

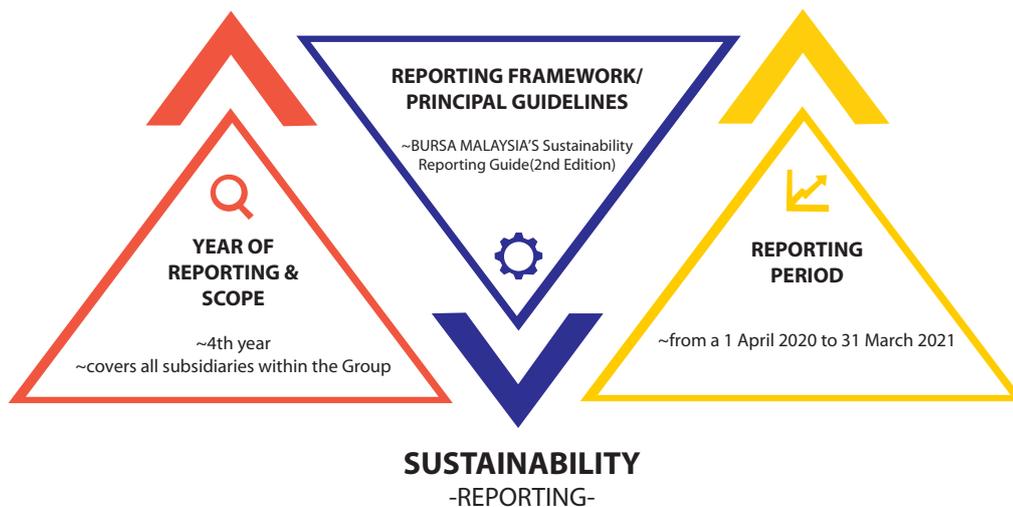
SUSTAINABILITY STATEMENT

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.

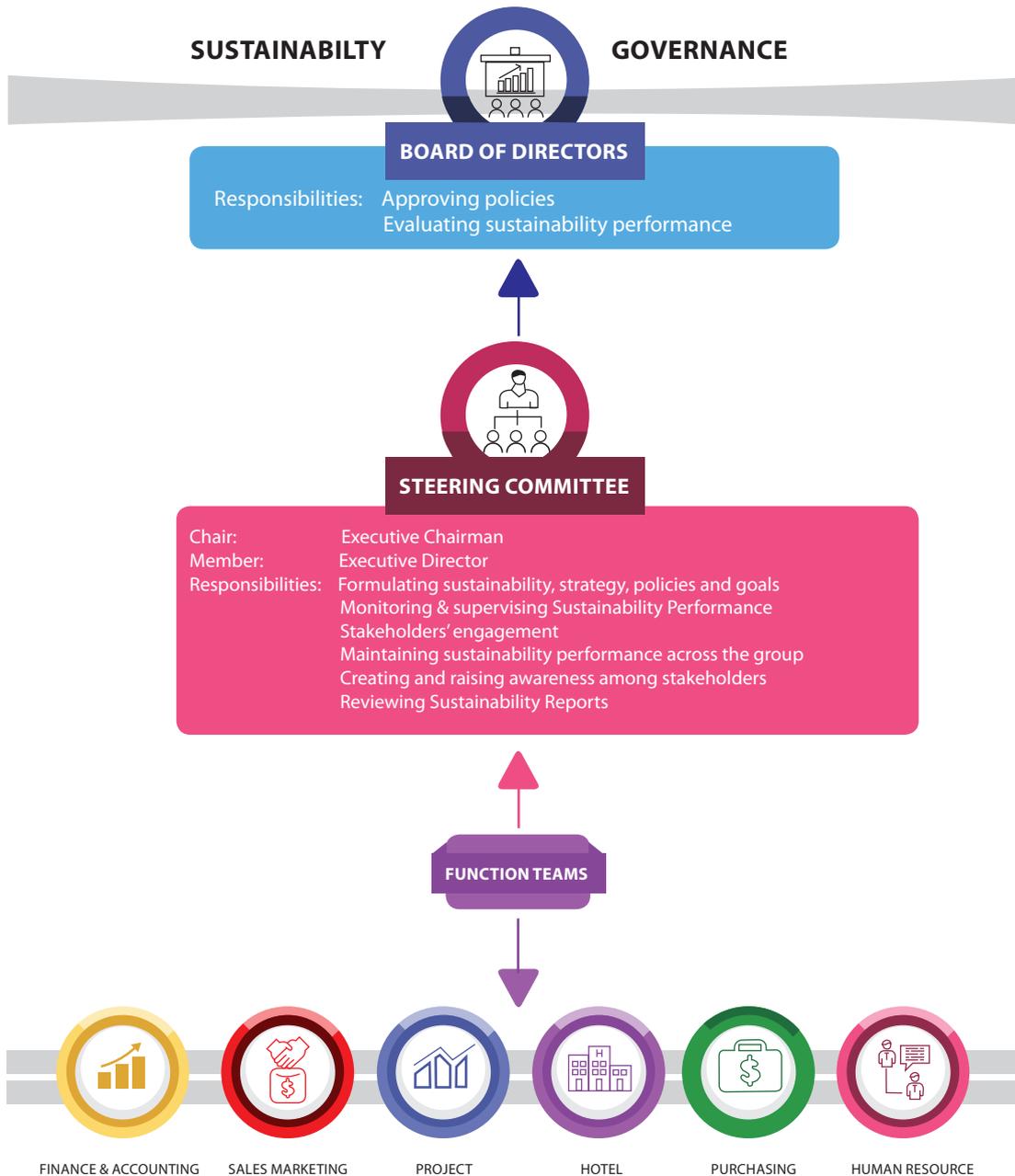
This Sustainability Report outlined all the Group’s sustainability activities for the period between 1st April 2020 to 31st March 2021.



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

SUSTAINABILITY STATEMENT (CONT'D)

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

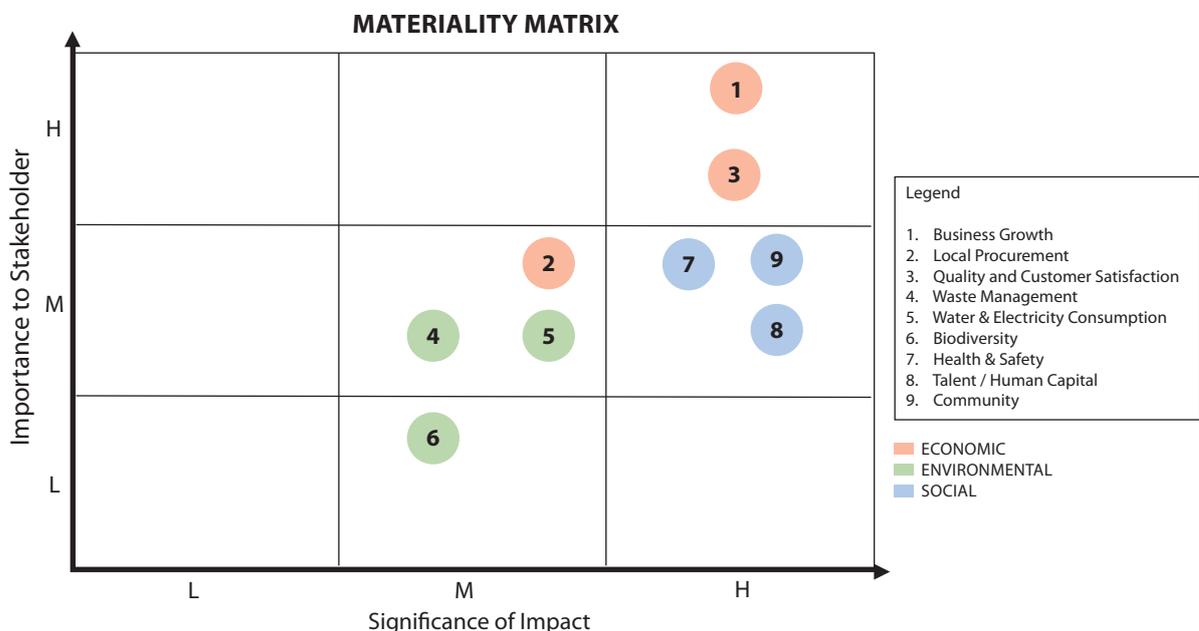
Ultimately our Board is responsible to manage the oversight of overall sustainability issues whilst our Steering Committee will provide its support and implement efforts as well as initiatives so as to ensure a proper reporting and monitoring. The Respective Head of Departments within the Group are required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

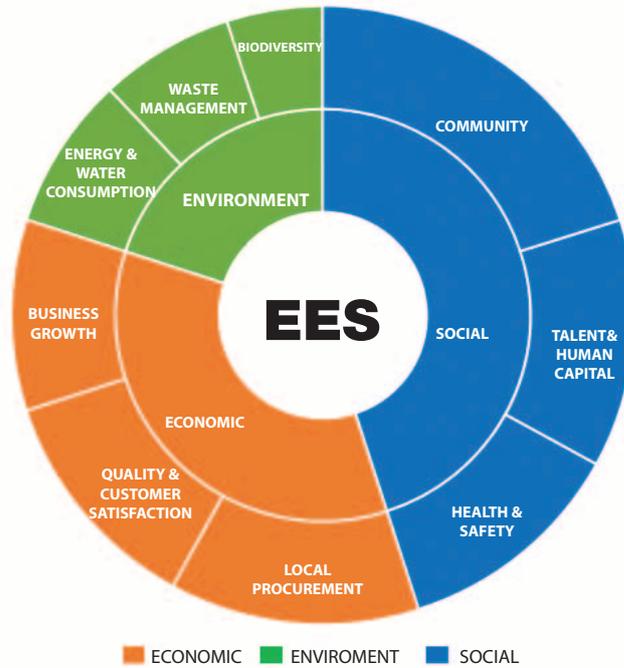
MATERIALITY ASSESSMENT

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.

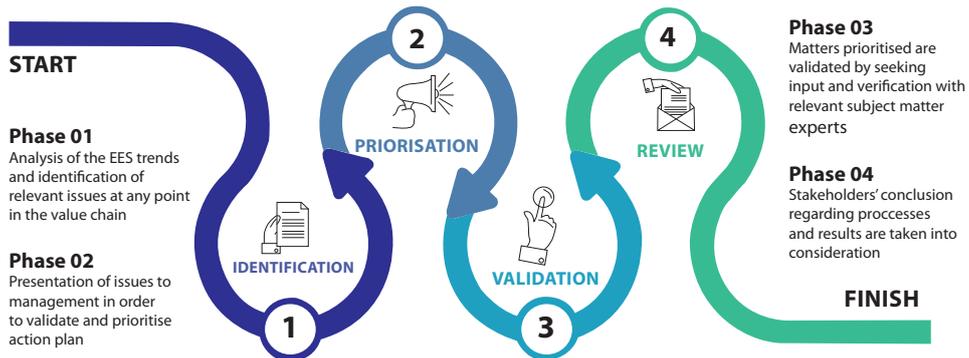


SUSTAINABILITY STATEMENT (CONT'D)



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

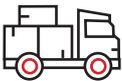
PROCESS FLOW IN DEVELOPING MATERIALITY MATRIX



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
 <p>Shareholders and Investors</p>	<ul style="list-style-type: none"> Group financial performance Business direction and growth Key corporate developments Corporate governance Dividend 	<ul style="list-style-type: none"> Annual General Meeting / Extraordinary General Meeting Investor briefings for fund analyst and investment community Annual Report / Circular Corporate Website BURSA Announcement Social Media
 <p>Customers</p>	<ul style="list-style-type: none"> Product Quality Pricing and location Service 	<ul style="list-style-type: none"> Launching Social Media Marketing promotions Bulletin
 <p>Government, Regulatory & Authorities</p>	<ul style="list-style-type: none"> Compliance Health, security and safety Waste Management Quarterly and annual reporting 	<ul style="list-style-type: none"> Seminars / Dialogues /Webinar Announcement
 <p>Employees</p>	<ul style="list-style-type: none"> Training Career development Competitive remuneration, benefits and equal opportunities Well-being, health and safety 	<ul style="list-style-type: none"> Training session Events and functions Appraisal Management meetings
 <p>Suppliers</p>	<ul style="list-style-type: none"> Fair procurement Transparency Service delivery Timely payment Product Quality Inventory / Supply commitment 	<ul style="list-style-type: none"> Group procurement policy and system Yearly suppliers' evaluation

SUSTAINABILITY STATEMENT (CONT'D)

Stakeholders	Areas of Interest	Forms of Engagement
 <p>Local Community</p>	<ul style="list-style-type: none"> • Social well-being • Transparent, quality products and services 	<ul style="list-style-type: none"> • Community programme • Local sourcing
 <p>Media</p>	<ul style="list-style-type: none"> • Newsworthy corporate development • Accurate reporting 	<ul style="list-style-type: none"> • 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

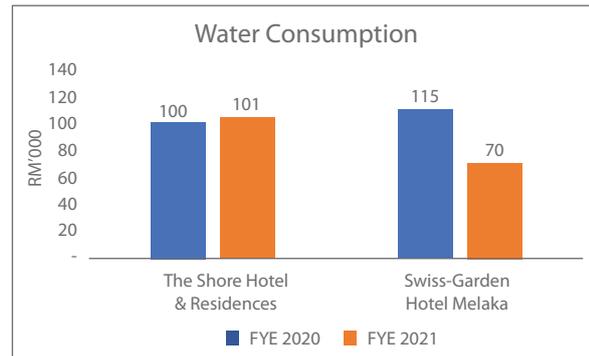
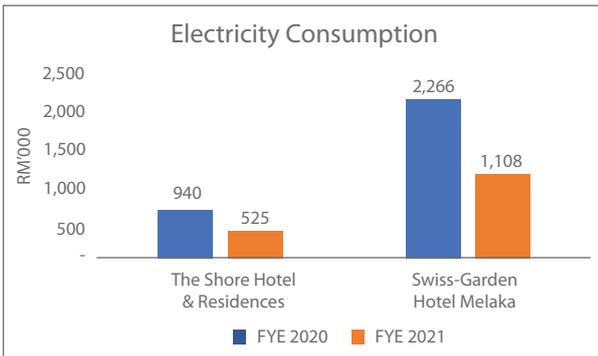
Our most direct and significant environmental impact stems from the operation of our property and hotel divisions through the consumption of purchased electricity and through the use of diesel for machinery and equipment. We set standards for ourselves against external environmental certifications in 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:

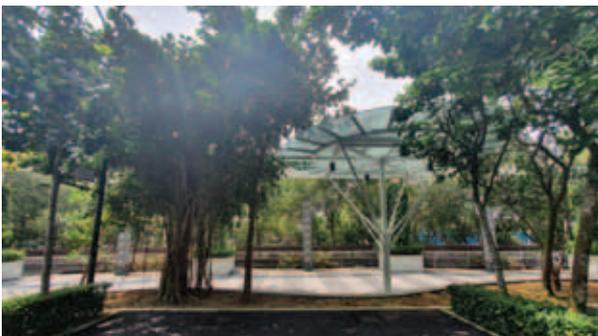
- a) lights and air-conditioners of offices or meeting rooms are switched off when not in use;
- b) computers and photocopiers are set to sleeping mode or switched off when not in use;
- c) use of LED energy efficient lightings which release lower CO2 emission; and
- d) encourage maintaining the air 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



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.

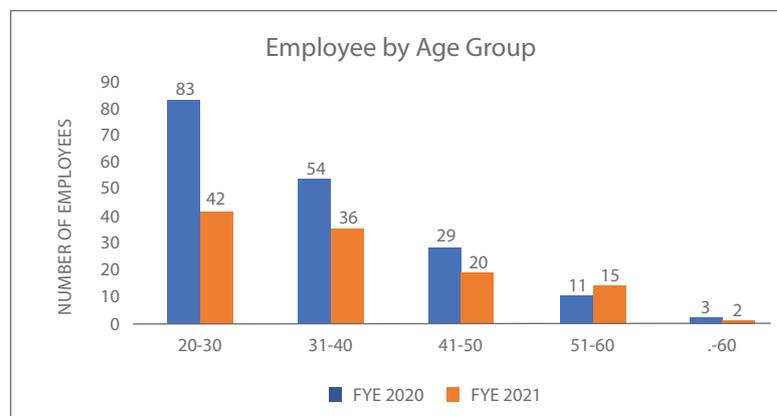
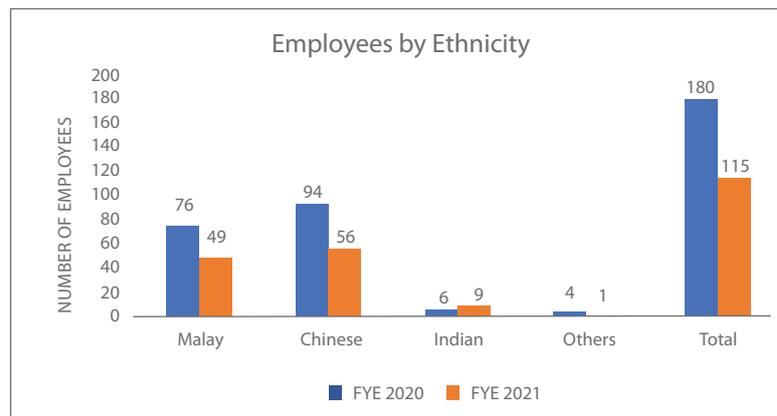
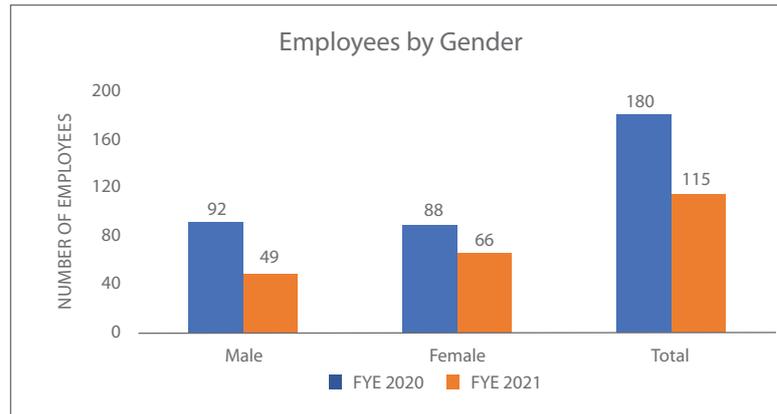
Talent / Human Capital

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.

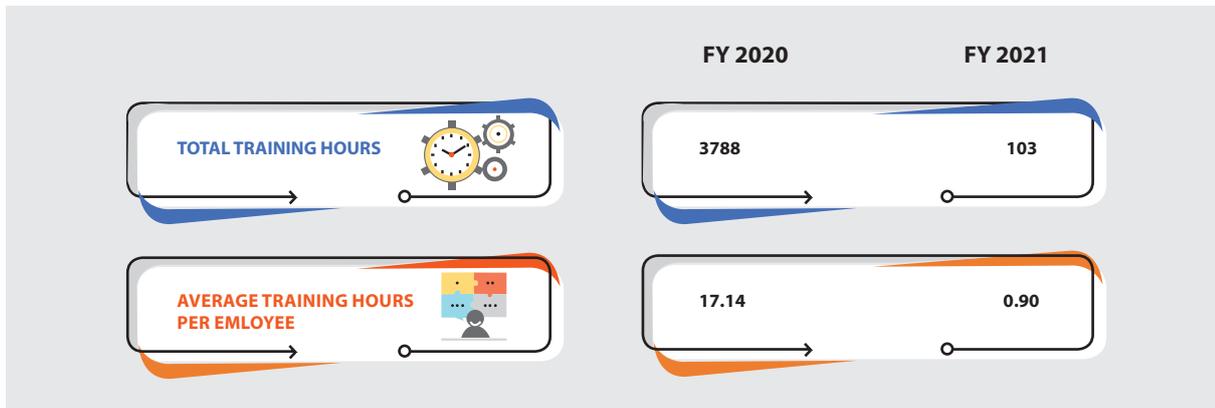


SUSTAINABILITY STATEMENT (CONT'D)

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.



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.



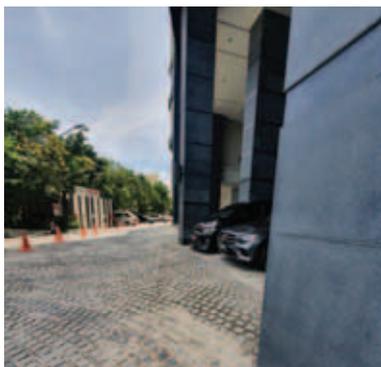
Donation to Pertubuhan Kebajikan Insan Penyayang Pulau Pinang



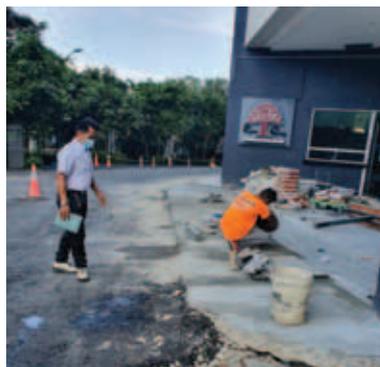
Donation to Pertubuhan Kebajikan Anak-Anak dan OKU Mesra Petaling Jaya Selangor

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.