

KERJAYA PROSPEK GROUP BERHAD

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“the Board”) recognises 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”) are practiced 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.

This Corporate Governance Overview Statement is presented pursuant to Paragraph 15.25(1) of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”). The objective of this statement is to provide an overview of the application of the corporate governance practices (“Practices”) of the Group during the financial year ended 31 December 2021 (“Financial Year”) up to the date of issuance of this statement with reference to the three (3) main principles, i.e. Board Leadership and Effectiveness, Effective Audit and Risk Management and Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders as set out in the MCCG

Overall, the Board is of the view that the Company has, in all material aspects, complied with the Principles and Practices as set out in the MCCG. The details of how the Company embrace or apply the MCCG are outlined in our Corporate Governance Report (“CG Report”). The CG Report is submitted to Bursa Securities together with the Annual Report of the Company on 27 April 2022. A copy of the CG Report can be obtained from the Company’s website at www.kerjayagroup.com. Shareholders are advised to read this overview statement together with the CG Report to provide comprehensive disclosure of the application of each principles and practices set out in the MCCG during the Financial Year.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

i. Roles and Responsibilities of the Board

The Board is entrusted for the oversight of overall management of the business affairs of the Group. The Board is responsible for formulating the Group’s strategic plan and directions, determining all major policies, reviewing the system of internal control, ensuring that effective strategies and management are in place, for assessing the performance of the Group and its management team.

The Board continues to ensure its effectiveness and provides 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 overseeing 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 as recommended by the MCCG including those reserved for the Board’s approval and those which the Board may delegate to the Board Committees and the Management.

Aside from the core responsibilities listed above, significant matters required deliberation and approval from the Board is clearly defined as the matters reserved for the Board’s consideration and approval, which including decision on Group strategic/business plan, restructuring proposal, corporate exercises, investments or divestments, risk management policies, nomination of auditors, nomination of directors, review of the financial statement, financial and borrowing activities, annual budget, dividend policy, new issues of securities, ensuring compliances of regulatory and reviewing the adequacy and integrity of internal controls.

The Board Committees, namely Audit Committee, Nomination Committee and Remuneration Committee are entrusted with specific responsibilities to oversee the Group’s affairs with authority to act on behalf of the Board and operate within their respective terms of reference. Although specific powers are delegated to the Board Committees, the Board Committees shall report to the Board on matters considered and make recommendation to the Board for further decision. The ultimate responsibility for the final decision on all matters have to be approved by the Board. Also, the Board is informed of the key issues and recommendations or decisions made by each Board Committees through the reporting and tabling of minutes of the Board Committees meetings at Board Meetings.

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In discharging the Board's duties, the Board is guided by its Board Charter, Code of Conduct, Code of Ethics as well as the terms of reference of the Board Committees as they set out the Board's roles, duties and responsibilities, the principles and practices of corporate governance to be followed and its commitment of fair practices to its stakeholders. Further information on Board Charter, Code of Conduct and Code of Ethics are discussed in item (v) of this Part of the Statement whilst details on the terms of reference of the Board Committees are published in the Company's website at www.kerjayagroup.com.

ii. Separation Roles and Responsibilities of the Chairman and the Chief Executive

The Chairman of the Board is a Non-Independent Non-Executive Director. The roles of the Chairman and Chief Executive are distinct and separate to engender accountability and facilitate clear division of responsibilities to ensure that there is a balance of power and authority in the Company. The Chairman of the Board is responsible for instilling good governance practices, provides leadership at Board Level, chairing meetings of the Company and the Board, represent the Board to shareholders and together with the Board, reviews and approves the strategic objectives and policies of the Group. The Chief Executive is responsible for the implementation of the Company's strategic plan, policies and decision adopted by the Board to achieve the Company's objective of creating long term value for its shareholders.

iii. Roles and Responsibilities of the Company Secretaries

In order to uphold the Board effectiveness, the Board ensures that it is supported by qualified and competent Company Secretaries. Presently, the Board is assisted by two (2) qualified and competent Company Secretaries who are members of Malaysian Institute of Chartered Secretaries and Administrators. The Company Secretaries support the Board in carrying out its fiduciary duties and stewardship role and play an advisory role to the Board, particularly with regards to compliance with regulatory requirements, guidelines, legislations, corporate disclosure and governance related practices.

All Directors have unrestricted access to the advice and services of the Company Secretaries. The appointment and removal of Company Secretaries or Secretaries of the Board Committees shall be the prerogative of the Board as a whole.

Further information of the roles and responsibilities carried out by the Company Secretaries during the Financial Year are set out in Practice 1.5 of the Company's CG Report.

iv. Dissemination of Information to Directors

The Board understand that the supply, timeliness and quality of the information affect the effectiveness of the Board to oversee the conduct of business and to evaluate the Management's performance of the Group. The Board ensures that each Director is provided with timely notices. Notice of meeting and meeting materials (including meeting minutes) are usually circulated to the Directors/Board Committee Members seven (7) days in advance of the meeting date to enable the Directors to review and consider the agenda items to be discussed and where necessary, to obtain further explanations in order to be fully briefed before the meeting.

All Board members have unrestricted access to timely and accurate information in furtherance to their duties and may seek independent professional advice when necessary in discharging its various duties, at the Company's expense. The Independent Directors may also interact directly with, or request further explanation, information or updates on any aspect of the Company's operations or business concerns from the Management, when needed.

The Company Secretaries ensure that all Board and Board Committees' meetings are properly convened. Draft meeting minutes are circulated to the chairman of the meeting for review as soon as the minute is drafted. Meeting minutes record the proceedings of the meeting and resolutions passed by the Board/Board Committees including the names of the Directors abstained from voting or deliberation on a particular matter.

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v. **Establishment and Implementation of Board Charter, Corporate Code of Conduct & Code of Ethics, Whistleblowing Policy & Procedures and Anti-Bribery and Corruption Policy & Guidelines**

The Board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness. The Board has formally adopted a Board Charter and it was last reviewed on 18 April 2022. The Board Charter sets out, amongst others, the roles and responsibilities of the Chairman, the Chief Executive, the Board, each Board Committees and the Management. It also sets out the processes and procedures for convening board meeting, governance matters, risk management, compliance and internal controls, etc. The Board Charter will be reviewed periodically and updated in accordance with the needs of the Company to ensure consistency with the Board's strategic intent as well as relevant standards of corporate governance.

In addition to the above, the Board has also reviewed its Corporate Code of Conduct on 18 April 2022. The said Code of Conduct provides guidance to stakeholders on the ethical behaviour to be expected from the Group and sets out the Board's responsibilities as well as the Management's responsibilities to communicate, measure and monitor its values and performance to achieve objectives and to instil values.

The Board has formally adopted its Code of Ethics which sets out the principles and the expected standard of ethical and behaviour. The Group also practises "No Gift Policy" in dealing with third parties in order to manage conflicts of interest and corruption.

The Group practises an open and honest policy in enabling the employees to report on any suspected and/or known misconduct, wrongdoings, corruption, fraud, waste and/or abuse involving resources of the Company. Hence, the Board has established its Whistleblowing Policy & Procedure aimed to provide and facilitate a mechanism for any individual to report concerns about any suspected and/or known misconduct, wrongdoings, corruption, fraud, waste and/or abuse. Stakeholders who know of, or suspect a violation of this policy may report the incidence and their concerns to Audit Committee Chairman, Mr. Chan Kam Chiew by emailing to whistleblowing@kerjayagroup.com.

The Board has adopted the Anti-Bribery and Corruption Policy & Guidelines across the Group in line with the guidelines provided under Section 17A of the Malaysian Anti-Corruption Commission Act 2009 on 1 June 2020. The Board believes that the policy would be key in ensuring a systematic approach to prevent corruption, and complying with applicable legal and regulatory requirements in the various jurisdictions in which the Group operates. Every director, employee and person acting on the Group's behalf is responsible for maintaining the Group's reputation and for conducting company business honestly and professionally.

The Board Charter, Corporate Code of Conduct, Code of Ethics, Whistleblowing Policy & Procedure and Anti-Bribery and Corruption Policy & Guidelines are published on the Company's website at www.kerjayagroup.com.

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vi. Board Meeting Attendance and Directors' Training

The underlying factors of directors' commitment to the Company are devotion of time and continuous improvement of knowledge and skill sets.

The Board meets at least once every quarter and additional meetings are convened as and when necessary. During the Financial Year, five (5) Board meetings were held. The record of attendance is as follows:

Directors	Number of Meetings Attended by Directors
Datuk Tee Eng Ho	5/5
Tee Eng Seng	5/5
Datin Toh Siew Chuon	5/5
Datuk Mohamed Razeek bin Md Hussain Maricar	5/5
Tee Eng Tiong (appointed on 12 May 2021)	3/3
Chan Kam Chiew (appointed on 12 May 2021)	3/3
Maylee Gan Suat Lee (appointed on 12 May 2021)	3/3
Khoo Siong Kee (resigned on 12 May 2021)	2/2
Lim Kien Lai @ Lim Kean Lai (resigned on 12 May 2021)	2/2

Directors are encouraged to attend seminars and/or conferences organised by relevant regulatory authorities and professional bodies to keep abreast with latest developments in the market place and new statutory and regulatory requirements. The training needs of each Director is assessed and proposed by the respective Directors.

Details of trainings attended by the Directors during the Financial Year are as follows:

Name of Directors	Training Programmes Attended (Unless Otherwise Stated)	Date
Datuk Tee Eng Ho	<ul style="list-style-type: none"> ESG Investing: More Than Just "Doing Good" 2022 Budget 	28 May 2021 14 December 2021
Tee Eng Seng	<ul style="list-style-type: none"> ESG Investing: More Than Just "Doing Good" MIA's Capital Market Conference 2021 2022 Budget 	28 May 2021 17 June 2021 14 December 2021
Datin Toh Siew Chuon	<ul style="list-style-type: none"> ESG Investing: More Than Just "Doing Good" MIA's Capital Market Conference 2021 2022 Budget 	28 May 2021 17 June 2021 14 December 2021
Tee Eng Tiong	<ul style="list-style-type: none"> ESG Investing: More Than Just "Doing Good" Mandatory Accreditation Program (MAP) 	28 May 2021 26 to 28 July 2021

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Name of Directors	Training Programmes Attended (Unless Otherwise Stated)	Date
Chan Kam Chiew	<ul style="list-style-type: none"> • Doubling Down on Corporate Governance Watch 2020 and Malaysian Code on Corporate Governance (2021 Update) • Corporate Liability on Corruption under the MACC Act 2009 • From Business Challenges to Tax Challenges: Conversations with your Tax Advisors • Mandatory Accreditation Program (MAP) • The Updated Malaysian Code on Corporate Government 2021 • BDO Tax Budget Webinar 2021 • KPMG Tax and Business Summit 2021 • AOB Conversation with Audit Committees • Budget 2022: Key Updates and Changes for Corporate Accountants • ISRS 4400 (revised) 	<p>4 June 2021</p> <p>7 July 2021</p> <p>13 July 2021</p> <p>26 to 28 July 2021</p> <p>29 September 2021</p> <p>10 November 2021</p> <p>17 to 18 November 2021</p> <p>29 November 2021</p> <p>2 December 2021</p> <p>21 December 2021</p>
Maylee Gan Suat Lee	<ul style="list-style-type: none"> • ESG Webinar for FTSEGood Bursa Malaysia Index • Company Secretaries Training Programme Essential 1.0 (part C) • Mandatory Accreditation Program (MAP) • Members' Voluntary Winding Up and Company Secretary Practices • Appeals in Civil Court: Practice and Procedure • Pleadings: Mastering the Act • Pre-trial Process: Preparation and Compliance • Injunction: Procedural Application • AOB Conversation with Audit Committees • Fraud Risk Management Training 2021 	<p>6 July 2021</p> <p>15 July 2021</p> <p>26 to 28 July 2021</p> <p>7 August 2021</p> <p>11 August 2021</p> <p>13 August 2021</p> <p>19 August 2021</p> <p>24 August 2021</p> <p>29 November 2021</p> <p>2 December 2021</p>
Datuk Mohamed Razeek bin Md Hussain Maricar	<ul style="list-style-type: none"> • Conflict of Interest 	<p>14 September 2021</p>

Details of the Directors' directorships in other listed companies are set out in their respective profiles of this Annual Report.

vii. Board Composition and Independence

In order to drive the Board's leadership and effectiveness, the Board ensures that it has the right board composition to enhance the Board decision making process. The Board has adopted the Fit and Proper Policy in line with the requirements of MMLR of Bursa Securities and MCCG on 18 April 2022. The purpose of the Fit and Proper Policy is to set out the Company's approach to the assessment of the fitness and propriety of persons who hold, or who are the appointed or elected as Directors on the Board as well as Senior Management of the Group.

Presently, the Board consists of Executive and Non-Executive Directors with a mixture of suitably qualified and experienced professionals. The Board comprises seven (7) members, where 43% of the Board is Independent Non-Executive Directors and has fully complied with the requirement for one third (1/3) of its members to be independent as stated in Paragraph 15.02(1) of the MMLR of Bursa Securities. To comply with Practice 5.2 of the MCCG where it requires at least half of the Board members comprises independent directors, the Board will require to add one (1) more independent director to the present composition but the Board did not set a timeframe to fulfil the said MCCG's recommendation as the Board opined that finding a independent candidate that is right fit for the Company is more important than other factors.

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The Board is satisfied with the current composition of the Board in providing a check and balance as well as its diversity of perspectives and views in Board's decision-making process through the composition of Independent Non-Executive Directors on the Board. Each Directors demonstrating their own skillsets, commitment and functional experiences.

On an annual basis, the Nomination Committee would review the independence of the Independent Directors. Criteria for assessment of independence are based on the requirements and definition of "independent director" as set out in the MMLR. Each Independent Directors is required to confirm their independence by giving the Board a written confirmation of their independence. In addition, consideration would also be given to assess whether the independent directors are able to act independently of management and free from any business or other relationship.

viii. Tenure Limit of Independent Directors

MCCG provides that at least half of the board comprises independent directors. For 'Large Companies' defined in the MCCG, the board comprises a majority independent directors. The MCCG further provides that the tenure of an independent director should 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 provide justification and seek annual shareholders' approval through a two-tier voting process.

The Board has outlined a policy to facilitate the annual independence assessment of the Company's Independent Directors. The Independent Directors Assessment Policy adopted by the Company provides that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years from the date of first appointment. Upon completion of nine (9) years, the Board may subject to the assessment of the Nominating Committee, on an annual basis at annual general meeting, recommend and subject to valid justifications and obtaining shareholders' approval, retain an Independent Director beyond the nine (9) years' term through a two-tier voting process. Should the resolution tabled to the shareholders to retain an Independent Director who has served for nine (9) years or more in the same capacity defeated, the said Independent Director may continue to serve on the Board but shall be redesignated as a Non-Independent Non-Executive Director. Where the tenure of an Independent Directors exceeds a cumulative term of twelve (12) years or more in the same capacity, the said Independent Director if continue to serve on the Board, shall be redesignated to non-independent director. For good governance practice, the Company would incorporate the following provisions in its Constitution and seek its shareholders approval at the forthcoming annual general meeting:-

The independent director, as defined by the MMLR, shall be subject to:-

- (a) Annual re-appointment by the shareholders at annual general meeting by ordinary resolution through a two-tier voting process as recommended by the MCCG if he has served for a cumulative term of beyond nine (9) years; and
- (b) Redesignation to non-independent director should the said director continue to serve on the Board for a cumulative term of beyond twelve (12) years.

The Board is of the view that the independence of the Independent Directors should not be determined solely or arbitrarily by their length of service. Independence should be judged based on the integrity and objectivity of the Independent Director in discharging his responsibilities. The Board also believes that continued contribution will provide stability and benefits to the Board and the Company as a whole, especially their invaluable knowledge of the Group and its operations gained through the years. Nevertheless, none of the Directors of the Company has served for a cumulative term of nine (9) years.

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ix. **Diversity of the Board and Management**

The Board recognises the benefit of gender diversity. The Board through its Nomination Committee will conduct Board appointment process in a manner that promotes gender diversity as formalised in the Gender Diversity Policy and Target (“**Gender Diversity Policy**”) adopted by the Company on 19 April 2021. Based on the Gender Diversity Policy, the Board shall comprise at least one (1) woman director at all times. However, the Board endeavours to have at least 30% women directors on the Board.

The Board support the gender diversity policy and has one (1) female Executive Director and One (1) Independent Non-Executive Director in the Board (i.e. 28.6% women directors). To achieve 30% women directors on Board as recommended in the MCCG, the Board will require to add one (1) more woman director to the present composition but 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. Nevertheless, the Board is mindful of the said recommendation in the MCCG and would continue to assess and explore the opportunities. 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.

The appointment of Board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender. The current diversity in the ethnicity, age distribution and skillsets of the existing Board members are as follows:-

	Race/Ethnicity				Nationality		Gender	
	Malay	Chinese	Indian	Others	Malaysian	Foreign	Male	Female
Executive Director	--	3	--	--	3	--	2	1
Non-Independent and Non-Executive Director	--	1	--	--	1	--	1	--
Independent and Non-Executive Director	1	2	--	--	3	--	2	1

Age Group	40-49 years	50-59 years	60-69 years
Executive Director	1	2	-
Non-Independent and Non-Executive Director	-	1	-
Independent and Non-Executive Director	1	1	1

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Skill	Accounting & Finance Management	Engineering	Business Management	Legal
Executive Director	1	2	3	-
Non-Independent and Non-Executive Director	-	1	1	-
Independent and Non-Executive Director	1	1	3	1

It shall be noted that all Executive Directors are also the top senior management.

x. **Chairmanship of Nomination Committee, Board Appointment and Annual Evaluation**

The Nomination Committee is chaired by an Independent Non-Executive Director and comprises exclusively Independent Non-Executive Directors. The Nomination Committee is empowered to identify and recommend new appointments to the Board. Potential candidates may be proposed by existing Board members, senior management, major shareholders and third-party referral/sources to identify suitably qualified candidates, when necessary. New board candidates proposed to fill vacancy arises from resignation, retirement or any other reasons will be reviewed by Nomination Committee before recommending to the Board for further deliberation. The evaluation process may include, reviewing the candidate's resume, biographic information, qualifications, skills, knowledge, expertise, experience, competency and his/her understanding of the Group's business environment. For appointment of Independent Directors, the Nomination Committee would also assess whether the candidate meets the requirements for independence based on the criteria prescribed in the MMLR of Bursa Securities.

Any Board Member, while holding office, is at liberty to accept other board appointments (outside the Group) so long as the appointment is not in conflict with the business of the Group and that it would not detrimentally affect his or her performance as a Board member of the Company. Pursuant to the Board Charter, any Director, before accepting an offer of appointment of other directorships, shall notify the Chairman of the Board on the acceptance of the proposed appointment.

During the Financial Year, the Nomination Committee had assessed the following nomination of appointment of Directors proposed by the senior management of which all nominations were approved by the Board:-

Date	Nature of Change	Name of Director	Designation & Directorate
12.05.2021	Appointment	Tee Eng Tiong	Chief Executive Officer & Executive Director
12.05.2021	Appointment	Chan Kam Chiew	Independent Non-Executive Director
12.05.2021	Appointment	Maylee Gan Suat Lee	Independent Non-Executive Director

In identifying candidates for nomination of appointment for Independent Directors, the management did not utilise independent sources to identify suitably qualified candidate simply because it is to shorten the appointment process and also the management already have knowledge of the candidates' personal qualities, experience, expertise, reputation, etc through other business encounters.

The Nomination Committee undertakes annual assessment to evaluate the performance of each individual Directors, the effectiveness of the Board and the Board Committees. The Board acknowledges the recommendation of the MCCG to engage independent experts periodically to facilitate objective and candid Board evaluation. Presently, the annual assessment by the Board on its effectiveness is conducted internally by the Management and the Board opined that the present arrangement is suffice and adequate. The Board would engage the services of independent experts when the need arises.

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Currently, the effectiveness of the Board and Board Committees are assessed in the areas of board structure/mix, decision making and boardroom participation and activities, meeting administration and conducts, skill and competencies and role and responsibilities whilst the performance of the individual Directors are assessed in the areas of contribution and interaction with peer, quality of the input of the Director, understanding of role, etc.

During the annual assessment exercise, the Directors are given a performance evaluation sheets for Individual Director Self/Peer Evaluation and Board Evaluation to complete. In addition, Directors who are members of the Board Committees are given additional performance evaluation sheets for the respective Board Committees to complete. Sufficient time is given to the Directors to complete the forms and upon completion, the forms are submitted to the Chairman for tabling to the Nomination Committee for review in due course. For good corporate governance, the Nomination Committee did not review its own effectiveness and the performance of the Nomination Committee members. Instead, such review was carried out by the Board as a whole with the members of the Nomination Committee abstained from deliberation. In view that the Nomination Committee members are also members of the Remuneration Committee and the Audit Committee, the assessment of the effectiveness and performances of the Remuneration Committee and the Audit Committee were also carried out by the Board.

The results of the annual assessment on the Board, the Board Committees and individual Directors for the Financial Year were all satisfactory.

The Directors who are subject to re-election and/or re-appointment at the next Annual General Meeting shall be assessed by the Nomination Committee before recommendation is made to the Board and shareholders for the re-election and/or re-appointment. Appropriate assessment and recommendation by the Nomination Committee would be based on inter-alia the yearly assessment conducted.

xi. **Remuneration Committee and Remuneration of the Board & Senior Management**

The Remuneration Committee is chaired by an Independent Director and comprises exclusively Independent Non-Executive Directors. The Remuneration Committee is tasked to review the remuneration policy for the Directors and Senior Management of the Group.

The remuneration policy of the Company provides that all Executive Directors and Senior Management are remunerated based on the Group and individual's performances, market conditions and their responsibilities whilst the remuneration of the Non-Executive Directors is determined in accordance with their experience, level of responsibilities assumed in the Board Committees, their attendance and/or special skills and expertise they bring to the Board.

The remuneration of the Executive Directors and Senior Management shall be reviewed and determined by the Remuneration Committee, who makes recommendation to the Board for approval. On the recommendation of the Remuneration Committee, the Board reviews and approves the remuneration of the Executive Directors with the respective Executive Director abstained from discussions and decisions on their own remuneration. Under normal circumstances, the respective Director(s) would be excused from the relevant meetings before the deliberation on their remuneration take place.

The Executive Directors shall be entitled to participate in the Company's annual cash bonus. The amount of bonus shall be reviewed and determined by the Remuneration Committee, who makes recommendation to the Board for approval. Salaries (fixed sum or by way of a percentage of profits) and other remuneration including benefits payable to Executive Directors pursuant to a contract of service need not be determined by the Company in general meeting and it may not include a commission on or a percentage of turnover. Executive Directors shall also be entitled to other benefits provided to employee of the Company and other additional benefits, if so, recommended by the Remuneration Committee to the Board for approval.

The remuneration of Non-Executive Directors, which is made up of Directors' fee, meeting allowance if any and other benefits, if any, proposed by the Remuneration Committee is determined by the Board. The said fees and any benefits payable to the Non-Executive Directors shall from time to time be determined by the Company in general meeting. Such fees and any benefits payable to the Non-Executive Directors shall be subject to annual approval at annual general meeting in accordance with the provisions in the Constitution of the Company.

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All Non-Executive Directors (regardless their chairmanship in the Board and/or Board Committee) are currently paid fixed director fees as a member of the Board.

Pursuant to Section 230(1) of the Companies Act 2016, the fees of the directors and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. At the last Annual General Meeting held on 27 May 2021, the Company had obtained shareholders' approval for the payment of Directors' fees of RM196,284 to the Non-Executive Directors for their services as Directors in respect of the financial year ended 31 December 2020. At the said general meeting, the Company had also obtained shareholders' approval to empower the Board to pay directors' benefits of not more than RM50,000 per annum to the Non-Executive Directors as meeting allowance for attendance of Board and Board Committee meetings for the period from 27 May 2021 until the next annual general meeting.

The amount of Directors' fee proposed for the shareholders' approval at the forthcoming AGM is RM200,427. In addition, shareholder's approval will also be sought at the forthcoming AGM for the payment of Directors' benefit (excluding Directors' fees) to the non-executive directors up to an amount of RM50,000 from the forthcoming 38th Annual General Meeting until the following annual general meeting of the Company.

The details of remuneration paid or payable to the Directors for the Financial Year are as follows:

Received from Subsidiaries	EXECUTIVE DIRECTORS			
	Datuk Tee Eng Ho (RM'000)	Datin Toh Siew Chuon (RM'000)	Tee Eng Seng (RM'000)	Tee Eng Tiong (RM'000)
Directors' Fee	-	-	-	-
Meeting Allowances	-	-	-	-
Salaries	677.8	1,202.5	1,202.5	573.4
Bonus	-	100.2	100.2	75.0
Benefits-in-Kind	81.7	-	21.2	1.6
Other Emoluments	-	157.3	157.3	76.0
Total	759.5	1,460.0	1,481.2	726.0

❖ Datuk Tee Eng Ho was redesignated from Executive Chairman to Non-Independent Non-Executive Chairman on 12th May 2021.

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Received from Subsidiaries	NON-INDEPENDENT NON-EXECUTIVE DIRECTORS
	Datuk Tee Eng Ho (RM'000)
Directors' Fee	-
Meeting Allowances	-
Salaries	535.2
Bonus	70.0
Benefits-in-Kind	10.6
Other Emoluments	73.1
Total	688.9

Received from the Company	INDEPENDENT NON-EXECUTIVE DIRECTORS				
	Chan Kam Chiew (RM'000)	Maylee Gan Suat Lee (RM'000)	Datuk Mohamed Razeek bin Md Hussain Maricar (RM'000)	Khoo Siong Kee ^ (RM'000)	Lim Kien Lai @ Lim Kean Lai ^ (RM'000)
Directors' Fee	52.0	38.3	60.0	29.0	21.1
Meeting Allowances	3.5	3.5	8.5	5.0	5.0
Salaries	-	-	-	-	-
Bonus	-	-	-	-	-
Benefits-in-Kind	-	-	-	-	-
Other Emoluments	-	-	-	-	-
Total	55.5	41.8	68.5	34.0	26.1

^ Resigned on 12 May 2021.

It shall be noted that all Executive Directors are also the top senior management. As required under the MCCG to disclose top five (5) Senior Management's remuneration in the band of RM50,000, the table append below shows the remuneration of the Executive Directors (who are also the top senior management) in the following bands:-

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Remuneration Band (RM'000)	EXECUTIVE DIRECTORS/SENIOR MANAGEMENT			
	Datuk Tee Eng Ho	Datin Toh Siew Chuon	Tee Eng Seng	Tee Eng Tiong
RM700 – RM750	-	-	-	√
RM750 – RM800	√	-	-	-
RM1,450 – RM1,500	-	√	√	-

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

i. Chairmanship of the Audit Committee and Independence of the Audit Committee

The Board has established an effective and independent Audit Committee. The members of Audit Committee comprising fully Independent Non-Executive Directors and the Chairman of the Audit Committee is not the Chairman of the Board. The Chairman of the Audit Committee is a member of the Malaysian Institute of Accountants.

The Audit Committee has policy that requires a former partner of the external audit firm to observe a cooling-off period of at least three (3) years before being appointed as a member of the Audit Committee. This applies to all former partners of the audit firm and/or the affiliates firm (including those providing advisory services, tax consultancy, etc). None of the present members of the Audit Committee were former audit partners of the Company's auditors. With the present composition structure and practice, the Audit Committee is able to objectively review and report its findings and recommendations to the Board.

Collectively, the Audit Committee possesses a wide range of necessary skills to discharge its duties and members of the Audit Committee are financially literate and are able to understand matters under the purview of the Audit Committee including the financial reporting process. In order to strengthen the present financial literacy of each member, all members of the Audit Committee will balance their participation in continuous professional development programmes on accounting and auditing standards, practices and rules. Periodically, Companies Secretaries, External Auditors and Internal Auditor update the Audit Committee on changes to the relevant guidelines, laws and regulations and accounting standards to ensure the Audit Committee members are kept abreast with latest developments in the statutory and accounting requirements.

For effectiveness and independence conduct of the Audit Committee's functions, the Audit Committee have separate discussions with the External Auditors and Internal Auditor without the presence of the Executive Directors and employees of the Group as and when necessary to discuss matters that the Audit Committee or the auditors believe should be discussed privately or to have a discussion about any matters of significance that arose during the audit process.

Also, as part of the Audit Committee's review processes, the Audit Committee will obtain assurance from the External Auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

ii. Assessment of External Auditors

Annually, the Audit Committee will review the appointment, performance and remuneration of the External Auditors before recommending them to the Board for approval for seeking shareholders' approval at the forthcoming annual general meeting for re-appointment. In assessing the External Auditors, the Audit Committee will take into consideration the adequacy of resources of the firm, quality of service and clarity of presentation of report produced, appropriateness of audit fees to perform audit, competency of the staffs assigned to the audit as well as the auditors' independence to determine the suitability and objectivity of the External Auditors.

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iii. Establishment of Risk Management and Internal Control Framework

The Board is responsible for the overall risk management in the Group while Executive Directors together with the senior management team are primary responsible for managing risks in the Group. Issues related to risk management and internal control were also discussed and presented to the Audit Committee at its quarterly meetings. The Board opined that foregoing approach is suffice for the time being to oversees the company's risk management framework and policies without the need to establish a separate risk management committee. The Board has also commented in its Statement of Risk Management and Internal Control contained in this Annual Report that they are satisfied with the effectiveness and adequacy the existing level of systems of risk management and internal control. Further details of Group's risk management and internal control framework covering the risk policy, risk appetite, risk assessment and the review process by the Board and Audit Committee and the key internal controls can be found in the said Statement on Risk Management and Internal Control of this Annual Report.

iv. Effectiveness of Internal Audit

The Audit Committee is responsible for reviewing the engagement of the Internal Auditor. In assessing the Internal Auditor, the Audit Committee will take into consideration the adequacy of resources of the firm, quality of service and competency of the staffs assigned to the audit as well as the auditors' independence and fee to determine the suitability and objectivity of the Internal Auditors.

For the Financial Year under review, the Internal Audit Function was outsourced to Tricor Axcelasia Sdn. Bhd, an independent professional service provider whose principal responsibility is to undertake internal audits in accordance with the approved risk-based internal audit plan. The outsourced internal audit function was headed by Ms. Melissa Koay, Executive Director. She is a Certified Member of the Institute of Internal Auditors Malaysia, a member of the Malaysian Institute of Accountants and a Fellow Member of the Association of Chartered Certified Accountants, United Kingdom. Ms. Melissa is also a Certified Internal Auditor. The team members who performed the internal audit assessment include an Executive Director and another two (2) to three (3) members who possess accounting qualification and/or a university degree. The internal audits conducted is guided by the International Professional Practices Framework issued by the Institute of Internal Auditors Inc.

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

i. Communication with Stakeholders

The Company recognises the importance of keeping shareholders and investors informed of the Group's business and corporate developments. Such information is disseminated via the Company's annual reports, various disclosures to Bursa Securities including quarterly financial results and various announcements made from time to time.

The Group maintains a website at www.kerjayagroup.com where shareholders or investors may access information on the Group under "Investor Relations" link encompassing corporate information, latest financial results, annual reports, announcements to Bursa Securities, Board Charter, Terms of Reference of Board Committees, Corporate Code of Conduct and Code of Ethics, Whistleblowing Policy & Procedure and Anti-Bribery and Corruption Policy & Guidelines.

The following personnel has been identified as the investor contact person of the Group:

Contact Person: Mr Tee Eng Tiong (Chief Executive Officer & Executive Director)
Tel : 603-6277 2480
Email : ir@kerjayagroup.com.my

Periodically, the Group had also conducted analyst and media briefings during the year to provide detailed explanation and presentation about the business performance of the Group and its prospect.

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Shareholders and investors are also encouraged to interact and feedback to the Chairman or any Executive Directors for opinions or concerns. The Board had also identified Mr. Chan Kam Chiew to act as the Independent Director to provide shareholders and investors with an alternative to convey their concerns and seek independent view.

Separately, the Company has also reported its Sustainability Statement in this Annual Report covering the aspects of governance, environment and social responsibility for stakeholders' reference.

ii. Conduct of General Meetings

The Company's general meeting remains the principal forum for dialogue with shareholders, in particular, private investors, whereby they are provided with an opportunity to participate, raise questions pertaining to issues in the Annual Report, Audited Financial Statements and corporate developments/proposals of the Group, the resolutions being proposed and/or on the business of the Group and communicate their expectations and possible concerns.

The Board had adopted the recommendation of MCCG for the notice of general meetings to be given to shareholders at least 28 days prior to the meetings. All Board members will ensure their attendance in the general meetings and the respective chairman of the Board Committees, Senior Management and the Group's external auditors as well as the Company's advisers shall attend to respond to shareholders' questions during the general meetings of the Company as the case may be.

Explanation for each proposed resolution is set out in the notice of general meetings to assist shareholders in making their decisions and exercising their voting rights. In line with Paragraph 8.29A (1) of the MMLR, all resolutions set out in the notice of general meetings will be put to vote by poll. The Company will also appoint an independent scrutineer to validate the vote cast in the general meetings. The outcome of the general meetings will then be announced to Bursa Securities on the same meeting day while the summary of key matters of the annual general meeting, if any, discussed during the said general meetings will be posted on the Company website. Minutes of general meetings will be published on the Company's website no later than 30 business days after the general meeting to comply with the recommended Practice 13.6 of the MCCG.

The Company hold its general meetings at the time and venue which are convenient and easily accessible to all shareholders. The Company will also leverage technology for smooth conduct and/or broadcast of virtual general meetings (fully virtual or hybrid) to facilitate greater shareholders' participation and engagement with the Board as well as to enhance the proceedings of general meetings, including voting in absentia (i.e. without being physically present at general meetings) and remote shareholders' participation where shareholders are provided with sufficient opportunity to pose questions during the general meetings and receive meaningful responses.

General meetings of the Company remain important avenues for the Board and Management to have better engagement with the shareholders present.

Only shareholders whose names appear in the Record of Depositors as at the date determined are entitled to attend and vote at the General Meetings. Shareholders are encouraged to attend general meetings of the Company. Shareholders who are unable to attend the general meetings are advised that they can appoint proxy(ies) to attend and vote on their behalf.

This Statement is made in accordance with the resolution of the Board dated 18 April 2022.