KERJAYA PROSPEK GROUP BERHAD

198401010054 (122592-U)

ANNUAL REPORT 2023

TABLE OF CONTENTS

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

VISION

MISSION

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

Corporate Information

Datuk Tee Eng Ho

(Non-Independent Non-Executive Chairman)

Datin Toh Siew Chuon

(Executive Director)

Dato' 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)

BOARD OF DIRECTORS

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)

RISK MANAGEMENT AND SUSTAINABILITY COMMITTEE

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

Chan Kam Chiew - Member
(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)

Corporate Information (Cont'd)

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
Email: eadvisory@epsilonas.com

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

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
Email: info@sshsb.com.my

PRINCIPAL BANKERS

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

CORPORATE OFFICE

C-32-01 & C-33-01, Menara Vista Petaling
No. 137, Jalan Puchong
58200 Kuala Lumpur
Malaysia
Tel: 603-8682 8232
Website: www.kerjayagroup.com

STOCK EXCHANGE LISTING

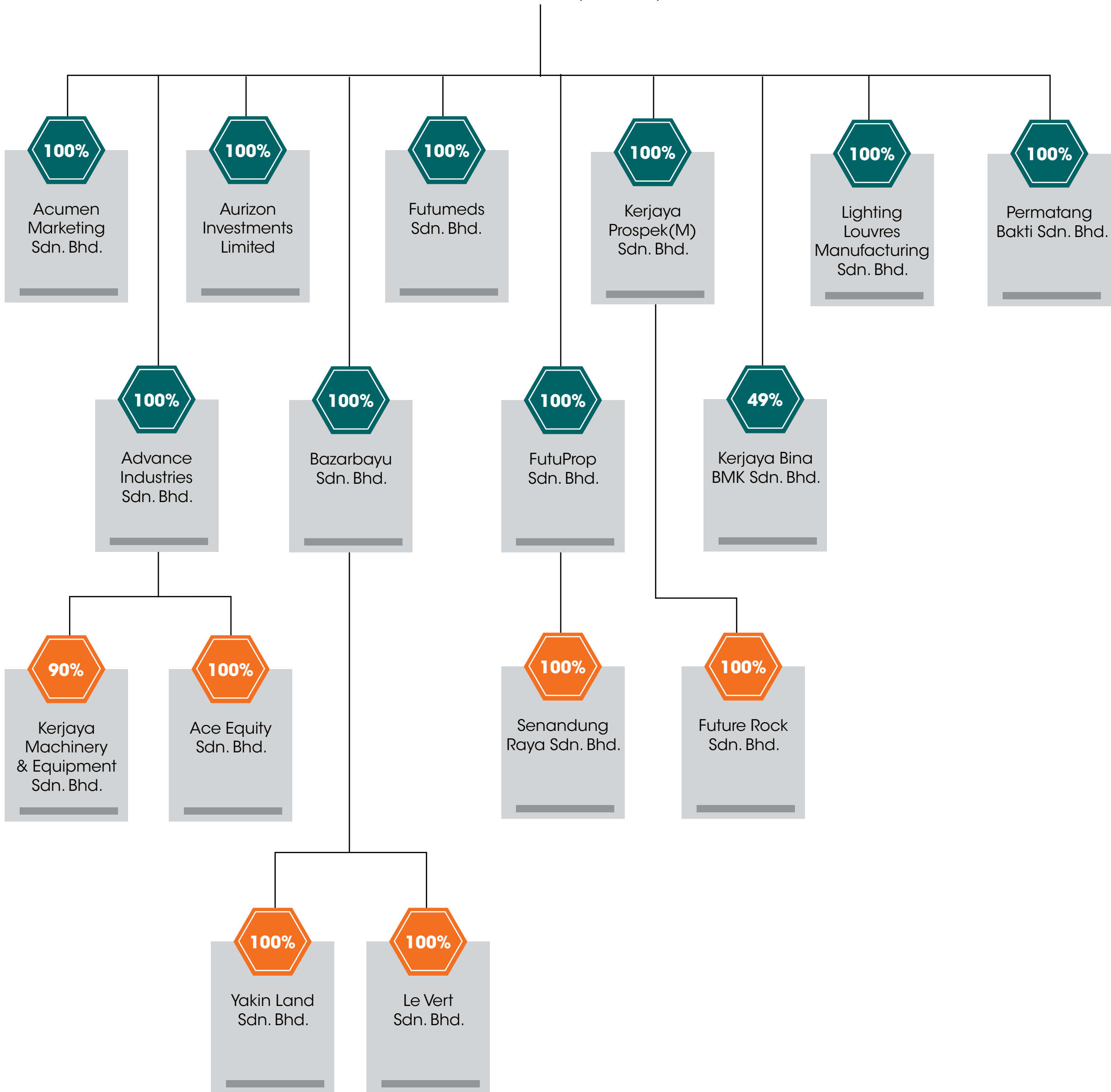
Main Market of Bursa Malaysia Securities Berhad
Stock Name:KERJAYA
Stock Code:7161

Corporate Structure

As at 25 April 2024

KERJAYA PROSPEK GROUP BERHAD

198401010054 (122592-U)



Profile of Directors

DATUK TEE ENG HO

Non-Independent Non-Executive Chairman

Malaysian | Age 59 | Male

Date Appointed on Board:
31 March 2011

Length of Service:
13 years and 2 months

Board Committee:
Nil

Present Directorship in other Malaysia 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 has undertaken various remarkable residential and mix developments projects in Malaysia and overseas countries through his position in Kerjaya as well as his involvement as director and major shareholder in other Malaysia listed entities, namely, Kerjaya Prospek Property Berhad and Eastern & Oriental Berhad, which principally engaged in property development businesses.

Datuk Tee, together with his brother Dato' Tee Eng Seng are the co-founders of Kerjaya. They became major shareholders of Kerjaya on 28 March 2011 and has successfully completed the Unconditional Mandatory Take-Over Offer of Kerjaya on 31 October 2011.

Datuk Tee was appointed Executive Chairman of Kerjaya on 31 March 2011 and play a pivotal role in the formulation of the Kerjaya business strategies, driving the growth of the Group. On 12 May 2021, Datuk Tee was redesignated to Non-Independent Non-Executive Chairman of Kerjaya in view of his appointment as an Executive Chairman in Eastern & Oriental Berhad.

Board Skills Matrix:
- Engineering
- Business Management

Profile of Directors (Cont'd)

DATO' TEE ENG SENG

Executive Director

Malaysian | Age 54 | Male

Date Appointed on Board:
31 March 2011

Length of Service:
13 years and 2 months

Board Committee:
Nil

Present Directorship in other Malaysia Listed Entities:
Kerjaya Prospek Property Berhad (Executive Director)
Eastern & Oriental Berhad (Executive Director)

Academic/Professional Qualifications:
Sijil Pelajaran Malaysia

Working Experience:-
Dato' Tee Eng Seng started his career working in construction related companies and has more than 25 years of experience in Civil and Building Construction. He has undertaken various remarkable residential and mix developments projects in Malaysia and overseas countries through his position in Kerjaya as well as his involvement as director and major shareholder in other Malaysia listed entities, namely, Kerjaya Prospek Property Berhad and Eastern & Oriental Berhad, which principally engaged in property development businesses.

Dato' Tee Eng Seng, together with his brother Datuk Tee Eng Ho are the co-founders of Kerjaya. They became major shareholders of Kerjaya on 28 March 2011 and has successfully completed the Unconditional Mandatory Take-Over Offer of Kerjaya on 31 October 2011.

Dato' Tee Eng Seng primary role in Kerjaya is driving, overseeing and managing the execution of the overall construction projects of the Group.

Board Skills Matrix:
- Engineering
- Business Management

Profile of Directors
(Cont'd)

DATIN TOH SIEW CHUON
Executive Director

Malaysian **I** Age 58 **I** Female

Date Appointed on Board:
15 November 2011

Length of Service:
12 years and 6 months

Board Committee:
Nil

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

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

Working Experience:
Datin Toh started her career as practice in audit firm focusing on auditing and taxation. She subsequently left auditing and taxation line to run her own construction business with his spouse, Datuk Tee Eng Ho in 1995.

With over 28 years' experience in construction industry, Datin Toh was appointed Executive Director of Kerjaya on 15 November 2011 and is primarily responsible for overseeing the internal administration, marketing and design-related matters of the Group.

Datin Toh is major shareholder of Kerjaya, Kerjaya Prospek Property Berhad and Eastern & Oriental Berhad. She is also the Executive Chairperson of Kerjaya Prospek Property Berhad overseeing the property development business of the group.

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

Profile of Directors (Cont'd)

TEE ENG TIONG

Executive Director/Chief Executive Officer

Malaysian I Age 46 I Male

Date Appointed on Board:
12 May 2021

Length of Service:
2 years and 11 months

Board Committee:
Nil

Present Directorship in other Malaysia 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 | Age 59 | Male

Date Appointed on Board:
12 May 2021

Length of Service:
2 years and 11 months

Board Committee:
- Audit Committee (Chairman)
- Nomination Committee (Member)
- Remuneration Committee (Member)
- Risk Management and Sustainability Committee (Member)

Present Directorship in other Malaysia Listed Entities:

- LGMS Berhad (Independent Non-Executive Director)
- Panda Eco System 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 Peat Marwick (now known as KPMG) in Malaysia on December 1984. Between September 1991 and April 1993, he was seconded to KPMG in San Francisco. In October 1998, he was admitted as a Partner of KPMG Malaysia and served until his retirement at the end of December 2020. 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 Securities Berhad.

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. In March 2023, he was appointed as a member of the Malaysian Financial Reporting Standards Application and Implementation Committee of the MASB.

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

Profile of Directors (Cont'd)

MAYLEE GAN SUAT LEE
Independent Non-Executive Director

Malaysian | Age 47 | Female

Date Appointed on Board:
12 May 2021

Length of Service:
2 years and 11 months

Board Committee:
- Audit Committee (Member)
- Nomination Committee (Member)
- Remuneration Committee (Chairperson)
- Risk Management and Sustainability Committee (Member)

Present Directorship in other Malaysia Listed Entities:
- SNS Network Technology Berhad (Independent Non-Executive Director)
- Nextgreen Global 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 19 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 I Age 77 I Male

Date Appointed on Board:
25 August 2022

Length of Service:
1 year and 8 months

Board Committee:
- Audit Committee (Member)
- Nomination Committee (Chairman)
- Remuneration Committee (Member)
- Risk Management and Sustainability Committee (Member)

Present Directorship in other Malaysia 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

Profile of Directors (Cont'd)

CHONG SWEE YING

Independent Non-Executive Director

Malaysian | Age 60 | Female

Date Appointed on Board:
1 November 2022

Length of Service:
1 year and 6 months

Board Committee:
- Audit Committee (Member)
- Nomination Committee (Member)
- Remuneration Committee (Member)
- Risk Management and Sustainability Committee (Chairperson)

Present Directorship in other Malaysia 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

OTHERS INFORMATION ON DIRECTORS

Family Relationship with Directors and/or Major Shareholders

Datuk Tee Eng Ho, Dato' Tee Eng Seng and Tee Eng Tiong are brothers while Datin Toh Siew Chuon is the spouse of Datuk Tee Eng Ho and sister-in-law to Dato' Tee Eng Seng and Tee Eng Tiong. Datuk Tee Eng Ho, Dato' Tee Eng Seng and Datin Toh Siew Chuon are major shareholders of the Company. None of the other directors has any family relationships with each other and/or with any major shareholders of the Company.

Conflict of Interests or Potential Conflict of Interests

Save for the recurrent related party transactions disclosed on page 173 of this Annual Report, none of the Directors has any conflict of interests or potential conflict of interests with the Group.

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 2023 is disclosed in the Corporate Governance Overview Statement as contained in this Annual Report.

Directors' Shareholding

Details of the Directors' interests are disclosed in the Analysis of Shareholdings as contained in this Annual Report.

Profile of Key Senior Management

Tee Eng Tiong

Chief Executive Officer/Executive Director

Dato' Tee Eng Seng

Executive Director

Datin Toh Siew Chuon

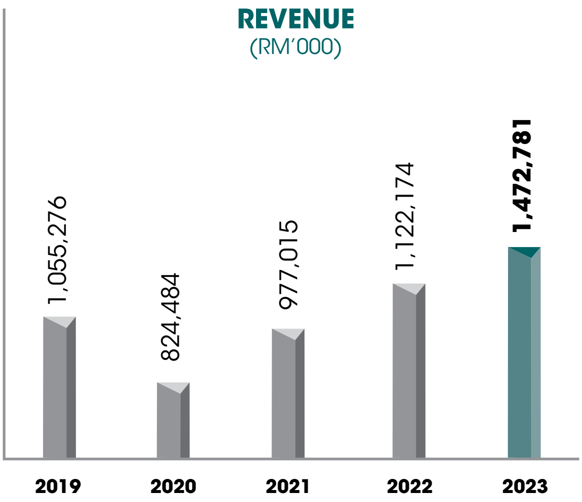
Executive Director

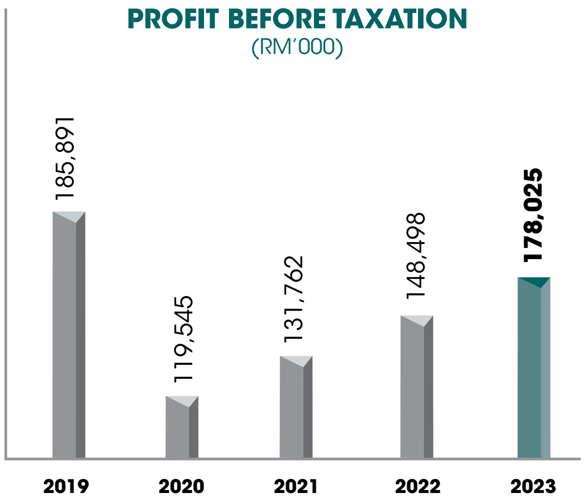
The profiles of the Chief Executive Officer and Executive Directors are outlined in their respective profile on page 6 to 8.

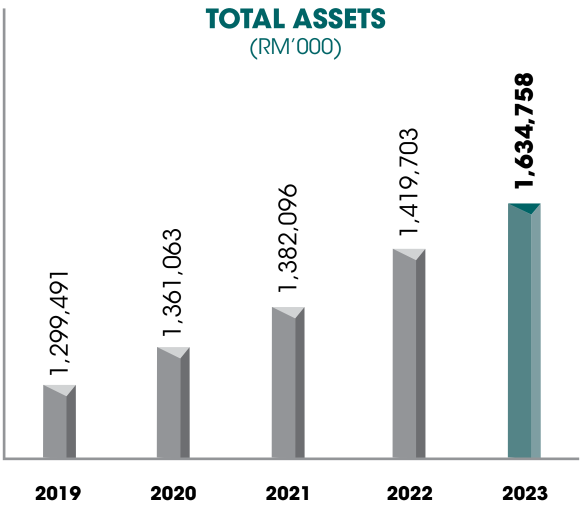
Group Financial Highlights

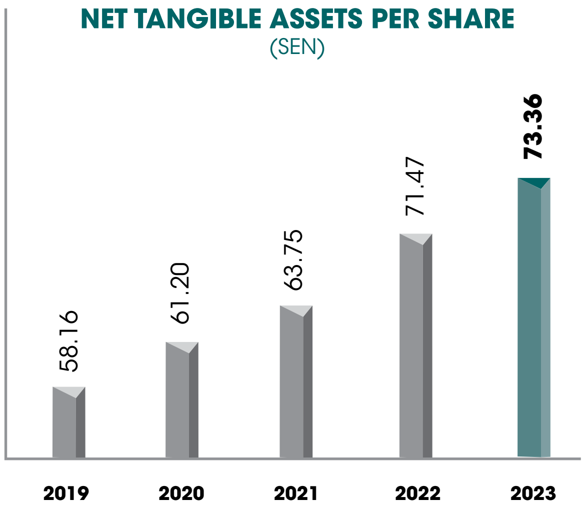
	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000
Revenue	1,055,276	824,484	977,015	1,122,174	1,472,781
Profit Before Taxation	185,891	119,545	131,762	148,498	178,025
Profit after taxation and minority interest	140,180	90,755	96,962	114,798	131,518
Total Assets*	1,299,491	1,361,063	1,382,096	1,419,703	1,634,758
Shareholder's Fund*	945,691	981,949	1,016,782	1,121,264	1,152,970
Net Tangible Assets	717,744	754,030	788,810	893,308	925,045
	sen	**sen**	**sen**	**sen**	**sen**
Net Tangible Assets per share	58.16	61.20	63.75	71.47	73.36
Basic earning per share	11.36	7.37	7.84	9.18	10.43

* **Restated**









Notable Achievement of Awards

2017 2018 2019 2017

2018 2019 2019 2020

2017
Forbes: Asia's Best Under A Billion
Kerjaya Prospek Group Berhad Top 200 Public-Traded Company in Asia Pacific Region

2018
Property Insight Prestigious Developer Awards
Best Main Contractor

2019
Property Insight Prestigious Developer Awards
Best Premium Main Contractor

2017
The Edge Billion Ringgit Club
Gold Award: Highest Returns To Shareholders Over Three Years in Construction Sector

2018
The Edge Billion Ringgit Club
Gold Award: Highest Returns To Shareholders Over Three Years in Construction Sector

2019
The Edge Billion Ringgit Club
Highest Returns To Shareholders Over Three Years in Construction Sector

2019
The Edge Billion Ringgit Club
Highest Growth Profit After Tax Over Three Years in Construction Sector

2020
The Edge Billion Ringgit Club
Highest Growth Profit After Tax Over Three Years in Construction Sector

Notable Achievement of Awards (Cont'd)

2015-2016 **2015-2016** **2019** **2019**

2017

2018

2018

2019

2015-2016
The Brandlaureate Award
Best Brands Award Corporate Branding in Construction

2015-2016
The Brandlaureate Award
Brandpreneurial Leadership Award

2019
The Brandlaureate Award
World Best Brands Award in Services Building Construction Category

2019
The Brandlaureate Award
Brandpreneur Leadership of The Year Award

2017
CONQUAS: Setia Sky 88 Phase 1 @ Johor
Score: 81.6

2018
CONQUAS: Setia Sky 88 Phase 2 @ Johor
Score: 83.3

2018
CONQUAS: EcoSky 975 units Residential @ Jalan Ipoh, KL
Score: 83.6

2019
QLASSIC: Eco Terraces, 333 units Apartment @ Penang
Score: 84%

Notable Achievement of Awards (Cont'd)

2021

2021

2022

2022

2023

2017

2021

2021
QLASSIC: The Estate @ South Bangsar, KL
Score: 83%

2021
QLASSIC: Vertu Resort @ Batu Kawan, Penang
Score: 82%

2022
QLASSIC: Batu Ulban, 552 units @ Penang
Score: 86%

2022
QLASSIC: Megahrise Mix Development, 228 units
Score: 84%

2023
QLASSIC: Axon, 853 units @ Bukit Bintang, KL
Score: 88%

2017
Setia Quality Excellence Award
Building Category
Setia Sky 88 Phase 1, Johor

2021
SHASSIC ACHIEVER: Lucentia Residences @ BBCC, Jalan Pudu

Chairman's Statement

Dear Shareholders,

On behalf of the Board of Directors of Kerjaya Prospek Group Berhad ("Kerjaya" or the "Group" or "Kerjaya Group"), I humbly present you with the annual report and audited financial statements of Kerjaya for the financial year ended 31 December 2023 ("FYE 2023").

I am undoubtedly pleased to highlight that FYE 2023 was the third consecutive year in which Kerjaya recorded revenue growth following the unprecedented Covid-19 pandemic, with the said revenue also being a new record high in our history as we continue to sail further away from the undesired issues resulted from the pandemic and into brighter days ahead.

REVIEW OF OPERATING PERFORMANCE

The best way to describe 2023 is that it was an improved extension to the memorable year which the Group experienced in 2022 with 2023 experiencing the full year impact from the lifting of pandemic related restrictions during 2022 in particular the full resumption of economic activities which include construction works. The resumptions were a boom to the construction sector as the sector was able to ride on the wave of the country's economic growth which grew by 3.7% in 2023. The local construction sector's growth in 2023 in turn has been estimated to have accelerated by over 6% from the lower 5% recorded for 2022.

As the Group continues to grow, it is the steadfast belief that our tried and tested strategy of primarily focusing on seeking development projects with lucrative returns is the main reason behind our ability to replicate our success, year in year out.

Holding on to this strategy and with in the continuing quest to seek new projects, we recently managed to secure a RM111.8 million residential development project in Sentul and RM33.2 million piling and earthworks job for a proposed service apartment in Pulau Andaman. This increased our order book to RM441 million, as at reporting date. Nevertheless, we will not be resting on our laurels anytime soon and will persevere to increase the order book throughout the year.

REVIEW OF FINANCIAL PERFORMANCE

I am happy to note that our commendable financial performance in FYE 2022 spilled over into FYE 2023 where the Group's revenue further increased by 31.2% from 2022's RM1.1 billion to RM1.5 billion. I am pleased to highlight here that the revenue growth was led by the improved progress of construction work activities and contribution from the property development sector, particularly The Vue@ Monterez project. Being our principal activity, the construction division continues to be the key revenue contributor to the Group. It accounted for almost 98% of FYE 2023's revenue. With higher revenue, the profit after tax surged to RM131.7 million, an increase of 14.7% from preceding year's RM114.8 million.

The Group's financial health remains strong. As at end December 2023, we were in a net cash position of RM167.2 million with a current ratio of 3.05 times.

Further information about the Group's financial performance is available in the Management Discussion and Analysis section of this annual report.

Chairman's Statement (Cont'd)

LOOKING AHEAD

Regardless of which economic barometers one refers to, 2024 appears to be an even better year as we move forward. Be it the economic growth projections by International Monetary Fund, Bank Negara and/ or various research houses.

Whilst expectations are of a positive nature, the business world operates under such a fluid and dynamic environment. It continuously faces one challenge after another, of various degrees, from pandemics, global uncertainties in the form of the ongoing Russian-Ukraine war to conflicts in the Red Sea. The latter has resulted in inflationary pressures on prices of goods and supplies in general. All these would have an impact on our operating cost come 2024, both directly and indirectly.

We are mindful of the inflationary pressures exerted on prices, in particular the prices of building materials over the past few months. Prices of steel bars, cement and aggregates, the main lifeblood of the construction sector, have been exhibiting year on year growth rates of up to 10%. Kerjaya will unquestionably be kept busy, armed with an outstanding order book of over RM4 billion and counting. However, with the escalating building material prices, this can derail our profitability growth path and erode our margins.

With self-contentment taking a back seat, we are cautiously optimistic that our tested and proven growth strategy which revolves round a 'fire prevention' approach rather than firefighting one, is suffice in optimising our earnings in 2024, as likewise how this strategy has served us well previously.

I am also enchanted to mention that come 2024, our Papyrus @ North Kiara project, with an estimated gross development value of RM500 million was recently soft launched in March 2024. This new launch will further boost our revenue which will trickle down to boost our bottom line as well.

APPRECIATION

On behalf of the Board, our heartfelt appreciation goes out to our esteemed shareholders for the loyal and continuous support and faith rendered to Kerjaya. We would like to thank our business partners, clients, suppliers, and other stakeholders for their continuous support as well. Just as important, our humbled thanks to the Kerjaya colleagues for the hard work and contributions to the Group. Kerjaya would not be where it is now without your contributions.

DATUK TEE ENG HO
Non-Independent Non-Executive Chairman

Management Discussion & Analysis

Dear Shareholders,

*The Board is pleased to provide the Management Discussion & Analysis ("**MDA**") statement of the Group's business, operations and performances for the FYE 2023 to share with our shareholders with further insights and a deeper understanding of the Management's view of our business strategy, financial position, operations and prospects.*

Overview

Founded three decades ago, Kerjaya initially focused on designing, manufacturing, marketing of lighting products and premium kitchen cabinetry. Over the years, the Group expanded its expertise 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.

Kerjaya is one of Malaysia's leading construction players, backed by a robust track record of over three decades and a huge clientele base. Over the years, Kerjaya has gained unwavering trust and confidence from its esteemed clients, and with this said, we would like to express our gratitude to all our clients who have been supporting our growth and success. During the year under review, the Group won a total of eight contracts worth RM1.2 billion, bringing the Group's outstanding order book to RM4.2 billion as at 31 December 2023.

The Group also expanded its business to include a property development division to diversify its revenue streams and enhance the Group's long-term outlook. Its maiden property development project in Gohtong Jaya, known as Vista Residence @ Genting Highlands with a gross development value ("**GDV**") of RM300 million was completed in 2019. Currently, the two on-going projects are The Vue @ Monterez with a GDV of RM300 million and Papyrus @ North Kiara with a GDV of RM500 million. The take up rate for The Vue @ Monterez stood at approximately 60% as at 31 December 2023, while Papyrus @ North Kiara project was recently soft launched in March 2024.

Throughout the years, Kerjaya and its subsidiaries have won numerous prestigious awards, a testament to the Group's ability to deliver strong performances consistently, 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

Management Discussion & Analysis (Cont'd)

Developer Awards 2019 by Property Insight. Kerjaya 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 won the Gold award in the PAM Award under 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, our goal is to deliver high work quality and services to our clients while maintaining healthy profit margins. As one of the leading construction players, the Group is committed to gain a deeper understanding of its clients' needs, providing the Group with a competitive advantage to establish long-term sustainable business relationships and maintain the trust and confidence of its clients. Evidently, the addition of RM1.2 billion worth of new contracts into the outstanding order book for FYE 2023 is a testament to Kerjaya's competence of consistently delivering high-quality projects in a timely manner.

The Group, over the years, received multiple awards in recognition of its outstanding and remarkable quality workmanship. The Group's Eco Sky received the highest CONQUAS score of 83.6 marks in Malaysia under the high-rise building category. In addition, the Sky88 Johor project received the Setia Quality Excellence Award with CONQUAS scores of 81.6 and 83.3 marks, with a ranking of second and fourth highest scores respectively under the high-rise building category in Malaysia. Kerjaya also achieved 86% and 84% in the 'QLASSIC' assessment for its Batu Uban @ Penang and Megan Rise Development in Selangor respectively. This "QLASSIC" assessment was evaluated by Construction Industry Development Board Malaysia based on the workmanship quality of the building construction works. Additionally, the Group was awarded the 5-Star Safety and Health Assessment System in Construction Achiever rating by Construction Industry Development Board for its Lucentia @ BBCC project.

With evolvement of technology coming into play in the construction industry, we have led the way in pioneering innovative forward-thinking techniques to enhance the quality of our final product, minimize raw material wastage, and improve efficiency of our work process. Furthermore, in the face of a competitive and challenging market environment, we firmly believe that leveraging construction technology is essential for driving business success. In 2011, we invested in the industrialised building system ("**IBS**"), and since then, we have implemented IBS technology into numerous project developments. The Group strongly believes that the utilisation of the IBS technology will continue to enhance its operational efficiency through aspects such as reduction of building materials waste, dependency on manual labour, improved quality control, as well as expediting the completion and delivery of the projects. Kerjaya is convinced with the usage of the IBS and will continue to invest in it. Since its implementation, the IBS approach has aided the Group to its success.

REVIEW OF FINANCIAL PERFORMANCE

For FYE 2023, the Group reported a revenue of RM1.5 billion, translating to a commendable increase of 31.2% as compared to the previous year's RM1.1 billion. The record setting revenue was primarily contributed by the higher revenue recognition from the construction segment, as well as from its property development division. Accordingly, the profit after tax and minority interest ("**PATAMI**") was RM131.7 million, 14.7% improvement from last year's RM114.8 million. The construction division continues to be the key driver of the Group. It contributed 97.9% of the Group's 2023 revenue.

As at 31 December 2023, Kerjaya's financial position remained healthy with a net cash balance of RM167.2 million. This robust financial position provides ample opportunities for the Group to strategically expand its business and negotiate for better pricing when procuring raw materials. The Group has also maintained a steady return on equity of 11.4%, an improvement of 1.3 percentage points from last year's 10.2%, which indicates the Group's ability to generate profits from its equity capital.

CONSTRUCTION DIVISION

The 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 remains as the main earnings contributor of the Group. The FYE 2023 revenue was RM1.4 billion, which translated to an increase of 29.1% as compared to last year's RM1.1 billion. The increase was predominantly driven by the improved progress of construction work activities. In line with the better revenue, the segment's profit in FYE 2023 improved by 28.6% to RM192.2 million, in comparison to RM149.4 million, a year ago.

In FYE 2023, the Group was awarded eight contracts worth RM1.2 billion, by reputable developers, such as Tanjung Pinang Development Sdn Bhd, Sunrise Alliance Sdn Bhd, Aspen Vision City Sdn Bhd, to name a few. This gives a total of 36 on-going construction projects with a total outstanding order book of approximately RM4.2 billion as at 31 December 2023. This huge order book will continue to provide significant earnings visibility for the next few financial years.

Bloomsvale @ Old Klang Road

Gurney Bridge @ Pulau Pinang

Viluxe @ Batu Kawan

Management Discussion & Analysis (Cont'd)

PROPERTY DEVELOPMENT DIVISION

For the financial year under review, the property development division achieved revenue of RM28.4 million, marking a remarkable surge of 872.6% compared to the RM2.9 million recorded in the previous financial year. The significant increase in revenue in FYE 2023 was primarily attributed to the sale of properties from its on-going development project, The Vue @ Monterez. Accordingly, this segment has made a segmental profit surge from RM0.1 million to RM6.8 million.

The Group has also soft launched its latest project, Papyrus North Kiara in March 2024 with a GDV of RM500 million, following the successful official launch of The Vue @ Monterez in FYE 2023.

THE VUE @ MONTEREZ

PAPYRUS @ NORTH KIARA

MANUFACTURING DIVISION

The manufacturing division complements the Group's construction and property development divisions. It provides kitchen solutions under the brand name of 'FORTE'. This division reported a segmental profit of RM0.04 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 2 February 2023, the Group was awarded a contract worth RM135.4 million by BBCC Development Sdn Bhd to undertake main building works for a block of 31-storey serviced apartment, basement and podium which comprises a seven-storey carpark, main lobby and multipurpose hall off Jalan Hang Tuah/ Jalan Pudu, Kuala Lumpur. On 7 February 2023, the Group was awarded a RM398.0 million contract by Tanjung Pinang Development Sdn Bhd. This contract entails the construction of temporary coastal protection structure, located at Tanjung Tokong, Pulau Pinang.

On 12 June 2023, the Group secured a contract worth RM404.4 million from BCM Holdings Sdn Bhd ("**BCM**"). This contract entails construction works for a residential development project in Kuala Lumpur. However, this contract was terminated on 21 November 2023. Kerjaya has since taken legal action to enforce its rights to recover the liquidated damages payable in the sum of RM20.0 million, as stated in the Letter of Award dated 8 June 2023 and Supplemental Letter of Award dated 15 June 2023. We are currently awaiting court judgment.

On 1 August 2023, the Group further secured two contracts from Eastern & Oriental Express Sdn Bhd ("**E&OE**") and Persada Mentari Sdn Bhd ("**PMSB**"), worth RM24.7 million and RM21.3 million respectively. The contract from E&OE entails site clearance, earthworks, drainage works and all other associated works for a mixed development located in Shah Alam, Selangor Darul Ehsan. The contract from PMSB involves infrastructure works for the proposed Seri Tanjung Pinang Phase 2A Development, Pulau Pinang. On 30 August 2023, the Group was awarded a contract worth RM125.0 million from Sunrise Alliance Sdn Bhd to undertake the design and build works for a development project in Taman Equine, Bandar Putra Permai, Selangor Darul Ehsan.

Management Discussion & Analysis (Cont'd)

On 27 September 2023, Samsung-KP JV awarded a RM203.1 million contract to the Group as part of the RM1.5 billion contract received in October 2022.

On 10 October 2023, the Group won a contract to undertake the design and build works for a development project in Seberang Perai Selatan, Penang. The RM226.0 million contract was awarded by Aspen Vision City Sdn Bhd.

On 6 November 2023, the Group was awarded a RM104.7 million contract by PMSB to undertake a proposed Pulau Andaman development project in Penang.

Following the above contract awards, Kerjaya's total contract wins for FYE 2023 was RM1.2 billion.

DIVIDEND

On 23 May 2023, the Board approved a first interim dividend of 2.0 sen per ordinary share in respect of FYE 2023. The total amount of RM25.2 million was paid on 6 July 2023.

On 23 August 2023, the Board approved a second interim dividend of 2.0 sen per ordinary share in respect of FYE 2023. The total amount of RM25.2 million was paid on 6 October 2023.

On 20 November 2023, the Board approved the third interim dividend of 2.0 sen per ordinary share in respect of the financial year under review. The total amount of RM25.2 million was paid on 12 January 2024.

On 29 February 2024, the Board approved a fourth interim dividend of 2.0 sen per ordinary share in respect of FYE 2023. The total amount of RM25.2 million was paid on 5 April 2024.

The total dividend payout for FYE 2023 was 8.0 sen per share or RM100.9 million, equivalent to 76.3% of FYE 2023 PATAMI. The payout was significantly higher than the Group's dividend policy of distributing at least 25% of its PAT.

MOVING FORWARD

2024 is envisaged to be a promising year. Bank Negara Malaysia projected Malaysia's economy to grow by 4% to 5% in 2024, supported by robust domestic expenditure, improved external demand, implementation of measures under the new National Energy Transition Roadmap, New Industrial Master Plan 2030, and the Mid-Term Review of the Twelfth Malaysia Plan.

The construction sector in turn, which has shown positive growth momentum, has been forecasted to grow by 6.7% in 2024 as compared to 2023's 6.1%, backed by a strong pipeline of infrastructure projects and rising demand for industrial buildings, together with the easing labour shortages. The development expenditure allocation of RM90.0 billion, as budgeted for 2024 is expected to open more doors for construction players to participate in big-ticket infrastructure projects such as the Penang Light Rail Transit, the reinstatement of the Light Rail Transit Line 3, the Kuala Lumpur to Singapore high speed rail and the Johor LRT, which will boost the construction sector.

Given the optimistic outlook, the Group is confident that its operations and financial performance will continue to deliver value to its shareholders, driven by the strong outstanding order book of approximately RM4.4 billion and healthy financial position with net cash balance of RM167.2 million as at 31 December 2023.

Nevertheless, we are aware of the multiple headwinds affecting 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 being 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. We remain committed as we continue to leverage on our expertise and value creation efforts to continue building a resilient financial performance.

Management Discussion & Analysis (Cont'd)

THANK YOU

The Board would like to extend its heartfelt gratitude to our valued customers, vendors, suppliers, consultants, associates, bankers, and business partners, for their continuous trust and unwavering support to Kerjaya.

We would also like to thank all the government agencies and local authorities for their assistance and encouragement given to the Group. Last but not least, the Board would like to express its heartfelt thanks to the senior management team and all our employees for their commitments, contributions and hard work throughout the year.

Corporate Governance Overview Statement

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 interests of shareholders, whilst ensuring at the same time the interests of other stakeholders are safeguarded.

This Corporate Governance Overview Statement is presented pursuant to Paragraph 15.25(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Main Market Listing Requirements**"). The objective of this statement is to provide an overview of the application of the corporate governance practices ("**Practices**") of the Group during the FYE 2023 up to the date of issuance of this statement with reference to the three (3) main principles, as set out in the MCCG ("**Principles**"):-

- Principle A: Board Leadership and Effectiveness
- Principle B: Effective Audit and Risk Management
- Principle C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

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. Detailed descriptions of how the Company embrace or apply the MCCG are outlined in our Corporate Governance Report ("**CG Report**") which is submitted to Bursa Securities together with the Annual Report 2023 of the Company on 29 April 2024, copies of which are available to download from the Company's website at www.kerjayagroup.com. Shareholders are advised to read this overview statement together with the CG Report to gain an understanding on the disclosures made in respect of the application of the Principles and Practices set out in the MCCG during the FYE 2023.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1. BOARD RESPONSIBILITIES

1.1 Board's Role and Scope of Director Duties

The Board is entrusted for the oversight of overall management of the business affairs of the Group. The Board is responsible for formulating the strategic plan and directions of the Group, 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 assess 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 and oversees 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 matters reserved for the approval of the Board and those which the Board may delegate to the Board Committees and the Management.

Aside from the core responsibilities listed above, significant matters that required deliberation and approval from the Board is clearly defined as the matters reserved for the consideration and approval by the Board, which include 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, compliances of regulatory and legal requirements and the adequacy and integrity of internal controls.

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

1. BOARD RESPONSIBILITIES (CONT'D)

1.1 Board's Role and Scope of Director Duties (CONT'D)

The Board is assisted by four (4) Board Committees, each of which is entrusted with specific responsibilities to oversee the affairs of the Group with authority to act on behalf of the Board and operate within their respective terms of reference. More information about the Board Committees is set out in Section 2.1 of this Statement. 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 are to be approved by the Board. Also, the Board is duly 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.

In discharging the duties of the Board, 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 these are discussed in Section 1.5 of this Statement.

1.2 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, who is also the Executive Director 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, represents the Board in engaging with 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 strategic plan, policies and decision adopted by the Board to achieve the objective of creating long term value for the Group for the benefit of its shareholders.

1.3 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 FYE 2023 are set out in Practice 1.5 of the Company's CG Report.

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

1. BOARD RESPONSIBILITIES (CONT'D)

1.4 Dissemination of Information to Directors

The Board understands that the supply, timeliness and quality of the information affect its effectiveness in overseeing business conduct, making informed decisions and in evaluating Management's performance within the Group.

The Board and the Board Committees meet regularly on scheduled dates throughout the year to consider pre-set agenda items together with a formal schedule of matters specifically reserved for the Board for its deliberation and decision. To assist Directors in planning their attendance, meeting dates are discussed and notified to all Directors three (3) months in advance and additional dates for meetings would be a shorter notice, as and when required for specific purpose.

The Board ensures that each Director receives timely notices. Meeting notices and materials (including meeting minutes) relating to the agenda items thereto are usually circulated to the Directors/Board Committee Members seven (7) days prior to the meeting date. This allows Directors to review and consider the meeting papers and, if necessary, seek further explanations to be fully briefed before the meeting. Sufficient time is also allocated at the meetings for discussion of the matters tabled under the agenda and for the Management to response to additional request for information which Directors may make during meetings.

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. Representatives from the Management, the Company's auditors and other professionals, when necessary, are invited to be present at these meetings to provide additional insights into the matters to be discussed at Board meetings and Board Committees meetings. The Independent Directors may also interact directly with, or request further explanation, information or updates on any aspect of the operations or business concerns of the Company and the Group 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 that abstained from voting or deliberation on a particular matter.

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

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, the 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 responsibilities of the Board as well as the responsibilities of Management to communicate, measure and monitor its values and performance to achieve objectives and to instil values.

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

1. BOARD RESPONSIBILITIES (CONT'D)

1.5 Board Charter, Corporate Code of Conduct & Code of Ethics, Whistleblowing Policy & Procedures, Anti-Bribery and Corruption Policy & Guidelines and others (Cont'd)

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 that aims 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 this policy would be the key in providing a systematic approach to prevent corruption, and in complying with applicable legal and regulatory requirements in the various jurisdictions in which the Group operates. Every director, employee and person acting on behalf of the Group is responsible in conducting themselves and the business honestly and professionally in order to protect the reputation of the Group.

Through discussions and reviews with the Management, the Board has also established, inter-alia, Directors' Fit & Proper Policy, Remuneration Policy & Procedures and Stakeholders' Communication Policy.

All the above documents are published on the Company's website at www.kerjayagroup.com.

2. BOARD COMPOSITION

2.1 Composition of the Board and Board Committees

Presently, the Board comprises a total of eight (8) Directors. The Board believes the current composition, provides an adequate system of checks and balances and incorporates a diversity of perspectives and views in decision-making process through the inclusion of Independent Non-Executive Directors on the Board, each of whom brings unique skill sets, commitments and functional experiences.

In terms of tenure and Board refreshment, the Board comprises long service executive directors (except for Mr. Tee Eng Tiong who was appointed CEO on 12 May 2021) and fairly new independent directors. As at 31 December 2023, the length of service of the Independent Directors ranged from between one (1) to three (3) years. The tenure of each Director is reviewed by the NC and annual re-election of the Director is contingent on satisfactory evaluation of the performance of the Director for the financial year. During the FYE 2023, there was no new appointment to the Board.

The Board is assisted by four (4) board committees, namely the Audit Committee ("**AC**"), the Nomination Committee ("**NC**"), the Remuneration Committee ("**RC**") and the Risk Management and Sustainability Committee ("**RMSC**") (collectively referred to as the "**Board Committees**"). RMSC is a new Board Committee set up by the Board on 29 February 2024 to replace the Risk Management Committee.

Corporate Governance Overview Statement (Cont'd)

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

2. BOARD COMPOSITION (CONT'D)

2.1 Composition of the Board and Board Committees (Cont'd)

All members of the Board Committees consist of wholly Independent Non-Executive Directors of the Company. The Board is of the view that the Chairman of the Board should not be involved in these Board Committees to ensure that there is check and balance as well as to enable an objective review by the Chairman of the Board when the Board is deliberating on the observations and recommendations put forth by the Board Committees.

A brief profile of each Director is set out on pages 5 to 12 of this Annual Report. Their other position(s) in the Company, membership on the Board Committees and directorship role are shown below:-

Name	Position(s)	Executive/ Independent Director
Datuk Tee Eng Ho	• Chairman of the Board	Non-Independent Non-Executive Director
Datin Toh Siew Chuon	• Executive Director	Executive Director
Dato' Tee Eng Seng	• Executive Director	Executive Director
Tee Eng Tiong	• Executive Director & Chief Executive Officer ("**CEO**")	Executive Director
Chan Kam Chiew	• Chairman of AC • Member of NC, RC and RMSC	Independent Non-Executive Director
Maylee Gan Suat Lee	• Chairperson of RC • Member of AC, NC and RMSC	Independent Non-Executive Director
Professor Datuk Dr. Nik Mohd Zain Bin Nik Yusof	• Chairman of NC • Member of AC, RC and RMSC	Independent Non-Executive Director
Chong Swee Ying	• Chairperson of RMSC • Member of AC, NC and RC	Independent Non-Executive Director

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

2. BOARD COMPOSITION (CONT'D)

2.2 Number of Meetings held in FYE 2023 and Attendance Record

The Board meets at least once every quarter and additional meetings are convened as and when necessary.

During FYE 2023, the Board met five (5) times whilst the Board Committees met a total of twelve (12) times to deliberate and consider a variety of matters affecting the Company's corporate and operations matters, which includes the Group's financial results, audit findings and issues, risk management and sustainability matters, corporate proposals, policies matter, regulatory compliance update, etc.

Attendance record of the Directors at Board and Board Committees meetings held in FYE 2023, is as follows:

Name of Director	Total Meetings Attended				
	Board Meeting	AC Meeting	NC Meeting	RC Meeting	Total Attendance
Datuk Tee Eng Ho	5/5	–	–	–	5/5
Datin Toh Siew Chuon	5/5	–	–	–	5/5
Dato' Tee Eng Seng	5/5	–	–	–	5/5
Tee Eng Tiong	5/5	3/5*	1/1*	–	9/11
Chan Kam Chiew	5/5	5/5	1/1	1/1	12/12
Maylee Gan Suat Lee	5/5	5/5	1/1	1/1	12/12
Professor Datuk Dr. Nik Mohd Zain Bin Nik Yusof	5/5	5/5	1/1	1/1	12/12
Chong Swee Ying	5/5	4/4	1/1	–	10/10
Number of meetings held	**5**	**5**	**1**	**1**	**12**

* Attendance by invitation

Corporate Governance Overview Statement (Cont'd)

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

2. BOARD COMPOSITION (CONT'D)

2.3 FYE 2023 Training for Directors

Directors are strongly encouraged to participate in seminars and/or conferences organised by relevant regulatory authorities and professional bodies to stay abreast with the latest market developments and statutory and regulatory requirements. The training needs of each Director are assessed and proposed by the respective Directors, who proactively attend training sessions on their own discretion. Additionally, the Company ensures that Directors have opportunities to enhance their skills and knowledge through trainings at the Company's expense. When necessary, the Company arranges and facilitates training sessions for the Directors.

Throughout the FYE 2023, the Directors of the Company have attended various conferences and seminars organised by external organisers not only to keep abreast of industry developments and trends, but also to assist them to effectively discharge of their duties. Conferences, seminars and training programmes attended by the Directors in the FYE 2023 are as follows:

Name of Directors	Training Programmes Attended (Unless Otherwise Stated)	Date
Datuk Tee Eng Ho	• BDO Tax Webinar on Budget 2023 • Sustainability – Changes in the Listing Requirements • Duty to Avoid Conflict of Interest	15 March 2023 26 September 2023 6 December 2023
Datin Toh Siew Chuon	• BDO Tax Webinar on Budget 2023 • Sustainability – Changes in the Listing Requirements • Duty to Avoid Conflict of Interest	15 March 2023 26 September 2023 6 December 2023
Dato' Tee Eng Seng	• BDO Tax Webinar on Budget 2023 • Sustainability – Changes in the Listing Requirements • Duty to Avoid Conflict of Interest	15 March 2023 26 September 2023 6 December 2023
Tee Eng Tiong	• BDO Tax Webinar on Budget 2023 • Sustainability – Changes in the Listing Requirements • Duty to Avoid Conflict of Interest	15 March 2023 26 September 2023 6 December 2023

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

2. BOARD COMPOSITION (CONT'D)

2.3 FYE 2023 Training for Directors (Cont'd)

Name of Directors	Training Programmes Attended (Unless Otherwise Stated)	Date
Chan Kam Chiew	• OCBC : 2023 Global Economic Outlook • Standard Chartered – A Year of Two Halves Global and Malaysian Outlook • HSBC Asian Business Forum 2023: Seizing Opportunities and Thriving in a New Era • KPMG : Tax and Business Summit 2022@Avante • KPMG : EU Carbon Border Adjustment Mechanism: What it means for Businesses in Asia Pacific and their Decarbonization Journey • UOB Macro and Markets Update Navigating New Risks and Will This Derail The Fed's Rate Hike Path (Virtual) • BDO Tax Corporate Governance • ICDM : A Dialogue with Bursa Malaysia - FTSE4GOOD ESG Rating for All PLCs (This event is EXCLUSIVELY for Board Members and CEOs of Public Listed Companies in Malaysia) • KPMG : Tax Reimagined: Designing and Building a Tax Function Fit for the Future • CTIM : Learn to Develop, Build Upon and/or Appreciate The Importance of The Capital Statement in Tax Audits • CTIM : Workshop: Real Property Gains Tax (RPGT) • CTIM : Corporate tax strategies • MIA Conference 2023 • SCB : Balancing on the summit - H2 2023 Global & Malaysia Outlook • MIA : Risk Management Conference 2023 • Bursa : Building a Sustainable Supply Chain - An Awareness Session by SSM and Bursa Malaysia • BDO : BDO Tax Seminar 2023 • KPMG Tax and Business Summit 2023 • ICDM : Post - Budget 2024 Dialogue : Economy Reforms, Empowering the People • Duty to Avoid Conflict of Interest • BDO : Kian Joo & Box Pak Group - Budget 2024 Briefing • KPMG Webinar - MFRS Updates 2023	11 January 2023 12 January 2023 1 March 2023 15 March 2023 28 March 2023 28 March 2023 13 April 2023 14 April 2023 18 April 2023 8 May 2023 10 May 2023 31 May 2023 13 & 14 June 2023 12 July 2023 11 October 2023 30 October 2023 31 October 2023 2 November 2023 10 November 2023 6 December 2023 7 December 2023 7 December 2023

Corporate Governance Overview Statement (Cont'd)

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

2. BOARD COMPOSITION (CONT'D)

2.3 FYE 2023 Training for Directors (Cont'd)

Name of Directors	Training Programmes Attended (Unless Otherwise Stated)	Date
Maylee Gan Suat Lee	• Bursa Malaysia Immersive Session : The Board "Agender" ESG Webinar for FTSEGood Bursa Malaysia Index • A Bankrupt No More-Discharge and Annulment from a Bankrupt Order • Webinar on Constitutional Law: Fundamentals, Species, Spheres & Protection of Human Rights: An Objective Analysis • Friday Morning Comtrac: Budget Talk 2023 • SSM Webinar: Corporate Directors Training Programme Fundamental 4.0 • Strata Management • SSM Webinar: Understanding Joint Ventures Legal Consideration • Practical Tips in the Conduct of a Family Law • SSM National Conference 2023 • Advocacy Training Course • MBAN Angel & Corporate Investor Summit: The Rise of Malaysian Startups • Common Pitfalls to Avoid & Tips to Follow • Audit Oversight Board: Conversation with Audit Committees • HCCLC: Session 4: Company Law – Legal Issues of Fiduciaries in Group Enterprise De Facto, Shadow and Nominee Director • Duty to Avoid Conflict of Interest • HCCLC Session 6: Contract Law – Illegality and Unjust Enrichment • HCCLC Session 10: Insolvency – Proposed Amendments to the Rescue Mechanism: A Game Changer?	13 March 2023 21 March 2023 30 March 2023 31 March 2023 4 April 2023 5 April 2023 6 April 2023 7 April 2023 23 May 2023 25-26 July 2023 1, 9 & 10 September 2023 21 September 2023 27 November 2023 5 December 2023 6 December 2023 7 December 2023 8 December 2023
Professor Datuk Dr. Nik Mohd Zain Bin Nik Yusof	• Bursa Malaysia Talk • BOD responsibilities & integrity • Ways of improving Company Profit & Loss • Comfori Certificate of Appreciation 11th Malaysia Land Conference 2023 • On Line Land Seminar by Caliber Skills Sdn Bhd. • Duty to Avoid Conflict of Interest Conflict of Interest	3 May 2023 13 May 2023 15 May 2023 17 & 18 May 2023 6 June 2023 6 December 2023

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

2. BOARD COMPOSITION (CONT'D)

2.3 FYE 2023 Training for Directors (Cont'd)

Name of Directors	Training Programmes Attended (Unless Otherwise Stated)	Date
Chong Swee Ying	• AEON Compliance Training for Executives • FTSE4Good Sustainability Reporting and Management • Advancing Cyber Resilience: Board's Top 3 Must-Knows • Malaysia Retailers Association Conference 2023 – Retail Insights • Scaling up the Circular Economy • The Concept of Double Materiality • AEON Japan Policy Meeting and AEON Top Seminar • New Era of Board Duties • Duty to Avoid Conflict of Interests • Strategies of Sustainable Business for Future	26 January 2023 14 April 2023 25 May 2023 15 June 2023 30 June 2023 3 August 2023 26 – 27 October 2023 16 November 2023 6 December 2023 11 December 2023

2.4 Director Independence

The Board boasts a sufficiently independent presence, with four (4) out of eight (8) Directors being independent directors. This complies fully with the requirement for one-third (1/3) of board members to be independent, as outlined in paragraph 15.02(1) of the Main Market Listing Requirements, and also aligns with Practice 5.2 of the MCCG, which requires that at least half of the Board members comprises independent directors.

The Board is satisfied with the current composition of independent directors whom provided independent deliberations for effective oversight of management, particularly given the absence of long serving independent directors on the Board. When determining the independence of a Director, the NC and Board considers the following:-

- the requirements and definition of "independent director" as set out in the Main Market Listing Requirements;
- the Code;
- whether the Independent Director is able to act independently of management and is free from any business or other relationship;
- the Director's annual declaration and confirmation of their independence.

The Board has in place Independent Directors Assessment Policy which observes the recommendation of the Code regarding tenure of an independent director. Pursuant to the said policy, 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 NC, on an annual basis at annual general meeting ("AGM"), 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 be 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 continues to serve on the Board, shall be redesignated to non-independent non-executive director. For good governance practice, the Company has incorporated the abovementioned provisions in its Constitution.

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

2. BOARD COMPOSITION (CONT'D)

2.4 Director Independence (Cont'd)

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/her 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.

On an annual basis, the NC would review the independence of the Independent Directors based on the criteria set out in the relevant policies of the Group as well as the provisions in the Main Market Listing Requirements.

As at the date of this Annual Report, none of the Independent Directors of the Company has served beyond a tenure of nine (9) years.

2.5 Selection, Appointment and Re-Appointment

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 Main Market Listing Requirements 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.

The NC, which is chaired by an Independent Non-Executive Director is involved in all appointments or re-elections of directors. For a new appointment, 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 NC 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. To further step-up the practice of good governance, the NC also takes into consideration into gender and diversity aspects, details of which are set out in Section 2.6 of this Statement. During the FYE 2023, there was no new appointment to the Board.

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

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/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.

On an annual basis, the NC would review the performance of each Director. The annual re-election of a Director is contingent upon satisfactory evaluation of the performance of the Director for the financial year. Further details on the annual assessment are set in Section 2.7 of this Statement.

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

2. BOARD COMPOSITION (CONT'D)

2.6 Diversity of the Board and Management

The Board recognises the benefit of gender diversity. The Board through its NC conducted the Board appointment process in a manner that promoted 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. The Board endeavoured to have at least 30% women directors on the Board. The Board has since fulfilled the recommendation made in the MCCG by having a presence of 30% women directors on the Board.

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

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

	Race/Ethnicity				Nationality		Gender	
	Malay	Chinese	Indian	Others	Malaysian	Foreign	Male	Female
Executive Director	–	3	–	–	3	–	2	1
Non-Independent Non-Executive Director	–	1	–	–	1	–	1	–
Independent Non-Executive Director	1	3	–	–	4	–	2	2

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

Skill	Accounting & Finance Management	Engineering	Business Management	Legal
Executive Director	1	3	3	-
Non-Independent Non-Executive Director	-	1	1	-
Independent Non-Executive Director	1	1	4	2

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

Corporate Governance Overview Statement (Cont'd)

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

2. BOARD COMPOSITION (CONT'D)

2.7 Annual Evaluation of the Board's Effectiveness

The NC undertakes an annual assessment to evaluate the performance of each individual Directors, the effectiveness of the Board and the Board Committees (collectively referred to as "**Annual Board Effectiveness Evaluation**"). The Board acknowledges the recommendation of the MCCG to engage independent experts periodically to facilitate objective and candid Board evaluation. Presently, the Annual Board Effectiveness Evaluation 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.

During the Annual Board Effectiveness Evaluation process, each Director is required to complete the relevant forms for self-assessment as well as for assessment of the performance of the Board and Board Committees, based on the pre-determined performance criteria. 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 strength and skill sets of the Director, quality of the input of the Director, boardroom participation, meeting administration/conduct and interactions and communications with the peers.

The completed forms are submitted to the Company Secretaries for compilation of meeting material for NC and Board meetings. For good corporate governance, the NC will not review its own effectiveness and the performance of the NC members. Instead, such review will be carried out by the Board as a whole with the members of the NC having abstained from deliberation. In view that the NC members are also members of the RC and the AC, the assessment of the effectiveness and performances of the RC and the AC will be carried out by the Board too.

During FYE 2023, the Annual Board Effectiveness Evaluation was conducted on the following to assess its effectiveness in respect of FYE 2022:-

(a) the Board;
(b) Directors;
(c) the Board Committees, i.e. AC, NC and RC;
(d) NC's evaluation on the AC and its members;

Subsequent to the FYE 2023, the Annual Board Effectiveness Evaluation in respect of FYE 2023 had also been conducted.

Both the results of Annual Board Effectiveness Evaluation for FYE 2022 and FYE 2023 were satisfactory. It was unanimously agreed that the current composition mix and size of the Board is appropriate to facilitate proper decision making at meetings of the Board and Board Committees. Further, the NC and Board are of the view that the Board is functioning effectively with strong leadership as demonstrated by the steady improvement in operational performance of the Group as well as consistency practice of good governance. The Board is led by a highly competent and experienced Chairman who facilitates constructive discussions and deliberations. Additionally, the results of the individual Directors were all satisfactory, where each Director have leverage their skills and experience in the Company's affairs and decision-making processes effectively. Also, each of the Directors have declared that he/she remains a fit and proper person.

As regards the director annual independence review, all the Independent Directors of the Company have provided their independence confirmation to the Board with respect to the Annual Board Effectiveness Evaluation for FYE 2022 and FYE 2023.

In addition, annually, the Board through its NC would review the list of directors seeking re-election at the AGM. Article 91(1) of the Company's Constitution ("Constitution"), requires at least one-third of the directors to retire from office at each AGM, provided always that all directors shall retire from the office at least once every three (3) years. A retiring director shall be eligible for re-election and shall retain office until the close of the meeting at which he/she retires.

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

2. BOARD COMPOSITION (CONT'D)

2.7 Annual Evaluation of the Board's Effectiveness (Cont'd)

During the FYE 2023, the NC has deliberated on the re-election of Directors and based on the satisfactory evaluation of the performance of the Directors that took into consideration the Directors' attendance, participation and contribution, the NC has recommended that the retiring Directors be re-elected as Director at 39th AGM held on 13 June 2023.

The Directors who seeking for re-election at the 40th AGM pursuant to Article 91(1) of the Company's Constitution are Datin Toh Siew Chuon, Mr. Chan Kam Chiew and Madam Maylee Gan Suat Lee, who, being eligible, have each offered themselves for re-election as Director thereat. On 24 April 2024, the NC has deliberated on the re-election of Directors and based on the satisfactory evaluation of these Director's performance that took into consideration the said Directors' attendance, participation and contribution, the NC has recommended that these retiring Directors be re-elected as a Director at the 40th AGM.

3. REMUNERATION MATTERS

The Board is assisted by the RC in the establishment of a formal and transparent procedure for developing a remuneration policy that will attract and retain the Directors and Senior Management (Key Management Personnel) to run the Company successfully.The RC is chaired by an Independent Director and comprises exclusively Independent Non-Executive Directors.

While the RC is heavily involved in the deliberation of the directors' remuneration, the ultimate responsibility for determining the remuneration of all Directors lies with the Board. On the recommendation of the RC, the Board reviews and approves the remuneration of the Executive Directors with the respective Executive Director having 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.

When implementing the remuneration policies and deliberating remuneration related matters, the RC is guided by the Company's Remuneration Policy and Procedures, which are periodically reviewed and the Terms of Reference of the RC which can be found on the Company's website.

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 given responsibilities whilst the remuneration of the Non-Executive Directors is determined in accordance with their experience, level of responsibilities assumed in the Board and Board Committees, their attendance and/or special skills and expertise they bring to the Board.

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 RC, 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 RC to the Board for approval.

The remuneration of Non-Executive Directors, including Directors' fees, meeting allowances and other benefits as stipulated in the Constitution of the Company, is proposed by the RC and determined by the Board, is subject to shareholders' approval at a general meeting pursuant to Section 230(1) of the Companies Act 2016.

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

3. REMUNERATION MATTERS (CONT'D)

At the last Annual General Meeting held on 13 June 2023, the Board with the recommendation of the RC has obtained shareholders' approval for:

(a) payment of Directors' fees of RM196,923 to the Non-Executive Directors for their services as Directors in respect of FYE 2022; and

(b) payment of directors' benefits of not more than RM50,000 to the Non-Executive Directors as meeting allowance for attendance of Board and Board Committee meetings for the period from 14 June 2023 until the next AGM.

For FYE 2023, the Board on recommendation of the RC (with each Director abstained from discussions and decisions on their own remuneration) had approved/proposed the payment of the directors' remuneration as set out in the table below:-

	EXECUTIVE DIRECTORS		
	Datin Toh Siew Chuon (RM'000)	Dato' 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	–	10.6	21.2
Other Emoluments	181.5	181.5	136.2
Total	**1,684.6**	**1,695.2**	**1,282.4**

Received from Subsidiaries	NON-INDEPENDENT NON-EXECUTIVE DIRECTORS
	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**

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

3. REMUNERATION MATTERS (CONT'D)

Received from the Company	INDEPENDENT NON-EXECUTIVE DIRECTORS			
	Chan Kam Chiew (RM'000)	Maylee Gan Suat Lee (RM'000)	Professor Datuk Dr. Nik Mohd Zain Bin Zain Yusof (RM'000)	Chong Swee Ying (RM'000)
Directors' Fee	81.6	60.0	60.0	60.0
Meeting Allowances	6.0	6.0	6.0	5.0
Salaries	–	–	–	–
Bonus	–	–	–	–
Benefits-in-Kind	–	–	–	–
Other Emoluments	–	–	–	–
Total	**87.6**	**66.0**	**66.0**	**65.0**

At the coming 40th AGM to be held on 5 June 2024, the Board would be seeking shareholders approval for (a) payment of RM261,600 as Directors' fees to the Non-Executive Directors for their services as Directors for the FYE 2023; and (b) payment of directors' benefits of not more than RM50,000 to the Non-Executive Directors as meeting allowance for attendance of Board and Board Committee meetings for the period from 6 June 2024 until the next AGM.

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

Remuneration Band (RM'000)	EXECUTIVE DIRECTORS/SENIOR MANAGEMENT			
	Datuk Tee Eng Ho	Datin Toh Siew Chuon	Dato' Tee Eng Seng	Tee Eng Tiong
RM1,150 – RM1,250	√	–	–	–
RM1,250 – RM1,300	–	–	–	√
RM1,650 – RM1,700	–	√	√	–

Corporate Governance Overview Statement (Cont'd)

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

4. AUDIT COMMITTEE

4.1 Chairmanship of the AC and Independence of the AC

The Board has established an effective and independent AC. The members of AC comprise fully Independent Non-Executive Directors and the Chairman of the AC is not the Chairman of the Board. The Chairman of the AC is a member of the Malaysian Institute of Accountants.

The AC has a 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 AC. 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 AC were former audit partners of the Company's auditors. With the present composition structure and practice, the AC is able to objectively review and report its findings and recommendations to the Board.

Collectively, the AC possesses a wide range of necessary skills to discharge its duties and members of the AC are financially literate and are able to understand matters under the purview of the AC including the financial reporting process. In order to strengthen the present financial literacy of each member, all members of the AC will balance their skillsets and competency by participation in continuous professional development programmes on accounting and auditing standards, practices and rules. Periodically, Companies Secretaries, External Auditors and Internal Auditor will update the AC on changes to the relevant guidelines, laws and regulations and accounting standards to ensure that the AC members are kept abreast with latest developments in the statutory and accounting requirements.

For effectiveness and independence conduct of the AC 's functions, the AC 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 AC 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 AC 's review processes, the AC 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.

4.2 Assessment of External Auditors

On an annual basis, the AC will review the re-appointment, performance and remuneration of the External Auditors before recommending the same to the Board for approval prior to seeking shareholders' approval to re-appoint the External Auditors at the forthcoming annual general meeting. In assessing the External Auditors, the AC 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 the 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.

5. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

5.1 Establishment of the 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 discussed and presented to the AC during its meetings.

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

5. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONT'D)

5.1 Establishment of the Risk Management and Internal Control Framework (Cont'd)

On 29 February 2024, a Board risk management and sustainability committee was established to assist the Board in providing an independent assessment of the effectiveness of the Enterprise Risk Management as well as overseeing the sustainability matters of the Group. The Board opined that existing framework is suffice for the time being in overseeing the risk management framework and policies of the Group. Further details of risk management and internal control framework of the Group covering the risk policy, risk appetite, risk assessment and the review process by the Board and AC and the key internal controls are set out in the Statement of Risk Management and Internal Control ("**SORMIC**") contained in this Annual Report.

The Board has commented in its SORMIC that they were satisfied with the effectiveness and adequacy the existing level of systems of risk management and internal control.

5.2 Effectiveness of Internal Audit

The AC is responsible for reviewing the engagement of the Internal Auditor. In assessing the Internal Auditor, the AC 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 FYE 2023, the Internal Audit Function was outsourced to Tricor Axcelasia Sdn. Bhd, an independent professional service provider whose principal responsibility is to undertake internal audits in accordance with the approved risk-based internal audit plan. The outsourced internal audit function was headed by Ms. Melissa Koay, Executive Director. She is a Certified Member of the Institute of Internal Auditors Malaysia, a member of the Malaysian Institute of Accountants, and a Fellow Member of the Association of Chartered Certified Accountants, United Kingdom. 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

6. ENGAGEMENT WITH STAKEHOLDERS

The Company recognises the importance of keeping shareholders and investors informed of the business and corporate developments of the Group. 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 : 603-8682 8232
Email : ir@kerjayagroup.com.my

Corporate Governance Overview Statement (Cont'd)

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

6. ENGAGEMENT WITH STAKEHOLDERS (CONT'D)

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.

7. 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 Main Market Listing Requirements, 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 as important avenues for the Board and Management to have better engagements with the shareholders that are 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 25 April 2024.

Statement on Risk Management & Internal Control

The Board is pleased to present its Statement on Risk Management and Internal Control ("**SORMIC Statement**") which outlines the risk management and internal control system of Kerjaya Group in accordance with paragraph 15.26(b) of the Main Market Listing Requirements.

The Board is committed to maintain throughout the Group a sound system of risk management and internal control governed under Section 246(1) of the Companies Act 2016. In producing this SORMIC Statement, the Board has considered the recommended practices as set out in the Malaysian Code on Corporate Governance which relate to risk management and internal control framework and guided by the Statement on Risk Management and Internal Control : Guidelines for Directors of Listed Issuers issued by the Taskforce of Internal Control with the support and endorsement of Bursa Securities ("**Guidelines**").

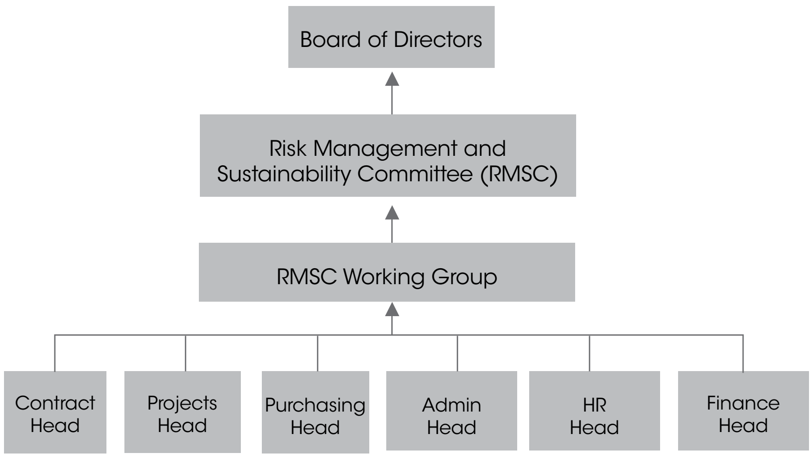
THE BOARD'S RESPONSIBILITIES

As Kerjaya Group operates in a dynamic business environment, sound risk management and internal control systems must be in place to help Kerjaya Group to achieve its business objectives. The Board is committed / acknowledges its responsibility to maintain throughout the Kerjaya Group a sound system of risk management and internal controls and good corporate governance practices to safeguard shareholders' investment and the assets of the Group.

RISK MANAGEMENT FRAMEWORK

The Board is assisted by a Risk Management Committee ("**RMC**") to oversees Kerjaya 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 for identifying, evaluating, monitoring and managing significant risks that may impede the achievement of Kerjaya Group's business and corporate objectives.



Annually, the 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.

Recognising the importance of Board leadership and a clear line of responsibilities in effective risk management, on 29 February 2024, the composition of the RMC and its line of reporting authority had been restructured to include Board members. In addition, in line with the best practices set out in the Malaysian Code on Corporate Governance with regard to the integration of sustainability considerations in the strategy and operations for an effective Board leadership and oversight, the RMC has been tasked to oversee sustainability matters of the Group. In view of the foregoing, the existing RMC has been abolished and a new Board Committee, namely, Risk Management and Sustainability Committee ("**RMSC**") was formed to overseas the risk management and sustainability reporting matters of the Group. The composition and the line of reporting authority of the RMSC is set out in the ensuing paragraphs.

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

Essentially, the Board together with the Senior Management take responsibility for the overall risk management and governance of sustainability in the Group including setting the strategies, priorities and targets for the Group taking into account the sustainability considerations when exercising its duties (including among others the development and implementation of strategies, business plans, major plans of action and risk management).

The Board is assisted by the RMSC, which is led by wholly Independent Non-Executive Directors:-

Name of Directors	Membership
Ms. Chong Swee Ying (Independent Non-Executive Director)	Chairperson
Mr. Chan Kam Chiew (Independent Non-Executive Director)	Member
Ms. Maylee Gan Suat Lee (Independent Non-Executive Director)	Member
Professor Datuk Dr. Nik Mohd Zain Bin Nik Yusof (Independent Non-Executive Director)	Member

The RMSC is then supported by a RMSC Working Group consisting of the Head of Department of each operating unit. These personnel are designated individuals identified by the Board to provide dedicated focus, inter-alia, on managing sustainability strategically, including the integration of sustainability considerations into the operations of the Group.

RISK MANAGEMENT PROCESS

Kerjaya Group has an ongoing process for identifying, evaluating and managing the significant risks faced by Kerjaya Group throughout the FYE 2023. This is to ensure that all high risks are adequately addressed at various levels within Kerjaya Group. Risk management is embedded in the Group's management system and it is the responsibility of every employee. Kerjaya Group firmly believes that risk management is critical for Kerjaya Group's continued profitability and the enhancement of shareholders' value. The risk profile of Kerjaya 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 risk 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 Kerjaya Group's business operations and has oversight over this critical area through the RMSC. The RMSC, supported by the Internal Audit team, provides an independent assessment of the effectiveness of Kerjaya Group's Enterprise Risk Management ("**ERM**") framework and shall reports to the Board annually. Kerjaya 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 Kerjaya 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 PROCESS (CONT'D)

During the FYE 2023, the following risk management activities were carried out by the then, RMC:

- 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 Kerjaya Group's risk profile based on risk review and reassessment;
- The results of the risk review and reassessment were reported to the RMC; and
- RMC reports to the Board.

The Board recognises the importance of effective ERM in enhancing shareholders' 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, Kerjaya Group embraces a holistic risk management approach to achieve its business targets with minimal surprises. The abovementioned risk management practices of Kerjaya Group serve as the on-going process used to identify, evaluate and manage significant risks for FYE 2023 and up to the date of approval of this SORMIC Statement.

Monitoring Activities

During the FYE 2023, the following monitoring activities were undertaken by the then RMC to provide assurance on the effectiveness of risk management and internal controls:

(1) 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

(2) 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 the 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 Kerjaya 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 Kerjaya 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;

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

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

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

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

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

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

(7) Review of related party transactions; and

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

MANAGEMENT RESPONSIBILITIES AND ASSURANCE

In accordance with the Guidelines, Management is responsible to highlight risks relevant to the business of Kerjaya Group in achieving its 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 Kerjaya Group achievement of its objectives and performance. For FYE 2023, the Board has received assurance from Non-Executive Chairman and all Executive Directors that, to the best of their knowledge the risk management and internal control systems of the Group are operating adequately and effectively, in all material respects.

REVIEW OF THE SORMIC STATEMENT BY EXTERNAL AUDITORS

Pursuant to paragraph 15.23 of the Main Market Listing Requirements, the External Auditors have reviewed this SORMIC Statement for inclusion in the annual report for the FYE 2023. 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 auditors to form an opinion on the effectiveness of Kerjaya 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 SORMIC 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 Kerjaya Group.

BOARD ASSURANCE AND LIMITATION

For the FYE 2023, 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 Kerjaya 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 Kerjaya Group's business objectives. It can therefore only provide reasonable but not absolute assurance against material misstatement or financial losses or fraud.

This SORMIC Statement is made in accordance with the resolution of the Board dated 25 April 2024.

Audit Committee Report

The Board is pleased to present the report of its Audit Committee ("**AC Report**") for FYE 2023 prepared in accordance with paragraph 15.15 of the Main Market Listing Requirements.

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 Kerjaya Group and to ensure the adequacy and effectiveness of the Group's system of internal control, and providing oversight of both external and internal audit functions. The roles and responsibilities of the AC are set out its terms of reference, a copy of which is made available at the Company's website at www.kerjayagroup.com.

In this AC Report, pursuant to paragraph 15.15 of the Main Market Listing Requirements, the Board would be presenting to our shareholders the composition of the AC, the number of AC meetings held and attendance of each AC member, the summary of the work of the AC in the discharge of its functions and duties, the summary of the work of the internal audit function and the summary of any conflict of interest or potential conflict of interest situation reviewed by the AC pursuant to paragraph 15.12 (1)(h) of the Main Market Listing Requirements (excluding a related party transaction) as well as the measures taken to resolve, eliminate, or mitigate such conflicts.

1. COMPOSITION AND MEETINGS HELD

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.

The members of the AC and their attendance at the AC meetings held during the FYE 2023 are shown in the table below:-

Name of the AC Member and Directorship	Number of Meeting Attended
Mr. Chan Kam Chiew – Chairman *Independent Non-Executive Director*	5/5
Ms. Maylee Gan Suat Lee– Member *Independent Non-Executive Director*	5/5
Professor Datuk Dr. Nik Mohd Zain Bin Nik Yusof – Member *Independent Non-Executive Director*	5/5
Ms. Chong Swee Ying – Member *Independent Non-Executive Director* (appointed Member of AC on 31 March 2023)	4/4

There were five (5) AC sittings during the FYE 2023. A full agenda and comprehensive set of meeting papers were circulated to each AC member with sufficient notification prior to each meeting. At the invitation of the AC, the Internal Auditors attended two (2) meetings during the FYE 2023 whilst the External Auditors attended three (3) meetings to brief the AC on the agenda items which were relevant to them. As recommended in Bursa Corporate Governance Guide, two (2) private sessions between the AC and External Audit Partner (without the presence of the Management) were held to deliberate on matters such as management's corporate reporting and control, resources and relationships.

Proceedings of each AC meeting were recorded and minutes of meetings were 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. WORK DONE BY THE AC DURING FYE 2023

In accordance with its Terms of Reference, the works undertaken by the AC during the FYE 2023 and reported to the Board for notation and/or approval, were:-

Annual Routine Activities

(1) consideration and approval of the Company's quarterly financial report involving discussions with Management focusing particularly on financial reporting issues, significant judgements made by the Management, unusual events, and compliance with accounting standards and other legal requirements.

(2) reviewed with the External Auditors on:

(i) the audit planning memorandum, independence, audit risks, strategy and scope of work in respect of the audit for FYE 2023, including the areas of audit emphasis, key audit matters and proposed audit fee;

(ii) the assessment and enquiries regarding fraud related matter and consideration/ compliance with laws and regulations in the audit for FYE 2023;

(iii) the results of the annual audit and accounting issues arising from the audit in respect of FYE 2023, their audit report and management letter together with Management's responses to the findings of the External Auditors;

(iv) the requirements, compliances and approval pertaining to provision of non-assurance services prior to rendering of such services so that it would not create any threat or impair the External Auditor's independence.

(3) reviewed with the Internal Auditors on:-

(i) 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; and

(ii) the follow-up of prior internal audit reports to assess the key internal controls used to manage the risk associated with operation processes.

(Further details on the internal audit works performed for FYE 2023 are set out in item 4 of this AC Report)

(4) reviewed on a quarterly basis or as and when it arises, the related party transactions and conflict-of-interest situations within the Group to ensure they are not more favourable to the related parties than those generally available to the public and complied with the MMLR.

(5) consideration and approval of the Audited Financial Statements of the Group for FYE 2023, focusing primarily on changes of accounting policies, significant matters highlighted including financial reporting issues, significant and unusual events/transactions and how these matters were addressed and compliance with the applicable approved accounting standards in Malaysia.

(6) reviewed the Circular to Shareholders dated 28 April 2023 in relation to the proposed renewal of the shareholders' mandate for recurrent related party transactions of a revenue or trading nature and proposed the same for shareholders' approval at the 39th AGM of the Company.

(7) reviewed the AC Report and Statement on Risk Management & Internal Control for inclusion of the same in the Company's 2022 Annual Report.

Audit Committee Report (Cont'd)

2. WORK DONE BY THE AC DURING FYE 2023 (CONT'D)

(8) 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 included in the Company's 2022 Annual Report pursuant to the requirements of paragraph 15.25 of Main Market Listing Requirements.

(9) consideration and approval of the re-appointment of the External Auditors and proposed the same for shareholders' approval at the 39th AGM of the Company.

(10) reported all significant matters discussed and addressed at the AC meetings.

Additional Work Done For FYE 2023

(11) consideration and approval of the proposed amendments to the Related Party Transaction Policy & Procedure in respect of the approving authority for related party transactions and recurrent related party transactions.

(12) consideration and approval on the appointment of new Internal Auditor.

(13) attended a training on conflict of interest ("**COI**") to gain an understanding about the expanded role of the AC in reviewing COI situations and to understand how to establish a comprehensive framework for identifying, evaluating, approving, reporting and monitoring COI.

(14) reviewed the annual budget for the FYE 2024.

During the FYE 2023, there was no conflict of interest or potential conflict of interest situation involving Directors and Key Senior Management of the Group (excluding related party transactions) identified and/or disclosed to the AC.

3. INTERNAL AUDIT FUNCTION AND ITS ACTIVITIES DURING THE FYE 2023

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

The number of staff deployed for the internal audit reviews was three to four staff per cycle including the Engagement Director. The staff involved in the internal audit reviews possess professional qualification and/or a university degree. Most of them are members of the Institute of Internal Auditors Malaysia. All the staff involved in the internal audit were required to provide a conflict-of-interest declaration annually as well as the declaration on compliance of code of ethics from the Institute of Internal Auditors.

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

Audit Committee Report (Cont'd)

3. INTERNAL AUDIT FUNCTION AND ITS ACTIVITIES DURING THE FYE 2023 (CONT'D)

The work undertaken by the Internal Auditor during the FYE 2023 were:-

(1) performing field audit works covering the following operating processes to assess internal controls used to manage the key risks associated with the respective operating processes:-

<table>
<tr><th>Internal Audit</th><th>Operating Processes</th><th>Key Risks</th></tr>
<tr><td rowspan="2">Cycle 1</td><td>Contract</td><td>• Contractual Risk</td></tr>
<tr><td>Project Tender</td><td>• Inaccurate cost estimate
• Selection of unqualified contractors/ Bias selection of contractors</td></tr>
<tr><td rowspan="2">Cycle 2
(a development project site located in Kuala Lumpur)</td><td>Safety and Health Management</td><td>• Non-Compliance to Regulatory Requirements
• Unsafe workplace
• Business continuity challenges
• High exposure or contact to anything injurious, may it be physical, chemical, ergonomic, or biological agents
• Disruptions or shuts down of operations
• Physical or environmental damage</td></tr>
<tr><td>Project Management</td><td>• Quality risk
• Project delay
• Project cost escalation and overrun
• Project management challenge</td></tr>
</table>

(2) conducted follow-up assessment on the prior internal audit observations.

(3) reported to the AC on the above work done, providing the AC with independent views on the adequacy and effectiveness of the system of internal control and recommending appropriate actions to assist the Management to improve the Group's existing system of internal control and processes.

The internal audit was conducted using a risk-based approach and is guided by the International Professional Practices Framework (IPPF).

The costs incurred for the outsourced the internal audit function for the FYE 2023 was RM50,000.

4. OTHER INFORMATION

The NC had at its meeting held on 24 April 2024 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 NC 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 NC with regard to the performance of the AC and its members.

Nomination Committee Report

The Board is pleased to present the report of its Nomination Committee Report ("**NC Report**") for FYE 2023.

Paragraph 15.08A(3) of the Main Market Listing Requirements requires a listed issuer to provide in its annual report, a statement about the activities of the Nominating Committee ("**NC**") in the discharge of its duties of the financial year.

Described in this report, is the NC's statement reporting its activities for FYE 2023.

Others information on NC matters, board appointment and board performance evaluation can also be found in the Corporate Governance Overview Statement contained in this Annual Report.

1. COMPOSITION OF THE NC AND AUTHORITY

The present NC comprises four (4) Directors, all of whom are Independent Non-Executive Directors and is chaired by an Independent Non-Executive Director:-

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

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)

The NC's terms of reference set out its roles and responsibilities. The NC is primarily responsible for assisting 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; assessing and evaluating the performance of the Board and individual directors' effectiveness on an annual basis; and reviewing the independence element on the Board annually.

A copy of the NC's terms of reference is made available at the Company's website at www.kerjayagroup.com.

2. ACTIVITIES OF THE NC

The principal activities carried out by the NC during the FYE 2023 were:-

(a) Review of the Proposed Change in Composition of Board Committees

On 30 March 2023, the NC had reviewed, considered and recommended to the Board the appointment of Mdm Chong Swee Ying, to be an Independent Non-Executive Director of the Company as well as to serve as an additional member to all the Board Committees, namely, AC, RC and NC, effective 31 March 2023.

Nomination Committee Report (Cont'd)

2. ACTIVITIES OF THE NC (CONT'D)

(b) Review of the Performance and Effectiveness of the Board, Board Committees and Individual Directors for FYE 2022

The Board assessment exercise began with distribution of the following assessment forms to the Directors for completion:-

(i) Board's Evaluation Form
(ii) Directors' Self & Peer Evaluation Form
(iii) AC's Evaluation Form
(iv) RC's Evaluation Form
(v) NC's Evaluation Form
(vi) Evaluation Form for assessment by the NC on the AC
(vii) Evaluation Form for assessment by the NC on the AC members
(viii) Evaluation Form on Board Independence

The effectiveness of the Board and Board Committees were 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 were assessed in the areas of contribution and interaction with peers, quality of the input of the Directors and their understanding of their respective roles.

At the NC meeting held on 26 April 2023, the summary of performance results for the annual Board assessment for FY 2022 was tabled to the NC for evaluation. The NC concluded that:-

(i) the performance of the Board was satisfactory and effective;

(ii) save for Professor Datuk Dr. Nik Mohd Zain Bin Nik Yusof (appointed on 25 August 2022) and Mdm Chong Swee Ying (appointed on 1 November 2022), whom performances were not assessed for the FYE 2022, the NC was satisfied with the performances of the individual Directors;

(iii) in view that the NC members are also members of the RC and the AC, the assessment of the effectiveness and performances of the NC, RC and AC were proposed to be escalated to the Board for evaluation with members of the respective committees abstaining from deliberation.

(c) Annual Independence Assessment

On an annual basis, the NC had reviewed 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 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.

(d) Evaluation of Directors Standing for Re-Election at the Annual General Meeting

In recommending the Directors for re-election to the Board, of which resolutions pertaining to the re-election of Directors standing for retirement at the Company's 39th AGM held on 13 June 2023, the NC had considered and assessed the individual Directors' annual assessment results to ensure that feedback given and scoring achieved by the Directors concerned were 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.

(e) Review of the NC Report for Inclusion in the Annual Report for FYE 2022

The NC at the Board level had reviewed, considered and approved the NC Report included in the Company's 2022 Annual Report.

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

ABOUT THIS STATEMENT

The Board of Directors ("Board") of Kerjaya Prospek Group Berhad ("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 2023 ("FY2023"). This Statement discusses the sustainability considerations of the Group including the aspects of economic, environmental, social, and governance.

Scope

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.

This Statement focuses on the sustainability practices and performance of the Construction Segment and the Group's headquarters located in Kuala Lumpur (hereinafter jointly referred to as "in-Scope operations"). The Construction Segment is the largest contributor to the Group's revenue which amounted to 97.9% for FY2023.

Activities and contributions from the Property Development and Manufacturing Segments remain comparatively insignificant, with considerably insignificant sustainability impacts. Nonetheless, 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.

This Statement has not been subjected to internal reviews by the Group's internal audit function nor external assurance by independent assurance providers. Nonetheless, the key sustainability data reported in this Statement has been internally verified by the Group's Management personnel.

FY2023 Sustainability Highlights

In FY2023, Kerjaya Group further reviewed its sustainability process to ensure its practices are in line with the latest Listing Requirements of Bursa and, where there are gaps, measures are in place to prepare the Group better to comply with the Listing Requirements. Improvement measures also considered the facilitation of future compliance with the staggered implementation of effective dates of various sustainability disclosure requirements of the Listing Requirements.

COMMITMENT TO SUSTAINABLE DEVELOPMENT

Our Business

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

Our Mission

- √ To pursue excellence in our businesses
- √ 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

At Kerjaya Group, our sustainability stance is shaped by the Group's Vision and Mission that incorporate the value we create for our key stakeholders through business excellence, quality products and services, being a caring employer, and carrying our roles as a responsible corporate citizen. Further supporting our Vision and Mission is our policy on sustainability, which sets out our focus and beliefs in building a sustainable business.

OUR POLICY ON SUSTAINABILITY

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

In the management of the Group's businesses, we do not only focus on the short-term financial performance but also consider various aspects which may have a significant bearing on the sustainability of the business, including the economic, environmental, social, and governance landscape in which we operate. This includes looking into both positive and negative impacts of our business, as well as the risks and opportunities that may have an impact on our business, spanning across various perspectives including environmental and social matters.

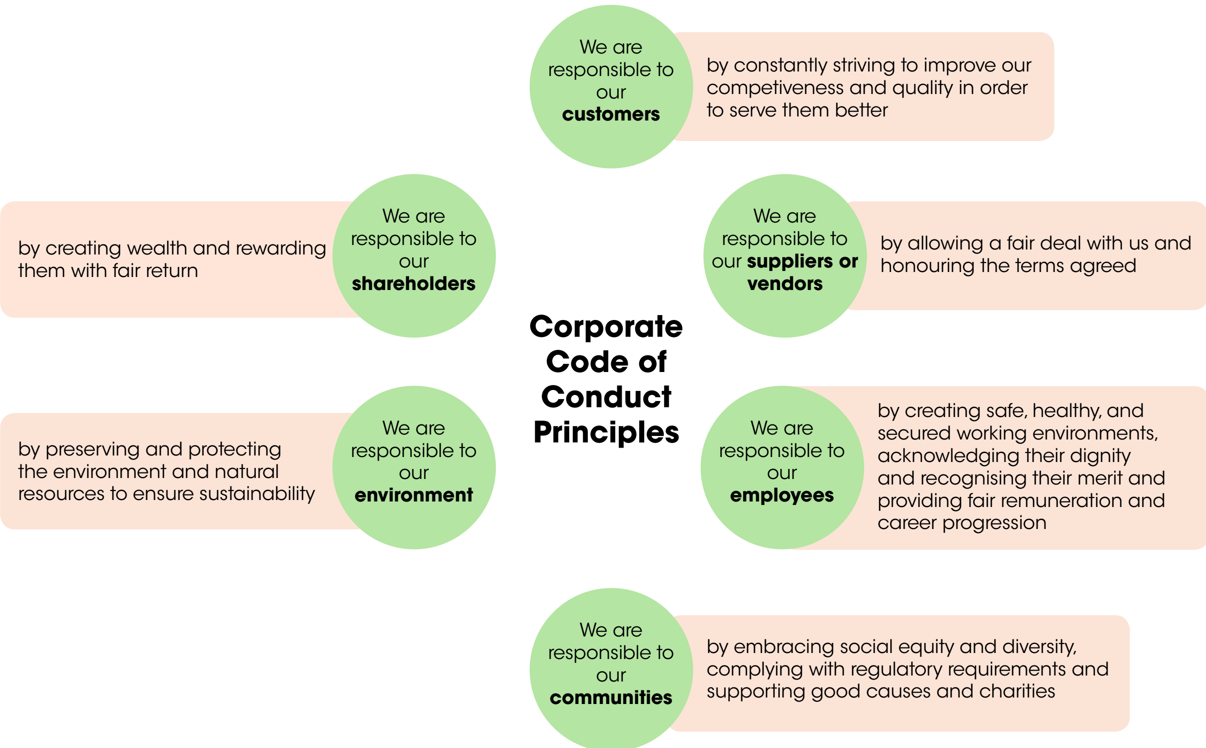
Sustainability Report (Cont'd)

Our Corporate Code of Conduct

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.

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

The key principles of the Corporate Code of Conduct are summarised as follows:



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

GOVERNANCE FRAMEWORK

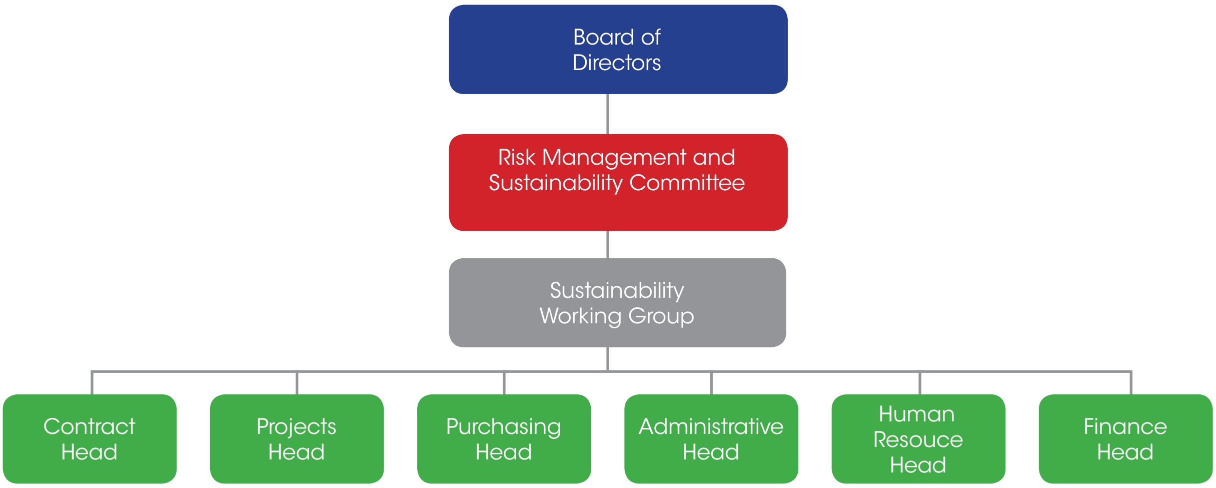
The Board holds the ultimate responsibility in ensuring the Group's business strategies consider long-term sustainability, including environmental, social, and governance aspects, in supporting the achievement of the Company's long-term objectives. Relevant policies or approaches are established to address these sustainability matters, supported by implementation strategies, action plans, and targets which shall be carried out or achieved by the Management.

The Board ensures a proper governance structure is in place to oversee the management of the Group's material sustainability matters, and it also ensures that adequate and effective systems of risk management and internal control are in place to mitigate sustainability risks associated with sustainability matters that are material to the Group. This includes ensuring there is a process to assess and determine the material sustainability matters ("MSMs") of the Group, which are sustainability matters that have a significant bearing on the Group's value creation in the long term.

GOVERNANCE FRAMEWORK (CONT'D)

In February 2024, the Company formed a Risk Management and Sustainability Committee ("RMSC") whose roles include assisting the Board in overseeing the Group's management of sustainability matters, including ensuring risks associated with MSMs of the Group are managed via the Group's risk management process. The RMSC also monitors the Group's approach, progress, and achievement of targets in relation to the management of MSMs. The RMSC is also tasked to review sustainability-related policies and initiatives for the Board's approval.

The Sustainability Working Group is responsible for driving the Group's strategies for managing sustainability matters, including the implementation of strategies and achievement of targets of the Group's MSMs. The Sustainability Working Group is spearheaded by the Chief Executive Officer who brings leadership to the Group's Management. The Sustainability Working Group is also supported by a Sustainability Coordinator who liaises with other members, namely the heads of the relevant departments and functions, on management and reporting matters.



In addition to carrying out an oversight role in relation to the Group's sustainability strategies and performance, the Board, through the RMSC, 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.

Sustainability Report (Cont'd)

GOVERNANCE FRAMEWORK (CONT'D)

The responsibilities of the Board and the RMSC are summarised as follows:

Board	Risk Management and 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.	• 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

In line with Kerjaya Group's Mission, we acknowledge that the Group's value creation is interconnected with the Group's stakeholders, including their interests and our obligations towards them.

In this regard, it is important for the Group to have suitable and effective channels to have engagement with key stakeholders to understand the expectations, interests, needs, and concerns of stakeholders, as well as for the purpose of communicating important policies and information to stakeholders, including pertaining to sustainability-related matters. Having appropriate engagement channels also enables any expectation gaps or conflicts to be raised and addressed as early as possible.

The Board, via the RMSC, oversees the Group's engagement with stakeholders to ensure our engagement channels are adequate and effective to achieve our engagement objectives. Stakeholder engagement activities, in general, are carried out by the respective departments or functions. Key issues raised by stakeholders are escalated for relevant actions to be taken or for relevant considerations to be incorporated into the decision-making process.

STAKEHOLDERS' ENGAGEMENT AND COMMUNICATION (CONT'D)

The Group's key stakeholders, engagement methods or channels used, and highlights of topics of interest with the stakeholders are summarised in the following table. The various engagement channels are also designed to suit specific engagement objectives and different groups of stakeholders we engage with.

KEY STAKEHOLDERS	ENGAGEMENT METHODS	TOPICS OF INTEREST
Shareholders	• Annual & Extraordinary General Meetings • Press releases • Bursa announcements • Quarterly report • Annual report • Timely update on the 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 product quality • Legal compliances
Communities	• Charity and welfare programs	• Social contribution • Job opportunities • Donation and financial aid
Analyst / Media	• Annual & Extraordinary General Meetings • Press conferences and media releases	• Financial and operational performance • General announcements

MATERIALITY ASSESSMENT

The identification, assessment, management, and reporting of the Group's MSMs are approached from the aspect of materiality. Materiality assessment is carried out to identify the sustainability matters that are significant to the Group, considering how the matters will have an impact on our business or how they reflect the impacts of the business. The assessment also considers both short and long-term time horizons to analyse the significance of sustainability matters more holistically.

During FY2023, members of the Sustainability Working Group, including the CEO, performed a review of the Group's materiality assessment. The materiality assessment adopted a definition of "materiality" that is largely in line with the Listing Requirements, where a material sustainability matter is one that reflects the Group's significant economic, environmental, and social impacts; or substantively influences the assessments and decisions of stakeholders. The materiality assessment has also considered the "common sustainability matters" referenced in the Listing Requirements.

The outcome of the materiality assessment, illustrated in the form of a Materiality Matrix, was subsequently tabled to the RMSC and the Board.

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

Identification

- identification of sustainability issues via industry benchmark and comparative analysis

Prioritisation

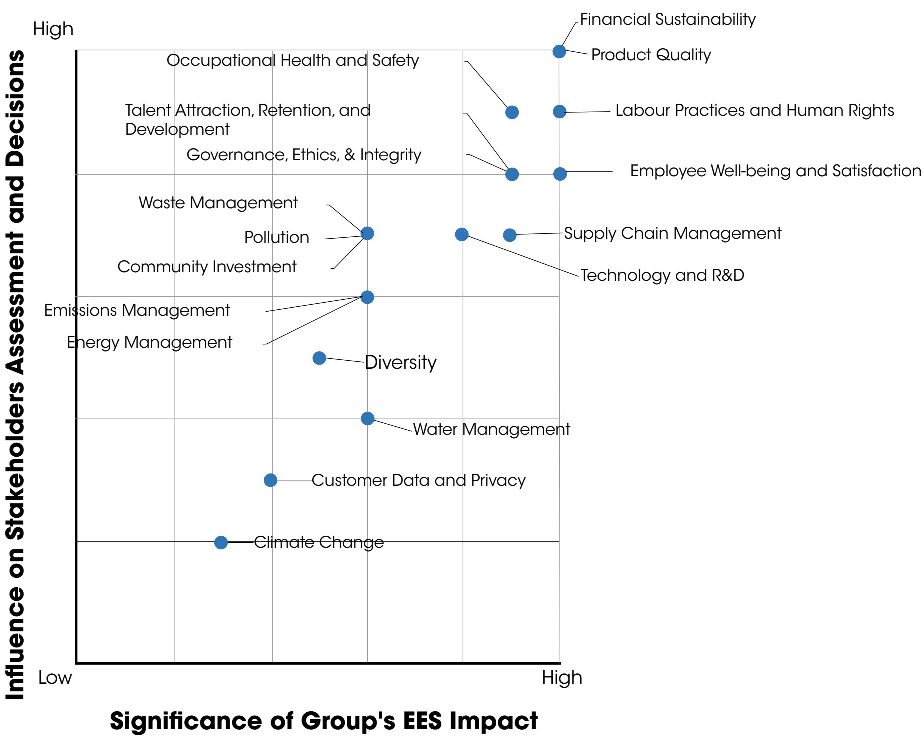
- priortisation is assessed based on the significance and importance of EES to external and internal stakeholders

Validation

- validation is done by Sustainability Committee

Review

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



MATERIALITY ASSESSMENT (CONT'D)

Materiality Matrix

Generally, the Group's FY2023 Materiality Matrix remains largely similar to that reported in the previous year. This year, we have also included and assessed "**Climate Change**" as a sustainability matter of the Group. This is in line with the global effort to manage global warming in accordance with the Paris Agreement and it is also an acknowledgement of the Group's responsibility in building resilience to address climate change-related challenges in the long term.

OUR SUSTAINABILITY EFFORTS AND THE SDGS

At Kerjaya Group, our efforts to manage business sustainability in the short and long term are also aligned with some of the global sustainability goals, represented by the 17 Sustainable Development Goals ("SDGs") of the Agenda 2030 adopted by the 193 United Nations members in 2015. The SDGs aim to address a broad set of challenges such as poverty, geopolitical instability, depleting natural resources, environmental degradation and climate change, and these goals are the common goals of the entire world.

Sustainability Report (Cont'd)

OUR SUSTAINABILITY EFFORTS AND THE SDGS (CONT'D)

A highlight of the alignment of the Group's sustainability efforts against the SDGs is summarised as follows:

	The Group creates and distributes economic value by providing 3,727 employment opportunities to local and foreign workers, contributing to the local economy through our supply chain, and paying our fair share of corporate taxes, amongst others.
Kerjaya supports quality property development projects for quality dwelling and built environments, 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 aluminium 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 who 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 GHG emissions footprint and will work out solutions to support the global combat against climate change.

GOVERNANCE, ETHICS, AND INTEGRITY

Corporate Governance

Corporate governance is the foundation of the Group's management of its business and affairs. Strong corporate governance practices help to enable proper management of the Company's assets and safeguard the interest of the Company, considering the overall interest of stakeholders.

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 the Corporate Governance Overview Statement, Statement on Risk Management & Internal Control, Audit Committee Report, and Nomination Committee Report in the Company's FY2023 Annual Report, as well as the Corporate Governance Report.

Compliance

As a responsible business, we are committed to complying with the relevant laws and regulations in our business and operations. On an ongoing basis, we keep ourselves abreast of the latest developments of applicable laws and regulations, and non-compliance cases will be dealt with seriously. Compliance with applicable laws and regulations is the responsibility of the respective business functions, which implement and monitor compliance-related controls.

Compliance risk is also included as part of the Group-wide risk management which reviews the Group's compliance risk levels and performance on an annual basis. We are pleased to report that there were no non-compliance cases, including non-compliance with environmental or social laws and regulations, which resulted in significant fines or penalties.

Kerjaya Group	FY2023
Non-compliance cases (including environmental or social non-compliances) which resulted in significant fines or penalties	0

GOVERNANCE, ETHICS, AND INTEGRITY (CONT'D)

Business Ethics and Integrity

Kerjaya Group is committed to upholding high standards of ethics and integrity in the conduct of the Group's business. Ethical conduct and integrity of the Group's business operations are guided by the Code of Ethics, which is established and overseen by the Board. All employees are expected to observe the Code of Ethics which sets out the Group's commitment, amongst others, to:

- Integrity – creating a business free of corruption;
- Human rights – a workplace free from harassment, discrimination, enslavement, child, or forced labour; and
- Safeguarding key assets, data, and information of Kerjaya Group.

A summary of the Code of Ethics is as follows:

Avoiding conflict of interest	Prohibiting corruption, including bribery, money launderling, 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	Respective the personal dignity, privacy and rights of each individual	Treating employees with dignity and respect in the workplace, and creating a safe and harmonious work environment

In addition to adherence by the Group's employees, we also expect third parties who do business with Kerjaya Group to demonstrate similar levels of ethical behaviours. Our expectations are communicated to business associates such as subcontractors, business partners, and suppliers through formal and informal channels, as appropriate. We also perform due diligence and assessment of key business associates such as subcontractors or key suppliers of products and services.

Anti-Corruption and Anti-Bribery

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

All Directors, employees, and third parties associated with the Group's business and operations shall comply with the ABC Policy.

The ABC Policy prohibits all forms of bribes and the use of facilitation payment, and it provides guidance on transactions that are more likely abused, such as gifts, entertainment, corporate hospitality, and sponsorship and donation.

GOVERNANCE, ETHICS, AND INTEGRITY (CONT'D)

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

At Kerjaya Group, we adopt a risk-based approach towards managing corruption risk. Corruption risk assessment is used to identify high corruption risk areas within the Group's operations where preventive and other mitigative measures are carried out to lower the associated corruption risks. Such control measures include the application of checks and balances, separation of power, ongoing review and monitoring, and ongoing training and communication for relevant stakeholders.

The corruption risk assessment also forms part of the Group's annual risk assessment, which covers all 3 business segments and the headquarters of the Group.

	FY2021	FY2022	FY2023
Percentage of operations assessed for corruption-related risks during the financial year	3 of 3 [1] (100%)	3 of 3 [2] (100%)	4 of 4 [3] (100%)

[1] 3 operating segments of the Group.
[2] 3 operating segments of the Group.
[3] Operations recategorised to 3 operating segments and headquarters of the Group.

Communication and Training

To communicate our anti-corruption and anti-bribery expectations and promote awareness, we ensure all Directors and employees read, sign, and acknowledge their understanding of the ABC Policy, together with the Code of Conduct and Code of Ethics, once every three years.

	As at 31 December 2022	As at 31 December 2023
Percentage of employees communicated on anti-corruption	100%	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. Business associates are also introduced to the ABC Policy which is publicly accessible on our corporate website.

Any updates to the ABC Policy will be disseminated to Directors, employees, and business associates, as well.

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

In addition to communication to all Directors and employees, we also provide training or briefing to employees identified as high-risk due to their functions or positions, providing guidance to them on what constitutes corruption, the types of corruption, how to avoid corruption in their day-to-day work, and how to report suspected corruption cases, amongst others. New Directors and employees, as relevant, will also be briefed on the ABC Policy, amongst other key policies of the Group, during their induction.

We adopt a risk-based approach with regard to employee training on anti-corruption, where focus is placed on equipping high-risk positions or personnel with the relevant anti-corruption knowledge and awareness. A majority of our non-executive personnel are workers who are not identified as having high corruption risks.

GOVERNANCE, ETHICS, AND INTEGRITY (CONT'D)

Communication and Training (Cont'd)

Percentage of employees who have received training on anti-corruption (by employee category, for office-based employees only)	As at 31 December 2023
Senior Management	100%
Management	85%
Executives	80%
Non-Executives	73%

Kerjaya Group generally does not make political donations or sponsorships and there were none made in FY2023.

Whistleblowing Mechanism

In addition to promoting awareness and implementing control measures to put into effect the Group's business ethics, integrity, and anti-corruption expectations, Kerjaya Group also have a whistleblowing mechanism that allows serious misconduct or serious violations of the Group's ethical standards such as the Group Code of Conduct, Code of Ethics, or ABC Policy, to be reported.

The whistleblowing mechanism is formalised via the Whistleblowing Policy and Procedures ("Whistleblowing Policy") and it is accessible by all, including Directors, employees, business associates, and the public. The mechanism allows issues to be raised in confidence and escalated for investigation, where 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 publicly accessible on Kerjaya's corporate website.

We are pleased to report that there were no incidents of corruption or fines, penalties, or settlements in relation to corruption reported or received during FY2023. There were no employees or staff disciplined or dismissed due to non-compliance with ABC Policy.

Kerjaya Group	FY2023
Confirmed incidents of corruption	0

Financial Sustainability

Financial sustainability in both the short term and long term is crucial for business sustainability, in alignment with our business objective to deliver shareholder value to shareholders who invested in us and supported us. Strong and robust financial position and performance are also important to enable sustainable value creation for all other stakeholders.

Guided by prudent and diligent business management approaches including strategy setting, development of business plans, budgeting and monitoring, the Group's business is managed under the leadership of the Directors and Senior Management who bring to the Group their experience, expertise, and skills.

GOVERNANCE, ETHICS, AND INTEGRITY (CONT'D)

Financial Sustainability (Cont'd)

Against an annual target of at least 5% growth in revenue and profit after tax, the Group reported a revenue of RM1.46 billion and profit after tax of RM132.5 million for FY2023, representing growth rates of 29.9% and 15.3%, respectively. Further details on the Group's financial performance for FY2023 are available in the Management Discussion & Analysis in this Annual Report FY2023.

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' well-being, safety, and satisfaction are at the core of our commitment to product responsibility and quality.

Internationally recognized best practices and international quality and safety accreditation

Prompt delivery and reliable customer service

Customer Satisfaction

Experienced workforce equipped with professional knowledge and comprehensive training

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 ("SOPs") which include stringent quality control processes.

All subsidiaries of our Construction Segment are certified with the ISO 9001 Quality Management System ("QMS"), ISO 45001 Occupational Health and Safety Management System ("OHSMS"), and ISO 14001 Environmental Management System ("EMS"). The certifications demonstrate our commitment to maintaining standardised management systems to manage quality, occupational safety and health, and the environment, and they also help to enhance our credibility in the construction industry, fostering trust between us and our customers.

Sustainability Report (Cont'd)

GOVERNANCE, ETHICS, AND INTEGRITY (CONT'D)

Product Quality (Cont'd)

Kerjaya Group's subsidiaries of the Construction Segment	Effective ISO certification as at 31 December 2023		
	QMS	OHSMS	EMS
Kerjaya Prospek (M) Sdn Bhd	ISO 9001:2015	ISO 45001:2018	ISO 14001: 2015
Permatang Bakti Sdn Bhd	ISO 9001:2015	ISO 45001:2018	ISO 14001: 2015
Ace Equity Sdn Bhd	ISO 9001:2015	ISO 45001:2018	ISO 14001: 2015
Future Rock Sdn Bhd	ISO 9001:2015	ISO 45001:2018	ISO 14001: 2015

We use the Quality Assessment System of Construction ("QLASSIC") as an assessment tool to evaluate the quality of workmanship of building projects based on Construction Industry Standards (CIS) 7:2014. We have set a target to achieve QLASSIC score of at least 80 points for all our projects and, for FY2023, we achieved a score of 88% for Axon Bukit Bintang @ Kuala Lumpur.

Axon @ Bukit Bintang, Kuala Lumpur

TECHNOLOGY AND R&D

Kerjaya also leverages technology to advance its construction technology. Kerjaya adopted the Industrialised Building System ("IBS") in recent years and that has helped to enhance operational efficiencies, improved the quality of final products, and reduced the exposure to environmental and social impacts at construction sites, such as reduced wastage of concrete and reduced manual labour helping to reduce safety hazards of certain construction processes. We also observed shorter construction times as building components are pre-fabricated off-site and safer and cleaner sites.

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 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, more than 95% of Kerjaya's procurement spending on building materials is from local, Malaysian suppliers.

	FY2021	FY2022	FY2023
The proportion of procurement spending (on building materials) on local suppliers	>90%	>90%	>95%

Quality of Suppliers, Subcontractors, and Vendors

Operations in the construction industry generally involve various parties such as suppliers, subcontractors, and vendors for various specialised services in fields including earthworks, structural, drainage and sewerage, electrical, waste management, etc.

We exercise diligence in our selection of business associates to select reliable and high-quality parties who are able to support how we do business and are aligned with our core values, including in the aspects of ethics and integrity, prioritising safety and health, carrying out environmental and social responsibilities, as well as product quality.

We maintain close collaboration with suppliers, subcontractors, and service providers to deliver product quality 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 their views, as well as how we are able to collaborate to create shared business value in the long run.

Relevant business associates such as contractors and suppliers are assessed before we engage them formally as well as annually to evaluate their business ethics, integrity, and performance. The New Supplier Form is used for the selection and assessment of new suppliers or service providers and the criteria used are aligned with the Group's operational, environmental, and social goals.

Our new supplier assessment process has also included an assessment that gives 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.

Periodic assessments are conducted by our internal stakeholders 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.

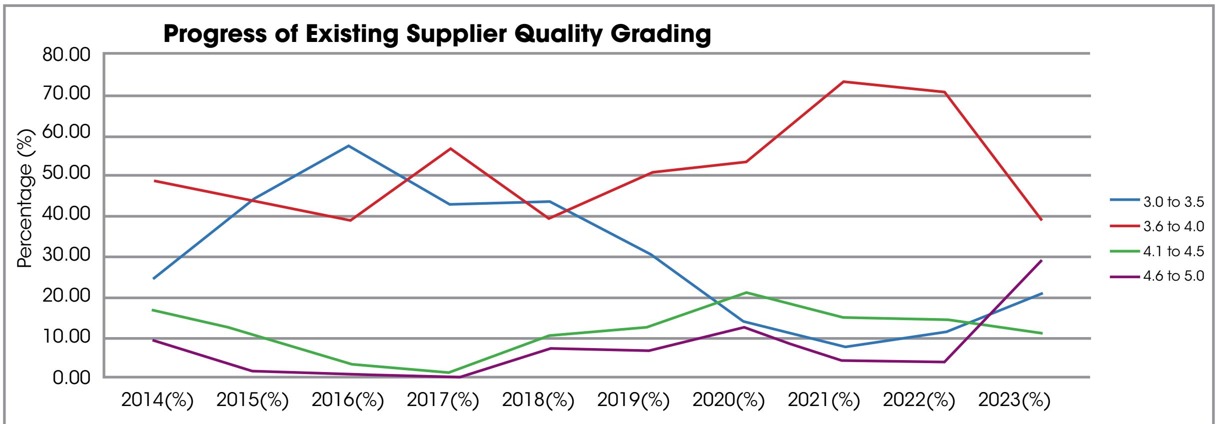
In addition, we also have internal teams to perform annual audits on our existing suppliers and contractors, auditing them in the areas of quality of products and service, price, delivery lead time and payment terms. Kerjaya has an audit scoring method that rates the performance of suppliers and contractors 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.

SUPPLY CHAIN MANAGEMENT (CONT'D)

Quality of Suppliers, Subcontractors, and Vendors (Cont'd)

Based on the periodic assessments and annual audits, amongst others, Kerjaya continues to work together with business associates whose performance is satisfactory, while having ongoing discussions to support each other in the betterment of working relationships, 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 meet our expectations.

For FY2023, 40% of our suppliers and contractors attained a score of 4.1 and above. We will continue to work together with our suppliers or contractors to advance the quality and responsibility of our 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.

CUSTOMER DATA AND PRIVACY

Various controls are in place to protect the confidential data of our customers, including adopting good practices in handling sensitive data and having a Code of Ethics that requires employees to safeguard customers' data.

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	FY2023
Number of incidents which resulted in significant IT breaches	0	0	0
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	0	0	0

ENVIRONMENTAL MANAGEMENT

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

We are aware of the interaction and tender balance required between the built and natural environments. Kerjaya is committed to minimising the environmental impact of its operations in addition to complying with applicable environmental laws and regulations at all sites managed by Kerjaya.

All the Group's construction sites are managed by our subsidiaries which are certified with ISO 14001 EMS, which are subject to annual audits or reviews. We also engage professional Environmental Consultants 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.

We aim to use resources efficiently to reduce resource input and reduce the generation of waste. The adoption of IBS has helped us achieve this, in addition to making our sites safer. All waste and wastewater generated are handled and disposed of responsibly and in accordance with compliance requirements. We target to have zero pollution incidents at all sites.

Generally, we do not operate in water-stressed areas and we do not withdraw a significant amount of water from natural water bodies. Our water is mostly procured from municipal sources. We do not take water availability for granted and we strive to use water efficiently and avoid unnecessary withdrawal or wastage of water.

In line with the global trend and efforts to combat climate change and reduce greenhouse ("GHG") emissions, Kerjaya adopted a stance to use energy efficiently and endeavours to reduce the GHG emissions arising from its construction activities. As part of our ongoing efforts, we undertook initiatives to develop and report our GHG emissions inventory and incorporate climate considerations in our business management from strategy to risk management. We will continue to incorporate climate considerations and prepare ourselves to disclose climate-related information guided by the Recommendations of the Task Force on Climate-related Finance Disclosures ("TCFD Recommendations") in the coming years.

Industry Collaborations

We continue to identify collaboration opportunities with clients and business associates at the construction sites with the aim of achieving ongoing improvements for our sites' environmental management. In addition to assessing the environmental protection practices of our subcontractors and service providers, we also work together with them to develop solutions to enhance environmental performance and mitigate negative environmental impacts at our sites.

For example, we work with subcontractors to enable a centralised and standardised waste management process which includes the segregation, measurement, storage, and treatment of waste. This has helped our sites to more effectively categorise our waste and enhanced the rate of reuse or recycling of waste generated.

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 that 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 FY2023.

ENERGY MANAGEMENT, EMISSIONS MANAGEMENT, AND CLIMATE CHANGE

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

In relation to energy consumption, we strive to enhance the energy efficiency of our operations and avoid energy use or wastage. Such an energy approach also forms one of our first steps towards transitioning to a lower carbon footprint business by reducing emissions associated with our energy consumption.

Energy and Emissions from Construction Activities

In our operations and sites, we use fossil-based fuels such as diesel and petrol in vehicles and heavy machinery such as cranes, excavators, on-site power generator sets, backhoes, and others. Periodic maintenance of our machinery and equipment is scheduled and performed to keep them in good condition, thereby maintaining the energy efficiency of these assets. We also review our machinery and equipment assets considering their current conditions and other market alternatives, as well as economic considerations, to develop plans to upgrade or replace older machinery and equipment that may have lower fuel efficiency. In the process, we also actively look for investments or technology that enable us to rely less on fossil-based fuels.

Currently, we measure our consumption of electricity for our in-Scope operations, including electricity consumption at construction sites managed by Kerjaya. Electricity consumption is measured from our electricity bills.

Energy consumption (MWh)	FY2021	FY2022	FY2023
Fuel consumption			
Diesel	18,884	20,778	22,612
Petrol[4]	Not available	Not available	232
Electricity purchased from TNB			
Headquarters	Not available[5]	405	362
Construction Segment	3,782	4,201	4,243
Total energy consumption (i.e. fuel and electricity)	**22,666**	**25,384**	**27,449**

We calculate the electricity intensity for the Construction Segment as the electricity consumption per RM1,000 Construction revenue and target to achieve an electricity intensity of 3.00 kWh/ RM1,000 revenue or lower.

Electricity use for Construction Segment	FY2021	FY2022	FY2023
Electricity consumption (`000 kWh)	3,782	4,201	4,243
Electricity intensity (kWh/ RM1,000 revenue) i.e. electricity consumption/ RM`000 Construction Segment revenue	3.56	3.30	2.97

Our electricity intensity for the Construction Segment improved to 2.97kWh per RM1,000 Construction revenue in FY2023. This could be attributable to the higher Construction revenue (compared to the previous year) and lower electricity consumption in the construction phases in FY2023.

Based on the energy sources disclosed above, the total energy consumption and the GHG derived from energy use are summarised as follows.

4 Petrol consumption for FY2021 and FY2022 was not available as we began to collect data in FY2023.
5 Not available as we began to collect electricity consumption data for the headquarters in FY2023.

ENERGY MANAGEMENT, EMISSIONS MANAGEMENT, AND CLIMATE CHANGE

Energy and Emissions from Construction Activities (Cont'd)

GHG Emissions (tCO_2e)	FY2021	FY2022	FY2023
Scope 1			
Diesel	4,750	5,226	5,688[6]
Petrol[7]	Not available	Not available	57
Scope 2			
Purchased electricity	2,867[8]	3,491[9]	3,491[10]
Scope 1 and Scope 2			
Total	7,617[11]	8,717[12]	9,235

Other Energy Savings and Efficiency Measures

Across our Group, the majority of our office lighting is 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 weather.

Renewable Energy

Kerjaya Group has been exploring renewable energy solutions to reduce its reliance on fossil fuel-powered energy in the longer term. We have 2 solar panel systems, for our in-scope operations, installed at our headquarters and the Rawang factory. In FY2023, we sold 11,080 kWh of excess solar-generated electricity to TNB, which translates to approximately 8 tCO_2e in emissions.

We will continue to enhance our data collection to enable a more reliable estimation of our emissions in line with the disclosure requirements of Bursa's Listing Requirements moving forward.

Climate Change

The Group is aware of the urgency of combatting climate change and developing systems to reliably measure and report the Group's GHG emissions. The Group will continue to review and develop a structured approach toward more complete and accurate emissions reporting, including Scope 1, Scope 2, and relevant Scope 3 emissions, in line with the TCFD Recommendations.

6 In FY2023, we estimate GHG emissions for fuels based on the GHG Protocol's Calculation Tools, namely the Stationary Combustion Tool and Transport Tool. Previous year's estimations will not be recalculated.
7 Petrol-related GHG emissions for FY2021 and FY2022 was not available as we began to collect data in FY2023.
8 FY2021 GHG emissions from electricity consumption is restated using the latest information published by the Energy Commission of Malaysia. Estimation is based on 2021 Peninsula Malaysia's Grid Emission Factor of 0.758 tCO_2e/MWh (source: Grid Emission Factor (GEF) in Malaysia, 2017-2021, https://meih.st.gov.my/home).
9 FY2022 GHG emissions from electricity consumption is restated using the latest information published by the Energy Commission of Malaysia. Estimation is based on 2021 Peninsula Malaysia's Grid Emission Factor of 0.758 tCO_2e/MWh (source: Grid Emission Factor (GEF) in Malaysia, 2017-2021, https://meih.st.gov.my/home).
10 FY2023 GHG emissions from electricity consumption is estimated using the latest information published by the Energy Commission of Malaysia. Estimation is based on 2021 Peninsula Malaysia's Grid Emission Factor of 0.758 tCO2e/MWh (source: Grid Emission Factor (GEF) in Malaysia, 2017-2021, https://meih.st.gov.my/home).
11 Restated due to restatement in FY2021 Scope 2 GHG emissions.
12 Restated due to restatement in FY2022 Scope 2 GHG emissions.

RESOURCE, WASTE, AND POLLUTION 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 monitor our resource consumption, the associated waste they create, and the efforts 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 experienced teams of 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 keep ourselves abreast of new technology in the market to consider adoption, where feasible. Commonly, newer building technology helps to use resources more efficiently and reduces waste generation. For example, the IBS technology that we have adopted enabled us to significantly reduce concrete use and wastage on site, in addition to improving building efficiency.

On the other hand, we also engage with our suppliers and service providers regularly to explore solutions or processes that will help enhance our site operations, including efficiencies in terms of construction methods, resources, and waste management.

Managing Wastes

In addition to compliance with waste management laws and regulations, we are committed to managing and disposing of our waste and wastewater responsibly and target to have zero pollution incidents at all sites.

We adopt proper waste segregation practices and management systems, adhering to relevant ISO14001 standards and considering better practices in the industry. 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

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 of the key non-hazardous wastes 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.

The Group's construction sites currently adopt the use of aluminium formwork which can be reused repeatedly, compared to conventional timber formwork.

Our construction and waste management processes are assessed periodically to identify ways to reduce waste generation and to enhance the rates of recovery of materials, which may include reusing materials or selling waste materials to recycling contractors. Ongoing efforts will continue to be identified to decrease the waste that is ultimately disposed of.

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

Non-Hazardous Waste (Cont'd)

The following table summarises our non-hazardous waste generated in FY2023, including how much was recycled or reused or disposed of.

Non-hazardous waste[13]	FY2021 (t)			FY2022 (t)			FY2023 (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	1,872	1,872	0	2,155	2,155	0	1,775	1,775	0
Total	**1,872**	**1,872**	**0**	**2,155**	**2,155**	**0**	**1,775**	**1,775**	**0**

We have set a target to reuse and recycle at least 95% of the iron and steel waste generated, and we have achieved a 100% recycling rate by selling our iron and steel waste to third-party recycling service providers. At the same time, we earned RM2.9 million from the selling of scrap iron and steel in FY2023.

Reuse and recycling rates (i.e. the proportion of amount diverted from disposal against the amount generated)	FY2022		FY2023		FY2024
	Target	Actual	Target	Actual	Target
Iron/ steel[14]	>95%	100%	>95%	100%	>95%

Noise, Dust, and Seawater

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 compliant 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.

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

Environmental Performance

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.

Overall, in FY2023, there were no cases of significant fines or penalties imposed by the authorities arising from non-compliance in relation to environmental management, such as waste management or pollution.

[13] "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.
[14] Recycling and reuse rate for iron and steel is calculated using amount sold to third parties.

WATER MANAGEMENT

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

Generally, we do not operate in water-stressed areas and we procure water from municipal sources. There may be certain projects where we withdraw groundwater but the withdrawals are generally insignificant and conducted in compliance with local laws and regulations.

We monitor our water impact by assessing how we withdraw, use, and discharge water. At the headquarters, water is mainly used for domestic purposes while at construction sites water is mainly used for mortar mixing, worker consumption, and site cleaning.

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 seawater 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.

Wastewater is generally discharged through municipal drainage and sewerage systems. 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 FY2023 is disclosed as follows:

	FY2021 (Ml)	FY2022 (Ml)	FY2023 (Ml)
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	258.95[15]	252.98[16]	125.74
External wastewater	-	-	-
Total water withdrawal	258.95	252.98	125.74

WATER MANAGEMENT (CONT'D)

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

During FY2023, we recorded a significantly lower amount of water withdrawal due to lower water consumption in the construction phases of our projects in FY2023.

Water Intensity for Construction Projects

[15] FY2021 water withdrawal data does not include water consumption at the headquarters as we began to collect water withdrawal data for the headquarters in FY2023.
[16] FY2022 water withdrawal data does not include water consumption at the headquarters as we began to collect water withdrawal data for the headquarters in FY2023.

Water intensity for the Construction Segment is measured via the water withdrawal per RM1,000 Construction revenue and we target to achieve a water intensity of 0.20 m3/ RM1,000 revenue or lower. For FY2023, we recorded a water intensity of 0.07 m3/ RM1,000 Construction revenue due to due to lower water consumption in the construction phases of our projects in FY2023.

Water withdrawn for the Construction Segment	FY2021	FY2022	FY2023
Water withdrawn (m^3)	258,950	251,184	125,741
Water intensity (m3/ RM1,000 revenue) i.e. water withdrawn/ RM'000 Construction Segment revenue	0.24	0.20	0.07

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 of the Group is reflected in the Code of Ethics, which is publicly available online and 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 of 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.

We do not practise any form of child labour or forced labour, and we are committed to providing a safe and healthy workplace for all employees, in addition to compliance with minimum wage and permissible working hours. Similarly, we expect the same from our key business associates, especially subcontractors. When selecting key business associates, we also consider their track record with regard to compliance, including pertaining to labour laws and regulations.

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

LABOUR PRACTICES AND HUMAN RIGHTS (CONT'D)

With regard to the workers to whom we provide accommodation, we ensure compliance with the Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990, including subsequent amendments of the Workers' Minimum Standards of Housing and Amenities (Amendment) Act 2019 (Act 446). Kerjaya is the pioneer in the industry that uses the concept of modular construction for worker's accommodation, which helps 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 SOPs.

We also strive to remunerate employees fairly for their work and aim to prevent excessive working hours. The working hours and other labour practices records, such as safety performance and training, of employees at our construction sites are documented and we perform analysis from time to time to review compliance and identify improvement opportunities.

As our operations commonly include working with business associates such as contractors and service providers, our regular engagements such as project progress meetings also include topics pertaining to safety and health and labour practices. Through our employee engagement channels, such as performance appraisal sessions, employees are also able to voice their concerns with regard to the work environment and the Group's employment practices, which the Group will work together with employees towards resolution.

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

	FY2021	FY2022	FY2023
Number of substantiated complaints concerning human rights violations	0	0	0

PEOPLE AND DIVERSITY

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 is practised in the Group's employment practices including recruitment, performance assessment, promotion, disciplinary actions, etc, which are determined on the basis of merit.

Our employees comprise office-based employees and manual workers. All manual workers are foreign workers at our construction sites.

As at 31 December 2023, Kerjaya has a total of 3,727 employees, broken down into 579 office-based employees and 3,148 manual workers. From time to time, we may have positions for interns or temporary employees which are generally filled by students or new graduates who wish to gain exposure or have some understanding of the industry. These positions are generally not crucial positions but represent our contribution to providing insights and experience to students with respect to the industry. As at 31 December 2023, we have an estimate of 236 interns. Interns are not included in our disclosure of employee statistics below.

Compared to last year, our foreign employee workforce increased substantially due to more intensive hiring due to commencement of projects picking up pace.

We do not have part-time employees, while contract-based employees comprise approximately 24% of our 579 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 talent.

PEOPLE AND DIVERSITY (CONT'D)

	FY2021	FY2022	FY2023
Office-based employees			
Full-time permanent employee	322	381	439
Full-time contract employee	156	149	140
Total office-based employees	**478**	**530**	**579**
Manual workers			
Foreign workers	1,085	1,719	3,148
Total employees	**1,563**	**2,249**	**3,727**

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 industries where the Group has businesses are generally male-dominated industries. Nevertheless, we aim to have a reasonable balance of 60% male and 40% female composition amongst our office-based employees.

As at 31 December 2023, our male-to-female ratio for office-based employees is 57:43, which is aligned with our target. We also have a workforce that reflects a balanced representative of ethnicities in general.

Kerjaya Group's office-based employees by gender and age	As at 31 December 2023				
	Gender		Age		
	Male	Female	<30	30 - 50	>50
Directors					
Directors	5 (63%)	3 (37%)	0 (0%)	2 (25%)	6 (75%)
Office-based employees					
Senior Management	4 (80%)	1 (20%)	0 (0%)	2 (40%)	3 (60%)
Management	34 (83%)	7 (17%)	5 (12%)	21 (51%)	15 (37%)
Executives	156 (51%)	147 (49%)	175 (58%)	120 (40%)	8 (3%)
Non-Executives	137 (60%)	93 (40%)	142 (62%)	69 (30%)	19 (8%)
Subtotal	331 (57%)	248 (43%)	322 (56%)	215 (37%)	42 (7%)
Total	**579**		**579**		

PEOPLE AND DIVERSITY (CONT'D)

Kerjaya Group office-based employees breakdown by ethnic	As at 31 December 2023
Malay	387
Chinese	166
Indian	24
Others	2
Total	**579**

TALENT ATTRACTION, RETENTION & DEVELOPMENT

Human capital management is one of the Group's most important focuses in building a pipeline of talents and developing skills to suit the needs of the Group to meet its business objectives in the short and long term. On an ongoing basis, we review our human capital strategies, identifying the talents and skills required by the business, the existing gaps, and development needs. We adopt strategies that balance between attracting, developing, and retaining talents in the Group. Furthermore, we also look into various time horizons and ensure sufficient succession planning is put in place.

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

Development of Employees, Talents, and Leadership

The Group's performance appraisal, which is conducted for all employees annually, serves various purposes including assessing employees' performance for the year, enabling a dialogue between the supervisors and employees to discuss approaches to enhance work-related issues and relationships, and it also provides a basis for identifying the training needs of employees or functions of the Group.

The Group's overall skill sets and talents across various functions are also considered when developing training programmes for employees, such as in relation to the topics of anti-corruption, sustainability, and climate change which are some of the key regulatory focuses in recent years.

Training is provided in both forms, in-house training and external training, across various fields and topics, spanning technical skills and soft skills. Regular training is also provided on certain topics such as anti-corruption, safety and health, SOPs, and others, to equip employees with the necessary knowledge to perform their work effectively.

In relation to training programmes that support the Group's succession planning objectives, 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 plans 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.

We are pleased to report that, in FY2023, we achieved a total of 2,934 training hours for our office-based employees, meeting our target of 2,000 training hours. On average, each employee attended 5.1 training hours during the financial year.

TALENT ATTRACTION, RETENTION & DEVELOPMENT (CONT'D)

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

Training for office-based employees	FY2022		FY2023	
	Total training hours	Average training hour	Total training hours	Average training hour
Senior Management	11.0	2.2	19.0	3.8
Management	148.5	3.5	197.0	4.8
Executive	1,163.5	3.5	1,703.0	5.6
Non-Executives	658.8	4.3	1,015.0	4.4
Total	**1,981.8**	**3.7**	**2,934.0**	**5.1**

	FY2021		FY2022		FY2023	
	Target	Actual	Target	Actual	Target	Actual
Total training hours attended by office-based employees	2,000	1,788	2,000	1,982	2,000	2,934

Highlights of the key topics relating to the training attended by our employees are as follows:

- custom duties and taxes;
- safety and health training, including first aid, CPR, AED, etc;
- ethics in the construction sector;
- tender and procurement management systems;
- mental health;
- employment laws in Malaysia;
- Microsoft-related skills;
- Labour practices; and
- QLASSIC training.

OCCUPATIONAL HEALTH & SAFETY

Occupational health and safety ("OHS") is one of the most crucial responsibilities of Kerjaya towards its employees and workers. We are committed to providing a conducive, safe, and healthy work environment to employees and workers, especially at our construction sites.

To this end, we have a safety and health 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.

We also expect our OHS commitment and stance to be upheld in Kerjaya-managed construction sites, including by our contractors and subcontractors.

In the following sections, "Kerjaya" and "we" refers to the Construction Segment

OCCUPATIONAL HEALTH & SAFETY (CONT'D)

Management System for Occupational Health and Safety

We are compliant with applicable land codes, including those of Federal, State, and council levels, concerning site safety, health, and management, as well as:

- 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; and
- other SOPs issued by the CIDB, the Malaysia National Security Council, the Ministry of Health and other relevant ministries or government agencies.

At Kerjaya, we manage OHS via a structured and systematic approach. We comply with the relevant laws and regulations such as the Occupational Safety and Health Act, 1994 ("OSHA") as well as internationally recognised best practices. We maintain occupational safety and health management systems in accordance with the internationally recognised ISO 45001 which guides the policies, risk management, procedures and controls, auditing, and process improvement, amongst others, in relation to occupational safety and health. All our construction sites are managed by subsidiaries certified with ISO 45001 OHSMS.

Governance and Management Structure for OHS

As part of our governance structure for managing OHS, we have Environmental and Occupational Health and Safety ("EOHS") Committees whose roles are to monitor and review the management of OHS of our operations, including risk assessments, any work-related incidents or accidents, their root causes, remedial action plans and progress, and safety performance targets such as injury rate of industrial accidents.

The EOHS Committee is responsible for reviewing safety performance at project sites on a bi-weekly basis. Safety performance is summarised and reported to the Board on an annual basis. The EOHS Committee is also responsible for reviewing the OHS-related processes and identifying process improvement opportunities on an ongoing basis.

Members of the EOHS Committee include qualified Safety Officers who are registered with the Department of Occupational Safety and Health ("DOSH") and have received relevant training on relevant OHS knowledge and skills to oversee OHS controls and performance. Members of the EOHS Committee also include employees working at the operational level who are able to provide practical views on any OHS challenges faced by employees and understand the feasibility of controls established to mitigate OHS risks. Having executive-level employees as a member of the EOHS Committee also enables a more effective channel for employees to feedback on any OHS views or concerns.

The EOHS Committee's roles also include ensuring timely support is provided to the employees affected by incidents.

Risk-Based Approach for OHS

We adopt a risk-based approach towards OHS, where OHS risk assessment is periodically conducted by the EOHS Committee to identify, assess, manage, and monitor the OHS risks at our construction sites. OHS risk assessment is conducted for all our construction sites and will be conducted for all new projects as well.

OHS-related controls are incorporated into our SOPs which undergo ongoing process improvement. 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.

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

OCCUPATIONAL HEALTH & SAFETY (CONT'D)

Safety Training

Kerjaya ensures that all relevant personnel are sufficiently trained before entering project sites. For new employees and workers, Safety Induction Training is provided to equip them with knowledge regarding OHS risks and controls on the site, as well as procedures to react to emergencies. For visitors and contractors, we provide compulsory safety briefing before they enter our sides to ensure they are equipped with reasonable safety awareness and sufficient understanding of our safety controls to protect their safety.

Regular OHS training is provided to employees and workers, 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. Awareness and training continue to be an important aspect of managing OHS at our operation. We will continue to provide OHS training to employees and workers, as well as undertake efforts to enhance relevant OHS controls.

OHS training may include training on OHS standards, such as training on OHSMS, or general OHS training, such as on the use of safety equipment, working at heights, and others.

In FY2023, 44 employees received training on OHS standards and all our manual workers at construction sites received general OHS training. OHS training is also provided considering the employees' risk exposures and the nature of their work.

	FY2023
Number of employees trained on health and safety standards	44 employees
Number of employees briefed or trained on health and safety (general training)	All manual workers at our project sites

In addition, we continued to conduct Safety Induction Training, 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

We measure the safety performance of our employees, including Kerjaya's manual workers at our project sites. We have set a target to have no major accidents for our in-Scope operations, i.e. to have no accidents that lead to serious injuries or fatalities. We recorded 3 cases of minor injuries and no lost-time injuries.

Safety performance	FY2021	FY2022	FY2023
Major accidents	1	1	0
Non-fatal serious injuries	0	0	0
Fatalities	1	1	0
Lost-time incident rate	Not available [17]	Not available [18]	0

[17] No data on lost-time incident rate is available for FY2021 as we began to measure lost-time incident rate in FY2023.

[18] No data on lost-time incident rate is available for FY2022 as we began to measure lost-time incident rate in FY2023.

EMPLOYEE WELLBEING AND SATISFACTION

The Group intends to create a conducive work environment for its employees and envisions a mutually beneficial relationship between the Group and its employees. Various engagement channels are in place to engage with employees. The Group also adopts an open communication culture where all employees are encouraged to express their views and recommendations to improve the Group's operations and relationship with employees.

Employee Retention

In addition to complying with the statutory requirements and regulations on wages and benefits such as minimum wage order, Employee Provident Fund, and Social Security Organisation, Kerjaya Group offers employees' welfare including travel allowance, subsidies for hospitalisation and surgical insurance coverage and group personnel insurance, and uniform to the employees.

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 rates which reflect and guide our human capital management performance and strategies. We target to keep our turnover rate for office-based employees below 20%.

In FY2023, the turnover rate further improved to 37%, from 42% in FY2022. We have also increased our office-based employees by 9.2% to 579 as at the end of 31 December 2023. We will continue to enhance our employee retention rate through various employee approaches.

Office-based employees	Employee number as at 31 December 2023	New hire during FY2023		Turnover during FY2023	
		No.	Rate	No.	Rate
Senior Management	5	0	0%	0	0%
Management	41	15	37%	13	32%
Executives	303	135	45%	109	36%
Non-Executives	230	119	52%	94	41%
Total	**579**	**269**	**46%**	**216**	**37%**

COMMUNITY ENGAGEMENT AND CONTRIBUTIONS

On top of creating value for our stakeholders such as shareholders and employees, we are also aware that there are vulnerable communities that may require assistance and support.

Our community engagement and contribution activities place preference on assisting and empowering vulnerable 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.

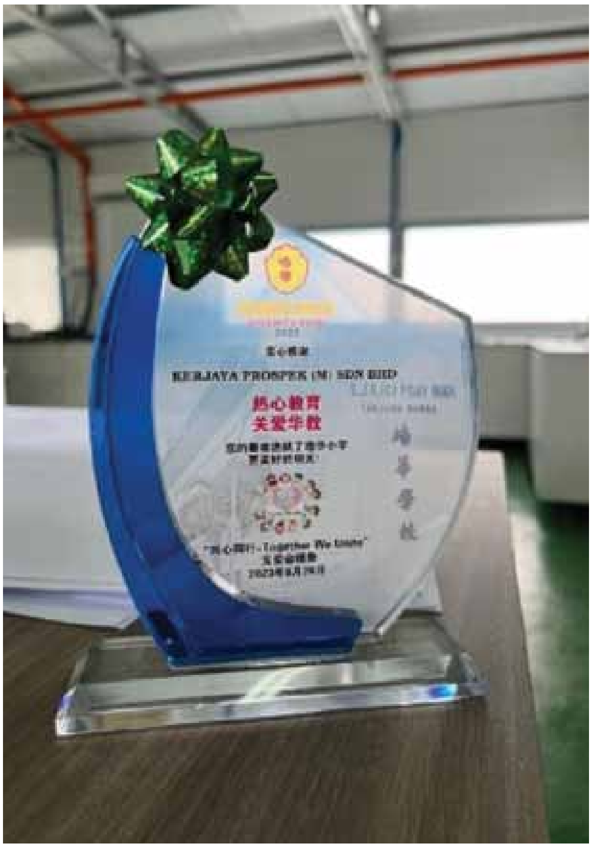
During the financial year under review, Kerjaya Group has undertaken several community initiatives, summarised as follows. Our contribution is estimated to have benefitted more than 100 persons.

COMMUNITY ENGAGEMENT AND CONTRIBUTIONS (CONT'D)

Community initiatives	Description	Amount (RM)
Donation to temple	Rumah Berhala Mak Law See Kong, Koon Loon, Kong, and Persatuan Penganut Dewa Kim Hock Keng	41,500
Charity dinner	Pusat Hemodialsis Desa Aman Puri	5,888
Contribution to Merdeka Charity Food and Fun Fair	Kajang Assembly of God	5,000
Contribution to cleaning and repair works	Eng Choon Ghee San Tehel Mel	15,000
Financial aid to support special need community	Persatuan Insan Istimewa Cheras Selangor	5,000
Contribution to TAR UC	Upgrading to University and student loan fund raising dinner	2,000
Donation	Kelab Aleaa, PIBG SJKC Poay Wah, and Tar University	12,398
Sponsorship	Persatuan Ibubapa dan Guru-guru Sekolah Sek Men Je, TARCIAN RUN 2023, Perniagaan Sa Yang, Tehel School, and Persatuan Bolasepak Melayu Malaysia	37,986
Contribution	Tabung Kewangan Persatuan Ibubapa and Guru, Kelab Jalinan Muhibah Pulau Pinang, Persatuan Bekas Penuntut Sekolah Yok Bin, Persatuan Penduduk Taman Midah, Pusat Khidmat Rakyat Parlimen Lembah Pantai, PIBG SK Sri Amar, and Ractar	27,900
	Total	**152,672**

From time to time, we provide internship or short-term employment opportunities for students, enabling them to gain work experience during their holidays and have an understanding of the property and construction industry by being involved in our working environment. We hope to nurture future generations of talents and cultivate passion amongst youngsters to build sustainability for the future.

COMMUNITY ENGAGEMENT AND CONTRIBUTIONS (CONT'D)



Indicator	Measurement Unit	2023
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Senior Management	Percentage	100.00
Managers	Percentage	85.37
Executives	Percentage	79.54
Non-executives	Percentage	72.61
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Percentage	0
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	152,672.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	100
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Senior Management Under 30	Percentage	0.00
Senior Management Between 30-50	Percentage	40.00
Senior Management Above 50	Percentage	60.00
Managers Under 30	Percentage	12.20
Managers Between 30-50	Percentage	51.22
Managers Above 50	Percentage	36.59
Executives Under 30	Percentage	57.76
Executives Between 30-50	Percentage	39.60
Executives Above 50	Percentage	2.64
Non-executives Under 30	Percentage	61.74
Non-executives Between 30-50	Percentage	30.00
Non-executives Above 50	Percentage	8.26
Gender Group by Employee Category		
Senior Management Male	Percentage	80.00
Senior Management Female	Percentage	20.00
Managers Male	Percentage	82.93
Managers Female	Percentage	17.07
Executives Male	Percentage	51.49
Executives Female	Percentage	48.51
Non-executives Male	Percentage	59.57
Non-executives Female	Percentage	40.43

Sustainability Report (Cont'd)

Indicator	Measurement Unit	2023
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	62.50
Female	Percentage	37.50
Under 30	Percentage	0.00
Between 30-50	Percentage	25.00
Above 50	Percentage	75.00
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	27,448.77
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	44
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Senior Management	Hours	19
Managers	Hours	197
Executives	Hours	1,703
Non-executives	Hours	1,015
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	24.18
Bursa C6(c) Total number of employee turnover by employee category		
Senior Management	Number	0
Managers	Number	13
Executives	Number	109
Non-executives	Number	94
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	95.00
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	125.740000

Internal assurance External assurance No assurance (*)Restated

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 2023 amounted to RM341,920 of which RM80,000 was incurred by Kerjaya Prospek Group Berhad.

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 2023 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 Dato' 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	557
Kerjaya Prospek Group Berhad and its subsidiaries Eastern & Oriental Berhad and its subsidiaries	Datuk Tee Eng Ho Dato' 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.	658,106

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 Dato' 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.	3,061
Kerjaya Prospek Group Berhad and its subsidiaries YHH Sales and Marketing Sdn Bhd	Datuk Tee Eng Ho Dato' 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.	173
Kerjaya Prospek Group Berhad and its subsidiaries Bina BMK 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.	–

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.

FINANCIAL STATEMENTS

DIRECTORS' REPORT

For The Financial Year ended 31 December 2023

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 2023.

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.

FINANCIAL RESULTS

	Group RM	Company RM
Profit before taxation	178,024,522	79,620,887
Taxation	(46,328,428)	(541,066)
Profit for the year	131,696,094	79,079,821
Profit attributable to:		
Owners of the Company	131,518,311	79,079,821
Non-controlling interests	177,783	--
	131,696,094	79,079,821

DIVIDENDS

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

	Company RM
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 the financial year ended 31 December 2022.	25,221,004
First interim single tier dividend of 2.0 sen per share on 1,261,050,200 ordinary shares, declared on 23 May 2023 and paid on 6 July 2023 in respect of the financial year ended 31 December 2023.	25,221,004
Second interim single tier dividend of 2.0 sen per share on 1,261,050,200 ordinary shares, declared on 18 August 2023 and paid on 6 October 2023 in respect of the financial year ended 31 December 2023.	25,221,004
Third interim single tier dividend of 2.0 sen per share on 1,261,050,200 ordinary shares, declared on 21 November 2023 and paid on 12 January 2024 in respect of the financial year ended 31 December 2023.	25,221,004
	100,884,016

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 29 February 2024 and paid on 5 April 2024 in respect of financial year ended 31 December 2023 amounting to RM25,221,004.

RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial year under review have been disclosed in the financial statements.

ISSUE OF SHARES AND DEBENTURES

There were no issuance 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.

OPTIONS 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 up to the date of this report are:

Datuk Tee Eng Ho*
Dato' 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
Chong Swee Ying

The directors who served in the subsidiaries during the financial year and up to the date of this report are:

Tee Eng Han
Ir. Abdul Aziz Bin Dato' M. Khalid

* A director who also holds office in certain subsidiaries.

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings, particulars of interests in the shares, and 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 in the Company			
	At 1.1.2023	**Additions**	**Disposals**	**At 31.12.2023**
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
Dato' 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 in the Company			
	At 1.1.2023	**Additions/ Disposals**	**Expired on 28.2.2023**	**At 31.12.2023**
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)	-
Dato' 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.

Datuk Tee Eng Ho, Datin Toh Siew Chuon, Dato' 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 Company were RM20,000,000 and RM12,000 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 year 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 these warrants have expired on 28 February 2023.

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.

Directors' Report
(Cont'd)

OTHER STATUTORY INFORMATION

Before the financial statements 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 would 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 that would render any amount stated in the financial statements of the Group and of the Company 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 LITIGATIONS

The details of material litigations 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 25 April 2024.

Datin Toh Siew Chuon
Director

Dato' 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 Dato' 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 110 to 189 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 2023 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 25 April 2024.

Datin Toh Siew Chuon
Director

Dato' 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 110 to 189 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 Petaling Jaya in the State of Selangor
on 25 April 2024.

Datin Toh Siew Chuon
Director

Before me,
Ng Say Hung
License No. B185
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 2023 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 the material accounting policy information, as set out on pages 110 to 189.

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 2023, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company 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 2023, 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.

Independent Auditors' Report (Cont'd)

Key Audit Matters (continued)

1. Impairment assessment of goodwill (Cont'd)

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.

2. Impairment of trade receivables

As at 31 December 2023, the Group has trade receivables with carrying amount of RM776,503,421, as 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.

Key Audit Matters (continued)

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

As at 31 December 2023, carrying value of property development cost and completed properties held as inventories by the Group amounted to RM168,205,840 and RM45,151,068 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.

Independent Auditors' Report (Cont'd)

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 RM1,463,787,371 for the financial year ended 31 December 2023, 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 2023 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 2023 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.

Independent Auditors' Report (Cont'd)

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

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.

- 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.

Independent Auditors' Report (Cont'd)

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

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) & AF 002009
Chartered Accountants

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

Shah Alam
25 April 2024

STATEMENTS OF FINANCIAL POSITION
As at 31 December 2023

	Note	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	**92,355,882**	90,474,066	**8,100**	11,700
Right-of-use assets	5	**1,363,296**	836,037	**-**	–
Investment properties	6	**5,780,109**	6,913,183	**-**	–
Investment in subsidiaries	7	**-**	–	**543,814,602**	459,164,605
Other investments	8	**193,000**	207,640	**150,000**	150,000
Intangible assets	9	**227,924,521**	227,955,818	**-**	–
		327,616,808	326,386,744	**543,972,702**	459,326,305
Current assets					
Inventories	11	**215,981,276**	201,559,087	**-**	–
Trade and other receivables	12	**851,141,251**	627,908,797	**90,243,225**	159,189,284
Contract assets	13	**43,665,454**	7,624,269	**-**	–
Tax recoverable		**624,498**	518,851	**31,164**	60,971
Cash and bank balances	15	**195,728,588**	255,705,409	**90,267,697**	120,144,849
		1,307,141,067	1,093,316,413	**180,542,086**	279,395,104
TOTAL ASSETS		**1,634,757,875**	1,419,703,157	**724,514,788**	738,721,409
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	16	**683,040,706**	683,040,706	**683,040,706**	683,040,706
Treasury shares	17	**(6,914,445)**	(6,914,445)	**(6,914,445)**	(6,914,445)
Reserves	18	**2,622,884**	1,551,376	**-**	–
Retained earnings		**474,220,924**	443,586,629	**17,160,009**	38,964,204
		1,152,970,069	1,121,264,266	**693,286,270**	715,090,465
Non-controlling interests		**693,383**	516,693	**-**	–
TOTAL EQUITY		**1,153,663,452**	1,121,780,959	**693,286,270**	715,090,465
Non-current liabilities					
Deferred tax liabilities	10	**2,188,512**	1,877,487	**1,944**	–
Trade and other payables	19	**49,003,793**	47,670,273	**-**	–
Lease liabilities	20	**825,415**	339,801	**-**	–
		52,017,720	49,887,561	**1,944**	–
Current liabilities					
Trade and other payables	19	**366,378,471**	220,499,167	**31,226,574**	23,630,944
Contract liabilities	13	**22,627,536**	9,948,031	**-**	–
Lease liabilities	20	**1,258,604**	915,880	**-**	–
Income tax payable		**10,245,449**	5,956,821	**-**	–
Revolving credit	21	**20,000,000**	–	**-**	–
Short term borrowing	22	**8,566,643**	10,714,738	**-**	–
		429,076,703	248,034,637	**31,226,574**	23,630,944
TOTAL LIABILITIES		**481,094,423**	297,922,198	**31,228,518**	23,630,944
TOTAL EQUITY AND LIABILITIES		**1,634,757,875**	1,419,703,157	**724,514,788**	738,721,409

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For The Financial Year Ended 31 December 2023

	Note	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
Revenue	23	**1,472,781,499**	1,122,173,995	**75,005,000**	60,000,000
Cost of sales	24	**(1,275,118,515)**	(945,887,190)	**-**	-
Gross profit		**197,662,984**	176,286,805	**75,005,000**	60,000,000
Other operating income	25	**16,803,682**	12,493,610	**5,700,034**	5,286,624
		214,466,666	188,780,415	**80,705,034**	65,286,624
Administrative expenses		**(39,308,393)**	(33,777,134)	**(800,092)**	(1,353,668)
Other operating expenses		**(454,528)**	(468,302)	**(282,843)**	(194,522)
Reversal of/(allowance for) impairment loss on financial assets - net	27	**4,900,719**	(5,388,887)	**(1,212)**	200,995
Profit from operations		**179,604,464**	149,146,092	**79,620,887**	63,939,429
Finance costs	26	**(1,579,942)**	(647,620)	**-**	-
Profit before taxation	27	**178,024,522**	148,498,472	**79,620,887**	63,939,429
Taxation	30	**(46,328,428)**	(33,654,626)	**(541,066)**	(23,412)
Profit after taxation		**131,696,094**	114,843,846	**79,079,821**	63,916,017
Other comprehensive income:					
Item that is or may be reclassified subsequently to profit or loss					
- Foreign currency translation	18	**1,071,508**	967,097	**-**	-
Total comprehensive income for the year		**132,767,602**	115,810,943	**79,079,821**	63,916,017
Profit for the year attributable to:					
Owners of the Company		**131,518,311**	114,797,654		
Non-controlling interest		**177,783**	46,192		
		131,696,094	114,843,846		
Total comprehensive income attributable to:					
Owners of the Company		**132,589,819**	115,764,751		
Non-controlling interest		**177,783**	46,192		
		132,767,602	115,810,943		
Earnings per share attributable to owners of the Company					
- Basic (sen)	31	**10.43**	9.18		
- Diluted (sen)	31	**10.43**	9.18		

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

STATEMENTS OF CHANGES IN EQUITY

For The Financial Year Ended 31 December 2023

	Note	Non-distributable			Distributable		
		Share capital RM	Treasury shares RM	Reserves RM	Retained earnings RM	Non-controlling interests RM	Total equity RM
Group							
At 1 January 2023		**683,040,706**	**(6,914,445)**	**1,551,376**	**443,586,629**	**516,693**	**1,121,780,959**
Profit for the year		**-**	**-**	**-**	**131,518,311**	**177,783**	**131,696,094**
Other comprehensive income	18(b)	**-**	**-**	**1,071,508**	**-**	**-**	**1,071,508**
Total comprehensive income for the year		**-**	**-**	**1,071,508**	**131,518,311**	**177,783**	**132,767,602**
Transactions with owners:							
Change in equity in a subsidiary company not recognised previously		**-**	**-**	**-**	**-**	**(1,093)**	**(1,093)**
Dividends paid/declared	32	**-**	**-**	**-**	**(100,884,016)**	**-**	**(100,884,016)**
Total transactions with owners		**-**	**-**	**-**	**(100,884,016)**	**(1,093)**	**(100,885,109)**
At 31 December 2023		**683,040,706**	**(6,914,445)**	**2,622,884**	**474,220,924**	**693,383**	**1,153,663,452**
Group							
At 1 January 2022		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:							
Change 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 placements	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

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

Statements Of Changes In Equity (Cont'd)

	Note	← Non-distributable → Share capital RM	Treasury shares RM	← Distributable → Retained earnings RM	Total equity RM
Company					
At 1 January 2023		**683,040,706**	**(6,914,445)**	**38,964,204**	**715,090,465**
Profit for the year, representing total comprehensive income for the year		**-**	**-**	**79,079,821**	**79,079,821**
Transactions with owners:					
Dividend paid/declared	32	**-**	**-**	**(100,884,016)**	**(100,884,016)**
Total transactions with owners		**-**	**-**	**(100,884,016)**	**(100,884,016)**
At 31 December 2023		**683,040,706**	**(6,914,445)**	**17,160,009**	**693,286,270**
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

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

STATEMENTS OF CASH FLOWS

For The Financial Year Ended 31 December 2023

	Note	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES					
Profit before taxation		**178,024,522**	148,498,472	**79,620,887**	63,939,429
Adjustments for:					
(Reversal of)/allowance for impairment loss on:					
- other investments		**(18,956)**	29,365	**-**	–
- trade and other receivables		**(4,929,921)**	5,478,134	**-**	–
- amount due from subsidiaries		**-**	–	**-**	(132,805)
- cash and bank balances		**29,202**	(89,247)	**1,212**	(68,190)
Amortisation of intangible assets		**31,297**	29,972	**-**	–
Bad debts written-off		**37,400**	–	**157,844**	58,522
Depreciation of property, plant and equipment		**16,258,278**	24,915,318	**3,600**	3,600
Depreciation of investment properties		**12,588**	12,588	**-**	–
Depreciation of right-of-use assets		**1,376,606**	1,064,007	**-**	–
Dividend income		**-**	–	**(75,005,000)**	(60,000,000)
Gain on disposal of:					
- investment properties		**(59,514)**	–	**-**	–
- property, plant and equipment		**(42,596)**	(158,873)	**-**	–
- subsidiaries	D	**-**	(38,084)	**-**	–
- quoted shares		**-**	(142,389)	**-**	–
Interest expenses		**1,579,942**	647,620	**-**	–
Interest income		**(6,637,063)**	(4,270,370)	**(5,158,389)**	(1,745,146)
Loss on disposal of:					
- property, plant and equipment		**-**	468	**-**	–
- investment in subsidiaries	D	**-**	–	**-**	90,000
- other investments		**223**	–	**-**	–
Property, plant and equipment written-off		**-**	54,578	**-**	–
Reversal of amount written-down for inventories		**(300,343)**	–	**-**	–
Operating profit/(loss) before working capital changes		**185,361,665**	176,031,559	**(379,846)**	2,145,410

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

Statements Of Cash Flows (Cont'd)

	Note	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES (CONT'D)					
Increase in inventories		**(14,121,846)**	(19,693,177)	**-**	–
(Increase)/decrease in trade and other receivables		**(218,339,933)**	4,429,072	**48,788,215**	(33,039,927)
(Increase)/decrease in contract assets		**(36,041,185)**	3,381,671	**-**	–
Increase/(decrease) in trade and other payables		**134,601,229**	(11,701,855)	**(17,625,374)**	7,481,300
Increase/(decrease) in contract liabilities		**12,679,505**	(9,632,352)	**-**	–
Cash generated from/(used in) operations		**64,139,435**	142,814,918	**30,782,995**	(23,413,217)
Interest received		**6,637,063**	4,270,370	**5,158,389**	1,745,146
Interest paid		**(1,562,869)**	(631,320)	**-**	–
Income taxes refunded		**263,301**	23,189	**-**	23,189
Income taxes paid		**(42,097,723)**	(42,557,165)	**(509,315)**	(24,720)
Net cash generated from/(used in) operating activities		**27,379,207**	103,919,992	**35,432,069**	(21,669,602)
CASH FLOWS (USED IN)/FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment and intangible assets		**(18,140,098)**	(14,328,036)	**-**	–
Acquisition of additional interests in subsidiaries		**-**	–	**(84,649,997)**	–
(Placement)/uplift of deposits in licensed banks		**(3,876,000)**	1,710,236	**(3,565,287)**	47,683
Proceeds from disposal of property, plant and equipment and investment properties		**1,222,600**	162,832	**-**	–
Proceeds from disposal of subsidiaries	D	**-**	130,279	**-**	420,000
Proceeds from disposal of other investments		**33,373**	1,851,057	**-**	–
Dividend received, net		**-**	–	**95,005,000**	40,000,000
Net cash (used in)/generated from investing activities		**(20,760,125)**	(10,473,632)	**6,789,716**	40,467,683

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

Statements Of Cash Flows (Cont'd)

	Note	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
CASH FLOWS USED IN FINANCING ACTIVITIES					
Dividend paid		**(88,273,514)**	(62,061,810)	**(75,663,012)**	(62,061,810)
Drawdown/(repayment) of revolving credit	C	**20,000,000**	(25,000,000)	**-**	–
Proceeds from issuance of ordinary shares	16	–	40,382,400	**-**	40,382,400
Purchase of treasury shares	17	–	(1,728,377)	**-**	(1,728,377)
Repayment of lease liabilities	B	**(1,092,600)**	(889,550)	**-**	–
Net cash used in financing activities		**(69,366,114)**	(49,297,337)	**(75,663,012)**	(23,407,787)
Net (decrease)/increase in cash and cash equivalents		**(62,747,032)**	44,149,023	**(33,441,227)**	(4,609,706)
Effect of changes in foreign exchange rates		**1,071,508**	967,097	**-**	–
Changes in expected credit losses ("ECL") for cash and cash equivalents		**(29,202)**	89,247	**(1,212)**	68,190
Cash and cash equivalents at beginning of the year		**227,757,545**	182,552,178	**118,428,806**	122,970,322
Cash and cash equivalents at end of the year	A	**166,052,819**	227,757,545	**84,986,367**	118,428,806

NOTES

A. CASH AND CASH EQUIVALENTS

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

	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
Cash and bank balances (Note 15)	**195,789,504**	255,737,123	**90,271,176**	120,147,116
Less: – Allowance for ECL (Note 15)	**(60,916)**	(31,714)	**(3,479)**	(2,267)
– Deposits pledged with licensed banks (Note 15)	**(21,109,126)**	(17,233,126)	**(5,281,330)**	(1,716,043)
– Short term borrowing (Note 22)	**(8,566,643)**	(10,714,738)	**-**	–
	166,052,819	227,757,545	**84,986,367**	118,428,806

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

Statements Of Cash Flows (Cont'd)

NOTES (CONT'D)

B. CASH OUTFLOWS FOR LEASES AS A LESSEE

	Group	
	2023 RM	2022 RM
Included in net cash from financing activities		
– Interest on lease liabilities (Note 20)	**17,073**	16,300
– Payment of lease liabilities (Note 20)	**1,075,527**	873,250
	1,092,600	889,550

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

	At 1.1.2022 RM	Net changes from financing cash flows RM	At 31.12.2022/ 1.1.2023 RM	Net changes from financing cash flows RM	At 31.12.2023 RM
Revolving credit (Note 21)	25,000,000	(25,000,000)	–	**20,000,000**	**20,000,000**

D. 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		Company	
	2023 RM	2022 RM	2023 RM	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 2023

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 C-32-01 & C-33-01, Menara Vista Petaling, No. 137, Jalan Puchong, 58200 Kuala Lumpur, Wilayah Persekutuan, Malaysia.

The Company is principally an investment holding company. The principal activities of the subsidiaries are disclosed in Note 7. 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 25 April 2024.

2. BASIS OF PREPARATION

The financial statements for the financial year ended 31 December 2023 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 2023.

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

Adoption of the above Standards did not have any material effect on the financial performance or financial position of the Group and of the Company.

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
Amendments to MFRS 7:	Financial Instruments: Disclosures	1 January 2024
Amendments to MFRS 16:	Leases	1 January 2024
Amendments to MFRS 101:	Presentation of Financial Statements	1 January 2024
Amendments to MFRS 107:	Statement of Cash Flows	1 January 2024
Amendments to MFRS 121:	The Effects of Changes in Foreign Exchange Rates	1 January 2025
Amendments to MFRS 10:	Consolidated Financial Statements	Deferred
Amendments to MFRS 128:	Investment 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 material accounting policy information (Note 3).

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

3. MATERIAL ACCOUNTING POLICY INFORMATION

(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.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(a) Basis of Consolidation (Cont'd)

(i) Business Combinations (Cont'd)

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). In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

(ii) Transactions with Non-Controlling Interest

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

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

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(b) Foreign Currencies

(i) Functional and Presentation Currency

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

(ii) Foreign Currency Transactions

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

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

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

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

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

(iii) Foreign Operations

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

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

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(c) Property, Plant and Equipment and Depreciation

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

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

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

Leasehold lands are depreciated over the remaining period of their leases ranging from 45 to 94 years (2022: 46 to 95 years).

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

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.

(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.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(d) Intangible Assets (Cont'd)

(i) Goodwill (Cont'd)

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.

(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.

(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.

Notes to the Financial Statements (Cont'd)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(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.

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.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(f) Financial Instruments (Cont'd)

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

Financial assets (cont'd)

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 elects 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.

c. Fair value through profit or loss

All financial assets not measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss. This includes derivative financial assets (except for a derivative that is a designated and effective hedging instrument). On initial recognition, the Group 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.

Notes to the Financial Statements (Cont'd)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(f) Financial Instruments (Cont'd)

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

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.

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.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(f) Financial Instruments (Cont'd)

(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.

(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.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(f) Financial Instruments (Cont'd)

(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 documents 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.

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.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(f) Financial Instruments (Cont'd)

(v) Hedge accounting (Cont'd)

b. Cash flow hedge (Cont'd)

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.

(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 has 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.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(g) Impairment

(i) Financial Assets and Contract Assets

The Group recognises an allowance 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.

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")).

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(g) Impairment (Cont'd)

(ii) Non-financial Assets (Cont'd)

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.

(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.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(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.

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.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(k) Inventories (Cont'd)

(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.

(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.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(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 makes 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.

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

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

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(p) Revenue Recognition

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

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

(i) Construction Contracts

Revenue from construction contracts is recognised over time in the period in which the services are rendered using the input method, determined based 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.

(iii) Sale of Goods or Services

Revenue from sale of goods or services 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 or services.

(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.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(p) Revenue Recognition (Cont'd)

(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.

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.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(q) Income Taxes (Cont'd)

(ii) Deferred Tax (Cont'd)

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.

(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.

Notes to the Financial Statements (Cont'd)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(u) Significant Accounting Judgements and Estimates

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

(i) Judgements Made in Applying Accounting Policies

In the process of preparing the financial statements, except for the disclosure in Note 9, 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 2023 was RM543,814,602 (2022: RM459,164,605). 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.

(b) Impairment of Financial Assets

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

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's financial assets at the reporting date is disclosed in Note 38.

(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.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

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

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

(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 Notes 4 and 6 respectively.

(e) Construction Contracts and Property Development

The Group recognises construction contracts and property development revenue and expenses in the statements of profit or 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).

(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.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

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

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

(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 is 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.

4. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM	Leasehold land and buildings RM	Plant, machinery and site equipment RM	Vessel and equipment RM	Other assets RM	Capital work-in-progress RM	Total RM
Cost							
At 1 January 2023	10,011,110	29,873,730	272,791,710	83,000	21,656,238	310,300	334,726,088
Additions	-	5,016,114	11,279,525	-	1,629,839	214,620	18,140,098
Disposals	-	-	-	-	(451,204)	-	(451,204)
Write-offs	-	-	(25,141,987)	-	(4,413,518)	-	(29,555,505)
At 31 December 2023	10,011,110	34,889,844	258,929,248	83,000	18,421,355	524,920	322,859,477
Accumulated depreciation							
At 1 January 2023	-	2,538,850	221,882,984	9,673	18,140,170	-	242,571,677
Charge for the year	-	586,341	14,774,506	8,292	889,139	-	16,258,278
Disposals	-	-	-	-	(451,200)	-	(451,200)
Write-offs	-	-	(23,461,642)	-	(4,413,518)	-	(27,875,160)
At 31 December 2023	-	3,125,191	213,195,848	17,965	14,164,591	-	230,503,595
Accumulated impairment							
At 1 January 2023	-	-	1,680,345	-	-	-	1,680,345
Write-offs	-	-	(1,680,345)	-	-	-	(1,680,345)
At 31 December 2023	-	-	-	-	-	-	-
Carrying amount							
At 31 December 2023	10,011,110	31,764,653	45,733,400	65,035	4,256,764	524,920	92,355,882

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

Group	Freehold land RM	Leasehold land and buildings RM	Plant, machinery and site equipment RM	Vessel and equipment RM	Other assets RM	Capital work-in-progress RM	Total RM
Cost							
At 1 January 2022	10,011,110	14,758,396	265,511,993	83,000	18,775,695	4,388,830	313,529,024
Additions	–	233,368	7,864,876	–	4,249,946	1,966,580	14,314,770
Transfers from inventories (Note 11)	–	14,881,966	–	–	–	–	14,881,966
Transfers to investment properties (Note 6)	–	–	–	–	–	(6,045,110)	(6,045,110)
Disposals	–	–	(200,000)	–	(477,059)	–	(677,059)
Disposals of subsidiaries	–	–	(18,000)	–	(860,453)	–	(878,453)
Write-offs	–	–	(367,159)	–	(31,891)	–	(399,050)
At 31 December 2022	10,011,110	29,873,730	272,791,710	83,000	21,656,238	310,300	334,726,088
Accumulated depreciation							
At 1 January 2022	–	2,153,704	198,802,067	1,381	17,723,622	–	218,680,774
Charge for the year	–	385,146	23,601,873	8,292	920,007	–	24,915,318
Disposals	–	–	(200,000)	–	(472,632)	–	(672,632)
Disposals of subsidiaries	–	–	(4,200)	–	(3,111)	–	(7,311)
Write-offs	–	–	(316,756)	–	(27,716)	–	(344,472)
At 31 December 2022	–	2,538,850	221,882,984	9,673	18,140,170	–	242,571,677
Accumulated impairment							
At 1 January 2022/ 31 December 2022	–	–	1,680,345	–	–	–	1,680,345
Carrying amount							
At 31 December 2022	10,011,110	27,334,880	49,228,381	73,327	3,516,068	310,300	90,474,066

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

Company	Office equipment RM	Furniture and fittings RM	Signboard RM	Total RM
Cost				
At 1 January 2023/ 31 December 2023	**57,022**	**2,376**	**36,000**	**95,398**
Accumulated depreciation				
At 1 January 2023	**57,022**	**2,376**	**24,300**	**83,698**
Charge for the year	**-**	**-**	**3,600**	**3,600**
At 31 December 2023	**57,022**	**2,376**	**27,900**	**87,298**
Carrying amount				
At 31 December 2023	**-**	**-**	**8,100**	**8,100**
Cost				
At 1 January 2022/ 31 December 2022	57,022	2,376	36,000	95,398
Accumulated depreciation				
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

(a) Leasehold land and buildings with carrying amount of RM6,731,563 (2022: RM6,902,582) of the Group have been pledged for borrowings, as disclosed in Note 22.

(b) The Group has entered into 4 (2022: 4) non-cancellable operating lease agreements for the use of land. The leases are for a period of 45 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 45 to 94 (2022: 46 to 95) 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 RM3,710,900 (2022: RM3,797,200) which has 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.

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

(e) Capital work-in-progress comprise leasehold buildings under constructions.

Notes to the Financial Statements (Cont'd)

5. RIGHT-OF-USE ASSETS

	Group 2023 RM	Group 2022 RM
Cost		
At beginning of the year	**5,291,290**	4,286,807
Additions	**1,903,865**	1,004,483
Write-offs	**(3,156,968)**	–
At end of the year	**4,038,187**	5,291,290
Accumulated depreciation		
At beginning of the year	**4,455,253**	3,391,246
Charge for the year	**1,376,606**	1,064,007
Write-offs	**(3,156,968)**	–
At end of the year	**2,674,891**	4,455,253
Net carrying amount	**1,363,296**	836,037

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

6. INVESTMENT PROPERTIES

Group	**Freehold property RM**	**Leasehold properties RM**	**Total RM**
Cost			
At 1 January 2023	**943,601**	**6,045,110**	**6,988,711**
Disposals	**-**	**(1,120,486)**	**(1,120,486)**
At 31 December 2023	**943,601**	**4,924,624**	**5,868,225**
Accumulated depreciation			
At 1 January 2023	**75,528**	**-**	**75,528**
Charge for the year	**12,588**	**-**	**12,588**
At 31 December 2023	**88,116**	**-**	**88,116**
Carrying amount			
At 31 December 2023	**855,485**	**4,924,624**	**5,780,109**

6. INVESTMENT PROPERTIES (CONT'D)

Group	Freehold property RM	Leasehold properties RM	Total RM
Cost			
At 1 January 2022	943,601	–	943,601
Transfers from property, plant and equipment (Note 4)	–	6,045,110	6,045,110
At 31 December 2022	943,601	6,045,110	6,988,711
Accumulated depreciation			
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

	Group	
	2023 RM	**2022 RM**
Fair value:		
Freehold property	**642,056**	692,345
Leasehold properties	**5,084,058**	5,547,742
	5,726,114	6,240,087

Freehold property consist of one (2022: one) apartment. Leasehold properties consist of four (2022: five) 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	
	2023 RM	**2022 RM**
Direct operating expenses of:		
- non-income generating properties	**(38,664)**	(38,985)

7. INVESTMENT IN SUBSIDIARIES

	Company	
	2023	**2022**
	RM	**RM**
Unquoted shares, at cost	**571,808,895**	487,158,898
Less: Accumulated impairment losses	**(27,994,293)**	(27,994,293)
	543,814,602	459,164,605

Details of the subsidiaries as at 31 December 2023 and 2022 are as below:

Name	Country of Incorporation	Principal Activities	Proportion (%) of Ownership Interest 2023	Proportion (%) of Ownership Interest 2022
Held by the Company:				
Advance Industries Sdn. Bhd.	Malaysia	Construction, sub-contracted 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, and advertising point-of-sale, furniture and related products.	**100**	100
Lighting Louvres Manufacturing Sdn. Bhd.	Malaysia	Manufacture of electric lighting equipment.	**100**	100
Futumeds Sdn. Bhd.	Malaysia	Contractors, sub-contractors, and other building and construction work.	**100**	100
Fututech (Labuan) Ltd.^	Malaysia	Investment holding.	**-**	100
Bazarbayu Sdn. Bhd.	Malaysia	Property development activities.	**100**	100

7. INVESTMENT IN SUBSIDIARIES (CONT'D)

Name	Country of Incorporation	Principal Activities	Proportion (%) of Ownership Interest 2023	2022
Held by the Company (cont'd):				
FutuProp Sdn. Bhd.	Malaysia	Real estate activities with own or leased property N.E.C. and has not commenced business since the date of incorporation.	**100**	100
Aurizon Investments Limited	British Virgin Islands	Investment holding.	**100**	100
Kerjaya Prospek (M) Sdn. Bhd.	Malaysia	Building construction and property development.	**100**	100
Permatang Bakti Sdn. Bhd.	Malaysia	Building construction.	**100**	100
Kerjaya Prospek Resources Sdn. Bhd. ^^	Malaysia	Dormant. Intended principal activities are supply, manufacture, trading for gondola and its related services.	**-**	100
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	Provision of services relating to application/renewal of permits, operation services, maintenance and leasing for heavy machineries.	**90**	90
Held by FutuProp Sdn. Bhd.:				
Senandung Raya Sdn. Bhd.	Malaysia	Property development activities.	**100**	100

7. INVESTMENT IN SUBSIDIARIES (CONT'D)

Name	Country of Incorporation	Principal Activities	Proportion (%) of Ownership Interest 2023	2022
Held by Kerjaya Prospek (M) Sdn. Bhd.:				
Future Rock Sdn. Bhd.	Malaysia	Building construction and marine engineering works.	**100**	100
Held by Bazarbayu Sdn. Bhd.:				
Yakin Land Sdn. Bhd.	Malaysia	Property development activities.	**100**	100
Le Vert Sdn. Bhd.	Malaysia	Provision of hotel management and/or hotel operation.	**100**	100

^ The entity has been struck off from the register on 7 October 2023 pursuant to Section 151(4) of the Labuan Companies Act 1990 (LCA 1990) Malaysia.
^^ The entity has been struck off from the register on 21 December 2023 pursuant to Section 550 of the Companies Act 2016 Malaysia.

All of the above subsidiaries were audited by Nexia SSY PLT, a member of Nexia International.

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

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 is 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 investment in subsidiaries had been recognised.

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 2023 %	2022 %	Profit/(loss) allocated to non-controlling interests 2023 RM	2022 RM	Equity of non-controlling interests 2023 RM	2022 RM
Kerjaya Bina BMK Sdn. Bhd.	**51**	51	**203,799**	63,393	**679,795**	475,996
Kerjaya Machinery & Equipment Sdn. Bhd.	**10**	10	**(26,016)**	(17,914)	**13,588**	39,604
Other immaterial subsidiaries			**-**	713	**-**	1,093
			177,783	46,192	**693,383**	516,693

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.

7. INVESTMENT IN SUBSIDIARIES (CONT'D)

i Summarised statements of financial position

	Kerjaya Bina BMK Sdn. Bhd.		Kerjaya Machinery & Equipment Sdn. Bhd.	
	2023 RM	2022 RM	2023 RM	2022 RM
Non-current assets	**-**	–	**20,375**	20,952
Current assets	**43,401,489**	5,240,040	**2,458,219**	2,412,526
Non-current liabilities	**-**	–	**(1,588)**	(900)
Current liabilities	**(42,068,557)**	(4,306,715)	**(2,341,130)**	(2,036,540)
Net assets	**1,332,932**	933,325	**135,876**	396,038
Equity attributable to owners of the Company	**653,137**	457,329	**122,288**	356,434
Non-controlling interest	**679,795**	475,996	**13,588**	39,604
	1,332,932	933,325	**135,876**	396,038

ii Summarised statements of profit or loss and other comprehensive income

	Kerjaya Bina BMK Sdn. Bhd.		Kerjaya Machinery & Equipment Sdn. Bhd.	
	2023 RM	2022 RM	2023 RM	2022 RM
Revenue	**55,855,640**	19,473,747	**1,401,771**	1,137,110
Profit/(loss) before taxation	**553,898**	168,609	**(259,474)**	(188,993)
Taxation	**(154,291)**	(44,309)	**(688)**	9,855
Profit/(loss) for the year, representing total comprehensive income/ (expenses) for the year	**399,607**	124,300	**(260,162)**	(179,138)
Profit/(loss) attributable to owners of the Company	**195,808**	60,907	**(234,146)**	(161,224)
Non-controlling interest	**203,799**	63,393	**(26,016)**	(17,914)
	399,607	124,300	**(260,162)**	(179,138)

7. INVESTMENT IN SUBSIDIARIES (CONT'D)

iii Summarised statements of cash flows

	Kerjaya Bina BMK Sdn. Bhd.		Kerjaya Machinery & Equipment Sdn. Bhd.	
	2023 RM	**2022 RM**	**2023 RM**	**2022 RM**
Net cash generated from/ (used in) operating activities	**20,161,713**	(462,097)	**(36,712)**	394,063
Net cash used in investing activities	**-**	–	**(6,850)**	(7,270)
Net cash used in financing activities	**-**	–	**-**	(200,000)
Net increase/(decrease) in cash and cash equivalents	**20,161,713**	(462,097)	**(43,562)**	186,793

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	
		2023	**2022**
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**	30

The Group's involvement in joint arrangements are structured through separate vehicles which provide the Group rights to the assets, and obligations for the liabilities of the entities. Accordingly, the Group has classified these investments as joint operation.

8. OTHER INVESTMENTS

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Club membership, at cost	**43,000**	43,000	**-**	–
Quoted shares in Malaysia, at fair value	**-**	14,640	**-**	–
Unquoted shares in Malaysia, at cost	**150,000**	150,000	**150,000**	150,000
	193,000	207,640	**150,000**	150,000
Club membership, at cost				
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	**-**	–
Less: Fair value adjustments	**-**	(92,315)	**-**	–
	-	14,640	**-**	–
At beginning of the year	**14,640**	1,752,673	**-**	–
Disposals	**(33,596)**	(1,708,668)	**-**	–
Fair value adjustments	**18,956**	(29,365)	**-**	–
At end of the year	**-**	14,640	**-**	–
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 RM	Computer software RM	Total RM
Cost			
At 1 January 2023	**227,876,350**	**186,930**	**228,063,280**
Write-offs	**-**	**(85,932)**	**(85,932)**
At 31 December 2023	**227,876,350**	**100,998**	**227,977,348**
Accumulated amortisation			
At 1 January 2023	**4,082**	**103,380**	**107,462**
Additions	**-**	**31,297**	**31,297**
Write-offs	**-**	**(85,932)**	**(85,932)**
At 31 December 2023	**4,082**	**48,745**	**52,827**
Carrying amount			
At 31 December 2023	**227,872,268**	**52,253**	**227,924,521**
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			
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

9. INTANGIBLE ASSETS (CONT'D)

Impairment of Goodwill

The Group has assessed the recoverable amounts of goodwill allocated and determined that no additional impairment is required. The recoverable amounts of the cash-generating units are determined using the value in use approach, and this is derived from the present value of the future cash flows from each cash-generating unit computed based on the projections of financial budgets approved by management covering a period of 5 years. The key assumptions used in the determination of the recoverable amounts are as follows:-

	Gross Margins		Growth Rates		Discount Rates	
	2023 %	**2022 %**	**2023 %**	**2022 %**	**2023 %**	**2022 %**
Kerjaya Prospek (M) Sdn. Bhd.	**10.00**	10.00	**5.00**	5.00	**13.59**	13.59
Permatang Bakti Sdn. Bhd.	**15.00**	15.00	**5.00**	5.00	**13.13**	13.13

(i)	Budgeted gross margins	Average gross margin achieved in 2023: 10% to 15% (2022: 10% to 15%) financial years immediately before the budgeted period increased for expected efficiency improvements and cost saving measures.
(ii)	Growth rates	Based on the expected projection of the construction segment.
(iii)	Discount rates (pre-tax)	The rate reflects specific risks relating to the relevant cash-generating unit.

The values assigned to the key assumptions represent management's assessment of future trends in the cash-generating units and are based on both external sources and internal historical data.

10. DEFERRED TAX ASSETS/(LIABILITIES)

	Group		Company	
	2023 RM	**2022 RM**	**2023 RM**	**2022 RM**
At beginning of the year	**(1,877,487)**	(6,239,497)	**-**	–
Transfer to statements of profit or loss and other comprehensive income (Note 30)	**(311,025)**	4,362,010	**(1,944)**	–
At end of the year	**(2,188,512)**	(1,877,487)	**(1,944)**	–
Presented after appropriate offsetting as follows:				
Deferred tax assets	**162**	1,304,071	**-**	–
Deferred tax liabilities	**(2,188,674)**	(3,181,558)	**(1,944)**	–
	(2,188,512)	(1,877,487)	**(1,944)**	–

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

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

Deferred tax liabilities

	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
Temporary difference between depreciation and capital allowance				
At beginning of the year	**(3,181,558)**	(7,371,396)	**-**	–
Transfer to statements of profit or loss and other comprehensive income	**992,884**	4,189,838	**(1,944)**	–
At end of the year	**(2,188,674)**	(3,181,558)	**(1,944)**	–

Deferred tax assets

	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
Provision and others				
At beginning of the year	**1,304,071**	1,131,899	**-**	–
Transfer to statements of profit or loss and other comprehensive income	**(1,303,909)**	172,172	**-**	–
At end of the year	**162**	1,304,071	**-**	–

	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
The deferred tax assets/(liabilities) recognised is in respect of the followings:				
- Temporary difference between depreciation and capital allowance	**(2,188,674)**	(3,181,558)	**(1,944)**	–
- Provision and others	**162**	1,304,071	**-**	–
	(2,188,512)	(1,877,487)	**(1,944)**	–

11. INVENTORIES

	Group 2023 RM	Group 2022 RM
At cost/realisable value:		
Property development costs	**168,205,840**	152,283,768
Completed properties	**45,151,068**	46,895,204
Others	**2,624,368**	2,380,115
	215,981,276	201,559,087

(a) Property Development Costs

	2023 RM	2022 RM
Land held for development		
At beginning of the year	**79,501,365**	74,244,934
Additions during the year	**1,333,520**	5,256,431
Recognised during the year	**(1,902,365)**	–
At end of the year	**78,932,520**	79,501,365
Development Costs		
At beginning of the year	**72,782,403**	40,099,209
Costs incurred during the year	**34,363,376**	32,683,194
Recognised during the year	**(17,872,459)**	–
At end of the year	**89,273,320**	72,782,403
	168,205,840	152,283,768

(b) Completed properties

	2023 RM	2022 RM
At beginning of the year	**46,895,204**	79,999,388
Additions during the year	**-**	1,302,100
Sold during the year (Note 24)	**(2,044,479)**	(19,524,318)
Reversal of amount written down for inventories (Note 25)	**300,343**	–
Less: Transfers to property, plant and equipment (Note 4)	**-**	(14,881,966)
	45,151,068	46,895,204

(c) Others

	2023 RM	2022 RM
Raw materials	**1,860,513**	2,081,232
Work-in-progress	**443,011**	287,234
Finished goods	**320,844**	11,649
	2,624,368	2,380,115

Leasehold land and development costs included in property development costs are amounts of RM61,792,191 (2022: RM59,458,671) and RM67,947,910 (2022: RM51,746,707) 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 progressively 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 RM1,784,845 (2022: RM2,270,013). The capitalisation rate used was 5.00% (2022: 5.00%) per annum.

11. INVENTORIES (CONT'D)

	Group 2023 RM	Group 2022 RM
Recognised in the profit or loss:		
Inventories recognised as cost of sales	**25,404,124**	20,295,027
Reversal of amount written down for inventories	**(300,343)**	–

12. TRADE AND OTHER RECEIVABLES

	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
Trade Receivables				
Retention sum	**291,491,055**	252,901,862	**-**	–
Third parties	**507,417,875**	377,122,130	**-**	–
	798,908,930	630,023,992	**-**	–
Less: Allowance for impairment losses	**(22,405,509)**	(27,369,668)	**-**	–
	776,503,421	602,654,324	**-**	–
Other Receivables				
Amount due from subsidiaries	**-**	–	**90,222,725**	159,169,756
Prepayments	**86,475**	246,287	**4,500**	4,500
Deposits	**16,046,008**	6,646,618	**-**	–
Other receivables	**59,364,780**	19,186,763	**16,000**	15,028
	75,497,263	26,079,668	**90,243,225**	159,189,284
Less: Allowance for impairment losses				
- Other receivables	**(859,433)**	(825,195)	**-**	–
	(859,433)	(825,195)	**-**	–
	74,637,830	25,254,473	**90,243,225**	159,189,284
Total trade and other receivables	**851,141,251**	627,908,797	**90,243,225**	159,189,284

(a) Trade Receivables

Trade receivables are non-interest earning and are generally on 30 to 90 (2022: 30 to 90) days credit term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

12. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Trade Receivables (cont'd)

Retention sum receivables are monies withheld by contract customers and will be released to the Group upon expiry of 30 to 60 (2022:30 to 60) months from the date of completion of construction contracts.

Ageing analysis of trade receivables

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

	Group	
	2023 RM	**2022 RM**
Not past due	**618,908,818**	452,143,936
1 to 30 days past due	**45,388,074**	13,292,542
31 to 60 days past due	**20,603,212**	19,106,479
61 to 90 days past due	**51,510,449**	57,688,809
More than 90 days past due	**62,498,377**	87,792,226
	180,000,112	177,880,056
Impaired	**(22,405,509)**	(27,369,668)
	776,503,421	602,654,324

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 RM180,000,112 (2022: RM177,880,056) 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	
	2023 RM	**2022 RM**
At beginning of the year	**27,369,668**	22,339,548
(Reversal)/charge for the year - net	**(4,964,159)**	5,030,120
At end of the year	**22,405,509**	27,369,668

12. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Trade Receivables (cont'd)

Receivables that are impaired (cont'd)

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

(b) Other Receivables

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

	Group	
	2023	**2022**
	RM	**RM**
At beginning of the year	**825,195**	377,181
Charge for the year	**34,238**	448,014
At end of the year	**859,433**	825,195

(c) Amount 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	
	2023	**2022**
	RM	**RM**
At beginning of the year	**-**	250,762
Reversal for the year	**-**	(132,805)
Write-offs during the year	**-**	(117,957)
At end of the year	**-**	-

These amounts are unsecured, bear interest rate of approximately 4.00% (2022:Nil%) per annum 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 2023 RM	Group 2022 RM
Contract Assets		
Amount due from customers for contract works (Note 14)	**43,665,454**	7,624,269
Contract Liabilities		
Amount due to customers for contract works (Note 14)	**(22,627,536)**	(9,948,031)

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 RM4,328,558,003 (2022: RM5,065,002,909). The remaining performance obligations are expected to be recognised as below:

	Group 2023 RM	Group 2022 RM
Within 1 year	**2,580,974,263**	2,021,926,661
Between 1 and 5 years	**1,747,583,740**	3,043,076,248
	4,328,558,003	5,065,002,909

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

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

	Group 2023 RM	Group 2022 RM
Construction contract costs incurred to date	**4,253,963,454**	3,319,549,029
Attributable profits	**612,665,923**	535,465,387
	4,866,629,377	3,855,014,416
Less: Provision for foreseeable losses	**(18,835,700)**	–
Less: Progress billings	**(4,826,755,759)**	(3,857,338,178)
	21,037,918	(2,323,762)
Presenting after appropriate offsetting as follows:		
Amount due from customers for contract works (Note 13)	**43,665,454**	7,624,269
Amount due to customers for contract works (Note 13)	**(22,627,536)**	(9,948,031)
	21,037,918	(2,323,762)

15. CASH AND BANK BALANCES

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Cash in hand and at bank	**64,099,945**	23,190,181	**196,922**	1,900,575
Cash at securities account	**478,760**	467,101	**478,760**	467,101
Quoted unit trust*	**91,619,988**	198,082,841	**84,314,164**	116,063,397
Deposits with licensed banks	**39,590,811**	33,997,000	**5,281,330**	1,716,043
	195,789,504	255,737,123	**90,271,176**	120,147,116
Less: Allowance for ECL (MFRS 9)	**(60,916)**	(31,714)	**(3,479)**	(2,267)
	195,728,588	255,705,409	**90,267,697**	120,144,849

The deposits with licensed banks with interest rates ranging from 1.85% to 2.00% (2022: 1.55% to 4.08%) per annum, have average maturities ranging from 31 to 365 (2022: 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 RM21,109,126 and RM5,281,330 (2022: RM17,233,126 and RM1,716,043) which have been pledged to licensed banks as security for banking facilities granted to the Group and to the Company.

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

16. SHARE CAPITAL

	Group and Company			
	2023 Unit	2022 Unit	2023 RM	2022 RM
Issued and paid-up ordinary shares				
At beginning of the year	**1,267,207,766**	1,241,968,766	**683,040,706**	642,658,306
Issued during the year	**-**	25,239,000	**-**	40,382,400
At end of the year	**1,267,207,766**	1,267,207,766	**683,040,706**	683,040,706

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 was fixed at RM1.60 per share and the exercise period was five (5) years commencing on and including the date of issuance which had expired on 28 February 2023.

The Company's unexercised warrants are as follows:

	2023 Unit	2022 Unit
At beginning of the year	**169,358,984**	169,358,984
Expired during the year	**(169,358,984)**	–
At end of the year	**-**	169,358,984

17. TREASURY SHARES

	Group and Company			
	2023 Unit	2022 Unit	2023 RM	2022 RM
At beginning of the year	**6,157,566**	4,724,566	**6,914,445**	5,186,068
Repurchased during the year	**-**	1,433,000	**-**	1,728,377
At end of the year	**6,157,566**	6,157,566	**6,914,445**	6,914,445

In the previous financial year, the Company repurchased 1,433,000 ordinary shares from the open market at an average price of RM1.21 per share. The total consideration paid for the repurchase including transaction costs was RM1,728,377. 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.

During the financial year and up to the date of this report, the Company did not repurchase any share from the open market.

18. RESERVES

	Group		Company	
	2023 RM	**2022 RM**	**2023 RM**	**2022 RM**
(a) Other reserve	**475,000**	475,000	**-**	–
(b) Foreign currency translation reserve	**2,147,884**	1,076,376	**-**	–
	2,622,884	1,551,376	**-**	–

(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	
	2023 RM	**2022 RM**
At beginning of the year	**1,076,376**	109,279
Change during the year	**1,071,508**	967,097
At end of the year	**2,147,884**	1,076,376

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

19. TRADE AND OTHER PAYABLES

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Non-Current				
Other Payables				
Other payables	**49,003,793**	47,670,273	**-**	–
Total - non-current	**49,003,793**	47,670,273	**-**	–
Current				
Trade Payables				
Third parties	**197,009,876**	83,236,227	**-**	–
Retention sum	**118,852,310**	110,363,655	**-**	–
	315,862,186	193,599,882	**-**	–
Other Payables				
Accruals	**10,122,736**	5,032,531	**354,600**	300,023
Amount due to subsidiaries	**-**	–	**5,645,970**	10,707,668
Amount due to related parties	**876,887**	–	**-**	–
Other payables	**13,549,652**	9,083,343	**5,000**	12,751
Dividend payable	**25,221,004**	12,630,502	**25,221,004**	12,610,502
Deposit received	**746,006**	152,909	**-**	–
	50,516,285	26,899,285	**31,226,574**	23,630,944
Total - current	**366,378,471**	220,499,167	**31,226,574**	23,630,944
Total trade and other payables	**415,382,264**	268,169,440	**31,226,574**	23,630,944

(a) Trade Payables

Trade payables are non-interest bearing and are normally settled on 14 to 90 (2022: 14 to 90) days term.

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

(b) Other Payables

(i) Other payables under non-current liabilities represents the remaining purchase consideration of RM49,003,793 (2022: RM47,670,273) payable by a subsidiary to a third party for land acquisition. The amount bears interest at 5.00% (2022: 5.00%) per annum.

(ii) Other payables under current liabilities are non-interest bearing and are normally settled on an average term of 90 (2022: 90) days term.

(iii) The non-trade amount due to subsidiaries is unsecured, interest free and is repayable on demand.

(iv) The non-trade amount due to related parties is unsecured, interest free and is repayable on demand.

20. LEASE LIABILITIES

	Group 2023 RM	2022 RM
At beginning of the year	**1,255,681**	1,124,448
- Additions	**1,903,865**	1,004,483
- Interest expenses recognised in profit or loss (Note 26)	**17,073**	16,300
- Repayment of principal	**(1,075,527)**	(873,250)
- Repayment of interest expenses	**(17,073)**	(16,300)
At end of the year	**2,084,019**	1,255,681
Analysed by:		
Current	**1,258,604**	915,880
Non-current	**825,415**	339,801
	2,084,019	1,255,681

	Group 2023 RM	2022 RM
Minimum lease payments		
- not later than 1 year	**1,345,450**	956,700
- later than 1 year and not later than 5 years	**879,850**	351,950
Total minimum lease payments	**2,225,300**	1,308,650
Less: Future finance charges on lease liabilities	**(141,281)**	(52,969)
Present value of lease liabilities	**2,084,019**	1,255,681

The effective interest rates of the finance lease liabilities are between 3.13% and 4.35% (2022: 3.13% and 4.35%) per annum.

21. REVOLVING CREDIT

	Group 2023 RM	2022 RM
Revolving credit	**20,000,000**	-

The revolving credit is secured by a corporate guarantee granted by the Company and bears interest of approximately 4.25% (2022: 3.18%) per annum.

22. SHORT TERM BORROWING

	Group 2023 RM	Group 2022 RM
Bank overdraft	**8,566,643**	10,714,738

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 interests between 4.11% and 4.36% (2022: 4.11%) per annum.

23. REVENUE

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Revenue from contracts with customers				
(i) Recognised over time:				
- Construction activities	**1,463,787,371**	1,098,846,034	**-**	–
(ii) Recognised at a point in time:				
- Sale of completed properties	**1,680,000**	20,760,270	**-**	–
- Rendering of services	**1,401,771**	–	**-**	–
- Manufacturing activities	**3,705,365**	902,426	**-**	–
- Hotel activities	**2,206,992**	1,665,265	**-**	–
Dividend income	**-**	–	**75,005,000**	60,000,000
	1,472,781,499	1,122,173,995	**75,005,000**	60,000,000

24. COST OF SALES

	Group 2023 RM	Group 2022 RM
Construction costs	**1,266,926,262**	924,849,349
Cost of completed properties	**2,044,479**	19,524,318
Rendering of services	**1,560,380**	–
Manufacturing costs	**3,584,820**	770,709
Hotel activities	**1,002,574**	742,814
	1,275,118,515	945,887,190

Notes to the Financial Statements (Cont'd)

25. OTHER OPERATING INCOME

	Group		Company	
	2023 RM	**2022 RM**	**2023 RM**	**2022 RM**
Bad debts recovered	**-**	–	**-**	3,354,329
Fair value gain on redemption of short term fund	**99,533**	372,524	**-**	122,786
Fair value gain on unit trust	**496,164**	–	**496,164**	–
Gain on disposal of:				
- investment properties	**59,514**	–	**-**	–
- property, plant and equipment	**42,596**	158,873	**-**	–
- investment in subsidiaries	**-**	38,084	**-**	–
- other investments	**-**	142,389	**-**	–
Interest income from fixed deposits and current account	**6,637,063**	4,270,370	**2,480,900**	1,745,146
Interest income from amount due from subsidiaries	**-**	–	**2,677,489**	–
Miscellaneous	**2,370,603**	2,934,741	**445**	–
Other income	**1,323,079**	1,732,090	**45,036**	64,363
Penalty income/(charges)	**2,125,272**	(1,256,896)	**-**	–
Realised foreign exchange gain	**6,104**	91	**-**	–
Reversal of allowance for impairment on other investments	**18,956**	–	**-**	–
Reversal of amount written down for inventories	**300,343**	–	**-**	–
Sales of scrap	**3,324,455**	4,101,344	**-**	–
	16,803,682	12,493,610	**5,700,034**	5,286,624

26. FINANCE COSTS

	Group		Company	
	2023 RM	**2022 RM**	**2023 RM**	**2022 RM**
Bank overdraft interest	**1,526,952**	631,320	**-**	–
Bank charges	**35,917**	–	**-**	–
Lease interest (Note 20)	**17,073**	16,300	**-**	–
	1,579,942	647,620	**-**	–

27. PROFIT BEFORE TAXATION

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Profit before taxation is arrived at after charging/(crediting):				
Auditors' remuneration:				
(i) Statutory				
- current year	**341,920**	335,334	**80,000**	90,000
- underprovision in prior years	**11,250**	360	**-**	–
(Reversal of)/allowance for impairment loss on:				
- other investments	**(18,956)**	29,365	**-**	–
- trade receivables	**(4,964,159)**	5,030,120	**-**	–
- other receivables	**34,238**	448,014	**-**	–
- amount due from subsidiaries	**-**	–	**-**	(132,805)
- cash and bank balances	**29,202**	(89,247)	**1,212**	(68,190)
Amortisation of intangible assets (Note 9)	**31,297**	29,972	**-**	–
Bad debts written-off	**37,400**	–	**157,844**	58,522
Depreciation of property, plant and equipment (Note 4)	**16,258,278**	24,915,318	**3,600**	3,600
Depreciation of investment properties (Note 6)	**12,588**	12,588	**-**	–
Depreciation of right-of-use assets (Note 5)	**1,376,606**	1,064,007	**-**	–
Directors' remuneration (Note 29)	**6,100,809**	6,002,804	**293,100**	208,923
Employee benefits expense (Note 28)	**49,983,382**	33,285,910	**-**	–
Finance costs (Note 26)	**1,579,942**	647,620	**-**	–
Gain on disposal of:				
- investment properties	**(59,514)**	–	**-**	–
- property, plant and equipment	**(42,596)**	(158,873)	**-**	–
- investment in subsidiaries	**-**	(38,084)	**-**	–
- other investments	**-**	(142,389)	**-**	–
Loss on disposal of:				
- property, plant and equipment	**-**	468	**-**	–
- investment in subsidiaries	**-**	–	**-**	90,000
- other investments	**223**	–	**-**	–
Fair value loss on redemption of short term fund	**106,251**	–	**106,251**	–
Property, plant and equipment written-off	**-**	54,578	**-**	–
Rental expenses				
- Premises (short term)	**161,420**	172,250	**-**	–
Reversal of amount written-down for inventories	**(300,343)**	–	**-**	–

Notes to the Financial Statements (Cont'd)

28. EMPLOYEE BENEFITS EXPENSE

	Group	
	2023 RM	**2022 RM**
Wages and salaries	**42,499,520**	27,917,198
Contributions to defined contribution plan	**3,911,135**	3,278,337
Social security contributions	**1,080,242**	1,013,998
Other benefits	**2,492,485**	1,076,377
	49,983,382	33,285,910

29. DIRECTORS' REMUNERATION

	Group		Company	
	2023 RM	**2022 RM**	**2023 RM**	**2022 RM**
Executive				
- salaries and other emoluments	**4,131,300**	4,131,300	**-**	–
– contributions to defined contribution plan	**495,774**	482,574	**-**	–
– social security contributions	**3,477**	3,005	**-**	–
Total executive Directors' remuneration	**4,630,551**	4,616,879	**-**	–
Non-executive				
– salaries and other emoluments	**1,071,500**	1,072,000	**21,500**	22,000
– contributions to defined contribution plan	**126,000**	126,000	**-**	–
– social security contributions	**1,158**	1,002	**-**	–
– fees				
– current year	**261,600**	186,923	**261,600**	186,923
– underprovision in prior years	**10,000**	–	**10,000**	–
Total non-executive Directors' remuneration	**1,470,258**	1,385,925	**293,100**	208,923
Total Directors' remuneration (Note 27)	**6,100,809**	6,002,804	**293,100**	208,923

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 2023	Number of Directors 2022
Executive Directors		
- below RM50, 000	**-**	–
- RM50,001 - RM1,000,000	**-**	–
- RM1,000,001 - RM2,000,000	**3**	3
Non-executive Directors		
- below RM50,000	**-**	3
- RM50,001 - RM1,000,000	**4**	2
- RM1,000,001 - RM2,000,000	**1**	1

30. TAXATION

	Group 2023 RM	Group 2022 RM	Company 2023 RM	Company 2022 RM
Malaysian income tax				
- current year	**45,590,528**	37,607,381	**532,973**	23,939
- under/(over) provision in prior years	**426,875**	409,255	**6,149**	(527)
	46,017,403	38,016,636	**539,122**	23,412
Deferred tax (Note 10)				
- Relating to origination and reversal of temporary differences	**14,903**	264,226	**1,944**	–
- Under/(over) provision in prior years	**296,122**	(4,626,236)	**-**	–
	311,025	(4,362,010)	**1,944**	–
	46,328,428	33,654,626	**541,066**	23,412

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	
	2023 RM	**2022 RM**	**2023 RM**	**2022 RM**
Profit before taxation	**178,024,522**	148,498,472	**79,620,887**	63,939,429
Tax at Malaysian statutory tax rate of 24% (2022: 24%)	**42,725,885**	35,639,633	**19,109,013**	15,345,463
Tax effects of:				
- income not subject to tax	**(592,010)**	(518,141)	**(18,662,883)**	(15,670,377)
- expenses not deductible for tax purposes	**3,573,347**	3,285,865	**257,975**	425,402
- deferred tax assets not recognised during the financial year	**351,737**	59,558	**-**	-
- utilisation of deferred tax assets previously not recognised	**(453,528)**	(595,308)	**(169,188)**	(76,549)
Under/(over) provision of income tax in prior years	**426,875**	409,255	**6,149**	(527)
Under/(over) provision of deferred tax in prior years	**296,122**	(4,626,236)	**-**	-
Tax expense for the year	**46,328,428**	33,654,626	**541,066**	23,412

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2022: 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	
	2023 RM	2022 RM	2023 RM	2022 RM
Unutilised capital allowances	**13,918,876**	13,931,396	**-**	–
Unutilised reinvestment allowances	**5,632,610**	5,787,500	**-**	–
Unabsorbed tax losses	**8,703,536**	9,721,673	**-**	705,781
Others deductible temporary differences	**5,865,553**	10,537,067	**3,479**	2,266
	34,120,575	39,977,636	**3,479**	708,047
Deferred tax assets in respect of the above temporary differences due to uncertainties of realisation of profits	**8,188,938**	9,594,633	**835**	169,931
Less: Deferred tax assets recognised (Note 10)	**(162)**	(1,304,071)	**-**	–
Deferred tax assets not recognised	**8,188,776**	8,290,562	**835**	169,931

The unabsorbed tax losses and unutilised reinvestment allowances are allowed to be utilised for 10 (2022: 10) and 7 (2022:7) consecutive years of assessment respectively, while the unutilised capital allowances are allowed to be carried forward indefinitely.

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

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Unabsorbed tax losses				
Financial year				
2028	**4,966,579**	5,701,997	**-**	705,781
2029	**323,180**	327,142	**-**	–
2030	**119,432**	1,510,363	**-**	–
2031	**1,407,362**	1,390,538	**-**	–
2032	**1,223,187**	791,633	**-**	–
2033	**663,796**	–	**-**	–
	8,703,536	9,721,673	**-**	705,781
Unutilised reinvestment allowances				
Financial year				
2025	**5,632,610**	5,787,500	**-**	–

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	
	2023	**2022**
Earnings attributable to owners of the Company (RM)	**131,518,311**	114,797,654
Weighted average number of ordinary shares in issue:		
Issued ordinary shares at beginning of the year	**1,261,050,200**	1,237,244,200
Effect of shares buy back during the year	**-**	(1,019,688)
Effect of private placement during the year	**-**	13,760,441
Weighted average number of ordinary shares at end of the year	**1,261,050,200**	1,249,984,953
Basic earnings per share (sen)	**10.43**	9.18

(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

		Company	
2023	**Net dividend per share sen**	**Total amount RM**	**Date of payment**
Single tier interim	2.0	**25,221,004**	13 April 2023
Single tier interim	2.0	**25,221,004**	6 July 2023
Single tier interim	2.0	**25,221,004**	6 October 2023
Single tier interim	2.0	**25,221,004**	12 January 2024
		100,884,016	
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	

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	
	2023 RM	**2022 RM**	**2023 RM**	**2022 RM**
Rental of office premise	**471,000**	432,000	**-**	–
Construction contract sum	**339,990,013**	290,168,885	**-**	–
Dividend income	**-**	–	**75,005,000**	60,000,000
Interest income from amount due from subsidiaries	**-**	–	**2,677,489**	–
Purchase of goods/services	**171,159**	224,260	**-**	–
Others*	**516,521**	809,743	**-**	–

* 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, Tanjung Pinang Development Sdn. Bhd., Persada Mentari Sdn.Bhd., Damansara Peak Sdn. Bhd., Eastern & Oriental Berhad, YHH Sales and Marketing Sdn. Bhd., Desanda Development Sdn. Bhd., Dekad Intelek Sdn. Bhd., Kerjaya Hotel Sdn. Bhd. and Coco Mart (M) Sdn. Bhd. in which the Executive Directors of the Company have either common Directorship or/and substantial equity interest in these related parties.

Related party transactions have been entered into in the normal course of business under negotiated terms.

(b) Compensation of key management personnel

The key management personnel comprised mainly executive Directors of the Group and of the Company. Their remuneration is disclosed in Note 29.

34. FINANCIAL GUARANTEES

	Group		Company	
	2023 RM	**2022 RM**	**2023 RM**	**2022 RM**
Financial guarantees given to:				
- customers/suppliers of subsidiaries	**236,425,201**	192,453,139	**236,425,201**	192,453,139
- financial institutions for credit facilities granted to subsidiaries	**-**	–	**74,553,412**	70,786,942
	236,425,201	192,453,139	**310,978,613**	263,240,081

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.

Notes to the Financial Statements (Cont'd)

35. MATERIAL LITIGATIONS

There were no material litigations against the Group as at the reporting date save as follows:

(a) 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 proceedings are ongoing and trials are fixed on 9 May 2024, 4 June 2024 to 7 June 2024 and 11 July 2024 to 12 July 2024.

(b) Kerjaya Prospek (M) Sdn. Bhd. vs BCM Holdings Sdn. Bhd.

On 17 November 2023, KPM has received a letter from BCM dated 15 November 2023 in relation to the Letter of Award dated 8 June 2023 and Supplemental Letter of Award dated 15 June 2023, as disclosed in Note 42(c), where BCM informed KPM that BCM does not consider itself to be bound by the terms of the same ("BCM Letter"), as detailed in note 42(j).

On 7 December 2023, the Group announced that KPM, had via Messrs Chong + Kheng Hoe, the solicitors acting on behalf of KPM, served a Writ of Summons and Statement of Claim dated 6 December 2023 on BCM and sought RM20,000,000.00 in liquidity damages pursuant to the Clause 14 of the Supplemental Letter of Award dated 15 June 2023.

BCM has file its defence and counterclaimed against KPM, and has included Dato' Tiong Kwing Hee as second defendant and Tan You Tiong as third defendant, alleging that KPM and had conspired with BCM's directors, and BCM seeks, inter alia, for a declaration that the Letter of Award dated 8 June 2023 and Supplemental Letter of Award dated 15 June 2023 are invalid and unenforceable, and damages for alleged conspiracy between KPM and previous BCM directors.

KPM filed its Reply to Defence and Defence to Counterclaim on 24 January 2024. Subsequently, BCM informed the court and KPM that they will not file any Reply to Defence to Couterclaim.

A Case Management had been conducted on 19 March 2024. During that Case Management, the second defendant, namely, Dato' Tiong Kwing Hee, had requested for an extension of time to file defence on 10 April 2024. Accordingly, the Court allowed the extension and had fixed the next Case Management to be held on 25 April 2024 for an update to be submitted to the Court on the status on the matter.

36. CONTINGENT LIABILITIES

	Group	
	2023 **RM**	**2022** **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, KPM will not suffer any material liability from the litigation, as disclosed in Note 35(a) 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
Lease liabilities	20
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.

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

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.

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 two (2022: three) major customers which constituted 30% (2022: 43%) of its trade receivables at the end of the reporting year.

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 RM236,425,201 and RM310,978,613 (2022: RM192,453,139 and RM263,240,081) 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.

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

(b) Liquidity Risk

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

Analysis of Financial Instruments by Remaining Contractual Maturities

The table below summarises the maturity profile of the Group's and of 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 year RM	Maturity Between 2 and 5 years RM
2023					
Trade and other payables	**-**	**415,382,264**	**415,382,264**	**366,378,471**	**49,003,793**
Lease liabilities	**3.13 - 4.35**	**2,084,019**	**2,225,300**	**1,345,450**	**879,850**
Revolving credit	**4.25**	**20,000,000**	**20,000,000**	**20,000,000**	**-**
Short term borrowing	**4.11 - 4.36**	**8,566,643**	**8,566,643**	**8,566,643**	**-**
Financial guarantees* (Note 34)	**-**	**-**	**236,425,201**	**-**	**-**
		446,032,926	**682,599,408**	**396,290,564**	**49,883,643**

Group	Effective interest rate %	Carrying amount RM	Contractual undiscounted cash flow RM	Maturity Less than 1 year RM	Maturity Between 2 and 5 years RM
2022					
Trade and other payables	–	268,169,440	268,169,440	220,499,167	47,670,273
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	–
Financial guarantees* (Note 34)	–	–	192,453,139	–	–
		280,139,859	472,645,967	232,170,605	48,022,223

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

(b) Liquidity Risk (Cont'd)

Group	Effective interest rate %	Carrying amount RM	Contractual undiscounted cash flow RM	Maturity Less than 1 year RM
2023				
Trade and other payables	**-**	**31,226,574**	**31,226,574**	**31,226,574**
Financial guarantees* (Note 34)	**-**	**-**	**310,978,613**	**-**
		31,226,574	**342,205,187**	**31,226,574**
2022				
Trade and other payables	–	23,630,944	23,630,944	23,630,944
Financial guarantees* (Note 34)	–	–	263,240,081	–
		23,630,944	286,871,025	23,630,944

* These financial guarantee 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 upon.

(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 lending bank that is 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 Singapore Dollar ("SGD") and United States Dollar ("USD"). 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 (2022: one) foreign subsidiary, 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	
	2023	**2022**
	RM	**RM**
Singapore Dollar ("SGD")		
Cash and bank balances	**18,524,576**	16,931,247
United States Dollar ("USD")		
Cash and bank balances	**-**	131,898
	18,524,576	17,063,145

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

Sensitivity Analysis for Foreign Currency Risk

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

	Group	
	2023	**2022**
	RM	**RM**
Effects on profit after taxation:		
SGD/RM		
- strengthened by 10%	**1,407,868**	1,286,775
- weakened by 10%	**(1,407,868)**	(1,286,775)
USD/RM		
- strengthened by 10%	**-**	10,024
- weakened by 10%	**-**	(10,024)

39. CLASSIFICATION OF FINANCIAL INSTRUMENTS

The financial assets and financial liabilities of the Group and of the Company are measured on an ongoing basis at either fair value or at amortised cost based on their respective classification. The material accounting policy information as disclosed in Note 3 describes 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:

(a) Amortised cost ("AC"); and
(b) Fair value through profit or loss ("FVTPL")

	Carrying amount RM	AC RM	FVTPL RM
Group			
2023			
Non-derivative financial assets			
Trade and other receivables (excluding prepayments)	**851,054,776**	**851,054,776**	**-**
Cash and bank balances	**195,728,588**	**104,108,600**	**91,619,988**
	1,046,783,364	**955,163,376**	**91,619,988**
Non-derivative financial liabilities			
Trade and other payables	**415,382,264**	**415,382,264**	**-**
Lease liabilities	**2,084,019**	**2,084,019**	**-**
Revolving credit	**20,000,000**	**20,000,000**	**-**
Short term borrowing	**8,566,643**	**8,566,643**	**-**
	446,032,926	**446,032,926**	**-**
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	–

39. CLASSIFICATION OF FINANCIAL INSTRUMENTS (CONT'D)

	Carrying amount RM	AC RM	FVTPL RM
Company			
2023			
Non-derivative financial assets			
Trade and other receivables (excluding prepayments)	**90,238,725**	**90,238,725**	**-**
Cash and bank balances	**90,267,697**	**5,953,533**	**84,314,164**
	180,506,422	**96,192,258**	**84,314,164**
Non-derivative financial liabilities			
Trade and other payables	**31,226,574**	**31,226,574**	**-**
	31,226,574	**31,226,574**	**-**
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	–

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 2023 and 2022.

The debts to equity ratios as at 31 December 2023 and 2022 were as follows:

	Group		Company	
	2023 RM	**2022 RM**	**2023 RM**	**2022 RM**
Revolving credit	**20,000,000**	–	**-**	–
Short term borrowing	**8,566,643**	10,714,738	**-**	–
	28,566,643	10,714,738	**-**	–
Less: Cash and cash equivalent (Note 15)	**(195,728,588)**	(255,705,409)	**(90,267,697)**	(120,144,849)
Net cash position	**(167,161,945)**	(244,990,671)	**(90,267,697)**	(120,144,849)
Total equity	**1,153,663,452**	1,121,780,959	**693,286,270**	715,090,465
Debt-to-equity ratio	**N/A**	N/A	**N/A**	N/A

N/A - Not applicable as the cash and cash equivalent of the Group and of the Company are sufficient to settle all the outstanding debts of the Group and of the Company as at the financial year end.

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.

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

(iv) Hospitality - Hotel activities.

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

41. SEGMENT INFORMATION (CONT'D)

Information about major customers

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

	Revenue 2023 RM	Revenue 2022 RM	Segment
Customer A	**186,366,880**	135,602,609	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	Properties RM	Hospitality RM	Others RM	Elimination RM	Total RM
2023							
Revenue							
External revenue	1,441,961,081	250,426	28,363,000	2,206,992	-	-	1,472,781,499
Intersegment revenue	199,576,848	3,389,496	-	-	*75,005,000	(277,971,344)	-
Total revenue	1,641,537,929	3,639,922	28,363,000	2,206,992	75,005,000	(277,971,344)	1,472,781,499
Results							
Segment results	192,164,033	38,006	6,834,052	253,449	81,128,090	(100,813,166)	179,604,464
Finance costs							(1,579,942)
Profit before taxation							178,024,522
Taxation							(46,328,428)
Profit for the year							131,696,094
Other information							
Allowance/(reversal) for impairment losses							
- Trade receivables	(5,155,177)	191,018	-	-	-	-	(4,964,159)
- Other receivables	34,238	-	-	-	-	-	34,238
- Cash and bank balances	25,010	(196)	1,689	-	2,699	-	29,202
Amortisation of intangible assets	31,297	-	-	-	-	-	31,297
Depreciation of right-of-use assets	1,376,606	-	-	661,236	-	(661,236)	1,376,606
Depreciation of property, plant and equipment	15,957,966	209,616	79,911	7,185	3,600	-	16,258,278
Depreciation of investment properties	12,588	-	348,733	-	-	(348,733)	12,588

41. SEGMENT INFORMATION (CONT'D)

	Construction RM	Manufacturing RM	Properties RM	Hospitality RM	Others RM	Elimination RM	Total RM
2023							
Other information (cont'd)							
Fair value (gain)/loss on redemption of short term fund - net	(100,464)	-	-	-	106,251	931	6,718
Fair value gain on unit trust	-	-	-	-	(496,164)	-	(496,164)
Finance costs	2,461,038	-	1,796,393	27,920	-	(2,705,409)	1,579,942
Gain on disposal of property, plant and equipment – net	(39,396)	-	-	-	(3,200)	-	(42,596)
Interest income	(3,387,646)	(51,746)	(109,967)	(16,650)	(5,748,543)	2,677,489	(6,637,063)
Loss on disposal of quoted shares	223	-	-	-	-	-	223
Reversal of inventories written down to net realisable value	(300,343)	-	-	-	-	-	(300,343)
Assets							
Segment assets	1,172,720,761	30,642,818	295,788,726	1,258,442	749,047,980	(614,700,852)	1,634,757,875
Unallocated assets							-
Consolidated total assets							1,634,757,875
Liabilities							
Segment liabilities	508,731,327	4,270,729	117,506,688	736,771	71,828,918	(221,980,010)	481,094,423
Unallocated liabilities							-
Consolidated total liabilities							481,094,423

41. SEGMENT INFORMATION (CONT'D)

	Construction RM	Manufacturing RM	Properties 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	–	1,122,173,995
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)	1,122,173,995
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
Depreciation of investment properties	12,588	–	–	–	–	–	12,588

41. SEGMENT INFORMATION (CONT'D)

	Construction RM	Manufacturing RM	Properties RM	Hospitality RM	Others RM	Elimination RM	Total RM
2022							
Other information (cont'd)							
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)
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

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

42. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) On 2 February 2023, a wholly-owned subsidiary, Kerjaya Bina BMK Sdn. Bhd. ("BMK") has accepted a letter of award dated 30 January 2023 amounting to RM135.41 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 Seksyen 56, Off Jalan Hang Tuah/ Jalan Pudu, Wilayah Persekutuan, Kuala Lumpur.

(b) On 7 February 2023, a wholly-owned subsidiary, Future Rock Sdn. Bhd. ("FRSB") has accepted a letter of award dated 7 February 2023 amounting to RM398.00 million from Tanjung Pinang Development Sdn. Bhd. ("TPDSB"), 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.

(c) On 12 June 2023, a wholly-owned subsidiary, Kerjaya Prospek (M) Sdn. Bhd. ("KPM") has accepted a letter of award dated 8 June 2023 amounting to RM404.35 million from BCM Holdings Sdn. Bhd. ("BCM"), a subsidiary of Ecofirst Consolidated Berhad, in respect of a contract for main building and external works for a proposed residential development project at Seksyen 92, Bandar Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur. Subsequently on the 15 June 2023, KPM accepted the Supplemental Letter of Award in addition to the above Letter of Award.

(d) On 1 August 2023, KPM has accepted a letter of award dated 1 August 2023 amounting to RM21.31 million from Persada Mentari Sdn. Bhd. ("PMSB"), an indirect subsidiary of Eastern & Oriental Berhad, for execution and completion of infrastructure works comprising surface water drainage, water reticulation system, sewerage reticulation system, roadworks, TNB manholes and underground ducts, Telekom manholes and underground ducts, landscaping works and all associated works for the proposed development at Plot 16 for the proposed Seri Tanjung Pinang Phase 2A Development (STP 2), Daerah Timur Laut, Pulau Pinang.

(e) On 1 August 2023, KPM has accepted a letter of award dated 1 August 2023 amounting to RM24.71 million from Eastern & Oriental Express Sdn. Bhd., an indirect subsidiary of Eastern & Oriental Berhad, for execution and completion of site clearance, earthworks and drainage works and all associated works for the proposed mixed development at Seksyen U17, Shah Alam, Mukim Sungai Buloh, Daerah Petaling, Selangor Darul Ehsan.

(f) On 30 August 2023, KPM has accepted a letter of award dated 28 August 2023 amounting to RM125.02 million from Sunrise Alliance Sdn. Bhd., a subsidiary of UEM Sunrise Berhad, in respect of a design and build contract works of main building for a proposed phase 2 development project at Jalan Equine 9, Taman Equine, Bandar Putra Permai, Mukim Petaling, Daerah Petaling, Selangor Darul Ehsan.

(g) On 25 September 2023, KPM has accepted a final letter of award dated 25 August 2023 amounting to RM203.06 million from Samsung-KP JV, a consortium comprising KPM and Samsung C&T (KL) Sdn. Bhd. in respect of the Concrete Structure works (Substructure & Superstructure) for TIEM2 Bump / Probe / AT Factory Construction at Taman Perindustrian Batu Berendam, Free Trade Zone, Melaka.

(h) On 10 October 2023, KPM has accepted a letter of award dated 9 October 2023 amounting to RM226.00 million from Aspen Vision City Sdn. Bhd., in respect of a design and build contract works for a proposed development project at Seberang Perai Selatan, Pulau Pinang.

(i) On 6 November 2023, KPM has accepted a letter of award dated 1 November 2023 amounting to RM104.73 million from PMSB, for execution and completion of 69 units of 3-storey semi-detached and 3-storey terraced houses for the proposed development at Seksyen 2, Pulau Andaman, Daerah Timur Laut, Pulau Pinang.

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

(j) On 17 November 2023, KPM has received a letter from BCM dated 15 November 2023 in relation to the Letter of Award dated 8 June 2023 and Supplemental Letter of Award dated 15 June 2023 (collectively referred to as the "LA"), as disclosed in (c) above where BCM informed KPM that BCM does not consider itself to be bound by the terms of the same ("BCM Letter"), as detailed in Note 35(b).

43. SIGNIFICANT EVENTS SUBSEQUENT TO THE FINANCIAL YEAR END

(a) On 3 January 2024, KPM has accepted a letter of award dated 3 January 2024 amounting to RM170.94 million from PMSB, in respect of building contract works for a proposed development at Pulau Andaman, Pulau Pinang.

(b) On 8 January 2024, KPM has accepted a letter of award dated 8 January 2024 amounting to RM25.91 million from PMSB, in respect of the piling and sub-structure contract works for a proposed development at Pulau Andaman, Pulau Pinang.

(c) On 8 January 2024, one of the Company's wholly-owned subsidiary, Permatang Bakti Sdn. Bhd. ("PBSB") has accepted a letter of award dated 8 January 2024 amounting to RM69.23 million from TPDSB, in respect of the execution and completion of superstructure works of Gurney Marine Bridge Phase 2 for the Proposed Seri Tanjung Pinang (Phase 2) Development (STP2), Pulau Pinang.

(d) On 16 January 2024, KPM has accepted a letter of award dated 16 January 2024 amounting to RM111.76 million from Kerjaya Property Sdn. Bhd. ("KPSB"), a wholly owned subsidiary company of Kerjaya Prospek Property Berhad., in respect of the execution and completion of building contract works at Jalan Kampung Bandar Dalam, Mukim Setapak, Daerah Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur.

(e) On 1 April 2024, KPM has accepted a letter of award dated 1 April 2024 amounting to RM33.19 million from PMSB, in respect of the execution and completion of a piling and earthworks contract for the proposed service apartment at Bandar Tanjung Pinang, Pulau Andaman, Daerah Timur Laut, Pulau Pinang.

TOP 10 LIST OF PROPERTIES
as at 31st December, 2023

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	4	7,398	02-01-20
2	P-01-01, Vista Residence, Genting Permai Avenue, 69000 Genting Highlands Pahang	Leasehold expiring in 2116	9,666 square feet	Hotel	5	4,851	03-01-19
3	Lot 12068, Pekan Klebang Seksyen 111, Melaka (Land)	Leasehold expiring in 2109	20,234 square metre	Vacant	8	4,628	01-06-15
4	P-02-01, Vista Residence, Genting Permai Avenue, 69000 Genting Highlands Pahang	Leasehold expiring in 2116	9,666 square feet	Hotel	5	4,268	03-01-19
5	Unit No.10, Lot 9625 Sungai Buloh Batu 11, Jalan Kuala Selangor.	Leasehold expiring in 2068	918.77 square metre	Workshop	10	3,711	31-05-13
6	Lot 696, No. Hakmilik 3715, Mukim Serendah, Hulu Selangor	Freehold	137,484 square feet	Vacant	1	3,702	22-03-23
7	P-01-02, Vista Residence, Genting Permai Avenue, 69000 Genting Highlands Pahang	Leasehold expiring in 2116	6,943 square feet	Hotel	5	3,485	03-01-19
8	P-02-02, Vista Residence, Genting Permai Avenue, 69000 Genting Highlands Pahang	Leasehold expiring in 2116	7007 square feet	Hotel	5	3,094	03-01-19
9	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	21	3,021	11-05-11
10	GM3565, Lot 703, Mukim Serendah, Daerah Hulu Selangor	Freehold	1.1255 hectare	Vacant	4	2,613	02-01-20

ANALYSIS OF SHAREHOLDINGS
as at 29th March 2024

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 29 MARCH 2024 (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	695	15.61	22,621	0.00
100 to 1,000	680	15.27	371,261	0.03
1,001 to 10,000	2,151	48.32	8,953,296	0.71
10,001 to 100,000	740	16.62	21,670,577	1.72
100,001 to less than 5% of issued shares	183	4.11	423,562,167	33.59
5% and above of issued shares	3	0.07	806,470,278	63.95
Total	**4,452**	**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 29 March 2024**

THE 30 LARGEST SECURITIES ACCOUNT HOLDERS AS AT 29 MARCH 2024 (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.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR EGOVISION SDN BHD (BDA)	63,000,000	5.00
5.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD	44,550,795	3.53
6.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR AIA BHD.	36,712,700	2.91
7.	VISTA CONTRACTING AND INVESTMENT GLOBAL PTE LTD	25,239,000	2.00
8.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (ISLAMIC)	25,148,604	1.99

Analysis Of Shareholdings (Cont'd)

THE 30 LARGEST SECURITIES ACCOUNT HOLDERS AS AT 29 MARCH 2024 (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.	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD - KENANGA GROWTH FUND	15,700,000	1.24
11.	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR EASTSPRING INVESTMENTSSMALL - CAP FUND	13,609,058	1.08
12.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (KENANGA)	12,498,103	0.99
13.	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR EGOVISION SDN. BHD. (ESS2. 7189-9)	9,891,457	0.78
14.	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR ALLIANZ LIFE INSURANCE MALAYSIA BERHAD (MEF)	9,502,900	0.75
15.	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM BUMIPUTERA 3 – DIDIK PERMODALAN NASIONAL BERHAD	9,176,100	0.73
16.	PERMODALAN NASIONAL BERHAD INVESTMENT PROCESSING DEPT	7,000,000	0.56
17.	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD FOR KENANGA SHARIAH GROWTH OPPORTUNITIES FUND (50156 TR01)	6,281,000	0.50
18.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TOH SIEW CHUON	5,988,607	0.47
19.	CIMB ISLAMIC NOMINEES (TEMPATAN) SDN BHD CIMB ISLAMIC TRUSTEE BERHAD - KENANGA SYARIAH GROWTH FUND	5,854,079	0.46
20.	AMANAHRAYA TRUSTEES BERHAD PMB SHARIAH GROWTH FUND	5,500,000	0.44
21.	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR MANULIFE INVESTMENT SHARIAH PROGRESS FUND	5,010,056	0.40
22.	LEMBAGA TABUNG ANGKATAN TENTERA	4,805,200	0.38
23.	MAYBANK (NOMINEES) TEMPATAN SDN BHD NATIONAL TRUST FUND (IFM KENANGA)	4,565,402	0.36
24.	AMANAHRAYA TRUSTEES BERHAD ASN UMBRELLA FOR ASN IMBANG (MIXED ASSET BALANCED) 2 PERMODALAN NASIONAL BERHAD	4,384,900	0.35
25.	AMANAHRAYA TRUSTEES BERHAD ASN IMBANG (MIXED ASSET BALANCED) 1 PERMODALAN NASIONAL BERHAD	4,257,400	0.34

THE 30 LARGEST SECURITIES ACCOUNT HOLDERS AS AT 29 MARCH 2024 (WITHOUT AGGREGATING SECURITIES FROM DIFFERENT SECURITIES ACCOUNT BELONGING TO THE SAME PERSON)

No.	Holder Name	No. of Shares	% of Issued Share Capital
26.	AMAZING PARADE SDN BHD	3,637,586	0.29
27.	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR NORGES BANK (FI 17)	3,337,367	0.26
28.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (PHEIM)	3,053,875	0.24
29.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (AMUNDI)	3,015,400	0.24
30.	CARTABAN NOMINEES (TEMPATAN) SDN BHD PRUDENTIAL ASSURANCE MALAYSIA BERHAD FOR PRULINK STRATEGIC FUND	2,948,400	0.23
	TOTAL	**1,157,299,267**	**91.75**

DIRECTORS' SHAREHOLDINGS IN THE COMPANY

(AS PER REGISTER OF DIRECTORS' SHAREHOLDINGS AS AT 29 MARCH 2024)

	No. of Shares held			
Name of Directors	**Direct**	**%**	**Indirect**	**%**
Datuk Tee Eng Ho	–	–	*2 882,999,321	*2 70.02
Dato' 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
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 29 MARCH 2024)

	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
Dato' 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 THE 40TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 40th Annual General Meeting (**"40th AGM"**) of the Company will be held virtually through live streaming from C-29-01, Menara Vista Petaling, No. 137, Jalan Puchong, 58200 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur as the Broadcast Venue and via a remote participation and voting (**"RPV"**) facilities via the Securities Services e-Portal provided by Securities Services (Holdings) Sdn. Bhd. in Malaysia at https://sshsb.net.my/ on **Wednesday, 5 June 2024 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 2023 and the Reports of Directors and Auditors thereon.

2. To approve the payment of Directors' fees to the Non-Executive Directors of RM261,600 in respect of the financial year ended 31 December 2023. *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 6 June 2024 until the next annual general meeting of the Company. *Ordinary Resolution 2*

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

   (i) Datin Toh Siew Chuon - Article 91(1) *Ordinary Resolution 3*
   (ii) Chan Kam Chiew - Article 91(1) *Ordinary Resolution 4*
   (iii) Maylee Gan Suat Lee - Article 91(1) *Ordinary Resolution 5*

.
5 To appoint Nexia SSY PLT as Auditors of the Company and authorise the Directors to determine their remuneration. *Ordinary Resolution 6*

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

   (A) AUTHORITY TO ALLOT SHARES

   "THAT subject always to the 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 total number of issued shares of the Company for the time being." *Ordinary Resolution 7*

   (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 8*

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

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

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

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

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

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

whichever occurs first;

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

(i) cancel the Shares so purchased; or

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

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

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

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

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

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

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

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

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

"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 29 April 2024 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:- *Ordinary Resolution 9*

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

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

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

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

("RRPT Mandate").

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

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

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

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

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

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

Notice of the 40th Annual General Meeting (Cont'd)

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
29 April 2024

Notes:-

1. Virtual 40th AGM

*1.1 The 40th AGM of the Company will be held on a virtual basis whereby member(s), proxy(ies), corporate representative(s) or attorney(s) will have to attend the meeting virtually using the RPV facilities via the Securities Services e-Portal provided by Securities Services (Holdings) Sdn. Bhd. at https://sshsb.net.my ("**Virtual Attendance"**).*

*1.2 For the purposes of determining a member who shall be entitled to attend and vote at the forthcoming 40th AGM, the Company shall be requesting the Record of Depositors as at **27 May 2024**. Only depositors whose names appear in the Record of Depositors as at **27 May 2024** shall be regarded as members and entitled to attend, speak and vote at the 40th AGM.*

1.3 All member(s), proxy(ies), corporate representative(s) or attorney(s) who wish to attend the 40th AGM must register as a user with Securities Services e-Portal first before registering for the Virtual Attendance. Please refer to the Administrative Guide for the procedures regarding the registration.

2. Proxy

2.1 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.

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

2.3 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.

*2.4 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.*

2.5 *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).*

2.6 *The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote:*

In hard copy
The instrument appointing a proxy must be deposited at the Share Registrar's office at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia.

By Electronic form
The appointment of proxy must be made and submitted via Securities Services e-Portal at https://sshsb.net.my/. Please refer to the Administrative Guide on the procedures for electronic lodgement of the proxy form.

Last date and time for lodging the proxy form is ***Monday, 3 June 2024 at 11.00 a.m.***

3. Audited Financial Statements for the financial year ended 31 December 2023

*The audited financial statements are laid before the members pursuant to 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.*

4. 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 40th AGM on the Directors' fees and benefits payable to the Non-Executive Directors in two (2) separate resolutions as below:-

- *Ordinary Resolution 1 on payment of Directors' fees in respect of the financial year ended 31 December 2023; and*

- *Ordinary Resolution 2 on payment of Directors' benefits (excluding Directors' fees) from 6 June 2024 to the next AGM (**"Mandated Period"**). These are essentially the meeting allowance for attendance at Board meetings/Board Committee meetings/general meetings of the Company. The Board estimated that the fees to be incurred in respect of these Directors' benefits for the Mandated Period would not to exceed RM50,000 ("**2023 Directors' Benefits Mandate Limit"**).*

  In the event the amount of the 2023 Directors' Benefits Mandate Limit is insufficient to pay the Non-Executive Directors for their services for the Mandated Period due to an increase in frequency of meetings and/or increase in Board size, the Board will seek the shareholders' approval in respect of the excess amount at the next AGM in 2025.

Notice of the 40th Annual General Meeting (Cont'd)

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

*Article 90(1) of the Company's Constitution provides that at the annual general meeting (**"AGM"**) 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.*

*The Board endorsed the Nomination Committee (**"NC"**)'s assessment in determining the eligibility of the Directors standing for re-election at the 40th AGM and having satisfied with the Directors' performances, accepted the NC's recommendation to seek shareholders' approval for the re-election of the retiring Directors at the 40th AGM. The retiring Directors, being eligible for re-election, have given their consent for re-election.*

6. Ordinary Resolution 7: Authority to Allot Shares

The proposed Ordinary Resolution 7, if passed, will empower the Directors of the Company to allot and issue shares not exceeding 10% of the total number 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.

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 issuance of this Annual Report 2023, no new shares in the Company were issued pursuant to the authority granted to the Directors at the last AGM held on 13 June 2023 and which will lapse at the conclusion of the 40th AGM.

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

The proposed Ordinary Resolution No. 8, if passed, will empower the Directors of the Company to purchase the Company's ordinary shares of up to ten percent (10%) of the total number of issued shares of the Company by utilising the funds allocated which shall not exceed the total retained earnings of the Company. Further information on the proposed renewal of share buy-back authority is set out in the Circular to Shareholders dated 29 April 2024, which is despatched together with the Notice of the 40th AGM.

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

The proposed Ordinary Resolution 9, if passed, will enable the Company and/or its subsidiaries to enter into recurrent transactions involving the interests of Related Parties, which are of a revenue or trading nature and necessary for the Group's day-to-day operations, subject to the transactions being carried out in the ordinary course of business and on terms not to the detriment of the minority shareholders of the Company. Further information on the proposed shareholders' mandate for recurrent related party transactions of a revenue or trading nature is set out in the Circular to Shareholders dated 29 April 2024, which is despatched together with the Notice of the 40th AGM.

KERJAYA PROSPEK GROUP BERHAD

Registration No. 198401010054 (122592-U)
(Incorporated in Malaysia)

CDS Account No.:	
Shareholder Contact :	

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 40th Annual General Meeting of the Company to be held virtually through live streaming from C-29-01, Menara Vista Petaling, No. 137, Jalan Puchong, 58200 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 **Wednesday, 5 June 2024 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 Datin Toh Siew Chuon as a Director of the Company		
4	To re-elect Chan Kam Chiew as a Director of the Company		
5	To re-elect Maylee Gan Suat Lee as a Director of the Company		
6	To appoint Nexia SSY PLT as Auditors of the Company		
7	To approve authority to allot shares		
8	To approve the proposed renewal of share buy-back authority		
9	To approve the proposed shareholders' mandate for recurrent related party transactions		

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 ________________ 2024

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

1. Virtual 40th AGM

*1.1 The 40th AGM of the Company will be held on a virtual basis whereby member(s), proxy(ies), corporate representative(s) or attorney(s) will have to attend the meeting virtually using the RPV facilities via the Securities Services e-Portal provided by Securities Services (Holdings) Sdn. Bhd. at https://sshsb.net.my (**"Virtual Attendance"**).*

*1.2 For the purposes of determining a member who shall be entitled to attend and vote at the forthcoming 40th AGM, the Company shall be requesting the Record of Depositors as at **27 May 2024**. Only depositors whose names appear in the Record of Depositors as at **27 May 2024** shall be regarded as members and entitled to attend, speak and vote at the 40th AGM.*

1.3 All member(s), proxy(ies), corporate representative(s) or attorney(s) who wish to attend the 40th AGM must register as a user with Securities Services e-Portal first before registering for the Virtual Attendance. Please refer to the Administrative Guide for the procedures regarding the registration.

Fold this flap for sealing

2. Proxy

2.1 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.

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

2.3 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.

*2.4 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.*

2.5 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).

2.6 The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the appointment proposes to vote:

In hard copy
The instrument appointing a proxy must be deposited at the Share Registrar's office at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia.

By Electronic form
Please refer to the Administrative Guide on the procedures for electronic lodgement of the proxy form.

Last date and time for lodging the proxy form is ***Monday, 3 June 2024 at 11.00 a.m.***

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)

C-32-01 & C-33-01,
Menara Vista Petaling,
No. 137, Jalan Puchong,
58200 Kuala Lumpur.
Tel : +603-8682 8232
Website : www.kerjayagroup.com