

KERJAYA PROSPEK GROUP BERHAD

Company Registration No.: 198401010054 (122592-U)

ACCEPTANCE OF LETTER OF AWARD AMOUNTING TO RINGGIT MALAYSIA THREE HUNDRED AND NINETY EIGHT MILLION (RM398,000,000.00) FROM TANJUNG PINANG DEVELOPMENT SDN. BHD. IN RESPECT OF THE PROPOSED CONSTRUCTION OF COASTAL PROTECTION STRUCTURE FOR THE PROJECT KNOWN AS “PROPOSED RECLAMATION FOR SERI TANJUNG PINANG (PHASE 2B & 2C) DEVELOPMENT (STP2) PENANG”

1. INTRODUCTION

The Board of Directors of Kerjaya Prospek Group Berhad (the “**Company**” or “**KPGB**” and together with its subsidiaries, the “**Group**”) wishes to announce that its wholly-owned subsidiary, Future Rock Sdn. Bhd. (“**FRSB**”) has on 7 February 2023 received a letter of award from Tanjung Pinang Development Sdn. Bhd. (“**TPD**”), for execution and completion of coastal protection structure for Phase 2B and 2C of reclamation for Seri Tanjung Pinang Development for a total contract sum of Ringgit Malaysia Three Hundred and Ninety Eight Million Only (RM398,000,000.00) (“**Contract**”). On 7 February 2023, FRSB accepted the letter of award.

TPD is an indirect subsidiary company of Eastern & Oriental Berhad (“**E&O**”), a company which certain Directors and major shareholders of the Company have direct and indirect interests.

2. DESCRIPTION OF THE CONTRACT

The Contract covers the construction of coastal protection structure for the project known as “Proposed Reclamation for Seri Tanjung Pinang (Phase 2B & 2C) Development (STP2) Penang situated at Tanjung Tokong, Pulau Pinang.

The Contract shall commence on 10 April 2023 and to be completed within Thirty Six (36) months from the commencement date.

3. RATIONALE

The acceptance of the Contract is in the ordinary course of business of FRSB 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.

In addition, the Contract is expected to provide an additional stream of revenue for the Group over the next three (3) years.

4. FINANCIAL EFFECTS

The Contract 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 2023 to 2026.

5. INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND CONNECTED PERSONS

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 Annual General Meeting of the Company held on 26 May 2022.

Datuk Tee Eng Ho (“**Datuk Tee**”), the Non-Independent Non-Executive Chairman of KPGB is an Executive Chairman of E&O and also major shareholders of KPGB and E&O by virtue of his indirect interest in KPGB and E&O via companies which Datuk Tee, Datin Toh Siew Chuon, his spouse and Mr. Tee Eng Seng, his brother, have direct and indirect interest.

Datin Toh Siew Chuon and Mr. Tee Eng Seng are both Executive Directors of KPGB and also major shareholders of KPGB and E&O by virtue of their indirect interests in KPGB and E&O via companies which both of them and Datuk Tee have direct and indirect interest.

Mr. Tee Eng Seng is also an Executive Director of E&O.

Saved for the foregoing, none of the other 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 7 February 2023.