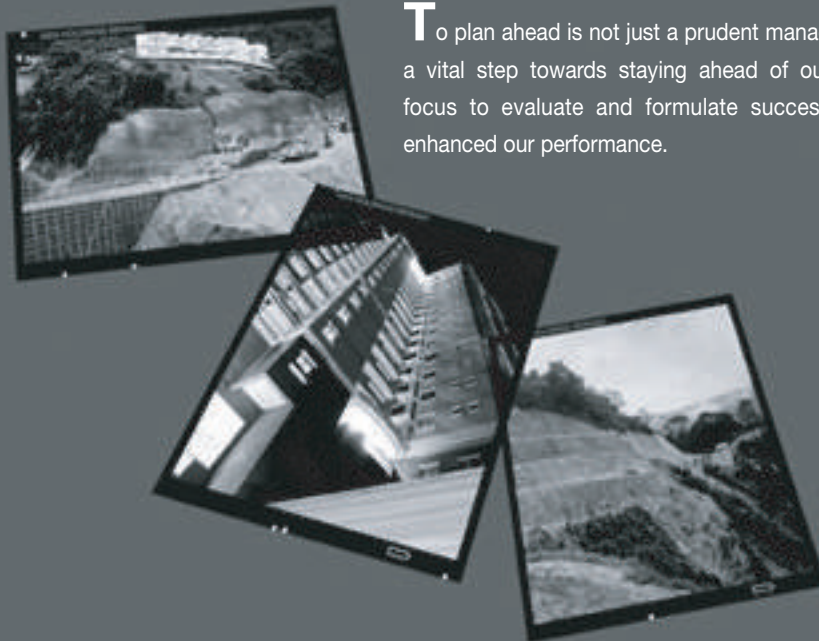


KEN
HOLDINGS BHD.

Incorporated in Malaysia (Company No. 106173-M)

Planning Ahead

To plan ahead is not just a prudent management process but a vital step towards staying ahead of our competitors. Our focus to evaluate and formulate successful strategies has enhanced our performance.





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Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Twentieth Annual General Meeting of the Company will be held at the Tournament Room, Kuala Lumpur Golf & Country Club, 10, Jalan 1/70D, off Jalan Bukit Kiara, 60000 Kuala Lumpur on Tuesday, 25 May 2004, at 10.00 a.m. for the transaction of the following business:

1. To receive and adopt the Audited Financial Statements for the year ended 31 December 2003 together with the Reports of the Directors and the Auditors thereon. **(Resolution 1)**
2. To declare a first and final dividend of 5.0% less tax in respect of the year ended 31 December 2003. **(Resolution 2)**
3. To approve the Directors' fees of RM80,000/- (2002: RM70,000/-) in respect of the year ended 31 December 2003. **(Resolution 3)**
4. To re-elect the following Directors who retire pursuant to Article 101 of the Company's Articles of Association and, being eligible, offer themselves for re-election:
 - (a) Dato' Ahmad Badri bin Mohamed Basir **(Resolution 4)**
 - (b) Madam Lau Pek Kuan **(Resolution 5)**
 - (c) Mr. Loo Pak Soon **(Resolution 6)**
5. To re-appoint Messrs. KPMG as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 7)**
6. As Special Business:

To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions:

 - a. **Ordinary Resolution 1** **(Resolution 8)**
Authority to issue shares pursuant to Section 132D of the Companies Act, 1965

"THAT subject always to the Companies Act, 1965, Articles of Association of the Company and approvals of the relevant governmental/regulatory bodies where such approvals shall be necessary, the Directors be and are hereby authorised and empowered pursuant to Section 132D of the Companies Act, 1965 to allot and issue shares in the Company at any time until the conclusion of the next Annual General Meeting and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued capital for the time being of the Company and that the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Malaysia Securities Exchange Berhad."



Notice of Annual General Meeting (Con't)

b. Ordinary Resolution 2

(Resolution 9)

Authority to issue shares pursuant to the Employees' Share Option Scheme

"THAT pursuant to Section 132D of the Companies Act, 1965, the Directors be and are hereby authorised to issue shares in the Company from time to time under the Employees' Share Option Scheme as approved by an ordinary resolution passed at the Extraordinary General Meeting of the Company held on 30 June 2000 provided that the aggregate number of shares to be issued does not exceed ten percent (10%) of the issued share capital of the Company for the time being and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company."

7. To transact any other business for which due notice shall have been given.

Notice of Dividend Entitlement

NOTICE IS HEREBY GIVEN that, subject to the approval of the shareholders at the Twentieth Annual General Meeting, the first and final dividend of 5.0% less tax in respect of the year ended 31 December 2003 will be payable on 18 August 2004 to depositors registered in the Record of Depositors on 30 July 2004.

A depositor shall qualify for entitlement only in respect of:

- a. Shares transferred to the Depositor's Securities Account before 4.00 p.m. on 30 July 2004 in respect of ordinary transfers; and
- b. Shares bought on the Malaysia Securities Exchange Berhad ("MSEB") on a cum entitlement basis according to the Rules of MSEB.

BY ORDER OF THE BOARD,

CHOW CHOOI YOONG

HAZLINA BT HARUN

Company Secretaries

Kuala Lumpur

30 April 2004

Notes:

1. A member of the Company entitled to attend and vote at this meeting is entitled to appoint a proxy or proxies to attend and vote instead of him/her. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
2. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy.
3. In the case of a corporate body, the proxy appointed must be in accordance with the Memorandum and Articles of Association, and the instrument appointing a proxy shall be given under the Company's Common Seal or under the hand of an officer or attorney duly authorised.
4. The Form of Proxy must be deposited at the Company's Registered Office at No. 6, Jalan Datuk Sulaiman, Taman Tun Dr. Ismail, 60000 Kuala Lumpur not less than 48 hours before the time set for the meeting or any adjournment thereof.
5. **Explanatory Notes on Special Business**

Resolution pursuant to Section 132D of the Companies Act, 1965

Resolution No. 8 proposed under item 6(a), if passed, will give the Directors of the Company from the date of the above General Meeting, authority to allot and issue ordinary shares from the unissued capital of the Company being for such purposes as the Directors consider would be in the interest of the Company. This would avoid any delay and costs in convening a general meeting to specifically approve such an issue of shares. This authority will, unless revoked or varied by the Company in General Meeting, expire at the next Annual General Meeting.

Resolution pursuant to Employees' Share Option Scheme

Resolution No. 9 proposed under item 6(b), if passed, will empower the Directors of the Company to allot and issue shares to those employees who have exercised their options under the Employees' Share Option Scheme.

Statement Accompanying The Notice Of General Meeting

(Pursuant to Paragraph 8.28(2) of the Listing Requirements of the Malaysia Securities Exchange Berhad)

1. Directors who are standing for re-election at the Twentieth Annual General Meeting of the Company

Pursuant to Article 101 of the Company's Articles of Association

- a. Dato' Ahmad Badri Bin Mohamed Basir
- b. Madam Lau Pek Kuan
- c. Mr. Loo Pak Soon

2. Details of attendance of Directors at Board Meetings

Details of attendance of Directors at Board Meetings held during the financial year ended 31 December 2003 are set out on page 15 of the Annual Report.

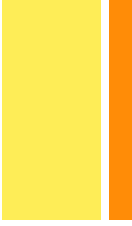
3. Place, Date and Time of the Twentieth Annual General Meeting

The Twentieth Annual General Meeting of the Company will be held at the Tournament Room, Kuala Lumpur Golf & Country Club, 10, Jalan 1/70D, off Jalan Bukit Kiara, 60000 Kuala Lumpur on Tuesday, 25 May 2004, at 10.00 a.m.

4. Further details of Directors who are standing for re-election

Further details of Directors who are standing for re-election are as follows:

Details	Dato' Ahmad Badri bin Mohamed Basir	Lau Pek Kuan	Loo Pak Soon
Age:	69	48	42
Nationality/Race:	Malaysian/Malay	Malaysian/Chinese	Malaysian/Chinese
Directorship:	Independent Non-Executive Chairman	Executive Director	Non-Executive Director
Qualification:	Refer to page 8	Refer to page 9	Refer to page 11
Working Experience and occupation:	Refer to page 8	Refer to page 9	Refer to page 11
Other directorship of public companies:	MNI Holdings Berhad Malaysia Packaging Industry Berhad Mayban Finance Berhad Aseamlease Berhad	Nil	Kumpulan Powernet Berhad
Securities holdings in the Company and its subsidiaries:	Nil	Refer to page 39	Nil
Family relationship with any director and/or Major shareholder of the Company:	Nil	Spouse of Mr. Tan Boon Kang who is the Managing Director	Brother-in-Law of Madam Lau Pek Kuan who is an Executive Director
Any conflict of interest:	Nil	Nil	Nil
List of convictions for offences within the past 10 years other than traffic offences:	Nil	Nil	Nil



Corporate Information Maklumat Korporat

Board of Directors / Lembaga Pengarah

Dato' Ahmad Badri bin Mohamed Basir

Independent Non-Executive Chairman
Pengerusi Bebas Bukan Eksekutif

Lau Pek Kuan

Executive Director
Pengarah Eksekutif

Tan Moon Hwa

Executive Director
Pengarah Eksekutif

Tang Kam Chee

Executive Director
Pengarah Eksekutif

Tan Boon Kang

Managing Director
Pengarah Urusan

Sha Thiam Fook

Independent Non-Executive Director
Pengarah Bebas Bukan Eksekutif

Dato' Raja Haji Ahmad Zainuddin bin Raja Haji Omar

Independent Non-Executive Director
Pengarah Bebas Bukan Eksekutif

Loo Pak Soon

Non-Executive Director
Pengarah Bukan Eksekutif

Audit Committee / Jawatankuasa Audit

Chairman / Pengerusi

Sha Thiam Fook
Independent Non-Executive Director
Pengarah Bebas Bukan Eksekutif

Members / Ahli

Dato' Ahmad Badri bin Mohamed Basir
Independent Non-Executive Chairman
Pengerusi Bebas Bukan Eksekutif

Tan Boon Kang

Managing Director
Pengarah Urusan

Remuneration Committee /

Jawatankuasa Ganjaran

Chairman / Pengerusi

Sha Thiam Fook
Independent Non-Executive Director
Pengarah Bebas Bukan Eksekutif

Members / Ahli

Tan Boon Kang

Managing Director
Pengarah Urusan

Dato' Ahmad Badri bin Mohamed Basir

Independent Non-Executive Chairman
Pengerusi Bebas Bukan Eksekutif

Nomination Committee /

Jawantakuasa Pencalonan

Chairman / Pengerusi

Dato' Ahmad Badri bin Mohamed Basir
Independent Non-Executive Chairman
Pengerusi Bebas Bukan Eksekutif

Members / Ahli

Sha Thiam Fook

Independent Non-Executive Director
Pengarah Bebas Bukan Eksekutif

Loo Pak Soon

Non-Executive Director
Pengarah Bukan Eksekutif

Company Secretaries / Setiausaha Syarikat

Chow Chooi Yoong (MAICSA 0772574)

Hazlina bt Harun (LS03078)

Registered Office / Pejabat Berdaftar

6 Jalan Datuk Sulaiman
Taman Tun Dr. Ismail
60000 Kuala Lumpur
Tel (03) 7727-9933
Fax (03) 7728-8246
e-mail : khb@kenholdings.com.my

Shares Registrar / Pendaftar

Tenaga Korperat Sdn Bhd
20th Floor, Plaza Permata
Jalan Kampar, Off Jalan Tun Razak
50400 Kuala Lumpur
Tel (03) 4041-2188
Fax (03) 4043-9233

Auditors / Juruaudit

KPMG
Chartered Accountants
Wisma KPMG
Jalan Dungun, Damansara Heights
50490 Kuala Lumpur

Principal Bankers / Bank-Bank Utama

Malayan Banking Berhad (Maybank)

Affin Bank Berhad

United Overseas Bank (Malaysia) Berhad

Stock Exchange / Bursa Saham Disenaraikan

Main Board of the Malaysian Securities Exchange Berhad.



Board Of Directors Lembaga Pengarah



Dato' Ahmad Badri bin Mohamed Basir

Independent Non-Executive Chairman
Pengerusi Bebas dan Bukan Eksekutif



Tan Boon Kang

Managing Director
Pengarah Urusan



Lau Pek Kuan

Executive Director
Pengarah Eksekutif



Tan Moon Hwa

Executive Director
Pengarah Eksekutif



Tang Kam Chee

Executive Director
Pengarah Eksekutif



Sha Thiam Fook

Independent
Non-Executive Director
*Pengarah Bebas
dan Bukan Eksekutif*



Loo Pak Soon

Non-Executive Director
Pengarah Bukan Eksekutif



Dato' Raja Haji
Ahmad Zainuddin bin
Raja Haji Omar

Independent
Non-Executive Director
*Pengarah Bebas
dan Bukan Eksekutif*

Directors' Profile

Profil Para Pengarah

Dato' Ahmad Badri bin Mohamed Basir

69 years of age | 69 tahun
Malaysian | *Warganegara Malaysia*
Chairman (Independent Non-Executive) |
Pengerusi (Bebas Bukan Eksekutif)

He was appointed to the Board as Independent Non-Executive Chairman of the Group on 20 March 2001. He is the Chairman of the Nomination Committee and also a member of the Audit and Remuneration Committees.

He holds a Bachelor of Arts Degree from University Malaya and a Master Degree in Public Administration from the University of Pittsburgh, USA. He is also a fellow member of the Chartered Institute of Transport (London) and had also attended the Advance Management Programme at Harvard University, USA. He joined the Malaysian civil service after graduation and held various key positions including Secretary General of Ministry of Agriculture during the period 1987 to 1990. He also served as the Chairman of Bank Pertanian Malaysia from 1994 to 1997.

He is actively involved in the business community and currently sits on the board of a number of public companies such as MNI Holdings Berhad, Malaysia Packaging Industry Berhad, Mayban Finance Berhad and Aseamlease Berhad.

Beliau dilantik menganggotai Lembaga Pengarah Kumpulan sebagai Pengerusi Bebas Bukan Eksekutif pada 20 Mac 2001. Beliau adalah Pengerusi Jawatankuasa Pencalonan dan juga seorang ahli Jawatankuasa Audit dan Ganjaran.

Beliau memperolehi Ijazah Sarjana Muda Sastera dari Universiti Malaya dan Ijazah Sarjana Pentadbiran Awam dari Universiti Pittsburgh, USA. Beliau juga merupakan ahli badan ilmiah Chartered Institute of Transport (London) dan pernah mengikuti Program Lanjutan Pengurusan di Universiti Harvard, USA. Setelah menamatkan pengajiannya, beliau mula berkhidmat dalam sektor perkhidmatan awam dan pernah memegang beberapa jawatan penting termasuk Ketua Setiausaha Kementerian Pertanian dari tahun 1987 hingga 1990. Beliau juga menjadi Pengerusi Bank Pertanian Malaysia dari tahun 1994 hingga 1997.

Beliau aktif dalam komuniti perniagaan dan pada masa ini menjadi pengarah kepada beberapa syarikat awam seperti MNI Holdings Berhad, Malaysia Packaging Industry Berhad, Mayban Finance Berhad dan Aseamlease Berhad.

Tan Boon Kang

47 years of age | 47 tahun
Malaysian | *Warganegara Malaysia*
Managing Director | *Pengarah Urusan*

He was appointed to the Board on 18 March 1996. He was the founder of the Group and has extensive experience of more than 20 years in the industry. He also contributed significantly in the building up of the Group to its present status as one of the more established specialist engineering companies in Malaysia. He was instrumental in diversifying the Group's business into property development and related activities. He is a member of the Audit and Remuneration Committees.

Currently he is also the Managing Director of Ken Grouting Sdn Bhd, Ken-Chec Sdn Bhd, Ken Property Sdn Bhd and Khidmat Tulin Sdn Bhd. He is also a director of Ken Projects Sdn Bhd, Ken Link Sdn Bhd. (formerly known as Tufflink Sdn Bhd), Support Capital Sdn Bhd, Ken Rimba Jaya Sdn Bhd, Aunyang Holdings Sdn Bhd, Kenly (HK) Limited, Kenly Engineering Ltd and Success Goal Asia Limited.

His spouse, Mdm Lau Pek Kuan and brother, Mr Tan Moon Hwa are also members of the board.

Beliau dilantik menjadi ahli Lembaga Pengarah pada 18 Mac 1996. Beliau merupakan pengasas Kumpulan dan mempunyai pengalaman luas melebihi 20 tahun dalam industri ini. Beliau juga banyak menyumbang terhadap pencapaian Kumpulan sehingga berjaya muncul sebagai salah sebuah syarikat kejuruteraan pakar yang terkemuka di Malaysia pada hari ini. Beliau memainkan peranan penting dalam usaha mempelbagaikan perniagaan Kumpulan dalam bidang pembangunan hartanah dan aktiviti yang berkaitan. Beliau juga seorang ahli Jawatankuasa Audit dan Ganjaran.

Ketika ini, beliau juga merupakan Pengarah Urusan Syarikat Ken Grouting Sdn Bhd, Ken-Chec Sdn Bhd, Ken Property Sdn Bhd dan Khidmat Tulin Sdn Bhd. Beliau juga merupakan Pengarah Ken Projects Sdn Bhd, Ken Link Sdn Bhd (dahulunya dikenali sebagai Tufflink Sdn Bhd), Support Capital Sdn Bhd, Ken Rimba Jaya Sdn Bhd, Aunyang Holdings Sdn Bhd, Kenly (HK) Limited, Kenly Engineering Ltd dan Success Goal Asia Limited.

Isteri beliau iaitu Puan Lau Pek Kuan dan adiknya Encik Tan Moon Hwa juga adalah ahli-ahli Lembaga.

Directors' Profile (con't)

Profil Para Pengarah (samb.)

Lau Pek Kuan

48 years of age | 48 tahun
 Malaysian | Warganegara Malaysia
 Executive Director | Pengarah Eksekutif

She was appointed to the Board on 18 March 1996. She was also instrumental in developing and implementing the accounting and human resource policies for the Company and its subsidiaries.

She is also a Director of Ken Grouting Sdn Bhd, Ken-Chec Sdn Bhd, Ken Property Sdn Bhd and Ken Link Sdn Bhd (formerly known as Tufflink Sdn Bhd).

She is the spouse of Mr Tan Boon Kang who is the Managing Director of the Company. Her brother-in-law, Mr Loo Pak Soon also sits on the board.

Beliau dilantik menganggotai Lembaga Pengarah pada 18 Mac 1996. Di samping itu, beliau juga memainkan peranan penting dalam pembangunan serta pelaksanaan polisi perakaunan dan sumber manusia bagi Syarikat dan subsidiarinya .

Beliau juga merupakan salah seorang pengarah Syarikat Ken Grouting Sdn Bhd, Ken-Chec Sdn Bhd, Ken Property Sdn Bhd dan Ken Link Sdn Bhd (dahulunya dikenali sebagai Tufflinks Sdn Bhd).

Beliau merupakan isteri kepada En.Tan Boon Kang, Pengarah Urusan Syarikat. Adik iparnya, En Loo Pak Soon juga adalah ahli Lembaga.

Sha Thiam Fook

53 years of age | 53 tahun
 Malaysian | Warganegara Malaysia
 Director (Independent Non-Executive) |
 Pengarah (Bebas dan Bukan Eksekutif)

He was appointed an Independent Non-Executive Director of the Company on 3 May 1995 and is the Chairman of the Audit and Remuneration Committees. He is also a member of the Nomination Committee.

He graduated with a Bachelor of Commerce from Nanyang University, Singapore in 1974. He furthered his studies in Australia where he was admitted to the Australian Society of Certified Practising Accountants as an associate member since 1976. He was admitted to the Malaysian Institute of Accountants as a Public Accountant in July 1980. He started his own public accountants firm, Sha & Co (now known as Sha, Tan & Co) in 1981.

He is a director and a member of the Audit Committee of Geahin Engineering Berhad and a director of AutoAir Holdings Berhad.

Beliau dilantik sebagai Pengarah Bebas dan Bukan Eksekutif pada 3 Mei 1995 dan merupakan Pengerusi Jawatankuasa Audit dan Jawatankuasa Ganjaran. Beliau juga adalah ahli Jawatankuasa Pencalonan.

Beliau memperolehi Ijazah Sarjana Muda dalam Perdagangan dari Universiti Nanyang, Singapura pada tahun 1974. Beliau melanjutkan pelajaran ke Australia dan telah diterima sebagai ahli bersekutu Persatuan Pengamal Akauntan Bertauliah Australia pada tahun 1976. Beliau juga diterima sebagai Akauntan Awam Institut Akauntan Malaysia pada Julai 1980.

Beliau menubuhkan firma akauntan awam sendiri, Sha & Co (kini dikenali sebagai Sha, Tan & Co) pada tahun 1981. Beliau adalah pengarah dan ahli Jawatankuasa Audit Geahin Engineering Berhad dan seorang pengarah AutoAir Holdings Berhad.

Directors' Profile (con't)

Profil Para Pengarah (samb.)

Tang Kam Chee

49 years of age | 49 tahun
Malaysian | *Warganegara Malaysia*
Executive Director | *Pengarah Eksekutif*

He was appointed to the Board on 20 February 1998. He graduated from Kolej Tunku Abdul Rahman with a Diploma in Business Studies in 1977 and is also a member of the Association of Chartered Certified Accountants and the Institute of Chartered Secretaries and Administrators. He started his audit career with Hanafiah Raslan Mohamad (now known as Ernst & Young) a public accounting firm in 1977. He had previously work with Fraser & Neave Berhad, Cycle & Carriage Bintang Berhad, MBf Holdings Berhad and prior to joining the Group he was involved in property development with Metroplex Berhad.

He is also a director of Khidmat Tulin Sdn Bhd, Support Capital Sdn Bhd, Ken Damansara Management Sdn Bhd, Aunyang Holdings Sdn Bhd, Ken Rimba Jaya Sdn Bhd, Kenly (HK) Limited, Kenly Engineering Ltd and Success Goal Asia Limited.

Beliau dilantik menganggotai Lembaga Pengarah pada 20 Februari 1998. Beliau memperolehi Diploma Pengajian Perniagaan pada tahun 1977 dari Kolej Tunku Abdul Rahman dan juga adalah ahli Persatuan Akauntan Bertauliah serta Institute of Chartered Secretaries and Administrators. Beliau memulakan kerjayanya dalam bidang audit di Hanafiah Raslan Mohamad (kini dikenali sebagai Arthur Andersen), sebuah firma akauntan awam pada tahun 1977. Beliau pernah berkhidmat dengan Fraser & Neave Berhad, Cycle & Carriage Bintang Berhad, MBf Holdings Berhad dan sebelum berkhidmat dengan Kumpulan, beliau terlibat dalam segi pembangunan hartanah di Metroplex Berhad .

Beliau juga memegang jawatan sebagai pengarah Khidmat Tulin Sdn Bhd, Support Capital Sdn Bhd, Ken Damansara Management Sdn Bhd, Aunyang Holdings Sdn Bhd, Ken Rimba Jaya Sdn Bhd, Kenly Engineering Ltd dan Success Gold Asia Limited.

Tan Moon Hwa

42 years of age | 42 tahun
Malaysian | *Warganegara Malaysia*
Executive Director | *Pengarah Eksekutif*

He was appointed to the Board on 18 March 1996. He has been with the Group since 1980 and has extensive experience, with more than 15 years in the specialist engineering industry, particularly in the geo-technical sector and structural repair and rehabilitation works. He currently heads the micro-piling section and has improvised techniques to expedite and improve efficiency.

He is also a director of Ken Grouting Sdn Bhd, Ken-Chec Sdn Bhd, Ken Projects Sdn Bhd, TBS Management Sdn Bhd and Ken Damansara Management Sdn Bhd.

His brother, Mr Tan Boon Kang is the Managing Director of the Company.

Beliau dilantik menganggotai Lembaga Pengarah pada 18 Mac 1996. Beliau mula berkhidmat dengan Kumpulan semenjak 1980 dan berpengalaman luas melebihi 15 tahun dalam industri kejuruteraan, terutamanya dalam sektor geo-teknikal dan kerja-kerja pembaikan serta pemulihan struktur. Beliau kini mengetuai bahagian pemantakan mikro dan telah berupaya memperbaiki teknik untuk mempercepat serta mempertingkatkan kecekapan.

Beliau juga seorang Pengarah Ken Grouting Sdn Bhd, Ken-Chec Sdn Bhd, Ken Projects Sdn Bhd, TBS Management Sdn Bhd dan Ken Damansara Management Sdn Bhd.

Abang beliau, En Tan Boon Kang, adalah Pengarah Urusan Syarikat.

Directors' Profile (con't)

Profil Para Pengarah (samb.)

Dato' Raja Haji Ahmad Zainuddin bin Raja Haji Omar

48 years of age | 48 tahun
Malaysian | *Warganegara Malaysia*
Director (Independent Non-Executive) |
Pengarah (Bebas dan Bukan Eksekutif)

Dato' Raja Haji Ahmad Zainuddin Bin Raja Haji Omar was appointed to the Board on 29 January 2003. He has been actively involved in the political scene in Malaysia since 1982. He was the Press Secretary to the Menteri Besar of Perak in 1982 and moved on to be the Political Secretary in 1986 until 1999. He has been the Member of Parliament for the constituency of Larut since 1999. He was also the Perak State Assemblyman for Batu Kurau from 1990 to 1999. He is the current Chairman of the Commercial Vehicles Licencing Board of Malaysia.

Beliau dilantik menganggotai Lembaga Pengarah pada 29 Januari 2003. Beliau sangat aktif melibatkan dirinya dalam bidang politik negara semenjak tahun 1982. Beliau pernah berkhidmat sebagai Setiausaha Media Menteri Besar Negeri Perak pada tahun 1982 dan dilantik menjadi Setiausaha Politik pada tahun 1986 sehingga 1999. Semenjak tahun 1999, beliau telah berkhidmat sebagai Ahli Parlimen Kerajaan Persekutuan Malaysia untuk kawasan Larut. Beliau juga pernah berkhidmat sebagai Wakil Rakyat Negeri Perak untuk Batu Kurau dari tahun 1990 sehingga 1999. Kini beliau bertugas sebagai Pengerusi Lembaga Penglesenan Pengangkutan Awam Malaysia.

Save as disclosed, none of the Directors have:

1. any family relationship with any Director and/or major shareholder of the Company.
2. any conflict of interest with the Company; and
3. any conviction for offences within the past 10 years other than traffic offences.

Kecuali yang dinyatakan, tiada pengarah yang ada:

1. hubungan saudara dengan sesiapa pengarah dan/atau pemegang saham utama bagi Syarikat;
2. pencanggahan minat dengan Syarikat dan
3. penyabitkan hukuman dalam 10 tahun yang lalu kecuali kesalahan trafik.

Loo Pak Soon

42 years of age | 42 tahun
Malaysian | *Warganegara Malaysia*
Director (Non-Executive) | *Pengarah (Bukan Eksekutif)*

He was appointed to the Board on 18 March 1996. He graduated with a Bachelor of Commerce (Hons) Degree in Finance from the University of Windsor, Canada in 1984 and has over 8 years of experience in the commercial and merchant banking sector. He was with Arab-Malaysian Credit Bhd from 1984 to 1987, Arab-Malaysian Merchant Bank Bhd from 1987 to 1989, Lee Wah Bank Ltd (now known as United Overseas Bank Bhd) from 1989 to 1990 and finally, Bank Buruh (M) Berhad (now known as Affin Bank Berhad) from 1990 to 1992. In 1992, Mr Loo joined NCK Corporation Berhad as the Finance Manager and subsequently joined Powernet Industries Sdn Bhd in 1993. He is now the Executive Director of Kumpulan Powernet Berhad, listed on the second board of MASEB. He is also a member of the Nomination Committee.

His sister-in-law, Mdm Lau Pek Kuan is also a member of the board.

Beliau dilantik menganggotai Lembaga Pengarah pada 18 Mac 1996. Seorang graduan Ijazah Sarjana Muda (Kepujian) Perdagangan dalam bidang kewangan daripada University of Windsor, Kanada pada tahun 1984. Beliau mempunyai lebih daripada 8 tahun pengalaman dalam sektor komersil dan bank perdagangan. Beliau pernah berkhidmat dengan Arab-Malaysian Credit Bank Bhd dari tahun 1984 hingga 1989, Arab-Malaysian Merchant Bank dari tahun 1987 hingga 1989, Lee Wah Bank Ltd (kini dikenali sebagai United Overseas Bank Bhd) dari tahun 1989 hingga 1990 dan akhir sekali di Bank Buruh (M) Bhd (kini dikenali sebagai Affin Bank Berhad) dari tahun 1990 hingga 1992. Pada tahun 1992, Encik Loo berkhidmat sebagai Pengurus Kewangan di NCK Corporation Berhad dan kemudian menjawat sebagai Pengarah Eksekutif Urusan Powernet Industries Sdn Bhd pada tahun 1993. Beliau kini adalah Pengarah Eksekutif Kumpulan Powernet Berhad yang telah disenaraikan di Papan Kedua MASEB. Beliau juga merupakan seorang ahli Jawatankuasa Pencalonan.

Kakak ipar beliau, Puan Lau Pek Kuan, juga adalah ahli Lembaga.

Financial Highlights

Maklumat Kewangan

PRINCIPAL ACTIVITIES

The Company Investment holding and provision of management services.

The Subsidiary Companies Include property holding, investment and development, specialist engineering services, geo-technical, civil engineering and building works, land reclamation and marine engineering, project and property management.

FIVE YEARS GROUP FINANCIAL STATISTICS

RM'000	1999	2000	2001	2002	2003
Revenue	45,193	53,758	96,638	49,395	59,300
Profit before taxation	10,086	12,468	16,927	13,551	9,875
Profit after taxation	9,892	9,145	13,140 **	9,495	6,813
Profit attributable to shareholders	9,873	8,826	11,114 **	9,368	7,214
Shareholders' equity	44,355	52,446 **	63,696 **	75,151 **	90,686
Issued share capital	19,933	19,933	20,000	40,000	60,162
Total assets	67,310	80,587	106,189 **	112,784 **	132,046
Net tangible asset	44,355	50,377	61,749 **	71,957 **	88,469
Gross earnings per share (sen)	51	63	85	23 *	17
Net earnings per share (sen)	50	44	56	16 *	12

* Restated based on rights and bonus shares issued in financial year ended 31 December 2003.

** Restated in compliance with MASB 25, Income Taxes.

KEGIATAN UTAMA

Syarikat Pegangan pelaburan dan pemberian perkhidmatan pengurusan.

Syarikat subsidiari Termasuk pegangan hartanah, pelaburan dan pembangunan, pakar perkhidmatan kejuruteraan, geo-teknik, kejuruteraan awam dan kerja bangunan, tambakan tanah dan projek kejuruteraan marin, dan pengurusan hartanah.

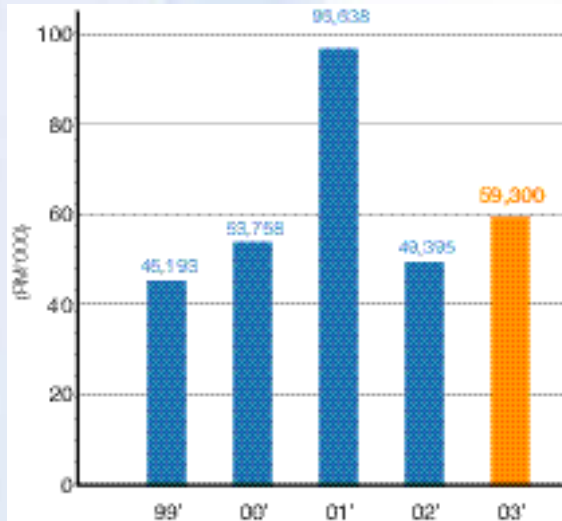
TINJAUAN KEWANGAN KUMPULAN BAGI TEMPOH LIMA TAHUN

RM'000	1999	2000	2001	2002	2003
Hasil	45,193	53,758	96,638	49,395	59,300
Keuntungan sebelum cukai	10,086	12,468	16,927	13,551	9,875
Keuntungan selepas cukai	9,892	9,145	13,140 **	9,495	6,813
Keuntungan boleh diagih kepada pemegang saham	9,873	8,826	11,114 **	9,368	7,214
Equity pemegang saham	44,355	52,446 **	63,696 **	75,151 **	90,686
Terbitan modal saham	19,933	19,933	20,000	40,000	60,162
Jumlah Aset	67,310	80,587	106,189 **	112,784 **	132,046
Aset ketara bersih	44,355	50,377	61,749 **	71,957 **	88,469
Pendapatan kasar sesaham (sen)	51	63	85	23 *	17
Pendapatan bersih sesaham (sen)	50	44	56	16 *	12

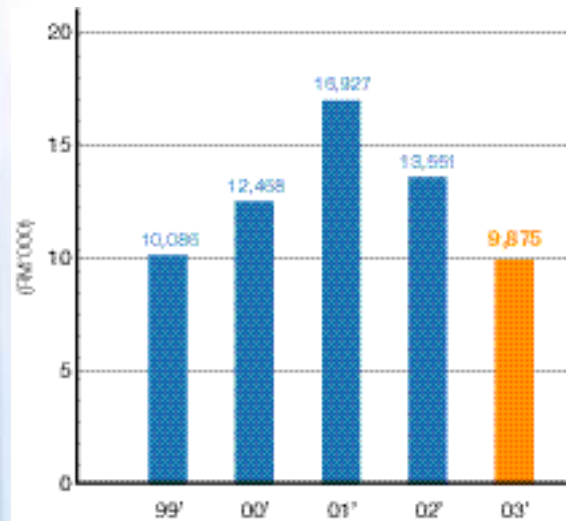
* Dinyata semula dengan mengambil kira terbitan hak dan terbitan bonus dalam tahun kewangan 31 Disember 2003.

** Dinyata semula dengan mengambilkira MASB 25, Cukai Pendapatan.

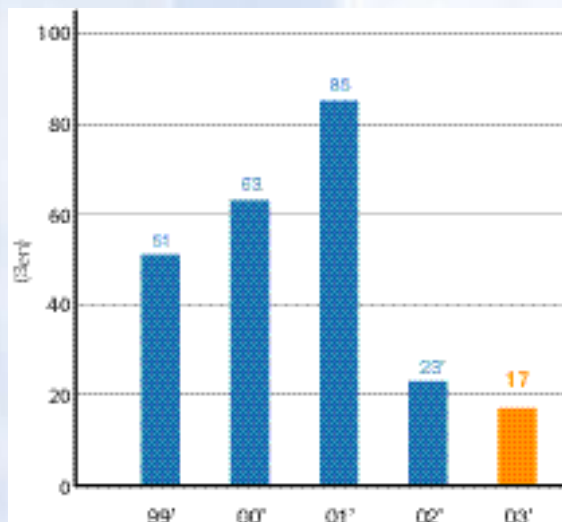
Financial Highlights (con't) Maklumat Kewangan (samb.)



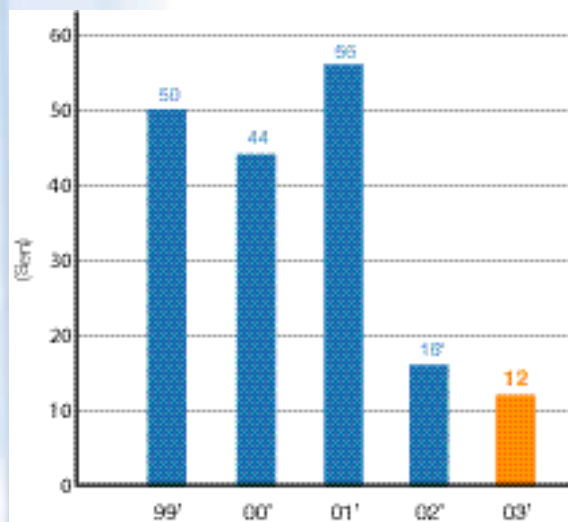
REVENUE
HASIL



PROFIT BEFORE TAXATION
KEUNTUNGAN SEBELUM CUKAI



GROSS EARNINGS PER SHARE
PENDAPATAN KASAR SESAHAM



NET EARNINGS PER SHARE
PENDAPATAN BERSIH SESAHAM

* Restated based on rights and bonus shares issued in financial year ended 31 December 2003.

* Dinyata semula dengan mengambil kira terbitan hak dan terbitan bonus dalam tahun kewangan 31 Disember 2003.

Corporate Structure Struktur Korporat





Corporate Governance Statement

The Board of Directors ("Board") of Ken Holdings Berhad ("the Company") is committed to applying the principles and best practices as set out in the Malaysian Code of Corporate Governance ("the Code") to improve and enhance the standards of corporate governance practices as a fundamental part of discharging its responsibilities to protect and enhance shareholder value as well as the corporate performance of the Group.

Set out below is the manner with which the Group has applied the principles of good corporate governance and the extent to which it has complied with the best practices set out in the Code during the financial year ended 31 December 2003.

DIRECTORS

Board of Directors

The Board has overall responsibility for the corporate governance practices of the Group. It guides and monitors the affairs of the Group on behalf of the shareholders and retains full and effective control over the Group. The key responsibilities include a review of strategic direction for the Group and overseeing the business operations of the Group, evaluating whether these are properly managed.

The Group practices a division of responsibility between the Chairman and the Managing Director of the Group and there is a balance of Executive, Non-Executive and Independent Directors. The roles of the Chairman and the Managing Director are separate and clearly defined and are held individually by two persons. The Chairman is primarily responsible for the orderly conduct and working of the Board whilst the Managing Director has the overall responsibility for the day-to-day running of the business, corporate policies, strategic planning and implementation of such strategies as may be approved by the Board.

Composition of the Board

The Board has eight (8) members, comprising four (4) Non-Executive Directors and four (4) Executive Directors. Three of the Directors are independent Directors and together, the Directors bring characteristics which allow a mix of qualifications, skills and experience which is necessary for the successful direction of the Group. A brief profile of each Director is presented on pages 8 to 11 of this Annual Report.

Board Meetings

Board meetings are held at quarterly intervals with additional meetings convened when urgent and important decisions need to be taken between the scheduled meetings. During the year ended 31 December 2003, the Board met on six (6) occasions, where it deliberates on a variety of matters including the Group's results, major investments and strategic decisions and direction of the Group.

Details of each existing Director's meeting attendance are as follows:-

Name	Attendance
1. Dato' Ahmad Badri bin Mohamed Basir	6/6
2. Mr. Tan Boon Kang	6/6
3. Mdm Lau Pek Kuan	5/6
4. Mr. Tan Moon Hwa	6/6
5. Mr. Tang Kam Chee	6/6
6. Mr. Sha Thiam Fook	6/6
7. Mr. Loo Pak Soon	6/6
8. Dato' Raja Ahmad Zainuddin bin Raja Haji Omar*	4/5

* Note: Reflect the number of meetings attended during the time the Director held office

Corporate Governance Statement (con't)

The Board delegates specific responsibilities to the Board Committees so as to enhance business operational efficiency as well as efficacy. All of these committees have written constitutions and terms of reference, and they have the authority to examine particular issues and report back to the Board with their recommendations. The Board receives reports of their proceedings and deliberations.

Supply of Information

The Chairman ensures that all Directors have full and timely access to information with Board papers distributed in advance of the meetings. Every Director has unhindered access to the advice and services of the Company Secretary and the terms of appointment permits removal and appointment only by the Board as a whole. The Board of Directors, whether as a full board or in their individual capacity, in the furtherance of their duties, may seek independent professional advice at the Company's expense.

Prior to the meeting of the Board and the Board Committees, Board papers which include the agenda and reports relevant to the issues of the meeting were circulated on a timely manner to all Directors. These Board papers are issued prior to the meeting to enable Directors to obtain further explanations, where necessary in order to be properly briefed before the meeting.

Appointment and Re-election of Directors

The Board appoints its members through a formal and transparent process. This process has been approved and adopted by the Board. New appointees will be considered and reviewed by the Nomination Committee. The Committee will then recommend the candidates to be approved and appointed by the Board. The Company Secretary will ensure that all legal regulatory obligations are met.

In accordance with the Company's Articles of Association, an election of Directors shall take place each year and all Directors shall retire from office once every three (3) years but shall be eligible for election. These provide an opportunity for shareholders to renew their mandate. The election of each Director is voted separately. To assist shareholders in their decision, sufficient information such as personal profile, meeting attendance and shareholdings in the Group of each Director standing for election are furnished in a separate statement accompanying the Notice of AGM. Directors over seventy years of age are required to submit themselves for re-appointment annually in accordance with Section 129(6) of the Companies Act, 1965.

The Board through the Nomination Committee annually appraises the current composition of the Board to be assured that its composition brings the required mix of skills and core competencies required for the Board to discharge its duties effectively.

Directors' Training

All Directors have completed the Mandatory Accreditation Programme conducted by the Research Institute of Investment Analyst Malaysia (RIIAM), an affiliate company of the Malaysia Securities Exchange Berhad (MSEB). During the year, the Directors have also attended an MSEB accredited Continuing Education Programme (CEP) for Directors of public listed companies and have also taken steps to accumulate the required CEP points as specified in Practice Note 15. The Directors continue to undergo other relevant training programmes as appropriate to further enhance their skills and knowledge to discharge their duties.

Board Committees

The Board has delegated certain responsibilities to Board Committees that operate within clearly defined terms of reference. The main Committees of the Board include the Audit Committee, Nomination Committee, Remuneration Committee and the Option Committee.

a. Audit Committee

The Audit Committee reviews issues of accounting policy and presentation for external financial reporting, monitors the work of the internal audit function and ensures objective and professional relationship is maintained with external auditors, who in turn, have access at all times to the Chairman of the Committee.

A summary of the activities of the Committee during the financial year is described in the Audit Committee report on pages 22 to 23 of the Annual Report.

Corporate Governance Statement (con't)

b. Option Committee

The Option Committee was established on 24 February 2003 to administer the Group's Employees' Share Option Scheme in accordance with the objective and regulations thereof set-out in the Bye-Laws and in such manner as it shall deem fit and with such powers and duties as are conferred upon it by the Board.

The Option Committee comprises the following members:-

1. Dato'Ahmad Badri bin Mohamed Basir (Chairman);
2. Mr. Sha Thiam Fook;
3. Mr. Tan Boon Kang;
4. Mdm Lau Pek Kuan; and
5. Mr. Tang Kam Chee.

c. Nomination Committee

The Board has established a Nomination Committee consisting of the following Non-Executive Directors, majority of whom are independent:-

1. Dato'Ahmad Badri bin Mohamed Basir (Chairman);
2. Mr. Sha Thiam Fook; and
3. Mr. Loo Pak Soon.

The Committee also assesses the effectiveness of the Board, its Committees and the contribution of each individual Director on an annual basis.

d. Remuneration Committee

The Board has established a Remuneration Committee consisting of the following Directors, majority of whom are Non-Executive Directors:-

1. Mr. Sha Thiam Fook (Chairman);
2. Mr. Tan Boon Kang; and
3. Dato'Ahmad Badri bin Mohamed Basir.

The Committee's primary responsibility is to recommend to the Board the remuneration framework for Directors as well as remuneration packages of Executive Directors in all its form drawing for outside advice if necessary. None of the Executive Directors participated in anyway in determining their remuneration. The Board as a whole determines the remuneration of Non-Executive Directors with individual Directors abstaining from decisions in respect of their individual remuneration.

The policy practiced on Directors' remuneration by the Remuneration Committee is to provide the remuneration necessary to attract, retain and motivate Directors of the quality required to manage the business of the Company and to align their interest with those of the shareholders.

Corporate Governance Statement (con't)

d. Remuneration Committee (con't)

An analysis of the aggregate Directors remuneration of the Company for the year ended 31 December 2003 categorised in appropriate components is set out below:

	Fee RM'000	Benefits- in- Kind RM'000	Salaries and Other Emoluments RM'000	Bonus RM'000	Total RM'000
Executive	40	44	1,029	172	1,285
Non-Executive	40	-	42	-	82
	80	44	1,071	172	1,367

An analysis of the number of Directors whose remuneration, paid by the Company, falls in successive bands of RM50,000 is set out below:-

Range of Remuneration	Executive	Non-Executive
Below RM50,000		4
RM100,001 - RM150,000	2	
RM150,001 - RM200,000	1	
RM600,001 - RM650,000	1	
	4	4

SHAREHOLDERS

Investors and Shareholders Relationship

The Board recognises the importance of an effective communication channel between the Board, shareholders and the general public. The Annual Report, press releases, quarterly results and any announcements on material corporate exercises are the primary mode of disseminating information on the Group's business activities and financial performance. In addition, other corporate information is available to all shareholders in the Annual Report and Circular to shareholders. The policy of the Board is to maintain an active dialogue with its shareholders with the intention of giving shareholders as clear and complete picture of the Group's performance and position.

The Annual General Meeting (AGM) represents the principal forum for dialogue and interaction with shareholders where shareholders are informed of current development. Shareholders are encouraged to participate in discussion and to give their views to the Board. Where it is not possible to provide immediate answers, the Chairman will undertake to furnish the shareholder(s) with a written answer after the AGM. Additionally, a press conference is held immediately after the AGM to brief members of the media on key events of the Group. The Managing Director and Executive Directors are also present at the press conference to explain any issues.

Investors and Shareholders Relationship

The MESB also provides the Company to electronically publish all its announcements, including full versions of its quarterly result announcement, Circulars and Annual Report. These can be accessed at any time through MSEB website at <http://www.announcements.klse.com.my>.

Whilst the Company endeavours to provide as much information as possible to its shareholders, it must also be wary of the legal regulatory framework governing the release of material and price-sensitive information. As such, corporate disclosure will take into account the prevailing legislative restrictions and requirements as well as the investors' needs for timely release of price-sensitive information, such as financial performance results and statements, material acquisitions, significant corporate proposals as well as other significant corporate events.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board aims to provide and present a balanced and meaningful assessment of the Group's financial statements, quarterly announcement of results to shareholders as well as the Chairman's statement and review of operations in the Annual Report.

The Board is assisted by the Audit Committee to oversee the Group's financial reporting processes to ensure accuracy, adequacy of all relevant information for disclosure and that necessary steps have been taken to ensure that the Group had used all the applicable accounting policies consistently, and that the policies are supported by reasonable prudent judgements and estimates. All accounting standards, which the Board considers to be applicable, have been followed, subject to any explanations and material departures disclosed in the relevant notes to the financial statements.

Relationship with Auditors

The Board through the Audit Committee has established formal and transparent relationship with the external auditors which has been maintained on a professional basis. Key features underlying the relationship of the Audit Committee with the external auditors are included in the Audit Committee's term of reference as detailed on page 22 of the Annual Report.

A summary of the activities of the Audit Committee during the year are set out in the Audit Committee report on pages 22 to 23 of the Annual Report.

Statement of Internal Control

The Statement of Internal Control furnished on pages 20 to 21 of the Annual Report provides an overview on the state of internal controls within the Group.

Directors' Responsibility Statement In Respect of The Preparation of the Audited Financial Statements

The Board is responsible for ensuring that the financial statements of the Group give a true and fair view of the affairs of the Group and of the Company as at the end of the accounting period and of the profit and loss and cash flows for the period ended. The Board also ensures that the financial statements are prepared in accordance with the applicable approved accounting standards in Malaysia and the provisions of the Companies Act, 1965.

Compliance Statement

The Company has complied throughout the financial year with all the best practices of the corporate governance set out in Part 2 of the Code, except for Best Practice AAVII (Nomination of Senior Independent Non-Executive Director). Given the current composition of the Board which reflects a strong independent element and the separation of the roles of the Chairman and the Managing Director, the Board does not consider it necessary at this juncture to nominate a Senior Independent Non-Executive Director.

This statement was made in accordance with a resolution of the Board date 22 April 2004.



Statement Of Internal Control

The Malaysian Code of Corporate Governance sets out as a principal that the Board of Directors (“The Board”) should maintain a sound system of internal control. The Board believes that the practice of good corporate governance is an important continuous process and in accordance with paragraph 15.27 of the Malaysia Securities Exchange Board (“MSEB”) Listing Requirements, the Board has prepared the Statement of Internal Control below:

Responsibility

The board recognises the importance of maintaining a sound system of internal control and risk management practices in establishing good corporate governance. The Board acknowledges its responsibility for the Group’s system of internal controls, and risk management and for reviewing the adequacy and integrity of the system. This includes reviewing financial, organisational, management information system, operational and compliance controls and risk management procedures.

The system is designed to manage, rather than eliminate, the risk of failure to achieve corporate objectives and can provide reasonable but not absolute assurance against material misstatement or losses.

Risk Management

The Board regards risk management as an integral part of the business. The Group has formalised a risk policy and risk management framework prepared with the involvement of an independent consultant in 2002 for a systematic and consistent approach to evaluate and improve the adequacy and effectiveness of the Group’s risk management process.

As part of the risk management framework, a Risk Management Committee (“RMC”) has been established and is chaired by the Managing Director of the Company with the main functions of recommending appropriate risk management policy to the board, maintaining overall risk management oversights and to review the risk profile of the Group.

With the establishment of the risk management framework, the Company conducts periodic risk assessment exercises in the identification and evaluation of the significant risk affecting the Company and one of its significant subsidiary, Ken Grouting Sdn. Bhd. (KGSB). The risk profile of the Company and KGSB together with the Risk Register were updated and presented in the RMC.

As an ongoing continuous process, the risk assessment review was conducted by the RMC where all risk areas were reviewed and new risk areas included. The risk assessment was reviewed and approved by the Audit Committee and the Board respectively in March 2004.

Internal Audit Function

The internal audit function reports its findings to the Audit Committee of the Company. The Audit Committee examines the effectiveness of the Group’s system of internal control primarily through reviews of reports on periodic risk assessment exercises by the RMC and report from the internal audit function.

The internal audit function was conducted by an independent consultant during the last quarter of the year to review the existing risk management processes in place within the Company and KGSB relating to the significant risk areas and assessing the effectiveness of the internal control for the year. The significant risk areas were reviewed during the internal audit review and its findings were presented to the Audit Committee and the Board in March 2004.

Statement Of Internal Control (con't)

Other Risk and Control Process

The internal control mechanism established by the Board is embedded within the organisational structure and the procedures for planning, capital expenditure, information and reporting system for monitoring the Group's performance. The key elements adopted and to monitor and review the effectiveness of the system of internal control were:

- The Organisational structure of the Company and its subsidiary has cleared defined lines of accountability and authority for all aspects of the business;
- Management/project committee meetings are held to identify, discuss and resolve operational, financial and key management issues;
- Budget is prepared for each subsidiary and reviewed by the Managing Director;
- Management accounts and reports are prepared monthly and monitored against budget on a quarterly basis;
- Board Committees comprising of Audit Committee, Nomination Committee, Remuneration Committee, Option Committee, Management/Project Committee and Risk Management Committee with clear defined terms of reference and functions have been established;
- Standard Operating procedures which include the ISO Quality Management System of KGSB and Kenly (HK) Ltd (Kenly) are documented and continually reviewed to achieve compliance with ISO 9001:2000;
- Internal quality audits and surveillance audits conducted by certification bodies to monitor compliance with procedures as well as identify and monitor operational issues were conducted by KGSB and Kenly;
- The Audit Committee also reviews the annual and quarterly financial statements and the audit findings of the external auditors; and
- Appointment of suitable employees with the required qualification and experience to fulfill their responsibilities and to provide continuous training and development for the employees.

The Board remains committed towards operating a sound system of internal control and therefore recognises that the system must continuously evolve to support the growth and dynamics of the Group. As such the Board, in striving for continuous improvement, will put in place appropriate action plans, where necessary, to further enhance the Group's system of internal control.

This statement was made in accordance with a resolution of the Board dated 22 April 2004.



Audit Committee Report

ESTABLISHMENT AND COMPOSITION

The Audit Committee of Ken Holdings Berhad was established on 19 March 1996.

For the financial year ended 31 December 2003, the Committee comprises the following three Directors:

- Chairman:** Mr. Sha Thiam Fook (MIA member) (Independent Non-Executive Director)
- Members:** Dato' Ahmad Badri bin Mohamed Basir (Independent Non-Executive Chairman)
Mr. Tan Boon Kang (Managing Director)

TERMS OF REFERENCE

Membership

1. The Committee shall be appointed by the Board from amongst the Directors of the Company and shall consist of not less than three members, of whom the majority shall be independent.
2. The Committee shall include at least one person who is a member of the Malaysian Institute of Accountants or alternatively a person who must have at least 3 years' working experience and have passed the examinations specified in Part 1 of the 1st Schedule of the Accountants Act, 1967 or is a member of one of the associations specified in Part II of the said Schedule.
3. No alternate director shall be appointed as a member of the Committee.
4. The members of the Committee shall elect from among their number a Chairman who is non-executive and independent, as defined above.
5. If one or more members of the Committee resign, die or for any other reason cease to be a member with the result that the Listing Requirements of the Malaysia Securities Exchange Berhad are breached, the Board shall, within three months of the event, appoint such number of new members as may be required to correct the breach.
6. The Board shall review the term of office of Committee members no less than once every three years.

Authority

The Committee is authorised by the Board, in accordance with the procedures to be determined by the Board (if any) and at the cost of the Company, to:

- a. investigate any activity within the Committee's terms of reference;
- b. have resources which are reasonably required to enable it to perform its duties;
- c. have full and unrestricted access to any information pertaining to the Company and its subsidiaries;
- d. have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity (if any);
- e. obtain outside legal or other independent professional advice and secure the attendance of outsiders with relevant experience and expertise if it considers this necessary;
- f. convene meetings with the external auditors, excluding the attendance of the executive members of the Committee, whenever deemed necessary.

Function

The functions of the Committee shall be to review the following and report the same to the Board:

- a. Any matters concerning the appointment and dismissal of the external auditor and the audit fee;
- b. The nature and scope of the audit by the external auditors before commencement;
- c. The external auditors' audit report, areas of concern arising from the audit and any other matters the external auditors may wish to discuss (in the absence of management if necessary);
- d. Any financial information for publication, including quarterly and annual financial statements, before submission to the Board.;
- e. The external auditors' management letter and management's response;
- f. The adequacy of the scope, functions and resources of internal audit function, and that it has the necessary authority to carry out its work;
- g. The audit plan and work programme of internal audit;
- h. Findings of internal audit work and management's response;
- i. Any evaluations on internal controls by auditors;
- j. Extent of cooperation and assistance given by employees to external auditors;
- k. The propriety of any related party transactions and conflict of interest situations that may arise within the Company or the Group;
- l. Any other matter as directed by the Board.

Audit Committee Report (con't)

Overseeing The Internal Audit Function

1. The Committee shall oversee all internal audit functions and is authorised to commission investigations to be conducted by internal audit as it deems fit.
2. The internal auditor shall report directly to the Committee and shall have direct access to the Chairman of the Committee.
3. All proposals by management regarding the appointment, transfer or dismissal of the internal auditor shall require the prior approval of the Committee.

Quorum For Meetings

The quorum shall be formed only if there is a majority of members present at the meeting who are Independent Directors.

Meetings

The Audit Committee shall meet at least four times a year.

The Audit Committee met six times during the financial year ended 31 December 2003. The details of attendance at the Audit Committee's meetings held during the financial year are as follows:

Name of Members	Total No. of Meetings Held During Member's Tenure in Office	No. of Meetings Attended
Mr. Sha Thiam Fook (Chairman) (Independent Non-Executive Director)	6	6
Dato' Ahmad Badri bin Mohamed Basir (Member) (Independent Non-Executive Chairman)	6	6
Mr. Tan Boon Kang (Member) (Managing Director)	6	6

The Company's Executive Director - Finance and Administration is usually invited to attend all meetings. A representative of the external auditors is usually invited to attend the meetings to consider the half-year results, final audited financial statements and such other meetings determined by the Committee.

The Company Secretary shall be the Secretary of the Committee.

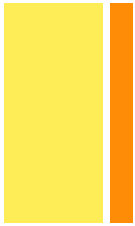
SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE DURING THE FINANCIAL YEAR ENDED 31 DECEMBER 2003

The Audit Committee carried out its duties in accordance with its Terms of Reference. During the financial year ended 31 December 2003, the activities of the Audit Committee included the following:-

- a. reviewed the quarterly financial results and announcements of the Company and the Group for the financial quarters ended 31/12/2002, 31/3/2003, 30/6/2003 and 30/9/2003 prior to submission to the Board of Directors for consideration and approval;
- b. reviewed the year end financial statements ended 31 December 2002;
- c. reviewed the external auditors' reports for the financial year ended 31 December 2002 in relation to audit and accounting issues arising from the audit;
- d. reviewed the Risk Assessment Report prepared by the consultant who was engaged to assist the Board in the set up of the Enterprise Risk Management System of the Group;
- e. reviewed Risk Management Policy and Procedure, Risk Assessment Report and Risk Profiles and recommended its adoption to the Board;
- f. reviewed the Group's 3-year Internal Audit Strategic Plan and the Internal Audit Plan for the financial year ended 31 December 2003; and
- g. reviewed the Statement of Internal Control and recommended its adoption to the Board.

INTERNAL AUDIT FUNCTION

For the financial year ended 31 December 2003, the Board outsourced its internal audit functions to a consultant who assists the Audit Committee in discharging its duties and responsibilities. During the year under review, the consultant has undertaken internal audit review based on an approved audit plan that was developed after risk assessment. She has recommended improvements to existing system of controls and reported the result of her findings to the Audit Committee.



Laporan Jawatankuasa Audit

PENUBUHAN DAN KOMPOSISI

Jawatankuasa Audit Ken Holdings Berhad telah ditubuhkan pada 19 Mac 1996.

Bagi tahun kewangan berakhir 31 Disember 2003, Jawatankuasa Audit terdiri daripada tiga Pengarah berikut:

- Chairman:** En. Sha Thiam Fook (Ahli MIA) (Pengarah Bebas Bukan Eksekutif)
- Members:** Dato' Ahmad Badri bin Mohamed Basir (Pengarah Bebas Bukan Eksekutif)
En. Tan Boon Kang (Pengarah Urusan)

BIDANG KUASA

Keahlian

1. Jawatankuasa hendaklah dilantik oleh Lembaga dan ahlinya hendaklah terdiri dari kalangan mereka dan hendaklah tidak kurang dari tiga orang ahli, di mana majoriti mestilah pengarah bebas.
2. Jawatankuasa hendaklah termasuk sekurang-kurangnya seorang ahli Institut Akauntan Malaysia atau sebagai alternatif, seorang yang mempunyai pengalaman kerja selama sekurang-kurangnya tiga tahun dan mempunyai kelulusan dalam peperiksaan ditetapkan di Bahagian 1 dalam Jadual 1 Akta Akauntan, 1967 ataupun ia adalah seorang ahli daripada salah satu persatuan yang ditentukan di Bahagian II dalam Jadual tersebut.
3. Tiada pengarah silih ganti boleh dilantik sebagai ahli Jawatankuasa.
4. Ahli-ahli Jawatankuasa hendaklah melantik seorang pengerusi dari kalangan mereka yang merupakan seorang Pengarah Bebas Bukan Eksekutif, seperti yang dinyatakan di atas.
5. Sekiranya seorang atau lebih daripada seorang ahli Jawatankuasa meletak jawatan, meninggal atau atas apa-apa sebab lain berhenti menjadi seorang ahli dan menyebabkan Keperluan Penyenaraian Malaysia Securities Exchange Berhad termungkir, maka Lembaga harus, dalam masa tiga bulan dari peristiwa tersebut, melantik sebanyak mana ahli-ahli baru yang diperlukan untuk membetulkan kemungkiran tersebut.
6. Lembaga hendaklah mengkaji semula syarat pemegangan jawatan bagi ahli Jawatankuasa tidak kurang daripada sekali setiap tiga tahun.

Kuasa

Jawatankuasa diberi kuasa oleh Lembaga, mengikut prosedur yang ditetapkan oleh Lembaga (sekiranya ada) dan dengan kos ditanggung oleh Syarikat, untuk:

- a. menyiasat sebarang aktiviti di dalam bidang kuasa Jawatankuasa;
- b. mendapatkan sumber-sumber yang secara munasabah diperlukan untuk membolehkan ia menjalankan tugasnya;
- c. mendapatkan akses penuh dan tidak terbatas terhadap sebarang maklumat berkaitan dengan Syarikat dan subsidiarinya;
- d. memperolehi saluran komunikasi terus dengan juruaudit luaran dan mereka yang menjalankan fungsi atau aktiviti audit dalaman (sekiranya ada);
- e. mendapatkan khidmat nasihat guaman luar atau lain-lain nasihat professional bebas dan mendapatkan kehadiran pihak luar yang mempunyai pengalaman serta kepakaran yang berkaitan jika dianggap perlu;
- f. mengadakan mesyuarat dengan juruaudit luaran, tanpa kehadiran ahli-ahli eksekutif Jawatankuasa, apabila dianggap perlu.

Fungsi-Fungsi

Fungsi-fungsi Jawatankuasa adalah mengkaji semula perkara-perkara berikut dan memberi laporan kepada Lembaga:

- a. Apa-apa perkara berkenaan dengan perlantikan dan penyingkiran juruaudit luaran dan yuran audit.
- b. Sifat dan skop audit yang digunakan oleh juruaudit luaran sebelum audit bermula.
- c. Laporan juruaudit luaran, perkara-perkara dalam perhatian yang timbul daripada pengauditan serta sebarang perkara lain yang mungkin perlu dibincangkan oleh juruaudit luaran (tanpa kehadiran pihak pengurusan sekiranya perlu).
- d. Apa-apa maklumat kewangan untuk pengumuman, termasuk penyata kewangan suku tahunan dan tahunan, sebelum ia dikemukakan kepada Lembaga.
- e. Surat pengurusan juruaudit luaran dan respons dari pihak pengurusan.
- f. Kecukupan skop, fungsi-fungsi dan sumber-sumber fungsi audit dalaman, dan bahawa ianya mempunyai kuasa yang diperlukan untuk menjalankan tugasnya.
- g. Pelan audit dan program kerja audit dalaman.
- h. Penemuan dari kerja audit dalaman dan respons pihak pengurusan.
- i. Apa-apa penaksiran atas kawalan dalaman oleh juruaudit.
- j. Tahap kerjasama dan bantuan yang diberikan oleh kakitangan kepada juruaudit luaran.
- k. Kesesuaian sebarang urusan pihak berkaitan dan keadaan konflik kepentingan yang mungkin timbul di dalam Syarikat atau Kumpulan.
- l. Apa-apa perkara lain yang diarahkan oleh Lembaga.

Laporan Jawatankuasa Audit (samb.)

Menyelia Fungsi Audit Dalam

1. Jawatankuasa hendaklah menyelia segala fungsi audit dalam dan diberikuasa untuk mengarahkan supaya penyiasatan dijalankan oleh audit dalam sekiranya dianggap sesuai.
2. Juruaudit dalam hendaklah melapor terus kepada Jawatankuasa dan hendaklah mempunyai akses terus kepada Pengerusi Jawatankuasa.
3. Semua cadangan oleh pihak pengurusan berkenaan dengan perantikan, pemindahan atau pemberhentian juruaudit dalam hendaklah terlebih dahulu diluluskan oleh Jawatankuasa.

Kuorum Untuk Mesyuarat

Kuorum dikira tercapai hanya sekiranya terdapat majoriti ahli yang hadir di mesyuarat merupakan pengarah bebas.

Mesyuarat

Jawatankuasa Audit hendaklah bermesyuarat sekurang-kurangnya empat kali setahun.

Jawatankuasa Audit telah bermesyuarat sebanyak enam kali sepanjang tahun kewangan berakhir 31 Disember 2003. Butir-butir mengenai kehadiran di mesyuarat Jawatankuasa Audit yang diadakan sepanjang tahun kewangan adalah seperti berikut:

Nama Ahli	Jumlah Mesyuarat Yang Diadakan Dalam Tempoh Jawatan Ahli	Jumlah Mesyuarat Dihadiri
En. Sha Thiam Fook (Pengerusi) (Pengarah Bebas Bukan Eksekutif)	6	6
Dato' Ahmad Badri bin Mohamed Basir (Ahli) (Pengerusi Bebas Bukan Eksekutif)	6	6
En. Tan Boon Kang (Ahli) (Pengarah Urusan)	6	6

Pengarah Eksekutif Kewangan dan Pentadbiran Syarikat biasanya dijemput untuk menghadiri semua mesyuarat. Seorang wakil Juruaudit Luaran juga dijemput menghadiri mesyuarat untuk mempertimbangkan keputusan setengah tahun, penyata kewangan teraudit dan dan mesyuarat-mesyuarat lain yang ditentukan oleh Jawatankuasa.

Setiausaha Syarikat hendaklah menjadi Setiausaha Jawatankuasa.

RINGKASAN AKTIVITI-AKTIVITI JAWATANKUASA AUDIT SEPANJANG TAHUN KEWANGAN BERAKHIR 31 DISEMBER 2003

Jawatankuasa Audit telah menjalankan tugasnya mengikut Bidang Kuasa. Sepanjang tahun kewangan berakhir 31 Disember 2003, aktiviti-aktiviti Jawatankuasa Audit termasuk berikut:

- a. mengkaji semula keputusan kewangan suku tahunan dan pengumuman Syarikat dan Kumpulan bagi suku tahun kewangan berakhir 31/12/2002, 31/3/2003, 30/6/2003 dan 30/9/2003 sebelum dikemukakan kepada Lembaga Pengarah untuk pertimbangan dan kelulusan;
- b. mengkaji semula penyata kewangan tahunan berakhir 31 Disember 2002;
- c. mengkaji semula laporan juruaudit luaran bagi tahun kewangan berakhir 31 Disember 2002 berkenaan dengan isu-isu audit dan perakaunan yang timbul daripada pengauditan;
- d. mengkaji semula Laporan Penilaian Risiko yang disediakan oleh jururunding yang dilantik untuk membantu Lembaga menubuhkan Sistem Pengurusan Risiko Perusahaan Kumpulan;
- e. mengkaji semula Polisi dan Prosedur Pengurusan Risiko, Laporan Penilaian Risiko dan Profil-profil Risiko dan mengesyorkan kepada Lembaga untuk diterima pakai;
- f. mengkaji semula Pelan Strategik Audit Dalam Kumpulan bagi tempoh 3 tahun dan Pelan Audit Dalam bagi tahun kewangan berakhir 31 Disember 2003;
- g. mengkaji semula Penyata Kawalan Dalam dan mengesyorkan kepada Lembaga untuk diterima pakai.

FUNGSI AUDIT DALAM

Bagi tahun kewangan berakhir 31 Disember 2003, pihak Lembaga telah mencari sumber luar bagi fungsi audit dalamannya dari seorang jururunding yang membantu Jawatankuasa Audit dalam melaksanakan tugas dan tanggungjawab mereka. Sepanjang tahun sedang ditinjau, jururunding tersebut telah mengadakan kajian semula audit berdasarkan pelan audit yang diluluskan yang dirangka selepas penilaian risiko dibuat. Beliau mengesyorkan penambahbaikan ke atas sistem kawalan sedia ada dan melaporkan hasil penemuan tersebut kepada Jawatankuasa Audit.

Additional Disclosure Information

Utilisation Of Proceeds

The status of utilisation of proceeds as at 25 January 2004, arising from the Renounceable Rights Issue of 10,000,000 new shares at an issue price of RM1.10 per share that was allotted and issued during the financial year ended 31 December 2003, were as follows:

Purpose	Proposed utilisation approved by Securities Commission on 30/04/02 RM'000	Revised utilisation as announced on 15/12/03 RM'000	Utilised up to 25 January 2004 RM'000
Acquisition of site vehicles, plant and machinery and office equipment	1,500	(487)	1,013
Working capital requirements for the Company and its subsidiaries	8,300	929	9,229
Expenses incurred for the exercise	1,200	(442)	758
Total	11,000	-	11,000

Share Buy-Back

The company does not have a share buy-back programme in place.

Options, Warrants or Convertible Securities

On 4 June 2003, the Group granted options for 4,901,000 shares in the Company pursuant to its Employees' Shares Option Scheme (ESOS). The ESOS was approved by shareholders at the Extraordinary General Meeting on 30 June 2000. During the financial year, 162,000 options were exercised pursuant to the ESOS.

The Company did not issue any warrants or convertible securities.

American Depository Receipt ("ADR") Or Global Depository Receipt ("GDR") Programme

During the financial year ended 31 December 2003, the Company did not sponsor any ADR or GDR programme.

Imposition Of Sanctions/Penalties

There were no sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or management by the relevant regulatory bodies.

Non Audit Fee

The total amount of non-audit fees payable to the external auditors by the Company and its subsidiaries for the financial year ended 31 December 2003 amounted to RM8,524.

Variation In Results

There was no material variance between the audited results for the financial year 31 December 2003 and the unaudited results previously announced.

Profit Guarantee

The Company did not issue any profit guarantee during the financial year ended 31 December 2003.

Material Contracts

Save as disclosed in Note 27 to the Financial Statements on significant related party transactions, there were no material contracts entered into by the Company and its subsidiary companies which involve Directors' and major shareholders' interests either still subsisting at the end of the financial year ended 31 December 2003 or entered into since the end of previous financial year.

Maklumat Pendedahan Tambahan

Penggunaan Perolehan

Status penggunaan perolehan pada 25 Januari 2004, hasil daripada Terbitan Hak Boleh Serah sebanyak 10,000,000 saham baru pada harga terbitan RM1.10 sesaham sepanjang tahun kewangan berakhir 31 Disember 2003, adalah seperti berikut:

Tujuan	Penggunaan cadangan diluluskan oleh Suruhanjaya Sekuriti pada 30/04/02 RM'000	Penggunaan disemak semula seperti telah diumumkan pada 15/12/03 RM'000	Diguna sehingga 25 Januari 2004 RM'000
Pembelian kenderaan, tapak, loji dan peralatan jentera dan peralatan pejabat	1,500	(487)	1,013
Keperluan modal kerja untuk Syarikat dan syarikat-syarikat subsidiari	8,300	929	9,229
Perbelanjaan ditanggung berhubung pelaksanaan ini	1,200	(442)	758
Jumlah	11,000	-	11,000

Beli-Balik Saham

Syarikat tidak mempunyai program pembelian balik saham.

Opsyen, Waran Atau Sekuriti Boleh Tukar

Pada 4 Jun 2003, Kumpulan telah meluluskan opsyen sebanyak 4,901,000 saham di dalam Syarikat menurut Skim Opsyen Saham Pekerja (ESOS). ESOS tersebut telah diluluskan oleh pemegang saham di Mesyuarat Agung Luarbiasa pada 30 Jun 2000. Sepanjang tahun kewangan, sebanyak 162,000 opsyen telah dilaksanakan menurut ESOS tersebut. Syarikat tidak mengeluarkan apa-apa waran atau sekuriti boleh tukar.

Program Resit Depositori Amerika ("ADR") Atau Program Resit Depositori Global ("GDR")

Sepanjang tahun kewangan berakhir 31 Disember 2003, Syarikat tidak menaja apa-apa program ADR atau GDR.

Pengenaan Sekatan/ Hukuman

Tiada sekatan dan/atau hukuman dikenakan ke atas Syarikat dan subsidiary, pengarah atau pihak pengurusannya oleh pihak-pihak kawal selia yang berkenaan.

Yuran Bukan Audit

Sejumlah RM8,524 yuran bukan audit berbayar kepada juruaudit luaran oleh Syarikat dan subsidiarinya bagi tahun kewangan berakhir 31 Disember 2003.

Variasi Keputusan

Tiada varians penting di antara keputusan teraudit bagi tahun kewangan berakhir 31 Disember 2003 dan keputusan belum diaudit yang diumumkan terdahulu.

Jaminan Keuntungan

Syarikat tidak mengeluarkan apa-apa jaminan keuntungan sepanjang tahun kewangan berakhir 31 Disember 2003.

Kontrak Material

Kecuali mana yang dibentangkan dalam Nota 27 kepada Penyata Kewangan mengenai urusan penting pihak berkaitan, tiada kontrak material yang ditandatangani oleh Syarikat dan syarikat-syarikat subsidiarinya yang melibatkan kepentingan pengarah dan pemegang saham utama sama ada masih berkuatkuasa pada hujung tahun kewangan berakhir 31 Disember 2003 atau ditandatangani sejak berakhir tahun kewangan sebelumnya.

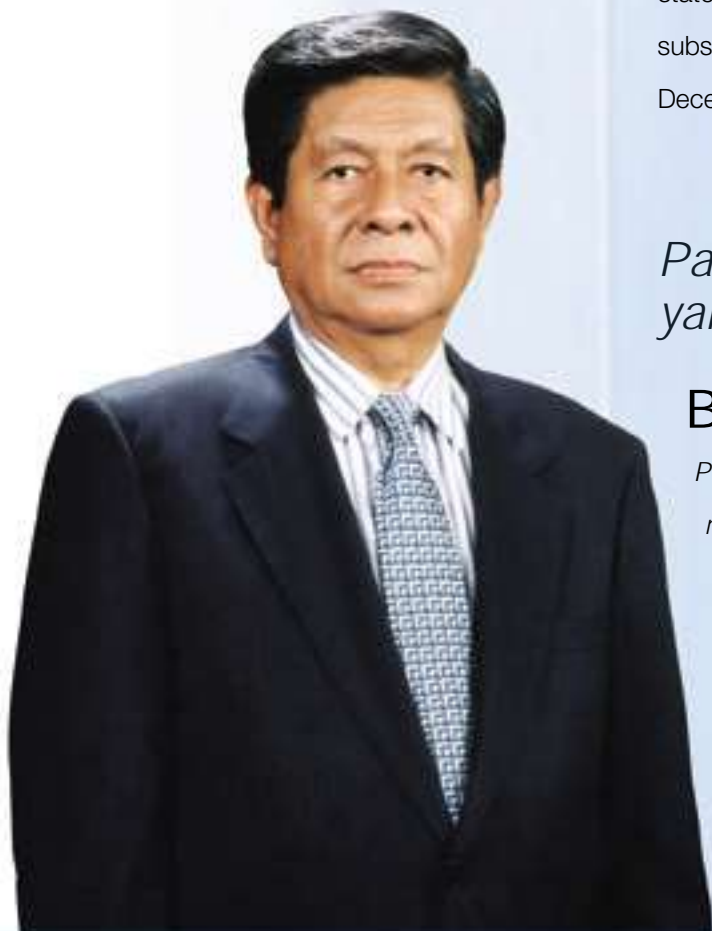
Chairman's Statement Penyata Pengerusi

Dear Shareholders,

On behalf of my colleagues on the Board, it gives me great pleasure to present to you the 20th Annual Report and the audited financial statements of Ken Holdings Berhad and its subsidiaries for the financial year ended 31 December 2003.

*Para Pemegang Saham
yang dihormati,*

Bagi pihak rakan sejawat saya di Lembaga Pengarah, saya dengan sukacitanya membentangkan Laporan Tahunan Ke-20 dan penyata kewangan teraudit Ken Holdings Berhad dan subsidiari-subsidiarinya bagi tahun kewangan berakhir 31 Disember 2003.



Dato' Ahmad Badri bin Mohamed Basir

Independent Non-Executive Chairman
Pengerusi Bebas dan Bukan Eksekutif

Chairman's Statement (con't) Penyata Pengerusi (samb.)

Introduction

The Group operated under uncertain economic environment during the year under review where a number of events such as the Bali bombing, SARS outbreak, the Iraq war and rising oil prices have dampened sentiments and demand. The impact on the domestic economy was a concern and the Government took swift and pro-active measures by proposing a strong economic stimulus package with accommodative fiscal and monetary policies which have mitigated the negative impact of these developments. But there is no denying that our Malaysian economy is still largely influenced by external factors.

In the later part of 2003, a strong rebound in the housing market was experienced as the domestic economy and the stock market rebounded and pick-up steam. The effects of this trend can be made clear when Bank Negara recently announced a higher-than-forecast 6.4% growth in Malaysia's fourth quarter 2003 gross domestic product (GDP) that affected the cumulative GDP growth of 5.2% for the entire year 2003.

Financial Review

The Group turned in profit before tax of RM9.9 million on the back of a revenue of RM59.3 million for the year under review. Revenue increased by 20% over the previous year of RM49.4 million contributed mainly by the development project in Seri Kembangan which had commenced full scale this year.

Pengenalan

Kumpulan beroperasi di bawah keadaan ekonomi tidak menentu sepanjang tahun sedang ditinjau di mana beberapa kejadian seperti pengeboman di Bali, wabak SARS, peperangan di Iraq dan peningkatan harga minyak telah melemahkan sentimen dan permintaan. Kesan ke atas ekonomi domestik menjadi perhatian Kerajaan yang telah mengambil langkah pantas dan pro-aktif dengan mencadangkan pakej rangsangan ekonomi yang kukuh dengan polisi fiskal dan monetari yang membantu telah meringankan kesan negatif dari perkembangan tersebut. Namun tidak dapat dinafikan bahawa ekonomi Malaysia masih lagi dipengaruhi dengan banyak oleh factor-faktor luaran.

Bagi tahun kewangan berakhir 31 Disember 2003, satu lantunan mantap dalam pasaran perumahan dialami disebabkan pemulihan ekonomi domestik dan pasaran saham dan stim diambil. Kesan arah aliran ini boleh dilihat jelas apabila Bank Negara baru-baru ini mengumumkan pertumbuhan lebih-tinggi-dari-unjuran 6.4% dalam Keluaran Dalam Negara Kasar (KDNK) yang mempengaruhi KDNK kumulatif sebanyak 5.2% bagi seluruh tahun 2003.

Tinjauan Kewangan

Kumpulan mencatat keuntungan sebelum cukai sebanyak RM9.9 juta berdasarkan perolehan sebanyak RM59.3 juta bagi tahun sedang ditinjau. Perolehan meningkat sebanyak 20% berbanding tahun lepas sebanyak RM49.4 juta yang disumbang terutamanya oleh projek pembangunan di Seri Kembangan yang telah bermula skala penuh pada tahun ini.



Chairman's Statement (con't) Penyata Pengerusi (samb.)

Profit attributable to shareholders recorded at RM7.2 million was below the previous year of RM9.4 million by 27.2% mainly due to the lower margins contributed by our Seri Kembangan project which consists of medium cost apartments, low cost apartments and shoplots. In the previous year, profit was mainly from the development of Ken Damansara condominium which contributed comparatively higher margins.

Dividends

The Board is pleased to recommend a dividend of 5% less tax (2002: 5% less tax) in recognition of your support and continued confidence in us. The dividend shall, of course, be subject to shareholders' approval at the forthcoming Annual General Meeting.

Outlook

With the brighter economic outlook and the prospects of a revitalised domestic market, the key indicators are pointing towards a robust growth in the Malaysian economy in the coming year. With increased consumer confidence in the Klang Valley where most of our projects are located, coupled with low interest rates and a buoyant stock market, we foresee strong consumer spending trends both in retail large ticket items such as homes and properties. We are therefore confident to enhance the Group's performance in a broad-based perspective.

Barring any unforeseen circumstances, the Directors are reasonably optimistic of the Group achieving favourable performance in 2004.

Corporate Governance

The Board recognises and is committed in ensuring that the Group practise the highest level of corporate governance in accordance with the Malaysian Code of Corporate Governance. We believe that these practices would safeguard and enhance shareholders' investment value. We also consider that corporate governance is a continuous process and requires periodic review and refinement.

Keuntungan boleh diagih kepada pemegang saham direkodkan pada RM7.2 juta adalah kurang daripada tahun lepas sebanyak RM9.4 juta iaitu 27% terutamanya disebabkan oleh margin lebih rendah dihasilkan oleh projek Seri Kembangan kami yang merangkumi apartmen kos sederhana, apartmen kos rendah dan lot kedai. Pada tahun lepas, keuntungan terutamanya diperolehi daripada pembangunan kondominium Ken Damansara yang secara komparatifnya menyumbang margin lebih tinggi.

Dividen

Pihak Lembaga dengan sukacita mengesyorkan dividen sebanyak 5% ditolak cukai pendapatan sebanyak 28% berjumlah RM2,166,000 sebagai menghargai sokongan dan keyakinan berterusan anda kepada kami. Dividen tersebut hendaklah tertakluk kepada kelulusan para pemegang saham di Mesyuarat Agung Tahunan yang akan datang.

Prospek

Dengan pandangan ekonomi lebih cerah dan prospek pemulihan pasaran domestic, petunjuk penting menghala kepada pertumbuhan teguh dalam ekonomi Malaysia pada tahun akan datang. Dengan meningkatnya keyakinan pengguna di Lembah Klang di mana terletak kebanyakan projek kami, digandingkan dengan kadar faedah rendah dan pasaran saham apung, kami menjangkakan arah aliran perbelanjaan pengguna yang teguh dalam runcit barangan tiket besar seperti rumah dan hartanah. Dengan itu kami yakin untuk meningkatkan prestasi Kumpulan dalam perspektif yang meluas.

Dengan penetapan tahap bagi Kumpulan untuk mencapai kejayaan menjang tinggi dan jika tidak berlaku apa-apa keadaan yang tidak dapat diramal, para pengarah secara munasabah optimis bahawa Kumpulan akan mencapai prestasi memberangsangkan dalam tahun 2004.

Urus Tadbir Korporat

Lembaga Pengarah mengenal pasti dan berkomitmen dalam memastikan Kumpulan mempraktikkan tahap tertinggi urus tadbir korporat menurut Kod Urus Tadbir Korporat Malaysia. Kami percaya bahawa amalan-amalan ini dapat melindungi dan meningkatkan nilai pelaburan pemegang saham. Kami juga menganggap bahawa urus tadbir korporat merupakan satu proses berterusan dan memerlukan kajian semula dan penghalusan berkala.

Chairman's Statement (con't) Penyata Pengerusi (samb.)

More detailed coverage of the Group's focus on corporate governance can be found in the Statement on Corporate Governance in the Annual Report.

Acknowledgement

On behalf of the Board of Directors, I would like to extend our gratitude and appreciation to all our employees for their dedicated service and contribution to the success of the Group. To our shareholders, customers, business associates and all relevant authorities, I would like to convey our sincere thanks for their continued support and confidence in the Group. Last but not least, my special thanks to my fellow Board members for their invaluable contributions, advice and support during the year.

Dato' Ahmad Badri bin Mohamed Basir

Independent Non-Executive Chairman

Kuala Lumpur
30 April 2004

Rangkuman lebih terperinci berkenaan fokus Kumpulan atas urus tadbir korporat boleh didapati di Penyata Urus Tadbir Korporat dalam Laporan Tahunan ini.

Penghargaan

Bagi pihak Lembaga Pengarah, saya ingin menyampaikan terima kasih dan penghargaan kami kepada semua pekerja atas khidmat mereka yang penuh dedikasi dan sumbangan kepada kejayaan Kumpulan. Kepada para pemegang saham, pelanggan, rakan niaga dan semua pihak berkuasa yang berkaitan, saya ingin menyampaikan penghargaan ikhlas kami atas sokongan dan keyakinan berterusan mereka terhadap Kumpulan. Juga tidak dilupakan penghargaan istimewa saya kepada ahli-ahli Lembaga Pengarah atas sumbangan, nasihat dan sumbangan yang tidak ternilai sepanjang tahun.

Dato' Ahmad Badri bin Mohamed Basir

Pengerusi Bebas Bukan Eksekutif

Kuala Lumpur
30 April 2004



Managing Director's Review Of Operations

Tinjauan Operasi Pengarah Urusan

"... an organisation is only as good as the people that work for it and our successes to date are the result of dedication, hard work and commitment from all our employees."

"...sebuah organisasi bergantung kepada orang yang bekerja untuknya dan kejayaan-kejayaan kami hingga hari ini adalah hasil dedikasi dan komitmen daripada seluruh pekerja kami."



Tan Boon Kang

Managing Director
Pengarah Urusan

Managing Director's Review Of Operations (con't)

Tinjauan Operasi Pengarah Urusan (samb.)

Introduction

The year 2003 started off in a particularly challenging environment with the culminating effects of the war in Iraq and the outbreak of the Severe Acute Respiratory Syndrome ("SARS"). Malaysia has been affected adversely by these cataclysmic events – the economy slowed down during the early part of the year. With swift response from the Government in introducing the stimulus package in mid-2003, it has mitigated the slowdown and place the economy firmly on the path of recovery. With this stimulus package, designed to shore up consumer sentiments, spur local demand and spearhead domestic investments, the positive effects of the package should continue to filter through 2004.

The Group has recorded a profit attributable to shareholders of RM7.2 million against the backdrop of swing sentiments and challenging market conditions, which on the whole has been satisfactory based on a revenue of RM59.3 million. Revenue increased by 20% from the previous year of RM49.4 million mainly attributed to our development project in Seri Kembangan which commenced full scale during the year under review. Profit attributable to shareholders at RM7.2 million was below RM9.4 million recorded the previous year mainly due to the lower margins contributed by the Seri Kembangan development consisting mainly of medium cost apartments, low cost apartments and shophots.

Pengenalan

Tahun 2003 bermula dengan satu persekitaran yang begitu mencabar dengan kesan akhiran akibat peperangan di Iraq dan merebaknya Sindrom Respiratori Akut Yang Teruk ("SARS"). Malaysia telah terjejas teruk akibat peristiwa-peristiwa kata-klimik tersebut di mana ekonomi menurun sepanjang awal tahun. Dengan tindak balas pantas daripada Kerajaan dalam memperkenalkan pakej rangsangan dalam pertengahan 2003, ianya telah mengurangkan penurunan tersebut dan dengan teguh meletakkan ekonomi ke arah pemulihan. Dengan pakej rangsangan ini, yang dibentuk untuk meninggikan sentimen pengguna, susuh permintaan tempatan dan memantapkan pelaburan domestik, kesan-kesan positif pakej tersebut dijangka berterusan sepanjang tahun 2004.

Kumpulan mencatatkan keuntungan boleh diagih kepada pemegang saham sebanyak RM7.2 juta berbanding tirai pandang ayunan sentimen dan keadaan pasaran mencabar, yang secara keseluruhan adalah memuaskan berdasarkan perolehan sebanyak RM59.3 juta. Perolehan meningkat sebanyak 20% daripada RM49.4 juta pada tahun lepas terutamanya disebabkan oleh margin lebih rendah disumbangkan oleh pembangunan Seri Kembangan terutamanya merangkumi apartmen kos sederhana, apartmen kos rendah dan lot kedai.

Managing Director's Review Of Operations (con't) Tinjauan Operasi Pengarah Urusan (samb.)

Construction and Specialist Engineering Operations

During the year, construction activities were contributed mainly by in-house projects in Seri Kembangan consisting of medium cost and low cost apartments and shoplots. The Seri Kembangan project should substantially be completed by 2005.

The specialist engineering services has been fairly active where a number of projects were completed in the year under review. Our operation in Hong Kong has been equally active despite of the SARS outbreak and the regional economic slowdown experienced during the year. In our Hong Kong operation, we had secured a contract for slope stabilisation works valued at HK\$23.3 million during the year. The Contract Works which involve geo-technical and slope stabilisation works cover a total of 22 slopes along the new proposed highway – T3, linking Tai Po Road to Sha Tin and covers approximately 4 kilometers is under the purview of the Territory Development Department, Hong Kong, Special Administrative Region. The Contract Works shall take a period of 18 months and is expected to be completed by early 2005.

Property Development Operations

The Seri Kembangan development project has commenced full scale during the year under review wherein the medium cost apartment, Kantan Court is expected to be completed in 2004. The low cost apartments and shoplots which are substantially sold are expected to be completed by early 2005.

Operasi Pembinaan dan Kejuruteraan Pakar

Sepanjang tahun, aktiviti pembinaan terutamanya disumbang oleh projek-projek dalaman di Seri Kembangan merangkumi apartmen kos sederhana, apartmen kos rendah dan lot kedai. Projek Seri Kembangan dijangka akan disiapkan di akhir tahun 2005.

Perkhidmatan kejuruteraan pakar juga agak aktif di mana beberapa projek telah disiapkan dalam tahun sedang ditinjau. Operasi kami di Hong Kong secara seimbang aktif walaupun merebak SARS dan mengalami kelembapan ekonomi wilayah sepanjang tahun. Di sepanjang tahun, dalam operasi Hong Kong kami telah mendapat satu kontrak kerja-kerja menstabilkan tebing bernilai HK\$23.3 juta. Kerja-kerja Kontrak yang melibatkan geo-teknikal dan kerja-kerja menstabilkan tebing merangkumi sejumlah 22 tebing sepanjang lebuh raya baru yang dicadangkan – T3, yang menghubungkan Tai Po Road dengan Sha Tin dan meliputi lebih kurang 4 kilometer adalah di bawah kuasa Territory Development Department, Hong Kong, Special Administrative Region. Kerja-kerja Kontrak tersebut akan mengambil tempoh 18 bulan dan dijangka siap pada awal tahun 2005.

Operasi Pembangunan Hartanah

Projek pembangunan Seri Kembangan telah bermula skala penuh pada tahun sedang ditinjau termasuk apartmen kos sederhana, Kantan Court yang dijangka siap dalam tahun 2004. Apartmen kos rendah dan lot kedai yang banyak telah dijual dijangka siap pada awal tahun 2005.



Managing Director's Review Of Operations (con't)

Tinjauan Operasi Pengarah Urusan (samb.)

Ken Damansara Phase II in SS2, Petaling Jaya with exceptional design and innovative layout being one of the few remaining freehold properties in Petaling Jaya is expected to take off in 2004 to cater to the increasing consumer confidence in Klang Valley, in particular, SS2 Petaling Jaya and the surrounding areas.

The first phase of the project in Shah Alam has been progressing with the on-going works for the low cost apartments in order to relocate the existing squatters. The second phase of the project which consists of residential units and shops/office will commence upon the completion of the low cost apartments.

Quality Management

In our pursuit for total commitment to quality management, we have upgraded the quality management system for two of our subsidiaries during the year under review and the quality management system has been certified by SIRIM and Bureau Veritas Quality International for ISO 9001:2000.

Fasa II Kan Damansara di SS2, Petaling Jaya dengan reka bentuk luar biasa dan susun atur inovasi adalah antara beberapa hartanah pegangan bebas di Petaling Jaya dijangka bermula dalam tahun 2004 untuk memenuhi peningkatan keyakinan pengguna di Lembah Klang, khususnya SS2 Petaling Jaya dan kawasan-kawasan sekitarnya.

Fasa pertama projek di Shah Alam telahpun bermula dengan kerja-kerja berterusan apartment kos rendah untuk memindahkan setinggan yang keluar. Fasa kedua projek tersebut yang merangkumi unit kediaman dan lot kedai/ pejabat akan bermula sebaik sahaja apartmen kos rendah siap.

Pengurusan Kualiti

Dalam matlamat kami untuk komitmen menyeluruh kepada pengurusan kualiti, kami telah menaik taraf system pengurusan kualiti bagi dua daripada subsidiari-subsidiari kami pada tahun sedang ditinjau dan system pengurusan kualiti tersebut telahpun disahkan oleh SIRIM dan Bureau Veritas Quality International for ISO 9001:2000.



Managing Director's Review Of Operations (con't) Tinjauan Operasi Pengarah Urusan (samb.)

Staff Development and Motivation

The Group has always acknowledged the fact that an organisation is only as good as the people that work for it and our successes to date are the result of dedication, hard work and commitment from all our employees. The greatest challenge is for the Group to instill a strong sense of belonging and unity among its people in keeping with the pace of its rapid expansion.

During the year, the Employees' Share Option Scheme ("ESOS") was introduced and allotment offers were made to staff with the view of retaining and motivating staff to realign their commitment and goals with that of the Group's mission and vision.

We are also working towards improving the professional skills and core competence of our staff through structured internal and external training to ensure that our people are equipped to cope with the changing trends in their respective fields and to sharpen their competitive edge.

Performance Review

Shareholders' fund has improved to RM90.7 million from RM75.2 million recorded in the previous year.

Net tangible assets per share at RM1.48 has reduced from RM1.80 mainly due to the increased in capitalisation from RM40.0 million to RM60.2 million via the Rights and Bonus Issues which were allotted in January 2003 and the exercise of ESOS where 162,000 ordinary shares of RM1.00 each were issued during the year under review.

Tan Boon Kang
Managing Director

Kuala Lumpur
30 April 2004

Pembangunan dan Motivasi Kakitangan

Kumpulan sentiasa mengakui fakta bahawa baiknya sebuah organisasi bergantung kepada orang yang bekerja untuknya dan kejayaan-kejayaan kami hingga hari ini adalah hasil dedikasi dan komitmen daripada seluruh pekerja kami.

Di sepanjang tahun, Skim Opsyen Saham Pekerja ("ESOS") telah diperkenalkan dan tawaran peruntukan dibuat kepada pekerja dengan tujuan untuk mengekalkan dan merangsang pekerja untuk menggaris semula komitmen dan matlamat mereka sejajar dengan misi dan visi Kumpulan.

Kami juga menuju kepada meningkatkan skil profesional dan kelayakan teras bagi pekerja kami melalui latihan terancang dalaman dan luaran untuk memastikan pekerja kami dilengkapi supaya dapat bersaing dengan arah aliran berubah-ubah dalam bidang mereka dan menajamkan sudut kompetitif mereka.

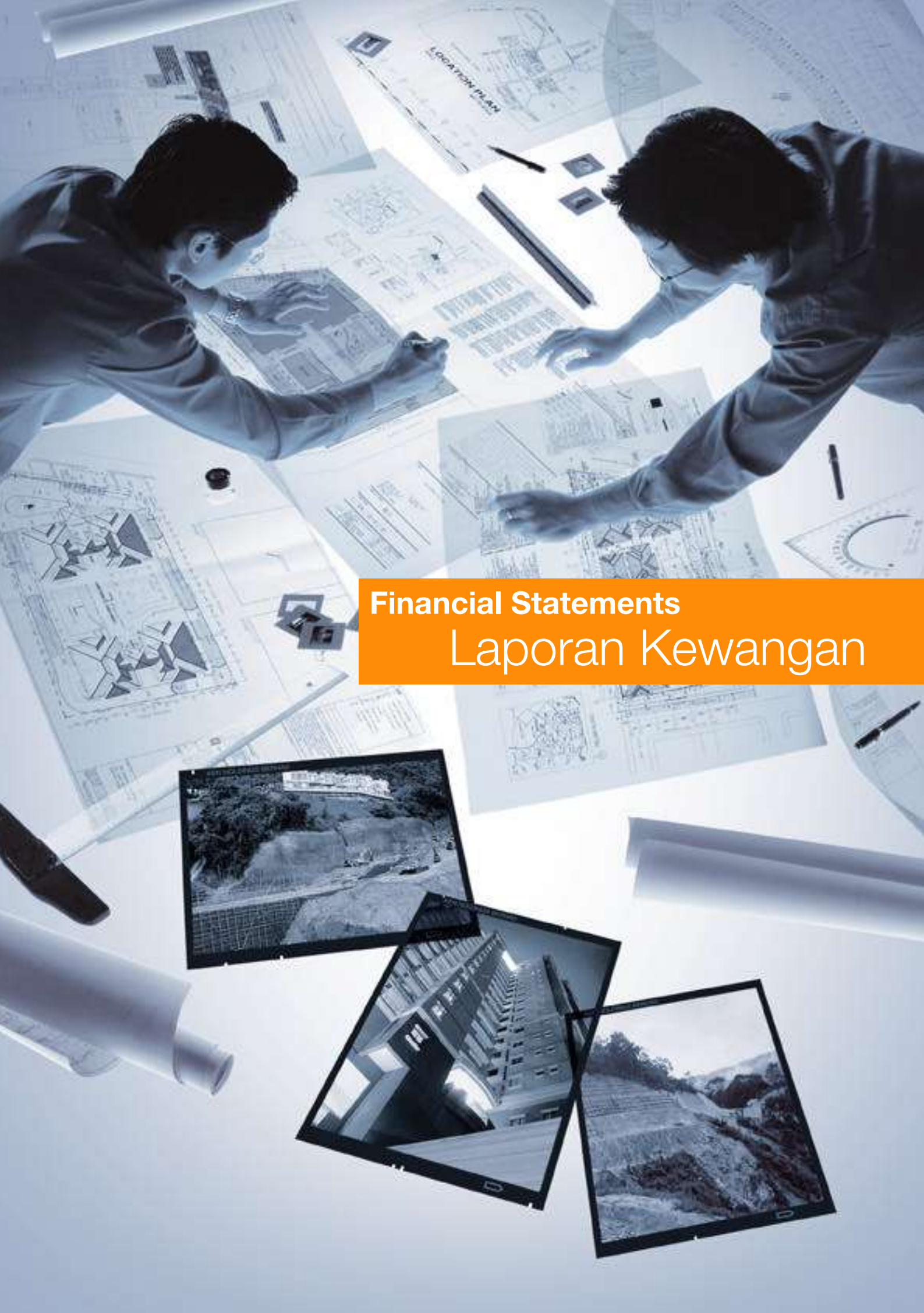
Kajian Semula Prestasi

Dana Pemegang Saham meningkat kepada RM90.7 million daripada RM75.2 million yang dicatat pada tahun lepas.

Aset ketara bersih pada RM1.48 menurun daripada RM1.80 terutamanya disebabkan oleh peningkatan dalam permodalan daripada RM40.0 million kepada RM60.2 million melalui Terbitan Hak dan Bonus yang diperuntukkan dalam bulan Januari 2004 dan pelaksanaan ESOS di mana 162,000 saham biasa bernilai RM1.00 sesaham telah dikeluarkan sepanjang tahun sedang ditinjau.

Tan Boon Kang
Pengarah Urusan

Kuala Lumpur
30 April 2004



Financial Statements
Laporan Keuangan

Directors' Report

for the year ended 31 December 2003

Directors' report for the year ended 31 December 2003

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the year ended 31 December 2003.

Principal activities

The principal activities of the Company consist of investment holding and provision of management services. The principal activities of its subsidiaries are stated in Note 4 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

Results

	Group RM'000	Company RM'000
Net profit for the year	7,214	2,641

Reserves and provisions

There were no material transfers to or from reserves and provisions during the year except as disclosed in the financial statements.

Dividends

Since the end of the previous financial year, the Company paid a first and final dividend of 5% less tax totaling RM2,160,000 in respect of the year ended 31 December 2002 on 18 August 2003.

A first and final dividend of 5% less tax totaling RM2,166,000 in respect of the year ended 31 December 2003 have been recommended by the Directors and will be proposed for shareholders' approval at the forthcoming Annual General Meeting.

Directors of the Company

Directors who served since the date of the last report are:

Dato' Ahmad Badri bin Mohamed Basir

Sha Thiam Fook

Tan Boon Kang

Lau Pek Kuan

Tan Moon Hwa

Loo Pak Soon

Tang Kam Chee

Dato' Raja Haji Ahmad Zainuddin bin Raja Haji Omar

Directors' Report

for the year ended 31 December 2003 (con't)

The holdings and deemed holdings in the ordinary shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at year end as recorded in the Register of Directors' Shareholdings are as follows:

Company	Number of ordinary shares of RM1 each			
	At 1.1.2003 '000	Bought '000	Sold '000	At 31.12.2003 '000
<i>Direct interest</i>				
Tan Boon Kang	940	1,853	-	2,793
Lau Pek Kuan	24	15	-	39
Tan Moon Hwa	358	180	-	538
Tang Kam Chee	-	10	-	10
<i>Indirect interest</i>				
Tan Boon Kang	13,731	7,825	-	21,556
Lau Pek Kuan	14,646	9,664	-	24,310

	Number of ordinary shares of HK\$1 each			
	At 1.1.2003 '000	Bought '000	Sold '000	At 31.12.2003 '000
- Kenly (HK) Ltd.				
<i>Indirect interest</i>				
Tan Boon Kang	1,785	230	-	2,015
Lau Pek Kuan	1,785	230	-	2,015

The options granted to the Directors in respect of the acquisition of shares pursuant to the Employees' Share Option Scheme ("ESOS") are set out below:

Share options in the Company	Number of ordinary shares of RM1 each			
	At 1.1.2003 '000	Granted '000	Exercised '000	At 31.12.2003 '000
Tan Boon Kang	-	500	-	500
Tang Kam Chee	-	500	10	490
Tan Moon Hwa	-	500	-	500
Lau Pek Kuan	-	500	-	500

None of the other Directors holding office at 31 December 2003 had any interest in the ordinary shares of the Company and of its related corporations during the financial year.

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements or the fixed salary of a full time employee of the Company or of related corporations) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate apart from the Employees' Share Option Scheme.

Directors' Report for the year ended 31 December 2003 (con't)

Issue of shares and debentures

During the financial year, the Company issued the following shares:

Class of shares	Number of shares	Terms of issue
Ordinary shares of RM1 each	10,000,000	10,000,000 new ordinary shares of RM1 each at an issue price of RM1.10 per rights share on the basis of one (1) rights issue share for every two (2) existing shares held before the Tier 1 bonus issue. The purpose of the issue is to finance capital expenditure and working capital.
Ordinary shares of RM1 each	10,000,000	10,000,000 new ordinary shares of RM1 each as Tier 2 Bonus Share on the basis of one (1) new ordinary share for each rights share subscribed pursuant to the rights issue.
Ordinary shares of RM1 each	162,000	Subscription of Employees' Share Option Scheme ("ESOS"). The ESOS shares were issued at the price of RM1 per ordinary share for cash.

Note: Tier 1 Bonus issue of 20,000,000 new ordinary shares of RM1 each issued in 2002 on the basis of one (1) new ordinary share for one (1) existing share held before the right issue.

There were no other changes in the issued and paid-up capital of the Company during the financial year.

There were no debentures issued during the financial year.

Options granted over unissued shares or debentures

No options were granted to any person to take up unissued shares of the Company during the year apart from the options pursuant to the Employees' Share Option Scheme.

At an Extraordinary General Meeting held on 30 June 2000, the Company's shareholders approved the establishment of an Employees' Share Option Scheme ("ESOS") of not more than 10% of the issued share capital of the Company to eligible Directors and employees of the Group.

The options offered to take up unissued shares of RM1 each and the option price are as follows:

Date of offer	Option price RM	Number of options over ordinary shares of RM1 each				At 31.12.2003 '000
		At 1.1.2003 '000	Granted '000	Exercised '000	Lapsed '000	
4.6.2003	1.00	-	4,901	(162)	(136)	4,603

Directors' Report for the year ended 31 December 2003 (con't)

The Company has been granted exemption by the Companies Commission of Malaysia from having to disclose the name of options holders who were granted less than 250,000 options under the ESOS during the financial year. Details of options granted under the ESOS which are in respect of 250,000 options and above are as follows:

Name of option holder	Option price RM	Number of options over ordinary shares of RM1 each			At 31.12.2003 '000
		At 1.1.2003 '000	Granted '000	Exercised '000	
Tan Boon Kang	1.00	-	500	-	500
Tang Kam Chee	1.00	-	500	(10)	490
Tan Moon Hwa	1.00	-	500	-	500
Lau Pek Kuan	1.00	-	500	-	500
Lau Chin Ka	1.00	-	500	-	500
Lau Chin Kok	1.00	-	250	-	250
Lau Fei Teng	1.00	-	250	(15)	235
Ng Teck Say	1.00	-	250	(50)	200

The salient features of the scheme are as follows:

- i) Eligible employees are those who are a full time, confirmed employee of the Group and have attained the age of eighteen years on or before the date of offer.
- ii) The option is personal to the grantee and is non-assignable.
- iii) The option price shall be determined based on a discount of not more than 10% from the weighted average market price of the shares for the past five market days immediately preceding the date of offer or at the par value of the ordinary shares of the Company, whichever is higher.
- iv) The options granted in a particular year but not exercised in that year can be exercised within a period of five years from the date of offer of the option.
- v) The options granted may be exercised in full or in lesser number of ordinary shares provided that the number shall be in multiples of 1,000 shares.

The persons to whom the options have been granted have no right to participate by virtue of the options in any share issue of any other company.

Significant events during the year

- i) In January 2003, a subsidiary, Ken Property Sdn. Bhd. entered into a sales and purchase agreement to acquire 34 parcels of bungalow land for a total consideration of RM1,800,000.
- ii) In January 2003, the issued and paid up capital of the Company was increased from RM40,000,000 to RM60,000,000 by the issuance of:
 - a) Renounceable rights issue of 10,000,000 new ordinary shares at RM1.10 each on the basis of one (1) rights issue share for every two (2) existing shares held before the proposed revised Tier 1 bonus issue; and
 - b) Tier 2 bonus issue of 10,000,000 new ordinary shares of RM1.00 each on the basis of one (1) new share for each new rights share subscribed pursuant to the proposed revised rights issue.

Following attaining an enlarged issued and paid up share capital of 60,000,000, the Company was transferred and listed on the Main Board of the Malaysia Securities Exchange Berhad ("MSEB") on 21 January 2003.

Directors' Report for the year ended 31 December 2003 (con't)

iii) In February 2003, the Company and its subsidiary, Support Capital Sdn. Bhd. entered into a Settlement Agreement with KHL Projects Limited ("KHL"), a minority shareholder of Kenly (HK) Ltd. ("Kenly"), pursuant to a winding-up petition filed on Kenly by KHL arising from disputes between the shareholders of Kenly. The terms of settlement involved Support Capital Sdn. Bhd. acquiring 230,400 shares of HK\$1.00 each in Kenly representing 6.6% of the paid-up capital of Kenly for a consideration of HK\$57.60. In addition, KHL shall be entitled to received 40% of amounts recoverable from a debtor of Kenly after deducting all expenses and cost incurred in recovery from the said debtor. KHL further agrees to execute a consent order to withdraw the winding-up petition.

In March 2003, Support Capital Sdn. Bhd. acquired 1,275,000 shares of HK\$1 each in Kenly representing 36.4% shareholdings in Kenly from the Company for a consideration of HK\$1,275,000 (equivalent to RM624,000) based on the par value of Kenly's shares (as subscribed by the Company for the said shares).

After the acquisitions above, the Company effectively holds 57.6% shareholdings in Kenly.

- iv) In May 2003, a subsidiary, Khidmat Tulin Sdn. Bhd. entered into a Joint Venture Agreement with Ken Rimba Jaya Sdn. Bhd. to develop part of the land in Mukim of Kapar, District of Klang belonging to Ken Rimba Jaya Sdn. Bhd.
- v) In July 2003, a subsidiary, Ken Property Sdn. Bhd. acquired 2 ordinary shares of RM1 each representing 100% equity interest in Aunyang Holdings Sdn. Bhd., for a cash consideration of RM2.
- vi) In November 2003, a subsidiary, Ken Projects Sdn. Bhd. completed the acquisition of 5,568,750 ordinary shares of RM1 each representing 100% equity interest in Ken Rimba Jaya Sdn. Bhd. for a cash consideration of RM14,170,000.

Other statutory information

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:-

- i) all known bad debts have been written off and adequate provision made for doubtful debts, and
- ii) all current assets have been stated at the lower of cost and net realisable value.

At the date of this report, the Directors are not aware of any circumstances:-

- i) that would render the amount written off for bad debts, or the amount of the provision for doubtful debts, in the Group and in the Company inadequate to any substantial extent, or
- ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or
- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or
- iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:-

- i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or
- ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

Directors' Report for the year ended 31 December 2003 (con't)

In the opinion of the Directors, the results of the operations of the Group and of the Company for the financial year ended 31 December 2003 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Auditors

The auditors, Messrs KPMG, have indicated their willingness to accept re-appointment.

Signed in accordance with a resolution of the Directors:

.....

Tan Boon Kang

.....

Tang Kam Chee

Kuala Lumpur,

Date: 25 March 2004

Statement By Directors **pursuant to Section 169 (15) of the Companies Act, 1965**

In the opinion of the Directors, the financial statements set out on pages 47 to 82 are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Group and of the Company at 31 December 2003 and of the results of their operations and cash flows for the year ended on that date.

Signed in accordance with a resolution of the Directors:

.....

Tan Boon Kang

.....

Tang Kam Chee

Kuala Lumpur,

Date: 25 March 2004

Statutory Declaration pursuant to Section 169 (16) of the Companies Act, 1965

I, **Tang Kam Chee**, the Director primarily responsible for the financial management of Ken Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 47 to 82 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed in Kuala Lumpur on 25 March 2004.

.....

Tang Kam Chee

Before me:

COMMISSIONER OF OATHS

Report of the Auditors to the members of Ken Holdings Berhad

We have audited the financial statements set out on pages 47 to 82. The preparation of the financial statements is the responsibility of the Company's Directors. Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted our audit in accordance with approved Standards on Auditing in Malaysia. These standards require that we plan and perform the audit to obtain all the information and explanations which we consider necessary to provide us with evidence to give reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. An audit also includes an assessment of the accounting principles used and significant estimates made by the Directors as well as evaluating the overall adequacy of the presentation of information in the financial statements. We believe our audit provides a reasonable basis for our opinion.

In our opinion:

- (a) the financial statements are properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia so as to give a true and fair view of:
 - i) the state of affairs of the Group and of the Company at 31 December 2003 and the results of their operations and cash flows for the year ended on that date; and
 - ii) the matters required by Section 169 of the Companies Act, 1965 to be dealt with in the financial statements of the Group and of the Company; and
- (b) the accounting and other records and the registers required by the Companies Act, 1965 to be kept by the Company and the subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the said Act.

The subsidiaries in respect of which we have not acted as auditors are identified in Note 4 to the financial statements and we have considered their financial statements and the auditors' report thereon.

We are satisfied that the financial statements of the subsidiaries that have been consolidated with the Company's financial statements are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.

The audit reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment made under subsection (3) of Section 174 of the Act.

KPMG

Firm Number: AF 0758
Chartered Accountants

Chan Kam Chiew

Partner
Approval Number: 2055/06/04(J)

Kuala Lumpur,

Date: 25 March 2004

Balance sheets at 31 December 2003

	Note	Group		Company	
		2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Property, plant and equipment	2	11,241	6,633	-	-
Land held for development	3	1,800	313	-	-
Investments in subsidiaries	4	-	-	13,333	13,958
Other investments	5	32	41	-	-
Goodwill on acquisition	6	2,217	3,248	-	-
Deferred tax asset	17	1,012	412	-	-
Current assets					
Inventories		5,844	9,212	-	-
Properties under development	8	53,473	20,959	-	-
Trade and other receivables	9	20,220	23,473	28	585
Amount due from subsidiaries	10	-	-	51,533	43,236
Tax recoverable		110	313	790	-
Cash and cash equivalents	11	36,096	48,179	10,108	17,135
		115,743	102,136	62,459	60,956
Current liabilities					
Trade and other payables	12	23,861	16,035	298	292
Borrowings	13	3,906	-	-	-
Taxation		2,663	2,380	-	126
Share application monies		-	10,748	-	10,748
		30,430	29,163	298	11,166
Net current assets		85,313	72,973	62,161	49,790
		101,615	83,620	75,494	63,748

Balance sheets at 31 December 2003 (con't)

	Note	Group		Company	
		2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Financed by:					
Capital and reserves					
Share capital	14	60,162	40,000	60,162	40,000
Reserves	15	30,524	35,151	14,471	23,748
		<u>90,686</u>	<u>75,151</u>	<u>74,633</u>	<u>63,748</u>
Minority shareholders' interests	16	2,623	3,258	-	-
Negative goodwill	7	425	-	-	-
Deferred liability					
Deferred taxation	17	7,881	5,211	861	-
		<u>101,615</u>	<u>83,620</u>	<u>75,494</u>	<u>63,748</u>

The financial statements were approved and authorised for issue by the Board of Directors on 25 March 2004.

The notes set out on pages 55 to 82 form an integral part of, and should be read in conjunction with, these financial statements.

Income statements for the year ended 31 December 2003

	Note	Group		Company	
		2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Revenue					
- contract revenue		11,642	12,618	-	-
- development revenue		47,658	36,777	-	-
- dividends		-	-	3,076	2,825
- services		-	-	368	862
		<u>59,300</u>	<u>49,395</u>	<u>3,444</u>	<u>3,687</u>
Cost of sales					
- contract revenue		(5,783)	(4,167)	-	-
- development revenue		(34,171)	(23,689)	-	-
		<u>(39,954)</u>	<u>(27,856)</u>	<u>-</u>	<u>-</u>
Gross profit		19,346	21,539	3,444	3,687
Distribution costs		(61)	(297)	-	-
Administrative expenses		(11,721)	(8,515)	(216)	(191)
Other operating expenses		(808)	(718)	-	(836)
Other operating income		3,151	1,603	451	973
		<u>9,907</u>	<u>13,612</u>	<u>3,679</u>	<u>3,633</u>
Operating profit	19	9,907	13,612	3,679	3,633
Financing costs	21	(32)	(61)	-	-
		<u>9,875</u>	<u>13,551</u>	<u>3,679</u>	<u>3,633</u>
Profit before tax		9,875	13,551	3,679	3,633
Tax expense	22	(3,062)	(4,056)	(1,038)	(1,020)
		<u>6,813</u>	<u>9,495</u>	<u>2,641</u>	<u>2,613</u>
Profit after tax		6,813	9,495	2,641	2,613
Less: Pre-acquisition profit		-	(119)	-	-
Minority interests		401	(8)	-	-
		<u>7,214</u>	<u>9,368</u>	<u>2,641</u>	<u>2,613</u>
Net profit for the year		7,214	9,368	2,641	2,613
Basic earnings per ordinary share	23	12 sen	16 sen		
Diluted earnings per ordinary share	23	12 sen	N/A		
Dividends per ordinary share- gross	24	5 sen	5 sen		

The notes set out on pages 55 to 82 form an integral part of, and should be read in conjunction with, these financial statements.

Consolidated statement of changes in equity for the year ended 31 December 2003

Group	Note	Non-distributable				Distributable	
		Share capital RM'000	Share premium RM'000	Property revaluation reserve RM'000	Exchange fluctuation reserve RM'000	Retained profits RM'000	Total RM'000
At 1 January 2002		20,000	2,004	1,091	179	40,478	63,752
Effect of adopting MASB 25	32	-	-	(467)	-	412	(55)
Restated balance		20,000	2,004	624	179	40,890	63,697
Realisation of revaluation reserve of land held for development		-	-	(240)	-	240	-
Surplus on property revaluation		-	-	3,115	-	-	3,115
Currency translation differences		-	-	-	(29)	-	(29)
Net gains and losses not recognised in the income statement		-	-	2,875	(29)	240	3,086
Issue of shares – bonus issue		20,000	(2,004)	-	-	(17,996)	-
Net profit for the year		-	-	-	-	9,368	9,368
Dividends	24	-	-	-	-	(1,000)	(1,000)
At 31 December 2002/ 1 January 2003		40,000	-	3,499	150	31,502	75,151
Realisation of revaluation reserve of land held for development		-	-	(1,460)	-	1,460	-
Currency translation differences		-	-	-	77	-	77
Share issue expenses		-	(758)	-	-	-	(758)
Net gains or losses not recognised in the income statement		-	(758)	(1,460)	77	1,460	(681)
Issue of shares:							
Bonus issue		10,000	-	-	-	(10,000)	-
Rights issue		10,000	1,000	-	-	-	11,000
Exercise of share options		162	-	-	-	-	162
Net profit for the year		-	-	-	-	7,214	7,214
Dividends	24	-	-	-	-	(2,160)	(2,160)
At 31 December 2003		60,162	242	2,039	227	28,016	90,686
		Note 14		Note 15.1		Note 15.2	

The notes set out on pages 55 to 82 form an integral part of, and should be read in conjunction with, these financial statements.

Statement of changes in equity for the year ended 31 December 2003

Company	Note	Share capital RM'000	Non- distributable Share premium RM'000	Distributable Retained profits RM'000	Total RM'000
At 1 January 2002		20,000	2,004	40,131	62,135
Issue of shares – bonus issue		20,000	(2,004)	(17,996)	-
Net profit for the year		-	-	2,613	2,613
Dividends	24	-	-	(1,000)	(1,000)
At 31 December 2002/ 1 January 2003		40,000	-	23,748	63,748
Issue of shares					
Bonus issue		10,000	-	(10,000)	-
Rights issue		10,000	1,000	-	11,000
Exercise of share options		162	-	-	162
Share issue expenses		-	(758)	-	(758)
Loss not recognised in the income statement		-	(758)	-	(758)
Net profit for the year		-	-	2,641	2,641
Dividends	24	-	-	(2,160)	(2,160)
At 31 December 2003		60,162	242	14,229	74,633
		Note 14		Note 15.2	

The notes set out on pages 55 to 82 form an integral part of, and should be read in conjunction with, these financial statements.

Cash flow statements for the year ended 31 December 2003

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Cash flows from operating activities				
Profit before taxation	9,875	13,551	3,679	3,633
Adjustments for:				
Reversal of allowance for doubtful debt	(791)	-	-	-
Amortisation of goodwill	808	714	-	-
Allowance for doubtful debts	2,870	1,359	-	-
Depreciation of property, plant and equipment	1,088	1,194	-	-
Dividend income	-	-	(3,076)	(2,825)
Gain on disposal of property, plant and equipment	(288)	(79)	-	-
Interest expense	32	49	-	-
Interest income	(1,011)	(848)	(451)	(137)
Preliminary expenses written off	-	2	-	-
Property, plant and equipment written off	17	3	-	-
Allowance for diminution in value of investment	9	99	-	-
Operating profit before working capital changes	12,609	16,044	152	671
Changes in working capital:-				
Inventories	3,368	9,212	-	-
Land held for development	(1,487)	313	-	-
Trade and other receivables	1,353	9,417	557	(171)
Properties under development	(7,514)	1,265	-	-
Trade and other payables	1,932	(12,232)	6	37
Subsidiary companies	-	-	(8,297)	948
Cash generated from/(used in) operations	10,261	24,019	(7,582)	1,485
Income tax paid	(5,567)	(8,017)	(231)	(112)
Interest received	232	261	-	-
Net cash generated from/(used in) operating activities	4,926	16,263	(7,813)	1,373

Cash flow statements for the year ended 31 December 2003 (con't)

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Cash flows from investing activities				
Acquisition of subsidiaries, net of cash acquired (Note 31)	(12,307)	-	-	-
Dividend received	-	-	2,215	2,034
Purchase of property, plant and equipment	(5,713)	(819)	-	-
Pledged deposits placed with licensed banks	(4,838)	(59)	(4,859)	(18)
Proceeds from disposal of property, plant and equipment	296	171	-	-
Interest received	712	587	451	137
Net disposal/acquisition of investment in subsidiary	-	-	624	(570)
Increase in interest in subsidiary	-	(6,282)	-	-
Net cash (used in)/generated from investing activities	(21,850)	(6,402)	(1,569)	1,583
Cash flows from financing activities				
Proceeds from issuance of shares	11,162	-	11,162	-
Dividend paid	(2,160)	(1,000)	(2,160)	(1,000)
Repayment to finance lease liabilities	-	(285)	-	-
Interest paid	(32)	(49)	-	-
Share issue expenses	(758)	-	(758)	-
Proceeds of borrowings	3,906	-	-	-
Payment of borrowings	(1,591)	-	-	-
Advances from minority shareholders	212	-	-	-
Net cash generated from /(used in) financing activities	10,739	(1,334)	8,244	(1,000)
Net (decrease)/increase in cash and cash equivalents	(6,185)	8,527	(1,138)	1,956
Cash and cash equivalents at beginning of year	35,360	26,862	4,357	2,401
Foreign exchange differences on opening balances	12	(29)	-	-
Cash and cash equivalents at end of year	29,187	35,360	3,219	4,357

Cash flow statements for the year ended 31 December 2003 (con't)

i) Purchase of property, plant and equipment

In 2002, the Group acquired property, plant and equipment with an aggregate cost of RM1,956,000, of which RM1,137,000 was transferred from properties under development to property, plant and equipment as part of a debt settlement between two subsidiaries of the Group.

ii) Cash and Cash Equivalents

Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Cash and bank balances	17,232	23,536	311	153
Fixed deposits with licensed banks (excluding deposits pledged)	11,955	11,824	2,908	4,204
	<u>29,187</u>	<u>35,360</u>	<u>3,219</u>	<u>4,357</u>

The notes set out on pages 55 to 82 form an integral part of, and should be read in conjunction with, these financial statements.

Notes to financial statements

1. Summary of significant accounting policies

The following accounting policies are adopted by the Group and the Company and are consistent with those adopted in previous years except for the adoption of the following:

- (i) MASB 25, Income Taxes; and
- (ii) MASB 29, Employee Benefits.

In addition to the new policies and extended disclosures where required by these new standards, the effects of the changes in the above accounting policies are disclosed in Note 32 to these financial statements.

(a) Basis of accounting

The financial statements of the Group and of the Company are prepared on the historical cost basis except as disclosed in the notes to the financial statements and in compliance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia.

(b) Basis of consolidation

Subsidiaries are those enterprises controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control effectively commences until the date that control effectively ceases. Subsidiaries are consolidated using the acquisition method of accounting.

A subsidiary is excluded from consolidation when control is intended to be temporary if the subsidiary is acquired and held exclusively with a view to its subsequent disposal in the near future and it has not previously been consolidated or it operates under severe long term restrictions which significantly impair its ability to transfer funds to the Company. Subsidiaries excluded on these grounds are accounted for as investments.

Under the acquisition method of accounting, the results of subsidiaries acquired or disposed of during the year are included from the date of acquisition or up to the date of disposal. At the date of acquisition, the fair values of the subsidiaries' net assets are determined and these values are reflected in the Group financial statements. The difference between the acquisition cost and the fair values of the subsidiaries' net assets is reflected as goodwill or negative goodwill as appropriate.

Intragroup transactions and balances and the resulting unrealised profits are eliminated on consolidation. Unrealised losses resulting from intragroup transactions are also eliminated unless cost cannot be recovered.

(c) Property, plant and equipment

Property, plant and equipment except for freehold land are stated at cost/valuation less accumulated depreciation and accumulated impairment losses, if any. Freehold land is stated at valuation.

The Group revalues its landed properties every five years and at such shorter intervals whenever the fair value of the revalued assets is expected to differ materially from their carrying value. Additions subsequent to the date of valuation are stated at cost until the next revaluation exercise.

Surpluses arising from revaluation are dealt with in the property revaluation reserve account. Any deficit arising is offset against the revaluation reserve to the extent of a previous increase for the same property. In all other cases, a decrease in carrying amount is charged to the income statement.

Property, plant and equipment retired from active use and held for disposal are stated at the carrying amount at the date when the asset is retired from active use, less impairment losses, if any.

Depreciation

Freehold land is not amortised.

Leasehold land is amortised in equal instalments over the period of the lease of 79 years.

Notes to financial statements (con't)

1. Summary of significant accounting policies (con't)

(c) Property, plant and equipment (con't)

The straight-line method is used to write off the cost of the other assets over the term of their estimated useful lives at the following principal annual rates:

Building	2%
Motor vehicles	20%
Site equipment	20%
Plant and equipment	20%
Office equipment	20%
Furniture and fittings	20%

(d) Goodwill

Goodwill represents the excess of the cost of the acquisition over the fair values of the net identifiable assets acquired and is stated at cost less accumulated amortisation and accumulated impairment losses. Negative goodwill represents the excess of the fair values of the net identifiable assets acquired over the cost of acquisition.

Goodwill and negative goodwill in respect of property development companies is amortised over the years of development by reference to the development profit earned during the year compared to total estimated development profit.

(e) Investments

Long term investments other than in subsidiaries, are stated at cost. An allowance is made when the Directors are of the view that there is a diminution in their value which is other than temporary.

Long term investment in subsidiaries are stated at cost in the Company, less impairment loss where applicable.

(f) Trade and other receivables

Trade and other receivables are stated at cost less allowance for doubtful debts.

(g) Employee benefit

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

Obligations for contributions to the Employees Provident Fund, are recognised as an expense in the Income Statement as incurred.

(iii) Equity and equity-related compensation benefits

The share option programme allows Group employees to acquire shares of the Company. When the options are exercised, equity is increased by the amount of the proceeds received.

Notes to financial statements (con't)

1. Summary of significant accounting policies (con't)

(h) Liabilities

Trade and other payables are stated at cost.

(i) Land held for development

Land held for future development is stated at valuation based on independent professional valuers' report. When development work commences on such land, the land is transferred to properties under development at its carrying value.

Revaluations of land held for development are carried out at least once in every five years with additional valuations in the intervening years where market conditions indicate that carrying values of the real property assets differ materially from market value. Additions subsequent to the date of valuation are stated at cost until the next revaluation exercise.

Revaluation surplus net of deferred taxation are taken to property revaluation reserve and revaluation deficit in excess of previous surplus recognised are charged to the income statement. The related deferred taxation on revaluation is taken to a deferred taxation account.

(j) Properties under development

Properties under development comprising land and development expenditure are stated at cost or valuation plus attributable profit less foreseeable losses, net of progress billings. Development costs includes interest expense on loans and advances utilised to finance on-going development.

(k) Amount due from contract customers

Amount due from contract customers on construction contracts is stated at cost plus attributable profits less foreseeable losses and less progress billings. Cost includes all direct construction costs and other related costs. Where progress billings exceed the aggregate amount due from contract customers plus attributable profits less foreseeable losses, the net credit balance on all such contracts is shown in trade and other payables as amount due to contract customers.

(l) Inventories

Completed properties held for sale are stated at the lower of cost and net realisable value. Cost is determined on a specific identification basis and includes land, all direct building costs and other related development costs.

(m) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks. For the purpose of the cash flow statement, cash and cash equivalents are presented net of pledged deposits.

(n) Impairment

The carrying amount of assets, other than inventories, assets arising from construction contracts, deferred tax assets and financial assets (other than investments in subsidiaries), are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or the cash-generating unit to which it belongs exceeds its recoverable amount. Impairment losses are recognised in the income statement, unless the asset is carried at a revalued amount, in which case the impairment loss is charged to equity.

The recoverable amount is the greater of the asset's net selling price and its value in use. In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Notes to financial statements (con't)

1. Summary of significant accounting policies (con't)

(n) Impairment (con't)

An impairment loss in respect of goodwill is not reversed unless the loss was caused by a specific external event of an exceptional nature that is not expected to recur and subsequent external events have occurred that reverse the effect of that event.

In respect of other assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. The reversal is recognised in the income statement, unless it reverses an impairment loss on a revalued asset, in which case it is taken to equity.

(o) Income tax

Tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Temporary differences are not recognised for goodwill not deductible for tax purposes and the initial recognition of assets or liabilities that at the time of the transaction affects neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

(p) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to Ringgit Malaysia at rates of exchange ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Ringgit Malaysia at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement.

(ii) Financial statements of foreign operations

The Group's foreign operations is not considered an integral part of the Company's operations. Accordingly, the assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation are translated to Ringgit Malaysia at exchange rates ruling at the balance sheet date. The revenues and expenses of the foreign operation is translated to Ringgit Malaysia at average exchange rates applicable throughout the year. Foreign exchange differences arising on translation are recognised directly in equity.

The closing rate used in the translation of foreign currency monetary assets and liabilities and the financial statements of the foreign operations is as follows:

	2003	2002
HK\$ 1	RM0.49	RM0.48

Notes to financial statements (con't)

1. Summary of significant accounting policies (con't)

(a) Revenue

i) Construction contracts

Revenue from fixed price construction contracts is recognised on the percentage of completion method, measured by reference to surveys of work performed to date that reflect work performed bear to the total estimated contract costs.

When the outcome of a construction contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that is probable will be recoverable and contract costs are recognised as an expense in the period in which they are incurred.

An expected loss on a contract is recognised immediately in the income statement.

ii) Property development

Profit from property development is recognised using the percentage of completion method. Where foreseeable losses are anticipated, full provision for these losses is made in the financial statements.

iii) Dividend income

Dividend income is recognised when the right to receive payment is established.

iv) Rental income

Rental income is recognised on an accrual basis in accordance with the tenancy agreement.

v) Interest income

Interest income is recognised in the income statement as it accrues, taking into account the effective yield on the asset.

vi) Financing costs

All interest and other costs incurred in connection with borrowings are expensed as incurred.

Notes to financial statements (con't)

2. Property, plant and equipment

Group <i>Cost/valuation</i>	Freehold	Freehold	Long term	Long term	Motor	Site	Plant	Office	Furniture	Total
	land	building	leasehold	leasehold	vehicles	equipment	and machinery	equipment	and fittings	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2003	975	525	1,500	1,887	3,415	592	8,536	966	195	18,591
Additions	-	930	-	3,862	301	19	507	73	21	5,713
Disposals	-	-	-	-	(691)	-	(119)	-	-	(810)
Write offs	-	-	-	-	(52)	-	(269)	(6)	-	(327)
Exchange difference	-	-	-	-	3	1	23	1	1	29
At 31 December 2003	975	1,455	1,500	5,749	2,976	612	8,678	1,034	217	23,196
Representing items at:										
Cost	-	930	-	5,749	2,976	612	8,678	1,034	217	20,196
Directors' valuation - 2000	975	525	1,500	-	-	-	-	-	-	3,000
At 31 December 2003	975	1,455	1,500	5,749	2,976	612	8,678	1,034	217	23,196
Accumulated depreciation										
At 1 January 2003	-	21	38	34	2,884	480	7,669	672	160	11,958
Charge for the year	-	29	38	29	211	44	607	114	16	1,088
Disposals	-	-	-	-	(683)	-	(119)	-	-	(802)
Write offs	-	-	-	-	(52)	-	(252)	(6)	-	(310)
Exchange difference	-	-	-	-	2	1	17	1	-	21
At 31 December 2003	-	50	76	63	2,362	525	7,922	781	176	11,955
Net book value										
At 31 December 2003	975	1,405	1,424	5,686	614	87	756	253	41	11,241
At 31 December 2002	975	504	1,462	1,853	531	112	867	294	35	6,633
Depreciation charge for the year ended 31 December 2002	-	11	19	26	188	45	793	98	14	1,194

Notes to financial statements (con't)

2. Property, plant and equipment (con't)

Company Cost	Office equipment RM'000
At 1 January/31 December 2003	1
Accumulated depreciation	
At 1 January 2003	1
Charge for the year	-
At 31 December 2003	1
Net book value	
At 31 December 2003	-
At 31 December 2002	-
Depreciation charge for the year ended 31 December 2002	-

2.1 Revaluation - Group

The freehold land and building and long term leasehold land of the Group are stated at Directors' valuation based on professional valuations on the comparison method conducted on 30 November 2000 and 27 October 2000 respectively. The surplus arising from the revaluation has been transferred to Property Revaluation Reserve.

Had the land and building been carried at historical cost less accumulated depreciation, the carrying amount of the revalued assets that would have been included in the financial statements at the end of the year would be as follows:

	2003 RM'000	2002 RM'000
Freehold land	490	490
Freehold building	133	138
Long term leasehold land	341	346
	<u>964</u>	<u>974</u>

3. Land held for development

	Group	
	2003 RM'000	2002 RM'000
At cost	<u>1,800</u>	<u>313</u>

4. Investments in subsidiaries

	Company	
	2003 RM'000	2002 RM'000
Unquoted shares, at cost	<u>13,333</u>	<u>13,958</u>

Notes to financial statements (con't)

4. Investments in subsidiaries (con't)

The subsidiaries of the Group are as follows:-

Subsidiaries	Principal Activities	Effective Interest (%)	
		2003	2002
Ken Grouting Sdn. Bhd.	Specialist engineering services, turnkey contracts, building and civil engineering works	100	100
Ken Projects Sdn. Bhd.	Investment holding	100	100
Ken Property Sdn. Bhd.	Property holding and investment and housing developer	100	100
Support Capital Sdn. Bhd.	Investment holding	100	100
<i>The subsidiary of Support Capital Sdn. Bhd. is:</i>			
Kenly (HK) Ltd †	Construction and civil engineering	57.6	51
<i>The subsidiaries of Ken Grouting Sdn. Bhd. are:</i>			
Ken-Chec Sdn. Bhd.	Land reclamation, civil, dredging, and marine engineering	100	100
Success Goal Asia Limited†	Dormant	100	100
<i>The subsidiaries of Ken Projects Sdn. Bhd. are:-</i>			
Khidmat Tulin Sdn. Bhd.	Contractor and housing developer	100	100
T.B.S. Management Sdn. Bhd. (formerly known as Taman Bukit Serdang Management Sdn. Bhd.)	Property management services	100	100
Ken Rimba Jaya Sdn. Bhd.	Property development and investment holding	100	-
<i>The subsidiaries of Ken Property Sdn. Bhd. are:-</i>			
Ken Damansara Management Sdn. Bhd.	Property management services	100	100
Ken Link Sdn. Bhd. (formerly known as Tufflink Sdn. Bhd.)	Property development and investment holding	100	100
Aunyang Holdings Sdn. Bhd.	Investment holding	100	-
<i>The subsidiary of Kenly (HK) Ltd. is:-</i>			
Kenly Engineering Ltd. †	Construction and civil engineering	100	100

† Audited by another firm of auditors

All the subsidiaries are incorporated in Malaysia except for Kenly (HK) Ltd., Kenly Engineering Ltd. and Success Goal Asia Limited which are incorporated in Hong Kong.

Notes to financial statements (con't)

5. Other investments

	Group	
	2003 RM'000	2002 RM'000
Quoted shares in Malaysia	21	120
Less: Allowance for diminution in value	(9)	(99)
	<u>12</u>	<u>21</u>
Unquoted investments	20	20
	<u>32</u>	<u>41</u>
Market value of quoted shares	<u>13</u>	<u>10</u>

6. Goodwill on acquisition

	Group	
	2003 RM'000	2002 RM'000
Cost		
At 1 January	4,629	2,669
Increase in interest in subsidiary	-	1,960
At 31 December	4,629	4,629
Amortisation		
At 1 January	1,381	667
Amortisation charge for the year	1,031	714
At 31 December	2,412	1,381
Net book value - At 31 December	<u>2,217</u>	<u>3,248</u>

7. Negative goodwill

	Group	
	2003 RM'000	2002 RM'000
Cost		
At 1 January	-	-
Increase in interest in subsidiary	447	-
Acquisition of subsidiary	201	-
At 31 December	648	-
Amortisation		
At 1 January	-	-
Amortisation charge for the year	223	-
At 31 December	223	-
Net book value - At 31 December	<u>425</u>	<u>-</u>

Notes to financial statements (con't)

8. Properties under development

	Group	
	2003 RM'000	2002 RM'000
At carrying value		
Long term leasehold land	17,933	17,933
At cost		
Freehold and long term leasehold land	43,008	17,694
Development expenditure	83,734	57,250
	144,675	92,877
Add: Attributable profits	45,204	32,536
	189,879	125,413
Less: Progress billings	(136,406)	(95,242)
	53,473	30,171
Less: Completed properties transferred to Inventories	-	(9,212)
	53,473	20,959

The portion of properties under development in respect of which significant development work has been undertaken and which is expected to be completed within the normal operating cycle of two to three years is considered as current asset.

During the financial year, freehold land amounting to RM313,000 (2002 - Nil) was transferred from land held for development at its carrying value.

9. Trade and other receivables

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Trade receivables	25,038	25,512	-	-
Retention sum	1,053	477	-	-
	26,091	25,989	-	-
Less: Allowance for doubtful debts	(9,073)	(6,435)	-	-
	17,018	19,554	-	-
Other receivables, deposits and prepayments	3,223	3,561	28	670
Less: Allowance for doubtful debts	(1,523)	(2,049)	-	(85)
	1,700	1,512	28	585
Amount due from contract customers	1,502	2,407	-	-
	20,220	23,473	28	585

Notes to financial statements (con't)

9. Trade and other receivables (con't)

- 9.1 Included in trade receivables in 2002 of the Group is a trade amount due from a former associate (disposed of in 2001) amounting to RM123,000. The amount was settled during the year.

The currency exposure profile of trade receivables denominated in Ringgit Malaysia equivalent is as follows:

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Ringgit Malaysia	9,581	12,512	-	-
Hong Kong Dollar	16,510	13,477	-	-
	<u>26,091</u>	<u>25,989</u>	<u>-</u>	<u>-</u>

- 9.2 Included in other receivables, deposits and prepayments of the Group in 2002 were:-

- i) an amount of RM526,000 representing the balance of payment relating to the disposal of investment in associate in 2001. The debt was settled in 2003 and the allowance made in 2002 of RM526,000 was reversed.
- ii) a deposit of RM372,000 for the acquisition of 2 pieces of land. The acquisitions were completed in 2003.
- iii) share issue expenses amounting to RM564,000 which were set off against the share premium account in 2003.

- 9.3 Amount due from contract customers

	Group	
	2003 RM'000	2002 RM'000
Aggregate costs incurred to date	102,692	124,827
Add: Attributable profit	21,722	35,810
	<u>124,414</u>	<u>160,637</u>
Less: Progress billings	(124,363)	(160,647)
	51	(10)
Amount due to contract customers (Note 12)	1,451	2,417
	<u>1,502</u>	<u>2,407</u>
Additions to aggregate costs incurred during the year include:-		
Staff costs	1,484	1,007
Rental of plant and machinery	579	27
Rental of premises	-	18

Notes to financial statements (con't)

10. Amount due from subsidiaries

	Company	
	2003 RM'000	2002 RM'000
Amount due from subsidiaries		
- Trade	2,305	1,228
- Non-trade	49,228	42,008
	<u>51,533</u>	<u>43,236</u>

The amount due from subsidiaries is unsecured, interest free and has no fixed terms of repayment.

11. Cash and cash equivalents

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Cash and bank balances				
- Funds of the Group/Company	17,232	23,536	311	153
- Share application monies relating to rights issue	-	10,748	-	10,748
	<u>17,232</u>	<u>34,284</u>	<u>311</u>	<u>10,901</u>
Fixed deposits with licensed banks				
- unpledged	11,955	11,824	2,908	4,204
- pledged	6,909	2,071	6,889	2,030
	<u>36,096</u>	<u>48,179</u>	<u>10,108</u>	<u>17,135</u>

11.1 Included in the Group's cash and bank balances is RM4,726,000 (2002 - RM13,809,000) maintained pursuant to the Housing Development (Housing Development Account) Regulations 1991.

11.2 Included in cash and bank balances in 2002 was an amount of RM10,748,000 relating to the rights issue share application monies (Note 28(ii)) held in trust which was pending allotment. The shares were allotted in January 2003.

11.3 Fixed deposits of the Group and of the Company amounting to RM6,909,000 (2002 - RM2,071,000) and RM6,889,000 (2002 - RM2,030,000) respectively are pledged to a licensed bank for bank overdraft and bank guarantee facilities granted to a subsidiary.

11.4 The effective interest rates of deposits with licensed banks were as follows:

	Group		Company	
	2003	2002	2003	2002
Deposits with licensed banks	<u>2.87%</u>	<u>2.87%</u>	<u>2.80%</u>	<u>2.62%</u>

The maturity date of the deposits with licensed banks ranges from one month to one year or at call.

Notes to financial statements (con't)

11. Cash and cash equivalents (con't)

11.5 The currency exposure profile of deposits, bank and cash balance denominated in Ringgit Malaysia equivalent is as follows:

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Ringgit Malaysia	30,390	44,751	10,108	17,135
Hong Kong Dollar	5,706	3,428	-	-
	<u>36,096</u>	<u>48,179</u>	<u>10,108</u>	<u>17,135</u>

12. Trade and other payables

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Trade payables	13,415	9,546	-	-
Amount due to contract customers (Note 9.3)	1,451	2,417	-	-
Other payables and accruals	8,431	3,310	64	77
Amount due to Directors	564	762	234	215
	<u>23,861</u>	<u>16,035</u>	<u>298</u>	<u>292</u>

12.1 Included in trade payables of the Group are retention sums payable amounting to RM1,564,000 (2002 - RM2,530,000).

The currency exposure profile of trade payables denominated in Ringgit Malaysia equivalent is as follows:

	Group	
	2003 RM'000	2002 RM'000
Ringgit Malaysia	10,331	5,719
Hong Kong Dollar	3,084	3,827
	<u>13,415</u>	<u>9,546</u>

12.2 Included in other payables and accruals of the Group are:

- i) an amount of RM2,000,000 (2002 - RM1,200,000) representing the balance of payment relating to the acquisition of 100% equity interest of Ken Rimba Jaya Sdn. Bhd. (2002 - 45% increase in equity interest of Khidmat Tulin Sdn. Bhd).
- ii) an amount of RM3,731,000 due to former related corporations of a subsidiary acquired.

12.3 Amount due to Directors is unsecured, interest free and has no fixed terms of repayment.

Notes to financial statements (con't)

13. Borrowings

	Group	
	2003 RM'000	2002 RM'000
Current		
Revolving credit – unsecured	3,906	-

Terms and debt repayment schedule

The revolving credit is subject to interest at 6.75% (2002 - Nil) and supported by a corporate guarantee issued by the Company.

14. Share capital

	Group and Company	
	2003 RM'000	2002 RM'000
Ordinary shares of RM1 each		
Authorised	100,000	100,000
Issued and fully paid		
At 1 January	40,000	20,000
Renounceable rights issue	10,000	-
Bonus issue	10,000	20,000
Shares issued under share option scheme	162	-
At 31 December	60,162	40,000

15. Reserves

15.1 Property revaluation reserve (Non-distributable)

The Property Revaluation Reserve represents surplus arising from the revaluation of the Group's freehold and long term leasehold land and building and leasehold land held for development.

15.2 Retained profit (Distributable)

Subject to agreement by the Inland Revenue Board, the Company has sufficient Section 108 tax credit and tax exempt income to frank all of its retained profits as at 31 December 2003 if paid out as dividends.

16. Minority shareholders' interests

This consists of the minority shareholders' proportion of share capital and reserves of subsidiaries, net of their share of subsidiary's goodwill and negative goodwill on consolidation and amortisation of goodwill charged to the minority shareholders and advances by minority shareholders.

Notes to financial statements (con't)

17. Deferred tax

The amounts, determined after appropriate offsetting, are as follows:

	Group	
	2003	2002
	RM'000	RM'000
Deferred tax assets	(1,012)	(412)
Deferred tax liabilities	7,881	5,211

Deferred tax liabilities and assets are offset above where there is a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred taxes relate to the same taxation authority

The recognised deferred tax assets and liabilities (before offsetting) are as follows:

	Group	
	2003	2002
	RM'000	RM'000
Property, plant and equipment		
- capital allowances	197	245
- revaluation	8,166	5,101
Unabsorbed capital allowances	(6)	-
Unutilised tax losses	(341)	-
Provisions	(547)	(547)
Other temporary differences	(600)	-
	<u>6,869</u>	<u>4,799</u>
No deferred tax has been recognised for the following items:		
Deductible temporary differences	153	-
Unabsorbed capital allowances	45	16
Unutilised tax losses	48	39
	<u>246</u>	<u>55</u>

The unutilised tax losses and deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits.

Notes to financial statements (con't)

18. Employee benefits

Share option plan

The Group offers vested share options over ordinary shares to Directors and other senior employees with more than one year's service. Movements in the number of share options held by employees are as follows:

	Group and Company	
	2003	2002
	RM'000	RM'000
Outstanding at 1 January	-	-
Issued	4,901	-
Exercised	(162)	-
Lapsed	(136)	-
Outstanding at 31 December	4,603	-

Details of share options granted during the period:

Expiry date	4 June 2008
Exercise price per ordinary share (RM)	1
Aggregate proceeds if shares are issued (RM'000)	4,901

Details of share options exercised during the period:

Expiry date	2003 - 2008
Exercise price per ordinary share (RM)	1
Aggregate issue proceeds (RM'000)	162
Fair value at date of issue	156

Terms of the options outstanding at 31 December:

Expiry date	Exercise price RM	Number ('000)
4 June 2008	1	4,603

The Group received proceeds of RM162,000 in respect of the 162,000 options exercised during the year in which the whole amount was credited to share capital.

Notes to financial statements (con't)

19. Operating profit

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Operating profit is arrived at after charging:-				
Amortisation of goodwill, net	808	714	-	-
Auditors' remuneration				
- current year	79	65	10	10
- underprovision in prior year	-	3	-	-
Allowance for doubtful debts	2,870	1,359	-	-
Property, plant and equipment written off	17	3	-	-
Depreciation of property, plant and equipment	1,088	1,194	-	-
Directors' remuneration				
Holding company Directors				
- fees	80	70	80	70
- other emoluments	1,243	680	43	37
Other directors				
- other emoluments	225	203	-	-
Rental of property, plant and equipment	-	1,244	-	836
Allowance for diminution in value of investment	9	99	-	-
and crediting:-				
Dividend income from subsidiaries	-	-	3,076	2,825
Gain on disposal of property, plant and equipment	288	79	-	-
Interest income				
- fixed deposits	712	587	451	137
- Housing Development Account	182	186	-	-
- others	118	75	-	-
Rental of properties	173	269	-	836
Reversal of allowance for doubtful debts	791	-	-	-

The estimated monetary value of Directors' benefits-in-kind for the Group is RM44,000 (2002 - Nil).

Notes to financial statements (con't)

20. Employee information

The total staff costs of the Group is RM5,498,000 (2002 - RM6,111,000) of which RM4,014,000 (2002 - RM5,104,000) has been charged to the income statement and RM1,484,000 (2002 - RM1,007,000) has been capitalised in "aggregate cost incurred to date" in Note 9.3 to the financial statements.

The number of employees of the Group and of the Company (including Directors) at the end of the year was 137 (2002 - 82) and 8 (2002 - 8) respectively.

Included in staff cost is an expense for defined contribution plan of the Group amounting to RM465,000 (2002 - RM505,000).

21. Financing costs

	Group	
	2003 RM'000	2002 RM'000
Interest payable		
- Loan interest	30	-
- Bank overdrafts	2	-
- Finance leases	-	49
Other bank charges	-	12
	<hr/>	<hr/>
	32	61
	<hr/>	<hr/>

Notes to financial statements (con't)

22. Tax expense

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Current tax expense				
Malaysia - current year	3,659	4,381	1,031	1,016
- prior year	73	7	7	4
Overseas - current year	-	197	-	-
- prior year	(2)	-	-	-
	<u>3,730</u>	<u>4,585</u>	<u>1,038</u>	<u>1,020</u>
Deferred tax expense				
Malaysia - current year	(600)	(420)	-	-
Overseas - current year	(49)	(109)	-	-
Crystallisation of deferred tax liability on revaluation surplus of property	(19)	-	-	-
	<u>3,062</u>	<u>4,056</u>	<u>1,038</u>	<u>1,020</u>
Reconciliation of tax expense				
Profit before taxation	<u>9,875</u>	<u>13,551</u>	<u>3,679</u>	<u>3,633</u>
Income tax using Malaysian tax rates	2,765	3,794	1,030	1,017
Non-deductible expenses	198	299	1	(1)
Effect of changes in tax rate	(17)	(12)	-	-
Effect of different tax rate in foreign jurisdiction	34	(40)	-	-
Income not subject to tax	(241)	-	-	-
Other items	245	8	-	-
Effect of tax losses not recognised	26	-	-	-
	<u>3,010</u>	<u>4,049</u>	<u>1,031</u>	<u>1,016</u>
Underprovision in prior years	71	7	7	4
Crystallisation of deferred tax liability on revaluation surplus of property	(19)	-	-	-
Tax expense	<u>3,062</u>	<u>4,056</u>	<u>1,038</u>	<u>1,020</u>

Notes to financial statements (con't)

23. Earnings per ordinary share - Group

Basic earnings per share

The calculation of basic earnings per share is based on the net profit attributable to ordinary shareholders of RM7,214,000 (2002 - RM9,368,000) and the weighted average number of ordinary shares outstanding during the year of 59,662,000 (2002 - 58,824,000).

Net profit attributable to ordinary shareholders is calculated as follows:

	2003 RM'000	2002 RM'000
Net profit attributable to ordinary shareholders	7,214	9,368
	2003 '000	Restated 2002 '000
Weighted average number of ordinary shares		
Issued ordinary shares at beginning of the year	40,000	20,000
Effect of renounceable rights issue	9,616	8,824
Effect of bonus issue	10,000	30,000
Effect of options exercised	46	-
Weighted average number of ordinary shares	59,662	58,824

The comparatives have been restated to reflect the increase in issued and paid-up capital of the Company via a renounceable rights issue and bonus issue as stated in Note 14.

Diluted earnings per share

The calculation of diluted earnings per share is based on the net profit attributable to ordinary shareholders of RM7,214,000 (2002 - RM9,368,000) and the weighted average number of ordinary shares outstanding during the year of RM59,932,000 (2002 - RM58,824,000) calculated as follows:

Net profit attributable to ordinary shareholders (diluted)

	2003 RM'000	2002 RM'000
Net profit attributable to ordinary shareholders (diluted)	7,214	9,368
	2003 '000	Restated 2002 '000
Weighted average number of ordinary shares (diluted)		
Weighted average number of ordinary shares as above	59,662	58,824
Effect of share options	270	-
Weighted average number of ordinary shares (diluted)	59,932	58,824

Notes to financial statements (con't)

24. Dividends

	Group and Company	
	2003 RM'000	2002 RM'000
Ordinary		
Final paid:		
Year ended 31 December 2001		
- First and final 5% per share tax exempt	-	1,000
Year ended 31 December 2002		
- First and final 5% per share less tax	2,160	-
	2,160	-
	2,160	1,000

A first and final dividend of 5% less tax totaling RM2,166,000 in respect of the year ended 31 December 2003 have been recommended by the Directors and will be proposed for shareholders' approval at the forthcoming Annual General Meeting.

The gross dividend per ordinary share as disclosed in the Income Statement takes into account the final proposed dividend for the financial year.

25. Segmental information

Segmental information is presented in respect of the Group's business and geographical segments. The primary format, business segment is based on the Group's management and internal reporting structure. Inter-segment pricing is determined in the normal course of business under negotiated terms.

Segmental results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise interest earning assets and revenue, borrowings and expenses, and corporate assets and expenses.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

Business segments

The Group comprises the following main business segments:

Construction	Specialist engineering services, turnkey contracts, building and civil and engineering works, land reclamation, dredging, marine and civil engineering.
Property development	Development of residential and commercial properties.

Geographical segments

The construction and investment segments are managed in two principal geographical areas, Malaysia and Hong Kong. Property development segment operates solely in Malaysia.

In presenting information on the basis of geographical segments, segment revenue is based on the geographical locations of customers.

Notes to financial statements (con't)

26. Contingent liabilities - unsecured

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
26.1 Corporate guarantees				
Guarantees given to financial institutions for credit facilities granted to subsidiaries	-	-	9,994	170
Guarantees given to third parties for credit facilities granted to subsidiaries for purchase of materials/services	-	-	8,150	3,000
	<u>-</u>	<u>-</u>	<u>18,144</u>	<u>3,170</u>
26.2 Litigation				

- (a) In 1997, a subsidiary company has instituted legal action against a third party for disputed expenses incurred on behalf of the third party totaling RM1.2 million. The claim has been submitted for arbitration which was granted by the High Court. An appeal against the order of the High Court was dismissed and the subsidiary has applied for an order from the High Court to proceed with arbitration. The application to the Federal Court for leave by the Third Party had been dismissed with cost. As part of an amicable settlement, the Third Party had agreed to amicably resolve the disputed expenses by assessing the claims for expenses submitted and arrangements are being made for the Third Party to finalised the acceptance of the expenses.
- (b) A subsidiary company has instituted legal action against a debtor for outstanding debts of RM14.4 million in respect of various contract works. An allowance for doubtful debts of RM5.8 million has been made. The debtor has disputed the claim and based on the advice of the lawyers, the Directors are of the opinion that the subsidiary has a good claim against the debtor.

27. Significant related party transactions

- 27.1 Controlling related party relationships are subsidiaries of the Company as disclosed in the financial statements.
- 27.2 Significant transactions with related parties other than those disclosed elsewhere in the financial statements are as follows:

Significant related party transactions

- i) Transactions with subsidiaries

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Rental of machinery receivable	-	-	-	(836)
Rental of machinery payable	-	-	-	836
Management fees receivable	-	-	(368)	(862)
Dividends receivable	-	-	(3,076)	(2,825)

Notes to financial statements (con't)

27. Significant related party transactions (con't)

	Group		Company	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
ii) Transactions with companies in which Directors have interest				
Stresstek Sdn. Bhd., a company in which Tan Boon Kang and Lau Pek Kuan have interests				
Rental of property payable by Ken Grouting Sdn. Bhd., a subsidiary	12	12	-	-
iii) Transactions with Directors of subsidiaries				
Sale of properties				
Tan Bon Sin	-	72	-	-
Lau Chin Ka	-	72	-	-
iv) Transactions with Directors of the Company				
Sale of properties				
Dato' Ahmad Badri bin Mohamed Basir	-	72	-	-
Sha Thiam Fook	-	72	-	-
Tan Boon Kang	-	72	-	-
Tang Kam Chee	-	72	-	-
Lau Pek Kuan	-	72	-	-
Tan Moon Hwa	-	72	-	-
Loo Pak Soon	-	72	-	-

The Directors are of the opinion that the above transactions were entered into in the normal course of business and the terms of which have been established on a negotiated basis.

28. Significant events during the year

- i) In January 2003, a subsidiary, Ken Property Sdn. Bhd. entered into a sales and purchase agreement to acquire 34 parcels of bungalow land for a total consideration of RM1,800,000.
- ii) In January 2003, the issued and paid up capital of the Company was increased from RM40,000,000 to RM60,000,000 by the issuance of:
 - a) Renounceable rights issue of 10,000,000 new ordinary shares at RM1.10 each on the basis of one (1) rights issue share for every two (2) existing shares held before the proposed revised Tier 1 bonus issue; and
 - b) Tier 2 bonus issue of 10,000,000 new ordinary shares of RM1.00 each on the basis of one (1) new share for each new rights share subscribed pursuant to the proposed revised rights issue.

Tier 1 Bonus issue of 20,000,000 new ordinary shares of RM1 each were issued in 2002 on the basis of one (1) new ordinary share for one (1) existing share held before the right issue.

Following attaining an enlarged issued and paid up share capital of 60,000,000, the Company was transferred and listed on the Main Board of the Kuala Lumpur Stock Exchange ("KLSE") on 21 January 2003.

Notes to financial statements (con't)

28. Significant events during the year (con't)

iii) In February 2003, the Company and its subsidiary, Support Capital Sdn. Bhd. entered into a Settlement Agreement with KHL Projects Limited ("KHL"), a minority shareholder of Kenly (HK) Ltd. ("Kenly"), pursuant to a winding-up petition filed on Kenly by KHL arising from disputes between shareholders of Kenly. The terms of settlement involved Support Capital Sdn. Bhd. acquiring 230,400 shares of HK\$1.00 each in Kenly representing 6.6% of the paid-up capital of Kenly for a consideration of HK\$57.60. In addition, KHL shall be entitled to received 40% of amounts recoverable from a debtor of Kenly but after the gross amount has been deducted of all expenses and cost incurred in recovery from the said debtor. KHL further agrees to execute a consent order to withdraw the winding-up petition.

In March 2003, Support Capital Sdn. Bhd. acquired 1,275,000 shares of HK\$1 each in Kenly representing 36.4% shareholdings in Kenly from the company for a consideration of HK\$1,275,000 (equivalent to RM625,000) based on the par value of Kenly's shares (as subscribed by the Company for the said shares).

After the acquisitions above, the Company effectively holds 57.6% shareholdings in Kenly.

iv) In May 2003, a subsidiary, Khidmat Tulin Sdn. Bhd. entered into a Joint Venture Agreement with Ken Rimba Jaya Sdn. Bhd. to develop part of the land in Mukim of Kapar, District of Klang belonging to Ken Rimba Jaya Sdn. Bhd.

v) In July 2003, a subsidiary, Ken Property Sdn. Bhd. acquired 2 ordinary shares of RM1 each representing 100% equity interest in Aunyang Holdings Sdn. Bhd. for a cash consideration of RM2.

vi) In November 2003, a subsidiary, Ken Projects Sdn. Bhd. completed the acquisition of 5,568,750 ordinary shares of RM1 each representing 100% equity interest in Ken Rimba Jaya Sdn. Bhd. for a cash consideration of RM14,170,000.

29. Commitments

	Group	
	2003 RM'000	2002 RM'000
Capital commitments:		
Contracted but not provided for in financial statements - purchase of land	-	3,349

30. Financial instruments

Financial risk management objectives and policies

The Group's operations are subject to financial risk such as foreign currency, interest rate, liquidity and credit risks arising in the normal course of business. The Group operates within clearly defined guidelines with the principal objective of minimising the Group's exposure to risk and/or cost associated with the financing, investing and operating activities of the Group.

A risk management policy framework has been approved by the Board of Directors for managing the day to day operations for controlling and managing risk.

The main areas of financial risks faced by the Group are set out below:-

Foreign currency risk

The Group has overseas subsidiaries, which operate in Hong Kong and revenues and expenses incurred are denominated exclusively in foreign currency.

The Group maintains a natural hedge, whenever possible by borrowing in the currency of the country in which the business is located that match the revenue stream to be generated from its investment.

Notes to financial statements (con't)

30. Financial instruments (con't)

Foreign currency risk (con't)

The Group policy is to minimise the exposure of the overseas operating subsidiaries to transaction risk by matching local currency revenue against local currency costs.

Interest rate risk

The Group's material interest rate risk relates to interest-earning assets. The investments in financial assets are mainly short term in nature and mostly have been placed in fixed deposits.

The Group through a subsidiary has a short-term credit facility from a financial institution. The Group manages its interest-bearing financial liabilities by prudently managing its operating cash flow and regularly review its debt portfolio.

Liquidity risk

The Group monitors and maintains a level of cash and cash equivalents so as to ensure that all funding requirements are met. As part of its overall prudent liquidity management, the Group maintains sufficient level of cash to meet its working capital requirements while unutilised funds are placed in fixed deposits with approved licensed financial institutions.

Credit risk

The management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit risk is minimised, monitored and based on limiting the Group's association to business partners with good credit worthiness.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the Group's balance sheet.

At balance sheet date, the Group has a significant concentration of credit risk in the form of trade receivable from a customer of a subsidiary representing RM8.6 million of the total trade receivables of the Group. The Group has a formal credit policy including debt recovery for all its trade receivables and allowance for doubtful debts has been provided for in the financial statements for the particular trade receivable. Legal action has been taken to recover this trade receivable. As disclosed in note 26.2 (b) of the financial statements, the Directors, based on the advice of the lawyers, are of the opinion that the subsidiary has a good claim against the debtor.

Fair values

The carrying amount of the Group's and Company's financial assets and liabilities approximate their carrying values.

31. Acquisition of subsidiaries

During the financial year, the Group subscribed for the entire issued and paid up share capital of RM2 shares in Aunyang Holdings Sdn. Bhd. for a cash consideration of RM2.

In November 2003, the Company acquired all the shares in Ken Rimba Jaya Sdn. Bhd. for a consideration of RM14,170,000 satisfied by cash. The acquisition was accounted for using the acquisition method of accounting. The subsidiary contributed a net loss of RM36,000 to the consolidated net profit for the year.

The fair values of the assets and liabilities in the acquisition of Ken Rimba Jaya Sdn. Bhd. and the cash flow effects are as follows:

Notes to financial statements (con't)

31. Acquisition of subsidiaries (con't)

	Group	
	2003 RM'000	2002 RM'000
Current assets	25,002	-
Current liabilities	(5,434)	(4)
Long term liabilities	(5,058)	-
Net assets	14,510	(4)
Negative goodwill	(201)	4
Purchase consideration	14,309	-
Less : Cash of subsidiaries acquired	(2)	-
Other payable	(2,000)	-
Net cash outflow	12,307	-

Effect of acquisition

The acquisition of Ken Rimba Jaya Sdn. Bhd. had the following effect on the Group's assets and liabilities as at 31 December 2003:

	2 months ended 31.12.2003 RM'000
Income statement	
Revenue	-
Operating costs	(36)
Loss before taxation	(36)
Tax expense	-
Loss after taxation	(36)
Decrease in Group's net profit at the end of the financial year	(36)
	31.12.2003 RM'000
Balance sheet	
Current assets	25,004
Current liabilities	(5,472)
Long term liabilities	(5,058)
Net assets acquired	14,474
Negative goodwill	(201)
Increase in Group's share of net assets	14,273

Notes to financial statements (con't)

32. Change in accounting policy and prior year adjustment

Changes in accounting policy

In the current financial year, the Group and the Company adopted two new MASB Standards. The adoption of these new standards resulted in changes in accounting policies as follows:-

- (a) MASB 25, Income Taxes which has been adopted retrospectively. Comparative figures have been adjusted to reflect the change in this accounting policy. The adoption of MASB 25 has resulted in the recognition in full of all taxable temporary differences. Previously, deferred tax liabilities were not provided if no liability was expected to arise in the foreseeable future and there were no indications the timing differences would reverse thereafter. Deferred tax assets are now recognised when it is probable that taxable profits will be available against which the deferred tax asset can be utilised.
- (b) MASB 29, Employees Benefits which is applied retrospectively. Comparative figures have not been restated as the previous accounting policy was in line with the accounting standard.

Prior year adjustment

The change in accounting policy due to the adoption of MASB 25 has been accounted for by restating comparatives and adjusting the opening balance of revaluation reserve and retained profits at 1 January 2002 as disclosed in Note 33 and the statement of changes in equity respectively.

33. Comparative figures

The following comparatives have been restated to reflect the changes in accounting policies as explained in Note 32.

	As restated RM'000	As previously stated RM'000
<i>Statement of changes in equity</i>		
At 1 January 2002		
Revaluation reserve	624	1,091
Retained profits	40,890	40,478
	<hr/>	<hr/>
<i>Balance sheet</i>		
At 31 December 2002		
Reserves	35,151	35,205
Deferred tax liabilities	5,211	4,744
Deferred tax assets	412	-
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Laporan Para Pengarah

bagi tahun berakhir 31 Disember 2003

Laporan pengarah bagi tahun berakhir 31 Disember 2003

Para Pengarah dengan sukacitanya membentangkan laporan mereka berserta penyata kewangan Kumpulan dan Syarikat yang diaudit bagi tahun berakhir 31 Disember 2003.

Kegiatan-kegiatan utama

Kegiatan utama Syarikat merangkumi pegangan pelaburan dan pemberian perkhidmatan pengurusan. Kegiatan utama syarikat-syarikat subsidiarinya dinyatakan di dalam Nota 4 kepada penyata kewangan. Tiada perubahan ketara dalam aktiviti-aktiviti utama tersebut sepanjang tahun kewangan.

Keputusan

	Kumpulan RM'000	Syarikat RM'000
Keuntungan bersih bagi tahun semasa	7,214	2,641

Rizab dan peruntukan

Tiada terdapat sebarang pindahan kepada atau daripada rizab dan peruntukan sepanjang tahun kewangan selain daripada yang dinyatakan dalam penyata kewangan.

Dividen

Sejak akhir tahun kewangan lalu, Syarikat telah membayar dividen pertama dan akhir sebanyak 5% ditolak cukai berjumlah RM2,160,000 berhubung dengan tahun berakhir 31 Disember 2002 pada 18 Ogos 2003.

Dividen pertama dan akhir sebanyak 5% ditolak cukai berjumlah RM2,166,000 berhubung dengan tahun berakhir 31 Disember 2003 telah disyorkan oleh Para Pengarah dan akan dicadangkan untuk kelulusan para pemegang saham di Mesyuarat Agung Tahunan yang akan datang.

Pengarah Syarikat

Para Pengarah yang memegang jawatan sejak tarikh laporan terakhir adalah:

- Dato' Ahmad Badri bin Mohamed Basir
- Sha Thiam Fook
- Tan Boon Kang
- Lau Pek Kuan
- Tan Moon Hwa
- Loo Pak Soon
- Tang Kam Chee
- Dato' Raja Haji Ahmad Zainuddin bin Raja Haji Omar

Laporan Para Pengarah bagi tahun berakhir 31 Disember 2003 (samb.)

Pegangan dan anggapan pegangan dalam saham biasa Syarikat dan syarikat-syarikat berkaitannya (selain daripada syarikat-syarikat subsidiari milik penuh) oleh ahli-ahli Lembaga Pengarah pada akhir tahun seperti mana tercatat di dalam Daftar Pegangan Saham Pengarah adalah seperti berikut:

Syarikat	Bilangan saham biasa bernilai RM1 sesaham			
	Pada 1.1.2003 '000	Dibeli '000	Dijual '000	Pada 31.12.2003 '000
<i>Kepentingan langsung</i>				
Tan Boon Kang	940	1,853	-	2,793
Lau Pek Kuan	24	15	-	39
Tan Moon Hwa	358	180	-	538
Tang Kam Chee	-	10	-	10
<i>Kepentingan tidak langsung</i>				
Tan Boon Kang	13,731	7,825	-	21,556
Lau Pek Kuan	14,646	9,664	-	24,310

-	Bilangan saham biasa bernilai HK\$1 sesaham			
	Pada 1.1.2003 '000	Dibeli '000	Dijual '000	Pada 31.12.2003 '000
<i>Kepentingan tidak langsung</i>				
Tan Boon Kang	1,785	230	-	2,015
Lau Pek Kuan	1,785	230	-	2,015

Opsyen yang ditawarkan kepada para pengarah di bawah Skim Opsyen Saham Pekerja ("ESOS") adalah seperti di bawah:

Opsyen saham dalam syarikat	Bilangan saham biasa bernilai RM1 sesaham			
	Pada 1.1.2003 '000	Diberi '000	Dilaksana '000	Pada 31.12.2003 '000
Tan Boon Kang	-	500	-	500
Tang Kam Chee	-	500	10	490
Tan Moon Hwa	-	500	-	500
Lau Pek Kuan	-	500	-	500

Tiada Pengarah lain yang memegang jawatan pada 31 Disember 2003 mempunyai sebarang kepentingan dalam saham biasa Syarikat dan syarikat-syarikat berkaitannya sepanjang tahun kewangan.

Ganjaran Para Pengarah

Sejak akhir tahun kewangan lalu, tiada Pengarah Syarikat menerima atau layak menerima sebarang ganjaran (selain daripada ganjaran yang termasuk dalam jumlah agregat emolumen yang diterima atau belum diterima dan akan diterima oleh Pengarah tertentu seperti dinyatakan dalam penyata kewangan atau gaji tetap pekerja Syarikat atau syarikat-syarikat berkaitannya) atas sebab kontrak yang dibuat oleh Syarikat atau syarikat berkaitannya dengan Pengarah berkenaan atau dengan sebuah firma di mana Pengarah berkenaan adalah seorang ahli, atau dengan sebuah syarikat di mana Pengarah berkenaan mempunyai kepentingan kewangan yang nyata.

Tiada sebarang perjanjian sepanjang dan di hujung tahun kewangan yang membolehkan Para Pengarah Syarikat mendapat manfaat melalui perolehan saham atau debentur Syarikat atau sebarang badan korporat, melainkan Skim Opsyen Saham Pekerja.

Laporan Para Pengarah bagi tahun berakhir 31 Disember 2003 (samb.)

Terbitan Saham dan debentur

Sepanjang tahun kewangan, Syarikat menerbitkan saham-saham berikut:

Kelas	Bilangan saham	Terma terbitan
Saham biasa bernilai RM1 sesaham	10,000,000	10,000,000 saham biasa bernilai RM1 sesaham pada harga terbitan RM1.10 bagi setiap saham terbitan hak berdasarkan satu (1) saham terbitan hak bagi setiap dua (2) saham sedia ada yang dipegang sebelum terbitan bonus Tingkat 1. Tujuan terbitan tersebut adalah untuk membiayai perbelanjaan modal dan modal kerja.
Saham biasa bernilai RM1 sesaham	10,000,000	10,000,000 saham biasa baru bernilai RM1 sesaham sebagai Saham Bonus Tingkat 2 berdasarkan satu (1) saham biasa baru bagi setiap saham hak yang dilanggan menurut terbitan hak tersebut.
Saham biasa bernilai RM1 sesaham	162,000	Langganan Skim Opsyen Saham Pekerja ("ESOS"). Saham-saham ESOS diterbitkan pada harga RM1 bagi setiap saham biasa.

Nota: Terbitan Bonus Tingkat 1 sebanyak 20,000,000 saham biasa baru bernilai RM1 sesaham diterbitkan dalam tahun 2002 berdasarkan satu (1) saham baru biasa bagi satu (1) saham sedia ada yang dipegang sebelum terbitan hak tersebut.

Tidak terdapat sebarang perubahan lain dalam modal diterbit dan berbayar Syarikat sepanjang tahun kewangan.

Tiada debentur yang diterbitkan sepanjang tahun kewangan.

Pemberian Opsyen untuk saham atau debentur yang belum diterbitkan

Tiada sebarang opsyen diberi kepada sesiapa untuk mengambil saham belum diterbit Syarikat sepanjang tahun selain daripada opsyen menurut Skim Opsyen Saham Pekerja.

Di Mesyuarat Agung Luarbiasa yang diadakan pada 30 Jun 2000, para pemegang saham Syarikat telah meluluskan penubuhan skim opsyen saham pekerja ("ESOS") tidak melebihi 10% daripada modal saham diterbit Syarikat kepada Para Pengarah dan pekerja-pekerja Kumpulan yang layak.

Opsyen yang ditawarkan untuk mengambil saham belum diterbit bernilai RM1 sesaham dan harga opsyen adalah seperti berikut:

Bilangan opsyen atas saham biasa bernilai RM1 sesaham						
Tarikh tawaran	Harga opsyen RM	Pada 1.1.2003 '000	Dibenar '000	Dilaksana '000	Lupus '000	Pada 31.12.2003 '000
4.6.2003	1.00	-	4,901	(162)	(136)	4,603

Laporan Para Pengarah bagi tahun berakhir 31 Disember 2003 (samb.)

Syarikat telah diberi pengecualian oleh Suruhanjaya Komisen Syarikat Malaysia daripada mengemukakan nama pemegang-pemegang opsiyen yang telah diberikan kurang daripada 250,000 opsiyen di bawah ESOS sepanjang tahun kewangan. Butiran opsiyen yang diberi di bawah ESOS berhubung dengan opsiyen 250,000 dan lebih adalah seperti berikut:

Bilangan opsiyen atas saham biasa bernilai RM1 sesaham

Nama pemegang opsiyen	Harga opsiyen RM	Pada 1.1.2003 '000	Diberi '000	Dilaksana '000	Pada 31.12.2003 '000
Tan Boon Kang	1.00	-	500	-	500
Tang Kam Chee	1.00	-	500	10	490
Tan Moon Hwa	1.00	-	500	-	500
Lau Pek Kuan	1.00	-	500	-	500
Lau Chin Ka	1.00	-	500	-	500
Lau Chin Kok	1.00	-	250	-	250
Lau Fei Teng	1.00	-	250	(15)	235
Ng Teck Say	1.00	-	250	(50)	200

Ciri-ciri utama skim ini adalah seperti berikut:

- Pekerja-pekerja yang layak adalah pekerja Kumpulan sepenuh masa, telah disahkan dalam jawatan dan telah mencapai umur lapan belas tahun pada atau sebelum tarikh tawaran.
- Opsiyen adalah peribadi kepada yang diberi dan tidak boleh dipindah hak.
- Harga opsiyen akan ditentukan berdasarkan satu diskaun yang tidak melebihi 10% daripada harga pasaran purata berwajaran saham bagi lima hari pasaran lepas yang tersedia sebelum tarikh tawaran atau pada nilai tara saham biasa Syarikat, yang mana satu lebih tinggi.
- Opsiyen yang diberi dalam satu tahun tetapi tidak dilaksanakan dalam tahun tersebut boleh dilaksanakan dalam tempoh lima tahun dari tarikh tawaran opsiyen.
- Opsiyen yang diberi boleh dilaksanakan atas saham biasa sepenuhnya atau dalam bilangan kurang dengan syarat bilangannya hendaklah dalam gandaan 1,000 saham.

Sesiapa yang telah diberi opsiyen tidak berhak untuk mengambil bahagian dalam apa-apa opsiyen terbitan saham di syarikat lain.

Peristiwa-peristiwa penting sepanjang tahun

- Pada Januari 2003, sebuah subsidiari, Ken Property Sdn. Bhd. menandatangani satu perjanjian jual-beli untuk membeli 34 bidang tanah banglo bernilai RM1,800,000.
- Pada Januari 2003, modal diterbitkan dan berbayar Syarikat telah meningkat dari RM40,000,000 kepada RM60,000,000 melalui terbitan:
 - Terbitan hak boleh serah sebanyak 10,000,000 saham biasa baru pada RM1.10 sesaham berdasarkan satu (1) saham terbitan hak bagi setiap dua (2) saham sedia ada yang dipegang sebelum terbitan bonus Tingkat 1 disemak semula yang dicadangkan; dan
 - Terbitan bonus Tingkat 2 sebanyak 10,000,000 saham biasa baru bernilai RM1.00 sesaham berdasarkan satu (1) saham baru bagi setiap saham hak baru yang dilanggan menurut terbitan hak disemak semula yang dicadangkan.

Berikutan tercapai pembesaran modal saham diterbitkan dan berbayar sebanyak 60,000,000, Syarikat telah dipindah dan disenaraikan di Papan Utama Malaysia Securities Exchange Berhad ("MSEB") pada 21 Januari 2003.

Laporan Para Pengarah bagi tahun berakhir 31 Disember 2003 (samb.)

- iii) Pada Februari 2003, Syarikat dan subsidiarinya, Support Capital Sdn. Bhd. menandatangani satu Perjanjian Penyelesaian dengan KHL Projects Limited ("KHL"), satu pemegang saham minoriti Kenly (HK) Ltd. ("Kenly"), menurut satu petisyen bagi pembubaran yang difailkan ke atas Kenly oleh KHL yang timbul daripada perbalahan di antara pemegang saham Kenly. Terma-terma penyelesaian melibatkan Support Capital Sdn. Bhd. membeli 230,400 saham bernilai HK\$1.00 sesaham dalam Kenly yang mewakili 6.6% modal saham berbayar Kenly bagi pertimbangan sebanyak HK\$57.60. Tambahan lagi, KHL bakal berhak menerima 40% daripada jumlah boleh diperolehi semula daripada satu penghutang Kenly selepas ditolak semua perbelanjaan dan kos ditanggung dalam memperolehi semula daripada penghutang tersebut. KHL seterusnya bersetuju untuk melaksanakan satu arahan persetujuan bagi menarik balik petisyen pembubaran tersebut.

Pada Mac 2003, Support Capital Sdn. Bhd. membeli 1,275,000 saham bernilai HK\$1 sesaham dalam Kenly yang mewakili 36.4% pegangan saham dalam Kenly daripada Syarikat bagi satu pertimbangan sebanyak HK\$1,275,000 (bersamaan dengan RM624,000) berdasarkan nilai tara saham Kenly (seperti yang dilanggan oleh Syarikat bagi saham-saham tersebut).

Selepas pembelian tersebut, Syarikat secara efektif memegang 57.6% saham dalam Kenly.

- vi) Pada Mei 2003, sebuah subsidiari, Khidmat Tulin Sdn. Bhd. menandatangani satu Perjanjian Usaha Sama dengan Ken Rimba Jaya Sdn. Bhd. bagi membangunkan sebahagian tanah di Mukim Kapar, Daerah Klang yang dimiliki oleh Ken Rimba Jaya Sdn. Bhd..
- v) Pada Julai 2003, sebuah subsidiari, Ken Property Sdn. Bhd. membeli 2 saham biasa bernilai RM1 sesaham yang mewakili 100% kepentingan ekuiti dalam Aunyang Holdings Sdn. Bhd., bagi satu pertimbangan tunai sebanyak RM2.
- vi) Pada November 2003, sebuah subsidiari, Ken Projects Sdn. Bhd. melengkapkan pembelian sebanyak 5,568,750 saham biasa bernilai RM1 sesaham yang mewakili 100% kepentingan ekuiti dalam Ken Rimba Jaya Sdn. Bhd. bagi satu pertimbangan tunai sebanyak RM14,170,000.

Lain-lain maklumat berkanun

Sebelum penyata kewangan Kumpulan dan Syarikat disediakan, Para Pengarah telah mengambil langkah-langkah yang sewajarnya untuk menentukan bahawa:-

- kesemua hutang lapuk yang diketahui telah dihapus kira dan peruntukan yang memadai telah dibuat untuk hutang ragu, dan
- kesemua aset semasa telah dinyatakan pada kos atau nilai boleh realisasi bersih, mengikut mana yang lebih rendah.

Pada tarikh laporan ini, Para Pengarah tidak menyedari sebarang keadaan:-

- yang mungkin menyebabkan jumlah hutang lapuk yang telah dihapus kira atau jumlah peruntukan hutang ragu, dalam Kumpulan dan Syarikat tidak memadai dengan ketara, atau
- yang boleh menyebabkan nilai yang dikaitkan dengan aset semasa di dalam penyata kewangan Kumpulan dan Syarikat mengelirukan, atau
- yang timbul dan menyebabkan pematuhan kepada kaedah semasa bagi penilaian aset atau liabiliti Kumpulan dan Syarikat mengelirukan atau tidak sesuai, atau
- yang tidak diambil kira dalam rangkuman laporan atau penyata kewangan Kumpulan dan Syarikat, yang mungkin menyebabkan sebarang jumlah yang dinyatakan dalam penyata kewangan Kumpulan dan Syarikat mengelirukan.

Pada tarikh laporan ini, tidak wujud:-

- sebarang cagaran ke atas aset Kumpulan atau Syarikat yang telah timbul sejak akhir tahun kewangan yang menjamin liabiliti mana-mana pihak, atau
- sebarang liabiliti luar jangka berhubung dengan Kumpulan atau Syarikat yang telah timbul sejak akhir tahun kewangan.

Tiada liabiliti luar jangka atau liabiliti lain bagi mana-mana syarikat dalam Kumpulan yang telah dikuatkuasakan, atau berkemungkinan akan dikuatkuasakan dalam tempoh dua belas bulan selepas akhir tahun kewangan yang pada pendapat Para Pengarah, akan atau mungkin menjejaskan keupayaan Kumpulan dan Syarikat untuk menunaikan kewajipannya apabila tiba masanya kelak.

Laporan Para Pengarah bagi tahun berakhir 31 Disember 2003 (samb.)

Pada pendapat Para Pengarah, keputusan daripada Kumpulan dan Syarikat bagi tahun kewangan berakhir 31 December 2003 tidak terjejas dengan ketara oleh sebarang perkara, urusan atau kejadian yang bersifat material dan luarbiasa mahupun sebarang perkara, urusan atau kejadian yang berlaku dalam jeda masa antara akhir tahun kewangan berkenaan dan tarikh laporan ini.

Juruaudit

Juruaudit, Tetuan KPMG, menyatakan kesediaan mereka untuk menerima perlantikan semula.

Ditandatangani menurut resolusi Para Pengarah:

.....
Tan Boon Kang

.....
Tang Kam Chee

Kuala Lumpur,
Tarikh: 25 Mac 2004

Penyata Para Pengarah menurut Seksyen 169(15) Akta Syarikat, 1965

Pada pendapat Para Pengarah, penyata kewangan yang dibentangkan dari halaman 92 hingga 127 telah disediakan menurut peruntukan Akta Syarikat, 1965 dan piawaian perakaunan yang berkenaan yang diluluskan di Malaysia supaya memberi gambaran yang benar dan saksama tentang keadaan urusan Kumpulan dan Syarikat pada 31 Disember 2003 dan keputusan operasi serta aliran tunai bagi tahun berakhir pada tarikh tersebut.

Ditandatangani menurut resolusi Para Pengarah:

.....

Tan Boon Kang

.....

Tang Kam Chee

Kuala Lumpur,

Tarikh: 25 Mac 2004

Akuan Berkanun menurut Seksyen 169(16) Akta Syarikat, 1965

Saya, **Tang Kam Chee**, Pengarah yang terutamanya bertanggungjawab ke atas pengurusan kewangan Ken Holdings Berhad, dengan sesungguhnya dan seikhlasnya mengaku bahawa penyata kewangan yang dibentangkan dari halaman 92 hingga 127 pada sebaik-baik pengetahuan dan kepercayaan saya adalah betul dan saya membuat pengakuan ini dengan penuh kepercayaan akan kebenarannya dan menurut peruntukan Akta Akuan Berkanun, 1960.

Ditandatangani dan diakui sesungguhnya oleh penama tersebut di atas di Kuala Lumpur pada 25 Mac 2004.

.....

Tang Kam Chee

Di hadapan saya:

PESURUH JAYA SUMPAN

Laporan Juruaudit kepada para ahli Ken Holdings Berhad

Kami telah mengaudit penyata kewangan yang dibentangkan dari halaman 92 hingga 127. Penyediaan penyata kewangan adalah tanggungjawab Para Pengarah Syarikat. Tanggungjawab kami adalah untuk memberi pendapat berhubung dengan penyata kewangan berdasarkan pengauditan kami.

Kami telah menjalankan audit menurut Piawaian Pengauditan yang diluluskan di Malaysia. Piawaian ini memerlukan kami merancang dan melaksanakan audit untuk memperoleh semua maklumat dan penjelasan yang kami anggap perlu untuk menyediakan kami bukti untuk memberi jaminan yang munasabah bahawa penyata kewangan bebas daripada salahnyata yang material. Pengauditan juga termasuk pemeriksaan, atas dasar ujian, bukti yang menyokong jumlah dan pendedahan di dalam penyata kewangan. Pengauditan juga termasuk penilaian prinsip-prinsip perakaunan yang digunakan dan anggaran penting yang dibuat oleh Para Pengarah serta menilai kecukupan keseluruhan penyampaian maklumat dalam penyata kewangan. Kami mempercayai bahawa pengauditan kami membekalkan asas munasabah bagi pendapat kami.

Pada pendapat kami:

- (a) penyata kewangan telah disediakan dengan sempurna menurut peruntukan Akta Syarikat, 1965 dan piawaian perakaunan yang berkaitan yang diluluskan supaya dapat memberikan gambaran yang benar dan saksama mengenai:
 - i) keadaan urusan Kumpulan dan Syarikat pada 31 Disember 2003 dan keputusan operasi dan aliran tunai bagi tahun berakhir pada tarikh tersebut; dan
 - ii) Perkara-perkara yang dikehendaki oleh Seksyen 169 Akta Syarikat, 1965 untuk diambil kira dalam penyata kewangan Kumpulan dan Syarikat; dan
- (b) rekod perakaunan dan rekod-rekod lain serta daftar-daftar yang disyaratkan oleh Akta Syarikat, 1965 yang perlu disimpan oleh Syarikat dan syarikat-syarikat subsidiari yang mana kami telah bertindak sebagai juruaudit telahpun disimpan dengan sempurna menurut peruntukan Akta tersebut.

Syarikat-syarikat subsidiari di mana kami tidak bertindak sebagai juruaudit telah dikenalpasti dalam Nota 4 kepada penyata kewangan dan kami telah mempertimbangkan penyata kewangan dan laporan juruauditnya.

Kami berpuas hati bahawa penyata kewangan syarikat-syarikat subsidiari yang telah disatukan dengan penyata kewangan Syarikat adalah bersesuaian dan berpatutan dari segi bentuk dan kandungan untuk tujuan penyediaan penyata kewangan yang disatukan dan kami telah menerima maklumat dan penjelasan memuaskan yang kami perlukan untuk tujuan tersebut.

Laporan-laporan audit berhubung dengan penyata kewangan syarikat-syarikat subsidiari tidak tertakluk kepada sebarang syarat dan tidak mengandungi sebarang ulasan yang dibuat di bawah sub-seksyen (3) Seksyen 174 Akta tersebut.

KPMG

Nombor Firma: AF 0758

Akauntan Bertauliah

Chan Kam Chiew

Rakan Kongsi

Nombor Kelulusan: 2055/06/04(J)

Kuala Lumpur,

Tarikh: 25 Mac 2004

Penyata Kunci Kira-kira pada 31 Disember 2003

	Nota	Kumpulan		Syarikat	
		2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Hartanah, loji dan peralatan	2	11,241	6,633	-	-
Tanah dipegang untuk pembangunan	3	1,800	313	-	-
Pelaburan dalam subsidiari	4	-	-	13,333	13,958
Pelaburan lain	5	32	41	-	-
Muhibah atas pengambilalihan	6	2,217	3,248	-	-
Aset cukai tertunda	17	1,012	412	-	-
Aset semasa					
Inventori		5,844	9,212	-	-
Hartanah sedang dibangunkan	8	53,473	20,959	-	-
Penghutang dagangan dan penghutang lain	9	20,220	23,473	28	585
Jumlah terhutang oleh subsidiari	10	-	-	51,533	43,236
Cukai boleh diperolehi semula		110	313	790	-
Tunai dan setara tunai	11	36,096	48,179	10,108	17,135
		115,743	102,136	62,459	60,956
Liabiliti semasa					
Pemiutang dagangan dan pemiutang lain	12	23,861	16,035	298	292
Pinjaman	13	3,906	-	-	-
Cukai		2,663	2,380	-	126
Wang permohonan saham		-	10,748	-	10,748
		30,430	29,163	298	11,166
Aset semasa bersih		85,313	72,973	62,161	49,790
		101,615	83,620	75,494	63,748

Penyata Kunci Kira-kira pada 31 Disember 2003 (samb.)

	Nota	Kumpulan		Syarikat	
		2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Dibiayai dengan:					
Rizab dan modal					
Modal saham	14	60,162	40,000	60,162	40,000
Rizab	15	30,524	35,151	14,471	23,748
		<u>90,686</u>	<u>75,151</u>	<u>74,633</u>	<u>63,748</u>
Kepentingan pemegang saham minoriti	16	2,623	3,258	-	-
Muhibah negatif	7	425	-	-	-
Liabiliti tertunda					
Cukai tertunda	17	7,881	5,211	861	-
		<u>101,615</u>	<u>83,620</u>	<u>75,494</u>	<u>63,748</u>

Penyata-penyata kewangan ini telah diluluskan dan disahkan untuk terbitan oleh Lembaga Pengarah pada 25 Mac 2004.

Nota-nota pada halaman 100 hingga 127 merupakan sebahagian penting daripada penyata-penyata kewangan ini, dan perlu dibaca bersama dengan penyata-penyata kewangan ini.

Penyata Pendapatan bagi tahun berakhir 31 Disember 2003

	Nota	Kumpulan		Syarikat	
		2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Hasil					
- hasil kontrak		11,642	12,618	-	-
- hasil pembangunan		47,658	36,777	-	-
- dividen		-	-	3,076	2,825
- perkhidmatan		-	-	368	862
		<u>59,300</u>	<u>49,395</u>	<u>3,444</u>	<u>3,687</u>
Kos penjualan					
- hasil kontrak		(5,783)	(4,167)	-	-
- hasil pembangunan		(34,171)	(23,689)	-	-
		<u>(39,954)</u>	<u>(27,856)</u>	<u>-</u>	<u>-</u>
Keuntungan kasar		19,346	21,539	3,444	3,687
Kos pengagihan		(61)	(297)	-	-
Perbelanjaan pentadbiran		(11,721)	(8,515)	(216)	(191)
Perbelanjaan operasi lain		(808)	(718)	-	(836)
Pendapatan operasi lain		3,151	1,603	451	973
		<u>9,907</u>	<u>13,612</u>	<u>3,679</u>	<u>3,633</u>
Keuntungan operasi	19	9,907	13,612	3,679	3,633
Kos pembiayaan	21	(32)	(61)	-	-
		<u>9,875</u>	<u>13,551</u>	<u>3,679</u>	<u>3,633</u>
Keuntungan sebelum cukai		9,875	13,551	3,679	3,633
Perbelanjaan cukai	22	(3,062)	(4,056)	(1,038)	(1,020)
		<u>6,813</u>	<u>9,495</u>	<u>2,641</u>	<u>2,613</u>
Keuntungan selepas cukai		6,813	9,495	2,641	2,613
Ditolak: Keuntungan pra-pengambilalihan		-	(119)	-	-
Kepentingan minoriti		401	(8)	-	-
		<u>7,214</u>	<u>9,368</u>	<u>2,641</u>	<u>2,613</u>
Keuntungan bersih bagi tahun semasa		<u>7,214</u>	<u>9,368</u>	<u>2,641</u>	<u>2,613</u>
Pendapatan asas sesaham biasa	23	12 sen	16 sen		
Pendapatan dcairkan sesaham biasa	23	12 sen	N/A		
Dividen sesaham biasa – kasar	24	5 sen	5 sen		

Nota-nota pada halaman 100 hingga 127 merupakan sebahagian penting daripada penyata-penyata kewangan ini, dan perlu dibaca bersama dengan penyata-penyata kewangan ini.

Penyata Perubahan dalam ekuiti disatukan bagi tahun 31 Disember 2003

Penyata perubahan dalam ekuiti bagi tahun berakhir 31 Disember 2003

Kumpulan	Nota	Tidak boleh diagih			Boleh diagih		Jumlah RM'000
		Modal saham RM'000	Premium saham RM'000	Rizab penilaian semula hartanah RM'000	Rizab pertukaran asing RM'000	Keuntungan tertahan RM'000	
Pada 1 Januari 2002		20,000	2,004	1,091	179	40,478	63,752
Kesan penerimaan pakai MASB 25	32	-	-	(467)	-	412	(55)
Baki dinyatakan semula		20,000	2,004	624	179	40,890	63,697
Realisasi rizab penilaian semula tanah dipegang untuk pembangunan		-	-	(240)	-	240	-
Lebihan atas penilaian semula hartanah		-	-	3,115	-	-	3,115
Perbezaan terjemahan mata wang		-	-	-	(29)	-	(29)
Keuntungan dan kerugian bersih yang tidak diiktiraf dalam penyata kewangan		-	-	2,875	(29)	240	3,086
Terbitan saham- terbitan bonus		20,000	(2,004)	-	-	(17,996)	-
Keuntungan bersih bagi tahun semasa		-	-	-	-	9,368	9,368
Dividen	24	-	-	-	-	(1,000)	(1,000)
Pada 31 Disember 2002/ Pada 1 Januari 2003		40,000	-	3,499	150	31,502	75,151
Realisasi rizab penilaian semula hartanah dipegang untuk pembangunan		-	-	(1,460)	-	1,460	-
Perbezaan terjemahan mata wang		-	-	-	77	-	77
Perbelanjaan terbitan saham		-	(758)	-	-	-	(758)
Keuntungan atau kerugian bersih yang tidak diiktiraf dalam penyata kewangan		-	(758)	(1,460)	77	1,460	(681)
Terbitan saham:							
Tebitan bonus		10,000	-	-	-	(10,000)	-
Terbitan hak		10,000	1,000	-	-	-	11,000
Perlaksanaan saham opsyen		162	-	-	-	-	162
Keuntungan bersih bagi tahun semasa		-	-	-	-	7,214	7,214
Dividen	24	-	-	-	-	(2,160)	(2,160)
Pada 31 Disember 2003		60,162	242	2,039	227	28,016	90,686
		Nota 14		Nota 15.1		Nota 15.2	

Nota-nota pada halaman 100 hingga 127 merupakan sebahagian penting daripada penyata-penyata kewangan ini, dan perlu dibaca bersama dengan penyata-penyata kewangan ini.

Penyata Perubahan dalam ekuiti bagi tahun 31 Disember 2003

Syarikat	Nota	Modal saham RM'000	Tidak boleh diagih Premium saham RM'000	Boleh diagih Keuntungan tertahan RM'000	Jumlah RM'000
Pada 1 Januari 2002		20,000	2,004	40,131	62,135
Terbitan saham – terbitan bonus		20,000	(2,004)	(17,996)	-
Keuntungan bersih bagi tahun semasa		-	-	2,613	2,613
Dividen	24	-	-	(1,000)	(1,000)
Pada 31 Disember 2002/ 1 Januari 2003		40,000	-	23,748	63,748
Terbitan saham					
Terbitan bonus		10,000	-	(10,000)	-
Terbitan hak		10,000	1,000	-	11,000
Perlaksanaan opsyen saham		162	-	-	162
Perbelanjaan terbitan saham		-	(758)	-	(758)
Kerugian yang tidak diiktiraf dalam penyata kewangan		-	(758)	-	(758)
Keuntungan bersih bagi tahun semasa		-	-	2,641	2,641
Dividen	24	-	-	(2,160)	(2,160)
Pada 31 Disember 2003		60,162	242	14,229	74,633
		Nota 14		Nota 15.2	

Nota-nota pada halaman 100 hingga 127 merupakan sebahagian penting daripada penyata-penyata kewangan ini, dan perlu dibaca bersama dengan penyata-penyata kewangan ini.

Penyata Aliran Tunai

bagi tahun berakhir 31 Disember 2003

	Kumpulan		Syarikat	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Aliran tunai daripada aktiviti operasi				
Keuntungan sebelum cukai	9,875	13,551	3,679	3,633
Pelarasan bagi:				
Pembalikan peruntukan bagi hutang ragu	(791)	-	-	-
Pelunasan muhibah	808	714	-	-
Peruntukan bagi hutang ragu	2,870	1,359	-	-
Susutnilai hartanah, loji dan peralatan	1,088	1,194	-	-
Pendapatan dividen	-	-	(3,076)	(2,825)
Keuntungan atas penjualan hartanah, loji dan peralatan	(288)	(79)	-	-
Perbelanjaan faedah	32	49	-	-
Pendapatan faedah	(1,011)	(848)	(451)	(137)
Perbelanjaan awalan dihapus kira	-	2	-	-
Hartanah, loji dan peralatan dihapus kira	17	3	-	-
Peruntukan bagi kehausan nilai pelaburan	9	99	-	-
Keuntungan operasi sebelum perubahan modal kerja	12,609	16,044	152	671
Perubahan dalam modal kerja:-				
Inventori	3,368	9,212	-	-
Tanah dipegang untuk pembangunan	(1,487)	313	-	-
Penghutang dagangan dan penghutang lain	1,353	9,417	557	(171)
Hartanah sedang dibangunkan	(7,514)	1,265	-	-
Pemiutang dagangan dan pemiutang lain	1,932	(12,232)	6	37
Syarikat subsidiari	-	-	(8,297)	948
Tunai diperolehi daripada/ (digunakan dalam) operasi	10,261	24,019	(7,582)	1,485
Cukai pendapatan dibayar	(5,567)	(8,017)	(231)	(112)
Faedah diterima	232	261	-	-
Tunai bersih diperolehi daripada/ (digunakan dalam) aktiviti operasi	4,926	16,263	(7,813)	1,373

Penyata Aliran Tunai

bagi tahun berakhir 31 Disember 2003 (samb.)

	Kumpulan		Syarikat	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Aliran tunai daripada aktiviti pelaburan				
Pengambilalihan subsidiari, ditolak tunai diperolehi (Nota 31)	(12,307)	-	-	-
Dividen diterima	-	-	2,215	2,034
Pembelian hartanah, loji dan peralatan	(5,713)	(819)	-	-
Deposit tercagar disimpan di bank berlesen	(4,838)	(59)	(4,859)	(18)
Perolehan dari jualan hartanah, loji dan peralatan	296	171	-	-
Faedah diterima	712	587	451	137
Penjualan/ pembelian bersih pelaburan dalam subsidiari	-	-	624	(570)
Penambahan kepentingan dalam subsidiari	-	(6,282)	-	-
Tunai bersih (digunakan dalam)/ diperolehi daripada aktiviti pelaburan	(21,850)	(6,402)	(1,569)	1,583
Aliran tunai daripada aktiviti pembiayaan				
Perolehan dari terbitan saham	11,162	-	11,162	-
Dividen dibayar	(2,160)	(1,000)	(2,160)	(1,000)
Pembayaran balik kepada liabiliti pajakan	-	(285)	-	-
Faedah dibayar	(32)	(49)	-	-
Perbelanjaan terbitan saham	(758)	-	(758)	-
Perolehan dari pinjaman	3,906	-	-	-
Pembayaran pinjaman	(1,591)	-	-	-
Pendahuluan dari pemegang saham minoriti	212	-	-	-
Tunai bersih diperolehi daripada/ (digunakan dalam) aktiviti pembiayaan	10,739	(1,334)	8,244	(1,000)
(Pengurangan)/ Penambahan bersih dalam tunai dan setara tunai	(6,185)	8,527	(1,138)	1,956
Tunai dan setara tunai pada awal tahun	35,360	26,862	4,357	2,401
Perbezaan setara asing atas baki pembukaan	12	(29)	-	-
Tunai dan setara tunai pada akhir tahun	29,187	35,360	3,219	4,357

Penyata Aliran Tunai

bagi tahun berakhir 31 Disember 2003 (samb.)

i) Pembelian hartanah, loji dan peralatan

Pada tahun 2002, Kumpulan membeli hartanah, loji dan peralatan dengan kos agragat sebanyak RM1,956,000, di mana RM1,137,000 telah dipindahkan daripada hartanah sedang dibangunkan kepada hartanah, loji dan peralatan sebagai sebahagian penyelesaian hutang di antara dua buah subsidiari Kumpulan.

ii) Tunai dan setara tunai

Tunai dan setara tunai yang termasuk di dalam penyata aliran tunai terdiri daripada jumlah penyata kunci kira-kira berikut:

	Kumpulan		Syarikat	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Tunai dan baki bank	17,232	23,536	311	153
Deposit tetap dengan bank berlesen (kecuali deposit tercagar)	11,955	11,824	2,908	4,204
	<u>29,187</u>	<u>35,360</u>	<u>3,219</u>	<u>4,357</u>

Nota-nota pada halaman 100 hingga 127 merupakan sebahagian penting daripada penyata-penyata kewangan ini, dan perlu dibaca bersama dengan penyata-penyata kewangan ini.

Nota-nota

kepada penyata-penyata kewangan

1. Ringkasan dasar-dasar perakaunan penting

Dasar-dasar perakaunan berikut telah diterima pakai oleh Kumpulan dan Syarikat dan adalah konsisten dengan dasar-dasar yang diterima pakai pada tahun-tahun yang lalu kecuali penerimaan pakai yang berikut:

- (i) MASB 25, Cukai Pendapatan; dan
- (ii) MASB 29, Faedah Pekerja.

Di samping dasar-dasar baru tersebut dan pendedahan tambahan yang dikehendaki oleh piawaian baru ini, kesan perubahan dalam dasar perakaunan dinyatakan dalam Nota 32 kepada penyata kewangan.

(a) Asas perakaunan

Penyata kewangan Kumpulan dan Syarikat disediakan berdasarkan kos sejarah kecuali seperti yang dinyatakan dalam nota-nota kepada penyata kewangan dan mematuhi peruntukan Akta Syarikat, 1965 dan piawaian perakaunan yang berkaitan yang diluluskan di Malaysia.

(b) Asas penyatuan

Subsidiari-subsidiari adalah entiti perniagaan di bawah kawalan Syarikat. Pengawasan berlaku apabila Syarikat mempunyai kuasa, secara langsung ataupun tidak langsung, untuk mentadbir dasar kewangan dan operasi sesebuah entiti supaya boleh memperoleh hasil daripada aktivitinya. Penyata kewangan subsidiari turut terangkum dengan penyata kewangan disatukan bermula dari tarikh kawalan berkuatkuasa sehingga tarikh kawalan tersebut tamat. Subsidiari-subsidiari disatukan dengan menggunakan kaedah pengambilalihan perakaunan.

Sesebuah subsidiari dikecualikan daripada penyatuan apabila kawalan tersebut bertujuan sementara sahaja jika subsidiari itu diambil alih dan dipegang secara eksklusif dengan tujuan ia dilupuskan pada masa depan yang dekat dan ia tidak disatukan pada masa dahulu atau ia beroperasi di bawah sekatan-sekatan jangka panjang yang ketat yang banyak menjejaskan keupayaannya memindahkan dana kepada Syarikat. Subsidiari yang tidak dimasukkan berdasarkan sebab-sebab tersebut diambil kira sebagai pelaburan.

Di bawah kaedah pengambilalihan perakaunan, keputusan subsidiari yang diambil kira atau dilupuskan sepanjang tahun dimasukkan dari tarikh pengambilalihan atau hingga tarikh pelupusan. Pada tarikh pengambilalihan, nilai saksama aset bersih subsidiari ditentukan dan nilai tersebut turut dibayangkan di dalam penyata kewangan Kumpulan. Perbezaan antara kos pengambilalihan dan nilai saksama subsidiari dibayangkan sebagai muhibah atau muhibah negative menurut yang sepatutnya.

Urus niaga dan baki antara Kumpulan dan keuntungan belum direalisasikan yang berikutnya dihapuskan atas penyatuan. Kerugian belum direalisasikan hasil daripada urus niaga antara Kumpulan juga dihapuskan kecuali kos tidak boleh diperolehi semula.

(c) Hartanah, loji dan peralatan

Hartanah, loji dan peralatan kecuali tanah pegangan bebas dinyatakan pada kos/ penilaian tolak susutnilai terkumpul dan kerugian kemerosotan terkumpul, jika ada. Tanah pegangan bebas dinyatakan pada penilaian.

Kumpulan menilai semula hartanahnya setiap lima tahun dan pada jeda masa lebih singkat apabila nilai saksama aset dinilai semula dijangka akan berbeza secara material daripada nilai pemegangannya. Penambahan selepas tarikh penilaian dinyatakan pada kos sehingga usaha penilaian semula berikutnya.

Lebihan yang timbul daripada penilaian semula akan diambil kira dalam akaun rizab penilaian semula hartanah. Sebarang deficit yang timbul akan diofset atas rizab penilaian semula hingga ke tahap penambahan yang lalu bagi hartanah yang sama. Dalam semua kes lain, susutan dalam nilai pemegangannya akan dicaj kepada penyata pendapatan.

Hartanah, loji dan peralatan yang tidak lagi digunakan secara aktif dan dipegang untuk pelupusan dinyatakan pada nilai pemegangannya pada tarikh aset tersebut tidak digunakan secara aktif, ditolak kerugian kemerosotan, jika ada.

Nota-nota kepada penyata-penyata kewangan (samb.)

1. Ringkasan dasar-dasar perakaunan penting (samb.)

(c) Hartanah, loji dan peralatan (Samb.)

Susutnilai

Tanah pegangan bebas tidak dilunaskan.

Tanah pegangan pajak dilunaskan dalam ansuran setara meliputi tempoh pajakan selama 79 tahun.

Kaedah garis lurus digunakan untuk menghapuskira kos aset lain meliputi anggaran jangka hayat kegunaannya pad kadar tahunan utama berikut:

Bangunan	2%
Kenderaan bermotor	20%
Peralatan tapak	20%
Loji dan peralatan	20%
Peralatan pejabat	20%
Perabot dan kelengkapan	20%

(d) Muhibah

Muhibah mewakili lebih kos pengambilalihan atas nilai saksama bagi aset boleh dikenalpasti bersih yang diambilalih dan dinyatakan pada kos ditolak kerugian kemerosotan terkumpul. Muhibah negatif mewakili lebih nilai saksama bagi aset yang boleh dikenalpasti yang diambilalih atas kos pengambilalihan.

Muhibah dan muhibah negative berhubung dengan syarikat-syarikat pembangunan hartanah dilunaskan meliputi tahun-tahun pembangunan dengan rujukan kepada keuntungan pembangunan yang diperolehi sepanjang tahun berbanding dengan jumlah anggaran keuntungan pembangunan.

(e) Pelaburan

Pelaburan jangka panjang selain daripada pelaburan dalam subsidiari, dinyatakan pada kos. Peruntukan dibuat di mana Para Pengarah berpendapat bahawa terdapat kehausan dalam nilai pelaburan tersebut yang tidak bersifat sementara.

Pelaburan jangka panjang dalam subsidiari dinyatakan pada kos dalam Syarikat, ditolak kerugian kemerosotan di mana berkenaan.

(f) Penghutang dagangan dan penghutang lain

Penghutang dagangan dan penghutang lain dinyatakan pada kos ditolak peruntukan bagi hutang ragu.

(g) Ganjaran pekerja

(i) *Ganjaran jangka pendek*

Upah, gaji, bonus dan caruman sekuriti sosial diiktiraf sebagai perbelanjaan dalam tahun di mana perkhidmatan yang bersekutu diberikan oleh pekerja Kumpulan. Ketidakhadiran terpampas berkumpul jangka pendek seperti cuti tahunan berbayar diiktiraf apabila perkhidmatan diberikan oleh pekerja yang meningkatkan kelayakan mereka kepada ketidakhadiran terpampas pada masa hadapan, dan ketidakhadiran terpampas yang tidak boleh dikumpul jangka pendek seperti cuti sakit diiktiraf apabila ketidakhadiran berlaku.

(ii) *Pelan caruman wajib*

Obligasi untuk mencarum kepada Kumpulan Wang Simpana Pekerja, diiktiraf sebagai perbelanjaan di dalam Penyata Pendapatan sebagaimana ditanggung.

(iii) *Faedah pampasan ekuiti dan berkaitan ekuiti*

Program opsyen saham membolehkan pekerja Kumpulan membeli saham Syarikat. Apabila opsyen dilaksanakan, ekuiti bertambah oleh jumlah perolehan yang diterima.

Nota-nota

kepada penyata-penyata kewangan (samb.)

1. Ringkasan dasar-dasar perakaunan penting (samb.)

(h) Liabiliti

Pemiutang dagangan dan pemiutang lain dinyatakan pada kos.

(i) Tanah dipegang untuk pembangunan

Tanah dipegang untuk pembangunan masa hadapan dinyatakan pada penilaian berdasarkan laporan jurunilai profesional bebas. Apabila kerja pembangunan bermula atas tanah tersebut, tanah tersebut dipindahkan kepada hartanah sedang dibangunkan pada nilai dibawahnya.

Penilaian semula tanah yang dipegang untuk pembangunan dilakukan sekurang-kurangnya sekali dalam setiap lima tahun dengan penilaian tambahan dalam tahun-tahun di antara jika keadaan pasaran menunjukkan tanda-tanda bahawa nilai dibawa aset hartanah berbeza secara material dari nilai pasaran. Penambahan selepas tarikh penilaian dinyatakan pada kos sehingga usaha penilaian semula yang berikut.

Lebihan penilaian semula bersih daripada cukai tertunda dimasukkan ke dalam rizab penilaian semula hartanah dan deficit penilaian semula yang melebihi lebihan sebelumnya dicaj ke penyata pendapatan. Cukai tertunda berhubung dengan penilaian semula dimasukkan ke akaun cukai tertunda.

(j) Hartanah sedang dibangunkan

Hartanah sedang dibangunkan terdiri daripada perbelanjaan tanah dan pembangunan dinyatakan pada kos atau penilaian termasuk keuntungan boleh diagih tolak kerugian terjangka, bersih daripada billing perkhidmatan. Kos pembangunan termasuk perbelanjaan faedah atas pinjaman dan pendahuluan yang digunakan untuk membiayai pembangunan yang sedang dijalankan.

(k) Jumlah terhutang oleh pelanggan kontrak

Jumlah terhutang oleh pelanggan kontrak atas kontrak pembinaan dinyatakan pada kos termasuk keuntungan boleh diagih tolak kerugian terjangka dan tolak billing kemajuan. Kos termasuk semua kos pembinaan terus dan kos berkenaan lain. Di mana billing kemajuan melebihi jumlah terhutang agregat oleh pelanggan kontrak termasuk keuntungan boleh diagih tolak kerugian terjangka, baki kredit bersih atas semua kontrak sedemikian ditunjukkan dalam pemiutang dagangan dan pemiutang lain sebagai jumlah dihutang kepada pelanggan kontrak.

(l) Inventori

Hartanah siap dibina yang dipegang untuk dijual dinyatakan pada kos atau nilai boleh terealisasi bersih mengikut mana yang lebih rendah. Kos ditentukan pada asas pengenalan tertentu dan termasuk tanah, semua kos pembinaan langsung serta kos pembangunan lain yang berkaitan.

(m) Tunai dan setara tunai

Tunai dan setara tunai merangkumi tunai dalam tangan, baki dan deposit dengan bank. Bagi tujuan penyata aliran tunai, tunai dan setara tunai ditunjukkan bersih daripada deposit yang dicagarkan.

(n) Kemosototan

Jumlah dibawa aset, selain daripada inventori, aset yang timbul dari kontrak pembinaan, aset cukai tertunda dan aset kewangan (selain daripada pelaburan dalam subsidiari), dikaji semula pada setiap tarikh penyata kunci kira-kira bagi menentukan sama ada terdapat sebarang tanda kemosototan. Sekiranya wujud tanda-tanda tersebut, jumlah boleh diperolehi semula aset dianggarkan. Kerugian kemosototan diiktiraf apabila jumlah dibawa sesuatu aset atau unit yang menjana tunai bagi aset itu melebihi jumlah boleh diperolehi semula. Kerugian kemosototan diiktiraf dalam penyata pendapatan, kecuali jika aset dinyatakan pada jumlah dinilai semula, dalam keadaan ini kerugian kemosototan dicaj kepada ekuiti.

Nota-nota kepada penyata-penyata kewangan (samb.)

1. Ringkasan dasar-dasar perakaunan penting (samb.)

(n) Kemerosotan(Samb.)

Jumlah boleh diperolehi semula adalah yang lebih tinggi antara harga jualan bersih aset dan nilainya dalam kegunaan. Dalam mentaksirkan nilai dalam kegunaan, aliran tunai masa depan yang dianggarkan didiskaunkan kepada nilai semasanya menggunakan kadar diskaun pra-cukai yang membayangkan penilaian pasaran semasa nilai masa wang dan risiko tertentu kepada aset. Bagi aset yang tidak menjana aliran masuk tunai bebas yang besar, jumlah boleh diperolehi semula ditentukan bagi unit yang menjana tunai bagi aset tersebut.

Kerugian kemerosotan berhubung dengan muhibah tidak dibalikkan kecuali kerugian itu disebabkan oleh sesuatu peristiwa luaran tertentu yang bersifat luarbiasa yang tidak dijangka berulang dan peristiwa-peristiwa luaran berikutan yang telah berlaku yang membalikkan kesan peristiwa tersebut.

Berhubung dengan aset-aset lain, kerugian kemerosotan dibalikkan jika terdapat perubahan di dalam anggaran yang digunakan untuk menentukan jumlah boleh didapati semula.

Kerugian kemerosotan hanya dibalikkan setakat jumlah dibawa aset itu tidak melebihi jumlah dibawa yang sepatutnya telah ditentukan, bersih daripada susutnilai atau pelunasan, jika tiada kerugian kemerosotan diiktiraf. Pembalikan diiktiraf di dalam penyata pendapatan, kecuali ia membalikkan kerugian kemerosotan atas aset yang dinilai semula, dalam keadaan ini ianya dimasukkan ke dalam ekuiti

(o) Cukai pendapatan

Cukai ke atas keuntungan atau kerugian bagi tahun merangkumi cukai semasa dan tertunda. Cukai pendapatan diiktiraf di dalam penyata kewangan kecuali pada tahap bahawa ianya berkaitan dengan perkara-perkara yang diiktiraf secara langsung ke dalam ekuiti, dalam keadaan ini ianya diiktiraf dalam ekuiti.

Perbelanjaan cukai semasa adalah cukai perlu dibayar yang dijangka ke atas pendapatan bercukai bagi tahun, menggunakan kadar cukai yang telah digubal atau yang telah digubal dengan ketara pada tarikh penyata kunci kira-kira, dan sebarang pelarasan kepada cukai perlu dibayar berhubung dengan tahun-tahun sebelumnya.

Cukai tertunda diperuntukan, menggunakan kaedah liabiliti, atas perbezaan sementara yang timbul di antara asas-asas cukai aset dan liabiliti dan nilai simpanannya dalam penyata kewangan. Perbezaan sementara tidak diiktiraf untuk muhibah tidak boleh ditolak bagi tujuan cukai dan pengiktirafan awal aset atau liabiliti bahawa pada masa urusan tersebut tidak menjejaskan keuntungan perakaunan atau bercukai. Jumlah cukai tertunda yang diperuntukan adalah berdasarkan kepada perilaku dijangka terhadap realisasi atau penyelesaian nilai simpanan aset dan liabiliti, menggunakan kadar cukai yang telah digubal atau yang telah digubal dengan ketara pada tarikh penyata kunci kira-kira.

Aset cukai tertunda diiktiraf hanya pada tahap ianya berkemungkinan bahawa keuntungan bercukai pada masa hadapan akan bersedia ada untuk menggunakan aset tersebut.

(p) Matawang asing

(i) Urusniaga dalam matawang asing

Urusniaga dalam matawang asing diterjemahkan kepada Ringgit Malaysia pada kadar pertukaran yang berkuatkuasa pada tarikh urusan. Aset dan liabiliti monetari yang ditunjukkan dalam matawang asing pada tarikh penyata kunci kira-kira ditukar kepada Ringgit Malaysia pada kadar pertukaran asing yang berkuatkuasa pada tarikh tersebut. Perbezaan pertukaran asing yang timbul semasa terjemahan diiktiraf di dalam penyata pendapatan.

Nota-nota kepada penyata-penyata kewangan (samb.)

1. Ringkasan dasar-dasar perakaunan penting (samb.)

(ii) *Penyata kewangan operasi asing*

Operasi asing Kumpulan tidak dianggap sebagai sebahagian yang penting dalam operasi Syarikat. Oleh itu, aset dan liabiliti operasi asing, termasuk muhibah dan pelarasan nilai saksama yang timbul daripada penyatuan diterjemahkan kepada Ringgit Malaysia pada kadar pertukaran yang berkuatkuasa pada tarikh penyata kunci kira-kira. Hasil dan perbelanjaan operasi asing ditukar kepada Ringgit Malaysia pada kadar pertukaran purata boleh digunakan sepanjang tahun. Perbezaan pertukaran asing yang timbul semasa terjemahan diiktiraf secara langsung dalam ekuiti.

Kadar penutup yang digunakan di dalam terjemahan aset dan liabiliti monetari dalam matawang asing dan penyata kewangan operasi asing adalah seperti berikut:

	2003	2002
HK\$ 1	RM0.49	RM0.48

(q) **Hasil**

i) Kontrak pembinaan

Hasil daripada kontrak pembinaan berharga tetap diiktiraf dengan kaedah peratusan siap bina, diukur dengan merujuk kepada kaji selidik kerja yang dilakukan setakat ini yang melambangkan kerja-kerja yang dilakukan mengikut jumlah kos kontrak dianggarkan.

Apabila hasil daripada kontrak pembinaan tidak dapat dijangka dengan tepat, hasil hanya diiktiraf pada tahap kos kontrak tertanggung yang mungkin boleh diperolehi semula dan kos kontrak diiktiraf sebagai perbelanjaan dalam tempoh di mana ianya ditanggung.

Kerugian terjangka atas kontrak diiktiraf dalam penyata pendapatan serta-merta.

ii) Pembangunan hartanah

Keuntungan daripada pembangunan hartanah diiktiraf dengan menggunakan kaedah peratusan siap. Di mana kerugian terjangka berlaku, peruntukan sepenuhnya untuk kerugian ini dibuat dalam penyata kewangan.

iii) Pendapatan dividen

Pendapatan dividen diiktiraf apabila hak untuk mendapatkan bayaran ditentukan.

iv) Pendapatan sewa

Pendapatan sewa diiktiraf pada dasar akruan menurut perjanjian penyewaan.

v) Pendapatan faedah

Pendapatan faedah diiktiraf di dalam penyata pendapatan apabila ianya terakru dengan mengambil kira kadar hasil berkesan ke atas aset tersebut.

vi) Kos pembiayaan

Semua faedah dan kos lain yang ditanggung berhubung dengan pinjaman adalah perbelanjaan yang tertanggung.

Nota-nota kepada penyata-penyata kewangan (samb.)

2. Hartanah, loji dan peralatan

Kumpulan Kos/ Penilaian	Tanah	Bangunan	Tanah	Bangunan	Kenderaan bermotor	Peralatan tapak	Loji	Peralatan pejabat	Perabot	Jumlah
	pegangan bebas RM'000	pegangan bebas RM'000	pajakan jangka panjang RM'000	pajakan jangka panjang RM'000			dan jentera RM'000		dan kelengkapan RM'000	
Pada 1 Januari 2003	975	525	1,500	1,887	3,415	592	8,536	966	195	18,591
Tambahan	-	930	-	3,862	301	19	507	73	21	5,713
Jualan	-	-	-	-	(691)	-	(119)	-	-	(810)
Hapuskira	-	-	-	-	(52)	-	(269)	(6)	-	(327)
Perbezaan pertukaran	-	-	-	-	3	1	23	1	1	29
Pada 31 Disember 2003	975	1,455	1,500	5,749	2,976	612	8,678	1,034	217	23,196
Mewakili butir-butir pada:										
Kos	-	930	-	5,749	2,976	612	8,678	1,034	217	20,196
Penilaian Para Pengarah - 2000	975	525	1,500	-	-	-	-	-	-	3,000
Pada 31 Disember 2003	975	1,455	1,500	5,749	2,976	612	8,678	1,034	217	23,196
Susutnilai terkumpul										
Pada 1 Januari 2003	-	21	38	34	2,884	480	7,669	672	160	11,958
Caj bagi tahun	-	29	38	29	211	44	607	114	16	1,088
Jualan	-	-	-	-	(683)	-	(119)	-	-	(802)
Hapuskira	-	-	-	-	(52)	-	(252)	(6)	-	(310)
Perbezaan pertukaran	-	-	-	-	2	1	17	1	-	21
Pada 31 Disember 2003	-	50	76	63	2,362	525	7,922	781	176	11,955
Nilai buku bersih										
Pada 31 Disember 2003	975	1,405	1,424	5,686	614	87	756	253	41	11,241
Pada 31 Disember 2002	975	504	1,462	1,853	531	112	867	294	35	6,633
Caj susutnilai bagi tahun berakhir 31 Disember 2002	-	11	19	26	188	45	793	98	14	1,194

Nota-nota kepada penyata-penyata kewangan (samb.)

2. Hartanah, loji dan peralatan (samb.)

Syarikat Kos	Peralatan pejabat RM'000
Pada 1 Januari/ 31 Disember 2003	1
Susutnilai terkumpul	
Pada 1 Januari 2003	1
Caj bagi tahun	-
Pada 31 Disember 2003	1
Nilai buku bersih	
Pada 31 Disember 2003	-
Pada 31 Disember 2002	-
Caj susutnilai bagi tahun berakhir 31 Disember 2002	-

2.1 Penilaian semula - Kumpulan

Tanah dan bangunan pegangan bebas dan tanah pajakan jangka panjang Kumpulan dinyatakan pada penilaian Para Pengarah berdasarkan laporan penilaian profesional dengan kaedah perbandingan yang dilakukan pada 30 November 2000 dan 27 Oktober 2000 masing-masing. Lebihan yang timbul daripada penilaian semula tersebut telah dipindahkan ke Rizab Penilaian Semula Hartanah.

Sekiranya tanah dan bangunan tersebut dinyatakan pada kos sejarah ditolak susutnilai terkumpul, jumlah dibawa aset yang dinilai semula ini sepatutnya dimasukkan ke dalam penyata kewangan pada akhir tahun seperti berikut:

	2003 RM'000	2002 RM'000
Tanah pegangan bebas	490	490
Bangunan pegangan bebas	133	138
Tanah pajakan jangka panjang	341	346
	964	974

3. Tanah dipegang untuk pembangunan

	Kumpulan	
	2003 RM'000	2002 RM'000
Pada kos	1,800	313

4. Pelaburan dalam subsidiari-subsidiari

	Syarikat	
	2003 RM'000	2002 RM'000
Saham tidakdisebut harga, pada kos	13,333	13,958

Nota-nota kepada penyata-penyata kewangan (samb.)

4. Pelaburan dalam subsidiari (samb.)

Syarikat-syarikat subsidiari Kumpulan adalah seperti berikut:-

Subsidiari	Aktiviti utama	Kepentingan efektif (%)	
		2003	2002
Ken Grouting Sdn. Bhd.	Perkhidmatan kejuruteraan pakar, Kontrak serah kunci, pembinaan kerja kejuruteraan awam	100	100
Ken Projects Sdn. Bhd.	Pegangan pelaburan	100	100
Ken Property Sdn. Bhd.	Pegangan dan pelaburan hartanah dan pemaju perumahan	100	100
Support Capital Sdn. Bhd.	Pegangan pelaburan	100	100
<i>Subsidiari Support Capital Sdn. Bhd. adalah:</i>			
Kenly (HK) Ltd †	Pembinaan dan kejuruteraan awam	57.6	51
<i>Subsidiari-subsidiari Ken Grouting Sdn. Bhd. adalah:</i>			
Ken-Chec Sdn. Bhd.	Tambakan tanah, kejuruteraan Awam, korekan dan marin	100	100
Success Goal Asia Limited†	Lengai	100	100
<i>Subsidiari-subsidiari Ken Projects Sdn. Bhd. adalah:-</i>			
Khidmat Tulin Sdn. Bhd.	Kontraktor dan pemaju perumahan	100	100
T.B.S. Management Sdn. Bhd. (dahulunya dikenali sebagai Taman Bukit Serdang Management Sdn. Bhd.)	Perkhidmatan pengurusan hartanah	100	100
Ken Rimba Jaya Sdn. Bhd.	Pembangunan hartanah dan pegangan pelaburan	100	-
<i>Subsidiari-subsidiari Ken Property Sdn. Bhd. adalah:-</i>			
Ken Damansara Management Sdn. Bhd.	Perkhidmatan pengurusan hartanah	100	100
Ken Link Sdn. Bhd. (dahulunya dikenali sebagai Tufflink Sdn. Bhd.)	Pembangunan hartanah dan pegangan pelaburan	100	100
Aunyang Holdings Sdn. Bhd.	Pegangan pelaburan	100	-
<i>Subsidiari Kenly (HK) Ltd. adalah:-</i>			
Kenly Engineering Ltd. †	Pembinaan dan kejuruteraan awam	100	100

† Diaudit oleh firma juruaudit lain

Kesemua subsidiari diperbadankan di Malaysia kecuali Kenly (HK) Ltd., Kenly Engineering Ltd. dan Success Goal Asia Limited yang diperbadankan di Hong Kong.

Nota-nota kepada penyata-penyata kewangan (samb.)

5. Pelaburan lain

	Kumpulan	
	2003 RM'000	2002 RM'000
Saham disebut harga dalam Malaysia	21	120
Tolak: Peruntukan bagi kehausan dalam nilai	(9)	(99)
	<u>12</u>	<u>21</u>
Pelaburan tidak disebut harga	20	20
	<u>32</u>	<u>41</u>
Harga pasaran saham disebut harga	<u>13</u>	<u>10</u>

6. Muhibah atas pengambilalihan

	Kumpulan	
	2003 RM'000	2002 RM'000
Kos		
Pada 1 Januari	4,629	2,669
Tambahan dalam kepentingan dalam subsidiari	-	1,960
Pada 31 Disember	4,629	4,629
Pelunasan		
Pada 1 Januari	1,381	667
Caj pelunasan bagi tahun	1,031	714
Pada 31 Disember	2,412	1,381
Nilai buku bersih - Pada 31 Disember	<u>2,217</u>	<u>3,248</u>

7. Muhibah negatif

	Kumpulan	
	2003 RM'000	2002 RM'000
Kos		
Pada 1 Januari	-	-
Tambahan dalam kepentingan dalam subsidiari	447	-
Pengambilalihan subsidiari	201	-
Pada 31 Disember	648	-
Pelunasan		
Pada 1 Januari	-	-
Caj pelunasan bagi tahun	223	-
Pada 31 Disember	223	-
Nilai buku bersih - Pada 31 Disember	<u>425</u>	<u>-</u>

Nota-nota kepada penyata-penyata kewangan (samb.)

8. Hartanah sedang dibangunkan

	Kumpulan	
	2003 RM'000	2002 RM'000
Pada nilai dibawa		
Tanah pajakan jangka panjang	17,933	17,933
Pada kos		
Tanah pegangan bebas dan pajakan jangka panjang	43,008	17,694
Perbelanjaan pembangunan	83,734	57,250
	144,675	92,877
Tambah: Keuntungan boleh diagih	45,204	32,536
	189,879	125,413
Tolak: Billing kemajuan	(136,406)	(95,242)
	53,473	30,171
Tolak: Hartanah siap dibina dipindahkan ke Inventori	-	(9,212)
	53,473	20,959

Bahagian hartanah sedang dibangunkan berkenaan dengan kerja-kerja pembangunan penting yang telah dijalankan dan dijangka akan siap dalam kitar operasi biasa selama dua hingga tiga tahun dianggap sebagai aset semasa.

Sepanjang tahun kewangan, tanah pegangan bebas bernilai RM313,000 (2002 - Tiada) telah dipindahkan daripada tanah dipegang untuk pembangunan pada nilai dibawahnya.

9. Penghutang dagangan dan penghutang lain

	Kumpulan		Syarikat	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Penghutang dagangan	25,038	25,512	-	-
Jumlah penahanan	1,053	477	-	-
	26,091	25,989	-	-
Tolak: Peruntukan bagi hutang ragu	(9,073)	(6,435)	-	-
	17,018	19,554	-	-
Penghutang lain, deposit dan pra-bayaran	3,223	3,561	28	670
Tolak: Peruntukan bagi hutang ragu	(1,523)	(2,049)	-	(85)
	1,700	1,512	28	585
Jumlah terhutang oleh pelanggan kontrak	1,502	2,407	-	-
	20,220	23,473	28	585

Nota-nota kepada penyata-penyata kewangan (samb.)

9. Penghutang dagangan dan penghutang lain (samb.)

- 9.1 Termasuk dalam penghutang dagangan Kumpulan pada tahun 2002 adalah satu jumlah terhutang oleh bekas sebuah syarikat bersekutu (dilulus dalam tahun 2001) berjumlah RM123,000. Jumlah ini telah diselesaikan pada tahun ini.

Profil dedahan matawang penghutang dagangan yang dinyatakan dalam persamaan Ringgit Malaysia adalah seperti berikut:

	Kumpulan		Syarikat	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Ringgit Malaysia	9,581	12,512	-	-
Dollar Hong Kong	16,510	13,477	-	-
	<u>26,091</u>	<u>25,989</u>	<u>-</u>	<u>-</u>

- 9.2 Termasuk dalam penghutang lain, deposit dan pra-bayaran Kumpulan pada tahun 2002 adalah:-

- satu jumlah RM526,000 yang mewakili baki pembayaran yang berkaitan dengan pelupusan pelaburan di dalam sebuah syarikat bersekutu dalam tahun 2001. Hutang tersebut telah diselesaikan dalam tahun 2003 dan peruntukan yang dibuat pada tahun 2002 sebanyak RM526,000 telah dibalikkan.
- satu deposit berjumlah RM372,000 bagi pembelian dua bidang tanah. Pembelian tersebut telah selesai dalam tahun 2003.
- perbelanjaan terbitan saham berjumlah RM564,000 yang telah ditolak selesai dari akaun premium saham dalam tahun 2003.

- 9.3 Jumlah terhutang oleh pelanggan kontrak

	Kumpulan	
	2003 RM'000	2002 RM'000
Kos agregat ditanggung sehingga kini	102,692	124,827
Tambah: Keuntungan boleh diagih	21,722	35,810
	<u>124,414</u>	<u>160,637</u>
Tolak: Billing kemajuan	(124,363)	(160,647)
	51	(10)
Jumlah dihutang kepada pelanggan kontrak (Nota 12)	<u>1,451</u>	<u>2,417</u>
	<u>1,502</u>	<u>2,407</u>
Tambahan kepada kos agregat ditanggung sepanjang tahun termasuk:-		
Kos pekerja	1,484	1,007
Sewaan loji dan jentera	579	27
Sewaan premis	-	18

Nota-nota kepada penyata-penyata kewangan (samb.)

10. Jumlah terhutang oleh subsidiari

	Syarikat	
	2003 RM'000	2002 RM'000
Jumlah terhutang oleh subsidiari		
- Dagangan	2,305	1,228
- Bukan dagangan	49,228	42,008
	<u>51,533</u>	<u>43,236</u>

Jumlah terhutang oleh subsidiari adalah tidak dicagar, bebas faedah dan tiada tempoh pembayaran balik yang tetap.

11. Tunai dan setara tunai

	Kumpulan		Syarikat	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Tunai dan baki bank				
- Dana Kumpulan/ Syarikat	17,232	23,536	311	153
- Wang permohonan saham berhubung dengan terbitan hak	-	10,748	-	10,748
	<u>17,232</u>	<u>34,284</u>	<u>311</u>	<u>10,901</u>
Deposit tetap dengan bank berlesen				
- tidak tercagar	11,955	11,824	2,908	4,204
- tercagar	6,909	2,071	6,889	2,030
	<u>36,096</u>	<u>48,179</u>	<u>10,108</u>	<u>17,135</u>

11.1 Termasuk dalam tunai dan baki bank Kumpulan adalah RM4,726,000 (2002 - RM13,809,000) yang disimpan menurut Peraturan Pembangunan Perumahan (Akaun Pembangunan Perumahan) 1991.

11.2 Termasuk dalam tunai dan baki bank pada tahun 2002 adalah sejumlah RM10,748,000 berhubung dengan wang permohonan saham terbitan hak (Nota 28(ii)) dipegang secara amanah sementara menunggu perumpukan. Saham-saham ini telah terumpuk pada Januari 2003.

11.3 Deposit tetap Kumpulan dan Syarikat berjumlah RM6,909,000 (2002 - RM2,071,000) dan RM6,889,000 (2002 - RM2,030,000) masing-masing dicagar kepada sebuah bank berlesen untuk kemudahan overdraf dan jaminan bank yang diberi kepada sebuah subsidiari.

11.4 Kadar faedah efektif deposit dengan bank berlesen adalah seperti berikut:

	Kumpulan		Syarikat	
	2003	2002	2003	2002
Deposit dengan bank berlesen	<u>2.87%</u>	<u>2.87%</u>	<u>2.80%</u>	<u>2.62%</u>

Tarikh matang deposit dengan bank berlesen berjangka di antara satu bulan hingga setahun atau mengikut panggilan.

Nota-nota kepada penyata-penyata kewangan (samb.)

11. Tunai dan persamaan tunai (samb.)

11.5 Profil dedahan matawang deposit, baki bank dan tunai yang dinyatakan dalam persamaan Ringgit Malaysia adalah seperti berikut:

	Kumpulan		Syarikat	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Ringgit Malaysia	30,390	44,751	10,108	17,135
Dollar Hong Kong	5,706	3,428	-	-
	<u>36,096</u>	<u>48,179</u>	<u>10,108</u>	<u>17,135</u>

12. Pemiutang dagangan dan pemiutang lain

	Kumpulan		Syarikat	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Pemiutang dagangan	13,415	9,546	-	-
Jumlah berhutang kepada pelanggan kontrak (Nota 9.3)	1,451	2,417	-	-
Pemiutang lain dan akruan	8,431	3,310	64	77
Jumlah dihutang kepada Para Pengarah	564	762	234	215
	<u>23,861</u>	<u>16,035</u>	<u>298</u>	<u>292</u>

12.1 Termasuk dalam pemiutang dagangan Kumpulan adalah jumlah penahan belum bayar berjumlah RM1,564,000 (2002 - RM2,530,000).

Profil dedahan matawang pemiutang dagangan yang dinyatakan dalam persamaan Ringgit Malaysia adalah seperti berikut:

	Kumpulan	
	2003 RM'000	2002 RM'000
Ringgit Malaysia	10,331	5,719
Dollar Hong Kong	3,084	3,827
	<u>13,415</u>	<u>9,546</u>

12.2 Termasuk dalam pemiutang lain dan akruan Kumpulan adalah:

- sejumlah RM2,000,000 (2002 - RM1,200,000) mewakili baki pembayaran berhubung dengan pembelian 100% kepentingan ekuiti Ken Rimba Jaya Sdn. Bhd. (2002 - 45% tambahan dalam kepentingan ekuiti Khidmat Tulin Sdn. Bhd.).
- sejumlah RM3,731,000 dihutang kepada bekas sebuah syarikat bersekutu bagi sebuah subsidiari yang diambilalih.

12.3 Jumlah dihutang kepada Para Pengarah adalah tidak dicagar, bebas faedah dan tiada tempoh pembayaran balik yang tetap.

Nota-nota kepada penyata-penyata kewangan (samb.)

13. Pinjaman

	Kumpulan	
	2003 RM'000	2002 RM'000
Semasa		
Kredit pusingan – tidak dicagar	3,906	-

Terma dan jadual pembayaran balik hutang

Kredit pusingan tertakluk kepada faedah pada kadar 6.75% (2002 - Tiada) dan disokong oleh jaminan korporat yang dikeluarkan oleh Syarikat.

14. Modal saham

	Kumpulan dan Syarikat	
	2003 RM'000	2002 RM'000
Saham biasa bernilai RM1 sesaham		
Dibenarkan	100,000	100,000
Diterbit dan berbayar penuh		
Pada 1 Januari	40,000	20,000
Terbitan hak boleh serah	10,000	-
Terbitan bonus	10,000	20,000
Saham diterbit bawah skim opsyen saham pekerja	162	-
Pada 31 Disember	60,162	40,000

15. Rizab

15.1 Rizab penilaian semula hartanah (Tidak boleh diagih)

Rizab Penilaian Semula Hartanah mewakili lebihan yang timbul dari penilaian semula tanah dan bangunan pegangan bebas dan pajakan jangka panjang Kumpulan dan tanah pajakan dipegang untuk pembangunan.

15.2 Keuntungan tertahan (Boleh diagih)

Tertakluk kepada persetujuan Lembaga Hasil Dalam Negeri, Syarikat mempunyai kredit cukai Seksyen 108 dan pendapatan dikecualikan cukai yang mencukupi untuk pembayaran cukai pendapatan atas semua keuntungan tertahannya pada 31 Disember 2003 jika dibayar sebagai dividen.

16. Kepentingan pemegang saham minoriti

Ini terdiri daripada bahagian modal saham dan rizab pemegang saham minoriti pada subsidiari, bersih daripada bahagian mereka dalam muhibah dan muhibah negatif subsidiari atas penyatuan dan pelunasan muhibah yang dicaj kepada pemegang saham minoriti dan pendahuluan oleh pemegang saham minoriti.

Nota-nota kepada penyata-penyata kewangan (samb.)

17. Cukai tertunda

Jumlah ini, ditentukan selepas ofset yang bersesuaian, adalah seperti berikut:

	Kumpulan	
	2003 RM'000	2002 RM'000
Aset cukai tertunda	(1,012)	(412)
Liabiliti cukai tertunda	7,881	5,211

Liabiliti dan aset cukai tertunda diofset seperti di atas apabila terdapat hak boleh dikuatkuasa yang sah dari segi undang-undang untuk mengofset aset cukai semasa terhadap liabiliti cukai semasa dan di mana cukai tertunda tersebut berkaitan dengan pihak berkuasa cukai yang sama.

Aset dan liabiliti cukai tertunda yang diiktiraf (sebelum offset) adalah seperti berikut:

	Kumpulan	
	2003 RM'000	2002 RM'000
Hartanah, loji dan peralatan		
- elaun modal	197	245
- penilaian semula	8,166	5,101
Elaun modal tidak diserap	(6)	-
Kerugian cukai tidak digunakan	(341)	-
Peruntukan-peruntukan	(547)	(547)
Lain-lain perbezaan masa	(600)	-
	6,869	4,799
Tiada cukai tertunda diiktiraf bagi perkara-perkara berikut:		
Perbezaan deduktibel sementara	153	-
Elaun modal tidak diserap	45	16
Kerugian cukai tidak digunakan	48	39
	246	55

Kerugian cukai tidak digunakan dan perbezaan deduktibel sementara tidak tamat tempoh di bawah perundangan cukai semasa. Aset cukai tertunda belum diiktiraf berhubung dengan perkara-perkara ini oleh kerana tidak mungkin keuntungan boleh cukai masa hadapan akan ada terhadap mana Kumpulan boleh menggunakan faedah tersebut.

Nota-nota kepada penyata-penyata kewangan (samb.)

18. Ganjaran pekerja

Pelan opsyen saham

Kumpulan menawarkan opsyen saham pemberian hak atas saham biasa kepada Pengarah-pengarah dan pekerja-pekerja senior lain dengan perkhidmatan melebihi satu tahun. Pergerakan dalam bilangan opsyen saham yang dipegang oleh pekerja adalah seperti berikut:

	Kumpulan dan Syarikat	
	2003	2002
	RM'000	RM'000
Tunggakan pada 1 Januari		
Diterbit	4,901	-
Dilaksana	(162)	-
Lupus	(136)	-
Tunggakan pada 31 Disember	4,603	-

Butiran opsyen saham yang diberikan sepanjang tahun:

Tarikh tamat tempoh	4 Jun 2008
Harga pelaksanaan setiap saham biasa (RM)	1
Perolehan agregat sekiranya saham diterbitkan (RM'000)	4,901

Butiran opsyen saham yang diberikan sepanjang tahun:

Tarikh tamat tempoh	2003 - 2008
Harga pelaksanaan setiap saham biasa (RM)	1
Perolehan agregat saham diterbitkan (RM'000)	162
Nilai saksama pada tarikh terbitan	156

Terma-terma opsyen tertunggak pada 31 Disember:

	Harga pelaksanaan RM	Bilangan (‘000)
Tarikh tamat tempoh		
4 Jun 2008	1	4,603

Kumpulan menerima perolehan sebanyak RM162,000 berhubung dengan 162,000 opsyen yang dilaksanakan sepanjang tahun di mana kesemua jumlah tersebut telah dikreditkan ke modal saham.

Nota-nota kepada penyata-penyata kewangan (samb.)

19. Keuntungan operasi

	Kumpulan		Syarikat	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Keuntungan operasi diperolehi selepas mengecaj:-				
Pelunasan muhibah, bersih	808	714	-	-
Ganjaran juruaudit				
- tahun semasa	79	65	10	10
- peruntukan terkurang tahun lalu	-	3	-	-
Peruntukan bagi hutang ragu	2,870	1,359	-	-
Hartanah, loji dan peralatan dihapus kira	17	3	-	-
Susutnilai hartanah, loji dan peralatan	1,088	1,194	-	-
Ganjaran Para Pengarah				
Pengarah Syarikat Induk				
- yuran	80	70	80	70
- emolumen lain	1,243	680	43	37
Pengarah lain				
- emolumen lain	225	203	-	-
Sewa hartanah, loji dan peralatan	-	1,244	-	836
Peruntukan bagi kehausan dalam nilai pelaburan	9	99	-	-
dan mengkreditkan:-				
Pendapatan dividen daripada subsidiari	-	-	3,076	2,825
Keuntungan atas penlupusan hartanah loji dan peralatan	288	79	-	-
Pendapatan faedah				
- deposit tetap	712	587	451	137
- Akaun Pembangunan Perumahan	182	186	-	-
- lain-lain	118	75	-	-
Sewa hartanah	173	269	-	836
Pembalikan peruntukan bagi hutang ragu	791	-	-	-

Nilai monetari dianggarkan bagi ganjaran bukan tunai Para Pengarah Kumpulan adalah RM44,000 (2002 - Tiada).

Nota-nota kepada penyata-penyata kewangan (samb.)

20. Maklumat pekerja

Jumlah kos pekerja Kumpulan adalah RM5,498,000 (2002 - RM6,111,000) di mana RM4,014,000 (2002 - RM5,104,000) telah dicajkan ke penyata pendapatan dan RM1,484,000 (2002 - RM1,007,000) telah dipermodalkan dalam “kos agregat ditanggung sehingga kini” dalam Nota 9.3 kepada penyata kewangan.

Jumlah pekerja Kumpulan dan Syarikat (termasuk Para Pengarah) pada akhir tahun adalah 137 (2002 - 82) dan 8 (2002 - 8) masing-masing.

Termasuk dalam kos pekerja adalah satu perbelanjaan bagi pelan sumbangan tertentu Kumpulan berjumlah RM465,000 (2002 - RM505,000).

21. Kos pembiayaan

	Kumpulan	
	2003 RM'000	2002 RM'000
Faedah belum bayar		
- Faedah pinjaman	30	-
- Overdraf bank	2	-
- Pajakan kewangan	-	49
Caj-caj bank lain	-	12
	32	61

Nota-nota kepada penyata-penyata kewangan (samb.)

22. Perbelanjaan cukai

	Kumpulan		Syarikat	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Perbelanjaan cukai semasa				
Malaysia - tahun semasa	3,659	4,381	1,031	1,016
- tahun lalu	73	7	7	4
Luar negara - tahun semasa	-	197	-	-
- tahun lalu	(2)	-	-	-
	<u>3,730</u>	<u>4,585</u>	<u>1,038</u>	<u>1,020</u>
Perbelanjaan cukai tertunda				
Malaysia- tahun semasa	(600)	(420)	-	-
Luar negara - tahun semasa	(49)	(109)	-	-
Kristalisasi liabiliti cukai tertunda atas lebihan penilaian semula hartanah	(19)	-	-	-
	<u>3,062</u>	<u>4,056</u>	<u>1,038</u>	<u>1,020</u>
Penyesuaian perbelanjaan cukai				
Keuntungan sebelum cukai	9,875	13,551	3,679	3,633
Cukai pendapatan pada kadar cukai Malaysia	2,765	3,794	1,030	1,017
Perbelanjaan tidak boleh ditolak	198	299	1	(1)
Kesan perubahan dalam kadar cukai	(17)	(12)	-	-
Kesan perbezaan kadar cukai dalam bidang kuasa asing	34	(40)	-	-
Pendapatan tidak tertakluk kepada cukai	(241)	-	-	-
Perkara-perkara lain	245	8	-	-
Kesan kerugian cukai tidak diiktiraf	26	-	-	-
	<u>3,010</u>	<u>4,049</u>	<u>1,031</u>	<u>1,016</u>
Kurangan peruntukan cukai dalam tahun sebelumnya	71	7	7	4
Kristalisasi liabiliti cukai tertunda atas lebihan penilaian semula hartanah	(19)	-	-	-
Perbelanjaan cukai	<u>3,062</u>	<u>4,056</u>	<u>1,038</u>	<u>1,020</u>

Nota-nota kepada penyata-penyata kewangan (samb.)

23. Pendapatan sesaham biasa - Kumpulan

Pendapatan asas sesaham biasa

Pengiraan pendapatan asas sesaham biasa berdasarkan keuntungan bersih yang boleh diagih kepada pemegang saham biasa berjumlah RM7,214,000 (2002 - RM9,368,000) dan bilangan purata berwajaran saham biasa yang diterbitkan sepanjang tahun sebanyak 59,662,000 (2002 - 58,824,00).

Keuntungan bersih boleh diagih kepada pemegang saham biasa dikira seperti berikut:

	2003 RM'000	2002 RM'000
Keuntungan bersih boleh diagih kepada pemegang saham biasa	7,214	9,368
		Dinyatakan semula
	2003 '000	2002 '000
Bilangan purata berwajaran saham biasa		
Saham biasa diterbitkan pada awal tahun	40,000	20,000
Kesan terbitan hak boleh serah	9,616	8,824
Kesan terbitan bonus	10,000	30,000
Kesan pelaksanaan opsiyen saham	46	-
Bilangan purata berwajaran saham biasa	59,662	58,824

Angka bandingan telah dinyatakan semula untuk mengambilkira kesan peningkatan modal diterbitkan dan berbayar Syarikat melalui terbitan hak boleh serah dan bonus seperti dinyatakan dalam Nota 14.

Pendapatan dicairkan sesaham

Pengiraan pendapatan dicairkan sesaham berdasarkan keuntungan bersih yang boleh diagih kepada pemegang saham biasa berjumlah RM7,214,000 (2002 - RM9,368,000) dan bilangan purata berwajaran saham biasa yang diterbitkan sepanjang tahun sebanyak RM59,932,000 (2002 - RM58,824,000) dikira seperti berikut:

Keuntungan bersih boleh diagih kepada pemegang saham biasa (dicairkan)

	2003 RM'000	2002 RM'000
Keuntungan bersih boleh diagih kepada pemegang saham biasa (dicairkan)	7,214	9,368
		Dinyata semula
	2003 '000	2002 '000
Bilangan purata berwajaran saham biasa (dicairkan)		
Bilangan purata berwajaran saham biasa seperti di atas	59,662	58,824
Kesan opsiyen saham	270	-
Bilangan purata berwajaran saham biasa (dicairkan)	59,932	58,824

Nota-nota kepada penyata-penyata kewangan (samb.)

24. Dividen

	Kumpulan dan Syarikat	
	2003	2002
	RM'000	RM'000
Biasa		
Akhir dibayar:		
Tahun berakhir 31 Disember 2001		
- Pertama dan akhir 5% sesaham dikecualikan cukai	-	1,000
Tahun berakhir 31 Disember 2002		
- Pertama dan akhir 5% sesaham ditolak cukai	2,160	-
	<u>2,160</u>	<u>1,000</u>

Dividen pertama dan akhir sebanyak 5% ditolak cukai berjumlah RM2,166,000 berhubung dengan tahun berakhir 31 Disember 2003 telah disyorkan oleh Para Pengarah dan akan dicadangkan untuk kelulusan para pemegang saham pada Mesyuarat Agung Tahunan akan datang.

Dividen kasar sesaham biasa yang dinyatakan dalam Penyata Pendapatan adalah termasuk dividen akhir yang disyorkan bagi tahun kewangan.

25. Maklumat segmen

Maklumat segmen dibentangkan berkenaan dengan segmen perniagaan dan geografi Kumpulan. Format utama, segmen perniagaan adalah berdasarkan struktur pengurusan dan pelaporan dalaman Kumpulan. Penentuan harga antara segmen ditentukan mengikut perjalanan biasa perniagaan menurut terma yang dirundingkan.

Keputusan, aset dan liabiliti segmen termasuk butir-butir yang berhubung secara langsung kepada sesuatu segmen serta butir-butir lain yang dapat diperuntukkan secara munasabah. Butir-butir yang tidak diperuntukkan terutamanya terdiri dari aset yang mendatangkan faedah dan hasil, pinjaman dan perbelanjaan dan aset perbelanjaan korporat.

Segmen perbelanjaan modal adalah jumlah kos ditanggung pada tempoh membeli aset segmen yang dijangka akan digunakan selama lebih dari satu tempoh.

Segmen perniagaan

Kumpulan terdiri daripada segmen-segmen perniagaan berikut:

Pembinaan	Perkhidmatan kejuruteraan pakar, kontraktor serah kunci, kerja kejuruteraan pembinaan dan awam, tambakan tanah, korekan, kejuruteraan marin dan awam.
Pembangunan hartanah	Pembangunan hartanah perumahan dan komersil.

Segmen geografi

Segmen pembinaan dan pelaburan diurus dalam dua kawasan geografi utama, Malaysia dan Hong Kong. Segmen pembangunan hartanah beroperasi di Malaysia sahaja.

Dalam membentangkan maklumat berdasarkan segmen geografi, hasil segmen adalah berdasarkan kepada lokasi geografi pelanggan.

Nota-nota kepada penyata-penyata kewangan (samb.)

25. Maklumat segmen (samb.)

Kumpulan	Pembinaan		Pembangunan hartanah		Penghapusan		Disatukan	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Segmen perniagaan								
Hasil daripada pelanggan luaran	11,642	12,617	47,658	36,778	-	-	59,300	49,395
Hasil antara segmen	42,460	18,000	126	1,743	(42,586)	(19,743)	-	-
Jumlah Hasil	54,102	30,617	47,784	38,521	(42,586)	(19,743)	59,300	49,395
Keputusan segmen	6,497	3,673	5,924	9,302	(3,050)	-	9,371	12,975
Perbelanjaan tidak diperuntukkan							(475)	(211)
Pendapatan faedah							1,011	848
Keuntungan operasi							9,907	13,612
Perbelanjaan faedah							(32)	(49)
Caj-caj bank lain							-	(12)
Keuntungan sebelum cukai							9,875	13,551
Perbelanjaan cukai							(3,062)	(4,056)
Kepentingan Minoriti							401	(8)
Keuntungan pra-pengambilalihan							-	(119)
Keuntungan bersih bagi tahun semasa							7,214	9,368
Segmen aset	47,235	40,740	87,348	60,636	(16,389)	(7,443)	118,194	93,933
Aset tidak diperuntukkan							12,729	18,126
Jumlah aset							130,923	112,059
Segmen liabiliti	19,684	23,822	17,665	25,346	(15,352)	(34,652)	21,997	14,516
Liabiliti tidak diperuntukkan							2,289	1,520
Jumlah liabiliti							24,286	16,036
Perbelanjaan modal	2,450	2,455	3,263	44	-	(543)	5,713	1,956
Susutnilai dan pelunasan	778	1,165	1,120	743	-	-	1,898	1,908
Perbelanjaan bukan tunai selain daripada susutnilai dan pelunasan	2,875	1,461	-	-	-	-	2,875	1,461
Segmen geografi								
Hasil daripada pelanggan luaran mengikut lokasi pelanggan	48,842	41,679	10,458	7,716	-	-	59,300	49,395
Segmen aset mengikut lokasi aset	112,869	97,229	18,054	14,830	-	-	130,923	12,059
Perbelanjaan modal mengikut lokasi aset	6,365	2,375	482	124	(1,134)	(543)	5,713	1,956

Nota-nota kepada penyata-penyata kewangan (samb.)

26. Liabiliti luarjangka – tidak dicagar

	Kumpulan		Syarikat	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
26.1 Jaminan korporat				
Jaminan yang diberi kepada institusi kewangan bagi kemudahan kredit yang diberi kepada syarikat-syarikat subsidiari	-	-	9,994	170
Jaminan yang diberi kepada pihak ketiga bagi mendapatkan kemudahan kepada syarikat-syarikat subsidiari dalam pembelian material/ perkhidmatan	-	-	8,150	3,000
	<u>-</u>	<u>-</u>	<u>18,144</u>	<u>3,170</u>

26.2 Litigasi

(a) Pada tahun 1997, sebuah subsidiari telah memulakan tindakan guaman terhadap satu pihak ketiga untuk perbelanjaan yang dipertikaikan yang ditanggung bagi Pihak Ketiga berjumlah RM1.2 juta. Tuntutan tersebut telah dihantar untuk penimbangtaraan yang telah dibenarkan oleh Mahkamah Tinggi. Satu rayuan terhadap arahan Mahkamah Tinggi tersebut telah digugurkan dan subsidiari tersebut telah memohon bagi satu perintah Mahkamah Tinggi untuk meneruskan penimbangtaraan. Permohonan kepada Mahkamah Persekutuan bagi pelepasan oleh Pihak Ketiga telah digugurkan dengan kos. Sebagai sebahagian penyelesaian secara baik, Pihak Ketiga tersebut bersetuju menyelesaikan secara baik perbelanjaan yang dipertikaikan dengan menilai tuntutan perbelanjaan yang dihantar dan pengaturan sedang dibuat bagi Pihak Ketiga menyetujui penerimaan perbelanjaan tersebut.

(b) Satu syarikat subsidiari telah memulakan tindakan guaman terhadap satu penghutang bagi hutang tertunggak sebanyak RM14.4 juta berhubung dengan pelbagai kerja kontrak. Satu peruntukan bagi hutang ragu sebanyak RM5.8 juta telah dibuat. Penghutang tersebut mempertikaikan tuntutan itu dan berdasarkan nasihat peguam, Para Pengarah berpendapat bahawa subsidiari berkenaan mempunyai satu tuntutan yang baik terhadap penghutang itu.

27. Urusniaga pihak berkaitan penting

27.1 Pertalian pihak berkaitan yang berkuasa adalah syarikat-syarikat subsidiari Syarikat seperti yang dinyatakan dalam penyata kewangan.

27.2 Urusniaga penting dengan pihak-pihak berkaitan selain daripada yang dinyatakan dalam penyata kewangan adalah seperti berikut:

Urusniaga pihak berkaitan penting

i) Urusniaga dengan subsidiari

	Kumpulan		Syarikat	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
Sewa jentera belum diterima	-	-	-	(836)
Sewa jentera belum dibayar	-	-	-	836
Yuran pengurusan belum diterima	-	-	(368)	(862)
Dividen belum diterima	-	-	(3,076)	(2,825)

Nota-nota kepada penyata-penyata kewangan (samb.)

27. Urusniaga pihak berkaitan penting (samb.)

	Kumpulan		Syarikat	
	2003 RM'000	2002 RM'000	2003 RM'000	2002 RM'000
ii) Urusniaga dengan syarikat-syarikat di mana Para Pengarah mempunyai kepentingan				
Stresstek Sdn. Bhd., sebuah syarikat di mana Tan Boon Kang dan Lau Pek Kuan mempunyai kepentingan				
Sewa hartanah belum dibayar oleh Ken Grouting Sdn. Bhd., sebuah subsidiari	12	12	-	-
iii) Urusniaga dengan Para Pengarah syarikat-syarikat subsidiari				
Jualan hartanah				
Tan Bon Sin	-	72	-	-
Lau Chin Ka	-	72	-	-
iv) Urusniaga dengan Para Pengarah Syarikat				
Jualan hartanah				
Dato' Ahmad Badri bin Mohamed Basir	-	72	-	-
Sha Thiam Fook	-	72	-	-
Tan Boon Kang	-	72	-	-
Tang Kam Chee	-	72	-	-
Lau Pek Kuan	-	72	-	-
Tan Moon Hwa	-	72	-	-
Loo Pak Soon	-	72	-	-

Para Pengarah berpendapat bahawa urusniaga tersebut telah dimeterai menurut perjalanan perniagaan biasa dan terma-terma yang telah dirundingkan.

28. Peristiwa-peristiwa penting sepanjang tahun

- i) Pada Januari 2003, sebuah subsidiari, Ken Property Sdn. Bhd. menandatangani satu perjanjian jual beli untuk membeli 34 bidang tanah banglo land untuk sejumlah pertimbangan sebanyak RM1,800,000.
- ii) Pada Januari 2003, modal diterbitkan dan berbayar Syarikat telah meningkat dari RM40,000,000 kepada RM60,000,000 melalui terbitan:
 - a) Terbitan hak boleh serah sebanyak 10,000,000 saham biasa baru pada RM1.10 sesaham berdasarkan satu (1) saham terbitan hak bagi setiap dua (2) saham sedia ada yang dipegang sebelum terbitan bonus Tingkat 1 disemak semula yang dicadangkan; dan
 - b) Terbitan bonus Tingkat 2 sebanyak 10,000,000 saham biasa baru bernilai RM1.00 sesaham berdasarkan satu (1) saham baru bagi setiap saham hak baru yang dilanggan menurut terbitan hak disemak semula yang dicadangkan.

Nota-nota kepada penyata-penyata kewangan (samb.)

28. Peristiwa-peristiwa penting sepanjang tahun (samb.)

Berikutan tercapai pembesaran modal saham diterbitkan dan berbayar sebanyak 60,000,000, Syarikat telah dipindah dan disenaraikan di Papan Utama Malaysia Securities Exchange Berhad ("MSEB") pada 21 Januari 2003.

- iii) Pada Februari 2003, Syarikat dan subsidiarinya, Support Capital Sdn. Bhd. menandatangani satu Perjanjian Penyelesaian dengan KHL Projects Limited ("KHL"), satu pemegang saham minoriti Kenly (HK) Ltd. ("Kenly"), menurut satu petisyen bagi pembubaran yang difailkan ke atas Kenly oleh KHL yang timbul daripada perbalahan di antara pemegang saham Kenly. Terma-terma penyelesaian melibatkan Support Capital Sdn. Bhd. membeli 230,400 saham bernilai HK\$1.00 sesaham dalam Kenly yang mewakili 6.6% modal saham berbayar Kenly bagi pertimbangan sebanyak HK\$57.60. Tambahan lagi, KHL bakal berhak menerima 40% daripada jumlah boleh diperolehi semula daripada satu penghutang Kenly selepas ditolak semua perbelanjaan dan kos ditanggung dalam memperolehi semula daripada penghutang tersebut. KHL seterusnya bersetuju untuk melaksanakan satu arahan persetujuan bagi menarik balik petisyen pembubaran tersebut.

Pada Mac 2003, Support Capital Sdn. Bhd. membeli 1,275,000 saham bernilai HK\$1 sesaham dalam Kenly yang mewakili 36.4% pegangan saham dalam Kenly daripada Syarikat bagi satu pertimbangan sebanyak HK\$1,275,000 (bersamaan dengan RM624,000) berdasarkan nilai tara saham Kenly (seperti yang dilanggan oleh Syarikat bagi saham-saham tersebut).

Selepas pembelian tersebut, Syarikat secara efektif memegang 57.6% saham dalam Kenly.

- iv) Pada Julai 2003, sebuah subsidiari, Ken Property Sdn. Bhd. membeli 2 saham biasa bernilai RM1 sesaham yang mewakili 100% kepentingan ekuiti dalam Aunyang Holdings Sdn. Bhd., bagi satu pertimbangan tunai sebanyak RM2.
- v) Pada Mei 2003, sebuah subsidiari, Khidmat Tulin Sdn. Bhd. menandatangani satu Perjanjian Usaha Sama dengan Ken Rimba Jaya Sdn. Bhd. bagi membangunkan sebahagian tanah di Mukim Kapar, Daerah Klang yang dimiliki oleh Ken Rimba Jaya Sdn. Bhd..
- vi) Pada November 2003, sebuah subsidiari, Ken Projects Sdn. Bhd. melengkapkan pembelian sebanyak 5,568,750 saham biasa bernilai RM1 sesaham yang mewakili 100% kepentingan ekuiti dalam Ken Rimba Jaya Sdn. Bhd. bagi satu pertimbangan tunai sebanyak RM14,170,000.

29. Komitmen

Komitmen modal:	Kumpulan	
	2003 RM'000	2002 RM'000
Dikontrakkan tetapi belum diperuntukkan dalam penyata kewangan – pembelian tanah	-	3,349

30. Instrumen kewangan

Objektif dan dasar pengurusan risiko kewangan

Operasi Kumpulan tertakluk kepada risiko kewangan seperti matawang asing, kadar faedah, risiko kecairan dan kredit yang berlaku di dalam perjalanan perniagaan biasa. Kumpulan beroperasi di dalam garis panduan yang jelas ditentukan dengan objektif utama meminimumkan pendedahan Kumpulan kepada risiko dan/ atau kos yang berkaitan dengan aktiviti pembiayaan, pelaburan dan operasi kumpulan.

Satu rangka dasar pengurusan risiko telah diluluskan oleh Lembaga Pengarah untuk menguruskan operasi harian supaya mengawal dan menguruskan risiko.

Kawasan-kawasan utama risiko kewangan yang dihadapi Kumpulan ditunjukkan di bawah:-

Risiko matawang asing

Kumpulan mempunyai beberapa subsidiari luar negara, yang beroperasi di Hong Kong dan hasil dan perbelanjaan yang ditanggung ditunjukkan secara eksklusif dalam matawang asing.

Nota-nota kepada penyata-penyata kewangan (samb.)

30. Instrumen kewangan (samb.)

Kumpulan mengekalkan lindung nilai semulajadi, di mana mungkin, melalui pinjaman dalam matawang negara di mana perniagaan tersebut terletak yang padan dengan aliran hasil yang akan dijana daripada pelaburannya.

Dasar Kumpulan adalah untuk meminimumkan pendedahan subsidiari beroperasi di luar negara terhadap risiko urusniaga dengan memadankan hasil matawang tempatan dengan kos matawang tempatan.

Risiko kadar faedah

Risiko kadar faedah Kumpulan yang penting adalah berhubung dengan aset yang mendatangkan faedah. Pelaburan dalam aset kewangan terutamanya bersifat jangka pendek dan kebanyakannya diletakkan dalam deposit tetap.

Kumpulan melalui sebuah subsidiari mempunyai kemudahan kredit jangka pendek daripada sebuah institusi kewangan. Kumpulan menguruskan liabiliti kewangan yang dikenakan faedah dengan pengurusan aliran tunai operasinya secara berhemat dan mengkaji semula portfolio hutangnya secara malar.

Risiko kecairan

Kumpulan menguruskan dan mengekalkan satu paras tunai dan setara tunai supaya dapat memastikan kesemua kehendak pendanaan dicapai. Sebagai sebahagian kepada pengurusan kecairan berhemat keseluruhannya, Kumpulan mengekalkan paras tunai yang mencukupi untuk memenuhi kehendak modal kerjanya di mana dana yang tidak digunakan diletakkan dalam deposit tetap dengan institusi kewangan yang diluluskan.

Risiko kredit

Pihak pengurusan mempunyai satu dasar kredit dan pendedahan kepada risiko kredit diawasi secara berterusan. Risiko kredit diminimumkan, diawasi dan hubungan Kumpulan dihadirkan kepada rakan kongsi perniagaan yang mempunyai kepercayaan kredit yang baik.

Pendedahan maksimum kepada risiko kredit diwakili oleh jumlah dibawa setiap aset kewangan dalam penyata kunci kira-kira Kumpulan.

Pada tarikh penyata kunci kira-kira, Kumpulan mempunyai satu penumpuan ketara risiko kredit dalam bentuk penghutang dagangan daripada satu pelanggan yang mewakili RM8.6 juta dari jumlah penghutang dagangan Kumpulan. Kumpulan mempunyai satu polisi kredit yang rasmi yang termasuk pemulihan kesemua hutang dagangannya dan satu peruntukan hutang ragu telah dibuat dalam penyata-penyata kewangan untuk penghutang tersebut. Seperti yang dinyatakan dalam Nota 26.2(b) pada penyata-penyata kewangan, Para Pengarah, berdasarkan nasihat peguam-peguamnya, berpendapat bahawa subsidiari mempunyai satu tuntutan yang baik terhadap penghutang ini.

Nilai saksama

Jumlah dibawa aset dan liabiliti kewangan Kumpulan dan Syarikat adalah hampir bersamaan dengan nilai dibawanya.

31. Pengambilalihan subsidiari

Sepanjang tahun kewangan, Kumpulan melanggan kesemua saham dalam Aunyang Holdings Sdn. Bhd. untuk pertimbangan tunai sebanyak RM2 setiap Syarikat.

Pada November 2003, Syarikat membeli kesemua saham dalam Ken Rimba Jaya Sdn. Bhd. untuk pertimbangan sebanyak RM14,170,000 yang diselesaikan secara tunai. Pengambilalihan tersebut diambilkira menggunakan kaedah pengambilalihan perakaunan. Subsidiari tersebut menyumbang kerugian bersih sebanyak RM36,000 dalam keuntungan bersih disatukan bagi tahun semasa.

Nilai saksama aset dan liabiliti dalam pengambilalihan Ken Rimba Jaya Sdn. Bhd. dan kesan aliran tunai adalah seperti berikut:

Nota-nota kepada penyata-penyata kewangan (samb.)

31. Pengambilalihan subsidiari (samb.)

	Kumpulan	
	2003 RM'000	2002 RM'000
Aset semasa	25,002	-
Liabiliti semasa	(5,434)	(4)
Liabiliti jangka panjang	(5,058)	-
Aset bersih	14,510	(4)
Muhibah negatif	(201)	4
Pertimbangan pembelian	14,309	-
Tolak: Tunai subsubsidiari yang diambilalih	(2)	-
Penghutang lain	(2,000)	-
Aliran keluar tunai bersih	12,307	-

Kesan pengambilalihan

Pengambilalihan Ken Rimba Jaya Sdn. Bhd. memberi kesan-kesan berikut kepada aset dan liabiliti Kumpulan pada 31 Disember 2003:

	2 bulan berakhir 31.12.2003 RM'000
Penyata pendapatan	
Hasil	-
Kos operasi	(36)
Kerugian sebelum cukai	(36)
Perbelanjaan cukai	-
Kerugian selepas cukai	(36)
Kurangan dalam keuntungan bersih Kumpulan pada akhir tahun kewangan	(36)
	31.12.2003 RM'000
Penyata kunci kira-kira	
Aset semasa	25,004
Liabiliti semasa	(5,472)
Liabiliti jangka panjang	(5,058)
Aset bersih yang diambilalih	14,474
Muhibah negatif	(201)
Tambahan dalam bahagian Kumpulan dalam aset bersih	14,273

Nota-nota kepada penyata-penyata kewangan (samb.)

32. Perubahan dalam dasar perakaunan dan pelarasan tahun sebelumnya

Perubahan dalam dasar perakaunan

Dalam tahun kewangan semasa, Kumpulan dan Syarikat menerima pakai dua Piawaian MASB baru. Penerimaan pakai piawaian baru tersebut menjurus perubahan dalam dasar perakaunan seperti berikut:-

- (a) MASB 25, Cukai Pendapatan yang diterima pakai secara retrospektif. Angka-angka perbandingan telah diselaraskan untuk membayangkan perubahan dalam dasar perakaunan ini. Penerimaan pakai MASB 25 menyebabkan pengiktirafan penuh bagi semua perbezaan sementara boleh cukai. Sebelumnya, liabiliti cukai tertunda tidak diperuntukkan sekiranya tiada liabiliti dijangka timbul dalam masa depan boleh dijangka dan tiada tanda-tanda perbezaan masa akan berbalik selepasnya. Aset cukai tertunda sekarang diiktiraf apabila ada kemungkinan bahawa keuntungan boleh cukai akan wujud dengan mana aset cukai tertunda tersebut boleh digunakan.
- (b) MASB 29, Faedah Pekerja yang diterima pakai secara retrospektif. Angka perbandingan tidak dinyatakan semula kerana dasar perakaunan sebelumnya adalah sejajar dengan piawaian perakaunan tersebut.

Pelarasan tahun sebelumnya

Perubahan dalam dasar perakaunan disebabkan oleh penerimaan pakai MASB 25 telah diambil kira dengan menyatakan semula perbandingan dan menyelaraskan baki pembukaan rizab penilaian semula dan keuntungan tertahan pada 1 Januari 2002 seperti dinyatakan dalam Nota 33 dan penyata perubahan dalam ekuiti masing-masing.

33. Angka-angka bandingan

Angka-angka bandingan berikut telah dinyatakan semula untuk membayangkan perubahan dalam dasar perakaunan seperti yang diterangkan dalam Nota 32.

	Seperti dinyatakan semula RM'000	Seperti dinyatakan sebelumnya RM'000
<i>Penyata perubahan dalam ekuiti</i>		
Pada 1 Januari 2002		
Rizab penilaian semula	624	1,091
Keuntungan tertahan	40,890	40,478
<i>Penyata kunci kira-kira</i>		
Pada 31 Disember 2002		
Rizab	35,151	35,205
Liabiliti cukai tertunda	5,211	4,744
Aset cukai tertunda	412	-

Analysis Of Shareholdings Analisa Pemegang Saham

as at 9 April 2004 | Pada 9 April 2004

Share Capital / Modal Saham

Authorised Share Capital: <i>Modal Saham Dibenarkan:</i>	RM100,000,000.00
Issued and fully paid-up capital: <i>Modal diterbitkan dan dibayar penuh:</i>	RM60,180,000.00
Class of Shares: <i>Jenis Saham:</i>	Ordinary shares of RM1.00 each <i>Saham biasa berharga RM1.00 setiap satu</i>
Voting rights: <i>Hak mengundi:</i>	1 vote per share <i>1 undi sesaham</i>

Analysis By Size Of Shareholdings / Analisa Saiz Pemegang Saham

Size of Shareholdings <i>Saiz Pemegang Saham</i>	No. of Shareholders <i>Bil. Pemegang Saham</i>	%	No. of Shares Held <i>Bil. Saham Dipegang</i>	%
Less than 100 shares	63	3.22	1,030	0.01
100 – 1,000 shares	203	10.38	177,430	0.29
1,001 – 10,000	1454	74.34	5,629,100	9.35
10,001 – 100,000	206	10.53	5,277,700	8.77
100,001 to less than 5% of issued shares	27	1.38	13,453,786	22.36
5% and above of issued shares	3	0.15	35,640,954	59.22
Total	1956	100.00	60,180,000	100.00

List Of Thirty Largest Shareholders/

Senarai Tiga Puluh Pemegang Saham Terbesar

Name <i>Nama</i>	No. of Shares Held <i>Bil. Saham Dipegang</i>	%
1. Kencana Bahagia Sdn. Bhd.	21,516,546	35.75
2. Cimsec Nominees (Tempatan) Sdn. Bhd. <i>Pengurusan Danaharta Nasional Berhad For Budaya Dinamik Sdn. Bhd.</i>	7,064,000	11.74
3. SJ Sec Nominees (Tempatan) Sdn. Bhd. <i>Budaya Dinamik Sdn. Bhd.</i>	7,060,408	11.73
4. Lau Chin Kok	1,565,000	2.60
5. Tony Ng Kok Siong	1,353,326	2.25
6. Tan Boon Kang	1,335,000	2.22
7. M & A Nominee (Asing) Sdn. Bhd. <i>Pedigree Limited</i>	1,008,000	1.68
8. Employees Provident Fund Board	971,800	1.61
9. Tan Boon Kang	809,000	1.34
10. Tan Bon Sin	790,000	1.31
11. Yeoh Kean Hua	700,000	1.16
12. Tan Chee Koon	605,000	1.01
13. Tan Moon Hwa	537,560	0.89
14. Tan Boon Kang	499,000	0.83
15. Dato' Ng Tiong Seng @ Ng Ba	436,000	0.72
16. Poo Choo @ Ong Poo Choi	432,000	0.72
17. M & A Nominees (Tempatan) Sdn. Bhd. <i>Titan Express Sdn. Bhd.</i>	316,800	0.53
18. Lau Chin Ka	276,040	0.46
19. Tan Foo See	230,000	0.38
20. Low Siew Choong @ Liew Siew Meng	204,000	0.34

Analysis Of Shareholdings as at 9 April 2004 (con't)

Analisa Pemegang Saham Pada 9 April 2004 (samb)

21. Lim Hong Liang 191,160 0.32
List Of Thirty Largest Shareholders (con't) / Senarai Tiga Puluh Pemegang Saham Terbesar (samb)

Name Nama	No. of Shares Held Bil. Saham Dipegang	%
22. Wong Lai Kien	182,000	0.30
23. Yong Sing Her	150,000	0.25
24. Tan Boon Kang	150,000	0.25
25. Lim Hui Huat @ Lim Hooi Chang	135,000	0.22
26. Ng Kie En	124,600	0.21
27. Yee Shan Yong	118,800	0.20
28. Mayban Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Li Cheng Thong @ Lee Chen Thung (178AW0623)	116,700	0.20
29. Ooi Wooi Hong	110,000	0.18
30. Choo Yau Yan @ Chow Yaw Yan	107,000	0.18
Total	49,094,740	81.58

Substantial Shareholders (As shown in the register of substantial shareholders) /

Pemegang Saham Terbesar (Seperti yang ditunjukkan dalam saftar pemegang saham terbesar)

Name of Substantial Shareholders Nama Pemegang Saham Terbesar	No. of Ordinary shares of RM1.00 Each Bil. Saham Biasa Berharga RM1.00 Setiap Satu			
	Direct Secara Langsung	%	Indirect Secara Tidak Langsung	%
1. Tan Boon Kang	2,793,000	4.64	21,555,546	35.82
2. Lau Pek Kuan	39,000	0.06	24,309,546	40.39
3. Anton Syazi bin Ahmad Sebi	0	0.00	14,124,408	23.47
4. Aryati Sasya binti Ahmad Sebi	0	0.00	14,124,408	23.47
5. Budaya Dinamik Sdn. Bhd.	14,124,408	23.47	-	-
6. Kencana Bahagia Sdn. Bhd.	21,516,546	35.75	-	-

Statement Of Directors' Shareholdings / Keterangan Pemegang Saham Para Pengarah

Directors' Name / Nama Para Pengarah The Company / Syarikat	No. of Ordinary Shares of RM1.00 Each Bil. Saham Biasa Berharga RM1.00 Setiap Satu	
	Direct Secara Langsung	Indirect Secara Tidak Langsung
1. Dato' Ahmad Badri bin Mohamed Basir	-	-
2. Tan Boon Kang	2,793,000	21,555,546
3. Lau Pek Kuan	39,000	24,309,546
4. Dato' Raja Haji Ahmad Zainuddin bin Raja Haji Omar	-	-
5. Tan Moon Hwa	537,560	-
6. Tang Kam Chee	10,000	-
7. Loo Pak Soon	-	-
8. Sha Thiam Fook	-	-

By virtue of their interest in the Company, Mr. Tan Boon Kang and Madam Lau Pek Kuan are also deemed to be interested in the shares in all subsidiaries to the extent that the Company has an interest.

Di atas asas kepentingan mereka dalam Syarikat, Encik Tan Boon Kang dan Cik Lau Pek Kuan dianggap mempunyai kepentingan dalam saham-saham syarikat subsidiari setakat mana Syarikat mempunyai kepentingan.

List Of Properties Senarai Hartanah

as at 31 December 2003 | Pada 31 Disember 2004

The properties of the Group as at 31 December 2003 are as follows:

Hartanah Kumpulan pada 31 Disember 2003 adalah seperti berikut:

Location	Description/ usage	Tenure/ year of expiry	Age of property/ building	Land/ Built-up area	Net book value (RM)	Year of valuation/ acquisition
Lokasi	Keterangan/ kegunaan	Tempoh Pemegangan/ tahun tamat	Usia hartanah/ bangunan	Keluasan tanah/ yang dibangunkan	Nilai buku bersih (RM)	Tahun dinilai/kan/ diperolehi
HSD : 10305-312, 314, 317-322, 324-334, 485-492 (PT 0011128-135, 137, 140-145, 147-157, 308-315) Mukim of Bentong State of Pahang	34 lots of vacant Bungalow lots	Freehold	-	14.44 acres	1,800,000	2003
HSD : 10305-312, 314, 317-322, 324-334, 485-492 (PT 0011128-135, 137, 140-145, 147-157, 308-315) Mukim Bentong Negeri Pahang	34 lot Bangalow kosong	Milik Bebas	-	14.44 ekar	1,800,000	2003
PM 269, Lot No. 13555 Mukim of Sungai Buloh District of Petaling State of Selangor Darul Ehsan	A parcel of land occupied as store	Leasehold/ February 1, 2079	75 years Unexpired Lease	47,006 sq ft	1,691,027	2003
PM 269, Lot No. 13555 Mukim Sungai Buloh Daerah Petaling Negeri Selangor Darul Ehsan	Sebidang tanah yang digunakan sebagai stor	Pajakan/ 1 Februari, 2079	75 tahun Tempoh Tamat	47,006 k.p.	1,691,027	2003
GM 184 Lot 20198 Seksyen 39 Mukim of Sungai Buloh District of Petaling	A parcel of undeveloped land	Freehold	-	2 acres	2,148,204	2003
GM 184 Lot 20198 Seksyen 39 Mukim Sungai Buloh Daerah Petaling Negeri Selangor Darul Ehsan	Sebidang tanah yang belum dibangunkan	Milik Bebas	-	2 ekar	2,148,204	2003

List Of Properties as at 31 December 2003 (con't)

Senarai Hartanah Pada 31 Disember 2003 (samb)

Location	Description/ usage	Tenure/ year of expiry	Age of property/ building	Land/ Built-up area	Net book value (RM)	Year of valuation/ acquisition
<i>Lokasi</i>	<i>Keterangan/ kegunaan</i>	<i>Tempoh Pemegangan/ tahun tamat</i>	<i>Usia hartanah/ bangunan</i>	<i>Keluasan tanah/yang dibangunkan</i>	<i>Nilai buku bersih (RM)</i>	<i>Tahun dinilaian/ diperolehi</i>
Mukim 270, Lot No. 13559 Locality of Kampung Sungai Kayu Ara Mukim of Sungai Buloh District of Petaling State of Selangor Darul Ehsan	A parcel of land occupied as store	Leasehold/ February 1, 2079	75 years Unexpired Lease	36,909 sq ft	1,443,038	2000*
<i>Mukim 270, Lot No. 13559 Kawasan Kampung Sungai Kayu Ara Mukim Sungai Buloh Daerah Petaling Negeri Selangor Darul Ehsan</i>	<i>Sebidang tanah yang digunakan sebagai stor</i>	<i>Pajakan/ 1 Februari, 2079</i>	<i>75 tahun Tempoh Tamat</i>	<i>36,909 k.p.</i>	<i>1,443,038</i>	<i>2000*</i>
Lot 29504, H.S.(0) 4926 Mukim & District of Kuala Lumpur State of Wilayah Persekutuan Postal address: 6, Jalan Datuk Sulaiman Taman Tun Dr. Ismail 60000 Kuala Lumpur	one unit of three-storey terrace shophouse/ occupied as corporate office	Freehold	23 years (Building)	1,875 sq ft	1,468,500	2000*
<i>Lot 29504, H.S.(0) 4926 Mukim & Daerah Kuala Lumpur Negeri Wilayah Persekutuan Alamat: 6, Jalan Datuk Sulaiman Taman Tun Dr. Ismail 60000 Kuala Lumpur</i>	<i>Seunit rumahkedai terrace tiga tingkat/ diguna sebagai pejabat korporat</i>	<i>Milik Bebas</i>	<i>23 tahun (Bangunan)</i>	<i>1,875 k.p</i>	<i>1,468,500</i>	<i>2000*</i>

List Of Properties as at 31 December 2003 (con't)

Senarai Hartanah Pada 31 Disember 2003 (samb)

Location	Description/ usage	Tenure/ year of expiry	Age of property/ building	Land/ Built-up area	Net book value (RM)	Year of valuation/ acquisition
<i>Lokasi</i>	<i>Keterangan/ kegunaan</i>	<i>Tempoh Pemegangan/ tahun tamat</i>	<i>Usia hartanah/ bangunan</i>	<i>Keluasan tanah/yang dibangunkan</i>	<i>Nilai buku bersih (RM)</i>	<i>Tahun dinilai/ diperolehi</i>
Lot 205 Summervilla Condominium, Wangsa Baiduri, Subang Jaya Petaling Jaya, Selangor Held under title P.M. No.22 Lot 14785, Mukim Damansara District of Petaling State of Selangor Darul Ehsan	1 unit of condominium	Leasehold/ Jan 16,2089	86 years unexpired lease	1,890 sq ft	362,216	2001
<i>Lot 205 Summervilla Condominium, Wangsa Baiduri, Subang Jaya Petaling Jaya, Selangor Di bawah pegangan dokumen sah P.M. No.22 Lot 14785, Mukim Damansara Daerah Petaling Negeri Selangor Darul Ehsan</i>	<i>1 unit kondominium</i>	<i>Pajakan/ 16 Jan,2089</i>	<i>86 tahun tempoh tamat</i>	<i>1,890 k.p</i>	<i>362,216</i>	<i>2001</i>
Lot 405 Summervilla Condominium, Wangsa Baiduri, Subang Jaya Petaling Jaya, Selangor Held under title P.M. No.22 Lot 14785, Mukim Damansara District of Petaling State of Selangor Darul Ehsan	1 unit of condominium	Leasehold/ Jan 16, 2089	86 years unexpired lease	1,890 sq ft	362,216	2001
<i>Lot 405 Summervilla Condominium, Wangsa Baiduri, Subang Jaya Petaling Jaya, Selangor Di bawah pegangan dokumen sah P.M. No.22 Lot 14785, Mukim Damansara Daerah Petaling Negeri Selangor Darul Ehsan</i>	<i>1 unit kondominium</i>	<i>Pajakan/ 16 Jan,2089</i>	<i>86 tahun tempoh tamat</i>	<i>1,890 k.p</i>	<i>362,216</i>	<i>2001</i>

List Of Properties as at 31 December 2003 (con't)

Senarai Hartanah Pada 31 Disember 2003 (samb)

Location	Description/ usage	Tenure/ year of expiry	Age of property/ building	Land/ Built-up area	Net book value (RM)	Year of valuation/ acquisition
Lokasi	Keterangan/ kegunaan	Tempoh Pemegangan/ tahun tamat	Usia hartanah/ bangunan	Keluasan tanah/yang dibangunkan	Nilai buku bersih (RM)	Tahun dinilaian/ diperolehi
Lot A1-G-01 to A1-G-10 and A8-G-01 to A8-G-04 Rumah Pangsa Kampung Aman Satu, Jalan SK6/1 Taman Bukit Serdang, Seksyen 4&5, 43300 Selangor	14 units of Groundfloor Shoplots	Leasehold/ May 1, 2098	3 Years (Building)	9,100 sq ft	1,644,999	2002
Lot A1-G-01 to A1-G-10 and A8-G-01 to A8-G-04 Rumah Pangsa Kampung Aman Satu, Jalan SK6/1 Taman Bukit Serdang, Seksyen 4&5, 43300 Selangor	14 unit lot kedai	Pajakan/ 1 Mei, 2098	3 Tahun (Bangunan)	9,100 k.p	1,644,999	2002
A-3A-1, A-3A-2, A-3A-3, A-3A-3A, A-3A-7, B-3A-5, C-3A-2, C-3A-3, C-3A-6 Ken Damansara Condominium No. 217 Jalan SS2/72 47400 Petaling Jaya	9 units of retail commercial lots	Freehold	1	16,247 sq ft	912,007	2003
A-3A-1, A-3A-2, A-3A-3, A-3A-3A, A-3A-7, B-3A-5, C-3A-2, C-3A-3, C-3A-6 Ken Damansara Condominium No. 217 Jalan SS2/72 47400 Petaling Jaya	9 units lot runcit komersial	Milik Bebas	1	16,247 k.p	912,007	2003
Lot 22722 (formerly known as lot 1257) Mukim of Sungai Buloh District of Petaling State of Selangor Darul Ehsan	A parcel of undeveloped land approved for residential development	Freehold	-	Approximately 2 acres	12,451,882	1996
Lot 22722 (dahulu dikenali sebagai lot 1257) Mukim Sungai Buloh Daerah Petaling Negeri Selangor Darul Ehsan	Sebidang tanah yang belum dibangunkan diluluskan untuk pembangunan perumahan	Milik Bebas	-	Sekitar 2 ekar	12,451,882	1996

List Of Properties as at 31 December 2003 (con't)

Senarai Hartanah Pada 31 Disember 2003 (samb)

Location	Description/ usage	Tenure/ year of expiry	Age of property/ building	Land/ Built-up area	Net book value (RM)	Year of valuation/ acquisition
<i>Lokasi</i>	<i>Keterangan/ kegunaan</i>	<i>Tempoh Pemegangan/ tahun tamat</i>	<i>Usia hartanah/ bangunan</i>	<i>Keluasan tanah/ yang dibangunkan</i>	<i>Nilai buku bersih (RM)</i>	<i>Tahun dinilai/ diperolehi</i>
Land located at Pekan Serdang Tambahan and District of Petaling State of Selangor Darul Ehasan held under PT45863 PT45864 PT45865	Land under development	Leasehold/ May 1, 2098	94 years unexpired lease	8.53 acres 5.54 acres 3.85 acres	8,536,108 3,108,541 3,855,595	2002* 2000* 2002*
<i>Tanah terletak di Pekan Serdang Tambahan and Daerah Petaling Negeri Selangor Darul Ehasan di bawah pegangan PT45863 PT45864 PT45865</i>	<i>Tanah yang sedang dibangunkan</i>	<i>Pajakan/ 1 Mei, 2098</i>	<i>94 tahun tempoh tamat</i>	<i>8.53 ekar 5.54 ekar 3.85 ekar</i>	<i>8,536,108 3,108,541 3,855,595</i>	<i>2002* 2000* 2002*</i>
Lot No 1927 Mukim and District of Petaling State of Selangor	A parcel of Undeveloped land	Freehold	-	Approximately 1.75 acres	313,238	2002
Lot No 1927 Mukim dan Daerah Petaling Negeri Selangor	Sebidang tanah belum dibangunkan	Milik Bebas	-	Sekitar 1.75 acres	313,238	2002
GM 43019 Lot No 37448 and GM 1849 Lot No 17494 Mukim of Kapar District of Klang State of Selangor	Two parcels of land for residential/ commercial development	Freehold	-	Approximately 69.18 acres	25,000,000	2003
<i>GM 43019 Lot No 37448 dan GM 1849 Lot No 17494 Mukim Kapar Daerah Klang Negeri Selangor</i>	<i>Dua bidang tanah untuk pembangunan perumahan/ komersil</i>	<i>Milik Bebas</i>	<i>-</i>	<i>Sekitar 69.18 acres</i>	<i>25,000,000</i>	<i>2003</i>

* Note: Valuation undertaken in Financial Years ending 31 December 2000 and 31 December 2002.

* Nota: Penilaian dibuat pada Tahun-tahun Kewangan berakhir 31 Disember 2000 dan 31 Disember 2002.

PROXY FORM

I/We
 (FULL NAME IN BLOCK LETTERS)
 of
 (ADDRESS)
 being a member(s) of KEN HOLDINGS BERHAD hereby appoint.....

.....
 (FULL NAME)
 of
 (ADDRESS)
 or failing him/her
 (FULL NAME)
 of
 (ADDRESS)

or failing him/her, the Chairman of the Meeting as *my/our proxy to vote for *me/us on *my/our behalf at the TWENTIETH ANNUAL GENERAL MEETING of the Company, to be held at the Tournament Room, Kuala Lumpur Golf & Country Club, 10, Jalan 1/70D, Off Jalan Bukit Kiara, 60000 Kuala Lumpur on Tuesday, 25 May 2004, at 10.00 a.m. and at any adjournment thereof.

(*Strike out whichever is not desired)

My/Our proxy is to vote as indicated below:

NO.	RESOLUTIONS	FOR	AGAINST
1)	Adoption of Audited Financial Statements and Reports		
2)	Declaration of First and Final Dividend		
3)	Approval of Directors' fee		
4)	Re-election of Dato' Ahmad Badri bin Mohamed Basir as Director		
5)	Re-election of Madam Lau Pek Kuan as Director		
6)	Re-election of Mr. Loo Pak Soon as Director		
7)	Re-appointment of Messrs. KPMG as Auditors		
8)	Ordinary Resolution 1 - Authority to issue shares pursuant to Section 132D of the Companies Act, 1965		
9)	Ordinary Resolution 2 - Authority to issue shares pursuant to the Employees' Share Option Scheme		

Please indicate with an "X" in the spaces provided how you wish your vote to be cast. If no instruction as to voting is given, the Proxy will vote or abstain from voting at his discretion.

Dated this day of 2004

No. of Shares Held	
--------------------	--

.....
 Signature

Notes:-

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote instead of him/her. A proxy may but need not be a member of the Company and the provisions of Section 149(1)(b) of the Companies Act, 1965 shall not apply to the Company.
2. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her shareholdings to be represented by each proxy.
3. In the case of a corporate body, the proxy appointed must be in accordance with the Memorandum and Articles of Association, and the instrument appointing a proxy shall be given under the Company's Common Seal or under the hand of an officer or attorney duly authorised.
4. The Form of Proxy must be deposited at the Company's Registered Office at No. 6, Jalan Datuk Sulaiman, Taman Tun Dr. Ismail, 60000 Kuala Lumpur not less than 48 hours before the time set for the meeting or any adjournment thereof.

Fold Here

STAMP

KEN HOLDINGS BERHAD
6, JALAN DATUK SULAIMAN
TAMAN TUN DR. ISMAIL
60000 KUALA LUMPUR
MALAYSIA

Fold Here

BORANG PROKSI

Saya/Kami.....
(NAMA PENUH DALAM HURUF BESAR)
dari.....
(ALAMAT)
adalah ahli/ahli-ahli KEN HOLDINGS BERHAD dengan ini melantik

.....
(NAMA PENUH)
dari.....
(ALAMAT)
atau jika beliau tidak dapat hadir,.....
(NAMA PENUH)
dari.....
(ALAMAT)

atau jika beliau tidak dapat hadir, Pengerusi Syarikat sebagai proksi *saya/kami untuk mengundi mewakili *saya/kami dan bagi pihak *saya/kami di MESYUARAT AGUNG TAHUNAN KEDUA PULUH Syarikat, yang akan berlangsung di Tournament Room, Kuala Lumpur Golf & Country Club, 10, Jalan 1/70D, Off Jalan Bukit Kiara, 60000 Kuala Lumpur pada hari Selasa, 25 Mei 2004, pada jam 10.00 pagi dan mana-mana mesyuarat ditangguhkan.
(*Batalakan mana-mana yang tidak berkenaan)

Proksi saya/kami akan mengundi seperti mana dinyatakan di bawah:

NO.	RESOLUSI	SOKONG	TOLAK
1)	Penerimaan Penyata Kewangan Teraudit dan Laporan		
2)	Pengistiharan Dividen Pertama dan Akhir		
3)	Kelulusan yuran Pengarah		
4)	Pemilihan semula Dato' Ahmad Badri bin Mohamed Basir sebagai Pengarah		
5)	Pemilihan semula Puan Lau Pek Kuan sebagai Pengarah		
6)	Pemilihan semula Encik Loo Pak Soon sebagai Pengarah		
7)	Perlantikan Tetuan KPMG sebagai Juruaudit		
8)	Resolusi Biasa 1 – Kuasa untuk menerbitkan saham menurut Seksyen 132D Akta Syarikat, 1965		
9)	Resolusi Biasa 2 – Kuasa untuk menerbitkan saham menurut Skim Opsyen Saham Kakitangan		

Sila tandakan "X" di dalam ruang yang disediakan untuk menunjukkan bagaimana anda ingini undi anda dibuang. Jika tiada arahan tentang pengundian diberi, Proksi akan mengundi atau tidak mengundi mengikut budi bicaranya.

Bertarikh haribulan 2004

Jumlah saham dimiliki

Tandatangan

Nota-nota:-

- Seorang ahli Syarikat berhak untuk hadir dan mengundi dalam mesyuarat ini adalah untuk melantik seorang proksi atau proksi-proksi untuk hadir dan mengundi bagi pihaknya. Seorang proksi tidak semestinya ahli Syarikat dan peruntukan Seksyen 149(1)(b) Akta Syarikat, 1965 tidak dipakai terhadap Syarikat.
- Jika ahli melantik lebih satu (1) proksi, perlantikan berkenaan adalah tidak sah melainkan dia menyatakan kadar pegangan sahamnya yang akan diwakili oleh setiap proksi.
- Jikalau melibatkan badan korporat, proksi tersebut yang dilantik mestilah selaras dengan Memorandum dan Artikel Persatuan, dan suratcara melantik proksi mestilah dimeterai dengan meterai rasminya atau ditandatangani oleh pegawai atau wakil yang diberi kuasa.
- Borang Proksi tersebut mesti diserahkan ke Pejabat Berdaftar Syarikat di No. 6, Jalan Datuk Sulaiman, Taman Tun Dr. Ismail, 60000 Kuala Lumpur tidak kurang daripada 48 jam sebelum masa yang ditetapkan untuk mesyuarat tersebut dan sebarang penangguhannya.

Lipat di sini



KEN HOLDINGS BERHAD
6, JALAN DATUK SULAIMAN
TAMAN TUN DR. ISMAIL
60000 KUALA LUMPUR
MALAYSIA

Lipat di sini