KERJAYA
PROSPEK

Property

KERJAYA PROSPEK PROPERTY BERHAD

199401001358 (287036-X)

ANNUAL REPORT 2021

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CORPORATE INFORMATION

BOARD OF DIRECTORS

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

AUDIT AND RISK MANAGEMENT COMMITTEE

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

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

Tee Sun Ee
(Independent Non-Executive Director)

NOMINATION COMMITTEE

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

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

Tee Sun Ee
(Independent Non-Executive Director)

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 30 JUNE 2021

Property

Kerjaya Prospek Property Berhad
199401001358 (287036-X)

Investment Holding

- 100% Kerjaya Property Sdn Bhd 200901015711(858791-D)
  Project Management Consultants and Property Development
- 100% Kerjaya Hotel Sdn Bhd 200901024430 (867530-M)
  Property Development, Hotel Operation and Letting of Service Apartments
- 100% Aeon Frontier Sdn Bhd 200701022275 (780290-P)
  Investment Holding and General Trading
- 99.4% Desanda Property Sdn Bhd 200901019763 (862860-A)
  Investment Holding
- 100% KPP Properties Sdn Bhd 200801006387 (807671-T)
  Property Development
- 100% KPP Management Sdn Bhd 199001004460 (196027-K)
  Property Development and Construction
- 100% KPP Development Sdn Bhd (In Member's Voluntary Liquidation) 199801001086 (457212-A)
  Property Development
- 100% Summit CD (M) Sdn Bhd 199101015885 (226197-M)
  Manufacture of Compact Discs and Digital Versatile Discs
- 100% Summit Audio (M) Sdn Bhd 198801006074 (173431-U)
  Dormant
- 100% Serta Usaha Sdn Bhd 198401003867 (116386-U)
  Property Development
- 100% Pixel Valley Sdn Bhd 202101006099 (1406398-P)
  Property Development
- 100% Greencove Sdn Bhd 202101018356 (1418656-K)
  Property Development

PROFILE OF DIRECTORS

DATIN TOH SIEW CHUON
Executive Chairman

DATIN TOH SIEW CHUON, a Malaysian, aged 55, female, is the Executive Chairman of the Company and was appointed to the Board on 19 June 2018.

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

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

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

TEE ENG SENG
Executive Director

TEE ENG SENG, a Malaysian, aged 52, 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.

PROFILE OF DIRECTORS (CONT'D)

KUAN YING TUNG
Independent Non-Executive Director

KUAN YING TUNG, a Malaysian, aged 39, 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 a public accounting firm.

IR. LOW WUU SHIN
Independent Non-Executive Director

IR. LOW WUU SHIN, a Malaysian, aged 46, 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 over 20 years of experience in Civil, Structure and Geotechnical Consulting Firm.

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

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

PROFILE OF DIRECTORS (CONT'D)

TEE SUN EE
Independent Non-Executive Director

TEE SUN EE, a Malaysian, aged 70, 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 post of a Director in private companies involved in printing and hotel businesses.

Note:
Other than as disclosed, all directors do not have any family relationships with any director and/or substantial shareholder of the Company and do not hold any directorship in other public companies. Save for the recurrent related party transactions disclosed on page 52 of this Annual Report, all directors have no personal interest in any business arrangements involving the Company. All directors have not been convicted for any offence and have attended the Board of Directors' meetings of the Company for the financial year ended 31 March 2021 as disclosed in Corporate Governance Overview of this Annual Report.

PROFILE OF KEY SENIOR MANAGEMENT

DATIN TOH SIEW CHUON
Executive Chairman

Malaysian, aged 55, female

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

TEE ENG SENG
Executive Director

Malaysian, aged 52, male

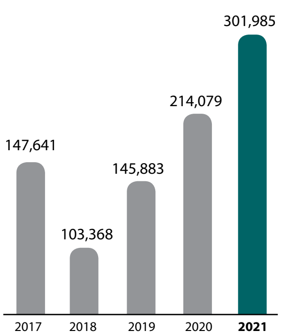
Please refer to the Profile of Directors for Tee Eng Seng's profile.

GROUP FINANCIAL HIGHLIGHTS

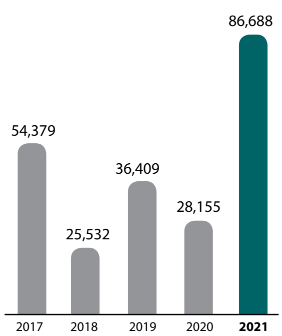
FINANCIAL YEAR ENDED 31 MARCH	2017	2018	2019	2020	2021
FINANCIAL PERFORMANCE (in RM'000)					
Revenue	147,641	103,368	145,883	214,079	301,985
Profit Before Taxation	54,379	25,532	36,409	28,155	86,688
Profit For The Year	42,127	19,129	27,823	21,241	63,105
FINANCIAL POSITION (in RM'000)					
Total Assets	600,928	502,633	593,277	878,641	872,929
Total Liabilities	354,771	237,348	341,094	560,797	386,938
Net Current Assets	72,851	90,084	198,347	157,973	258,599
Net Assets	246,157	265,285	252,183	317,844	485,991
Cash and Cash Equivalents	31,792	25,247	9,911	78,756	67,362
Total Borrowings	-	-	108,618	287,311	135,125
Equity Attributable to Owners of the Company	246,157	265,285	252,183	317,594	485,727
Issued Share Capital	53,740	53,754	56,629	132,835	260,557
No. of ordinary shares ('000)	528,000	528,100	552,440	200,142	350,142
KEY FIGURES					
Earnings Per Share (sen)	7.98	3.62	5.10	16.27	29.64
Net Assets Per Share (sen)	46.62	50.23	45.65	158.81	138.80
Net Debt to Equity Ratio	-	-	0.39	0.66	0.14

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 71 of this Annual Report.

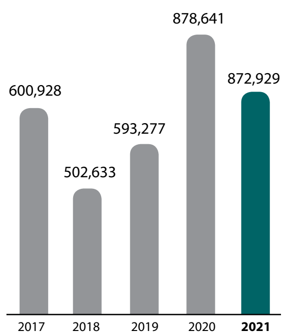
REVENUE (RM'000)



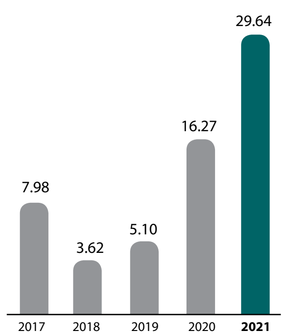
PROFIT BEFORE TAXATION (RM'000)



TOTAL ASSETS (RM'000)



EARNINGS PER SHARE (SEN)



CHAIRMAN'S STATEMENT

On behalf of the Board of Directors ("Board") of Kerjaya Prospek Property Berhad ("KPPROP" or the "Group"), I am pleased to present the annual report and audited financial statements of the Group for the financial year ended 31 March 2021 ("FYE2021").

OPERATING PERFORMANCE

The COVID-19 pandemic has severely curtailed many business activities in all various aspects. Above and beyond, the way we live today has also transformed radically with the ongoing COVID-19 pandemic. To stay afloat and to ensure business continuity, it is important to be reminded that we should always respond to such unprecedented crisis by adapting and adopting various proactive measures.

Amidst the challenges of the ongoing COVID-19 pandemic, our team has swiftly attuned themselves to the new norm by learning new skills and continuously sharpen their existing skills not just to keep up with the current market trend, but to continue to meet the consumers' expectations and needs in the long run. It is during this period of a heavier reliance of digital technologies, we are very glad to announce that we have achieved a 100% take up rate for our Kaleidoscope Project in Setiawangsa, Kuala Lumpur. Notwithstanding the inaccessibility of the conventional method of property sales, this humble achievement simply demonstrates our team's aptitude in seizing every opportunity despite the challenges faced during this period of a soft property market.

The financial year 2021 appears cautiously optimistic with the expedited rollout of a mass vaccination programme. Having said that, we remain motivated towards our ongoing development projects such as Bloomsvale at Old Klang Road, Kuala Lumpur and Straits Residences at Seri Tanjung Pinang, Penang as the unbilled sales are recorded at RM280.6 million and RM63.1 million respectively as compared to RM227.2 million and RM42.6 million in the preceding year. Whilst we continue to develop our digital platform and improve our operational effectiveness, we would also ensure that the self-development, mental and emotional well-being of our employees is being well taken care of during this ongoing COVID-19 pandemic.

REVIEW OF FINANCIAL PERFORMANCE

The Group achieved total revenue of RM301.99 million, an increase of RM87.91 million or 41.1% as compared to RM214.08 achieved in the preceding year. The Profit After Tax ("PAT") increased to RM63.1 million, an increase of 197.1% as compared to RM21.2 million achieved in the preceding year. The increase in revenue and PAT were mainly due to higher sales and development progress registered in the property development segment. The property segment contributed 93.7% of the total revenue, hospitality segment contributed 4.6% and other segments contributed 1.7%.

CORPORATE EXERCISE

On 19 February 2021, the Board has fixed the issue price for 90 million placement shares at RM1.13 per placement share, being the first tranche of the Private Placement ("First Tranche"). The listing and quotation of 90 million placement shares on the Main Market of Bursa Securities has been completed on 2 March 2021. Subsequent to the First Tranche and after taking into consideration the prevailing market condition, the Group has decided not to place the remaining placement shares.

On 2 March 2021, the Group has completed the conversion of 300 million units of Redeemable Convertible Preference Shares ("RCPS") into 60 million new ordinary shares.

On 14 April 2021, the Group has completed the conversion of 250 million units of RCPS into 50 million new ordinary shares.

As a result of the corporate exercise, the total number of issued shares had increased from 200,142,339 to 400,142,339. The Group's net gearing decreased to 0.14x and this will enable the Group to further strengthen the statement of financial position as well as to allow the Group to further raise funds for future expansion.

CHAIRMAN'S STATEMENT (CONT'D)

LOOKING AHEAD

The Malaysian economy is expected to recover gradually in stages as we see a continuous increase in COVID-19 vaccination. The Group anticipates the property sector is likely to improve as the Malaysian Government has initiated several incentives to rejuvenate the property market. With the various initiatives such as Home Ownership Campaign ("HOC"), stamp duty exemption and various measures in place, we are certainly able to gain headway with our ongoing projects as we continue to grow.

We would continue to take every single opportune to identify and to acquire landbanks and expand our development portfolio. For instance, the Group has recently acquired a piece of leasehold land measuring approximately 5.1 acres in Seksyen 13, Petaling Jaya on 18 June 2021. It is estimated that the proposed development would generate a gross development value of approximately RM650 million.

Moving forward, we are scaling up our property development and investment arm significantly. With such diversified mix of property assets ranging from residential and commercial development, investment properties and sizeable landbank, we will be well positioned to take advantage of the current soft property market where we are able to acquire high value pocket of lands at reasonable cost.

APPRECIATION

At the time I penned these thoughts, we are moving in the right direction with encouraging results hard-won by the sacrifices by both the employees as well as business associates. My heartfelt thanks to the Board of Directors, management team and employees for your commitment towards KPPROP's growth aspiration. My greatest appreciation also goes to the shareholders, financiers, business partners, suppliers, investors, clients and business associates of KPPROP whom have been supporting us. With your unwavering support, I trust we can navigate the storms of change and overcome this unprecedented crisis with minimum disruption to our business operation.

Thank you. Stay safe.

Datin Toh Siew Chuon
Executive Chairman
30 June 2021


Bloomsvale, Old Klang Road, Kuala Lumpur


Straits Residences, Seri Tanjung Pinang, Penang


Kaleidoscope, Setiawangsa, Kuala Lumpur


ij Residence, Johor Bahru


Residency V, Old Klang Road, Kuala Lumpur

The Shore, Melaka

MANAGEMENT DISCUSSION & ANALYSIS

OVERVIEW OF BUSINESS AND OPERATIONS

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

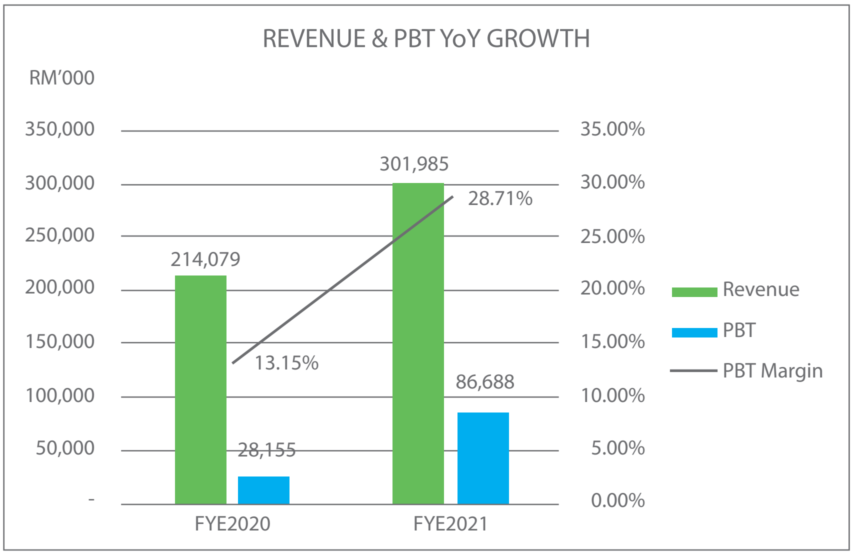
Amidst the challenges of the ongoing COVID-19 pandemic, we remain committed in our objective to build high quality properties at affordable prices. To achieve this objective, the Group has put in place the following strategies:

1. enhance our brand value by timely delivery of high-quality properties to customers
2. ensuring added value through innovative products from time to time
3. remain focused on acquiring strategically located pocket lands at reasonable cost

FINANCIAL RESULTS AND FINANCIAL CONDITION

Despite the challenges of the ongoing COVID-19 pandemic, the Group achieved total revenue of RM301.99 million for the year under review, an increase of RM87.91 million (41.1%) compared to the preceding year. The increase in revenue was mainly due to higher sales and development progress registered in the property development segment.

The Profit Before Tax ("PBT") increased 207.9% to RM86.7 million as compared to RM28.2 million achieved in the preceding year. It is mainly attributable to the cost saving achieved in project costs and administrative expenses following cost control measures implemented by the management.



Revenue Growth (Year-on-Year ("YoY"))

41.1%

PBT Growth (YoY)

207.9%

The Group's total assets decreased to RM872.9 million as compared to the preceding year which was recorded at RM878.6 million. Such diminution is mainly attributable to the following factors:-

- land held for property development increased by 41% or RM28.1 million due to acquisition of new lands located at Jalan Puchong, Kuala Lumpur.
- Trade and other receivables increased by 47 % or RM16.0 million compared to the previous financial year end. The total trade and other receivables of RM49.8 million consist of retention sum receivables of RM24.3 million which are expected to be collected upon the expiry of the defects liability period.
- Contract assets decreased by 100% or RM14.5 million due to progress billings made during the financial year.
- Contract costs decreased by 34 % or RM12.4 million due to cost recognised as cost of sales in the statement of profit or loss upon related revenue being recognised.
- Asset classified as held for sale decreased by 100% or RM10.0 million due to completion of disposal of a piece of land in Rawang, Selangor.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

During the financial year ended 31 March 2021 ("FYE2021"), the Group has completed the private placement exercise and successfully raised funds of RM101.7 million by issuance of 90 million shares at RM1.13 per share. Proceeds from the private placement were utilised for repayment of borrowings and Group's working capital.

Total equity grew by 53% to RM486.0 million (2020: RM317.8 million). The increased is mainly attributable to the issuance of placement shares and net profits achieved in FYE2021.

The Group's total liabilities decreased by 31% to RM386.9 million and this is mainly attributable to the repayment of loans and borrowings. With the reduction in loans and borrowings, the Group has achieved net gearing ratio at a healthy level of 0.14 times (2020: 0.66 times).

The Group remains prudent in maintaining a sound financial position that enables us to focus on safeguarding and strengthening our capital structure to maximise value for our shareholders.

PROPERTY DEVELOPMENT SEGMENT

The Group's property development portfolio is strategically located throughout Klang Valley, Penang, Johor and Melaka.

The property development segment remains the key revenue contributor to our Group with a contribution of RM282.81 million, an increase of RM106.50 million (60.4%) compared to RM176.31 million in previous financial year. The operating profit for FYE2021 is RM95.89 million, an increased of 65.69 million (217.5%) compared to RM30.20 million in the preceding year. The increase in revenue and operating profit were mainly due to higher sales contributed by Kaleidoscope Project and various costs planning measures. The key projects contributed to the revenue during the financial year are as shown in below table:-

Key Development Projects

Projects	Type of development	Revenue FYE2021 (RM'000)	Launched GDV (RM'mil)	Remaining GDV* (RM'mil)	Completed/ Expected Completion
Kaleidoscope @ Setiawangsa, Kuala Lumpur	600 units of serviced residence	134,336	425.8	-	October 2020
Straits Residences @ Seri Tanjung Pinang, Penang	30-storey service apartment (246 units) and commercial development (4 units), adjoining Straits Quay	86,146	376.6	219.9	April 2021
Bloomsvale @ Old Klang Road, Kuala Lumpur	Mixed development consisting of hotel, offices, service apartments (1,199 units) and a retail mall	48,391	1,259.9	1,061.7	Quarter 2 2023

** AS AT 31 MARCH 2021*

Considering the difficult period where Movement Control Order ("MCO") was imposed during the year and with construction works halted in the Q1 FYE2021, we still managed to deliver vacant possession of 600 units of serviced apartments under our Kaleidoscope @ Setiawangsa Project, sometime in October 2020. With the spectacular performance of Kaleidoscope, total revenue recognised from this completed project was RM134.3 million, representing 44.5% of the total Group's revenue for FYE2021.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

Meanwhile, The Remaining Gross Development Value ("RGDV") for our Bloomsvale Project @ Old Klang Road, Kuala Lumpur stands at RM1.06 billion as at the end of FYE2021. This mixed development project comprising 2 serviced-residence towers, a shopping mall, offices and a hotel to be managed by Marriot International sees an improvement of take-up rate of the service apartments to 55.2% (as at 31 March 2021). This is being spurred by the government's incentives to home owners coupled with ease of borrowings from various financial institutions under the PENJANA recovery plan during the Recovery Movement Control Order ("RMCO") phase.

As for Northern area, the luxury marina living of Straits Residences @ Seri Tanjung Pinang, Penang was also completed after the financial year under review as vacant possession took place in April 2021. Despite the softer property demand in Malaysia, we are pleased to note that our Straits Residences continues to achieve good take-up rate of 62.2% (as at 31 March 2021) and it is expected to amplify with the impending construction bridge connecting from Jalan Gurney to our project.

The Group is continuously aware and has been managing the timeline of new launches. We are also mindful of handling the unsold inventories of ongoing projects, as well as unsold completed units. As such, the Group remains conscious on new launches as we continue to strengthen our business recovery plan for the future.

Land Acquisition

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

During the financial year under review, the Group scaled up its property development segment by undertaking several land acquisitions via its wholly-owned subsidiary, Kerjaya Property Sdn Bhd ("KPSB"). These strategically located lands will complement the existing development project as well as enlarge the Group's landbank. These acquisitions will continue to spearhead the Group's focus in providing residential development projects.

Date of SPA	Land Size	Location	Tenure	Purchase Consideration RM'000
7 Oct 2020	1.15 acres	Mukim Petaling, Kuala Lumpur	Freehold	RM10,096
2 Nov 2020	1.15 acres	Mukim Petaling, Kuala Lumpur	Freehold	RM15,134
25 Jan 2021	1.50 acres (Land 1) 0.80 acres (Land 2)	Mukim Setapak, Kuala Lumpur	Freehold	RM30,143
				RM55,373

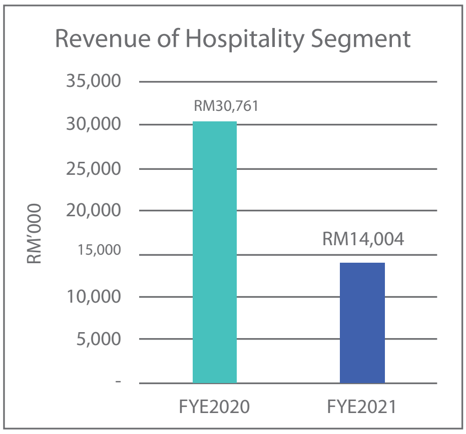
The Group will continue to be on the lookout for strategic landbank opportunities to sustain our long-term growth. As at 31 March 2021, the Group has a landbank of approximately 45 acres for future developments and upcoming launches.

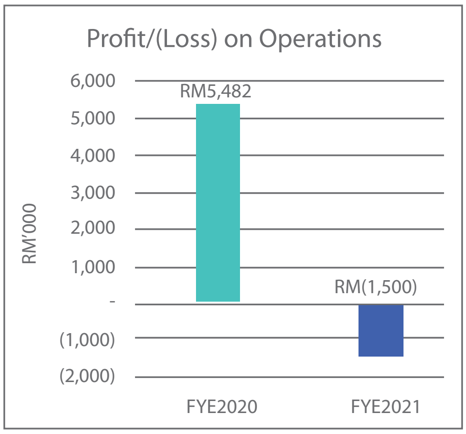
HOSPITALITY SEGMENT

The Group's hospitality segment is represented by Swiss-Garden Hotel and The Shore Hotel & Residences located in the heart of Melaka.

The hospitality segment had contributed RM14.0 million revenue for FYE2021 as compared to RM30.8 million in the preceding year. As a result, an operating loss of RM1.5 million was recorded for the year under review compared to RM5.5 million profit in the previous year. The operating loss was mainly caused by the nationwide and global restrictions on tourism industry that was put in place to tackle the COVID-19 pandemic.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)





The impact on the travel restrictions has disrupted the hotel operations leading to temporary closure of business in May 2021. To reduce the operational cost during the MCO period, the Group has implemented various cost cutting measures such as reducing outsourced workers, temporary reduced headcount in various departments and operational cost by energy saving measures throughout this challenging period.

CESSATION OF NON-CORE BUSINESS

On 30 October 2020, Summit CD (M) Sdn. Bhd., a wholly-owned subsidiary of KPPROP ceased its business operations in the manufacturing and replication of optical discs. The cessation was due to its continuing losses in the past few years suffered by lower demand for its products.

The cessation on this non-core business is not expected to have any material financial effect on the KPPROP. In addition, KPPROP will be able to streamline its business and focus on property development and hospitality.

KEY RISKS AND MITIGATION PLANS

The declaration of COVID-19 as a global pandemic by World Health Organisation ("WHO") in March 2020 and various phases of MCO implemented by the Government in 2020 and early part of 2021 as ongoing measures to combat the infectious virus have adversely affected businesses and overall economic environments. The Group has looked into potential risks and mitigation plans to counter the risks. The Group has implemented various cost savings efforts to manage cashflow effectively; coupled with numerous stimulus incentives announced by the Government of Malaysia. The Group hopes to alleviate the financial and operational disruption.

Key Risks	Mitigation Plans
• **Operation disruption caused by the various MCO implemented**	We ensure our employees uphold operational efficiency and effectiveness through work from home and rotation arrangements with the support of authorisation letters whenever necessary. We have worked closely with our contractors to put in place COVID-19 Standard Operating Procedures ("SOPs") to allow smooth operations. This approach is to ensure prevention of possible outbreaks that may affect the safety of our employees and delays in completion of projects.
• **Threat of the spread of COVID-19**	We have developed and implement those SOPs set by the Government and monitored closely at workplace. Our SOPs are constantly updated to be align with the Government's policies.
• **Temporary closure of sales galleries**	We have adapted to the current situation by adopting 3D-virtual tours, online bookings and offering of incentives such as giveaways cum rebates to prospective home buyers.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

Key Risks	Mitigation Plans
• **Potential rise in raw materials and goods price**	The Group has approached the potential risk by rescheduling and confirming goods and services on a predetermined basis to optimise financial commitments.
• **Housing loans delays and accessibility to conventional loans**	We have offered alternate financing options in response to the buyer needs and adapt to the current market changes. We have launched the Rent-to-Own campaign on selected projects to target young buyers who are not able to obtain conventional loans.

FORWARD LOOKING STATEMENT

We are cautiously optimistic on the property outlook amidst the current challenging environment of COVID-19 and soft market sentiment. With more high-tech marketing strategies involving virtual sales gallery and online bookings, we nevertheless foresee the property sector will be able to bolster the threat with an upward recovery trend. This is possible on the platform of low interest rates along with various initiatives such as stamp duty exemption, Home Ownership Campaign ("HOC") under a broad-based economic stimulus package, removal of the 70% financing limit margin, Real Property Gains Tax ("RPGT") exemption and such other incentives accorded by the Government of Malaysia.

Property Development Segment

The Group is focused on business strategies that will bring benefits to the Group in long-term growth. The Group has several projects planned in the pipeline within Klang Valley area. The projects aim to cater to current markets demands especially young working adults at entry levels and new home owners.

In regards to the future planned launches, the Group will continue to monitor the market demand from time to time as we remain positive towards the future property market due to the changes in age demographic within Klang Valley. Besides, the Group will constantly seek potential valuable landbanks as it is vital to maintain a healthy landbanks in new and various locations to ensure a sustainable growth in the future. At the same time, the Group will actively increase its effort to convert unsold inventories and ongoing projects into sales through online marketing activities.

Hospitality Segment

The hospitality segment remains an integral part of the Group in the long-term growth. The Group has formulated strategic pricing to accommodate probable demands in the near future. The step-up of the current COVID-19 vaccination program nationwide will be the predominant drive to lead the economic sectors to gradual recovery in the next financial year. The hospitality sector will be expected to reap most of the benefits from the post vaccination programme with the relaxation of local and international travel restrictions.

DIVIDEND POLICY

The Board has not established a formal dividend policy and no dividend has been paid during the year under review.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

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

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

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

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

Board and Management Responsibilities

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

The Board assumes the following responsibilities:

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

In assisting the discharge of its stewardship role, the Board has established Board Committees, as deliberated in the ensuing section below.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

There is a clear division of responsibilities between the Board and the Management. The Managing 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 Managing 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 Managing 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 Managing 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 Managing 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 Managing 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 has resigned on 2 April 2021. 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 the current arrangement is in the best interest of the Group. She is assisted by the 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, more than half of the Board members are Independent.

Company Secretaries

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

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

Dissemination of Information

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

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

Board Charter and Code of Conduct

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

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

The Board Charter and Code of Conduct was last reviewed on 27 May 2019 and is accessible at the Company's website at www.kpproperty.com.my.

Board Composition

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

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

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

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

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

Practice 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, experienced and competent candidates.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

The Nomination Committee will take steps to ensure suitable women candidates are sought for consideration should there be a need to increase its current board size. The Board currently has 5 members, of whom 1 of them is woman, representing 20.00% woman director. Based on the Company's Gender Diversity Policy & Target, the Board endeavours to have at least one women participation on the Board at all times. To achieve 30% women directors on Board as recommended in the MCCG for large company, the Board will require to add one (1) more woman director to the present composition but in view that the Company is not a large company as defined in MCCG, the Board did not set a timeframe to fulfil the said MCCG's recommendation as the Board opined that finding a female candidate that is right fit for the Company is more important than other factors. At management level, a few senior management positions are held by women employees. The Board will continue to provide a working environment that is conducive, fair and with equal opportunities within the Group and to commit to zero tolerance of workplace harassment, age, religious, ethnicity, race or gender discrimination. Presently, with the current Directors' mix of experiences and expertise, the Board is of the view that the current size of members is sufficient in effectively addressing all issues affecting the Group.

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 2021, the Board met a total of six (6) times. Details of the Director's attendance record are presented as below:-

Director	Number of meetings held	Number of meetings attended
Datin Toh Siew Chuon	6	6
Tee Eng Seng	6	6
Kuan Ying Tung	6	6
Ir. Low Wuu Shin	6	5
Tee Sun Ee	6	6

Board Committees

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

Audit and Risk Management Committee

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

Nomination Committee

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

Directors' Remuneration

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

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	6	–
• Ir. Low Wuu Shin	4	–
• Tee Sun Ee	6	–
• Gan Pik Mui#	4	–

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

Director	Company (RM'000)	Subsidiaries (RM'000)
Salary and Bonus		
• Datin Toh Siew Chuon*	–	429
• Tee Eng Seng*	–	429
• Kuan Ying Tung	–	–
• Ir. Low Wuu Shin	–	–
• Tee Sun Ee	–	–
• Gan Pik Mui#	–	32
Employees Provident Fund		
• Datin Toh Siew Chuon*	–	52
• Tee Eng Seng*	–	52
• Kuan Ying Tung	–	–
• Ir. Low Wuu Shin	–	–
• Tee Sun Ee	–	–
• Gan Pik Mui#	–	4

*The Directors are also the Senior Management of the Company
Ms. Gan Pik Mui resigned on 2 April 2021.

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

Ms. Gan Pik Mui resigned on 2 April 2021.

Directors' Training

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

Conferences, seminars and training programmes attended by Directors in the financial year 2021 and up to the date of this report are as follows:-

Name of Directors	Name of conferences, seminars and training programmes attended	Date
Datin Toh Siew Chuon	• Anti-Bribery and Corruption Training • ESG Investing: More Than Just "Doing Good" • MIA's Capital Market Conference 2021	18 September 2020 28 May 2021 17 June 2021
Tee Eng Seng	• Anti-Bribery and Corruption Training • ESG Investing: More Than Just "Doing Good" • MIA's Capital Market Conference 2021	18 September 2020 28 May 2021 17 June 2021
Kuan Ying Tung	• Anti-Bribery and Corruption Training • Audit Quality Enhancement Programme for SMPs • Audit Series Workshop 5 - Auditing of Property Developers and Contractors • Practical Preparation of Financial Statements using MPERS for MBRS templates • ESG Investing: More Than Just "Doing Good" • Implementing Amendments in the Malaysian Code on Corporate Governance • MIA's Capital Market Conference 2021	18 September 2020 27 & 28 October 2020 2 & 3 November 2020 8 & 9 February 2021 28 May 2021 14 June 2021 17 June 2021
Ir. Low Wuu Shin	• Anti-Bribery and Corruption Training • ESG Investing: More Than Just "Doing Good" • MIA's Capital Market Conference 2021	18 September 2020 28 May 2021 17 June 2021
Tee Sun Ee	• Anti-Bribery and Corruption Training • ESG Investing: More Than Just "Doing Good" • MIA's Capital Market Conference 2021	18 September 2020 28 May 2021 17 June 2021

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

PRINCIPLE B: AUDIT AND RISK MANAGEMENT

Audit and Risk Management Committee

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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 6 August 2021.

STATEMENT OF DIRECTORS' RESPONSIBILITY

FOR PREPARING THE ANNUAL AUDITED FINANCIAL STATEMENTS

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

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

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

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

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

This statement was made in accordance with a resolution of the Board of Directors dated 6 August 2021.

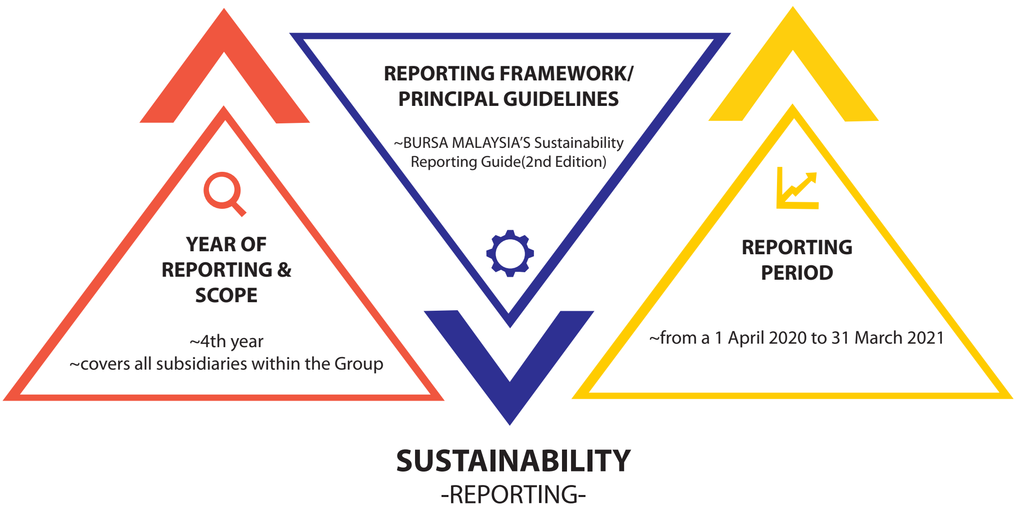
SUSTAINABILITY STATEMENT

The Board of Directors of Kerjaya Prospek Property Berhad ("KPPROP" or "the Company") and its subsidiaries ("the Group") acknowledges the integration of sustainability consistently throughout the Group is imperative towards the long-term value and future success of the Group. The Group has commenced its sustainability journey since 2018 and it has always been our core value in shaping the Group's business strategies, business operation, goals and target from top-down level.

The Group has adopted and established its sustainability framework and guidelines in accordance with Bursa Malaysia's Sustainability Reporting Guide (2nd Edition).

Notwithstanding the above, we will constantly identify new areas of improvements and innovative measures to be implemented across the Group. As we continue in enhancing our sustainability processes, we will also examine and redefine our duties and responsibilities along the sustainability action plans in place. With sustainability embedded in the past 4 years ago, we are confident that the level of awareness and adoption of sustainable measures by our people have improved notwithstanding the unprecedented crisis caused by the ongoing COVID-19 pandemic. It is important to note that besides achieving a long-term value and future success of the Group, it is vital to ensure that the self-development, mental and emotional well-being of our employees is being well taken care of during this ongoing COVID-19 pandemic.

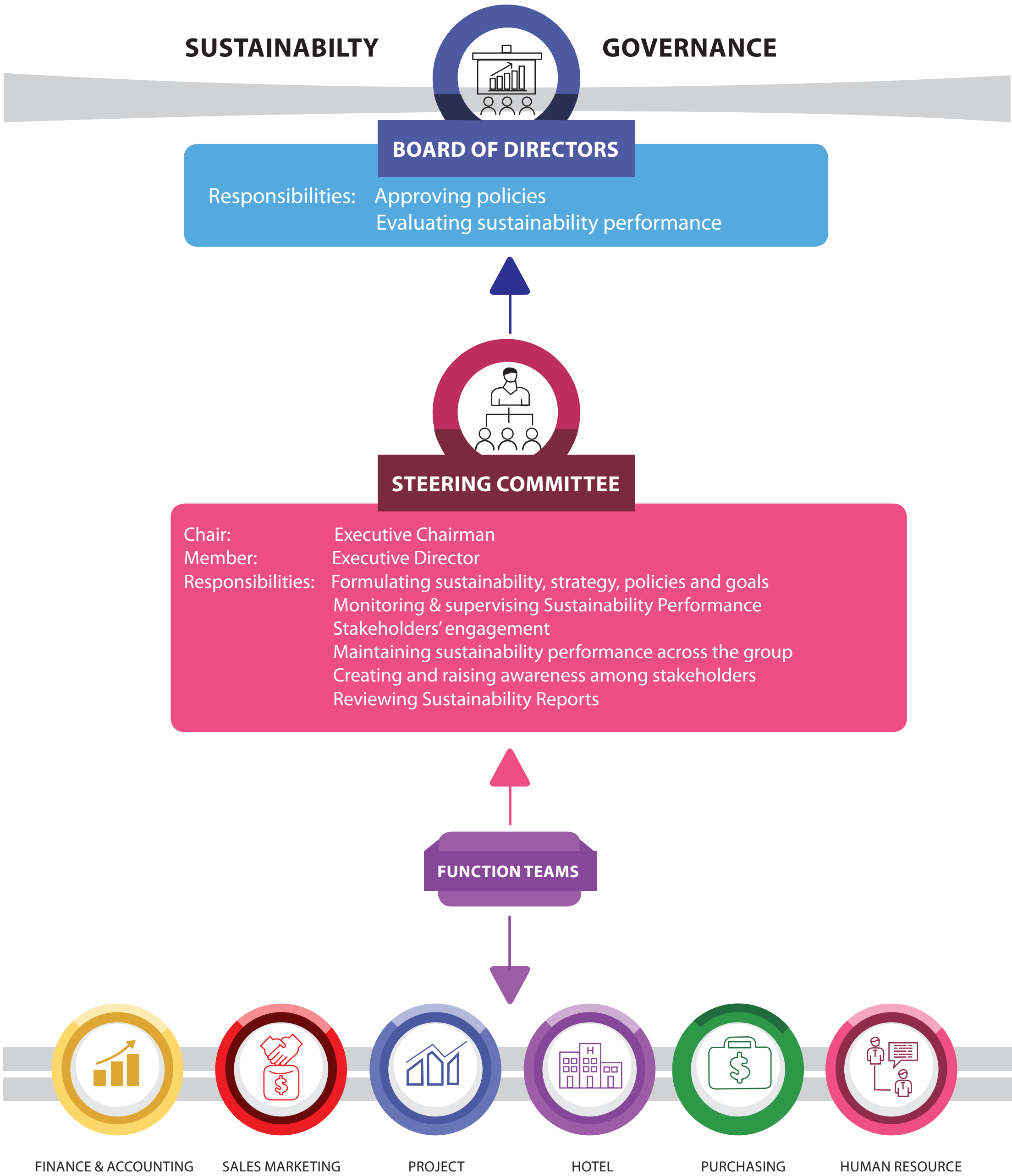
This Sustainability Report outlined all the Group's sustainability activities for the period between 1st April 2020 to 31st March 2021.



SUSTAINABILITY STATEMENT (CONT'D)

SUSTAINABILITY GOVERNANCE

Our Board recognises that good corporate governance in doing business encompasses key elements such as ethics, honesty, and integrity. As such, we place a great emphasis in driving transparency and accountability across all business transactions and dealings anywhere we function. Setting the tone from the top, the Board takes the lead by establishing and evaluating sustainability agenda into its business strategy from time to time, depicted as below:



The Board continues to ensure its effectiveness and to provide strong leadership to the Group and Management. In order to ensure that business is being properly managed, the Board performs periodic review of the financial results to oversee the conduct of the business. The Board is mindful of the importance of the establishment of clear roles and responsibilities in discharging its fiduciary and leadership functions including those reserved for the Board's approval and those which the Board may delegate to the Board Committees and the Management and committed to ethical values and standards. On this note, the Board has defined Code of Conduct setting out the roles, duties and responsibilities of the Board, the principles and practices of corporate governance to be followed and its commitment of fair practices to its stakeholders

Ultimately our Board is responsible to manage the oversight of overall sustainability issues whilst our Steering Committee will provide its support and implement efforts as well as initiatives so as to ensure a proper reporting and monitoring. The Respective Head of Departments within the Group are required to immediately report to the Steering Committee of any breaches or anticipatory breaches in any of its engagement with stakeholders.

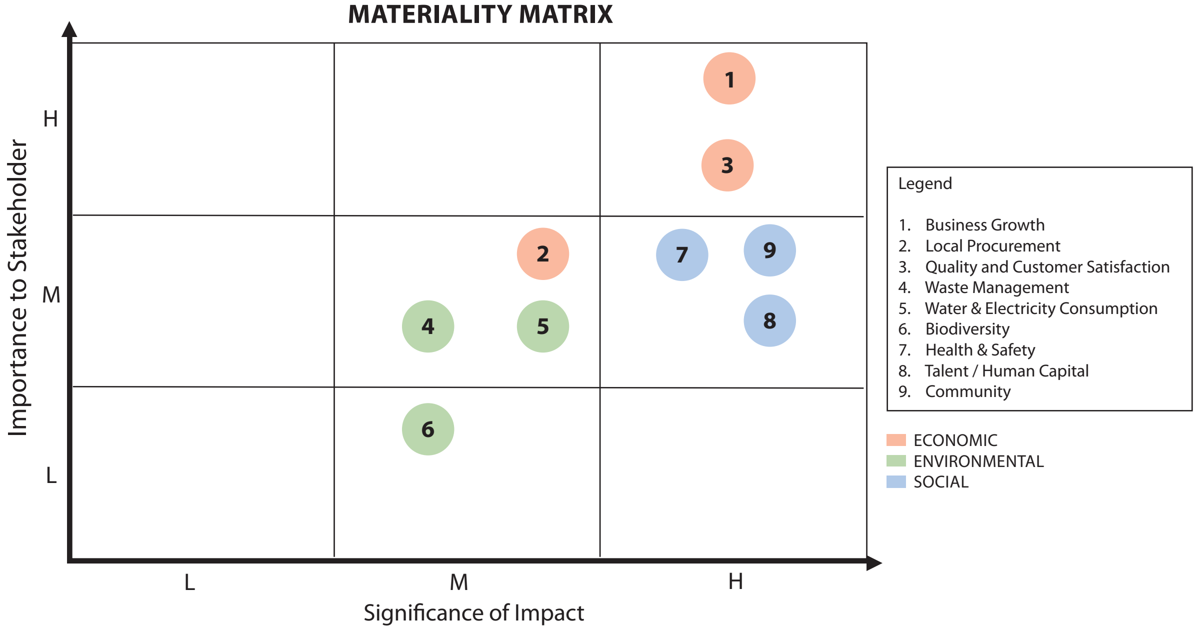
While our employees are required to comply closely with these guidelines in all its business dealings whether within or outside the company, the Group shall continuously implement all necessary mitigating steps and measures, to combat any bribery and corruption.

MATERIALITY ASSESSMENT

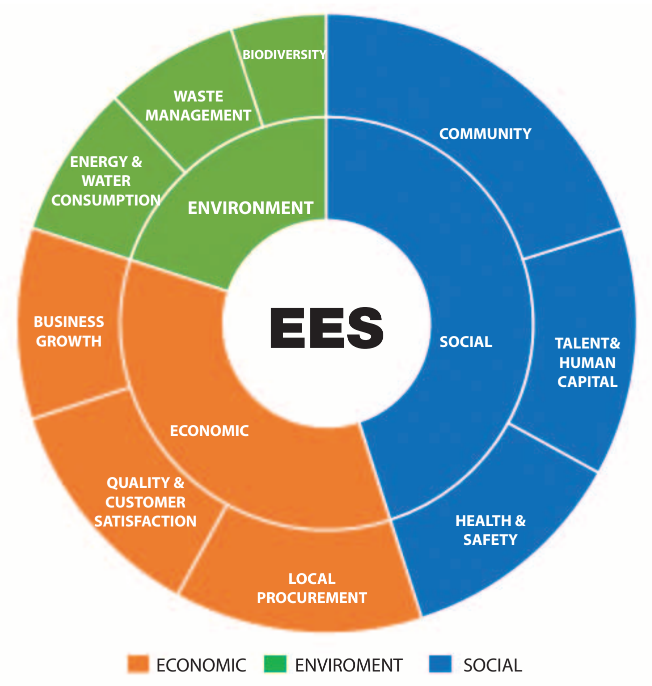
The materiality assessment is an important exercise as it will assist the Group towards the identification and prioritisation of **ECONOMIC**, **ENVIRONMENTAL** and **SOCIAL ("EES")** matters. With materiality matrix as a guide, we have identified ten (10) key areas across the EES pillars that may affect our daily business operations and influence our stakeholders' perception towards the Group.

We had carried out a new materiality assessment to ensure we have captured what is material to our growth that creates value based on EES. This strategy assesses the sustainability and societal impact of our businesses. The following Materiality Matrix illustrates the prioritisation with Business Growth, Quality & Customer Satisfaction and Corporate Governance being the top matters.

MATERIALITY MATRIX

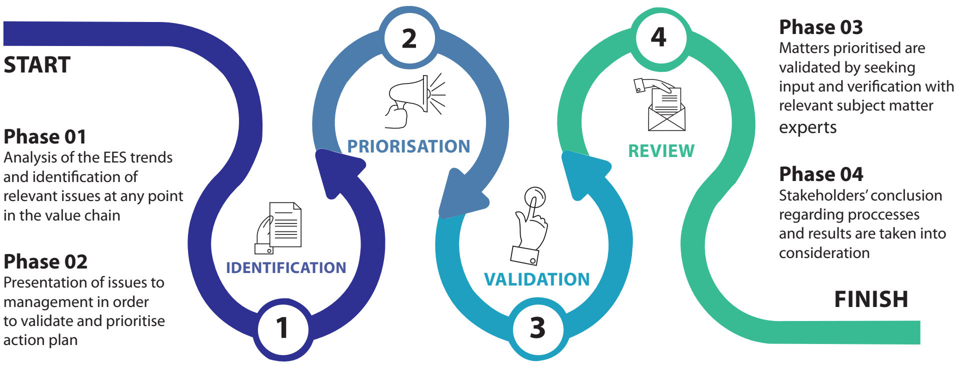


SUSTAINABILITY STATEMENT (CONT'D)



The above diagram depicts our area of focus in our EES approach

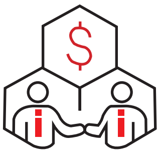
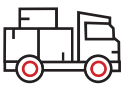
PROCESS FLOW IN DEVELOPING MATERIALITY MATRIX



The Group recognises that the key stakeholders within the Groups includes our employees, shareholders, business partners and customers. Our goal is to create a better understanding of the issues before addressing them with the necessary approach.

SUSTAINABILITY STATEMENT (CONT'D)

We are committed in engaging in constructive and meaningful dialogue with various stakeholders as we continue to strive to seek a balance between generating value for our stakeholders while realising financial target to meet the expectation of our shareholders and investors. Through various engagement with our stakeholders comprising employees, customers, shareholders, suppliers, authorities, local communities and media, the Group was able to identify the material issues. This allows the Group to swiftly respond to any potential adverse state of affairs without compromising the financial performance, budgets and forecasts. The salient issues for each stakeholders' group and our engagement with them are presented below:

Stakeholders	Areas of Interest	Forms of Engagement
 Shareholders and Investors	• Group financial performance • Business direction and growth • Key corporate developments • Corporate governance • Dividend	• Annual General Meeting / Extraordinary General Meeting • Investor briefings for fund analyst and investment community • Annual Report / Circular • Corporate Website • BURSA Announcement Social Media
 Customers	• Product Quality • Pricing and location • Service	• Launching • Social Media • Marketing promotions • Bulletin
 Government, Regulatory & Authorities	• Compliance • Health, security and safety • Waste Management • Quarterly and annual reporting	• Seminars / Dialogues /Webinar • Announcement
 Employees	• Training • Career development • Competitive remuneration, benefits and equal opportunities • Well-being, health and safety	• Training session • Events and functions • Appraisal • Management meetings
 Suppliers	• Fair procurement • Transparency • Service delivery • Timely payment • Product Quality • Inventory / Supply commitment	• Group procurement policy and system • Yearly suppliers' evaluation

SUSTAINABILITY STATEMENT (CONT'D)

Stakeholders	Areas of Interest	Forms of Engagement
 Local Community	• Social well-being • Transparent, quality products and services	• Community programme • Local sourcing
 Media	• Newsworthy corporate development • Accurate reporting	• Media interview • Award ceremonies

Year 2020 Annual General Meeting

ECONOMIC

Business Growth

Amidst the challenges with the ongoing COVID-19 pandemic resulting in a softer property market, KPPROP continues to generate a revenue of RM301.99 million and this translates to a profit after tax of RM63.11 million for the financial year ended 31 March 2021. Our focus remains in ensuring sustainability through the generation of commercial value from our developments without compromising our reputation in delivering quality products.

Local Procurement

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

SUSTAINABILITY STATEMENT (CONT'D)

Quality and Customer Satisfaction

We are proud of the quality of the products and services we provide for our customers and thrive on delivering customer satisfaction. Delivering superior quality product is key focus in all our projects and we do so by ensuring that our appointed contractor is certified by ISO 9001:2015 Quality Management System. Having a certified contractor improves the overall efficiency, performance, and competitiveness of our Company.

With our impressive track record throughout the years back by veterans in the industry with more than 20 years of experience in the high-end property development segment, our quality of projects is renowned for their impeccable workmanship.

Our outstanding track record with a number of stellar projects have earned us Asean Property Developer Award ("APDA") 2020 under Innovative Developer category in December 2020. APDA is organised by Des Prix Infinitus Media, an awards specialist with reach and experience across multiple regions in Southeast Asia, including Malaysia, Singapore, Thailand, Vietnam, Laos, Cambodia, Brunei, Philippines, Myanmar and Indonesia.

ENVIRONMENT

The Group maintains strictest compliance on all applicable environmental laws, rules and regulations, standards and guidelines imposed by the local authority from time to time, which are in connection to our business and day-to-day operation as we continue to strive for clean clear records within the environmental laws and regulations.

The growth and development of our communities have a significant and direct impact on the natural environment. In line with the development, we remain committed to the green project concept of development and instilled such practices in its operations. We strongly believe that by committing to green building concept of development may positively affect our climate and natural environment, preserving precious natural resources and improving our quality of life to a greater height.

Besides, lighting offers one of the opportunities for reducing greenhouse gas emissions. Our responsibility to manage our energy resources, reducing resource depletion and optimise our operation's energy efficiency through the use of LED lightings in our projects.

Waste Management

We strongly believe in contributing back to a circular economy. In a circular economy, waste is minimised as materials are reused and recycled to maximise environmental and financial added value. We have adopted some programme to look into areas of waste generated by the construction's operations mainly on steel bars. Aluminium formwork has become the first-choice material by us as this formwork is both light and strong but more importantly, it can be recycled and reused. We optimise the use of aluminium formwork at all our construction sites to reduce costs and for better efficiency in our construction cycle time. Besides, we would ensure that there are proper construction waste management systems in place to ensure waste is disposed at approved sites to prevent any issues on contamination of water supply.

Energy and water consumption

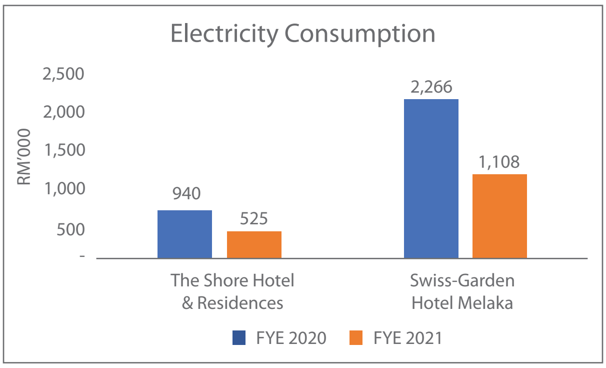
Our most direct and significant environmental impact stems from the operation of our property and hotel divisions through the consumption of purchased electricity and through the use of diesel for machinery and equipment. We set standards for ourselves against external environmental certifications in ensuring sustainable designs and practices are considered throughout our businesses and operations.

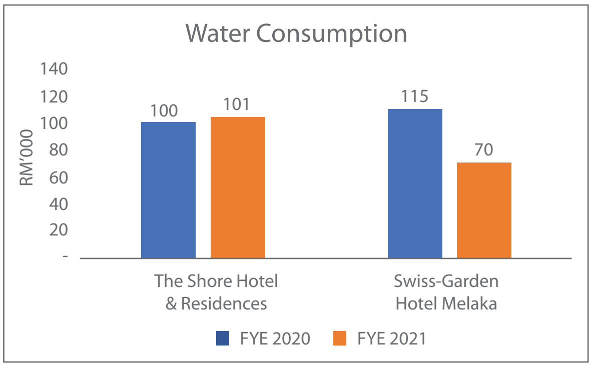
Energy and water management also fall part of our resource management as this will minimise wastage as well as conserving our precious resources. Since year 2020, we have started monitoring electricity usage at hotel operations. Our aim is to ensure that the amount of electricity used meets the requirement and avoid over usage and wastage.

SUSTAINABILITY STATEMENT (CONT'D)

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

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





The electricity and water consumption reduced in FYE 2021 partially due to hotel business was temporary close during the Movement Control Order ("MCO") period.

Biodiversity

As a property developer, the Group is committed to protecting the environment, biodiversity and ecosystems. Some of the sustainability initiatives and efforts by the Company are through its cleaning and green programme surrounding The Shore Hotel & Residences and Swiss-Garden Hotel Melaka. This landscape beautification project is part of our initiatives to protect the environment as well as to improve healthy living towards greener surrounding.

SUSTAINABILITY STATEMENT (CONT'D)

SOCIAL

Health and Safety

The Group believes that the safety and well-being of its employees are the foundations of its success. This is an imminent factor in business sustainability and cannot be compromised. We place utmost importance on continuous compliance with all safety and health laws and regulations such as the Occupational Safety and Health Act 1994.

With the onset of COVID-19, there caused an immediate shift in global priorities. Countries quickly had to refocus their efforts to ensure the health and safety of their citizens, which took a toll on economies worldwide. COVID-19 is the most wide-reaching public health crisis our world has faced in a long time. Health, safety and well-being became central to the resiliency and sustainability discussion amongst our management. We emphasise that health is an enabling factor, and a prerequisite for sustainable development.

Our Human Resources ("HR") department has developed a COVID-19 Response Plan for its employees to prepare for and mitigate the effects of the COVID-19 pandemic. This plan consists of internal Standard Operating Procedure ("SOP") for office use and is also served as a guide immediately should an employee or visitor develops symptoms or is tested positive. It also acts as contingency plan for staff rotating schedule to avoid overcrowding the office.

SUSTAINABILITY STATEMENT (CONT'D)

Scanning of MySejahtera App at entrance

Temperature measurement at entrance

Sanitisation at office

CERTIFICATE OF COMPLIANCE

THIS IS TO ACKNOWLEDGE THAT

SWISS-GARDEN HOTEL MELAKA

HAS FULLY COMPLIED WITH

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

Although our hotel segment business has been affected during the pandemic, we have not neglected the health and safety protocol of its compliance. During the pandemic, our Swiss-Garden Hotel Melaka has fully complied with COVID-19 Adopt and Adhere Guidelines and related government standard operating procedures and the certificate of compliance is issued by the Chief Minister of Melaka in collaboration with Malaysia Productivity Corporation as well as Tourism Productivity Nexus.

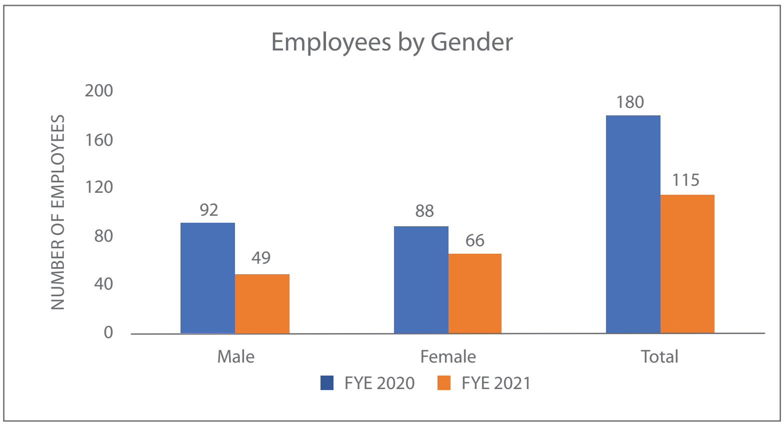
Talent / Human Capital

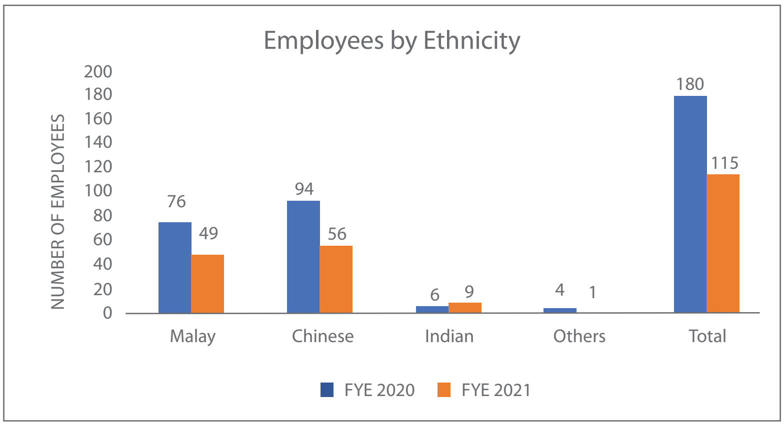
We aim to create a sustainable value with our business activities. This objective unites our employees and consistent with our corporate values which guides our decision making and our actions. We offer a challenging and conducive working environment, providing our employees with competitive compensation and benefits programme aligned with industry practices. The Group offers attractive benefits in addition to basic salary to enhance employee wellness and retain the best talent possible. We remain committed towards strict compliance with the local statutory requirements on wages and benefits such as minimum wages order, employees' provident fund, employees' social security and leaves provision.

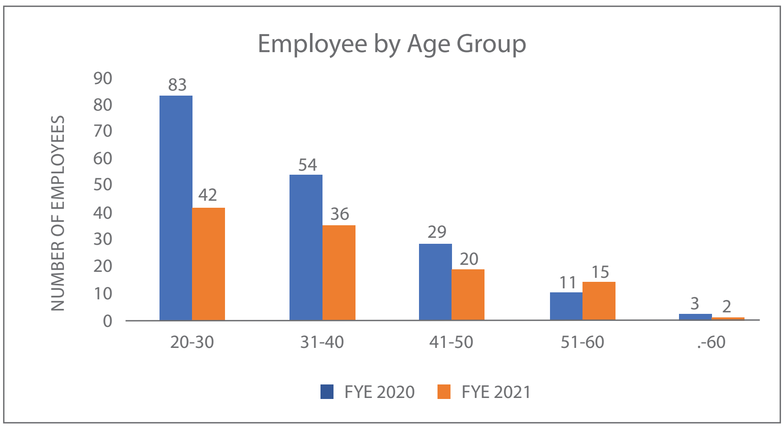
One of the main tasks assigned to our HR department is to ensure an open and friendly work culture that would steer the business towards future opportunities and growth. Our Group is an equal opportunity employer that strictly practices non-discrimination and encourages diversity in its staff policy. There is no preference for gender or ethnicity and the prime consideration for employment is solely the staff's ability to add value and contribute to the Group.

SUSTAINABILITY STATEMENT (CONT'D)

During the period under review, KPPROP has a total of 115 employees within the Group wherein 49 are male and 66 are female.







SUSTAINABILITY STATEMENT (CONT'D)

As a responsible organisation, we believe in nurturing and training our people to be the best as they need to be constantly kept up to date with the latest developments within the industry. We recognise that a comfortable workplace that provides all the necessary opportunities and incentives is critical for our people to grow professionally and personally so they can contribute to the Company.

The Group offers training program to our employees. The training programs are assigned to employees based on their roles and area of responsibilities within the Group. Frequent training involved tailored in-person training to businesses, subsidiaries, staff groups and third parties. Regular and structured training is provided to all levels of employees, from incoming recruits to frontline employees, supervisors and right up to top management levels.

However, due to the pandemic, our training sessions have significantly dropped and a total of 103 hours have been incurred during the period under review. This is equivalent to an average of 0.90 hours per employee. The trainings provided include health and safety, governance, risk management and property management.

	FY 2020	FY 2021
TOTAL TRAINING HOURS	3788	103
AVERAGE TRAINING HOURS PER EMLOYEE	17.14	0.90

Every year, we actively engage with our local community through our volunteer programmes and donations. Our donation programme are reviewed annually to ensure distribution of contributions continues to address the community's changing needs. The Group is cognizant of our role in bringing greater value and enhancing the lives of local communities. Undeniably, the "new poor" has also emerged from the devastation caused by the COVID-19 pandemic. The pandemic had caused unrepairable damage to the livelihood of the communities and caused many in the B40 income group to slide deeper into poverty and some in the M40 group to move down a tier.

As the country has put in concerted effort to provide support in terms of various incentives to help the poor and underprivilege, we have also played our part to offer some initiatives to reduce their burden. They include children and elderly individuals with special needs whose families do not have the financial or emotional ability to care for them. Since the pandemic has caused many livelihoods affected, we are stepping up effort to improve the welfare of the community.

Donation to Pertubuhan Kebajikan Insan Penyayang Pulau Pinang

Donation to Pertubuhan Kebajikan Anak-Anak dan OKU Mesra Petaling Jaya Selangor

SUSTAINABILITY STATEMENT (CONT'D)

Although business has not been picking up during MCO for our hotel division, we have not neglected our part in improving the surrounding area especially the walkway area along the river. During this off-peak period at our hotel, we took the opportunity to upgrade the access road to the hotel which would benefit the general public for a greater convenience.

Before upgrade

Upgrade in progress

After upgrade

GOVERNANCE

The Group believes in and practices the tone from the top management and ensures that KPPROP upholds the highest level of corporate governance and practices in the Group's entire undertakings in building a credible and sustainable business. The principles of integrity, transparency and accountability are embedded in its Code of Ethics and Conduct and the Group places these appropriate governance matters very seriously to ensure that procedures are properly followed. The various measures are in place and constantly tested and reviewed to ensure that they stay relevant and effective in the environment of the Company's operations.

The compliances and practices adopted by the Group in pursuant of transparent corporate governance are as reported in the Corporate Governance Overview Statement in this Annual Report and the Corporate Governance Report submitted yearly to BURSA Securities.

Anti-Bribery and Corruption

Section 17A of the Malaysian Anti-Corruption Commission Act 2009 ("MACC") which came into force on June 1, 2020 brought about much anticipated change to the anti-corruption landscape. It is aimed at fostering good corporate governance practices and promoting the importance of conducting business activities with integrity. It was amended to introduce a new corporate liability provision that stipulates a corporate liability principle where a commercial organisation can be considered guilty if any of its employees and/or associates commit corruption during the course of employment.

As MACC is now no longer accepting ignorance as defence, the Group embarks on various initiatives to ensure that adequate procedure is in place by the organisation to ensure that its employees and associated person are aware of its consequences from committing the corrupt act. With this, an awareness program was held on 18 September 2020 amongst its employees as well as Directors of KPPROP.

Whistleblowing Policy

The Group commits itself and its Directors to ethical, business-like and lawful conduct, including proper use of authority and appropriate decorum when acting as Group members. The Company's Code of conduct and ethics for Directors are clearly stipulated and is available for reference at the Company's website at http://www.kpproperty.com.my. The objective of whistleblowing policy and procedure is to provide an opportunity for concerns raised by employees, directors and others to be investigated and for appropriate action to be taken. This is to ensure that the matter is resolved effectively and within the Company wherever possible.

This statement was made in accordance with a resolution of the Board of Directors dated 6 August 2021.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

MEMBERS

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

Kuan Ying Tung
Chairman (Independent Non-Executive Director)

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

Tee Sun Ee
Member (Independent Non-Executive Director)

Duties and Functions

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

The duties and functions shall be, amongst others:

Oversight of the External Auditor

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

Oversight of the Internal Auditor

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

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

Oversight of Financial Reporting

- To review the quarterly results, year-end financial statements and annual report prepared by the Management prior to the approval by the Board, focusing particularly on:-
    - o Changes in or implementation of major accounting policy changes;
    - o Significant matter highlighted including financial reporting issues, significant judgments made by Management, significant and unusual events or transactions, and how these matters are addressed;
    - o Compliance with accounting standards requirements; and
    - o Compliance with stock exchange and legal requirements.

Oversight of Risk Management

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

SUMMARY OF ACTIVITIES DURING FINANCIAL YEAR UNDER REVIEW

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

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

o Reviewed the audited statutory financial statements of the Group for the financial year ended 31 March 2020 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 identified 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 hospitality segments.

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

o Reviewed the Audit and Risk Management Committee Report and Statement on Risk Management and Internal Control for inclusion in the Annual Report 2020 before making recommendations to the Board.

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

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

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT (CONT'D)

INTERNAL AUDIT FUNCTION

The Group's internal audit function ("IAF") is outsourced to a professional Internal Audit firm, Tricor Axcelasia Sdn. Bhd. (formerly known as Axcelasia Columbus Sdn. Bhd.). The engagement Executive Director is Mr. Joe Lee Yaw Joo who has diverse professional experience in internal audits, risk management and supply chain advisory. He is a member of the Malaysian Institute of Accountants and a member of the Malaysian Institute of Certified Public Accountants. Mr. Lee is a Certified Internal Auditor (USA) and Certified Professional in Supply Management (USA).

The number of staffs deployed for the internal audit reviews was 4 - 5 staffs per visit including the engagement Executive Director. The staffs involved in the internal audit reviews possesses professional qualification and/or a university degree. Certain of the staff are members of the Institute of Internal Auditors Malaysia. The internal audit staff on the engagement are free from any relationships or conflicts of interest, which could impair their objectivity and independence.

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

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

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

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

The professional fees incurred for the IAF during the current financial year amounted to RM38,000 (2020: RM20,000).

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

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

AUDIT AND RISK MANAGEMENT COMMITTEE ATTENDANCE RECORD

The Audit and Risk Management Committee met five (5) times during the financial year ended 31 March 2021 and the attendance record is as follows:-

Directors	Numbers of Meetings Held	Number of Meetings Attended
Kuan Ying Tung	5	5
Ir. Low Wuu Shin	5	4
Tee Sun Ee	5	5

The Audit and Risk Management Committee Report was made in accordance with a resolution of the Board of Directors dated 6 August 2021.

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 2021.

A. RESPONSIBILITY OF THE BOARD

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

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

B. CONTROL ENVIRONMENT

Organisation Structure

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

Internal Audit

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

The Internal Audit team continues to be independent, free from any relationships or conflict of interest, objectively and regularly review key processes, check compliance with policies/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 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.

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

In the financial year ended 31 March 2021, reviews in various areas involving Property Development and Hospitality operations were conducted. Key coverage areas included:

Business Processes	Entities
➢ Human Resources Management ➢ Security and IT Management ➢ Project Development and Planning ➢ Post Development Support	Kerjaya Property Sdn. Bhd. Kerjaya Hotel Sdn. Bhd.

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

Information and Communication

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

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

Systems, Data and Information Security

The 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.

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

The Board regards risk management as an integral part of the Group's business operations and has oversight over this critical area through the ARMC. The ARMC, 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 ARMC.

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

Monitoring Activities

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

a) Our Board through our ARMC has reviewed the risk management updates as well as the progress of compliance status of the internal control and risk management system.
b) Our ARMC has reviewed the process and compliance, exceptions identified by external auditors and internal auditors on a periodic basis. The implementation of the recommendations is tracked and reported to the ARMC on a periodic basis.

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

Assurance from the Management

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

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

Review of the Statement by External Auditors

The external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in Audit and Assurance Practice Guide ("AAPG 3"), *Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report* issued by the Malaysian Institute of Accountants ("MIA") for inclusion in the annual report of the Group for the year ended 31 March 2021, 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 6 August 2021.

NOMINATION COMMITTEE STATEMENT

MEMBERS

The Nomination Committee comprises the following directors:-

Kuan Ying Tung
Chairman (Independent Non-Executive Director)

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

Tee Sun Ee
Member (Independent Non-Executive Director)

Duties and Functions

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

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

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

The performance evaluation of the Board 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.

NOMINATION COMMITTEE STATEMENT (CONT'D)

Activities

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

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

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

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

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

This statement is made in accordance with the resolution of the Board of Directors dated 6 August 2021.

OTHER INFORMATION

UTILISATION OF PROCEEDS

Pursuant to the corporate exercise undertaken by the Company of which the details were disclosed in the Circular to Shareholders of the Company dated 29 November 2019, and approved by the Company's shareholders on 23 December 2019, the Company proposed to undertake the private placement ("Private Placement") of up to 125 million new ordinary shares ("Placement Shares").

The Company had on 2 March 2021 completed the listing of 90,000,000 Placement Shares at an issue price of RM1.13 per share ("First Tranche").

Subsequent to the First Tranche, the approval from Bursa Securities for the extension of time ("EOT") of up to 15 May 2021 to complete the implementation of the Private Placement had lapsed on 15 May 2021. The Company, after taking into consideration, amongst others, the prevailing market condition, has decided not to place the remaining Placement Shares. Thus, the Private Placement is deemed completed upon the expiry of the EOT.

As at 31 March 2021, the Company had fully utilised the total gross proceeds of RM101.70 million, details of which are disclosed in the following table:

	Utilisation of proceeds RM'000
Repayment of bank borrowings	100,000
Working capital	391
Expenses for the Private Placement	1,309
Total	**101,700**

AUDIT AND NON-AUDIT FEES

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

	The Company	The Group
Audit fees	38,000	183,000
Non-audit fees	29,000	29,000
Purpose of non-audit fees	Review of Interim Financial Information for the Twelve-month Period Ended 31 March 2021 and Review of Statement on Risk Management and Internal Control	Review of Interim Financial Information for the Twelve-month Period Ended 31 March 2021 and Review of Statement on Risk Management and Internal Control

MATERIAL CONTRACTS

There is no 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.

OTHER INFORMATION (CONT'D)

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 2021 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.	48
		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.	–

FINANCIAL STATEMENTS

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2021

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 2021.

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 have been no significant changes in the nature of these activities during the financial year.

ULTIMATE HOLDING COMPANY

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

SUBSIDIARIES

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

RESULTS

	Group RM'000	Company RM'000
Profit for the financial year attributable to:		
Owners of the Company	63,091	29,634
Non-controlling interests	14	–
	63,105	29,634

RESERVES AND PROVISIONS

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

DIVIDEND

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

DIRECTORS OF THE COMPANY

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

Datin Toh Siew Chuon
Ir. Low Wuu Shin
Kuan Ying Tung
Tee Eng Seng
Tee Sun Ee
Gan Pik Mui (resigned on 2 April 2021)

DIRECTORS' REPORT (CONT'D)

DIRECTORS OF THE SUBSIDIARIES

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

Datuk Tee Eng Ho
Datin Toh Siew Chuon
Tee Eng Seng

DIRECTORS' INTERESTS IN SHARES

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

	Number of ordinary shares			
	At 1.4.2020	**Bought/ Converted^**	**Sold**	**At 31.3.2021**
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	763,000	–	(763,000)	–
Ir. Low Wuu Shin	48,000	–	(48,000)	–
Tee Sun Ee	80,000	–	–	80,000
Shareholdings in the Company which Directors have deemed interest				
Datin Toh Siew Chuon*	134,754,348	66,895,700	–	201,650,048
Tee Eng Seng	134,754,348	66,895,700	–	201,650,048

^ Including shares issued pursuant to the conversion of redeemable convertible preference shares ("RCPS").

	Number of ordinary shares			
	At 1.4.2020	**Bought**	**Consolidation**	**At 31.3.2021**
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

	Number of redeemable convertible preference shares			
	At 1.4.2020	**Bought**	**Converted**	**At 31.3.2021**
Shareholdings in the Company which Directors have deemed interests				
Datin Toh Siew Chuon*	3,168,054,651	–	(300,000,000)	2,868,054,651
Tee Eng Seng	3,168,054,651	–	(300,000,000)	2,868,054,651

DIRECTORS' REPORT (CONT'D)

DIRECTORS' INTERESTS IN SHARES (CONT'D)

* 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 has an interest.

None of the other Directors holding office at 31 March 2021 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 29 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 issued and fully paid-up share capital of the Company had increased from 200,142,339 to 350,142,339 ordinary share by way of:

i) the issuance of 90,000,000 ordinary shares through private placement for a cash consideration of RM101,700,000 for working capital purposes; and

ii) the issuance of 60,000,000 ordinary shares pursuant to the conversion of 300,000,000 units of RCPS. The salient terms of the RCPS are disclosed in Note 12 to the financial statements.

There were no debentures issued during the financial year.

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 in 2015.

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.

DIRECTORS' REPORT (CONT'D)

OPTIONS GRANTED OVER UNISSUED SHARES (CONT'D)

The salient features of the ESOS scheme are, inter alia, as follows: (cont'd)

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 ESOS has expired on the 15 April 2020.

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 1.4.2020**	**Exercised**	**Forfeited**	**Consolidation**	**At 31.3.2021**
3.12.2015	RM0.10	30,000	–	(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 RM10,000,000 and RM14,000 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.

DIRECTORS' REPORT (CONT'D)

OTHER STATUTORY INFORMATION (CONT'D)

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 2021 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.

SUBSEQUENT EVENTS

The subsequent events is disclosed in Note 32 to the financial statements.

DIRECTORS' REPORT (CONT'D)

AUDITORS

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

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

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

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

Kuala Lumpur,

Date: 6 August 2021

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2021

		Group		Company	
	Note	**2021 RM'000**	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Assets					
Property, plant and equipment	3	269,664	260,680	–	–
Right-of-use assets	4	16,000	15,546	–	–
Investments in subsidiaries	5	–	–	481,102	481,102
Land held for property development	6	95,996	67,867	–	–
Trade and other receivables	9	10,852	–	–	–
Deferred tax assets	14	–	719	–	–
Total non-current assets		392,512	344,812	481,102	481,102
Inventories	7	342,089	346,702	–	–
Contract assets	8	–	14,512	–	–
Contract costs	8	23,879	36,274	–	–
Trade and other receivables	9	38,996	33,883	60,544	45,755
Current tax assets		6,913	12,482	14	10
Prepayments		1,178	1,209	7	–
Cash and cash equivalents	10	67,362	78,756	1,260	22
		480,417	523,818	61,825	45,787
Asset classified as held for sale	11	–	10,011	–	–
Total current assets		480,417	533,829	61,825	45,787
Total assets		872,929	878,641	542,927	526,889

STATEMENTS OF FINANCIAL POSITION (CONT'D)

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Equity					
Share capital		260,557	132,835	260,557	132,835
Reserves		225,170	184,759	234,910	227,956
Total equity attributable to owners of the Company	12	485,727	317,594	495,467	360,791
Non-controlling interests		264	250	–	–
Total equity		485,991	317,844	495,467	360,791
Liabilities					
Trade payables	15	14,654	11,665	–	–
Loans and borrowings	13	102,233	114,151	–	–
Deferred tax liabilities	14	25,554	26,625	–	–
Redeemable Convertible Preference Shares ("RCPS")		22,679	32,500	22,679	32,500
Total non-current liabilities		165,120	184,941	22,679	32,500
Trade and other payables	15	145,336	161,705	15,627	23,486
Redeemable Convertible Preference Shares ("RCPS")		9,154	10,112	9,154	10,112
Contract liabilities	8	29,835	30,726	–	–
Loans and borrowings	13	32,892	173,160	–	100,000
Current tax liabilities		4,601	153	–	–
Total current liabilities		221,818	375,856	24,781	133,598
Total liabilities		386,938	560,797	47,460	166,098
Total equity and liabilities		872,929	878,641	542,927	526,889

The notes on pages 68 to 131 form an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2021

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Revenue	17	301,985	214,079	38,100	–
Cost of sales		(187,236)	(153,516)	–	–
Gross profit		114,749	60,563	38,100	–
Other income		1,576	898	–	7,533
Distribution expenses		(1,154)	(1,853)	–	–
Administrative expenses		(16,958)	(20,607)	(2,202)	(6,098)
Other expenses		(4,242)	(3,839)	–	–
Net reversal/(loss) on impairment of financial instruments		4	(90)	–	–
Results from operating activities		93,975	35,072	35,898	1,435
Finance income	18	1,340	810	38	–
Finance costs	19	(8,627)	(7,727)	(6,302)	(1,305)
Profit before tax	20	86,688	28,155	29,634	130
Tax expense	22	(23,583)	(6,914)	–	–
Profit and total comprehensive income for the year		63,105	21,241	29,634	130
Profit attributable to:					
Owners of the Company		63,091	21,238	29,634	130
Non-controlling interests		14	3	–	–
Profit for the year		63,105	21,241	29,634	130
Total comprehensive income attributable to:					
Owners of the Company		63,091	21,238	29,634	130
Non-controlling interests		14	3	–	–
Total comprehensive income for the year		63,105	21,241	29,634	130
Earnings per ordinary share (sen)					
- Basic	23	29.64	16.27		
- Diluted	23	8.02	16.26		

The notes on pages 68 to 131 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2021

	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 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 2020/1 April 2020	132,835	239,505	–	3	(323,920)	269,171	317,594	250	317,844
Shares issued pursuant to private placement	101,700	–	–	–	–	–	101,700	–	101,700
Conversion of RCPS	26,022	(22,680)	–	–	–	–	3,342	–	3,342
Share options expired	–	–	–	(3)	–	3	–	–	–
Profit and total comprehensive income for the year	–	–	–	–	–	63,091	63,091	14	63,105
At 31 March 2021	260,557	216,825	–	–	(323,920)	332,265	485,727	264	485,991
	Note 12.1	Note 12.2	Note 12.3	Note 12.4	Note 12.5				

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2021

	/------------------ Attributable to owners of the Company				----------------/
	/---------------- Non-distributable		-------------/	Distributable	
	Share capital RM'000	**RCPS RM'000**	**Share option reserve RM'000**	**(Accumulated losses)/ Retained earnings RM'000**	**Total RM'000**
Company					
At 1 April 2019	56,629	–	5	(11,684)	44,950
Profit and 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 2020/1 April 2020	132,835	239,505	3	(11,552)	360,791
Shares issued pursuant to private placement	101,700	–	–	–	101,700
Conversion of RCPS	26,022	(22,680)	–	–	3,342
Share options expired	–	–	(3)	3	–
Profit and total comprehensive income for the year	–	–	–	29,634	29,634
At 31 March 2021	260,557	216,825	–	18,085	495,467
	Note 12.1	Note 12.2	Note 12.4		

The notes on pages 68 to 131 form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Cash flows from operating activities					
Profit before tax		86,688	28,155	29,634	130
Adjustments for:					
Depreciation of:					
– property, plant and equipment	3	3,690	3,644	–	–
– right–of–use assets	4	395	94	–	–
Write off of property, plant and equipment	20	46	–	–	–
Gain on disposal of property, plant and equipment	20	(42)	–	–	–
Finance costs	19	8,627	7,727	6,302	1,305
Finance income	18	(1,340)	(810)	(38)	–
Net (reversal)/loss on impairment of financial assets at amortised cost	20	(4)	90	–	–
Gain on disposal of subsidiaries		–	–	–	(7,533)
Gain on disposal of highly liquid investments	20	(31)	–	–	–
Write down of inventories		109	–	–	–
Operating profit/(loss) before changes in working capital		98,138	38,900	35,898	(6,098)
Changes in working capital:					
Inventories		4,504	16,858	–	–
Land held for property development		(27,266)	(397)	–	–
Contract costs		12,395	(15,572)	–	–
Contract assets		14,512	(3,277)	–	–
Contract liabilities		(891)	30,726	–	–
Trade and other payables		(13,276)	(54,282)	(7,755)	(411)
Trade and other receivables and prepayments		(15,930)	32,952	(14,796)	(6,140)
Cash generated from/(used in) operations		72,186	45,908	13,347	(12,649)
Interest paid		(8,051)	(5,718)	(3,072)	(1,048)
Interest received		1,340	810	38	–
Income tax (paid)/refund		(13,918)	(12,044)	(4)	4
Net cash generated from/(used in) operating activities		51,557	28,956	10,309	(13,693)

STATEMENTS OF CASH FLOWS (CONT'D)

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Cash flows from investing activities					
Acquisition of property, plant and equipment		(11,796)	(1,957)	–	–
Withdrawal of other investments		31	–	–	–
Acquisition of subsidiaries		–	(112,191)	–	(100,000)
Proceeds from disposal of other investment		–	48,526	–	–
Proceeds from disposal of asset held for sales		10,011	–	–	–
Proceeds from disposal of property, plant and equipment		60	–	–	–
Proceeds from disposal of subsidiaries		–	–	–	13,274
Net cash used in investing activities		(1,694)	(65,622)	–	(86,726)
Cash flows from financing activities					
(Repayment)/Drawdown of revolving credit		(111,490)	105,900	(100,000)	100,000
Repayment of term loans		(26,589)	(15,856)	–	–
Repayment of finance lease liabilities		(13)	(10)	–	–
Withdrawal of deposit pledged with licensed bank		1,139	–	–	–
Proceeds from issue of share capital		101,700	244	101,700	244
Payment of RCPS dividend		(10,771)	–	(10,771)	–
Net cash (used in)/generated from financing activities		(46,024)	90,278	(9,071)	100,244
Net increase/(decrease) in cash and cash equivalents		3,839	53,612	1,238	(175)
Cash and cash equivalents at 1 April		63,523	9,911	22	197
Cash and cash equivalents at 31 March	(i)	67,362	63,523	1,260	22

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:

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Cash and bank balances	10	48,525	75,895	1,260	22
Deposits placed with licensed banks	10	–	2,858	–	–
Highly liquid investments	10	18,837	3	–	–
		67,362	78,756	1,260	22
Less: Deposits pledged		–	(1,139)	–	–
Bank overdrafts		–	(14,094)	–	–
		67,362	63,523	1,260	22

(ii) Cash outflows for leases as a lessee

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Included in net cash from operating activities					
Payment relating to short-term leases	20	170	179	–	–
Included in net cash from financing activities					
Interest paid in relation to lease liabilities	19	–	2	–	–
Payment of lease liabilities		13	10	–	–
		183	191	–	–

The notes on pages 68 to 131 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

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

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

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

The consolidated financial statements of the Company as at and for the financial year ended 31 March 2021 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 2021 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.

These financial statements were authorised for issue by the Board of Directors on 6 August 2021.

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 June 2020
- Amendment to MFRS 16, *Leases – Covid-19-Related Rent Concessions*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2021
- Amendments to MFRS 9, *Financial Instruments,* MFRS 139, *Financial Instruments: Recognition and Measurement*, MFRS 7, *Financial Instruments: Disclosures*, MFRS 4, *Insurance Contracts* and MFRS 16, *Leases – Interest Rate Benchmark Reform – Phase 2*

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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 2022

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

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

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

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

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

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

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

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

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

The Group does not plan to apply MFRS 16, *Leases – Covid-19-Related Rent Concessions* that is effective for annual periods beginning on or after 1 June 2020 and Amendment to MFRS 16, *Leases – Covid-19-Related Rent Concessions beyond 30 June 2021* that is effective for annual periods beginning on or after 1 April 2021 as they are not applicable to the Group.

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

(b) Basis of measurement

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

1. BASIS OF PREPARATION (CONT'D)

(c) Functional and presentation currency

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

(d) Use of estimates and judgements

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

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

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

i) Note 7.2 and 8 – estimation of revenue and budgeted cost for property development projects

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

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

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

ii) Note 14 – deferred tax assets/liabilities

The management assess the accuracy of deferred tax assets/liabilities based on judgements and estimates based on changes in underlying assumptions from period to period.

iii) Note 25.4 – measurement of expected credit loss ("ECL")

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

iv) Note 26 – contingent liabilities

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

2. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of consolidation

(i) Subsidiaries

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

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

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

(ii) Business combinations

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

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

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

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

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

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

(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*.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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) was 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 were prepared on the following basis:

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

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

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

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

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

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

Separate financial statements of the Company

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

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (cont'd)

(v) Non-controlling interest

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

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

(vi) Transactions eliminated on consolidation

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

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

(b) Foreign currency transactions

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

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

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

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

(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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Financial instruments (cont'd)

(ii) Financial instrument categories and subsequent measurement

Financial assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group or the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets (see Note 2(j)(i)) where the effective interest rate is applied to the amortised cost.

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

Financial liabilities

Amortised cost

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

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

(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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Property, plant and equipment

(i) Recognition and measurement

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

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

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

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

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

(ii) Subsequent costs

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

(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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Leases

(i) Definition of a lease

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

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

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

(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;
- Penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Leases (cont'd)

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

(a) As a lessee (cont'd)

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

(b) As a lessor

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

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

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

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

(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)

(iii) Subsequent measurement (cont'd)

(b) As a lessor

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

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

(f) 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.

(g) Inventories

(i) Land held for property development

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

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

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

(ii) Properties under development

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Inventories (cont'd)

(ii) Properties under development (cont'd)

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.

(iii) Manufacturing inventories and completed properties

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

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

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

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

(h) Contract asset/Contract liability

A contract asset is recognised when the Group's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment in accordance to MFRS 9, *Financial Instruments* (see Note 2(j)(i)).

A contract liability is stated at cost and represents the obligation of the Group to transfer goods or services to a customer for which consideration has been received (or the amount is due) from the customers.

(i) Costs to fulfil a contract

The Group recognises a contract cost that relate directly to a contract or to an anticipated contract as an asset when the cost generates or enhances resources of the 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)

(i) Cash and cash equivalents

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

(j) Impairment

(i) Financial assets

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Impairment (cont'd)

(ii) Other assets

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

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

The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its fair value less costs of disposal. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

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

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

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

(k) Equity instruments

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

(i) Issue expenses

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

(ii) Ordinary shares

Ordinary shares are classified as equity.

(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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Employee benefits

(i) Short-term employee benefits

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

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

(ii) State plans

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

(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.

(m) Provisions

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

Contingent liabilities

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Revenue and other income

(i) Revenue from contracts with customers

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

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

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

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

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

(ii) Dividend income

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

(iii) Interest income

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

(o) Borrowing costs

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Income tax

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

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

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

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

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

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

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

(q) Earnings per ordinary share

The Group presents basic 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.

(r) Operating segments

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(s) Fair value measurements

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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 2019		36,575	154,876	691	1,288	2,002	20	348	–	195,800
Acquisitions through business combinations	30	35,811	340	17	–	94	16	52	–	36,330
Transfer to asset held for sale	11	(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/ 1 April 2020		62,375	155,216	769	1,468	2,534	36	547	54,341	277,286
Additions		–	–	45	122	55	–	–	13,365	13,587
Disposals		–	–	–	–	–	–	(33)	–	(33)
Write off		–	–	(2)	–	(45)	(15)	(51)	–	(113)
Reclassification to right-of-use assets	4	–	(858)	–	–	–	–	–	–	(858)
At 31 March 2021		62,375	154,358	812	1,590	2,544	21	463	67,706	289,869

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 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/ 1 April 2020		–	14,067	445	928	885	21	260	–	16,606
Depreciation for the year		–	3,147	89	144	222	5	83	–	3,690
Disposals		–	–	–	–	–	–	(15)	–	(15)
Write off		–	–	(2)	–	(23)	(5)	(37)	–	(67)
Reclassification to right-of-use assets	4	–	(9)	–	–	–	–	–	–	(9)
At 31 March 2021		–	17,205	532	1,072	1,084	21	291	–	20,205
Carrying amount										
At 1 April 2019		36,575	143,960	332	544	1,302	*	125	–	182,838
At 31 March 2020/ 1 April 2020		62,375	141,149	324	540	1,649	15	287	54,341	260,680
At 31 March 2021		62,375	137,153	280	518	1,460	–	172	67,706	269,664

* - Amount below RM1,000.

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

3.1 Security

Freehold buildings of the Group with carrying amount of RM108,949,000 (2020: RM111,439,000) have been pledged to a licensed bank as security for credit facilities granted to a subsidiary (Note 13).

3.2 Titles

During the financial year, the strata titles of building in a subsidiary which was previously not issued to the subsidiary with carrying amount of RM336,000 have been issued to the subsidiary.

3.3 Borrowing costs

Included in additions of property, plant and equipment is borrowing costs capitalised of RM1,791,000 (2020: RM1,351,000) as disclosed in Note 19 to the financial statements.

4. RIGHT-OF-USE ASSETS

			Group	
	Note	**Land RM'000**	**Buildings RM'000**	**Total RM'000**
Cost				
At 1 April 2019		–	–	–
Acquisition through business combination	30	9,772	5,868	15,640
At 31 March 2020/1 April 2020		9,772	5,868	15,640
Reclassification from property, plant and equipment	3	–	858	858
At 31 March 2021		9,772	6,726	16,498
Depreciation				
At 1 April 2019		–	–	–
Depreciation for the year		(41)	(53)	(94)
At 31 March 2020/1 April 2020		(41)	(53)	(94)
Depreciation for the year		(165)	(230)	(395)
Reclassification from property, plant and equipment	3	–	(9)	(9)
At 31 March 2021		(206)	(292)	(498)
Carrying amount				
At 1 April 2019		–	–	–
At 31 March 2020/1 April 2020		9,731	5,815	15,546
At 31 March 2021		9,566	6,434	16,000

4. RIGHT-OF-USE ASSETS (CONT'D)

4.1 Security

The leasehold lands and buildings of certain subsidiaries with carrying amount of RM15,723,000 (2020: RM14,912,000) were pledged to a licensed bank as security for credit facilities granted to a subsidiary (Note 13).

4.2 Titles

During the financial year, the strata titles of buildings in certain subsidiaries which were previously not issued to the subsidiaries with carrying amount of RM634,000 have been issued to the subsidiaries.

5. INVESTMENTS IN SUBSIDIARIES

	Company 2021 RM'000	Company 2020 RM'000
Unquoted shares, at cost	484,877	484,877
Less: Impairment losses	(3,775)	(3,775)
	481,102	481,102

Details of the subsidiaries are as follows:

Name of subsidiary	Principal place of business	Principal activities	Effective ownership interest 2021 %	Effective ownership interest 2020 %
KPP Management Sdn. Bhd.	Malaysia	Property development and construction	100	100
KPP Properties Sdn. Bhd.	Malaysia	Property development	100	100
KPP Development Sdn. Bhd. [1]	Malaysia	Property development	100	100
Serta Usaha Sdn. Bhd.	Malaysia	Property development	100	100
Summit CD (M) Sdn. Bhd.	Malaysia	Manufacture of compact discs	100	100
Summit Audio (M) Sdn. Bhd.	Malaysia	Dormant	100	100
Kerjaya Property Sdn. Bhd.	Malaysia	Project management consultants and property development	100	100
Kerjaya Hotel Sdn. Bhd.	Malaysia	Property development, hotel operation and letting of service apartments	100	100

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of subsidiary	Principal place of business	Principal activities	Effective ownership interest 2021 %	2020 %
Aeon Frontier Sdn. Bhd.	Malaysia	Property development	100	100
Desanda Property Sdn. Bhd.	Malaysia	Investment holding	99.4	99.4
Pixel Valley Sdn. Bhd. [2]	Malaysia	Property development	100	–

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

[2] On 12 March 2021, the Company acquired the entire equity interest in Pixel Valley Sdn. Bhd. for a total cash consideration of RM1.00 comprising of 1 ordinary share.

6. LAND HELD FOR PROPERTY DEVELOPMENT

	Note	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
Group					
At 1 April 2019		–	–	–	–
Acquisition through business combination	30	46,470	21,000	–	67,470
Additions		–	–	397	397
At 31 March 2020/1 April 2020		46,470	21,000	397	67,867
Additions		26,403	–	1,726	28,129
At 31 March 2021		72,873	21,000	2,123	95,996

6.1 The land held for property development amounting to RM13,000,000 (2020: RM34,000,000) have been pledged to licensed banks as security for credit facilities granted to certain subsidiaries (Note 13).

6.2 Included in additions of land held for property development is borrowing costs capitalised of RM863,000 (2020: RM833,000) as disclosed in Note 19 to the financial statements.

7. INVENTORIES

	Note	Group 2021 RM'000	Group 2020 RM'000
Properties under development	7.1	172,218	167,352
Completed properties		169,708	179,009
Raw materials and consumables		163	341
		342,089	346,702
Recognised in profit or loss:			
Inventories recognised as cost of sales		10,381	5,307
Write down of inventories		109	–

The write down is included in cost of sales.

7.1 Properties under development

	Note	Group 2021 RM'000	Group 2020 RM'000
At beginning of year:			
Land costs		75,666	60,977
Development costs		91,686	133,761
		167,352	194,738
Land cost:			
Acquisition through business combinations	30	–	62,593
Transferred to:			
- contract cost	8.2	(12,428)	(20,206)
- completed properties		–	(17,273)
- property, plant and equipment	3	–	(10,425)
		(12,428)	14,689
Development cost:			
Acquisition through business combinations	30	–	76,181
Costs incurred during the year		45,281	59,168
Transferred to:			
- contract cost	8.2	(27,987)	(47,167)
- completed properties		–	(87,472)
- property, plant and equipment	3	–	(42,785)
		17,294	(42,075)
At end of year:			
Land costs		63,238	75,666
Development costs		108,980	91,686
		172,218	167,352

7. INVENTORIES (CONT'D)

7.2 Estimation uncertainty and critical judgements

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

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

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

7.3 Security

Included in the completed properties is RM32,156,000 (2020: RM32,768,000) being pledged to a licensed bank as security for credit facilities granted to a subsidiary (Note 13).

8. CONTRACT WITH CUSTOMERS

8.1 Contract assets/(liabilities)

	Group	
	2021 RM'000	**2020 RM'000**
Contract assets		
Unbilled receivables on property sales	–	14,512
Contract liabilities		
Advance billings on property sales	29,835	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 properties.

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

		Group	
	Note	**2021 RM'000**	**2020 RM'000**
Balances as at 1 April		(16,214)	5,914
Acquisition through business combinations	30	–	5,321
Revenue recognised		277,834	172,136
Decrease due to progress billings made		(291,455)	(199,585)
Balances as at 31 March		(29,835)	(16,214)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. CONTRACT WITH CUSTOMERS (CONT'D)

8.2 Contract costs

	Note	Group 2021 RM'000	Group 2020 RM'000
Cost to obtain a contract			
At 1 April		16,897	3,883
Acquisition through business combinations	30	–	484
Costs incurred during the year		10,218	21,601
Cost recognised as cost of sales in profit or loss		(11,051)	(9,072)
At 31 March		16,064	16,896
Cost to fulfil a contract			
At 1 April		19,378	14,161
Acquisition through business combinations	30	–	2,174
Costs incurred during the year		109,231	60,665
Transferred from inventories	7.1	40,415	67,373
Cost recognised as cost of sales in profit or loss		(161,209)	(124,995)
At 31 March		7,815	19,378
		23,879	36,274

Cost to obtain contract

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

Cost to fulfil contract

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

9. TRADE AND OTHER RECEIVABLES

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Non-current					
Trade					
Trade receivables	9.1	10,852	–	–	–
Current					
Trade					
Trade receivables	9.2	18,649	15,999	–	–
Amounts due from related parties	9.3	–	72	–	–
		18,649	16,071	–	–
Non-trade					
Other receivables	9.4	13,563	15,393	–	2
Deposits	9.5	6,784	2,419	–	–
Amounts due from subsidiaries	9.6	–	–	60,544	45,753
		20,347	17,812	60,544	45,755
		38,996	33,883	60,544	45,755
		49,848	33,883	60,544	45,755

9.1 Non-current trade receivables

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

9.2 Current trade receivables

Included in current trade receivables is RM13,497,000 (2020: RM2,851,000) related to retention sum receivables which are expected to be collected upon the expiry of the defects liability period.

9.3 Amounts due from related parties – trade

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

9.4 Other receivables

Included in the other receivables of the Group is an amount due from a joint venture partner of RM12,513,000 (2020: RM11,930,000) to a subsidiary, which is subject to interest of 8% (2020: 8%) per annum from date of letter of payment notice issued to the joint venture partner.

9.5 Deposits

Included in deposits is a sum of RM4,317,000 (2020: RM1,303,000) paid by a subsidiaries of the Company for the purchase of the properties.

9.6 Amounts due from subsidiaries – non-trade

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

10. CASH AND CASH EQUIVALENTS

		Group		Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Cash and bank balances	10.1	48,525	75,895	1,260	22
Deposits placed with licensed banks	10.2	–	2,858	–	–
Highly liquid investments	10.3	18,837	3	–	–
		67,362	78,756	1,260	22

10.1 Cash and bank balances

Included in the Group's cash and bank balances is RM11,680,000 (2020: RM69,765,000) maintained pursuant to the Housing Development (Housing Development Account) Regulations 1991.

10.2 Deposits placed with licensed banks

In previous financial year, deposits placed with a licensed bank of RM1,139,000 has been pledged for a bank facility granted to a subsidiary (Note 13).

10.3 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.

11. ASSET CLASSIFIED AS HELD FOR SALE

A freehold land was presented as "asset classified held for sale" following the commitment of the Group to a plan to sell the land for cash consideration of RM10,011,110 in the previous financial year.

The transaction was completed on 2 April 2020.

12. CAPITAL AND RESERVES

12.1 Share capital

	Group and Company			
	Amount 2021 RM'000	Number of shares 2021 '000	Amount 2020 RM'000	Number of shares 2020 '000
Issued and fully paid shares with no par value classified as equity instrument:				
Ordinary shares				
As at 1 April	132,835	200,142	56,629	552,440
Issued during the year	101,700	90,000	76,206	448,272
Conversion of RCPS	26,022	60,000	–	–
Consolidated during the year	–	–	–	(800,570)
As at 31 March	260,557	350,142	132,835	200,142

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

12. CAPITAL AND RESERVES (CONT'D)

12.1 Share capital (cont'd)

Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

12.2 Redeemable Convertible Preference Shares ("RCPS")

	Group and Company			
	Amount 2021 RM'000	Number of shares 2021 '000	Amount 2020 RM'000	Number of shares 2020 '000
Issued and fully paid:				
As at 1 April	239,505	3,168,055	–	–
Issued during the year	–	–	284,243	3,168,055
Converted during the year	(22,680)	(300,000)	–	–
Liability component	–	–	(44,738)	–
As at 31 March	216,825	2,868,055	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 as disclosed in Note 30.2 to the financial statements.

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.

During the financial year, 300,000,000 units of RCPS were converted into 60,000,000 new ordinary shares.

12.3 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.

12. CAPITAL AND RESERVES (CONT'D)

12.4 Share option reserve

The share option reserve comprises the cumulative value of employee services received for the issue of share options. When the option is exercised, the amount from the share option reserve is transferred to share capital. When the share options expire, the amount from the share option reserve is transferred to retained earnings. Share option is disclosed in Note 16 to the financial statements.

12.5 Reverse acquisition reserve

The reverse acquisition reserve arose to reflect the equity structure of the Company, including the equity interests issued by the Company to effect the combinations pursuant to the acquisitions as disclosed in Note 30.2 to the financial statements.

13. LOANS AND BORROWINGS

		Group		Company	
	Note	**2021 RM'000**	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Non-current					
Secured term loans	13.1	102,233	114,151	–	–
Current					
Secured term loans	13.1	2,892	17,563	–	–
Secured revolving credit	13.1	30,000	141,490	–	100,000
Secured bank overdrafts	13.1	–	14,094	–	–
Finance lease liabilities	13.2	–	13	–	–
		32,892	173,160	–	100,000
		135,125	287,311	–	100,000

13.1 Security

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

In last financial year, in addition to the above, the term loans, revolving credit and overdrafts were also secured by deposits placed with licensed banks (Note 10) of a subsidiary.

13. LOANS AND BORROWINGS (CONT'D)

13.2 Finance lease liabilities

Finance lease liabilities were payable as follows:

Group	**Future minimum lease payments RM'000**	**Interest RM'000**	**Present value of minimum lease payments RM'000**
2021			
Less than one year	–	–	–
Between one and five years	–	–	–
	–	–	–
2020			
Less than one year	14	(1)	13
Between one and five years	–	–	–
	14	(1)	13

13. LOANS AND BORROWINGS (CONT'D)

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

	At 1.4.2019 RM'000	Acquisition through business combinations (Note 30) RM'000	(Repayment)/ Drawdown RM'000	At 31.3.2020/ 1.4.2020 RM'000	(Repayment)/ Drawdown RM'000	At 31.3.2021 RM'000
Group						
Term loans	108,617	38,953	(15,856)	131,714	(26,589)	105,125
Revolving credit	–	35,590	105,900	141,490	(111,490)	30,000
Bank overdrafts	–	12,631	1,463	14,094	(14,094)	–
Finance lease liabilities	–	23	(10)	13	(13)	–
	108,617	87,197	91,497	287,311	(152,186)	135,125

	At 1.4.2019 RM'000	(Repayment)/ Drawdown RM'000	At 31.3.2020/ 1.4.2020 RM'000	(Repayment)/ Drawdown RM'000	At 31.3.2021 RM'000
Company					
Revolving credit	–	100,000	100,000	(100,000)	–

14. DEFERRED TAX LIABILITIES

14.1 Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
Group	**2021 RM'000**	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Property, plant and equipment	–	–	(30,351)	(30,615)	(30,351)	(30,615)
Unabsorbed investment tax allowance	4,284	3,990	–	–	4,284	3,990
Unabsorbed capital allowance	412	–	–	–	412	–
Others	101	719	–	–	101	719
Deferred tax assets/(liabilities)	4,797	4,709	(30,351)	(30,615)	(25,554)	(25,906)
Set off of tax	(4,797)	(3,990)	4,797	3,990	–	–
Net tax liabilities	–	719	(25,554)	(26,625)	(25,554)	(25,906)

Movement in temporary differences during the financial year

	At 1.4.2019 RM'000	Acquisition through business combinations (Note 30) RM'000	Recognised in profit or loss (Note 22) RM'000	At 31.3.2020/ 1.4.2020 RM'000	Recognised in profit or loss (Note 22) RM'000	At 31.3.2021 RM'000
Group						
Property, plant and equipment	(27,319)	(3,126)	(170)	(30,615)	264	(30,351)
Unabsorbed investment tax allowance	4,538	–	(548)	3,990	294	4,284
Unabsorbed capital allowance	–	–	–	–	412	412
Others	(266)	–	985	719	(618)	101
	(23,047)	(3,126)	267	(25,906)	352	(25,554)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

14. DEFERRED TAX LIABILITIES (CONT'D)

14.2 Unrecognised deferred tax assets

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

	Note	Group 2021 RM'000	Group 2020 RM'000
Items generated from business activities on property development and replication of compact discs			
- Property, plant and equipment		(2,304)	(2,311)
- Unabsorbed capital allowances		1,286	1,231
- Unabsorbed business losses		4,348	2,629
- Other temporary differences		1,748	488
	14.2.1	5,078	2,037
Items generated from business activity on manufacturing plastic fabricated parts			
- Unabsorbed capital allowances		6,858	6,858
- Unutilised reinvestment allowances		8,540	8,540
	14.2.2	15,398	15,398
		20,476	17,435

14.2.1 With effect from year of assessment ("YA") 2020, 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	129	2027
2021	1,719	2028
	4,348	

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

15. TRADE AND OTHER PAYABLES

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Non-current					
Trade					
Trade payables	15.1	–	2,955	–	–
Amount due to a related party	15.2	14,654	8,710	–	–
		14,654	11,665	–	–
Current					
Trade					
Trade payables		5,368	26,664	–	–
Amounts due to a related party	15.3	61,037	27,483	–	–
		66,405	54,147	–	–
Non-trade					
Amounts due to subsidiaries	15.4	–	–	11,751	19,730
Amounts due to a related party	15.4	–	1	–	–
Other payables and accruals	15.5	78,931	107,557	3,876	3,756
		78,931	107,558	15,627	23,486
		145,336	161,705	15,627	23,486
		159,990	173,370	15,627	23,486

15.1 Non-current trade payables

The non-current trade payables in the previous financial year related to retention sums which were payable upon the expiry of the defects liability period.

15.2 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.

15.3 Amount due to a related party – trade

The trade amount due to related party was subject to normal trade terms.

15.4 Amounts due to subsidiaries and a related party– non-trade

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

15.5 Other payables and accruals

Included in other payables and accruals of the Group are:

(i) landowner's entitlement of RM12,524,000 (2020: RM12,524,000) that is expected to be payable to the joint venture partner within one year from the reporting date.
(ii) deposits received from buyers of RM8,794,000 (2020: RM9,630,000) for the sale of properties.

16. 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 ("ESOS") approved by the shareholders of the Company on 30 January 2015. In accordance with the programme, holders of vested options are entitled to purchase shares at the market price of the shares at the date of grant.

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:

	2021		2020	
	Weighted average exercise price RM	Number of options '000	Weighted average exercise price RM	Number of options '000
Outstanding at 1 April	RM0.10	30	RM0.10	250
Forfeited during the year	RM0.10	(30)	RM0.10	(100)
Exercised during the year	–	–	RM0.10	–
Consolidated during the year	–	–	–	(120)
Outstanding at 31 March	–	–	RM0.50	30
Exercisable at 31 March	–	–	RM0.50	30

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

16. 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	
	2021	**2020**
Fair value of share options and assumptions		
Fair value at grant date	–	RM0.02
Weighted average share price	–	RM0.50
Exercise price	–	RM0.50
Expected volatility (weighted average volatility)	–	40.4%
Option life (expected weighted average life)	–	0.3 years
Risk-free interest rate (based on Malaysian Government bonds)	–	3.8%

The ESOS has expired on 15 April 2020.

17. REVENUE

	Group		**Company**	
	2021	**2020**	**2021**	**2020**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Revenue	301,985	214,079	38,100	–

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

17. REVENUE (CONT'D)

17.1 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	<u>Sale of completed properties</u> 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.
	<u>Sale of properties under construction</u> 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.

17. REVENUE (CONT'D)

17.2 Disaggregation of revenue

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

	Group		Company	
	2021	**2020**	**2021**	**2020**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Over time				
Property under development	277,834	172,157	–	–
At a point in time				
Electricity revenue	2,673	3,812	–	–
Hospitality revenue	14,004	30,761	–	–
Sale of completed properties	4,976	4,151	–	–
Dividend income	–	–	38,100	–
Others	2,498	3,198	–	–
	301,985	214,079	38,100	–

17.3 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.

	2022	**2023**	**2024**	**2025**	**Total**
	RM'000	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Property development	122,478	122,478	62,259	–	307,215

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.

18. FINANCE INCOME

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Interest income of financial assets that are not at fair value through profit or loss:				
- Bank balances	758	765	15	–
- Retention sum receivables	240	–	–	–
- Highly liquid investments	318	–	–	–
- Others	24	45	23	–
	1,340	810	38	–

19. FINANCE COSTS

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Interest expense of financial liabilities that are not at fair value through profit or loss:				
- Bank overdrafts	(128)	(140)	–	–
- Bank guarantees	(18)	(6)	–	–
- Revolving credits	(4,007)	(553)	(3,072)	–
- Term loans	(3,898)	(7,461)	–	(1,305)
- Landowner entitlements	–	(1,751)	–	–
- RCPS dividend	(3,230)	–	(3,230)	–
	(11,281)	(9,911)	(6,302)	(1,305)
Finance costs:				
- Recognised in profit or loss	(8,627)	(7,727)	(6,302)	(1,305)
- Capitalised in land held for property development	(863)	(833)	–	–
- Capitalised in property, plant and equipment	(1,791)	(1,351)	–	–
	(11,281)	(9,911)	(6,302)	(1,305)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

20. PROFIT OF THE YEAR

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Profit of the year is arrived at after charging/(crediting):					
Auditors' remunerations					
- Audit fees		183	203	38	38
- Non-audit fees		29	10	29	10
Material expenses/(income)					
Depreciation of property, plant and equipment		3,690	3,644	–	–
Depreciation of right-of-use assets		395	94	–	–
Write down of inventories		109	–	–	–
Write off of property, plant and equipment		46	–	–	–
Personnel expenses (including key management personnel):					
- Contributions to state plans		651	1,132	–	–
- Wages, salaries and others		7,777	11,804	–	–
Gain on disposal of subsidiaries		–	–	–	(7,533)
Gain on disposal of property, plant and equipment		(42)	–	–	–
Gain on disposal of highly liquid investments		(31)	–	–	–
Expenses arising from leases					
Expenses relating to short-term leases	(i)	170	179	–	–
Net (reversal)/loss on impairment of financial instruments					
Financial assets at amortised cost		(4)	90	–	–

(i) The Group leases hostel, office and coffee machine with contract terms less than 1 year. These leases are short-term leases. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

21. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel compensation are as follows:

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Directors of the Company:				
- Fees	50	50	50	50
- Remuneration	1,017	1,328	20	34
	1,067	1,378	70	84
Other Directors of the Group:				
- Remuneration	511	611	–	–
	1,578	1,989	70	84

22. TAX EXPENSE

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Current tax expense				
- Current year	23,535	7,433	–	–
- Under/(Over) provision in prior years	400	(252)	–	–
Total current tax expense	23,935	7,181	–	–
Deferred tax expense				
- Origination and reversal of temporary differences	375	218	–	–
- Crystallisation of deferred tax liability on revaluation of properties	(490)	(485)	–	–
- Over provision in prior years	(237)	–	–	–
Total deferred tax income	(352)	(267)	–	–
Total tax expense	23,583	6,914	–	–

Reconciliation of tax expense

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Profit before tax	86,688	28,155	29,634	130
Income tax calculated using Malaysian tax rate at 24% (2020: 24%)	20,805	6,757	7,112	31
Non-deductible expenses	2,419	1,874	2,041	1,777
Non-taxable income	(44)	(2)	(9,153)	(1,808)
Effect of deferred tax assets not recognised	730	(978)	–	–
Crystallisation of deferred tax liability on revaluation of properties	(490)	(485)	–	–
Under/(Over) provision in prior years	163	(252)	–	–
	23,583	6,914	–	–

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

23. EARNINGS PER ORDINARY SHARE

23.1 Basic earnings per ordinary share

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

	Group	
	2021	**2020**
Profit for the year attributable to ordinary shareholders (RM'000)	63,105	21,238
Weighted average number of ordinary shares at 31 March ('000)	212,882	130,574
Basic earnings per ordinary share (sen)	29.64	16.27

23.2 Diluted earnings per ordinary share

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

	Group	
	2021	**2020**
Profit for the year attributable to ordinary shareholders (RM'000)	63,105	21,238
Weighted average number of ordinary shares at 31 March (basic) ('000)	212,882	130,574
Effect of share options on issuance ('000)	–	30
Effect on conversion of RCPS ('000)	573,611	–
Weighted average number of ordinary shares at 31 March (diluted) ('000)	786,493	130,604
Diluted earnings per ordinary share (sen)	8.02	16.26

In previous financial year, the effects of potential ordinary shares arising from the conversion of RCPS were anti-dilutive and accordingly, it was not included in the calculation of dilutive earnings per share. As a result, the diluted earnings per ordinary share was approximately the same as basic earnings per share.

24. 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 Executive Chairman (the chief operating decision maker) reviews internal management reports at least on a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

- Segment 1. 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 2021 and 2020.

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

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

Segment assets

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

Segment liabilities

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

24. OPERATING SEGMENTS (CONT'D)

	Property development RM'000	Hospitality RM'000	Others RM'000	Total RM'000
Group				
2021				
Revenue	282,811	14,004	5,170	301,985
Segment profit/(loss)	95,885	(1,500)	(410)	93,975
Included in the measure of segment profit/(loss) are:				
Revenue from external customers	282,811	14,004	5,170	301,985
Write down of inventories	(58)	–	(51)	(109)
Not included in the measure of segment profit/(loss) but provided to Executive Chairman:				
Depreciation	(792)	(2,857)	(436)	(4,085)
Finance income	1,273	23	44	1,340
Finance costs	(2,325)	–	(6,302)	(8,627)
Segment assets	735,778	117,997	19,154	872,929
Included in the measure of segment assets are:				
Additions to non-current assets	41,524	190	2	41,716

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

24. OPERATING SEGMENTS (CONT'D)

	Property development RM'000	Hospitality RM'000	Others RM'000	Total RM'000
Group				
2020				
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 are:				
Revenue from external customers	176,308	30,761	7,010	214,079
Not included in the measure of segment profit 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	741,747	119,434	17,460	878,641
Included in the measure of segment assets are:				
Additions to non-current assets	1,709	645	–	2,354

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

	Group 2021 RM'000	Group 2020 RM'000
Profit or loss		
Total profit for reportable segments	94,385	35,684
Other non-reportable segments	(410)	(612)
Finance income	1,340	810
Finance costs	(8,627)	(7,727)
Consolidated profit before tax	86,688	28,155

24. 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
2021						
Total reportable segments	296,815	(3,649)	(2,325)	1,296	853,775	41,714
Other non-reportable segments	5,170	(436)	(6,302)	44	19,154	2
Consolidated total	301,985	(4,085)	(8,627)	1,340	872,929	41,716
2020						
Total reportable segments	207,069	(3,588)	(6,422)	785	861,181	2,354
Other non-reportable segments	7,010	(56)	(1,305)	25	17,460	–
Consolidated total	214,079	(3,644)	(7,727)	810	878,641	2,354

25. FINANCIAL INSTRUMENTS

25.1 Categories of financial instruments

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

	Carrying amount RM'000	AC RM'000
2021		
Financial assets		
Group		
Trade and other receivables*	49,440	49,440
Cash and cash equivalents	67,362	67,362
	116,802	116,802
Company		
Trade and other receivables	60,544	60,544
Cash and cash equivalents	1,260	1,260
	61,804	61,804
Financial liabilities		
Group		
Loans and borrowings	(135,125)	(135,125)
Trade and other payables	(159,990)	(159,990)
	(295,115)	(295,115)
Company		
Other payables	(15,627)	(15,627)
2020		
Financial assets		
Group		
Trade and other receivables*	33,475	33,475
Cash and cash equivalents	78,756	78,756
	112,231	112,231
Company		
Trade and other receivables	45,755	45,755
Cash and cash equivalents	22	22
	45,777	45,777

* exclude net goods & services tax receivable

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

25. FINANCIAL INSTRUMENTS (CONT'D)

25.1 Categories of financial instruments (cont'd)

	Carrying amount RM'000	AC RM'000
2020		
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)

25.2 Net gains and losses arising from financial instruments

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Net gains/(losses) on:				
Financial assets measured at amortised cost	1,344	720	38	–
Financial liabilities measured at amortised cost	(8,627)	(7,727)	(6,302)	(1,305)
	(7,283)	(7,007)	(6,264)	(1,305)

25.3 Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

25.4 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.

25. FINANCIAL INSTRUMENTS (CONT'D)

25.4 Credit risk (cont'd)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

25. FINANCIAL INSTRUMENTS (CONT'D)

25.4 Credit risk (cont'd)

Trade receivables and contract assets (cont'd)

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 2021.

	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
2021			
Current (not past due)	29,265	–	29,265
1 – 30 days past due	136	–	136
31 – 60 days past due	60	–	60
61 – 90 days past due	35	–	35
More than 90 days past due	10	(5)	5
	29,506	(5)	29,501
Credit impaired			
Individually impaired	378	(378)	–
	29,884	(383)	29,501
Trade receivables	29,884	(383)	29,501
Contract assets	–	–	–
	29,884	(383)	29,501

25. FINANCIAL INSTRUMENTS (CONT'D)

25.4 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 2020.

	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
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

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 2019	–	71	71
Acquisition through business combinations	–	226	226
Net remeasurement of loss allowance	84	6	90
Balance at 31 March 2020/1 April 2020	84	303	387
Net (reversal)/loss on impairment on financial assets at amortised cost	(79)	75	(4)
Balance at 31 March 2021	5	378	383

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

25. FINANCIAL INSTRUMENTS (CONT'D)

25.4 Credit risk (continued)

Financial guarantees

Risk management objectives, policies and processes for managing the risk

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

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk amounts to RM135,125,000 (2020: RM67,623,000) 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' 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.

25. FINANCIAL INSTRUMENTS (CONT'D)

25.4 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
Company			
2021			
Low credit risk	60,544	–	60,544
2020			
Low credit risk	45,753	–	45,753

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.

25.5 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.

25. FINANCIAL INSTRUMENTS (CONT'D)

25.5 Liquidity risk (cont'd)

Maturity analysis

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

	Carrying amount RM'000	Contractual interest rate per annum %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
Group							
2021							
Non-derivative financial liabilities							
Trade and other payables	159,990	–	159,990	159,990	–	–	–
Secured revolving credit	30,000	3.20	30,000	30,000	–	–	–
Secured term loans	105,125	3.38	134,167	5,798	6,617	23,622	98,130
Financial guarantees	–	–	11,667	840	10,827	–	–
	295,115		335,824	196,628	17,444	23,622	98,130
2020							
Non-derivative financial liabilities							
Trade and other payables	173,370	–	173,370	161,705	11,665	–	–
Secured revolving credit	141,490	4.25	141,490	141,490	–	–	–
Secured term loans	131,714	4.47 - 5.55	184,298	18,700	12,732	30,368	122,498
Secured bank overdrafts	14,094	4.25	14,094	14,094	–	–	–
Finance lease liabilities	13	2.64	14	14	–	–	–
Financial guarantees	–	–	11,503	73	630	10,800	–
	460,681		524,769	336,076	25,027	41,168	122,498

25. FINANCIAL INSTRUMENTS (CONTINUED)

25.5 Liquidity risk (cont'd)

Maturity analysis (cont'd)

	Carrying amount RM'000	Contractual interest rate per annum %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
Company							
2021							
Non-derivative financial liabilities							
Trade and other payables	15,627	–	15,627	15,627	–	–	–
Financial guarantees	–	–	135,125	135,125	–	–	–
	15,627		150,752	150,752	–	–	–
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	–	–	–
Financial guarantees	–	–	67,623	67,623	–	–	–
	123,486		191,109	191,109	–	–	–

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

25. FINANCIAL INSTRUMENTS (CONT'D)

25.6 Market risk

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

25.6.1 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	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Fixed rate instruments				
Financial assets	–	1,139	–	–
Financial liabilities	–	(13)	–	–
	–	1,126	–	–
Floating rate instruments				
Financial assets	–	1,719	–	–
Financial liabilities	(135,125)	(287,298)	–	(100,000)
	(135,125)	(285,579)	–	(100,000)

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.

25. FINANCIAL INSTRUMENTS (CONT'D)

25.6 Market risk (cont'd)

25.6.1 Interest rate risk (cont'd)

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)			
	100 bp increase 2021 RM'000	**100 bp decrease 2021 RM'000**	**100 bp increase 2020 RM'000**	**100 bp decrease 2020 RM'000**
Group				
Floating rate instruments	(1,027)	1,027	(2,170)	2,170
Company				
Floating rate instruments	–	–	(760)	760

25.7 Fair value information

The carrying amounts of cash and cash equivalents, short term receivables and payables and short term borrowings approximate their fair values due to the relatively short term nature of these financial instruments.

The table below analyses financial instrument not carried at fair value for which fair value is disclosed, together with their values and carrying amounts shown in the statement of financial position.

	Fair value of financial instruments not carried at fair value				
	Level 1 RM'000	**Level 2 RM'000**	**Level 3 RM'000**	**Total RM'000**	**Carrying amount RM'000**
Group					
2021					
Financial assets					
Retention sum receivables	–	–	24,349	24,349	24,349
Financial liabilities					
Redeemable Convertible Preference Shares ("RCPS")	–	–	31,833	31,833	31,833
Term loans	–	–	103,612	103,612	105,125
	–	–	135,445	135,445	136,958

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

25. FINANCIAL INSTRUMENTS (CONT'D)

25.7 Fair value information (cont'd)

	Fair value of financial instruments not carried at fair value				
	Level 1 RM'000	**Level 2 RM'000**	**Level 3 RM'000**	**Total RM'000**	**Carrying amount RM'000**
Group					
2020					
Financial assets					
Retention sum receivables	–	–	–	–	–
Financial liabilities					
Redeemable Convertible Preference Shares ("RCPS")	–	–	42,612	42,612	42,612
Term loans	–	–	129,180	129,180	131,714
	–	–	171,792	171,792	174,326

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 (2020: 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.

26. 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.

26. CONTINGENT LIABILITIES (CONT'D)

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

	Note	2021 RM'000	2020 RM'000
Group			
Financial guarantees given to local authorities in relation to constructions and service contract		11,667	11,503
Company			
Corporate guarantees issued to licensed banks for credit facilities granted to subsidiaries	13	135,125	67,623

27. CAPITAL COMMITMENT

	Group	
	2021 RM'000	2020 RM'000
Land held for development		
Contracted but not provided for	38,855	11,727

28. 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 2021 and at 31 March 2020 were as follows:

		Group	
	Note	2021 RM'000	2020 RM'000
Total borrowings	13	135,125	287,311
Less: Cash and cash equivalents	10	(67,362)	(78,756)
Net debt		67,763	208,555
Total equity		485,991	317,844
Debt-to-equity ratios		0.14	0.66

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

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Group is required to maintain a consolidated shareholders' equity equal to or not less than the 25 percent of the issued and paid-up capital and such shareholders' equity is not less than RM40,000,000. The Group has complied with this requirement.

29. 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 Group has related party relationship with entities in which the Directors have interest and key management personnel.

Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. The significant related party transactions of the Group, other than key management personnel compensation (Note 21) is shown below. The balances related to the below transactions are shown in Note 9 and Note 15.

The significant related party transactions of the Group are as follows:

	2021 RM'000	2020 RM'000
Transaction value for the financial year ended 31 March with:		
A. Entities in which certain Directors have interest		
Kerjaya Prospek (M) Sdn. Bhd.		
- Construction contract	(120,558)	(90,230)
- Hospitality revenue	–	27
- Rental income	–	198
The Shore Sky Tower Sdn. Bhd.		
- Rental income	540	540
- Electricity revenue	96	137
3D Interactive Park Sdn. Bhd.		
- Electricity revenue	4	22
V Toy Museum (M) Sdn. Bhd.		
- Electricity revenue	4	27
Dekad Intelek Sdn. Bhd.		
- Rental expenses	(300)	(364)
B. Key management personnel		
Tee Eng Seng, a Director		
- Rental expenses	(390)	(457)
Datin Toh Siew Chuon, a Director		
- Rental expenses	(217)	(254)

30. ACQUISITION OF SUBSIDIARIES

30.1 On 12 March 2021, the Company acquired the entire equity interest in Pixel Valley Sdn. Bhd. for a total cash consideration of RM1.00 comprising of 1 ordinary share.

30.2 In January 2020, the Company completed the following acquisition exercise:

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"); and

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"); and

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.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

30. ACQUISITION OF SUBSIDIARIES (CONT'D)

30.2 In January 2020, the Company completed the following acquisition exercise: (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 cash equivalents		1,579
Loans and borrowings	13.3	(87,197)
Trade and other payables		(70,281)
Current tax liabilities		(826)
Deferred tax liabilities	14.1	(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.

30. ACQUISITION OF SUBSIDIARIES (CONT'D)

30.2 In January 2020, the Company completed the following acquisition exercise: (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. SIGNIFICANT EVENTS DURING THE YEAR

Kerjaya Property Sdn. Bhd. ("KPSB"), a wholly-owned subsidiary of the Company, had on 7 October 2020, 2 November 2020 and 25 January 2021, respectively entered into the Sale and Purchase Agreements with third parties to acquire the following lands:-

a) All that piece of vacant freehold land held under Geran Mukim 216, Lot 3252, Mukim Petaling, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur ("Land 1") for a consideration of RM10,096,400;

b) All that piece of vacant freehold land held under Geran Mukim 215, Lot 3253, Mukim Petaling, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur ("Land 2") for a purchase consideration of RM15,133,800;

c) All that piece of vacant freehold agriculture land held under Geran Mukim 2273, Lot 30259, Mukim Setapak, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur ("Land 3"); and

d) All that piece of vacant freehold agriculture land held under Geran Mukim 2545, Lot 201562, Mukim Setapak, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Kuala Lumpur ("Land 4") for a total purchase consideration of RM30,142,565.

The transactions for a) and b) were completed during the financial year. The transaction for c) and d) were completed on 6 May 2021.

32. SUBSEQUENT EVENTS

32.1 Pixel Valley Sdn. Bhd., a wholly-owned subsidiary of the Company, had on 18 June 2021, entered into a sale and purchase agreement with a third party to acquire a piece of leasehold land held under PN 3664, Lot 19, Seksyen 13, Bandar Petaling Jaya, District of Petaling, State of Selangor for a purchase consideration of RM82,000,000.

32.2 On 21 June 2021, the Company acquired the entire equity interest in Greencove Sdn. Bhd. for a total cash consideration of RM1.00 comprising of 1 ordinary share.

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 60 to 131 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 2021 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: 6 August 2021

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, Datin Toh Siew Chuon, the Director primarily responsible for the financial management of Kerjaya Prospek Property Berhad, do solemnly and sincerely declare that the financial statements set out on pages 60 to 131 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 6 August 2021.

Datin Toh Siew Chuon

Before me:

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KERJAYA PROSPEK PROPERTY BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Kerjaya Prospek Property Berhad, which comprise the statements of financial position as at 31 March 2021 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 60 to 131.

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 2021, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITORS' REPORT (CONT'D)

Key Audit Matters (Cont'd)

Key audit matter for the Group

<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 variations orders;
• challenged the reasonableness of the project's budget and key assumptions used which includes expected recovery of variations, claims and compensations events, by taking into account of our own expectations based on historical performance and industry knowledge, including obtaining and assessing information provided by management to determine whether the forecast assumptions are consistent with the terms of the relevant contracts; and
• evaluated the accuracy of profit being recognised in the profit or loss, including assessing any foreseeable losses due to cost overruns and/or delays arising from late delivery of vacant possession to purchasers by reviewing the contractual delivery dates of the signed agreements against the management's estimated delivery dates and progress reports.</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 Auditors' Report.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the annual report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the annual report and, in doing so, consider whether the annual report is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the annual report, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT (CONT'D)

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

i) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

ii) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.

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

iv) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

v) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that gives a true and fair view.

vi) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITORS' REPORT (CONT'D)

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

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

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

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

Other Matter

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

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Chew Beng Hong
Approval Number: 02920/02/2022 J
Chartered Accountant

Petaling Jaya, Selangor

Date: 6 August 2021

TOP 10 LIST OF PROPERTIES

AS AT 31 MARCH 2021

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 31/3/2021 (RM'000)	Date of Revaluation/ Acquisition
1	Bloomsvale@Old Klang Road, Jalan Puchong, 58200 Kuala Lumpur	Mixed development	18,104	Freehold	N/A	124,055	31-May-2019
2	Swiss-Garden Hotel Melaka, The Shore @ Melaka River, Jalan Persisiran Bunga Raya, 75300 Melaka Bandaraya Bersejarah	Hotel	27,947	Freehold	7	113,549	31-May-2019
3	G Residence, No. 8, Jalan Mutiara 7, Taman Perindustrian Plentong, 81750 Masai, Johor	Mixed development	24,912	Freehold	N/A	96,803	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	7	74,903	31-May-2019
5	Straits Residences, Jalan Seri Tanjung Pinang, adjacent to Straits Quay at Seri Tanjung Pinang, Tanjung Tokong, Penang	Mixed development	3,466	Freehold	N/A	70,592	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 31/3/2021 (RM'000)	Date of Revaluation/ Acquisition
7	Lot 3252 and Lot 3253, Mukim Petaling, Daerah Kuala Lumpur Negeri Wilayah Persekutuan Kuala Lumpur	Vacant land	9,377	Freehold	N/A	26,412	7-Oct 2020 2-Nov 2020
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	23,970	31-Mar-2019
9	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	7	22,373	31-May-2019
10	No. 189, Jalan Persisiran Bunga Raya, 75300 Melaka Bandaraya Bersejarah	Commercial development	5,283	Freehold	9	17,605	31-May-2019

ANALYSIS OF SHAREHOLDINGS

AS AT 30 JUNE 2021

Financial Year End	:	31-Mar-21
Class of Shares	:	Ordinary shares
Voting Rights	:	One vote per ordinary share

DISTRIBUTING OF SHAREHOLDERS / DEPOSITORS AS AT 30 JUNE 2021

SIZE OF HOLDINGS	NO. OF HOLDERS	%	NO. OF SHARES	%
1-100	535	10.803	17,852	0.004
100 - 1,000	507	10.238	321,340	0.080
1,001 - 10,000	2,403	48.525	11,875,803	2.967
10,001 - 100,000	1,216	24.555	38,883,208	9.717
100,001 - 20,007,115 (*)	290	5.856	140,714,388	35.166
20,007,116 AND ABOVE (**)	1	0.020	208,329,748	52.063
	4,952	100.000	400,142,339	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 30 JUNE 2021

NO.	NAME	HOLDINGS	%
1	JAVAWANA SDN. BHD.	208,329,748	52.063
2	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR JAVAWANA SDN. BHD. (SMART)	17,520,300	4.378
3	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD FOR KENANGA SHARIAH GROWTH OPPORTUNITIES FUND (50156 TR01)	5,976,300	1.493
4	DOH JEE MING	4,300,000	1.074
5	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD FOR KENANGA GROWTH OPPORTUNITIES FUND (50154 TR01)	4,273,000	1.067
6	TOKIO MARINE LIFE INSURANCE MALAYSIA BHD AS BENEFICIAL OWNER (TMEF)	4,100,000	1.024
7	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHIAU HAW CHOON	2,900,000	0.724
8	MAYBANK NOMINEES (TEMPATAN) SDN BHD ETIQA LIFE INSURANCE BERHAD (GROWTH)	2,662,800	0.665
9	SEE BOON YONG	2,460,000	0.614
10	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR KENANGA SYARIA HEXTRA FUND (N14011960240)	1,876,400	0.468

ANALYSIS OF SHAREHOLDINGS (CONT'D)

LIST OF THIRTY LARGEST SECURITIES ACCOUNT HOLDERS / DEPOSITORS AS AT 30 JUNE 2021

NO.	NAME	HOLDINGS	%
11	YAP KEAN TECK	1,821,500	0.455
12	MAYBANK NOMINEES (TEMPATAN) SDN BHD ETIQA LIFE INSURANCE BERHAD (DANA EKT PRIMA)	1,723,700	0.430
13	DOH JEE CHAI	1,445,400	0.361
14	KONG CHEE HENG	1,430,000	0.357
15	YEL CONSTRUCTION SDN BHD	1,400,000	0.349
16	YAP BOOI LEK	1,375,200	0.343
17	FOO KWAI KHENG	1,250,000	0.312
18	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK TRUSTEES BERHAD FOR KENANGA ONEPRS GROWTH FUND (420119)	1,250,000	0.312
19	YAP NAM FEE	1,156,300	0.288
20	HO WEI FUN	1,116,920	0.279
21	TAN KIM HENG	1,109,720	0.277
22	CHIN CHIN SEONG	1,060,000	0.264
23	LUM KWOK WENG @ LUM KOK WENG	1,050,000	0.262
24	MAYBANK NOMINEES (TEMPATAN) SDN BHD ETIQA LIFE INSURANCE BERHAD (BALANCE)	1,040,200	0.259
25	GA SKYLIGHT BERHAD	1,000,000	0.249
26	LIM FOOK HIN	1,000,000	0.249
27	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG TONG PHENG @ ENG AH TOON (E-SPI)	1,000,000	0.249
28	CITIGROUP NOMINEES (ASING) SDN BHD UBS AG	968,200	0.241
29	TAN AH HOI	911,400	0.227
30	KONG CHEE HENG	901,000	0.225

DIRECTORS' SHAREHOLDINGS
(As per the Register of Directors' Shareholdings as at 30 June 2021)

		DIRECT		INDIRECT	
NO.	NAME	NO. OF SHARES	%	NO. OF SHARES	%
1	DATIN TOH SIEW CHUON*	–	–	225,850,048	56.441
2	IR. LOW WUU SHIN	–	–	–	–
3	KUAN YING TUNG	–	–	–	–
4	TEE ENG SENG*	–	–	225,850,048	56.441
5	TEE SUN EE	80,000	0.019	–	–

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

ANALYSIS OF SHAREHOLDINGS (CONT'D)

SUBSTANTIAL SHAREHOLDERS
(As per the Register of Substantial Shareholders as at 30 June 2021)

NO.	NAME	DIRECT NO. OF SHARES	%	INDIRECT NO. OF SHARES	%
1	JAVAWANA SDN. BHD.*	208,329,748	52.063	–	–
2	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT - AMBANK (M) BERHAD FOR JAVAWANA SDN. BHD. (SMART)	17,520,300	4.378	–	–
		225,850,048	56.441	0.000	0.000

* Datuk Tee Eng Ho, Datin Toh Siew Chuon and Tee Eng Seng are the substantial shareholders of the Company through their deemed interest pursuant to Section 8 of the Companies Act 2016 by virtue of their shareholderings in Javawana Sdn Bhd.

Financial Year End : 31-Mar-21
Class of Shares : Redeemable Convertible Preference Shares ("RCPS")

LIST OF RCPS HOLDER
(As per the Register of RCPS Holder as at 30 June 2021)

NO.	NAME	DIRECT NO. OF SHARES	%	INDIRECT NO. OF SHARES	%
1	JAVAWANA SDN. BHD.	2,618,054,651	100.00	–	–

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Eighth Annual General Meeting ("28th AGM") of Kerjaya Prospek Property Berhad ("KPPROP" or "the Company") will be held on virtual basis through live streaming from broadcast venue at Kerjaya Prospek Property Berhad, No. 1, Jalan Wangsa Permai, 1st Floor, Bangunan One Wangsa, Taman Wangsa Permai, 52200 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur on Thursday, 9 September 2021 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 2021 together with the Directors' and Auditors' Reports thereon.	***Please refer to Explanatory Note A***
2.	To approve the payment of Directors' Fees amounting to RM200,000 for the financial year ended 31 March 2021.	***Ordinary Resolution 1***
3.	To approve the payment of Directors' Benefits (excluding Directors' Fees) up to an amount of RM50,000 for the period from conclusion of 28th AGM until the next AGM of the Company.	***Ordinary Resolution 2***
4.	To re-elect Mr Kuan Ying Tung who retires in accordance with Clause 95 of the Company's Constitution.	***Ordinary Resolution 3***
5.	To re-elect Ir Low Wuu Shin who retires in accordance with Clause 95 of the Company's Constitution.	***Ordinary Resolution 4***
6.	To re-appoint Messrs KPMG PLT as auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.	***Ordinary Resolution 5***

As Special Business

To consider and if thought fit, pass the following ordinary resolutions:

7.	Authority to Allot and Issue Shares Pursuant to the Companies Act 2016	***Ordinary Resolution 6***

"**THAT** subject always to the Companies Act 2016, the Company's Constitution, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the approval of the relevant government and/or regulatory authorities, the Directors be and are hereby authorised pursuant to the Companies Act 2016 to allot shares in the Company at any time at such price, upon such terms and conditions, for such purposes and to such person(s) whomsoever as the Directors may in their absolute discretion deem fit and expedient in the interest of the Company, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total issued share capital of the Company for the time being, and that the Directors be and are also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued and that such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company."

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

8. Proposed Renewal of and Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature. ("Proposed Shareholders' Mandate for RRPT") ***Ordinary Resolution 7***

"**THAT** subject always to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with those related parties as set out in the Circular to Shareholders dated 9 August 2021 ("Circular") which are necessary for the KPPROP Group's day-to-day operations subject to the following:-

(a) the transactions are in the ordinary course of business and are on terms not more favourable to the related parties than those generally available to the public and not to the detriment of minority shareholders; and

(b) the aggregate value of recurrent transactions conducted pursuant to the Proposed Shareholders' Mandate for RRPT will be disclosed in the Annual Report for the said financial year AND that such approval shall continue to be in force until:-

(i) the conclusion of the next Annual General Meeting of the Company, at which time it will lapse, unless by a resolution passed at a general meeting, the authority is renewed;

(ii) the expiration of the period within which the next Annual General Meeting of the Company subsequent to the date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("the Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

(iii) revoked or varied by resolution passed by the shareholders in a general meeting,

whichever is the earlier.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Shareholders' Mandate for RRPT."

9. Proposed renewal of Shareholders' Mandate for Share Buy-Back of up to 10% of the total number of issued shares of the Company ("Proposed Shareholders' Mandate for Share Buy-Back") ***Ordinary Resolution 8***

"**THAT** subject to the Companies Act 2016 ("the Act"), the Company Constitution, Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and all other prevailing laws, rules, regulations and orders issued and/or amended from time to time by the relevant regulatory authorities, the Company be and is hereby authorised to renew the approval granted by the shareholders of the Company at the Twenty-Seventh Annual General Meeting of the Company held on 29 September 2020, authorising the directors of the Company to purchase such number of ordinary shares of KPPROP on the Main Market of Bursa Securities and/or hold from such terms and conditions as the Directors may deemed fit and expedient in the interest of the Company and, provided that:

(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

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

(b) The maximum funds to be allocated by the Company for the Proposed Share Buy-Back shall not exceed the total retained earnings of the Company at the time of the purchase;

THAT upon completion of the purchase of the Purchased Shares, the Board of Directors of KPPROP shall have the absolute discretion to decide whether such Purchased Shares are to be cancelled and/or retained as treasury shares, or dealt with in such manner as provided under Section 127(7) of the Act;

THAT the Directors be and are hereby authorised to carry out the Proposed Share Buy-Back immediately upon the passing of this resolution until:-

(a) the conclusion of the next AGM of the Company, unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions;

(b) the expiration of the period within which the next AGM is required by law to be held; or

(c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

whichever occurs first but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and to take all steps as are necessary and/or to do all such acts and things as the Directors may deem fit and expedient in the interest of the Company to give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, amendments and/or variations as may be imposed by the relevant authorities."

10. To transact any other ordinary business of which due notice shall have been given.

BY ORDER OF THE BOARD

LEONG SHIAK WAN (MAICSA 7012855) (SSM PC No. 202008002757)
ZURIATI BINTI YAACOB (LS0009971) (SSM PC No. 202008003191)
Joint Company Secretaries

Petaling Jaya
9 August 2021

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 Twenty-Eighth AGM ("28th AGM") of the Company will be conducted virtually, without physical meeting venue, using the RPV facilities of **TIIH Online** at https://tiih.online. Please follow the procedures provided in the Administrative Guide for Shareholders in order to register, participate and vote remotely via the RPV facilities.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

The only venue involved will be broadcast venue where essential individuals will be physically present to organize and facilitate the conduct of the virtual AGM. The number of essential individuals will be in accordance with any prevailing order and/or guidance applicable then. The broadcast venue also serves the purpose of complying with Section 372(2) of the Companies Act 2016, which requires the Chairman of the meeting to be at the main venue of the AGM. No shareholders/proxies/corporate representatives from the public will be allowed to be physically present at the broadcast venue.

Members may submit questions in relation to the agenda items of the 28th AGM prior to the meeting via **TIIH Online** website at https://tiih.online by selecting "e-Services" to login the corporate event of the Company from 9 August 2021, Monday at 10.00 a.m. to 7 September 2021, Tuesday at 11.00 a.m. Thereafter, any further questions may be posed in real time (in the form of typed text) during the AGM by using the "Query Box" of the RPV facilities. The Board of Directors and Management of the Company shall respond to the questions to their best endeavour during the 28th AGM.

2. A member (other than an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991) entitled to attend and vote at the meeting is entitled to appoint a maximum of two (2) proxies to attend, participate, speak and vote on his (her) behalf. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend, participate, speak and vote at the meeting of the Company shall have the same rights as the member to speak at the meeting.

3. Where a member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.

4. Where a member of the Company is an exempt authorised nominee which holds shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

5. A member who has appointed a proxy or attorney or corporate representative to attend and vote at the 28th AGM must request his/her proxy or attorney or corporate representative to register their attendance for RPV at **TIIH Online** website at https://tiih.online. Please follow the Pre-Register Procedures in the Administrative Guide of 28th AGM.

6. The Proxy Form shall be signed by the appointer or his/her attorney duly authorised in writing or, if the member is a corporation, must be executed under its common seal or by its duly authorised attorney or officer.

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

   i) <u>In hard copy form</u>
   The instrument appointing a proxy must be deposited at Ground Floor or 12th 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) <u>By electronic means via Tricor System, TIIH Online</u>
   In the case of an appointment made via TIIH Online, this proxy form must be deposited via **TIIH Online** at https://tiih.online. Kindly refer to the Administrative Guide on the procedures for electronic lodgement of proxy form via **TIIH Online**.

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 **7 September 2021, Tuesday at 11.00 a.m**.

10. Only members whose names appear in the Record of Depositors on **1 September 2021** shall be entitled to attend, speak and vote at the 28th AGM.

11. Pursuant to Paragraph 8.29A(1) of the Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice of the 28th AGM will be put to vote by poll.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

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 28th AGM until the next AGM of the Company.

   Other than Directors' Fees, Directors are remunerated with salary and other emoluments by virtue of their Employment Contracts.

2. Ordinary Resolutions 1, 2 – Payment of Directors' Fees and Directors' Benefits

   All the Directors who are shareholders of the Company will abstain from voting on Ordinary Resolution 1 and Ordinary Resolution 2 concerning Directors' Fees and Directors' Benefits respectively at the 28th 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-Seventh Annual General Meeting held on 29 September 2020 and which will lapse at the conclusion of the 28th 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 KPPROP Group's day-to-day operations, pursuant to the provisions of the Main Market Listing Requirements. Further information on the Proposed Shareholders' Mandate for RRPT is set out in the Circular.

5. Ordinary Resolution 8 – Proposed Shareholders' Mandate for Share Buy-Back

   The Ordinary Resolution 8, if approved, will empower the Directors of the Company to purchase and/or hold up to a maximum of ten percent (10%) of the total number of issued share capital of the Company at any point of time, by utilising the funds allocated which shall not exceed the total retained profits of the Company. This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company, or the expiration of period within which the next Annual General Meeting is required by law to be held, whichever is earlier. Further information on this proposed Ordinary Resolution is set out in the Statement Accompanying Notice of AGM enclosed together with the Notice of 28th AGM.

ADMINISTRATIVE GUIDE

FOR THE TWENTY-EIGHTH ANNUAL GENERAL MEETING ("28TH AGM")

Dear Valued Members,

Day/Date	:	Thursday, 9 September 2021
Time	:	11.00 a.m.
Conduct	:	Virtual via Remote Participation and Voting
Broadcast Venue	:	Kerjaya Prospek Property Berhad No. 1, Jalan Wangsa Permai, 1st Floor, Bangunan One Wangsa, Taman Wangsa Permai, 52200 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur

GENERAL MEETING ARRANGEMENTS

1. Due to the constant evolving COVID-19 situation in Malaysia, the 28th AGM of Kerjaya Prospek Property Berhad ("KPPROP" or "the Company") will be conducted VIRTUAL through live streaming and online remote voting via RPV facilities.

2. The broadcast venue is limited to essential individuals required to be physically present at the venue to organise and conduct the virtual AGM. It also serves the purpose of complying with Section 372(2) of the Companies Act 2016, which requires the Chairman of the meeting to be at the main venue of the AGM. No shareholders/proxies/corporate representatives from the public will be admitted to be physically present at the broadcast venue.

REMOTE PARTICIPATION AND VOTING

3. **Shareholders/Proxies/Corporate Representatives** who wish to attend, participate/speak (including pose questions to the Board of the Directors/Management of the Company through real time submission of typed texts) and vote remotely at the virtual 28th AGM of the Company will be required to perform online registration using the RPV facilities provided by Tricor Investor & Issuing House Services Sdn Bhd ("**Tricor**") via its **TIIH Online** website at https://tiih.online.

   A shareholder who has appointed a proxy, attorney or corporate representative to participate and vote at the 28th AGM via RPV facilities must request his/her proxy, attorney or corporate representative to register himself/herself for the RPV facilities at **TIIH Online** website at https://tiih.online.

   Registration is open from **10.00 a.m. Monday, 9 August 2021 until the day of 28th AGM, Thursday, 9 September 2021**. For guidance on registration of the RPV facilities, please refer to item 7 below.

   In respect of deposited securities, only a depositor whose name appears on the **Record of Depositors as at Wednesday, 1 September 2021** shall be eligible to participate at the 28th AGM or appoint proxy(ies) or corporate representative to participate and vote in his/her stead.

APPOINTMENT OF PROXY / CORPORATE REPRESENTATIVES / ATTORNEYS

4. The 28th AGM will be conducted via virtual meeting, if you are unable to attend the meeting via RPV on 9 September 2021, you may appoint the Chairman of the meeting as proxy and indicate the voting instructions in the Proxy Form.

   Accordingly, Proxy Form and/or document relating to the appointment of proxy/corporate representative/attorney for the 28th AGM whether in hard copy or by electronic means shall be deposited or submitted in the following manner not later than **Tuesday, 7 September 2021 at 11.00 a.m.**:

ADMINISTRATIVE GUIDE (CONT'D)

(i) In Hard Copy:

By hand or post to the Registered Office of the Company at Ground Floor or 12th Floor of Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Malaysia not less than forty-eight (48) hours before the time set for holding the AGM i.e. no later than **Tuesday, 7 September 2021 at 11.00 a.m.**, otherwise the Proxy Form shall not be treated as valid.

Corporate representatives of corporate members must deposit their original or duly certified certificate of appointment of corporate representative to the Registered Office of the Company at Ground Floor or 12th Floor of Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Malaysia not later than **Tuesday, 7 September 2021 at 11.00 a.m.** to participate the 28th AGM via RPV facilities.

Attorneys appointed by power of attorney are to deposit their power of attorney with the Registered's Office not later than **Tuesday, 7 September 2021 at 11.00 a.m.** to participate the 28th AGM via RPV facilities.

Please furnish the contact details such as email address, mobile number and/or telephone number of the corporate shareholder and/or the corporate representative for ease of communication, as and when necessary.

(ii) By Electronic Form:

All members can have the option to submit Proxy Form electronically via TIIH Online and the steps to submit are summarised below:

	Procedure	Action
	i. Steps for Individual Members	
(a)	Register as a User with TIIH Online	• Using your computer, please access the website at https://tiih.online. Register as a user under the "e-Services" select **"Create Account by Individual Holder"**. Please do refer to the tutorial guide posted on the homepage for assistance. • Registration as a user will be approved within one (1) working day and you will be notified via e-mail. • If you are already a user with TIIH Online, you are not required to register again.
(b)	Proceed with submission of 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 28TH 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.

	ii. Steps for Corporation or Institutional Members	
(a)	Register as a User with TIIH Online	• Access TIIH online at https://tiih.online • Under e-Services, the authorised or nominated representative of the corporation or institutional member selects **"Create Account by Representative of Corporate Holder"**. • Complete the registration form and upload the required documents. • Registration will be verified, and you will be notified by email within one (1) to two (2) working days. • Proceed to activate your account with the temporary password given in the email and re-set your own password. *(Note: The representative of a corporation or institutional member must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact our Share Registrar if you need clarifications on the user registration.)*
(b)	Proceed with submission of Proxy Form	• Login to TIIH Online at https://tiih.online • Select the corporate event: **"KP PROPERTY 28TH AGM – Submission of Proxy Form"**. • Read and agree to the Terms & Conditions and confirm the Declaration. • Proceed to download the file format for "Submission of Proxy Form" in accordance with the Guidance Note set therein. • Prepare the file for the appointment of proxies by inserting the required data. • Proceed to upload the duly completed proxy appointment file. • Select "Submit" to complete your submission. • Print the confirmation report of your submission for your record.

5. **Submission of questions before the AGM**

You may submit your questions before the AGM via the RPV facilities by proceeding to **TIIH Online** website at https://tiih.online and selecting "e-Services" to login into the corporate event of the Company. Questions may be submitted from **10.00 a.m. Monday, 9 August 2021 to 11.00 a.m. Tuesday, 7 September 2021**. Thereafter, any further questions may be posed during the AGM.

The Board or Management of the Company shall respond to your questions to their best endeavour during the 28th AGM.

ADMINISTRATIVE GUIDE (CONT'D)

6. **RPV facilities**

The procedures for registration of the RPV facilities and for joining the AGM using the RPV facilities are as summarised below:-

A. Signing up for a user account with Tricor

Individual Shareholder/ Proxy	• Access the website at https://tiih.online. • Register as a user under "e-Services" select **"Create Account by Individual Holder"**. Refer to the tutorial guide posted on the homepage for assistance. • Registration as a user will be approved within one (1) working day and you will be notified via e-mail. • If you are already a user with TIIH Online, you are not required to register again. You will receive an **e-mail to notify** you that remote participation is available for registration at TIIH Online.

B. Before the AGM

Submit your request to participate and vote at the AGM	• Registration is open from **10.00 a.m. Monday, 9 August 2021 until the day of 28th AGM, Thursday, 9 September 2021**. • Shareholder(s) or proxy(ies) or corporate representative(s) or attorney(s) are required to pre-register their attendance for the AGM to ascertain their eligibility to participate the AGM using the RPV. • Login with your user ID and password and select the corporate event: **"(REGISTRATION) KP PROPERTY 28TH AGM".** • Read and agree to the Terms & Conditions and confirm the Declaration. • Select "Register for Remote Participation and Voting". • Review your registration and proceed to register. • System will send an **e-mail to notify** that your registration for remote participation is received and will be verified. • After verification of your registration against the Record of Depositors as at **1 September 2021**, the system will send you an e-mail after 7 September 2021 to approve or reject your registration for remote participation. • Should your application to join the 28th AGM be approved, we will make available to you the rights to join the live streamed meeting and to vote remotely. Your login to TIIH Online on the day of meeting will indicate your presence at the virtual meeting. *(Note: Please allow sufficient time for approval of new user of TIIH Online and registration for the RPV).*

ADMINISTRATIVE GUIDE (CONT'D)

C. On the AGM Day (9 September 2021)

(a)	Login to TIIH Online	• Login with your user ID and password for the RPV facilities for the 28th AGM at any time from **10:00 a.m.** i.e. one (1) hour before the commencement of 28th AGM on Thursday, 9 September 2021 at 11 a.m.
(b)	Participate through live streaming	• Select the corporate event: **"(LIVE STREAM MEETING) KP PROPERTY 28TH AGM"** to engage in the proceedings of the meeting remotely. • If you have any questions for the Board of Directors/Management of the Company, you may type your questions in the "Query Box" (on the right-hand side of your screen) and click "Submit". The Board/ Management of the Company shall respond to your questions to their best endeavour during the 28th AGM. • Take note that the quality of the live streaming is dependent on the bandwidth and stability of the internet connection at the location of the remote participants.
(c)	Online remote voting	• You may vote at any time from the start of the 28th AGM at 11.00 a.m. until a time when the Chairman announces the closure of the voting session of the 28th AGM. • Select the corporate event: **"(REMOTE VOTING) KP PROPERTY 28TH AGM"** or if you are on the live stream meeting page, you can select **"GO TO REMOTE VOTING PAGE"** button below the Query Box. • Read and agree to the Terms & Conditions and confirm the Declaration. • Select the CDS account number (tick the box) that represents your shareholdings. • Indicate your votes (FOR or AGAINST or ABSTAIN) for the resolutions that are tabled for voting. • Review your votes casted and click "Confirm" to submit your votes. • You may choose to download document (of your votes) for record.
(d)	End of remote participation	• Upon announcement by the Chairman on the closure of the 28th AGM, the live streaming will end.

NO GIFTS OR VOUCHERS

7. There will be no distribution of gifts or vouchers this year in conjuction with the AGM.

RECORDING OR PHOTOGRAPHY

8. Strictly NO unauthorised recording or photography of the proceedings of the 28th AGM is allowed.

COMMUNICATION GUIDE

9. Shareholders are reminded to monitor the Company's website and announcements for any changes relating to the AGM arrangements.

ADMINISTRATIVE GUIDE (CONT'D)

ENQUIRIES

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

Help Line during AGM only: Tricor Investor & Issuing House Services Sdn Bhd

In the event you encounter any issues with login, connection to the live streamed meeting or online voting, please call Tricor Help Line at 011-40805616/ 011-40803168/ 011-40803169/ 011-40803170 or e-mail to tiih.online@my.tricorglobal.com for assistance.

Depository of documents at the Registered office: Boardroom Corporate Services Sdn Bhd
Telephone/Fax : +603 7890 4800/ +60 3 7890 4650

KERJAYA PROSPEK PROPERTY BERHAD
Registration No.: 199401001358 (287036-X)
(Incorporated in Malaysia)

CDS account no. of authorised nominee

PROXY FORM

I/We ____ (name of shareholder as per NRIC, in capital letters)

NRIC No./ID No./Company No. ______________________________ (new) ______________________________ (old)

of ____ (full address)

being a member(s) of the abovenamed Company, hereby appoint ______________________________

(name of proxy as per NRIC, in capital letters) NRIC No. ______________________ (new) ______________________ (old)

or failing him/her ______________________________________ (name of proxy per NRIC, in capital letters)

NRIC No. ______________________ (new) ______________________ (old) or failing him/her* the Chairman

of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Twenty-Eighth Annual General Meeting of the Company to be held on virtual basis through live streaming from broadcast venue at Kerjaya Prospek Property Berhad, No. 1, Jalan Wangsa Permai, 1st Floor, Bangunan One Wangsa, Taman Wangsa Permai, 52200 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur on Thursday, the 9th day of September 2021 at 11.00 a.m. and at each and every adjournment thereof.

My/our proxy is to vote as indicated below:

	RESOLUTIONS	FOR	AGAINST
Ordinary Resolution 1	Approval of Directors' Fees amounting to RM200,000 for the financial year ended 31 March 2021		
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 28th AGM until the next AGM of the Company.		
Ordinary Resolution 3	Re-election of Mr Kuan Ying Tung as Director		
Ordinary Resolution 4	Re-election of Ir Low Wuu Shin 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 and new Shareholders' Mandate for recurrent related party transactions of a revenue or trading nature		
Ordinary Resolution 8	Proposed Share Buy-Back of up to 10% of the total number of issued shares of the Company		

(Please indicate with an "X" in the spaces provided above on how you wish to cast your vote. If you do not do so, the proxy will vote or abstain from voting at his discretion.)

____
Signature/Common Seal

Number of shares held: ____________________

Date: ______________________________

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

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

NOTES:
IMPORTANT NOTICE

1. The 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 Twenty-Eighth AGM ("28th AGM") of the Company will be conducted virtually, without physical meeting venue, using the RPV facilities of TIIH Online at https://tiih.online. Please follow the procedures provided in the Administrative Guide for Shareholders in order to register, participate and vote remotely via the RPV facilities.

   The only venue involved will be broadcast venue where essential individuals will be physically present to organize and facilitate the conduct of the virtual AGM. The number of essential individuals will be in accordance with any prevailing order and/or guidance applicable then. The broadcast venue also serves the purpose of complying with Section 372(2) of the Companies Act 2016, which requires the Chairman of the meeting to be at the main venue of the AGM. No shareholders/proxies/corporate representatives from the public will be allowed to be physically present at the broadcast venue.

   Members may submit questions in relation to the agenda items of the 28th AGM prior to the meeting via TIIH Online website at https://tiih.online by selecting "e-Services" to login the corporate event of the Company from 9 August 2021, Monday at 10.00 a.m. to 7 September 2021, Tuesday at 11.00 a.m. Thereafter, any further questions may be posed in real time (in the form of typed text) during the AGM by using the "Query Box" of the RPV facilities. The Board of Directors and Management of the Company shall respond to the questions to their best endeavour during the 28th AGM.
2. A member (other than an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991) entitled to attend and vote at the meeting is entitled to appoint a maximum of two (2) proxies to attend, participate, speak and vote on his (her) behalf. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend, participate, speak and vote at the meeting of the Company shall have the same rights as the member to speak at the meeting.
3. Where a member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
4. Where a member of the Company is an exempt authorised nominee which holds shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. A member who has appointed a proxy or attorney or corporate representative to attend and vote at 28th AGM must request his/her proxy or attorney or corporate representative to **REGISTER** their attendance for RPV at **TIIH Online** website at **https://tiih.online**. Please follow the RPV Procedures in the Administrative Guide of 28th 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 or 12th 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. 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 **7 September 2021 Tuesday at 11.00 a.m.**.
10. Only members whose names appear in the Record of Depositors on **1 September 2021** shall be entitled to attend, speak and vote at the 28th AGM.
11. Pursuant to Paragraph 8.29A(1) of the Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice of the 28th AGM will be put to vote by poll.

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Stamp

The Company Secretary

KERJAYA PROSPEK PROPERTY BERHAD
Registration No.: 199401001358 (287036-X)
Ground Floor or 12th 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
199401001358 (287036-X)

No.1, Jalan Wangsa Permai,
1st Floor, Bangunan One Wangsa,
Taman Wangsa Permai,
52200 Kuala Lumpur.
Tel : +603 6277 2666
Fax : +603 6277 6222
Web : www.kpproperty.com.my