	**–**	(3,784,452)
At end of the year	**27,369,668**	22,339,548

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.

12. TRADE AND OTHER RECEIVABLES (CONT'D)

(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	
	2022	**2021**
	RM	**RM**
At beginning of the year	**377,181**	368,671
Charge for the year	**448,014**	8,510
At end of the year	**825,195**	377,181

(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	
		Restated
	2022	**2021**
	RM	**RM**
At beginning of the year	**250,762**	11,155,602
Reversal for the year	**(132,805)**	(10,889,923)
Write-offs during the year	**(117,957)**	(14,917)
At end of the year	**–**	250,762

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.

13. CONTRACT ASSETS/(LIABILITIES)

	Group 2022 RM	Group 2021 RM
Contract Assets		
Amount due from customers for contract works (Note 14)	**7,624,269**	11,005,940
Contract Liabilities		
Amount due to customers for contract works (Note 14)	**(9,948,031)**	(19,580,383)

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.

As at the end of the reporting period, the transaction price allocated to the unsatisfied or partially unsatisfied performance obligations of long-term contracts for the Group is RM4,942,029,078 (2021: RM3,940,803,585). The remaining performance obligations are expected to be recognised as below:

	Group 2022 RM	Group 2021 RM
Within 1 year	**2,021,926,661**	1,208,710,825
Between 1 and 5 years	**3,043,076,248**	2,732,092,760
	5,065,002,909	3,940,803,585

The amount disclosed above does not include variable consideration which is constrained.

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

	Group 2022 RM	Group 2021 RM
Construction contract costs incurred to date	**3,319,549,029**	3,829,785,009
Attributable profits	**535,465,387**	709,546,456
	3,855,014,416	4,539,331,465
Less: Progress billings	**(3,857,338,178)**	(4,547,905,908)
	(2,323,762)	(8,574,443)
Presenting after appropriate offsetting as follows:		
Amount due from customers for contract works (Note 13)	**7,624,269**	11,005,940
Amount due to customers for contract works (Note 13)	**(9,948,031)**	(19,580,383)
	(2,323,762)	(8,574,443)

Notes to the Financial Statements (Cont'd)

15. CASH AND BANK BALANCES

	Group		Company	
	2022 RM	**2021 RM**	**2022 RM**	**2021 RM**
Cash in hand and at bank	**23,190,181**	114,416,306	**1,900,575**	75,476,183
Cash at securities account	**467,101**	184,793	**467,101**	184,793
Quoted unit trust*	**198,082,841**	76,896,572	**116,063,397**	47,379,803
Deposits with licensed banks	**33,997,000**	18,943,363	**1,716,043**	1,763,726
	255,737,123	210,441,034	**120,147,116**	124,804,505
Less: Allowance for ECL (MFRS 9)	**(31,714)**	(120,961)	**(2,267)**	(70,457)
	255,705,409	210,320,073	**120,144,849**	124,734,048

The deposits with licensed banks with interest rates ranging from 1.55% to 4.08% (2021: 1.55% to 1.90%) per annum and have average maturities ranging from 31 to 365 (2021: 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 RM17,233,126 and RM1,716,043 (2021: RM18,943,362 and RM1,763,726) which have been pledged to licensed banks as security for banking facilities granted to the Group and to the Company. At the end of the previous and current financial year, there are no outstanding liabilities in respect of the said banking facilities.

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

16. SHARE CAPITAL

	Group and Company			
	2022 Unit	**2021 Unit**	**2022 RM**	**2021 RM**
Issued and paid-up ordinary shares				
At beginning of the year	**1,241,968,766**	1,241,968,766	**642,658,306**	642,658,306
Issued during the year	**25,239,000**	–	**40,382,400**	–
At end of the year	**1,267,207,766**	1,241,968,766	**683,040,706**	642,658,306

During the financial year, the Company increased its issued and paid-up share capital from RM642,658,306 to RM683,040,706 by way of an issuance of 25,239,000 new ordinary shares from the private placement of RM1.60 per share, amounted to RM40,382,400.

The new ordinary shares issued rank equally in all respects with the existing ordinary shares of the Company.

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 12 February 2018 ("Warrants 2018/2023 Deed Poll") and listed on 7 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 23 February 2023.

The Company's unexercised warrants were as follow:

	2022 Unit	2021 Unit
At beginning/end of the year	**169,358,984**	169,358,984

17. TREASURY SHARES

	Group and Company			
	2022 Unit	**2021 Unit**	**2022 RM**	**2021 RM**
At beginning of the year	**4,724,566**	4,566,766	**5,186,068**	4,996,188
Repurchased during the year	**1,433,000**	157,800	**1,728,377**	189,880
At end of the year	**6,157,566**	4,724,566	**6,914,445**	5,186,068

During the financial year, the Company repurchased 1,433,000 (2021: 157,800) ordinary shares from the open market at an average price of RM1.21 (2021: RM1.20) per share. The total consideration paid for the repurchase including transaction costs was RM1,728,377 (2021: RM189,880).

Subsequent to the financial year and up to the date of this report, the Company did not repurchase any share 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.

Notes to the Financial Statements (Cont'd)

18. RESERVES

	Group		Company	
	2022	2021	**2022**	2021
	RM	RM	**RM**	RM
(a) Other reserve	**475,000**	475,000	**–**	–
(b) Foreign currency translation reserve	**1,076,376**	109,279	**–**	–
	1,551,376	584,279	**–**	–

(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	
	2022	2021
	RM	RM
At beginning of the year	**109,279**	192,164
Change during the year	**967,097**	(82,885)
At end of the year	**1,076,376**	109,279

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

Notes to the Financial Statements (Cont'd)

19. TRADE AND OTHER PAYABLES

	Group 2022 RM	Group Restated 2021 RM	Company 2022 RM	Company 2021 RM
Non-Current				
Other Payables				
Other Payables	**47,670,273**	45,400,260	**–**	–
Total - non-current	**47,670,273**	45,400,260	**–**	–
Current				
Trade Payables				
Third parties	**83,236,227**	116,113,296	**–**	–
Retention sum	**110,363,655**	90,078,366	**–**	–
	193,599,882	206,191,662	**–**	–
Other Payables				
Accruals	**5,032,531**	3,342,015	**300,023**	267,027
Amount due to subsidiaries	**–**	–	**10,707,668**	3,267,115
Other payables	**9,083,343**	12,676,436	**12,751**	5,000
Dividend payable	**12,630,502**	24,765,084	**12,610,502**	24,735,084
Deposit received	**152,909**	673,281	**–**	–
	26,899,285	41,456,816	**23,630,944**	28,274,226
Total - current	**220,499,167**	247,648,478	**23,630,944**	28,274,226
Total trade and other payables	**268,169,440**	293,048,738	**23,630,944**	28,274,226

(a) Trade Payables

Trade payables are non-interest bearing and are normally settled on 14 to 90 (2021: 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 payables under non-current liabilities is remaining purchase consideration of RM47,670,273 (2021: RM 45,400,260) payable by a subsidiary to a third party for land acquisition. The amount bears interest at 5.00% (2021: 5.00%) per annum.

(ii) Other payables under current liabilities are non-interest bearing and are normally settled on an average term of 90 (2021: 90) days term.

20. LEASE LIABILITIES

	Group 2022 RM	Group 2021 RM
At beginning of the year	**1,124,448**	1,023,393
- Additions	**1,004,483**	1,481,470
- Derecognition due to lease modification	**–**	(676,114)
- Interest expenses recognised in profit or loss (Note 26)	**16,300**	14,600
- Repayment of principal	**(873,250)**	(704,301)
- Repayment of interest expenses	**(16,300)**	(14,600)
At end of the year	**1,255,681**	1,124,448
Analysed by:-		
Current	**915,880**	772,593
Non-current	**339,801**	351,855
	1,255,681	1,124,448

	Group 2022 RM	Group 2021 RM
Minimum lease payments		
- not later than 1 year	**956,700**	809,300
- later than 1 year and not later than 5 years	**351,950**	365,200
Total minimum lease payments	**1,308,650**	1,174,500
Less: Future finance charges on lease liabilities	**(52,969)**	(50,052)
Present value of lease liabilities	**1,255,681**	1,124,448

The effective interest rates of the finance lease liabilities are between 3.13% and 4.35% (2021: 3.16% and 3.35%) per annum.

21. REVOLVING CREDIT

	Group 2022 RM	Group 2021 RM
Revolving credit	**–**	25,000,000

The revolving credit is secured by a corporate guarantee granted by the Company and bears interest of approximately 3.18% (2021: 3.18%) per annum.

Notes to the Financial Statements (Cont'd)

22. SHORT TERM BORROWING

	Group 2022 RM	Group 2021 RM
Bank overdraft	**10,714,738**	8,824,533

The bank overdraft is secured by charges on certain properties as disclosed in Note 4 and a corporate guarantee granted by the Company, and bears interest of approximately 4.11% (2021: 4.10%) per annum.

23. REVENUE

	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Revenue from contracts with customers				
(i) Recognised over time:				
- Construction activities	**1,105,456,034**	967,924,169	**–**	–
(ii) Recognised at a point in time:				
- Sale of completed properties	**14,150,270**	8,639,045	**–**	–
- Manufacturing activities	**902,426**	451,629	**–**	–
- Hotel activities	**1,665,265**	–	**–**	–
Dividend income	**–**	–	**60,000,000**	30,000,000
	1,122,173,995	977,014,843	**60,000,000**	30,000,000

24. COST OF SALES

	Group 2022 RM	Group 2021 RM
Construction costs	**930,565,401**	811,120,716
Cost of completed properties	**13,808,266**	8,537,315
Manufacturing costs	**770,709**	152,208
Hotel activities	**742,814**	–
	945,887,190	819,810,239

25. OTHER OPERATING INCOME

	Group		Company	
				Restated
	2022 RM	2021 RM	2022 RM	2021 RM
Bad debts recovered	**–**	–	**3,354,329**	–
Fair value gain and redemption on short term fund	**372,524**	–	**122,786**	–
Gain on disposal of property, plant and equipment	**158,873**	–	**–**	–
Gain on disposal of quoted shares	**142,389**	1,160,548	**–**	–
Interest income from fixed deposits and current account	**4,270,370**	4,368,768	**1,745,146**	2,070,821
Miscellaneous	**2,934,741**	2,580,541	**–**	–
Other income	**1,770,174**	5,521,940	**64,363**	90,310
Penalty (charges)/income	**(1,256,896)**	1,101,199	**–**	–
Realised foreign exchange gain	**91**	5,581	**–**	–
Sales of scrap	**4,101,344**	4,103,948	**–**	–
	12,493,610	18,842,525	**5,286,624**	2,161,131

26. FINANCE COSTS

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Bank overdraft interest	**631,320**	1,084,802	**–**	–
Fair value loss and redemption of short term fund	**–**	–	**–**	571,666
Lease interest (Note 20)	**16,300**	14,600	**–**	–
	647,620	1,099,402	**–**	571,666

Notes to the Financial Statements (Cont'd)

27. PROFIT BEFORE TAXATION

	Group		Company	
				Restated
	2022 RM	2021 RM	2022 RM	2021 RM
Profit before taxation is arrived at after charging/(crediting):				
Auditors' remuneration:				
(i) Statutory				
- current year	**335,334**	204,691	**90,000**	38,900
- underprovision in prior years	**360**	6,472	–	2,900
(ii)Non-statutory				
- current year	**–**	1,100	**–**	1,100
Allowance/(reversal) for impairment losses				
- Trade receivables	**5,030,120**	7,941,762	**–**	**–**
- Other receivables	**448,014**	(22,069)	**–**	**–**
- Amount due from subsidiaries	**–**	–	**(132,805)**	(10,889,923)
- Cash and bank balances	**(89,247)**	(25,249)	**(68,190)**	1,682
Allowance for diminution of investments	**29,365**	2,769,706	**–**	**–**
Amortisation of intangible assets (Note 9)	**29,972**	28,884	**–**	**–**
Amortisation of right-of-use assets (Note 5)	**1,064,007**	915,961	**–**	**–**
Bad debts written off	**–**	89,725	**58,522**	54,503
Depreciation of property, plant and equipment (Note 4)	**24,915,318**	32,335,982	**3,600**	3,600
Depreciation of investment properties (Note 6)	**12,588**	19,545	**–**	–
Directors' remuneration (Note 29)				
- Executive	**4,616,879**	4,403,868	**–**	–
- Non-executive	**1,385,925**	918,930	**208,923**	240,639
Employee benefits expense (Note 28)	**33,285,910**	32,719,700	**–**	–
Fair value loss on redemption of short term fund	**–**	992,308	**–**	–
Finance costs (Note 26)	**647,620**	1,099,402	**–**	571,666
Impairment loss on goodwill	**–**	17,201	**–**	–
Inventories written down to net realisable value	**–**	340,666	**–**	–
Loss on disposal of investment properties	**–**	175,293	**–**	–
Loss on disposal of property, plant and equipment	**468**	1,645,606	**–**	–
Loss on disposal of subsidiaries	**–**	–	**90,000**	–
Property, plant and equipment written-off	**54,578**	–	**–**	–
Rental expenses				
- Premises (short term)	**172,250**	174,970	**–**	–
Termination of lease contracts	**–**	19,698	**–**	–

Notes to the Financial Statements (Cont'd)

28. EMPLOYEE BENEFITS EXPENSE

	Group	
	2022	**2021**
	RM	**RM**
Wages and salaries	**27,917,198**	25,231,398
Social security contributions	**1,013,998**	543,880
Contributions to defined contribution plan	**3,278,337**	2,835,424
Other benefits	**1,076,377**	4,108,998
	33,285,910	32,719,700

29. DIRECTORS' REMUNERATION

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM	**RM**	**RM**	**RM**
Executive				
- salaries and other emoluments	**4,131,300**	3,931,677	**–**	–
- contributions to defined contribution plan	**482,574**	469,421	**–**	–
- social security contributions	**3,005**	2,770	**–**	–
Total executive Directors' remuneration (Note 27)	**4,616,879**	4,403,868	**–**	–
Non-Executive				
- salaries and other emoluments	**1,050,000**	605,161	**–**	–
- contributions to defined contribution plan	**126,000**	72,619	**–**	–
- social security contributions	**1,002**	511	**–**	–
- fees				
- current year	**186,923**	200,427	**186,923**	200,427
- underprovision in prior years	**–**	16,212	**–**	16,212
- other emoluments	**22,000**	24,000	**22,000**	24,000
Total non-executive Directors' remuneration (Note 27)	**1,385,924**	918,930	**208,923**	240,639
	6,002,804	5,322,798	**208,923**	240,639

Notes to the Financial Statements (Cont'd)

29. DIRECTORS' REMUNERATION (CONT'D)

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

	Number of Directors 2022 RM	Number of Directors 2021 RM
Executive Directors'		
- RM50,000 - RM1,000,000	**–**	–
- RM1,000,001 - RM2,000,000	**3**	3
Non-executive Directors		
- below RM50,000	**3**	1
- RM50,001 - RM1,000,000	**3**	3

30. TAXATION

	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Malaysian income tax				
- current year	**37,607,381**	35,777,373	**23,939**	18,455
- under/(over) provision in prior years	**409,255**	1,268,733	**(527)**	–
- real property gain tax	**–**	11,810	**–**	–
	38,016,636	37,057,916	**23,412**	18,455
Deferred tax (Note 10)				
- Relating to origination and reversal of temporary differences	**264,226**	(22,409)	–	–
- overprovision in prior years	**(4,626,236)**	(2,152,257)	–	–
	(4,362,010)	(2,174,666)	**–**	–
	33,654,626	34,883,250	**23,412**	18,455

Notes to the Financial Statements (Cont'd)

30. TAXATION (CONT'D)

The reconciliations of income tax expense applicable to the results of the Group and of the Company at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company are as follows:

	Group		Company	
	2022 RM	**2021 RM**	**2022 RM**	**2021 RM**
Profit before taxation	**148,498,472**	131,762,336	**63,939,429**	41,711,753
Tax at Malaysian statutory tax rate of 24% (2021: 24%)	**35,639,633**	31,622,961	**15,345,463**	10,010,821
Tax effects of:				
- income not subject to tax	**(518,141)**	(1,020,763)	**(15,670,377)**	(10,314,184)
- expenses not deductible for tax purposes	**3,285,865**	5,014,985	**452,402**	233,346
- deferred tax assets not recognised during the financial year	**59,558**	224,275	**–**	88,472
- utilisation of deferred tax assets previously not recognised	**(595,308)**	(86,494)	**(76,549)**	–
- real property gain tax	**–**	11,810	**–**	–
Under/(over) provision of income tax in prior years	**409,255**	1,268,733	**(527)**	–
Overprovision of deferred tax in prior years	**(4,626,236)**	(2,152,257)	**–**	–
Tax expense for the year	**33,654,626**	34,883,250	**23,412**	18,455

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2021: 24%) of the estimated assessable profit for the year.

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

30. TAXATION (CONT'D)

Subject to the agreement by Inland Revenue Board, the amount of temporary differences as at the end of the reporting year are as follows:

	Group		Company	
	2022 **RM**	**2021** **RM**	**2022** **RM**	**2021** **RM**
Unutilised capital allowances	**13,903,643**	13,952,639	**–**	–
Unutilised reinvestment allowances	**4,899,829**	5,027,050	**–**	–
Unabsorbed tax losses	**8,253,444**	10,221,699	**705,781**	705,781
Others deductible temporary differences	**11,856,231**	11,226,666	**2,266**	321,218
	38,913,147	40,428,054	**708,047**	1,026,999
Deferred tax assets in respect of the above temporary differences due to uncertainties of realisation of profits	**9,339,155**	9,702,733	**169,931**	246,480
Less: Deferred tax assets recognised (Note 10)	**(1,304,071)**	(1,131,899)	**–**	–
Deferred tax assets not recognised	8,035,084	8,570,834	169,931	246,480

The unabsorbed tax losses are allowed to be utilised for 10 (2021: 10) consecutive years of assessment while the unutilised capital allowances are allowed to be carried forward indefinitely.

The Group's unabsorbed tax losses are available for utilisation up to the following financial years:

	Group		Company	
	2022 **RM**	**2021** **RM**	**2022** **RM**	**2021** **RM**
2028	**4,821,048**	4,821,048	**705,781**	705,781
2029	**317,398**	317,398	**–**	–
2030	**1,498,205**	3,703,934	**–**	–
2031	**1,379,319**	1,379,319	**–**	–
2032	**237,474**	–	**–**	–
	8,253,444	10,221,699	**705,781**	705,781

Notes to the Financial Statements (Cont'd)

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.

(a) Basic

	Group	
	2022 **RM**	**2021** **RM**
Earnings attributable to owners of the Company	**114,797,654**	96,962,047
Weighted average number of ordinary shares in issue:		
Issued ordinary shares at beginning of the year	**1,237,244,200**	1,237,402,000
Effect of shares buy back during the year	**(1,019,688)**	(241,104)
Effect of private placement during the year	**13,760,441**	–
Weighted average number of ordinary shares at end of the year	**1,249,984,953**	1,237,377,896
Basic earnings per share (sen)	**9.18**	7.84

(b) Diluted

The Company has not issued any dilutive potential ordinary shares during the year and hence, the diluted earnings per share is equal to the basic earnings per share.

32. DIVIDENDS

	Net Dividend Per Share Sen	Company Total Amount RM	Date of payment
2022			
Single tier interim	2.0	**24,716,224**	8 July 2022
Single tier interim	1.0	**12,610,502**	7 October 2022
Single tier interim	1.0	**12,610,502**	6 January 2023
		49,937,228	
2021			
Single tier interim	1.5	18,560,576	7 July 2021
Single tier interim	1.5	18,560,575	8 October 2021
Single tier interim	2.0	24,735,084	8 April 2022
		61,856,235	

Notes to the Financial Statements (Cont'd)

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:

	Group		Company	
	2022 RM	**2021 RM**	**2022 RM**	**2021 RM**
Rental of office premise	**432,000**	406,800	**–**	–
Construction contract sum	**290,168,885**	242,883,209	**–**	–
Sales of finished goods	**–**	11,160	**–**	–
Dividend income	**–**	–	**60,000,000**	30,000,000
Purchase of goods/services	**224,260**	303,205	**–**	–
Others*	**809,743**	276,771	**–**	–

* Others consist of facilities chargeable, sewerage charges, management fee and maintenance of motor vehicles.

The significant related parties are Kerjaya Property Sdn. Bhd., Kerjaya Prospek Property Berhad, Eastern & Oriental Berhad, YHH Sales and Marketing Sdn. Bhd., Desanda Development Sdn. Bhd., Dekad Intelek Sdn. Bhd., Kerjaya Hotel Sdn. Bhd. and Cocomart (M) 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.

Notes to the Financial Statements (Cont'd)

34. FINANCIAL GUARANTEES

	Group and Company	
	2022 RM	2021 RM
Financial guarantees given to customers/suppliers of subsidiaries	**192,453,139**	175,594,297

	Company	
	2022 RM	2021 RM
Financial guarantees given to financial institutions for credit facilities granted to subsidiaries	**70,786,942**	81,831,045

The financial 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

There was no material litigation against the Group as at the reporting date save and except for the Group's announcements on 11 September 2020 and most recent on 21 September 2020 as follows:

Pembinaan Yeng Tong Sdn. Bhd. Vs Kerjaya Prospek (M) Sdn Bhd

On 11 September 2020, the Group announced that its wholly owned subsidiary, Kerjaya Prospek (M) Sdn. Bhd. ("KPM"), had received a letter dated 10 September 2020 from Messrs. Wong & Partners, the solicitors acting for Pembinaan Yeng Tong Sdn. Bhd. ("PYT"), accompanied by Writ of Summons dated 7 September 2020 and Statement of Claim dated 7 September 2020 issued by the Kuala Lumpur High Court demanding inter-alia, payment of works done, expenses and loss and damages totalling RM35,861,133.95.

KPM denies the claim in totality and counterclaimed a sum of RM4,161,872.05 against PYT, in addition to general damages to be assessed.

The legal proceeds are ongoing and Trial is fixed on 21 August 2023 to 23 August 2023; 2 October 2023 to 4 October 2023; and 16 October 2023 to 19 October 2023.

Notes to the Financial Statements (Cont'd)

36. CONTINGENT LIABILITIES

	Group	
	2022	**2021**
	RM	**RM**
Material litigation (Note 35)	31,699,262	31,699,262

The Directors are of the view that based on the advice by the solicitors, KPSB will not suffer any material liability from the litigation disclosed in Note 35 above. Therefore, no further provision is necessary in respect of the Claims.

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	12
Cash and bank balances (excluding unit trust)	15
Trade and other payables (current)	19
Revolving credit	21
Short term borrowing	22

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

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 exposure of the Group and of the Company to the above mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit Risk

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

Trade and other receivables

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

Exposure to credit risk

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

Information regarding credit enhancements, if any, for trade and other receivables is disclosed in Note 12 to the financial statements.

Credit Risk Concentration Profile

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

The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. The Group's concentration of credit risk relates to the amount owing by three (2021: four) major customers which constituted 43% (2021: 57%) of its trade receivables at the end of the reporting year.

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

(a) Credit Risk (Cont'd)

Credit Risk Concentration Profile (Cont'd)

Cash and bank balances

The Group considers the licensed banks have low credit risks. At the reporting date, the Group's maximum exposure to credit risk is represented by the carrying amounts recognised in the statements of financial position.

Financial guarantees

The Group and the Company provides corporate guarantees which are financial guarantee contracts, to customers/suppliers of subsidiaries and licensed banks in respect of banking facilities granted to the subsidiaries.

The maximum exposure to credit risk of the Group and of the Company amounts to RM192,453,139 and RM70,786,942 (2021: RM175,594,297 and RM81,831,045) representing the outstanding financial guarantee as at end of the reporting year, as disclosed in Note 34.

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowances were identified based on 12-month expected credit losses.

(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.

Group	Effective interest rate %	Carrying amount RM	Contractual undiscounted cash flow RM	Maturity: Less than 1 years RM	Maturity: Between 2 and 5 years RM
2022					
Trade and other payables (restated)	**–**	**268,169,440**	**268,169,440**	**220,499,167**	**47,670,273**
Contract liabilities	**–**	**9,948,031**	**9,948,031**	**9,948,031**	**–**
Lease liabilities	**3.13 – 4.35**	**1,255,681**	**1,308,650**	**956,700**	**351,950**
Short term borrowing	**4.11**	**10,714,738**	**10,714,738**	**10,714,738**	**–**
		290,087,890	**290,140,859**	**242,118,636**	**48,022,223**
2021					
Trade and other payables (restated)	–	293,048,738	293,048,738	247,648,478	45,400,260
Contract liabilities	–	19,580,383	19,580,383	19,580,383	–
Lease liabilities	3.16 – 3.35	1,124,448	1,174,500	809,300	365,200
Revolving credit	3.18	25,000,000	25,000,000	25,000,000	–
Short term borrowing	4.10	8,824,533	8,824,533	8,824,533	–
		347,578,102	347,628,154	301,862,694	45,765,460

Notes to the Financial Statements (Cont'd)

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

(b) Liquidity Risk (cont'd)

Company	Effective interest rate %	Carrying amount RM	Contractual undiscounted cash flow RM	Maturity Less than 1 year RM
2022				
Trade and other payables	**–**	**23,630,944**	**23,630,944**	**23,630,944**
Financial guarantees* (Note 34)	**–**	**70,786,942**	**70,786,942**	**70,786,942**
		94,417,886	**94,417,886**	**94,417,886**
2021				
Trade and other payables	–	28,274,226	28,274,226	28,274,226
Financial guarantees* (Note 34)	–	81,831,045	81,831,045	81,831,045
		110,105,271	110,105,271	110,105,271

* 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.

(c) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and of 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.

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

(d) Foreign Currency Risk

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

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

The Group has one (2021: two) foreign subsidiaries, of which is dormant. 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	
	2022	**2021**
	RM	**RM**
Singapore Dollar ("SGD")		
Cash and bank balances	**16,931,247**	15,811,401
United States Dollar ("USD")		
Cash and bank balances	**131,898**	123,247
	17,063,145	15,934,648

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

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

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

	Group	
	2022	**2021**
	RM	**RM**
Effects on profit before taxation:		
SGD/RM		
- strengthened by 10%	**1,693,125**	1,581,140
- weakened by 10%	**(1,693,125)**	(1,581,140)
USD/RM		
- strengthened by 10%	**13,190**	12,325
- weakened by 10%	**(13,190)**	(12,325)

Notes to the Financial Statements (Cont'd)

39. CLASSIFICATION OF FINANCIAL INSTRUMENTS

The Group's and the Company's 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
Group			
2022			
Non-derivative financial assets			
Other investments – quoted shares	**14,640**	**–**	**14,640**
Trade and other receivables (excluding prepayments)	**627,662,510**	**627,662,510**	**–**
Cash and bank balances	**255,705,409**	**57,622,568**	**198,082,841**
	883,382,559	**685,285,078**	**198,097,481**
Non-derivative financial liabilities			
Trade and other payables	**268,169,440**	**268,169,440**	**–**
Lease liabilities	**1,255,681**	**1,255,681**	**–**
Short term borrowing	**10,714,738**	**10,714,738**	**–**
	280,139,859	**280,139,859**	**–**
2021			
Non-derivative financial assets			
Other investments – quoted shares	1,752,673	–	1,752,673
Trade and other receivables (excluding prepayments)	637,990,094	637,990,094	–
Cash and bank balances	210,320,073	133,423,501	76,896,572
	850,062,840	771,413,595	78,649,245
Non-derivative financial liabilities			
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	–
	327,997,719	327,997,719	–

39. CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONT'D)

Company	Carrying amount RM	AC RM	FVTPL RM
2022			
Non-derivative financial assets			
Trade and other receivables (excluding prepayments)	**159,184,784**	**159,184,784**	**–**
Cash and bank balances	**120,144,849**	**4,081,452**	**116,063,397**
	279,329,633	**163,266,236**	**116,063,397**
Non-derivative financial liabilities			
Trade and other payables	**23,630,944**	**23,630,944**	**–**
	23,630,944	**23,630,944**	**–**
2021			
Non-derivative financial assets			
Trade and other receivables (excluding prepayments)	106,070,574	106,070,574	–
Cash and bank balances	124,734,048	77,354,245	47,379,803
	230,804,622	183,424,819	47,379,803
Non-derivative financial liabilities			
Trade and other payables	28,274,226	28,274,226	–
	28,274,226	28,274,226	–

Notes to the Financial Statements (Cont'd)

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 financial years ended 31 December 2022 and 2021.

The debts to equity ratios as at 31 December 2022 and 2021 were as follows:

	Group		Company	
		Restated		
	2022	**2021**	**2022**	**2021**
	RM	**RM**	**RM**	**RM**
Revolving credit	**–**	25,000,000	**–**	–
Short term borrowing	**10,714,738**	8,824,533	**–**	–
	10,714,738	33,824,533	**–**	–
Less: Cash and cash equivalent (Note 15)	**(255,705,409)**	(210,320,073)	**(120,144,849)**	(124,734,048)
Net cash	**(244,990,671)**	(176,495,540)	**(120,144,849)**	(124,734,048)
Total equity	**1,121,780,959**	1,017,649,768	**715,090,465**	662,457,653
Debt-to-equity ratio	**N/A**	N/A	**N/A**	N/A

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

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 five 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.

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

(iii) Hospitality - Hotel activities.

(v) Others - Investment holding companies and others dormant companies.

Information about major customers

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

	Revenue		Segment
	2022 RM	2021 RM	
Customer A	**284,095,128**	121,084,939	Construction
Customer B	**139,444,828**	147,131,341	Construction
Customer C	**104,264,483**	146,619,990	Construction
Customer D	**99,877,286**	156,083,160	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.

Notes to the Financial Statements (Cont'd)

41. SEGMENT INFORMATION (CONT'D)

	Construction RM	Manufacturing RM	Propeties RM	Hospitality RM	Others RM	Elimination RM	Total RM
2022							
Revenue							
External revenue	1,116,690,034	485,404	2,916,270	1,665,265	417,022	–	1,122,739,995
Intersegment revenue	151,852,576	2,587,895	–	–	60,000,000 *	(214,440,471)	–
Total revenue	1,268,542,610	3,073,299	2,916,270	1,665,265	60,417,022	(214,440,471)	1,122,739,995
Results							
Segment results	149,377,826	361,995	111,838	487,326	72,597,939	(73,790,832)	149,146,092
Finance costs							(647,620)
Profit before taxation							148,498,472
Taxation							(33,654,626)
Profit for the year							114,843,846
Other information							
Allowance/(reversal) for impairment losses							
- Trade receivables	5,035,772	–	(5,652)	–	–	–	5,030,120
- Other receivables	446,756	–	–	–	1,258	–	448,014
- Cash and bank balances	(15,647)	2	319	–	(73,921)	–	(89,247)
Amortisation of intangible assets	29,972	–	–	–	–	–	29,972
Amortisation of right-of-use assets	1,064,007	–	–	–	–	–	1,064,007
Depreciation of property, plant and equipment	24,811,553	34,648	61,694	2,023	5,400	–	24,915,318

41. SEGMENT INFORMATION (CONT'D)

	Construction RM	Manufacturing RM	Properties RM	Hospitality RM	Others RM	Elimination RM	Total RM
2022							
Other information (cont'd)							
Depreciation of investment properties	12,588	–	–	–	–	–	12,588
Fair value gain on redemption of short term fund	(249,738)	–	–	–	(122,786)	–	(372,524)
Finance costs	647,620	–	–	–	–	–	647,620
Gain on disposal of property, plant and equipment - net	(148,405)	(10,000)	–	–	–	–	(158,405)
Gain on disposal of quoted shares	(142,389)	–	–	–	–	–	(142,389)
Interest income	(2,313,894)	(639)	(9,076)	–	(1,946,761)	–	(4,270,370)
Inventories written down to net realisable value	–	–	–	–	–	–	–
Property, plant and equipment written-off	54,578	–	–	–	–	–	54,578
Assets							
Segment assets	908,607,451	35,149,930	199,285,037	1,804,617	761,636,545	(486,780,423)	1,419,703,157
Unallocated assets							–
Consolidated total assets							1,419,703,157
Liabilities							
Segment liabilities	316,553,281	4,179,042	179,629,453	1,531,854	65,765,548	(269,736,980)	297,922,198
Unallocated liabilities							–
Consolidated total liabilities							297,922,198

Notes to the Financial Statements (Cont'd)

41. SEGMENT INFORMATION (CONT'D)

	Construction RM	Manufacturing RM	Properties RM	Hospitality RM	Others RM	Elimination RM	Total RM
2021 (Restated)							
Revenue							
External revenue	976,563,214	289,629	–	–	162,000	–	977,014,843
Intersegment revenue	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 taxation							131,762,336
Taxation							(34,883,250)
Profit for the year							96,879,086
Other information							
Allowance/(reversal) for impairment losses							
- Trade receivables	7,961,306	–	(19,544)	–	–	–	7,941,762
- Other receivables	–	(22,069)	–	–	–	–	(22,069)
- Cash and bank balances	(37,260)	(12)	469	–	11,554	–	(25,249)
Amortisation of intangible assets	28,884	–	–	–	–	–	28,884
Amortisation of right-of-use assets	915,961	–	–	–	–	–	915,961
Depreciation of property, plant and equipment	32,275,600	33,920	22,862	–	3,600	–	32,335,982

Notes to the Financial Statements (Cont'd)

41. SEGMENT INFORMATION (CONT'D)

	Construction RM	Manufacturing RM	Properties RM	Hospitality RM	Others RM	Elimination RM	Total RM
2021 (Restated)							
Other information (cont'd)							
Depreciation of investment properties	19,545	–	–	–	–	–	19,545
Fair value loss on redemption of short term fund	420,642	–	–	–	571,666	–	992,308
Finance costs	1,099,402	–	–	–	–	–	1,099,402
Gain on disposal of quoted shares	(1,160,548)	–	–	–	–	–	(1,160,548)
Interest income	(1,822,987)	(202)	(459,050)	–	(2,086,529)	–	(4,368,768)
Inventories written down to net realisable value	340,666	–	–	–	–	–	340,666
Loss on disposal of property, plant and equipment - net	1,645,606	–	–	–	–	–	1,645,606
Property, plant and equipment written-off	–	–	–	–	–	–	–
Assets							
Segment assets	789,004,999	44,453,622	159,166,546	–	716,172,377	(326,701,377)	1,382,096,167
Unallocated assets							–
Consolidated total assets							1,382,096,167
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

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

Notes to the Financial Statements (Cont'd)

42. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) On 22 February 2022, one of the Company's subsidiary, Kerjaya Prospek (M) Sdn. Bhd. ("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 6 April 2022, one of the Company's subsidiary, Kerjaya Prospek (M) Sdn. Bhd. ("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.

(c) On 20 June 2022, one of the Company's subsidiary, Kerjaya Prospek (M) Sdn. Bhd. ("KPSB") has accepted a letter of award amounting to RM154.7 million from Bangsar Hill Park Development Sdn. Bhd., in respect of a contract for main building works for a proposed residential development project at Lot 365, Lorong Maarof, Seksyen 96, Bandar Kuala Lumpur,Wilayah Persekutuan Kuala Lumpur.

(d) On 26 October 2022, one of the Company's subsidiary, Kerjaya Prospek (M) Sdn. Bhd. ("KPSB") has accepted a letter of award in respect of contract work for execution and completion of TIEM2 Bump / Probe / AT Factory Construction at Taman Perindustrian Batu Berendam, Free Trade Zone, Melaka amounting to RM1.45 billion from Texas Instruments Electronics Malaysia Sdn. Bhd. through its 30% unincorporated joint venture partnership, Samsung-KP JV with Samsung C&T (KL) Sdn. Bhd. (a wholly-owned subsidiary of Samsung C&T Corporation, which is a South Korean construction and engineering company listed on the Korean Stock Exchange).

43. SIGNIFICANT EVENTS SUBSEQUENT TO THE FINANCIAL YEAR END

(a) On 2 February 2023, one of the Company's subsidiary, Kerjaya Bina BMK Sdn. Bhd. ("BMK") has accepted a letter of award amounting to RM135.4 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 20029, Seksyen 56, Off Jalan Hang Tuah/ Jalan Pudu, Wilayah Persekutuan, Kuala Lumpur.

(b) On 7 February 2023, one of the Company's subsidiary, Future Rock Sdn. Bhd. ("FRSB") has accepted a letter of award amounting to RM398.0 million from Tanjung Pinang Development Sdn. Bhd., an indirect subsidiary of Eastern & Oriental Berhad., in respect of a contract for execution and completion of coastal protection structure for Phase 2B and 2C of reclamation for Seri Tanjung Pinang Development.

Notes to the Financial Statements (Cont'd)

44. COMPARATIVE FIGURES

(a) The comparative figures are deriverd from financial statements audited by a firm of chartered accountants other than Nexia SSY PLT

(b) Prior year adjustments

The external auditors had conducted a review of the opening balances in accordance with International Standards of Auditing 510 – Initial Audit Engagements – Opening Balances. Based on the findings of the review, the following areas were re-assessed by the Directors and the adjustments arising therefrom have been adjusted as prior period adjustments in accordance with the requirements of MFRS 108 - Accounting Policies, Changes in Accounting Estimates and Errors.

A re-assessment conducted by the Directors was on the appropriateness of accounting treatment to recognise goodwill in previous year in respect of the acquisitions of cetain subsidiaries in accordance with MFRS 3: Business Combinations. In accordance with MFRS 136: Intangible Assets, identifiable intangible assets in a business combination shall be recognised separately from goodwill. There are some adjustments to the current principles on the amount of goodwill recognised was made to determine the purchase price allocations.

The effects arising from the prior year adjustments are as follows:

Group	As Previously Reported (31.12.2020) RM	Adjustments RM	As Restated (1.1.2021) RM
Statement of Financial Position			
Non-current assets			
Intangible assets	356,169,218	(128,249,660)	227,919,558
Equity attributable to equity holders of the Company			
Retained profit	(471,870,051)	128,249,660	(343,620,391)

Group	As Previously Reported (31.12.2021) RM	Adjustments RM	As Restated (31.12.2021) RM
Statement of Financial Position			
Non-current assets			
Intangible assets	356,222,184	(128,249,660)	227,972,524
Equity attributable to equity holders of the Company			
Retained profit	(506,975,863)	128,249,660	(378,726,203)

Notes to the Financial Statements (Cont'd)

44. COMPARATIVE FIGURES (CONT'D)

(c) Reclassifications

The following comparative figures have been reclassified to conform to current year's presentation.

Group	As Previously Reported (31.12.2021) RM	Reclassification RM	As Restated (31.12.2021) RM
Statement of Financial Position			
Non-current assets			
Trade and other receivables	230,397,548	(230,397,548)	–
Current assets			
Trade and other receivables	407,801,775	230,397,548	638,199,323
Non-current liabilities			
Trade and other payables	(134,230,054)	88,829,794	(45,400,260)
Current liabilities			
Trade and other payables	(158,818,684)	(88,829,794)	(247,648,478)

Company	As Previously Reported (31.12.2021) RM	Reclassification RM	As Restated (31.12.2021) RM
Statement of Profit or Loss and Other Comprehensive Income			
Other operating income	13,051,054	(10,889,923)	2,161,131
Other operating expenses	(68,798)	1,682	(67,116)
Reversal of impairment on financial assets	–	10,888,241	10,888,241

TOP 10 LIST OF PROPERTIES

as at 31st December 2022

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	3	7,398	2/01/2020
2	Lot 12068, Pekan Klebang Seksyen 111, Melaka (Land)	Leasehold expiring in 2109	20,234 square metre	Vacant	7	4,681	1/06/2015
3	P-01-01, Vista Residence, Genting Permai Avenue, 69000 Genting Highlands Pahang	Leasehold expiring in 2116	9,666 square feet	Hotel	4	4,578	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	9	3,797	31/05/2013
5	P-02-01, Vista Residence, Genting Permai Avenue, 69000 Genting Highlands Pahang	Leasehold expiring in 2116	9,666 square feet	Hotel	4	3,981	3/01/2019
6	P-01-02, Vista Residence, Genting Permai Avenue, 69000 Genting Highlands Pahang	Leasehold expiring in 2116	6,943 square feet	Hotel	4	3,288	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	20	3,105	11/05/2011
8	GM3565, Lot 703, Mukim Serendah, Daerah Hulu Selangor	Freehold	1.1255 hectare	Vacant	3	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	Hotel	4	2,886	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	3	2,250	2/10/2020

ANALYSIS OF SHAREHOLDINGS
As at 31 March 2023

Class of Shares	:	Ordinary Share ("Shares")
Issued Share Capital	:	1,267,207,766 Shares
Treasury shares	:	6,157,566 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 2023 (WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNT BELONGING TO THE SAME PERSON)

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Share Capital
Less than 100	619	13.44	20,736	0.00
100 to 1,000	677	14.70	384,481	0.03
1,001 to 10,000	2,328	50.54	9,680,781	0.77
10,001 to 100,000	784	17.02	22,421,464	1.78
100,001 to less than 5% of issued shares	194	4.21	353,165,181	28.00
5% and above of issued shares	4	0.09	875,377,557	69.42
Total	**4,606**	**100.00**	**1,261,050,200***	**100.00**

Note:
*** Exclude a total of 6,157,566 treasury shares retained by the Company as per record of depositors as at 31 March 2023**

THE 30 LARGEST SECURITIES ACCOUNT HOLDERS AS AT 31 MARCH 2023 (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	451,675,278	35.82
2.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT- AMBANK (M) BERHAD FOR AMAZING PARADE SDN BHD (SMART)	251,975,000	19.98
3.	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR EGOVISION SDN.BHD. (SMART)	102,820,000	8.15
4.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD	68,907,279	5.46
5.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR EGOVISION SDN BHD (BDA)	63,000,000	5.00
6.	VISTA CONTRACTING AND INVESTMENT GLOBAL PTE LTD	25,239,000	2.00
7.	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR EASTSPRING INVESTMENTSSMALL-CAP FUND	18,799,058	1.49
8.	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD - KENANGA GROWTH FUND	17,847,000	1.42

Analysis of Shareholdings (Cont'd)

THE 30 LARGEST SECURITIES ACCOUNT HOLDERS AS AT 31 MARCH 2023 (WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNT BELONGING TO THE SAME PERSON)

No.	Holder Name	No. of Shares	% of Issued Share Capital
9.	ONE PERMATANG SDN BHD	16,161,000	1.28
10.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (KENANGA)	12,498,103	0.99
11.	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR ALLIANZ LIFE INSURANCE MALAYSIA BERHAD (MEF)	10,732,600	0.85
12.	MAYBANK (NOMINEES) TEMPATAN SDN BHD NATIONAL TRUST FUND (IFM KENANGA)	10,419,902	0.83
13.	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR EGOVISION SDN. BHD. (ESS2. 7189-9)	9,891,457	0.78
14.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (PHEIM)	9,147,575	0.73
15.	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR NORGES BANK (FI 17)	7,064.967	0.56
16.	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR MANULIFE INVESTMENT SHARIAH PROGRESS FUND	6,903,956	0.55
17.	AMANAHRAYA TRUSTEES BERHAD PMB SHARIAH GROWTH FUND	6,440,000	0.51
18.	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD FOR KENANGA SHARIAH GROWTH OPPORTUNITIES FUND (50156 TR01)	6,281.000	0.50
19.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TOH SIEW CHUON	5,988,607	0.47
20.	CIMB ISLAMIC NOMINEES (TEMPATAN) SDN BHD CIMB ISLAMIC TRUSTEE BERHAD - KENANGA SYARIAH GROWTH FUND	5,854,079	0.46
21.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (ARIM)	4,484,400	0.36
22.	LEMBAGA TABUNG ANGKATAN TENTERA	4,241,400	0.34
23.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (AMUNDI)	4,073,800	0.32
24.	CARTABAN NOMINEES (TEMPATAN) SDN BHD PRUDENTIAL ASSURANCE MALAYSIA BERHAD FOR PRULINK STRATEGIC FUND	4,067,900	0.32
25.	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR EASTSPRING INVESTMENTS ISLAMIC SMALL-CAP FUND	4,000,000	0.32

Analysis of Shareholdings (Cont'd)

THE 30 LARGEST SECURITIES ACCOUNT HOLDERS AS AT 31 MARCH 2023 (WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNT BELONGING TO THE SAME PERSON)

No.	Holder Name	No. of Shares	% of Issued Share Capital
26.	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR DANA MAKMUR PHEIM (211901)	3,999,200	0.32
27.	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD LEMBAGA TABUNG HAJI (AL-WARA')	3,834,600	0.30
28.	AMAZING PARADE SDN BHD	3,637,586	0.29
29.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD URUSHARTA JAMAAH SDN BHD (AMUNDI 2)	3,533,500	0.28
30.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (CGS CIMB)	3,168,020	0.25
	TOTAL	**1,146,686,267**	**90.93**

DIRECTORS' SHAREHOLDINGS IN THE COMPANY (AS PER REGISTER OF DIRECTORS' SHAREHOLDINGS AS AT 31 MARCH 2023)

	No. of Shares held			
Name of Directors	**Direct**	**%**	**Indirect**	**%**
Datuk Tee Eng Ho	–	–	*2 882,999,321	*2 70.02
Tee Eng Seng	–	–	*2 882,999,321	*2 70.02
Datin Toh Siew Chuon	5,988,607	0.48	*2 882,999,321	*2 70.02
Tee Eng Tiong	–	–	*3 16,161,000	*3 1.28
Chan Kam Chiew	–	–	–	–
Maylee Gan Suat Lee	–	–	–	–
Professor Datuk Dr. Nik Mohd Zain Bin Nik Yusof	–	–	–	–
Chong Swee Ying	10,000	*1 0.00	–	–

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

Analysis of Shareholdings (Cont'd)

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS (AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 31 MARCH 2023)

	No. of Shares held			
Name of Substantial Shareholdings	**Direct**	**%**	**Indirect**	**%**
Amazing Parade Sdn. Bhd.	255,612,586	20.27	–	–
Egovision Sdn. Bhd.	627,386,735	49.75	–	–
Datuk Tee Eng Ho	–	–	*1 888,987,928	*1 71.49
Tee Eng Seng	–	–	*2 882,999,321	*2 70.02
Datin Toh Siew Chuon	5,988,607	0.47	*2 882,999,321	*2 70.02
Employees Provident Fund Board	89,781,074	7.12	–	–

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

NOTICE OF THIRTY-NINTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Thirty-Ninth Annual General Meeting of the Company will be held virtually through live streaming from No. 1, Jalan Wangsa Permai, 1st Floor, Bangunan One Wangsa, Taman Wangsa Permai, 52200 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur as the Broadcast Venue and via a remote participation and voting facilities via Securities Services e-Portal provided by Securities Services (Holdings) Sdn. Bhd. in Malaysia at https://sshsb.net.my on Tuesday, 13 June 2023 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 2022 and the Reports of Directors and Auditors thereon.

2. To approve the payment of Directors' fees to the Non-Executive Directors of RM196,923 in respect of the financial year ended 31 December 2022. *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 14 June 2023 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) Datuk Tee Eng Ho [Article 91(1)] *Ordinary Resolution 3*
   (ii) Tee Eng Seng [Article 91(1)] *Ordinary Resolution 4*
   (iii) Professor Datuk Dr. Nik Mohd Zain Bin Nik Yusof (Article 83) *Ordinary Resolution 5*
   (iv) Chong Swee Ying (Article 83) *Ordinary Resolution 6*

5. To appoint Nexia SSY PLT as Auditors of the Company and authorise the Directors to determine their remuneration. *Ordinary Resolution 7*

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 approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby authorised pursuant to Section 75 of the Companies Act 2016 to allot and issue 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 allotted pursuant to this Resolution does not exceed 10% of the issued shares of the Company for the time being. *Ordinary Resolution 8*

AND THAT pursuant to Article 54 of the Constitution, direction to the contrary of pre-emptive rights under Section 85 of the Companies Act 2016 be and is hereby given for the Directors to offer and issue new shares of the Company ranking equally to the existing shares of the Company pursuant to the aforesaid authority, to such persons for such consideration as the Directors deem fit and in the best interest of the Company."

(B) PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY

"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:- *Ordinary Resolution 9*

(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

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

(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 10

"THAT, subject to the Companies Act 2016 ("**Act**"), the Constitution of the Company and the Bursa Malaysia Securities Berhad Main Market Listing Requirements, approval be and is hereby given to the Company and its subsidiaries ("**Kerjaya Group**") to enter into all transactions involving the interests of Directors, major shareholders or persons connected with Directors and/or major shareholders of the Group ("**Related Parties**") as specified in Section 2.2.2 of Part B of the Circular to Shareholders dated 28 April 2023 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

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

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 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
28 April 2023

Notes to the Notice of Thirty-Ninth Annual General Meeting ("39th AGM"):-

1. Proxy

1.1 For the purposes of determining a member who shall be entitled to attend and vote at the forthcoming 39th AGM, the Company shall be requesting the Record of Depositors as at 6 June 2023. Only depositors whose names appear in the Record of Depositors as at 6 June 2023 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-Nineth Annual General Meeting (Cont'd)

2. *Audited Financial Statements for the financial year ended 31 December 2022*

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 39th 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 2022; and*
- *Ordinary Resolution 2 on payment of Directors' benefits (excluding Directors' fees) to the Non-Executive Directors from 14 June 2023 until the next AGM ("**Mandate Period**").*

The Directors' benefits payable to the Directors are essentially the meeting allowance for attendance of Board/ Board Committee meetings/General meetings of the Company. The Directors' benefits from 14 June 2023 until the conclusion of the next AGM is estimated not to exceed RM50,000. The Board will seek shareholders' approval at the subsequent AGM in the event the said amount of the Directors' benefits is insufficient to pay the Non-Executive Directors for their services for the Mandate Period due to an increase in Board/Board Committee meetings/General 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 2022 are disclosed in the Corporate Governance Overview Statement as contained in Annual Report 2022.

4. *Ordinary Resolutions 3 to 5: Re-election of Directors*

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

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.

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

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).

The Board endorsed the Nomination Committee's recommendation that the Directors who retire in accordance with Articles 90(1) and 83 of the Company's Constitution are eligible to stand for re-election. They, being eligible for re-election have given their consent for re-election.

5. ***Ordinary Resolution 8: Authority to Allot Shares***

The proposed Ordinary Resolution 8, if passed, will:

(a) empower the Directors of the Company to allot and issue shares not exceeding 10% of the issued shares of the Company subject to the 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; and

(b) give direction to the Directors of the Company under Article 54 of the Company's Constitution to offer and issue new shares pursuant to the authority granted to any such persons without first to offer the new shares to the existing members of the Company in proportion to their shareholding.

The authority, if granted, will provide flexibility to the Company for any possible fundraising 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 printing of this Annual Report, 25,239,000 ordinary shares at an issue price of RM1.60 each in the Company were issued and allotted in accordance with the general mandate pursuant to Sections 75 of the Act which was obtained from the shareholders of the Company at its 38th AGM held on 26 May 2022 and which will lapse at the conclusion at the 39th AGM. The said Shares were allotted and issued in relation to the Private Placement exercise undertaken by the Company which raised a total proceeds of about RM40.38 million.

6. ***Ordinary Resolution 9: Proposed Renewal of Share Buy-back Authority***

The proposed Ordinary Resolution No. 9, if passed, will empower the Directors of the Company to purchase the Company's ordinary shares of up to ten percent (10%) of the total number of issued shares of the Company by utilising the funds allocated which shall not exceed the total retained earnings of the Company. Further information on the proposed renewal of share buy-back authority is set out in the Circular to Shareholders dated 28 April 2023, which is despatched together with the Notice of Annual General Meeting.

7. ***Ordinary Resolution 10: Proposed of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature***

The proposed Ordinary Resolution 10, if passed, will enable the Company and/or its Subsidiaries to enter into recurrent transactions involving the interests of Related Parties, which are of a revenue or trading nature and necessary for the Group's day-to-day operations, subject to the transactions being carried out in the ordinary course of business and on terms not to the detriment of the minority shareholders of the Company. Further information on the proposed shareholders' mandate for recurrent related party transactions of a revenue or trading nature is set out in the Circular to Shareholders dated 28 April 2023, which is despatched together with the Notice of Annual General Meeting.

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-Ninth Annual General Meeting of the Company to be held virtually through live streaming from No. 1, Jalan Wangsa Permai, 1st Floor, Bangunan One Wangsa, Taman Wangsa Permai, 52200 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur as the Broadcast Venue and via a remote participation and voting facilities via Securities Services e-Portal provided by Securities Services (Holdings) Sdn. Bhd. in Malaysia at https://sshsb.net.my on Tuesday, 13 June 2023 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 Datuk Tee Eng Ho as a Director of the Company		
4	To re-elect Tee Eng Seng as a Director of the Company		
5	To re-elect Professor Datuk Dr. Nik Mohd Zain Bin Nik Yusof as a Director of the Company		
6	To re-elect Chong Swee Ying as a Director of the Company		
7	To appoint Nexia SSY PLT as Auditors of the Company		
8	To approve authority to allot shares		
9	To approve the proposed renewal of share buy-back authority		
10	To approve the proposed shareholders' mandate for recurrent related party transactions		

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 ________________ 2023

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 39th AGM, the Company shall be requesting the Record of Depositors as at 6 June 2023. Only depositors whose names appear in the Record of Depositors as at 6 June 2023 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)

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