KERJAYA
PROSPEK
Property

KERJAYA PROSPEK PROPERTY BERHAD

(Formerly Known As GSB Group Berhad)
199401001358 (287036-X)

ANNUAL REPORT 2020

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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)

Gan Pik Mui
(Non-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)

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 (Firm No AF 0758)
Chartered Accountants
Level 10, KPMG Tower
8, First Avenue, Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan
Malaysia

PRINCIPAL BANKERS

AmBank (M) Berhad
CIMB Bank Berhad
Hong Leong Bank Berhad
HSBC Bank Malaysia Berhad
Malayan Banking Berhad
OCBC Bank (Malaysia) Berhad
Public Bank Berhad
United Overseas Bank (Malaysia) 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 20 July 2020

KERJAYA PROSPEK

Property

Kerjaya Prospek Property Berhad
199401001358 (287036-X)
Formerly known as GSB Group Berhad
Investment Holding

- Kerjaya Property Sdn Bhd 200901015711(858791-D) — **100%**
  Formerly known as Kerjaya Prospek Property Sdn Bhd
  Project Management Consultants and Property Development
- Kerjaya Hotel Sdn Bhd 200901024430 (867530-M) — **100%**
  Property Development, Hotel Operation and Letting of Service Apartments
- Aeon Frontier Sdn Bhd 200701022275 (780290-P) — **100%**
  Investment Holding and General Trading
- Desanda Property Sdn Bhd 200901019763 (862860-A) — **99.4%**
  Investment Holding
- KPP Properties Sdn Bhd 200801006387 (807671-T) — **100%**
  Formerly known as GSB Properties Sdn Bhd
  Property Development
- KPP Management Sdn Bhd 199001004460 (196027-K) — **100%**
  Formerly known as GSB Management Sdn Bhd
  Property Development and Construction
- KPP Development Sdn Bhd 199801001086 (457212-A) — **100%**
  Formerly known as GSB Summit Development Sdn Bhd
  Property Development
- Summit CD (M) Sdn Bhd 199101015885 (226197-M) — **100%**
  Formerly known as GSB Summit CD (M) Sdn Bhd
  Manufacture of Compact Discs and Digital Versatile Discs
- Summit Audio (M) Sdn Bhd 198801006074 (173431-U) — **100%**
  Formerly known as GSB Summit Audio (M) Sdn Bhd
  Dormant
- Serta Usaha Sdn Bhd 198401003867 (116386-U) — **100%**
  Property Development

Profile of Directors

DATIN TOH SIEW CHUON
Executive Chairman

DATIN TOH SIEW CHUON, a Malaysian, aged 54, 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 Malaysian Associate of Certified Chartered 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 51, 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 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.

KUAN YING TUNG
Independent Non-Executive Director

KUAN YING TUNG, a Malaysian, aged 38, male, was appointed to the Board on 5 November 2018 as Independent Non-Executive Director. He was appointed as Chairman of the Audit and Risk Management Committee and Nomination Committee on 22 November 2018.

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 the public accounting firm Messrs. CWC & Eng PLT.

IR. LOW WUU SHIN
Independent Non-Executive Director

IR. LOW WUU SHIN, a Malaysian, aged 45, male, is an Independent Non-Executive Director of the Company and was appointed to the Board on 5 November 2018. He was appointed as a member of the Audit and Risk Management Committee and Nomination Committee on 22 November 2018.

Ir. Low has 19 years of experience in Civil, Structure and Geotechnical Consulting Firm and 4 years of experience in Project Management in Property Development Company.

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.

TEE SUN EE
Independent Non-Executive Director

TEE SUN EE, a Malaysian, aged 69, male, is an Independent Non-Executive Director of the Company and was appointed to the Board on 22 November 2018. He was appointed as a member of the Audit and Risk Management Committee and Nomination Committee on 22 November 2018.

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 position of a Director in private companies involved in printing and hotel businesses.

GAN PIK MUI
Non-Independent Non-Executive Director

GAN PIK MUI, a Malaysian, aged 49, female, was formerly the Managing Director of the Company and was appointed to the Board on 21 December 2006. She was re-designated as Non-Independent Non-Executive Director of the Company on 1 July 2020.

Ms. Gan is a Chartered Accountant of the Malaysian Institute of Accountants. She holds a Bachelor of Arts (Hons) in Accounting and Financial Management from the University of Essex, England, a Master of Science in Management from City University of London and she is also a fellow member of the Association of Chartered Certified Accountants.

She was previously with KPMG Management Consulting for 3 years as a Senior Consultant, involving in the area of corporate restructuring and acted as a financial consultant to quoted and unquoted clients for Scheme of Arrangement pursuant to Section 176 of the Companies Act, 1965 of Malaysia and informal scheme of arrangement through Corporate Debt Restructuring Committee of Malaysia before leaving for England where she was attached with a property management company in London for a year.

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. Other than the recurrent related party transactions disclose on page 49 of this Annual Report, none of the Directors has any conflict of interests with 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 2020 as disclosed in Corporate Governance Overview of this Annual Report.

Profile of Key Senior Management

Datin Toh Siew Chuon
Executive Chairman
Malaysian, aged 54, female

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

Tee Eng Seng
Executive Director
Malaysian, aged 51, male

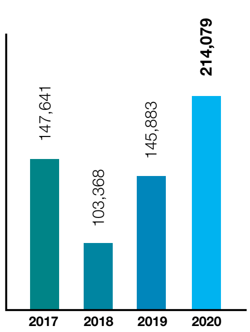
Please refer to the Profile of Directors for Tee Eng Seng's profile.

Group Financial Highlights

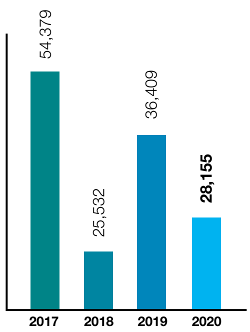
FINANCIAL YEAR ENDED 31 MARCH	2017	2018	2019	2020
FINANCIAL PERFORMANCE (in RM'000)				
Revenue	147,641	103,368	145,883	214,079
Profit Before Taxation	54,379	25,532	36,409	28,155
Profit For The Year	42,127	19,129	27,823	21,241
FINANCIAL POSITION (in RM'000)				
Total Assets	600,928	502,633	593,277	878,641
Total Liabilities	354,771	237,348	341,094	560,797
Net Current Assets	72,851	90,084	198,347	157,973
Net Assets	246,157	265,285	252,183	317,844
Cash and Bank Balances	31,792	25,247	9,911	78,756
Total Borrowings	-	-	108,618	287,311
Equity Attributable to Owners of the Company	246,157	265,285	252,183	317,594
Issued Share Capital	53,740	53,754	56,629	132,835
No. of ordinary shares ('000)	528,000	528,100	552,440	200,142
KEY FIGURES				
Basic Earnings Per Share (sen)	7.98	3.62	5.10	16.27
Net Assets Per Share (sen)	46.62	50.23	45.65	158.81
Net Debt to Equity Ratio	N/A	N/A	0.39	0.66

The financial information stated above for financial year 2017, 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 as described in Note 2(a)(iii) of the Audited Financial Statements, on page 68 of this Annual Report.

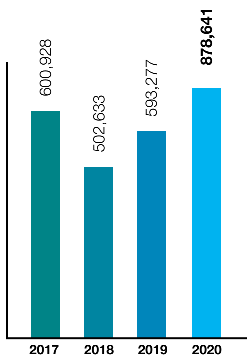
REVENUE (RM'OOO)



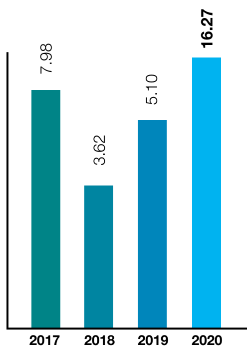
PROFIT BEFORE TAXATION (RM'OOO)



TOTAL ASSETS (RM'000)



BASIC EARNINGS PER SHARE (SEN)



Chairman's Statement

The financial year 2020 ("FY 2020") was an exciting year of soul-searching and discovery for Kerjaya Prospek Property Berhad (the "Company", the "Group" or "KPPB") (formerly known as GSB Group Berhad ("GSB")).

The Group's landmark event in the year under review was its formation, as described in the next section, via a reverse take-over following the mergers and acquisitions ("M&A") of several wholly and majority-owned subsidiaries within the Company.

"Whenever you see a successful business, someone once made a courageous decision."
- Peter F. Drucker -

The formation of KPPB precipitated after discussions between the interested shareholders of GSB to continually improve shareholders' value by focusing on the main revenue-driver of the Company. As most of our shareholders know, GSB was running in the red since 2003, except for a few breakthroughs in financial year 2006 and 2011-13. The manufacturing and replication of optical disks, which began prior, had been experiencing thinning margins. When Mr Tee Eng Seng ("Mr Tee") and myself were appointed as Directors in 2018, that was when GSB began to prioritise its property development segment. After considering the Company's operations, it was a significant decision for the Group to focus and consolidate on its strengths.

ESTABLISHMENT OF KPPB

This watershed event began with the acquisition of three wholly-owned subsidiaries by GSB, namely Aeon Frontier Sdn Bhd ("AFSB"), Kerjaya Property Sdn Bhd (formerly known as Kerjaya Prospek Property Sdn Bhd) ("KPSB") and Kerjaya Hotel Sdn Bhd ("KHSB") and a subscription of 99.4% shares in Desanda Property Sdn Bhd ("DPSB"). The completion of the M&A led to the amendment in Company Constitution to allow the creation and issuance of the Consideration RCPS as defined within the Circular to shareholders (the "Circular") issued on 29 November 2019 and the consolidation of every five existing KPPB shares to one KPPB share ("Corporate Exercise"). Further details of the Proposals can be found within the aforementioned Circular.

The successful culmination of the Corporate Exercise was signalled in the name change of GSB Group Berhad to Kerjaya Prospek Property Berhad on 26 December 2019.

There is still a lot of work for the management to impart added value to the shareholders. As part of the Corporate Exercise, the Group intends to undertake a private placement of the 125 million new KPPB shares to raise funds in a cost-effective manner. This will pivot towards reducing the Group's borrowings and improve its gearing ratio as the Group will enjoy interest savings from the proposed private placement.

FOUNDATION BASED ON STRONG FUNDAMENTALS

In light of the Group's formation, shareholders are assured of sustained performance and growth to value with a scale-up of operations from the focus on the Group's main business activity in property development. The Group's impressive revenue growth stood at RM214.08 million on the back of RM145.88 million year-on-year (y-o-y), representing a growth of RM68.2 million or a 46.75% growth.

However, as the Group continues to experience strong headwinds from the market, which is an industry-wide issue, the profit before tax ("PBT") stood at RM28.16 million, which is a drop of RM8.25 million against last year's RM36.41 million. Consequently, the profit after tax and minority interests ("PATAMI") for the year stood at

RM21.24 million, a shortfall of RM6.58 million against last year's RM27.82 million.

Despite these numbers, the Group has strong fundamentals as can be seen in the total comprehensive income which accounts for the entire profit of the Group in the year under review, as compared to the previous year, in which expenses accounted for RM13.10 million of the Group's performance. These fundamentals are seen as the driving force behind the moderation of 16.26 sen earnings per ordinary share on a fully diluted basis.

In addition to this, the Group's outstanding completion track record for G-Residence, a mixed-development project in Johor Bahru with an estimated Remaining Gross Development Value ("RGDV") of RM137.49 million and an upcoming mixed-development in Shah Alam, Seksyen 15, for a 27-storey serviced apartment, 22-storey small office/home office ("SOHO") above a seven-storey carpark podium, with an estimated GDV of RM190 million provides sufficient revenue visibility for the next 3-4 years.

With the Corporate Exercise, the Group's stable of ongoing projects has grown to include the exclusive 30-storey serviced apartment and commercial development of Straits Residences @ Seri Tanjung Pinang, Penang with an estimated RGDV of RM238.22 million; a bespoke four-tower serviced apartment called Kaleidoscope at Setiawangsa, Kuala Lumpur, with an estimated RGDV of RM115.02 million and the newly launched Bloomsvale, Old Klang Road, Kuala Lumpur, a mixed development project comprising 2 towers of serviced residences, a shopping mall, corporate tower and a hotel run by an international hotel chain with an estimated RGDV of RM1.03 billion expected to be realised over 4-5 years, solidifying the Group's earnings visibility.

SUSTAINABILITY AT ITS CORE

Within the Group's structure is the desire to embed sustainability in every aspect of business, not just within its financial practices and operational excellence. Sustainability as an agenda is reflected in the Group's products, such as Bloomsvale's award of the GreenRE Platinum Award (Provisional) for the Residential Category right through to the Group's desire to enhance their Sustainability Statement with the focus on the Sustainability Matters within this Annual Report as well as ensuring its Corporate Governance, Risk Management and Internal Control embrace and adopt business sustainability practices throughout.

The leadership of the Group sets the tone by considering the material sustainability matters and weighing them against the business' priorities. Through dialogues with the different stakeholders in the business, prioritisation of sustainability matters and effective management of risk matters, the Group manages to ensure vitality and vibrancy of operations both in the present and in future.

Within the year under review, the focus on business sustainability came to the fore with the emergence of the Covid-19 pandemic. Governments worldwide, including our own, responded with measures to curtail the spread of the disease. The Group's operations, particularly the hospitality division, was affected by the Movement Control Order (MCO) in the last 2 weeks of March 2020 and this division will continue to see some impact to its operations in the near future. We have discussed the risks and opportunities within the Management's Discussion and Analysis' Risk section. Meanwhile, throughout the Group, the Management has put in place some key measures to uphold the Government's guidelines and Standard Operating Procedures ("SOP") like practicing social distancing and enhancing hygiene and sanitary practices to function in the new normal of daily operations.

APPRECIATION

It is with the thoughts of creating a sustainable future at the Group and Company level as well as creating a sustainable lifestyle for all who partake in Kerjaya Prospek Property Berhad's properties that I, on behalf of the Group, would like to thank our faithful shareholders, who have been with us on this year's identity-defining journey; the different stakeholders such as the Government authorities, business associates and partners, clients, investors and bankers who await our progress as a consolidated property developer and the management team and staff, whose unswerving support and dedication has paved a better, more sustainable future, for all.

Datin Toh Siew Chuon
Executive Chairman

Straits Residences, Seri Tanjung Pinang, Penang

Kaleidoscope, Setiawangsa, Kuala Lumpur

Bloomsvale, Old Klang Road, Kuala Lumpur

The Shore, Melaka

g Residence, Johor Bahru

Residency V, Old Klang Road, Kuala Lumpur

Management Discussion & Analysis

In the year under review, Kerjaya Prospek Property Berhad (the "Group" or "KPPB") has undergone a formation process via a merger and acquisition ("M&A") exercise ("Corporate Exercise") which culminated in the reverse-takeover of the parent company, a Group formerly known as GSB Group Berhad ("GSB"), and the emergence of KPPB.

This Management Discussion and Analysis is to provide shareholders and investors an overview of the business, operations and financial performance of the Group for the financial year ended 31 March 2020 ("FY 2020") and the outcome from this Corporate Exercise. Subsequently, the Management aims to discuss the business risks and opportunities along with the brand new focus on property development.

STRATEGIC DIRECTION - FOCUS ON STRENGTHS

The main outcome of the Corporate Exercise in terms of strategy was to redirect the Group's attention and focus to the main revenue-generating business activities for the Group. In terms of business activity, there is no significant change to the principal business activity and the focus of the Group into property development is a natural growth of their business activities especially in the last few years, amid thinning manufacturing profits.

The main market segments of mid-tier or mid-market property buyers remain the Group's bread and butter segment and despite dampening enthusiasm for high-end developments, there is sustained interest and high yields in relation to volume. In terms of market focus, the Group intends to continue providing integrated and mixed-development projects, which offer a synergy between the project's components and ultimately unlocking landbank value through a sustained growth phase until its maturity.

In terms of financial strategy, the Corporate Exercise has begun the scaling up of operations for the Group, especially with the proposed private placement, which will increase the Group's liquidity and raise funds to pare down the Group borrowings going forward. The focus on property industry functions as a consolidation measure and allows the business to ensure viability through scale.

FINANCIAL HIGHLIGHTS - SETTING PRECEDENTS FOR THE GROUP

In the year under review, revenue-intensity rose by 46.75% to RM214.08 million from a base of RM145.88 million from the previous year. This is mainly attributed to the completion of G-Residence, a mixed-development project in Johor Bahru with a Remaining Gross Development Value (RGDV) of RM137.49 million as well as progress billings from ongoing developments in the Klang Valley and Penang, which are discussed further in the Review of Operations.

As for the Group's profit margin, its profit before tax ("PBT") for the year under review stands at RM28.16 million, a decrease of RM8.25 million against last year's RM36.41 million. Subsequently, the profit after tax and minority interests ("PATAMI") meanwhile stood at RM21.24 million, mirroring PBT, for a shortfall of RM6.58 million against FY2019's RM27.82 million. In view of the current economic conditions, the Board of Directors ("BOD") has not recommended any dividends to be paid during or for the year under review.

Meanwhile, the Group's strong fundamentals seen in its total comprehensive income accounting for the entire year's profit and its continued rate of completion for ongoing projects which contribute positively to the Group's revenue and cashflow. The Group's strong fundamentals come together to moderate the Group's 16.26 sen earnings per ordinary share on a fully diluted basis.

Within the ambit of the Corporate Exercise, the shareholders' funds after the completion of the share consolidation exercise rose to RM317.59 million as at 31 March 2020 and the net gearing of the Group rose to 0.66 times. As part of the Corporate Exercise, the Group has an approved private placement, which is still outstanding and if it is implemented, will enlarge the resources available to the Group. All in all, the completion of the private placement will enable a stronger debt servicing ability for the Group, lowering its net gearing and possibly enhancing the Group's working capital.

REVIEW OF OPERATIONS

PROPERTY DEVELOPMENT SEGMENT

In FY2020, the completion of the joint-venture project of G-Residence in Johor Bahru saw the delivery of Vacant Possession ("VP") in 4Q FY2020. The mixed-development project with an estimated RGDV of RM137.49 million as at 31 March 2020, reached its tail-end in March 2020 with over 80% take up rate mainly for its non-Bumiputera lots. The Group is in the progress of applying for the release of the Bumiputera lots to be made available for sale to non-Bumiputera from the relevant government authority.

Another development is the integrated serviced apartments nestled within the exclusive sea-fronting Straits Residences @ Seri Tanjung Pinang, Penang. Complemented with a commercial component and an estimated RGDV of RM238.22 million, this low-density, high-end development has an expected dated for VP in 4Q FY2021.

Meanwhile, in the Klang Valley, the bespoke Kaleidoscope @ Setiawangsa, Kuala Lumpur, which has an estimated RGDV of RM115.02 million, comprises 600 units of serviced apartments housed within four 31-storey towers, spread out across 24,510 sqm bordering a green lung in Kuala Lumpur. This project is fully sold subsequent to the reporting period and is expected for handover by 2Q FY2021.

The Group's newly launched Bloomsvale, Old Klang Road, Kuala Lumpur, is a mixed development project comprising 2 towers of serviced residences, a shopping mall, corporate tower and hotel managed by Marriott International with an estimated RGDV of RM1.03 billion to be realised over 4-5 years. The residential component has an estimated RGDV of RM 661.07 million and as indicated by its take-up rates, the right property will meet the needs of the right property buyer. Even though Bloomsvale had undergone significant upheavals during the Movement Control Order ("MCO") and subsequent Government restrictions in response to the Covid-19 pandemic, the Bloomsvale Residences have a take-up rate of 39%, as at 31 July 2020. In the new normal of business, the encouraging booking rate before the MCO has seen a slowdown in the conversion process, including stringent loan requirements from financial institutions lowering contagion risks from purchasers.

The integrated development was planned with the tagline 'Something for Everyone' in mind and young professionals would be equally at home in it as well as multi-generational families. The commercial components of a mall and corporate towers allow for seamless work-play balance while the Hotel, managed by Marriott International, under the brand name "Courtyard by Marriott " speaks volumes of the Group's ability to attract the right partner and investors to the development. The first targeted completion date for the project is in 2023.

In addition to this, the Group's upcoming mixed-development in Shah Alam, Seksyen 15, for a 27-storey serviced apartment, 22-storey small office/home office (SOHO) above a seven-storey carpark podium, has an estimated GDV of RM190 million, which will provide sufficient revenue visibility for the next 3-4 years. This project is at the pre-launch stage and a soft launch is planned to be held in the following financial year.

HOSPITALITY DIVISION

Continuing the property management and hotel operations excellence of the Group is wholly-owned subsidiary, Kerjaya Hotel Sdn Bhd ("KHSB"). The Shore @ Sungai Melaka, an integrated mixed development, comprises the prestigious 306-room 5-star Swiss-Garden Hotel Melaka, serviced apartments and mall, completed in 2014 and fully-operational for more than 5 years. Overall performance of the hospitality division was encouraging with the division charting a PAT of RM5.48 million on the back of revenue amounting to RM30.76 million. In light of the Covid-19 pandemic and the subsequent MCO set by the Government, the hotel was closed during the last two weeks of March 2020, which is the final financial quarter for KPPB. During the Recovery MCO ("RMCO"), the hotel was allowed to operate again but under guidelines and Standard Operating Procedures ("SOP") set by the National Security Council. Further discussion on the Management's response is discussed in the next section on emerging risks.

EMERGING RISKS - BUSINESS CONTINUITY PLANS & MITIGATION

Among the key risks faced by any business this year is the emergence of the Covid-19 pandemic, resulted in the new normal in business operation. The guidelines and SOP set by the Malaysian Government and the National Security Council, have impacted on the hospitality and tourism industry, which has in a way impacted the Group's hospitality division.

However, as the Group has sound knowledge and experience in its business continuity plans ("BCP"), the risk to the hospitality segment was mitigated with planned steps following Government guidelines and SOP. This new normal and various Government's economic stimulus plan, promotion, encouragement of domestic tourism and the lifting of inter-state movement restrictions have a positive impact on the hospitality division.

Although the partial resumption of hotel has led to a moderation in the hospitality divisions' revenue stream, the Group continues to expect an upside for the hospitality division as Governments worldwide are moving out of lockdown. The Group's immediate outlook within the next six months may be impacted by this global threat, however, the industries are projected to improve once the recovery movement control order comes into full fruition.

In terms of the property development industry, the key risks associated to the industry occurred during the stop work order in the first few phases of the MCO, the continued wait-and-see attitude of buyers and other associated risks arising from different stakeholders, such as vendors and contractors, supply chain availability and changes in Government policies.

Such emerging risks are handled by the Management with prudence in adjusting working conditions to suit the requirements, considering product mix and price points as well as scheduling and confirming goods and services on a predetermined plan.

With regards to managing financial and interest rate risk, the Corporate Exercise was among one of the Group's methods of adjusting a closer baseline of net asset to borrowings. The final act of private placement was intended to manage the Group's net gearing further to a comfortable level.

LOOKING AT THE FUTURE - OPPORTUNITIES FOR GROWTH

The advent of KPPB as an entity heralds the entry of a consolidated pure Malaysia-play property developer into the market in its own right. The nexus of the Group's growth in the growth corridors of the greater Klang Valley, Penang, Johor Bahru and Melaka is a signal that these markets continue to excite a variety of property buyers.

The diversity of home-buyers, from first timers to those looking for upgrades and multi-generational households to those desiring a manageable residence in their golden years, truly speaks to the variable needs in property purchases. While Bank Negara Malaysia ("BNM") statistics have shown Real GDP moderation to 0.7% at the end of 1Q 2020[1] , the net effect of sustained demand for the residential sector below RM1 million and housing for the low and middle-income group has seen various measures by the Government to address the needs of the *rakyat*. Evidently is the exemption from Sales and Services Tax ("SST") for construction and building materials, the National Home Ownership Campaign ("HOC") and various measures tapping into digitalisation of the property market.

Key business sustainability matters will be considered for the first time and prioritised in the Sustainability Statement prepared in this Annual Report. Part of this exercise that was interesting to the leadership and management team was the discussion with the stakeholders, the identification of the Sustainability Matters and how they answered some of the emerging risks as well as ensure business viability. Working within the model of Bursa Malaysia's Economic, Environmental and Social ("EES") sustainability report helped the team look into key opportunity areas and it is a journey KPPB is looking forward to partake in.

Other than these possible avenues of growth, the Group continues maintaining shareholder value through unlocking landbank value through its thoughtful products, decreasing net gearing levels to a comfortable level and being on the lookout for parcels of land that may continue to jive with the Group's integrated development brand strategy and its lifestyle enhancing offerings.

[1] Source: Department of Statistics, Malaysia

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 2017 ("the Code" or "MCCG 2017") 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 2017 supersedes its earlier editions by taking on a new approach to promote greater internalisation of corporate governance culture. The Code has been developed to reflect the new modes of thinking as well as the "CARE" (i.e. C – Comprehend; A – Apply and RE – Report) concepts that underpin the MCCG 2017.

It is equipped with 3 Principles, 32 Practices and 4 Step Ups and the MCCG 2017 calls upon companies to view corporate governance disclosures as an opportunity to demonstrate to stakeholders that they have a holistic and an effective corporate governance system which governs their processes, people and practices in their achievement of corporate excellence.

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.

There is a clear division of responsibilities between the Board and the Management. The Executive Director is responsible for the day-to-day management of the Group and the implementation of strategies and policies set by the Board under delegated authority from the Board. In carrying out her responsibilities, the Executive Director ensures that all reports to the Board present a true and fair view of the Group's financial position and operational performance. The Management of the Group's two core businesses reports to the Executive Director separately as there are of different industry. The Board has adopted a policy on delegation of approving authority and authority limits. The policy applies to members of the Board, the Executive Director and key senior management personnel. It establishes the authority of each of these groups to act effectively and make decisions in relation to the activities of the Group.

There is a clear division of responsibility between the Executive Chairman and the Executive Director to ensure that there is a balance of power and authority. The Chairman is primarily responsible for instilling good governance practices, leadership and effectiveness of the Board whilst the Executive Director is responsible for the day to day management, organisational effectiveness and implementation of Board policies and decisions.

On 1 July 2020, Ms. Gan Pik Mui was re-designated from Managing Director to Non-Independent Non-Executive Director and the Company has yet to identify a suitable candidate for the Managing Director position. As such, the Executive Chairman is relieving the role of Managing Director of the Group. The Board is mindful of the dual role of the Executive Chairman and the Managing Director held by Datin Toh Siew Chuon ("Datin Toh") but having regard to the experience and leadership of Datin Toh, the Board is opined that the current arrangement is in the best interest of the Group. She is assisted by Executive Director, Mr. Tee Eng Seng who has more than 20 years of experience in Civil and Building Construction.

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, half of the Board members are Independent.

Company Secretaries

The Group engaged external qualified company secretaries from Boardroom Corporate Services Sdn. Bhd. (formerly known as Boardroom Corporate Services (KL) 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 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 Director 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 http://ir2.chartnexus.com/kpproperty/docs/cg/whistleblowing%20policy. 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 is accessible at the Company's website at http://ir2.chartnexus.com/kpproperty/docs/cg/Board%20Charter.

Board Composition

The existing Board members consist of six (6) members, of whom half were 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") 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 2017 further encourage at least half of the board comprises independent directors and for Large Companies, the board should comprises a majority independent directors. The MCCG 2017 defined a listed issuer as a Large Company.

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 4.2 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. If the Board continues to retain the Independent Director after the twelfth (12) year, the Board should seek annual shareholders' approval through a two-tier voting process.

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 6 members, of whom 2 of them were women, representing 33.33% women or 3.33% above the benchmark of 30% women directors. 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.

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 2020, the Board met a total of eight (8) times. Details of the Director's attendance record are presented as below:-

Directors	Number of Meetings Held	Number of Meetings Attended
Datin Toh Siew Chuon	8	8
Tee Eng Seng	8	8
Kuan Ying Tung	8	8
Ir. Low Wuu Shin	8	5
Tee Sun Ee	8	8
Gan Pik Mui	8	8

Board Committees

The Board has established Board Committees 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 and the Nomination Committee.

The Board had not established a Remuneration Committee in view that remuneration of Directors has been expeditiously handled by the Board as a whole. The remuneration package of Directors is a matter for the Board as whole and individual directors are required to abstain from the discussion of their own remuneration.

The Board does not formalised its remuneration policy, however, the Board and Senior Management are remunerated based on their skills, experience, qualification and performance. Apart from remunerating the Board and Senior Management based on their skills, experience, qualification and performance, the Board also consider the performance of the Group in short term and long term objectives.

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 http://ir2.chartnexus.com/kpproperty/docs/cg/TOR-ARMC 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.

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 http://ir2.chartnexus.com/kpproperty/docs/cg/TOR-NC 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.

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*	10	–
• Tee Eng Seng*	10	–
• Kuan Ying Tung	10	–
• Ir. Low Wuu Shin	10	–
• Tee Sun Ee	10	–
• Gan Pik Mui#	–	–
Meeting Allowance		
• Datin Toh Siew Chuon*	–	–
• Tee Eng Seng*	–	–
• Kuan Ying Tung	12	–
• Ir. Low Wuu Shin	10	–
• Tee Sun Ee	12	–
• Gan Pik Mui#	–	–
Salary and Bonus		
• Datin Toh Siew Chuon*	–	513
• Tee Eng Seng*	–	513
• Kuan Ying Tung	–	–
• Ir. Low Wuu Shin	–	–
• Tee Sun Ee	–	–
• Gan Pik Mui#	–	126
Employees Provident Fund		
• Datin Toh Siew Chuon*	–	62
• Tee Eng Seng*	–	62
• Kuan Ying Tung	–	–
• Ir. Low Wuu Shin	–	–
• Tee Sun Ee	–	–
• Gan Pik Mui#	–	15

* The Directors are also the Senior Management of the Company.

\# Gan Pik Mui was redesignated from Managing Director to Non-Independent Non-Executive Director on 1 July 2020.

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	–	3
RM 50,001 to RM 100,000	–	–
RM 100,001 to RM 200,000	1#	–
RM 200,001 to RM 300,000	–	–
RM 300,001 to RM 400,000	–	–
RM 400,001 to RM 500,000	–	–
RM 500,001 to RM 600,000	2	–

\# Gan Pik Mui was redesignated from Managing Director to Non-Independent Non-Executive Director on 1 July 2020.

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' Listing Requirements in order to effectively discharge their duties.

Conferences, seminars and training programmes attended by Directors in the financial year 2020 and up to the date of this report are as follows:-

Director	Name of conferences, seminars and training programmes attended	Date
Datin Toh Siew Chuon	• CG Watch: How Does Malaysia Rank? • Practical Integrated Reporting Forum & Workshop • Strata & Planning Management: Planning and Manage for a Better Strata Living	3 May 2019 10 September 2019 12 September 2019
Tee Eng Seng	• CG Watch: How Does Malaysia Rank? • Practical Integrated Reporting Forum & Workshop	3 May 2019 10 September 2019
Kuan Ying Tung	• The Bigger Picture • Auditor's Report, Audit Modifications, Going Concern and Other Matters Paragraph • Auditors' Responsibilities in Gathering Evidence and Documentations (ISA 500 & ISA 230) • MFRS 15, Revenue From Contracts With Customers & Application To Construction Contracts And Property Development Activities	27 June 2019 27 November 2019 28 November 2019 16 December 2019
Ir. Low Wuu Shin	• Integrity is Non-Negotiable	10 August 2020
Tee Sun Ee	• Integrity is Non-Negotiable	10 August 2020
Gan Pik Mui	• Briefing on Company Policies, Staff Working Ethics • Stress Management and How To Reduce Workload of Higher – Level Manager • Staff Interpersonal Relationship & Communication Skills, Work Flow within Departments • ISO 9001:2015 – Quality Manual, Quality Procedures and Project Quality Plan • Training on OHSA – Site Emergency • ISO Module on Sale Administration, Marketing, Agent Appointment & Administration	2 August 2019 2 August 2019 2 August 2019 4 October 2019 4 October 2019 3 January 2020

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 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.

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 during the year 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 we 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 11 August 2020.

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 cashflows 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.

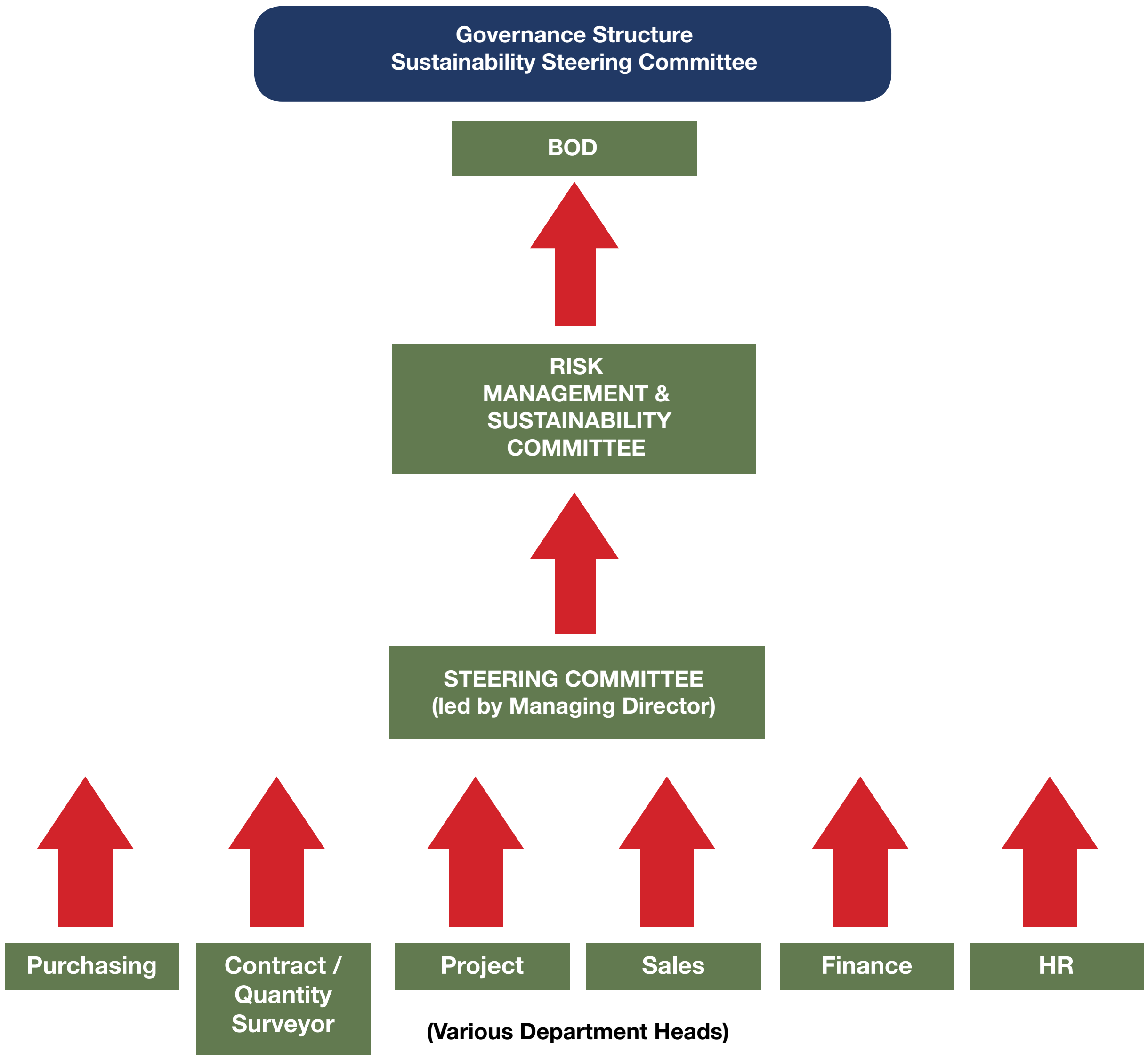
This statement was made in accordance with a resolution of the Board of Directors dated 11 August 2020.

SUSTAINABILITY STATEMENT

The Board of Directors (the "Board") of KPPB recognises the importance of continuously developing and improving the business operations of the Group in a sustainable and responsible manner. The Board has always look beyond the financial parameters and strive to drive business continuity and create shared value for its stakeholders.

This is our third year of reporting the Group's sustainability initiatives and it is guided by BURSA Malaysia's Sustainability Reporting Guide (2nd Edition) as well as in compliance with the BURSA Malaysia Securities Berhad's Main Market Listing Requirements. In light of the Group's commitment to inculcate the culture of sustainability into our business operations, we continue to identify and formulate efforts and initiatives that will facilitate our sustainability goals and aspirations in the long term. Moving forward, we endeavour to continuously improve our sustainability reporting mechanisms by taking into account our business practices that influences our economic performance (Economic), usage of natural resources (Environment) and impact on the society (Social).

Our Sustainability Steering Committee comprising key Senior Management Team was set up during the financial year 2020 as this is our commitment to uphold and execute efforts that supports our sustainability agenda based on the materiality assessment matters duly identified by the Steering Committee.



MATERIALITY ASSESSMENT

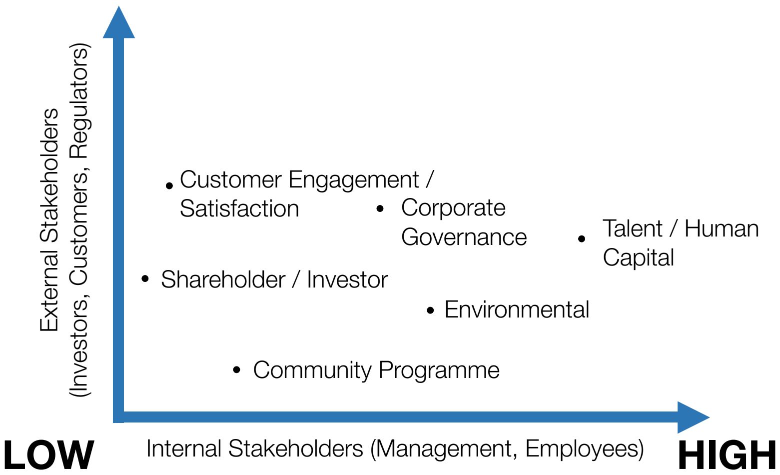
The Group's material sustainability matters are identified and assessed through materiality assessment process whereby the Economic, Environmental and Social ("EES") matters relevant and important to the Group's long term sustainability are identified and prioritised through structured process and assessment mechanism guided by the Guide Toolkit: Material Assessment issued by BURSA Malaysia with necessary adaption based on the nature and scale of the businesses of the Group on sustainability context, materiality, completeness and stakeholder inclusiveness through a cycle of identification, prioritisation, validation and review.

PROCESS FLOW

We constantly engage with our internal stakeholders (employees and Management) and external stakeholders (clients and investors) to gauge the level of priority.

Subsequent to the stakeholder group identification with respective proposed engagement methods, a stakeholder prioritisation exercise was conducted for the Group to rank the respective stakeholder group's influence over the dependence on the Group based on the criteria and scale approved by the Steering Committee. The results from the materiality assessment was plotted into the Materiality Matrix:-

MATERIALITY MATRIX



MATERIALITY ASSESSMENT (CONT'D)

Our engagement with our stakeholders is through series of activities and frequency with the aim of understanding our stakeholders needs and ultimately create a long-term value.

Stakeholder	Engagement Methods	Frequency	Material Matters
Employees 	Training Induction training Festive Celebrations and Annual Dinner Annual Performance Review Townhall session Periodic Department Meeting	As and when required Every new recruit Annually and during festive season Annually Annually Weekly, Monthly	Talent / Human Capital Talent / Human Capital Talent / Human Capital Talent / Human Capital Talent / Human Capital Talent / Human Capital
Customers 	Feedback form, emails, social media	Daily and at the completion of each project	Customer Engagement/ Satisfaction
Investors / Shareholders 	Annual General Meeting (AGM) and/ or Extraordinary General Meeting (EGM) Investors Briefing / Investors Conference Corporate Website	Annually / As and when required As and when required Regularly	Economic Performance / Corporate Governance
Regulators 	Filing and BURSA announcements	Regularly	Corporate Governance
Communities  	Scheduled Waste Management Various fund raising events for schools, less fortunate group and real estate related organisations	Regularly As and when required	Environment Social

MATERIALITY ASSESSMENT (CONT'D)

Economic

As far as possible, the Group strives to attract local suppliers in our effort to boost the local economy. Therefore, our appointed Contractor is emphasizing on local suppliers using local raw materials in their procurement process. Our contractor is also certified by ISO 9001:2015 Quality Management System for provision of construction services in building, civil and structural, mechanical and electrical engineering works.

To spur sustainable economic growth within the Group, we are aware of the need to formulate business models that consider long term revenue generation for our shareholders as well as establishing sustainable market presence. The Group has consistently delivered strong financial performance over the years. The Group recorded a revenue of RM214.08 million and profit after tax of RM21.2 million for the financial year ended 31 March 2020.

Environmental

To ensure sound environmental practices, the Group consistently strives to improve its waste management and the Group is subject to periodic assessments by the relevant authorities and this ensures that the Group operates in an environmentally responsible manner.

We also strive to achieve various certifications relating to environment and one of our key projects located at Old Klang Road, Kuala Lumpur i.e. Bloomsvale project has been awarded Platinum on 24 June 2019 under Residential category by GreenRE rating tool.

Bloomsvale is a mixed development worth RM1.2 billion gross development value comprises 2 blocks of serviced apartments, a hotel, office suites and shopping mall. Using the industrialised building system (IBS), Bloomsvale project deserved to be certified Platinum by GreenRE for integrating eco-friendly and energy saving initiatives in its design, construction and operations.

Bloomsvale has been awarded Platinum on 24 June 2019 under Residential category by GreenRE rating tool.

GreenRE's standards and certification process are in line with United Nations' Sustainable Development Goals (SDGs) and World Green Building Council's commitment towards achieving a net zero future.

GreenRE is fully supported and recognised by the Malaysian Government and Local Authorities, ie. Ministry of Energy, Science, Technology, Environment and Climate Change (MESTECC), Malaysia Green Technology Corporation (MGTC) and Malaysian Investment Development Authority (MIDA). Certified projects qualify for Income Tax Allowances and Incentives under the Green Tax Incentive Scheme of MIDA and Ministry of Finance (MOF).

MATERIALITY ASSESSMENT (CONT'D)

Environmental (Cont'd)

- **Waste Management**

As a responsible corporate citizen, proper waste management is important to ensure construction waste does not pollute the natural resources and the environment. Our commitments are embedded within our appointed contractor's continuous compliance with the Environmental Management system (ISO 14001) and OHSAS 18001:2007 Occupational Health and Safety qualification.

RORO bin at one of our development sites

As our sites generate hazardous waste, all construction waste and domestic waste from our respective project sites are segregated and disposed using RORO bin. This method of disposal minimised our carbon footprint to the environment and is in compliance with local councils requirements as well as the Department of Environment (DOE).

Energy and water management also fall part of our resource management as this will minimise wastage as well as conserving our precious resources.

We aim to achieving efficient energy consumption throughout our business operations by tracking and monitoring our electricity consumption. Water management is also needed to avoid unnecessary water wastage which will affect our natural resources as well as negatively impact the Group's operational costs. In addition, water consumption for the Group is recorded for monitoring and future improvement on water usage.

- **Health and Safety**

In our commitment towards health, safety and environment (HSE), we ensure our appointed Contractor who undertakes our projects complies with all the trainings involving Hazard Identification, Risk Assessment and Risk Control (HIRARC) as this is part of their on-going concerted effort to achieve OHSAS 18001:2007 Occupational Health and Safety qualification.

MATERIALITY ASSESSMENT (CONT'D)

Social

Talent / Human Capital

We continue to build talents as being a service-based company, human capital is most important assets as their level of commitment and productivity are key factors to our continued success and overall performance.

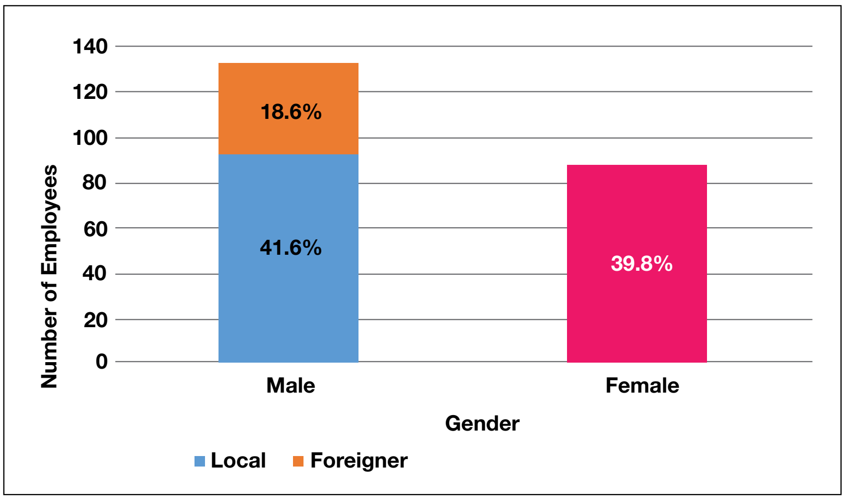
As such, we continuously seek to attract the right skills and talents to meet the needs of the Group. We pride ourselves on having a diverse workforce. Gender diversity is also an important component in strengthening our human capital. A diverse and inclusive workforce enriches our knowledge and broadens our skillsets by harnessing the various perspective in an organisation. We do not tolerate discrimination on the basis of age or gender and we are committing to providing a work environment that is free of discrimination for our employees.

During the period under review, KPPB has a total of 221 employees (included 41 foreign workers secured through outsourced foreign workers agencies) within the Group. Out of 221 employees, a total of 133 (60.2%) are male and 88 (39.8%) are female.

133 employees (60.2%)

88 employees (39.8%)

Our dependence on foreign worker is also very minimum wherein only 41 of them are secured through outsourced foreign workers agencies and their skillsets are required in the hospitality segment. This represent only 18.6% of the entire workforce and the amount has insignificant impact should the Government imposes further restriction on foreign worker recruitment for this sector.



Gender Distribution Chart

MATERIALITY ASSESSMENT (CONT'D)

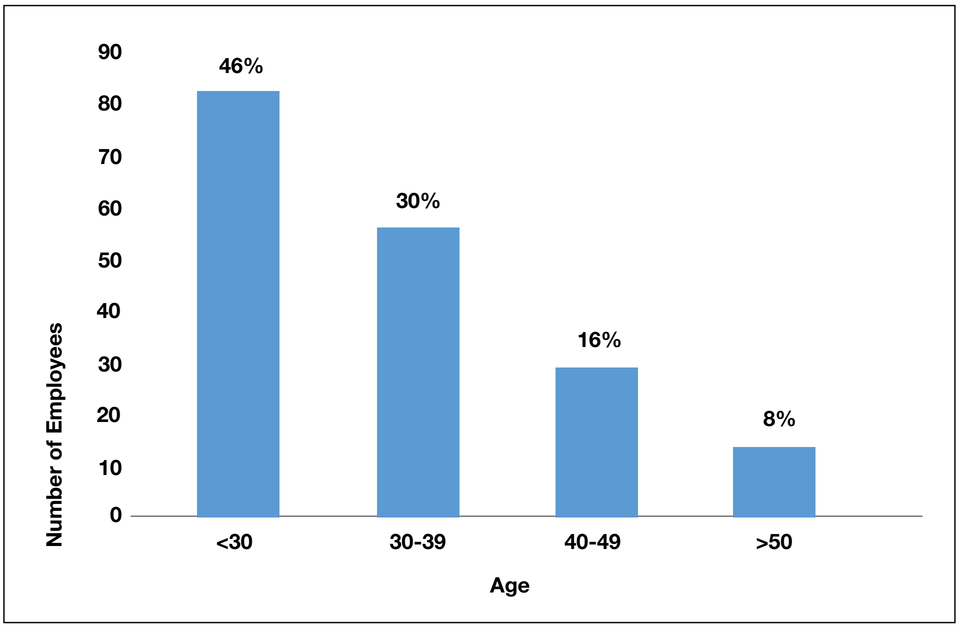
Social (Cont'd)

Talent / Human Capital (Cont'd)

a) Employee composition based on Age Group

Employees are the backbone of our business and ensure our continuous growth. Hence, priority is given to our workforce when it comes to recruiting the right talent and talent development at the Group.

We have no issue in our succession planning as 46% of our Employee Age Group are below 30 years of age and only 8% is from the age category of 50 years and above. We aim to providing a platform for our employees to perform to their best of ability and recognise their potential to be leaders.



Age Distribution Chart

Note: The chart above only reflects local employees.

b) Training & Education

We are mindful of the need to constantly upskill our workforce and provide equal opportunities for personal and career enhancement within the Group. With this in mind, we invest in our employees by training them with in-demand skillsets and competence through in-house and external trainings conducted by relevant professional bodies as well as government agencies.

In an industry known for its challenging working environment, we take occupational health and safety very seriously. We ensure our employees are trained and equipped with the health and safety knowledge for a conducive working environment.

For the period under review, we have incurred a total of 3,788 hours in trainings and this is equivalent to an average of 17.14 hours per employee.

MATERIALITY ASSESSMENT (CONT'D)

Social (Cont'd)

Talent / Human Capital (Cont'd)

b) Training & Education (Cont'd)

Total Hour Of Trainings:

3,788 hours

Average training hours per employee :

17.14 hours

Community

The Group is committed in community programme investment and other initiatives to contribute towards the betterment of local communities.

During the year under review, a total of RM37,616 was contributed and this amount is spread out to identified schools as well as the underprivileged communities. Out of this amount, we have also sponsored to events organised by real estate related organisations as this assisted them to organise events which were funded through sponsorships.

We are proud of having the privilege to serve various segments of the community towards providing social empowerment and helping to make a positive difference for people across all walks of life.

Swiss-Garden Hotel Melaka and Majlis Bandaraya Melaka Bersejarah (MBSB), co-sponsored by Adabi, distributed 1,000 packs of Bubur Lambuk and Kuih Raya at Jalan Hang Tuah, Melaka to the public on 31 May 2019

MATERIALITY ASSESSMENT (CONT'D)

Social (Cont'd)

Community (Cont'd)

Swiss-Garden Hotel Melaka organised a meaningful corporate social responsibility initiative aimed at bringing joy and best wishes to the children at Mahkota Medical Centre and General Hospital Besar Melaka on 9 and 10 December 2020 respectively

This statement is made in accordance with a resolution of the Board of Directors dated 11 August 2020.

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 http://ir2.chartnexus.com/kpproperty/docs/cg/TOR-ARMC.

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.

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 2019 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 risk management investigations and management's responses and ensure that appropriate actions are taken on the recommendation for the internal audit and risk management functions for both property development and manufacturing 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 2019 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.

INTERNAL AUDIT FUNCTION

The Group's internal audit function ("IAF") is outsourced to a professional Internal Audit firm, Tricor Axcelasia Sdn. Bhd. (formerly known as Axcelasia Columbus Sdn. Bhd.) which adopts internal audit standards and best practices based on the International Professional Practices Framework, endorsed by the Institute of Internal Auditors Malaysia. The IAF team is headed by Mr Joe Lee, who is a Certified Internal Auditor (USA), Certified Public Accountant, with Malaysian Institute of Certified Public Accountant and Certified Professional in Supply Management (USA). He was assisted by three to five staff during the financial year under review. None of the internal audit personnel has any relationship or conflict of interest that could impair their objectivity and independence in conducting their internal audit functions.

IAF provides independent assessment on the effectiveness and efficiency of internal controls utilising a global audit methodology and tool to support the corporate governance framework and an efficient and effective risk management framework to provide assurance to the Audit and Risk Management Committee. The Audit and Risk Management Committee approves the internal audit plan in the beginning of the financial year. The scope of internal audit covers the audits of all operations of subsidiary companies in the Group. The internal audit activities were reported directly to the Audit and Risk Management Committee based on the approved annual Internal Audit Plan.

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 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 RM20,000 (2019:RM18,000).

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 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 six (6) times during the financial year ended 31 March 2020 and the attendance record is as follows:-

Directors	Number of Meetings Held	Number of Meetings Attended
Kuan Ying Tung	6	6
Ir. Low Wuu Shin	6	4
Tee Sun Ee	6	6

The Audit and Risk Management Committee Report was made in accordance with a resolution of the Board of Directors dated 11 August 2020

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 2020.

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. (formerly known as Axelasia Columbus Sdn. Bhd.). The Internal Audit team reviews the risk identification procedures and 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") (which was established on 27 May 2019) 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/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 periodically reports on the activities performed and key strategic and control issues observed by Internal Audit team 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. In order to ensure standardisation and consistency in providing assurance on the adequacy, integrity and effectiveness of the Group's overall system of internal controls, risk management and governance, the Internal Audit team has aligned its current internal audit practices with the COSO/COCO Internal Controls – Integrated Framework. Using this framework, all internal control assessments performed by Internal Audit team are based on the internal control elements of scope and coverage. Internal Audit team continues to adopt the risk-based audit plan to ensure the programmes carried out are gathered, assessed and prioritised to derive the annual audit plan.

In the financial year ended 31 March 2020, reviews in various areas involving Property Development operations were conducted. Key coverage areas included:-

Business Processes	Entity
➢ Project Management ➢ Sales and Marketing ➢ Credit Control and Collection	KPP Properties Sdn. Bhd.

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.

The Manufacturing operation had scaled down during the financial year ended 31 March 2020, therefore the Audit Committee decided not to conduct an internal audit review on this operation and to focus on the active operation which is the Property Development operation.

Pursuant to the corporate exercise as disclosed in Note 31.2 Acquisitions of Subsidiaries under the Audited Financial Statements section, the Company had on 10 January 2020 completed its acquisitions of the entire equity interest in Kerjaya Property Sdn. Bhd. (formerly known as Kerjaya Prospek Property Sdn. Bhd.), Kerjaya Hotel Sdn. Bhd. and Aeon Frontier Sdn. Bhd. as well as subscribed 99.4% equity interest of Desanda Property Sdn. Bhd.. These new subsidiaries became part of the Group for only less than three months for the financial year ended 31 March 2020 and therefore internal audit review was not carried out in these subsidiaries. Nevertheless, internal audit review will be performed on these new subsidiaries during the next financial year.

Quality Assurance

The Internal Audit team develops and maintains a quality assurance and improvement programme that covers all aspects of internal audit activities. The quality assurance programme assesses the effectiveness of Internal Audit processes and identifies opportunities for improvement via both internal and external assessments. It has its own peer reviewer mechanism to ensure consistently good quality output of every audit engagement. The team leader is well experienced to manage the internal audit assignments.

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 Groups 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.

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, supported by the Internal Audit team, provides an independent assessment of the effectiveness of the Group's Enterprise Risk Management ("ERM") framework and reports to the Board. The Group's ERM is consistent with the ERM framework and involves systematically identifying, analysing, measuring, monitoring and reporting on the risks that may affect the achievement of its business objectives. This framework helps to reduce the uncertainties surrounding the Group's internal and external environment.

The ERM process is based on the following principles:

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

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

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

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.

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.

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 2020, 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 11 August 2020.

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 http://ir2.chartnexus.com/kpproperty/docs/cg/TOR-NC.

The performance evaluation of the Board and Audit and Risk Management 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 and Managing Directors 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.

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 11 August 2020.

Other Information

UTILISATION OF PROCEEDS

The Company did not implement any corporate proposal for the raising of funds during the financial year.

EMPLOYEES' SHARE OPTION SCHEME

On 3 December 2015, there were 30,075,000 options granted of which 24,870,000 were accepted by employees. As at 20 July 2020, the details of the options as follows:-

	No. of options
Granted and accepted by employees	24,870,000
Exercised	(24,440,000)
Lapsed due to resignation of employees	(280,000)
Expired	(150,000)
Outstanding	–

There were no further new options granted during the financial year under review.

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 (RM)	38,000	203,000
Non-audit Fees (RM)	10,000	10,000
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

The Company had, on 9 August 2019 entered into:-

(a) conditional share sale agreements with Datuk Tee Eng Ho ("TEH"), a major shareholder of the Company and Tee Eng Seng ("TES"), a director of the Company for the acquisitions of:-

   i. the entire equity interest in Aeon Frontier Sdn. Bhd. ("AFSB") for a purchase consideration of RM33,473,902; and

   ii. the entire equity interest in Kerjaya Property Sdn. Bhd. (formerly known as Kerjaya Prospek Property Sdn. Bhd.) ("KPSB") for a purchase consideration of RM367,590,902;

(b) a conditional share sale agreement with TEH, TES and Datin Toh Siew Chuon ("TSC"), a director of the Company for the acquisition of the entire equity interest in Kerjaya Hotel Sdn. Bhd. ("KHSB") for a purchase consideration of RM270,978,389; and

(c) a conditional share subscription agreement with Desanda Property Sdn. Bhd. ("DPSB") and TEH as well as TES (collectively, the "Existing DPSB Shareholders") for the:-

   i. subscription by Kerjaya Prospek Property Berhad ("KPPROP") of 42,489,490 new ordinary shares in DPSB ("Subscription Shares"), representing approximately 99.4% of the enlarged issued share capital of DPSB, at an issue price of RM1.00 per Subscription Share; and

   ii. subscription by the Existing DPSB Shareholders of 251,366,435 new ordinary shares in KPPROP ("KPPROP Shares") at an issue price of RM0.17 per KPPROP Share

The mode of satisfaction of the purchase consideration are as follows:-

Companies	Via Redeemable Convertible Preference Shares RM	Via Ordinary Shares RM	Via Cash RM	Total Purchase Consideration RM
AFSB	–	33,473,902	–	33,473,902
KPSB	267,590,902	–	100,000,000*	367,590,902
KHSB	270,978,389	–	–	270,978,389
DPSB	–	42,732,294	(242,804)	42,489,490
TOTAL	**538,569,291**	**76,206,196**	**99,757,196**	**714,532,683**

MATERIAL CONTRACTS (CONT'D)

* The cash consideration of RM100 million was funded by a loan. The details of the loan are as follows:-

Lender	AmBank Islamic Berhad
Borrower	Kerjaya Prospek Property Berhad (formerly known as GSB Group Berhad)
Relationship between the borrower and the directors or major shareholder	Datin Toh Siew Chuon and Tee Eng Seng are Directors of Kerjaya Prospek Property Berhad. Datuk Tee Eng Ho, Datin Toh Siew Chuon and Tee Eng Seng are major shareholders of Kerjaya Prospek Property Berhad by virtue of their interest in Javawana Sdn. Bhd.
Purpose of the loan	To partly finance the Company's acquisition of a subsidiary, namely Kerjaya Property Sdn. Bhd. (formerly known as Kerjaya Prospek Property Sdn. Bhd.)
Type and amount of the loan	Revolving credit-i facility of RM100,000,000
Interest rate	1.0% p.a. above iCOF
Terms of payment	Profit is to be paid in arrears upon maturity of each profit period Amount disbursed is payable in full at the end of each profit period, unless deferred (rolled over)
Security	Open all monies facilities agreement, open all monies deed of assignment and charge over a designated escrow account-i opened and maintained by the Company with the bank

There are no other material contracts 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 2020 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.	2,426
		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.	–
		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.	79

FINANCIAL **STATEMENTS**

Directors' Report

for the year ended 31 March 2020

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 2020.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding activities whilst the principal activities of the subsidiaries are as stated in Note 5 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

ULTIMATE HOLDING COMPANY

The Directors regard Javawana Sdn. Bhd., which is incorporated in Malaysia as the ultimate holding company from 10 January 2020 and until the date of this report.

SUBSIDIARIES

The details of the subsidiaries are disclosed in Note 5 to the financial statements.

CHANGE OF COMPANY NAME

On 26 December 2019, the Company changed its name from GSB Group Berhad to Kerjaya Prospek Property Berhad.

RESULTS

	Group RM'000	**Company RM'000**
Profit for the financial year attributable to:		
Owners of the Company	21,238	130
Non-controlling interests	3	–
	21,241	130

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.

DIVIDENDS

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
Gan Pik Mui
Ir. Low Wuu Shin
Kuan Ying Tung
Tee Eng Seng
Tee Sun Ee

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
Gan Pik Mui (resigned on 1 July 2020)

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 1.4.2019	**Bought**	**Consolidation**	**At 31.3.2020**
Shareholdings in the ultimate holding company which Directors have direct interests				
Datin Toh Siew Chuon*	5,000,000	–	–	5,000,000
Tee Eng Seng	5,000,000	–	–	5,000,000
Shareholdings in the Company which Directors have direct interests				
Gan Pik Mui	3,815,000	–	(3,052,000)	763,000
Ir. Low Wuu Shin	240,000	–	(192,000)	48,000
Tee Sun Ee	400,000	–	(320,000)	80,000
Shareholdings in the Company which Directors have deemed interest				
Datin Toh Siew Chuon*	225,500,000	448,271,742	(539,017,394)	134,754,348
Tee Eng Seng	225,500,000	448,271,742	(539,017,394)	134,754,348
Shareholdings in Desanda Property Sdn. Bhd., a subsidiary, which Directors have direct interests				
Datin Toh Siew Chuon*	125,000	–	–	125,000
Tee Eng Seng	125,000	–	–	125,000

DIRECTORS' INTERESTS IN SHARES (CONT'D)

	Number of redeemable convertible preference shares			
	At 1.4.2019	Bought	Sold	At 31.3.2020
Shareholdings in the Company which Directors have deemed interest				
Datin Toh Siew Chuon*	–	3,168,054,651	–	3,168,054,651
Tee Eng Seng	–	3,168,054,651	–	3,168,054,651

* 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, Tee Eng Seng and Datin Toh Siew Chuon are also deemed interested in the shares of the subsidiaries during the financial year to the extent that Kerjaya Prospek Property Berhad (formerly known as GSB Group Berhad) has an interest.

None of the other Directors holding office at 31 March 2020 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 a benefit 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 full time employees 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 30 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.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company:

i) issued 448,271,742 new ordinary shares amounting to RM76,206,196 for the acquisition of subsidiaries; and

ii) consolidated every 5 existing ordinary shares into 1 ordinary share.

On 10 January 2020, the Company issued redeemable convertible preference shares ("RCPS") of RM538,569,291 for the acquisition of subsidiaries. The salient terms of the RCPS are disclosed in Note 13 to the financial statements.

There were no debentures issued during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year apart from the issue of options pursuant to ESOS.

At an Extraordinary General Meeting held on 30 January 2015, the Company's shareholders approved the establishment of an ESOS of not more than 44,000,000 new ordinary shares to eligible Directors and employees of the Group.

The salient features of the ESOS scheme are, inter alia, as follows:

i) Eligible executives are those executives (including full-time executive directors) of the Group who have been confirmed in service on the date of the offer. The maximum allowable allotments for the full-time executive directors have been approved by the shareholders of the Company in a general meeting.

ii) The aggregate number of shares to be issued under the ESOS shall not be more than 10% of the issued share capital of the Group or 44,000,000 new ordinary shares, whichever is higher.

iii) The Company has, on 15 April 2015 ("Effective Date"), implemented the ESOS. The ESOS will be in force for a period of 5 years and may be extended for up to another 5 years immediately from the expiry of the first 5 years, but will not in aggregate exceed 10 years from the Effective Date.

iv) The option price shall not be at a discount of more than 10% (or such discount as the relevant authorities shall permit) from the 5-day weighted average market price of the shares of the preceding the date of offer and shall in no event be less than the shares of the Group of RM0.10.

v) An option holder may, in a particular year, exercise up to such maximum number of shares in the option certificate.

vi) The option granted to eligible executives will lapse when they are no longer in employment with the Group.

vii) The Options shall not carry any right to vote at any general meeting of the Company.

viii) A Grantee shall not be entitled to any dividends, rights or other entitlements on this unexercised Options.

The options offered to take up unissued ordinary shares and the exercise prices are as follows:

			Number of options over ordinary shares			
Date of offer	**Exercise price**	**At 1.4.2019**	**Exercised**	**Forfeited**	**Consolidation**	**At 31.3.2020**
3.12.2015	RM0.10	250,000	–	(100,000)	(120,000)	30,000*

* ESOS held by an employee.

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 RM5,000,000 and RM9,900 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.

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 2020 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 31 to the financial statements.

AUDITORS

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

The auditors' remuneration is disclosed in Note 21 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: 11 August 2020

Statements of Financial Position

as at 31 March 2020

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Assets					
Property, plant and equipment	3	260,680	182,838	–	–
Right-of-use assets	4	15,546	–	–	–
Investments in subsidiaries	5	–	–	481,102	26,638
Land held for property development	6	67,867	–	–	–
Deferred tax assets	15	719	–	–	–
Total non-current assets		344,812	182,838	481,102	26,638
Inventories	7	346,702	277,996	–	–
Contract assets	8	14,512	5,914	–	–
Contract costs	8	36,274	18,044	–	–
Other investments	9	–	48,526	–	–
Trade and other receivables	10	33,883	41,051	45,755	39,612
Current tax assets		12,482	8,285	10	14
Prepayments		1,209	712	–	3
Cash and bank balances	11	78,756	9,911	22	197
		523,818	410,439	45,787	39,826
Asset classified as held for sale	12	10,011	–	–	–
Total current assets		533,829	410,439	45,787	39,826
Total assets		878,641	593,277	526,889	66,464

Statements of Financial Position (Cont'd)

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Equity					
Share capital		132,835	56,629	132,835	56,629
Reserves		184,759	195,554	227,956	(11,679)
Total equity attributable to owners of the Company	13	317,594	252,183	360,791	44,950
Non-controlling interests		250	–	–	–
Total equity		317,844	252,183	360,791	44,950
Liabilities					
Trade payables	16	11,665	–	–	–
Loans and borrowings	14	114,151	105,955	–	–
Deferred tax liabilities	15	26,625	23,047	–	–
Redeemable Convertible Preference Shares ("RCPS")		32,500	–	32,500	–
Total non-current liabilities		184,941	129,002	32,500	–
Trade and other payables	16	161,705	209,429	23,486	21,514
Redeemable Convertible Preference Shares ("RCPS")		10,112	–	10,112	–
Contract liabilities	8	30,726	–	–	–
Loans and borrowings	14	173,160	2,663	100,000	–
Current tax liabilities		153	–	–	–
Total current liabilities		375,856	212,092	133,598	21,514
Total liabilities		560,797	341,094	166,098	21,514
Total equity and liabilities		878,641	593,277	526,889	66,464

The notes on pages 65 to 133 form an integral part of these financial statements.

Statements of Profit or Loss and Other Comprehensive Income

for the year ended 31 March 2020

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Revenue	18	214,079	145,883	–	–
Cost of sales		(153,516)	(83,995)	–	–
Gross profit		60,563	61,888	–	–
Other income		898	2,269	7,533	–
Distribution expenses		(1,853)	(1,382)	–	–
Administrative expenses		(20,607)	(18,015)	(6,098)	–
Other expenses		(3,929)	(4,287)	–	(937)
Results from operating activities		35,072	40,473	1,435	(937)
Finance income	19	810	1,092	–	–
Finance costs	20	(7,727)	(5,156)	(1,305)	–
Profit/(loss) before tax	21	28,155	36,409	130	(937)
Tax expense	23	(6,914)	(8,586)	–	–
Profit/(loss) for the year		21,241	27,823	130	(937)
Other comprehensive expense, net of tax					
Item that will not be reclassified subsequently to profit or loss					
Net change in fair value of equity investments designated at fair value through other comprehensive income		–	(40,925)	–	–
Total comprehensive income/(expense) for the year		21,241	(13,102)	130	(937)
Profit attributable to:					
Owners of the Company		21,238	27,823	130	(937)
Non-controlling interests		3	–	–	–
Profit/(loss) for the year		21,241	27,823	130	(937)
Total comprehensive income/(expense) attributable to:					
Owners of the Company		21,238	(13,102)	130	(937)
Non-controlling interests		3	–	–	–
Total comprehensive income/(expense) for the year		21,241	(13,102)	130	(937)
Earnings per ordinary share (sen)					
- Basic	24	16.27	5.10		
- Diluted	24	16.26	5.10		

The notes on pages 65 to 133 form an integral part of these financial statements.

Statement of Changes in Equity

for the year ended 31 March 2020

	/---------- Attributable to owners of the Company								
	/---------- Non-distributable				----------/ Distributable				
	Share capital RM'000	RCPS RM'000	Fair value reserve 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 2018	53,754	–	–	446	(52,825)	261,035	262,410	–	262,410
Share options exercised	2,875	–	–	(441)	441	–	2,875	–	2,875
Net change in fair value of equity investments designated at fair value through other comprehensive income	–	–	(40,925)	–	–	–	(40,925)	–	(40,925)
Total other comprehensive expense for the year	–	–	(40,925)	–	–	–	(40,925)	–	(40,925)
Profit for the year	–	–	–	–	–	27,823	27,823	–	27,823
Profit/(Loss) and total comprehensive income/ (expense) for the year	–	–	(40,925)	–	–	27,823	(13,102)	–	(13,102)
At 31 March 2019/1 April 2019	56,629	–	(40,925)	5	(52,384)	288,858	252,183	–	252,183
Disposal of equity investments designated at fair value through other comprehensive income	–	–	40,925	–	–	(40,925)	–	–	–
Shares issued pursuant to acquisition of subsidiaries	76,206	239,505	–	–	(271,538)	–	44,173	247	44,420
Share options lapsed	–	–	–	(2)	2	–	–	–	–
Profit and total comprehensive income for the year	–	–	–	–	–	21,238	21,238	3	21,241
At 31 March 2020	132,835	239,505	–	3	(323,920)	269,171	317,594	250	317,844
	Note 13	Note 13	Note 13	Note 13	Note 13				

	/------------------ Attributable to owners of the Company ----------------/				
	/---------------------- Non-distributable -------------------/				
	Share capital RM'000	**RCPS RM'000**	**Share option reserve RM'000**	**Accumulated losses RM'000**	**Total RM'000**
Company					
At 1 April 2018	53,754	–	446	(10,747)	43,453
Total comprehensive expense for the year	–	–	–	(937)	(937)
Share options exercised	2,875	–	(441)	–	2,434
At 31 March 2019/1 April 2019	56,629	–	5	(11,684)	44,950
Total comprehensive income for the year	–	–	–	130	130
Share options lapsed	–	–	(2)	2	–
Shares issued pursuant to acquisition of subsidiaries	76,206	239,505	–	–	315,711
At 31 March 2020	132,835	239,505	3	(11,552)	360,791
	Note 13	Note 13	Note 13		

The notes on pages 65 to 133 form an integral part of these financial statements.

Statements of Cash Flows

for the year ended 31 March 2020

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Cash flows from operating activities					
Profit/(Loss) before tax		28,155	36,409	130	(937)
Adjustments for:					
Depreciation of:					
- property, plant and equipment		3,644	3,704	–	–
- right-of-use assets		94	–	–	–
Write off of property, plant and equipment		–	482	–	–
Finance costs		7,727	5,156	1,305	–
Finance income		(810)	(1,092)	–	–
Dividend income		–	(1,452)	–	–
Net impairment loss on trade and other receivables		90	–	–	–
Gain on disposal of subsidiaries		–	–	(7,533)	–
Operating profit/(loss) before changes in working capital		38,900	43,207	(6,098)	(937)
Changes in working capital:					
Inventories		16,858	(66,014)	–	–
Land held for development		(397)	–	–	–
Contract costs		(15,572)	(2,582)	–	–
Contract assets		(3,277)	(36,347)	–	–
Contract liabilities		30,726	–	–	–
Trade and other payables		(54,282)	30,160	(411)	8,674
Trade and other receivables and prepayments		32,952	9,914	(6,140)	(9,994)
Cash generated from/(used in) operations		45,908	(21,662)	(12,649)	(2,257)
Interest paid		(5,718)	(5,156)	(1,048)	–
Interest received		810	1,092	–	–
Income tax (paid)/refund		(12,044)	(21,470)	4	–
Net cash generated from/(used in) operating activities		28,956	(47,196)	(13,693)	(2,257)

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Cash flows from investing activities					
Acquisition of property, plant and equipment		(1,957)	(1,054)	–	–
Addition of other investments		–	(75,703)	–	–
Acquisition of subsidiaries	31.2	(112,191)	–	(100,000)	–
Proceeds from disposal of other investment		48,526	*	–	–
Proceeds from disposal of subsidiaries		–	–	13,274	–
Net cash used in investing activities		(65,622)	(76,757)	(86,726)	–
Cash flows from financing activities					
Drawdown of revolving credit		105,900	–	100,000	–
(Repayment)/Drawdown of term loans, net		(15,856)	108,617	–	–
Repayment of finance lease liabilities		(10)	–	–	–
Deposit pledged with licensed bank		–	4,300	–	–
Proceeds from issue of share capital		244	–	244	–
Proceeds from exercise of ESOS		–	–	–	2,434
Net cash generated from financing activities		90,278	112,917	100,244	2,434
Net increase/(decrease) in cash and cash equivalents		53,612	(11,036)	(175)	177
Cash and cash equivalents at 1 April		9,911	20,947	197	20
Cash and cash equivalents at 31 March	(i)	63,523	9,911	22	197

* - Amount less than RM1,000.

Statements of Cash Flows
(Cont'd)

Notes to statements of cash flows

(i) Cash and cash equivalents

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

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Cash and bank balances	75,895	7,345	22	197
Deposits placed with licensed banks	2,858	–	–	–
Highly liquid investments	3	2,566	–	–
	78,756	9,911	22	197
Less: Deposits pledged	(1,139)	–	–	–
Bank overdrafts	(14,094)	–	–	–
	63,523	9,911	22	197

The notes on pages 65 to 133 form an integral part of these financial statements.

Notes to the Financial Statements

Kerjaya Prospek Property Berhad (formerly known as GSB Group 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 2020 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 2020 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 5 to the financial statements.

The Directors regard Javawana Sdn. Bhd., a company incorporated in Malaysia as the ultimate holding company with effect from 10 January 2020 until the date of this report.

These financial statements were authorised for issue by the Board of Directors on 11 August 2020.

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 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 January 2020

- Amendments to MFRS 3, *Business Combinations – Definition of a Business*
- Amendments to MFRS 101, *Presentation of Financial Statements and* MFRS 108*, Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material*
- Amendments to MFRS 9, *Financial Instruments,* MFRS 139*, Financial Instruments: Recognition and Measurement and* MFRS 7*, Financial Instruments: Disclosures – Interest Rate Benchmark Reform*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 June 2020

- Amendments to MFRS 16, *Leases – Covid-19-Related Rent Concessions*

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 2021

- MFRS 17, *Insurance Contracts*

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 101, *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current*
- 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)*

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 plan to apply the abovementioned accounting standards, amendments and interpretations:

- from the annual period beginning on 1 April 2020 for those amendments that are effective for annual periods beginning on or after 1 January 2020.

- 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 141 which are not applicable to the Company.

The Group and the Company do not plan to apply Amendments to MFRS 16, *Leases – Covid-19-Related Rent Concessions* that is effective for annual periods beginning on or after 1 June 2020 as it is not applicable to the Group and the Company.

The Group and the Company do not plan to apply MFRS 17, *Insurance Contract* that is effective for annual periods beginning on 1 April 2021 as it is not applicable to the Group and the Company.

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

1. BASIS OF PREPARATION (CONT'D)

(b) Basis of measurement

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

(c) Functional and presentation currency

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

(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:

- Note 7.2 and 8 – estimation of revenue and budgeted cost for property development projects
- Note 15 – deferred tax assets/liabilities
- Note 26.4 – measurement of expected credit loss ("ECL")
- Note 27 – contingent liabilities

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.

Arising from the adoption of MFRS 16, *Leases*, there is a change to the accounting policy applied to lease contracts entered into by the Group entities as compared to those applied in previous financial statements. The impact arising from the change is the recognition of leasehold land and buildings previously classified as finance lease under MFRS 117 as right-of-use assets as disclosed in Note 4.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (cont'd)

(i) Subsidiaries (cont'd)

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.

(iii) Reverse acquisition accounting

On 10 January 2020, the Company completed its acquisition of the entire equity interest in Kerjaya Property Sdn. Bhd. (formerly known as Kerjaya Prospek 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*.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (cont'd)

(iii) Reverse acquisition accounting (cont'd)

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) is regarded as the accounting acquiree. In addition, the consolidated financial statements represent a continuation of the financial position, performance and cash flows of the Combined Entities. Accordingly, the consolidated financial statements are prepared on the following basis:

(a) the assets and liabilities of the Combined Entities are 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 are 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 are 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 is retroactively adjusted to reflect the legal capital of the accounting acquiree.

The consolidated statement of profit or loss and other comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity of the Group for the year ended 31 March 2020 refers to the Group which includes the results of the Combined Entities from 1 April 2019 to 31 March 2020 and the post-acquisition results of the Company and its subsidiaries from acquisition date to 31 March 2020. The consolidated statement of profit or loss and other comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity of the Group for the year ended 31 March 2019 refer to the results of the Combined Entities from 1 April 2018 to 31 March 2019.

The consolidated statement of financial position of the Group as at 31 March 2020 refers to the consolidated statement of financial position of the Combined Entities and the Company and its subsidiaries as at 31 March 2020. The consolidated statement of financial position of the Group as at 31 March 2019 refers to the consolidated statement of financial position of the Combined Entities.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (cont'd)

(iii) Reverse acquisition accounting (cont'd)

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.

The statements of financial position of the Company as at 31 March 2020 and 2019 refers to the statements of financial position of the Company.

The details of the acquisition are disclosed in Note 31.2 to the financial statements.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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.

(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(k)(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(k)(i)).

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Financial instruments (cont'd)

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

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.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

(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.

(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. 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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Leases (cont'd)

Current financial year

(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.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Leases (cont'd)

Current financial year (cont'd)

(ii) Recognition and initial measurement (cont'd)

(a) As a lessee (cont'd)

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.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Leases (cont'd)

Previous financial year

As a lessee

(i) Finance lease

Leases in terms of which the Group or the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Leasehold land which in substance is a finance lease is classified as property, plant and equipment, or as investment property if held to earn rental income or for capital appreciation or for both.

(ii) Operating lease

Leases, where the Group or the Company does not assume substantially all the risks and rewards of ownership are classified as operating leases and the leased assets are not recognised on the statement of financial position.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent rentals are charged to profit or loss in the reporting period in which they are incurred.

(f) Investment properties

Investment properties carried at cost

Investment properties are properties which are owned 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. Freehold land is not depreciated.

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)

(g) Non-current asset held for sale

Non-current asset that is expected to be recovered primarily through sale rather than through continuing use, is classified as held for sale or distribution.

Immediately before classification as held for sale, the asset is remeasured in accordance with the Group's accounting policies. Thereafter generally the asset is measured at the lower of its carrying amount and fair value less costs of disposal.

Impairment losses on initial classification as held for sale or distribution and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Intangible assets and property, plant and equipment once classified as held for sale or distribution are not amortised or depreciated.

(h) Inventories

(i) Land held for property development

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

The cost of land held for 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) 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.

(i) 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(k)(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 Company, 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 and 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)

(j) 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.

(k) Impairment

(i) Financial assets

The Group and the Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost and contract assets. 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 and contract assets 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 and the Company's procedures for recovery of amounts due.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) 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.

(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.

(m) 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Employee benefits (cont'd)

(iii) Share-based payment transactions

The grant date fair value of share-based payment granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The fair value of the employee share options is measured using a Black Scholes model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

(n) 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Revenue and other income

(i) Hospitality, electricity revenue and goods sold

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) Property development

The Group generates revenue from the sale of properties to customers.

Sale of properties under construction

The sale of properties under construction is recognised over time. The revenue is recognised over time commencing upon the Group enters into agreements with its customers.

Revenue recognised over time is based on the stage of completion of units sold measured by reference to the proportion of the cost of properties under development incurred for works performed to date bear to the estimated total cost of properties under development.

Sale of completed properties

The sale of completed properties to customers is recognised upon such customers taking legal possession of the property, usually in the form of an executed sale agreement or evidence of purchase price settlement, or when the customer takes vacant possession of the properties.

(iii) 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.

(iv) Interest income

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) 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.

(q) 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Earnings per ordinary share

The Group presents basic 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.

(s) 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 Managing Director 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.

(t) 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 2018		36,571	154,876	674	1,122	1,623	20	348	–	195,234
Additions		4	–	17	166	867	–	–	–	1,054
Write off		–	–	–	–	(488)	–	–	–	(488)
At 31 March 2019/ 1 April 2019		36,575	154,876	691	1,288	2,002	20	348	–	195,800
Acquisitions through business combinations	31.2	35,811	340	17	–	94	16	52	–	36,330
Transfer to asset held for sale	12	(10,011)	–	–	–	–	–	–	–	(10,011)
Additions		–	–	61	180	438	–	147	1,131	1,957
Transfer from properties under development	7	–	–	–	–	–	–	–	53,210	53,210
At 31 March 2020		62,375	155,216	769	1,468	2,534	36	547	54,341	277,286

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

	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										
Depreciation										
At 1 April 2018		–	7,771	271	528	520	20	154	–	9,264
Depreciation for the year		–	3,145	88	216	186	–	69	–	3,704
Write off		–	–	–	–	(6)	–	–	–	(6)
At 31 March 2019/ 1 April 2019		–	10,916	359	744	700	20	223	–	12,962
Depreciation for the year		–	3,151	86	184	185	1	37	–	3,644
At 31 March 2020		–	14,067	445	928	885	21	260	–	16,606
Carrying amount										
At 1 April 2018		36,571	147,105	403	594	1,103	*	194	–	185,970
At 31 March 2019/ 1 April 2019		36,575	143,960	332	544	1,302	*	125	–	182,838
At 31 March 2020		62,375	141,149	324	540	1,649	15	287	54,341	260,680

* - Amount below RM1,000.

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

3.1 Security

Freehold buildings of the Group with carrying amount of RM111,439,000 (2019: RM113,929,000) have been pledged to a licensed bank as security for credit facilities granted to the Group (Note 14).

3.2 Assets under finance lease agreements

Included in property, plant and equipment of the Group are motor vehicles acquired under finance lease agreements with carrying amounts of RM39,000 (2019: Nil).

3.3 Titles

The strata titles of building in a subsidiary with carrying amount of RM336,000 (2019: Nil), have not been issued to the subsidiary as the master title has not been sub-divided.

4. RIGHT-OF-USE ASSETS

	Note	Land RM'000	Group Buildings RM'000	Total RM'000
Cost				
At 1 April 2018/31 March 2019		–	–	–
Acquisition through business combinations	31.2	9,772	5,868	15,640
At 31 March 2020		9,772	5,868	15,640
Depreciation				
At 1 April 2018/31 March 2019		–	–	–
Depreciation for the year		(41)	(53)	(94)
At 31 March 2020		(41)	(53)	(94)
Carrying amount				
At 1 April 2018/31 March 2019		–	–	–
At 31 March 2020		9,731	5,815	15,546

4.1 Security

The leasehold lands and buildings of certain subsidiaries with carrying amount of RM14,912,000 (2019: Nil) were pledged to a licensed bank as security for credit facilities granted to a subsidiary (Note 14).

4.2 Titles

The strata titles of buildings in certain subsidiaries with carrying amounts of RM634,000 (2019: Nil), have not been issued to the subsidiaries as the master title has not been sub-divided.

5. INVESTMENTS IN SUBSIDIARIES

	Company 2020 RM'000	Company 2019 RM'000
Unquoted shares, at cost	484,877	30,413
Less: Impairment losses	(3,775)	(3,775)
	481,102	26,638

Details of the subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest 2020 %	Effective ownership interest 2019 %
KPP Management Sdn. Bhd. (formerly known as GSB Management Sdn. Bhd.)	Malaysia	Property development and construction	100	100
KPP Properties Sdn. Bhd. (formerly known as GSB Properties Sdn. Bhd.)	Malaysia	Property development	100	100
KPP Development Sdn. Bhd. (formerly known as GSB Summit Development Sdn. Bhd.)	Malaysia	Property development	100	100
Serta Usaha Sdn. Bhd.	Malaysia	Property development	100	100
Summit CD (M) Sdn. Bhd. (formerly known as GSB Summit CD (M) Sdn. Bhd.)	Malaysia	Manufacture of compact discs	100	100
Summit Audio (M) Sdn. Bhd. (formerly known as GSB Summit Audio (M) Sdn. Bhd.) [1]	Malaysia	Dormant	100	100
Kerjaya Property Sdn. Bhd. (formerly known as Kerjaya Prospek Property Sdn. Bhd.)	Malaysia	Project management consultants and property development	100	–
Kerjaya Hotel Sdn. Bhd.	Malaysia	Property development, hotel operation and letting of service apartments	100	–
Aeon Frontier Sdn. Bhd.	Malaysia	Property development	100	–
Desanda Property Sdn. Bhd.	Malaysia	Investment holding	99.4	–

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of subsidiary	Country of incorporation	Principal activities	Effective ownership interest 2020 %	2019 %
Banda Industries Sdn. Bhd.	Malaysia	Property development	–	100
GSB Hotel Sdn. Bhd.	Malaysia	Property development	–	100

[1] Ceased operations during the financial year ended 31 March 2010.

6. LAND HELD FOR PROPERTY DEVELOPMENT

	Note	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
Group					
Cost					
At 1 April 2018/31 March 2019		–	–	–	–
Acquisition through business combinations	31.2	46,470	21,000	–	67,470
Additions		–	–	397	397
At 31 March 2020		46,470	21,000	397	67,867

6.1 The land held for property development amounting to RM34,000,000 (2019: Nil) have been pledged to licensed banks as security for credit facilities granted to certain subsidiaries (Note 14).

7. INVENTORIES

	Note	Group 2020 RM'000	Group 2019 RM'000
Properties under development	7.1	167,352	194,738
Completed properties		179,009	82,657
Raw materials and consumables		341	601
		346,702	277,996
Recognised in profit or loss:			
Inventories recognised as cost of sales		139,920	5,318

7. INVENTORIES (CONT'D)

7.1 Properties under development

	Note	Group 2020 RM'000	2019 RM'000
At beginning of year:			
Land costs		60,977	48,635
Development costs		133,761	78,180
		194,738	126,815
Land cost:			
Acquisition through business combinations	31.2	62,593	–
Costs incurred during the year		–	23,561
Transferred to:			
- contract cost	8.2	(20,206)	(11,219)
- completed properties		(17,273)	–
- property, plant and equipment	3	(10,425)	–
		14,689	12,342
Development cost:			
Acquisition through business combinations	31.2	76,181	–
Costs incurred during the year		59,168	72,011
Transferred to:			
- contract cost	8.2	(47,167)	(16,430)
- completed properties		(87,472)	–
- property, plant and equipment	3	(42,785)	–
		(42,075)	55,581
At end of year:			
Land costs		75,666	60,977
Development costs		91,686	133,761
		167,352	194,738

7.2 Estimation uncertainty and critical judgements

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

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

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

7. INVENTORIES (CONT'D)

7.3 Security

Included in the completed properties is RM32,768,000 (2019: Nil) being pledged to a licensed bank as security for revolving credit facilities granted to a subsidiary (Note 14).

8. CONTRACT WITH CUSTOMERS

8.1 Contract assets/(liabilities)

	Group	
	2020 RM'000	**2019 RM'000**
Contract assets		
Accrued revenue		
Unbilled receivables on property sales	14,512	5,914
Contract liabilities		
Deferred revenue		
Advance billings on property sales	30,726	–

The contract assets primarily relate to the Group's rights to consideration for work completed on contracts but not yet billed at the reporting date.

The contract liabilities primarily related to the amount that is due from contract customer, which revenue is recognised over time during the development of property.

Significant changes in the contract assets/(liabilities) balances during the financial year are as follows:

		Group	
	Note	**2020 RM'000**	**2019 RM'000**
Balances as at 1 April		5,914	(30,433)
Acquisition through business combinations	31.2	5,321	–
Revenue recognised		172,136	100,538
Decrease due to progress billings made		(199,585)	(64,191)
Balances as at 31 March		(16,214)	5,914

8. CONTRACT WITH CUSTOMERS (CONT'D)

8.2 Contract costs

	Note	Group 2020 RM'000	2019 RM'000
Cost to fulfil a contract			
At 1 April		14,161	12,851
Acquisition through business combinations	31.2	2,174	–
Costs incurred during the year		60,665	34,757
Transfer from inventories	7.1	67,373	27,649
Cost recognised as cost of sales in profit or loss		(124,995)	(61,096)
At 31 March		19,378	14,161
Cost to obtain a contract			
At 1 April		3,883	2,611
Acquisition through business combinations	31.2	484	–
Costs incurred during the year		21,601	4,379
Cost recognised as cost of sales in profit or loss		(9,072)	(3,107)
At 31 March		16,896	3,883
		36,274	18,044

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.

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.

9. OTHER INVESTMENTS

	Group	
	2020 RM'000	2019 RM'000
Current		
Fair value through other comprehensive income – quoted shares	–	48,526

On 18 July 2019, the Group disposed of its entire quoted investment amounting to RM48,526,000 for total cash consideration of RM48,526,000.

10. TRADE AND OTHER RECEIVABLES

		Group		Company	
	Note	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Trade					
Trade receivables		15,999	6,303	–	–
Amounts due from related parties	10.1	72	–	–	–
		16,071	6,303	–	–
Non-trade					
Other receivables	10.2	15,393	1,116	2	154
Deposits	10.3	2,419	962	–	–
Amounts due from related parties	10.4	–	32,670	–	–
Amounts due from subsidiaries	10.5	–	–	45,753	39,458
		17,812	34,748	45,755	39,612
		33,883	41,051	45,755	39,612

10.1 Amounts due from related parties - trade

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

10.2 Other receivables

Included in the other receivables of the Group is an amount due from a joint venture partner of RM11,930,000 (2019: Nil) to a subsidiary, which is subject to interest of 8% (2019: Nil) per annum from date of letter of payment notice issued to the joint venture partner.

10. TRADE AND OTHER RECEIVABLES (CONT'D)

10.3 Deposits

Included in deposits is a sum of RM1,303,000 (2019: Nil) paid by a subsidiary of the Company for the purchase of the properties as disclosed in Note 31.4.

10.4 Amounts due from related parties - non-trade

The amounts due from related parties were unsecured, interest free and repayable on demand.

10.5 Amounts due from subsidiaries - non-trade

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

11. CASH AND BANK BALANCES

		Group		Company	
	Note	**2020 RM'000**	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Cash and bank balances	11.1	75,895	7,345	22	197
Deposits placed with licensed banks	11.2	2,858	–	–	–
Highly liquid investments	11.3	3	2,566	–	–
		78,756	9,911	22	197

11.1 Cash and bank balances

Included in the Group's cash and bank balances is RM69,765,000 (2019: RM3,540,000) maintained pursuant to the Housing Development (Housing Development Account) Regulations 1991.

11.2 Deposits placed with licensed banks

Deposits placed with a licensed bank of RM1,139,000 (2019: Nil) has been pledged for a bank facility granted to a subsidiary (Note 14).

11.3 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.

12. ASSET CLASSIFIED AS HELD FOR SALE

A freehold land is presented as "asset held for sale" following the commitment of the Group to a plan to sell the land (Note 31.3).

The carrying amount of the freehold land of RM10,011,000 is the same as its carrying value before it was reclassified to current assets.

13. CAPITAL AND RESERVES

13.1 Share capital

Group and Company	Amount 2020 RM'000	Number of shares 2020 '000	Amount 2019 RM'000	Number of shares 2019 '000
Issued and fully paid:				
As at 1 April	56,629	552,440	53,754	528,100
Issued during the year	76,206	448,272	2,875	24,340
Consolidated during the year	–	(800,570)	–	–
As at 31 March	132,835	200,142	56,629	552,440

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. All shares rank equally with regard to the Company's residual assets.

13.2 Redeemable Convertible Preference Shares ("RCPS")

Group and Company	Amount 2020 RM'000	Number of shares 2020 '000	Amount 2019 RM'000	Number of shares 2019 '000
Issued and fully paid:				
As at 1 April	–	–	–	–
Issued during the year	284,243	3,168,055	–	–
Liability component	(44,738)	–	–	–
As at 31 March	239,505	3,168,055	–	–

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 (Note 31.2).

13. CAPITAL AND RESERVES (CONT'D)

13.2 Redeemable Convertible Preference Shares ("RCPS") (cont'd)

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 share, 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.

13.3 Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of equity securities designated at fair value through other comprehensive income until the assets are derecognised or impaired.

13.4 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 is disclosed in Note 17.

13.5 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 spelt out in Note 31.2.

14. LOANS AND BORROWINGS

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Non-current					
Secured term loans	14.1	114,151	105,955	–	–
Current					
Secured term loans	14.1	17,563	2,663	–	–
Secured revolving credit	14.1	141,490	–	100,000	–
Secured bank overdrafts	14.1	14,094	–	–	–
Finance lease liabilities	14.2	13	–	–	–
		173,160	2,663	100,000	–
		287,311	108,618	100,000	–

14.1 Security

In the current financial year, the term loans, revolving credit and bank overdrafts are secured by the property, plant and equipment (Note 3), right-of-use assets (Note 4), land held for property development (Note 6), inventories (Note 7) and deposits placed with licensed banks (Note 11) of certain subsidiaries.

14.2 Finance lease liabilities

Finance lease liabilities are payable as follows:

Group	Future minimum lease payments RM'000	Interest RM'000	Present value of minimum lease payments RM'000
31.3.2020			
Less than one year	14	(1)	13
Between one and five years	–	–	–
	14	(1)	13
31.3.2019			
Less than one year	–	–	–
Between one and five years	–	–	–
	–	–	–

14. LOANS AND BORROWINGS (CONT'D)

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

Group	At 1.4.2018 RM'000	Net changes from financing cash flows RM'000	At 31.3.2019/ 1.4.2019 RM'000	Acquisition through business combinations (Note 31.2) RM'000	Net changes from financing cash flows RM'000	At 31.3.2020 RM'000
Term loans	–	108,617	108,617	38,953	(15,856)	131,714
Revolving credit	–	–	–	35,590	105,900	141,490
Bank overdrafts	–	–	–	12,631	1,463	14,094
Finance lease liabilities	–	–	–	23	(10)	13
	–	108,617	108,617	87,197	91,497	287,311

Company	At 1.4.2018 RM'000	Net changes from financing cash flows RM'000	At 31.3.2019/ 1.4.2019 RM'000	Net changes from financing cash flows RM'000	At 31.3.2020 RM'000
Revolving credit	–	–	–	100,000	100,000

15. DEFERRED TAX LIABILITIES

15.1 Recognised deferred tax liabilities

Deferred tax liabilities are attributable to the following:

	Assets		Liabilities		Net	
Group	**2020 RM'000**	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Property, plant and equipment	–	–	(30,615)	(27,319)	(30,615)	(27,319)
Unabsorbed investment tax allowance	3,990	4,538	–	–	3,990	4,538
Others	719	-	–	(266)	719	(266)
Deferred tax assets/(liabilities)	4,709	4,538	(30,615)	(27,585)	(25,906)	(23,047)
Set off of tax	(3,990)	(4,538)	3,990	4,538	–	–
Net tax liabilities	719	–	(26,625)	(23,047)	(25,906)	(23,047)

Movement in temporary differences during the financial year

Group	**At 1.4.2018 RM'000**	**Recognised in profit or loss (Note 23) RM'000**	**At 31.3.2019/ 1.4.2019 RM'000**	**Acquisition through business combinations (Note 31.2) RM'000**	**Recognised in profit or loss (Note 23) RM'000**	**At 31.3.2020 RM'000**
Property, plant and equipment	(28,036)	717	(27,319)	(3,126)	(170)	(30,615)
Unabsorbed investment tax allowance	5,266	(728)	4,538	–	(548)	3,990
Others	(295)	29	(266)	–	985	719
	(23,065)	18	(23,047)	(3,126)	267	(25,906)

15. DEFERRED TAX LIABILITIES (CONT'D)

15.2 Unrecognised deferred tax assets

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

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Items generated from business activities on property development and replication of compact discs					
- Unabsorbed capital allowances		1,220	–	–	–
- Unabsorbed business losses		2,585	–	–	225
- Other temporary differences		(526)	–	–	–
	15.2.1	3,279	–	–	225
Items generated from business activity on manufacturing plastic fabricated parts					
- Unabsorbed capital allowances		6,858	–	–	–
- Unutilised reinvestment allowances		8,540	–	–	–
	15.2.2	15,398	–	–	–
		18,677	–	–	225

15.2.1 With effect from year of assessment ("YA") 2019, any unabsorbed business losses can only be carried forward for a maximum period of seven consecutive YAs. The unabsorbed business losses for YA 2018 and prior YAs can be carried forward until 2025. 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	2,100	2025
2019	400	2026
2020	85	2027
	2,585	

15. DEFERRED TAX LIABILITIES (CONT'D)

15.2 Unrecognised deferred tax assets (cont'd)

15.2.2 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.

16. TRADE AND OTHER PAYABLES

	Note	Group		Company	
		2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Non-current					
Trade					
Trade payables	16.1	2,955	–	–	–
Amount due to a related party	16.2	8,710	–	–	–
		11,665	–	–	–
Current					
Trade					
Trade payables		26,664	16,563	–	–
Amounts due to related parties	16.3	27,483	23,970	–	–
		54,147	40,533	–	–
Non-trade					
Amounts due to subsidiaries	16.4	–	–	19,730	21,230
Amounts due to related parties	16.5	1	85,252	–	–
Other payables and accruals	16.6	107,557	33,681	3,756	284
Amounts due to Directors	16.7	–	49,963	–	–
		107,558	168,896	23,486	21,514
		161,705	209,429	23,486	21,514
		173,370	209,429	23,486	21,514

16. TRADE AND OTHER PAYABLES (CONT'D)

16.1 Non-current trade payables

The non-current trade payables are retention sums which are payable upon the expiry of the defects liability period.

16.2 Non-current amount due to a related party – trade

The non-current trade amount due to a related party is retention sum which is payable upon the expiry of the defects liability period and subject to normal trade terms.

16.3 Amount due to related parties – trade

The trade amounts due to related parties were subject to normal trade terms.

16.4 Amount due to subsidiaries – non-trade

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

16.5 Amount due to related parties – non-trade

The non-trade amounts due to related parties were unsecured, interest free and repayable on demand.

16.6 Other payables and accruals

Included in other payables and accruals of the Group are:

(i) landowner's entitlement of RM12,524,000 (2019: Nil) that is expected to be payable to the joint venture partner over the final two years of the joint venture period.
(ii) deposits received from buyers of RM9,630,000 (2019: RM5,491,000) for the sale of properties.

16.7 Amounts due to Directors

The amounts due to Directors were unsecured, interest free and repayable on demand.

17. EMPLOYEE BENEFITS

Share-based payments arrangement

Share option programme (equity settled)

On 3 December 2015, the Group granted share options to qualified key management personnel and executives to purchase shares in the Company under the Employees Share Option Scheme approved by the shareholders of the Company on 30 January 2015. In accordance with these programmes, holders of vested options are entitled to purchase shares at the market price of the shares at the date of grant.

17. EMPLOYEE BENEFITS (CONT'D)

Share-based payments arrangement (cont'd)

Share option programme (equity settled) (cont'd)

The terms and conditions related to the grants of the share option programme are as follows:

Grant date/ Employees entitled	Number of options '000	Vesting conditions	Contractual life of options
Options granted to employees on 3 December 2015	10,526	Immediate	4.3 years
	10,526	1 year of service	4.3 years
	9,023	2 years of service	4.3 years
	30,075		

The number and weighted average exercise prices of share options are as follows:

	2020		2019	
	Weighted average exercise price RM	Number of options '000	Weighted average exercise price RM	Number of options '000
Outstanding at 1 April	RM0.10	250	RM0.10	24,770
Forfeited during the year	RM0.10	(100)	RM0.10	(180)
Exercised during the year	RM0.10	–	RM0.10	(24,340)
Consolidated during the year	–	(120)	–	–
Outstanding at 31 March	RM0.50	30	RM0.10	250
Exercisable at 31 March	RM0.50	30	RM0.10	250

The options outstanding at 31 March 2020 have an exercise price of RM0.50 (2019: RM0.10) and a weighted average contractual life of 0.3 years (2019: 1.3 years).

17. EMPLOYEE BENEFITS (CONT'D)

Share-based payments arrangement (cont'd)

Share option programme (equity settled) (cont'd)

The fair value of services received in return for share options granted is based on the fair value of share options granted, measured using a Black Scholes model, with the following inputs:

	Key management personnel and executives	
	2020	**2019**
Fair value of share options and assumptions		
Fair value at grant date	RM0.02	RM0.02
Weighted average share price	RM0.50	RM0.10
Exercise price	RM0.50	RM0.10
Expected volatility (weighted average volatility)	40.4%	40.4%
Option life (expected weighted average life)	0.3 years	1.3 years
Risk-free interest rate (based on Malaysian Government bonds)	3.8%	3.8%

The ESOS has expired on 15 April 2020.

18. REVENUE

Group	**2020 RM'000**	**2019 RM'000**
Revenue from contracts with customers	214,079	145,883

18. REVENUE (CONT'D)

18.1 Nature of goods and services

Nature of goods or services	Timing of recognition or method used to recognised revenue	Significant payment terms	Variable element in consideration	Warranty
Hospitality 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.
Property development	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.
	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 18 to 24 months upon the delivery of vacant possession of development unit.
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.

18. REVENUE (CONT'D)

18.2 Disaggregation of revenue

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

Group	2020 RM'000	2019 RM'000
Over time		
Property under development	172,157	100,538
At a point in time		
Electricity revenue	3,812	3,978
Hospitality revenue	30,761	32,896
Sale of completed properties	4,151	5,482
Others	3,198	2,989
	214,079	145,883

18.3 Transaction price allocated to the remaining performance obligations

The follow 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.

	2021 RM'000	2022 RM'000	2023 RM'000	2024 RM'000	Total RM'000
Property development	200,671	51,205	51,205	17,068	320,149

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.

19. FINANCE INCOME

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Interest income of financial assets that are not at fair value through profit or loss:				
- Fixed deposits	9	76	–	–
- Housing development accounts	6	10	–	–
- Current accounts	750	845	–	–
- Others	45	161	–	–
	810	1,092	–	–

20. FINANCE COSTS

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Interest expense of financial liabilities that are not at fair value through profit or loss:				
- Bank overdrafts	(140)	–	–	–
- Bank guarantees	(6)	(402)	–	–
- Revolving credits	(553)	–	–	–
- Term loans	(7,461)	(4,754)	(1,305)	–
- Landowner entitlements	(1,751)	–	–	–
	(9,911)	(5,156)	(1,305)	–
Finance costs:				
- Recognised in profit or loss	(7,727)	(5,156)	(1,305)	–
- Capitalised in land held for property development	(833)	–	–	–
- Capitalised in property, plant and equipment	(1,351)	–	–	–
	(9,911)	(5,156)	(1,305)	–

21. PROFIT/(LOSS) BEFORE TAX

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Profit/(Loss) before tax is arrived at after charging:				
Auditors' remuneration				
- Audit fees	203	77	38	38
- Non-audit fees	10	10	10	10
Depreciation of property, plant and equipment	3,644	3,704	–	–
Impairment loss on trade receivables	90	–	–	–
Depreciation of right-of-use assets	94	–	–	–
Plant and equipment written off	–	482	–	–
Personnel expenses (including key management personnel):				
Contributions to state plans	1,132	1,032	–	–
Wages, salaries and others	11,804	10,202	–	–
Loss on foreign exchange - Realised	–	25	–	–
- Unrealised	–	5	–	–
and after crediting:				
Gain on disposal of subsidiaries	–	–	7,533	–

22. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel compensations are as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Directors of the Company:				
- Fees	50	–	50	50
- Remuneration	1,294	985	–	–
	1,344	985	50	50
Other Directors of the Group:				
- Remuneration	611	528	–	–
	1,955	1,513	50	50

23. TAX EXPENSE

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Current tax expense					
- Current year		7,433	8,604	–	–
- Over provision in prior years		(252)	–	–	–
Total current tax expense		7,181	8,604	–	–
Deferred tax expense					
- Origination and reversal of temporary differences		218	454	–	–
- Crystallisation of deferred tax liability on revaluation of properties		(485)	(472)	–	–
Total deferred tax expense/(income)		(267)	(18)	–	–
Total tax expense		6,914	8,586	–	–

Reconciliation of tax expense

	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Profit/(Loss) before tax	28,155	36,409	130	(937)
Income tax calculated using Malaysian tax rate at 24% (2019: 24%)	6,757	8,738	31	(225)
Effect of income subject to tax rate of 18%*	–	(30)	–	–
Non-deductible expenses	1,874	704	1,777	225
Non-taxable income	(2)	(354)	(1,808)	–
Effect of deferred tax assets not recognised	(978)	–	–	–
Crystallisation of deferred tax liability on revaluation of properties	(485)	(472)	–	–
Over provision in prior years	(252)	–	–	–
	6,914	8,586	–	–

24. EARNINGS PER ORDINARY SHARE

24.1 Basic earnings per ordinary share

Due to the business acquisition during the financial year, the earnings per ordinary share has been restated and reflects the results of Combined Entities (regarded as the accounting acquirer), till the date of acquisition, and the results of the Group from the date of the acquisition (Note 31.2).

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	
	2020	**2019**
Profit for the year attributable to ordinary shareholders (RM'000)	21,238	27,823
Weighted average number of ordinary shares at 31 March ('000)	130,574	545,309
Basic earnings per ordinary share (sen)	16.27	5.10

24.2 Diluted earnings per ordinary share

The calculation of diluted earnings per ordinary share at 31 March 2020 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	
	2020	**2019**
Profit for the year attributable to ordinary shareholders (RM'000)	21,238	27,823
Weighted average number of ordinary shares at 31 March (basic) ('000)	130,574	545,309
Effect of share options on issuance ('000)	30	250
Weighted average number of ordinary shares at 31 March (diluted) ('000)	130,604	545,559
Diluted earnings per ordinary share (sen)	16.26	5.10

The effects of potential ordinary shares arising from the conversion of RCPS are anti-dilutive and accordingly, it is not included in the calculation of dilutive earnings per share. As a result, the diluted earnings per ordinary share is approximately the same as basic earnings per share.

25. OPERATING SEGMENTS

The Group has five 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 Managing Director (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. Includes property development of residential and commercial properties.
- Segment 2. Includes hotel operation.

Other non-reportable segments comprise operations related to investment holding, distribution of electricity, leasing of properties and manufacturing and replication of optical disc. None of these segments met the quantitative thresholds for reporting segments in 2020 and 2019.

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

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 Managing Director (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 Managing Director. 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 Managing Director. Hence no disclosure is made on segment liabilities.

25. OPERATING SEGMENTS (CONT'D)

	Property development RM'000	Hospitality RM'000	Others RM'000	Total RM'000
2020				
Group				
Revenue	176,308	30,761	7,010	214,079
Segment profit/(loss)	30,202	5,482	(612)	35,072
Included in the measure of segment profit/(loss) are:				
Revenue from external customers	176,308	30,761	7,010	214,079
Not included in the measure of segment profit/(loss) but provided to Managing Director:				
Depreciation	(766)	(2,822)	(56)	(3,644)
Finance income	732	53	25	810
Finance costs	(6,422)	–	(1,305)	(7,727)
Segment assets	708,603	119,516	50,522	878,641
Included in the measure of segment assets are:				
Additions to non-current assets	1,709	645	–	2,354

25. OPERATING SEGMENTS (CONT'D)

	Property development RM'000	Hospitality RM'000	Others RM'000	Total RM'000
2019				
Revenue	106,020	32,896	6,967	145,883
Segment profit	28,389	8,535	3,549	40,473
Included in the measure of segment profit are:				
Revenue from external customers	106,020	32,896	6,967	145,883
Not included in the measure of segment profit but provided to Managing Director:				
Depreciation	(1,752)	(1,948)	(4)	(3,704)
Finance income	990	78	24	1,092
Finance costs	(5,156)	–	–	(5,156)
Segment assets	467,992	124,216	1,069	593,277
Included in the measure of segment assets are:				
Additions to non-current assets	31	1,023	–	1,054

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

	Group 2020 RM'000	Group 2019 RM'000
Profit or loss		
Total profit for reportable segments	35,684	36,924
Other non-reportable segments	(612)	3,549
Finance income	810	1,092
Finance costs	(7,727)	(5,156)
Consolidated profit before tax	28,155	36,409

25. OPERATING SEGMENTS (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
2020						
Total reportable segments	207,069	(3,588)	(6,422)	785	828,119	2,354
Other non-reportable segments	7,010	(56)	(1,305)	25	50,522	-
Consolidated total	214,079	(3,644)	(7,727)	810	878,641	2,354
2019						
Total reportable segments	138,916	(3,700)	(5,156)	1,068	592,208	1,054
Other non-reportable segments	6,967	(4)	-	24	1,069	-
Consolidated total	145,883	(3,704)	(5,156)	1,092	593,277	1,054

26. FINANCIAL INSTRUMENTS

26.1 Categories of financial instruments

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

(a) Amortised cost ("AC")
(b) Fair value through other comprehensive income ("FVOCI")
- Equity instrument designated upon initial recognition ("EIDUIR")

	Carrying amount RM'000	AC RM'000
31.3.2020		
Financial assets		
Group		
Trade and other receivables	33,883	33,883
Cash and bank balances	78,756	78,756
	112,639	112,639
Company		
Trade and other receivables	45,755	45,755
Cash and bank balances	22	22
	45,777	45,777
Financial liabilities		
Group		
Loans and borrowings	(287,311)	(287,311)
Trade and other payables	(173,370)	(173,370)
	(460,681)	(460,681)
Company		
Loans and borrowings	(100,000)	(100,000)
Other payables	(23,486)	(23,486)
	(123,486)	(123,486)

26. FINANCIAL INSTRUMENTS (CONT'D)

26.1 Categories of financial instruments (cont'd)

	Carrying amount RM'000	AC RM'000	FVOCI - EIDUIR RM'000
31.3.2019			
Financial assets			
Group			
Other investments	48,526	–	48,526
Trade and other receivables	41,051	41,051	–
Cash and bank balances	9,911	9,911	–
	99,488	50,962	48,526
Company			
Trade and other receivables	39,612	39,612	–
Cash and bank balances	197	197	–
	39,809	39,809	–
31.3.2019			
Financial liabilities			
Group			
Loans and borrowings	(108,618)	(108,618)	–
Trade and other payables	(209,429)	(209,429)	–
	(318,047)	(318,047)	–
Company			
Other payables	(21,514)	–	(21,514)

26.2 Net gains and losses arising from financial instruments

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Net gains/(losses) on:				
Financial assets measured at amortised cost	720	1,092	–	–
Financial liabilities measured at amortised cost	(7,727)	(5,156)	(1,305)	–
Financial assets at fair value through other comprehensive income - Equity instrument designated upon initial recognition	–	(39,473)	–	–
	(7,007)	(43,537)	(1,305)	–

26. FINANCIAL INSTRUMENTS (CONT'D)

26.3 Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

26.4 Credit risk

Credit risk is the risk of a financial loss to the Group 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 receivables from customers. 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 and contract assets

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 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.

For the replication of compact discs 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 and contract assets are credit impaired.

The gross carrying amounts of credit impaired trade receivables and contract assets 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 and contract assets 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 receivables is represented by the carrying amounts in the statement of financial position.

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

26. FINANCIAL INSTRUMENTS (CONT'D)

26.4 Credit risk (cont'd)

Trade receivables and contract assets (cont'd)

Recognition and measurement of impairment losses

In managing credit risk of trade receivables, the Group manages its receivables and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables from the replication of compact discs 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.

The 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 and contract assets as at 31 March 2020.

	Gross carrying amount RM'000	**Loss allowance RM'000**	**Net balance RM'000**
31.3.2020			
Current (not past due)	27,587	–	27,587
1 – 30 days past due	962	–	962
31 – 60 days past due	1,118	(4)	1,114
61 – 90 days past due	56	(8)	48
More than 90 days past due	944	(72)	872
	30,667	(84)	30,583
Credit impaired			
Individually impaired	303	(303)	–
	30,970	(387)	30,583
Trade receivables	16,458	(387)	16,071
Contract assets	14,512	–	14,512
	30,970	(387)	30,583

26. FINANCIAL INSTRUMENTS (CONT'D)

26.4 Credit risk (cont'd)

Trade receivables and contract assets (cont'd)

Recognition and measurement of impairment losses (cont'd)

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets as at 31 March 2019.

	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
31.3.2019			
Current (not past due)	7,775	–	7,775
1 – 30 days past due	865	–	865
31 – 60 days past due	157	–	157
61 – 90 days past due	175	–	175
More than 90 days past due	–	–	–
	8,972	–	8,972
Credit impaired			
More than 90 days past due	3,245	–	3,245
Individually impaired	71	(71)	–
	12,288	(71)	12,217
Trade receivables	6,374	(71)	6,303
Contract assets	5,914	–	5,914
	12,288	(71)	12,217

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

	Lifetime ECL RM'000	Credit impaired RM'000	Total RM'000
Balance at 1 April 2018/31 March 2019/ 1 April 2019	–	71	71
Acquisition through business combinations	–	226	226
Net remeasurement of loss allowance	84	6	90
Balance at 31 March 2020	84	303	387

26. FINANCIAL INSTRUMENTS (CONT'D)

26.4 Credit risk (cont'd)

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 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 RM67,623,000 (2019: RM49,436,000) 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 Group 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 Company provides unsecured advances to subsidiaries. The Company monitors the results of the 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.

Recognition and measurement of impairment loss

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

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

26. FINANCIAL INSTRUMENTS (CONT'D)

26.4 Credit risk (cont'd)

Inter-company balances (cont'd)

Recognition and measurement of impairment loss (cont'd)

The Company determines the probability of default for these advances individually using internal information available.

The following table provides information about the exposure to credit risk and ECLs for subsidiaries' advances.

	Gross carrying amount RM'000	Impairment loss allowance RM'000	Net balance RM'000
2020			
Low credit risk	45,753	–	45,753
2019			
Low credit risk	39,458	–	39,458

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.

26.5 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 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.

26. FINANCIAL INSTRUMENTS (CONT'D)

26.5 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:

Group	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
31.3.2020							
Non-derivative financial liabilities							
Trade and other payables	173,370	–	173,370	161,705	11,665	–	–
Revolving credit	141,490	4.25	141,490	141,490	–	–	–
Term loans	131,714	4.47 - 5.55	184,298	18,700	12,732	30,368	122,498
Bank overdrafts	14,094	4.25	14,094	14,094	–	–	–
Finance lease liabilities	13	2.64	14	14	–	–	–
	460,681		513,266	336,003	24,397	30,368	122,498
31.3.2019							
Non-derivative financial liabilities							
Term loan	108,618	5.12	169,915	7,787	7,674	23,411	131,043
Trade and other payables	209,429	–	209,429	209,429	–	–	–
	318,047		379,344	217,216	7,674	23,411	131,043

26. FINANCIAL INSTRUMENTS (CONT'D)

26.5 Liquidity risk (cont'd)

Company	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
31.3.2020							
Non-derivative financial liabilities							
Trade and other payables	23,486	–	23,486	23,486	–	–	–
Secured revolving credit	100,000	4.25	100,000	100,000	–	–	–
	123,486		123,486	123,486	–	–	–
31.3.2019							
Non-derivative financial liabilities							
Trade and other payables	21,514	–	21,514	21,514	–	–	–

26. FINANCIAL INSTRUMENTS (CONT'D)

26.6 Market risk

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

26.6.1 Interest rate risk

The Group's fixed rate borrowings 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 was:

	Group		Company	
	2020 RM'000	**2019 RM'000**	**2020 RM'000**	**2019 RM'000**
Fixed rate instruments				
Financial assets	1,139	–	–	–
Financial liabilities	(13)	–	–	–
	1,126	–	–	–
Floating rate instruments				
Financial assets	1,719	–	–	–
Financial liabilities	(287,298)	(108,618)	(100,000)	–
	(285,579)	(108,618)	(100,000)	–

26. FINANCIAL INSTRUMENTS (CONT'D)

26.6 Market risk (cont'd)

26.6.1 Interest rate risk (cont'd)

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.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 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/(loss)		**Post-tax profit/(loss)**	
	100 bp increase 2020 RM'000	**100 bp decrease 2020 RM'000**	**100 bp increase 2019 RM'000**	**100 bp decrease 2019 RM'000**
Group				
Floating rate instruments	(2,170)	2,170	(825)	825
Company				
Floating rate instruments	(760)	760	–	–

26.7 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.

26. FINANCIAL INSTRUMENTS (CONT'D)

26.7 Fair value information (cont'd)

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.

Group	Fair value of financial instruments not carried at fair value				Carrying amount
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	RM'000
31.3.2020					
Financial liabilities					
Term loans	–	–	129,180	129,180	131,714
31.3.2019					
Financial liabilities					
Term loans	–	–	108,486	108,486	108,618

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 (2019: 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.

27. 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.

	Note	Company 2020 RM'000	Company 2019 RM'000
Corporate guarantees issued to licensed banks for credit facilities granted to subsidiaries	14	67,623	49,436

The Directors are of the opinion that a provision is not required in respect of the matters above as it is not probable that future sacrifice of economic benefits will be required.

28. CAPITAL COMMITMENT

	Group 2020 RM'000	Group 2019 RM'000
Land held for development		
Contracted but not provided for	11,727	–

29. 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 2020 and at 31 March 2019 were as follows:

	Note	Group 2020 RM'000	Group 2019 RM'000
Total borrowings	14	287,311	108,618
Less: Cash and bank balances	11	(78,756)	(9,911)
Net debt		208,555	98,707
Total equity		317,844	252,183
Debt-to-equity ratios		0.66	0.39

29. CAPITAL MANAGEMENT (CONT'D)

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 Company 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 million. The Company has complied with this requirement.

30. 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 party 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 significant related party transactions of the Group are as follows:

	2020 RM'000	2019 RM'000
Transaction value for the financial year ended with:		
A. Entities in which certain Directors have interest		
Kerjaya Prospek (M) Sdn. Bhd.		
- Construction contract	(90,230)	(82,214)
- Electricity revenue	–	137
- Hospitality revenue	27	219
- Rental income	198	–
The Shore Sky Tower Sdn. Bhd.		
- Rental income	540	735
- Electricity revenue	137	237
- Hospitality revenue	–	8
- Administration fees	–	(91)
3D Interactive Park Sdn. Bhd.		
- Electricity revenue	22	21
V Toy Museum (M) Sdn. Bhd.		
- Electricity revenue	27	30
Dekad Intelek Sdn. Bhd.		
- Rental expenses	(364)	(384)
- Hospitality revenue	–	4

30. RELATED PARTIES (CONT'D)

Identity of related parties (cont'd)

	2020 RM'000	2019 RM'000
B. Key management personnel		
Tee Eng Seng, a Director		
- Rental expenses	(457)	(476)
Datin Toh Siew Chuon, a Director		
- Rental expenses	(254)	–

The related party transactions have been entered into in the normal course of business under negotiated terms. The balances related to the related party transactions are disclosed in Note 10 and Note 16.

31. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

31.1 Disposal of subsidiaries

On 13 March 2019, the Company has entered into a conditional share sale agreement ("the Agreement") with Bentong Makmur Holdings Sdn. Bhd. ("BMHSB"), Gan Pik Mui and Gan Boon Kat for the disposal of:-

(a) entire equity interest in Banda Industries Sdn. Bhd. ("BISB") for a total consideration of RM16,580,000, comprising:-

(i) purchase consideration of RM9,582,000; and

(ii) settlement of amount owing to the Company and its subsidiaries (excluding GSB Hotel Sdn. Bhd.) by BISB amounting to RM6,998,000; and

(b) entire equity interest in GSB Hotel Sdn. Bhd. ("GSBH") for a total consideration of RM2,196,000, comprising:-

(i) purchase consideration of RM3,694,000; and

(ii) netting off the amount owing by the Company and its subsidiaries (excluding BISB) to GSBH amounting to RM1,498,000.

Pursuant to the terms of the Agreement, the Company and BMHSB have mutually agreed to settle the total consideration of RM18,776,000 payable by BMHSB against the advances owing by the Company and its subsidiaries (excluding BISB and GSBH) to Gan Pik Mui and Gan Boon Kat amounting to RM24,373,000.

The transaction was completed on 24 July 2019.

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

31.2 Acquisition of subsidiaries

The Company had, on 9 August 2019, announced the following acquisitions and transactions that were approved by the shareholders in the Extraordinary General Meeting held on 23 December 2019:-

i) Acquisition of the entire equity interest in Aeon Frontier Sdn. Bhd. ("AFSB") for a purchase consideration of RM33,473,902 ("AFSB Acquisition") which was satisfied via the issuance of 196,905,307 shares in the Company ("Company Shares") at an issue price of RM0.17 per Company share;

ii) Acquisition of the entire equity interest in Kerjaya Property Sdn. Bhd. (formerly known as Kerjaya Prospek Property Sdn. Bhd.) ("KPSB") for a purchase consideration of RM367,590,902 ("KPSB Acquisition") of which RM100,000,000 was satisfied via cash and RM267,590,902 which was satisfied via the issuance of 1,574,064,127 redeemable convertible preference shares in the Company ("Company RCPS") at an issue price of RM0.17 per Company RCPS;

iii) Acquisition of the entire equity interest in Kerjaya Hotel Sdn. Bhd. ("KHSB") for a purchase consideration of RM270,978,389 ("KHSB Acquisition") which was satisfied via the issuance of 1,593,990,524 Company RCPS at an issue price of RM0.17 per Company RCPS;

(Collectively, i), ii) and iii) above are referred to as the "Acquisitions")

iv) Subscription by the Company of 42,489,490 new ordinary shares in Desanda Property Sdn. Bhd. ("DPSB"), representing approximately 99.4% of the enlarged issued share capital of DPSB, at an issue price of RM1.00 per subscription share ("DPSB Subscription");

v) Subscription by existing DPSB shareholders, through its nominee, namely Javawana Sdn. Bhd. of 251,366,435 new ordinary shares in the Company Shares at an issue price of RM0.17 per Company Share ("Reinvestment");

(Collectively iv) and v) above are referred to as the "DPSB Transactions")

In addition, the Company undertook the following concurrently with the Acquisitions and DPSB Transactions:

a) Consolidation of every five (5) existing Company Shares into one (1) Company Share ("Consolidated Share") held on an entitlement date ("Share Consolidation");

b) Change of name of the Company from GSB Group Berhad to Kerjaya Prospek Property Berhad ("Change of Name")

(The Acquisitions, DPSB Transactions, Share Consolidation, and Change of Name are collectively referred to as the "Transactions").

On 10 January 2020, the Transactions were completed in accordance with the terms of the respective agreements.

The acquisition of KPSB and KHSB (collectively referred to as "Combined Entities") has been accounted for using reverse acquisition accounting as described in Note 2(a) basis of consolidation.

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

31.2 Acquisition of subsidiaries (cont'd)

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the date of the reverse acquisition:

Fair value of consideration transferred

	Group 10.1.2020 RM'000
Considerations effectively transferred	132,473
Non-controlling interest	247
	132,720

Identifiable assets acquired and liabilities assumed

	Note	**Group 10.1.2020 RM'000**
Property, plant and equipment	3	36,330
Right-of-use assets	4	15,640
Land held for development	6	67,470
Inventories	7.1	138,774
Trade and other receivables		26,371
Contract cost	8.2	2,658
Contract assets	8.1	5,321
Current tax assets		7
Cash and bank balances		1,579
Loan and borrowings	14.3	(87,197)
Trade and other payables		(70,281)
Current tax liabilities		(826)
Deferred tax liabilities	15.1	(3,126)
Total identifiable net assets		132,720

Included in the inventories is an intangible assets of RM24,275,000 relating to the cost of acquiring the right to continue to develop the properties development project.

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

31.2 Acquisition of subsidiaries (cont'd)

Net cash outflow arising from acquisition of subsidiaries

	Group 10.1.2020 RM'000
Purchase considerations settled in cash and cash equivalents	(100,000)
Cash and cash equivalents acquired	(12,191)
	(112,191)

Acquisition-related costs of RM5,011,000 have been charged to the consolidated statement of profit or loss and other comprehensive income in the period in which they relate to.

31.3 Kerjaya Property Sdn. Bhd. (formerly known as Kerjaya Prospek Property Sdn. Bhd.), a wholly-owned subsidiary of the Company, had on 2 January 2020, entered into a sale and purchase agreement with Kerjaya Prospek (M) Sdn. Bhd. to dispose of a piece of freehold land for cash consideration of RM10,011,110. The transaction was completed on 2 April 2020.

31.4 KPP Properties Sdn. Bhd. (formerly known as GSB Properties Sdn. Bhd.), a wholly-owned subsidiary of the Company, had on 8 January 2020, entered into the Sale and Purchase Agreements to purchase the following properties with the respective vendors ("Sale and Purchase Agreements"):-

(a) All that piece of vacant leasehold land held under HS (M) 12131, Lot 3, Mukim Petaling, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan KL ("Land 1") for a consideration of RM2,596,254.00.

(b) All that piece of vacant leasehold land held under Pajakan Mukim 8323, Lot 7244, Mukim Petaling, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan KL ("Land 2") for a consideration of RM2,728,650.00.

(c) All that piece of vacant leasehold land held under HS (M) 12129, PT 5, Mukim Petaling, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan KL ("Land 3") for a consideration of RM2,482,836.00.

(d) All that piece of vacant leasehold land held under Pajakan Mukim 8267, Lot 7242, Mukim Petaling, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan KL ("Land 4") for a consideration of RM2,609,172.00.

(e) All that piece of vacant leasehold land held under HS (M) 12149, PT 7, Mukim Petaling, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan KL ("Land 5") for a consideration of RM2,613,513.00.

(Land 1, Land 2, Land 3, Land 4 and Land 5 collectively referred to as "the Lands")

The sale and purchase of the respective Lands are subject to completion of conditions precedent as set out in the respective Sale and Purchase Agreements.

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 57 to 133 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 2020 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: 11 August 2020

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 (formerly known as GSB Group Berhad), do solemnly and sincerely declare that the financial statements set out on pages 57 to 133 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, at Kuala Lumpur, Wilayah Persekutuan on 11 August 2020.

Datin Toh Siew Chuon

Before me:

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Kerjaya Prospek Property Berhad (formerly known as GSB Group Berhad), which comprise the statements of financial position as at 31 March 2020 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 57 to 133.

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 2020, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *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.

Key Audit Matters (cont'd)

Key audit matter for the Group

<table>
<tr><th colspan="2">Accuracy of the estimated budgeted cost to complete property development projects</th></tr>
<tr><td colspan="2">Refer to Note 2 – Significant accounting policy: Revenue and other income, Note 7 – Inventories and Note 8 – Contract with customers</td></tr>
<tr><th>The key audit matter</th><th>How the matter was addressed in our audit</th></tr>
<tr><td>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.</td><td>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 variation 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.</td></tr>
</table>

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 Auditor's 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.

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.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

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.

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

Chan Kam Chiew
Approval Number: 02055/06/2022 J
Chartered Accountant

Petaling Jaya, Selangor

Date: 11 August 2020

Top 10 List of Properties

as at 31 March 2020

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 31/3/2020 (RM'000)	Date of Revaluation
1	Bloomsvale@Old Klang Road, Jalan Puchong, 58200 Kuala Lumpur	Mixed development	18,104	Freehold	N/A	181,621	31-May-2019
2	Swiss Garden Hotel Melaka, The Shore @ Melaka River, Jalan Persisiran Bunga Raya, 75300 Melaka Bandaraya Bersejarah	Hotel	27,947	Freehold	6	116,039	31-May-2019
3	G Residence, No. 8, Jalan Mutiara 7, Taman Perindustrian Plentong, 81750 Masai, Johor	Mixed development	24,912	Freehold	N/A	98,186	10-Jan-2020
4	Tower 1, Tower 3 and Tower 3A, The Shore @ Melaka River, Jalan Persisiran Bunga Raya, 75300 Melaka Bandaraya Bersejarah	Mixed development	35,098	Freehold	6	75,670	31-May-2019
5	Straits Residence, Jalan Seri Tanjung Pinang, adjacent to Straits Quay at Seri Tanjung Pinang, Tanjung Tokong, Penang	Mixed development	3,466	Freehold	N/A	70,925	31-May-2019
6	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

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 31/3/2020 (RM'000)	Date of Revaluation
7	Parcel No. 4, 5, 6, 7, 8, 9, 403 and 404, The Shore @ Melaka River, Jalan Persisiran Bunga Raya, 75300 Melaka Bandaraya Bersejarah	Commercial development	2,387	Freehold	6	22,884	31-May-2019
8	HS(D) 320708, PT 1016, Seksyen 15, Bandar Shah Alam, District of Petaling, State of Selangor	Vacant land	8,993	Leasehold 99 years expiring on 26.9.2106	N/A	22,253	31-Mar-2019
9	Kaleidoscope, Jalan 1/56, 54200 Kuala Lumpur	Residential development	24,510	Leasehold 99 years expiring on 27.6.2115	N/A	21,184	31-May-2019
10	No. 189, Jalan Persisiran Bunga Raya, 75300 Melaka Bandaraya Bersejarah	Commercial development	5,283	Freehold	8	17,750	31-May-2019

Analysis of Shareholdings

as at 20 July 2020

Financial Year End : 31-Mar-20
Class of Shares : Ordinary shares
Voting Rights : One vote per ordinary share

DISTRIBUTING OF SHAREHOLDERS/ DEPOSITORS
AS AT 20 JULY 2020

Size of holdings	No. of shareholders	%	No. of shares	%
1 - 99	494	20.472	16,121	0.008
100 - 1,000	283	11.728	135,045	0.067
1,001 - 10,000	1,018	42.188	4,598,673	2.298
10,001 - 100,000	517	21.426	16,188,030	8.088
100,001 - 10,007,115 (*)	99	4.103	44,450,122	22.209
10,007,116 AND ABOVE (**)	2	0.083	134,754,348	67.330
TOTAL	2,413	100.000	200,142,339	100.000

Remark : * - less than 5% of issued shares
** - 5% and above of issued shares

LIST OF THIRTY LARGEST SECURITIES ACCOUNT HOLDERS/ DEPOSITORS
AS AT 20 JULY 2020

NO.	NAME	HOLDINGS	%
1	JAVAWANA SDN. BHD.	89,654,348	44.795
2	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR JAVAWANA SDN. BHD. (SMART)"	45,100,000	22.534
3	TAN KIM HENG.	3,186,320	1.592
4	SURIA BITARA SDN BHD	2,444,660	1.221
5	SEE BOON YONG	2,380,300	1.189
6	CGS-CIMB NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD. (RETAIL CLIENTS)	2,024,800	1.012
7	ANG SWEE KUANG	1,472,400	0.736
8	I-WEN MORSINGH	1,240,020	0.620
9	YEL CONSTRUCTION SDN BHD	1,100,000	0.550
10	LIM LAI PENG	1,085,900	0.543

LIST OF THIRTY LARGEST SECURITIES ACCOUNT HOLDERS/ DEPOSITORS (CONT'D)
AS AT 20 JULY 2020

NO.	NAME	HOLDINGS	%
11	CHIN CHIN SEONG	1,060,000	0.530
12	KONG CHEE HENG	1,060,000	0.530
13	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG FAI TAT (CCTS)	1,027,000	0.513
14	TAY HONG PENG	898,200	0.449
15	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LAI CHIE KING (8119887)	820,000	0.410
16	TEE YONG SHENG	813,000	0.406
17	YEE CHOON KIAT	789,200	0.394
18	YONG LEE THIENG	776,000	0.388
19	GAN PIK MUI	700,000	0.350
20	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN AH HOI (E-SS2)	660,000	0.330
21	WONG AH WAH	633,380	0.316
22	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN CHUAN HOCK	625,600	0.313
23	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEO BOON TONG	622,000	0.311
24	HO WEI FUN	586,920	0.293
25	LEW MING KIET	578,460	0.289
26	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM GEK SHAN	571,640	0.286
27	TEO YUAN HAO	547,600	0.274
28	SYABAS PERMAI SDN BHD	520,000	0.260
29	ONG B-BEE	516,800	0.258
30	MAYBANK NOMINEES (TEMPATAN) SDN BHD LEE KHAR HUEI	500,000	0.250
		163,994,548	81.942

DIRECTORS' SHAREHOLDINGS
(As per the Register of Directors' Shareholdings as at 20 July 2020)

NO.	NAME	DIRECT NO. OF SHARES	%	INDIRECT NO. OF SHARES	%
1	GAN PIK MUI	763,000	0.381	–	–
2	KUAN YING TUNG	–	–	–	–
3	IR. LOW WUU SHIN	48,000	0.024	–	–
4	TEE ENG SENG*	–	–	134,754,348	67.329
5	TEE SUN EE	80,000	0.040	–	–
6	DATIN TOH SIEW CHUON*	–	–	134,754,348	67.329

* Deemed interested pursuant to Section 8 of the Companies Act 2016 by virtue of their shareholdings in Javawana Sdn Bhd.

SUBSTANTIAL SHAREHOLDERS
(As per the Register of Substantial Shareholders as at 20 July 2020)

NO.	NAME	DIRECT NO. OF SHARES	%	INDIRECT NO. OF SHARES	%
1	JAVAWANA SDN. BHD.*	89,654,348	44.795	–	–
2	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR JAVAWANA SDN. BHD. (SMART)*	45,100,000	22.534	–	–
		134,754,348	67.329	–	–

* 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 shareholdings in Javawana Sdn Bhd.

Financial Year End : 31-Mar-20
Class of Shares : Redeemable Convertible Preference Shares ("RCPS")
Voting Rights : One vote per RCPS

LIST OF RCPS HOLDER
(As per the Register of RPCS Holder as at 20 July 2020)

NO.	NAME	DIRECT NO. OF SHARES	%	INDIRECT NO. OF SHARES	%
1	JAVAWANA SDN. BHD.	3,168,054,651	100.000	–	–

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Twenty-Seventh Annual General Meeting ("27th AGM") of Kerjaya Prospek Property Berhad ("KPPROP" or "the Company") will be convened and held at Bloomsvale Sales Gallery, No. 137, Jalan Puchong, 58200 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur on Tuesday, 29 September 2020 at 11.00 a.m. to transact the following items of business:-

A G E N D A

As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 31 March 2020 together with the Directors' and Auditors' Reports thereon. ***Please refer to Explanatory Note A***

2. To approve the payment of Directors' Fees amounting to RM50,000 for the financial year ended 31 March 2020. ***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 the conclusion of 27th AGM until the next AGM of the Company. ***Ordinary Resolution 2***

4. To re-elect Datin Toh Siew Chuon who retires in accordance with Clause 95 of the Company's Constitution. ***Ordinary Resolution 3***

5. To re-elect Mr Tee Eng Seng 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 resolutions:

Ordinary Resolution

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."

8. Proposed Renewal of Shareholders' Mandate for Existing 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 Part A of the Circular to Shareholders dated 28 August 2020 ("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 Share Buy-Back of up to 10% of the total number of issued shares of the Company ***Ordinary Resolution 8***

"**THAT** subject to the Companies Act, 2016 ("the Act"), the Company 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 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:

(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."

Special Resolution

10. Proposed Amendments to the Constitution of the Company. ***Special Resolution 1***

"THAT the alternations, modifications, additions or deletions to the Company's Constitution as set out in Appendix II of the Circular to Shareholders dated 28 August 2020 be and are hereby approved AND THAT the Directors be and are hereby authorised to do all such acts and things and to take such steps that are necessary give effect to the amendments to the Constitution of the Company."

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
28 August 2020

NOTES:

1. **IMPORTANT NOTICE**

   The Board of Directors ("Board") is cognisant of the COVID-19 pandemic as declared by the World Health Organisation which, to-date, is still subsisting. The health and safety of the Company's shareholders, Directors, staff and other stakeholders is of paramount concern for the Company. In view of the foregoing, the Company wishes to advise shareholders that necessary steps and measures will be undertaken in holding this Annual General Meeting.

   In view of the COVID-19 pandemic and further to the "Guidance and FAQs on the Conduct of General Meetings for Listed Issuers" issued by the Securities Commission, members/proxies/corporate representatives who wish to attend this Annual General Meeting in person **ARE REQUIRED TO PRE-REGISTER** with the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd ("Share Registrar", "Tricor", or "TIIH"), via the **TIIH Online** website at https://tiih.online. Please follow the Pre-Register Procedures in the Administrative Guide of 27th 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 be 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 27th AGM must request his/her proxy or attorney or corporate representative to **PRE-REGISTER** their attendance at **TIIH Online** website at https://tiih.online. Please follow the Pre-Register Procedures in the Administrative Guide of 27th 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) In hard copy form

      The instrument appointing a proxy must be deposited at Ground Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor 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 (applicable to individual member only). 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., 27 September 2020 (Sunday)**.

10. Please bring an **ORIGINAL** of the following identification papers (where applicable) and present it to the registration staff for verification:

    a) Idendity card (NRIC) (Malaysian), or
    b) Police report (for loss of NRIC) / temporary NRIC (Malaysian), or
    c) Passport (Foreigner).

11. For a corporate member who has appointed an authorised representative instead of a proxy to attend this meeting, please bring the **Original / Duly Certified** certificate of appointment executed in the manner as stated in the proxy form if this has not been lodged at the Company's registered office earlier. The certificate of appointment of authorised representative should be executed in the following manner:

    a) If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the Constitution of the corporate member.
    b) If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:

        (i) At least two (2) authorised officers, of whom one shall be a director; or
        (ii) Any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

12. Only members whose names appear in the Record of Depositors on **21 September 2020** shall be entitled to attend, speak and vote at the 27th AGM.

13. 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 27th 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 27th 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 and 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 27th 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-Sixth Annual General Meeting held on 29 August 2019 and which will lapse at the conclusion of the 27th 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.

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 KPPRPO 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 Part A of 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 27th AGM.

6. Special Resolution 1 – Proposed amendments to the Constitution of the Company

   The proposed Special Resolution 1, if passed, will bring the Company's Constitution in line with the Companies Act 2016 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The proposed amendments to the existing Constitution is set out in Appendix II of the Circular.

Administrative Guide

for the Twenty Seventh Annual General Meeting ("27th AGM")

Dear Valued Members,

GENERAL MEETING ARRANGEMENTS

Due to the constant evolving COVID-19 situation in Malaysia, we may be required to change the arrangements of our 27th AGM at short notice. Kindly check the Company's website or announcements from time to time for the latest updates on the status changes to our 27th AGM arrangement.

CORONAVIRUS DISEASE (COVID-19) OUTBREAK

1. In light of the COVID-19 outbreak, members/proxies/corporate representatives are encouraged to take all the necessary precautions and preventive measures issued and directed by the Ministry of Health before attending our 27th AGM.

2. If you have travelled overseas in the past 14 days or if you are unwell with sore throat/fever/flu/cough/shortness of breath, you are required to comply with the directives issued by the Malaysia Government to self-quarantine or seek medical advices.

REGISTRATION AT THE AGM VENUE

1. In view of COVID-19 outbreak and given that your safety is the Company's priority, the Company has taken below precautions measures to contain the spread of the COVID-19 to ensure the safety of all attendees at the 27th AGM:

   (a) Members especially outstation members and members aged 61 and above are encouraged to appoint the Chairman of the Meeting as proxy to attend and vote on behalf at the forthcoming AGM. You may submit your proxy forms with pre-determined voting instructions for the Chairman to vote on your behalf. If you would like to raise any questions in relation to the Resolutions laid out in the AGM, you may email your questions to ir@kpproperty.com.my by 21 September 2020, 5.30 p.m. and the Company would attend to your queries soonest possible via email;

   (b) The Company will be conducting temperature checks on all attendees upon arrival at the AGM venue. You will not be allowed to enter the meeting venue if you have the above symptoms or having a body temperature above 37.5 °C.

   (c) All attendees which were tested positive for COVID-19 or is believed to be suffering from pneumonia symptoms (which include fever, cough, breathlessness) are not allowed to enter the AGM venue and would be advised by our personnel to leave the premise and seek medical attention immediately.

   (d) All attendees are advised to sanitize their hands and wear face mask before entering.

2. To avoid long queues forming at the AGM venue to enter the meeting, members/proxies/corporate representatives are advised to arrive early for the registration.

3. Members/proxies/corporate representatives are encouraged to keep abreast with the latest news released by the authority regarding travelling, self-quarantine, other health and safety precautions from time to time.

INDIVIDUAL MEMBERS

1. All Members who intend to attend the 27th AGM in person **ARE REQUIRED TO PRE-REGISTER** with Tricor via **TIIH Online** website (https://tiih.online) latest by **Sunday, 27 September 2020 at 11.00 a.m.** Kindly refer to the Pre-Register Procedures below.

2. Members who are unable to attend the AGM and who wished to exercise their votes are encouraged to appoint the Chairman of the Meeting to vote on your behalf by indicate the voting instructions in the Proxy Form in accordance with the notes and instructions printed therein.

CORPORATE MEMBERS

1. Corporate members who wish to appoint corporate representatives instead of a proxy to attend and vote at the 27th AGM, must deposit their original or duly certified certificate of appointment of corporate representative to Tricor not later than **Sunday, 27 September 2020 at 11.00 a.m.**

2. Attorneys appointed by power of attorney are required to deposit their power of attorney with Tricor not later than **Sunday, 27 September 2020 at 11.00 a.m.** to attend and vote at the 27th AGM.

3. **A member who has appointed a proxy/attorney/corporate representative to attend and vote at the 27th AGM must request his/her proxy/attorney/corporate representative to submit their Pre-Registration at TIIH Online website at https://tiih.online.**

4. If a corporate member (through its corporate representative(s) or appointed proxy(ies)) is unable to attend the 27th AGM you may appoint the Chairman of the meeting as your proxy and indicate the voting instructions in the Proxy Form in accordance with the notes and instructions printed therein.

PRE-REGISTRATION TO ATTEND THE AGM OF THE COMPANY

Due to social distancing requirements, the Company has to manage the number of shareholders/proxies/corporate representatives to the AGM. In order to assist the Company in managing the turnout for the meeting and to ensure compliance with the directives or guidelines on public gathering/event issued by the government and other relevant authorities, members/proxies/corporate representatives who wish to attend and vote at the 27th AGM are to follow the requirements and procedures as summarised below:-

	Procedure	Action
BEFORE AGM DAY		
(a)	Register as a user with TIIH Online	• Using your computer, access the website at https://tiih.online. Register as a user under the "e-Services". Refer to the tutorial guide posted on the homepage for assistance. • If you are already a user with TIIH Online, 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 TIIH Online.
(b)	Pre-register your attendance to attend AGM	• **Registration is open from 11.00 a.m. Friday, 28 August 2020 up to 11.00 a.m. Sunday, 27 September 2020.** • Login with your user ID and password and select the corporate event: "**(REGISTRATION) KP PROPERTY BERHAD 27TH AGM**". • Read and agree to the Terms & Conditions and confirm the Declaration. • Insert the CDS account number and indicate the number of shares. • Submit to register your physical attendance. • System will send an **e-mail to notify** that your registration to attend the AGM physically is received and will be verified. • After verification of your registration against the General Meeting Record of Depositors as at **21 September 2020**, the system will send you an **e-mail to notify** if your registration is approved or rejected. • For members who have registered to attend the AGM physically, the system will email an e-passcode slip. Print the passcode slip and bring it along with you to the AGM.

GENERAL MEETING RECORD OF DEPOSITORS ("ROD")

Only a depositor whose name appears on the ROD as at **21 September 2020** shall be entitled to attend, speak and vote at the 27th AGM or appoint proxies to attend and/or vote on his/her behalf.

PROXY

(a) If you are unable to attend the meeting on 29 September 2020, you may appoint the Chairman of the meeting as proxy and indicate the voting instructions in the Proxy Form.

(b) You may also submit the Proxy Form electronically via **TIIH Online** website at https://tiih.online no later than **Sunday, 27 September 2020 at 11.00 a.m.** Please do read and follow the procedures to submit Proxy Form electronically below.

(c) You may submit your **Original Proxy Form** to Registered Office at Ground Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor not less than forty-eight (48) hours before the time appointed for holding the 27th AGM or any adjournment thereof, otherwise the Proxy Form shall not be treated as valid.

ELECTRONIC LODGEMENT OF PROXY FORM

The procedures to lodge your Proxy Form electronically via Tricor's **TIIH Online** website are summarised below:

	Procedure	Action
(a)	Register as a user with TIIH Online	• Using your computer, please access the website at https://tiih.online. Register as a user under the "e-Services". Please do refer to the tutorial guide posted on the homepage for assistance. • If you are already a user with TIIH Online, you are not required to register again.
(b)	Proceed with submission of Proxy Form	• 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 BERHAD 27TH 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(s) to vote on your behalf. • Appoint your proxy(s) 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 your vote. • Review and confirm your proxy(s) appointment. • Print Proxy Form for your record.

POLL VOTING

1. In accordance with Paragraph 8.29A of Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the voting at the 27th AGM will be conducted by poll. Poll Administrator and Independent Scrutineers will be appointed to conduct the polling process and verify the results of the poll respectively.

2. During the verification of votes by the Independent Scrutineer, all members and proxies are required to maintain social distancing of 1 meter.

3. Upon completion of the voting session for the 27th AGM, the Scrutineers will verify and announce the poll results followed by the Chairman's declaration whether the resolutions are duly passed.

RECORDING OR PHOTOGRAPHY

Strictly **NO** unauthorised recording or photography of the proceedings of the 27th AGM is allowed.

ENQUIRY

If you have any enquiries on the above, please contact the following person-in-charge during office hours on Mondays to Fridays from 9.00 a.m. to 5.30 p.m. (except on public holidays):

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. Jake Too	:	+603-2783 9285 / Email : Chee.Onn.Too@my.tricorglobal.com
	:	Ms. Vivien Khoh	:	+603-2783 9091 / Email : Vivien.Khoh@my.tricorglobal.com
	:	Mr. Alven Lai	:	+603-2783 9283 / Email : Siew.Wai.Lai@my.tricorglobal.com

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KERJAYA PROSPEK PROPERTY BERHAD
(Formerly known as GSB Group 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-Seventh Annual General Meeting of the Company to be held at Bloomsvale Sales Gallery, No. 137, Jalan Puchong, 58200 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur on Tuesday, the 29th day of September 2020 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 RM50,000 for the financial year ended 31 March 2020		
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 27th AGM until the next AGM of the Company.		
Ordinary Resolution 3	Re-election of Datin Toh Siew Chuon as Director		
Ordinary Resolution 4	Re-election of Mr Tee Eng Seng 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 existing 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		
Special Resolution 1	Proposed amendments to the Constitution 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.)

For appointment of two proxies, percentage of shareholdings to be represented by the proxies:

	No. of shares	Percentage
Proxy 1		%
Proxy 2		%
Total		100%

____
Signature/Common Seal

Number of shares held: ____________________

Date: ________________________________

1. **IMPORTANT NOTICE**
   The Board of Directors ("Board") is cognisant of the COVID-19 pandemic as declared by the World Health Organisation which, to-date, is still subsisting. The health and safety of the Company's shareholders, Directors, staff and other stakeholders is of paramount concern for the Company. In view of the foregoing, the Company wishes to advise shareholders that necessary steps and measures will be undertaken in holding this Annual General Meeting.
   In view of the COVID-19 pandemic and further to the "Guidance and FAQs on the Conduct of General Meetings for Listed Issuers" issued by the Securities Commission, members/proxies/corporate representatives who wish to attend 27th AGM in person **ARE REQUIRED TO PRE-REGISTER** with the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd ("Share Registrar", "Tricor", or "TIIH"), via the **TIIH Online** website at https://tiih.online. Please follow the Pre-Register Procedures in the Administrative Guide of 27th 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 be 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 this Annual General Meeting must request his/her proxy or attorney or corporate representative to **PRE-REGISTER** their attendance at **TIIH Online** website at https://tiih.online. Please follow the Pre-Register Procedures in the Administrative Guide of 27th 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) In hard copy form
   The instrument appointing a proxy must be deposited at Ground Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor 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 (applicable to individual member only). 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., 27 September 2020 (Sunday)**.
10. Please bring an **ORIGINAL** of the following identification papers (where applicable) and present it to the registration staff for verification:
    a) Idendity card (NRIC) (Malaysian), or
    b) Police report (for loss of NRIC) / temporary NRIC (Malaysian), or
    c) Passport (Foreigner).
11. For a corporate member who has appointed an authorised representative instead of a proxy to attend this meeting, please bring the **Original/Duly Certified** certificate of appointment executed in the manner as stated in the proxy form if this has not been lodged at the Company's registered office earlier. The certificate of appointment of authorised representative should be executed in the following manner:
    a) If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the Constitution of the corporate member.
    b) If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:
        (i) At least two (2) authorised officers, of whom one shall be a director; or
        (ii) Any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
12. Only members whose names appear in the Record of Depositors on **21 September 2020** shall be entitled to attend, speak and vote at the 27th AGM.
13. 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 27th AGM will be put to vote by poll.

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* Strike out whichever is not valid

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Stamp

The Company Secretary

KERJAYA PROSPEK PROPERTY BERHAD
(Formerly known as GSB Group Berhad)
Registration No.: 199401001358 (287036-X)
Ground Floor Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13 46200 Petaling Jaya Selangor

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Fold This Flap For Sealing

KERJAYA
PROSPEK
PROPERTY
BERHAD
(Formerly Known As GSB Group Berhad)
199401001358 (287036-X)

No.1, Jalan Wangsa Permai,
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52200 Kuala Lumpur.
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Fax : +603 6277 6222
Web : www.kpproperty.com.my