

KERJAYA PROSPEK GROUP BERHAD

Company Registration No.: 122592-U

ACCEPTANCE OF LETTER OF AWARD AMOUNTING TO RM138.6 MILLION FROM TANJUNG PINANG DEVELOPMENT SDN BHD IN RESPECT OF CONTRACT WORKS FOR EXECUTION AND COMPLETION OF MARINE BRIDGE, EMBANKMENT AT GRADE AND ALL OTHER ASSOCIATED CIVIL ENGINEERING WORKS FOR THE PROPOSED SERI TANJUNG PINANG (PHASE 2) DEVELOPMENT (“STP 2”), PULAU PINANG.

1. INTRODUCTION

The Board of Directors of Kerjaya Prospek Group Berhad (“Company”) wishes to announce that, its wholly-owned subsidiary, Kerjaya Prospek (M) Sdn Bhd (“KPMSB”) has on 5 June 2018 accepted a letter of award for execution and completion of marine bridge, embankment at grade and all other associated civil engineering works for the proposed Seri Tanjung Pinang (Phase 2) Development (“STP 2”) (“LA”) from Tanjung Pinang Development Sdn Bhd (“TPDSB”), a related party project (“Contract”).

The contract sum for the Contract is Ringgit Malaysia One Hundred Thirty Eight Million and Six Hundred Forty Eight Thousand Only (RM138,648,000.00) (“Contract Sum”).

The Contract is expected to commence on 11 June 2018 and due to be completed on 10 September 2020.

2. DESCRIPTION OF THE CONTRACT

The Contract covers the execution and completion of marine bridge crossing the sea linking Jalan Seri Tanjung Pinang to STP 2 island, embankment at Grade and all other associated civil engineering works for the proposed STP 2, Pulau Pinang.

3. INFORMATION ON TPDSB

TPDSB is a subsidiary of Eastern & Oriental Berhad (“E&O”) and holds the concession rights to both phases of the Sri Tanjung Pinang (“STP”) reclamation project. STP is a masterplanned seafront development on the northeast coast of Pulau Pinang, Malaysia. It is a 2-phase reclamation project by TPDSB.

4. RATIONALE FOR THE TRANSACTION

The acceptance of the Contract is in the ordinary course of business of KPMSB and is undertaken on an arm’s length basis, based on normal commercial terms which are not more favourable than those generally available to the public.

5. FINANCIAL EFFECTS

The Contract further enlarges the Group’s order book and is expected to provide a steady stream of revenue for the Group over the next two (2) years.

It will further increase and enhance the existing order book of the Group.

The Contract will have no effect on the issued share capital of the Company but it is expected to contribute positively to the earnings and net assets per share of the Group for the financial years ending 2018 to 2020.

6. INTEREST OF DIRECTORS, SUBSTANTIAL SHAREHOLDERS AND CONNECTED PERSON

The Contract is regarded as Recurrent Related Party Transactions of a Revenue or Trading Nature ("RRPT") pursuant to Bursa Malaysia Securities Berhad Main Market Listing Requirements of which mandate to enter into such RRPT had been obtained from its shareholders at the recent Annual General Meeting of the Company held on 28 May 2018.

Datuk Tee Eng Ho and Mr. Tee Eng Seng are major shareholders of E&O. Datuk Tee Eng Ho is also a non-independent non-executive director of E&O. Datuk Tee Eng Ho is the spouse of Datin Toh Siew Chuon.

Saved for Datuk Tee Eng Ho, Mr. Tee Eng Seng and Datin Toh Siew Chuon, none of the directors and/or major shareholders of the Company or persons connected to them have any interest, direct or indirect, in the Contract.

This announcement is dated 5 June 2018