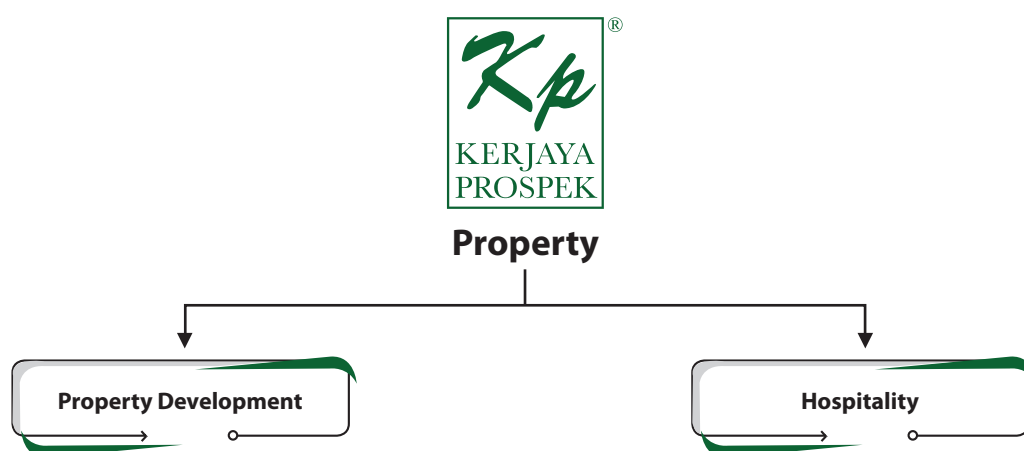


SUSTAINABILITY REPORT

This Sustainability Report (“**Report**”) elaborates Kerjaya Prospek Property Berhad (“**KPPROP**” or “**the Company**”) concepts, practices and achievements of its sustainable development and social responsibility during the financial year ended (“**FYE**”) 31 March 2022 from economic, environmental and social (“**EES**”) as well as governance aspects.

SCOPE OF THE REPORT

The Report covers KPPROP and its subsidiaries (“**the Group**”). Information disclosed in this Statement encompasses our business and non-business related activities.



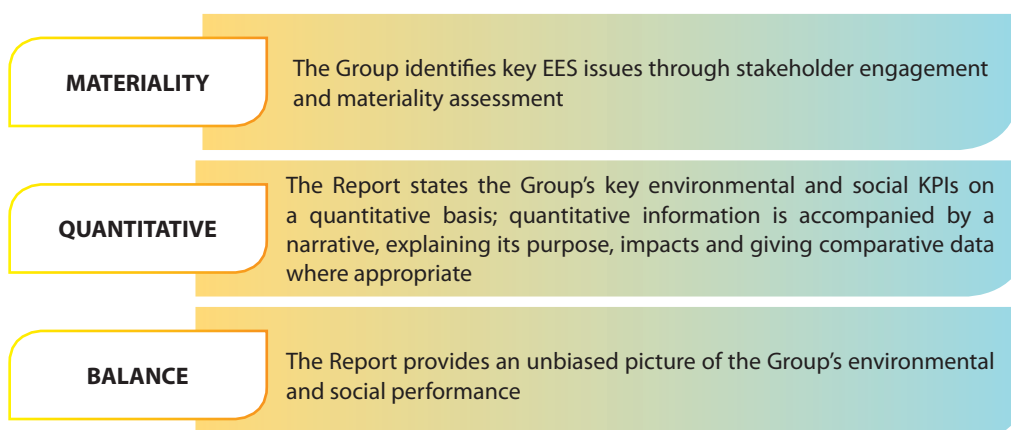
The Report covers the period from 1 April 2021 to 31 March 2022. All information in the Report is disclosed from the Group level.

REPORTING PRINCIPLES

The Report is prepared in accordance with the requirements of the:

- Bursa Malaysia Securities Berhad (“**Bursa Malaysia**”) Sustainability Reporting Guide (2nd Edition);
- Listing Requirements of Bursa Malaysia [Paragraph 29 of Appendix 9C of the Main Market Listing Requirements (supplemented by Practice Note 9)]; and
- Sustainability Reporting Standards (“**GRI Standards**”) core option published by Global Reporting Initiative.

The Report follows the reporting principles of:



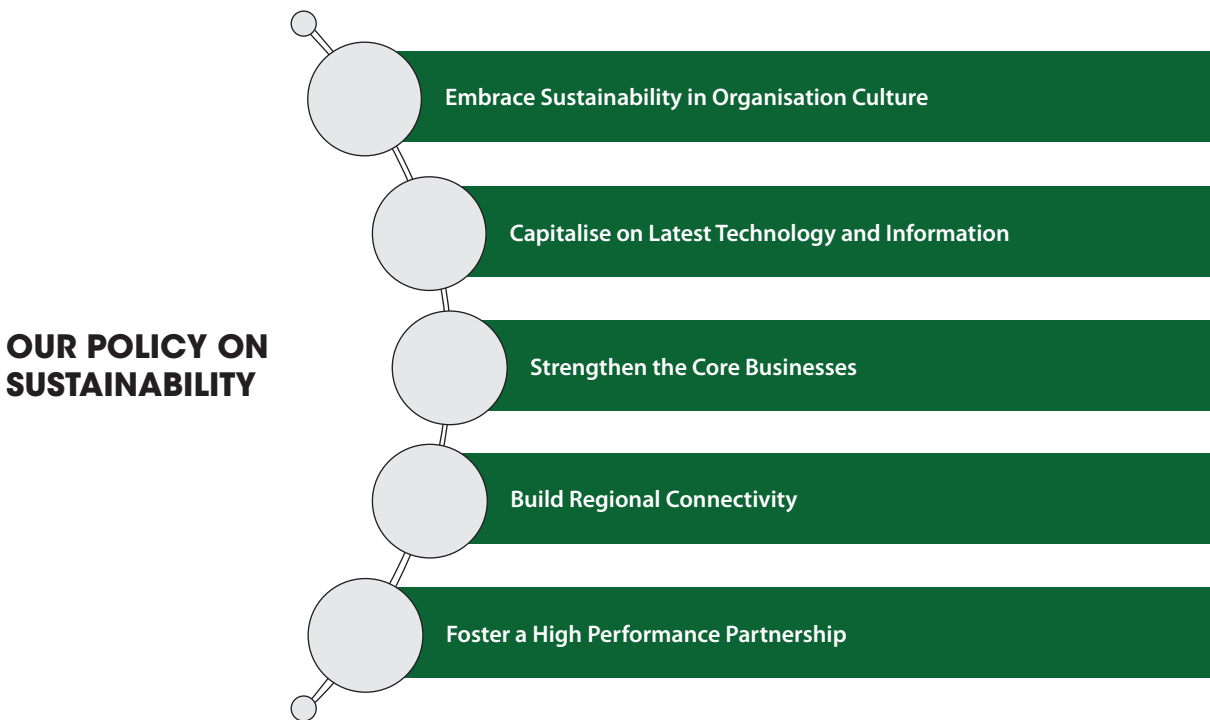
SUSTAINABILITY REPORT (CONT'D)

COMMITMENT TO SUSTAINABILITY DEVELOPMENT

As one of the leading property development companies, sustainability is a commitment we keep close to our hearts. Instead of looking into sustainability agenda and efforts as something that is aspirational, we also take concrete action that is measurable and result-driven. We are mindful of our responsibility to our industry, our environment, our people and community. We constantly and progressively monitor the environmental impact of our operations, nurture our people's potential and build strong ties with our local communities.

In line with Bursa Malaysia's Sustainability Reporting Guide (2nd Edition), the Group's sustainability practices are to ensure that EES's risks and opportunities are tied in with our governance framework and social responsibilities. This enables our corporate success and behaviour to be judged and measured by the public.

In this respect, our mission, as a responsible corporate citizen, is to ensure high standards of governance across our business to promote responsible business practices, manage environmental impacts, and meet the social needs of the community in which we operate, which is in line with our corporate culture.



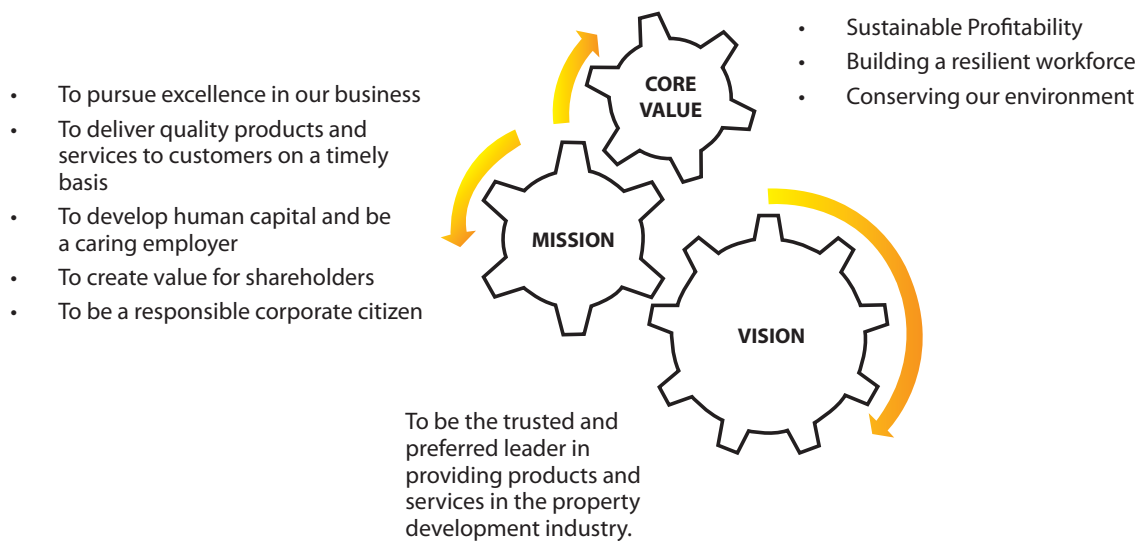
The Group continued success in maintaining a sustainable business and generating long-term shareholders' value is influenced by several internal and external factors. Each material factor presents unique risks and opportunities to our organisation and is a key consideration in our approach to strategies formulation and execution as it substantially influences the assessments and decisions of our stakeholders. The Board regularly reviews these factors to assess their impacts on our business model over the near, medium and long term.

SUSTAINABILITY REPORT (CONT'D)

GOVERNANCE FRAMEWORK

Vision, Mission and Core Value

Our vision and mission are the cornerstones of our commitment to the sustainability of the Group. Our core values are the guiding principles that we uphold in day-to-day operations and conduct ourselves to support our vision and shape our culture.



Governance Structure

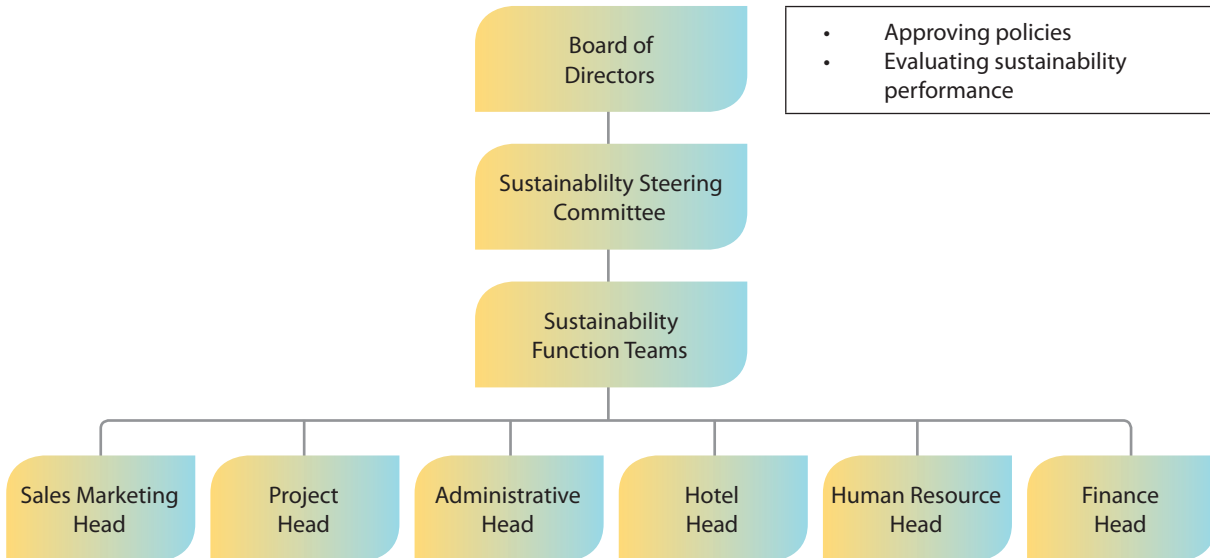
Sustainability is embedded in our organisational approach and is led from the top. The Board of Directors (“**Board**”) plays a vital guidance and oversight role in advancing sustainability across the organisation. The Board should have an overall fluency in sustainability so that they can connect sustainability issues to the strategic decision making for the business. The Board must have a basic understanding of sustainability to ask the right questions and ultimately tie sustainability back to the business and strategic decision making.

Hence, the Group has formed a Sustainability Steering Committee (“**the Committee**”) which is directly accountable to the Board. Our Committee is currently chaired by Executive Chairman with Executive Directors as committee members. The heads from different departments form a Sustainability Function Team that reporting to the Committee. The Committee meets the Board annually to deliberate on the focus areas of our strategic sustainability developments, its direction and goals. The driving principle behind is to develop specific policy recommendations, enhance efficiency, minimise costs and engage staff in sustainability.

SUSTAINABILITY REPORT (CONT'D)

GOVERNANCE FRAMEWORK (CONT'D)

Governance Structure (cont'd)



The responsibility of the Committee to promote and embed sustainability in the Group includes overseeing the following:

- Stakeholders' engagement
- Formulating sustainability strategy, policies and goals
- Monitoring and supervising sustainability performance
- Maintaining sustainability performance across the group
- Creating and raising awareness among stakeholders
- Reviewing Sustainability Report

The Committee also cascades sustainability matters to their respective teams in the form of policies, internal memos and updates to the Group's Standard Operating Procedures ("**SOPs**") to continue embedding sustainability in every aspect of the Group's daily operation.

The Board also acknowledges that risk management and internal control are integral to our corporate governance and it is responsible for establishing a sound risk management framework and internal control system as well as to ensure their adequacy and effectiveness. The review of the adequacy and effectiveness of the risk management framework and the system of internal control is delegated by the Board to the Audit and Risk Management Committee.

The Group's performance is also tracked with the assistance of the Nomination and Remuneration Committee. Performance evaluation of the Board and Senior Management include a review of the performance of the Group in addressing the Group's material sustainability risks and opportunities.

SUSTAINABILITY REPORT (CONT'D)

GOVERNANCE FRAMEWORK (CONT'D)

Ethical Business Practices and Anti-Bribery and Corruption Policy & Guidelines

The Board recognises the importance of ethical business conduct across the operations to maintain our stakeholders' trust. Our businesses are conducted with integrity through good governance as mentioned by the Corporate Code of Conduct and Code of Ethic.

Good governance is the bedrock of our business, led by ethical business practices and integrity. We have embedded the highest standards of governance in our business not only by complying with the law but through processes and directives that continue to reinforce the principles.

The Group has established and adopted Anti-Bribery and Corruption Policy & Guidelines ("**ABC Policy**") as we are committed to a zero-tolerance approach in our efforts to prevent corrupt and bribery practices. We are committed to conduct our business ethically, as well as in conformity with all applicable laws. This ABC Policy is applicable to the Board, our employees as well as any third parties associated with us.

The Group inducts all new employees on the Company's ABC Policy as well as Corporate Code of Conduct and Code of Ethic, during the dedicated in-house orientation programme. Any updates are done through the internal network and all employees sign off on the Company's policies on confidentiality and conflict of interest, integrity and prevention of staff fraud once they have attended the Group's internal briefings.

STAKEHOLDERS' ENGAGEMENT AND COMMUNICATION

We continued to engage our stakeholders actively throughout the fiscal year as part of our sustainability assessment process. Engagement with stakeholders allows us to gain a more complete understanding of our materiality issues and matters whilst, we are also able to capture the key aspects and impacts of our sustainability journey.

The table below lists our key stakeholder groups and their respective areas of interest as well as methods by which the Board engages them.

STAKEHOLDERS	ENGAGEMENT METHODS	ENGAGEMENT AREAS
Shareholders	<ul style="list-style-type: none"> Annual & Extraordinary General Meetings Press releases Bursa announcements Quarterly report Annual report Timely update on corporate website 	<ul style="list-style-type: none"> Financial and operational performance Return on investments
Government	<ul style="list-style-type: none"> Compliances to laws and regulations 	<ul style="list-style-type: none"> Operation regulations Bursa listing requirements Companies Act Labour law Taxations Department of Environment Occupational Safety and Health Act

SUSTAINABILITY REPORT (CONT'D)

STAKEHOLDERS' ENGAGEMENT AND COMMUNICATION (CONT'D)

The table below lists our key stakeholder groups and their respective areas of interest as well as methods by which the Board engages them. (cont'd)

STAKEHOLDERS	ENGAGEMENT METHODS	ENGAGEMENT AREAS
Board of directors	<ul style="list-style-type: none"> Board meetings 	<ul style="list-style-type: none"> Corporate strategy Corporate governance
Employees	<ul style="list-style-type: none"> Technical and skills trainings Performance review Departmental meetings In-house newsletters / communications 	<ul style="list-style-type: none"> Occupational safety & health Remuneration policy Career development Performance review Fair employment practices
Financial Institutions	<ul style="list-style-type: none"> Bursa announcements Quarterly report Annual report Timely update on corporate website 	<ul style="list-style-type: none"> Financial and operational performance Funding requirement
Customers	<ul style="list-style-type: none"> Customer Relationship Management Facilities management review Marketing events, social media, roadshows and sales galleries 	<ul style="list-style-type: none"> Customer satisfactions After-sales services Quality assurance
Suppliers & Contractors	<ul style="list-style-type: none"> New Supplier Form Regular meetings Quality audit on services and products Contract negotiation 	<ul style="list-style-type: none"> Services and products' quality Legal compliances
Communities	<ul style="list-style-type: none"> Charity and welfare programs 	<ul style="list-style-type: none"> Social contribution Job opportunities Donation and financial aid
Analyst / Media	<ul style="list-style-type: none"> Annual & Extraordinary General Meetings Investor briefings Media release 	<ul style="list-style-type: none"> Financial and operational performance General announcements



28th Annual General Meeting held on virtual basis.

SUSTAINABILITY REPORT (CONT'D)

SUSTAINABILITY RISKS AND RESPONSES

The Board understands the importance of addressing sustainability risks and opportunities in an integrated and strategic manner to support the Group's long-term strategy and success. The Board proactively considers sustainability issues when overseeing the planning, performance and long-term strategy of the Company to ensure the Company remains resilient so as to deliver durable and sustainable value as well as maintain the confidence of its stakeholders.

RISK	RISK ANALYSIS	RISK RESPONSES
Market demand	<p><u>Property development</u> Purchasers may face difficulties in securing financing, especially in the current economic environment due to pandemic outbreak.</p> <p>The outlook of the property market poses the risk of slow-moving inventories.</p> <p><u>Hotel</u> The pandemic has caused a toll on hotel demand and operation.</p>	<p><u>Property development</u> The Group strives to actively engage several sales agencies to increase the sales take-up rate and also liaise with banks to assist purchasers.</p> <p>Keeping up to date with marketing strategy and strategic plan is established to address the market conditions such as embark on digitalization journey to enhance customers experience via online sales booking.</p> <p><u>Hotel</u> The Group is actively leveraging the online platforms such as Agoda, Booking.com etc. to increase booking rates.</p> <p>Hotel rates are adjusted based on monitoring of market rate.</p>
Public health emergencies	<p>Public health emergencies, such as Coronavirus Disease 2019 (“COVID-19”) outbreak in early 2020, have severe impact on public health. The economy uncertainty brought by COVID-19 continues to cloud the growth of Malaysia's economy. How to respond to public health emergencies reflects how capable an enterprise is to manage and operate in such situations. If an enterprise lacks management capabilities and there are no complete safety management structure and emergency procedures and measures, it cannot stabilise the operation in face of emergencies.</p>	<p>In FYE 2022, the Group continued to implement strict safety measures and SOPs to ensure that everyone could return to work safely. We encouraged staff to be vaccinated and as of 31 March 2022, 100 % of our employees are fully vaccinated and we are in the process of ensuring all our employees complete their booster doses. We also have been providing self-test kits to our employees once a week as we continue to be vigilant and encourage adherence to SOPs, while providing a safe workplace for our employees.</p>

SUSTAINABILITY REPORT (CONT'D)

SUSTAINABILITY RISKS AND RESPONSES (CONT'D)

RISK	RISK ANALYSIS	RISK RESPONSES
Compliance to rules and regulations	Risk of stop work order issued by relevant authority due to health, safety and environmental issues which might potentially result in untimely project completion and handover.	Constantly monitoring the change in rules and regulations by relevant departments. The Group encourages staff to report on any non-compliance issues to the relevant departments.
Non-performing contractors	Risk related to the poor quality of deliverables, project delays, health and safety practices	Robust contractor selection and evaluation process whereby contractors are assessed in terms of quality, timeliness of the delivery, financial capability and etc. The Group continues to monitor closely contractor's performance in terms of timeliness, quality, health and safety practice at site.

RESPONSES TO SUSTAINABLE DEVELOPMENT GOALS ("SDG(s)")

In September 2015, all one hundred and ninety-three (193) United Nation member states adopted "Agenda 2030" - a plan to solve the world's most pressing EES problems over the next fifteen (15) years. It consists of seventeen (17) goals and one hundred and sixty-nine (169) targets that cover a broad set of challenges such as economic inclusion, geopolitical instability, depleting natural resources, environmental degradation and climate change. Malaysia is committed to "Agenda 2030" through its SDG Roadmap.

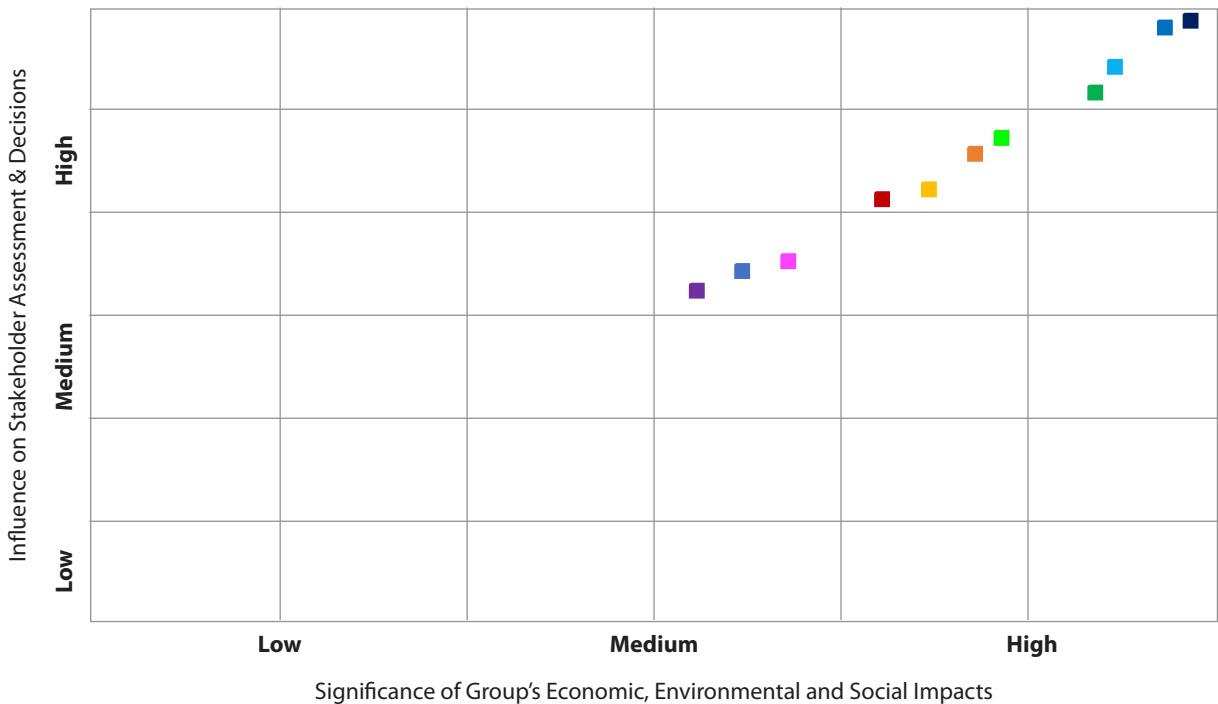
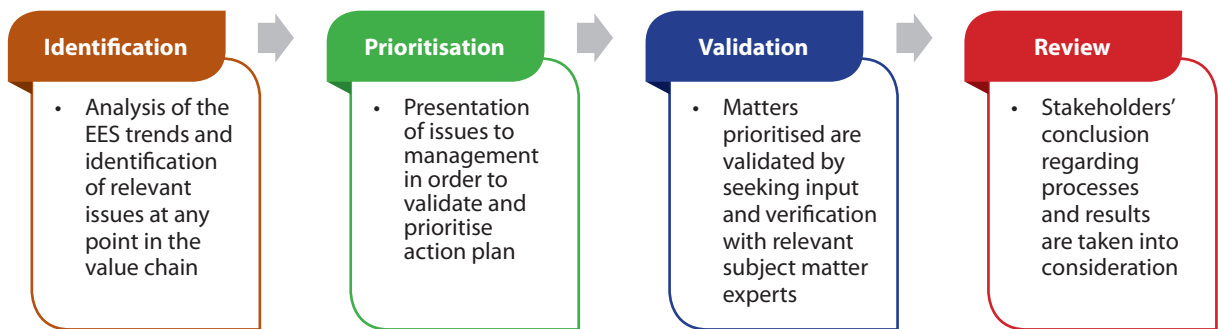
We support the SDGs, recognise their strategic importance to our business and to the world, hence we are committed in helping to achieve them. The Group has well-established programs to ensure we operate sustainably and responsibly, following our long-standing commitment to ethical corporate citizenship and promoting sustainability in all our activities. All the SDGs are relevant to our operations to varying degrees and we are already contributing to many of these goals.



SUSTAINABILITY REPORT (CONT'D)

MATERIALITY ASSESSMENT

The Board conducted a materiality assessment, collecting views from our stakeholders on key material sustainability matters that may have a significant economic, environmental and social impact on our business or substantively influence the assessment and decisions of our stakeholders.



- Financial Sustainability
- Energy & Water Savings
- Customers & Products
- Waste & Recycling
- Supply Chain Management
- Ethics & Integrity
- Safe Workplace
- Environmental Management
- Talent Attraction, Retention & Development
- Community Engagement
- Corporate Governance Compliance

SUSTAINABILITY REPORT (CONT'D)

MATERIALITY ASSESSMENT (CONT'D)

Rank	Material Sustainability Matters	ESS Pillar	SDGs
1	Financial Sustainability	Economic	
2	Customers & Products	Economic	 
3	Supply Chain Management	Economic	
4	Safe Workplace	Social	 
5	Talent Attraction, Retention & Development	Social	   
6	Corporate Governance Compliance	Social	
7	Energy & Water Savings	Environmental	  
8	Waste & Recycling	Environmental	 
9	Ethics & Integrity	Social	
10	Environmental Management	Environmental	 
11	Community Engagement	Social	 

ECONOMIC

Financial Sustainability

Our shareholders are the ultimate owners of the Company and as such, the Group’s healthy and sustainable financial performance and position is one of the material sustainability matters to our Group. We define this economic performance as our ability to continuously grow our business over the time. The Group believes that focusing on financial sustainability is critical. The Group’s basic principle is that long-term profitability and shareholders’ value are ensured by taking into account the interests of stakeholders, such as shareholders, employees, suppliers and communities as a whole.

To promote transparency, our shareholders are entitled to timely and quality information on the Group’s financial performance and position. Apart from the Annual General Meeting where shareholders are encouraged to ask questions to the Board and Executive Management on business operations, and the financial performance and position of the Group, the Group’s corporate website at www.kpproperty.com.my also provides a link on investor relations where quarterly and annual financial statements, announcements, financial information, annual reports, circulars/statements to shareholders and other pertinent information are uploaded on a timely basis when available.

SUSTAINABILITY REPORT (CONT'D)

ECONOMIC (CONT'D)

Financial Sustainability (cont'd)

Our commitment to shareholders goes much further. The onset of COVID-19 pandemic has drastically altered the practise of Investors Relations ("IR"). The pandemic has resulted in a significant increase in the use of technology amongst IR officers who sought new ways to stay connected and engaged with investors and key stakeholders. We are honoured to be awarded "**Best Investor Relations Website (Micro Cap)**" by Malaysia Investor Relations Association (MIRA) on our efforts to embrace technology as new way to stay connected and engaged with investors and key shareholders.



Customers & Products

The Group is committed to see that not only our shareholders' interests are taken care of but also those of our customers and suppliers. For our customers, we will supply and provide quality products and services which meet their satisfaction and expectations through continual improvements in technology and processes as the case may be.

CUSTOMERS' SATISFACTION
Internationally recognised best practices and international quality and safety accreditation
Experienced workforce that equipped with professional knowledge and comprehensive training
Prompt delivery and reliable customer service
Efficient after-sales service, create an integrated and resilient workforce

When customers choose KPPROP, they have cast their vote of confidence in the quality of our products and services. To reciprocate this trust, we serve wholeheartedly to satisfy their needs and expectations by offering high-quality products. In order to ensure that our products are of consistent standard and quality, we strike to ensure that our appointed contractor are accredited by ISO 9001:2015 - Quality Management Systems to ensure compliance with quality and safety requirements. This accreditation enhanced our credibility and upheld our standard in the property development industry. Furthermore, our Group is in compliance with all relevant laws and regulations governing safety and quality.

Prior to the property being handed over to our customers, internally we will assess aspects of functionality and finish quality such as tiling, internal paint, electrical functionality, plumbing functionality, etc. Immediate corrective and preventative measures will be taken whenever a defect is discovered.

To generate sustainable and long-term economic value for our shareholders, we aim to continue to enhance our marketing competitiveness by keeping abreast of the latest market demand. As a trusted nation property developer, KPPROP adheres to the "customer-oriented" business concept and continue to pursue innovation to keep up with the needs of our customers. We strike to integrate the concept of sustainability in our masterplans such as developments with beautiful greenery and landscaping whereby ecosystems are designed and maintained in perfect harmony with our surrounding, layout and building designs that minimise sun exposure while still allowing ample natural light so as to keep the buildings cooler with less reliance on electricity for air-conditioning, cross-ventilation systems to provide a constant flow of air moving through the house to regulate temperatures and supplying fresh air directly to our residents.

By developing buildings that are "green", it provides a catalyst and opportunity to save energy, water and reduce carbon emissions. Our Bloomsvale project has achieved a Platinum rating under Green RE's provisional certification for the residential component while its commercial building component is expected to obtain a Gold rating.

SUSTAINABILITY REPORT (CONT'D)

ECONOMIC (CONT'D)

Customers & Products (cont'd)

HSBC Malaysia, together with KPPROP, have both successfully completed first green loan to facilitate the funding of Bloomsvale. This green funding is also a key to support KPPROP's transition towards its net zero journey. This green loan marks a significant milestone for us in our sustainability journey. It is a testament to our commitment to include more sustainable developments to our portfolio and to be more responsible in our development and construction practices. The first green loan with HSBC Malaysia is aligned with the Green Loan Principles (GLP), an international standard recognised in the global syndicated loan markets.



First green loan with HSBC Malaysia that is aligned with GLP to facilitate the funding of Bloomsvale.

At KPPROP, our efforts to go digital includes the development of virtual sales galleries to our customers, integrating sales as well as customer engagement with technology. We have introduced several virtual sales galleries that allows the purchaser to tour and shop for their preferred property, view site plans and specifications etc. Our branding and marketing activities are carried out across a wide range of online and social media platforms, giving us better reach and improved engagement with all generations of consumers.

We understand that customers are our most important innovation partners. As we are constantly challenged to stay ahead of the competition, customer feedback and rating is a valuable and immense resource of ideas that can ensure our service and product development and innovation alignment with their current and future needs. Hence, we collect feedback from our customers via various channels i.e. social media, website, hotline, frontline staff so that we hear their expectation and thus advance the future improvements.

KPPROP maintains strong trust and working relationships with its customers in a highly competitive market space. The Group's charter to value the customers' wellbeing, safety and satisfaction are at the core of our commitment to products responsibility throughout the services and products' lifecycle.

Amidst the pandemic, cybersecurity risk is intensifying, particularly with the widespread remote working and increased online interactions. In this environment, remaining cyber-resilient and building stakeholder trust in the company's data security and privacy practices are strategic imperatives. The Group views cyberattack risks as something to be reduced, if not eliminated.

The Group's Information Technology ("IT") equipment shall be uniformly installed with a designated anti-virus software. In the year under review, similar to last year, there have been no incidence or breach from malware, ransomware, hacking or other cyberattacks on its database. The Group's IT officer has conducted its routine IT audits and has given the Group's assets a clean bill of health, including exposure from unauthorised software usage.

Privacy of personal data is safeguarded by strictly complying with the Personal Data Protection Act 2010 (PDPA). We commit to using the customer information we collect only for the purpose intended and notified.

SUSTAINABILITY REPORT (CONT'D)

ECONOMIC (CONT'D)

Supply Chain Management

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 and suppliers on the materials that are utilised for our building construction as well as for hotel usage. We strongly encouraged our contractors and suppliers 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.

To our suppliers, we are committed to enhance our processes and engage with our suppliers to identify and manage risks, increase productivity and efficiency within the supply chain, underpinned by values of integrity and transparency. We look to create value, by looking for opportunities to collaborate and to share best practices with our suppliers.

At the start of a new project, identification of suitable suppliers related to the quality of service and product output are among the key determinants during the tender or bid call. The selection of new suppliers through fit-assessment and is logged in its New Supplier Form in line with the Group's operational, environmental and social goals.

We value the long-term cooperation with our suppliers, which has resulted in better efficiency, reliability of delivering of product. Periodic assessments are conducted to ensure that the quality of products and services are on par with our requirements and standards. Existing suppliers and contractors undergo an annual audit where operational issues are addressed. Those with unsatisfactory performance have either been terminated or reprovved, while those with satisfactory performance and improvements have had their contracts renewed to secure services and products for the Group.

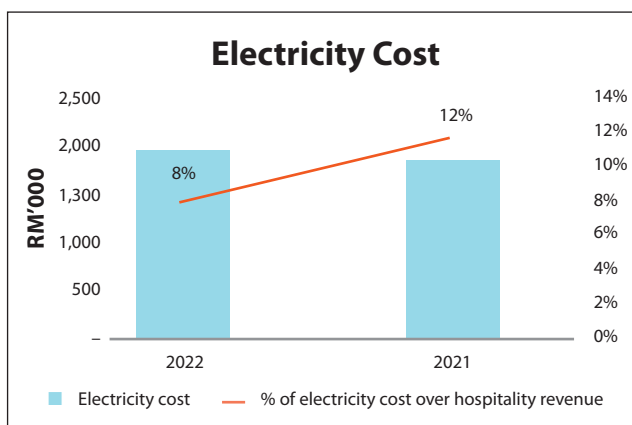
KPPROP is committed to address the environmental and social impacts of our business within our operations and across our supply chain. We trust that operating a sustainable business will enable us to serve our customers for generations to come. Hence, we aspire to use our influence to engage our stakeholders to promote sustainable supply chain and thus strengthen the resilience of our business.

We encourage our suppliers to adopt responsible and sustainable practices with respect to a range of environmental and social issues. We have included these expectations in our process of engaging with new suppliers. This process gives preference to suppliers which integrate considerations for environmental conservation, protection of endangered species, protection of labour rights and welfare, equal opportunities, no corruptions or bribery and no pending environmental issues.

ENVIRONMENT

Energy & Water Savings

As a Group with its foundations in the environment protection, the Group is aware of the interaction and tender balance between the built and natural environments. We have evaluated our operations to enhance energy efficiency to reduce our carbon footprint to support cleaner and sustainable growth. We implement appropriate measures to advance energy efficiency to minimise the impacts on the environment brought about by our daily operations. As part of our ongoing efforts to energy conservation, we have seen a reduction in electricity cost of 12% of hospitality revenue in FYE 2021 to 8% of hospitality revenue FYE 2022.



SUSTAINABILITY REPORT (CONT'D)

ENVIRONMENT (CONT'D)

Energy & Water Savings (cont'd)

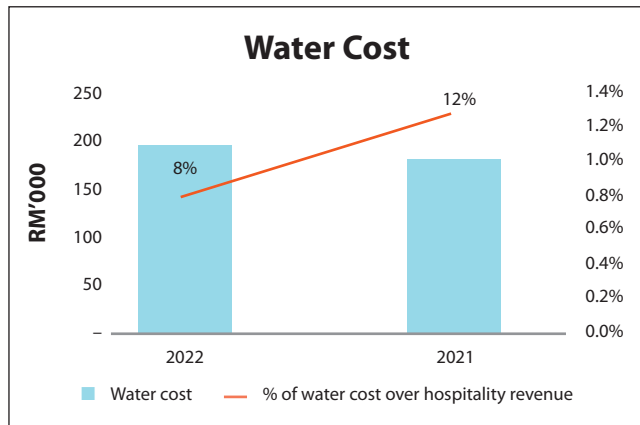
As electricity is the main source of energy consumed at our hotel, offices and sales galleries, we also encourage all employees to implement the following energy saving initiatives to reduce carbon footprint in the Company:

- lights and air-conditioners of offices or meeting rooms are switched off when not in use;
- computers and photocopiers are set to sleeping mode or switched off when not in use;
- use of LED energy efficient lightings which release lower CO2 emission; and
- encourage maintaining the air conditioning temperature at approximately 23°C – 24°C in the office.

Water as a limited resource is important and should be used wisely to ensure there is no wastage. We strive water conservation in every way we operate.

In hotel business segment, we use water for drinking, cooking, cleaning, leisure facilities and irrigation, and we aim to attain best practice levels of efficiency across our operations. Our hotels have introduced various means to restrain water usage. These involve the installation of water-saving flush systems and other water-saving devices in guestroom bathrooms and public area washrooms. At the same time, our hotels continue to encourage guests to reuse towels and linen to decrease water usage.

The water usage reported an improvement of 1.2% of hospitality revenue in FYE 2021 to 0.8% of hospitality revenue in FYE 2022.



Waste & Recycling

We are mindful of waste production in our construction sites and we handle it with caution. Waste productions could be hazardous and can have adverse impact on the environment and general public health. Our scheduled waste management is in compliance with Department of Environment (“DOE”) requirements whereby we monitor and ensure the waste is transported by a licensed contractor to approved treatment facilities prior to disposal.

Building materials such as steel bar, timber, concrete, aluminium, plastic and glass are valuable materials that are high in demand. Therefore, these are not wasted and able to be reused and recycled. Scrap iron is collected to resell for recycling.



Waste classification is important in development of a robust waste management system. Waste segregation has been done by placing different bins in and around all of our construction sites.

Paper recycling initiatives are already in progress by encouraging the employees to prioritise electronic means to share and store documents, and to reduce printing or photocopying, otherwise, to use double-sided printing. Additionally, other materials such as furnishing, and fixture are recycled or reused where possible. At our showrooms, whenever possible, we reuse quality furniture from previous showhouses. When the showhouse is closed, the furniture is moved into other showhouses. This significantly reduces furniture waste and also saves on the cost of purchasing new goods.

Our hotels constantly seek to upgrade their waste diversion programmes, working with various partners on the segregation and recycling of waste such as paper, plastic, metal, glass, and used cooking oil.

SUSTAINABILITY REPORT (CONT'D)

ENVIRONMENT (CONT'D)

Environmental Management

We are committed to minimise the environmental impact of our businesses. We constantly focus on developing a positive and proactive environmental culture to be embraced in all aspects of our business with the goal of zero pollution incidents. Some of the sustainability initiatives and efforts by the Company are through its cleaning and green programme surrounding hotels. In addition to that, the landscape beautification project is also part of our initiatives to protect the environment as well as to improve healthy living towards greener surrounding.



Green landscape surrounding The Swiss-Garden Hotel Melaka and The Shore Residences Hotel

SOCIAL

Safe Workplace

The Group believes that the safety and well-being of its employees are the foundation of its success. Hence, we strive to provide a safe and healthy environment for our employees and to ensure safe practices in all aspects of our business operations. The Group has in place a policy that highlights our commitment to:

- ensure compliance with laws and regulations in relation to occupational safety and health;
- set targets and measures to drive occupational safety and health performance across the organisation; and
- promote a culture where all employees share the commitment to prevent harm to the safety and health of our employees, contractors and the general public.

As COVID-19 has affected all areas of business throughout the world since 2020, it has become a social responsibility for KPPROP to act accordingly. It is our Group's immediate priority to protect the safety and health of our employees. We encouraged staff to be vaccinated and as of 31 March 2022, 100% of our employees are fully vaccinated and we are in the process of ensuring all our employees complete their booster doses. We have also provided self-test kits to our employees once a week as we continue to be vigilant while providing a safe workplace for our employees. We practice social distancing with at least one metre and enhance cleaning measures such as more regular cleaning of common touchpoints with disinfectant.

Against the backdrop of COVID-19 pandemic, we continue to strive building a high-energy team while navigating the storms of change. We start to use various virtual meeting platform like Zoom Meeting, Google Meet and Microsoft Teams as our new means of engagement with our employees to minimise physical meeting.

SUSTAINABILITY REPORT (CONT'D)

SOCIAL (CONT'D)

Safe Workplace (cont'd)

As restrictions began to ease and our sales galleries were permitted to open, additional precautionary and measures for the safety and protection of both customers and staff were introduced such as visits are by appointment only in order to reduce contact between our customers, individuals visiting the gallery must be fully vaccinated against COVID-19 and etc.



We regard the health and safety of our guests and employees as paramount. The Safety Officers provide our hotels with guidance on how to manage operational health and safety risks. Annual internal audits are conducted to ensure that health and safety management systems are properly carried out and maintained. Our hotels regularly communicate occupational health and safety procedures to employees using manuals and work instructions. SOPs have been put in place throughout all our hotels to elevate health and safety procedures. In addition to establishing shift systems and, where possible, remote working, we have equipped our employees with personal protective equipment and stepped-up training, learning and development on essential preparatory and prevention measures. The new and enhanced hygiene protocols include regular deep cleaning of frequently-touched surfaces, providing our guests with medical-grade sanitisers and disinfectants, optimising air quality, practising physical distancing, compulsory use of facemask and face shield and increasing food safety measures.

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.

Safety and security are a top priority for the Group, and we encourage all our hotels to promote a strong safety culture. Our security teams work around the clock to ensure the highest standards of safety and security for our guests, our employees and other visitors. Audits of the security systems at each hotel are performed on a regular basis to assure their reliability and effectiveness. These check the effectiveness of, for example, CCTV recordings and security staff training relating to emergencies of all types.



SUSTAINABILITY REPORT (CONT'D)

SOCIAL (CONT'D)

Safe Workplace (cont'd)

To reinforce the Group's commitment to food safety, all of its high-risk and medium-risk product suppliers must meet stringent requirements, either by producing internationally recognised food safety certifications or by undergoing a third-party audit (or, in the case of small-scale suppliers, a hygiene audit by our hotels).

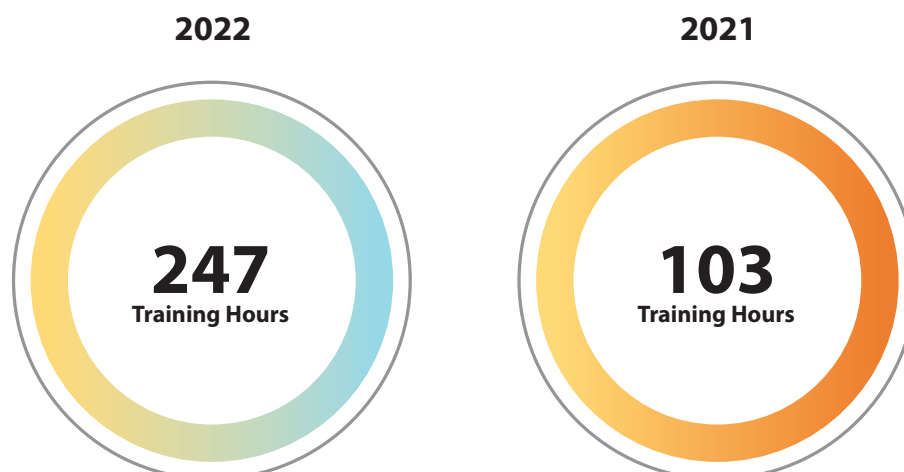
We are committed to provide and respect fundamental human rights and safeguard against violation of human rights. We guarantee an anti-discriminatory and anti-harassment workplace, one that is safe and healthy and above all, ethical in conduct. Employees are not restricted from unionising and are afforded the freedom of association per local laws and practice.

Our commitment to decent workplace also extended to our appointed contractors, whereby our appointed contractors are required to strictly adhere to Workers' Minimum Standards of Housing and Amenities (Amendment) Act 2019 (Act 446) to ensure living conditions at site is decent.

Talent Attraction, Retention & Development

A good team is a business's surety that the Group grows from strength to strength and on this basis, employees are a valuable business capital or asset and part of the KPPROP's family. KPPROP instils respect and trust amongst its employees. This enables the Group to retain and attract top talent to its team via job and personal development via training, diversity workforce, employees benefits and welfare and employees' engagement.

The Group also recognises that the Industrial Revolution 4.0 will place pressure in organisations to continuously upskill and reskill our workforce, to stay relevant and productive. Employees are encouraged to attend internal or external training or pursue professional development to enhance their knowledge and skill for career enhancement and personal development, human resource management, technical skills, and others. In FYE 2022, our employees undergone 247 training hours.



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. None of the employees are neglected in training as we believe everyone needs to be given an opportunity to upskill and enhance their skillsets.

KPPROP complies with the statutory requirements and regulations on wages and benefits such as minimum wages order, Employee Provident Fund and Social Security Organisation. In addition, employees' welfare which includes travel allowance, subsidies for hospitalisation and surgical insurance coverage and group personnel insurance, uniform and protective appliances are also provided.

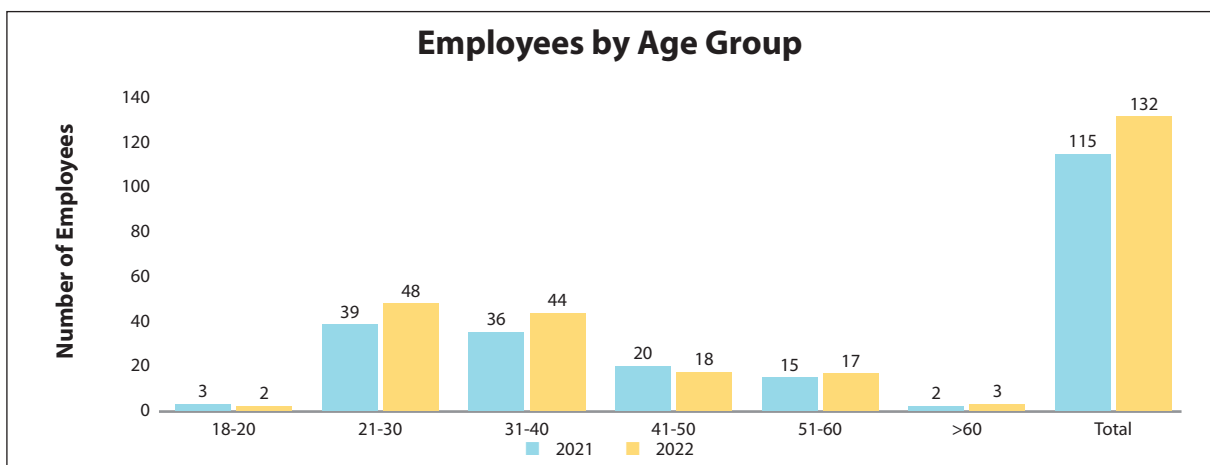
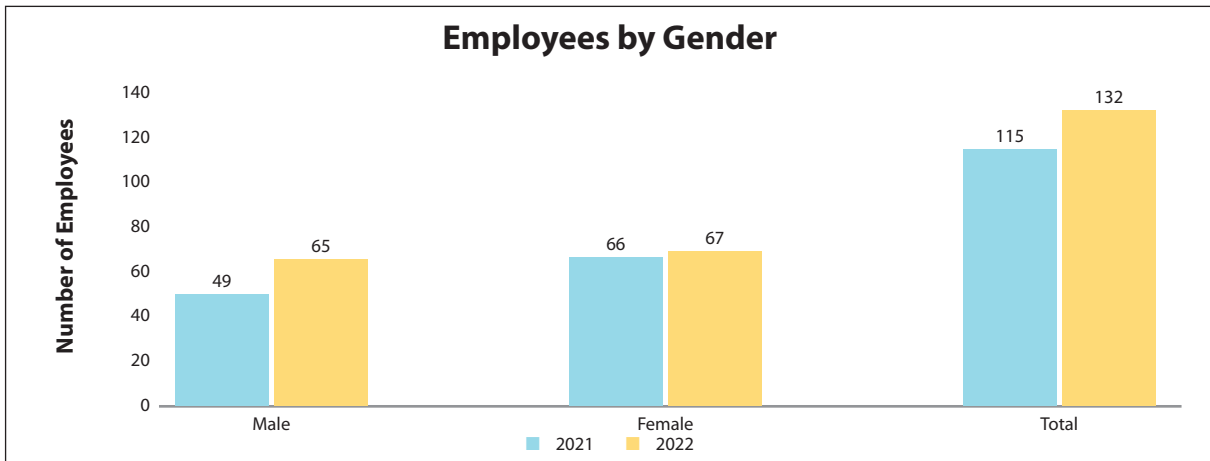
SUSTAINABILITY REPORT (CONT'D)

SOCIAL (CONT'D)

Talent Attraction, Retention & Development (cont'd)

A diverse workforce is our aim towards developing and nurturing the right talent. Having a diverse team of employees, across age, gender and industry experience, encourages open-minded dialogues, broadens our positive influence and reach, helps bridge gaps, and brings in new perspectives and strategies. Diversity refers to the differences in workforce by gender, age, ethnicity and disability. These measurements are considered across the Board, from the Directors to the Management and the rest of the workforce. With this, we provide equal opportunity to all employees based on their talents and potential for growth. We do not condone to any form of discrimination in the workplace. Our hiring and recruitment processes are also merit based. We continue to build talents as human capital is most important assets as their level of commitment and productivity are key factors to our continued success and overall performance.

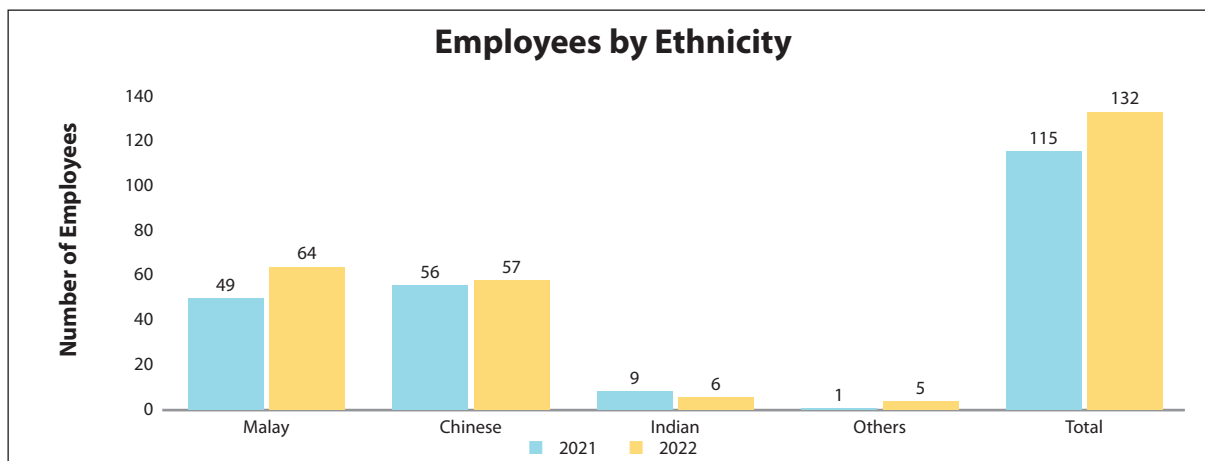
The Directors are cognisant of the ongoing initiative to increase female representation in the boardroom and are looking into increasing female representation should the right director be found. We draw strength from the diversity and inclusiveness that is prevalent in our workplace. During the period under review, KPPROP has a total 132 full time employees within the Group and 49% are male and 51% are female.



SUSTAINABILITY REPORT (CONT'D)

SOCIAL (CONT'D)

Talent Attraction, Retention & Development (cont'd)



At KPPROP, we foster fair recruitment practices by embracing diversity and inclusion. We are committed to provide equality in opportunity in employment to all potential candidates regardless of gender, age and race. Our performance management process serves as a bridging factor that links our employees' performance outcomes with rewards and their learning needs.

For critical and leadership roles, succession planning is vital to our long-term performance as part of our Group's sustainability move. Our HR Department will review the Group's human resources plan including the succession management framework and activities, human resources initiatives such as jobs and salary review, and the annual manpower budget. The succession planning across the Group is implemented by stages where the training program is designed specifically for management staff.

For many years, we recognised the importance of engaging with our workforce. Employees' engagement is important to an organisation because it motivates employees to do their best. We consider effective engagement a key element of the Company's ability to create value as we recognise that our people are our greatest asset. Management regularly engages with the workforce through a range of activities such as annual dinner, festive celebrations etc.

Corporate Governance Compliance

Corporate governance is essential to the overall sustainability of our Group. It ensures that each and every element of the Group operates as it should and that all our stakeholders are treated fairly and justly in their dealings with us. We are obliged by regulatory requirements to maintain a strict standard of corporate governance. The Group has taken cognisance of the changes in the Malaysian Code on Corporate Governance ("**MCCG**") that were announced on 28 April 2021. The MCCG 2021 updates aim to promote new and enhanced best practices to fortify corporate governance practices and build business resilience and sustainability. We have started working on with some changes to ensure compliances which is spelt out in our "*Corporate Governance Overview Statement*" that stipulates our commitments and responsibilities.

The Group's corporate governance is directly overseen by the Board, which takes a direct and proactive interest in all aspects of the Group's management. However, the need for good corporate governance is not merely a top-down exercise, it is also communicated to each and every one of our employees as well as our business partners.

SUSTAINABILITY REPORT (CONT'D)

SOCIAL (CONT'D)

Ethics & Integrity

KPPROP fully supports the initiative by Bursa Malaysia in an effort to enhance the quality and integrity of listed issuers where the Listing Requirements for both Main and ACE Market be amended to encapsulate anti-corruption measures in support of the National Anti-Corruption Plan 2019-2023.

We are committed to a zero-tolerance approach in our efforts to prevent corrupt and bribery practices. The Group has adopted a “No Gift Policy” and committed to doing business honestly and ethically, with integrity, and in full compliance with all applicable laws and regulations. The Group does not tolerate any malpractice, impropriety, statutory non-compliance or wrongdoing by any employee in his/her course of work.

In addition to that, KPPROP adopts whistleblowing policy that provides platform for any stakeholders such as employees and others to raise their concerns. Issues raised will be investigated and appropriate action will be taken to ensure that the matter is resolved effectively and within the Company wherever possible. The Whistleblowing Policy and Procedures is available on our website at www.kpproperty.com.my.

Community Engagement

As we are deeply rooted in the community we operate, we actively engage in community outreach programmes and activities. We are proud of having the privilege to serve various segments of the community towards providing for social empowerment and helping to make a positive difference for people across all walks of life. We have from time to time made various donations and contribution to orphanages, old folks homes, disability homes and non-profit organisations.



Food aid to Kelab Aleaa



Donation and visit to Penang Handicapped Welfare Association



Donation and visit to House of Joy under the theme of “Touch Life, Love Life”

OUR COMMITMENT

As a responsible corporate citizen, the Group shall endeavour to undertake sustainable and responsible practices to add value to sustainable business growth, environmental stewardship and social responsibility.



This statement was made in accordance with a resolution of the Board of Directors dated 22 July 2022.