KERJAYA PROSPEK

Property

KERJAYA PROSPEK PROPERTY BERHAD

199401001358 (287036-X)

ANNUAL REPORT 2022

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Datin Toh Siew Chuon	*(Executive Chairman)*
Tee Eng Seng	*(Executive Director)*
Kuan Ying Tung	*(Independent Non-Executive Director)*
Ir. Low Wuu Shin	*(Independent Non-Executive Director)*
Tee Sun Ee	*(Independent Non-Executive Director)*

AUDIT AND RISK MANAGEMENT COMMITTEE

Kuan Ying Tung - *Chairman*
(Independent Non-Executive Director)

Ir. Low Wuu Shin
(Independent Non-Executive Director)

Tee Sun Ee
(Independent Non-Executive Director)

NOMINATION COMMITTEE

Kuan Ying Tung - *Chairman*
(Independent Non-Executive Director)

Ir. Low Wuu Shin
(Independent Non-Executive Director)

Tee Sun Ee
(Independent Non-Executive Director)

REMUNERATION COMMITTEE

Kuan Ying Tung - *Chairman*
(Independent Non-Executive Director)

Ir. Low Wuu Shin
(Independent Non-Executive Director)

Tee Sun Ee
(Independent Non-Executive Director)

COMPANY SECRETARIES

Leong Shiak Wan
(MAICSA 7012855)
(SSM Practising Certificate No. 202008002757)

Zuriati Binti Yaacob
(LS0009971)
(SSM Practising Certificate No. 202008003191)

REGISTERED OFFICE

12th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor
Malaysia
Tel No. : (+603) 7890 4800
Fax No. : (+603) 7890 4650

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Wilayah Persekutuan
Malaysia
Tel No. : (+603) 2783 9299
Fax No. : (+603) 2783 9222

CORPORATE OFFICE / PRINCIPAL PLACE OF BUSINESS

No. 1, Jalan Wangsa Permai
First Floor, Bangunan One Wangsa
Taman Wangsa Permai
52200 Kuala Lumpur
Wilayah Persekutuan
Malaysia
Tel No. : (+603) 6277 2666
Fax No. : (+603) 6277 6222
Website: www.kpproperty.com.my

AUDITORS

KPMG PLT (LLP0010081-LCA & AF 0758)
Chartered Accountants
Level 10, KPMG Tower
8, First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan
Malaysia

PRINCIPAL BANKERS

AmBank Islamic Berhad
AmBank (M) Berhad
Hong Leong Islamic Bank Berhad
HSBC Bank Malaysia Berhad
Malayan Banking Berhad
RHB Bank Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Stock Name : KPPROP
Stock Code : 7077

LEGAL STATUS

Public listed company limited by shares
Domiciled and incorporated in Malaysia

CORPORATE STRUCTURE

AS AT 30 JUNE 2022

KERJAYA PROSPEK

Property

Kerjaya Prospek Property Berhad
199401001358 (287036-X)

- 100% Kerjaya Property Sdn Bhd 200901015711(858791-D)
- 100% Kerjaya Hotel Sdn Bhd 200901024430 (867530-M)
- 100% Aeon Frontier Sdn Bhd 200701022275 (780290-P)
- 99.4% Desanda Property Sdn Bhd 200901019763 (862860-A)
- 100% KPP Properties Sdn Bhd 200801006387 (807671-T)
- 100% KPP Management Sdn Bhd 199001004460 (196027-K)
- 100% KPP Development Sdn Bhd (In Member's Voluntary Liquidation) 199801001086 (457212-A)
- 100% Summit CD (M) Sdn Bhd 199101015885 (226197-M)
- 100% Summit Audio (M) Sdn Bhd 198801006074 (173431-U)
- 100% Serta Usaha Sdn Bhd 198401003867 (116386-U)
- 100% Pixel Valley Sdn Bhd 202101006099 (1406398-P)
- 100% Greencove Sdn Bhd 202101018356 (1418656-K)

PROFILE OF DIRECTORS

DATIN TOH SIEW CHUON
Executive Chairman

DATIN TOH SIEW CHUON, a Malaysian, aged 56, female, is the Executive Chairman of the Company and was appointed to the Board on 19 June 2018.

Datin Toh is a fellow member of the Malaysian Institute of Chartered Secretaries and Administrators and a member of the Association of Chartered Certified Accountants. She started her career and practice in an audit firm focusing on auditing and taxation. She has also accumulated more than 20 years of experience in a construction company after serving in the auditing and taxation industry.

Datin Toh also sits on the Board of Kerjaya Prospek Group Berhad as an Executive Director.

Datin Toh is a substantial shareholder of the Company, sister-in-law of Mr. Tee Eng Seng, a director and substantial shareholder of the Company and spouse of Datuk Tee Eng Ho, a substantial shareholder of the Company.

TEE ENG SENG
Executive Director

TEE ENG SENG, a Malaysian, aged 53, male, is the Executive Director of the Company and was appointed to the Board on 19 June 2018.

Mr. Tee started on his career working in construction related companies and has more than 20 years of experience in Civil and Building Construction.

Mr. Tee also sits on the Board of Kerjaya Prospek Group Berhad and Eastern & Oriental Berhad as an Executive Director.

Mr. Tee is a substantial shareholder of the Company, brother-in-law of Datin Toh Siew Chuon, a director and substantial shareholder of the Company and brother of Datuk Tee Eng Ho, a substantial shareholder of the Company.

PROFILE OF DIRECTORS (CONT'D)

KUAN YING TUNG
Independent Non-Executive Director

KUAN YING TUNG, a Malaysian, aged 40, male, was appointed to the Board on 5 November 2018 as Independent Non-Executive Director. He is also the Chairman of the Audit and Risk Management Committee, Nomination Committee and Remuneration Committee.

Mr. Kuan brings with him a wealth of experience in the audit practice, accounting and financial management since 2005 in professional services firms. He was also involved in different assignments such as Initial Public Offerings (IPO), due diligence, bonds issuance, mergers and acquisitions.

He is a member of Malaysian Institute of Accountants and Certified Practicing Accountants Australia. He holds a degree in Accounting, Banking and Finance from Monash University Malaysia. He is currently the Audit Partner of a public accounting firm.

IR. LOW WUU SHIN
Independent Non-Executive Director

IR. LOW WUU SHIN, a Malaysian, aged 47, male, is an Independent Non-Executive Director of the Company and was appointed to the Board on 5 November 2018. He is also a member of the Audit and Risk Management Committee, Nomination Committee and Remuneration Committee.

Ir. Low has over 20 years of experience in Civil, Structure and Geotechnical Consulting industry.

He is a member of the Institution of Engineering, Malaysia. He holds a degree in Civil Engineering from University Technology Malaysia and Master of Philosophy in Civil Engineering from the University of Nottingham.

He is currently holding the position of a Director in private companies involved in consultancy in Civil, Structure and Geotechnical and property development.

PROFILE OF DIRECTORS (CONT'D)

TEE SUN EE
Independent Non-Executive Director

TEE SUN EE, a Malaysian, aged 71, male, is an Independent Non-Executive Director of the Company and was appointed to the Board on 22 November 2018. He is also a member of the Audit and Risk Management Committee, Nomination Committee and Remuneration Committee.

Mr. Tee started his career as a teacher in vocational school. He has more than 30 years of experience in printing industry.

He is currently holding the post of a Director in private companies involved in printing and hotel businesses.

Note:
Other than as disclosed, all directors do not have any family relationships with any director and/or substantial shareholder of the Company and do not hold any directorship in other public companies. Save for the recurrent related party transactions disclosed on page 61-62 of this Annual Report, all directors have no personal interest in any business arrangements involving the Company. All directors have not been convicted for any offence and have attended the Board of Directors' meetings of the Company for the financial year ended 31 March 2022 as disclosed in the Corporate Governance Overview Statement of this Annual Report.

PROFILE OF KEY SENIOR MANAGEMENT

DATIN TOH SIEW CHUON
Executive Chairman

Malaysian, aged 56, female

Please refer to the Profile of Directors for Datin Toh Siew Chuon's profile.

TEE ENG SENG
Executive Director

Malaysian, aged 53, male

Please refer to the Profile of Directors for Tee Eng Seng's profile.

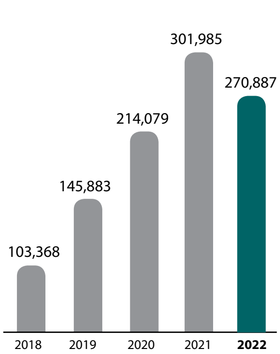
GROUP FINANCIAL HIGHLIGHTS

FINANCIAL YEAR ENDED 31 MARCH	2018	2019	2020	2021	2022
FINANCIAL PERFORMANCE (in RM'000)					
Revenue	103,368	145,883	214,079	301,985	270,887
Profit Before Taxation	25,532	36,409	28,155	86,688	96,098
Profit For The Year	19,129	27,823	21,241	63,105	73,322
FINANCIAL POSITION (in RM'000)					
Total Assets	502,633	593,277	878,641	872,929	1,074,650
Total Liabilities	237,348	341,094	560,797	386,938	516,190
Net Current Assets	90,084	198,347	157,973	258,599	293,460
Net Assets	265,285	252,183	317,844	485,991	558,460
Cash and Cash Equivalents	25,247	9,911	78,756	67,362	126,383
Total Borrowings	–	108,618	287,311	135,125	239,832
Equity Attributable to Owners of the Company	265,285	252,183	317,594	485,727	558,159
Issued Share Capital	53,754	56,629	132,835	260,557	282,165
No. of ordinary shares ('000)	528,100	552,440	200,142	350,142	400,142*
KEY FIGURES					
Earnings Per Share (sen)	3.62	5.10	16.27	29.64	18.50
Net Assets Per Share (sen)	50.23	45.65	158.81	138.80	141.33
Net Debt to Equity Ratio	–	0.39	0.66	0.14	0.20

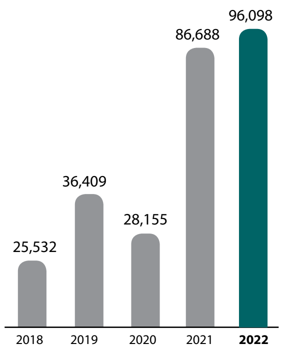
The financial information stated above for financial year 2018 and 2019 refer to the financial results of the Combined Entities due to the reverse accounting, with the exception of the issued share capital and number of ordinary shares which reflect the equity structure of the Company.

* included treasury shares

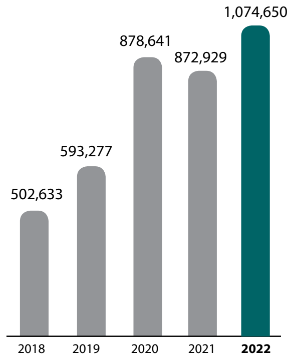
REVENUE (RM'000)



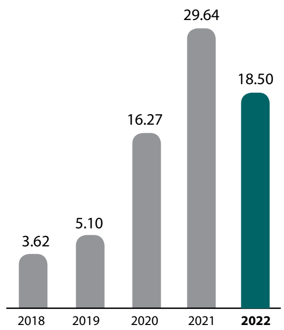
PROFIT BEFORE TAXATION (RM'000)



TOTAL ASSETS (RM'000)



EARNINGS PER SHARE (SEN)




Bloomsvale, Old Klang Road, Kuala Lumpur

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors ("Board"), it is my pleasure to present you the Annual Report and Financial Statements of our Group for the financial year ended ("FYE") 31 March 2022.

OPERATING ENVIRONMENT

The Coronavirus Disease 2019 (**"Covid-19"**) pandemic has been spanning over two years now, persisted to overwhelmed the economy and people's lives across the world in 2021. Movement restrictions, which were implemented to curtail the virus spread, were gradually relaxed once the infectivity rates dipped.

However, because of the relaxed movement restrictions, this has caused a resurgence in infection numbers, leading to a re-tightening of the restrictions. It is inevitable that the governments around the world have to make difficult decisions in balancing between saving lives and livelihood of their citizen when opening up the economy. The oscillation between tighten and relaxed movement restrictions caused widespread disruption to businesses and the overall trajectory of the global economic recovery.

While operating condition did not return to their pre-pandemic state in 2021, global growth momentum nonetheless improved as compared to the previous year. This is reflected in The World Bank's global growth estimate which puts economic growth at 5.5% for 2021 after global gross domestic product (**"GDP"**) contracted 3.4% in 2020. However, World Bank warned that recovery will be uneven depending on the fiscal support as well as vaccination rate.

In Malaysia, GDP growth in the third quarter of 2021 contracted by 4.5% year-on-year following the imposition of a nationwide lockdown aimed at curbing a resurgence in Covid-19 cases. Nevertheless, the acceleration of mass vaccination programmes and booster jabs that resulted in the gradual relaxation of mobility restrictions has improved consumer and business confidence despite the uncertainty. In 2021, Malaysian economy grew by 3.1% as a whole, recovering from the drop of 5.6% in the previous year. Malaysia's economy expanded by 5.0% year-on-year in first quarter of 2022, accelerating from a 3.6% gain in fourth quarter of 2021, supported by improving domestic demand as economic activity continued to normalise with the easing of Covid-19 restrictions.

It is undeniable that Malaysian Government initiatives had been helpful to the property sector. The Home Ownership Campaign (**"HOC"**), which ended 31 December 2021 was exceptionally beneficial to the Group. Benefits offered under the HOC such as stamp duty exemption encouraged home purchases and helped to reduce unsold properties in the market.

FINANCIAL HIGHLIGHTS

Against the backdrop of this highly challenging environment, I am heartened to report that our Group recorded a commendable profit after tax (**"PAT"**) of RM73.3 million in FYE 2022 which exceeded the RM63.1 million recorded in the FYE 2021, despite that the Group recorded a lower total revenue of RM270.9 million in FYE 2022, when compared to RM302.0 million in FYE 2021.

Property development segment continued to be the major contributor to the Group's overall revenue. This segment accounted for 89.8% (2021: 93.7%) of the Group's FYE 2022 revenue. Hospitality segment contributed 9.0% (2021: 4.6%) of FYE 2022's revenue. A more in-depth review of our financial and operational performance is reported under "Management Discussion and Analysis" in this Annual Report.

OPERATIONAL HIGHLIGHTS

As mentioned above, the key contributor to the Group's overall revenue remained property development segment. The revenue was mainly contributed by the sales and development progress of the ongoing project, Bloomsvale in Old Klang Road, Kuala Lumpur and sales from completed project, Straits Residences in Seri Tanjung Pinang, Penang of RM120.3 million and RM117.3 million respectively.

The Group's hospitality segment is mainly represented by Swiss-Garden Hotel Melaka and The Shore Hotel & Residences located in the heart of Melaka. The performance of the hospitality segment has improved with the gradual relaxation of mobility restriction with an increase in revenue of RM10.3 million recorded in FYE 2022 where the revenue surged from RM14.0 million recorded in FYE 2021 to RM24.3 million in FYE 2022.

CORPORATE DEVELOPMENTS

On 18 June 2021, Pixel Valley Sdn. Bhd. (**"PVSB"**), a wholly-owned subsidiary of our Company entered into a Sales and Purchase Agreement (**"SPA"**) with Roset-BLG Sdn. Bhd. to purchase approximately 5.1 acres of leasehold land for a purchase price of RM82 million. The land will serve as landbank for PVSB's property development activities. It is strategically located in the heart of Petaling Jaya's new business and development district at Seksyen 13 and easily accessible via Jalan Kemajuan. This area is surrounded by a few mature townships and close to plenty of amenities, including F&B outlets, shopping areas and hospitals with easy access to Kuala Lumpur (KL) City via the Federal Highway, Lebuhraya Damansara Puchong and SPRINT Highway.

Our wholly-owned subsidiary, Greencove Sdn. Bhd. (**"Greencove"**) has on 27 August 2021, entered into a SPA with Prousaha (M) Sdn. Bhd., a wholly-owned subsidiary of Asian Pac Holdings Berhad to purchase approximately 6.5 acres of leasehold land for a purchase price of RM42 million. The land will serve as landbank for Greencove's property development activities. It is strategically located at Damansara Damai, a well-established neighbourhood

CHAIRMAN'S STATEMENT (CONT'D)

blossomed with a variety of residential and commercial properties and amenities. Damansara Damai is well connected to other established townships such as Bandar Sri Damansara, Taman Perindustrian KIP, Desa Park City, Sungai Buloh and Kota Damansara.

On 6 December 2021, the Group announced that PVSB entered into a Purchase and Development Agreement with Aspen Vision City Sdn. Bhd. to purchase approximately 4.9 acres of freehold land for a purchase price of approximately RM27.6 million. This land is strategically located at Bandar Cassia, Batu Kawan, Penang.

The acquisition will enable the Group to focus on its core business of property development and to expand and strengthen its landbank size.

LOOKING AHEAD

With the Covid-19 pandemic not subsiding any time soon and the emergence of new variants, The World Bank, in its January 2022 Global Economic Prospects report, forecasted that the global economy would expand by 4.1% in 2022, slowing from the estimated 5.5% growth for 2021, taking into consideration of the continued Covid-19 flare-ups, diminished fiscal support and persistent supply-chain bottlenecks.

However, The World Bank has projected that Malaysia's economy would grow by 5.8% in 2022, anchored by a rebound in domestic demand and continued expansion in exports. Meanwhile, Bank Negara Malaysia has projected Malaysia's growth in 2022 to be between 5.3% and 6.3% due to the resumption of economic activities, higher private sector expenditure, continued policy support and expansion in global demand.

Property sector faces headwinds as supply chain disruption continues to pose downside risks. Rising building material cost as well as labour shortage continues to hit property sector hard. The scarcity of labour supply has also spread to service sector where restaurants, hoteliers are also feeling the brunt of labour shortage. Despite the challenges faced by property and hospitality segment, the Group will closely monitor and continue to adapt and remain resilient to the challenging economic environment.

For Malaysia economy, the growth is on a firmer footing, driven by strengthening domestic demand amid sustained export growth. The transition to endemicity on 1 April 2022 would strengthen economic activity, in line with further easing of restrictions and reopening of international borders. Hence the Group remains cautiously optimistic on the prospects for the property development and hospitality segment in anticipation of a return to normalcy despite the key challenges.

As tabled in the Budget 2022, the Malaysia Government has abolished the Real Property Gains Tax from the sixth year onwards and allocated RM2 billion under Housing Credit Guarantee Scheme to assist gig workers, small business owners and farmers without steady income to apply for mortgage loans. This will particularly be helpful to property sector.

Approximately RM400 million Gross Development Value (GDV) worth of new launches are slated for FYE 2023, focusing primarily on residential projects in Shah Alam and Sentul. Our on-going mixed development project, Bloomsvale @ Old Klang Road, Kuala Lumpur is targeted for completion by mid of 2023 and for the purpose of streamlining our operations' productivity and efficiency which to fit for our future growth and expansion, the Group plans to move to Bloomsvale office by end of 2023. The Group will continue to address our unsold properties with on-going diverse marketing strategies given the absence of the HOC in FYE 2023. In addition to the above, the Group continues to optimise our landbank for residential and commercial development as the Group has identified and invested several plots of land as abovementioned.

The hospitality segment has benefited from the transition to endemic phase with higher hotel occupancy rate during the holiday seasons. The recovery of the hospitality sector is anticipated to be accelerated with the current economic momentum.

The Group endeavours to improve the business and financial performance to deliver value to its shareholders. The Group will continue its efforts to enhance the performance of the existing operation in property development and hospitality business. With a fair balance of strength and resilience, prudence and sound enterprise risk management, we strongly believe that we will continue to navigate our way through the challenges to promote and grow the Group's business.

ACKNOWLEDGEMENT

On behalf of the Board of the Company, I take this opportunity to express our greatest appreciation and gratitude to our shareholders for their trust and confidence in our Group. I would also like to convey my deep appreciation to all employees for your dedication and commitment that contribute to the Group's perseverance and success.

I also would like to thank our business partners, advisors, and the relevant government and regulatory agencies for their invaluable support and advice throughout FYE 2022.

Last but not least, I wish to place on record my appreciation for the commitment, understanding and wise counsel which I have received from my fellow Directors to-date. We remain committed to create substantial value for our shareholders in the years to come and over the long term and I look forward to report on our continued progress.

Datin Toh Siew Chuon
Executive Chairman
22 July 2022

Straits Residences, Seri Tanjung Pinang, Penang

MANAGEMENT DISCUSSION & ANALYSIS

OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS

Kerjaya Prospek Property Berhad ("**KPPROP**" or the "**Group**") is an investment holding company where its subsidiaries are mainly involved in the property development and hospitality businesses primarily in Malaysia.

Property Development

The Group's property development portfolio is strategically located throughout Klang Valley, Penang, Johor and Melaka. The current ongoing project consist of Bloomsvale @ Old Klang Road, Kuala Lumpur which is a mixed development comprising 2 serviced-residence towers, a shopping mall, offices and a hotel with Gross Development Value ("**GDV**") of RM1.3 billion.

We have completed the development of luxury marina living of Straits Residences @ Seri Tanjung Pinang, Penang and vacant possession took place in April 2021. This is also a mixed development comprising 30-storey service apartments and 4 units commercial development adjourning Straits Quay, Penang with GDV of RM380 million.

Hospitality

The hospitality segment is in relation to hotel operation, foods and beverages and recreation. This segment is mainly represented by Swiss-Garden Hotel Melaka and The Shore Hotel & Residences located in the heart of Melaka.

YEAR-ON-YEAR FINANCIAL REVIEW

Amid the backdrop of Malaysia's challenging economic conditions and global markets' uncertainties, KPPROP reported a consolidated revenue of RM270.9 million in financial year ended ("**FYE**") 31 March 2022, compared to RM302.0 million in FYE 2021.

The Group's profit before tax ("**PBT**") stood at RM96.1 million, translating to a 10.9% of YoY increase. Despite the widespread disruption to business operations as a result of the oscillation between tighten and relaxed movement restrictions, the bottom line of the Group remained resilient with the growth in bottom line mainly contributed by hospitality business segment and reduction in financing cost.

Our financial performance	Audited FYE 2022 RM'000	Audited FYE 2021 RM'000	Variance RM'000	Variance %
Revenue	270,887	301,985	-31,098	-10.3
Gross profit (**"GP"**)	115,208	114,749	459	0.4
Profit before tax (**"PBT"**)	96,098	86,688	9,410	10.9
Profit after tax (**"PAT"**)	73,322	63,105	10,217	16.2
GP margin (%)	42.5%	38.0%	450 bp	11.8
PBT margin (%)	35.5%	28.7%	680 bp	23.7
PAT margin (%)	27.1%	20.9%	620 bp	29.7

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

Revenue

Revenue by segment	Audited FYE 2022 RM'000	Audited FYE 2021 RM'000	Variance RM'000	Variance %
Property development	243,372	282,811	-39,439	-13.9
Hospitality	24,334	14,004	10,330	73.8
Others	3,181	5,170	-1,989	-38.5
Revenue	270,887	301,985	-31,098	-10.3

Our Group's revenue decreased from RM302.0 million in FYE 2021 to RM270.9 million in FYE 2022, representing a year-on-year ("**YoY**") decrease of RM31.1 million or 10.3%. The decrease in revenue was mainly resulted from property development segment. In FYE 2021, the revenue of property development segment was largely contributed by Kaleidoscope Project in Setiawangsa which was fully sold out and completed in October 2020.

However, the contraction in revenue from property development segment was partially mitigated with the increase in revenue from hospitality segment. Hospitality segment reported an increase in revenue of RM10.3 million from RM14.0 million in FYE 2021 to RM24.3 million in FYE 2022 mainly contributed by the easing of travel restriction during the financial year.

Gross profit

Despite the decline in revenue, the Group recorded a GP of RM115.2 million in FYE 2022 as compared to RM114.7 million recorded in FYE 2021 with a YoY increase of RM0.5 million or 0.4%. Notwithstanding the challenges during the year, the GP margin for FYE 2022 remained resilient and recorded an improvement of 450 basis point ("**bp**") when compared to FYE 2021. The Group continued to be mindful of cost discipline and optimisation through leveraging on our operational excellence and cost optimisation initiatives.

Profit before tax

In furtherance to the abovementioned analysis, our PBT increased by RM9.4 million or 10.9%, to RM96.1 million in FYE 2022 when compared to FYE 2021 of RM86.7 million. This was substantially resulted from reduction in finance cost of RM7.1 million due to the lower interest rate in FYE 2022 as well as repayment of loans and borrowings.

Profit net of tax attributable to the equity holders of the Company ("net profit")

Consistent with the above analysed PBT, the Group achieved a net profit of RM73.3 million in FYE 2022 which was higher than the net profit of RM63.1 million in FYE 2021 by RM10.2 million or 16.2%. However, the increase in the number of ordinary shares due to the conversion of 550 million units of Redeemable Convertible Preference Shares ("**RCPS**") into 110 million units of new ordinary shares, has translated to our basic earnings per share for FYE 2022 at 18.50 sen, which was 11.14 sen lower than that of 29.64 sen attained in FYE 2021.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

Our financial position	Audited As at 31 March 2022 RM'000	Audited As at 31 March 2021 RM'000	Variance RM'000	Variance %
Non-current assets	533,119	392,512	140,607	35.8
Current assets	541,531	480,417	61,114	12.7
Non-current liabilities	268,119	165,120	102,999	62.4
Current liabilities	248,071	221,818	26,253	11.8
Equity attributable to owners of the Company	558,460	485,991	72,469	14.9

Assets

Non-current assets comprising largely by property, plant and equipment and land held for property development. The non-current assets increased from RM392.5 million as at 31 March 2021 to RM533.1 million as at 31 March 2022 which was largely due to the additions in land held for property development of RM140.8 million.

The additions in land held for property development were primarily located at Sentul @ Kuala Lumpur, Damansara Damai @ Selangor as well as Seksyen 13 Petaling Jaya @ Selangor.

Current assets comprising mainly inventories, cash and cash equivalents, trade and other receivables and contract costs. Current assets increased from RM480.4 million as at 31 March 2021 to RM541.5 million as at 31 March 2022 which was mainly contributed by the net increase in cash and cash equivalents of RM59.0 million.

Liabilities

Non-current liabilities comprising loans and borrowings, deferred tax liabilities, trade payables and RCPS which increased by RM103.0 million or 62.4% YoY to RM268.1 million as at 31 March 2022 (2021: RM165.1 million) mainly due to the increase in loans and borrowings of RM104.1 million to finance the acquisition of lands as mentioned above, and increase in trade payables of RM8.1 million due to increase in retention sums which were payable upon the expiry of the defects liabilities period. The said increase was mitigated by the reduction in RCPS of RM9.0 million as the Group converted 550 million units of RCPS as abovementioned.

Current liabilities comprising mainly trade and other payables, contract liabilities, short-term loans and borrowings, RCPS and others, which increased by RM26.3 million or approximately 11.8% YoY to RM248.1 million as at 31 March 2022 (2021: RM221.8 million). The said increase was largely due to the increase in contract liabilities of RM67.7 million resulted from the increase in advance billings on property sales, however mitigated by the reduction in trade and other payables of RM37.7 million due to reduction in cost of goods sold.

Liquidity, capital resources and gearing

As at 31 March 2022, cash and cash equivalents increased by RM59.0 million or 87.6% to RM126.4 million compared to RM67.4 million as at 31 March 2021.

The Group having a net cash inflow from operating activities of RM140.4 million in FYE 2022 as compared to RM78.8 million in FYE 2021. The increase mainly due to increase in contract liabilities of RM67.7 million. However, these positive movements in working capital were partially offset by the decrease of trade and other payables of RM29.3 million.

On the other hand, net cash used in investing activities increased from RM29.0 million in FYE 2021 to RM173.6 million in FYE 2022 mainly due to additions of property, plant and equipment and acquisition of land held for property development.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

Meanwhile, net cash generated from financing activities reported at RM92.2 million in FYE 2022 as compared to net cash used in financing activities of RM46.0 million in FYE 2021. The improvement in cash inflow from financing activities was mainly due to the net drawdown of term loans in FYE 2022.

Given the above analysis, our gearing ratio increased from 0.14 times as at 31 March 2021 to 0.20 times as at 31 March 2022 due to the increase in loans and borrowings. Our business operations are financed by a combination of internal and external sources of funds. Internal sources of funds comprise mainly shareholders' equity and cash generated from our operations, while the external source of funds comprises bank borrowings as well as credit terms granted by our suppliers.

Management believes that after considering our cash and cash equivalents as well as the funds envisaged to be generated from our business operations, we will have adequate working capital to meet our present and foreseeable day-to-day business operation requirements. Save as aforementioned, we are not aware of any other known trends and events that are reasonably likely to have a material effect on our operations, performance, financial condition and liquidity.

Whereas for capital commitments, we have committed to lands at Jalan Puchong (1 acre) and Batu Kawan (4.9 acres) as of 31 March 2022.

REVIEW OF OPERATING ACTIVITIES

In FYE 2022, revenue from the property development segment was RM243.4 million, which constituted 89.8% of the total revenue (2021: RM282.8 million and 93.7%) while revenue from hospitality segment was RM24.3 million, which constituted 9.0% (2021: RM14.0 million and 4.6%) of the total revenue.

Property Development Segment

The property development segment generated revenue of RM243.4 million as compared to RM282.8 million in the preceding financial year, recorded a YoY decrease of RM39.4 million or 13.9%. The decrease in revenue was mainly due to higher sales recorded in FYE 2021, the revenue of property development segment in FYE 2021 was largely contributed by Kaleidoscope Project in Setiawangsa which was fully sold out and completed in October 2020.

Property development segment continued to be the major contributor to the Group's overall revenue. The revenue was mainly contributed by the sales and development progress of the ongoing project, Bloomsvale in Old Klang Road, Kuala Lumpur and sales from completed project, Straits Residences in Seri Tanjung Pinang, Penang of RM120.3 million and RM117.3 million respectively.

Projects	Type of Development	Revenue FYE 2022 (RM'mil)	GDV (RM'mil)	Remaining GDV * (RM'mil)	Completed/ Expected Completion
Straits Residences @ Seri Tanjung Pinang, Penang	30-storey service apartment and commercial development, adjoining Straits Quay	117.3	380	79.5	April 2021
Bloomsvale @ Old Klang Road, Kuala Lumpur	Mixed development consisting of a hotel, offices, services apartments and a retail mall	120.3	1,260	839.4	Quarter 2, 2023

* As at 31 March 2022

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

The Remaining Gross Development Value (RGDV) for our Bloomsvale Project @ Old Klang Road, Kuala Lumpur stood at RM839.4 billion as at 31 March 2022. This mixed development project comprising 2 serviced-residence towers, a shopping mall, offices and a hotel sees an improvement of take-up rate of the serviced apartments to 85% (as at 31 March 2022). This is being spurred by the government's incentives to homeowners such as Home Ownership Campaign (HOC) coupled with ease of borrowings from various financial institutions under the National Economic Recovery Plan (PENJANA) following the wake of the pandemic to help revitalise Malaysia's economy.

As for Northern area, the luxury marina living of Straits Residences @ Seri Tanjung Pinang, Penang was also completed during the financial year under review as vacant possession took place in April 2021. Despite the softer property demand in Malaysia, we are pleased to note that our Straits Residences continues to achieve good take-up rate of 83% (as at 31 March 2022).

The Group is aware of the importance of replenishing its landbank to ensure we have sustainable project pipeline for future growth of the Group, especially in Klang Valley area. The Management constantly performs detailed feasibility studies and deliberations before any decision to acquire potential new lands.

During the financial year under review, the Group scaled up its property development segment by undertaking several land acquisitions via its wholly-owned subsidiaries, Pixel Valley Sdn. Bhd. and Greencove Sdn. Bhd. These acquisitions will place the Group in a solid position to further unlock the value of its strategic landbank and deliver sustainable earnings well into the future.

Date of Sale and Purchase/ Purchase and Development Agreement	Land Size	Location	Tenure	Purchase Consideration (RM'mil)
18 June 2021	5.1 acre	Seksyen 13, Petaling Jaya, Selangor	Leasehold	81.5
27 August 2021	6.5 acre	Damansara Damai, Selangor	Leasehold	42.0
6 December 2021	4.9 acre	Bandar Cassia, Batu Kawan, Penang	Freehold	27.6

Hospitality Segment

The hospitality business segment generated revenue of RM24.3 million in FYE 2022 which was higher than RM14.0 million recorded in FYE 2021 by RM10.3 million or 73.8%. The Group's hospitality segment is mainly represented by Swiss-Garden Hotel Melaka and The Shore Hotel & Residences located in the heart of Melaka. The performance of the hospitality segment begun to improve with the gradual relaxation of mobility restriction. The lifting of inter-state travel restrictions since October 2021 boosted domestic tourism as well as staycations. As a result of this, the hospitality business segment recorded higher business volume with improved results in the third and fourth quarter of FYE 2022.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

RISK PROFILES

Amid the backdrops of the Coronavirus Disease 2019 ("**Covid-19**") pandemic, we highlight below the key anticipated or known risks that our Group is exposed to that may have a material effect on our operations, performance, financial condition and liquidity. Our plans and strategies to mitigate these risks have also been disclosed below:-

(i) Business risks

Our Group is principally involved in property development and hospitality business.

Hence, we are susceptible to the risks inherent to our industries. These include, amongst others, any outbreaks of diseases affecting local and global markets, rising costs of labour and raw materials, availability of skilled personnel, changes in laws and regulations applicable to our business and credit conditions. Any material changes to these factors may have material and adverse effect on the business operations of our Group.

Nevertheless, our Group has been taking effective measures to mitigate the aforementioned risks such as prudent financial management and efficient operating procedures. Further, we constantly keep abreast of economic and regulatory changes relating to our business.

(ii) Operational risks

Due to the nature of our Group's operations, interruptions in our Group's operating capabilities through disruption in electricity supply and failure or damage of machinery or other disruptions to our business operations due to any outbreaks of diseases including pandemics may have an adverse effect on our Group's business and financial performance.

In 2022, we continued to implement strict safety measures and Standard Operating Procedures ("**SOPs**") to ensure that everyone could return to work safely. We encouraged staff to be vaccinated and as of 31 March 2022, 100% of our employees are fully vaccinated and we are in the process of ensuring all our employees complete their booster doses. We also have been providing self-test kits to our employees once a week as we continue to be vigilant and encourage adherence to SOPs, while providing a safe workplace for our employees.

To avoid major breakdowns and disruptions to our operations, electricity supply and relevant equipment are constantly monitored and our machinery undergoes scheduled maintenance.

(iii) Credit risks

For the property development segment, the services and products are predominantly rendered and sold to a large number of property purchasers with end-financing facilities from reputable financial institutions. The credit risks with respect to property purchasers with end-financing facilities are limited.

(iv) Competition risks

The Group's revenue and profitability are exposed to the risk of uncertainty arising from global and local economic conditions affected by the Covid-19 pandemic. Furthermore, we continue to face competition from existing and new competitors who may be capable of offering similar services and products. Whilst we strive to remain competitive, any changes in the competitive environment may have material and adverse impact on our business and financial performance.

Nevertheless, our Group strives to maintain our competitive edge by ensuring the quality of our products through stringent quality assurance procedures. We also continuously place importance on improving our products by investing in market research and product development activities.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

FORWARD-LOOKING STATEMENT

The World Bank, in its January 2022 Global Economic Prospects report, forecasted that the global economy would expand by 4.1% in 2022, slowing from the estimated 5.5% growth for 2021, taking into consideration of the continued Covid-19 flare-ups, diminished fiscal support and persistent supply-chain bottlenecks.

The World Bank had also projected that Malaysia's economy would grow by 5.8% in 2022, anchored by a rebound in domestic demand and continued expansion in exports. Meanwhile, Bank Negara Malaysia has projected Malaysia's growth in 2022 to be between 5.3% and 6.3% due to the resumption of economic activities, higher private sector expenditure, continued policy support and expansion in global demand.

Malaysia is well-positioned to continue benefitting from the expansion in global economic and trade activities. The acceleration of the Covid-19 booster vaccination programme and vaccination of children above 5 years old, coupled with sufficient capacity in the healthcare system, would improve domestic economic activities, thus strengthening the recovery momentum. However, the balance of risks remains tilted to the downside, mainly from development surrounding Covid-19, both globally and domestically.

The rapid increase on crude oil price as a direct result of Russia's invasion of Ukraine as well as the lingering shipping issue might intensify the volatility of the market. While market volatility will remain largely beyond our control, we are cautiously optimistic at this juncture and we will continue to look for pockets of income growth while being mindful of keeping costs down, to deliver a commendable performance. We remain focus to ensure our capital and liquidity buffers are robust so that we remain resilient to market uncertainties and business challenges.

Property Development Landscape

Rapid digitalisation of the economy has been one of the most obvious outcomes of the pandemic. The movement restriction in Malaysia led to a massive growth in the digital and low-touch economy. We embrace technology by accelerating our digitalisation journey. We have adapted to the current situation by adopting 3D-virtual tours, online bookings and offering of incentives such as giveaways and rebates to prospective home buyers. With more high-tech marketing strategies involving virtual sales gallery and online bookings, we nevertheless foresee the property sector will be able to bolster the threat with an upward recovery trend.

With the announcement of boarder reopening from 1 April 2022 and the country transitions from the pandemic to endemic phase, it will bring Malaysia's economy back on track for recovery and improve overall business sentiment. The Group is taking on an optimistic view and anticipates our nation's economy to recover with the property sector expected to revive in tandem as well. We will, however, take into consideration the risks that are still tagged to the pandemic and approach the year ahead with caution.

The Group is also hopeful that the industry will continue to be supported by the government's various stimulus policies. As tabled in the Budget 2022, the abolishment of the Real Property Gains Tax from the sixth year onwards and the RM2 billion allocations under the Housing Credit Guarantee Scheme, are measures that can be a catalyst to accelerate growth for the property sector.

We will continue to closely monitor our key performances and maintain stringent cost efficiency measures, digital improvements as well as careful rationalisation of our launches. We aim to capitalise on the market needs and trends, offering quality homes complemented with attractive pricing, innovative ownership packages, and facilities.

The Group is continuously aware and has been managing the timeline of new launches. We are mindful of handling the unsold inventories of ongoing projects, as well as unsold completed units. As such, the Group remains conscious on new launches as we continue to strengthen our business recovery plan for the future. The Group plans to launch new residential properties with an approximate GDV totalling RM400 million. Out of this, RM220 million will be from the launch of project located in Sentul and whereas the balance of RM180 million from project situated at Shah Alam.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

The Group will continue to be on the lookout for strategic landbank opportunities to sustain our long-term growth. We will look for new landbanks especially those strategically located in Central region to create stronger pipelines and strengthen future revenue stream. We strive to unlocking our landbank at the right location and right price point. As at 31 March 2022, the Group has a landbank of approximately 46.9 acres for future developments and upcoming launches.

Hospitality Landscape

For Malaysia economy, the growth is on a firmer footing, driven by strengthening domestic demand amid sustained export growth. The transition to endemicity on 1 April 2022 would strengthen economic activity, in line with further easing of restrictions and reopening of international borders.

Malaysia also further eased its Covid-19 restrictions for those arriving in the country. Vaccinated non-Malaysian nationals entering Malaysia are not required to undergo quarantine. This will definitely help the hospitality sector to be the first to regain the momentum and contribute to the revival of the country's economic growth. Moreover, Tourism Malaysia will embark on its "Malaysia, Truly Asia" global campaign again following the reopening of the country's boarders to international travellers. Hence the Group remains cautiously optimistic on the prospects for hospitality segment in anticipation of a return to normalcy.

The Group remains committed to pursue the long term growth in the hospitality segment. Hence the Group plans to ramp up its operations in line with the increase in demand, whilst protectively managing its cost structure and strategically price the room rate to better adapt to the fluid operating environment.

DIVIDEND

The Company does not have a formal dividend policy. In view of the Group's current working capital and capital expenditure needs in the near term, the Board has decided not to recommend the payment of any dividend for FYE 2022.

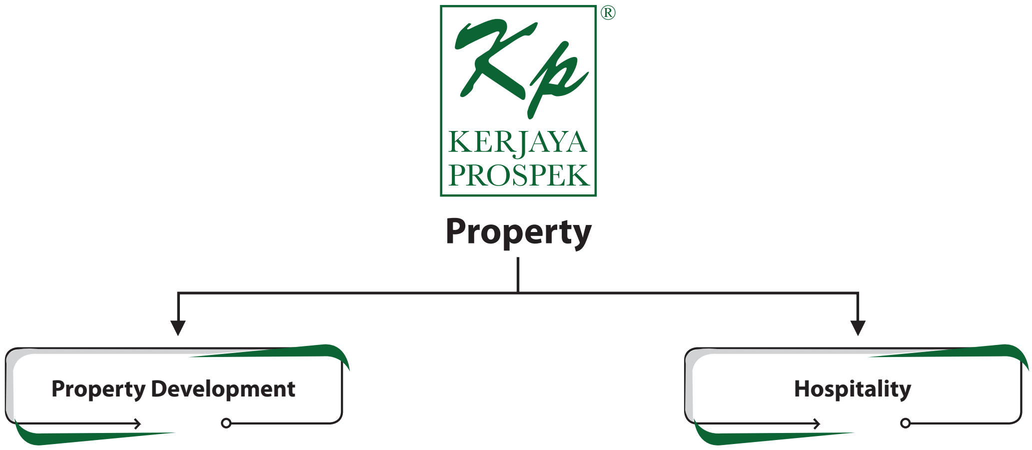

Kaleidoscope, Setiawangsa, Kuala Lumpur

SUSTAINABILITY REPORT

This Sustainability Report ("**Report**") elaborates Kerjaya Prospek Property Berhad ("**KPPROP**" or "**the Company**") concepts, practices and achievements of its sustainable development and social responsibility during the financial year ended ("**FYE**") 31 March 2022 from economic, environmental and social ("**EES**") as well as governance aspects.

SCOPE OF THE REPORT

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



The Report covers the period from 1 April 2021 to 31 March 2022. All information in the Report is disclosed from the Group level.

REPORTING PRINCIPLES

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

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

The Report follows the reporting principles of:

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

SUSTAINABILITY REPORT (CONT'D)

COMMITMENT TO SUSTAINABILITY DEVELOPMENT

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

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

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

OUR POLICY ON SUSTAINABILITY

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

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

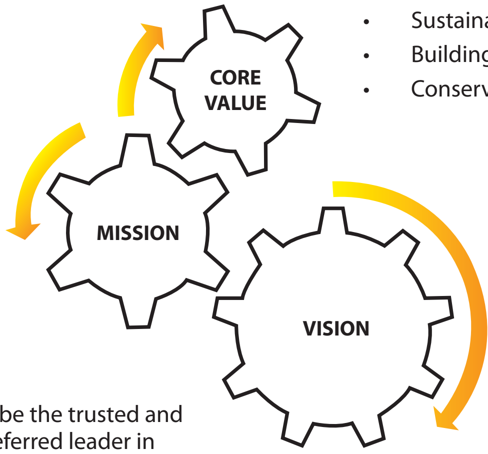
SUSTAINABILITY REPORT (CONT'D)

GOVERNANCE FRAMEWORK

Vision, Mission and Core Value

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

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



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

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

Governance Structure

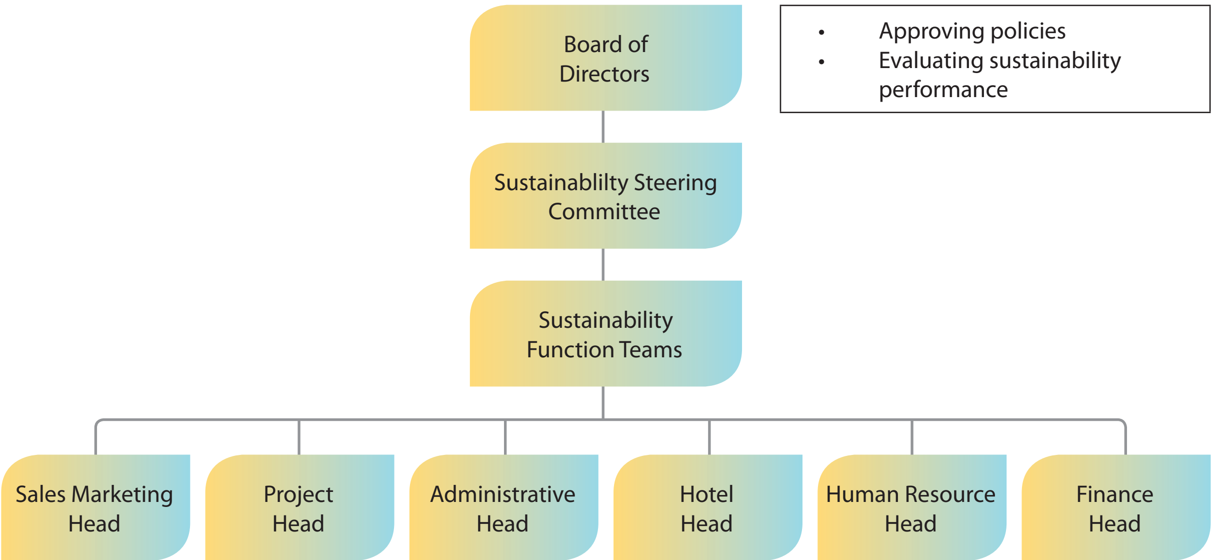
Sustainability is embedded in our organisational approach and is led from the top. The Board of Directors ("**Board**") plays a vital guidance and oversight role in advancing sustainability across the organisation. The Board should have an overall fluency in sustainability so that they can connect sustainability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

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

SUSTAINABILITY REPORT (CONT'D)

GOVERNANCE FRAMEWORK (CONT'D)

Governance Structure (cont'd)



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

- Stakeholders' engagement
- Formulating sustainability strategy, policies and goals
- Monitoring and supervising sustainability performance
- Maintaining sustainability performance across the group
- Creating and raising awareness among stakeholders
- Reviewing Sustainability Report

The Committee also cascades sustainability matters to their respective teams in the form of policies, internal memos and updates to the Group's Standard Operating Procedures ("**SOPs**") to continue embedding sustainability in every aspect of the Group's daily operation.

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

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

GOVERNANCE FRAMEWORK (CONT'D)

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

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

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

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

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

STAKEHOLDERS' ENGAGEMENT AND COMMUNICATION

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

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

STAKEHOLDERS	ENGAGEMENT METHODS	ENGAGEMENT AREAS
Shareholders	• Annual & Extraordinary General Meetings • Press releases • Bursa announcements • Quarterly report • Annual report • Timely update on corporate website	• Financial and operational performance • Return on investments
Government	• Compliances to laws and regulations	• Operation regulations • Bursa listing requirements • Companies Act • Labour law • Taxations • Department of Environment • Occupational Safety and Health Act

SUSTAINABILITY REPORT (CONT'D)

STAKEHOLDERS' ENGAGEMENT AND COMMUNICATION (CONT'D)

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

STAKEHOLDERS	ENGAGEMENT METHODS	ENGAGEMENT AREAS
Board of directors	• Board meetings	• Corporate strategy • Corporate governance
Employees	• Technical and skills trainings • Performance review • Departmental meetings • In-house newsletters / communications	• Occupational safety & health • Remuneration policy • Career development • Performance review • Fair employment practices
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, social media, roadshows and sales galleries	• Customer satisfactions • After-sales services • Quality assurance
Suppliers & Contractors	• New Supplier Form • Regular meetings • Quality audit on services and products • Contract negotiation	• Services and products' quality • Legal compliances
Communities	• Charity and welfare programs	• Social contribution • Job opportunities • Donation and financial aid
Analyst / Media	• Annual & Extraordinary General Meetings • Investor briefings • Media release	• Financial and operational performance • General announcements

28th Annual General Meeting held on virtual basis.

SUSTAINABILITY RISKS AND RESPONSES

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

RISK	RISK ANALYSIS	RISK RESPONSES
Market demand	**Property development** Purchasers may face difficulties in securing financing, especially in the current economic environment due to pandemic outbreak. The outlook of the property market poses the risk of slow-moving inventories. **Hotel** The pandemic has caused a toll on hotel demand and operation.	**Property development** The Group strives to actively engage several sales agencies to increase the sales take-up rate and also liaise with banks to assist purchasers. Keeping up to date with marketing strategy and strategic plan is established to address the market conditions such as embark on digitalization journey to enhance customers experience via online sales booking. **Hotel** The Group is actively leveraging the online platforms such as Agoda, Booking.com etc. to increase booking rates. Hotel rates are adjusted based on monitoring of market rate.
Public health emergencies	Public health emergencies, such as Coronavirus Disease 2019 ("**COVID-19**") outbreak in early 2020, have severe impact on public health. The economy uncertainty brought by COVID-19 continues to cloud the growth of Malaysia's economy. How to respond to public health emergencies reflects how capable an enterprise is to manage and operate in such situations. If an enterprise lacks management capabilities and there are no complete safety management structure and emergency procedures and measures, it cannot stabilise the operation in face of emergencies.	In FYE 2022, the Group continued to implement strict safety measures and SOPs to ensure that everyone could return to work safely. We encouraged staff to be vaccinated and as of 31 March 2022, 100 % of our employees are fully vaccinated and we are in the process of ensuring all our employees complete their booster doses. We also have been providing self-test kits to our employees once a week as we continue to be vigilant and encourage adherence to SOPs, while providing a safe workplace for our employees.

SUSTAINABILITY REPORT (CONT'D)

SUSTAINABILITY RISKS AND RESPONSES (CONT'D)

RISK	RISK ANALYSIS	RISK RESPONSES
Compliance to rules and regulations	Risk of stop work order issued by relevant authority due to health, safety and environmental issues which might potentially result in untimely project completion and handover.	Constantly monitoring the change in rules and regulations by relevant departments. The Group encourages staff to report on any non-compliance issues to the relevant departments.
Non-performing contractors	Risk related to the poor quality of deliverables, project delays, health and safety practices	Robust contractor selection and evaluation process whereby contractors are assessed in terms of quality, timeliness of the delivery, financial capability and etc. The Group continues to monitor closely contractor's performance in terms of timeliness, quality, health and safety practice at site.

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

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

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

MATERIALITY ASSESSMENT

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

Identification

- Analysis of the EES trends and identification of relevant issues at any point in the value chain

Prioritisation

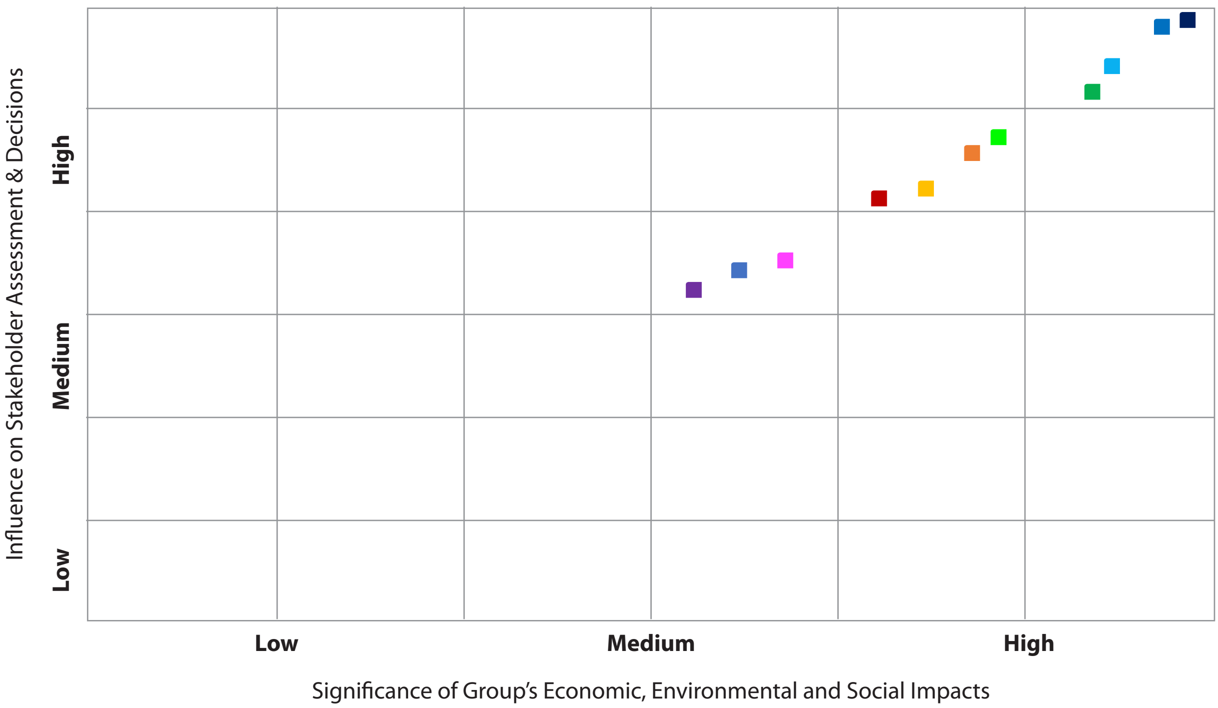
- Presentation of issues to management in order to validate and prioritise action plan

Validation

- Matters prioritised are validated by seeking input and verification with relevant subject matter experts

Review

- Stakeholders' conclusion regarding processes and results are taken into consideration



- Financial Sustainability
- Customers & Products
- Supply Chain Management
- Safe Workplace
- Talent Attraction, Retention & Development
- Corporate Governance Compliance
- Energy & Water Savings
- Waste & Recycling
- Ethics & Integrity
- Environmental Management
- Community Engagement

SUSTAINABILITY REPORT (CONT'D)

MATERIALITY ASSESSMENT (CONT'D)

Rank	Material Sustainability Matters	ESS Pillar	SDGs
1	Financial Sustainability	Economic	
2	Customers & Products	Economic	
3	Supply Chain Management	Economic	
4	Safe Workplace	Social	
5	Talent Attraction, Retention & Development	Social	
6	Corporate Governance Compliance	Social	
7	Energy & Water Savings	Environmental	
8	Waste & Recycling	Environmental	
9	Ethics & Integrity	Social	
10	Environmental Management	Environmental	
11	Community Engagement	Social	

ECONOMIC

Financial Sustainability

Our shareholders are the ultimate owners of the Company and as such, the Group's healthy and sustainable financial performance and position is one of the material sustainability matters to our Group. We define this economic performance as our ability to continuously grow our business over the time. The Group believes that focusing on financial sustainability is critical. The Group's basic principle is that long-term profitability and shareholders' value are ensured by taking into account the interests of stakeholders, such as shareholders, employees, suppliers and communities as a whole.

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

ECONOMIC (CONT'D)

Financial Sustainability (cont'd)

Our commitment to shareholders goes much further. The onset of COVID-19 pandemic has drastically altered the practise of Investors Relations ("**IR**"). The pandemic has resulted in a significant increase in the use of technology amongst IR officers who sought new ways to stay connected and engaged with investors and key stakeholders. We are honoured to be awarded "**Best Investor Relations Website (Micro Cap)**" by Malaysia Investor Relations Association (MIRA) on our efforts to embrace technology as new way to stay connected and engaged with investors and key shareholders.

Customers & Products

The Group is committed to see that not only our shareholders' interests are taken care of but also those of our customers and suppliers. For our customers, we will supply and provide quality products and services which meet their satisfaction and expectations through continual improvements in technology and processes as the case may be.

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

When customers choose KPPROP, they have cast their vote of confidence in the quality of our products and services. To reciprocate this trust, we serve wholeheartedly to satisfy their needs and expectations by offering high-quality products. In order to ensure that our products are of consistent standard and quality, we strike to ensure that our appointed contractor are accredited by ISO 9001:2015 - Quality Management Systems to ensure compliance with quality and safety requirements. This accreditation enhanced our credibility and upheld our standard in the property development industry. Furthermore, our Group is in compliance with all relevant laws and regulations governing safety and quality.

Prior to the property being handed over to our customers, internally we will assess aspects of functionality and finish quality such as tiling, internal paint, electrical functionality, plumbing functionality, etc. Immediate corrective and preventative measures will be taken whenever a defect is discovered.

To generate sustainable and long-term economic value for our shareholders, we aim to continue to enhance our marketing competitiveness by keeping abreast of the latest market demand. As a trusted nation property developer, KPPROP adheres to the "customer-oriented" business concept and continue to pursue innovation to keep up with the needs of our customers. We strike to integrate the concept of sustainability in our masterplans such as developments with beautiful greenery and landscaping whereby ecosystems are designed and maintained in perfect harmony with our surrounding, layout and building designs that minimise sun exposure while still allowing ample natural light so as to keep the buildings cooler with less reliance on electricity for air-conditioning, cross-ventilation systems to provide a constant flow of air moving through the house to regulate temperatures and supplying fresh air directly to our residents.

By developing buildings that are "green", it provides a catalyst and opportunity to save energy, water and reduce carbon emissions. Our Bloomsvale project has achieved a Platinum rating under Green RE's provisional certification for the residential component while its commercial building component is expected to obtain a Gold rating.

SUSTAINABILITY REPORT (CONT'D)

ECONOMIC (CONT'D)

Customers & Products (cont'd)

HSBC Malaysia, together with KPPROP, have both successfully completed first green loan to facilitate the funding of Bloomsvale. This green funding is also a key to support KPPROP's transition towards its net zero journey. This green loan marks a significant milestone for us in our sustainability journey. It is a testament to our commitment to include more sustainable developments to our portfolio and to be more responsible in our development and construction practices. The first green loan with HSBC Malaysia is aligned with the Green Loan Principles (GLP), an international standard recognised in the global syndicated loan markets.

First green loan with HSBC Malaysia that is aligned with GLP to facilitate the funding of Bloomsvale.

At KPPROP, our efforts to go digital includes the development of virtual sales galleries to our customers, integrating sales as well as customer engagement with technology. We have introduced several virtual sales galleries that allows the purchaser to tour and shop for their preferred property, view site plans and specifications etc. Our branding and marketing activities are carried out across a wide range of online and social media platforms, giving us better reach and improved engagement with all generations of consumers.

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

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

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

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

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

ECONOMIC (CONT'D)

Supply Chain Management

The Group places a great emphasis on local procurement as we continue to encourage our business suppliers and associates in supplying us materials and goods sourced locally. Our Group has actively consulted with our contractors and suppliers on the materials that are utilised for our building construction as well as for hotel usage. We strongly encouraged our contractors and suppliers to source materials and services from locally-based suppliers. We truly believe in ensuring our materials and solutions procured are of appropriate quality and advantageous price. We recognise that engaging with local suppliers and supporting local businesses are fundamental to creating economic value and growth for the Malaysian economy.

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

At the start of a new project, identification of suitable suppliers related to the quality of service and product output are among the key determinants during the tender or bid call. The selection of new suppliers through fit-assessment and is logged in its New Supplier Form in line with the Group's operational, environmental and social goals.

We value the long-term cooperation with our suppliers, which has resulted in better efficiency, reliability of delivering of product. Periodic assessments are conducted to ensure that the quality of products and services are on par with our requirements and standards. Existing suppliers and contractors undergo an annual audit where operational issues are addressed. Those with unsatisfactory performance have either been terminated or reproved, while those with satisfactory performance and improvements have had their contracts renewed to secure services and products for the Group.

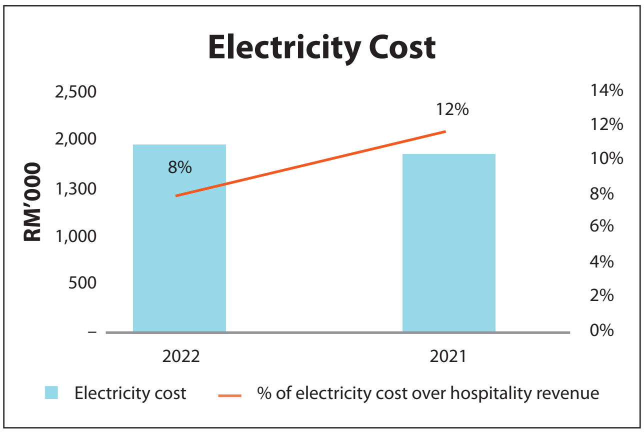
KPPROP is committed to address the environmental and social impacts of our business within our operations and across our supply chain. We trust that operating a sustainable business will enable us to serve our customers for generations to come. Hence, we aspire to use our influence to engage our stakeholders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

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

ENVIRONMENT

Energy & Water Savings

As a Group with its foundations in the environment protection, the Group is aware of the interaction and tender balance between the built and natural environments. We have evaluated our operations to enhance energy efficiency to reduce our carbon footprint to support cleaner and sustainable growth. We implement appropriate measures to advance energy efficiency to minimise the impacts on the environment brought about by our daily operations. As part of our ongoing efforts to energy conservation, we have seen a reduction in electricity cost of 12% of hospitality revenue in FYE 2021 to 8% of hospitality revenue FYE 2022.



SUSTAINABILITY REPORT (CONT'D)

ENVIRONMENT (CONT'D)

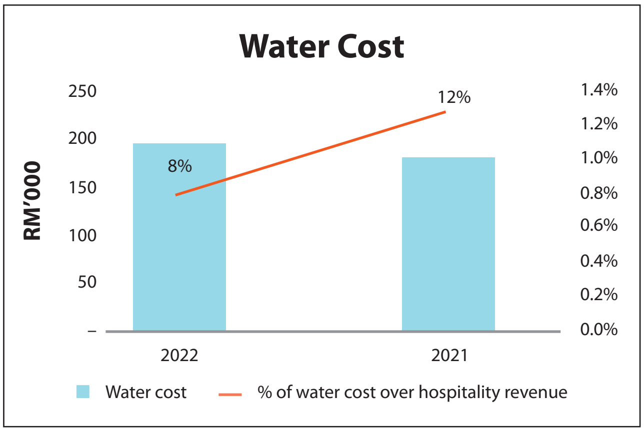
Energy & Water Savings (cont'd)

As electricity is the main source of energy consumed at our hotel, offices and sales galleries, we also encourage all employees to implement the following energy saving initiatives to reduce carbon footprint in the Company:

- lights and air-conditioners of offices or meeting rooms are switched off when not in use;
- computers and photocopiers are set to sleeping mode or switched off when not in use;
- use of LED energy efficient lightings which release lower CO2 emission; and
- encourage maintaining the air conditioning temperature at approximately 23°C – 24°C in the office.

Water as a limited resource is important and should be used wisely to ensure there is no wastage. We strive water conservation in every way we operate.

In hotel business segment, we use water for drinking, cooking, cleaning, leisure facilities and irrigation, and we aim to attain best practice levels of efficiency across our operations. Our hotels have introduced various means to restrain water usage. These involve the installation of water-saving flush systems and other water-saving devices in guestroom bathrooms and public area washrooms. At the same time, our hotels continue to encourage guests to reuse towels and linen to decrease water usage.



The water usage reported an improvement of 1.2% of hospitality revenue in FYE 2021 to 0.8% of hospitality revenue in FYE 2022.

Waste & Recycling

We are mindful of waste production in our construction sites and we handle it with caution. Waste productions could be hazardous and can have adverse impact on the environment and general public health. Our scheduled waste management is in compliance with Department of Environment ("**DOE**") requirements whereby we monitor and ensure the waste is transported by a licensed contractor to approved treatment facilities prior to disposal.

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

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

Paper recycling initiatives are already in progress by encouraging the employees to prioritise electronic means to share and store documents, and to reduce printing or photocopying, otherwise, to use double-sided printing. Additionally, other materials such as furnishing, and fixture are recycled or reused where possible. At our showrooms, whenever possible, we reuse quality furniture from previous showhouses. When the showhouse is closed, the furniture is moved into other showhouses. This significantly reduces furniture waste and also saves on the cost of purchasing new goods.

Our hotels constantly seek to upgrade their waste diversion programmes, working with various partners on the segregation and recycling of waste such as paper, plastic, metal, glass, and used cooking oil.

ENVIRONMENT (CONT'D)

Environmental Management

We are committed to minimise the environmental impact of our businesses. We constantly focus on developing a positive and proactive environmental culture to be embraced in all aspects of our business with the goal of zero pollution incidents. Some of the sustainability initiatives and efforts by the Company are through its cleaning and green programme surrounding hotels. In addition to that, the landscape beautification project is also part of our initiatives to protect the environment as well as to improve healthy living towards greener surrounding.

Green landscape surrounding The Swiss-Garden Hotel Melaka and The Shore Residences Hotel

SOCIAL

Safe Workplace

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

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

As COVID-19 has affected all areas of business throughout the world since 2020, it has become a social responsibility for KPPROP to act accordingly. It is our Group's immediate priority to protect the safety and health of our employees. We encouraged staff to be vaccinated and as of 31 March 2022, 100% of our employees are fully vaccinated and we are in the process of ensuring all our employees complete their booster doses. We have also provided self-test kits to our employees once a week as we continue to be vigilant while providing a safe workplace for our employees. We practice social distancing with at least one metre and enhance cleaning measures such as more regular cleaning of common touchpoints with disinfectant.

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

SUSTAINABILITY REPORT (CONT'D)

SOCIAL (CONT'D)

<u>Safe Workplace (cont'd)</u>

As restrictions began to ease and our sales galleries were permitted to open, additional precautionary and measures for the safety and protection of both customers and staff were introduced such as visits are by appointment only in order to reduce contact between our customers, individuals visiting the gallery must be fully vaccinated against COVID-19 and etc.

We regard the health and safety of our guests and employees as paramount. The Safety Officers provide our hotels with guidance on how to manage operational health and safety risks. Annual internal audits are conducted to ensure that health and safety management systems are properly carried out and maintained. Our hotels regularly communicate occupational health and safety procedures to employees using manuals and work instructions. SOPs have been put in place throughout all our hotels to elevate health and safety procedures. In addition to establishing shift systems and, where possible, remote working, we have equipped our employees with personal protective equipment and stepped-up training, learning and development on essential preparatory and prevention measures. The new and enhanced hygiene protocols include regular deep cleaning of frequently-touched surfaces, providing our guests with medical-grade sanitisers and disinfectants, optimising air quality, practising physical distancing, compulsory use of facemask and face shield and increasing food safety measures.

During the pandemic, our Swiss-Garden Hotel Melaka has fully complied with COVID-19 Adopt and Adhere Guidelines and related government standard operating procedures and the certificate of compliance is issued by the Chief Minister of Melaka in collaboration with Malaysia Productivity Corporation as well as Tourism Productivity Nexus.

CERTIFICATE OF COMPLIANCE

THIS IS TO ACKNOWLEDGE THAT

SWISS-GARDEN HOTEL MELAKA

HAS FULLY COMPLIED WITH

COVID-19 ADOPT AND ADHERE GUIDELINES AND RELATED GOVERNMENT STANDARD OPERATING PROCEDURES ON COVID-19

Safety and security are a top priority for the Group, and we encourage all our hotels to promote a strong safety culture. Our security teams work around the clock to ensure the highest standards of safety and security for our guests, our employees and other visitors. Audits of the security systems at each hotel are performed on a regular basis to assure their reliability and effectiveness. These check the effectiveness of, for example, CCTV recordings and security staff training relating to emergencies of all types.

SUSTAINABILITY REPORT (CONT'D)

SOCIAL (CONT'D)

Safe Workplace (cont'd)

To reinforce the Group's commitment to food safety, all of its high-risk and medium-risk product suppliers must meet stringent requirements, either by producing internationally recognised food safety certifications or by undergoing a third-party audit (or, in the case of small-scale suppliers, a hygiene audit by our hotels).

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

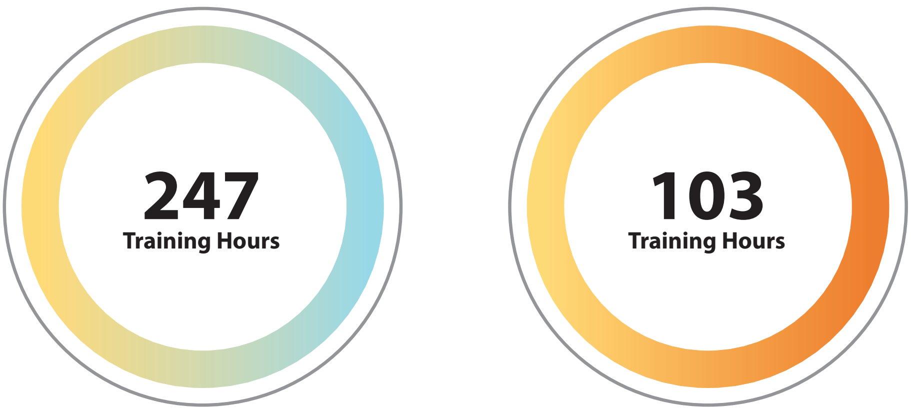
Our commitment to decent workplace also extended to our appointed contractors, whereby our appointed contractors are required to strictly adhere to Workers' Minimum Standards of Housing and Amenities (Amendment) Act 2019 (Act 446) to ensure living conditions at site is decent.

Talent Attraction, Retention & Development

A good team is a business's surety that the Group grows from strength to strength and on this basis, employees are a valuable business capital or asset and part of the KPPROP's family. KPPROP instils respect and trust amongst its employees. This enables the Group to retain and attract top talent to its team via job and personal development via training, diversity workforce, employees benefits and welfare and employees' engagement.

The Group also recognises that the Industrial Revolution 4.0 will place pressure in organisations to continuously upskill and reskill our workforce, to stay relevant and productive. Employees are encouraged to attend internal or external training or pursue professional development to enhance their knowledge and skill for career enhancement and personal development, human resource management, technical skills, and others. In FYE 2022, our employees undergone 247 training hours.

2022 **2021**



The Group offers training program to our employees. The training programs are assigned to employees based on their roles and area of responsibilities within the Group. Frequent training involved tailored in-person training to businesses, subsidiaries, staff groups and third parties. Regular and structured training is provided to all levels of employees, from incoming recruits to frontline employees, supervisors and right up to top management levels. None of the employees are neglected in training as we believe everyone needs to be given an opportunity to upskill and enhance their skillsets.

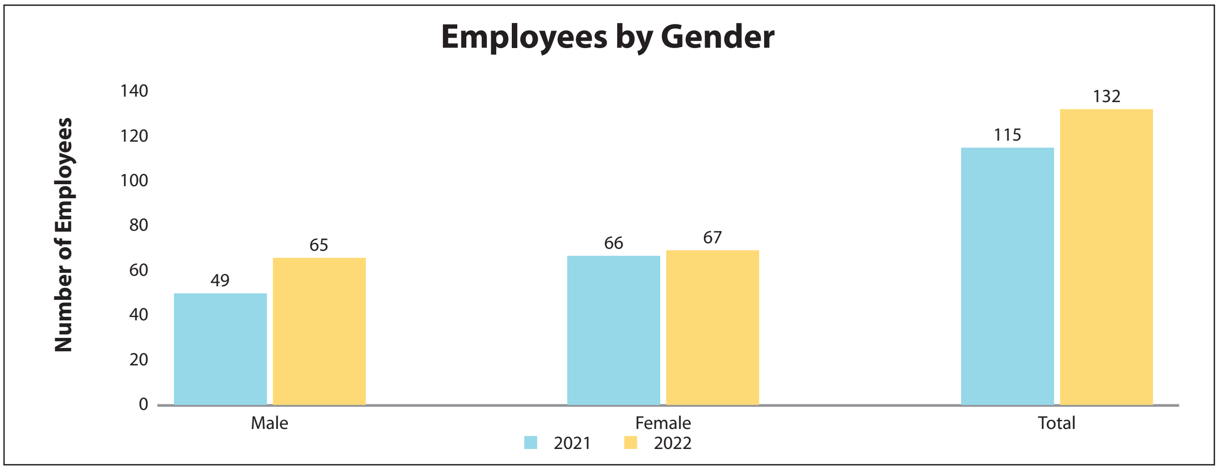
KPPROP complies with the statutory requirements and regulations on wages and benefits such as minimum wages order, Employee Provident Fund and Social Security Organisation. In addition, employees' welfare which includes travel allowance, subsidies for hospitalisation and surgical insurance coverage and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

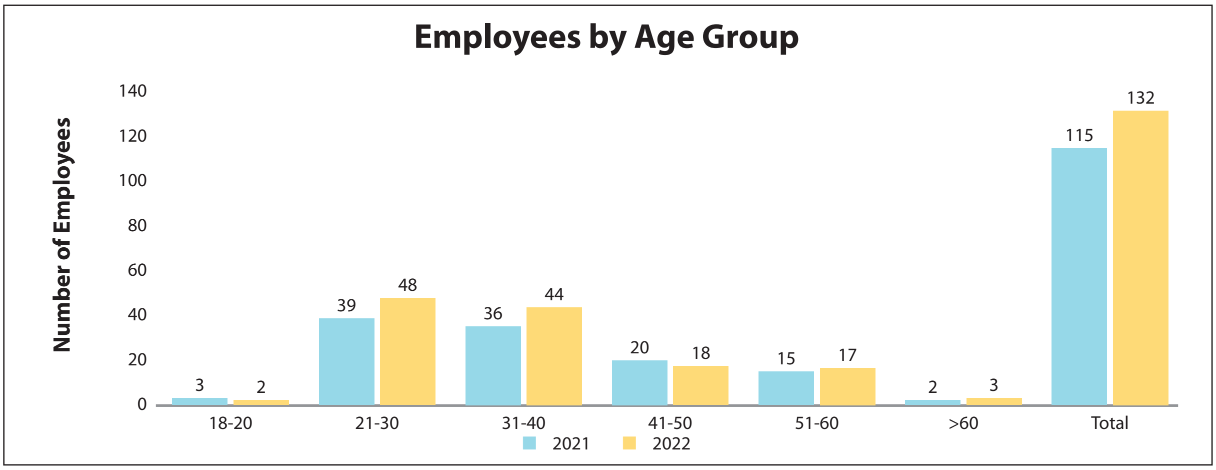
SOCIAL (CONT'D)

Talent Attraction, Retention & Development (cont'd)

A diverse workforce is our aim towards developing and nurturing the right talent. Having a diverse team of employees, across age, gender and industry experience, encourages open-minded dialogues, broadens our positive influence and reach, helps bridge gaps, and brings in new perspectives and strategies. Diversity refers to the differences in workforce by gender, age, ethnicity and disability. These measurements are considered across the Board, from the Directors to the Management and the rest of the workforce. With this, we provide equal opportunity to all employees based on their talents and potential for growth. We do not condone to any form of discrimination in the workplace. Our hiring and recruitment processes are also merit based. We continue to build talents as human capital is most important assets as their level of commitment and productivity are key factors to our continued success and overall performance.

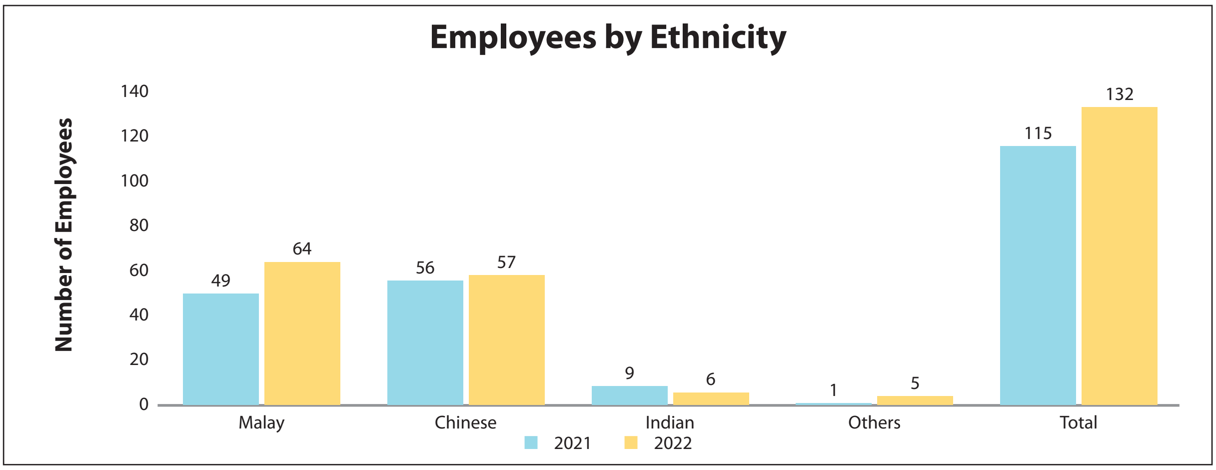
The Directors are cognisant of the ongoing initiative to increase female representation in the boardroom and are looking into increasing female representation should the right director be found. We draw strength from the diversity and inclusiveness that is prevalent in our workplace. During the period under review, KPPROP has a total 132 full time employees within the Group and 49% are male and 51% are female.





SOCIAL (CONT'D)

Talent Attraction, Retention & Development (cont'd)



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

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

For many years, we recognised the importance of engaging with our workforce. Employees' engagement is important to an organisation because it motivates employees to do their best. We consider effective engagement a key element of the Company's ability to create value as we recognise that our people are our greatest asset. Management regularly engages with the workforce through a range of activities such as annual dinner, festive celebrations etc.

Corporate Governance Compliance

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

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

SUSTAINABILITY REPORT (CONT'D)

SOCIAL (CONT'D)

Ethics & Integrity

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

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

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

Community Engagement

As we are deeply rooted in the community we operate, we actively engage in community outreach programmes and activities. We are proud of having the privilege to serve various segments of the community towards providing for social empowerment and helping to make a positive difference for people across all walks of life. We have from time to time made various donations and contribution to orphanages, old folks homes, disability homes and non-profit organisations.

Food aid to Kelab Aleaa

Donation and visit to Penang Handicapped Welfare Association

Donation and visit to House of Joy under the theme of "Touch Life, Love Life"

OUR COMMITMENT

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

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

This statement was made in accordance with a resolution of the Board of Directors dated 22 July 2022.

g Residence, Johor Bahru

Residency V, Old Klang Road, Kuala Lumpur

The Shore, Melaka

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("**the Board**") fully appreciate 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 2021**") are practiced throughout the Group as a mean of managing the business and affairs of the Group with integrity and professionalism so as to enhance business prosperity and corporate accountability in order to protect the interest of shareholders, whilst ensuring at the same time the interest of other stakeholders are safeguarded.

As such, the Board strives to adopt the substance behind corporate governance prescriptions and not merely the form. The Board is thus fully committed to the maintenance of high standards of corporate governance by supporting and implementing the prescriptions of the principles and recommendations set out in the Code respectively.

The MCCG 2021 supersedes its earlier editions by improving board policies and processes including those related to director selection, nomination and appointment. Besides that, it further strengthens board oversight and the integration of sustainability considerations in the strategy and operations of companies. It also encourages the adoption of the best practices, particularly those found to have relatively lower levels of adoption, as highlighted in the Securities Commission's Corporate Governance Monitor report.

The Board is pleased to provide the following statements, which outline the main corporate governance principles and practices that were in place throughout the financial year, unless otherwise stated.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Board and Management Responsibilities

The Board is fully aware of its continuing responsibilities over the stewardship of the Group's strategic direction and ultimately the enhancement of shareholders' value. The Board delegates the responsibility of implementing the Board's approved strategies and policies to the Management led by the Executive Director.

The Board assumes the following responsibilities:

- Reviewing and adopting the overall strategic plans for the Group's two core businesses, property development and hospitality;
- Setting policies appropriate for the businesses and corporate governance of the Group;
- Reviewing and approving annual budget and monitoring Management's performance;
- Overseeing and evaluating the performance of the Group's businesses including but not limited to quarterly and annual financial statements;
- Reviewing and approving material acquisitions and disposals;
- Reviewing and approving issuance of new securities such as private placements and employee share option scheme;
- Reviewing internal control systems and identifying principal risks to ensure the implementation of a risk management system to manage these risks;
- Establishing succession planning, including appointing, training, fixing the compensation of and where appropriate and replacing Board and Management;
- Overseeing the adequate communication to shareholders and relevant stakeholders of the Group;
- Reviewing the adequacy and integrity of the Group's information systems; and
- Overseeing and evaluating the conduct of business of the Group to ensure compliance with legal and regulatory requirements.

In assisting the discharge of its stewardship role, the Board has established Board Committees, as deliberated in the ensuing section below. The Group is led and managed by an effective Board comprising members with wide range of business experiences and expertise required to successfully direct and supervise the Group's business activities, which are vital to the success of the Group. Further, more than half of the Board members are Independent.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

Company Secretaries

The Group engaged external qualified company secretaries from Boardroom Corporate Services Sdn. Bhd.. The Company Secretaries are qualified to act as company secretary under Section 235 of the Companies Act, 2016. In order to ensure effective functioning of the Board, the Company Secretaries regularly update and advise the Board on new statutory and regulatory requirements relating to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements") and Companies Act in relation to the discharge of the Board's fiduciary duties and responsibilities.

The Company Secretaries attended all shareholders, Board and Board Committee meetings and ensures that all deliberations and decisions made by the shareholders, Board and Board Committee meetings are accurately minuted, and the records of the proceedings of the shareholders, Board and Board Committee meetings are properly kept. The Company Secretaries constantly keep themselves abreast of the evolving capital market environment, regulatory changes and developments in corporate governance through attendance at relevant conferences and training programmes.

Dissemination of Information

The Chairman ensures that all Directors have access to all information within the Group. All relevant notice, agenda and materials for meeting including Board paper will be forwarded to each Directors in advance of the meeting to enable them to discuss and contribute to the meeting effectively. The relevant documents were issued in sufficient time to enable the Directors to obtain further explanation, where necessary, in order to be properly briefed before the meeting.

The Board has direct access to members of the senior management team, the services of the Company Secretary and the internal and external auditors, to enable them to discharge their responsibilities. The Board also have full and unrestricted access to any information of the Group from any employee.

The Directors review and approve corporate announcements, including the announcement of the quarterly financial reports, prior to releasing of the announcement to Bursa Malaysia Securities Berhad ("**Bursa Securities**").

From time to time, the Board determines, whether as a full board or in their individual capacity, to take independent professional advice, where necessary and in appropriate circumstances, in furtherance of their duties, at the Group's expense.

Board Charter and Code of Conduct

The primary objective of the Company's Charter is to set out the roles and responsibilities of the Board including their Code of Conduct. The Board is guided by the Charter and Code of Conduct which provides reference for Directors in relation to the Board's role, powers, duties, functions and ethical values. The Board will annually review and update the Board Charter and Code of Conduct in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's responsibility.

The Group has in place a Whistleblowing Programme which offers all stakeholders such as suppliers, vendors, dealers, partners and employees the ability to raise issues of concern about the Group in a totally confidential way, with guaranteed protection from any reprisal for honest reporting through Whistleblowing channels. This programme is governed by the Group's Whistleblowing policy and overseen by the Audit and Risk Management Committee. Information on the policy and procedures relating to the Whistleblowing Programme is available at our corporate website at www.kpproperty.com.my. The Group believes this programme is very much in keeping with the Group's long-standing commitment to the highest professional standards.

The Board Charter and Code of Conduct was last reviewed on 24 February 2022 and is accessible at the Company's website at www.kpproperty.com.my.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

Board Composition

The existing Board members consist of five (5) members, of whom three (3) out of five (5) are Independent Non-Executive Directors.

The present Board composition has been maintained in line with the needs of the Company and in compliance with Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("**Listing Requirements**") that stipulates at least two (2) Directors or one third of the Board of the Company, whichever is higher, are Independent Directors.

In despite the above compliance, the MCCG 2021 further encourage at least half of the board comprises independent directors and for Large Companies, the board should comprises a majority independent directors.

The Board acknowledged that the presence of independent non-executive Directors is essential as they provide an unbiased and independent view, advice and judgment to the decision-making of the Board and provide a capable check and balance for the Executive Director, thereby ensuring that no one individual or group dominates the Board decision-making process.

A brief profile of each Director is presented at Profile of Directors of the Annual Report. The members of the Board have diverse professional and entrepreneurial background, varied skills and experiences for effective oversight of the Group. The Independent Non-Executive Directors provide the necessary check and balance in the Board's exercise of its functions and independent evaluation of the Board's decision making process.

Practice 5.3 of the Code recommends that the tenure of an independent director does not exceed a cumulative term limit of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on the board as a Non-Independent Director. If the Board intends to retain an Independent Director beyond nine (9) years, it should justify and seek annual shareholders' approval. An Independent Director tenure is limited to not more than a cumulative period of 12 years. For Independent Directors with cumulative 12 years or more shall observe the requisite 3-year cooling off period.

The Nomination Committee and the Board have upon their annual assessment, concluded that the Independent Non-Executive Directors continues to demonstrate conduct and behaviour that are essential indicators of independence as set out in the Listing Requirements.

The Board recognises the benefits and importance of gender diversity in the Board composition. Although, the Board has yet to form a gender diversity policy, however, the Board has no restriction in choosing women candidates whom is suitable, qualified, experience and competent candidates.

The Nomination Committee will take steps to ensure suitable women candidates are sought for consideration should there be a need to increase its current board size. The Board currently has 5 members, of whom 1 of them is woman, representing 20% woman directors. Based on the Company's Gender Diversity Policy & Target, the Board endeavours to have at least one women participation on the Board at all times. To achieve 30% women directors on Board as recommended in the MCCG for large company, the Board will require to add one (1) more woman director to the present composition but in view that the Company is not a large company as defined in MCCG, the Board did not set a timeframe to fulfil the said MCCG's recommendation as the Board opined that finding a female candidate that is right fit for the Company is more important than other factors. At management level, a few senior management positions are held by women employees. The Board will continue to provide a working environment that is conducive, fair and with equal opportunities within the Group and to commit to zero tolerance of workplace harassment, age, religious, ethnicity, race or gender discrimination. Presently, with the current Directors' mix of experiences and expertise, the Board is of the view that the current size of members is sufficient in effectively addressing all issues affecting the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

Retirement and Rotation

In accordance with the Company's Constitution, one-third of the Board members shall retire from office at each Annual General Meeting and they can offer themselves for re-election. Newly appointed Directors by the Board are subject to election by the shareholders at the next Annual General Meeting held following their appointments. These provide an opportunity for shareholders to renew their mandates. The election of each Director is voted on separately. To assist shareholders in their decision, sufficient information such as personal profile, meetings attendance and the shareholding in the Group of each Director standing for election are furnished in the Annual Report accompanying Notice of the Annual General Meeting.

The Company Secretaries will ensure that all appointments are properly made and that all information necessary is obtained, as well as legal and regulatory obligations are met.

Board Meeting

During the financial year ended 31 March 2022, the Board met a total of five (5) times. Details of the Director's attendance record are presented as below:-

Director	Number of meetings held	Number of meetings attended
Datin Toh Siew Chuon	5	5
Tee Eng Seng	5	5
Kuan Ying Tung	5	5
Ir. Low Wuu Shin	5	5
Tee Sun Ee	5	5

Board Committees

The Board has established Board Committee delegated with specific powers and responsibilities to assist it in carrying out its duties and functions. The Board Committees that have been established are the Audit and Risk Management Committee, the Remuneration Committee and the Nomination Committee.

In addition to the above Board Committees, the Board may, wherever required, set up other Board Committee delegated with specific power and responsibilities.

Audit and Risk Management Committee

The Audit and Risk Management Committee is chaired by an Independent Non-Executive Director who reports the outcome of Audit and Risk Management Committee Meetings to the Board. Its prime duties include the review of financial statements, quarterly results, accounting policies, appointment and resignation/retirement of External Auditors, review of audit plan and the auditors' remuneration. The full details of the Audit and Risk Management Committee terms of reference is available on the Company's website at www.kpproperty.com.my while the activities of the Audit and Risk Management Committee during the year are stated in the Audit and Risk Management Committee Report of the Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

Board Committees (cont'd)

Remuneration Committee

The Remuneration Committee was set up on 1 March 2022 with the following members:-

1. Kuan Ying Tung (Independent Non-executive Director) – Chairman
2. Ir Low Wuu Shin (Independent Non-executive Director) - Member
3. Tee Sun Ee (Independent Non-executive Director) – Member

The Remuneration Committee met once with full attendance. The Remuneration Committee is chaired by an Independent Non-Executive Director who reports the outcome of Remuneration Committee Meeting to the Board. Its prime responsibilities include developing policy for the remuneration of directors and recommending their remuneration packages to the Board.

Remuneration package of the executive directors was reviewed by the Remuneration Committee annually in their meeting taking into account the responsibilities and performance of each Executive Director and recommends to the Board of Directors for approval. The Board links the remuneration of executive directors to corporate and individual performance and that of the non-executive directors be reflective of their expertise and level of responsibilities. Directors' fees and payment of directors' benefit (excluding directors' fees) reviewed and recommended by Remuneration Committee to the Board were only paid upon approval by shareholders at the Company's annual general meeting based on the recommendation of the Board.

The Remuneration Committee also reviewed and recommended the remuneration of Senior Management Officers to the Board of Directors for approval.

The full details of the Remuneration Committee terms of reference is available on the Company's website at www.kpproperty.com.my.

Nomination Committee

The Nomination Committee is chaired by an Independent Non-Executive Director who reports the outcome of Nomination Committee Meetings to the Board. Its prime responsibilities include consider and making recommendation to the Board balance directors mix, new nominee of Director and assessment of the effectiveness and performance of the Board, Board Committee and individual Directors. The full details of the Nomination Committee terms of reference is available on the Company's website at www.kpproperty.com.my while the activities of the Nomination Committee during the year are stated in Nomination Committee Statement of the Annual Report.

Directors' Remuneration

The Directors' fees are approved at the Annual General Meeting by the shareholders, based on the recommendation of the Board. Certain Directors are provided with Directors' fees with the Executive Director being provided with remuneration package which commensurate to their duties and responsibilities. The Board, as a whole, determines the remuneration packages of the Executive Directors. The Directors involved do not participate in decision regarding their own remuneration packages.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

Directors' Remuneration (cont'd)

The aggregate Directors' remuneration paid or payable or otherwise made available to all Directors of the Company on namely basis during the financial year are as follows:

Director	Company (RM'000)	Subsidiaries (RM'000)
Directors' fee		
• Datin Toh Siew Chuon*	35	–
• Tee Eng Seng*	35	–
• Kuan Ying Tung	50	–
• Ir. Low Wuu Shin	35	–
• Tee Sun Ee	35	–
Meeting Allowance		
• Kuan Ying Tung	6	–
• Ir. Low Wuu Shin	6	–
• Tee Sun Ee	6	–
Salary and Bonus		
• Datin Toh Siew Chuon*	–	429
• Tee Eng Seng*	–	429
Employees Provident Fund		
• Datin Toh Siew Chuon*	–	51
• Tee Eng Seng*	–	51

* The Directors are also the Senior Management of the Company

The numbers of Directors of the Company whose income from the Company falling within the following bands are:-

Range of Remuneration	No. of Executive Directors	No. of Non-Executive Directors
RM 1 to RM 50,000	–	2
RM 50,001 to RM 100,000	–	1
RM 100,001 to RM 200,000	–	–
RM 200,001 to RM 300,000	–	–
RM 300,001 to RM 400,000	–	–
RM 400,001 to RM 500,000	2	–

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

Directors' Training

The Board as a whole recruits only individuals of sufficient caliber, knowledge and experience to discharge the duties of a Director appropriately. All the Directors have attended and completed the Mandatory Accreditation Programme as prescribed by Bursa Securities. The External Auditors also briefed the Board members on any changes to the Malaysian Financial Reporting Standards that affect the Group's financial statements during the financial year.

The Board had assessed the training needs of the Directors in accordance with Paragraph 15.08(2) of Bursa Securities' Main Market Listing Requirements in order to effectively discharge their duties.

Conferences, seminars and training programmes attended by Directors in the financial year 2022 and up to the date of this report are as follows:-

Name of Directors	Name of conferences, seminars and training programmes attended	Date
Datin Toh Siew Chuon	• ESG Investing: More Than Just "Doing Good" • MIA's Capital Market Conference 2021 • Circular Economy Conference 2021 • 2022 Budget • Sustainability Reporting & Management	28 May 2021 17 June 2021 14 to 15 July 2021 14 December 2021 25 April 2022
Tee Eng Seng	• ESG Investing: More Than Just "Doing Good" • MIA's Capital Market Conference 2021 • 2022 Budget • Sustainability Reporting & Management	28 May 2021 17 June 2021 14 December 2021 25 April 2022
Kuan Ying Tung	• Train-The-Trainer (TTT) • MIA's Capital Market Conference 2021 • Sustainability Reporting Workshops : Scope & Materiality In Sustainability Reporting • Key Learning Points from Review of MIA's Illustrative MPERS • Valuation In Practice: Demystifying Business Valuation • ED ISA for Less Complex Entities (LCE) and Engagement on eConfirm.my • Audit Oversight Board Inspection Findings 2020 • Technical Update on IFRS (MFRS) 2021 • Sustainability Reporting & Management	11 to 15 April 2021 17 June 2021 20 September 2021 25 October 2021 26 to 27 October 2021 2 November 2021 29 November 2021 21 December 2021 25 April 2022
Ir. Low Wuu Shin	• MIA's Capital Market Conference 2021 • Audit Oversight Board Inspection Findings 2020 • Sustainability Reporting & Management	17 June 2021 29 November 2021 25 April 2022
Tee Sun Ee	• MIA's Capital Market Conference 2021 • Audit Oversight Board Inspection Findings 2020 • Sustainability Reporting & Management	17 June 2021 29 November 2021 25 April 2022

The Directors will continue to undergo relevant training programme to further enhance their skills and knowledge wherever required. In addition, the Board is regularly updated on the latest updates on the Main Market Listing Requirements and other regulatory requirements relating to the discharge of Directors' duties and responsibilities.

PRINCIPLE B: AUDIT AND RISK MANAGEMENT

Audit and Risk Management Committee

The Board recognises that a robust Audit and Risk Management Committee can be a feature of a strong corporate governance culture underpinned by effective audit and risk management. The Board had established an effective Audit and Risk Management Committee to oversee the areas of financial reporting, related party transactions and conflicts of interest, internal control environment, internal audit and external audit.

The Audit and Risk Management Committee is led by Mr. Kuan Ying Tung whom is an Independent Non-Executive Director and a chartered accountant by profession. The separation of Audit and Risk Management Committee Chairman and Chairman of the Board shall enable Audit and Risk Management Committee Chairman to devote sufficient time to the affairs of the Audit and Risk Management Committee and reduce the concentration of power in a single director.

The Audit and Risk Management Committee comprises exclusively Independent Non-Executive Directors in compliance with the requirement of the Listing Requirement and recommendation of the Code.

All Audit and Risk Management Committee members are financially literate and are able to understand matters under the purview of the Audit and Risk Management Committee including financial reporting process. The qualification and experience of the individual Audit and Risk Management Committee members are disclosed in the Profile of Directors in the Annual Report.

External Auditors

The Board has established that the Audit and Risk Management Committee plays the role of maintaining the appropriate relationship with the Company and Group auditors as stated in the Audit and Risk Management Committee Report of this Annual Report. The good relationship with the Company and Group auditors has always prevail and maintained on a transparent and professional basis.

The External Auditors are also invited to brief the Audit and Risk Management Committee on their audit findings and the committee also review the proposed fees for non-audit services, as required and subsequently recommend to the Board for approval.

Annually, the Audit and Risk Management Committee is tasked to review the appointment/re-appointment of External Auditors, audit fees, non-audit professional services and question on any resignation or dismissal of the External Auditors before making recommendation to the Board. In assessing the External Auditors, the Audit and Risk Management Committee is also required to review the independence and objectivity of the External Auditors to preserve their integrity and credibility.

The Board is satisfied with the objectivity, technical competence and audit independence of the External Auditors and views the External Auditors as having the ability to undertake their audit functions without any influence from the Group. The term of service of the external auditor is renewable every year subject to satisfactory performance.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

Risk Management and Internal Control

The Board is ultimately responsible for the system of internal control operating throughout the Group and for reviewing its effectiveness, adequacy and integrity, including financial and operational controls, compliance with relevant laws and regulations, and risk management in order to safeguard shareholders' investments and the Group's assets.

The Audit and Risk Management Committee is discharged to review and report to the Board on the evaluation of system of internal controls, adequacy of the scope, competency and resources of the internal auditor function, audit plan, processes, results and action taken by management on internal auditors' recommendation.

Details of the risk management and internal control framework was published in the Company's Annual Report under Statement on Risk Management & Internal Control.

Internal Control

The Directors recognise the importance of monitoring sound internal control system to safeguard the shareholders' investment and the company's assets. In this regard, the Board has appointed an external professional firm to undertake the internal audit function and risk management function with the aim to ensure its existing internal control system and risk management framework are effective and appropriate in mitigating against the Group's significant risks. The internal auditors report independently to the Audit and Risk Management Committee on a regular basis with their findings and these findings are further deliberated during the Board meeting.

Apart from the above, the Directors regularly review and assess the key risk areas and ensure that all significant risks are adequately addressed at various levels within the Group.

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

Shareholders and Investors

The Company recognises the importance of accountability to its shareholders through proper communication with them. The Annual General Meeting is the principal form of dialogue with the shareholders. Shareholders are notified of the meeting, not less than 28 days prior to meeting day and provided with a copy of the Company's Annual Report before the meeting. All shareholders are encouraged to attend the Annual General Meeting and participate in its proceedings. Every opportunity is given to the shareholders to ask questions and seek clarification on the business and performance of the Group and Company.

Poll voting will be conducted for all resolutions of the upcoming Annual General Meeting and the Company will thereafter make an announcement of the detailed results showing the number of votes casted for and against each resolution. The Chairman of the meeting shall inform shareholders of voting by poll at the commencement of the general meeting.

The Company also ensures that its shareholders are well informed via proper procedures which have been established for the timely release of material share price-sensitive information, quarterly financial results, regulatory financial statements and other matters affecting shareholders' interests.

Shareholders and members of the public can also obtain information on the Group by accessing the Group's and also Bursa Securities' websites. There is also a continuous effort to enhance the Group's website at www.kpproperty.com.my.

This statement was made in accordance with a resolution of the Board of Directors dated 22 July 2022.

STATEMENT OF DIRECTORS' RESPONSIBILITY

FOR PREPARING THE ANNUAL AUDITED FINANCIAL STATEMENTS

The Directors are responsible for the preparation of financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the Group as at the financial year end and of the results and cash flows of the Company and of the Group for the financial year then ended.

The Directors are accountable for ensuring that the Company keeps proper accounting and other records which disclose with reasonable accuracy at any time of the financial position of the Company to enable them to ensure that the financial statements complied with approved accounting standards and the provisions of the Companies Act 2016.

The Directors in preparing the financial statements have used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates.

The Directors consider that all applicable approved accounting standards in Malaysia have been followed and confirmed that the financial statements have been prepared on a going concern basis.

The Directors are also responsible for safeguard of the assets of the Company and of the Group and for prevention and detection of material fraud and other irregularities.

This statement was made in accordance with a resolution of the Board of Directors dated 22 July 2022.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

MEMBERS

The Audit and Risk Management Committee comprises the following directors:-

Kuan Ying Tung
Chairman (Independent Non-Executive Director)

Ir. Low Wuu Shin
Member (Independent Non-Executive Director)

Tee Sun Ee
Member (Independent Non-Executive Director)

Duties and Functions

The Terms of Reference of the Audit and Risk Management Committee can be viewed at the Company's website at www.kpproperty.com.my.

The duties and functions shall be, amongst others:

Oversight of the External Auditor

- To consider the appointment or reappointment of external auditor, taking into consideration their independence, qualification, adequacy of experience and resources of the firm and the engagement team involved;
- To discuss with the external auditor the audit plan before the audit commences, the nature and scope of the audit and to ensure coordination if there is more than one audit firm involved;
- To review the independence and objectivity of the external auditor and their services, including non-audit services during their course of audit;
- To review the assistance given by the employees of the Group to the external auditor;
- To assess the performance of the external auditor;
- To discuss problems and reservations arising from the interim and final audits, the evaluation and findings of the system of internal controls and matters the external auditor may wish to discuss (in the absence of management where necessary). To ensure the Management had given its full support and unrestricted access to information;
- To discuss with the external auditor their evaluation of the system of risk management and internal control;
- To keep under review the effectiveness of internal control systems, in particular, review the external auditor's management letter and management's response; and
- To consider and recommend the appointment of the external auditor, audit fees, non-audit professional services and question on any resignation or dismissal of the external auditor before making recommendation to the Board.

Oversight of the Internal Auditor

- To review the adequacy of the scope, functions and resources of the internal audit functions and that the internal auditor has the necessary authority to carry out its work;
- To review the internal audit programme, process, the results of the internal audit programme and process or investigation undertaken and whether or not appropriate action is taken by the management on the recommendations of the internal audit function; and
- To assess the performance of the internal audit function periodically.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

Oversight of Financial Reporting

- To review the quarterly results, year-end financial statements and annual report prepared by the Management prior to the approval by the Board, focusing particularly on:-

  - o Changes in or implementation of major accounting policy changes;
  - o Significant matter highlighted including financial reporting issues, significant judgments made by Management, significant and unusual events or transactions, and how these matters are addressed;
  - o Compliance with accounting standards requirements; and
  - o Compliance with stock exchange and legal requirements.

Oversight of Risk Management

- To establish risk management framework, policies and procedures;
- To implement and maintain a sound system of risk management and internal control which identifies, assess, manages and monitors significant risks;
- To review the effectiveness of risk management framework and the risk management processes; and
- To review the Statement on Risk Management and Internal Control.

SUMMARY OF ACTIVITIES DURING FINANCIAL YEAR UNDER REVIEW

During the financial year, the activities of the Audit and Risk Management Committee included the followings:-

o Reviewed the unaudited quarterly financial statements of the Group, the explanatory notes and the draft announcements to ensure compliance with Main Market Listing Requirements and the Financial Reporting Standards "MFRS 134, Interim Financial Reporting" before making recommendations to the Board.

o Reviewed the audited statutory financial statements of the Group for the financial year ended 31 March 2021 together with the directors' report and auditors' report thereon in compliance with regulatory requirements. During the review, the Audit and Risk Management Committee focused on significant audit matters and key audit matters identify by the auditors and significant judgement and estimates by the management.

o Considered the suitability and independence of the External Auditors and Internal Auditors, and reviewed the non-audit services provided by the External Auditor to ensure there was no impairment of independence or objectivity.

o Discussed, reviewed and approved the External Auditors' scope of works and the Audit Plan and Strategy prior to commencement of audit, discussed updates on new developments of accounting standards issued by the Malaysian Accounting Standards Board, discussed the results of their examination, their auditors' report and management letters in relation to the audit and accounting issues arising from the audit.

o Reviewed and discussed the major findings of the internal audit and management's responses and ensure that appropriate actions are taken on the recommendation for the internal audit for both property development and hospitality segments.

o Deliberated on the detailed internal audit reports and its recommendations and Management's response to these recommendations. Where appropriate, the Audit and Risk Management Committee would instruct the Management to improve Control procedures based on Internal Auditors' recommendations and suggestions for improvements.

o Reviewed the Audit and Risk Management Committee Report and Statement on Risk Management and Internal Control for inclusion in the Annual Report 2021 before making recommendations to the Board.

o Reviewed the performance of the External Auditors in terms of their capability, professionalism and independence before recommending them to the Board to be considered for re-appointment at the Annual General Meeting.

o Reviewed the expanded scope of Internal Audit to focus on more operational aspects of our core businesses especially at project sites.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

INTERNAL AUDIT FUNCTION

The Group's internal audit function ("**IAF**") is outsourced to a professional Internal Audit firm, Tricor Axcelasia Sdn. Bhd. The engagement Executive Director is Ms. Melissa Koay who has diverse professional experience in internal audits, risk management and corporate governance advisory. She is a Chartered Member of the Institute of Internal Auditors Malaysia, a member of the Malaysian Institute of Accountants and a Fellow Member of the Association of Chartered Certified Accountants, United Kingdom. Ms. Melissa is also a Certified Internal Auditor.

The number of staffs deployed for the internal audit reviews was 3 - 4 staffs per visit including the engagement Executive Director. The staffs involved in the internal audit reviews possesses professional qualification and/or a university degree. Certain of the staff are members of the Institute of Internal Auditors Malaysia. The internal audit staff on the engagement are free from any relationships or conflicts of interest, which could impair their objectivity and independence.

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

Details of the Groups' internal control system and risk management frameworks are set out under Statement on Risk Management and Internal Control in this Annual Report.

The approach adopted by the Group is of a risk based approach to the implementation and monitoring of controls of the subsidiary companies. The internal auditor has been assigned to review and assess the adequacy and effectiveness of such controls prevailing in those key operational areas selected for review.

No major weakness which resulted in material losses, contingencies or uncertainties was identified during the period.

The professional fees incurred for the IAF during the current financial year amounted to RM38,000 (2021: RM38,000).

During the financial year, the following activities were carried out by the internal auditors:

i) Review the system of internal controls of the property development and hospitality segment;
ii) Recommend improvements to the existing systems of internal controls;
iii) Follow up on implementation and disposition of audit findings and recommendation;
iv) Identify opportunities to improve the operations of and processes in the Company and the Group; and
v) Identification of risks and implementation of recommendations to mitigate the risks.

AUDIT AND RISK MANAGEMENT COMMITTEE ATTENDANCE RECORD

The Audit and Risk Management Committee met five (5) times during the financial year ended 31 March 2022 and the attendance record is as follows:-

Directors	Numbers of Meetings Held	Number of Meetings Attended
Kuan Ying Tung	5	5
Ir. Low Wuu Shin	5	5
Tee Sun Ee	5	5

The Audit and Risk Management Committee Report was made in accordance with a resolution of the Board of Directors dated 22 July 2022.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board is pleased to present the following Statement on Risk Management and Internal Control which was prepared pursuant to Paragraph 15.26(b) of the Bursa Malaysia Listing Requirement For The Main Market, and as guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("**the Guidelines**"), which outlines the nature and scope of risk management and internal control of the Group during the financial year ended 31 March 2022.

A. Responsibility of the Board

The Board is ultimately responsible for the system of internal control operating throughout the Group and for reviewing its effectiveness, adequacy and integrity, including financial and operational controls, compliance with relevant laws and regulations, and risk management in order to safeguard shareholders' investments and the Group's assets.

The Board recognises that the Group's system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and that it can only provide reasonable and not absolute assurance against misstatement, fraud or loss. The Board continuously evaluates appropriate initiatives to strengthen the transparency and efficiency of its operations, taking into account the requirements for sound and appropriate internal controls and management information systems within the Group.

B. Control Environment

Organisation Structure

The Board of Directors and Senior Management consistently endeavour to maintain an adequate system of internal controls designed to manage risks rather than eliminate them. The Group has an organisation structure that is aligned to business requirements. The internal control mechanism is embedded in the various work processes in the Group. The Board is accountable for ensuring the existence and effectiveness of internal control and provides leadership and direction to Senior Management on the manner the Group controls its businesses, the state of internal control and its activities. The internal control processes are reviewed and updated from time to time. This is to ensure that they are relevant and effective to respond to market changes.

Internal Audit

The Group's Internal Audit function is outsourced to Tricor Axcelasia Sdn. Bhd.. The Internal Audit team reviews the control processes implemented by the Management, conducts audits that encompass reviewing critical areas that the Company faces, and reports to the Audit and Risk Management Committee ("**ARMC**") on a periodic basis. Any significant weaknesses identified during the reviews together with the improvement measures to strengthen the internal controls were reported to the ARMC.

The Internal Audit team continues to be independent, free from any relationships or conflict of interest, objectively and regularly review key processes, check compliance with policies and procedures, evaluate the adequacy and effectiveness of internal control, risk management and governance measures in respect of any non-compliance. The annual audit plan, established primarily on a risk-based approach, is reviewed and approved by the ARMC annually. The ARMC oversees the Internal Audit team's functions, its independence, scope of work and resources.

The Internal Audit team also reports on the control issues observed to the ARMC in order to preserve its independence. The ARMC reviews and approves Internal Audit's annual budget, audit plan and monitors the progress of the audit periodically.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

Internal Audit (cont'd)

In the financial year ended 31 March 2022, reviews in various areas involving Property Development operation was conducted. Key coverage areas included:

Business Processes	Entities
➢ Sales and Marketing ➢ Credit Control & Collection ➢ Occupational Health & Safety Management ➢ Project Management	Kerjaya Property Sdn. Bhd.

The results of the audit reviews and the recommendations for improvement were discussed with Senior Management and subsequently presented to the ARMC at two of their meetings. In addition, follow-up visits were also conducted to ascertain the status of implementation of agreed management action plans. The results of the follow-up reviews were also reported to the ARMC. All reports from the internal audit reviews carried out were submitted and presented to the ARMC with the feedback and corrective actions to be undertaken by the Management.

Information and Communication

While the Management has full responsibility in ensuring the effectiveness of internal control, which it establishes, the Board of Directors has the authority to assess the state of internal control as it deems necessary. In doing so, the Board has the right to enquire information and clarification from Management as well as to seek inputs from the ARMC, external and internal auditors, and other experts at the expense of the Group, if any.

Our Group has relevant operating policies and procedures which comply with relevant laws and regulations. These policies and procedures ensure that processes adequately mitigate risks with appropriate internal controls. Regular reviews are conducted to ensure that risk policies and procedures are updated to align with new risk management action plans to address emerging risks and identified control gaps.

Systems, Data and Information Security

The Group's information technology ("**IT**") function is outsourced to a third party who is responsible for continuously monitoring and resolving both internal and external security threats to our Group. This includes conducting security awareness initiatives, compliance audits on our Group's IT networks and systems and vulnerability assessments to mitigate the impact of security attacks, negligence and malware. The IT policies are established to proactively manage current and potential security threats to our Group's data and content arising from physical and logical access.

Risk Management

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

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

Risk Management (cont'd)

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

The ERM process is based on the following principles:

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

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

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

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

Monitoring Activities

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

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

b) Our ARMC 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 ARMC on a periodic basis.

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

Assurance from the Management

The Board has also received assurance from the Executive Chairman and the Executive Director that the Group's risk management and internal control systems are operating adequately and effectively, in all material aspects, based on the risk management framework adopted by the Group.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

Review of the Statement by External Auditors

The external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in Audit and Assurance Practice Guide ("**AAPG 3**"), *Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report* issued by the Malaysian Institute of Accountants ("**MIA**") for inclusion in the annual report of the Group for the year ended 31 March 2022, and reported to the Board that nothing has come to their attention that cause them to believe that the statement intended to be included in the annual report of the Group, in all material respects:

(a) has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or

(b) is factually inaccurate.

AAPG 3 does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board of Directors and management thereon. The auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.

Conclusion

The Board is pleased to report that there were no major internal control weaknesses identified during the year, nor have any of the reported weaknesses resulted in material losses or contingencies requiring disclosure in the Group's Annual Report. The Board is of the view that the existing system of the internal control is adequate. Nevertheless, Management continues to take measures to strengthen the control environment.

This statement is made in accordance with the resolution of the Board of directors dated 22 July 2022.

NOMINATION COMMITTEE STATEMENT

MEMBERS

The Nomination Committee comprises the following directors:-

Kuan Ying Tung
Chairman (Independent Non-Executive Director)

Ir. Low Wuu Shin
Member (Independent Non-Executive Director)

Tee Sun Ee
Member (Independent Non-Executive Director)

Duties and Functions

In compliance to the Listing Requirements, the Nomination Committee comprises exclusively of Independent Non-Executive Directors.

The Nomination Committee's prime responsibilities are to consider and recommend to the Board balanced director mix, candidates for directorship, assessment of the effectiveness and performance of the Board, Board Committees and individual Board members as well as the independence of Independent Directors.

The Terms of Reference of the Nomination Committee can be viewed at the Company's website at www.kpproperty.com.my.

The performance evaluation of the Board, Audit and Risk Management Committee and Remuneration Committee were assessed by the Nomination Committee while the individual directors and independence of Independent Director were conducted by way of self-assessment. Each director was given a set of relevant questionnaire covering assessments for the Board, Board Committee, individual director and independence assessments for Independent Directors. Directors are required to fill out these questionnaires and provide their feedback, commentary and suggestions areas for improvement. The results of these questionnaires were compiled by the Company Secretary and tabled to the Nomination Committee for review and deliberation.

The main assessment criteria applied in the assessments include board participation, effectiveness, Chairman working relation, board structure and mix, and directors' performance.

As part of this performance evaluation, the Nomination Committee will also identify and propose the training needs for strengthening the competency of the Board.

Retirement and Rotation

All directors are required to retire for re-election at least once in every three years. Before recommending the retiring directors to the Board for re-election, the Nomination Committee will review and report the performance assessment of the retiring directors to the Board and retiring directors shall abstain from deliberation of their performance.

Newly appointed Directors by the Board are subject to election by the shareholders at the next Annual General Meeting held following their appointments.

NOMINATION COMMITTEE STATEMENT (CONT'D)

Activities

During the financial year, the Nomination Committee has conducted one (1) meeting with full attendance. At the meeting, the Nomination Committee:

i. Reviewed the annual required mix of skills, experience and other qualities, including core competencies, which Non-Executive Directors should bring to the Board and submit its recommendations to the Board;

ii. Assessed and tabling to the Board on the annual effectiveness of the Board as a whole, the Committee of the Board and the contribution of each individual director, based on the evaluation forms circulated;

iii. Reviewed and reported to the Board on the annual declaration of independence by Independent Directors for continual adherence to the independence criteria of the listing requirements; and

iv. Reviewed and recommended to the Board for re-election of retiring directors in AGM.

This statement is made in accordance with the resolution of the Board of Directors dated 22 July 2022.

OTHER INFORMATION

UTILISATION OF PROCEEDS

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

AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees paid or payable to the External Auditors by the Company and its subsidiaries for the financial year are as follows:-

	The Company	The Group
Audit fees	38,000	190,000
Non-audit fees	9,000	9,000
Purpose of non-audit fees	Review of Statement on Risk Management and Internal Control	Review of Statement on Risk Management and Internal Control

MATERIAL CONTRACTS

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

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 March 2022 are as follows:

Transacting Parties	Interested Related Parties	Nature of Transaction	Aggregate Value (RM'000)
Kerjaya Prospek Property Berhad and its subsidiaries Kerjaya Prospek Group Berhad and its subsidiaries	Datuk Tee Eng Ho Tee Eng Seng Datin Toh Siew Chuon Javawana Sdn. Bhd. Kerjaya Prospek Group Berhad and its subsidiaries	Supply of light fittings, kitchen cabinetry, hardware and all sorts of construction and building materials, provision of interior design works and masonry works by Kerjaya Prospek Property Berhad and its subsidiaries to Kerjaya Prospek Group Berhad and its subsidiaries and vice versa.	1,051
		Provision of general building and construction works by Kerjaya Prospek Property Berhad and its subsidiaries to Kerjaya Prospek Group Berhad and its subsidiaries and vice versa.	1,110
		Utilities charges, maintenance charges and other related services, which including but not limited to secondment of staffs, renting of machineries, renting of premises, provision of hospitality services and provision of property management services by Kerjaya Prospek Property Berhad and its subsidiaries to Kerjaya Prospek Group Berhad and its subsidiaries and vice versa.	57

OTHER INFORMATION (CONT'D)

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

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 March 2022 are as follows: (cont'd)

Transacting Parties	Interested Related Parties	Nature of Transaction	Aggregate Value (RM'000)
Kerjaya Prospek Property Berhad and its subsidiaries Tee Eng Seng Toh Siew Chuon	Datuk Tee Eng Ho Tee Eng Seng Datin Toh Siew Chuon	Renting of premises by Tee Eng Seng and Datin Toh Siew Chuon to Kerjaya Prospek Property Berhad and its subsidiaries.	234
Kerjaya Prospek Property Berhad and its subsidiaries The Shore Sky Tower Sdn Bhd	Datuk Tee Eng Ho Tee Eng Seng Datin Toh Siew Chuon The Shore Sky Tower Sdn Bhd	Utilities charges, maintenance charges, renting of premises and provision of hospitality services by Kerjaya Prospek Property Berhad and its subsidiaries to The Shore Sky Tower Sdn Bhd.	–
Kerjaya Prospek Property Berhad and its subsidiaries 3D Interactive Park Sdn Bhd	Datuk Tee Eng Ho Tee Eng Seng Datin Toh Siew Chuon 3D Interactive Park Sdn Bhd	Utilities charges and maintenance charge by Kerjaya Prospek Property Berhad and its subsidiaries to 3D Interactive Park Sdn Bhd.	10
Kerjaya Prospek Property Berhad and its subsidiaries V Toy Museum (M) Sdn Bhd	Datuk Tee Eng Ho Tee Eng Seng Datin Toh Siew Chuon V Toy Museum (M) Sdn Bhd	Utilities charges and maintenance charge by Kerjaya Prospek Property Berhad and its subsidiaries to V Toy Museum (M) Sdn Bhd.	6
Kerjaya Prospek Property Berhad and its subsidiaries Dekad Intelek Sdn Bhd	Datuk Tee Eng Ho Tee Eng Seng Datin Toh Siew Chuon Dekad Intelek Sdn Bhd	Renting of premises by Dekad Intelek Sdn Bhd to Kerjaya Prospek Property Berhad and its subsidiaries.	223

FINANCIAL STATEMENTS

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2022

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2022.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding activities whilst the principal activities of the subsidiaries are as stated in Note 6 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

ULTIMATE HOLDING COMPANY

The Directors regard Javawana Sdn. Bhd., a company incorporated in Malaysia as the ultimate holding company.

SUBSIDIARIES

The details of the subsidiaries are disclosed in Note 6 to the financial statements.

RESULTS

	Group RM'000	Company RM'000
Profit for the financial year attributable to:		
Owners of the Company	73,285	21,912
Non-controlling interests	37	–
	73,322	21,912

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year under review except as disclosed in the financial statements.

DIVIDEND

No dividend was paid during the financial year and the Directors do not recommend any dividend to be paid for the financial year under review.

DIRECTORS OF THE COMPANY

Directors who served during the financial year until the date of this report are:

Datin Toh Siew Chuon
Ir. Low Wuu Shin
Kuan Ying Tung
Tee Eng Seng
Tee Sun Ee

DIRECTORS' REPORT (CONT'D)

DIRECTORS OF THE SUBSIDIARIES

The Directors who served in the subsidiaries during the financial year until the date of this report are:

Datuk Tee Eng Ho
Datin Toh Siew Chuon
Tee Eng Seng

DIRECTORS' INTERESTS IN SHARES

The interests and deemed interests in the shares and options over shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at the financial year end as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			
	At 1.4.2021	**Bought/ Converted**	**Sold**	**At 31.3.2022**
Shareholdings in the ultimate holding company which Directors have direct interests				
Datin Toh Siew Chuon				
– own	2,500,000	–	–	2,500,000
– other*	2,500,000	–	–	2,500,000
Tee Eng Seng	5,000,000	–	–	5,000,000
Shareholdings in the Company which Director have direct interests				
Tee Sun Ee	80,000	–	–	80,000
Shareholdings in the Company which Directors have deemed interests				
Datin Toh Siew Chuon				
– own	50,412,512	12,550,000^	(6,500,000)	56,462,512
– other*	50,412,512	12,550,000^	(6,500,000)	56,462,512
Tee Eng Seng	100,825,024	25,100,000^	(13,000,000)	112,925,024

^ Included 50,000,000 shares issued pursuant to the conversion of 250,000,000 redeemable convertible preference shares ("RCPS").

	Number of ordinary shares			
	At 1.4.2021	**Bought**	**Sold**	**At 31.3.2022**
Shareholdings in Desanda Property Sdn. Bhd., a subsidiary, which Directors have direct interests				
Datin Toh Siew Chuon				
– other*	125,000	–	–	125,000
Tee Eng Seng	125,000	–	–	125,000

DIRECTORS' REPORT
(CONT'D)

DIRECTORS' INTERESTS IN SHARES (CONT'D)

	Number of redeemable convertible preference shares			
	At 1.4.2021	**Bought**	**Converted**	**At 31.3.2022**
Shareholdings in the Company which Directors have deemed interests				
Datin Toh Siew Chuon				
– own	717,013,663	–	(62,500,000)	654,513,663
– other*	717,013,663	–	(62,500,000)	654,513,663
Tee Eng Seng	1,434,027,326	–	(125,000,000)	1,309,027,326

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

By virtue of their interests of more than 20% in the shares of the Company, Datin Toh Siew Chuon and Tee Eng Seng are also deemed interested in the shares of the subsidiaries during the financial year to the extent that Kerjaya Prospek Property Berhad has an interest.

None of the other Directors holding office at 31 March 2022 had any interest in the ordinary shares of the Company and of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than those fees and benefits included in the aggregate amount of remuneration received or due and receivable by Directors as shown in the financial statements or the fixed salaries of a full time employee of the Company or of 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 27 to the financial statements.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REMUNERATION

The details of the remuneration paid by the Group and the Company to Directors of the Group and the Company who served during the financial year are as follows:

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Directors of the Company:				
- Fees	190	50	190	50
- Remuneration	979	1,017	18	20
	1,169	1,067	208	70
Other Directors of the Group:				
- Remuneration	510	511	–	–
	1,679	1,578	208	70

ISSUE OF SHARES AND DEBENTURES

During the financial year, the issued and fully paid-up share capital of the Company had increased from 350,142,339 to 400,142,339 ordinary shares by way of the issuance of 50,000,000 ordinary shares pursuant to the conversion of 250,000,000 units of RCPS. The salient terms of the RCPS are disclosed in Note 12 to the financial statements.

There were no debentures issued during the financial year.

TREASURY SHARES

During the financial year, the Company repurchased 4,995,900 of its issued shares from the open market at an average price of RM0.71 per share. The total consideration paid for the repurchase of shares including transaction costs was RM3,561,116 and was financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016.

At 31 March 2022, the Company held 4,995,900 of its 400,142,339 issued ordinary shares as treasury shares with carrying amount of RM3,561,116. Further details are disclosed in Note 12 to the financial statements.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

INDEMNITY AND INSURANCE COSTS

During the financial year, the total amount of indemnity sum insured and premium paid for Directors and Officers of the Company and its subsidiaries are RM10,000,000 and RM16,100 respectively. There is no indemnity given to or insurance effected for auditors of the Company.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

i) all known bad debts have been written off and adequate provision made for doubtful debts, and

ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent, or

ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or

iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or

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

DIRECTORS' REPORT (CONT'D)

OTHER STATUTORY INFORMATION (CONT'D)

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

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

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

No contingent liability or other liability of any company in the Group 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 and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 31 March 2022 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The significant events are disclosed in Note 28 to the financial statements.

AUDITORS

The auditors, KPMG PLT, have indicated their willingness to accept re-appointment.

The auditors' remuneration is disclosed in Note 20 to the financial statements.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

……………………………………………………..
Datin Toh Siew Chuon
Director

……………………………………………………..
Tee Eng Seng
Director

Kuala Lumpur,

Date: 22 July 2022

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2022

	Note	Group		Company	
		2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Assets					
Property, plant and equipment	3	273,908	269,664	–	–
Right-of-use assets	4	1,750	16,000	–	–
Investment properties	5	15,605	–	–	–
Investments in subsidiaries	6	–	–	481,102	481,102
Land held for property development	7	236,796	95,996	–	–
Trade and other receivables	10	5,060	10,852	–	–
Total non-current assets		533,119	392,512	481,102	481,102
Inventories	8	345,645	342,089	–	–
Contract costs	9	22,400	23,879	–	–
Trade and other receivables	10	37,670	38,996	60,544	60,544
Current tax assets		6,896	6,913	–	14
Prepayments		2,537	1,178	11	7
Cash and cash equivalents	11	126,383	67,362	466	1,260
Total current assets		541,531	480,417	61,021	61,825
Total assets		1,074,650	872,929	542,123	542,927

STATEMENTS OF FINANCIAL POSITION (CONT'D)

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Equity					
Share capital		282,165	260,557	282,165	260,557
Treasury shares		(3,561)	–	(3,561)	–
Redeemable Convertible Preference Shares ("RCPS")		197,925	216,825	197,925	216,825
Reserves		81,630	8,345	39,997	18,085
Total equity attributable to owners of the Company	12	558,159	485,727	516,526	495,467
Non-controlling interests		301	264	–	–
Total equity		558,460	485,991	516,526	495,467
Liabilities					
Trade payables	15	22,807	14,654	–	–
Loans and borrowings	13	206,336	102,233	–	–
Deferred tax liabilities	14	25,281	25,554	–	–
Redeemable Convertible Preference Shares ("RCPS")		13,695	22,679	13,695	22,679
Total non-current liabilities		268,119	165,120	13,695	22,679
Trade and other payables	15	107,549	145,336	3,545	15,627
Redeemable Convertible Preference Shares ("RCPS")		8,357	9,154	8,357	9,154
Contract liabilities	9	97,567	29,835	–	–
Loans and borrowings	13	33,496	32,892	–	–
Current tax liabilities		1,102	4,601	–	–
Total current liabilities		248,071	221,818	11,902	24,781
Total liabilities		516,190	386,938	25,597	47,460
Total equity and liabilities		1,074,650	872,929	542,123	542,927

The notes on pages 76 to 141 form an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2022

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Revenue	16	270,887	301,985	24,000	38,100
Cost of sales		(155,679)	(187,236)	–	–
Gross profit		115,208	114,749	24,000	38,100
Other income		2,104	1,576	–	–
Distribution expenses		(1,358)	(1,154)	–	–
Administrative expenses		(14,932)	(16,958)	(593)	(2,202)
Other expenses		(5,030)	(4,242)	–	–
Net (loss)/reversal on impairment of financial instruments	20	(82)	4	–	–
Results from operating activities		95,910	93,975	23,407	35,898
Finance income	17	1,691	1,340	8	38
Finance costs	18	(1,503)	(8,627)	(1,503)	(6,302)
Profit before tax		96,098	86,688	21,912	29,634
Tax expense	19	(22,776)	(23,583)	–	–
Profit and total comprehensive income for the year	20	73,322	63,105	21,912	29,634
Profit attributable to:					
Owners of the Company		73,285	63,091	21,912	29,634
Non-controlling interests		37	14	–	–
Profit for the year		73,322	63,105	21,912	29,634
Total comprehensive income attributable to:					
Owners of the Company		73,285	63,091	21,912	29,634
Non-controlling interests		37	14	–	–
Total comprehensive income for the year		73,322	63,105	21,912	29,634
Earnings per ordinary share (sen)					
- Basic	21	18.50	29.64		
- Diluted	21	7.97	8.02		

The notes on pages 76 to 141 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2022

	/---- Attributable to owners of the Company						----/		
	/---- Non-distributable				----/	Distributable			
	Share capital RM'000	**Treasury shares RM'000**	**RCPS RM'000**	**Share option reserve RM'000**	**Reverse acquisition reserve RM'000**	**Retained earnings RM'000**	**Total RM'000**	**Non-controlling interests RM'000**	**Total equity RM'000**
Group									
At 1 April 2020	132,835	–	239,505	3	(323,920)	269,171	317,594	250	317,844
Profit and total comprehensive income for the year	–	–	–	–	–	63,091	63,091	14	63,105
Contributions by and distributions to owners of the Company:									
- Shares issued pursuant to private placement	101,700	–	–	–	–	–	101,700	–	101,700
- Conversion of RCPS	26,022	–	(22,680)	–	–	–	3,342	–	3,342
- Share options expired	–	–	–	(3)	–	3	–	–	–
Total transactions with owners of the Company	127,722	–	(22,680)	(3)	–	3	105,042	–	105,042
At 31 March 2021/1 April 2021	260,557	–	216,825	–	(323,920)	332,265	485,727	264	485,991
Profit and total comprehensive income for the year	–	–	–	–	–	73,285	73,285	37	73,322
Contributions by and distributions to owners of the Company:									
- Conversion of RCPS	21,608	–	(18,900)	–	–	–	2,708	–	2,708
- Own shares acquired	–	(3,561)	–	–	–	–	(3,561)	–	(3,561)
Total transactions with owners of the Company	21,608	(3,561)	(18,900)	–	–	–	(853)	–	(853)
At 31 March 2022	282,165	(3,561)	197,925	–	(323,920)	405,550	558,159	301	558,460
	Note 12.1	Note 12.2	Note 12.3	Note 12.4	Note 12.5				

The notes on pages 76 to 141 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2022

	Share capital RM'000	Treasury shares RM'000	RCPS RM'000	Share option reserve RM'000	Retained earnings RM'000	Total RM'000
	/---- Attributable to owners of the Company ----					----/
	/---- Non-distributable ----			----/	Distributable	
Company						
At 1 April 2020	132,835	–	239,505	3	(11,552)	360,791
Profit and total comprehensive income for the year	–	–	–	–	29,634	29,634
Contributions by and distributions to owners of the Company:						
- Shares issued pursuant to private placement	101,700	–	–	–	–	101,700
- Conversion of RCPS	26,022	–	(22,680)	–	–	3,342
- Share options expired	–	–	–	(3)	3	–
	127,722	–	(22,680)	(3)	3	105,042
At 31 March 2021/1 April 2021	260,557	–	216,825	–	18,085	495,467
Profit and total comprehensive income for the year	–	–	–	–	21,912	21,912
Contributions by and distributions to owners of the Company:						
- Conversion of RCPS	21,608	–	(18,900)	–	–	2,708
- Own shares acquired	–	(3,561)	–	–	–	(3,561)
	21,608	(3,561)	(18,900)	–	–	(853)
At 31 March 2022	282,165	(3,561)	197,925	–	39,997	516,526
	Note 12.1	Note 12.2	Note 12.3	Note 12.4		

The notes on pages 76 to 141 form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Cash flows from operating activities					
Profit before tax		96,098	86,688	21,912	29,634
Adjustments for:					
Depreciation of:					
- property, plant and equipment	3	3,783	3,690	–	–
- right-of-use assets	4	9	395	–	–
- investment properties	5	395	–	–	–
Write-off of property, plant and equipment	3	143	46	–	–
Gain on disposal of property, plant and equipment	3	–	(42)	–	–
Finance costs	18	1,503	8,627	1,503	6,302
Finance income	17	(1,691)	(1,340)	(8)	(38)
Net loss/(reversal) on impairment of financial assets at amortised cost	20	82	(4)	–	–
Gain on disposal of highly liquid investments	20	–	(31)	–	–
Write down of inventories	20	700	109	–	–
Operating profit before changes in working capital		101,022	98,138	23,407	35,898
Changes in working capital:					
Inventories		22,272	4,504	–	–
Contract costs		1,479	12,395	–	–
Contract assets		–	14,512	–	–
Contract liabilities		67,732	(891)	–	–
Trade and other payables		(29,309)	(13,276)	(11,757)	(7,755)
Trade and other receivables and prepayments		5,677	(15,930)	(4)	(14,796)
Cash generated from operations		168,873	99,452	11,646	13,347
Interest paid		(3,663)	(8,051)	–	(3,072)
Interest received		1,691	1,340	8	38
Income tax (paid)/refund		(26,531)	(13,918)	14	(4)
Net cash from operating activities		140,370	78,823	11,668	10,309
Cash flows from investing activities					
Addition of property, plant and equipment		(6,697)	(11,796)	–	–
Acquisition of right-of-use assets		(1,759)	–	–	–
Acquisition of land held for property development		(165,138)	(27,266)	–	–
Withdrawal of other investments		–	31	–	–
Proceeds from disposal of asset held for sales		–	10,011	–	–
Proceeds from disposal of property, plant and equipment		–	60	–	–
Net cash used in investing activities		(173,594)	(28,960)	–	–

STATEMENTS OF CASH FLOWS (CONT'D)

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Cash flows from financing activities					
Repurchase of treasury shares		(3,561)	–	(3,561)	–
Repayment of revolving credit		–	(111,490)	–	(100,000)
Drawdown/(Repayment) of term loans		104,707	(26,589)	–	–
Repayment of finance lease liabilities		–	(13)	–	–
Withdrawal of deposit pledged with licensed bank		–	1,139	–	–
Proceeds from issue of share capital		–	101,700	–	101,700
Payment of RCPS dividend		(8,901)	(10,771)	(8,901)	(10,771)
Net cash generated from/(used in) financing activities		92,245	(46,024)	(12,462)	(9,071)
Net increase/(decrease) in cash and cash equivalents		59,021	3,839	(794)	1,238
Cash and cash equivalents at 1 April		67,362	63,523	1,260	22
Cash and cash equivalents at 31 March	11	126,383	67,362	466	1,260

(i) Cash outflows for leases as a lessee

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Included in net cash from operating activities					
Payment relating to short-term leases	20	186	170	–	–
Included in net cash from financing activities					
Payment of lease liabilities		–	13	–	–
		186	183	–	–

The notes on pages 76 to 141 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Kerjaya Prospek Property Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The addresses of the principal place of business and registered office of the Company are as follows:

Principal place of business
No. 1, Jalan Wangsa Permai
1st Floor, Bangunan One Wangsa
Taman Wangsa Permai
52200 Kuala Lumpur

Registered office
12th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor

The consolidated financial statements of the Company as at and for the financial year ended 31 March 2022 comprises of the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities"). The financial statements of the Company as at and for the financial year ended 31 March 2022 do not include other entities.

The Company is principally engaged in investment holding activities whilst the principal activities of the subsidiaries are as stated in Note 6 to the financial statements.

The Directors regard Javawana Sdn. Bhd., a company incorporated in Malaysia as the ultimate holding company.

These financial statements were authorised for issue by the Board of Directors on 22 July 2022.

1. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Group and the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of Companies Act 2016 in Malaysia.

The following are accounting standards, interpretations and amendments of the MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and the Company:

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 April 2021
- Amendment to MFRS 16, *Leases – Covid-19-Related Rent Concessions beyond 30 June 2021*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2022
- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 3, *Business Combinations – Reference to the Conceptual Framework*
- Amendments to MFRS 9, *Financial Instruments (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to Illustrative Examples accompanying MFRS 16, *Leases (Annual Improvements to MFRS Standards 2018–2020)*
- Amendments to MFRS 116, *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts – Cost of Fulfilling a Contract*
- Amendments to MFRS 141, *Agriculture (Annual Improvements to MFRS Standards 2018–2020)*

1. BASIS OF PREPARATION (CONT'D)

(a) Statement of compliance (cont'd)

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2023

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 17, *Insurance Contracts – Initial application of MFRS 17 and MFRS 9 – Comparative Information*
- Amendments to MFRS 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*
- Amendments to MFRS 112, *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements and MFRS 128, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group and the Company plans to apply the abovementioned accounting standards, interpretations and amendments:

- from the annual period beginning on 1 April 2022 for those amendments that are effective for annual periods beginning on or after 1 April 2021.

- from the annual period beginning on 1 April 2022 for those amendments that are effective for annual periods beginning on or after 1 January 2022, except for Amendments to MFRS 1 and Amendments to MFRS 141 which are not applicable to the Group and the Company.

- from the annual period beginning on 1 April 2023 for the accounting standard and amendments that are effective for annual periods beginning on or after 1 January 2023, except for MFRS 17 and Amendments to MFRS 17 which are not applicable to the Group and the Company.

The initial application of the applicable accounting standards, amendments and interpretations is not expected to have any material financial impact to the current period and prior period financial statements of the Group and the Company.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis unless otherwise as disclosed in Note 2 to the financial statements.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Group's and the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest thousand, unless otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

1. BASIS OF PREPARATION (CONT'D)

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

i) Notes 8.2 and 9 – estimation of revenue and budgeted cost for property development projects

The management estimates revenue and budgeted costs for property development projects based on the following key assumptions:

- Revenue on property development projects have been projected based on the estimated market selling price of the units; and
- The property development costs have been projected based on prevailing cost of construction and such costs are reviewed on an ongoing basis.

Any revision to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

ii) Note 23.4 – measurement of expected credit loss ("ECL")

The management applies judgement to determine that financial instruments of the Group and of the Company are recognised and measured in accordance with the accounting standard, MFRS 9 as described in Note 2(c).

iii) Note 24 – contingent liabilities

The management applies judgement to determine the probability and accuracy of estimation of an outflow of economic benefits. Where the probability of economic outflow is not probable or the amount cannot be estimated reliably, the obligation is disclosed as contingent liabilities.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in these financial statements and have been applied consistently by Group entities, unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses. The cost of investments includes transaction costs.

(ii) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

Transactions costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (cont'd)

(iii) Reverse acquisition accounting

On 10 January 2020, the Company completed its acquisition of the entire equity interest in Kerjaya Property Sdn. Bhd. and Kerjaya Hotel Sdn. Bhd. (collectively referred to as "Combined Entities"). This acquisition has been accounted for using reverse acquisition accounting in accordance with MFRS 3, Business Combinations.

Accordingly, the Combined Entities (being the legal subsidiaries in the transaction) is regarded as the accounting acquirer, and the Company (being the legal parent in the transaction) was regarded as the accounting acquiree. In addition, the consolidated financial statements represent a continuation of the financial position, profit or loss and cash flows of the Combined Entities. Accordingly, the consolidated financial statements were prepared on the following basis:

(a) the assets and liabilities of the Combined Entities were recognised and measured in the statements of financial position of the Group at their pre-acquisition carrying amounts;

(b) the assets and liabilities of the Company and its subsidiaries were recognised and measured in the consolidated statements of financial position at their acquisition date fair values;

(c) the retained profits and other equity balances recognised in the consolidated financial statements were the accumulated profits and other equity balances of the Combined Entities immediately before the acquisition;

(d) the equity structure appearing in the consolidated financial statements (i.e. the number and type of equity instruments issues) reflects the equity structure of the legal parent (i.e. the Company), including the equity instruments issued by the Company to effect the acquisition;

(e) the consolidated statement of profit or loss and other comprehensive income for the financial year ended 31 March 2020 reflects the full year results of the Combined Entities together with the post-acquisition results of the Company and its subsidiaries; and

(f) the comparative figures presented in these consolidated financial statements are those of the Combined Entities, except for its capital structure which was retroactively adjusted to reflect the legal capital of the accounting acquiree.

Separate financial statements of the Company

The above accounting applies only at the consolidated financial statements. In the Company's separate financial statements, investments in the legal subsidiaries (the Combined Entities) is accounted for at cost less accumulated impairment losses, if any, in the Company's statements of financial position. The initial cost of the investment in the Combined Entities is based on the fair value of the RCPS issued by the Company as at the acquisition date and the cash consideration at the acquisition date.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (cont'd)

(iv) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity accounted investee or as a financial asset depending on the level of influence retained.

(v) Non-controlling interest

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(vi) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of reporting period are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date.

Foreign currency differences arising on retranslation are recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Financial instruments

(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 or the Company 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.

(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 or the Company 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.

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 (see Note 2(j)(i)) where the effective interest rate is applied to the amortised cost.

Financial assets categorised as amortised costs are subject to impairment assessment (see Note 2(j)(i)).

Financial liabilities

Amortised cost

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Financial instruments (cont'd)

(iii) Derecognition

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

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

(d) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within "other income" and "other expenses" respectively in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group or the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Property, plant and equipment (cont'd)

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of the individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in the profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use. Freehold land is not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

• Buildings	45 - 50 years
• Furniture and fittings	8 - 10 years
• Computer equipment	5 years
• Office and operating equipment	5 - 10 years
• Renovation	2 - 10 years
• Motor vehicles	5 - 6 years

Depreciation methods, useful lives and residual values are reviewed at end of the reporting period, and adjusted as appropriate.

(e) Leases

(i) Definition of a lease

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the customer has the right to direct the use of the asset. The customer has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the customer has the right to direct the use of the asset if either the customer has the right to operate the asset; or the customer designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Leases (cont'd)

(ii) Recognition and initial measurement

(a) As a lessee

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

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

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

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

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

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(b) As a lessor

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Leases (cont'd)

(iii) Subsequent measurement

(a) As a lessee

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

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

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

(b) As a lessor

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

The Group recognises finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on the Group's net investment in the lease. The Group aims to allocate finance income over the lease term on a systematic and rational basis. The Group applies the lease payments relating to the period against the gross investment in the lease to reduce both the principal and the unearned finance income. The net investment in the lease is subject to impairment requirements in MFRS 9, *Financial Instruments*.

(f) Investment properties

(i) Investment properties carried at cost

Investment properties are properties which are owned or right-of-use asset held under a lease contract to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment properties initially and subsequently measured at cost are accounted for similarly to property, plant and equipment.

Investment properties are measured at cost less any accumulated depreciation and any accumulated impairment losses, if any.

Cost includes expenditure that is directly attributable to the acquisition of the investment property.

An investment property is derecognised on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period in which the item is derecognised.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Investment properties (cont'd)

(ii) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of investment properties.

The estimated useful lives of investment properties for the current and comparative periods are as follows:

• Leasehold land	81 years
• Building	45 years

Depreciation methods and useful lives are reviewed at the end of the reporting period and adjusted as appropriate.

(iii) Reclassification to investment properties

When an item of property, plant and equipment or right-of-use assets is transferred to investment properties following a change in its use, the carrying amount at the date of transfer is remained as the Group measure investment properties at cost less accumulated depreciation and any accumulated impairment losses, if any.

(g) Inventories

(i) Land held for property development

Land held for property development is measured at the lower of cost and net realisable value.

The cost of land held for property development includes expenditure incurred in acquiring the land, conversion costs and other costs incurred in bringing it to its existing location and condition.

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

(ii) Properties under development

Properties under development comprise 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.

Property development costs are classified as current at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the Group's normal operating cycle of 3 to 5 years.

When the financial development and construction activities have commenced, the financial outcome of the development revenue will be recognised for the development unit sold and determined by reference to the stage of completion of the development activity at the balance sheet date.

Costs 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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Inventories (cont'd)

(iii) Manufacturing inventories and completed properties

The cost of manufactured inventories and consumables are measured based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of work-in-progress and finished goods, cost includes an appropriate share of production overheads based on normal operating capacity.

The cost of completed properties includes expenditures incurred in the acquisition of land, direct cost and appropriate proportions of common cost attributable to developing the properties to completion.

Inventories are measured at the lower of cost and net realisable value.

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

(h) Contract asset/Contract liability

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 (see Note 2(j)(i)).

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.

(i) Costs to fulfil a contract

The Group recognises a contract cost that relate directly to a contract or to an anticipated contract as an asset when the cost generates or enhances resources of the Group, will be use in satisfying performance obligations in the future and it is expected to be recovered.

These contract costs are initially measured at cost and recognised on a systematic basis that is consistent with the pattern of revenue recognition to which the asset relates. An impairment loss is recognised in the profit or loss when the carrying amount of the contract cost exceeds the expected revenue less expected cost that will be incurred. Where the impairment condition no longer exists or has improved, the impairment loss is reversed to the extent that the carrying amount of the contract cost does not exceed the amount that would have been recognised had there been no impairment loss recognised previously.

(ii) Incremental cost of obtaining a contract

The Group recognises incremental costs of obtaining contracts when the Group expects to recover these costs.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged bank balances and deposits, if any.

(j) Impairment

(i) Financial assets

The Group and the Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost. Expected credit losses are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for debt securities that are determined to have low credit risk at the reporting date, cash and bank balance and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company 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 and the Company's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group and the Company estimates the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience.

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.

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

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company 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 and the Company's procedures for recovery of amounts due.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Impairment (cont'd)

(ii) Other assets

The carrying amounts of other assets (except of inventories, contract assets and deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that are not yet available for use, the recoverable amount is estimated at each period at the same time.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating unit.

The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its fair value less costs of disposal. In assessing value-in-use, the estimated future cash flows 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 or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating unit are allocated to reduce the carrying amount of the assets in the cash-generating unit on a pro rata basis.

Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

(k) Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

(i) Issue expenses

Costs directly attributable to the issue of instruments classified as equity are recognised as a deduction from equity.

(ii) Ordinary shares

Ordinary shares are classified as equity.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Equity instruments (cont'd)

(iii) Preference share capital

Preference share capital is classified as equity if it is non-redeemable, or is redeemable but only at the Company's option, and any dividends are discretionary.

The liability component of the preference shares represent the present value of the annual interest payment that is payable to the holders during the tenure of the preference shares.

(iv) Repurchase, disposal and reissue of share capital (treasury shares)

When share capital recognised as equity repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares that are not subsequently cancelled are classified as treasury shares in the statement of changes in equity.

When treasury shares are sold or reissued subsequently, the difference between the sales consideration net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity.

(l) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) State plans

The Group's contributions to statutory pension funds are charged to profit or loss in the financial year to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

(m) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statements of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Revenue and other income

(i) Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

The Group transfers control of a good or service at a point in time unless one of the following over time criteria is met:

(a) the customer simultaneously receives and consumes the benefits provided as the Group performs;

(b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

(c) the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

(ii) Dividend income

Dividend income is recognised in profit or loss on the date that the Group's or the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

(iii) Interest income

Interest income is recognised as it accrues using the effective interest method in profit or loss.

(o) Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, and the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unutilised reinvestment allowance and investment tax allowance, being tax incentives that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that the future taxable profits will be available against which the unutilised tax incentive can be utilised.

(q) Earnings per ordinary share

The Group presents basic and diluted earnings per share data for its ordinary shares (EPS).

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segment results are reviewed regularly by the chief operating decision maker, which in this case is the Executive Chairman of the Group, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

(s) Fair value measurements

Fair value of an asset or a liability, except for share-based payment and 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.

3. PROPERTY, PLANT AND EQUIPMENT

	Note	/------- Freehold -------/ Land RM'000	Buildings RM'000	Furniture and fittings RM'000	Computer equipment RM'000	Office and operating equipment RM'000	Renovation RM'000	Motor vehicles RM'000	Asset under construction RM'000	Total RM'000
Group										
Cost										
At 1 April 2020		62,375	155,216	769	1,468	2,534	36	547	54,341	277,286
Additions		–	–	45	122	55	–	–	13,365	13,587
Disposals		–	–	–	–	–	–	(33)	–	(33)
Write-off		–	–	(2)	–	(45)	(15)	(51)	–	(113)
Reclassification to right-of-use assets	4	–	(858)	–	–	–	–	–	–	(858)
At 31 March 2021/ 1 April 2021		62,375	154,358	812	1,590	2,544	21	463	67,706	289,869
Additions		–	–	23	107	203	–	471	7,366	8,170
Write-off		–	–	–	–	(143)	–	–	–	(143)
At 31 March 2022		62,375	154,358	835	1,697	2,604	21	934	75,072	297,896
Depreciation										
At 1 April 2020		–	14,067	445	928	885	21	260	–	16,606
Depreciation for the year		–	3,147	89	144	222	5	83	–	3,690
Disposals		–	–	–	–	–	–	(15)	–	(15)
Write-off		–	–	(2)	–	(23)	(5)	(37)	–	(67)
Reclassification to right-of-use assets	4	–	(9)	–	–	–	–	–	–	(9)
At 31 March 2021/ 1 April 2021		–	17,205	532	1,072	1,084	21	291	–	20,205
Depreciation for the year		–	3,146	62	160	273	–	142	–	3,783
At 31 March 2022		–	20,351	594	1,232	1,357	21	433	–	23,988

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

	/------- Freehold -------/ Land RM'000	Buildings RM'000	Furniture and fittings RM'000	Computer equipment RM'000	Office and operating equipment RM'000	Renovation RM'000	Motor vehicles RM'000	Asset under construction RM'000	Total RM'000
Group									
Carrying amounts									
At 1 April 2020	62,375	141,149	324	540	1,649	15	287	54,341	260,680
At 31 March 2021/ 1 April 2021	62,375	137,153	280	518	1,460	–	172	67,706	269,664
At 31 March 2022	62,375	134,007	241	465	1,247	–	501	75,072	273,908

3.1 Security

Freehold buildings with carrying amount of RM106,458,000 (2021: RM108,949,000) have been pledged to a licensed bank as security for credit facilities granted to certain subsidiaries (Note 13).

3.2 Borrowing costs

Included in additions of property, plant and equipment is borrowing costs capitalised of RM1,473,000 (2021: RM1,791,000) as disclosed in Note 18 to the financial statements.

4. RIGHT-OF-USE ASSETS

	Note	Leasehold land RM'000	Group Buildings RM'000	Total RM'000
Cost				
At 1 April 2020		9,772	5,868	15,640
Reclassification from property, plant and equipment	3	–	858	858
At 31 March 2021/1 April 2021		9,772	6,726	16,498
Transfer to investment properties:				
- Offset of accumulated depreciation		(206)	(292)	(498)
- Transfer of carrying amount	5	(9,566)	(6,434)	(16,000)
		(9,772)	(6,726)	(16,498)
Addition		–	1,759	1,759
At 31 March 2022		–	1,759	1,759
Depreciation				
At 1 April 2020		41	53	94
Depreciation for the year		165	230	395
Reclassification from property, plant and equipment	3	–	9	9
At 31 March 2021/1 April 2021		206	292	498
Offset of accumulated depreciation on properties transferred to investment properties		(206)	(292)	(498)
Depreciation for the year		–	9	9
At 31 March 2022		–	9	9
Carrying amounts				
At 1 April 2020		9,731	5,815	15,546
At 31 March 2021/1 April 2021		9,566	6,434	16,000
At 31 March 2022		–	1,750	1,750

4.1 Security

The leasehold land and building with carrying amount of Nil (2021: RM15,723,000) were pledged to a licensed bank as security for credit facilities granted to a subsidiary (Note 13).

4.2 Transfer to investment properties

During the financial year, leasehold land and buildings were transferred to investment properties (Note 5) because they were no longer used by the Group and certain properties were leased to a related party and third parties.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

5. INVESTMENT PROPERTIES

	Note	Group Leasehold land RM'000	Buildings RM'000	Total RM'000
Cost				
At 1 April 2020/31 March 2021/1 April 2021		–	–	–
Transferred from right-of-use assets	4	9,566	6,434	16,000
At 31 March 2022		9,566	6,434	16,000
Depreciation				
At 1 April 2020/31 March 2021/1 April 2021		–	–	–
Depreciation for the year		165	230	395
At 31 March 2022		165	230	395
Carrying amounts				
At 1 April 2020		–	–	–
At 31 March 2021/1 April 2021		–	–	–
At 31 March 2022		9,401	6,204	15,605

5.1 Security

The leasehold land and buildings with carrying amount of RM15,407,000 (2021: Nil) were pledged to a licensed bank as security for credit facilities granted to a subsidiary (Note 13).

5.2 Transfer from right-of-use assets

During the financial year, leasehold land and buildings have been transferred from right-of-use assets to investment properties (Note 4), since the properties were no longer used by the Group and certain properties were leased to a related party and third parties.

Each of the leases contains an initial non-cancellable period ranging between 1 to 12 months. Subsequent renewals are negotiated with the lessee and on average renewal period ranging between 1 to 12 months.

5. INVESTMENT PROPERTIES (CONT'D)

5.2 Transfer from right-of-use assets (cont'd)

The following are recognised in profit or loss:

	Group	
	2022 RM'000	**2021 RM'000**
Lease income	368	–
Direct operating expenses:		
- income generating investment properties	36	–

The operating lease payments to be received are as follows:

	Group	
	2022 RM'000	**2021 RM'000**
Less than one year	205	–

5.3 Fair value information

Fair value of investment properties are categorised as follows:

	2022 Level 3 RM'000	**2021 Level 3 RM'000**
Group		
Leasehold land	14,300	–
Buildings	6,100	–
	20,400	–

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

5. INVESTMENT PROPERTIES (CONT'D)

5.3 Fair value information (cont'd)

Level 3 fair value

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation models.

Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Comparison of the Group's investment properties with similar properties that were listed for sale within the same locality or other comparable localities.	Market price of property per square feet ("sq ft") in vicinity compared.	The estimated fair value would increase/(decrease) if market prices of property were higher/(lower).

Valuation processes applied by the Group for Level 3 fair value

The Group estimates the fair value of all investment properties based on the comparison of the Group's investment properties with similar properties that were listed for sale within the same locality or other comparable localities. Assessment of the fair values of the Group's investment properties is undertaken annually. Any change in Level 3 fair values is analysed by the management based on the assessment undertaken.

Highest and best use

The Group's investment properties are currently leasehold land and buildings. The highest and best use of the land and properties is for rental generation as they are located in the vicinity of the commercial area.

6. INVESTMENTS IN SUBSIDIARIES

	Company	
	2022 RM'000	2021 RM'000
Unquoted shares, at cost	484,877	484,877
Less: Impairment losses	(3,775)	(3,775)
	481,102	481,102

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows:

Name of subsidiary	Principal place of business	Principal activities	Effective ownership interest 2022 %	2021 %
KPP Management Sdn. Bhd.	Malaysia	Property development and construction	100	100
KPP Properties Sdn. Bhd.	Malaysia	Property development	100	100
KPP Development Sdn. Bhd. [1]	Malaysia	Property development	100	100
Serta Usaha Sdn. Bhd.	Malaysia	Property development	100	100
Summit CD (M) Sdn. Bhd.	Malaysia	Dormant	100	100
Summit Audio (M) Sdn. Bhd.	Malaysia	Dormant	100	100
Kerjaya Property Sdn. Bhd.	Malaysia	Project management consultants and property development	100	100
Kerjaya Hotel Sdn. Bhd.	Malaysia	Property development, hotel operation and letting of service apartments	100	100
Aeon Frontier Sdn. Bhd.	Malaysia	Property development	100	100
Desanda Property Sdn. Bhd.	Malaysia	Investment holding	99.4	99.4
Pixel Valley Sdn. Bhd.	Malaysia	Property development	100	100
Greencove Sdn. Bhd. [2]	Malaysia	Property development	100	–

[1] The subsidiary is in the midst of member's voluntary winding up pursuant to Section 439(1)(b) of the Companies Act 2016 and liquidator was appointed for the purpose of winding up.

[2] On 24 June 2021, the Company acquired the entire equity interest in Greencove Sdn. Bhd. for a total cash consideration of RM1.00 comprising of 1 ordinary share.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

7. LAND HELD FOR PROPERTY DEVELOPMENT

	Note	Group 2022 RM'000	Group 2021 RM'000
At 1 April			
- Freehold land		72,873	46,470
- Leasehold land		21,000	21,000
- Developments costs		2,123	397
		95,996	67,867
Additions during the year			
- Freehold land		30,143	26,403
- Leasehold land		123,454	–
- Development costs		12,978	1,726
At 31 March		166,575	28,129
Transferred during the year			
- Leasehold land	8.1	(21,000)	–
- Development costs	8.1	(4,775)	–
At 31 March		(25,775)	–
		236,796	95,996
Represented by:			
- Freehold land		103,016	72,873
- Leasehold land		123,454	21,000
- Development costs		10,326	2,123
At 31 March		236,796	95,996

7.1 Security

Freehold land and leasehold land with carrying amounts of RM39,403,000 (2021: RM13,000,000) and RM123,454,000 (2021: Nil) respectively have been pledged to licensed banks as security for credit facilities granted to certain subsidiaries (Note 13).

7.2 Borrowing costs

Included in additions of land held for property development is borrowing costs capitalised of RM1,437,000 (2021: RM863,000) as disclosed in Note 18 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. INVENTORIES

	Note	Group 2022 RM'000	Group 2021 RM'000
Properties under development	8.1	121,504	172,218
Completed properties		223,892	169,708
Raw materials and consumables		249	163
		345,645	342,089
Recognised in profit or loss:			
Inventories recognised as cost of sales		34,941	10,381
Write down of inventories		700	109

The write down is included in cost of sales.

8.1 Properties under development

	Note	Group 2022 RM'000	Group 2021 RM'000
At beginning of year:			
Land costs		63,238	75,666
Development costs		108,980	91,686
		172,218	167,352
Land costs			
Transferred (to)/from:			
- contract cost	9.2	(9,737)	(12,428)
- completed properties		(13,500)	–
- land held for property development	7	21,000	–
		(2,237)	(12,428)
Development costs			
Costs incurred during the year		45,066	45,281
Transferred (to)/from:			
- contract cost	9.2	(24,840)	(27,987)
- completed properties		(73,478)	–
- land held for property development	7	4,775	–
		(48,477)	17,294
At end of year:			
Land costs		61,001	63,238
Development costs		60,503	108,980
		121,504	172,218

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. INVENTORIES (CONT'D)

8.2 Estimation uncertainty and critical judgements

The management estimates revenue and budgeted costs for property development projects based on the following key assumptions:

- Revenue on property development projects have been projected based on the estimated market selling price of the units; and
- The property development costs have been projected based on prevailing cost of construction and such costs are reviewed on an ongoing basis.

Any revision to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

8.3 Security

Completed properties with carrying amount of RM31,747,000 (2021: RM32,156,000) have been pledged to a licensed bank as security for credit facilities granted to a subsidiary (Note 13).

8.4 Borrowing costs

Included in properties under development is borrowing costs capitalised of RM753,000 (2021: Nil) as disclosed in Note 18 to the financial statements.

9. CONTRACT WITH CUSTOMERS

9.1 Contract liabilities

	Group	
	2022 RM'000	2021 RM'000
Contract liabilities		
Advance billings on property sales	97,567	29,835

The contract liabilities primarily relate to the advance consideration received from customers, which revenue is recognised over time during the development of properties.

Significant changes in the contract liabilities balances during the financial year are as follows:

	Group	
	2022 RM'000	2021 RM'000
Balance as at 1 April	(29,835)	(16,214)
Revenue recognised	173,610	277,834
Decrease due to progress billings made	(241,342)	(291,455)
Balance as at 31 March	(97,567)	(29,835)

9. CONTRACT WITH CUSTOMERS (CONT'D)

9.2 Contract costs

	Note	Group 2022 RM'000	Group 2021 RM'000
Cost to obtain a contract			
At 1 April		16,064	16,897
Costs incurred during the year		6,449	10,218
Cost recognised as cost of sales in profit or loss		(5,756)	(11,051)
At 31 March		16,757	16,064
Cost to fulfil a contract			
At 1 April		7,815	19,378
Costs incurred during the year		82,710	109,231
Transferred from inventories	8.1	34,577	40,415
Cost recognised as cost of sales in profit or loss		(119,459)	(161,209)
At 31 March		5,643	7,815
		22,400	23,879

Cost to obtain contract

Cost to obtain contract primarily comprises legal fees and incremental commission fees paid to intermediaries as a result of obtaining contracts. These costs are expected to be recoverable and are recognised to profit or loss when the related revenue is recognised.

Cost to fulfil contract

Land related costs that are attributable to the sold units are capitalised as contract costs during the current financial year. These costs are expected to be recoverable and are recognised to profit or loss when the related revenue is recognised.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

10. TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Non-current					
Trade					
Trade receivables	10.1	5,060	10,852	–	–
Current					
Trade					
Trade receivables	10.2	19,828	18,649	–	–
Amounts due from related parties	10.3	73	–	–	–
		19,901	18,649	–	–
Non-trade					
Other receivables	10.4	14,299	13,563	–	–
Deposits	10.5	3,470	6,784	–	–
Amounts due from subsidiaries	10.6	–	–	60,544	60,544
		17,769	20,347	60,544	60,544
		37,670	38,996	60,544	60,544
		42,730	49,848	60,544	60,544

10.1 Non-current trade receivables

Non-current trade receivables are retention sum receivables which are expected to be collected upon the expiry of the defect liability period.

10.2 Current trade receivables

Included in current trade receivables is RM14,614,000 (2021: RM13,497,000) related to retention sum receivables which are expected to be collected upon the expiry of the defect liability period.

10.3 Amounts due from related parties – trade

The amounts due from related parties are subject to normal trade terms.

10. TRADE AND OTHER RECEIVABLES (CONT'D)

10.4 Other receivables

Included in the Group's other receivables is an amount due from a joint venture partner of RM12,513,000 (2021: RM12,513,000) to a subsidiary, which is subject to interest of 8% (2021: 8%) per annum from date of letter of payment notice issued to the joint venture partner.

10.5 Deposits

Included in deposits is a sum of RM1,303,000 (2021: RM4,317,000) paid by subsidiaries of the Group for the purchase of the properties.

10.6 Amounts due from subsidiaries – non-trade

The amounts due from subsidiaries are unsecured, interest-free and repayable on demand.

11. CASH AND CASH EQUIVALENTS

		Group		Company	
	Note	**2022 RM'000**	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Cash and bank balances	11.1	41,651	48,525	466	1,260
Highly liquid investments	11.2	84,732	18,837	–	–
Cash and cash equivalents in the statement of cash flow		126,383	67,362	466	1,260

11.1 Cash and bank balances

Included in the Group's cash and bank balances is RM34,147,000 (2021: RM11,680,000) maintained pursuant to the Housing Development (Housing Development Account) Regulations 1991.

11.2 Highly liquid investments

The Directors regard the highly liquid investments as cash and cash equivalents in view of its high liquidity and insignificant changes in value.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

12. CAPITAL AND RESERVES

12.1 Share capital

	Group and Company			
	Amount 2022 RM'000	Number of shares 2022 '000	Amount 2021 RM'000	Number of shares 2021 '000
Issued and fully paid shares with no par value classified as equity instrument:				
Ordinary shares				
At 1 April	260,557	350,142	132,835	200,142
Issued during the year	–	–	101,700	90,000
Conversion of RCPS	21,608	50,000	26,022	60,000
At 31 March	282,165	400,142	260,557	350,142

Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. In respect of the Company's treasury shares that are held by the Group, all rights are suspended until those shares are reissued.

12.2 Treasury shares

	Group and Company			
	Amount 2022 RM'000	Number of shares 2022 '000	Amount 2021 RM'000	Number of shares 2021 '000
Ordinary shares				
At 1 April	–	–	–	–
Own shares acquired	3,561	4,996	–	–
At 31 March	3,561	4,996	–	–

Treasury shares relates to the acquisition cost of shares repurchased net of the proceeds received on their subsequent sale or issuance.

The shareholders of the Company, by an ordinary resolution passed in the annual general meeting held on 9 September 2021, renewed their approval for the Company's plan to repurchase its own shares. The Directors of the Company are committed towards enhancing the value of the Company to its shareholders and believe that the shares repurchase plan can be applied in the best interests of the Company and its shareholders.

During the financial year, the Company repurchased 4,995,900 of its issued shares from the open market at an average price of RM0.71 per share. The total consideration paid for the repurchase of shares including transaction costs was RM3,561,116 and was financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016.

At 31 March 2022, the Company held 4,995,900 of its 400,142,339 issued ordinary shares as treasury shares with carrying amount of RM3,561,116.

12. CAPITAL AND RESERVES (CONT'D)

12.3 Redeemable Convertible Preference Shares ("RCPS")

	Group and Company			
	Amount 2022 RM'000	Number of shares 2022 '000	Amount 2021 RM'000	Number of shares 2021 '000
Issued and fully paid:				
At 1 April	216,825	2,868,055	239,505	3,168,055
Converted during the year	(18,900)	(250,000)	(22,680)	(300,000)
At 31 March	97,925	2,618,055	216,825	2,868,055

On 10 January 2020, the Company issued 3,168,054,651 redeemable convertible preference shares ("RCPS") for total issue price of RM538,569,291 for the acquisition of subsidiaries.

The tenure of the instruments is five years commencing from and inclusive of the date of issue of the RCPS. The salient features of the RCPS are as follows:

i) The RCPS carry the right to receive a cumulative preferential dividend at a fixed rate of 2% per annum, compounded annually, based on the issue price;

ii) The conversion price for the RCPS shall be an amount equivalent to the issue price of RM0.17 per RCPS, which shall be deemed settled by way of set-off against the purchase consideration;

iii) The RCPS holder is entitled to exercise the right of conversion from date of issuance up to the maturity date;

iv) Any RCPS not converted by the maturity date will be mandatorily converted into new shares of the Company on the maturity date; and

v) Unless previously redeemed or converted or purchased and cancelled, the RCPS may at the option of the Company be redeemed, in whole or in part, at any time during the tenure of the RCPS.

During the financial year, 250,000,000 units of RCPS were converted into 50,000,000 new ordinary shares.

12.4 Share option reserve

The share option reserve comprises the cumulative value of employee services received for the issue of share options. When the option is exercised, the amount from the share option reserve is transferred to share capital. When the share options expire, the amount from the share option reserve is transferred to retained earnings.

Share option has expired on 15 April 2020 and the remaining amount from the share option reserve was transferred to retained earnings in the previous financial year.

12.5 Reverse acquisition reserve

The reverse acquisition reserve arose to reflect the equity structure of the Company, including the equity interests issued by the Company to effect the combinations pursuant to the acquisitions as disclosed in Note 2(a)(iii) to the financial statements.

13. LOANS AND BORROWINGS

	Note	Group 2022 RM'000	Group 2021 RM'000
Non-current			
Secured term loans	13.1	206,336	102,233
Current			
Secured term loans	13.1	3,496	2,892
Secured revolving credit	13.1	30,000	30,000
		33,496	32,892
		239,832	135,125

13.1 Security

The term loans and revolving credit are secured by the property, plant and equipment (Note 3), right-of-use assets (Note 4), investment properties (Note 5), land held for property development (Note 7) and inventories (Note 8) of certain subsidiaries.

13.2 Reconciliation of movement of liabilities to cash flows arising from financing activities

	At 1.4.2020 RM'000	Repayment RM'000	At 31.3.2021/ 1.4.2021 RM'000	Drawdown RM'000	At 31.3.2022 RM'000
Group					
Term loans	131,714	(26,589)	105,125	104,707	209,832
Revolving credits	141,490	(111,490)	30,000	–	30,000
Bank overdrafts	14,094	(14,094)	–	–	–
Finance lease liabilities	13	(13)	–	–	–
	287,311	(152,186)	135,125	104,707	239,832

	At 1.4.2020 RM'000	Repayment RM'000	At 31.3.2021/ 1.4.2021 RM'000	(Repayment)/ Drawdown RM'000	At 31.3.2022 RM'000
Company					
Revolving credit	100,000	(100,000)	–	–	–

14. DEFERRED TAX LIABILITIES

14.1 Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Group						
Property, plant and equipment	–	–	(29,561)	(30,351)	(29,561)	(30,351)
Unabsorbed investment tax allowance	3,917	4,284	–	–	3,917	4,284
Unabsorbed capital allowance	10	412	–	–	10	412
Others	353	101	–	–	353	101
Deferred tax assets/(liabilities)	4,280	4,797	(29,561)	(30,351)	(25,281)	(25,554)
Set off of tax	(4,280)	(4,797)	4,280	4,797	–	–
Net tax liabilities	–	–	(25,281)	(25,554)	(25,281)	(25,554)

Movement in temporary differences during the financial year

	At 1.4.2020 RM'000	Recognised in profit or loss (Note 19) RM'000	At 31.3.2021/ 1.4.2021 RM'000	Recognised in profit or loss (Note 19) RM'000	At 31.3.2022 RM'000
Group					
Property, plant and equipment	(30,615)	264	(30,351)	790	(29,561)
Unabsorbed investment tax allowance	3,990	294	4,284	(367)	3,917
Unabsorbed capital allowance	–	412	412	(402)	10
Others	719	(618)	101	252	353
	(25,906)	352	(25,554)	273	(25,281)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

14. DEFERRED TAX LIABILITIES (CONT'D)

14.2 Unrecognised deferred tax assets/(liabilities)

Deferred tax assets or liabilities have not been recognised in respect of the following items (stated at gross):

	Note	Group 2022 RM'000	Group 2021 RM'000
Items generated from business activities on property development and replication of compact discs			
- Property, plant and equipment		(2,297)	(2,303)
- Unabsorbed capital allowances		1,035	1,307
- Unabsorbed business losses	14.2.1	4,320	4,838
- Other temporary differences		1,766	189
		4,824	4,031
Items generated from business activity on manufacturing plastic fabricated parts			
- Unabsorbed capital allowances		6,858	6,858
- Unutilised reinvestment allowances		8,540	8,540
	14.2.2	15,398	15,398
		20,222	19,429

14.2.1 With effect from year of assessment ("YA") 2019, any unabsorbed business losses can only be carried forward for a maximum period of ten consecutive YAs. The unabsorbed business losses for YA 2018 and prior YAs can be carried forward until 2028. The other deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of the above items because it is not probable that future taxable profits will be available against which the Group can utilise the benefits therefrom.

The table below shows the unabsorbed business losses and the year in which the losses will expire:

YA in which tax losses arose	Unabsorbed business losses RM'000	Year in which tax losses will expire
2018 and before	2,097	2028
2019	400	2029
2020	129	2030
2021	1,241	2031
2022	453	2032
	4,320	

14.2.2 The Group has unabsorbed capital allowances and unutilised reinvestment allowances carried forward from a subsidiary that has temporary ceased its business activity on manufacturing plastic fabricated parts. Subsequently, the subsidiary extended its business activity to property development and construction activities. Consequently, these unabsorbed and unutilised allowances are only eligible for utilisation by the Group in future against the income generated from the same business source.

15. TRADE AND OTHER PAYABLES

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Non-current					
Trade					
Trade payable	15.1	27	–	–	–
Amounts due to a related party	15.2	22,780	14,654	–	–
		22,807	14,654	–	–
Current					
Trade					
Trade payables	15.1	5,660	5,368	–	–
Amounts due to a related party	15.3	2,106	61,037	–	–
		7,766	66,405	–	–
Non-trade					
Amounts due to subsidiaries	15.4	–	–	1,143	11,751
Other payables and accruals	15.5	99,783	78,931	2,402	3,876
		99,783	78,931	3,545	15,627
		107,549	145,336	3,545	15,627
		130,356	159,990	3,545	15,627

15.1 Trade payables

Included in non-current and current trade payables are retention sum of RM27,000 (2021: Nil) and RM1,556,000 (2021: Nil) respectively which are payable upon the expiry of the defect liability period.

15.2 Non-current amounts due to a related party – trade

The non-current trade amounts due to a related party is retention sum of RM22,780,000 (2021: RM14,654,000) which are payable upon the expiry of the defect liability period and subject to normal trade terms.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

15. TRADE AND OTHER PAYABLES (CONT'D)

15.3 Amounts due to a related party – trade

The amounts due to a related party is subject to normal trade terms.

15.4 Amounts due to subsidiaries – non-trade

The non-trade amounts due to subsidiaries are unsecured, interest-free and repayable on demand.

15.5 Other payables and accruals

Included in other payables and accruals of the Group are:

(i) landowner's entitlement of RM12,524,000 (2021: RM12,524,000) that is expected to be payable to the joint venture partner within one year from the reporting date.
(ii) deposits received from buyers of RM2,818,000 (2021: RM8,794,000) for the sale of properties.

16. REVENUE

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Revenue	270,887	301,985	24,000	38,100

16.1 Disaggregation of revenue

In the following table, revenue is disaggregated by the type of services and the timing of transfer of revenue recognition.

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Over time				
- Property under development	173,610	277,834	–	–
At a point in time				
- Sale of completed properties	69,762	4,976	–	–
- Hospitality, food and beverage and recreation revenue	24,334	14,004	–	–
- Electricity revenue	2,644	2,673	–	–
- Dividend income	–	–	24,000	38,100
- Others	537	2,498	–	–
	270,887	301,985	24,000	38,100

16. REVENUE (CONT'D)

16.2 Nature of goods and services

Nature of goods or services	Timing of recognition or method used to recognise revenue	Significant payment terms	Variable element in consideration	Warranty
Property development	Sale of properties under construction Revenue is recognised over time as costs are incurred. These contracts would meet the no alternative use and the Group have rights to payment for work performed.	Credit period of 21-30 days from invoice date.	Discount or incentives or rental guarantee given to buyers.	Defect liability period of 24 months upon the delivery of vacant possession of development unit.
	Sale of completed properties Revenue is recognised at a point in time when vacant possession has been delivered.	Credit period of 3 months from the date of Sales and Purchase Agreement ("SPA").	Discount or incentives or rental guarantee given to buyers.	Not applicable.
Hospitality, food and beverage and recreation revenue	Revenue is recognised at a point in time when the goods or services are delivered and accepted by customer.	Cash term; credit term is up to 7 days.	Not applicable.	Not applicable.
Electricity revenue	Revenue is recognised based on electricity consumed by customers by meter reading.	Credit period of 14 days from invoice date.	Not applicable.	Not applicable.
Distribution and manufacturing products	Revenue is recognised at point in time when the goods are delivered and accepted by the customers at their premises.	Credit period of 30-90 days from invoice date.	Discount given to customers.	Not applicable.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

16. REVENUE (CONT'D)

16.3 Transaction price allocated to the remaining performance obligations

The following table shows revenue from performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date. The disclosure is only providing information for contracts that have a duration of more than one year.

	2023 RM'000	2024 RM'000	Total RM'000
Property development	219,504	147,758	367,262

The Group applies the following practical expedients:

(i) exemption on disclosure of information on remaining performance obligations that have original expected durations of one year or less.

(ii) exemption not to adjust the promised amount of consideration for the effects of a significant financing component when the period between the transfer of a promised good or service to a customer and when the customer pays for that good or service is one year or less.

17. FINANCE INCOME

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Interest income of financial assets that are not at fair value through profit or loss:				
- bank balances	586	758	8	15
- retention sum receivables	507	240	–	–
- highly liquid investments	597	318	–	–
- others	1	24	–	23
	1,691	1,340	8	38

18. FINANCE COSTS

	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Interest expense of financial liabilities that are not at fair value through profit or loss:				
- bank overdrafts	(3)	(128)	–	–
- bank guarantees	(9)	(18)	–	–
- revolving credits	(56)	(4,007)	–	(3,072)
- term loans	(3,595)	(3,898)	–	–
- RCPS dividend	(1,503)	(3,230)	(1,503)	(3,230)
	(5,166)	(11,281)	(1,503)	(6,302)
Recognised in profit or loss	(1,503)	(8,627)	(1,503)	(6,302)
Interest expense of financial liabilities that are not at fair value through profit or loss capitalised into qualifying assets:				
- land held for property development	(1,437)	(863)	–	–
- property, plant and equipment	(1,473)	(1,791)	–	–
- inventories	(753)	–	–	–
	(5,166)	(11,281)	(1,503)	(6,302)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

19. TAX EXPENSE

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Current tax expense				
- Current year	22,980	23,535	–	–
- Under provision in prior years	69	400	–	–
Total current tax expense	23,049	23,935	–	–
Deferred tax expense				
- Origination and reversal of temporary differences	702	375	–	–
- Crystallisation of deferred tax liability on revaluation of properties	(478)	(490)	–	–
- Over provision in prior years	(497)	(237)	–	–
Total deferred tax income	(273)	(352)	–	–
Total tax expense	22,776	23,583	–	–

Reconciliation of tax expense

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Profit before tax	96,098	86,688	21,912	29,634
Income tax calculated using Malaysian tax rate at 24% (2021: 24%)	23,064	20,805	5,259	7,112
Non-deductible expenses	573	2,419	503	2,041
Non-taxable income	(145)	(44)	(5,762)	(9,153)
Effect of deferred tax assets not recognised	190	730	–	–
Crystallisation of deferred tax liability on revaluation of properties	(478)	(490)	–	–
(Over)/Under provision in prior years	(428)	163	–	–
	22,776	23,583	–	–

20. PROFIT OF THE YEAR

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Profit of the year is arrived at after charging/(crediting):					
Auditors' remunerations					
- Audit fees		190	183	38	38
- Non-audit fees		9	29	9	29
Material expenses/(income)					
Depreciation of:					
- property, plant and equipment		3,783	3,690	–	–
- right-of-use assets		9	395	–	–
- investment properties		395	–	–	–
Write down of inventories		700	109	–	–
Write-off of property, plant and equipment		143	46	–	–
Personnel expenses (including key management personnel):					
- Contributions to state plans		739	651	–	–
- Wages, salaries and others		7,845	7,777	–	–
Gain on disposal of property, plant and equipment		–	(42)	–	–
Gain on disposal of highly liquid investments		–	(31)	–	–
Expenses arising from leases					
Expenses relating to short-term leases	(i)	186	170	–	–
Net loss/(reversal) on impairment of financial instruments					
Financial assets at amortised cost		82	(4)	–	–

(i) The Group leases hostel, office and coffee machine with contract terms less than one year. These leases are short-term leases. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

21. EARNINGS PER ORDINARY SHARE

21.1 Basic earnings per ordinary share

The calculation of basic earnings per ordinary share at 31 March was based on the earnings attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

	Group	
	2022	**2021**
Profit for the year attributable to ordinary shareholders (RM'000)	73,285	63,091
Weighted average number of ordinary shares at 31 March ('000)	396,198	212,882
Basic earnings per ordinary share (sen)	18.50	29.64

21.2 Diluted earnings per ordinary share

The calculation of diluted earnings per ordinary share at 31 March was based on earnings attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares, calculated as follows:

	Group	
	2022	**2021**
Profit for the year attributable to ordinary shareholders (RM'000)	73,285	63,091
Weighted average number of ordinary shares at 31 March (basic) ('000)	396,198	212,882
Effect on conversion of RCPS ('000)	523,611	573,611
Weighted average number of ordinary shares at 31 March (diluted) ('000)	919,809	786,493
Diluted earnings per ordinary share (sen)	7.97	8.02

22. OPERATING SEGMENTS

The Group has two reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Group's Executive Chairman (the chief operating decision maker) reviews internal management reports at least on a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

- Segment 1 – Property development. Includes property development of residential and commercial properties.
- Segment 2 – Hospitality. Includes hotel, food and beverage and recreation operation.

Other non-reportable segments comprise operations related to investment holding, distribution of electricity and leasing of properties. None of these segments met the quantitative thresholds for reporting segments in 2022 and 2021.

The accounting policies of the reportable segments are the same as described in Note 2(r).

Performance is measured based on segment profit/(loss) before tax, interest, depreciation and amortisation, as included in the internal management reports that are reviewed by the Group's Executive Chairman (the chief operating decision maker). Segment profit/(loss) is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Segment assets

The total of segment asset is measured based on all assets (including goodwill) of a segment, as included in the internal management reports that are reviewed by the Group's Executive Chairman. Segment total asset is used to measure the return of assets of each segment.

Segment liabilities

Segment liabilities information is neither included in the internal management reports nor provided regularly to the Group's Executive Chairman. Hence no disclosure is made on segment liabilities.

22. OPERATING SEGMENTS (CONT'D)

	Property development RM'000	Hospitality RM'000	Others RM'000	Total RM'000
Group				
2022				
Revenue	243,372	24,334	3,181	270,887
Segment profit/(loss)	92,504	8,716	(1,123)	100,097
Included in segment profit/(loss) are:				
Revenue from external customers	243,372	24,334	3,181	270,887
Write-off of property, plant and equipment	–	(143)	–	(143)
Write down of inventories	(700)	–	–	(700)
Net loss/(reversal) on impairment of financial instruments	–	80	2	82
Not included in segment profit/(loss) but provided to Executive Chairman:				
Depreciation	(847)	(2,942)	(398)	(4,187)
Finance income	1,638	31	22	1,691
Finance costs	–	–	(1,503)	(1,503)
Segment assets	940,195	116,780	17,675	1,074,650
Included in segment assets are:				
Additions to non-current assets	176,214	290	–	176,504

22. OPERATING SEGMENTS (CONT'D)

	Property development RM'000	Hospitality RM'000	Others RM'000	Total RM'000
Group				
2021				
Revenue	282,811	14,004	5,170	301,985
Segment profit/(loss)	96,677	1,357	26	98,060
Included in segment profit/(loss) are:				
Revenue from external customers	282,811	14,004	5,170	301,985
Write down of inventories	(58)	–	(51)	(109)
Not included in segment profit/(loss) but provided to Executive Chairman:				
Depreciation	(792)	(2,857)	(436)	(4,085)
Finance income	1,273	23	44	1,340
Finance costs	(2,325)	–	(6,302)	(8,627)
Segment assets	735,778	117,997	19,154	872,929
Included in segment assets are:				
Additions to non-current assets	41,524	190	2	41,716

Reconciliations of reportable segment revenues, profit or loss, assets and other material items

	Group	
	2022 RM'000	2021 RM'000
Profit or loss		
Total profit for reportable segments	101,220	98,034
Other non-reportable segments	(1,123)	26
Depreciation	(4,187)	(4,085)
Finance income	1,691	1,340
Finance costs	(1,503)	(8,627)
Consolidated profit before tax	96,098	86,688

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

22. OPERATING SEGMENTS (CONT'D)

Reconciliations of reportable segment revenues, profit or loss, assets and other material items (cont'd)

	External revenue RM'000	Depreciation RM'000	Finance costs RM'000	Finance income RM'000	Segment assets RM'000	Additions to non-current assets RM'000
2022						
Total reportable segments	267,706	(3,789)	–	1,669	1,056,975	176,504
Other non-reportable segments	3,181	(396)	(1,503)	22	17,675	–
Consolidated total	270,887	(4,187)	(1,503)	1,691	1,074,650	176,504
2021						
Total reportable segments	296,815	(3,649)	(2,325)	1,296	853,775	41,714
Other non-reportable segments	5,170	(436)	(6,302)	44	19,154	2
Consolidated total	301,985	(4,085)	(8,627)	1,340	872,929	41,716

23. FINANCIAL INSTRUMENTS

23.1 Categories of financial instruments

The table below provides an analysis of the net carrying amounts of financial instruments categorised as amortised cost ("AC"):

	Carrying amount RM'000	AC RM'000
2022		
Financial assets		
Group		
Trade and other receivables*	42,322	42,322
Cash and cash equivalents	126,383	126,383
	168,705	168,705
Company		
Trade and other receivables	60,544	60,544
Cash and cash equivalents	466	466
	61,010	61,010
Financial liabilities		
Group		
Loans and borrowings	(239,832)	(239,832)
Trade and other payables	(130,356)	(130,356)
	(370,188)	(370,188)
Company		
Other payables	(3,545)	(3,545)
2021		
Financial assets		
Group		
Trade and other receivables*	49,440	49,440
Cash and cash equivalents	67,362	67,362
	116,802	116,802
Company		
Trade and other receivables	60,544	60,544
Cash and cash equivalents	1,260	1,260
	61,804	61,804

* exclude net goods & services tax receivable

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

23. FINANCIAL INSTRUMENTS (CONT'D)

23.1 Categories of financial instruments (cont'd)

	Carrying amount RM'000	AC RM'000
2021		
Financial liabilities		
Group		
Loans and borrowings	(135,125)	(135,125)
Trade and other payables	(159,990)	(159,990)
	(295,115)	(295,115)
Company		
Other payables	(15,627)	(15,627)

23.2 Net gains and losses arising from financial instruments

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Net gains/(losses) on:				
Financial assets measured at amortised cost	1,609	1,344	8	38
Financial liabilities measured at amortised cost	(1,503)	(8,627)	(1,503)	(6,302)
	106	(7,283)	(1,495)	(6,264)

23.3 Financial risk management

The Group and the Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

23. FINANCIAL INSTRUMENTS (CONT'D)

23.4 Credit risk

Credit risk is the risk of a financial loss to the Group and the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its trade receivables from customers and trade balances from related parties. The Company's exposure to credit risk arises principally from advances to subsidiaries and financial guarantees given to banks for credit facilities granted to subsidiaries. There are no significant changes as compared to prior periods.

Trade receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

For property development segment, the services and products are predominantly rendered and sold to a large number of property purchasers supported by end-financing facilities from reputable financial institutions. The credit risks with respect to property purchasers with end-financing facilities are limited.

For hospitality segment, credit evaluations are required to be performed on major customers requiring credit over a certain amount.

At each reporting date, the Group assesses whether any of the trade receivables are credit impaired.

The gross carrying amounts of credit impaired trade receivables are written off (either partially or full) when 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. Nevertheless, trade receivables that are written off could still be subject to recovery activities.

There are no significant changes as compared to previous year.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables are represented by the carrying amounts in the statement of financial position.

Management has taken reasonable steps to ensure that trade receivables that are neither past due nor impaired are measured at their realisable values. A significant portion of the receivables from hospitality segment are regular customers that have been transacting with the Group whilst significant portion of trade receivables for property development segment are property purchasers that have obtained end-financing from financial institutions. The Group uses ageing analysis to monitor the credit quality of the receivables. Any past due receivables, which are deemed to have higher credit risk, are monitored individually.

23. FINANCIAL INSTRUMENTS (CONT'D)

23.4 Credit risk (cont'd)

Trade receivables (cont'd)

Recognition and measurement of impairment losses

In managing credit risk of trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables for hospitality segment will pay within 90 days. The Group will start to initiate a structured debt recovery process should there are indicators where the debts owing by a customer may not be fully recoverable. Should a structured debt recovery process is not possible, the Group will commence a legal proceeding against the customer.

The Group uses an allowance matrix to measure expected credit losses ("ECLs") of such trade receivables. Consistent with the debt recovery process, invoices which are past due 90 days will be considered as credit impaired.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to 90 days past due.

Loss rates are based on actual credit loss experience over the past three years.

In respect of trade receivables arising from the sale of development properties, the Group retains the legal title to all properties sold until the full contracted sales value is settled. As such, under normal circumstances, the amounts due from property purchasers are not impaired.

The following table provides information about the exposure to credit risk and ECLs for trade receivables.

	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
Group			
2022			
Current (not past due)	24,525	(2)	24,523
1 – 30 days past due	74	(3)	71
31 – 60 days past due	43	(14)	29
61 – 90 days past due	26	(23)	3
	24,668	(42)	24,626
Credit impaired			
More than 90 days past due	334	(72)	262
Individually impaired	351	(351)	–
Trade receivables	25,353	(465)	24,888

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

23. FINANCIAL INSTRUMENTS (CONT'D)

23.4 Credit risk (cont'd)

Trade receivables (cont'd)

Recognition and measurement of impairment losses (cont'd)

	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
Group			
2021			
Current (not past due)	29,265	–	29,265
1 – 30 days past due	136	–	136
31 – 60 days past due	60	–	60
61 – 90 days past due	35	–	35
	29,496	–	29,496
Credit impaired			
More than 90 days past due	10	(5)	5
Individually impaired	378	(378)	–
Trade receivables	29,884	(383)	29,501

The movements in the allowance for impairment in respect of trade receivables during the financial year are shown below.

	Lifetime ECL RM'000	Credit impaired RM'000	Total RM'000
Group			
Balance at 1 April 2020	84	303	387
Net (reversal)/loss on impairment on financial assets at amortised cost	(79)	75	(4)
Balance at 31 March 2021/1 April 2021	5	378	383
Net loss/(reversal) on impairment on financial assets at amortised cost	109	(27)	82
Balance at 31 March 2022	114	351	465

23. FINANCIAL INSTRUMENTS (CONT'D)

23.4 Credit risk (cont'd)

Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

These banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Company provides financial guarantees to banks in respect of credit facilities granted to certain subsidiaries. The Company also issued letters of financial support to certain subsidiaries and has indicated its willingness to provide continuing financial support to these subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk amounts to RM252,456,000 (2021: RM147,792,000) representing the outstanding credit facilities of the subsidiaries as at the end of the reporting period.

As at the end of the reporting period, there was no indication that any subsidiary would default on repayment. Accordingly, the financial guarantees have not been recognised since the fair value on initial recognition was not material.

Recognition and measurement of impairment loss

The Company determines the probability of default of the financial guarantees individually using internal information available.

No allowance for impairment losses is made for financial guarantees as at the end of the reporting period.

Inter-company balances

Risk management objectives, policies and processes for managing the risk

The Group has trade balances with related parties. The Company provides unsecured advances to subsidiaries. The Group and the Company monitors the results of the related parties and subsidiaries regularly.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

23. FINANCIAL INSTRUMENTS (CONT'D)

23.4 Credit risk (cont'd)

Inter-company balances (cont'd)

Recognition and measurement of impairment loss

Generally, the Group and the Company considers trade balances with related parties and unsecured advances to subsidiaries have low credit risk. The Group and the Company assumes that there is a significant increase in credit risk when a related party's or a subsidiary's financial position deteriorates significantly. As the Group and the Company is able to determine the timing of payments of the related parties' trade balances and subsidiaries' advances when they are payable, the Group and the Company considers the trade balances and unsecured advances to be in default when the related parties and subsidiaries are not able to pay when demanded. The Group and the Company considers a related party's trade balance and a subsidiary's unsecured advance to be credit impaired when:

- The related party or subsidiary is unlikely to repay its trade balance and unsecured advance to the Group or the Company in full; or
- The related party or subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Group and the Company determines the probability of default for these trade balances and unsecured advances individually using internal information available.

The following table provides information about the exposure to credit risk and ECLs for related parties' trade balances and subsidiaries' unsecured advances.

	Gross carrying amount RM'000	Impairment loss allowance RM'000	Net balance RM'000
Group			
2022			
Low credit risk	73	–	73
2021			
Low credit risk	–	–	–
Company			
2022			
Low credit risk	60,544	–	60,544
2021			
Low credit risk	60,544	–	60,544

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

23. FINANCIAL INSTRUMENTS (CONT'D)

23.4 Credit risk (cont'd)

Highly liquid investments

Risk management objectives, policies and processes for managing the risk

Investments of the Group are restricted to highly liquid investments with an insignificant risk of changes in value.

Exposure to credit risk, credit quality and collaterals

As at the end of the reporting period, the Group have only placed highly liquid investments domestically. The maximum exposure to credit risk is represented by the carrying amounts in the statements of financial position.

The bank has low credit risks. The Group is of the view that no loss allowance is necessary.

23.5 Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group and the Company maintains a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

23. FINANCIAL INSTRUMENTS (CONT'D)

23.5 Liquidity risk (cont'd)

Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments.

	Carrying amount RM'000	Contractual interest rate per annum %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
Group							
2022							
Non-derivative financial liabilities							
Trade and other payables	130,356	–	130,356	130,356	–	–	–
Secured revolving credit	30,000	3.13	30,000	30,000	–	–	–
Secured term loans	209,832	3.12 – 3.41	253,310	10,072	10,154	87,881	145,203
Financial guarantees	–	–	12,624	4,767	7,500	357	–
	370,188		426,290	175,195	17,654	88,238	145,203
2021							
Non-derivative financial liabilities							
Trade and other payables	159,990	–	159,990	159,990	–	–	–
Secured revolving credit	30,000	3.20	30,000	30,000	–	–	–
Secured term loans	105,125	3.38	134,167	5,798	6,617	23,622	98,130
Financial guarantees	–	–	12,667	1,795	10,872	–	–
	295,115		336,824	197,583	17,489	23,622	98,130

23. FINANCIAL INSTRUMENTS (CONT'D)

23.5 Liquidity risk (cont'd)

Maturity analysis (cont'd)

	Carrying amount RM'000	Contractual interest rate per annum %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
Company							
2022							
Non-derivative financial liabilities							
Other payables	3,545	–	3,545	3,545	–	–	–
Financial guarantees	–	–	239,832	239,832	–	–	–
	3,545		243,377	243,377	–	–	–
2021							
Non-derivative financial liabilities							
Other payables	15,627	–	15,627	15,627	–	–	–
Financial guarantees	–	–	135,125	135,125	–	–	–
	15,627		150,752	150,752	–	–	–

23. FINANCIAL INSTRUMENTS (CONT'D)

23.6 Market risk

Market risk is the risk that changes in market prices, such as interest rates and other prices that will affect the Group's financial position or cash flows.

23.6.1 Interest rate risk

The Group's fixed rate receivables are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Short term receivables and payables are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

The Group adopts a practice to continuously seek alternative banking facilities which provide competitive interest rates to finance and/or refinance its working capital requirements.

Exposure to interest rate risk

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period are as follows:

	Group	
	2022	**2021**
	RM'000	**RM'000**
Fixed rate instruments		
Financial assets	32,187	36,862
Floating rate instruments		
Financial liabilities	(239,832)	(135,125)

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

23. FINANCIAL INSTRUMENTS (CONT'D)

23.6 Market risk (cont'd)

23.6.1 Interest rate risk (cont'd)

Cash flow sensitivity analysis for variable rate instruments

A change of 50 basis points ("bp") in interest rates at the end of the reporting period would have (decreased)/increased post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remained constant.

	Post-tax profit or loss			
	50 bp increase 2022 RM'000	50 bp decrease 2022 RM'000	50 bp increase 2021 RM'000	50 bp decrease 2021 RM'000
Group				
Floating rate instruments	(911)	911	(513)	513

23.6.2 Other price risk

The Group is not exposed to any other price risk.

23.7 Fair value information

The carrying amounts of cash and cash equivalents, short term receivables and payables and short term borrowings approximate their fair values due to the relatively short term nature of these financial instruments.

The table below analyses financial instrument not carried at fair value for which fair value is disclosed, together with their values and carrying amounts shown in the statement of financial position.

	Fair value of financial instruments not carried at fair value				
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total fair value RM'000	Carrying amount RM'000
Group					
2022					
Financial assets					
Retention sum receivables	–	–	19,674	19,674	19,674
Financial liabilities					
RCPS	–	–	22,052	22,052	22,052
Secured term loans	–	–	206,963	206,963	209,832
	–	–	229,015	229,015	231,884

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

23. FINANCIAL INSTRUMENTS (CONT'D)

23.7 Fair value information (cont'd)

	Fair value of financial instruments not carried at fair value				
	Level 1 RM'000	**Level 2 RM'000**	**Level 3 RM'000**	**Total fair value RM'000**	**Carrying amount RM'000**
Group					
2021					
Financial assets					
Retention sum receivables	–	–	24,349	24,349	24,349
Financial liabilities					
RCPS	–	–	31,833	31,833	31,833
Secured term loans	–	–	103,612	103,612	105,125
	–	–	135,445	135,445	136,958
Company					
2022					
Financial liabilities					
RCPS	–	–	22,052	22,052	22,052
2021					
Financial liabilities					
RCPS	–	–	31,833	31,833	31,833

Level 2 fair value

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period. For borrowings, the market rate of interest is determined by reference to similar borrowings arrangements.

Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and 2 fair values during the financial year (2021: no transfer in either directions).

Level 3 fair value

The valuation techniques used in the determination of fair values within Level 3, as well as the key unobservable inputs used in the valuation models for financial instruments not carried at fair value.

The fair value of long term borrowings and payables are determined using the discounted cash flows valuation technique.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

24. CONTINGENT LIABILITIES

Serta Usaha Sdn. Bhd., a wholly-owned subsidiary, is defending an action brought by a third party which claimed for recovery of Goods & Services Tax from the subsidiary amounting to RM1,107,000. Based on legal advice, the Directors are of the opinion that a provision is not required in respect of this matter as it is not probable that future sacrifice of economic benefits will be required.

25. CAPITAL COMMITMENT

	Group	
	2022	**2021**
	RM'000	**RM'000**
Land held for development		
Contracted but not provided for	39,293	38,855

26. CAPITAL MANAGEMENT

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investors, creditors and market confidence and to sustain future development of the business.

The debt-to-equity ratios at 31 March 2022 and at 31 March 2021 were as follows:

		Group	
	Note	**2022**	**2021**
		RM'000	**RM'000**
Total borrowings	13	239,832	135,125
Less: Cash and cash equivalents	11	(126,383)	(67,362)
Net debt		113,449	67,763
Total equity		558,460	485,991
Debt-to-equity ratios		0.20	0.14

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

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Group is required to maintain a consolidated shareholders' equity equal to or not less than the 25 percent of the issued and paid-up capital and such shareholders' equity is not less than RM40,000,000. The Group has complied with this requirement.

27. RELATED PARTIES

Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group or the Company if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the parties are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel includes all the Directors of the Group.

The Group has related party relationship with its subsidiaries, entities in which the Directors have interest and key management personnel.

Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. The significant related party transactions of the Group and the Company is shown below. The balances related to the below transactions are shown in Notes 10 and 15.

		Group		Company	
		2022	**2021**	**2022**	**2021**
		RM'000	**RM'000**	**RM'000**	**RM'000**
A.	**Subsidiaries**				
	Dividend income				
	- Kerjaya Property Sdn. Bhd.	–	–	24,000	29,000
	- Summit CD (M) Sdn. Bhd.	–	–	–	7,000
	- KPP Development Sdn. Bhd.	–	–	–	1,600
	- Summit Audio (M) Sdn. Bhd.	–	–	–	500
	Payment on behalf (by)/for				
	- Kerjaya Property Sdn. Bhd.	–	–	(13,401)	(11,071)
	- KPP Management Sdn. Bhd.	–	–	–	(4,031)
	- KPP Properties Sdn. Bhd.	–	–	–	(310)
	- Summit CD (M) Sdn. Bhd.	–	–	–	61
	- Summit Audio (M) Sdn. Bhd.	–	–	–	17
	- KPP Development Sdn. Bhd.	–	–	–	4
B.	**Entities in which certain Directors have interest**				
	Kerjaya Prospek (M) Sdn. Bhd.				
	- Construction contract	(133,466)	(120,558)	–	–
	- Hospitality revenue	45	–	–	–
	- Rental income	12	–	–	–
	Dekad Intelek Sdn. Bhd.				
	- Rental expenses	(223)	(300)	–	–

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

27. RELATED PARTIES (CONT'D)

Significant related party transactions (cont'd)

		Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
B.	**Entities in which certain Directors have interest (cont'd)**				
	Pampas Sky Dining Sdn. Bhd.				
	- Rental income	208	–	–	–
	- Electricity revenue	61	–	–	–
	3D Interactive Park Sdn. Bhd.				
	- Electricity revenue	10	4	–	–
	V Toy Museum (M) Sdn. Bhd.				
	- Electricity revenue	6	4	–	–
	The Shore Sky Tower Sdn. Bhd.				
	- Rental income	–	540	–	–
	- Electricity revenue	–	96	–	–
C.	**Key management personnel**				
	Tee Eng Seng, a Director				
	- Rental expenses	(155)	(390)	–	–
	Datin Toh Siew Chuon, a Director				
	- Rental expenses	(79)	(217)	–	–
	Directors of the Company:				
	- Fees	190	50	190	50
	- Remuneration	979	1,017	18	20
		1,169	1,067	208	70
	Other Directors of the Group:				
	- Remuneration	510	511	–	–
		1,679	1,578	208	70

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

28. SIGNIFICANT EVENTS DURING THE YEAR

28.1 Pixel Valley Sdn. Bhd., a wholly-owned subsidiary of the Company, had:-

(a) on 18 June 2021 entered into a Sale and Purchase Agreement with a third party to acquire a piece of leasehold land with a warehouse and annex building held under PN 3664, Lot 19 Seksyen 13, Mukim Bandar Petaling Jaya, Daerah Petaling, Negeri Selangor ("Land 1") for a total consideration of RM82,000,000 by way of cash and payment in kind; and

(b) on 6 December 2021 entered into a Purchase and Development Agreement with a third party to acquire a piece of vacant freehold land held under H.S.(D) 50861, PT 6025, Mukim 13, Daerah Seberang Prai Selatan, Negeri Pulau Pinang ("Land 2") for a total consideration of approximately RM27,565,720, subject to an adjustment for the differences in area of Land 2 as shown in the final land title to be issued pursuant to National Land Code.

The transaction for Land 1 were completed during the financial year. The purchase and development of Land 2 is subject to completion of conditions precedent as set out in the Purchase and Development Agreement.

28.2 Serta Usaha Sdn. Bhd., a wholly-owned subsidiary of the Company, had on 23 June 2021 entered into a Sale and Purchase Agreement with a third party to acquire a piece of leasehold land with three storey shop office held under H.S.(D) 240418, PT 801, Bandar Shah Alam, Daerah Petaling, Negeri Selangor for a total cash consideration of RM1,700,000. The transaction was completed during the financial year.

28.3 Greencove Sdn. Bhd., a wholly-owned subsidiary of the Company, had on 27 August 2021, entered into a Sale and Purchase Agreement with a third party to acquire a piece of vacant leasehold land under PN 113068, Lot 87285, Mukim Sungai Buloh, Daerah Petaling, Negeri Selangor for a total cash consideration of RM42,000,000. The transaction was completed during the financial year.

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

In the opinion of the Directors, the financial statements set out on pages 69 to 141 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 of 31 March 2022 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

……………………………………………………..
Datin Toh Siew Chuon
Director

……………………………………………………..
Tee Eng Seng
Director

Kuala Lumpur,

Date: 22 July 2022

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, Datin Toh Siew Chuon, the Director primarily responsible for the financial management of Kerjaya Prospek Property Berhad, do solemnly and sincerely declare that the financial statements set out on pages 69 to 141 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the above named Datin Toh Siew Chuon, NRIC: 660508-13-5074, in Kuala Lumpur, Wilayah Persekutuan on 22 July 2022.

……………………………………………………..
Datin Toh Siew Chuon

Before me:

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KERJAYA PROSPEK PROPERTY BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Kerjaya Prospek Property Berhad, which comprise the statements of financial position as at 31 March 2022 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 69 to 141.

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 March 2022, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our auditors' 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 the 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.

INDEPENDENT AUDITORS' REPORT (CONT'D)

Key Audit Matters (cont'd)

Key Audit Matter for the Group

Accuracy of the estimated budgeted cost to complete property development projects	
Refer to Note 2 – Significant accounting policy: Revenue and other income, Note 8 – Inventories and Note 9 – Contract with customers	
The key audit matter	**How the matter was addressed in our audit**
We identified accuracy of the estimated budgeted cost to complete property development projects as one of the key audit matters due to:- i) potential cost overruns for properties under development where any expected loss on a development project shall be recognised as write down of inventories (properties under development) or adjusted in the transaction price, including potential foreseeable loss and delays in progress of work; and ii) significant judgement and estimation involved in preparing the estimates of total budgeted costs to complete a project. Any over or understatement of forecast costs could result in a material variance in the amount of profit or loss recognised to date and in the current year.	We performed the following audit procedures, among others: • evaluated the appropriateness of the projects' budgeted costs by reviewing the basis of preparation and comparing to available letter of awards, contracts and variations orders; • challenged the reasonableness of the project's budget and key assumptions used which includes expected recovery of variations, claims and compensations events, by taking into account of our own expectations based on historical performance and industry knowledge, including obtaining and assessing information provided by management to determine whether the forecast assumptions are consistent with the terms of the relevant contracts; and • evaluated the accuracy of profit being recognised in the profit or loss, including assessing any foreseeable losses due to cost overruns and/or delays arising from late delivery of vacant possession to purchasers by reviewing the contractual delivery dates of the signed agreements against the management's estimated delivery dates and progress reports.

Key Audit Matter for the Company

We have determined that there is no key audit matter in the audit of the financial statements of the Company to be communicated in our Auditors' Report.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

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

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

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the annual report and, in doing so, consider whether the annual report 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 the annual report, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT (CONT'D)

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 ability of the Group and of the Company 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 or the Company or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

i) 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.

ii) 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 internal control of the Group and of the Company.

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

iv) 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 ability of the Group or of the Company 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.

v) 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 gives a true and fair view.

vi) 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.

INDEPENDENT AUDITORS' REPORT (CONT'D)

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

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

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

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

OTHER MATTER

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.

…………………………………………………………..
KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

…………………………………………………………..
Chew Beng Hong
Approval Number: 02920/02/2024 J
Chartered Accountant

Petaling Jaya, Selangor

Date: 22 July 2022

TOP 10 LIST OF PROPERTIES

AS AT 31 MARCH 2022

No	Address/Location	Description/ Existing Use	Total Land Area/Built-up Area (sq metres)	Tenure	Approximate Age of Building (Years)	Net Book Value as at 31/3/2022 (RM'000)	Date of Acquisition/ Date of Revaluation
1	Bloomsvale @ Old Klang Road, Jalan Puchong, 58200 Kuala Lumpur	Mixed development	18,102	Freehold	N/A	132,218	8-Nov-2018
2	Swiss Garden Hotel Melaka, The Shore @ Melaka River, Jalan Persisiran Bunga Raya, 75300 Melaka Bandaraya Bersejarah	Hotel	27,947	Freehold	8	111,058	10-Nov-2014
3	G Residence, No. 8, Jalan Mutiara 7, Taman Perindustrian Plentong, 81750 Masai, Johor	Mixed development	22,615	Freehold	2	88,598	12-Mar-2020
4	PN3664, Lot 19, Seksyen 13, Bandar Petaling Jaya, Petaling, Selangor	Vacant land	20,772	99 years leasehold land expiring 10 April 2067	N/A	85,418	13-Jan-2022
5	Tower 1, Tower 3 and Tower 3A, The Shore @ Melaka River, Jalan Persisiran Bunga Raya, 75300 Melaka Bandaraya Bersejarah	Mixed development	34,142	Freehold	8	73,895	10-Nov-2014
6	Straits Residences, Jalan Seri Tanjung Pinang, adjacent to Straits Quay at Seri Tanjung Pinang, Tanjung Tokong, Penang	Mixed development	13,051	Freehold	1	58,203	11-Mar-2021

TOP 10 LIST OF PROPERTIES (CONT'D)

No	Address/Location	Description/ Existing Use	Total Land Area/Built-up Area (sq metres)	Tenure	Approximate Age of Building (Years)	Net Book Value as at 31/3/2022 (RM'000)	Date of Acquisition/ Date of Revaluation
7	PN113068, Lot 87285, Damansara Damai, Mukim Sungai Buloh, Petaling, Selangor	Vacant land	26,310	99 years leasehold land expiring 26 February 2116	N/A	43,967	27-Jan-2022
8	Lot 30259 and 201562, Mukim Setapak, Daerah Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	Vacant land	9,092	Freehold	N/A	34,986	6-May-2021
9	Lot 29688-29715, Jalan Impian 5 and Jalan Impian 6, 47000 Kuang, Selangor	Vacant land	62,188	Freehold and leasehold 99 years expiring on 15.12.2111	N/A	33,474	31-May-2019
10	PN120015, Lot 10460, Seksyen 15, Bandar Shah Alam, Petaling, Selangor	Mixed development	8,993	Leasehold 99 years expiring on 26.9.2106	N/A	26,527	31-Mar-2019

ANALYSIS OF SHAREHOLDINGS

AS AT 30 JUNE 2022

Financial Year End	:	31-Mar-22
Class of Shares	:	Ordinary shares
Voting Rights	:	One vote per ordinary share

DISTRIBUTING OF SHAREHOLDERS / DEPOSITORS AS AT 30 JUNE 2022

SIZE OF HOLDINGS	NO. OF HOLDERS	%	NO. OF SHARES	%
Less than 100	533	11.536	17,714	0.004
100 - 1,000	452	9.783	261,981	0.066
1,001 - 10,000	2,152	46.580	10,953,968	2.772
10,001 - 100,000	1,213	26.255	39,603,680	10.022
100,001 - 19,757,320 (*)	268	5.800	135,979,348	34.412
19,757,321 AND ABOVE (**)	2	0.043	208,329,748	52.722
	4,620	100.00	395,146,439***	100.00

REMARK : * - LESS THAN 5% OF ISSUED SHARES
** - 5% AND ABOVE OF ISSUED SHARES
*** - Exclude a total of 4,995,900 treasury shares retained by the Company as per record of depositors as at 30 June 2022

LIST OF THIRTY LARGEST SECURITIES ACCOUNT HOLDERS / DEPOSITORS AS AT 30 JUNE 2022

NO.	NAME	HOLDINGS	%
1	JAVAWANA SDN BHD	187,829,748	47.534
2	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR JAVAWANA SDN BHD (BDA)	20,500,000	5.187
3	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR JAVAWANA SDN BHD (SMART)	17,520,300	4.433
4	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD FOR KENANGA SHARIAH GROWTH OPPORTUNITIES FUND (50156 TR01)	6,326,900	1.601
5	DOH JEE MING	4,300,000	1.088
6	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD FOR KENANGA GROWTH OPPORTUNITIES FUND (50154 TR01)	4,273,000	1.081
7	TOKIO MARINE LIFE INSURANCE MALAYSIA BHD AS BENEFICIAL OWNER (TMEF)	3,700,000	0.936
8	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHIAU HAW CHOON	3,566,700	0.902
9	MAYBANK NOMINEES (TEMPATAN) SDN BHD ETIQA LIFE INSURANCE BERHAD (GROWTH)	2,662,800	0.673
10	SEE BOON YONG	2,405,000	0.608
11	YAP BOOI LEK	1,899,800	0.480
12	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR KENANGA SYARIAHEXTRA FUND (N14011960240)	1,876,400	0.474

ANALYSIS OF SHAREHOLDINGS (CONT'D)

LIST OF THIRTY LARGEST SECURITIES ACCOUNT HOLDERS / DEPOSITORS AS AT 30 JUNE 2022 (CONT'D)

NO.	NAME	HOLDINGS	%
13	KONG CHEE HENG	1,738,000	0.439
14	MAYBANK NOMINEES (TEMPATAN) SDN BHD ETIQA LIFE INSURANCE BERHAD (DANA EKT PRIMA)	1,723,700	0.436
15	TAN KIM HENG	1,706,920	0.431
16	ANG SWEE KUANG	1,593,800	0.403
17	DOH JEE CHAI	1,445,400	0.365
18	KONG CHEE HENG	1,432,900	0.362
19	YEL CONSTRUCTION SDN BHD	1,400,000	0.354
20	FOO KWAI KHENG	1,250,000	0.316
21	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR KENANGA ONEPRS GROWTH FUND (420119)	1,250,000	0.316
22	YAP NAM FEE	1,156,300	0.292
23	HO WEI FUN	1,116,920	0.282
24	TAN AH HOI	1,093,400	0.276
25	CHIN CHIN SEONG	1,060,000	0.268
26	LUM KWOK WENG @ LUM KOK WENG	1,050,000	0.265
27	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR POR TEONG ENG (7008531)	1,000,000	0.253
28	GA SKYLIGHT BERHAD	1,000,000	0.253
29	LIM FOOK HIN	1,000,000	0.253
30	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG PHENG @ ENG AH TOON (E-SPI)	1,000,000	0.253

DIRECTORS' SHAREHOLDINGS
(As per the Register of Directors' Shareholdings as at 30 June 2022)

		DIRECT		INDIRECT	
NO.	**NAME**	**NO. OF SHARES**	**%**	**NO. OF SHARES**	**%**
1	DATIN TOH SIEW CHUON*	–	–	225,850,048	57.154
2	IR. LOW WUU SHIN	–	–	–	–
3	KUAN YING TUNG	–	–	–	–
4	TEE ENG SENG*	–	–	225,850,048	57.154
5	TEE SUN EE	207,300	0.052	–	–

* Deemed interested pursuant to Section 8 of the Companies Act 2016 by virtue of their shareholding in Javawana Sdn Bhd.

ANALYSIS OF SHAREHOLDINGS (CONT'D)

SUBSTANTIAL SHAREHOLDERS
(As per the Register of Substantial Shareholders as at 30 June 2022)

NO.	NAME	DIRECT NO. OF SHARES	%	INDIRECT NO. OF SHARES	%
1	JAVAWANA SDN. BHD.	225,850,048	57.154	–	–
2	DATUK TEE ENG HO	–	–	225,850,048	57.154
3	TEE ENG SENG	–	–	225,850,048	57.154
4	DATIN TOH SIEW CHUON	–	–	225,850,048	57.154

* Datuk Tee Eng Ho, Datin Toh Siew Chuon and Tee Eng Seng are the substantial shareholders of the Company through their deemed interest pursuant to Section 8 of the Companies Act 2016 by virtue of their shareholderings in Javawana Sdn Bhd.

Financial Year End	:	31-Mar-22
Class of Shares	:	Redeemable Convertible Preference Shares ("RCPS")
Voting Rights	:	One vote per RCPS

LIST OF RCPS HOLDER
(As per the Register of RCPS Holder as at 30 June 2022)

NO.	NAME	DIRECT NO. OF SHARES	%	INDIRECT NO. OF SHARES	%
1	JAVAWANA SDN. BHD.	2,618,054,651	100.00	–	–

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Ninth Annual General Meeting ("**29th AGM**") of Kerjaya Prospek Property Berhad ("**KPPROP**" or "**the Company**") will be held on a virtual basis through live streaming from broadcast venue at Kerjaya Prospek Property Berhad, No. 1, Jalan Wangsa Permai, 1st Floor, Bangunan One Wangsa, Taman Wangsa Permai, 52200 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur on Tuesday, 23 August 2022 at 11.00 a.m. to transact the following items of business:-

AGENDA

As Ordinary Business

1.	To receive the Audited Financial Statements for the financial year ended 31 March 2022 together with the Directors' and Auditors' Reports thereon.	***Please refer to Explanatory Note A***
2.	To approve the payment of Directors' Fees amounting to RM200,000 for the financial year ended 31 March 2022.	***Ordinary Resolution 1***
3.	To approve the payment of Directors' Benefits (excluding Directors' Fees) up to an amount of RM50,000 for the period from conclusion of 29th AGM until the next AGM of the Company.	***Ordinary Resolution 2***
4.	To re-elect Mr Tee Sun Ee who retires in accordance with Clause 95 of the Company's Constitution.	***Ordinary Resolution 3***
5.	To re-elect Datin Toh Siew Chuon who retires in accordance with Clause 95 of the Company's Constitution.	***Ordinary Resolution 4***
6.	To re-appoint Messrs KPMG PLT as auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.	***Ordinary Resolution 5***

As Special Business

To consider and if thought fit, pass the following ordinary resolutions:

7. **Authority to Allot and Issue Shares Pursuant to the Companies Act 2016** — ***Ordinary Resolution 6***

"**THAT** subject always to the Companies Act 2016, the Company's Constitution, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the approval of the relevant government and/or regulatory authorities, the Directors be and are hereby authorised pursuant to the Companies Act 2016 to allot shares in the Company at any time at such price, upon such terms and conditions, for such purposes and to such person(s) whomsoever as the Directors may in their absolute discretion deem fit and expedient in the interest of the Company, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total issued share capital of the Company for the time being, and that the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

8. **Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate for RRPT")** — ***Ordinary Resolution 7***

"**THAT** subject always to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with those related parties as set out in the Circular to Shareholders dated 25 July 2022 ("Circular") which are necessary for the KPPROP Group's day-to-day operations subject to the following:-

(a) the transactions are in the ordinary course of business and are on terms not more favourable to the related parties than those generally available to the public and not to the detriment of minority shareholders; and

(b) the aggregate value of recurrent transactions conducted pursuant to the Proposed Shareholders' Mandate for RRPT will be disclosed in the Annual Report for the said financial year AND that such approval shall continue to be in force until:-

(i) the conclusion of the next Annual General Meeting of the Company, at which time it will lapse, unless by a resolution passed at a general meeting, the authority is renewed;

(ii) the expiration of the period within which the next Annual General Meeting of the Company subsequent to the date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("the Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

(iii) revoked or varied by resolution passed by the shareholders in a general meeting,

whichever is the earlier.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Shareholders' Mandate for RRPT."

9. **Proposed renewal of Shareholders' Mandate for Share Buy-Back of up to 10% of the total number of issued shares of the Company ("Proposed Shareholders' Mandate for Share Buy-Back")** — ***Ordinary Resolution 8***

"**THAT** subject to the Companies Act, 2016 ("the Act"), the Company's Constitution, Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and all other prevailing laws, rules, regulations and orders issued and/or amended from time to time by the relevant regulatory authorities, the Company be and is hereby authorised to renew the approval granted by the shareholders of the Company at the Twenty-Eighth Annual General Meeting of the Company held on 9 September 2021, authorising the directors of the Company to purchase such number of ordinary shares of KPPROP on the Main Market of Bursa Securities and/or hold from such terms and conditions as the Directors may deemed fit and expedient in the interest of the Company and, provided that:

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

(a) The aggregate number of ordinary shares in the Company purchased ("**Purchased Share(s)**") and/or held as treasury shares pursuant to this ordinary resolution shall not exceed 10% of the total number of issued shares of the Company at any point in time; and

(b) The maximum funds to be allocated by the Company for the Proposed Share Buy-Back shall not exceed the total retained earnings of the Company at the time of the purchase;

THAT upon completion of the purchase of the Purchased Shares, the Board of Directors of KPPROP shall have the absolute discretion to decide whether such Purchased Shares are to be cancelled and/or retained as treasury shares, or dealt with in such manner as provided under Section 127(7) of the Act;

THAT the Directors be and are hereby authorised to carry out the Proposed Share Buy-Back immediately upon the passing of this resolution until:-

(a) the conclusion of the next AGM of the Company, unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions;

(b) the expiration of the period within which the next AGM is required by law to be held; or

(c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever occurs first but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and to take all steps as are necessary and/or to do all such acts and things as the Directors may deem fit and expedient in the interest of the Company to give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, amendments and/or variations as may be imposed by the relevant authorities."

10. To transact any other ordinary business of which due notice shall have been given.

BY ORDER OF THE BOARD

LEONG SHIAK WAN (MAICSA 7012855) (SSM PC No. 202008002757)
ZURIATI BINTI YAACOB (LS0009971) (SSM PC No. 202008003191)
Joint Company Secretaries

Petaling Jaya
25 July 2022

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

NOTES:

1. **IMPORTANT NOTICE**

   The Twenty-Ninth AGM ("**29th AGM**") of the Company will be conducted virtually, without physical meeting venue, using the RPV facilities of **TIIH Online** at https://tiih.online. Please follow the procedures provided in the Administrative Guide for Shareholders in order to register, participate and vote remotely via the RPV facilities.

   The only venue involved will be broadcast venue where essential individuals will be physically present to organize and facilitate the conduct of the virtual AGM. The broadcast venue also serves the purpose of complying with Section 372(2) of the Companies Act 2016, which requires the Chairman of the meeting to be at the main venue of the AGM. No shareholders/proxies/corporate representatives from the public will be allowed to be physically present at the broadcast venue.

   Members may submit questions in relation to the agenda items of the 29th AGM prior to the meeting via **TIIH Online** website at https://tiih.online by selecting "e-Services" to login the corporate event of the Company from Tuesday, 26 July 2022 to Sunday, 21 August 2022. Thereafter, any further questions may be posed in real time (in the form of typed text) during the AGM by using the "Query Box" of the RPV facilities. The Board of Directors and Management of the Company shall respond to the questions to their best endeavor during the 29th AGM.

2. A member (other than an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991) entitled to attend and vote at the meeting is entitled to appoint a maximum of two (2) proxies to attend, participate, speak and vote on his/her behalf. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend, participate, speak and vote at the meeting of the Company shall have the same rights as the member to speak at the meeting.

3. Where a member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.

4. Where a member of the Company is an exempt authorised nominee which holds shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

5. A member who has appointed a proxy or attorney or corporate representative to attend and vote at 29th AGM must request his/her proxy or attorney or corporate representative to register their attendance for RPV at **TIIH Online** website at https://tiih.online. Please follow the RPV Procedures in the Administrative Guide of 29th AGM.

6. The Proxy Form shall be signed by the appointer or his/her attorney duly authorised in writing or, if the member is a corporation, must be executed under its common seal or by its duly authorised attorney or officer.

7. 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 Annual General Meeting or adjourned Annual General Meeting at which the person named in the appointment proposes to vote:

   i) <u>In hard copy form</u>
   The instrument appointing a proxy must be deposited at the office of the Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur at least forty-eight (48) hours before the time approved for holding the meeting or any adjournment thereof.

   ii) <u>By electronic means via Tricor System, TIIH Online</u>
   In the case of an appointment made via **TIIH Online**, this proxy form must be deposited via **TIIH Online** at https://tiih.online. Kindly refer to the Administrative Guide on the procedures for electronic lodgement of proxy form via TIIH Online.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

NOTES: (CONT'D)

8. Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.

9. Last date and time for lodging the proxy form is **11.00 a.m., 21 August 2022 (Sunday)**.

10. Only members whose names appear in the Record of Depositors on **15 August 2022** shall be entitled to attend, speak and vote at the 29th AGM.

11. Pursuant to Paragraph 8.29A(1) of the Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice of the 29th AGM will be put to vote by poll.

EXPLANATORY NOTE A

The Audited Financial Statements under Agenda 1 are meant for discussion only in accordance with the provision of Section 340(1) of the Companies Act 2016, and it does not require a formal approval of the shareholders. Hence, the agenda will not be put forward to voting.

EXPLANATORY NOTES ON ORDINARY RESOLUTIONS

1. Ordinary Resolution 2 – Proposed Payment of Directors' Benefits (excluding Directors' Fees)

   Section 230(1) of the Companies Act 2016 provides amongst others, that the fees of the Directors and benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting.

   In this respect, the Company is seeking shareholders' approval for:-

   (i) the payment of Directors' Benefits (excluding Directors' Fees) up to an amount of RM50,000 for the period from conclusion of 29th AGM until the next AGM of the Company.

   Other than Directors' Fees, Directors are remunerated with salary and other emoluments by virtue of their Employment Contracts.

2. Ordinary Resolutions 1, 2 – Payment of Directors' Fees and Directors' Benefits

   All the Directors who are shareholders of the Company will abstain from voting on Ordinary Resolution 1 and Ordinary Resolution 2 concerning Directors' Fees and Directors' Benefits respectively at the 29th AGM.

3. Ordinary Resolution 6 – Proposed Allot and Issue Shares

   The proposed Ordinary Resolution 6, if passed, will empower the Directors to allot and issue shares in the Company up to an amount not exceeding in total 10% of the issued share capital of the Company for such purposes as the Directors consider would be in the interest of the Company. This authority, unless revoked or varied by the Company at general meeting, will expire at the conclusion of the next Annual General Meeting.

   As at the date of this Notice, no new ordinary shares in the Company were issued pursuant to the authority granted to the Directors at the Twenty-Eighth Annual General Meeting held on 9 September 2021 and which will lapse at the conclusion of the 29th AGM.

   A renewal for the said mandate is sought to avoid any delay and cost involved such as convening general meeting. Should the mandate be exercised, the directors would utilise the proceeds raised from this mandate for working capital or such other application they may in their absolute discretion deem fit.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

EXPLANATORY NOTES ON ORDINARY RESOLUTIONS (CONT'D)

4. Ordinary Resolution 7 – Proposed Shareholders' Mandate for RRPT

   The proposed Ordinary Resolution 7, if passed, will allow KPPROP Group to enter into recurrent related party transactions of a revenue or trading nature which are necessary for KPPROP Group's day-to-day operations, pursuant to the provisions of the Main Market Listing Requirements. Further information on the Proposed Shareholders' Mandate for RRPT is set out in the Circular.

5. Ordinary Resolution 8 – Proposed Shareholders' Mandate for Share Buy-Back

   The Ordinary Resolution 8, if approved, will empower the Directors of the Company to purchase and/or hold up to a maximum of ten percent (10%) of the total number of issued share capital of the Company at any point of time, by utilising the funds allocated which shall not exceed the total retained profits of the Company. This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company, or the expiration of period within which the next Annual General Meeting is required by law to be held, whichever is earlier. Further information on this proposed Ordinary Resolution is set out in the Statement Accompanying Notice of AGM enclosed together with the Notice of 29th AGM.

ADMINISTRATIVE GUIDE

FOR THE TWENTY NINTH ANNUAL GENERAL MEETING ("29TH AGM")

ADMINISTRATIVE DETAILS

TWENTY NINTH ANNUAL GENERAL MEETING ("29TH AGM") OF KERJAYA PROSPEK PROPERTY BERHAD

Date	**:**	**Tuesday, 23 August 2022**
Time	**:**	**11.00 a.m.**
Broadcast Venue	**:**	**Kerjaya Prospek Property Berhad** **No. 1, Jalan Wangsa Permai, 1st Floor,** **Bangunan One Wangsa, Taman Wangsa Permai,** **52200 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur**
Meeting Platform	**:**	**TIIH Online website at https://tiih.online provided by Tricor Investor & Issuing House Services Sdn Bhd in Malaysia**

The 29th AGM will be conduct on **a virtual basis through live streaming and online remote voting** via Remote Participation and Voting ("**RPV**") facilities which are available on Tricor Investor & Issuing House Services Sdn Bhd's ("**Tricor**") **TIIH Online** website at https://tiih.online.

The broadcast venue of the 29th AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the Meeting to be at the main venue of the meeting. No members/proxy(ies) from the public will be physically present at the meeting venue.

We **strongly encourage** you to attend the 29th AGM via the RPV facilities. You may also consider appointing the Chairman of the Meeting as your proxy to attend and vote on your behalf at the 29th AGM.

RPV facilities

The RPV facilities are available on Tricor's **TIIH Online** website at https://tiih.online.

Members are to attend, speak (including posing questions to the Board in the form of real time submission of typed texts) and vote (collectively, "**participate**") remotely at the 29th AGM using RPV facilities provided by Tricor Investor & Issuing House Services Sdn Bhd ("**Tricor**").

A member of the Company who has appointed a proxy or attorney or authorised representative to participate at this 29th AGM via RPV facilities must request his/her proxy or attorney or authorised representative to register himself/herself for RPV at Tricor's TIIH Online website at https://tiih.online.

Kindly refer to Procedures for RPV as set out below for the requirements and procedures.

ADMINISTRATIVE GUIDE (CONT'D)

Procedures to Remote Participation and Voting via RPV Facilities

Please read and follow the procedures below to engage in remote participation through live streaming and online remote voting at the 29th AGM using the RPV facilities:

Before the 29th AGM Day

	Procedure	Action
BEFORE THE 29TH AGM DAY		
(a)	Register as an user with Tricor's TIIH Online website	• Using your computer, access the website at https://tiih.online and register as an user under the "**e-Services**" select "**Create Account by Individual Holder**". Kindly refer to the tutorial guide posted on the homepage for assistance. • Registration as an user will be approved within one (1) working day and you will be notified via email. • If you are already an user with Tricor's TIIH Online website, you are not required to register again. You will receive an **e-mail to notify** you that the remote participation is available for registration at Tricor's TIIH Online website.
(b)	Submit your registration for RPV	• Registration is open from Monday, 26 July 2022 until the day of 29th AGM on Tuesday, 23 August 2022. Member(s) or proxy(ies) or corporate representative(s) or attorney(s) are required to pre-register their attendance for the 29th AGM to ascertain their eligibility to participate in the 29th AGM using the RPV. • Login with your user ID and password and select the corporate event: "**(Registration) KP PROPERTY 29TH AGM**". • Read and agree to the Terms & Conditions and confirm the Declaration. • Select "**Register for Remote Participation and Voting**". • Review your registration and proceed to register. • System will send an e-mail to notify that your registration for remote participation is received and will be verified. • After verification of your registration against the General Meeting Record of Depositors as at **15 August 2022**, the system will send you an **e-mail after 21 August 2022 to approve or reject** your registration for remote participation. *(Note: Please allow sufficient time for approval of new user of TIIH Online and register for the RPV).*

ADMINISTRATIVE GUIDE (CONT'D)

Procedures to Remote Participation and Voting via RPV Facilities (cont'd)

Please read and follow the procedures below to engage in remote participation through live streaming and online remote voting at the 29th AGM using the RPV facilities: (cont'd)

On the AGM Day

	Procedure	Action
ON THE DAY OF THE 29TH AGM (TUESDAY, 23 AUGUST 2022)		
(c)	Login to Tricor's TIIH Online website	• Login with your user ID and password for remote participation at the 29th AGM at any time from 10.00 a.m. i.e. one (1) hour before the commencement of the 29th AGM on 11.00 a.m. on Tuesday, 23 August 2022.
(d)	Participate through Live Streaming	• Select the corporate event: "**(Live Stream Meeting) KP PROPERTY 29TH AGM**" to engage in the proceedings of the 29th AGM remotely. • If you have any question for the Chairman/Board, you may use the query box to transmit your question. The Chairman/Board will endeavour to respond to questions submitted by remote participants during the 29th AGM. If there is time constraint, the responses will be e-mailed to you at the earliest possible, after the meeting.
(e)	Online Remote Voting	• Voting session commences from 11.00 a.m. on Tuesday, 23 August 2022 until a time when the Chairman announces the end of the session. • Select the corporate event: "**(Remote Voting) KP PROPERTY 29TH AGM**" or if you are on the live stream meeting page, you can select "**GO TO REMOTE VOTING PAGE**" button below the Query Box. • Read and agree to the Terms & Conditions and confirm the Declaration. • Select the CDS account that represents your shareholdings. • Indicate your votes for the resolutions that are tabled for voting. • Confirm and submit your votes.
(f)	End of remote participation	• Upon the announcement by the Chairman on the conclusion of the 29th AGM, the live streaming will end.

Note to users of the RPV facilities:

Should your registration for RPV be approved, we will make available to you the rights to join the live stream meeting and to vote remotely. Your login to TIIH Online on the day of meeting will indicate your presence at the virtual meeting.

The quality of your connection to the live broadcast is dependent on the bandwidth and stability of the internet at your location and the device you use.

In the event you encounter any issues with logging-in, connection to the live stream meeting or online voting on the meeting day, kindly call Tricor's Help Line at 011-40805616 / 011-40803168 / 011-40803169 / 011-40803170 or e-mail to tiih.online@my.tricorglobal.com for assistance.

Pre-Meeting Submission of Questions to the Board of Directors

The Board recognises that the 29th AGM is a valuable opportunity for the Board to engage with members. In order to enhance the efficiency of the proceedings of the 29th AGM, members may in advance, before the 29th AGM, submit questions to the Board of Directors via Tricor's TIIH Online website at https://tiih.online, by selecting "e-Services" to login, post your questions and submit it electronically no later than **Sunday, 21 August 2022** at **11.00 a.m.**. The Board of Directors will endeavour to address the questions received at the 29th AGM.

ADMINISTRATIVE GUIDE (CONT'D)

Entitlement to Participate and Appointment of Proxy

Only members whose names appear on the Record of Depositors as at **15 August 2022** shall be eligible to attend, speak and vote at the 29th AGM or appoint a proxy(ies) and/or the Chairman of the Meeting to attend and vote on his/her behalf.

In view that the 29th AGM will be conducted on a virtual basis, a member can appoint the Chairman of the Meeting as his/her proxy and indicate the voting instruction in the Form of Proxy.

If you wish to participate in the 29th AGM yourself, please do not submit any Form of Proxy for the 29th AGM. You will not be allowed to participate in the 29th AGM together with a proxy appointed by you.

Accordingly, Form of Proxy and/or documents relating to the appointment of proxy/corporate representative/attorney for the 29th AGM whether in hard copy or by electronic means shall be deposited or submitted in the following manner not later than **Sunday, 21 August 2022** at **11.00 a.m.**:

(a) In hard copy:

By hand or post to the office of the Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur;

(b) By electronic form:

All members can have the option to submit Form of Proxy electronically via TIIH Online and the steps to submit are summarised below:

	Procedure	Action
i.	**Steps for Individual Members**	
(a)	Register as a User with Tricor's TIIH Online website	• Using your computer, please access the website at https://tiih.online. Register as a user under the "**e-Services**" and select "**Create Account by Individual Holder**". Please refer to the tutorial guide posted on the homepage for assistance. • Registration as a user will be approved within one (1) working day and you will be notified via e-mail. • If you are already a user with TIIH Online, you are not required to register again.
(b)	Proceed with submission of Form of Proxy	• After the release of the Notice of Meeting by the Company, login with your user name (i.e. email address) and password. • Select the corporate event: "**KP PROPERTY 29TH AGM – Submission of Proxy Form**". • Read and agree to the Terms & Conditions and confirm the Declaration. • Insert your CDS account number and indicate the number of shares for your proxy(ies) to vote on your behalf. • Appoint your proxy(ies) and insert the required details of your proxy(s) or appoint Chairman as your proxy. • Indicate your voting instructions – **FOR** or **AGAINST**, otherwise your proxy will decide on your vote. • Review and confirm your proxy(ies) appointment. • Print the Form of Proxy for your record.

ADMINISTRATIVE GUIDE (CONT'D)

Entitlement to Participate and Appointment of Proxy (cont'd)

(b) By electronic form: (cont'd)

All members can have the option to submit Form of Proxy electronically via TIIH Online and the steps to submit are summarised below: (cont'd)

	Procedure	Action
ii.	**Steps for Corporation or Institutional Members**	
(a)	Register as an User with Tricor's TIIH Online website	• Access TIIH online at https://tiih.online • Under e-Services, the authorised or nominated representative of the corporation or institutional member selects "**Create Account by Representative of Corporate Holder**". • Complete the registration form and upload the required documents. • Registration will be verified, and you will be notified by email within one (1) to two (2) working days. • Proceed to activate your account with the temporary password given in the email and re-set your own password. *(Note: The representative of a corporation or institutional member must register as a user in accordance with the above steps before he/she can subscribe to this corporate member electronic proxy submission. Please contact our Share Registrar if you need clarifications on the user registration.)*
(b)	Proceed with submission of Form of Proxy	• Login to Tricor's TIIH Online website at https://tiih.online • Select the corporate event: "**KP PROPERTY 29TH AGM – Submission of Proxy Form**". • Read and agree to the Terms & Conditions and confirm the Declaration. • Proceed to download the file format for "**Submission of Proxy Form**" in accordance with the Guidance Note set therein. • Prepare the file for the appointment of proxies by inserting the required data. • Proceed to upload the duly completed proxy appointment file. • Select "**Submit**" to complete your submission. • Print the confirmation report of your submission for your record.

Poll Voting at Meeting

The voting at the 29th AGM will be conducted on a poll pursuant to Paragraph 8.29A of the Listing Requirements. The Company has appointed Tricor Investor & Issuing House Services Sdn Bhd as Poll Administrator to conduct the poll voting electronically ("**e-voting**") and Asia Securities Sdn Bhd as Independent Scrutineers to verify the poll results.

Members/proxy(ies)/corporate representative(s)/attorney(s) can proceed to vote on the resolutions before the end of the voting session which will be announced by the Chairman of the Meeting and submit your votes at any time from the commencement of the 29th AGM at 11.00a.m. Kindly refer to "**Procedures to Remote Participation and Voting via RPV Facilities**" provided above for guidance on how to vote remotely via TIIH Online.

Results of the voting

The resolutions proposed at the 29th AGM and the results of the voting will be announced at the 29th AGM and subsequently via an announcement made by the Company through Bursa Securities website at www.bursamalaysia.com.

ADMINISTRATIVE GUIDE (CONT'D)

No Breakfast / Lunch Pack, Door Gift or Food Voucher

There will be no distribution of breakfast/lunch packs, door gifts or food vouchers during the 29th AGM.

Annual Report

The Annual Report is available on the Company's website at www.kpproperty.com.my and Bursa Malaysia's website at www.bursamalaysia.com under Company's announcements.

You may request for a printed copy of the Annual Report at https://tiih.online by selecting "Request for Annual Report" under the "Investor Services".

Kindly consider the environment before you decide to request for the printed copy of the Annual Report. The environmental concerns like global warming, deforestation, climate change and many more affect every human, animal and nation on this planet.

Recording Or Photography

Strictly NO unauthorised recording or photography of the proceedings of the 29th AGM is allowed.

Enquiry

If you have any enquiry prior to the meeting, please call our Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at +603-2783 9299 during office hours on Monday to Friday from 8:30 a.m. to 5:30 p.m. (except on public holiday).

Share Registrar – Tricor Investor & Issuing House Services Sdn Bhd
General Line : +603 – 2783 9299
Fax Number : +603 – 2783 9222
Email : is.enquiry@my.tricorglobal.com

Contact persons
- Mr. Aiman : +603-2783 9262 / Email : muhamad.aiman@my.tricorglobal.com
- Mr. Jake Too : +603-2783 9285 / Email : Chee.Onn.Too@my.tricorglobal.com

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KERJAYA PROSPEK PROPERTY BERHAD
Registration No.: 199401001358 (287036-X)
(Incorporated in Malaysia)

CDS account no. of authorised nominee

PROXY FORM

I/We ____(name of shareholder as per NRIC, in capital letters)

NRIC No./ID No./Company No. ______________________________ (new) ______________________________ (old)

of ____ (full address)

being a member(s) of the abovenamed Company, hereby appoint ____

(name of proxy as per NRIC, in capital letters) NRIC No. ______________________(new) ______________________ (old)

or failing him/her ____ (name of proxy per NRIC, in capital letters)

NRIC No. ______________________(new) ______________________________ (old) or failing him/her the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Twenty-Ninth Annual General Meeting of the Company to be held on a virtual basis through live streaming from broadcast venue at Kerjaya Prospek Property Berhad, No. 1, Jalan Wangsa Permai, 1st Floor, Bangunan One Wangsa, Taman Wangsa Permai, 52200 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur on Tuesday, the 23rd day of August 2022 at 11.00 a.m. and at each and every adjournment thereof.

My/our proxy is to vote as indicated below:

RESOLUTIONS		FOR	AGAINST
Ordinary Resolution 1	Approval of Directors' Fees amounting to RM200,000 for the financial year ended 31 March 2022		
Ordinary Resolution 2	Approval of benefit payable to Directors (excluding Directors' Fees) up to an amount of RM50,000 for the period from conclusion of 29th AGM until the next AGM of the Company.		
Ordinary Resolution 3	Re-election of Mr Tee Sun Ee as Director		
Ordinary Resolution 4	Re-election of Datin Toh Siew Chuon as Director		
Ordinary Resolution 5	Re-appointment of Messrs KPMG PLT as Auditors		
Ordinary Resolution 6	Authority to allot and issue shares pursuant to the Companies Act 2016		
Ordinary Resolution 7	Proposed Renewal of Shareholders' Mandate for recurrent related party transactions of a revenue or trading nature		
Ordinary Resolution 8	Proposed Share Buy-Back of up to 10% of the total number of issued shares of the Company		

(Please indicate with an "X" in the spaces provided above on how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his discretion.)

____
Signature/Common Seal

Number of shares held: ____________________

Date: ______________________________

For appointment of two proxies, percentage of shareholdings to be represented by the proxies:

	No. of shares	Percentage
Proxy 1		%
Proxy 2		%
Total		100%

NOTES:

IMPORTANT NOTICE

1. The Twenty-Ninth AGM ("**29th AGM**") of the Company will be conducted virtually, without physical meeting venue, using the RPV facilities of **TIIH Online** at https://tiih.online. Please follow the procedures provided in the Administrative Guide for Shareholders in order to register, participate and vote remotely via the RPV facilities.

   The only venue involved will be broadcast venue where essential individuals will be physically present to organize and facilitate the conduct of the virtual AGM. The broadcast venue also serves the purpose of complying with Section 372(2) of the Companies Act 2016, which requires the Chairman of the meeting to be at the main venue of the AGM. No shareholders/proxies/corporate representatives from the public will be allowed to be physically present at the broadcast venue.

   Members may submit questions in relation to the agenda items of the 29th AGM prior to the meeting via **TIIH Online** website at https://tiih.online by selecting "e-Services" to login the corporate event of the Company from Monday, 26 July 2022 to Sunday, 21 August 2022. Thereafter, any further questions may be posed in real time (in the form of typed text) during the AGM by using the "Query Box" of the RPV facilities. The Board of Directors and Management of the Company shall respond to the questions to their best endeavor during the 29th AGM.
2. A member (other than an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991) entitled to attend and vote at the meeting is entitled to appoint a maximum of two (2) proxies to attend, participate, speak and vote on his/her behalf. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend, participate, speak and vote at the meeting of the Company shall have the same rights as the member to speak at the meeting.
3. Where a member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
4. Where a member of the Company is an exempt authorised nominee which holds shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. A member who has appointed a proxy or attorney or corporate representative to attend and vote at 29th AGM must request his/her proxy or attorney or corporate representative to register their attendance for RPV at **TIIH Online** website at https://tiih.online. Please follow the RPV Procedures in the Administrative Guide of 29th AGM.
6. The Proxy Form shall be signed by the appointer or his/her attorney duly authorised in writing or, if the member is a corporation, must be executed under its common seal or by its duly authorised attorney or officer.

NOTES: (CONT'D)

IMPORTANT NOTICE (CONT'D)

7. 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 Annual General Meeting or adjourned Annual General Meeting at which the person named in the appointment proposes to vote:
   (i) In hard copy form

   The instrument appointing a proxy must be deposited at the office of the Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur at least forty-eight (48) hours before the time approved for holding the meeting or any adjournment thereof.

   (ii) By electronic means via Tricor System, TIIH Online

   In the case of an appointment made via **TIIH Online**, this proxy form must be deposited via **TIIH Online** at https://tiih.online. Kindly refer to the Administrative Guide on the procedures for electronic lodgement of proxy form via TIIH Online.
8. Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
9. Last date and time for lodging the proxy form is **11.00 a.m., 21 August 2022 (Sunday)**.
10. Only members whose names appear in the Record of Depositors on **15 August 2022** shall be entitled to attend, speak and vote at the 29th AGM.
11. Pursuant to Paragraph 8.29A(1) of the Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice of the 29th AGM will be put to vote by poll.

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The Share Registrar

KERJAYA PROSPEK PROPERTY BERHAD
Registration No.: 199401001358 (287036-X)
Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A,
Vertical Business Suite, Avenue 3, Bangsar South,
No. 8, Jalan Kerinchi, 59200 Kuala Lumpur

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KERJAYA
PROSPEK
PROPERTY
BERHAD
199401001358 (287036-X)

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