

KERJAYA PROSPEK GROUP BERHAD
Registration No. 198401010054 (122592-U)
(Incorporated in Malaysia)

**KEY MATTERS DISCUSSED AT THE
THIRTY-SIXTH ANNUAL GENERAL MEETING HELD ON 3 AUGUST 2020**

KEY MATTERS DISCUSSED

Q1 - Page 119 of the Annual Report – Trade Receivables

Amount past due has increased compared to last year. Are any of the amount past due arises from the impact of Covid-19 pandemic? How much is the amount due from related parties and are there any big amount due from a specific contractor/specific project?

A1 - So far, we do not encounter any major issues with collection and our current cash flow position remained strong. There is no significant amount due from one single contractor or related to a particular project. Amount due from related parties is only about 4.6% of the total trade receivables.

Q2 - Page 81 – Cash Flows from Operating Activities – Allowance for diminution of investment of RM7.222 million

What was the investment on?

A2 - The investment is on quoted shares. The said allowance arises from fair value adjustment on the quoted shares which had a lower market value as at the balance sheet date as compared to previous financial year end.

Q3 - Why is the AGM of the Company is not conducted on a full virtual basis?

A3 - Today's AGM venue is able to cater for 100 attendees where social distancing measures are practiced. Therefore, conducting a fully virtual AGM is not necessary considering the turnout rate in the past AGMs. Also, in our case, the cost of conducting a physical AGM is very much lower compared to a fully virtual meeting, which could cost an additional RM30,000 or more.

Q4 - How do you find synergies in buying Eastern & Oriental Berhad's shares?

A4 - The Chairman clarified that he (together with his brother) bought Eastern & Oriental Berhad's shares on their personal capacity and it has nothing to do with Kerjaya Prospek Group Berhad.

Q5 - Based on the current market outlook for property and construction sectors, we saw a very obvious down cycle mode. Based on your experience, how long would the property and construction market be able to pick up and how do you manage these challenges?

A5 - The soft market is expected to continue for another year or two. Having said that, Datuk Tee informed that generally, sales of properties have slowly picking up and occupancy at hotels has improved substantially with weekends almost fully booked. Nevertheless, in view of the high degree of uncertainty, particularly with respect to developments surrounding the Covid-19 pandemic, the Company would position itself through practicing prudent strategies and continue to hold discussions with developers to venture into new opportunities to enhance the stakeholders' value.

Q6 - Do you foresee that construction activities would gain back its momentum in 5 years' time?

A6 - Construction activities might gradually gain back its momentum in 2 years, but it is foreseen that there would be lesser competition from the foreign contractors for the building contracts.

Q7 - Our activities include property development. Would developer view you as their competitor and still be awarding you with their contracts?

A7 - Kerjaya's strength is doing high rise building and recognised by many well-known and emerging premium property developers as their preferred premium builder. So, the issues of rivalry do not pose any major concern to Kerjaya.

Q8 - Would the Company be financially impacted by the delay in progress of construction work caused by the Mandatory Control Order?

A8 - No, as the Company would fall back on the force majeure clause to ask for extension of time to complete the contract, if that is needed.

Q9 - Would the Company considering expand its business to Singapore?

A9 - No, not at the moment as there are still plenty of opportunities in Malaysia.