KEN HOLDINGS BHD

Incorporated in Malaysia (Company No. 106173-M)

Laporan Tahunan | Annual Report

2005

KEN HOLDINGS BHD (106173-M)

6, Jalan Datuk Sulaiman, Taman Tun Dr. Ismail,
60000 Kuala Lumpur, Malaysia.
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www.kenholdings.com.my

Contents
Kandungan

FINANCIAL STATEMENTS

LAPORAN-LAPORAN KEWANGAN

Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Twenty-Second Annual General Meeting of Ken Holdings Berhad (the Company) will be held at the East VIP Lounge, Kuala Lumpur Golf & Country Club, No. 10, Jalan 1/70D, off Jalan Bukit Kiara, 60000 Kuala Lumpur on Tuesday, 25 April 2006, 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 2005 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 2005. **(Resolution 2)**

3. To approve the Directors' fees of RM80,000/- (2004: RM80,000/-) in respect of the year ended 31 December 2005. **(Resolution 3)**

4. To re-elect the following Directors who retire pursuant to the Company's Articles of Association and, being eligible, offer themselves for re-election:-

   Under Article 101
   (a) Mr. Sha Thiam Fook **(Resolution 4)**
   (b) Dato' Raja Haji Ahmad Zainuddin bin Raja Haji Omar **(Resolution 5)**

   Under Article 106
   (a) Tengku Dato' Seri Baderul Zaman Ibni Almarhum Sultan Mahmud **(Resolution 6)**
   (b) Mr. Tan Chek Siong **(Resolution 7)**

5. To consider and, if thought fit, pass the following resolution pursuant to Section 129(6) of the Companies Act 1965:-

   "THAT, pursuant to Section 129(6) of the Companies Act, 1965, Dato' Ahmad Badri bin Mohamed Basir be re-appointed as a Director of the Company to hold office until the conclusion of the next Annual General Meeting." **(Resolution 8)**

6. To re-appoint Messrs. KPMG as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 9)**

7. As Special Business:-

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

   (a) Ordinary Resolution 1 **(Resolution 10)**

   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 share 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 Bursa Malaysia Securities Berhad."

(b) Ordinary Resolution 2 **(Resolution 11)**

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."

8. 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 Twenty-Second Annual General Meeting, the first and final dividend of 5.0% less tax in respect of the year ended 31 December 2005 will be payable on 21 June 2006 to depositors registered in the Record of Depositors on 12 June 2006.

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 12 June 2006 in respect of transfers; and

(b) Shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

BY ORDER OF THE BOARD,

CHOW CHOOI YOONG
HAZLINA BT HARUN
Company Secretaries

Kuala Lumpur
3 April 2006

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. 10 proposed under item 7(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 share 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.11 proposed under item 7(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 Annual General Meeting
(Pursuant To Paragraph 8.28(2) Of The Listing Requirements Of The Bursa Malaysia Securities Berhad)

1. **Directors who are standing for re-election/re-appointment at the Twenty-Second Annual General Meeting of the Company**

   (i) Pursuant to Article 101 of the Company's Articles of Association

   (a) Mr. Sha Thiam Fook
   (b) Dato' Raja Haji Ahmad Zainuddin bin Raja Haji Omar

   (ii) Pursuant to Article 106 of the Company's Articles of Association

   (a) Tengku Dato' Seri Baderul Zaman Ibni Almarhum Sultan Mahmud
   (b) Mr. Tan Chek Siong

   (iii) Pursuant to Section 129(6) of the Companies Act, 1965

   Dato' Ahmad Badri bin Mohamed Basir

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 2005 are set out on page 26 of the Annual Report.

3. **Place, Date and Time of the Twenty-Second Annual General Meeting**

   The Twenty-Second Annual General Meeting of the Company will be held at the East VIP Lounge, Kuala Lumpur Golf & Country Club, No. 10, Jalan 1/70D, off Jalan Bukit Kiara, 60000 Kuala Lumpur on Tuesday, 25 April 2006, at 10.00 a.m.

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

   Further details of Directors who are standing for re-election/re-appointment are set out on pages 10 and 14 of the Annual Report and their securities holdings in the Company and its subsidiaries are set out on pages 43 and 127.

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*

Tang Kam Chee
Executive Director / *Pengarah Eksekutif*

Tengku Dato' Seri Baderul Zaman Ibni Almarhum Sultan Mahmud
Executive Director / *Pengarah Eksekutif*

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

Tan Boon Kang
Managing Director /
Pengarah Urusan

Tan Moon Hwa
Executive Director / *Pengarah Eksekutif*

Tan Chek Siong
Executive Director / *Pengarah Eksekutif*

Dato' Raja Haji Ahmad Zainuddin bin Raja Haji Omar
Independent Non-Executive Director /
Pengarah Bebas 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 / *JAWANTANKUASA 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 / *JAWATANKUASA 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

Dato' Raja Haji Ahmad Zainuddin bin Raja Haji Omar
Independent Non-Executive Director /
Pengarah Bebas 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
website : www.kenholdings.com.my

SHARES REGISTRAR / *PENDAFTAR*

Tenaga Koperat 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 (Firm No: AF0758)
Chartered Accountants
Wisma KPMG, Jalan Dungun, Damanara Heights
50490 Kuala Lumpur

PRINCIPAL BANKERS / *BANK-BANK UTAMA*

Malayan Banking Berhad (Maybank)
United Overseas Bank (Malaysia) Berhad

STOCK EXCHANGE / *BURSA SAHAM DISENARAIKAN*

Main Board of the Bursa Malaysia Securities Berhad
Papan Utama Bursa Malaysia Securities Berhad

Corporate Structure
Struktur Korporat

KEN HOLDINGS BHD

100%
KEN GROUTING SDN BHD
Specialist Engineering Services, Turnkey Contract, Building and Civil Engineering Works

100%
KEN-CHEC SDN BHD
Land Reclamation, Dredging, Civil and Marine Engineering

90%
SUCCESS GOAL ASIA LIMITED
Engineering Services and Lease of Specialist Equipment

10%

100%
SUPPORT CAPITAL SDN BHD
Invesment Holding

73.6%
KENLY (HK) LIMITED
Construction, Civil Engineering, Specialist Engineering Service, and Micro-tunneling

100%
KENLY ENGINEERING LIMITED
Construction, Civil Engineering and Specialist Engineering Services

100%
KHIDMAT TULIN SDN BHD
Housing Developer and Contractor

100%
KEN PROJECTS SDN BHD
Invesment Holding

100%
T.B.S. MANAGEMENT SDN BHD
Property Management Services

100%
KEN RIMBA JAYA SDN BHD
Housing Development and Investment Holding

100%
KD MANAGEMENT SDN BHD
Property Management Services

100%
KEN PROPERTY SDN BHD
Property Holding, Investment and Housing Developer

100%
KEN LINK SDN BHD
Property Holding and Investment

100%
AUNYANG HOLDINGS SDN BHD
Investment Holding

Financial Highlights
Maklumat Kewangan

PRINCIPAL ACTIVITIES

The Company - Investment holding and provision of management services.

The Subsidiairy 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	2001	2002	2003	2004	2005
Revenue	96,638	49,395	59,300	65,579	**63,352**
Profit before taxation	16,927	13,551	9,875	11,392	**7,909**
Profit after taxation	13,140**	9,495	6,813	7,119	**4,479**
Profit attributable to shareholders	11,114**	9,368	7,214	8,123	**6,462**
Shareholders' fund	63,696**	75,151**	90,686	96,652	**101,434**
Issued share capital	20,000	40,000	60,162	60,180	**90,285**
Total assets	106,189**	112,784**	132,046	131,882	**143,007**
Net asset	69,870	78,409	93,309	98,101	**101,486**
Net earnings per share (sen)	12*	10*	8*	9*	**7**
Net assets per share (sen)	349	196	155	163	**112**

* Restated based on bonus shares issued in financial year ended 31 December 2005.

** 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 merin, dan pengurusan hartanah.*

TINJAUAN KEWANGAN KUMPULAN BAGI TEMPOH LIMA TAHUN

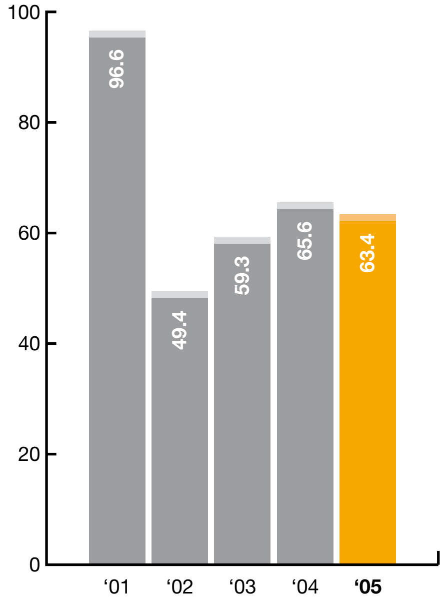
RM'000	*2001*	*2002*	*2003*	*2004*	*2005*
Hasil	*96,638*	*49,395*	*59,300*	*65,579*	***63,352***
Keuntungan sebelum cukai	*16,927*	*13,551*	*9,875*	*11,392*	***7,909***
Keuntungan selepas cukai	*13,140***	*9,495*	*6,813*	*7,119*	***4,479***
Keuntungan boleh diagih kepada pemegang saham	*11,114***	*9,368*	*7,214*	*8,123*	***6,462***
Dana pemegang saham	*63,696***	*75,151***	*90,686*	*96,652*	***101,434***
Terbitan modal saham	*20,000*	*40,000*	*60,162*	*60,180*	***90,285***
Jumlah aset	*106,189***	*112,784***	*132,046*	*131,882*	***143,007***
Aset bersih	*69,870*	*78,409*	*93,309*	*98,101*	***101,486***
Pendapatan bersih sesaham (sen)	*12**	*10**	*8**	*9**	***7***
Aset bersih sesaham (sen)	*349*	*196*	*155*	*163*	***112***

* *Dinyata semula dengan mengambil kira terbitan bonus dalam tahun kewangan 31 Disember 2005.*

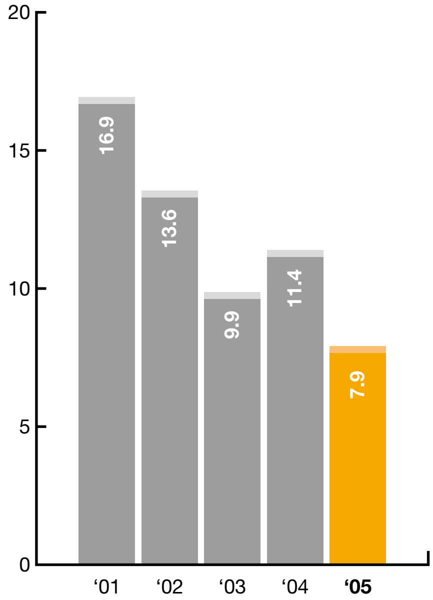
** *Dinyata semula dengan menurut MASB 25, Cukai Pendapatan.*

Financial Highlights (cont'd)
Maklumat Kewangan (samb.)

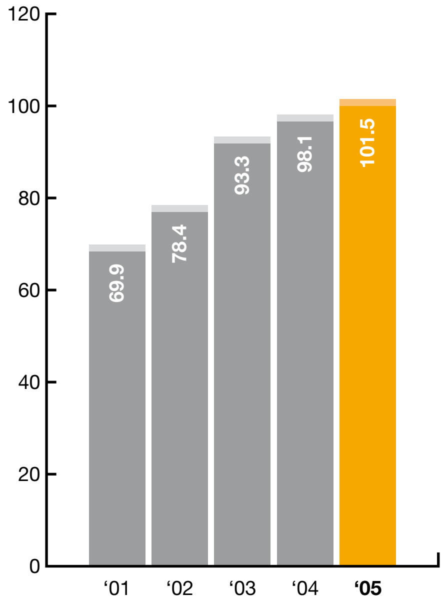
REVENUE (RM Million)
HASIL (RM Juta)



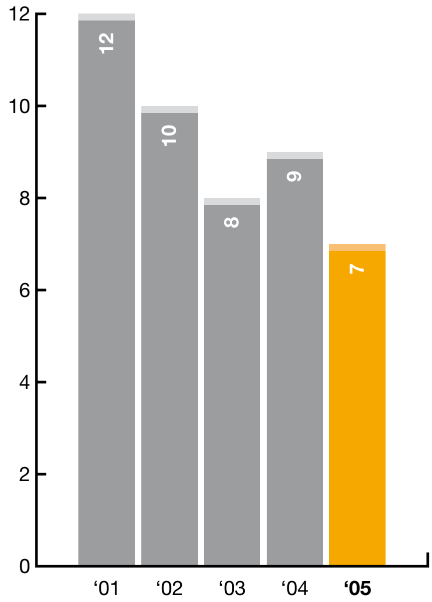
PROFIT BEFORE TAXATION (RM Million)
KEUNTUNGAN SEBELUM CUKAI (RM Juta)



NET ASSET (RM Million)
ASET BERSIH (RM Juta)



NET EARNINGS PER SHARE (SEN)
PENDAPATAN BERSIH SESAHAM (SEN)



Board Of Directors
Lembaga Pengarah

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

Tan Boon Kang
Managing Director /
Pengarah Urusan

Tengku Dato' Seri Baderul Zaman Ibni Almarhum Sultan Mahmud
Executive Director /
Pengarah Eksekutif

Tang Kam Chee
Executive Director /
Pengarah Eksekutif

Lau Pek Kuan
Executive Director /
Pengarah Eksekutif

Tan Chek Siong
Executive Director /
Pengarah Eksekutif

Tan Moon Hwa
Executive Director /
Pengarah Eksekutif

Dato' Raja Haji Ahmad Zainuddin bin Raja Haji Omar
Independent Non-Executive Director /
Pengarah Bebas Bukan Eksekutif

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

Directors' Profile
Profil Para Pengarah

DATO' AHMAD BADRI BIN MOHAMED BASIR

Independent Non-Executive Chairman /
Pengerusi Bebas Bukan Eksekutif
71 years of age / 71 tahun
Malaysian / Warganegara Malaysia

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 the Secretary General of the 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 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 dan Aseamlease Berhad.

TAN BOON KANG

Managing Director /
Pengarah Urusan
48 years of age / 48 tahun
Malaysian / Warganegara Malaysia

He was the founder of the Group and has been the driving force behind the growth of the Group in all its activities in the past 25 years. He was appointed to the Board on 18 March 1996. He has vast experience in the specialist engineering business and was the pioneer in Malaysia for the infamous soil-nailing system which is now the most widely used method of slope protection. He has contributed significantly in elevating the Group to become one of the more established specialist engineering companies in Malaysia and in Hong Kong.

He was instrumental in diversifying the Group's business into property development and has created a very eminent brand name whilst developing a loyal following amongst property buyers in the Klang Valley.

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

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

Beliau ialah pengasas Kumpulan dan tokoh yang menjana pertumbuhan Kumpulan sejak 25 tahun yang lepas. Beliau dilantik menjadi ahli Lembaga pada 18 Mac 1996. Beliau mempunyai pengalaman yang mendalam dalam industri kejuruteraan pakar dan merupakan perintis di Malaysia untuk sistem pemakuan tanah yang terkenal yang kini digunakan secara meluas untuk melindungi lereng. Beliau banyak menyumbang kepada meningkatkan taraf Kumpulan sebagai kumpulan syarikat kejuruteraan pakar yang ternama di Malaysia dan kini di Hong Kong.

Beliau berperanan penting dalam mempelbagaikan perniagaan Kumpulan ke dalam pembangunan hartanah dan berjaya mencipta jenama yang ulung dan mendapat sambutan baik daripada pembeli-pembeli hartanah di Lembah Klang.

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

Isteri beliau - Puan Lau Pek Kuan, adik beliau - Encik Tan Moon Hwa dan anak lelaki beliau - Encik Tan Chek Siong juga adalah ahli-ahli Lembaga.

LAU PEK KUAN

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

She was the co-founder of the Group and was instrumental in developing and implementing the accounting and human resource policies for the Group and its subsidiaries. She was appointed to the Board on 18 March 1996. She has extensive knowledge and experience for procurement of materials in specialist engineering and building construction and currently heads the Group's procurement and operational division. She has been responsible for integrating the Group's operations for effective cost containment measures and maintaining a high level of efficiency for the Group.

She is also a Director of Ken Grouting Sdn Bhd, Ken-Chec Sdn Bhd, Ken Property Sdn Bhd, Ken Projects Sdn Bhd, Khidmat Tulin Sdn Bhd, Support Capital Sdn Bhd, Ken Rimba Jaya Sdn Bhd and Ken Link Sdn Bhd.

She is the spouse of Mr Tan Boon Kang who is the Managing Director of the Company. Her son, Mr Tan Chek Siong also sits on the board.

Beliau ialah pengasas bersama Kumpulan dan berperanan penting dalam pembangunan dan pelaksanaan polisi perakaunan dan sumber manusia untuk Kumpulan dan anak-anak syarikatnya. Beliau dilantik ke Lembaga pada 18 Mac 1996. Beliau mempunyai pengetahuan dan pengalaman yang luas dalam perolehan untuk bahan kejuruteraan pakar dan bahan binaan dan kini mengetuai bahagian perolehan dan operasi. Beliau bertanggungjawab mengintegrasikan operasi Kumpulan dengan memastikan penggunaan kos secara berkesan serta mengekalkan prestasi kualiti Kumpulan yang cemerlang.

Beliau juga merupakan salah seorang pengarah Ken Grouting Sdn Bhd, Ken-Chec Sdn Bhd, Ken Property Sdn Bhd, Ken Projects Sdn Bhd, Khidmat Tulin Sdn Bhd, Support Capital Sdn Bhd, Ken Rimba Jaya Sdn Bhd dan Ken Link Sdn Bhd.

Beliau merupakan isteri kepada En.Tan Boon Kang, Pengarah Urusan Syarikat. Anak lelakinya En. Tan Chek Siong juga adalah ahli Lembaga.

TAN CHEK SIONG

Executive Director / Pengarah Eksekutif
25 years of age / 25 tahun
Malaysian / Warganegara Malaysia

He was appointed to the Board on the 24th February 2006 as an Executive Director. He graduated with a Bachelors of Civil Engineering from the University College London, United Kingdom in 2001 and also received his Graduate Diploma in Law from The College of Law, London, United Kingdom in 2004. He joined the Group in October 2004 as the Special Assistant to the Managing Director.

Prior to joining the Group, he worked with Arup Consulting Engineers in London working in the geotechnical division and subsequently seconded to the GBP 5.6 billion Channel Tunnel Rail Link project, constructing England's first high speed railway lines, a new international station in Stratford, East London, 36km of tunnels under Central London and a new Eurostar terminal at St Pancras.

He currently handles the property development, property management and sales & marketing divisions of the Group. He is also leading these divisions, the property arm of the Group towards achieving MS ISO 9001:2000.

He is the son of Mr Tan Boon Kang and Mdm Lau Pek Kuan who are members of the Board.

Beliau dilantik menganggotai Lembaga Pengarah pada 24 Februari 2006 sebagai Pengarah Eksekutif. Beliau memperolehi Sarjana Muda Kejuruteraan Awam dari Universiti Kolej London, United Kingdom pada tahun 2001 dan menerima Diploma Graduan undang-undang dari Kolej Undang-undang, London, United Kingdom pada tahun 2004. Beliau menyertai Kumpulan dalam bulan Oktober 2004 sebagai Pembantu Khas kepada Pengarah Urusan.

Sebelum menyertai Kumpulan, beliau bekerja di bahagian geoteknikal, Arup Consulting Engineers di London. Beliau kemudiannya, melibatkan diri di dalam projek Channel Tunnel Rail Link yang menelan jumlah kos sebanyak GBP5.6 bilion, pembinaan lantasan keretapi kelajuan tinggi yang pertama di England, sebuah stesen antarabangsa di Stratford, London Timur, terowong sepanjang 36km di bawah Pusat London dan terminal Eurostar baru di St Pancras.

Pada masa ini, beliau mengendalikan bahagian pembangunan hartanah, pengurusan hartanah, dan penjualan dan pemasaran hartanah Kumpulan. Beliau turut menerajui bahagian-bahagian hartanah Kumpulan ini untuk mencapai pengiktirafan MS ISO 9001:2000.

Beliau merupakan anak lelaki Encik Tan Boon Kang dan Puan Lau Pek Kuan yang merupakan ahli-ahli lembaga.

Directors' Profile (cont'd)
Profil Para Pengarah (samb.)

TANG KAM CHEE

Executive Director / *Pengarah Eksekutif*
51 years of age / *51 tahun*
Malaysian / *Warganegara Malaysia*

He was appointed to the Board on 20 February 1998. He is an associate member of the Association of Chartered Certified Accountants and the Institute of Chartered Secretaries and Administrators (UK). He graduated from Kolej Tunku Abdul Rahman with a Diploma in Business Studies and started his career in audit with Hanafiah Raslan Mohamad (merged and now known as Ernst & Young), a public accounting firm in 1977. He has over 20 years experience in accounting, finance, administration and corporate finance. He has worked in a number of industries such as in the beverage business with Fraser & Neave Berhad, motor trade business with Cycle & Carriage Bintang Berhad, financial services with MBf Capital Berhad and property development with Metroplex Berhad. He joined the Group in 1997 as Director, Finance and Administration and currently oversees the corporate and financial operations of the Group.

He is a director of Khidmat Tulin Sdn Bhd, Support Capital Sdn Bhd, KD Management Sdn Bhd, Aunyang Holdings Sdn Bhd, Ken Property Sdn Bhd, Ken Projects Sdn Bhd, Ken Rimba Jaya sdn Bhd, Kenly (HK) Limited, Kenly Engineering Ltd, Success Goal Asia Limited and Classic Scenic Berhad.

Beliau dilantik menganggotai Lembaga Pengarah pada 20 Februari 1998. Beliau merupakan ahli Persatuan Akauntan Bertauliah serta Institute of Chartered Secretaries and Administrators (UK). Beliau memperolehi Diploma Pengajian Perniagaan pada tahun 1997 dari Kolej Tunku Abdul Rahman dan memulakan kerjayanya dalam bidang audit di Hanafiah Raslan Mohamad (kini dikenali sebagai Ernst & Young), sebuah firma akauntan awam pada tahun 1977. Beliau mempunyai lebih daripada 20 tahun pengalaman dalam sektor perakaunan, kewangan, pengurusan dan korporat kewangan. Beliau pernah berkhidmat di beberapa industri seperti perniagaan perdagangan dengan Fraser & Neave Berhad, perniagaan jual beli kereta dengan Cycle & Carriage Bintang Berhad, perkhidmat kewangan dengan MBf Capital Berhad dan berkhidmat dalam bidang pembangunan hartanah di Metroplex Berhad. Beliau menyertai Kumpulan Ken Holdings Berhad pada tahun 1997 sebagai Pergarah, Kewangan dan Pengurusan dan kini menyedia hal koporat dan operasi kewangan Kumpulan.

Beliau juga memegang jawatan sebagai pengarah Khidmat Tulin Sdn Bhd, Support Capital Sdn Bhd, KD Management Sdn Bhd, Aunyang Holdings Sdn Bhd, Ken Rimba Jaya Sdn Bhd, Ken Property Sdn Bhd, Ken Projects Sdn Bhd, TBS Management Sdn Bhd, Ken Link Sdn Bhd, Kenly (HK) Limited, Kenly Engineering Ltd, Success Goal Asia Limited dan Classic Scenic Berhad.

TAN MOON HWA

Executive Director / *Pengarah Eksekutif*
43 years of age / *43 tahun*
Malaysian / *Warganegara Malaysia*

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 business, particularly in the geo-technical sector and structural repair and rehabilitation works. He currently heads the specialist engineering 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, Ken Property Sdn Bhd, Ken Link Sdn Bhd, TBS Management Sdn Bhd and KD 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 kejuruteraan pakar dan telah berupaya memperbaiki teknik untuk mempercepatkan serta mempertingkatkan kecekapan.

Beliau juga merupakan salah seorang Pengarah Ken Grouting Sdn Bhd, Ken-Chec Sdn Bhd, Ken Projects Sdn Bhd, Ken Property Sdn Bhd, Ken Link Sdn Bhd, TBS Management Sdn Bhd dan KD Management Sdn Bhd.

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

DATO' RAJA HAJI AHMAD ZAINUDDIN BIN RAJA HAJI OMAR

Independent Non-Executive Director /
Pengarah Bebas dan Bukan Eksekutif
50 years of age / 50 tahun
Malaysian / Warganegara Malaysia

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.

He is also a director of Muhibbah Engineering (M) Berhad.

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 Pelesenan Pengankutan Awam Malaysia.

Beliau juga memegang jawatan sebagai pengarah Muhibbah Engineering (M) Berhad.

TENGKU DATO' SERI BADERUL ZAMAN IBNI ALMARHUM SULTAN MAHMUD

Executive Director /
Pengarah Eksekutif
31 years of age / 31 tahun
Malaysian / Warganegara Malaysia

He was appointed to the Board on 24 February 2006. He graduated from The American University, UK with a Degree in Business Administration. He started his career with the Berjaya Group Berhad in 1994 as Assistant Manager Group Public Affairs & Administration where he was involved in a number of projects of the Berjaya Group such as the Bukit Tinggi Resort - Pahang, Berjaya Times Square, Desa Waterpark, Kuala Lumpur, Berjaya Redang Resorts – Pulau Redang, Trengganu, etc. In 1999 he was appointed the Special Assistant to the Chairman & CEO of Berjaya Group to oversee the corporate affairs of the Group and also in liaison with the Government bodies.

He joined Ancom Berhad in 2003 and was appointed director of 6 subsidiaries of the Ancom Berhad Group which are involved in shipping and industrial chemical mainly for the oil and gas industry.

He joined the Group in 2005 as an Executive Director and currently oversees the corporate affairs of the Group and liaison with the authorities.

Beliau dilantik menganggotai Lembaga Pengarah pada 24 Februari 2006. Beliau memperolehi Sarjana Muda Pengurusan Perniagaan dari Universiti Amerika, UK. Beliau memulakan kerjayanya di Berjaya Group Berhad dalam tahun 1994 sebagai Penolong Pengurus Hal-Ehwal dan Pentadbiran Kumpulan di mana beliau terlibat dalam beberapa projek Berjaya Group seperti Bukit Tinggi Resort - Pahang, Berjaya Times Square, Desa Waterpark, Kuala Lumpur, Berjaya Redang Resorts – Pulau Redang, Trengganu, dan lain-lain lagi. Dalam tahun 1999, beliau dilantik sebagai Penolong Khas kepada Pengerusi dan Ketua Pegawai Eksekutif Berjaya Group untuk menyelia hal-ehwal korporat Kumpulan dan perhubungan dengan badan-badan Kerajaan.

Beliau menyertai Kumpulan Ancom Bhd dalam tahun 2003 dan dilantik sebagai pengarah 6 buah subsidiary Kumpulan Ancom Berhad yang terlibat dalam perkapalan dan bahan kimia kegunaan industri untuk industri minyak dan gas.

Beliau menyertai Kumpulan pada tahun 2005 sebagai Pengarah Eksekutif dan kini menyedia hal ehwal korporat Kumpulan dan perhubungan dengan badan-badan kerajaan.

Directors' Profile (cont'd)

Profil Para Pengarah (samb.)

SHA THIAM FOOK

Independent Non-Executive Director
/ Pengarah Bebas dan Bukan Eksekutif
55 years of age / 55 tahun
Malaysian / Warganegara Malaysia

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 (now known as Chartered Accountant) in July 1980. He started his own public accountants firm, Sha & Co (now known as Sha, Tan & Co) in 1981.

He is an Independent Non-Executive Director of Maxbiz Corporation Berhad (Maxbiz). He is also the Chairman of the Audit Committee and a member of the Nomination and Remuneration Committees of Maxbiz.

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 (kini dikenali sebagai Akauntan Bertauliah) 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 seorang Pengarah Bukan Esekutif Bebas Maxbiz Corporation Berhad (Maxbiz). Beliau juga merupakan Pengerusi Jawatankuasa Audit dan ahli Jawatankuasa Pencalonan dan Jawatankuasa Ganjaran bagi Maxbiz.

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. *percanggahan minat dengan Syrikat; dan*
3. *sabitan hukuman dalam 10 tahun yang lalu kecuali kesalahan trafik.*

Chairman's Statement
Penyata Pengerusi

DATO' AHMAD BADRI BIN MOHAMED BASIR
Independent Non-Executive Chairman /
Pengerusi Bebas dan Bukan Eksekutif

DEAR VALUED SHAREHOLDERS,

It gives me great pleasure to present to you the 22nd Annual Report and the audited financial statements of Ken Holdings Berhad and its subsidiaries for the financial year ended 31 December 2005.

PARA PEMEGANG SAHAM YANG DIHORMATI,

Dengan suka citanya, saya membentangkan Laporan Tahunan Ke-22 dan penyata-penyata akaun teraudit Ken Holdings Berhad dan anak-anak syarikatnya untuk tahun kewangan berakhir 31 Disember 2005.

INTRODUCTION

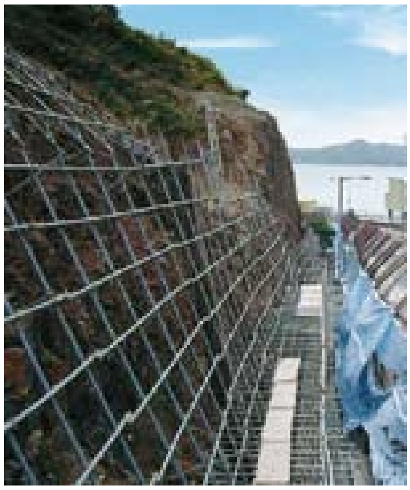
The Malaysian economy remain fairly robust with gross domestic product (GDP) growing by 5.3% in the third quarter of 2005 compared with 4.4% in the preceding quarter despite uncertainties over oil prices. External and domestic demand had contributed positively to the overall GDP growth in 2005 with domestic demand expanding by 4% while external demand grew by 8.4% in the year.

On the whole, the property market in Klang Valley remained active with good take up rate for affordable residential units and exclusive high end residential and commercial development in prime locations.

PENGENALAN

Suasana ekonomi Malaysia terus kukuh berkembang dengan Keluaran Dalam Negeri Kasar (GDP) mencatatkan kadar pertumbuhan sebanyak 5.3% pada suku tahun ketiga berbanding dengan pertumbuhan sebanyak 4.4% pada suku tahun sebelumnya walaupun diselubungi ketidakpastian harga minyak. Permintaan luaran dan domestik menyumbang secara positif kepada pertumbuhan GDP dalam tahun 2005 dengan permintaan domestik berkembang sebanyak 4% sementara permintaan luaran meningkat sebanyak 8.4% dalam tahun tersebut.

Secara keseluruhannya, pasaran hartanah di Lembah Klang kekal aktif dengan permintaan pembelian yang menggalakkan untuk hartanah rumah yang mampu dimiliki dan kediaman mewah yang eksklusif serta pembangunan komersial di lokasi utama.



FINANCIAL REVIEW

For the financial year ended 31 December 2005, the Group recorded a profit before tax of RM7.9 million generated from the consolidated revenue of RM63.4 million. Revenue reduced by 3.4% over the preceding year of RM65.6 million. Net profit for the year at RM6.6 million was below the preceding year of RM8.1 million by 20.4%.

Earnings per share for the year under review was 7.16 sen while net assets per share as at 31 December 2005 was RM1.12.

ULASAN KEWANGAN

Bagi tahun kewangan berakhir 31 Disember 2005, Kumpulan mencatatkan untung sebelum cukai sebanyak RM7.9 juta berdasarkan perolehan yang disatukan sebanyak RM63.4 juta. Perolehan menguncup sebanyak 3.4% berbanding dengan RM65.6 juta. Keuntungan bersih bagi tahun kewangan mencatat RM6.6 juta, iaitu 20.4% lebih rendah daripada catatan RM8.1 juta pada tahun sebelumnya.

Perolehan sesaham untuk tahun kewangan ialah 7.16 sesen manakala aset bersih sesaham pada 31 Disember 2005 ialah RM1.12.

DIVIDEND

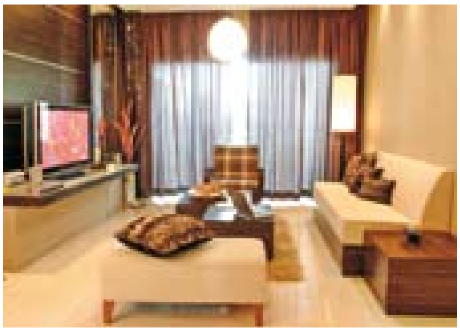
The Board is pleased to recommend a dividend of 5% less income tax of 28% (2004: 5% less income tax 28%) in recognition of your continued support and confidence in us. The dividend shall be subject to shareholders' approval at the forthcoming Annual General Meeting.

DIVIDEN

Lembaga Pengarah dengan suka citanya mencadangkan dividen 5% ditolak 28% cukai pendapatan (2004: 5% ditolak 28% cukai pendapatan) sebagai penghargaan kami atas sokongan dan keyakinan berterusan anda terhadap kami. Dividen ini adalah tertakluk kepada kelulusan pemegang saham pada Mesyuarat Agung Tahunan yang akan datang

Chairman's Statement (cont'd)

Penyata Pengerusi (samb.)



OUTLOOK

Outlook for the property sector would generally remain favourable despite the weakening demand in the housing market and increased competition. The stronger GDP projected at 5.3 % for 2006 would benefit the property sector this year. Malaysia's young demographics would help sustain sales particularly for properties in prime locations and good accessibility. There will likely be an increase in demand for higher end niche properties given the higher level of sales launches lately and encouraging sales pick-up rate.

Barring any unforeseen changes to the global and local operating environment, the Directors are reasonably optimistic of the Group achieving favourable performance in 2006.

PROSPEK

Prospek sektor hartanah pada amnya kekal cerah meskipun permintaan dalam pasaran hartanah rumah kini kurang cergas di samping persaingan yang semakin meningkat. Unjuran GDP pada kadar 5.3% untuk tahun 2006 akan membawa manfaat kepada sektor hartanah. Ciri-ciri demografik generasi muda di Malaysia pula akan terus mendorong pertumbuhan pasaran hartanah, terutamanya untuk hartanah-hartanah di lokasi utama yang mempunyai akses yang unggul. Permintaan untuk hartanah mewah ceruk dijangka meningkat memandangkan kekerapan kempen pelancaran yang tinggi dan kadar pemilikan yang memberangsangkan.

Melainkan berlakunya perubahan yang tidak dijangka dalam suasana perdagangan dalam negara dan di peringkat global, para pengarah bersikap optimistik bahawa Kumpulan akan mencapai prestasi yang memuaskan dalam tahun 2006.

CORPORATE GOVERNANCE

The Board is committed in ensuring that the Group practices the highest level of corporate governance in accordance with the Malaysian Code of Corporate Governance. We also recognise that corporate governance is a continuous process and requires periodic review and refinement. A detailed corporate governance statement can be found on pages 25 to 30 of this Annual Report.

URUS TADBIR KORPORAT

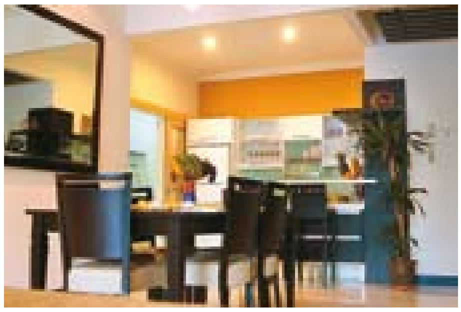
Lembaga Pengarah komited dalam usaha memastikan Kumpulan mengamalkan tahap urus tadbir korporat yang tertinggi menurut Kod Urus Tadbir Korporat Malaysia. Kami juga mengiktiraf bahawa urus tadbir korporat adalah suatu proses yang berterusan dan memerlukan semakan dan penghalusan berkala. Penyata urus tadbir yang terperinci boleh dirujuk pada muka surat 25 hingga 30 dalam Laporan Tahunan ini.

ACKNOWLEDGEMENTS

I would like to take this opportunity to thank Mr Loo Pak Soon who is leaving the Board for his invaluable contribution and support during his tenure with the Board.

On behalf of the Board, we welcome Mr Tan Chek Siong and Tengku Dato' Seri Baderul Zaman Ibni Almarhum Sultan Mahmud to the Board and we look forward to their contributions in bringing forth their skills and experience to add value to the Company for its shareholders.

I would also like to take this opportunity to thank all those who have supported and believe in us over the years, be they customers, shareholders, the authorities, suppliers, bankers or the general public. Last but not least, I would like to thank my fellow board members, the management and all staff for their contributions and commitment towards the Company.



PENGHARGAAN

Saya ingin mengambil kesempatan ini mengucapkan terima kasih kepada Encik Loo Pak Soon yang meninggalkan Lembaga Pengarah atas sumbangan dan sokongannya yang tidak ternilai semasa beliau berada di Lembaga.

Bagi pihak Lembaga, saya mengalu-alukan Encik Tan Chek Siong dan Tengku Dato' Seri Baderul Zaman Ibni Almarhum Sultan Mahmud ke Lembaga dan kami mengharapkan kemahiran dan pengalaman mereka dapat menambah nilai kepada Syarikat dan para pemegang saham.

Saya juga ingin merakamkan penghargaan kepada semua yang telah mencurahkan sokongan dan keyakinan mereka kepada kami selama ini, sama ada pelanggan, pemegang saham, badan berkanun, pembekal, jurubank atau masyarakat awam. Akhir kata, saya juga mengucapkan terima kasih kepada rakan ahli Lembaga, pihak pengurusan dan semua kakitangan Syarikat atas sumbangan dan komitmen mereka kepada Syarikat.

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

Kuala Lumpur
3 April 2006

Managing Director's Review Of Operations
Tinjauan Operasi Oleh Pengarah Urusan

TAN BOON KANG

Managing Director /
Pengarah Urusan

INTRODUCTION

With the effects of soaring oil prices and rising interest rates, 2005 was expected to be a challenging year globally. As the year draw to a close, prospects seemed to look brighter. Driven by strong growth in the services and manufacturing sectors, the Malaysian economy expanded by 5.3% in the third quarter of 2005. Gross domestic product (GDP) growth continued to be lead by these sectors and private consumption expenditure remained a significant source of growth, rising by 10.4%. A stable labour market, competitive credit environment and high commodity prices continue to support consumer spending.

PENGENALAN

Harga minyak yang melambung tinggi dan kadar faedah yang meningkat menjadikan tahun 2005 tahun yang mencabar bagi syarikat-syarikat di seluruh dunia. Dengan tahun tersebut menutup tirainya, prospek tahun depan tampak cerah. Didorong oleh pertumbuhan yang pesat dalam sektor perkhidmatan dan pembuatan, ekonomi Malaysia berkembang sebanyak 5.3% dalam suku ketiga tahun 2005. Pertumbuhan Keluaran Dalam Negeri Kasar (GDP) terus diterajui oleh sektor-sektor ini dan perbelanjaan swasta kekal menjadi penyumbang utama dengan peningkatan sebanyak 10.4%. Pasaran buruh yang stabil, suasana kredit yang kompetitif dan harga komoditi utama yang tinggi terus menyokong pertumbuhan perbelanjaan pengguna.

CONSTRUCTION AND SPECIALIST ENGINEERING OPERATIONS

Our specialist engineering activities in slope stabilisation works is on going and the Group through its subsidiary is actively pursuing new specialist engineering projects from the Hong Kong government.

The major contribution to our construction activities is from in-house projects in Seri Kembangan and SS2, Petaling Jaya. With the Group's on-going and planned property development projects in the Klang Valley, the construction operations will be actively involved in our development projects for the next few years.

With the implementation of the Ninth Malaysia Plan (9MP) by the government, the spin-off of the 9MP will benefit the construction industry in general and the Malaysian economy as a whole, will be able to generate additional activities for the Group.

OPERASI PEMBINAAN DAN KEJURUTERAAN PAKAR

Aktiviti kejuruteraan pakar dalam kerja-kerja penstabilan cerun kami masih bergiat dan Kumpulan melalui subsidiarinya sedang berusaha mendapatkan projek baru daripada kerajaan Hong Kong.

Penyumbang utama kepada aktiviti-aktiviti pembinaan kami adalah projek-projek milik Syarikat sendiri di Seri Kembangan dan SS2, Petaling Jaya. Dengan projek-projek pembangunan yang sedia ada dan telah dirancang di Lembah Kelang, operasi pembinaan akan terus bergiat dalam pembangunan projek Kumpulan untuk beberapa tahun akan datang.

Dengan pelaksanaan Racangan Malaysia Kesembilan (9MP) oleh kerajaan Malaysia, suntikan baru 9MP akan membawa manfaat kepada industri pembinaan secara amnya dan kepada ekonomi Malaysia secara keseluruhannya. Ini seterusnya akan menjana aktiviti-aktiviti baru untuk Kumpulan.

PROPERTY DEVELOPMENT OPERATIONS

Despite the softening of the property sector in certain parts of the country, prices of residential property remained reasonably strong. This was evidently so in the location of our properties offerings, which are not only strategically close to the respective city centres but also exceptionally well-planned in terms of facilities, augmented by easy access and excellent infrastructure.

Our Ken Damansara 2 condominium project has progressed according to schedule and shall be completed and handed-over by the third quarter of 2006, about 8 to10 months ahead of schedule. Ken Damansara 3 condominium which was launched in 2005 received overwhelming response while Ken Aman Terrace, a 2 1/2 storey link-house project in Sri Kembangan which is in the final stages of completion, is expected to be launched in 2006 on a "build and sell" concept where the units will be ready for hand-over at the time of sale. Ken Bangsar service apartments, a luxury residential project in Bukit Bandaraya, Bangsar, which is located at the peak of Bukit Bandaraya has been planned for commencement in 2006. With our on-going property development projects in the Klang Valley, the projects will take us through the next five years consisting of mixed residential and commercial development.

Planning towards maintaining a more stable and sustainable level of income in the long term for the Group, a majority of the units in Ken Bangsar service apartments, a luxury residential project in Bukit Bandaraya, Bangsar, shall be held for investment to generate recurring rental income.

In Shah Alam, we are assisting the state authorities in relocating the existing squatters and the construction of the low cost apartments is expected to progress in 2006.

OPERASI PEMBANGUNAN HARTANAH

Walaupun sektor hartanah kurang menggalakkan di kawasan-kawasan tertentu, harga hartanah perumahan masih kukuh. Ini jelas di lokasi-lokasi hartanah Syarikat yang bukan sahaja terletak secara strategik berhampiran pusat-pusat bandar, malah hartanah-hartanah ini dirancang rapi dengan pelbagai kemudahan, akses mudah dan infrastruktur yang lengkap.

Projek Ken Damansara 2 kini berjalan lancar mengikut jadual. Ia akan disiapkan dan diserah kepada pemilik pada suku ketiga tahun 2006, iaitu 8 hingga 10 bulan lebih awal daripada yang dirancang. Kondominium Ken Damansara 3 yang dilancarkan dalam tahun 2005 menerima sambutan yang hangat manakala Ken Aman Terrace, rumah teres dua setengah tingkat di Sri Kembangan yang kini berada di fasa terakhir penyempurnaan, akan dilancarkan dalam tahun 2006. Ia berkonsepkan "bina dulu jual kemudian" di mana unit-unit ini akan sedia diserahkan kepada pembeli apabila kempen jualan dilancarkan. Apartmen servis Ken Bangsar, sebuah projek perumahan mewah di Bukit Bandaraya, Bangsar, yang terletak di puncak Bukit Bandaraya telah dirancang untuk dimulakan dalam tahun 2006. Dengan projek-projek pembangunan yang kini sedang dilaksanakan di Lembah Klang, projek-projek ini akan mengisi jadual Kumpulan untuk lima tahun akan datang.

Demi menikmati sumber pendapatan yang stabil dan berterusan dalam jangka panjang, sebilangan besar unit-unit apartmen servis Ken Bangsar, sebuah projek perumahan mewah di Bukit Bandaraya, Bangsar, akan dipegang sebagai pelaburan untuk menjana pendapatan sewa untuk Kumpulan.

Di Shah Alam, kami kini sedang membantu pihak berkuasa negeri menempatkan semula setinggan yang sedia ada agar pembinaan apartmen kos rendah dapat dimulakan dalam tahun 2006.

Managing Director's Review Of Operations (cont'd)
Tinjauan Operasi Oleh Pengarah Urusan (samb.)

COMMITMENT TO COMMUNITY

As a Malaysian corporate citizen with a long established history in the country and having celebrated its 25th anniversary in 2005, the Group strongly believes in contributing positively to the Malaysian society. Having established Ken Foundation, a charitable trust foundation in 2005, the Board has approved the continued allocation of funds to the foundation to provide scholarships to deserving Malaysian students to fund their education at local universities. The foundation, which is managed by a board of trustees which include members from the public will work towards achieving academic excellence for all Malaysians in the relevant sectors to groom a team of professionals to further strengthen the Group.

KOMITMEN TERHADAP KOMUNITI

Sebagai warga korporat yang bertanggungjawab, berprestasi cemerlang dan baru menyambut ulang tahun ke-25nya pada tahun 2005, Kumpulan berpegang teguh kepada kepercayaan untuk menyumbang secara positif kepada masyarakat Malaysia. Dengan Yayasan Ken, sebuah tabung kebajikan yang ditubuhkan pada tahun 2005, Lembaga telah meluluskan peruntukan yang berterusan untuk yayasan tersebut bagi menawarkan biasiswa kepada penuntut warga Malaysia yang layak dan telah diterima masuk untuk pengajian tinggi dalam universiti tempatan. Yayasan ini diuruskan oleh sebuah lembaga pemegang amanah yang terdiri daripada ahli-ahli masyarakat umum. Objektif yayasan ini ialah memartabatkan pencapaian akademik untuk semua warga Malaysia dalam sektor-sektor yang berkenaan di samping melengkapkan generasi baru ahli profesional yang bakal mengukuhkan lagi kewibawaan Kumpulan.

Tan Boon Kang
Managing Director
Pengarah Urusan

Kuala Lumpur
3 April 2006

Statement Of Corporate Governance

The Board of Directors ("Board") is committed to ensure that the highest standards of corporate governance are observed throughout the Group so that the affairs of the Group are conducted with integrity and professionalism with the objective of safeguarding shareholders' investment and ultimately enhancing shareholders value.

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 Malaysian Code of Corporate Governance ("Code"). These principles and best practices have been applied and complied with throughout the financial year ended 31 December 2005.

DIRECTORS

Board of Directors

The Board has overall responsibilities 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 they 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, strategic planning and implementation of such strategies as may be approved by the Board.

Composition of the Board

The Board had eight (8) members, comprising four (4) Non-Executive Directors and four (4) Executive Directors during financial year ended 31 December 2005.

In 2006, two (2) new directors were appointed to the Board while one (1) Director resigned. The Board currently has nine (9) directors of which four (4) 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 10 to 14 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 2005, the Board met on five (5) occasions, where it deliberates on a variety of matters including the Group's results, major investments and strategic decisions and direction of the Group.

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.

The main committees of the Board include the Audit Committee, Nomination Committee, Remuneration Committee and the Option Committee (Employees' Share Option Scheme).

Record of each Director's meeting attendance for financial year ended 31 December 2005 is contained in the table below:-

Director	Board	Audit Committee	Nomination Committee	Remuneration Committee
Dato' Haji Ahmad Badri bin Mohamed Basir	(5/5)^	(5/5)^	(1/1)^	(1/1)^
Mr Tan Boon Kang	(5/5)^	(5/5)^		(1/1)^
Mr Sha Thiam Fook	(5/5)^	(5/5)^	(1/1)^	(1/1)^
Mdm Lau Pek Kuan	(5/5)^			
Mr Tan Moon Hwa	(5/5)^			
Mr Tang Kam Chee	(5/5)^			
Mr Loo Pak Soon (Resigned - 24 February 2006)	(5/5)^		(1/1)^	
Dato' Raja Haji Ahmad Zainuddin bin Raja Haji Omar	(3/5)^			

Note: ^ denote membership and ( ) indicate meetings attended out of total scheduled since the beginning of the financial year.

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.

All scheduled meetings held during the year were preceded with a formal agenda issued by the Company Secretary and prior to the meeting of the Board and the Board Committees, Board papers which include 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

Procedures relating to the appointment and re-election of Directors are contained in the Company's Articles of Association. New appointees will be considered and reviewed by the Nomination Committee. The Nomination Committee will then recommend the candidates to be approved and appointed by the Board. The Company Secretary shall ensure that all regulatory obligations are met.

New Directors are subject to election at the Annual General Meeting (AGM), following their first appointment. In addition, an election of Directors shall take place each year and all Directors shall retire from office 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

Directors who have served in financial year 2005 have completed the Mandatory Accreditation Programme prescribed by Bursa Malaysia Securities Berhad (Bursa Malaysia). The Directors will continue to undergo other relevant training programmes as appropriate to keep abreast with developments on a continuous basis in compliance with Bursa Malaysia Listing Requirements.

The list of training seminars attended by the Directors' during financial year ended 31 December 2005 are detailed below:-

Name of Director		Forum/Workshop/ Course/ Seminar attended	Mode of Training	Time Spent
Dato'Ahmad Badri bin Mohamed Basir	1	GST Implementation – an overview	Briefing	½ day
Tan Boon Kang	1	Practical Aspects in Conducting General meetings of PLCs	Seminar	½ day
	2	Accounting for Construction Contracts and Property Development Activities	Course	1 day
	3	Internal Control Guidelines [Methodology for the Evaluation of Risk in Corporate Governance]	Training Programme	1 day
Lau Pek Kuan	1	Strategic Corporate Planning for Company Directors and Senior Management	Seminar	1 day
	2	Accounting for Construction Contracts and Property Development Activities	Course	1 day
Tan Moon Hwa	1	Tax Audit & Investigation in Malaysia	Seminar	2 days
	2	How to avoid poorly prepared circular	Course	½ day
Tang Kam Chee	1	Tax Audit & Investigation in Malaysia	Seminar	2 days
Sha Thiam Fook	1	Deferred Taxation	Workshop	1 day
Dato' Raja Haji Ahmad Zainuddin bin Raja Haji Omar	1	Management Anti-Fraud Program & Control-Guidance to Help Prevent & Deter Fraud	Seminar	1 day
	2	Organising and Influencing at Board Level	Seminar	1 day
Loo Pak Soon	1	Annual Executive Tax Briefing	Briefing	½ day
	2	Strategic Enterprise Governance: Risk Management and Performance Management Programme	Seminar	2 days

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 33 to 35 of this Annual Report.

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 of the following members:-

1. Dato'Ahmad Badri bin Mohamed Basir;
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;
3. Mr Loo Pak Soon (Resigned - 24 February 2006);
4. Dato' Raja Haji Ahmad Zainuddin bin Raja Haji Omar

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;
3. Dato'Ahmad Badri bin Mohamed Basir.

The Remuneration Committee is entrusted with the role of determining and recommending 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.

The remuneration of the Non-Executive Directors consist of fees and allowances for their services in connection with Board and Board Committee meetings. They do not have contracts and do not participate in any share option scheme of the Group.

e. Directors Remuneration

An analysis of the aggregate Directors remuneration of the Company for the year ended 31 December 2005 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	46	1,126	193	1,405
Non-executive	40	-	51	-	91
	80	46	1,177	193	1,496

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
RM150,001 - RM200,000	1	
RM200,001 - RM250,000	2	
RM700,001 - RM750,000	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 and quarterly results 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. 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 as possible.

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.

Bursa Malaysia 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 Bursa Malaysia web-site at http://anouncements.bursamalaysia.com.my. The Company also maintains its website that allows all shareholders and investors access to information about the Group at http://www.kenholdings.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 annual audited 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. 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 pages 33 to 35 of this Annual Report.

A summary of the activities of the Audit Committee during the year are set out in the Audit Committee report on pages 33 to 35 of this Annual Report.

Statement of Internal Control

The Statement of Internal Control furnished on pages 31 to 32 of this 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 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 dated 17 March 2006

Statement Of Internal Control

The Malaysian Code of Corporate Governance sets out as a principle 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 Bursa Malaysia Securities Berhad ("Bursa Malaysia") Listing Requirements, the Board set out below the nature and scope of internal control of the Group during the year.

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 Control, 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 Group conducts an annual risk assessment exercise in the identification and evaluation of the significant risks affecting the Company and one of its significant subsidiary, Ken Grouting Sdn Bhd (KGSB). During the year six risk areas were selected for review and a general review was performed on the other risk areas. The risk profile of the Company and KGSB together with the Risk Register were updated and presented in the RMC meeting.

The risk assessment was subsequently reviewed and approved by the Audit Committee and the Board respectively in February 2006.

INTERNAL AUDIT FUNCTION

The internal audit function reports its findings to the Audit Committee of the Company. The Audit Committee examines the Group's system of internal control primarily through reviews of reports on risk assessment exercise performed by the RMC and reports from the internal audit function.

During the year, it was decided that the internal audit function would be conducted internally and an Internal Auditor was appointed in the last quarter of 2005. The newly appointed Internal Auditor has conducted a review on selected significant risk areas of the Company and KGSB in the last quarter of the year. The internal audit findings were presented to the Audit Committee and the Board in February 2006.

Statement Of Internal Control (cont'd)

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 defined lines of accountability and authority for all aspects of the business;
- management/project committee meetings are held monthly to identify, discuss and resolve operational, financial and key management issues;
- budget is prepared for each subsidiary and reviewed by the Managing Director;
- management reports are prepared monthly and monitored against budget on a quarterly basis;
- Board Committees comprising Audit Committee, Nomination Committee, Remuneration Committee, Option Committee, Management/Project Committee and Risk Management Committee with 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. ISO audits are conducted on a quarterly / half yearly basis for Kenly / KGSB respectively 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 reviews the quarterly results before approval by the Board for public releases. The Audit Committee also reviews the audit findings of the external auditors, the annual financial statements and Annual Report of the Group;
- The Group has an internal audit function with the primary responsibility to assure the Board, via the Audit Committee, that stringent internal control systems are fully implemented. In providing this assurance, the internal audit function undertook audit reviews on selected significant risk areas during the year and submits its findings to the Audit Committee. The annual audit plan has been reviewed and approved by the Audit Committee; and
- Appointment of suitable employees with the required qualification and experience to fulfill their responsibilities and to provide education, training and development to enhance employees' skills and to reinforce such qualities.

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 17 March 2006.

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 2005, the Committee comprises the following three directors:-

Chairman	: Sha Thiam Fook (MIA member)	(Independent Non-Executive Director)
Members	: Dato' Ahmad Badri bin Mohamed Basir	(Independent Non-Executive Director)
	: 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 Bursa Malaysia Securities 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.

Functions

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 Auditor's 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 matters as directed by the Board.

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 Meeting

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 five times during the financial year ended 31 December 2005. 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
Sha Thiam Fook (Chairman) *(Independent Non-Executive Director)*	5	5
Dato' Ahmad Badri bin Mohamed Basir (Member) *(Independent Non-Executive Director)*	5	5
Tan Boon Kang (Member) *(Managing Director)*	5	5

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 year end results, 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 2005

The Audit Committee carried out its duties in accordance with its Terms of Reference. During the financial year ended 31 December 2005, 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 31/12/2004, 31/3/2005, 30/6/2005 and 30/9/2005 prior to submission to the Board of Directors for consideration and approval;

(b) reviewed the year end financial statements ended 31 December 2004;

(c) reviewed the External Auditors' reports for the financial year ended 31 December 2004 in relation to audit and accounting issues arising from the audit;

(d) reviewed the Audit Committee Report, Corporate Governance Statement and Statement of Internal Control for the financial year ended 31 December 2004 and recommended its adoption to the Board;

(e) reviewed the Risk Assessment Report of the Company and its wholly-owned subsidiary, Ken Grouting Sdn. Bhd.("KGSB");

(f) reviewed Internal Audit Report and Risk Profiles of KGSB prepared by the consultant; and

(g) considered the nomination of the External Auditors for recommendation to the Board for re-appointment.

INTERNAL AUDIT FUNCTION

In 2005, the Company set up its own internal audit function. The Internal Auditor conducts review on the state of internal control of the significant entities of the Group with recommended improvements to the existing system of controls and reports her findings to the Audit Committee. Internal audit reports prepared by the Internal Auditor were circulated to all members of the Audit Committee, reviewed and discussed at Audit Committee meetings.

STATEMENT BY AUDIT COMMITTEE ON THE GROUP'S EMPLOYEES' SHARE OPTION SCHEME ("ESOS")

(Pursuant to Paragraph 8.21A of the Listing Requirements of Bursa Malaysia Securities Berhad)

During the financial year, there was no option offered to Non-Executive Directors pursuant to the Group's ESOS.

Laporan Jawatankuasa Audit

PENUBUHAN DAN KOMPOSISI

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

Bagi tahun berakhir 31 Disember 2005, Ahli-ahli Jawatankuasa audit adalah seperti berikut:-

Pengerusi	*: Sha Thiam Fook (ahli MIA)*	*(Pengarah bebas bukan eksekutif)*
Ahli-ahli	*: Dato' Ahmad Badri bin Mohamed Basir*	*(Pengerusi bebas bukan eksekutif)*
	: Tan Boon Kang	*(Pengarah Urusan)*

BIDANG RUJUKAN

Keahlian

1. *Ahli-ahli mestilah dipilih daripada kalangan para pengarahnya. Ahli-ahli Jawatankuasa mestilah terdiri daripada sekurang-kurangnya 3 orang ahli. Majoriti ahli-ahli mestilah di kalangan pengarah-pengarah bebas.*

2. *Sekurang-kurangnya seorang ahli Jawatankuasa Audit mestilah seorang ahli Institut Akauntan Malaysia (MIA); atau sekiranya beliau bukan ahli MIA, beliau mestilah mempunyai sekurang-kurangnya tiga (3) tahun pengalaman berkerja; dan beliau mestilah lulus peperiksaan seperti yang terkandung dalam Bahagian 1 Jadual 1 Akta Akauntan 1967; atau beliau hendaklah seorang ahli persatuan akauntan seperti yang dinyatakan dalam Bahagian II Jadual 1 Akta Akauntan 1967.*

3. *Tiada Pengarah Pengganti boleh dilantik sebagai Ahli Jawatankuasa Audit.*

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 dunia, atau atas apa-apa sebab lain berhenti menjadi seorang ahli dan menyebabkan Keperluan Penyenaraian Bursa Malaysia Securities 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 (3) tahun.*

Kuasa

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

(a) *menyiasat sebarang perkara dalam bidang rujukan Jawatankuasa Audit.*

(b) *mempunyai sumber-sumber yang diperlukan untuk melaksanakan kewajipannya;*

(c) *mempunyai akses penuh dan tidak terbatas kepada mana-mana maklumat Syarikat dan anak-anak syarikatnya;*

(d) *mempunyai saluran komunikasi langsung dengan Juruaudit Luar dan individu (individu-individu) yang menjalankan fungsi atau kegiatan audit dalaman (jika ada);*

(e) *mendapat nasihat guaman dan lain-lain professional bebas dan mendapatkan kehadiran pihak luar yang mempunyai pengalaman dan kepakaran yang berkaitan jika dianggap perlu;*

(f) *mengadakan mesyuarat dengan Juruaudit Luar, tanpa kehadiran ahli-ahli eksekutif, bila sahaja dianggap perlu.*

Fungsi-fungsi

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

(a) Sebarang perkara berkenaan dengan perlantikan dan penyingkiran juruaudit luar dan yuran audit;

(b) Sifat dan skop audit yang digunakan oleh juruaudit luar sebelum audit dimulakan;

(c) Laporan juruaudit luar, perkara-perkara dalam perhatian yang timbul daripada audit serta perkara-perkara lain yang mungkin perlu dibincangkan oleh juruaudit luar (tanpa kehadiran pihak pengurusan, sekiranya perlu);

(d) Sebarang maklumat kewangan yang akan diumumkan, termasuk penyata kewangan suku tahunan dan tahunan, sebelum ia dikemukakan kepada Lembaga;

(e) Surat Pengurusan juruaudit luar dan respons daripada pihak pengurusan;

(f) Kecukupan skop, fungsi-fungsi dan sumber-sumber fungsi audit dalaman, dan sama ada ia mempunyai kuasa yang diperlukan untuk menjalankan tugas mereka;

(g) Rancangan audit dan program kerja audit dalaman;

(h) Penemuan dari kerja audit dalaman dan respons daripada pihak pengurusan;

(i) Sebarang penaksiran atas kawalan dalaman oleh juruaudit;

(j) Tahap kerjasama dan bantuan yang diberikan oleh kakitangan kepada juruaudit luar;

(k) Kesesuaian sebarang urusniaga pihak berkaitan dan keadaan konflik kepentingan yang mungkin timbul di dalam Syarikat atau Kumpulan; dan

(l) Sebarang perkara yang diarahkan oleh Lembaga.

Penyeliaan Fungsi Audit Dalaman

1. *Jawatankuasa hendaklah menyelia segala fungsi audit dalaman dan diberi kuasa untuk mengarahkan penyiasatan dijalankan oleh audit dalaman sekiranya dianggap sesuai.*
2. *Juruaudit dalaman membuat laporan terus kepada Jawatankuasa dan mestilah mempunyai akses kepada Pengerusi Jawatankuasa.*
3. *Segala cadangan oleh pihak pengurusan berkenaan dengan perlantikan, pemindahan atau pemecatan juruaudit dalaman hendaklah diluluskan oleh Jawatankuasa terlebih dahulu.*

Kuorum Untuk Mesyuarat

Kuorum hanya boleh dikira tercapai sekiranya majoriti ahli yang menghadiri mesyuarat merupakan pengarah bebas.

Mesyuarat

Jawatankuasa hendaklah bermesyuarat sekurang-kurangnya empat (4) kali setahun.

Jawatankuasa Audit telah bermesyuarat sebanyak lima kali sepanjang tahun kewangan berakhir 31 Disember 2005. Butir-butir mengenai kehadiran mesyuarat Jawatankuasa Audit adalah seperti berikut:

Nama Ahli	***Jumlah Mesyuarat Yang Diadakan Dalam Tempoh Jawatan Ahli***	***Kehadiran***
Sha Thiam Fook (Pengerusi) (Pengarah Bebas Bukan Eksekutif)	5	5
Dato' Ahmad Badri bin Mohamed Basir (Ahli) (Pengerusi Bebas Bukan Eksekutif)	5	5
Tan Boon Kang (Ahli) (Pengarah Urusan)	5	5

Laporan Jawatankuasa Audit *(samb.)*

Pengarah Eksekutif Kewangan dan Pentadbiran Syarikat biasanya dijemput untuk menghadiri semua mesyuarat. Seorang wakil Juruaudit Luar juga dijemput untuk menghadiri mesyuarat untuk mempertimbangkan keputusan akhir tahun, penyata kewangan yang diaudit 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 2005

Jawatankuasa Audit telah menjalankan tugasnya mengikut Bidang Rujukan. Sepanjang tahun kewangan berakhir 31 Disember 2005, aktiviti-aktiviti Jawatankuasa Audit adalah seperti berikut:

- *(a) Mengkaji keputusan kewangan suku tahunan dan pengumuman Syarikat dan Kumpulan bagi suku tahun kewangan berakhir 31/12/2004, 31/3/2005, 30/6/2005 dan 30/9/2005 sebelum dikemukakan kepada Lembaga Pengarah untuk pertimbangan dan kelulusan;*
- *(b) Mengkaji semula penyata kewangan tahunan berakhir 31 December 2004;*
- *(c) Mengkaji semula laporan juruaudit luar bagi tahun kewangan berakhir 31 December 2004 berkenaan dengan isu-isu audit dan perakaunan yang timbul dari pengauditan;*
- *(d) Mengkaji Laporan Audit Dalaman, Penyata Urus Tadbir Korporat, Penyata Kawalan Dalaman untuk tahun kewangan berakhir 31 Disember 2004 dan mengesyorkannya kepada Lembaga Pengarah untuk diterima pakai.*
- *(e) Mengkaji Laporan Penilaian Pengurusan Risiko Syarikat dan subsidiari milik penuhnya, Ken Grouting Sdn Bhd ("KGSB");*
- *(f) Mengkaji Penyata Kawalan Dalaman dan Profil Risiko KGSB yang disediakan oleh pakar runding.*
- *(g) Mempertimbangan pencalonan juruaudit luar untuk disyorkan kepada Lembaga Pengarah untuk perlanti*kan.

FUNGSI AUDIT DALAMAN

Pada tahun 2005, Syarikat telah menubuhkan fungsi audit dalamannya sendiri. Juruaudit dalaman menjalankan penilaian terhadap tahap kawalan dalaman dalam Kumpulan berdasarkan profil risiko Kumpulan dan melaporkan penemuannya kepada Jawatankuasa Audit. Laporan-laporan audit dalaman yang disediakan oleh Juruaudit Dalaman diedarkan kepada semua ahli Jawatankuasa Audit untuk dikaji dan dibincangkan di Mesyuarat-mesyuarat Jawatankuasa Audit.

PENYATAAN JAWATANKUASA AUDIT ATAS SKIM OPSYEN SAHAM PEKERJA KUMPULAN ("ESOS")

(Menurut Perenggan 8.21A Syarat-syarat Penyenaraian Bursa Malaysia Securities Berhad)

Sepanjang tahun kewangan, tiada opsyen ditawarkan kepada Pengarah-pengarah Bukan Eksekutif untuk ESOS Kumpulan.

Additional Disclosure Information

UTILISATION OF PROCEEDS

No proceeds were raised by the Company from any corporate proposal during the financial year ended 31 December 2005.

SHARE BUY-BACK

Mandate for the share buy-back of the Company's shares was approved by the shareholders at the Extraordinary General Meeting held on 19 May 2005. the Company has not bought back any Company's shares during the financial year ended 31 December 2005.

OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

During the financial year ended 31 December 2005, 10,000 share options were exercised pursuant to the Group's Employees' Shares Option Scheme (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 2005, 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 external auditors by the Company and its subsidiaries for the financial year ended 31 December 2005 amounted to RM7,000.

VARIATION IN RESULTS

There was no material variance between the audited results for the financial year 31 December 2005 and the unaudited results previously announced.

PROFIT GUARANTEE

The Company did not issue any profit guarantee during the financial year ended 31 December 2005.

MATERIAL CONTRACTS

Save as disclosed in Note 28 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 2005 or entered into since the end of previous financial year.

Maklumat Pendedahan Tambahan

PENGUNAAN PEROLEHAN

Tiada perolehan yang dikemukakan oleh syarikat bagi cadangan korporat sepanjang tahun kewangan berakhir 31 Disember 2005.

BELI-BALIK SAHAM

Mandat untuk membeli balik saham Syarikat telah diluluskan oleh para pemegang saham di Mesyuarat Agung Luar Biasa pada 19 Mei 2005. Syarikat belum membeli balik mana-mana saham Syarikat sepanjang tahun kewangan berakhir 31 Disember 2005.

OPSYEN, WARAN ATAU SEKURITI BOLEH TUKAR

Sepanjang tahun kewangan berakhir 31 Disember 2005, sebanyak 10,000 opsyen telah dilaksanakan menurut Skim Opsyen Saham Pekerja (ESOS).

Syarikat tidak mengeluarkan waran atau sekuriti boleh tukar.

PROGRAM RESIT DEPOSITORI AMERIKA ("ADR") ATAU PROGRAM RESIT DEPOSITORI GLOBAL ("GDR")

Sepanjang tahun kewangan berakhir 31 Disember 2005, syarikat tidak menaja program ADR atau GDR.

PENGENAAN SEKATAN/HUKUMAN

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

YURAN BUKAN AUDIT

Yuran bukan audit yang dibayar kepada juruaudit luaran oleh syarikat dan subsidiari-subsidiarinya bagi tahun berakhir 31 Disember 2005 adalah RM7,000.

VARIASI KEPUTUSAN

Tiada varians penting di antara keputusan teraudit bagi tahun kewangan berakhir 31 Disember 2005 dan keputusan belum diaudit yang diumumkan terdahulu.

JAMINAN KEUNTUNGAN

Syarikat tidak mengeluarkan apa-apa jaminan keuntungan sepanjang tahun kewangan berakhir 31 Disember 2005.

KONTRAK MATERIAL

Kecuali mana yang dibentangkan dalam Nota 28 kepada Penyata Kewangan mengenai urusniaga 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 2005 atau ditandatangani sejak berakhir tahun kewangan sebelumnya.

Financial Statements
Laporan Kewangan

Directors' Report

For The Year Ended 31 December 2005

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 2005.

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 5 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	6,462	5,116

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 totalling RM2,166,840 in respect of the year ended 31 December 2004 on 1 June 2005.

A first and final dividend of 5% less tax totalling RM3,250,260 in respect of the year ended 31 December 2005 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
Tang Kam Chee
Dato' Raja Haji Ahmad Zainuddin bin Raja Haji Omar
Tan Chek Siong (appointed by 24.2.06)
Tengku Dato' Seri Baderul Zaman Ibni Almarhum Sultan Mahmud (appointed by 24.2.06)
Loo Pak Soon (resigned 24.2.06)

DIRECTORS OF THE COMPANY (cont'd)

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:

	Number of ordinary shares of RM1 each			
	At	Bought/		At
Company	1.1.2005	Bonus Issue	Sold	31.12.2005
	'000	'000	'000	'000
Direct interest				
Tan Boon Kang	**5,163**	2,582	-	**7,745**
Lau Pek Kuan	**39**	20	-	**59**
Tan Moon Hwa	**538**	268	-	**806**
Tang Kam Chee	**10**	5	-	**15**
Indirect interest				
Tan Boon Kang	**21,556**	12,427	-	**33,983**
Lau Pek Kuan	**26,680**	14,989	-	**41,669**

	Number of ordinary shares of HK$1 each			
	At			At
	1.1.2005	Bought	Sold	31.12.2005
	'000	'000	'000	'000
Subsidiary				
Kenly (HK) Ltd.				
Indirect interest				
Tan Boon Kang	**2,130**	2,246	-	**4,376**
Lau Pek Kuan	**2,130**	2,246	-	**4,376**

By virtue of Tan Boon Kang and Lau Pek Kuan's interests in the shares of the Company, they are also deemed interested in the shares of the subsidiaries during the financial year to the extent that the Company has an interest.

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

	Number of options over ordinary shares of RM1 each			
	At			At
	1.1.2005	Granted	Exercised	31.12.2005
	'000	'000	'000	'000
Share options in the Company				
Tan Boon Kang	**500**	-	-	**500**
Lau Pek Kuan	**500**	-	-	**500**
Tan Moon Hwa	**500**	-	-	**500**
Tang Kam Chee	**490**	-	-	**490**

None of the other Directors holding office at 31 December 2005 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.

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 RM1.00 each	10,000	Subscription of ESOS. The ESOS shares were issued at a price of RM1.00 per ordinary share for cash.
Ordinary shares of of RM1.00 each	30,095,000	Bonus issue of 30,095,000 new ordinary shares on the basic one (1) new ordinary share of RM1.00 for two (2) existing shares held. These new shares rank pari passu in all respect with the existing shares of the Company.

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.

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 RM1.00 each and the option price is as follows:

		Number of options over ordinary shares of RM1 each				
Date of offer	Option price RM	At 1.1.2005 '000	Granted '000	Exercised '000	Lapsed '000	At 31.12.2005 '000
4.6.2003	1.00	**4,478**	-	(10)	(359)	**4,109**

OPTIONS GRANTED OVER UNISSUED SHARES OR DEBENTURES (cont'd)

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. No options were granted to eligible Directors and employees during the year. Details of options granted under the ESOS which are in respect of 250,000 options and above are as follows:

	Number of options over ordinary shares of RM1 each				
Name of option holder	Option price RM	At 1.1.2005 '000	Granted '000	Exercised '000	At 31.12.2005 '000
Tan Boon Kang	1.00	**500**	-	-	**500**
Lau Pek Kuan	1.00	**500**	-	-	**500**
Tan Moon Hwa	1.00	**500**	-	-	**500**
Tang Kam Chee	1.00	**490**	-	-	**490**
Lau Chin Ka	1.00	**500**	-	-	**500**
Lau Chin Kok	1.00	**250**	-	-	**250**

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 May 2005, a subsidiary, Ken Property Sdn. Bhd., entered into a sale and purchase agreement to acquire a 12 1/2 storey commercial building with three levels of basement car park for a total cash consideration of RM15,000,000;

ii) In May 2005, the authorised share capital of the Company was increased from RM100,000,000 comprising 100,000,000 ordinary shares of RM1.00 each to RM300,000,000 comprising 300,000,000 ordinary shares of RM1.00 each;

iii) In July 2005, a subsidiary, Ken Property Sdn. Bhd., entered into a sale and purchase agreement to acquire two parcels of land for a total cash consideration of RM5,500,000;

SIGNIFICANT EVENTS DURING THE YEAR (cont'd)

iv) In July 2005, the issued and paid up capital of the Company was increased from RM60,190,000 to RM90,285,000 by the issuance of bonus shares of 30,095,000 new ordinary shares of RM1.00 each on the basis of one (1) new share for every two (2) existing shares held; and

v) In December 2005, a subsidiary, Support Capital Sdn. Bhd. ('SCSB'), subscribed for 2,245,768 shares of HK$1.00 each in Kenly (HK) Ltd ('Kenly') pursuant to a rights issue of 3,900,000 ordinary shares of HK$1.00 each. As the minority shareholders of Kenly did not subscribe for their entitlement, SCSB's shareholding increased from 57.6% to 73.6%.

Subsequently in January 2006, after the minority shareholders renounced their rights issue entitlement of 1,654,232 ordinary shares of HK$1.00 each in Kenly to SCSB, SCSB subscribed for the renounced entitlement and further increased its shareholding in Kenly to 79.4%.

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 Group and in the Company financial statements 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.

OTHER STATUTORY INFORMATION (cont'd)

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 2005 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: 3 March 2006

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 50 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 2005 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: 3 March 2006

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 50 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 above named in Kuala Lumpur on 3 March 2006.

…………………………………………………………..
Tang Kam Chee

Before me:
BARATHAN A/L SINNIAH@CHINNIAH AMN, PJK
W202
Commissional for Oaths, Kuala Lumpur

Report Of The Auditors
To The Members Of Ken Holdings Berhad

We have audited the financial statements set out on pages 50 to 82. The preparation of the financial statements is the responsibility of the Company's Directors.

It is our responsibility to form an independent opinion, based on our audit, on the financial statements and to report our opinion to you, as a body, in accordance with section 174 of the Companies Act 1965 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

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 2005 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 5 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

Lim Hun Soon @ David Lim
Partner
Approval Number: 1514/05/06(J)

Kuala Lumpur,

Date: 3 March 2006

Balance Sheets

At 31 December 2005

	Note	Group 2005 RM'000	Group 2004 RM'000	Company 2005 RM'000	Company 2004 RM'000
Property, plant and equipment	2	**11,891**	9,188	**-**	-
Land held for property development	3	**7,323**	1,800	**-**	-
Investment property	4	**9,028**	-	**-**	-
Investment in subsidiaries	5	**-**	-	**13,333**	13,333
Other investments	6	**32**	32	**-**	-
Goodwill on acquisition	7	**538**	809	**-**	-
Deferred tax assets	18	**1,070**	916	**54**	32
Current assets					
Inventories		**6,613**	2,211	**-**	-
Property development costs	9	**54,370**	51,223	**-**	-
Trade and other receivables	10	**23,990**	20,307	**17**	23
Amount due from subsidiaries	11	**-**	-	**79,403**	57,692
Tax recoverable		**1,033**	90	**1,302**	-
Cash and cash equivalents	12	**27,119**	45,306	**5,192**	23,872
		113,125	119,137	**85,914**	81,587
Current liabilities					
Trade and other payables	13	**26,581**	21,755	**541**	421
Amount due to a subsidiary	11	**-**	-	**3**	3
Borrowings	14	**6,968**	2,829	**-**	-
Taxation		**1,207**	2,107	**29**	61
		34,756	26,691	**573**	485
Net current assets		**78,369**	92,446	**85,341**	81,102
		108,251	105,191	**98,728**	94,467
Financed by:					
Capital and reserves					
Share capital	15	**90,285**	60,180	**90,285**	60,180
Reserves	16	**11,149**	36,472	**7,141**	34,287
		101,434	96,652	**97,426**	94,467
Minority shareholders' interests	17	**52**	1,449	**-**	-
Negative goodwill	8	**218**	218	**-**	-
Long term and deferred liabilities					
Borrowings	14	**212**	303	**-**	-
Deferred tax liabilities	18	**6,335**	6,569	**1,302**	-
		108,251	105,191	**98,728**	94,467

The financial statements were approved and authorised for issue by the Board of Directors on 3 March 2006.

The notes set out on pages 56 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 2005

	Note	Group 2005 RM'000	Group 2004 RM'000	Company 2005 RM'000	Company 2004 RM'000
Revenue					
- contract revenue		**20,628**	17,761	**-**	-
- property development revenue		**42,724**	47,818	**-**	-
- dividends		**-**	-	**6,654**	29,971
- services		**-**	-	**480**	600
		63,352	65,579	**7,134**	30,571
Cost of sales					
- contract costs		**(22,563)**	(13,605)	**-**	-
- property development expenses		**(23,241)**	(31,057)	**-**	-
		(45,804)	(44,662)	**-**	-
Gross profit		**17,548**	20,917	**7,134**	30,571
Distribution costs		**(441)**	(541)	**-**	-
Administration expenses		**(10,560)**	(10,459)	**(381)**	(330)
Other operating expenses		**(271)**	(1,185)	**-**	-
Other operating income		**1,886**	2,760	**397**	295
Operating profit	20	**8,162**	11,492	**7,150**	30,536
Financing costs	22	**(253)**	(100)	**-**	-
Profit before tax		**7,909**	11,392	**7,150**	30,536
Tax expense	23	**(3,430)**	(4,273)	**(2,034)**	(8,553)
Profit after tax		**4,479**	7,119	**5,116**	21,983
Minority interests		**1,983**	1,004	**-**	-
Net profit for the year		**6,462**	8,123	**5,116**	21,983
Basic earnings per ordinary share	24	**7 sen**	9 sen		
Diluted earnings per ordinary share	24	**N/A**	9 sen		
Dividends per ordinary share - gross	25	**5 sen**	5 sen		

The notes set out on pages 56 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 2005

		Non-distributable				*Distributable*	
Group	**Note**	**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 2004		60,162	242	2,039	227	28,016	90,686
Realisation of revaluation reserve		-	-	(800)	-	800	-
Currency translation differences		-	-	-	(8)	-	(8)
Net gains or losses not recognised in the income statement		-	-	(800)	(8)	800	(8)
Issue of shares - Exercise of share options		18	-	-	-	-	18
Net profit for the year		-	-	-	-	8,123	8,123
Dividends	25	-	-	-	-	(2,167)	(2,167)
At 31 December 2004		60,180	242	1,239	219	34,772	96,652
At 1 January 2005		**60,180**	**242**	**1,239**	**219**	**34,772**	**96,652**
Realisation of revaluation reserve		-	-	(209)	-	209	-
Surplus on revaluation of properties		-	-	1,097	-	-	1,097
Currency translation differences		-	-	-	(34)	-	(34)
Losses recognised on increase of interest in subsidiaries		-	-	-	-	(586)	(586)
Net gains or losses not recognised in the income statement		-	-	888	(34)	(377)	477
Issue of shares:							
- Exercise of share options		10	-	-	-	-	10
- Bonus issue		30,095	(242)	-	-	(29,853)	-
Net profit for the year		-	-	-	-	6,462	6,462
Dividends	25	-	-	-	-	(2,167)	(2,167)
At 31 December 2005		**90,285**	**-**	**2,127**	**185**	**8,837**	**101,434**
		Note 15		Note 16.1		Note 16.2	

The notes set out on pages 56 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 2005

Company	**Note**	**Share capital RM'000**	***Non-distributable*** **Share premium RM'000**	***Distributable*** **Retained profits RM'000**	**Total RM'000**
At 1 January 2004		60,162	242	14,229	74,633
Issue of shares:					
- exercise of share options		18	-	-	18
Net profit for the year		-	-	21,983	21,983
Dividends	25	-	-	(2,167)	(2,167)
At 31 December 2004/1 January 2005		**60,180**	**242**	**34,045**	**94,467**
Issue of shares:					
- exercise of share options		10	-	-	10
- bonus issue		30,095	(242)	(29,853)	-
Net profit for the year		-	-	5,116	5,116
Dividends	25	-	-	(2,167)	(2,167)
At 31 December 2005		**90,285**	**-**	**7,141**	**97,426**
		Note 15		Note 16.2	

The notes set out on pages 56 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 2005

	Group		Company	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities				
Profit before tax	**7,909**	11,392	**7,150**	30,536
Adjustments for:				
Amortisation of goodwill	**271**	1,185	**-**	-
Allowance for doubtful debts	**2,640**	2,967	**-**	-
Depreciation	**1,009**	1,042	**-**	-
Dividend income	**-**	-	**(6,654)**	(29,971)
Gain on disposal of property, plant and equipment	**(40)**	(27)	**-**	-
Interest expense	**253**	100	**-**	-
Interest income	**(840)**	(955)	**(397)**	(295)
Property, plant and equipment written off	**8**	-	**-**	-
Reversal of allowance for doubtful debts	**(15)**	-	**-**	-
Operating profit before working capital changes	**11,195**	15,704	**99**	270
Changes in working capital:-				
Inventories	**(4,402)**	2,322	**-**	-
Land held for property development	**(5,523)**	-	**-**	-
Trade and other receivables	**(6,308)**	(126)	**6**	5
Property development costs	**(3,147)**	2,856	**-**	-
Trade and other payables	**4,826**	(2,103)	**120**	123
Subsidiary companies	**-**	-	**(18,363)**	(6,156)
Cash (used in)/generated from operations	**(3,359)**	18,653	**(18,138)**	(5,758)
Income taxes paid	**(5,942)**	(6,092)	**(225)**	(203)
Interest received	**85**	262	**-**	-
Interest paid	**(218)**	(55)	**-**	-
Net cash (used in)/generated from operating activities	**(9,434)**	12,768	**(18,363)**	(5,961)
Cash flows from investing activities				
Dividend received	**-**	-	**1,443**	21,579
Purchase of property, plant and equipment (i)	**(2,343)**	(676)	**-**	-
(Increase)/Decrease in pledged deposits placed with licensed banks	**(264)**	2,520	**(264)**	2,900
Proceeds from disposal of property, plant and equipment	**41**	54	**-**	-
Interest received	**755**	693	**397**	295
Purchase of investment property	**(9,028)**	-	**-**	-
Net cash (used in)/generated from investing activities	**(10,839)**	2,591	**1,576**	24,774

Cash Flow Statements

For The Year Ended 31 December 2005 (Cont'd)

	Group		Company	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
Cash flows from financing activities				
Proceeds from issuance of shares	**10**	18	**10**	18
Issuance of shares to minority shareholders	**-**	42	**-**	-
Dividend paid	**(2,167)**	(2,167)	**(2,167)**	(2,167)
Repayment of finance lease liabilities	**(212)**	(185)	**-**	-
Interest paid	**(35)**	(45)	**-**	-
Proceeds of borrowings	**3,905**	-	**-**	-
Payment of borrowings	**-**	(3,906)	**-**	-
Net cash generated from/(used in) financing activities	**1,501**	(6,243)	**(2,157)**	(2,149)
Net (decrease)/increase in cash and cash equivalents	**(18,772)**	9,116	**(18,944)**	16,664
Cash and cash equivalents at beginning of year	**38,300**	29,187	**19,883**	3,219
Foreign exchange differences on opening balances	**(34)**	(3)	**-**	-
Cash and cash equivalents at end of year (ii)	**19,494**	38,300	**939**	19,883

i) Purchase of property, plant and equipment

During the year, the Group acquired property, plant and equipment with an aggregate cost of RM2,343,000 (2004 - RM1,164,000), of which Nil (2004 - RM488,000) was acquired by means of hire purchases.

ii) Cash and cash equivalents

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

	Group		Company	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	**5,727**	4,179	**79**	242
Deposits with licensed banks (excluding deposits pledged)	**16,739**	36,738	**860**	19,641
Bank overdrafts	**(2,972)**	(2,617)	**-**	-
	19,494	38,300	**939**	19,883

The notes set out on pages 56 to 82 form an integral part of, and should be read in conjunction with, these financial statements.

Notes To The Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies are adopted by the Group and by the Company and are consistent with those adopted in previous years.

(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 either control is intended to be temporary if the subsidiary is acquired and held exclusively with a view of 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 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(c) Property, plant and equipment (cont'd)

Depreciation (cont'd)

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:

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

(d) Investment properties

Investment properties consist of investment in land and buildings that are not substantially occupied for use by, or in the operations, of the Group. Investment properties are stated at cost less impairment losses. Cost includes cost of land, all direct building costs and other construction costs including borrowing costs incurred during the period of construction. The policy for the recognition and measurement of impairment losses is in accordance with Note 1(p).

(e) 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 and is stated at cost less accumulated amortisation.

Goodwill and negative goodwill in respect of property development companies are amortised over the years of development by reference to the development profit earned compared to total estimated development profit, while that in respect of other subsidiaries is amortised to the Group income statement over its estimated useful life of not more than 20 years.

(f) 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 is stated at cost in the Company, less impairment loss where applicable.

(g) Finance leases

Leases in which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Assets acquired by way of finance leases are stated at an amount equal to the lower of their fair values and the present value of the minimum lease payments at the inception of the leases, less accumulated depreciation and impairment losses.

In calculating the present value of the minimum lease payments, the discount rate is the interest rate implicit in the lease, if this is practicable to determine; if not, the Group's incremental borrowing rate is used.

(h) Trade and other receivables

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(i) Employee benefits

(i) Short term employee 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 ("EPF") 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.

(j) Liabilities

Borrowings and trade and other payables are stated at cost.

(k) Land held for property development

Land held for property development consist of land or such portions thereof on which no development activities have been carried out or where development activities are not expected to be completed within the Group's normal operating cycle of 2 to 3 years. Such land is classified as non-current asset and is stated at cost less accumulated impairment losses.

Land held for development is reclassified as property development costs at the point when development activities commence and where it can be demonstrated that the development activities can be completed within the Group's operating cycle of 2 to 3 years.

Cost associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies. Where the Group had previously recorded the land at revalued amount, it continues to retain this amount as its surrogate cost as allowed by MASB 32.

(l) Property development costs

Property development costs comprise costs associated with the acquisition of land and all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

Property development costs not recognised as an expense is recognised as an asset and is stated at the lower of cost and net realisable value.

The excess of revenue recognised in the income statement over billings to purchasers is shown as accrued billings under trade and other receivables and the excess of billings to purchasers over revenue recognised in the income statement is shown as progress billings under trade and other payables.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(m) 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.

(n) Inventories

Completed properties held for sale are stated at the lower of cost and net realisable value. Cost consists of cost associated with the acquisition of land, direct costs and appropriate proportion of common costs attributable to developing the properties to completion.

(o) 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 bank overdrafts and pledged deposits.

(p) 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.

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.

(q) 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(q) Income tax (cont'd)

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.

(r) 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 operation

The Group's foreign operation is not considered an integral part of the Company's operations. Accordingly, the assets and liabilities of foreign operation, 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 operation is as follows:

	2005	2004
HK$ 1	**RM0.49**	RM0.49

(s) 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 to 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(s) Revenue (cont'd)

(ii) Property development

Revenue from property development activities is recognised based on the stage of completion measured by reference to the proportion that property development costs incurred for work performed to date bear to the estimated total property development costs.

Where the financial outcome of a property development activity cannot be reliably estimated, property development revenue is recognised only to the extend of property development costs incurred that is probable will be recoverable, and property development costs on the development units sold are recognised as an expense in the period in which they are incurred.

Any expected loss on a development project, including costs to be incurred over the defects liability period, is recognised immediately in the income statement.

(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.

(t) Expenses

Financing costs

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

2. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM'000	Freehold building RM'000	Long term leasehold land RM'000	Long term leasehold buildings RM'000	Motor vehicles RM'000	Site equipment RM'000	Plant and machinery RM'000	Office equipment RM'000	Furniture and fittings RM'000	Total RM'000
Cost/valuation										
At 1 January 2005	975	1,455	3,213	1,887	3,733	626	8,811	1,089	216	22,005
Additions	1,741	-	-	-	299	1	184	111	7	2,343
Disposals	-	-	-	-	(118)	-	-	-	-	(118)
Write offs	-	-	-	-	(8)	-	(68)	(209)	-	(285)
Exchange difference	-	-	-	-	-	-	1	-	-	1
Adjustment on revaluation	-	(108)	(161)	(209)	-	-	-	-	-	(478)
Revaluation surplus	453	55	168	702	-	-	-	-	-	1,378
At 31 December 2005	**3,169**	**1,402**	**3,220**	**2,380**	**3,906**	**627**	**8,928**	**991**	**223**	**24,846**
Representing items at:										
Cost	1,741	-	-	-	3,906	627	8,928	991	223	16,416
Valuation - 2005	1,428	1,402	3,220	2,380	-	-	-	-	-	8,430
At 31 December 2005	**3,169**	**1,402**	**3,220**	**2,380**	**3,906**	**627**	**8,928**	**991**	**223**	**24,846**
Accumulated depreciation										
At 1 January 2005	-	79	120	160	2,616	572	8,188	897	185	12,817
Charge for the year	-	29	41	49	405	36	320	116	13	1,009
Disposals	-	-	-	-	(117)	-	-	-	-	(117)
Write offs	-	-	-	-	(8)	-	(68)	(201)	-	(277)
Exchange difference	-	-	-	-	-	-	1	-	-	1
Adjustment on revaluation	-	(108)	(161)	(209)	-	-	-	-	-	(478)
At 31 December 2005	**-**	**-**	**-**	**-**	**2,896**	**608**	**8,441**	**812**	**198**	**12,955**
Net book value										
At 31 December 2005	**3,169**	**1,402**	**3,220**	**2,380**	**1,010**	**19**	**487**	**179**	**25**	**11,891**
At 31 December 2004	975	1,376	3,093	1,727	1,117	54	623	192	31	9,188
Depreciation charge for the year ended 31 December 2004	-	29	41	100	374	47	317	121	13	1,042

2. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Company	Office equipment RM'000
Cost	
At 1 January 2005/31 December 2005	1
Accumulated depreciation	
At 1 January 2005/31 December 2005	1
Net book value	
At 31 December 2004/31 December 2005	-
Depreciation charge for the year ended 31 December 2004	-

2.1 Revaluation - Group

The freehold land and building and long term leasehold land and buildings of the Group are stated at Directors' valuation based on professional valuations made by Mr. Long Tian Chek, a registered valuer in Henry Butcher Malaysia Sdn. Bhd., on the comparison method conducted on 31 December 2005. 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:

	2005 RM'000	2004 RM'000
Freehold land	**490**	490
Freehold building	**999**	129
Long term leasehold land	**1,977**	336
Long term leasehold buildings	**2,221**	-
	5,687	955

3. LAND HELD FOR PROPERTY DEVELOPMENT

	Group	
	2005 RM'000	2004 RM'000
Cost		
At 1 January	**1,800**	1,800
Additions	**5,523**	-
At 31 December	**7,323**	1,800

4. INVESTMENT PROPERTY

	Company 2005 RM'000	Company 2004 RM'000
Freehold land and building	**9,028**	-

Investment property which was acquired in 2005 is stated at cost.

5. INVESTMENT IN SUBSIDIARIES

	Company 2005 RM'000	Company 2004 RM'000
Unquoted shares - at cost	**13,333**	13,333

The subsidiaries of the Company are as follows:

Subsidiaries	Principal activities	Effective ownership interest (%) 2005	Effective ownership interest (%) 2004
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
The subsidiary of Support Capital Sdn. Bhd. is:			
Kenly (HK) Ltd.*	Construction and civil engineering	**73.6**	57.6
The subsidiaries of Ken Grouting Sdn. Bhd. are:			
Ken-Chec Sdn. Bhd.	Land reclamation, civil, dredging, and marine engineering	**100**	100
Success Goal Asia Ltd.*	Dormant	**100**	100
The subsidiaries of Ken Projects Sdn. Bhd. are:			
Khidmat Tulin Sdn. Bhd.	Contractor and housing developer	**100**	100
T.B.S. Management Sdn. Bhd.	Property management services	**100**	100
Ken Rimba Jaya Sdn. Bhd.	Property development and investment holding	**100**	100
The subsidiaries of Ken Property Sdn. Bhd. are:			
KD Management Sdn. Bhd.	Property management services	**100**	100
Ken Link Sdn. Bhd.	Property development and investment holding	**100**	100
Aunyang Holdings Sdn. Bhd.	Investment holding	**100**	100

5. INVESTMENT IN SUBSIDIARIES (cont'd)

Subsidiaries	Principal activities	Effective ownership interest (%) 2005	2004
The subsidiary of Kenly (HK) Ltd. is:			
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., Success Goal Asia Ltd. and Kenly Engineering Ltd. which are incorporated in Hong Kong.

6. OTHER INVESTMENTS

	Group 2005 RM'000	2004 RM'000
Quoted shares in Malaysia	**120**	120
Less: Allowance for diminution in value	**(108)**	(108)
	12	12
Unquoted investment	**20**	20
	32	32
Market value of quoted shares	**6**	13

7. GOODWILL ON ACQUISITION

	Group 2005 RM'000	2004 RM'000
Cost		
At 1 January/31 December	**4,629**	4,629
Amortisation		
At 1 January	**3,820**	2,412
Amortisation charge for the year	**271**	1,408
At 31 December	**4,091**	3,820
Net book value - At 31 December	**538**	809

8. NEGATIVE GOODWILL

	Group 2005 RM'000	Group 2004 RM'000
Cost		
At 1 January	**664**	648
Incidental costs associated with the acquisition of a subsidiary recovered from the vendor	**-**	16
At 31 December	**664**	664
Amortisation		
At 1 January	**446**	223
Amortisation charge for the year	**-**	223
At 31 December	**446**	446
Net book value - At 31 December	**218**	218

9. PROPERTY DEVELOPMENT COSTS

	Group 2005 RM'000	Group 2004 RM'000
At 1 January		
Land	**57,846**	55,698
Development costs	**60,942**	35,788
Accumulated costs charged to income statement	**(67,565)**	(39,555)
	51,223	51,931
Transfer from property/land held for development	**-**	2,148
Land/Development costs incurred during the year	**24,921**	25,154
Freehold building purchased during the year	**6,001**	-
	82,145	79,233
Costs charged to income statement	**(23,170)**	(28,010)
Costs transferred to inventories	**(4,605)**	-
	54,370	51,223
At 31 December		
Land	**39,913**	57,846
Development costs	**38,161**	60,942
Accumulated costs charged to income statement	**(23,704)**	(67,565)
	54,370	51,223

Additions to development costs during the year include staff costs amounting to RM99,000 (2004 - RM183,000).

10. TRADE AND OTHER RECEIVABLES

	Group 2005 RM'000	Group 2004 RM'000	Company 2005 RM'000	Company 2004 RM'000
Trade receivables	**25,920**	22,047	**-**	-
Retention sum	**4,504**	4,625	**-**	-
	30,424	26,672	**-**	-
Less: Allowance for doubtful debts	**(12,223)**	(11,111)	**-**	-
	18,201	15,561	**-**	-
Other receivables, deposits and prepayments	**3,610**	2,063	**17**	23
Amount due from contract customers	**2,179**	2,683	-	-
	23,990	20,307	**17**	23

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

	Group 2005 RM'000	Group 2004 RM'000	Company 2005 RM'000	Company 2004 RM'000
Ringgit Malaysia	**10,213**	7,308	**-**	-
Hong Kong Dollar	**20,211**	19,364	**-**	-
	30,424	26,672	**-**	-

10.2 In 2004, included in other receivables, deposits and prepayments of the Group was a deposit of RM170,000 for the acquisition 6 parcels of land. The acquisition was completed in January 2005.

10.3 In 2005, bad debts written off against allowance for doubtful debts amounted to RM1,513,000.

10.4 Amount due from contract customers

	Group 2005 RM'000	Group 2004 RM'000
Aggregate costs incurred to date	**38,218**	25,346
Add : Attributable profits	**908**	5,485
	39,126	30,831
Less : Progress billings	**(36,947)**	(28,210)
	2,179	2,621
Amount due to contract customers (Note 13)	**-**	62
	2,179	2,683
Additions to aggregate costs incurred during the year include:		
Staff costs	**3,357**	2,247
Rental of plant and machinery	**756**	275

11. AMOUNT DUE FROM/(TO) SUBSIDIARIES

	Company 2005 RM'000	Company 2004 RM'000
Amount due from subsidiaries - Non-trade	**79,403**	57,692
Amount due to a subsidiary - Non-trade	**3**	3

11.1 The amounts due from/(to) subsidiaries are unsecured, interest free and have no fixed terms of repayment.

11.2 Included in amount due from subsidiaries are dividends receivable from subsidiaries amounting to RM3,348,000 (2004 - Nil).

12. CASH AND CASH EQUIVALENTS

	Group		Company	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Cash and bank balances	**5,727**	4,179	**79**	242
Deposits with licensed banks				
- unpledged	**16,739**	36,738	**860**	19,641
- pledged	**4,653**	4,389	**4,253**	3,989
	27,119	45,306	**5,192**	23,872

12.1 Included in the Group's cash and bank balances is RM1,442,000 (2004 - RM1,258,000) maintained pursuant to the Housing Development (Housing Development Account) Regulations 1991.

12.2 Deposits of the Group and of the Company amounting to RM4,653,000 (2004 - RM4,389,000) and RM4,253,000 (2004 - RM3,989,000) respectively are pledged to licensed banks for bank overdraft and bank guarantee facilities granted to subsidiaries.

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

	Group		Company	
	2005	2004	2005	2004
Deposits with licensed banks	**2.67%**	2.61%	**2.66%**	2.52%

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

12. CASH AND CASH EQUIVALENTS (cont'd)

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

	Group		Company	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
Ringgit Malaysia	**25,768**	45,190	**5,192**	23,872
Hong Kong Dollar	**1,351**	116	**-**	-
	27,119	45,306	**5,192**	23,872

13. TRADE AND OTHER PAYABLES

	Group		Company	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
Trade payables	**14,740**	13,595	**-**	-
Amount due to contract customers (Note 10.4)	**-**	62	**-**	-
Progress billings	**4,884**	4,924	**-**	-
Other payables and accruals	**6,711**	2,849	**404**	186
Amount due to Directors	**246**	325	**137**	235
	26,581	21,755	**541**	421

13.1 Included in trade payables of the Group are retention sums payable amounting to RM3,139,000 (2004 - RM3,585,000).

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

	Group	
	2005	2004
	RM'000	RM'000
Ringgit Malaysia	**9,572**	9,002
Hong Kong Dollar	**5,168**	4,593
	14,740	13,595

13.2 Amount due to Directors are unsecured, interest free and have no fixed terms of repayment.

14. BORROWINGS

	Group 2005 RM'000	Group 2004 RM'000
Current		
Revolving credit - unsecured	**3,905**	-
Bank overdrafts - secured	**2,972**	2,617
Finance lease liabilities	**91**	212
	6,968	2,829
Non-Current		
Loan from minority shareholder	**212**	212
Finance lease liabilities	**-**	91
	212	303

Terms and debt repayment schedule

The revolving credit is subject to interest at 9.75% (2004 - 6.75%) and supported by a corporate guarantee issued by the Company. The bank overdrafts are subject to interest at 9.5% (2004 - 6.5%) and secured by fixed deposits of the Company placed with the bank.

The loan from minority shareholder of a subsidiary is unsecured, interest free and not repayable within the next 12 months.

Finance lease liabilities are payable as follows:

Group	Payments 2005 RM'000	Interest 2005 RM'000	Principal 2005 RM'000	Payments 2004 RM'000	Interest 2004 RM'000	Principal 2004 RM'000
Less than one year	**95**	**4**	**91**	224	12	212
Between one and five years	**-**	**-**	**-**	95	4	91
	95	**4**	**91**	319	16	303

15. SHARE CAPITAL

	Group and Company	
	2005	2004
	RM'000	RM'000
Ordinary shares of RM1.00 each		
Authorised		
At 1 January	**100,000**	100,000
Created during the financial year	**200,000**	-
At 31 December	**300,000**	100,000
Issued and fully paid		
At 1 January	**60,180**	60,162
Bonus issue	**30,095**	-
Shares issued under share option scheme	**10**	18
At 31 December	**90,285**	60,180

At an Extraordinary General Meeting held on 19 May 2005, the shareholders of the Company approved a bonus issue of 30,095,000 new ordinary shares of RM1.00 each to be credited as fully paid-up ordinary shares on the basis of one (1) new ordinary share for every two (2) existing fully paid-up ordinary shares. The bonus issue of RM30,095,000 comprising 30,095,000 ordinary shares was allotted on 8 July 2005 and credited as fully paid-up ordinary shares by capitalising a sum of RM242,000 and RM29,853,000 from the Company's share premium account and retained profits account respectively.

16. RESERVES

16.1 Property revaluation reserve (Non-distributable)

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

16.2 Retained profits (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 at 31 December 2005 if paid out as dividends.

17. 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.

18. DEFERRED TAXATION

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

	Group		Company	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
Deferred tax assets	**(1,070)**	(916)	**(54)**	(32)
Deferred tax liabilities	**6,335**	6,569	**1,302**	-

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		Company	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
Property, plant and equipment				
- capital allowances	**87**	107	**-**	-
- revaluation	**717**	441	**-**	-
Property development costs	**6,110**	6,447	**-**	-
Unabsorbed capital allowances	**(6)**	(6)	**-**	-
Unutilised tax losses	**(361)**	(360)	**-**	-
Provisions	**(114)**	(92)	**(54)**	(32)
Other temporary differences	**(1,168)**	(884)	**1,302**	-
	5,265	5,653	**1,248**	(32)
No deferred tax has been recognised for the following items:				
Other temporary differences	**(176)**	(242)	**-**	-
Unabsorbed capital allowances	**12**	25	**-**	-
Unutilised tax losses	**7,042**	2,529	**-**	-
	6,878	2,312	**-**	-

The unabsorbed capital allowances and unutilised tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of certain unutilised tax losses mainly arising from a foreign subsidiary because it is not probable that future taxable profit will be available against which that subsidiary can utilise the benefits.

19. 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	
	2005	**2004**
	'000	**'000**
Outstanding at 1 January	**4,478**	4,603
Issued	**-**	-
Exercised	**(10)**	(18)
Lapsed	**(359)**	(107)
Outstanding at 31 December	**4,109**	4,478

Details of share options exercised during the year:

Expiry date	2008
Exercise price per ordinary share (RM)	1
Aggregate issue proceeds (RM'000)	10
Fair value at date of issue (RM'000)	10

Terms of the options outstanding at 31 December:

Expiry date	**Exercise price**	**Number**
	RM	**'000**
4 June 2008	1.00	4,109

The Group received proceeds of RM10,000 in respect of the 10,000 options exercised during the year in which the whole amount was credited to share capital.

20. OPERATING PROFIT

	Group 2005 RM'000	Group 2004 RM'000	Company 2005 RM'000	Company 2004 RM'000
Operating profit is arrived at after charging:-				
Amortisation of goodwill, net	**271**	1,185	**-**	-
Auditors' remuneration				
Company auditors				
- current year	**69**	64	**13**	13
- under provision in prior year	**3**	4	**-**	3
Other auditors	**24**	24	**-**	-
Allowance for doubtful debts	**2,640**	2,967	**-**	-
Property, plant and equipment written off	**8**	-	**-**	-
Depreciation	**1,009**	1,042	**-**	-
Directors' remuneration				
Directors of the Company				
- fees	**80**	80	**80**	80
- other emoluments	**1,370**	1,330	**52**	49
Other Directors				
- other emoluments	**225**	301	**-**	-
Rental of premises	**219**	222	**-**	-
Rental of plant and machinery	**-**	9	**-**	-
and crediting:-				
Dividend income from subsidiaries	**-**	-	**6,654**	29,971
Gain on disposal of property, plant and equipment	**40**	28	**-**	-
Interest income				
- fixed deposits	**754**	693	**397**	295
- Housing Development Account	**24**	49	**-**	-
- others	**57**	213	**-**	-
Rental of premises	**656**	565	**-**	-
Reversal of allowance for doubtful debts	**15**	-	**-**	-

The estimated monetary value of Directors' benefits-in-kind for the Group is RM54,000 (2004 - RM46,000).

21. EMPLOYEE INFORMATION

	Group 2005 RM'000	Group 2004 RM'000
Staff costs		
- charged to income statement	**5,058**	3,836
- capitalised in contract customers	**3,357**	2,247
- capitalised in property development costs	**99**	183
	8,514	6,266

21. EMPLOYEE INFORMATION (cont'd)

The number of employees of the Group and of the Company (including Directors) at the end of the year was 147 (2004 - 122) and 8 (2004 - 8) respectively.

Included in staff costs is an expense for defined contribution plan of the Group amounting to RM607,000 (2004 - RM551,000).

22. FINANCING COSTS

	Group 2005 RM'000	Group 2004 RM'000
Interest payable		
- Loan interest	**33**	23
- Bank overdrafts	**208**	55
- Finance leases	**12**	22
	253	100

23. TAX EXPENSE

	Group 2005 RM'000	Group 2004 RM'000	Company 2005 RM'000	Company 2004 RM'000
Current tax expense				
Malaysia - current year	**4,119**	6,041	**2,052**	9,443
- prior year	**(20)**	(552)	**4**	3
	4,099	5,489	**2,056**	9,446
Deferred tax expense				
Malaysia - current year	**(669)**	(1,927)	**(22)**	(893)
- prior year	**-**	762	**-**	-
Overseas - current year	**-**	(51)	**-**	-
	3,430	4,273	**2,034**	8,553
Reconciliation of effective tax expense				
Profit before tax	**7,909**	11,392	**7,150**	30,536
Income tax using Malaysian tax rates	**2,044**	3,031	**2,002**	8,550
Non-deductible expenses	**149**	383	**28**	-
Effect of different tax rate in foreign jurisdiction	**490**	254	**-**	-
Effect of deferred tax assets not recognised in current year	**767**	395	**-**	-
	3,450	4,063	**2,030**	8,550
(Over)/Under provision in prior years	**(20)**	210	**4**	3
Tax expense	**3,430**	4,273	**2,034**	8,553

24. 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 RM6,462,000 (2004 - RM8,123,000) and the weighted average number of ordinary shares outstanding during the year of 90,279,000 (restated 2004 - 90,270,000).

Net profit attributable to ordinary shareholders is calculated as follows:

	2005 RM'000	2004 RM'000
Net profit attributable to ordinary shareholders	**6,462**	8,123

Weighted average number of ordinary shares

	2005 '000	2004 '000
Issued ordinary shares at beginning of the year	**60,180**	60,162
Effect of bonus issue	**30,093**	30,093
Effect of options exercised	**6**	15
Weighted average number of ordinary shares	**90,279**	90,270

The previous year's earnings per ordinary share has been restated based on the net profit attributable to ordinary shareholders of RM8,123,000 and the weighted average number of ordinary shares outstanding during the year of 90,279,000 ordinary shares after taking into consideration the bonus issue of 30,093,000 ordinary shares of RM1.00 each.

Diluted earnings per share

The effect on the basic earnings per share arising from the assumed exercise of ESOS is anti-dilutive in 2005. Accordingly, diluted earnings per share have not been presented for year 2005.

The calculation of diluted earnings per share in 2004 was based on the net profit attributable to ordinary shareholders of RM8,123,000 and the weighted average number of ordinary shares outstanding of 90,756,000 (taking into effect the bonus issue) calculated as follows:

Net profit attributable to ordinary shareholders (diluted) is calculated as follows:

	2004 RM'000
Net profit attributable to ordinary shareholders (diluted)	8,123

Weighted average number of ordinary shares (diluted)

	2004 '000
Weighted average number of ordinary shares as above	90,270
Effect of share options	486
Weighted average number of ordinary shares (diluted)	90,756

25. DIVIDENDS

	Group and Company	
	2005	2004
	RM'000	RM'000
Ordinary		
First and final paid:		
Year ended 31 December 2003 - 5% per share less tax	-	2,167
Year ended 31 December 2004 - 5% per share less tax	2,167	-
	2,167	2,167

A first and final dividend of 5% less tax totalling RM3,250,260 in respect of the year ended 31 December 2005 have been recommended by the Directors and will be proposed for shareholders' approval at the forthcoming Annual General Meeting.

26. SEGMENTAL INFORMATION

Segment information is presented in respect of the Group's business and geographical segments. The primary format, business segments, 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 costs 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 segment is 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. Segment assets are based on the geographical location of assets.

26. SEGMENTAL INFORMATION (cont'd)

Group	Construction 2005 RM'000	Construction 2004 RM'000	Property development 2005 RM'000	Property development 2004 RM'000	Eliminations 2005 RM'000	Eliminations 2004 RM'000	Consolidated 2005 RM'000	Consolidated 2004 RM'000
Business Segments								
Revenue from external customers	**20,628**	17,761	**42,724**	47,818	**-**	-	**63,352**	65,579
Inter-segment revenue	**25,987**	30,029	**144**	144	**(26,131)**	(30,173)	**-**	-
Total revenue	**46,615**	47,790	**42,868**	47,962	**(26,131)**	(30,173)	**63,352**	65,579
Segment result	**(2,700)**	2,031	**12,508**	10,907	**(2,094)**	(2,053)	**7,714**	10,885
Unallocated expenses							**(392)**	(348)
Interest income							**840**	955
Operating profit							**8,162**	11,492
Interest expense							**(253)**	(100)
Profit before tax							**7,909**	11,392
Tax expense							**(3,430)**	(4,273)
Minority interests							**1,983**	1,004
Net profit for the year							**6,462**	8,123
Segment assets	**52,303**	43,681	**99,261**	74,135	**(15,993)**	(11,003)	**135,571**	106,813
Unallocated assets							**7,436**	25,069
Total assets							**143,007**	131,882
Segment liabilities	**30,859**	21,587	**27,990**	16,860	**(22,285)**	(15,364)	**36,564**	23,083
Unallocated liabilities							**4,745**	10,486
Total liabilities							**41,309**	33,569

26. SEGMENTAL INFORMATION (cont'd)

Group	Construction 2005 RM'000	Construction 2004 RM'000	Property development 2005 RM'000	Property development 2004 RM'000	Eliminations 2005 RM'000	Eliminations 2004 RM'000	Consolidated 2005 RM'000	Consolidated 2004 RM'000
Capital expenditure	**462**	1,038	**1,881**	126	**-**	-	**2,343**	1,164
Depreciation and amortisation	**884**	714	**396**	1,513	**-**	-	**1,280**	2,227
Non cash expenses other than depreciation and amortisation	**2,635**	2,967	**4**	-	**-**	-	**2,639**	2,967

	Malaysia 2005 RM'000	Malaysia 2004 RM'000	Hong Kong 2005 RM'000	Hong Kong 2004 RM'000	Eliminations 2005 RM'000	Eliminations 2004 RM'000	Consolidated 2005 RM'000	Consolidated 2004 RM'000
Geographical segments								
Revenue from external customers by location of customers	**42,520**	49,587	**20,832**	15,992	**-**	-	**63,352**	65,579
Segment assets by location of assets	**119,601**	91,450	**15,970**	15,363	**-**	-	**135,571**	106,813
Capital expenditure by location of assets	**2,289**	688	**54**	476	**-**	-	**2,343**	1,164

27. CONTINGENT LIABILITIES - UNSECURED

27.1 Corporate guarantees	Group 2005 RM'000	Group 2004 RM'000	Company 2005 RM'000	Company 2004 RM'000
Guarantees given to financial institutions for credit facilities granted to subsidiaries	**-**	-	**28,895**	23,895
Guarantees given to third parties for credit facilities granted to subsidiaries for purchase of materials/services	**-**	-	**2,600**	9,900
	-	-	**31,495**	33,795

27.2 Litigation

A subsidiary company has instituted legal actions against a debtor for outstanding debts of RM14.4 million (2004 - RM14.4 million) in respect of various contracts works. An allowance for doubtful debts of RM11.2 million (2004 - RM8.6 million) has been made in the financial statements. 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.

28. SIGNIFICANT RELATED PARTY TRANSACTIONS

28.1 Controlling related party relationships are subsidiaries of the Company as disclosed in Note 5.

28.2 Significant transactions with related parties other than those disclosed elsewhere in the financial statements are as follows:

Significant related party transactions

	Group		Company	
	2005	**2004**	**2005**	**2004**
	RM'000	**RM'000**	**RM'000**	**RM'000**
i) Transactions with subsidiaries				
Management fees receivable	**-**	-	**(480)**	(600)
ii) Transactions with companies in which Directors have interest				
Rental of property payable by Ken Grouting Sdn. Bhd., a subsidiary, to Kenkat Realty Sdn. Bhd. (formerly known as Stresstek (M) Sdn. Bhd.), a company in which Tan Boon Kang and Lau Pek Kuan have interests	**12**	12	**-**	-

29. SIGNIFICANT EVENTS DURING THE YEAR

i) In May 2005, a subsidiary, Ken Property Sdn. Bhd., entered into a sale and purchase agreement to acquire a 12 1/2 storey commercial building with three levels of basement car park for a total cash consideration of RM15,000,000;

ii) In May 2005, the authorised share capital of the Company was increased from RM100,000,000 comprising 100,000,000 ordinary shares of RM1.00 each to RM300,000,000 comprising 300,000,000 ordinary shares of RM1.00 each;

iii) In July 2005, a subsidiary, Ken Property Sdn. Bhd., entered into a sale and purchase agreement to acquire two parcels of land for a total cash consideration of RM5,500,000;

iv) In July 2005, the issued and paid up capital of the Company was increased from RM60,190,000 to RM90,285,000 by the issuance of bonus issue of 30,095,000 new ordinary shares of RM1.00 each on the basis of one (1) new share for every two (2) existing shares held; and

v) In December 2005, a subsidiary, Support Capital Sdn. Bhd. ('SCSB'), subscribed for 2,245,768 shares of HK$1.00 each in Kenly (HK) Ltd ('Kenly') pursuant to a rights issue of 3,900,000 ordinary shares of HK$1.00 each. As the minority shareholders of Kenly did not subscribe for their entitlement, SCSB's shareholding increased from 57.6% to 73.6%.

Subsequently in January 2006, after the minority shareholders renounced their rights issue entitlement of 1,654,232 ordinary shares of HK$1.00 each in Kenly to SCSB, SCSB subscribed for the renounced entitlement and further increased its shareholding in Kenly to 79.4%.

30. COMMITMENTS

	Group 2005 RM'000	Group 2004 RM'000
Capital commitments		
Contracted but not provided for in financial statements - purchase of land	-	1,530

31. FINANCIAL INSTRUMENTS

Financial risk management objectives and policies

The Group's operations are subject to financial risks such as foreign currency, interest rate, liquidity and credit risks arising in the normal course of business. The Group operates within defined guidelines with the principal objective of managing the Group's risk exposure associated with the business 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 therewith are denominated exclusively in this 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.

The Group minimises 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 reviewing 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 a sufficient level of cash to meet its working capital requirements while unutilised funds are placed in fixed deposits with approved licensed financial institutions.

31. FINANCIAL INSTRUMENTS (cont'd)

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 receivables from a customer of a subsidiary amounting to RM14.4 million (2004 - RM14.4 million), of which the Group has provided for an allowance of doubtful debts of RM11.2 million (2004 - RM8.6 million) for this particular trade receivable. Legal action has been taken to recover this trade receivable. As disclosed in Note 27.2 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 fair values.

Laporan Para Pengarah

Bagi Tahun Berakhir 31 Disember 2005

Para Pengarah dengan sukacitanya membentangkan laporan mereka berserta penyata kewangan Kumpulan dan Syarikat yang diaudit bagi tahun berakhir 31 Disember 2005.

KEGIATAN-KEGIATAN UTAMA

Kegiatan utama Syarikat merangkumi pegangan pelaburan dan pemberian perkhidmatan pengurusan. Kegiatan utama syarikat-syarikat subsidiarinya dinyatakan di dalam Nota 5 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	6,462	5,116

RIZAB DAN PERUNTUKAN

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

DIVIDEN

Sejak akhir tahun kewangan lepas, syarikat telah membayar dividen pertama dan akhir sebanyak 5% tolak cukai berjumlah RM2,166,840 berhubung tahun berakhir 31 Disember 2004 pada 1 Jun 2005.

Dividen pertama dan akhir yang telah disyorkan oleh para Pengarah berhubung tahun berakhir 31 Disember 2005 sebanyak 5% sesaham tolak cukai berjumlah RM3,250,260 akan dicadangkan untuk kelulusan para pemegang saham pada mesyuarat Agung Tahunan akan datang.

PENGARAH SYARIKAT

Para Pengarah yang berkhidmat sejak tarikh laporan yang lepas terdiri daripada:

Dato' Ahmad Badri bin Mohamed Basir
Sha Thiam Fook
Tan Boon Kang
Lau Pek Kuan
Tan Moon Hwa
Tang Kam Chee
Dato' Raja Haji Ahmad Zainuddin bin Raja Haji Omar
Tan Chek Siong (dilantik pada 24.2.06)
Tengku Dato' Seri Baderul Zaman Ibni Almarhum Sultan Mahmud (dilantik pada 24.2.06)
Loo Pak Soon (bersara pada 24.2.06)

PENGARAH SYARIKAT (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 berharga RM1 sesaham Pada 1.1.2005 '000	Dibeli/ Terbitan bonus '000	Dijual '000	Pada 31.12.2005 '000
Kepentingan langsung				
Tan Boon Kang	**5,163**	2,582	-	**7,745**
Lau Pek Kuan	**39**	20	-	**59**
Tan Moon Hwa	**538**	268	-	**806**
Tang Kam Chee	**10**	5	-	**15**
Kepentingan tidak langsung				
Tan Boon Kang	**21,556**	12,427	-	**33,983**
Lau Pek Kuan	**26,680**	14,989	-	**41,669**

	Bilangan saham biasa HK$1 sesaham Pada 1.1.2005 '000	Dibeli '000	Dijual '000	Pada 31.12.2005 '000
Subsidiari				
Kenly (HK) Ltd.				
Kepentingan tidak langsung				
Tan Boon Kang	**2,130**	2,246	-	**4,376**
Lau Pek Kuan	**2,130**	2,246	-	**4,376**

Disebabkan oleh kepentingan Tan Boon Kang dan Lau Pek Kuan dalam saham-saham Syarikat, mereka juga dianggap berkepentingan dalam saham-saham subsidiari-subsidiari sepanjang tahun kewangan setakat mana Syarikat mempunyai kepentingan.

Opsyen yang diberi kepada para Pengarah yang layak menurut Skim Opsyen Saham Pekerja ("ESOS") adalah seperti berikut:

	Bilangan opsyen untuk saham biasa RM1 sesaham Pada 1.1.2005 '000	Diberi '000	Dilaksanakan '000	Pada 31.12.2005 '000
Opsyen saham dalam Syarikat				
Tan Boon Kang	**500**	-	-	**500**
Lau Pek Kuan	**500**	-	-	**500**
Tan Moon Hwa	**500**	-	-	**500**
Tang Kam Chee	**490**	-	-	**490**

Tiada Pengarah lain yang memegang jawatan pada 31 Disember 2005 mempunyai sebarang kepentingan dalam saham biasa Syarikat dan syarikat-syarikat berkaitan dengannya pada tahun kewangan ini.

MANFAAT PARA PENGARAH

Sejak akhir tahun kewangan yang lepas, 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 berkaitan) disebabkan oleh kontrak yang dibuat oleh Syarikat atau syarikat berkaitan 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 besar.

Tiada sebarang perjanjian telah diatur pada dan sehingga akhir tahun kewangan yang bertujuan untuk membolehkan para Pengarah Syarikat mendapat manfaat melalui penguasaan saham atau debentur Syarikat atau sebarang badan korporat.

TERBITAN SAHAM DAN DEBENTUR

Sepanjang tahun kewangan ini, Syarikat telah menerbitkan saham-saham berikut:

Kelas saham	Bilangan saham	Syarat-syarat terbitan
Saham biasa	10,000	Langganan Skim Opsyen Saham Pekerja (“ESOS”). Saham ESOS yang berharga RM1.00 sesaham diterbitkan berharga RM1.00 sesaham untuk tunai.
Saham biasa	30,095,000	Terbitan bonus 30,095,000 saham biasa baru berdasarkan satu (1) saham biasa baru RM1.00 sesaham untuk dua (2) saham sedia ada yang dipegang. Saham-saham baru adalah setaraf dari setiap segi dengan saham-saham Syarikat yang sedia ada.

Tiada perubahan berlaku pada terbitan dan modal berbayar syarikat Sepanjang tahun kewangan.

Tiada terbitan debentur pada tahun ini.

OPSYEN DIBERI BAGI SAHAM ATAU DIBENTUR YANG BELUM DITERBITKAN

Tiada opsyen telah diberi kepada sesiapa untuk mengambil saham atau debentur Syarikat yang belum diterbitkan pada tahun ini.

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 untuk saham biasa RM1 sesaham				
Tarikh tawaran	Harga opsyen RM	Pada 1.1.2005 ‘000	Diberi ‘000	Dilaksanakan ‘000	Lupus ‘000	Pada 31.12.2005 ‘000
4.6.2003	1.00	**4,478**	-	(10)	(359)	**4,109**

OPSYEN DIBERI BAGI SAHAM ATAU DIBENTUR YANG BELUM DITERBITKAN (samb.)

Syarikat telah diberi pengecualian oleh Suruhanjaya Syarikat Malaysia daripada mengemukakan nama pemegang-pemegang opsyen yang telah diberikan kurang daripada 250,000 opsyen di bawah ESOS. Tiada opsyen diberi kepada para Pengarah dan pekerja-pekerja yang layak sepanjang tahun kewangan. Butiran opsyen yang diberi di bawah ESOS berhubung dengan opsyen 250,000 dan lebih adalah seperti berikut:

		Bilangan opsyen untuk saham biasa RM1 sesaham			
Nama pemegang opsyen	**Harga opsyen RM**	**Pada 1.1.2005 '000**	**Diberi '000**	**Dilaksa-nakan '000**	**Pada 31.12.2005 '000**
Tan Boon Kang	1.00	**500**	-	-	**500**
Lau Pek Kuan	1.00	**500**	-	-	**500**
Tan Moon Hwa	1.00	**500**	-	-	**500**
Tang Kam Chee	1.00	**490**	-	-	**490**
Lau Chin Ka	1.00	**500**	-	-	**500**
Lau Chin Kok	1.00	**250**	-	-	**250**

Ciri-ciri utama skim tersebut adalah seperti berikut:-

i) Pekerja-pekerja yang layak adalah mereka yang bekerja sepenuh masa, disahkan dalam jawatan oleh Kumpulan dan mencapai umur 18 tahun pada dan sebelum tarikh tawaran.

ii) Opsyen tersebut adalah peribadi dan tidak boleh dipindah milik.

iii) Harga bagi opsyen yang diberi akan ditetapkan pada diskaun yang tidak melebihi 10% daripada harga pasaran purata berwajaran saham bagi lima (5) hari pasaran sebelum tarikh tawaran atau pada nilai tara saham biasa Syarikat, yang mana lebih tinggi.

iv) Opsyen yang diberi dan tidak dilaksanakan pada tahun tersebut boleh dilaksanakan dalam jangka masa lima (5) tahun dari tarikh Skim tawaran.

v) Opsyen yang diberi boleh dilaksanakan secara penuh atau kurang daripada bilangan tara saham biasa dengan syarat bilangan saham mesti dalam gandaan 1,000 saham.

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

PERISTIWA-PERISTIWA PENTING SEPANJANG TAHUN

i) Pada Mei 2005, sebuah subsidairi, Ken Property Sdn Bhd telah memeterai perjanjian jual beli untuk mengambil alih bangunan komersial 12½ tingkat dengan tiga tingkat tempat letak kereta bawah tanah dengan pertimbangan tunai sebanyak RM15,000,000;

ii) Pada Mei 2005, modal saham dibenarkan Syarikat telah ditambah daripada RM100,000,000 yang terdiri daripada 100,000,000 saham biasa bernilai RM1.00 sesaham kepada RM300,000,000 yang terdiri daripada 300,000,000 saham biasa bernilai RM1.00 sesaham;

iii) Pada Julai 2005, sebuah subsidairi, Ken Property Sdn Bhd telah memeterai perjanjian jual beli untuk mengambilalih dua bidang tanah dengan pertimbangan tunai sebanyak RM5,500,000;

PERISTIWA-PERISTIWA PENTING SEPANJANG TAHUN (samb.)

iv) Pada Julai 2005, modal diterbitkan dan berbayar Syarikat telah ditambah daripada RM60,190,000 kepada RM90,285,000 dengan penerbitan saham bonus berbentuk 30,095,000 saham biasa baru bernilai RM1.00 sesaham atas dasar satu (1) saham baru untuk setiap dua (2) saham pegangan yang sedia ada; dan

v) Pada Disember 2005, sebuah subsidiari, Support Capital Sdn Bhd ("SCSB:) melanggan 2,245,768 saham bernilai HK$1.00 sesaham dalam Kenly (HK) Ltd ("Kenly") menurut terbitan hak 3,900,000 saham baisa bernilai HK$1.00 sesaham. Oleh kerana minoriti pemegang saham Kenly tidak melanggan terbitan hak mereka, pegangan saham SCSB meningkat daripada 57.6% kepada 73.6%.

Seterusnya pada Januari 2006, setelah pemegang saham minoriti melepaskan terbitan hak mereka sebanyak 1,654,232 saham biasa pada HK$1.00 sesaham dalam Kenly kepada SCSB, SCSB melanggan terbitan hak tersebut dan meningkatkan lagi pemegangan sahamnya dalam Kenly kepada 79.4%.

LAIN-LAIN MAKLUMAT BERKANUN

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

i) semua hutang lapuk yang diketahui telah dilupuskan dan peruntukan yang mencukupi telah disediakan bagi hutang ragu, dan

ii) semua aset semasa telah dinyatakan pada kos dan nilai boleh realisasi bersih, mengikut mana yang lebih rendah.

Pada tarikh laporan, para Pengarah Syarikat tidak menyedari sebarang keadaan:-

i) yang boleh menyebabkan jumlah yang dilupuskan bagi hutang lapuk, atau jumlah peruntukan bagi hutang ragu, dalam penyata kewangan Kumpulan dan Syarikat tidak mencukupi dengan ketara, atau

ii) yang boleh menyebabkan nilai yang diberi kepada aset semasa dalam penyata kewangan Kumpulan dan Syarikat yang mengelirukan, atau

iii) yang telah timbul dan menyebabkan pematuhan kepada kaedah penilaian aset atau tanggungan Kumpulan dan Syarikat mengelirukan atau tidak sesuai, atau

iv) yang sebaliknya tidak diambil kira dalam laporan ini atau penyata kewangan, yang menyebabkan sebarang jumlah yang dinyatakan dalam penyata kewangan Kumpulan dan Syarikat mengelirukan.

Pada tarikh laporan ini, tidak wujud:-

i) sebarang cagaran ke atas aset Kumpulan dan Syarikat yang telah timbul sejak akhir tahun kewangan ini dan yang mencagar sebarang tanggungan pihak lain, atau

ii) sebarang tanggungan luar jangka berhubung dengan Kumpulan dan Syarikat yang telah timbul sejak akhir tahun kewangan ini.

Tiada tanggungan luar jangka atau tanggungan lain Kumpulan dan Syarikat yang telah menjadi berkuatkuasa, atau berkemungkinan berkuatkuasa dalam tempoh dua belas bulan selepas akhir tahun kewangan ini, yang, pada pendapat para Pengarah, akan atau mungkin akan menjejaskan dengan ketara keupayaan Kumpulan dan Syarikat memenuhi kewajipannya apabila tiba masanya kelak.

Laporan Para Pengarah
Bagi Tahun Berakhir 31 Disember 2005 (samb.)

LAIN-LAIN MAKLUMAT BERKANUN (samb.)

Pada pendapat Para Pengarah, keputusan daripada Kumpulan dan Syarikat bagi tahun kewangan berakhir 31 Disember 2005 tidak terjejas dengan ketara oleh sebarang perkara, urusniaga atau peristiwa penting dan berbentuk luarbiasa atau sebarang perkara, urusniaga atau kejadian yang berlaku sepanjang tempoh antara akhir tahun kewangan hingga ke tarikh laporan ini.

JURUAUDIT

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

Ditandatangani menurut sebuah resolusi para Pengarah:

…………………………………………………………..
Tan Boon Kang

…………………………………………………………..
Tang Kam Chee

Kuala Lumpur,

Tarikh: 3 Mac 2006

Penyata Para Pengarah

Menurut Seksyen 169(15) Akta Syarikat, 1965

Pada pendapat para Pengarah, penyata kewangan yang dibentangkan di muka surat 91 hingga 124 telah disediakan menurut peruntukan Akta Syarikat, 1965 dan piawaian-piawaian perakaunan yang diluluskan yang digunakan di Malaysia untuk memberi gambaran yang benar dan saksama mengenai kedudukan urusan Kumpulan dan Syarikat pada 31 Disember 2005 dan keputusan operasi serta aliran tunai masing-masing bagi tahun berakhir pada tarikh tersebut.

Ditandatangani menurut sebuah resolusi Para Pengarah:

…………………………………………………………..
Tan Boon Kang

…………………………………………………………..
Tang Kam Chee

Kuala Lumpur,

Tarikh: 3 Mac 2006

Perakuan

Berhubung Dengan Seksyen 169(16) Akta Syarikat, 1965

Saya, Tang Kam Chee, Pengarah yang bertanggungjawab sepenuhnya terhadap pengurusan kewangan Ken Holdings Berhad, dengan sesungguh dan sebenarnya mengaku bahawa penyata kewangan yang dibentangkan dari halaman 91 hingga 124 pada sepanjang pengetahuan dan kepercayaan saya adalah benar 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 3 Mac 2006.

…………………………………………………………..
Tang Kam Chee

Di hadapan saya:
BARATHAN A/L SINNIAH@CHINNIAH AMN, PJK
W202
Pesuruh Jaya Sumpah, Kuala Lumpur

Laporan Juruaudit

Kepada Para Ahli Ken Holdings Berhad

Kami telah mengaudit penyata kewangan yang dibentangkan dari halaman 91 hingga 124. Penyediaan penyata kewangan adalah tanggungjawab Para Pengarah Syarikat.

Ini adalah tanggungjawab kami untuk memberi pandangan bebas berasaskan audit yang kami lakukan ke atas penyata kewangan dan menyuarakan pandangan kami kepada sekalian, sebagai sebuah badan berkanun menurut Seksyen 174 Akta Syarikat, 1965 dan bukan bertujuan lain. Kami tidak bertanggungjawab kepada mana-mana pihak ke atas isi kandungan di dalam laporan ini.

Kami telah menjalankan audit menurut Piawaian-piawaian Pengauditan yang diluluskan di Malaysia. Piawaian ini memerlukan kami merancang dan melaksanakan audit untuk memperolehi semua maklumat dan penjelasan yang kami anggap wajar untuk menyediakan jaminan bukti yang berpatutan kepada kami bahawa penyata kewangan bebas daripada salah penyataan yang ketara. Sesebuah pengauditan meliputi pemeriksaan, berasaskan ujian, bukti yang menyokong jumlah dan pendedahan di dalam penyata kewangan. Sesebuah 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 menyediakan asas yang berpatutan bagi pendapat kami berikan.

Pada pendapat kami:

(a) penyata kewangan telah disediakan dengan sempurna menurut peruntukan Akta Syarikat, 1965 dan piawaian-piawaian perakaunan yang berkaitan yang diluluskan supaya dapat memberikan gambaran yang benar dan saksama mengenai:

   i) Kedudukan Kumpulan dan Syarikat pada 31 Disember 2005 dan keputusan operasi dan masing-masing serta aliran tunai bagi tahun berakhir pada tarikh tersebut; dan

   ii) Perkara-perkara yang dikehendaki oleh Seksyen 169 Akta Syarikat, 1965 untuk diambilkira 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 dalan 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 audit berhubung dengan penyata kewangan syarikat-syarikat subsidiari tidak tertakluk kepada sebarang syarat dan tidak mengandungi sebarang ulasan yang dibuat di bawah seksyen kecil (3) Seksyen 174 Akta tersebut.

KPMG
Firm Number: AF 0758
Akauntan Bertauliah

Lim Hun Soon @ David Lim
Rakan Kongsi
Nombor Kelulusan: 1514/05/06(J)

Kuala Lumpur,
Tarikh: 3 Mac 2006

Lembaran Imbangan
Pada 31 Disember 2005

	Nota	Kumpulan 2005 RM'000	Kumpulan 2004 RM'000	Syarikat 2005 RM'000	Syarikat 2004 RM'000
Hartanah, loji dan peralatan	2	**11,891**	9,188	**-**	-
Tanah untuk pembangunan	3	**7,323**	1,800	**-**	-
Pelaburan hartanah	4	**9,028**	-	**-**	-
Pelaburan dalam subsidiari	5	**-**	-	**13,333**	13,333
Pelaburan lain	6	**32**	32	**-**	-
Muhibah daripada penyatuan	7	**538**	809	**-**	-
Aset cukai tertunda	18	**1,070**	916	**54**	32
Aset semasa					
Inventori		**6,613**	2,211	**-**	-
Kos pembangunan hartanah	9	**54,370**	51,223	**-**	-
Penerimaan dagangan dan penerimaan lain	10	**23,990**	20,307	**17**	23
Jumlah terhutang oleh subsidiari	11	**-**	-	**79,403**	57,692
Cukai boleh diperolehi semula		**1,033**	90	**1,302**	-
Tunai dan bersamaan tunai	12	**27,119**	45,306	**5,192**	23,872
		113,125	119,137	**85,914**	81,587
Liabiliti semasa					
Pembayaran dagangan dan pembayaran lain	13	**26,581**	21,755	**541**	421
Jumlah terhutang kepada subsidiari	11	**-**	-	**3**	3
Pinjaman	14	**6,968**	2,829	**-**	-
Cukai		**1,207**	2,107	**29**	61
		34,756	26,691	**573**	485
Aset semasa bersih		**78,369**	92,446	**85,341**	81,102
		108,251	105,191	**98,728**	94,467
Dibiayai oleh:					
Modal dan rizab					
Modal saham	15	**90,285**	60,180	**90,285**	60,180
Rizab	16	**11,149**	36,472	**7,141**	34,287
		101,434	96,652	**97,426**	94,467
Kepentingan minoriti	17	**52**	1,449	**-**	-
Muhibah negatif	8	**218**	218	**-**	-
Liabiliti jangka panjang dan tertunda					
Pinjaman	14	**212**	303	**-**	-
Cukai tertunda	18	**6,335**	6,569	**1,302**	-
		108,251	105,191	**98,728**	94,467

Penyata-penyata kewangan ini telah diluluskan dan disahkan untuk terbitan oleh Lembaga Pengarah pada 3 Mac 2006.

Nota-nota pada halaman 97 hingga 124 merupakan sebahagian penting daripada penyata-penyata kewangan ini, dan perlu dibaca bersama dengan penyata-penyata kewangan ini.

Penyata Pendapatan
Bagi Tahun Berakhir 31 Disember 2005

		Kumpulan		Syarikat	
	Nota	2005	2004	2005	2004
		RM'000	RM'000	RM'000	RM'000
Hasil					
- hasil kontrak		**20,628**	17,761	**-**	-
- hasil pembangunan hartanah		**42,724**	47,818	**-**	-
- dividend		**-**	-	**6,654**	29,971
- perkhidmatan		**-**	-	**480**	600
		63,352	65,579	**7,134**	30,571
Kos penjualan					
- kos kontrak		**(22,563)**	(13,605)	**-**	-
- perbelanjaan pembangunan hartanah		**(23,241)**	(31,057)	**-**	-
		(45,804)	(44,662)	**-**	-
Keuntungan kasar		**17,548**	20,917	**7,134**	30,571
Kos pengagihan		**(441)**	(541)	**-**	-
Perbelanjaan pentadbiran		**(10,560)**	(10,459)	**(381)**	(330)
Perbelanjaan operasi lain		**(271)**	(1,185)	**-**	-
Pendapatan operasi lain		**1,886**	2,760	**397**	295
Keuntungan operasi	20	**8,162**	11,492	**7,150**	30,536
Kos pembiayaan	22	**(253)**	(100)	**-**	-
Keuntungan sebelum cukai		**7,909**	11,392	**7,150**	30,536
Perbelanjaan cukai	23	**(3,430)**	(4,273)	**(2,034)**	(8,553)
Keuntungan selepas cukai		**4,479**	7,119	**5,116**	21,983
Kepentingan minoriti		**1,983**	1,004	**-**	-
Keuntungan bersih bagi tahun		**6,462**	8,123	**5,116**	21,983
Pendapatan asas sesaham biasa	24	**7 sen**	9 sen		
Pendapatan dicairkan sesaham biasa	24	**N/A**	9 sen		
Dividends sesaham biasa - kasar	25	**5 sen**	5 sen		

Nota-nota pada halaman 97 hingga 124 merupakan sebahagian penting daripada penyata-penyata kewangan ini, dan perlu dibaca bersama dengan penyata-penyata kewangan ini. .

Penyata Perubahan Dalam Ekuiti Disatukan

Bagi Tahun Berakhir 31 Disember 2005

Kumpulan	Nota	Modal saham RM'000	Saham premium RM'000	Rizab penilaian semula hartanah RM'000	Rizab pertukaran asing RM'000	Keun-tungan tertahan RM'000	Jumlah RM'000
			Tidak boleh diagih			*Boleh diagaih*	
Pada 1 Januari 2004		60,162	242	2,039	227	28,016	90,686
Realisasi rizab penilaian semula		-	-	(800)	-	800	-
Perbezaan pertukaran mata wang		-	-	-	(8)	-	(8)
Keuntungan atau kerugian bersih tidak diiktiraf dalam penyata pendapatan		-	-	(800)	(8)	800	(8)
Terbitan saham - Perlaksanaan opsyen saham		18	-	-	-	-	18
Keuntungan bersih bagi tahun semasa		-	-	-	-	8,123	8,123
Dividen	25	-	-	-	-	(2,167)	(2,167)
Pada 31 Disember 2004		60,180	242	1,239	219	34,772	96,652
Pada 1 Januari 2005		**60,180**	**242**	**1,239**	**219**	**34,772**	**96,652**
Realisasi rizab penilaian semula		-	-	(209)	-	209	-
Lebihan dari penilaian hartanah		-	-	1,097	-	-	1,097
Perbezaan pertukaran mata wang		-	-	-	(34)	-	(34)
Kerugian diiktiraf atas peningkatan kepentingan dalam subsidiari		-	-	-	-	(586)	(586)
Keuntungan atau kerugian bersih tidak diiktiraf dalam penyata pendapatan		-	-	888	(34)	(377)	477
Terbitan saham:							
- Perlaksanaan opsyen saham		10	-	-	-	-	10
- Terbitan bonus		30,095	(242)	-	-	(29,853)	-
Keuntungan bersih bagi tahun semasa		-	-	-	-	6,462	6,462
Dividen	25	-	-	-	-	(2,167)	(2,167)
Pada 31 Disember 2005		**90,285**	**-**	**2,127**	**185**	**8,837**	**101,434**
		Nota 15		Nota 16.1		Nota 16.2	

Nota-nota pada halaman 97 hingga 124 merupakan sebahagian penting daripada penyata-penyata kewangan ini, dan perlu dibaca bersama dengan penyata-penyata kewangan ini.

Penyata Perubahan Dalam Ekuiti

Bagi Tahun Berakhir 31 Disember 2005

Syarikat	Nota	Modal saham RM'000	*Tidak boleh diagihkan* Saham premium RM'000	*Boleh diagihkan* Keuntungan tertahan RM'000	Jumlah RM'000
Pada 1 Januari 2004		60,162	242	14,229	74,633
Terbitan saham:					
- Perlaksanaan opsyen saham		18	-	-	18
Keuntungan bersih bagi tahun semasa		-	-	21,983	21,983
Dividen	25	-	-	(2,167)	(2,167)
Pada 31 Disember 2004/1 Januari 2005		**60,180**	**242**	**34,045**	**94,467**
Terbitan saham:					
- Perlaksanaan opsyen saham		10	-	-	10
- Terbitan bonus		30,095	(242)	(29,853)	-
Keuntungan bersih bagi tahun semasa		-	-	5,116	5,116
Dividen	25	-	-	(2,167)	(2,167)
Pada 31 Disember 2005		**90,285**	**-**	**7,141**	**97,426**
		Nota 15		Nota 16.2	

Nota-nota pada halaman 97 hingga 124 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 2005

	Kumpulan		Syarikat	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
Aliran tunai daripada aktiviti operasi				
Keuntungan sebelum cukai	**7,909**	11,392	**7,150**	30,536
Pelarasan untuk:				
Pelunasan muhibah	**271**	1,185	**-**	-
Peruntukan bagi hutang ragu	**2,640**	2,967	**-**	-
Susut nilai	**1,009**	1,042	**-**	-
Pendapatan dividen	**-**	-	**(6,654)**	(29,971)
Keuntungan atas penjualan hartanah, loji dan peralatan	**(40)**	(27)	**-**	-
Faedah dibayar	**253**	100	**-**	-
Faedah diterima	**(840)**	(955)	**(397)**	(295)
Hartanah, loji and peralatan dihapus kira	**8**	-	**-**	-
Pembalikan peruntukan bagi hutang ragu	**(15)**	-	**-**	-
Keuntungan operasi sebelum perubahan modal kerja	**11,195**	15,704	**99**	270
Perubahan dalam modal kerja:-				
Inventori	**(4,402)**	2,322	**-**	-
Tanah untuk pembangunan	**(5,523)**	-	**-**	-
Penerimaan dagangan dan penerimaan lain	**(6,308)**	(126)	**6**	5
Kos pembangunan hartanah	**(3,147)**	2,856	**-**	-
Pembayaran dagangan dan pembayaran lain	**4,826**	(2,103)	**120**	123
Syarikat-syarikat subsidiari	**-**	-	**(18,363)**	(6,156)
Tunai (digunakan dalam)/dihasilkan daripada operasi	**(3,359)**	18,653	**(18,138)**	(5,758)
Cukai pendapatan dibayar	**(5,942)**	(6,092)	**(225)**	(203)
Faedah diterima	**85**	262	**-**	-
Faedah dibayar	**(218)**	(55)	**-**	-
Tunai bersih (digunakan dalam)/dihasilkan daripada aktiviti operasi	**(9,434)**	12,768	**(18,363)**	(5,961)
Aliran tunai daripada aktiviti pelaburan				
Dividen diterima	**-**	-	**1,443**	21,579
Pembelian hartanah, loji dan peralatan (i)	**(2,343)**	(676)	**-**	-
(Tambahan)/kurangan dalam cagaran deposit dengan bank-bank berlesen	**(264)**	2,520	**(264)**	2,900
Perolehan daripada pelupusan hartanah, loji dan peralatan	**41**	54	**-**	-
Faedah diterima	**755**	693	**397**	295
Pembelian hartanah pelaburan	**(9,028)**	-	**-**	-
Tunai bersih (digunakan dalam)/dihasilkan daripada aktiviti pelaburan	**(10,839)**	2,591	**1,576**	24,774

Penyata Aliran Tunai

Bagi Tahun Berakhir 31 Disember 2005 (samb.)

	Kumpulan		Syarikat	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
Aliran tunai daripada aktiviti pembiayaan				
Perolehan daripada terbitan saham	**10**	18	**10**	18
Terbitan saham kepada pemegang saham minoriti	**-**	42	**-**	-
Dividen dibayar	**(2,167)**	(2,167)	**(2,167)**	(2,167)
Pembayaran balik liabiliti pajakan kewangan	**(212)**	(185)	**-**	-
Faedah dibayar	**(35)**	(45)	**-**	-
Perolehan daripada pinjaman	**3,905**	-	**-**	-
Pembayaran pinjaman	**-**	(3,906)	**-**	-
Tunai bersih dihasilkan daripada/ (digunakan dalam) aktiviti pembiayaan	**1,501**	(6,243)	**(2,157)**	(2,149)
(Kurangan)/tambahan bersih dalam tunai dan bersamaan tunai	**(18,772)**	9,116	**(18,944)**	16,664
Tunai dan bersamaan tunai pada awal tahun	**38,300**	29,187	**19,883**	3,219
Perbezaan pertukaran mata wang asing atas baki hantar ke bawah	**(34)**	(3)	**-**	-
Tunai dan bersamaan tunai pada akhir tahun (ii)	**19,494**	38,300	**939**	19,883

i) Pembelian hartanah, loji dan peralatan

Sepanjang tahun ini, Kumpulan telah membeli hartanah, loji dan peralatan dengan kos agregat RM2,343,000 (2004: RM1,164,000), yang mana tidak diperolehi secara sewa beli (2003: RM488,000).

ii) Tunai dan bersamaan tunai

Tunai dan bersamaan tunai yang termasuk di dalam penyata aliran tunai terdiri daripada jumlah lembaran imbangan berikut:

	Kumpulan		Syarikat	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
Baki tunai dan bank	**5,727**	4,179	**79**	242
Deposit tetap di bank berlesen (tidak termasuk deposit tercagar)	**16,739**	36,738	**860**	19,641
Overdraf bank	**(2,972)**	(2,617)	**-**	-
	19,494	38,300	**939**	19,883

Nota-nota pada halaman 97 hingga 124 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 diamalkan oleh Kumpulan dan Syarikat dan selaras dengan dasar-dasar yang diamalkan pada tahun-tahun sebelumnya.

(a) Asas perakaunan

Penyata kewangan Kumpulan dan Syarikat telah 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 perubahan-perubahan perniagaan yang dikawal oleh Syarikat. Kawalan wujud apabila Syarikat mempunyai kuasa, secara langsung atau tidak langsung, untuk mentadbir dasar-dasar kewangan dan operasi sesebuah perniagaan supaya boleh memperolehi manfaat daripada aktivitinya. Penyata kewangan syarikat-syarikat subsidiari diambilkira dalam 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 terdekat dan tidak pernah disatukan pada masa dahulu atau ia beroperasi di bawah sekatan-sekatan jangka panjang yang ketat yang banyak menjejaskan keupayaannya memindahkan dana kepada Syarikat. Subsidiari-subsidiari yang tidak dimasukkan berdasarkan sebab-sebab tersebut diambil kira sebagai pelaburan.

Di bawah kaedah pengambilalihan perakaunan, keputusan syarikat-syarikat subsidiari yang diambilalih atau dijual pada tahun ini dimasukkan dari tarikh pengambilalihan atau hingga tarikh penjualan. Pada tarikh pengambilalihan, nilai saksama aset bersih subsidiari berkenaan ditentukan dan nilai-nilai tersebut turut ditunjukkan di dalam penyata kewangan Kumpulan. Perbezaan antara kos pengambilalihan dan nilai saksama syarikat subsidiari-subsidiari ditunjukkan sebagai muhibah atau rizab semasa penyatuan mengikut kesesuaian.

Urusniaga dan baki antara Kumpulan dan keuntungan belum direalisasikan dihapuskan atas penyatuan perakaunan. Kerugian belum direalisasikan hasil daripada urusniaga antara Kumpulan juga dihapuskan melainkan kos tidak boleh diperolehi semula.

(c) Hartanah, loji dan peralatan

Hartanah, loji dan peralatan kecuali bagi tanah milik bebas dinyatakan pada kos/penilaian tolak susut nilai terkumpul dan kerugian kerosakan terkumpul, sekiranya ada. Tanah milik bebas dinyata pada penilaian semula.

Kumpulan menilai semula hartanahnya meliputi tanah dan bangunan setiap 5 tahun dan pada tempoh masa yang lebih pendek apabila nilai pasaran aset yang dinilai semula telah berubah dengan ketara dari nilai bawanya. Tambahan selepas tarikh penilaian dinyatakan pada kos sehingga tarikh penilaian akan datang.

Lebihan yang timbul daripada penilaian semula diuruskan dalam akaun rizab penilaian semula hartanah. Sebarang defisit ditanggung ke atas rizab penilaian semula setakat kenaikan sebelumnya untuk hartanah yang sama. Dalam kes lain, penurunan jumlah bawa dicaj kepada penyata pendapatan.

Hartanah, loji dan peralatan yang tidak lagi digunakan secara aktif dan dipegang untuk dijual dinyatakan pada nilai bawanya pada tarikh ianya tidak digunakan secara aktif, ditolak kerugian kemerosotan, sekiranya ada.

1. RINGKASAN DASAR-DASAR PERAKAUNAN PENTING (samb.)

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

Susut nilai

Tanah milik bebas tidak dilunaskan.

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

Kaedah garis lurus digunakan untuk melupuskan kos aset lain sepanjang tempoh jangka hayat kegunaannya pada kadar tahunan utama berikut:

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

(d) Hartanah pelaburan

Hartanah pelaburan terdiri daripada pelaburan dalam tanah dan bangunan yang sebahagian besarnya tidak diduduki untuk digunakan oleh operasi Kumpulan. Hartanah pelaburan dinyatakan dalam kos ditolak kerugian kemerosotan. Kos termasuk kos tanah, semua kos langsung bangunan dan lain-lain kos pembinaan termasuk kos pinjaman yang terlibat semasa tempoh pembinaan. Polisi untuk mengiktiraf dan ukuran kerugian kerosakan adalah menurut Nota 1(p).

(e) Muhibah

Muhibah mewakili lebihan kos pengambilalihan berbanding nilai saksama bagi aset bersih yang boleh dikenalpasti dan diambilalih. Ia dinyatakan pada kos ditolak pelunasan terkumpul dan kerugian kemerosotan terkumpul.

Muhibah negatif mewakili lebihan nilai saksama bagi aset bersih yang boleh dikenalpasti dan diambilalih berbanding kos pengambilalihan. Ia dinyatakan pada kos ditolak pelunasan terkumpul.

Muhibah dan muhibah negatif 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, sementara muhibah untuk subsidiari-subsidiari lain dilunaskan kepada Penyata pendapatan kumpulan meliputi anggaran jangka masa boleh guna tidak melebihi 20 tahun.

(f) Pelaburan

Pelaburan jangka panjang selain daripada pelaburan dalam subsidiari-subsidiari, dinyatakan pada kos. Peruntukan dibuat apabila Para Pengarah berpendapat bahawa terdapat penurunan nilai pelaburan yang bukan bersifat sementara.

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

1. RINGKASAN DASAR-DASAR PERAKAUNAN PENTING (samb.)

(g) Pajakan kewangan

Pajakan yang mana Kumpulan menjangkakan semua risiko yang tinggi dan pemilikan dikelaskan sebagai pajakan kewangan. Aset yang dibeli secara pajakan kewangan dinyatakan bersamaan dengan nilai saksama dan nilai semasa untuk pembayaran pajakan minimum yang mana lebih rendah pada penyentuhan pajakan tolak peruntukan susut nilai dan kerugian kemerosotan.

Dalam pengiraan nilai semasa untuk pembayaran pajakan minimum, kadar diskaun adalah kadar faedah diambilkira dalam pajakan, sekiranya kaedah ini boleh digunakan; jika tidak kadar penambahan pinjaman Kumpulan digunakan.

(h) Penerimaan dagangan dan penerimaan lain

Penerimaan dagangan dan penerimaan lain dinyatakan pada kos ditolak peruntukan bagi hutang ragu.

(i) Ganjaran pekerja

(i) Ganjaran jangka pendek

Upah, gaji, bonus dan caruman sekuriti sosial diiktiraf sebagai perbelanjaan dalam tahun di mana perkhidmatan yang berkaitan diberikan oleh pekerja Kumpulan. Pampasan ketidakhadiran jangka pendek seperti cuti tahunan berbayar diiktiraf bila perkhidmatan yang diberi oleh pekerja akan menambahkan hak untuk pampasan ketidakhadiran akan datang, dan pampasan ketidakhadiran tidak terkumpul jangka pendek seperti cuti sakit diiktiraf bila ketidakhadiran berlaku.

(ii) Pelan caruman wajib

Kewajiban untuk mencarum kepada Kumpulan Wang Simpana Pekerja (“KWSP”), diiktiraf sebagai perbelanjaan di dalam Penyata Pendapatan apabila dibelanjakan.

(iii) Faedah pampasan ekuiti dan berkaitan ekuiti

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

(j) Liabiliti

Pembayaran dagangan dan pembayaran lain dinyatakan pada kos.

(k) Tanah untuk pembangunan hartanah

Tanah untuk pembangunan hartanah meliputi tanah atau sebahagian daripadanya yang tidak digunakan dalam aktiviti pembangunan, atau pembangunan aktiviti yang tidak dijangka boleh siap dalam jangka masa 2 hingga 3 tahun, menurut kitaran operasi Kumpulan. Tanah tersebut diklasifikasikan sebagai aset bukan semasa dan kos permulaan ditolak kerugian kemerosotan terkumpul.

Tanah untuk pembangunan diklasifikasikan semula sebagai kos pembangunan hartanah apabila aktiviti pembangunan bermula dan menunjukkan bahawa aktiviti pembangunan boleh disiapkan dalam masa 2 hingga 3 tahun menurut kitaran operasi Kumpulan.

Kos berkaitan dengan pembelian tanah termasuk harga belian tanah, yuran profesional, duti setem, komisyen, yuran pertukaran dan levi-levi lain. Sekiranya Kumpulan telah merekodkan nilai tanah pada nilai penilaian, nilai ini akan terus digunakan seperti yang dibenarkan oleh MASB32.

Nota-nota Kepada Penyata-penyata Kewangan (samb.)

1. RINGKASAN DASAR-DASAR PERAKAUNAN PENTING (samb.)

(l) Kos pembangunan hartanah

Kos pembangunan hartanah termasuk kos berkaitan dengan pembelian tanah dan semua kos yang terlibat secara langsung ke atas aktiviti pembangunan atau yang mana boleh diperuntukan dengan cara yang munasabah kepada aktiviti-aktiviti tersebut.

Kos pembangunan hartanah yang tidak diiktiraf sebagai perbelanjaan, diiktirafkan sebagai aset dan dinyatakan pada nilai realisasi bersih atau kos, yang mana lebih rendah.

Lebihan hasil jualan diiktirafkan di penyata pendapatan ke atas bil kepada pembeli-pembeli ditunjukkan sebagai bil terakru yang tergolong dalam dagangan dan penerimaan lain dan sebaliknya lebihan bil kepada pembeli-pembeli atas hasil jualan diiktiraf dalam penyata kewangan ditunjuk sebagai bil progresif tergolong dalam dagangan dan lain-lain pembayaran.

(m) 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 tuntutan kemajuan kerja. Kos termasuk semua kos pembinaan langsung dan kos lain yang berkenaan. Sekiranya tuntutan kerugian kerja melebihi jumlah terhutang oleh pelanggan kontrak termasuk keuntungan boleh diagih tolak kerugian terjangka, baki kredit bersih atas semua kontrak sedemikian ditunjukkan dalam pembayaran dagangan dan pembayaran lain sebagai jumlah dihutang kepada pelanggan kontrak.

(n) Inventori

Hartanah yang siap dan sedia untuk dijual dinyatakan pada kos atau nilai boleh realisasi bersih, yang mana lebih rendah. Kos termasuk kos berkaitan dengan pembelian tanah, kos langsung dan kos biasa yang diagihkan ke atas pembangunan hartanah sehingga pembangunan selesai.

(o) Tunai dan bersamaan tunai

Tunai dan bersamaan tunai merangkumi tunai dalam tangan, baki dan deposit dengan bank. Bagi tujuan penyata aliran tunai, tunai dan bersamaan tunai ditolak deposit yang dicagarkan.

(p) Kemerosotan

Nilai 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 lembaran imbangan bagi menentukan sama ada terdapat sebarang tanda kemerosotan. Sekiranya wujud tanda-tanda tersebut, jumlah boleh diperolehi semula aset dianggarkan. Kerugian kemerosotan diiktiraf apabila nilai dibawa sesuatu aset atau unit yang menjana tunai bagi aset itu melebihi nilai boleh diperolehi semula. Kerugian kemerosotan diiktiraf dalam penyata pendapatan, kecuali jika aset dinyatakan pada nilai penilaian semula, dalam keadaan ini kerugian kemerosotan dicaj kepada ekuiti.

Nilai boleh diperolehi semula adalah nilai yang lebih tinggi di antara harga pasaran bersih aset dan nilai digunapakai. Dalam mentaksirkan nilai digunapakai, aliran tunai masa depan yang dianggarkan didiskaunkan kepada nilai semasanya menggunakan kadar diskaun pra-cukai yang menunjukkan penilaian pasaran semasa nilai masa wang dan risiko tertentu kepada aset. Bagi asset yang tidak menjana aliran masuk tunai bebas yang besar, nilai boleh diperolehi semula ditentukan bagi unit yang menjana tunai bagi aset tersebut.

1. RINGKASAN DASAR-DASAR PERAKAUNAN PENTING (samb.)

(p) Kemerosotan (samb.)

Kerugian kemerosotan berhubung dengan muhibah tidak dibalikkan melainkan kerugian itu disebabkan oleh sesuatu peristiwa luaran tertentu yang bersifat luarbiasa dan tidak dijangka berulang, serta 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 nilai boleh didapati semula.

Kerugian kemerosotan hanya dibalikkan setakat nilai dibawa aset itu tidak melebihi nilai dibawa yang telah ditentukan, bersih daripada susut nilai atau pelunasan, sekiranya tiada kerugian kemerosotan diiktiraf. Pembalikan diiktiraf di dalam penyata pendapatan, kecuali ia membalikkan kerugian kemerosotan atas aset yang dinyatakan pada nilai penilaian, dalam keadaan ini ianya diiktiraf ke dalam ekuiti.

(q) Cukai pendapatan

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

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

Cukai tertunda diperuntukan menggunakan kaedah liabiliti atas perbezaan sementara antara asas cukai dan nilai dibawa aset dan liabiliti dalam penyata kewangan. Perbezaan sementara tidak diiktiraf bagi perbezaan sementara yang timbul daripada muhibah tidak boleh ditolak bagi tujuan cukai, dan pengiktirafan pertama sesuatu aset atau liabiliti dalam urusniaga yang pada waktu urusniaga tidak menjejaskan keuntungan perakaunan atau keuntungan bercukai. Cukai tertunda dikira pada kadar cukai yang dijangka akan digunakan dalam tempoh di mana aset direalisasi atau liabiliti diselesaikan, berasaskan kadar cukai yang berkuatkuasa pada tarikh lembaran imbangan.

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

(r) Matawang asing

(i) Urusniaga dalam matawang asing

Urusniaga dalam matawang asing ditukar kepada Ringgit Malaysia pada kadar pertukaran yang berkuatkuasa pada tarikh urusniaga. Aset dan liabiliti monetari yang ditunjukkan dalam matawang asing pada tarikh lembaran imbangan ditukar kepada Ringgit Malaysia pada kadar pertukaran asing yang berkuatkuasa pada tarikh tersebut. Perbezaan pertukaran asing yang timbul semasa penukaran diiktiraf di dalam penyata pendapatan.

(ii) Penyata kewangan operasi asing

Operasi asing Kumpulan tidak merupakan sebahagian yang penting dalam operasi Syarikat. Oleh itu, aset dan liabiliti operasi asing, termasuk muhibah dan pelarasan nilai saksama yang timbul daripada penyatuan, ditukarkan kepada Ringgit Malaysia pada kadar pertukaran yang berkuatkuasa pada tarikh lembaran imbangan. Hasil dan perbelanjaan operasi asing ditukar kepada Ringgit Malaysia pada kadar pertukaran purata sepanjang tahun. Perbezaan pertukaran asing yang timbul semasa pertukaran diiktiraf secara langsung dalam ekuiti.

1. RINGKASAN DASAR-DASAR PERAKAUNAN PENTING (samb.)

(r) Matawang asing (samb.)

(ii) Penyata kewangan operasi asing (samb.)

Kadar pertukaran utama yang digunakan di dalam pertukaran nilai aset dan liabiliti monetari dalam matawang asing dan penyata kewangan operasi asing adalah seperti berikut:

	2005	2004
HK$ 1	**RM0.49**	RM0.49

(s) Hasil

(i) Kontrak pembinaan

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

Apabila hasil daripada kontrak pembinaan tidak dapat dijangka dengan tepat, hasil diiktiraf hanya pada tahap kos kontrak dibelanjakan yang mungkin boleh diperolehi semula dan kos kontrak diiktiraf sebagai perbelanjaan dalam tempoh ia dibelanjakan.

Kerugian yang dijangka atas kontrak akan diiktiraf dengan serta-merta dalam penyata pendapatan.

(ii) Pembangunan hartanah

Hasil jualan daripada aktiviti pembangunan diambilkira melalui tahap penyelesaian berpandukan kos pembangunan hartanah yang terlibat untuk kerja yang dilakukan sehingga kini ke atas jumlah anggaran kos pembangunan hartanah.

Sekiranya keputusan kewangan yang timbul akibat pembangunan hartanah tidak boleh dianggar dengan tepat, pendapatan pembangunan hartanah boleh diiktiraf hanya ke tahap kos pembangunan hartanah berlaku yang mungkin boleh dipulihkan, dan kos pembangunan hartanah ke atas unit pembangunan yang dijual diiktirafkan sebagai perbelanjaan semasa yang mana ia berlaku.

Sebarang kerugian yang tidak disangka dalam projek pembangunan, termasuk kos yang dipergunakan dalam tempoh tanggungan kecacatan, akan diiktirafkan dengan segera di penyata pendapatan.

(iii) Pendapatan dividen

Pendapatan dividen diiktiraf apabila hak untuk menerima 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.

(t) Perbelanjaan

Kos pembiayaan

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

2. HARTANAH, LOJI DAN PERALATAN

Kumpulan	Tanah milik bebas RM'000	Bangunan milik bebas RM'000	Tanah pajakan jangka panjang RM'000	Bangunan pajakan jangka panjang RM'000	Kenderaan bermotor RM'000	Peralatan tapak RM'000	Loji dan jentera RM'000	Peralatan pejabat RM'000	Perabot dan keleng-kapan RM'000	Jumlah RM'000
Kos/Penilaian										
Pada 1 Januari 2005	975	1,455	3,213	1,887	3,733	626	8,811	1,089	216	22,005
Tambahan	1,741	-	-	-	299	1	184	111	7	2,343
Jualan	-	-	-	-	(118)	-	-	-	-	(118)
Hapuskira	-	-	-	-	(8)	-	(68)	(209)	-	(285)
Perbezaab pertukaran	-	-	-	-	-	-	1	-	-	1
Pelarasan atas penilaian semula	-	(108)	(161)	(209)	-	-	-	-	-	(478)
Lebihan penilaian semula	453	55	168	702	-	-	-	-	-	1,378
Pada 31 Disember 2005	**3,169**	**1,402**	**3,220**	**2,380**	**3,906**	**627**	**8,928**	**991**	**223**	**24,846**
Butir-butir										
Kos	1,741	-	-	-	3,906	627	8,928	991	223	16,416
Penilaian - 2005	1,428	1,402	3,220	2,380	-	-	-	-	-	8,430
Pada 31 Disember 2005	**3,169**	**1,402**	**3,220**	**2,380**	**3,906**	**627**	**8,928**	**991**	**223**	**24,846**
Susut nilai terkumpul										
Pada 1 Januari 2005	-	79	120	160	2,616	572	8,188	897	185	12,817
Caj tahunan	-	29	41	49	405	36	320	116	13	1,009
Jualan	-	-	-	-	(117)	-	-	-	-	(117)
Hapus kira	-	-	-	-	(8)	-	(68)	(201)	-	(277)
Perbezaan pertukaran	-	-	-	-	-	-	1	-	-	1
Pelarasan atas penilaian semula	-	(108)	(161)	(209)	-	-	-	-	-	(478)
Pada 31 Disember 2005	**-**	**-**	**-**	**-**	**2,896**	**608**	**8,441**	**812**	**198**	**12,955**
Nilai buku bersih										
Pada 31 Disember 2005	**3,169**	**1,402**	**3,220**	**2,380**	**1,010**	**19**	**487**	**179**	**25**	**11,891**
Pada 31 Disember 2004	975	1,376	3,093	1,727	1,117	54	623	192	31	9,188
Caj susut nailai bagi tahun berakhir 31 Disember 2004	-	29	41	100	374	47	317	121	13	1,042

Nota-nota Kepada Penyata-penyata Kewangan (samb.)

2. HARTANAH, LOJI DAN PERALATAN (samb.)

Syarikat	Peralatan pejabat RM'000
Kos	
Pada 1 Januari 2005/31 Disember 2005	1
Susut nilai terkumpul	
Pada 1 Januari 2005/31 Disember 2005	1
Nilai buku bersih	
Pada 31 Disember 2004/31 Disember 2005	-
Caj susut nilai bagi tahun berakhir 31 Disember 2004	-

2.1 Penilaian semula - Kumpulan

Tanah dan bangunan milik bebas serta tanah dan bangunan pajakan jangka panjang Kumpulan dinyatakan pada penilaian Para Pengarah berdasarkan laporan penilaian profesional yang dilakukan oleh Encik Long Tian Chek, seorang penilai berdaftar di Henry Butcher Malaysia Sdn Bhd, dengan kaedah perbandingan yang dilakukan pada 31 Disember 2005. Lebihan yang timbul daripada penilaian semula tersebut telah dipindahkan ke Rizab Penilaian Semula Hartanah.

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

	2005 RM'000	2004 RM'000
Tanah milik bebas	**490**	490
Bangunan milik bebas	**999**	129
Tanah pajakan jangka panjang	**1,977**	336
Bangunan pajakan jangka panjang	**2,221**	-
	5,687	955

3. TANAH DIPEGANG UNTUK PEMBANGUNAN

	Kumpulan	
	2005 RM'000	2004 RM'000
Kos		
Pada 1 Januari	**1,800**	1,800
Tambahan	**5,523**	-
Pada 31 Disember	**7,323**	1,800

4. HARTANAH PELABURAN

	Syarikat 2005 RM'000	Syarikat 2004 RM'000
Tanah dan bangunan milik bebas	**9,028**	-

Hartanah pelaburan yang diambil alih dalam 2005 dinyatakan pada kos.

5. PELABURAN DALAM SUBSIDIARI

	Syarikat 2005 RM'000	Syarikat 2004 RM'000
Saham tidak disebut harga - pada kos	**13,333**	13,333

Subsidiari-subsidiari Syarikat adalah seperti berikut:

Subsidiari	Aktiviti utama	Kepentingan pemilikan utama (%) 2005	Kepentingan pemilikan utama (%) 2004
Ken Grouting Sdn. Bhd.	Perkihidmatan kejuruteraan pakar, kontrak serah kunci, pembinaan dan kejuruteraan awam	**100**	100
Ken Projects Sdn. Bhd.	Pegangan pelaburan	**100**	100
Ken Property Sdn. Bhd.	Pegangan dalam pelaburan hartanah dan pemaju perumahan	**100**	100
Support Capital Sdn. Bhd.	Pegangan pelaburan	**100**	100
Subsidiari Support Capital Sdn. Bhd. adalah:			
Kenly (HK) Ltd.*	Pembinaan dan kejuruteraan awam	**73.6**	57.6
Subsidiari-subsidiari Ken Grouting Sdn. Bhd. adalah:			
Ken-Chec Sdn. Bhd.	Tambakan tanah, kejuruteraan awam, korekan dan marin	**100**	100
Success Goal Asia Ltd.*	tidak aktif	**100**	100
Subsidiari-subsidiari Ken Projects Sdn. Bhd. adalah:			
Khidmat Tulin Sdn. Bhd.	Kontraktor dan pemaju perumahan	**100**	100
T.B.S. Management Sdn. Bhd.	Perkhidmatan pengurusan hartanah	**100**	100
Ken Rimba Jaya Sdn. Bhd.	Pembangunan hartanah dan pegangan pelaburan	**100**	100
Subsidiari-subsidiari Ken Property Sdn. Bhd. adalah:			
KD Management Sdn. Bhd.	Perkhidmatan pengurusan hartanah	**100**	100
Ken Link Sdn. Bhd.	Pembangunan hartanah dan pegangan pelaburan	**100**	100
Aunyang Holdings Sdn. Bhd.	Pegangan pelaburan	**100**	100

Nota-nota Kepada Penyata-penyata Kewangan (samb.)

5. PELABURAN DALAM SUBSIDIARI (samb.)

Subsidiari	Aktiviti utama	Kepentingan pemilikan utama (%) 2005	2004
Subsidiari-subsidiari Kenly (HK) Ltd. adalah:			
Kenly Engineering Ltd.*	Pembinaan dan kejuruteraan awam	**100**	100

* Diaudit oleh firma juruaudit lain

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

6. PELABURAN LAIN

	Kumpulan 2005 RM'000	Kumpulan 2004 RM'000
Saham disebut harga di Malaysia	**120**	120
Tolak: Peruntukan bagi kesusutan dalam nilai	**(108)**	(108)
	12	12
Pelaburan tidak disebut harga	**20**	20
	32	32
Nilai pasaran saham disebut harga	**6**	13

7. MUHIBAH ATAS PENGAMBILALIHAN

	Kumpulan 2005 RM'000	Kumpulan 2004 RM'000
Kos		
Pada 1 Januari/31 Disember	**4,629**	4,629
Pelunasan		
Pada 1 Januari	**3,820**	2,412
Caj pelunasan tahunan	**271**	1,408
Pada 31 Disember	**4,091**	3,820
Nilai buku bersih - Pada 31 Disember	**538**	809

8. MUHIBAH NEGATIF

	Kumpulan 2005 RM'000	Kumpulan 2004 RM'000
Kos		
Pada 1 Januari	**664**	648
Kos insiden berkaitan dengan pengambilalihan sebuah subsidiari yang dipulihkan daripada penjual	**-**	16
Pada 31 Disember	**664**	664
Pelunasan		
Pada 1 Januari	**446**	223
Caj pelunasan tahunan	**-**	223
Pada 31 Disember	**446**	446
Nilai buku bersih - Pada 31 Disember	**218**	218

9. KOS PEMBANGUNAN HARTANAH

	Kumpulan 2005 RM'000	Kumpulan 2004 RM'000
Pada 1 Januari		
Tanah	**57,846**	55,698
Kos pembangunan	**60,942**	35,788
Kos terkumpul dicajkan ke penyata pendapatan	**(67,565)**	(39,555)
	51,223	51,931
Agihan dari hartanah/tanah untuk pembangunan	**-**	2,148
Kos tanah/pembangunan dibelanjakan sepanjang tahun	**24,921**	25,154
Bangunan milik bebas dibeli sepanjang tahun	**6,001**	-
	82,145	79,233
Kos dicajkan ke penyata pendapatan	**(23,170)**	(28,010)
Kos dipindah ke inventori	**(4,605)**	-
	54,370	51,223
Pada 31 Disember		
Tanah	**39,913**	57,846
Kos pembangunan	**38,161**	60,942
Kos terkumpul dicajkan ke penyata pendapatan	**(23,704)**	(67,565)
	54,370	51,223

Tambahan kepada kos pembangunan sepanjang tahun ini termasuk kos pekerja berjumlah RM99,000 (2004: RM183,000).

Nota-nota Kepada Penyata-penyata Kewangan (samb.)

10. PENERIMAAN DAGANGAN DAN PENERIMAAN LAIN

	Kumpulan		Syarikat	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Penerimaan dagangan	**25,920**	22,047	**-**	-
Jumlah tertahan	**4,504**	4,625	**-**	-
	30,424	26,672	**-**	-
Tolak: Peruntukan hutang ragu	**(12,223)**	(11,111)	**-**	-
	18,201	15,561	**-**	-
Penerimaan lain, deposit dan prabayaran	**3,610**	2,063	**17**	23
Jumlah terhutang oleh pelanggan kontrak	**2,179**	2,683	-	-
	23,990	20,307	**17**	23

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

	Kumpulan		Syarikat	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Ringgit Malaysia	**10,213**	7,308	**-**	-
Hong Kong Dollar	**20,211**	19,364	**-**	-
	30,424	26,672	**-**	-

10.2 Dalam 2004, termasuk dalam penerimaan lain, deposit dan prabayaran Kumpulan ialah deposit sebanyak RM170,000 untuk pengambilalihan 6 bidang tanah. Pengambilalihan ini disempurnakan dalam Januari 2005.

10.3 Dalam 2005, hutang lapuk yang dihapuskira terhadap peruntukan bagi hutang ragu ialah RM1,513,000.

10.4 Jumlah terhutang oleh pelanggan kontrak ialah:

	Kumpulan	
	2005 RM'000	2004 RM'000
Kos agregat yang dibelanja sehingga kini	**38,218**	25,346
Tambah: Keuntungan boleh diagihkan	**908**	5,485
	39,126	30,831
Tolak: Tuntutan peringkat siap	**(36,947)**	(28,210)
	2,179	2,621
Jumlah terhutang kepada pelanggan kontrak (Nota 13)	**-**	62
	2,179	2,683
Tambahan kepada kos agregat dibelanja sepanjang tahun termasuk:		
Kos pekerja	**3,357**	2,247
Sewaan loji dan jentera	**756**	275

11. JUMLAH TERHUTANG OLEH/(KEPADA) SUBSIDIARI-SUBSIDIARI

	Syarikat	
	2005	**2004**
	RM'000	**RM'000**
Jumlah terhutang oleh subsidiari-subsidiari - Bukan dagangan	**79,403**	57,692
Jumlah terhutang kepada subsidiari-subsidiari - Bukan dagangan	**3**	3

11.1 Jumlah terhutang oleh/(kepada) subsidiari-subsidiari adalah tidak bercagar, tanpa faedah dan tiada tempoh pembayaran balik yang tetap.

11.2 Termasuk dalam jumlah terhutang oleh subsidiari-subsidiari adalah dividen belum terima daripada subsidiari-subsidiari yang berjumlah RM3,348,000 (2004: Tiada).

12. TUNAI DAN BERSAMAAN TUNAI

	Kumpulan		Syarikat	
	2005	**2004**	**2005**	**2004**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Baki tunai dan bank	**5,727**	4,179	**79**	242
Deposit di bank berlesen				
- tidak dicagar	**16,739**	36,738	**860**	19,641
- dicagar	**4,653**	4,389	**4,253**	3,989
	27,119	45,306	**5,192**	23,872

12.1 Termasuk dalam tunai dan baki bank Kumpulan adalah RM1,442,000 (2004: RM1,258,000) yang disimpan menurut Peraturan Pembangunan Perumahan (Akaun Pembangunan Perumahan) 1991.

12.2 Deposit Kumpulan dan Syarikat yang berjumlah RM4,653,000 (2004: RM4,389,000) and RM4,253,000 (2004: RM3,989,000) masing-masing dicagarkan kepada bank berlesen untuk kemudahan overdraf bank dan jaminan bank ke atas kemudahan jaminan bank yang diberikan kepada syarikat-syarikat subsidiari.

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

	Kumpulan		Syarikat	
	2005	**2004**	**2005**	**2004**
Deposit di bank berlesen	**2.67%**	2.61%	**2.66%**	2.52%

Tarikh matang bagi deposit-deposit dengan bank-bank berlesen adalah dalam jangka masa satu (1) bulan sehingga satu (1) tahun atau bila-bila masa.

12. TUNAI DAN BERSAMAAN TUNAI (samb.)

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

	Kumpulan		Syarikat	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Ringgit Malaysia	**25,768**	45,190	**5,192**	23,872
Hong Kong Dollar	**1,351**	116	**-**	-
	27,119	45,306	**5,192**	23,872

13. PEMBAYARAN DAGANGAN DAN PEMBAYARAN LAIN

	Kumpulan		Syarikat	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
Pembayaran dagangan	**14,740**	13,595	**-**	-
Jumlah terhutang kepada pelanggan kontrak (Nota 10.4)	**-**	62	**-**	-
Tuntutan peringkat siap	**4,884**	4,924	**-**	-
Pembayaran lain dan akruan	**6,711**	2,849	**404**	186
Jumlah terhutang kepada para pengarah	**246**	325	**137**	235
	26,581	21,755	**541**	421

13.1 Termasuk dalam pembayaran dagangan Kumpulan adalah jumlah belum bayar tertahan yang berjumlah RM3,139,000 (2004: RM3,585,000).

Profil dedahan mata wang pembayaran dagangan yang dinyatakan dalam persamaan Ringgit Malaysia adalah seperti berikut:

	Kumpulan	
	2005 RM'000	2004 RM'000
Ringgit Malaysia	**9,572**	9,002
Hong Kong Dollar	**5,168**	4,593
	14,740	13,595

13.2 Jumlah terhutang kepada para pengarah adalah tidak bercagar, tanpa faedah dan tiada tempoh pembayaran balik yang tetap.

14. PINJAMAN

	Kumpulan 2005 RM'000	Kumpulan 2004 RM'000
Semasa		
Kredit pusingan - tidak bercagar	**3,905**	-
Overdraf bank - bercagar	**2,972**	2,617
Liabiliti pajakan kewangan	**91**	212
	6,968	2,829
Bukan semasa		
Pinjaman daripada pemegang saham minoriti	**212**	212
Liabiliti pajakan kewangan	**-**	91
	212	303

Terma dan jadual pembayaran balik hutang

Kredit pusingan ialah dikenakan faedah sebanyak 9.75% (2004 - 6.75%) dan disokong oleh jaminan korporat yang dikeluarkan oleh Syarikat. Overdraf bank dikenakan faedah sebanyak 9.5% (2004: 6.5%) dan dijamin dengan simpanan tetap di dalam bank.

Pinjaman daripada pemegang saham minoriti adalah tidak bercagar, tanpa faedah dan tidak perlu dibayar balik dalam tempoh 12 bulan yang berikut.

Liabiliti-liabiliti kewangan dibayar adalah seperti berikut:

Kumpulan	Pembayaran 2005 RM'000	Faedah 2005 RM'000	Pokok 2005 RM'000	Pembayaran 2004 RM'000	Faedah 2004 RM'000	Pokok 2004 RM'000
Kurang daripada satu tahun	**95**	**4**	**91**	224	12	212
Antara satu dan lima tahun	**-**	**-**	**-**	95	4	91
	95	**4**	**91**	319	16	303

Nota-nota Kepada Penyata-penyata Kewangan (samb.)

15. MODAL SAHAM

	Kumpulan dan Syarikat 2005 RM'000	2004 RM'000
Saham biasa bernilai RM1 sesaham		
Dibenarkan		
Pada 1 Januari	**100,000**	100,000
Diterbitkan dalam tahun kewangan	**200,000**	-
Pada 31 Disember	**300,000**	100,000
Diterbitkan dan dibayar penuh		
Pada 1 Januari	**60,180**	60,162
Terbitan bonus	**30,095**	-
Saham diterbit di bawah skim opsyen saham pekerja	**10**	18
Pada 31 Disember	**90,285**	60,180

Pada Mesyuarat Agung Luar Biasa yang diadakan pada 19 Mei 2005, para pemegang saham Syarikat telah meluluskan terbitan bonus sebanyak 30,095,000 saham biasa baru pada RM1.00 sesaham dan dikreditkan sebagai saham biasa dirbayar penuh berasaskan satu (1) saham biasa baru untuk dua (2) saham biasa berbayar yang sedia ada. Terbitan bonus RM30,095,000 yang terdiri daripada 30,095,000 saham biasa telah diperuntukan pada 8 Julai 2005 dan dikreditkan sebagai saham biasa dibayar penuh dengan mempermodalkan sebanyak RM242,000 dan RM29,853,000 daripada akaun saham premium Syarikat dan akaun keuntungan tertahan masing-masing.

16. RIZAB

16.1 Rizab penilaian semula hartanah (Tidak boleh diagih)

Rizab penilaian semula hartanah mewakili lebihan yang timbul dari penilaian semula tanah dan bangunan milik bebas dan pajakan jangka panjang Kumpulan dan tanah pajakan dipegang untuk pembangunan.

16.2 Keuntungan tertahan (Boleh diagih)

Tertakluk kepada persetujuan Lembaga Hasil Dalam Negeri, Syarikat mempunyai cukai kredit Seksyen 108 dan pendapatan dikecualikan cukai yang mencukupi untuk pembayaran cukai pendapatan atas semua keuntungan tertahannya pada 31 Disember 2005 jika dibayar sebagai dividen.

17. KEPENTINGAN PEMEGANG SAHAM MINORITI

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

18. CUKAI TERTUNDA

Jumlah ini, ditentukan selepas imbangan yang sewajarnya, adalah seperti berikut:

	Kumpulan		Syarikat	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
Aset cukai tertunda	**(1,070)**	(916)	**(54)**	(32)
Liabiliti cukai tertunda	**6,335**	6,569	**1,302**	-

Liabiliti dan aset cukai tertunda diimbang seperti di atas apabila mendapat hak yang sah dan berkuatkuasa dari segi undang-undang untuk mengimbangkan 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 pengimbangan) adalah seperti berikut:

	Kumpulan		Syarikat	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
Hartanah, loji dan peralatan				
- Elaun modal	**87**	107	**-**	-
- Penilaian semula	**717**	441	**-**	-
Kos pembangunan hartanah	**6,110**	6,447	**-**	-
Elaun modal tidak serap	**(6)**	(6)	**-**	-
Kerugian cukai belum digunakan	**(361)**	(360)	**-**	-
Peruntukan	**(114)**	(92)	**(54)**	(32)
Lain-lain perbezaan diduktibel sementara	**(1,168)**	(884)	**1,302**	-
	5,265	5,653	**1,248**	(32)
Tiada cukai tertunda diiktiraf untuk perkara-perkara berikut:				
Lain-lain perbezaan deduktibel sementara	**(176)**	(242)	**-**	-
Elaun modal tidak serap	**12**	25	**-**	-
Kerugian cukai belum digunakan	**7,042**	2,529	**-**	-
	6,878	2,312	**-**	-

Elaun modal belum diserap dan kerugian cukai belum digunakan tiada had tempoh di bawah perundangan cukai semasa. Aset cukai tertunda belum diiktiraf berhubung dengan kerugian belum digunakan tertentu terutamanya daripada sebuah subsidiari luar negara disebabkan tiada kemungkinan keuntungan boleh cukai masa hadapan akan dihasilkan untuk menggunakan faedah tersebut.

19. GANJARAN PEKERJA

Pelan opsyen saham

Kumpulan menawarkan opsyen saham atas saham biasa kepada Pengarah-pengarah dan pekerja-pekerja kanan lain yang berkhidmat melebihi satu tahun. Pergerakan dalam bilangan opsyen saham yang dipegang oleh pekerja-pekerja adalah seperti berikut:

	Kumpulan dan Syarikat	
	2005	**2004**
	'000	**'000**
Tunggakan pada 1 Januari	**4,478**	4,603
Terbitan	**-**	-
Dilaksana	**(10)**	(18)
Lupus	**(359)**	(107)
Tunggakan pada 31 Disember	**4,109**	4,478

Butiran opsyen saham yang diberikan sepanjang tahun:

Tarikh tamat tempoh	2008
Harga laksana sesaham biasa (RM)	1
Perolehan agrerat terbitan (RM'000)	10
Nilai saksama pada tarikh terbitan (RM'000)	10

Terma-terma opsyen tertunggak pada 31 Disember:

Tarikh tamat tempoh	**Harga laksana**	**Bilangan**
	RM	**'000**
4 Jun 2008	1.00	4,109

Kumpulan menerima perolehan sebanyak RM10,000 berhubung dengan 10,000 opsyen yang dilaksanakan sepanjang tahun di mana kesemua jumlah tersebut telah dikreditkan ke modal saham.

20. KEUNTUNGAN OPERASI

	Kumpulan		Syarikat	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
Keuntungan operasi diperolehi selepas dicaj:				
Pelunasan muhibah, bersih	**271**	1,185	**-**	-
Ganjaran juruaudit				
Juruaudit Syarikat				
- tahun semasa	**69**	64	**13**	13
- peruntukan terkurang dalam tahun sebelumnya	**3**	4	**-**	3
Juruaudit lain	**24**	24	**-**	-
Peruntukan hutang ragu	**2,640**	2,967	**-**	-
Hartanah, loji dan peralatan dihapuskira	**8**	-	**-**	-
Susut nilai	**1,009**	1,042	**-**	-
Ganjaran Pengarah				
Para pengarah Syarikat				
- yuran	**80**	80	**80**	80
- emolumen lain	**1,370**	1,330	**52**	49
Pengarah-pengarah lain				
- emolumen lain	**225**	301	**-**	-
Sewa premis	**219**	222	**-**	-
Sewa loji dan jentera	**-**	9	**-**	-
dan dikredit:				
Pendapatan dividen daripada subsidiari-subsidiari	**-**	-	**6,654**	29,971
Keuntungan daripada penjualan hartanah, loji dan peralatan	**40**	28	**-**	-
Pendapatan faedah				
- deposit tetap	**754**	693	**397**	295
- Akaun Pembangunan Perumahan	**24**	49	**-**	-
- lain-lain	**57**	213	**-**	-
Sewa premis	**656**	565	**-**	-
Pembalikan peruntukan hutang ragu	**15**	-	**-**	-

Anggaran nilai wang manfaat seumpamanya bagi para pengarah dalam Kumpulan adalah RM54,000 (2004: RM46,000).

21. MAKLUMAT PEKERJA

	Kumpulan	
	2005	2004
	RM'000	RM'000
Kos pekerja		
- dicaj ke penyata pendapatan	**5,058**	3,836
- dipermodalkan ke kontrak pelanggan	**3,357**	2,247
- dipermodalkan ke kos pembangunan hartanah	**99**	183
	8,514	6,266

21. MAKLUMAT PEKERJA (samb.)

Jumlah pekerja dalam kumpulan dan Syarikat (termasuk pengarah) pada hujung tahun adalah seramai 147 (2004: 122) dan 8 (2004: 8) masing-masing.

Termasuk dalam kos pekerja adalah perbelanjaan ke atas pelan sumbangan ditetapkan sebanyak RM607,000 (2004: RM551,000).

22. KOS PEMBIAYAAN

	Kumpulan 2005 RM'000	Kumpulan 2004 RM'000
Faedah belum bayar		
- Faedah pinjaman	**33**	23
- Overdraf bank	**208**	55
- Pajakan kewangan	**12**	22
	253	100

23. PERBELANJAAN CUKAI

		Kumpulan		Syarikat	
		2005	2004	2005	2004
		RM'000	RM'000	RM'000	RM'000
Perbelanjaan cukai semasa					
Malaysia	- tahun semasa	**4,119**	6,041	**2,052**	9,443
	- tahun lalu	**(20)**	(552)	**4**	3
		4,099	5,489	**2,056**	9,446
Perbelanjaan cukai tertunda					
Malaysia	- tahun semasa	**(669)**	(1,927)	**(22)**	(893)
	- tahun lalu	**-**	762	**-**	-
Luar negara	- tahun semasa	**-**	(51)	**-**	-
		3,430	4,273	**2,034**	8,553
Penyesuaian perbelanjaan cukai efektif					
Keuntungan sebelum cukai		**7,909**	11,392	**7,150**	30,536
Cukai pendapatan mengikut kadar cukai Malaysia		**2,044**	3,031	**2,002**	8,550
Perbelanjaan tidak deduktibel		**149**	383	**28**	-
Kesan perbezaan kadar cukai atas jurisduksi asing		**490**	254	**-**	-
Kesan aset cukai tertunda tidak diiktiraf dalam tahun semasa		**767**	395	**-**	-
		3,450	4,063	**2,030**	8,550
(Terlebih)/terkurang peruntukan dalam tahun-tahun sebelumnya		**(20)**	210	**4**	3
Perbelanjaan cukai		**3,430**	4,273	**2,034**	8,553

24. PENDAPATAN SESAHAM BIASA - KUMPULAN

Pendapatan asas sesaham biasa

Pengiraan pendapatan asas sesaham biasa berdasarkan keuntungan bersih yang boleh diagih kepada pemegang-pemegang saham biasa berjumlah RM6,462,000 (2004: RM8,123,000) dan bilangan purata berwajaran saham biasa yang diterbitkan sepanjang tahun sebanyak 90,279,000 (2004 dinyata semula: 90,270,000).

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

	2005 RM'000	2004 RM'000
Keuntungan bersih boleh diagih kepada para pemegang saham biasa	**6,462**	8,123

Bilangan purata berwajaran saham biasa

	2005 '000	2004 '000
Terbitan saham pada awal tahun	**60,180**	60,162
Kesan terbitan bonus	**30,093**	30,093
Kesan opsyen dilaksana	**6**	15
Bilangan purata berwajaran saham biasa	**90,279**	90,270

Pendapatan sesaham biasa tahun lepas dinyatakan semula berdasarkan keuntungan bersih yang boleh diagihkan kepada pemegang saham biasa sebanyak RM8,123,000 dan bilangan purata berwajaran saham biasa tertunggak pada tahun tersebut sebanyak 90,279,000 saham biasa selepas mengambil kira terbitan bonus sebanyak 30,093,000 saham bernilai RM1.00 sesaham.

Pendapatan dicairkan sesaham

Kesan terhadap pendapatan asas sesaham yang timbul daripada anggapan perlaksanaan ESOS adalah anti-pencairan dalam tahun 2005. Oleh itu, pendapatan dicairkan sesaham tidak diumumkan pada tahan 2005.

Pengiraan pendapatan dicairkan sesaham dalam tahun 2004 adalah berdasarkan keuntungan bersih yang boleh diagih kepada para pemegang saham biasa berjumlah RM8,123,000 dan bilangan purata berwajaran saham biasa yang tertunggak sebanyak 90,756,000 (selepas mengambil kira kesan terbitan bonus) dikira seperti berikut:

Keuntungan bersih boleh diagih kepada para pemegang saham biasa (dicairkan) dikira seperti berikut:

	2004 RM'000
Keuntungan bersih boleh diagih kepada para pemegang saham biasa (dicairkan)	8,123

Bilangan purata berwajaran saham biasa (dicairkan)

	2004 '000
Bilangan purata berwajaran saham biasa seperti di atas	90,270
Kesan opsyen saham	486
Bilangan purata berwajaran saham biasa (dicairkan)	90,756

25. DIVIDEN

	Kumpulan dan Syarikat 2005 RM'000	2004 RM'000
Biasa		
Pertama and akhir dibayar:		
Tahun berakhir 31 Disember 2003 - 5% sesaham tolak cukai	**-**	2,167
Tahun berakhir 31 Disember 2004 - 5% sesaham tolak cukai	**2,167**	-
	2,167	2,167

Pada tahun berakhir 31 disember 2005, dividen pertama dan akhir sebanyak 5% ditolak cukai berjumlah RM3,250,260 telah disyorkan oleh Para Pengarah dan akan dicadangkan untuk kelulusan para pemegang saham pada Mesyuarat Agung Tahunan akan datang.

26. MAKLUMAT SEGMEN

Maklumat segmen dinyatakan dari segi segmen perniagaan dan geografi Kumpulan. Format utama, segmen perniagaan adalah berdasarkan struktur pengurusan dan laporan dalaman Kumpulan. Penentuan harga antara segmen berdasarkan urusniaga biasa perniagaan menurut terma yang dirundingkan.

Keputusan segmen, 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 adalah terdiri daripada aset yang mendatangkan faedah dan hasil, pinjaman dan perbelanjaan serta aset dan perbelanjaan korporat.

Perbelanjaan modal segmen adalah jumlah kos yang ditanggung pada tempoh membeli aset segmen di mana ianya dijangka akan digunakan lebih dari satu jangka masa.

Segmen perniagaan

Kumpulan terdiri daripada segmen-segmen perniagaan utama berikut:

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

Segmen geografi

Segmen pembinaan diurus dalam dua kawasan geografi utama, iaitu 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 manakala aset segmen adalah berdasarkan lokasi geografi aset.

26. MAKLUMAT SEGMEN (samb.)

Kumpulan	Pembinaan 2005 RM'000	Pembinaan 2004 RM'000	Pembangunan hartanah 2005 RM'000	Pembangunan hartanah 2004 RM'000	Penghapusan 2005 RM'000	Penghapusan 2004 RM'000	Penyatuan 2005 RM'000	Penyatuan 2004 RM'000
Segmen Perniagaan								
Hasil daripada pelanggan luaran	**20,628**	17,761	**42,724**	47,818	**-**	-	**63,352**	65,579
Hasil antara segmen	**25,987**	30,029	**144**	144	**(26,131)**	(30,173)	**-**	-
Jumlah hasil segmen	**46,615**	47,790	**42,868**	47,962	**(26,131)**	(30,173)	**63,352**	65,579
Keputusan segmen	**(2,700)**	2,031	**12,508**	10,907	**(2,094)**	(2,053)	**7,714**	10,885
Perbelanjaan tidak diagihkan							**(392)**	(348)
Pendapatan faedah							**840**	955
Keuntungan operasi							**8,162**	11,492
Perbelanjaan faedah							**(253)**	(100)
Keuntungan sebelum cukai							**7,909**	11,392
Perbelanjaan cukai							**(3,430)**	(4,273)
Kepentingan minoriti							**1,983**	1,004
Keuntungan bersih bagi tahun kewangan							**6,462**	8,123
Segmen aset	**52,303**	43,681	**99,261**	74,135	**(15,993)**	(11,003)	**135,571**	106,813
Aset tidak diagihkan							**7,436**	25,069
Jumlah aset							**143,007**	131,882
Segmen liabiliti	**30,859**	21,587	**27,990**	16,860	**(22,285)**	(15,364)	**36,564**	23,083
Liabiliti tidak diagihkan							**4,745**	10,486
Jumlah liabiliti							**41,309**	33,569

26. MAKLUMAT SEGMEN (samb.)

Kumpulan	Pembinaan 2005 RM'000	Pembinaan 2004 RM'000	Pembangunan hartanah 2005 RM'000	Pembangunan hartanah 2004 RM'000	Penghapusan 2005 RM'000	Penghapusan 2004 RM'000	Penyatuan 2005 RM'000	Penyatuan 2004 RM'000
Perbelanjaan modal	**462**	1,038	**1,881**	126	**-**	-	**2,343**	1,164
Susut nilai dan pelunasan	**884**	714	**396**	1,513	**-**	-	**1,280**	2,227
Perbelanjaan bukan tunai selain daripada susut nilai dan pelunasan	**2,635**	2,967	**4**	-	**-**	-	**2,639**	2,967

	Malaysia 2005 RM'000	Malaysia 2004 RM'000	Hong Kong 2005 RM'000	Hong Kong 2004 RM'000	Penghapusan 2005 RM'000	Penghapusan 2004 RM'000	Penyatuan 2005 RM'000	Penyatuan 2004 RM'000
Segmen Geografi								
Hasil daripada pelanggan luaran mengikut lokasi pelanggan	**42,520**	49,587	**20,832**	15,992	**-**	-	**63,352**	65,579
Segmen aset mengikut lokasi aset	**119,601**	91,450	**15,970**	15,363	**-**	-	**135,571**	106,813
Perbelanjaan modal mengikut lokasi aset	**2,289**	688	**54**	476	**-**	-	**2,343**	1,164

27. LIABILITI LUAR JANGKA – TIDAK BERCAGAR

27.1 Jaminan korporat

	Kumpulan		Syarikat	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
Jaminan diberi kepada institut kewangan untuk kemudahan kredit yang diberikan kepada subsidiari-subsidiari	-	-	**28,895**	23,895
Jaminan diberi kepada parti ketiga untuk kemudahan kredit yang diberikan kepada subsidiari-subsidiari untuk pembelian bahan-bahan/perkhidmatan	-	-	**2,600**	9,900
	-	-	**31,495**	33,795

27.2 Litigasi

Satu syarikat subsidiari telah mengambil tindakan guaman terhadap satu penghutang bagi hutang tertunggak sebanyak RM14.4 juta (2004: 14.4 juta) berhubung dengan pelbagai kerja kontrak. Satu peruntukan bagi hutang ragu sebanyak RM11.2 juta (2004: RM8.6 juta) telah dibuat dalam penyata kewangan. Penghutang tersebut mempertikaikan tuntutan itu dan berdasarkan nasihat peguam, Para Pengarah berpendapat bahawa subsidiari berkenaan mempunyai satu tuntutan yang baik terhadap penghutang itu.

28. URUSNIAGA PENTING PIHAK BERKAITAN

28.1 Pihak berkaitan yang mempunyai hubungan terkawal ialah syarikat-syarikat subsidiari seperti yang dinyatakan dalam Nota 5.

28.2 Urusniaga-urusniaga penting dengan pihak-pihak berkaitan selain daripada yang dinyatakan di bahagian lain penyata kewangan ini adalah seperti berikut:

Urusniaga penting dengan pihak-pihak berkaitan

	Kumpulan		Syarikat	
	2005	2004	2005	2004
	RM'000	RM'000	RM'000	RM'000
i) Urusniaga-urusniaga dengan subsidiari-subsidiari				
Penerimaan yuran pengurusan	-	-	**(480)**	(600)

28. URUSNIAGA PENTING PIHAK BERKAITAN (samb.)

	Kumpulan		Syarikat	
	2005 RM'000	2004 RM'000	2005 RM'000	2004 RM'000
ii) Urusniaga-urusniaga dengan syarikat-syarikat di mana Pengarah mempunyai kepentingan				
Penyewaan hartanah dibayar oleh Ken Grouting Sdn. Bhd., sebuah subsidiari Kenkat Realty Sdn. Bhd. (dahulunya dikenali sebagai Stresstek (M) Sdn. Bhd.), sebuah syarikat di mana Tan Boon Kang dan Lau Pek Kuan mempunyai kepentingan	**12**	12	**-**	-

29. PERISTIWA-PERISTIWA PENTING SEPANJANG TAHUN

i) Pada Mei 2005, sebuah subsidairi, Ken Property Sdn Bhd, telah memeterai perjanjian jual beli untuk mengambil alih bangunan komersial 12½ tingkat dengan tiga tingkat tempat letak kereta bawah tanah dengan tunai sebanyak RM15,000,000;

ii) Pada Mei 2005, modal saham dibenarkan Syarikat telah meningkat dari RM100,000,000 yang terdiri daripada 100,000,000 saham biasa bernilai RM1.00 sesaham kepada RM300,000,000 yang terdiri daripada 300,000,000 saham biasa bernilai RM1.00 sesaham;

iii) Pada Julai 2005, sebuah subsidairi, Ken Property Sdn Bhd, telah memeterai perjanjian jual beli untuk mengambil alih dua bidang tanah dengan tunai sebanyak RM5,500,000;

iv) Pada Julai 2005, modal diterbitkan dan berbayar Syarikat telah meningkat dari RM60,190,000 kepada RM90,285,000 dengan penerbitan saham bonus berbentuk 30,095,000 saham biasa baru bernilai RM1.00 sesaham atas dasar satu (1) saham baru untuk setiap dua (2) saham pegangan yang sedia ada; dan

v) Pada Disember 2005, sebuah subsidiari, Support Capital Sdn Bhd ("SCSB:), melanggan 2,245,768 saham bernilai HK$1.00 sesaham dalam Kenly (HK) Ltd ("Kenly") menurut terbitan hak 3,900,000 saham biasa bernilai HK$1.00 sesaham. Oleh kerana minoriti pemegang saham Kenly tidak melanggan terbitan hak mereka, pegangan saham SCSB meningkat daripada 57.6% kepada 73.6%.

Seterusnya pada Januari 2006, setelah pemegang saham minoriti melepaskan terbitan hak mereka sebanyak 1,654,232 saham biasa pada HK$1.00 sesaham dalam Kenly kepada SCSB, SCSB melanggan terbitan hak tersebut dan meningkatkan lagi pemegangan sahamnya dalam Kenly kepada 79.4%.

30. KOMITMEN

	Kumpulan	
	2005	2004
	RM'000	RM'000
Komitmen modal		
Dikontrakkan tetapi belum diperuntukkan dalam penyata kewangan		
- pembelian tanah	-	1,530

31. INSTRUMEN KEWANGAN

Objektif dan polisi pengurusan risiko kewangan

Operasi Kumpulan tertakluk kepada risiko kewangan seperti matawang asing, kadar faedah, risiko kecairan dan risiko kredit yang perlaku dalam urusan perniagaan biasa. Kumpulan beroperasi berpandukan garis panduan dengan objektif utama menguruskan pendedahan risiko Kumpulan yang berkaitan dengan aktiviti perniagaan dan operasi kumpulan.

Satu rangka polisi pengurusan risiko telah diluluskan oleh Lembaga Pengarah supaya risiko dapat dikawal dan diuruskan dalam operasi harian.

Bidang-bidang utama risiko kewangan yang dihadapi oleh Kumpulan ditunjukkan di bawah:-

Risiko mata wang asing

Kumpulan mempunyai beberapa subsidiari luar negara, yang beroperasi di Hong Kong di mana hasil dan perbelanjaannya dinominasikan dalam mata wang asing ini.

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

Kumpulan meminimumkan pendedahan risiko urusniaga terhadap subsidiari yang beroperasi di luar negara dengan memadankan hasil mata wang tempatan dengan kos mata wang tempatan.

Risiko kadar faedah

Risiko kadar faedah Kumpulan yang penting adalah berhubung dengan aset yang mendatangkan faedah. Pelaburan dalam aset kewangan adalah 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.

31. INSTRUMEN KEWANGAN (samb.)

Risiko kecairan

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

Risiko kredit

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

Pendedahan maksimum kepada risiko kredit diwakili oleh jumlah dibawa setiap asset kewangan dalam penyata lembaran imbangan Kumpulan.

Pada tarikh lembaran inbangan, Kumpulan mempunyai satu penumpuan ketara risiko kredit dalam bentuk penerimaan dagangan daripada satu pelanggan yang mewakili RM14.4 juta (2004 - RM14.4 million) di mana Kumpulan telah memperuntukkan hutang ragu sebanyak RM11.2 juta (2004 - RM14.4 million) untuk dagangan belum terima ini. Tindakan undang-undang telah diambil untuk memulihkan semua hutang dagangan ini. Seperti yang dinyatakan dalam Nota 27.2 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.

Analysis Of Shareholdings As At 15 March 2006
Analisa Pemegang Saham Pada 15 Mac 2006

SHARE CAPITAL / *MODAL SAHAM*

Authorised Share Capital *Modal Sabam Dibenarkan*	:	RM300,000,000/-
Issued and fully paid-up capital *Modal diterbitkan dan dibayar penuh*	:	RM90,285,000/-
Class of Shares *Jenis Saham*	:	Ordinary shares of RM1.00 each *Saham biasa berharga RM1.00 setiap satu*
Voting rights *Hak Mengundi*	:	1 vote per share *1 undi sesaham*

ANALYSIS BY SIZE OF SHAREHOLDINGS / *ANALISA SAIZ PEMEGANG SAHAM*

Size of Shareholdings *Saiz Pemegang Saham*	**No. of Shareholders** *Bil. Pemegang Saham*	**%**	**No. of Shares Held** *Bil. Saham Dipegang*	**%**
Less than 100 shares	66	3.46	1,785	0.00
100 – 1,000 shares	49	2.57	27,505	0.03
1,001 – 10,000	1,410	73.82	6,488,100	7.19
10,001 – 100,000	345	18.06	9,254,512	10.25
100,001 to less than 5% of issued shares	37	1.94	26,180,779	29.00
5% and above of issued shares	3	0.15	48,332,319	53.53
Total	1,910	100.00	90,285,000	100.00

LIST OF THIRTY LARGEST SHAREHOLDERS / *SENARAI TIGA PULUH PEMEGANG SAHAM TERBESAR*

	Name *Nama*	No. of Shares Held *Bil. Saham Dipegang*	%
1.	Kencana Bahagia Sdn. Bhd.	32,274,819	35.75
2.	Cimsec Nominees (Tempatan) Sdn. Bhd. *Danaharta Managers (L) Ltd.* *For Budaya Dinamik Sdn. Bhd.*	10,500,000	11.63
3.	Tan Boon Kang	5,557,500	6.16
4.	SJ Sec Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account For Impian Nuri Sdn. Bhd.*	3,463,500	3.84
5.	Tony Ng Kok Siong	2,400,000	2.66
6.	Lau Chin Kok	2,347,500	2.60
7.	SJ Sec Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account For Seloka Aman Sdn. Bhd.*	2,031,000	2.25

LIST OF THIRTY LARGEST SHAREHOLDERS (cont'd) / *SENARAI TIGA PULUH PEMEGANG SAHAM TERBESAR (samb.)*

	Name *Nama*	No. of Shares Held *Bil. Saham Dipegang*	%
8.	Kencana Bahagia Sdn. Bhd.	1,650,000	1.83
9.	Employees Provident Fund Board	1,524,450	1.69
10.	M & A Nominee (Asing) Sdn. Bhd. *Pedigree Limited*	1,512,000	1.67
11.	Yeoh Kean Hua	1,334,500	1.48
12.	Tan Boon Kang	1,213,500	1.34
13.	Tan Moon Hwa	806,340	0.89
14.	Tan Boon Kang	748,500	0.83
15.	Poo Choo @ Ong Poo Choi	648,000	0.72
16.	Tan Foo See	604,989	0.67
17.	Impian Nuri Sdn. Bhd.	600,000	0.66
18.	M & A Nominee (Tempatan) Sdn. Bhd. *Titan Express Sdn. Bhd.*	475,200	0.53
19.	Low Siew Choong @ Liew Siew Meng	450,000	0.50
20.	Lau Chin Ka	414,060	0.46
21.	Low Siew Choong @ Liew Siew Meng	363,750	0.40
22.	Tan Bon Sin	307,500	0.34
23.	Wong Lai Kien	292,100	0.32
24.	Lim Hong Liang	286,740	0.32
25.	Dato' Ng Tiong Seng @ Ng Ba	272,500	0.30
26.	Yong Sing Her	227,500	0.25
27.	Tan Boon Kang	225,000	0.25
28.	Lim Hui Huat @ Lim Hooi Chang	215,000	0.24
29.	Choo Yau Yan @ Choo Yaw Yan	201,000	0.22
30.	Tan Bak Fooi @ Tang Kiat	174,750	0.19
	Total	73,121,698	80.99

Analysis Of Shareholdings As At 15 March 2006 (cont'd)

Analisa Pemegang Saham Pada 15 Mac 2006 (samb.)

SUBSTANTIAL SHAREHOLDERS (AS SHOWN IN THE REGISTER OF SUBSTANTIAL SHAREHOLDERS) / *PEMEGANG SAHAM TERBESAR (SEPERTI YANG DITUNJUKKAN DALAM DAFTAR PEMEGANG SAHAM TERBESAR)*

		No. of Ordinary shares of RM1.00 Each *Bil. Saham Biasa Berharga RM1.00 Setiap Satu*			
	Name of Substantial Shareholders *Nama Pemegang Saham Terbesar*	**Direct** *Secara Langsung*	**%**	**Indirect** *Secara Tidak Langsung*	**%**
1)	Tan Boon Kang	7,744,500	8.58	33,983,319	37.64
2)	Lau Pek Kuan	58,500	0.06	41,669,319	46.15
3)	Anton Syazi bin Ahmad Sebi	-	0.00	10,590,612	11.73
4)	Aryati Sasya Binti Ahmad Sebi	-	0.00	10,590,612	11.73
5)	Budaya Dinamik Sdn. Bhd.	10,590,612	11.73	-	-
6)	Kencana Bahagia Sdn. Bhd.	33,924,819	37.58	-	-

STATEMENT OF DIRECTORS' SHAREHOLDINGS / *KETERANGAN PEMEGANG SAHAM PARA PENGARAH*

		No. of Ordinary shares of RM1.00 Each *Bil. Saham Biasa Berharga RM1.00 Setiap Satu*	
	Directors' Name **The Company** / *Syarikat Secara*	**Direct** *Secara Tidak Langsung*	**Indirect** *Langsung*
1)	Dato' Ahmad Badri Bin Mohamed Basir	-	-
2)	Tan Boon Kang	7,744,500	33,983,319
3)	Lau Pek Kuan	58,500	41,669,319
4)	Tan Chek Siong	-	-
5)	Tan Moon Hwa	806,340	-
6)	Tang Kam Chee	15,000	-
7)	Dato' Raja Haji Ahmad Zainuddin bin Raja Haji Omar	-	-
8)	Tengku Dato' Seri Baderul Zaman Ibni Almarhum Sultan Mahmud	-	-
9)	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 dalamsaham-saham syarikat subsidiari setakat mana Syarikat mempunyai kepentingan.

List Of Properties As At 31 December 2005

Senarai Hartanah Pada 31 Disember 2005

The properties of the Group as at 31 December 2005 are as follows :

Hartanah Kumpulan pada 31 Disember 2005 adalah seperti berikut :

Location *Lokasi*	**Description/ usage** *Keterangan/ kegunaan*	**Tenure/ year of expiry** *Tempoh Pemegangan/ tahun tamat*	**Age of property/ building** *Usia hartanah/ bangunan*	**Land/ Built-up area** *Tanah/ keluasan binaan*	**Net book value (RM)** *Nilai buku bersih (RM)*	**Year of valuation/ acquisition** *Tahun penilaian/ pengambil-alihan*
12 1/2 Storey Office Building with 3 levels of Basement Car Park Geran 7611, Lot No. 40405 Mukim of Kuala Lumpur District of Kuala Lumpur Federal Territory	Comercial building for investment & re-development	Freehold	-	30,742 sq ft	15,047,398	2005
12 1/2 tingkat bangunan pejabat dengan 3 tingkat tempat letak kereta bawah tanah Geran 7611, Lot No. 40405 Mukim Kuala Lumpur, Daerah Kuala Lumpur Wilayah Persekutuan	*Bangunan komersial untuk pelaburan dan dimajukan semula*	*Milik bebas*	-	*30,742 kps*	*15,047,398*	*2005*
Geran Nos. 63978 and 35098 Lot No. 20 and 419, Section 1 Bandar Batu Feringgi District of Tiomr Laut State of Penang	Two parcels of beach front undeveloped land	Freehold	-	2.53 acres	5,509,045	2005
Geran Nos. 63978 and 35098 Lot No. 20 and 419, Seksyen 1 Bandar Batu Feringgi Daerah Tiomr Laut Pulau Pinang	*2 bidang tanah yang berhadapan dengan pantai yang belum dimajukan*	*Milik bebas*	-	*2.53 ekar*	*5,509,045*	*2005*
Geran 6372A, 6373 to 6377 Lot Nos. 8272 to 8277 Mukim of Chenderiang District of Batang Padang State of Perak Darul Ridzuan	Six parcels of agriculture land	Freehold	-	50.98 acres	1,741,246	2005
Geran 6372A, 6373 to 6377 Lot Nos. 8272 to 8277 Mukim Chenderiang Daerah Batang Padang Negeri Perak Darul Ridzuan	*6 bidang tanah pertanian*	*Milik bebas*	-	*50.98 ekar*	*1,741,246*	*2005*

List Of Properties As At 31 December 2005 (cont'd)
Senarai Hartanah Pada 31 Disember 2005 (samb.)

Location *Lokasi*	**Description/ usage** *Keterangan/ kegunaan*	**Tenure/ year of expiry** *Tempoh Pemegangan/ tahun tamat*	**Age of property/ building** *Usia hartanah/ bangunan*	**Land/ Built-up area** *Tanah/ keluasan binaan*	**Net book value (RM)** *Nilai buku bersih (RM)*	**Year of valuation/ acquisition** *Tahun penilaian/ pengambil-alihan*
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 Darul Makmur	34 lots of vacant Bungalow lots	Freehold	-	14.44 acres	1,813,903	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 Darul Makmur	*34 lot tanah banglo*	*Milik bebas*	-	*14.44 ekar*	*1,813,903*	*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	73 years unexpired lease	47,006 sq ft	1,720,000	2005*
PM 269, Lot No. 13555 Mukim Sungai Buloh Daerah Petaling Negeri Selangor Darul Ehsan	*Sebidang tanah yang digunakan sebagai stor*	*Pajakan/ 1 Februari 2079*	*73 tahun tempoh tamat*	*47,006 kps*	*1,720,000*	*2005**
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	73 years Unexpired Lease	36,909 sq ft	1,500,000	2005*
Mukim 270, Lot No. 13559 Kawasan Kampung Sungai Kayu Ara Mukim Sungai Buloh Daerah Petaling, Negeri Selangor Darul Ehsan	*Sebidang tanah yang digunakan sebagai stor*	*Pajakan/ 1 Februari 2079*	*73 tahun tempoh tamat*	*36,909 kps*	*1,500,000*	*2005**
Lot 29504, H.S.(0) 4926 Mukim & District of Kuala Lumpur State of Federal Territory Postal address: 6, Jalan Datuk Sulaiman Taman Tun Dr. Ismail 60000 Kuala Lumpur Federal Territory	one unit of three-storey terrace shophouse/ occupied as corporate office	Freehold	25 years (Building)	1,875 sq ft	1,900,000	2005*

List Of Properties As At 31 December 2005 (cont'd)
Senarai Hartanah Pada 31 Disember 2005 (samb.)

Location / *Lokasi*	Description/ usage / *Keterangan/ kegunaan*	Tenure/ year of expiry / *Tempoh Pemegangan/ tahun tamat*	Age of property/ building / *Usia hartanah/ bangunan*	Land/ Built-up area / *Tanah/ keluasan binaan*	Net book value (RM) / *Nilai buku bersih (RM)*	Year of valuation/ acquisition / *Tahun penilaian/ pengambil-alihan*
Lot 29504, H.S.(0) 4926 Mukim dan Daerah Kuala Lumpur Wilayah Persekutuan Alamat: 6, Jalan Datuk Sulaiman Taman Tun Dr. Ismail 60000 Kuala Lumpur Wilayah Persekutuan	*Seunit rumah kedai teres tiga tingkat/ digunakan sebagai pejabat korporat*	*Milik bebas*	*25 tahun (Bangunan)*	*1,875 kps*	*1,900,000*	*2005**
Lot 205, Summervilla Condominium Wangsa Baiduri, Subang Jaya Petaling Jaya, Selangor Held under title P.M. No. 22, Lot 14785 Mukim of Damansara District of Petaling State Selangor Darul Ehsan	1 unit of condominium	Leasehold/ Jan 16, 2089	84 years unexpired lease	1,890 sq ft	350,000	2005*
Lot 205 Kondominium Summervilla Wangsa Baiduri, Subang Jaya Petaling Jaya, Selangor Di bawah pegangan dokumen sah Lot 14785 Mukim Damansara Daerah Petaling Negeri Selangor Darul Ehsan	*1 unit kondominium*	*Pajakan/ 16 Jan 2089*	*84 tahun tempoh tamat*	*1,890 kps*	*350,000*	*2005**
Lot 405 Summervilla Condominium Wangsa Baiduri, Subang Jaya Petaling Jaya, Selangor Held under title P.M. No.22 Lot 14785, Mukim of Damansara District of Petaling Negeri Selangor Darul Ehsan	1 unit of condominium	Leasehold/ Jan 16, 2089	84 years unexpired lease	1,890 sq ft	350,000	2005*
Lot 405, Kondominium Summervilla Wangsa Baiduri, Subang Jaya Petaling Jaya, Selangor Di bawah pegangan dokumen sah Lot 14785, Mukim Damansara Daerah Petaling Negeri Selangor Darul Ehsan	*1 unit kondominium*	*Pajakan/ 16 Jan 2089*	*84 tahun tempoh tamat*	*1,890 kps*	*350,000*	*2005**

List Of Properties As At 31 December 2005 (cont'd)
Senarai Hartanah Pada 31 Disember 2005 (samb.)

Location / *Lokasi*	Description/ usage / *Keterangan/ kegunaan*	Tenure/ year of expiry / *Tempoh Pemegangan/ tahun tamat*	Age of property/ building / *Usia hartanah/ bangunan*	Land/ Built-up area / *Tanah/ keluasan binaan*	Net book value (RM) / *Nilai buku bersih (RM)*	Year of valuation/ acquisition / *Tahun penilaian/ pengambil-alihan*
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 State of Selangor Darul Ehsan	14 units of Groundfloor Shoplots	Leasehold/ May 1, 2098 lease	5 Years (Building) 92 years unexpired	9,100 sq ft	1,680,000	2005*
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 Negeri Selangor Darul Ehsan	*14 unit lot kedai tingkat bawah*	*Pajakan/ 1 Mei 2098 tamat*	*5 tahun (Bangunan) 92 tahun tempoh*	*9,100 kps*	*1,680,000*	*2005**
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 Kondominium No. 217 Jalan SS2/72 47400 Petaling Jaya State of Selangor Darul Ehsan	9 units of retail commercial lots	Freehold	3 Years	6,247 sq ft	930,000	2005*
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 Kondominium No. 217 Jalan SS2/72 47400 Petaling Jaya Negeri Selangor Darul Ehsan	*9 unit lot runcit komersial*	*Milik bebas*	*3 tahun*	*6,247 kps*	*930,000*	*2005**
GM 184, Lot 20198, Seksyen 39 Mukim of Sungai Buloh District of Petaling State of Selangor Darul Ehsan	Land under development	Freehold	-	2 acres	2,148,204	2003
GM 184, Lot 20198, Seksyen 39 Mukim Sungai Buloh Daerah Petaling, Selangor Negeri Selangor Darul Ehsan	*Tanah sedang dimajukan*	*Milik bebas*	*-*	*2 ekar*	*2,148,204*	*2003*
Lot 22722 (formerly known as lot 1257) Mukim of Sungai Buloh District of Petaling State of Selangor Darul Ehsan	Land under development	Freehold	-	Approxi-mately 2 acres	12,451,882	1996

List Of Properties As At 31 December 2005 (cont'd)

Senarai Hartanah Pada 31 Disember 2005 (samb.)

Location *Lokasi*	Description/ usage *Keterangan/ kegunaan*	Tenure/ year of expiry *Tempoh Pemegangan/ tahun tamat*	Age of property/ building *Usia hartanah/ bangunan*	Land/ Built-up area *Tanah/ keluasan binaan*	Net book value (RM) *Nilai buku bersih (RM)*	Year of valuation/ acquisition *Tahun penilaian/ pengambil-alihan*
Lot 22722 (dahulu dikenali sebagai lot 1257) Mukim Sungai Buloh Daerah Petaling, Selangor Negeri Selangor Darul Ehsan	*Tanah sedang dimajukan*	*Milik bebas*	-	*Lebih kurang 2 ekar*	*12,451,882*	*1996*
Lot No. 1927 Mukim and District of Petaling Negeri Selangor State of Selangor Darul Ehsan	Land under development	Freehold	-	Approximately 1.75 acres	313,238	2002
Lot No. 1927 Mukim dan Daerah Petaling Negeri Selangor Darul Ehsan	*Tanah sedang dimajukan*	*Milik bebas*		*Lebih kurang 1.75 ekar*	*313,238*	*2002*
GM 43019 Lot No. 37448 and GM 1849 Lot No 17494 Mukim of Kapar District of Klang State of Selangor Darul Ehsan	Two parcels of land for residential development	Freehold	-	Approximately 69.18 acres	25,000,000	2003
GM 43019 Lot No 37448 dan GM 1849 Lot No 17494 Mukim Kapar Daerah Klang, Negeri Selangor Darul Ehsan	*2 bidang tanah untuk pembangunan perumahan*	*Milik bebas*	-	*Lebih kurang 69.18 ekar*	*25,000,000*	*2003*

* Valuation done in 2005

** Penilaian dibuat dalam tahun 2005*

KEN HOLDINGS BHD

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 **TWENTY-SECOND ANNUAL GENERAL MEETING** of the Company, to be held at the East VIP Lounge, Kuala Lumpur Golf & Country Club, No. 10, Jalan 1/70D, Off Jalan Bukit Kiara, 60000 Kuala Lumpur on Tuesday, 25 April 2006, at 10.00 a.m and at any adjournment thereof.
(*Strike out whichever is not desired)

(Should you desire to direct your Proxy as to how to vote on the Resolutions set out in the Notice of Meeting, please indicate an “X” in the appropriate space. Unless otherwise instructed, the proxy may vote or abstain from voting at his discretion.)

NO.	RESOLUTIONS	FOR	AGAINST
1)	Adoption of Audited Financial Statements		
2)	Declaration of a First and Final Dividend		
3)	Approval of Directors’ Fees		
4)	Re-election of Mr. Sha Thiam Fook as Director		
5)	Re-election of Dato’ Raja Haji Ahmad Zainuddin bin Raja Haji Omar as Director		
6)	Re-election of Tengku Dato’ Seri Baderul Zaman Ibni Almarhum Sultan Mahmud as Director		
7)	Re-election of Mr. Tan Chek Siong as Director		
8)	Re-appointment of Dato’ Ahmad Badri bin Mohamed Basir as Director		
9)	Re-appointment of Messrs. KPMG as Auditors		
10)	Ordinary Resolution 1 - Authority to Allot and Issue Shares		
11)	Ordinary Resolution 2 - Authority to Issue Shares Pursuant to the Employees’ Share Option Scheme		

Signed this .... day of 2006

No. of Shares Held :	

....
Signature

Notes:-

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy 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 holdings 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.

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STAMP

KEN HOLDINGS BERHAD

(106173-M)

6, Jalan Datuk Sulaiman
Taman Tun Dr. Ismail
60000 Kuala Lumpur
Malaysia

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KEN HOLDINGS BHD
Incorporated in Malaysia (Company No. 106173-M)

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 akan mengundi mewakili *saya/kami dan bagi pihak *saya/kami di **MESYUARAT AGUNG TAHUNAN KEDUA PULUH DUA** Syarikat, yang akan berlangsung di East VIP Lounge, Kuala Lumpur Golf & Country Club, No. 10, Jalan 1/70D, Off Jalan Bukit Kiara, 60000 Kuala Lumpur pada hari Selasa, 25 April 2006, pada jam 10.00 pagi dan mana-mana mesyuarat ditangguhkan. (*Batalkan mana-mana yang tidak berkenaan)

(Sekiranya anda ingin mengarahkan Proksi anda bagaimana mengundi untuk Resolusi yang dibentangkan dalam Notis Mesyuarat, sila tanda "X" dalam ruang yang disediakan. Jika tiada arahan tentang pengundian diberi, proksi boleh mengundi atau tidak mengundi mengikut budi bicaranya sendiri.)

NO.	RESOLUSI	SOKONG	TOLAK
1)	Penerimaan Penyata-penyata Kewangan Teraudit		
2)	Pengistyiharan Dividen Pertama dan Akhir		
3)	Kelulusan yuran Pengarah		
4)	Pemilihan semula Encik Sha Thiam Fook sebagai Pengarah		
5)	Pemilihan semula Dato' Raja Haji Ahmad Zainuddin bin Raja Haji Omar sebagai Pengarah		
6)	Pemilihan semula Tengku Dato' Seri Baderul Zaman Ibni Mohamed Basir sebagai Pengarah		
7)	Pemilihan semula Encik Tan Chek Siong sebagai Pengarah		
8)	Pemilihan semula Dato' Ahmad Badri bin Mohamed Basir sebagai Pengarah		
9)	Perlantikan Tetuan KPMG sebagai Juruaudit		
10)	Resolusi Biasa 1 – Kuasa untuk memperuntuk dan menerbitkan saham		
11)	Resolusi Biasa 2 – Kuasa untuk menerbitkan saham mengikut Skim Opsyen Saham Kakitangan		

Bertarikh .... haribulan 2006

Jumlah saham dimiliki :	

....
Tandatangan

Nota-nota:-

1. Seorang ahli Syarikat yang layak untuk hadir dan mengundi dalam mesyuarat ini berhak 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.
2. Jika ahli melantik lebih satu (1) proksi, perlantikan berkenaan adalah tidak sah melainkan dia menyatakan kadar pegangan sahamnya yang akan diwakili oleh setiap proksi.
3. Jikalau melibatkan badan korporat, perlantikan proksi mestilah menurut Memorandum dan Artikel Persatuan, dan suratcara melantik proksi mestilah dimeterai dengan meterai rasminya atau ditandatangani oleh pegawai atau wakil yang diberi kuasa.
4. 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.

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KEN HOLDINGS BERHAD
(106173-M)
6, Jalan Datuk Sulaiman
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Malaysia

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