

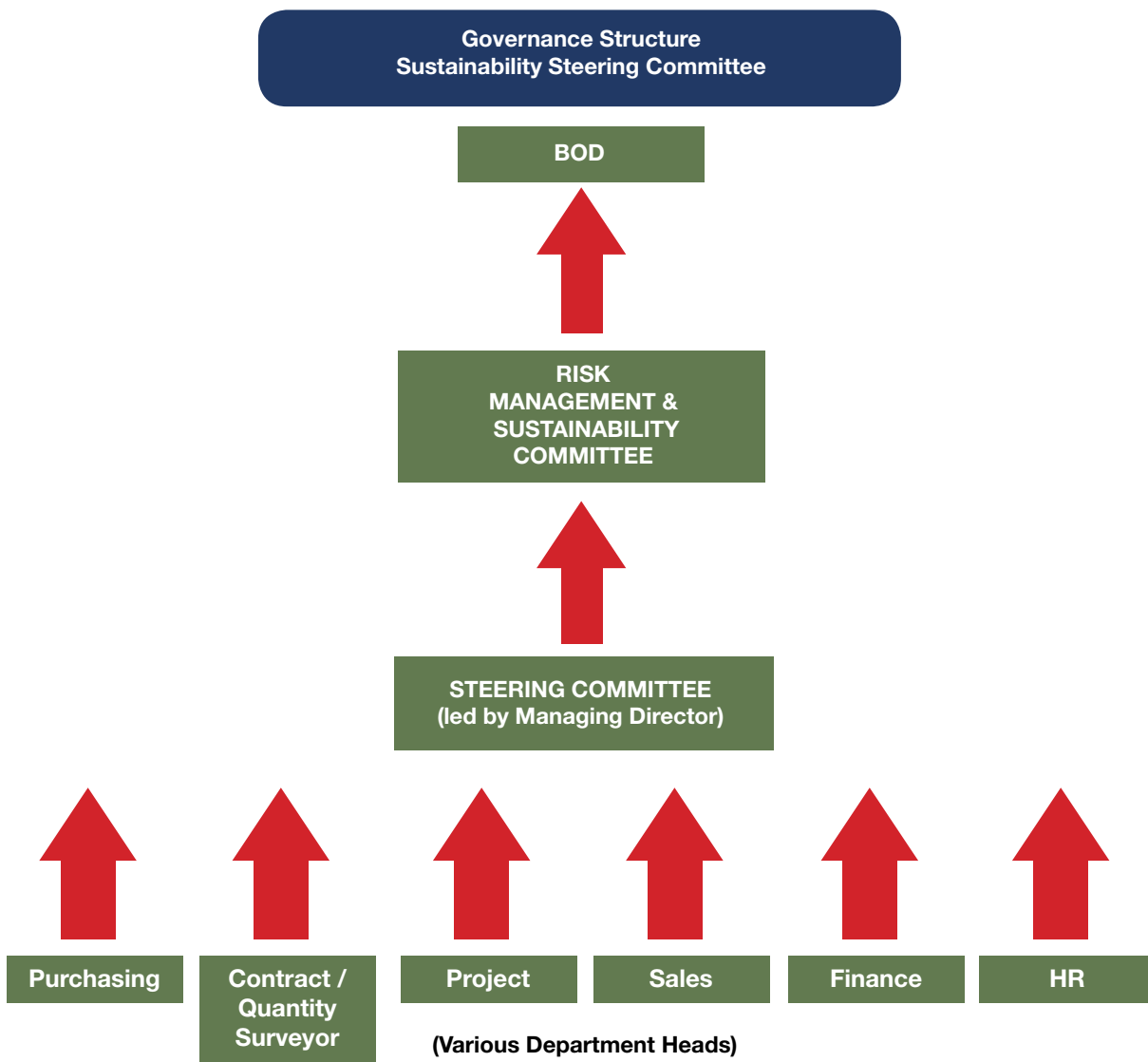
Sustainability Statement

SUSTAINABILITY STATEMENT

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

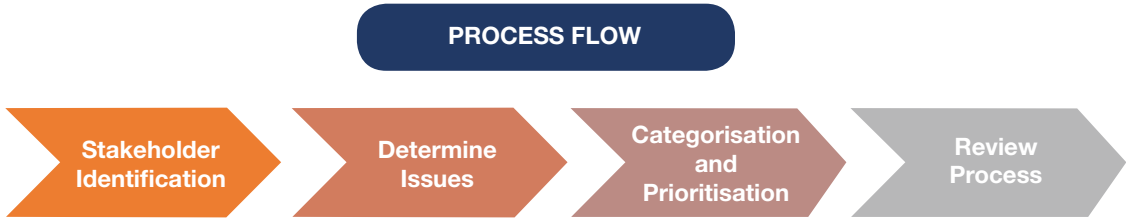
This is our third year of reporting the Group’s sustainability initiatives and it is guided by BURSA Malaysia’s Sustainability Reporting Guide (2nd Edition) as well as in compliance with the BURSA Malaysia Securities Berhad’s Main Market Listing Requirements. In light of the Group’s commitment to inculcate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

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



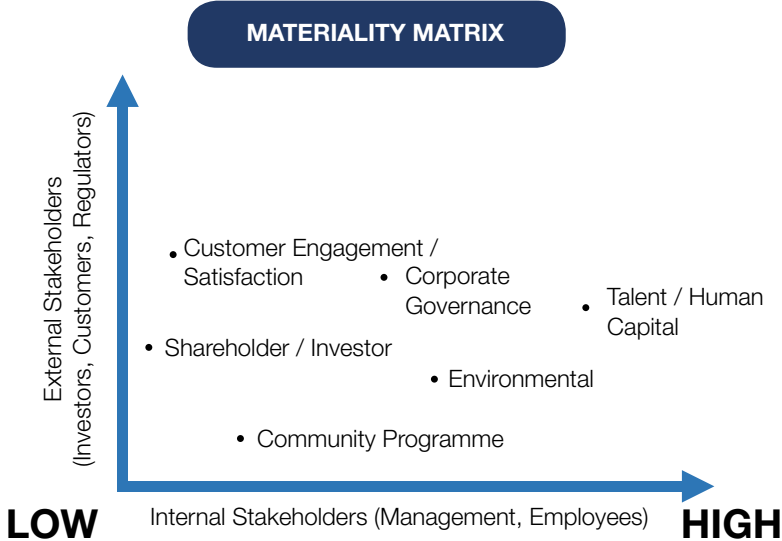
MATERIALITY ASSESSMENT

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



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






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



Sustainability Statement (Cont'd)

MATERIALITY ASSESSMENT (CONT'D)

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

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

MATERIALITY ASSESSMENT (CONT'D)

Economic

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

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

Environmental

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

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

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



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

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

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

Sustainability Statement (Cont'd)

MATERIALITY ASSESSMENT (CONT'D)

Environmental (Cont'd)

- **Waste Management**

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



RORO bin at one of our development sites

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

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

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

- **Health and Safety**

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

MATERIALITY ASSESSMENT (CONT'D)

Social

Talent / Human Capital

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

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

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

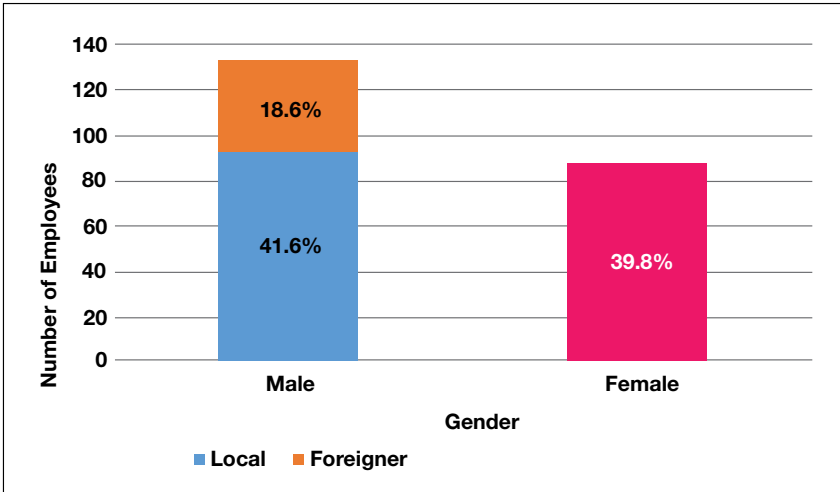


133 employees (60.2%)



88 employees (39.8%)

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



Gender Distribution Chart

Sustainability Statement (Cont'd)

MATERIALITY ASSESSMENT (CONT'D)

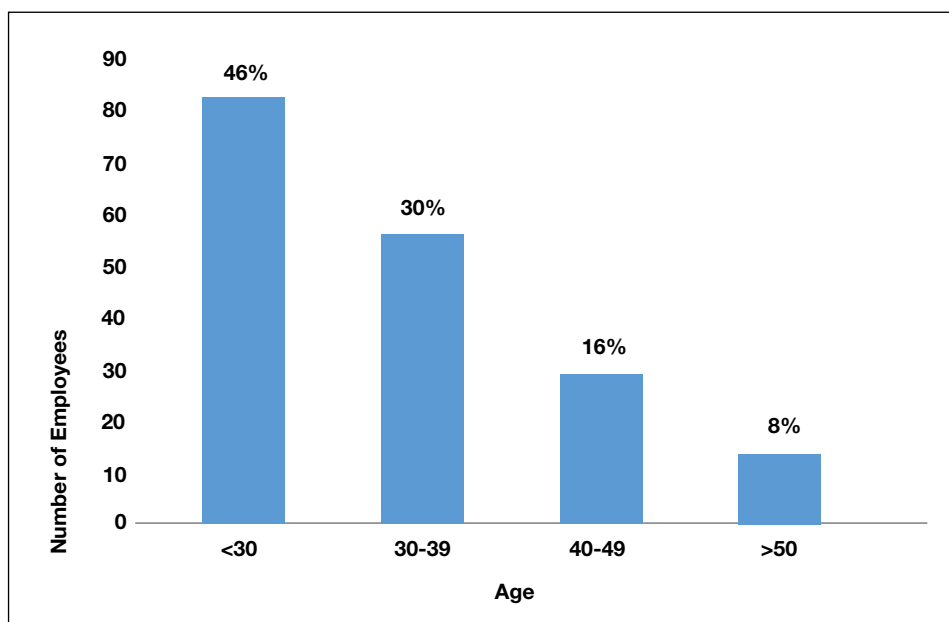
Social (Cont'd)

Talent / Human Capital (Cont'd)

a) Employee composition based on Age Group

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

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



Age Distribution Chart

Note: The chart above only reflects local employees.

b) Training & Education

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

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

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

MATERIALITY ASSESSMENT (CONT'D)

Social (Cont'd)

Talent / Human Capital (Cont'd)

b) Training & Education (Cont'd)

**Total Hour
Of Trainings:**



**3,788
hours**

**Average training
hours per employee :**



**17.14
hours**

Community

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

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

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



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

Sustainability Statement (Cont'd)

MATERIALITY ASSESSMENT (CONT'D)

Social (Cont'd)

Community (Cont'd)



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

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