

KEN HOLDINGS BERHAD



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Ken Holdings Bhd (106173-M)

Annual Report 2006 Laporan Tahunan

Annual Report 2006 Laporan Tahunan

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Borang Proksi

## ● Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN THAT** the Twenty-Third 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 8 June 2007, at 10.00 a.m. for the transaction of the following businesses:-

1. To receive and adopt the Audited Financial Statements for the year ended 31 December 2006 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 2006. (Resolution 2)
3. To approve the Directors' fees of RM90,000/- (2005: RM80,000/-) in respect of the year ended 31 December 2006. (Resolution 3)
4. To re-elect the following Directors who retire pursuant to Article 101 of the Company's Articles of Association and, being eligible, offer themselves for re-election:-
  - (a) Madam Lau Pek Kuan (Resolution 4)
  - (b) Mr. Tan Moon Hwa (Resolution 5)
  - (c) Mr. Tang Kam Chee (Resolution 6)
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, YB. 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 7)
6. To re-appoint Messrs. KPMG as Auditors of the Company and to authorise the Directors to fix their remuneration. (Resolution 8)
7. As Special Business:-

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

**(a) Ordinary Resolution 1**

Authority to issue shares pursuant to Section 132D of the Companies Act, 1965

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

## • Notice of Annual General Meeting (cont'd)

### (b) Ordinary Resolution 2

(Resolution 10)

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."

### (c) Ordinary Resolution 3

(Resolution 11)

Proposed Renewal of Authority For Share Buy-Back

**"THAT**, subject to compliance with the Companies Act, 1965, the Memorandum and Articles of Association of the Company, the Listing Requirements of Bursa Malaysia all other applicable laws, regulations and guidelines and the approvals of all relevant governmental and/or regulatory authorities, the Company be and is hereby authorised to allocate an amount not exceeding the total available retained profits of the Company for the purpose of and to purchase such amount of ordinary shares of RM1.00 each in the Company (Proposed Purchase) as may be determined by the Directors of the Company from time to time through Bursa Malaysia as the Directors may deem fit in the interest of the Company provided that the aggregate number of shares purchased and/or held pursuant to this resolution does not exceed ten percent (10%) of the total issued and paid-up share capital of the Company at the point of purchase.

**AND THAT** upon completion of the purchase by the Company of its own shares (KEN Shares), the Directors are authorised to retain KEN Shares as treasury shares or cancel KEN Shares or retain part of KEN Shares so purchased as treasury shares and cancel the remainder. The Directors are further authorised to resell the treasury shares on Bursa Malaysia or distribute the treasury shares as dividends to the Company's shareholders or subsequently cancel the treasury shares or any combination of the three.

**AND THAT** the Directors be and are hereby empowered to carry out the above immediately upon the passing of this resolution and from the date of the passing of this resolution until:

- (i) the conclusion of the next Annual General Meeting of the Company following the General Meeting at which this resolution was passed at which time it shall lapse unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
- (ii) the expiration of the period within which the next Annual General Meeting after that date is required by law to be held; or
- (iii) revoked or varied by ordinary resolution passed by the shareholders in General Meeting,

## ● Notice of Annual General Meeting (cont'd)

whichever is the earliest but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and to take all steps as are necessary and/or to do all such acts and things as the Directors deem fit and expedient in the interest of the Company to give full effect to the Proposed Purchase with full powers to assent to any condition, modification, revaluation, variation and/or amendment (if any) as may be imposed by the relevant authorities."

### (d) Special Resolution

Proposed Amendments to the Company's Articles of Association

"**THAT** the alterations, modifications, deletions and/or additions to the Articles of Association of the Company as set out in Appendix II of the Circular to Shareholders dated 30 April 2007 ("Proposed Amendments") be and are hereby approved and adopted; and

**THAT** the Directors and/or Secretary of the Company be and are/is hereby authorised to take all steps and do all acts, things and deeds which may be considered necessary or expedient in order to implement, finalise and give effect to the Proposed Amendments."

(Resolution 12)

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-Third Annual General Meeting, the first and final dividend of 5.0% less tax in respect of the year ended 31 December 2006 will be payable on 23 August 2007 to depositors registered in the Record of Depositors on 8 August 2007.

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 8 August 2007 in respect of transfers; and
- (b) Shares bought on Bursa Malaysia on a cum entitlement basis according to the Rules of Bursa Malaysia.

### BY ORDER OF THE BOARD,

**CHOW CHOOI YOONG (MAICSA 0772574)**

**HAZLINA BT HARUN (LS 03078)**

Company Secretaries

Kuala Lumpur  
30 April 2007

## • Notice of Annual General Meeting (cont'd)

**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. 9 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 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. 10 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.

**Resolution pursuant to Proposed Renewal of Authority For Share Buy-Back**

Resolution No. 11 proposed under item 7(c), if passed, will empower the Company to purchase and/or hold up to 10% of the issued and paid-up share capital of the Company. This authority will, unless revoked or varied by the Company in General Meeting, expire at the next Annual General Meeting. For further information, please refer to the Circular to Shareholders dated 30 April 2007 which is circulated together with this Annual Report.

**Resolution pursuant to Proposed Amendments to the Company's Articles of Association**

Resolution No. 12 proposed under item 7(d), if passed, will render the Articles of Association to be in line with the amendments to the Listing Requirements of Bursa Malaysia, the Securities Industry (Central Depositories) Act 1991 and the Rules of Bursa Malaysia Depository Sdn. Bhd. and to be consistent with current business and commercial practices. The details of the Proposed Amendments are set out in the Circular to Shareholders dated 30 April 2007 which is circulated together with this Annual Report.

## ● Statement Accompanying the Notice of Annual General Meeting

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

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

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

(a) Madam Lau Pek Kuan

(b) Mr. Tan Moon Hwa

(c) Mr. Tang Kam Chee

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

YB. Dato' Ahmad Badri bin Mohamed Basir

### 2. 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 12 and 14 of the Annual Report and their securities holdings in the Company and its subsidiaries are set out on page 43 and 147.

## • Corporate Information

### • Maklumat Korporat

#### BOARD OF DIRECTORS / LEMBAGA PENGARAH

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

**Tan Boon Kang**  
Managing Director / Pengarah Urusan

**Lau Pek Kuan**  
Executive Director / Pengarah Eksekutif

**YAM Tengku Sri Panglima Raja Terengganu, Tan Moon Hwa**  
Tengku Dato' Seri Baderul Zaman  
Ibni Almarhum Sultan Mahmud

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

**Tang Kam Chee**  
Executive Director / Pengarah Eksekutif

**Executive Director / Pengarah Eksekutif**

**Tan Chek Siong**  
Executive Director / Pengarah Eksekutif

**YB. 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

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

#### Tan Boon Kang

Managing Director / Pengarah Urusan

#### YB. Dato' Raja Haji Ahmad Zainuddin bin Raja Haji Omar

Independent Non-Executive Director /  
Pengarah Bebas Bukan Eksekutif

#### 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

#### YB. Dato' Ahmad Badri bin Mohamed Basir

Independent Non-Executive Chairman /  
Pengerusi Bebas Bukan Eksekutif

#### NOMINATION COMMITTEE / JAWATANKUASA PENCALONAN

**CHAIRMAN / PENGERUSI**  
**YB. 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

#### YB. 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  
Damansara Heights  
50490 Kuala Lumpur

#### PRINCIPAL BANKERS / BANK-BANK UTAMA

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

#### STOCK EXCHANGE / BURSA SAHAM DISENARAIIKAN

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

## • Corporate Structure

### • Struktur Korporat



## • Financial Highlights

## • Maklumat Kewangan

### PRINCIPAL ACTIVITIES

**The Company** - Investment holding and provision of management services.

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

### FIVE YEARS GROUP FINANCIAL STATISTICS

RM'000	2002	2003	2004	2005	2006
Revenue	49,395	59,300	65,579	63,352	<b>75,477</b>
Profit before taxation	13,551	9,875	11,392	7,909	<b>9,947</b>
Profit after taxation	9,495	6,813	7,119	4,479	<b>3,867</b>
Profit attributable to shareholders	9,368	7,214	8,123	6,462	<b>4,073</b>
Shareholders' fund	75,151**	90,686	96,652	101,434	<b>102,322</b>
Issued share capital	40,000	60,162	60,180	90,285	<b>90,285</b>
Total assets	112,784**	132,046	131,882	143,007	<b>145,632</b>
Net asset	78,409	93,309	98,101	101,486	<b>102,322</b>
Net earnings per share (sen)	10*	8*	9*	7	<b>5</b>
Net assets per share (sen)	196	155	163	112	<b>113</b>

\* 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 harta tanah, pelaburan dan pembangunan, pakar perkhidmatan kejuruteraan, geo-teknik, kejuruteraan awam dan kerja bangunan, tambakan tanah dan projek kejuruteraan merin, dan pengurusan harta tanah.

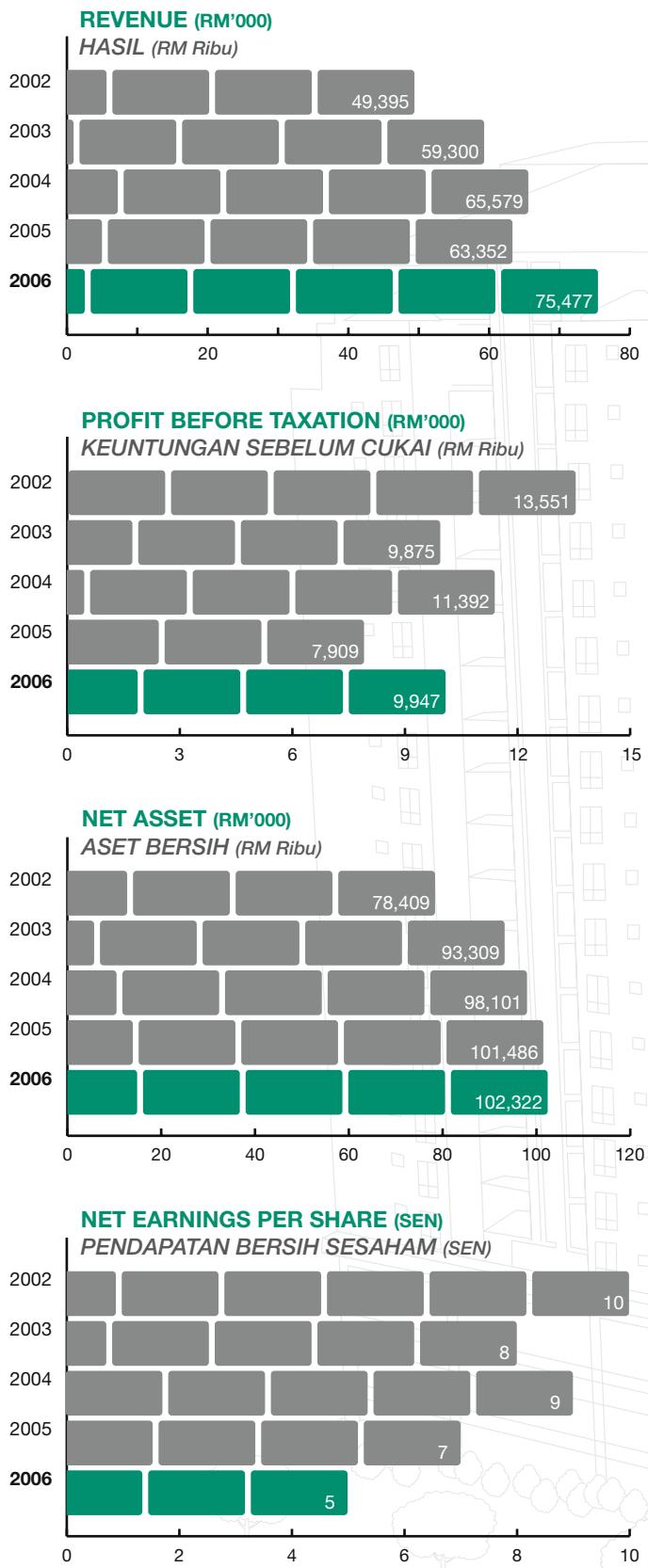
### TINJAUAN KEWANGAN KUMPULAN BAGI TEMPOH LIMA TAHUN

RM'000	2002	2003	2004	2005	2006
Hasil	49,395	59,300	65,579	63,352	<b>75,477</b>
Keuntungan sebelum cukai	13,551	9,875	11,392	7,909	<b>9,947</b>
Keuntungan selepas cukai	9,495	6,813	7,119	4,479	<b>3,867</b>
Keuntungan boleh diagih kepada pemegang saham	9,368	7,214	8,123	6,462	<b>4,073</b>
Dana pemegang saham	75,151**	90,686	96,652	101,434	<b>102,322</b>
Terbitan modal saham	40,000	60,162	60,180	90,285	<b>90,285</b>
Jumlah aset	112,784**	132,046	131,882	143,007	<b>145,632</b>
Aset bersih	78,409	93,309	98,101	101,486	<b>102,322</b>
Pendapatan bersih sesaham (sen)	10*	8*	9*	7	<b>5</b>
Aset bersih sesaham (sen)	196	155	163	112	<b>113</b>

\* 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.)



- **Board of Directors**
- *Lembaga Pengarah*

from left to right  
dari kiri ke kanan

**YB. 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

**Tan Moon Hwa**

Executive Director / Pengarah Eksekutif

**Lau Pek Kuan**

Executive Director / Pengarah Eksekutif

**Tan Boon Kang**

Managing Director / Pengarah Urusan

**YB. Dato' Ahmad Badri bin Mohamed Basir**

Independent Non-Executive Chairman / Pengurus Bebas Bukan Eksekutif

**Tang Kam Chee**

Executive Director / Pengarah Eksekutif

**YAM Tengku Sri Panglima Raja Terengganu,  
Tengku Dato' Seri Baderul Zaman Ibni Almarhum Sultan Mahmud**

Executive Director / Pengarah Eksekutif

**Tan Chek Siong**

Executive Director / Pengarah Eksekutif



## ● Directors' Profile

### ● Profil Para Pengarah

#### **YB. DATO' AHMAD BADRI BIN MOHAMED BASIR**

Independent Non-Executive Chairman /  
*Pengerusi Bebas Bukan Eksekutif*  
 72 years of age / 72 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*  
 49 years of age / 49 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, 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 and Kenly Engineering Ltd.

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 harta tanah dan berjaya mencipta jenama yang ulung dan mendapat sambutan baik daripada pembeli-pembeli harta tanah 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 dan Kenly Engineering Ltd.*

*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.*

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

### **LAU PEK KUAN**

Executive Director / Pengarah Eksekutif  
50 years of age / 50 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 and 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.

### **YAM TENGKU PANGLIMA SRI RAJA TERENGGANU, TENGKU DATO' SERI BADERUL ZAMAN IBNI ALMARHUM SULTAN MAHMUD**

Executive Director /  
Pengarah Eksekutif  
32 years of age / 32 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 2006 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-Ehwel 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-ehwel 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 2006 sebagai Pengarah Eksekutif dan kini menyedia hal ehwal korporat Kumpulan dan perhubungan dengan badan-badan kerajaan.

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

### **TANG KAM CHEE**

Executive Director / Pengarah Eksekutif  
 52 years of age / 52 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, Jewel Estate 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 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 harta tanah di Metroplex Berhad. Beliau menyertai Kumpulan Ken Holdings Berhad pada tahun 1997 sebagai Pengarah, Kewangan dan Pengurusan dan kini menyedia hal korporat dan operasi kewangan Kumpulan.

Beliau juga memegang jawatan sebagai pengarah Khidmat Tulin Sdn Bhd, Support Capital Sdn Bhd, Jewel Estate 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 dan Classic Scenic Berhad.

### **TAN CHEK SIONG**

Executive Director / Pengarah Eksekutif  
 26 years of age / 26 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 head these divisions, the property arm of the Group.

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 harta tanah, pengurusan harta tanah, dan penjualan dan pemasaran harta tanah Kumpulan. Beliau turut menerajui bahagian-bahagian harta tanah Kumpulan.

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.)

**YB. DATO' RAJA HAJI AHMAD ZAINUDDIN  
BIN RAJA HAJI OMAR**

Independent Non-Executive Director /  
Pengarah Bebas dan Bukan Eksekutif  
51 years of age / 51 tahun  
Malaysian / Warganegara Malaysia

He 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 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.

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

**TAN MOON HWA**

Executive Director / Pengarah Eksekutif  
44 years of age / 44 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 Jewel Estate 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 Jewel Estate Sdn Bhd.

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

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

### **SHA THIAM FOOK**

Independent Non-Executive Director /  
*Pengarah Bebas dan Bukan Eksekutif*  
 56 years of age / 56 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 Syarikat; dan
3. sabitan hukuman dalam 10 tahun yang lalu kecuali kesalahan trafik.

- **Chairman's Statement**
- *Penyata Pengerusi*



**DEAR  
VALUED SHAREHOLDERS,**

On behalf of the Board of Ken Holdings Berhad, I wish to present to you the Annual Report and the audited financial statements of the Company and its subsidiaries for the financial year ended 31 December 2006.

**PARA PEMEGANG SAHAM  
YANG DIHORMATI,**

Bagi pihak Lembaga Pengarah Ken Holding Berhad, saya ingin membentangkan Laporan Tahunan dan penyata-penyeata kewangan teraudit Syarikat dan anak-anak syarikat bagi tahun kewangan berakhir 31 Disember 2006.

**YB. DATO' AHMAD BADRI BIN MOHAMED BASIR**

Independent Non-Executive Chairman /  
Pengerusi Bebas dan Bukan Eksekutif

- **Chairman's Statement** (cont'd)
- *Penyata Pengerusi* (samb.)

### **INTRODUCTION**

Malaysia is equipped with long-term fundamentals which will ensure the strengthening of economic growth. The Malaysian economy has remained fairly robust with gross domestic product (GDP) growing by 5.3% in 2006. Positive domestic elements such as rising income, stable market conditions, higher job security and better opportunities as well as improvement in private investment activity will definitely contribute to the resilient economy. The Government's commitment to implement the Ninth Malaysia Plan augurs well for the economy, benefiting from the increase in public and private sector spending as well as its associated multiplier effects.

The residential and non-residential segments of the property market continued to expand due to resilient demand for houses and office space. Demand for residential properties remained resilient due to sustained income growth and more innovative financial products for property loans to cushion the impact of rising interest rates.



### **PENGENALAN**

Malaysia diperlengkapkan dengan dasar jangka panjang yang dapat memastikan pengukuhan dalam perkembangan ekonomi. Suasana ekonomi Malaysia terus kukuh berkembang dengan Keluaran Dalam Negeri Kasar (GDP) mencatatkan kadar pertumbuhan sebanyak 5.3% dalam tahun 2006. Elemen domestik yang positif seperti peningkatan pendapatan, keadaan pasaran yang stabil, jaminan kerja dan peluang yang lebih baik, serta pembaikan dalam aktiviti pelaburan swasta pastinya menyumbang ke arah ekonomi yang lebih mantap. Komitment Kerajaan dalam melaksanakan Rancangan Malaysia Kesembilan meramalkan kebaikan untuk ekonomi, yang mendapat manfaat daripada peningkatan dalam perbelanjaan sektor awam dan swasta, serta kesan pengganda bersekutunya.

Segmen perumahan dan bukan-perumahan dalam pasaran harta tanah terus berkembang disebabkan oleh permintaan yang kukuh akibat daripada perkembangan pendapatan berterusan dan produk kewangan yang lebih inovatif untuk pinjaman harta tanah yang mana mampu mengurangkan kesan kadar faedah yang meningkat.



- **Chairman's Statement** (cont'd)
- *Penyata Pengerusi* (samb.)



#### **FINANCIAL REVIEW**

For the financial year ended 31 December 2006, the Group recorded a profit before tax of RM9.9 million for the year generated from the consolidated revenue of RM75.5 million. Revenue increased by 19.1% over the preceding year of RM63.4 million mainly due to higher revenues recorded from our property development projects. Profit for the year at RM4.1 million was below the preceding year of RM6.5 million mainly attributable to higher cost incurred for the fixed term contracts.

Earnings per share for the period under review was 5 sen while net assets per share as at 31 December 2006 was RM1.13.

#### **DIVIDEND**

The Board is pleased to recommend a dividend of 5% less income tax of 28% (2005: 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.



#### **ULASAN KEWANGAN**

Bagi tahun kewangan berakhir 31 Disember 2006, Kumpulan mencatatkan keuntungan sebelum cukai berjumlah RM9.9 juta untuk tahun tersebut, berdasarkan daripada perolehan disatukan yang berjumlah RM75.5 juta. Perolehan meningkat sebanyak 19.1% berbanding dengan RM63.4 juta bagi tahun sebelumnya, yang disebabkan oleh perolehan yang lebih tinggi diperolehi daripada projek pembangunan harta tanah. Keuntungan pada tahun kewangan yang berjumlah RM4.1 juta adalah kurang daripada keuntungan bagi tahun sebelumnya iaitu RM6.5 juta, dimana pengurangan ini disebabkan terutamanya oleh peningkatan dalam kos kontrak tempoh tetap.

Perolehan sesaham untuk tempoh di bawah tinjauan adalah 5 sen, sementara aset bersih sesaham pada 31 Disember 2006 adalah RM1.13.

#### **DIVIDEN**

Lembaga Pengarah dengan sukacitanya mencadangkan dividen 5% ditolak 28% cukai pendapatan (2005: 5% ditolak 28% cukai pendapatan) sebagai penghargaan kami di atas sokongan dan keyakinan anda terhadap kami. Dividen tersebut adalah tertakluk pada kelulusan pemegang saham pada Mesyuarat Agung Tahunan yang akan datang.

- **Chairman's Statement** (cont'd)
- **Penyata Pengerusi** (samb.)

## OUTLOOK

We look forward to a better year ahead given the improving consumer sentiments and stabilisation of energy and oil prices. The Ninth Malaysia Plan will provide the blue print for the nation's growth and its implementation will provide the impetus to generate consumer spending. Given our country's young demographics and rising urbanisation will continue to provide a healthy core demand for residential properties.

Barring any unforeseen changes to the global and local operating environment, the directors are reasonably optimistic of the Group achieving favourable performance in 2007.

## 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.

## ACKNOWLEDGEMENTS

On behalf of the board, I would also like to extend my heartfelt appreciation to our customers, shareholders, business partners, government authorities and financial community for their continued trust and confidence in us. Last but not least, my sincere gratitude to our employees whose staunch loyalty and untiring efforts are the core of our success.

**YB. Dato' Ahmad Badri bin Mohamed Basir**  
Independent Non-Executive Chairman

Kuala Lumpur  
30 April 2007

## PROSPEK

Kami yakin dan percaya tahun akan datang adalah lebih baik memandangkan sentimen pengguna yang bertambah baik dan kestabilan harga tenaga dan minyak. Rancangan Malaysia Kesembilan akan menyediakan rangka tindakan untuk perkembangan negara dan pelaksanaannya akan memberikan dorongan untuk menghasilkan perbelanjaan pengguna. Ciri-ciri demografik generasi muda dan perpindahan ke bandar yang meningkat akan terus menyebabkan permintaan yang meningkat terhadap hartaan perumahan.

Melainkan berlakunya perubahan yang tidak dijangka dalam suasana perdangangan dalam negara dan di peringkat global, para pengarah bersikap optimistik bahawa Kumpulan akan mencapai prestasi yang memuaskan dalam tahun 2007.

## URUS TADBIR KORPORAT

Lembaga Pengarah adalah 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 satu proses yang berterusan dan memerlukan semakan dan penghalusan berkala. Penyata urus tadbir yang terperinci boleh dirujuk pada muka surat 25 sampai 30 dalam Laporan Tahunan ini.

## PENGHARGAAN

Bagi pihak Lembaga Pengarah, saya ingin merakamkan penghargaan kami kepada pelanggan, pemegang saham, rakan perniagaan, pihak kerajaan dan masyarakat kewangan di atas kepercayaan dan keyakinan berterusan mereka terhadap kami. Tidak juga dilupakan, saya ingin mengucapkan berbanyak-banyak terima kasih kepada kakitangan kami di atas kesetiaan dan usaha-usaha mereka, yang mana merupakan teras utama kejayaan kami.

**YB. Dato' Ahmad Badri bin Mohamed Basir**  
Pengerusi Bebas Bukan Eksekutif

Kuala Lumpur  
30 April 2007

- **Managing Director's Review of Operations**
- *Tinjauan Operasi oleh Pengarah Urusan*



### **DEAR SHAREHOLDERS**

#### **INTRODUCTION**

The year 2006 experienced softness in the mass property market but despite the uncertainty, the year closed with much more favourable prospects. Consumer demand had been hampered by increasing oil prices while on the domestic front, sentiments were also impacted by new utility tariffs as well as higher interest rates.

The Malaysian Government announced the growth-oriented Ninth Malaysia Plan (9MP) as well as an expansionary 2007 budget which augurs well and has been expected to positively impact the economy as a whole, both in the immediate and long term. The 9MP and 2007 Budget hold much prospects and opportunities given that these initiatives will focus on enhancing the nation's infrastructure, will directly impact the property development and construction sector of the economy.

#### **PARA PEMEGANG SAHAM YANG DIHORMATI**

#### **PENGENALAN**

Tahun 2006 mengalami keadaan yang tidak begitu menggalakkan dalam pasaran harta keseluruhan, walaupun begitu, tahun 2006 berakhir dengan kemunculan prospek-prospek yang lebih memberangsangkan. Permintaan pengguna terhalang disebabkan oleh kenaikan harga minyak sementara di persada domestik, sentimen pengguna juga dipengaruhi oleh tarif baru bagi air dan elektrik dan juga kadar faedah yang lebih tinggi.

Kerajaan Malaysia mengumumkan Rancangan Malaysia Ke-Sembilan (9MP) yang berorientasikan perkembangan dan juga belanjawan 2007 yang bersifat perkembangan yang merupakan satu petanda baik dan yang memang diharapkan dapat memberi kesan positif terhadap ekonomi negara keseluruhannya, dalam jangka masa terdekat dan juga jangka masa panjang. Rancangan Malaysia Ke-Sembilan dan Belanjawan 2007 yang menjanjikan prospek dan peluang yang besar memandangkan initiatif-initiatif ini memfokus untuk meningkatkan infrastruktur negara, akan memberi kesan secara langsung terhadap pembangunan harta tanah dan sektor pembinaan bagi ekonomi negara.

#### **TAN BOON KANG**

Managing Director / Pengarah Urusan

- **Managing Director's Review of Operations (cont'd)**
- *Tinjauan Operasi oleh Pengarah Urusan (samb.)*

The Government's concept of "build then sell" will spur the industry to greater economic growth and we are confident the fast track approval process would simplify application procedures, resolve problems related to building and common property and improve the public delivery service.

#### **CONSTRUCTION AND SPECIALIST ENGINEERING OPERATIONS**

Our construction activities are mainly from our in-house projects in Seri Kembangan, Shah Alam, SS2, Petaling Jaya and Bukit Bandaraya, Bangsar. We have completed and handed-over Ken Damansara II Condominium units in December 2006, ahead of schedule by 6 months. We have also completed our first "build then sell" project - Ken Aman Terrace in Seri Kembangan in the last quarter of 2006. Our other on-going projects include Ken Rimba Jaya in Shah Alam, Selangor and Ken Bangsar in Bukit Bandaraya, Bangsar will keep us busy for the next few years.

Our specialist engineering projects in slope stabilisation works in Hong Kong have been completed in 2006.



Konsep "bina dulu jual kemudian" yang diperkenalkan oleh Kerajaan akan meningkatkan industri harta tanah ke tahap perkembangan ekonomi yang lebih tinggi, dan kami yakin proses pelulusan segera akan mempercepat dan memudahkan prosedur permohonan, menyelesaikan masalah-masalah berkaitan dengan harta tanah bersama dan bangunan dan juga meningkatkan tahap perkhidmatan penyerahan umum.

#### **OPERASI PEMBINAN DAN KEJURUTERAAN PAKAR**

Kebanyakan aktiviti pembinaan kami adalah daripada projek-projek milik Syarikat sendiri di Seri Kembangan, Shah Alam, SS2, Petaling Jaya dan Bangsar. Kami telah menyiapkan dan menyerahkan kepada pembeli unit-unit Ken Damansara II Condominium pada bulan Disember, 2006, enam bulan lebih awal daripada jadual. Kami telah menyiapkan projek "bina dulu jual kemudian" kami yang pertama - Ken Aman Terrace di Seri Kembangan pada suku terakhir tahun 2006. Projek kami yang lain yang masih lagi dalam pembinaan termasuk Ken Rimba Jaya di Shah Alam, Selangor dan Ken Bangsar di Bukit Bandaraya, Bangsar yang akan menjadi tumpuan dan perhatian kami untuk beberapa tahun yang akan datang.

Projek kejuruteraan pakar kami dalam kerja-kerja penstabilan cerun di Hong Kong telah selesai dalam tahun 2006.



- **Managing Director's Review of Operations (cont'd)**
- *Tinjauan Operasi oleh Pengarah Urusan (samb.)*

#### **PROPERTY DEVELOPMENT OPERATIONS**

The property development scenario has remained positive where demand for housing continues to be resilient due to sustained income growth and stable job prospects. More innovative financial products for property loan have helped cushion the impact of rising interest rates and continue to support demand.

We have completed our Ken Aman Terrace in Seri Kembangan, a 2 ½ storey link house project which was developed on the government's concept of "build then sell" had been completed in the last quarter of 2006. We launched the project in early 2007 which received favourable responses as purchasers could take vacant possession almost immediately.



#### **OPERASI PEMBANGUNAN HARTANAH**

Keadaan pembangunan harta negara kalah positif di mana permintaan terhadap perumahan tetap kukuh memandangkan perkembangan dalam pendapatan berterusan dan prospek pekerjaan yang lebih stabil. Produk kewangan yang lebih inovatif untuk pinjaman harta negara dapat membantu mengurangkan kesan peningkatan kadar faedah dan membantu mendorong permintaan.

Kami telah menyiapkan projek Ken Aman Terrace di Seri Kembangan, iaitu projek rumah teres 2 ½ tingkat yang dibangunkan menggunakan konsep kerajaan "bina dulu jual kemudian", yang mana telah disiapkan pada suku terakhir tahun 2006. Kami melancarkan projek tersebut pada awal tahun 2007 dan telah menerima sambutan dan respons yang memberangsangkan kerana pembeli boleh menerima rumah siap dengan serta merta.

- **Managing Director's Review of Operations (cont'd)**
- *Tinjauan Operasi oleh Pengarah Urusan (samb.)*

Our Ken Damansara II condominium project in SS2, Petaling Jaya was also completed and handed over in December 2006, 6 months ahead of schedule. Ken Damansara III condominium project which was launched in 2005 is expected to be completed by the 4th quarter of 2007. We have commenced work on Ken Bangsar service apartments, a luxury residential project in Bukit Bandaraya, Bangsar, which is located at the peak of Bukit Bandaraya and we are planning to launch Ken Bangsar this year.

Our Ken Rimba Jaya project in Shah Alam is progressing and we expect to complete phase I, consisting of low cost apartments by the end of 2007. The subsequent phases of mixed development, consisting of landed residential and commercial properties will contribute positively towards our development revenue and shall keep us busy for the next five years.

We have acquired two pieces of land in Taman Tun Dr Ismail, Kuala Lumpur in early 2007 which we are planning to develop an "A-Class" commercial office and residential service apartment building. Part of the commercial offices will house our corporate office.

#### **CORPORATE SOCIAL RESPONSIBILITY**

As a corporate citizen with an established history in the country, we firmly believe in building a sustainable future for our community. We have established Ken Foundation, a charitable trust foundation in 2005 to provide financial support in terms of scholarships to Malaysian students to further their education. The Board is committed to continue to allocate funds to Ken Foundation to support its noble purpose.

**Tan Boon Kang**  
Managing Director

Kuala Lumpur  
30 April 2007

Projek kondominium kami, Ken Damansara II di SS2, Petaling Jaya juga telah disiapkan dan diserahkan kepada pemilik pada bulan Disember 2006, 6 bulan lebih awal daripada yang dirancang. Projek kondominium Ken Damansara III yang dilancarkan dalam tahun 2005 dijangka akan siap pada suku ke-empat tahun ini. Kami telah memulakan kerja-kerja pembinaan untuk apartmen servis Ken Bangsar, satu projek perumahan mewah di Bukit Bandaraya, Bangsar, yang terletak di puncak Bukit Bandaraya dan kami akan melancarkan Ken Bangsar pada tahun ini.

Projek Ken Rimba Jaya kami di Shah Alam berjalan dengan baiknya dan fasa pertamanya yang terdiri daripada apartmen kos rendah, dijangka siap pada akhir tahun 2007. Fas-fasa pembangunan seterusnya, yang terdiri daripada harta tanah perumahan bertanah dan harta tanah komersil akan memberi sumbangan positif terhadap perolehan pembangunan kami dan proses pembinaan ini dijangka akan berlangsung selama lima tahun.

Kami telah membeli dua keping tanah di Taman Tun Dr Ismail, Kuala Lumpur pada awal tahun 2007, di mana kami bercadang untuk membangunkan pejabat komersil "Kelas-A" dan bangunan perumahan apartmen servis. Sebahagian daripada pejabat komersil tersebut akan digunakan sebagai pejabat korporat kami.

#### **TANGGUNGJAWAB SOSIAL KORPORAT**

Sebagai warga korporat yang memiliki prestasi yang membanggakan di negara ini, kami gigih dan tekun dalam usaha-usaha untuk membangunkan masa depan yang cemerlang untuk masyarakat negara ini. Kami telah menubuhkan Yayasan Ken, sebuah tabung kebajikan yang ditubuhkan pada tahun 2005, untuk memberi bantuan kewangan dalam bentuk basiswa kepada pelajar Malaysia yang layak untuk melanjutkan pengajian mereka. Lembaga Pengarah memberikan komitmen untuk terus memperuntukkan dana untuk Yayasan Ken dalam menyokong tujuan murni ini.

**Tan Boon Kang**  
Pengarah Urusan

Kuala Lumpur  
30 April 2007

## • 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 2006.

### **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.

The presence of the Independent Non-Executive Directors fulfil a pivotal role in corporate governance accountability as they provide an element of objectivity, independent judgment and balance of the Board. In addition, the Board has identified YB. Dato' Raja Haji Ahmad Zainuddin bin Raja Haji Omar as the Senior Independent Non-Executive Director to whom concerns regarding the Group may be conveyed.

#### **Composition of the Board**

The Board has nine (9) members, comprising three (3) Non-Executive Directors who are independent and six (6) Executive Directors during financial year ended 31 December 2006 which is in compliance with paragraph 15.02 of Bursa Securities Malaysia Berhad (Bursa Malaysia) Listing Requirements in respect of board composition. The Board members together 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 12 to 16 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 2006, 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).

## • Statement of Corporate Governance (cont'd)

Record of each Director's meeting attendance for financial year ended 31 December 2006 is contained in the table below:-

Director	Board	Audit Committee	Nomination Committee	Remuneration Committee
YB. Dato' 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 Loo Pak Soon <i>(Resigned – 24 February 2006)</i>	(0/1)		(0/1)	
Mr Tan Chek Siong <i>(Appointed 24 February 2006)</i>	(5/5)^			
Mr Tang Kam Chee	(5/5)^			
YAM Tengku Sri Panglima Raja Terengganu, Tengku Dato' Seri Baderul Zaman ibni Almarhum Sultan Mahmud <i>(appointed 24 February 2006)</i>	(4/5)^		appointed on 24/02/06 and resigned on 27/03/06)	
YB. Dato' Raja Ahmad Zainuddin bin Raja Haji Omar	(3/5)^		(Appointed 27/03/06)	

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 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.

## • Statement of Corporate Governance (cont'd)

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

### **Directors' Training**

All Directors have completed the Mandatory Accreditation Programme and the Continuing Education Programme (CEP) prescribed by Bursa Malaysia. The Directors will continue to undergo other relevant training programmes on a continuous basis in compliance with paragraph 15.09 of Bursa Malaysia Listing Requirements.

During the financial year under review, the Directors have attended and participated in various programmes and courses which they have individually or collectively considered as relevant and useful in contributing to the effective discharge of their duties as Directors. The programmes/courses attended by them individually and collectively included the areas of briefing on the new International Financial Reporting Standards, Code on Take-overs and Mergers, Risk Management and Internal Control.

### **Board Committees**

The Board has delegated certain responsibilities to Board Committees which 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. YB. 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.

## • Statement of Corporate Governance (cont'd)

### c. Nomination Committee

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

1. YB. Dato' Ahmad Badri bin Mohamed Basir (Chairman);
2. Mr Sha Thiam Fook;
3. YB. Dato' Raja Haji Ahmad Zainuddin bin Raja Haji Omar (Appointed 27 March 2006)

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. YB. 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 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 2006 categorised in appropriate components is set our below:-

	Fee RM'000	Benefits-in-Kind RM'000	Salaries and Other Emoluments RM'000	Bonus RM'000	Total RM'000
Executive	60	70	1,288	205	1,623
Non-Executive	30	-	32	-	62
	90	70	1,320	205	1,685

## • Statement of Corporate Governance (cont'd)

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	1	3
RM100,001 - RM150,000	1	
RM150,001 - RM200,000	1	
RM250,001 - RM300,000	2	
RM800,001 - RM850,000	1	
	6	3

### 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.

The Board has also appointed YB. Dato' Raja Ahmad Zainuddin bin Raja Haji Omar as the Senior Independent Director to whom shareholders can voice their view and concerns by e-mail at rajaaz@kenholdings.com.my.

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 homepage 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.

## • Statement of Corporate Governance (cont'd)

### 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. The Board took due care and reasonable steps to ensure that the requirements of accounting standards and relevant regulations were fully met.

#### 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 Controls

The Statement of Internal Controls 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.

This statement was made in accordance with a resolution of the Board date 12 March 2007

## • 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 Controls, and risk management and for reviewing the adequacy and integrity of the system. This includes reviewing financial, organisational, management information system, operational and compliance controls and risk management procedures.

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

### **RISK MANAGEMENT**

The Board regards risk management as an integral part of the business. The Group has formalised a risk policy and risk management framework prepared with the involvement of an independent consultant in 2002 for a systematic and consistent approach to evaluate and improve the adequacy and effectiveness of the Group' 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 risk 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 March 2007.

### **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 exercises performed by the RMC and reports from the internal audit function.

The internal audit function conducted internally has undertaken internal audit reviews on selected significant risk areas of the Company and KGSB and its findings were presented to the Audit Committee and the Board in February 2007.

## • 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 and departmental 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 of 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) have been extended to include property development, Ken Property Sdn Bhd (KPSB) and Khidmat Tulin Sdn Bhd (KTSB) and management company Jewel Estate Sdn Bhd (JESB) during the year and the standard procedures 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 were conducted on KPSB, KTSB, JESB, KGSB and Kenly to monitor compliance with procedures as well as identify and monitor operational issues;
- During the year KPSB, KTSB and JESB have been certified by a certification body for compliance with ISO 9001:2000 while surveillance audits were also conducted on KGSB and Kenly for compliance with ISO 9001:2000;
- 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 adequate and effective 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 submit 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 12 March 2007.

## • 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 2006, the Committee comprises the following three directors:-

**Chairman:** Sha Thiam Fook (MIA member) *(Independent Non-Executive Director)*

**Members:** YB. Dato' Ahmad Badri bin Mohamed Basir *(Independent Non-Executive Director)*  
Tan Boon Kang *(Managing Director)*

On 16 February 2007, YB. Dato' Raja Haji Ahmad Zainuddin bin Raja Haji Omar, an Independent Non-Executive Director was appointed as an additional member to the Audit Committee of the Company.

### **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.

## ● Audit Committee Report (cont'd)

- (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 matter 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 Meetings**

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

### **Meetings**

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

The Audit Committee met five times during the financial year ended 31 December 2006. 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) <i>(Independent Non-Executive Director)</i>	5	5
YB. Dato' Ahmad Badri bin Mohamed Basir (Member) <i>(Independent Non-Executive Director)</i>	5	5
Tan Boon Kang (Member) <i>(Managing Director)</i>	5	5

## • Audit Committee Report (cont'd)

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 2006**

The Audit Committee carried out its duties in accordance with its Terms of Reference. During the financial year ended 31 December 2006, 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 31/12/2005, 31/3/2006, 30/6/2006 and 30/9/2006 prior to submission to the Board of Directors for consideration and approval;
- (b) reviewed the year end financial statements ended 31 December 2005;
- (c) reviewed the external auditors' reports for the financial year ended 31 December 2005 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 2005 and recommended its adoption to the Board;
- (e) reviewed the Risk Management Assessment Report of the Company and its wholly-owned subsidiary, Ken Grouting Sdn. Bhd. ("KGSB");
- (f) reviewed Internal Audit Report of the Company and its operating subsidiaries
- (g) reviewed the Group Internal Audit Plan; and
- (h) considered the nomination of the external auditors for recommendation to the Board for re-appointment.

### **INTERNAL AUDIT FUNCTION**

The Audit Committee is supported by an internal audit function. The principal responsibility of the internal audit function is to undertake regular and systematic review of the systems of controls so as to provide reasonable assurance that such systems continue to operate satisfactorily and effectively in the Group. The Committee approves the annual internal audit plan before the commencement of the internal audit reviews for each year. During the financial year, the internal auditor has conducted audit on the operating subsidiaries and submitted her findings to the Audit Committee. Internal audit reports prepared by the internal auditor were circulated to all members of the Audit Committee. All internal audit reports were reviewed by the Audit Committee 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 allocation of options pursuant to the Group's ESOS except for the granting of additional options in accordance with the Bye Laws of the ESOS by Ken Holdings Berhad to the Bonus Issue of 30,095,000 new ordinary shares in Ken Holdings Berhad in July 2005 of one new share of RM1.00 each for every two existing shares held.

The Audit Committee has reviewed and verified the allocation of share options to eligible employees in accordance with the criteria set by the Bye Laws of the ESOS.

## ● Laporan Jawatankuasa Audit

### **PENUBUHAN DAN KOMPOSISI**

Jawatankuasa Audit Ken Holdings Berhad ditubuhkan pada 19 March 1996.

Bagi tahun kewangan berakhir 31 Disember 2006, Ahli-Ahli Jawatankuasa adalah seperti berikut:

<b>Pengerusi:</b>	Sha Thiam Fook (ahli MIA)	(Pengarah Bebas Bukan Eksekutif)
<b>Ahli-ahli:</b>	YB. Dato' Ahmad Badri bin Mohamed Basir Tan Boon Kang	(Pengarah Bebas Bukan Eksekutif) (Pengarah Urusan)

Pada 16 Februari 2007, YB. Dato' Raja Haji Ahmad Zainuddin bin Raja Haji Omar, Pengarah Bebas Bukan Eksekutif telah dilantik sebagai ahli Jawatankuasa Audit Syarikat.

### **BIDANG RUJUKAN**

#### **Keahlian**

1. Ahli-ahli jawatankuasa mestilah dipilih oleh Lembaga Pengarah daripada kalangan para pengarah Syarikat dan mestilah terdiri sekurang-kurangnya tiga ahli, yang mana majoritinya mestilah terdiri daripada pengarah-pengarah bebas.
2. Jawatankuasa mestilah mengandungi sekurang-kurangnya seorang ahli yang merupakan ahli Institut Akauntan Malaysia atau seseorang yang mempunyai sekurang-kurangnya 3 tahun pengalaman bekerja dan telah lulus peperiksaan seperti yang terkandung dalam Bahagian 1 Jadual 1 Akta Akauntan 1967 atau seseorang yang merupakan ahli dalam salah satu persatuan yang dinyatakan dalam Bahagian II Jadual 1 Akta Akauntan 1967.
3. Tiada pengarah pengganti boleh dilantik sebagai Ahli Jawatankuasa Audit.
4. Ahli-ahli Jawatankuasa Audit hendaklah melantik seorang Pengerusi daripada kalangan mereka yang merupakan seorang Pengarah bebas bukan eksekutif, seperti yang dinyatakan di atas.
5. Jika seorang atau lebih ahli Jawatankuasa meletakkan jawatan, meninggal dunia atau atas apa-apa sebab lain berhenti menjadi seorang ahli dan menyebabkan Keperluan Penyenaraian Bursa Malaysia Securities Berhad dimungkiri, Lembaga Pengarah akan, dalam masa tiga bulan daripada peristiwa tersebut, melantik ahli jawatankuasa baru seperti diperlukan untuk membetulkan kemungkiran tersebut.
6. Lembaga Pengarah akan mengkaji semula syarat pemegangan jawatan bagi ahli Jawatankuasa tidak kurang daripada sekali dalam setiap tiga tahun.

#### **Kuasa**

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

- (a) menyiasat sebarang aktiviti dalam bidang rujukan Jawatankuasa Audit;
- (b) mempunyai sumber-sumber yang diperlukan untuk melaksanakan tanggungjawabnya;
- (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 aktiviti audit dalaman (sekiranya ada);
- (e) mendapatkan nasihat guaman atau lain-lain profesional 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 jawatankuasa, pada bila-bila masa dirasakan perlu.

## • Laporan Jawatankuasa Audit (samb.)

### Fungsi-fungsi

Fungsi-fungsi Jawatankuasa adalah untuk mengkaji perkara-perkara di bawah dan memberi laporan kepada Lembaga Pengarah:

- (a) Sebarang perkara berkenaan dengan perlantikan dan penyingkiran Juruaudit Luar dan yuran juruaudit;
- (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 mungkin perlu dibincangkan oleh juruaudit luar (tanpa kehadiran pihak pengurusan, jika perlu);
- (d) Sebarang maklumat kewangan yang akan diumumkan, termasuk penyata kewangan suku tahunan dan tahunan, sebelum dikemukakan kepada pihak Lembaga Pengarah;
- (e) Surat pengurusan juruaudit luar dan respons daripada pihak pengurusan;
- (f) Kecukupan skop, fungsi-fungsi dan sumber-sumber fungsi audit dalaman, dan samada ianya mempunyai kuasa yang diperlukan untuk menjalankan tugas;
- (g) Rancangan audit dan program kerja audit dalaman;
- (h) Penemuan daripada kerja audit dalaman dan respons daripada pihak pengurusan;
- (i) Sebarang penilaian 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;
- (l) Sebarang perkara yang diarahkan oleh Lembaga Pengarah.

### Penyeliaan Fungsi Audit Dalaman

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

### Kuorum untuk Mesyuarat

Kuorum hanya boleh dianggap tercapai sekiranya majoriti ahli yang hadir dalam mesyuarat adalah pengarah bebas.

### Mesyuarat

Jawatankuasa Audit hendaklah bermesyuarat sekurang-kurangnya empat kali setahun.

Jawatankuasa Audit telah bermesyuarat sebanyak lima kali sepanjang tahun kewangan berakhir 31 Disember 2006. Butir-butir mengenai kehadiran mesyuarat Jawatankuasa Audit yang diadakan sepanjang tahun kewangan tersebut adalah seperti berikut:

<b>Nama Ahli</b>	<b>Jumlah Mesyuarat yang Diadakan Dalam Tempoh Jawatan Ahli</b>		<b>Kehadiran</b>
	<b>5</b>	<b>5</b>	
Sha Thiam Fook (Pengerusi) (Pengarah Bebas Bukan Eksekutif)	5	5	5
YB. Dato' Ahmad Badri bin Mohamed Basir (Ahli) (Pengarah Bebas Bukan Eksekutif)	5	5	5
Tan Boon Kang (Ahli) (Pengarah Urusan)	5	5	5

- **Laporan Jawatankuasa Audit (samb.)**

Pengarah Eksekutif Syarikat – Kewangan dan Pentadbiran biasanya dijemput untuk menghadiri semua mesyuarat. Seorang wakil kepada Juruaudit Luar juga biasanya 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-RINGKASAN AKTIVITI JAWATANKUASA AUDIT SEPANJANG TAHUN KEWANGAN BERAKHIR 31 DISEMBER 2006**

Ahli jawatankuasa Audit telah menjalankan tugasnya mengikut Bidang Rujukan. Sepanjang tahun kewangan berakhir 31 Disember 2006, aktiviti-aktiviti Jawatankuasa Audit adalah seperti berikut:

- (a) mengkaji keputusan kewangan suku tahunan dan pengumuman Syarikat dan Kumpulan untuk suku tahun kewangan berakhir 31/12/2005, 31/3/2006, 30/6/2006 dan 30/9/2006 sebelum dikemukakan kepada Lembaga Pengarah untuk pertimbangan dan kelulusan;
- (b) mengkaji semula penyata kewangan tahunan berakhir 31 Disember 2005;
- (c) mengkaji semula laporan juruaudit luar bagi tahun kewangan berakhir 31 Disember 2005 berkaitan dengan isu-isu audit dan perakaunan yang timbul daripada pengauditan;
- (d) mengkaji semula Laporan Jawatankuasa Audit, Penyata Urus Tadbir Korporat dan Penyata Kawalan Dalaman untuk tahun kewangan berakhir 31 Disember 2005 dan mengsyorkan kepada Lembaga Pengarah untuk diterima pakai;
- (e) mengkaji semula Laporan Penilaian Pengurusan Risiko Syarikat dan subsidiari milik penuhnya, Ken Grouting Sdn. Bhd. (“KGSB”);
- (f) mengkaji semula Laporan Audit Dalaman Syarikat dan subsidiari-subsidiarinya yang beroperasi;
- (g) mengkaji semula Rancangan Audit Dalaman Kumpulan; dan
- (h) mempertimbangkan pencalonan juruaudit luar untuk disyorkan kepada Lembaga Pengarah untuk perlantikan.

**FUNGSI AUDIT DALAMAN**

Jawatankuasa Audit disokong oleh fungsi audit dalaman. Tanggungjawab utama fungsi audit dalaman ini adalah untuk melakukan penyemakan semula dengan tetap dan sistematik ke atas sistem kawalan untuk memberikan jaminan sewajarnya yang sistem-sistem tersebut terus beroperasi dalam keadaan memuaskan dan dengan berkesan dalam Kumpulan.

Jawatankuasa meluluskan rancangan audit dalaman tahunan sebelum bermulanya proses pengauditan dalaman setiap tahun. Sepanjang tahun kewangan, juruaudit dalaman telah menjalankan pengauditan ke atas subsidari-subsidiari yang beroperasi dan menyerahkan penemuannya kepada Jawatankuasa Audit. Laporan audit dalaman yang disediakan oleh juruaudit dalaman diedarkan kepada semua ahli Jawatankuasa Audit. Segala laporan audit dalaman disemak semula oleh Jawatankuasa Audit dan dibincangkan dalam 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 menurut ESOS Kumpulan selain daripada memberi opsyen tambahan bertepatan dengan Undang-Undang ESOS Ken Holdings Berhad menurut Terbitan Bonus sebanyak 30,095,000 saham biasa baru bagi Ken Holdings Berhad pada bulan Julai 2005 sebanyak satu (1) saham biasa baru pada harga RM1.00 sesaham untuk setiap dua (2) saham yang dipegang.

Jawatankuasa Audit telah menyemak dan mengesahkan pengagihan opsyen saham kepada kakitangan yang layak bertepatan dengan kriteria yang ditetapkan oleh Undang-undang ESOS.

## • Additional Disclosure Information

### **UTILISATION OF PROCEEDS**

No proceeds were raised by the Company from any corporate proposal during the financial year ended 31 December 2006.

### **SHARE BUY-BACK**

Mandate for the share buy-back of Company's shares was approved by the shareholders at the Extraordinary General Meeting held on 25 April 2006. the Company has not bought back any Company's shares during the financial year ended 31 December 2006.

### **OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES**

During the financial year ended 31 December 2006, no 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 2006, 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 2006 amounted to RM6,000.

### **VARIATION IN RESULTS**

There was no material variance between the audited results for the financial year 31 December 2006 and the unaudited results previously announced.

### **PROFIT GUARANTEE**

The Company did not issue any profit guarantee during the financial year ended 31 December 2006.

### **MATERIAL CONTRACTS**

Save as disclosed in Note 29 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 2006 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 2006.

### **BELI-BALIK SAHAM**

Mandat untuk membeli balik saham Syarikat telah diluluskan oleh para pemegang saham di Mesyuarat Agung Luar Biasa pada 25 April 2006. Syarikat belum membeli balik mana-mana saham Syarikat sepanjang tahun kewangan berakhir 31 Disember 2006.

### **OPSYEN, WARAN ATAU SEKURITI BOLEH TUKAR**

Sepanjang tahun kewangan berakhir 31 Disember 2006, tiada 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 2006, 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 2006 adalah RM6,000.

### **VARIASI KEPUTUSAN**

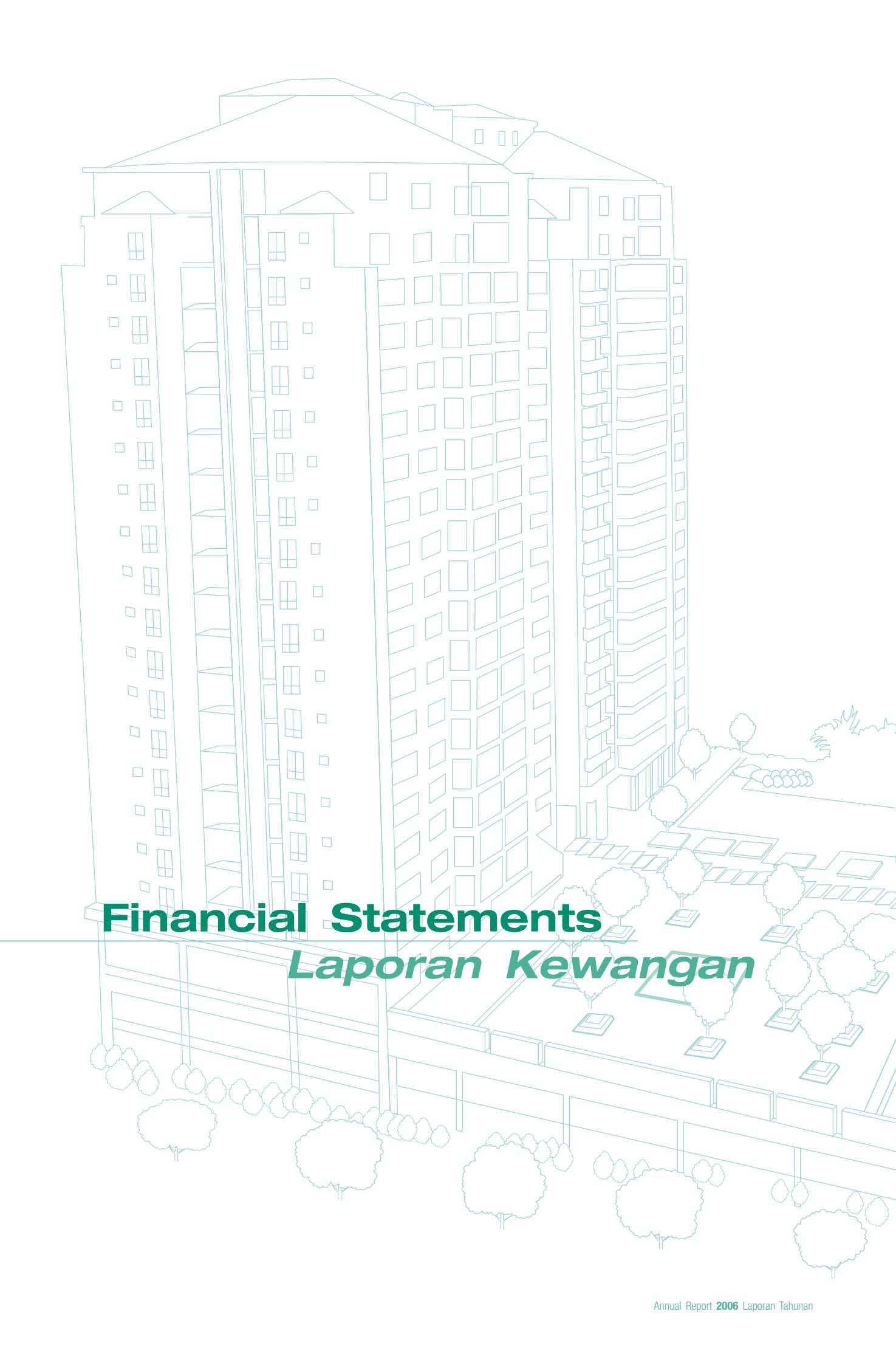
Tiada varians penting di antara keputusan teraudit bagi tahun kewangan berakhir 31 Disember 2006 dan keputusan belum diaudit yang diumumkan terdahulu.

### **JAMINAN KEUNTUNGAN**

Syarikat tidak mengeluarkan apa-apa jaminan keuntungan sepanjang tahun kewangan berakhir 31 Disember 2006.

### **KONTRAK MATERIAL**

Kecuali mana yang dibentangkan dalam Nota 29 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 2006 atau ditandatangani sejak berakhir tahun kewangan sebelumnya.



# **Financial Statements**

## **Laporan Kewangan**

## ● Directors' Report

for the year ended 31 December 2006

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 2006.

### **PRINCIPAL ACTIVITIES**

The principal activities of the Company consist of investment holding and provision of management services. The principal activities of its subsidiaries are as stated in note 7 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
Profit for the year	4,073	4,958

### **RESERVES AND PROVISIONS**

There were no material transfers to or from reserves and provisions during the year under review 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 sen per share less tax totalling RM3,250,260 in respect of the year ended 31 December 2005 on 21 June 2006.

A first and final dividend of 5 sen per share less tax totalling RM3,250,260 in respect of the year ended 31 December 2006 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  
 Tan Chek Siong  
 Tang Kam Chee  
 Dato' Raja Haji Ahmad Zainuddin bin Raja Haji Omar  
 Tengku Dato' Seri Baderul Zaman Ibni Almarhum Sultan Mahmud

## • Directors' Report

for the year ended 31 December 2006 (cont'd)

### DIRECTORS' INTERESTS

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

Company	Number of ordinary shares of RM1.00 each			
	At 1.1.2006 '000	Bought '000	Sold '000	At 31.12.2006 '000
<b>Direct interest</b>				
Tan Boon Kang	7,745	2,350	-	10,095
Lau Pek Kuan	59	1,150	-	1,209
Tan Moon Hwa	806	-	-	806
Tang Kam Chee	15	-	-	15
<b>Indirect interest</b>				
Tan Boon Kang	33,983	2,350	-	36,333
Lau Pek Kuan	41,669	1,150	-	42,819

Subsidiary	Number of ordinary shares of HK\$1.00 each			
	At 1.1.2006 '000	Bought '000	Sold '000	At 31.12.2006 '000
<b>Subsidiary</b>				
Kenly (HK) Ltd.				
<b>Indirect interest</b>				
Tan Boon Kang	4,376	-	-	4,376
Lau Pek Kuan	4,376	-	-	4,376

By virtue of their interests in the shares of the Company, Tan Boon Kang and Lau Pek Kuan 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 RM1.00 each			
	At 1.1.2006 '000	Granted '000	Exercised '000	At 31.12.2006 '000
<b>Share options in the Company</b>				
Tan Boon Kang	500	250	-	750
Lau Pek Kuan	500	250	-	750
Tan Moon Hwa	500	250	-	750
Tang Kam Chee	490	250	-	740

None of the other Directors holding office at 31 December 2006 had any interest in the ordinary shares of the Company and of its related corporations during the financial year.

## ● Directors' Report

for the year ended 31 December 2006 (cont'd)

### 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 a benefit 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

There were no 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

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.

No options were granted to any person to take up unissued shares of the Company during the year except for the granting of additional options in accordance with the Bye-Laws of the ESOS by Ken Holdings Berhad pursuant to the Bonus Issue of 30,095,000 new ordinary shares in Ken Holdings Berhad in July 2005 of one (1) new ordinary share of RM1.00 each for every two (2) existing shares held.

The options offered to take up unissued shares of RM1.00 each and the option price is as follows:

Date of offer	Option price RM	Number of options over ordinary shares of RM1.00 each				At 31.12.2006 '000
		At 1.1.2006 '000	Granted '000	Exercised '000	Lapsed '000	
4.6.2003	1.00	4,109	2,122	-	(42)	6,189

The Company has been granted exemption by the Companies Commission of Malaysia from having to disclose in this report the names of person to whom were granted less than 370,000 options under the ESOS as required by Section 169(11) of the Companies Act, 1965. This information has been separately filed under the Companies Commission of Malaysia.

## • Directors' Report

for the year ended 31 December 2006 (cont'd)

### OPTIONS GRANTED OVER UNISSUED SHARES (cont'd)

Details of options granted under the ESOS which are in respect of 370,000 options and above are as follows:

Name of option holder	Option price RM	Number of options over ordinary shares of RM1.00 each			
		At 1.1.2006 '000	Granted '000	Exercised '000	At 31.12.2006 '000
Tan Boon Kang	1.00	500	250	-	750
Lau Pek Kuan	1.00	500	250	-	750
Tan Moon Hwa	1.00	500	250	-	750
Tang Kam Chee	1.00	490	250	-	740
Lau Chin Ka	1.00	500	250	-	750
Lau Chin Kok	1.00	250	125	-	375

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

- i) In January 2006, a subsidiary, Support Capital Sdn. Bhd., subscribed for the renounced rights issue entitlement of 1,654,232 ordinary shares of HK\$1.00 each in Kenly (HK) Ltd. after the minority shareholders did not subscribe for their entitlement pursuant to a rights issue of 3,900,000 ordinary shares of HK\$1.00 each in Kenly. The Company had subscribed earlier for its entitlement of 2,245,768 shares of HK\$1.00 each in Kenly in December 2005.

After the subscription of renounced rights shares, the Company's shareholding increased to 79.4%.

- ii) In May 2006, a subsidiary, Aunyang Holdings Sdn. Bhd., acquired two (2) ordinary shares of RM1.00 each representing 100% equity interest in Jewel Estate Sdn. Bhd. for a cash consideration of RM2.00.
- iii) In May 2006, a subsidiary, Ken Property Sdn. Bhd., disposed two (2) ordinary shares of RM1.00 each representing 100% equity interest in KD Management Sdn. Bhd. for a cash consideration of RM1.00.
- iv) In August 2006, an application was made to deregister a subsidiary, Success Goal Asia Limited from the Register of the Hong Kong Companies Registry.

## ● Directors' Report

for the year ended 31 December 2006 (cont'd)

### **SUBSEQUENT EVENT**

In February 2007, a subsidiary, Aunyang Holdings Sdn. Bhd., entered into a Sale and Purchase Agreement to acquire two pieces of land for a cash consideration of RM15,800,000.00.

### **OTHER STATUTORY INFORMATION**

Before the income statements and balance sheets 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.

In the opinion of the Directors, except for the effects arising from the change in accounting policies as disclosed in the financial statements, the results of the operations of the Group and of the Company for the financial year ended 31 December 2006 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.

• **Directors' Report**  
for the year ended 31 December 2006 (cont'd)

**AUDITORS**

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

Signed on behalf of the Board in accordance with a resolution of the Directors:

.....  
**Tan Boon Kang**

.....  
**Tang Kam Chee**

Kuala Lumpur, Malaysia

Date: 12 March 2007

## • 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 92 are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards for entities other than private entities issued by the Malaysian Accounting Standards Board so as to give a true and fair view of the state of affairs of the Group and of the Company at 31 December 2006 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, Malaysia

Date: 12 March 2007

## • 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 92 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 in the Federal Territory on 12 March 2007.

.....  
**Tang Kam Chee**

Before me:

W438  
P. Thurirajoo AMN PJK  
Commissioner for Oath, 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 92. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statements presentation. We believe that 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 for entities other than private entities issued by the Malaysian Accounting Standards Board 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 2006 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 7 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: 1514/05/08(J)

Kuala Lumpur, Malaysia

Date: 12 March 2007

## • Balance Sheets

at 31 December 2006

	Note	2006 RM'000	Group 2005 RM'000	Company 2006 RM'000	Company 2005 RM'000
<b>Non-current assets</b>					
Property, plant and equipment	3	<b>8,758</b>	8,671	-	-
Prepaid lease payments	4	<b>3,176</b>	3,220	-	-
Land held for property development	5	<b>7,347</b>	7,323	-	-
Investment property	6	<b>9,177</b>	9,028	-	-
Investment in subsidiaries	7	-	-	<b>13,333</b>	13,333
Other investments	8	<b>26</b>	32	-	-
Intangible assets	9	<b>538</b>	538	-	-
Deferred tax assets	20	<b>1,878</b>	1,070	<b>130</b>	54
<b>Total non-current assets</b>		<b>30,900</b>	29,882	<b>13,463</b>	13,387
<b>Current assets</b>					
Inventories		<b>6,099</b>	6,613	-	-
Property development costs	11	<b>55,901</b>	54,370	-	-
Receivables, deposits and prepayments	12	<b>23,008</b>	23,990	<b>19</b>	17
Amount due from subsidiaries	13	-	-	<b>81,551</b>	79,403
Tax recoverable		<b>1,829</b>	1,033	<b>1,120</b>	1,302
Cash and cash equivalents	14	<b>27,895</b>	27,119	<b>4,917</b>	5,192
<b>Total current assets</b>		<b>114,732</b>	113,125	<b>87,607</b>	85,914
<b>Current liabilities</b>					
Payables and accruals	15	<b>27,015</b>	26,581	<b>776</b>	541
Amount due to a subsidiary	13	-	-	-	3
Borrowings	16	<b>6,756</b>	6,968	-	-
Taxation		<b>2,146</b>	1,207	<b>40</b>	29
<b>Total current liabilities</b>		<b>35,917</b>	34,756	<b>816</b>	573
<b>Net current assets</b>		<b>78,815</b>	78,369	<b>86,791</b>	85,341
		<b>109,715</b>	108,251	<b>100,254</b>	98,728

## • Balance Sheets

at 31 December 2006 (cont'd)

	Note	2006 RM'000	Group 2005 RM'000	Company 2006 RM'000	Company 2005 RM'000
<b>Equity</b>					
Share capital	17	<b>90,285</b>	90,285	<b>90,285</b>	90,285
Reserves	18	<b>12,037</b>	11,149	<b>8,849</b>	7,141
<b>Total equity attributable to shareholders of the Company</b>		<b>102,322</b>	101,434	<b>99,134</b>	97,426
<b>Minority interest</b>	19	-	52	-	-
<b>Total equity</b>		<b>102,322</b>	101,486	<b>99,134</b>	97,426
<b>Negative goodwill</b>	10	-	218	-	-
<b>Non-current liabilities</b>					
Borrowings	16	<b>197</b>	212	-	-
Deferred tax liabilities	20	<b>7,196</b>	6,335	<b>1,120</b>	1,302
<b>Total equity and non-current liabilities</b>		<b>109,715</b>	108,251	<b>100,254</b>	98,728

The notes on pages 59 to 92 are an integral part of these financial statements.

## ● Income Statements

for the year ended 31 December 2006

	Note	2006 RM'000	Group 2005 RM'000	Company 2006 RM'000	2005 RM'000
<b>Revenue</b>					
- contract revenue		<b>17,415</b>	20,628	-	-
- property development revenue		<b>58,062</b>	42,724	-	-
- dividends		-	-	<b>6,600</b>	6,654
- services		-	-	<b>660</b>	480
		<b>75,477</b>	63,352	<b>7,260</b>	7,134
<b>Cost of sales</b>					
- contract costs		<b>(24,301)</b>	(22,563)	-	-
- property development costs		<b>(30,862)</b>	(23,241)	-	-
		<b>(55,163)</b>	(45,804)	-	-
<b>Gross profit</b>		<b>20,314</b>	17,548	<b>7,260</b>	7,134
Distribution expenses		<b>(116)</b>	(441)	-	-
Administrative expenses		<b>(11,550)</b>	(10,560)	<b>(502)</b>	(381)
Other operating expenses		-	(271)	-	-
Other operating income		<b>1,886</b>	1,886	<b>161</b>	397
<b>Operating profit</b>	22	<b>10,534</b>	8,162	<b>6,919</b>	7,150
Finance costs		<b>(587)</b>	(253)	-	-
<b>Profit before tax</b>		<b>9,947</b>	7,909	<b>6,919</b>	7,150
Tax expense	24	<b>(6,080)</b>	(3,430)	<b>(1,961)</b>	(2,034)
<b>Profit after tax</b>		<b>3,867</b>	4,479	<b>4,958</b>	5,116
Minority interest		<b>206</b>	1,983	-	-
<b>Profit for the year</b>		<b>4,073</b>	6,462	<b>4,958</b>	5,116
<b>Basic earnings per ordinary share</b>	25	<b>5 sen</b>	7 sen		
<b>Diluted earnings per ordinary share</b>	25	<b>N/A</b>	N/A		
<b>Dividends per ordinary share - gross</b>	26	<b>5 sen</b>	5 sen		

The notes on pages 59 to 92 are an integral part of these financial statements.

**• Consolidated Statement of Changes in Equity**  
for the year ended 31 December 2006

Group	Note	Attributable to shareholders of the Company							
		Non-distributable				Distributable			
		Share capital RM'000	Share premium RM'000	Property revaluation reserve RM'000	Exchange fluctuation reserve RM'000	Retained earnings RM'000	Total RM'000	Minority interest RM'000	Total equity RM'000
<b>At 1 January 2005</b>		60,180	242	1,239	219	34,772	96,652	1,449	98,101
Realisation of revaluation reserve		-	-	(209)	-	209	-	-	-
Revaluation of property, net of tax		-	-	1,097	-	-	1,097	-	1,097
Foreign exchange translation differences		-	-	-	(34)	-	(34)	-	(34)
Losses recognised on increase of interest in subsidiaries		-	-	-	-	(586)	(586)	586	-
Net gains or losses not recognised in the income statement		-	-	888	(34)	(377)	477	586	1,063
Issue of shares:									
- Exercise of share options		10	-	-	-	-	10	-	10
- Bonus issue		30,095	(242)	-	-	(29,853)	-	-	-
Profit/(Loss) for the year		-	-	-	-	6,462	6,462	(1,983)	4,479
Dividends to shareholders	26	-	-	-	-	(2,167)	(2,167)	-	(2,167)
<b>At 31 December 2005</b>		<b>90,285</b>	-	<b>2,127</b>	<b>185</b>	<b>8,837</b>	<b>101,434</b>	<b>52</b>	<b>101,486</b>

Note 17

Note 18.1 Note 18.2

**• Consolidated Statement of Changes in Equity**  
for the year ended 31 December 2006 (cont'd)

Group	Note	Attributable to shareholders of the Company							
		Non-distributable				Distributable			
		Share capital RM'000	Share premium RM'000	Property revaluation reserve RM'000	Exchange fluctuation reserve RM'000	Retained earnings RM'000	Total RM'000	Minority interest RM'000	Total equity RM'000
<b>At 31 December 2005, but before opening balance adjustment - effect of adopting FRS 3</b>									
		90,285	-	2,127	185	8,837	101,434	52	101,486
		-	-	-	-	218	218	-	218
<b>At 1 January 2006, restated</b>									
		90,285	-	2,127	185	9,055	101,652	52	101,704
Realisation of revaluation reserve		-	-	(124)	-	124	-	-	-
Foreign exchange translation differences		-	-	-	1	-	1	-	1
Losses recognised on increase of interest in subsidiaries		-	-	-	-	(154)	(154)	154	-
Net gains or losses not recognised in the income statement		-	-	(124)	1	(30)	(153)	154	1
Profit/(Loss) for the year		-	-	-	-	4,073	4,073	(206)	3,867
Dividends to shareholders	26	-	-	-	-	(3,250)	(3,250)	-	(3,250)
<b>At 31 December 2006</b>									
		90,285	-	2,003	186	9,848	102,322	-	102,322

Note 17

Note 18.1 Note 18.2

The notes on pages 59 to 92 are an integral part of these financial statements.

**• Statement of Changes in Equity**  
for the year ended 31 December 2006

<b>Company</b>	<b>Note</b>	<i>Non-distributable</i>		<i>Distributable</i>		<b>Total RM'000</b>
		<b>Share capital RM'000</b>	<b>Share premium RM'000</b>	<b>Retained earnings RM'000</b>		
<b>At 1 January 2005</b>		60,180	242	34,045		94,467
Issue of shares:						
- exercise of share options		10	-	-		10
- bonus issue		30,095	(242)	(29,853)		-
Profit for the year		-	-	5,116		5,116
Dividends to shareholders	26	-	-	(2,167)		(2,167)
<b>At 31 December 2005/</b>						
<b>1 January 2006</b>		<b>90,285</b>	-	<b>7,141</b>		<b>97,426</b>
Profit for the year		-	-	4,958		4,958
Dividends to shareholders	26	-	-	(3,250)		(3,250)
<b>At 31 December 2006</b>		<b>90,285</b>	-	<b>8,849</b>		<b>99,134</b>

Note 17

Note 18.3

## ● Cash Flow Statements

for the year ended 31 December 2006

	Note	2006 RM'000	Group 2005 RM'000	Company 2006 RM'000	Company 2005 RM'000
<b>Cash flows from operating activities</b>					
Profit before tax		9,947	7,909	6,919	7,150
Adjustments for:					
Allowance for diminution in value of other investments	6	-	-	-	-
Amortisation of intangible assets	-	271	-	-	-
Amortisation of prepaid lease payments	44	41	-	-	-
Allowance for doubtful debts	3,016	2,640	-	-	-
Depreciation	1,018	968	-	-	-
Dividend income	-	-	(6,600)	(6,654)	
Finance costs	587	253	-	-	-
Gain on disposal of property, plant and equipment	(76)	(40)	-	-	-
Interest income	(558)	(840)	(161)	(397)	
Property, plant and equipment written off	-	8	-	-	-
Reversal of allowance for doubtful debts	(2)	(15)	-	-	-
Operating profit before changes in working capital	13,982	11,195	158	99	
Changes in working capital:					
Inventories	513	(4,402)	-	-	-
Land held for property development	(24)	(5,523)	-	-	-
Receivables, deposits and prepayments	(3,008)	(6,308)	(2)	6	
Property development costs	(1,531)	(3,147)	-	-	-
Payables and accruals	829	4,826	235	120	
Subsidiary companies	-	-	(2,151)	(18,363)	
Cash generated from/ (used in) from operations	10,761	(3,359)	(1,760)	(18,138)	
Income taxes paid	(5,889)	(5,942)	(178)	(225)	
Interest received	107	85	-	-	-
Finance costs	(288)	(218)	-	-	-
<b>Net cash generated from/   (used in) operating activities</b>	<b>4,691</b>	<b>(9,434)</b>	<b>(1,938)</b>	<b>(18,363)</b>	

## • Cash Flow Statements

for the year ended 31 December 2006 (cont'd)

	Note	Group		Company	
		2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
<b>Cash flows from investing activities</b>					
Acquisition of property, plant and equipment		(1,135)	(2,343)	-	-
Dividends received		-	-	4,752	1,443
Improvements/Purchase of investment property		(149)	(9,028)	-	-
Increase in pledged deposits placed with licensed banks		(127)	(264)	(126)	(264)
Interest received		451	755	161	397
Proceeds from disposal of property, plant and equipment		76	41	-	-
<b>Net cash (used in)/generated from investing activities</b>		(884)	(10,839)	4,787	1,576
<b>Cash flows from financing activities</b>					
Dividends paid to shareholders of the Company		(3,250)	(2,167)	(3,250)	(2,167)
Finance costs		(299)	(35)	-	-
Payment of finance lease liabilities		(75)	(212)	-	-
Proceeds from issue of shares		-	10	-	10
(Repayment of)/ Proceeds from borrowings		(100)	3,905	-	-
<b>Net cash (used in)/generated from financing activities</b>		(3,724)	1,501	(3,250)	(2,157)
<b>Net increase/(decrease) in cash and cash equivalents</b>		83	(18,772)	(401)	(18,944)
<b>Cash and cash equivalents at beginning of year</b>		19,494	38,300	939	19,883
Effect of exchange rate fluctuations on cash held		305	(34)	-	-
<b>Cash and cash equivalents at end of year</b>		19,882	19,494	538	939

## • Cash Flow Statements

for the year ended 31 December 2006 (cont'd)

### i) Cash and cash equivalents

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

Note	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Cash and bank balances	<b>16,482</b>	5,727	<b>86</b>	79
Deposits with licensed banks (excluding deposits pledged)	<b>6,633</b>	16,739	<b>452</b>	860
Bank overdrafts - secured	<b>(3,233)</b>	(2,972)	-	-
	<b>19,882</b>	19,494	<b>538</b>	939

The notes on pages 59 to 92 are an integral part of these financial statements.

## • Notes to the Financial Statements

Ken Holdings Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Board of Bursa Malaysia Securities Berhad. The addresses of its registered office and principal place of business are as follows:

### **Registered office**

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

### **Principal place of business**

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

The consolidated financial statements as at and for the year ended 31 December 2006 comprise the Company and its subsidiaries (together referred to as the Group) and the Group's interest in unincorporated joint ventures. The financial statements of the Company as at and for the year ended 31 December 2006 do not include other entities except for the interest of the Company in unincorporated joint ventures.

The Company is principally engaged in investment holding and provision of management services while the other Group entities are primarily involved in property holding investment and property development, specialist engineering services, geo-technical, civil engineering and building works, land reclamation and marine engineering, project and property management activities.

### **1. BASIS OF PREPARATION**

#### **(a) Statement of compliance**

The financial statements of the Group and of the Company have been prepared in accordance with applicable approved accounting standards for entities other than private entities issued by the Malaysian Accounting Standards Board (MASB), accounting principles generally accepted in Malaysia and the provisions of the Companies Act, 1965. These financial statements also comply with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad.

The MASB has issued a number of new and revised Financial Reporting Standards (FRSs) that are effective for accounting periods beginning after 1 January 2006 or available for early adoption. In this set of financial statements, the Group has chosen to early adopt FRS 117, *Leases* and FRS 124, *Related Party Disclosures* which are effective for annual periods beginning on or after 1 October 2006. The MASB has also issued FRS 139, *Financial Instruments: Recognition and Measurement* but for which the MASB has yet to announce the effective date of this standard. The Group has not adopted FRS 139 and by virtue of the exemption in paragraph 103AB of FRS 139, the impact of applying FRS 139 on its financial statements upon first adoption of this standard as required by paragraph 30(b) of FRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors* is not disclosed.

The effects of adopting the new/revised FRS in 2006 are set out in note 34.

The financial statements were approved by the Board of Directors on 12 March 2007.

#### **(b) Basis of measurement**

The financial statements have been prepared on the historical cost basis except as disclosed in the notes to the financial statements.

## ● Notes to the Financial Statements (cont'd)

### 1. BASIS OF PREPARATION (cont'd)

#### (c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (RM), which is the Company's functional currency. All financial information presented in RM has been rounded to the nearest thousand.

#### (d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following note:

- Note 12 – calculation of revenue and cost of sales thereon for construction contracts and property development projects

### 2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the Group entities, unless otherwise stated.

Certain comparative amounts have been reclassified to conform to the current year's presentation.

#### (a) Basis of consolidation

##### (i) Subsidiaries

Subsidiaries are entities, including unincorporated entities, controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

The financial statements of subsidiaries are included in the consolidated financial statements from the date control commences until the date the control ceases.

Investments in subsidiaries are stated in the Company's balance sheet at cost less impairment losses.

##### (ii) Minority interest

Minority interest at the balance sheet date, being the portion of the net assets of subsidiaries attributable to equity interests that are not owned by the Company, whether directly or indirectly through subsidiaries, are presented in the consolidated balance sheet and statement of changes in equity within equity, separately from equity attributable to the equity shareholders of the Company. Minority interest in the results of the Group is presented on the face of the consolidated income statement as an allocation of the total profit or loss for the year between minority interest and the equity shareholders of the Company.

## • Notes to the Financial Statements (cont'd)

### 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### (a) Basis of consolidation (cont'd)

##### (ii) Minority interest (cont'd)

Where losses applicable to the minority exceed the minority's interest in the equity of a subsidiary, and any further losses applicable to the minority are charged against the Group's interest except to the extent that the minority has a binding obligation to, and is able to, make additional investment to cover the losses. If the subsidiary subsequently reports profits, the Group's interest is allocated all such profits until the minority's share of losses previously absorbed by the Group has been recovered.

##### (iii) Jointly-controlled operation and assets

The interest of the Company and of the Group in unincorporated joint ventures and jointly-controlled assets are brought to account by recognising in its financial statements the assets it controls and the liabilities that it incurs, and the expenses it incurs and its share of income that it earns from the sale of units by the joint venture.

##### (iv) Changes in Group composition

When a group purchases a subsidiary's equity shares from minority interest for cash consideration and the purchase price has been established at fair value, the accretion of the Group's interests in the subsidiary is accounted for as a purchase of equity interest for which the acquisition accounting method of accounting is applied.

The Group treats all other changes in group composition as equity transactions between the Group and its minority shareholders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

##### (v) Transactions eliminated on consolidation

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

#### (b) Foreign currency

##### (i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at exchange rates at the dates of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at cost are retranslated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in the income statement.

## • Notes to the Financial Statements (cont'd)

### 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### (b) Foreign currency (cont'd)

##### (ii) Net investment in foreign operations

Exchange differences arising from monetary items that in substance form part of the Company's net investment in foreign operations are recognised in the Company's income statement. Such exchange differences are reclassified to equity in the consolidated financial statements only when the loan is denominated in either the functional currency of the Company or of the foreign operation. Deferred exchange differences are released to the income statement upon disposal of the investment.

#### (c) Property, plant and equipment

##### (i) Recognition and measurement

Items of property, plant and equipment are stated at cost/valuation less accumulated depreciation and impairment losses.

The Group revalues its property comprising land and building every 5 years and at shorter intervals whenever the fair value of the revalued assets is expected to differ materially from the carrying value. Cost includes expenditures that are directly attributable to the acquisition of assets.

Surpluses arising from revaluation are dealt with in the 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.

The cost of plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market price for similar items.

##### (ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The net book value of the replaced part is taken to the income statement when the replaced part is capitalised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statement as incurred.

##### (iii) Depreciation

Depreciation is recognised in the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives. Freehold land is not depreciated.

## • Notes to the Financial Statements (cont'd)

### 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

##### (iii) Depreciation (cont'd)

The estimated useful lives for the current and comparative periods are as follows:

• buildings	25 – 50 years
• plant and machinery	5 – 10 years
• furniture, fixture and fittings	5 – 10 years
• major components	3 – 5 years

The depreciable amount is determined after deducting the residual value.

Depreciation methods, useful lives and residual values are reassessed at the reporting date.

#### (d) Investment property

Investment properties are properties which are owned or held under a leasehold interest to earn rental income or for capital appreciation or for both. These include land held for a currently undermined future use. Properties that are occupied by the companies in the Group are accounted for as owner-occupied rather than as investment property.

Investment properties are stated at cost less accumulated depreciation and impairment losses, consistent with the accounting policy for property, plant and equipment as stated in accounting policy note (c).

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of 50 years for buildings.

#### (e) Prepaid lease payments

Leasehold land that normally has an indefinite economic life and title is not expected to pass to the lessee by the end of the lease term is treated as an operating lease. The payment made on entering into or acquiring a leasehold land is accounted as prepaid lease payments that are amortised over the lease term in accordance with the pattern of benefits provided except for leasehold land classified as investment property.

The Group had previously classified a lease of land as finance lease and had recognised the amount of prepaid lease payments as property within its property, plant and equipment. On early adoption of FRS 117, Leases, the Group treats such a lease as an operating lease, with the unamortised carrying amount classified as prepaid lease payments in accordance with the transitional provisions in FRS 117.67A.

The Group had previously revalued its leasehold land and has retained the unamortised revalued amount as the surrogate carrying amount of prepaid lease payments in accordance with the transitional provision of FRS 117.67A. Such prepaid lease payment is amortised over the lease term.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful life of 25 years.

#### (f) Goodwill

Goodwill (negative goodwill) arises on the acquisition of subsidiaries, associates and joint ventures.

## ● Notes to the Financial Statements (cont'd)

### 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### (f) Goodwill (cont'd)

For acquisitions prior to 1 January 2006, goodwill represents the excess of the cost of the acquisition over the Group's interest in the fair values of the net identifiable assets and liabilities.

With the adoption of FRS 3 beginning 1 January 2006, goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree.

Goodwill is measured at cost and is no longer amortised but tested for impairment at least annually or more frequently when there is objective evidence of impairment. When the excess is negative (negative goodwill), it is recognised immediately in the income statement. With the adoption of FRS 3, the carrying amount of negative goodwill at 1 January 2006 is derecognised with a corresponding adjustment to the opening of retained earnings.

Goodwill is allocated to cash-generating units and is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired.

#### (g) Investments in debt and equity securities

Investment in debt and equity securities are recognised initially at fair value plus attributable transaction costs.

Subsequent to initial recognition:

- Investments in non-current equity securities other than investments in subsidiaries are stated at cost less allowance for diminution in value,
- Investment in non-current debt securities are stated at amortised cost using the effective interest method less allowance for diminution in value,
- All current investments are carried at the lower of cost and market value, determined on an aggregate portfolio or individual investment basis by category of investments.

Where in the opinion of the directors, there is a decline other than temporary in the value of non-current equity securities and non-current debt securities other than investment in subsidiaries, the allowance for diminution in value is recognised as an expense in the financial year in which the decline is identified.

On disposal of an investment, the difference between the net disposal proceeds and its carrying amount is recognised in the income statement.

All investments in debt and equity securities are accounted for using settlement date accounting. Settlement date accounting refers to:

- (i) the recognition of an asset on the day it is received by the entity, and
- (ii) the derecognition on an asset and recognition of any gain or loss on disposal on the date it is delivered.

#### (h) Inventories

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

## • Notes to the Financial Statements (cont'd)

### 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### (i) Receivables

Receivables are initially recognised at their cost when the contractual right to receive cash or another financial asset from another entity is established.

Subsequent to initial recognition, receivables are stated at cost less allowance for doubtful debts.

Receivables are not held for the purpose of trading.

#### (j) Construction work in progress

Construction work in progress represents the gross unbilled amount expected to be collected from customers for contract work performed to date. It is measured at cost plus profit recognised to date less progress billing and recognised losses. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Group's contract activities based on normal operating capacity.

Construction work-in-progress is presented as part of receivables, deposits and prepayments in the balance sheet. If payments received from customers exceed the income recognised, then the difference is presented as deferred income in the balance sheet.

#### (k) Payables

Payables are measured initially and subsequently at cost. Payables are recognised when there is a contractual obligation to deliver cash or another financial asset to another entity.

#### (l) 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 when development activities are not expected to be completed within the Company's 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 classified as property development cost at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the Company'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 Company has previously carried the land at revalued amount, it continues to retain this amount as its surrogate cost as allowed by FRS 201.

#### (m) Property development costs

Property development costs comprise cost 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 income recognised in the income statement over billings to the purchasers is shown as accrued billings under trade and other receivables and the excess billing to purchasers over revenue recognised in the income statement is shown as progress billings under trade and other payables.

## ● Notes to the Financial Statements (cont'd)

### 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### (n) 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.

#### (o) Impairment of assets

The carrying amounts of assets except for inventories, assets arising from construction contracts, deferred tax assets and financial assets (other than investment in subsidiaries), are reviewed at each reporting date to determine whether there is any indication of impairment.

If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, recoverable amount is estimated at each reporting date.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount, unless the asset is carried at a revalued amount, in which case the impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the income statement. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (groups of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the 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.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. 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. Reversals of impairment losses are credited to the income statement in the year in which the reversals are recognised, unless it reverses an impairment loss on a revalued asset, in which case it is credited directly to revaluation surplus. Where an impairment loss on the same revalued asset was previously recognised in the income statement, a reversal of that impairment loss is also recognised in the income statement.

#### (p) Tax expense

Tax expense comprises current and deferred tax. Tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax 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.

## • Notes to the Financial Statements (cont'd)

### 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### (p) Tax expense (cont'd)

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit (tax loss). Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

#### (q) Loans and borrowings

Loans and borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the income statement over the period of the loans and borrowings using the effective interest method.

#### (r) Employee benefits

##### (i) Short term employee benefits

Short term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A provision is recognised for the amount expected to be paid under short term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The Group's contribution to the Employee's Provident Fund is charged to the income statements in the year to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

##### (ii) Share-based payment transactions

The share option programme allows Group employees to acquire shares of the Company. In the previous year, share options granted to employees is not recognised as an employee cost. Following the adoption of FRS 2, *Share-based Payment*, the grant date fair value options granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the options. The change in accounting policy is applied retrospectively only for those shares options granted after 31 December 2004 and have not vested as of 1 January 2006 as provided in the transitional provisions of FRS 2. As there are no share options granted to employees after the transition period, no recognition of expense is made.

## • Notes to the Financial Statements (cont'd)

### 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### (s) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

##### (i) Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of out flow of economic benefits is remote.

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within the Group, the Company considers this to be insurance arrangements, and account for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

#### (t) Revenue

##### (i) Construction contracts

As soon as the outcome of a construction contract can be estimated reliably, contract revenue and expenses are recognised in the income statement in proportion to the stage of completion of the contract. Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue that can be measured reliably.

The stage of completion is assessed by reference to the proportion that construction costs incurred for works performed to date bear to the estimated total construction costs. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in the income statement.

##### (ii) Property development

Revenue from property development activities are recognised based on stage of completion measured by reference to the proportion that property development costs incurred for works 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 extent of property development cost incurred that is probable will be recoverable, and property development cost 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 cost to be incurred over the defect liability period, is recognised immediately in the income statement.

## • Notes to the Financial Statements (cont'd)

### 2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

#### (t) Revenue (cont'd)

##### (iii) Rental income

Rental income from investment property is recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

##### (iv) Dividend income

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

#### (u) Interest income and borrowing costs

Interest income is recognised as it accrues, using the effective interest method.

All borrowing costs are recognised in the income statement using the effective interest method, in the period in which they are incurred except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be ready for its intended use.

#### (v) Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

#### (w) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

● Notes to the Financial Statements (cont'd)

**3. PROPERTY, PLANT AND EQUIPMENT**

Group	Long term			Plant			Furniture		Total RM'000
	Freehold building RM'000	Freehold land RM'000	leasehold buildings RM'000	Motor vehicles RM'000	Site equipment RM'000	and machinery RM'000	Office equipment RM'000	and fittings RM'000	
<b>Cost/ Valuation</b>									
At 1 January 2006	1,402	3,169	2,380	3,906	627	8,928	991	223	21,626
Additions	-	-	-	291	10	759	61	14	1,135
Disposals	-	-	-	(271)	-	-	-	-	(271)
Effect of movements in exchange rate	-	-	-	(43)	(7)	(154)	(10)	(5)	(219)
At 31 December 2006	1,402	3,169	2,380	3,883	630	9,533	1,042	232	22,271
<b>Representing items at:</b>									
Cost Valuation - 2005	-	1,741	-	3,883	630	9,533	1,042	232	17,061
At 31 December 2006	1,402	1,428	2,380	-	-	-	-	-	5,210
At 31 December 2006	1,402	3,169	2,380	3,883	630	9,533	1,042	232	22,271
<b>Depreciation</b>									
At 1 January 2006	-	-	-	2,896	608	8,441	812	198	12,955
Charge for the year	56	-	52	451	16	345	85	13	1,018
Disposals	-	-	-	(271)	-	-	-	-	(271)
Effect of movements in exchange rate	-	-	-	(27)	(7)	(142)	(9)	(4)	(189)
At 31 December 2006	56	-	52	3,049	617	8,644	888	207	13,513
<b>Carrying amounts</b>									
At 1 January 2005	1,376	975	1,727	1,117	54	623	192	31	6,095
At 31 December 2005	1,402	3,169	2,380	1,010	19	487	179	25	8,671
At 31 December 2006	1,346	3,169	2,328	834	13	889	154	25	8,758

## • Notes to the Financial Statements (cont'd)

### 3. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Office equipment RM'000
<b>Company</b>	
<b>Cost</b>	
At 1 January 2006/31 December 2006	1
<b>Depreciation</b>	
At 1 January 2006/31 December 2006	1
<b>Carrying amounts</b>	
At 1 January 2005/31 December 2005/31 December 2006	-

3.1 The titles for the long term leasehold buildings costing RM1,680,000 (2005 - RM2,430,000) are pending the issuance of titles to the Group by the relevant authorities.

#### 3.2 Revaluation - Group

The Group's freehold land and building including the buildings of leasehold land were revalued on 31 December 2005 by a registered valuer using the comparison method.

Had the land and buildings been carried under the cost model, their carrying amounts would have been as follows:

	2006 RM'000	2005 RM'000
Freehold land	490	490
Freehold building	974	999
Long term leasehold buildings	2,172	2,221
	<hr/>	<hr/>
	3,636	3,710

### 4. PREPAID LEASE PAYMENTS

	Group Leasehold land with unexpired period more than 50 years RM'000
<b>Prepaid interest in leased land</b>	
<b>Valuation</b>	
At 1 January 2005	-
Effect of adopting FRS 117	3,213
	<hr/>
At 1 January 2005, restated	3,213
Accumulated depreciation written back upon revaluation	(161)
Revaluation surplus	168
	<hr/>
At 31 December 2005/31 December 2006	3,220

## • Notes to the Financial Statements (cont'd)

### 4. PREPAID LEASE PAYMENTS (cont'd)

	Group Leasehold land with unexpired period more than 50 years RM'000
<b>Prepaid interest in leased land</b>	
Amortisation	
At 1 January 2005	-
Effect of adopting FRS 117	120
At 1 January 2005, restated	120
Amortisation for the year	41
Accumulated depreciation written back upon revaluation	(161)
At 31 December 2005	-
Amortisation for the year	44
At 31 December 2006	<b>44</b>
<b>Carrying amounts</b>	
At 1 January 2005, restated	3,093
At 31 December 2005	3,220
At 31 December 2006	<b>3,176</b>

The Group's long term leasehold land was revalued on 31 December 2005 by a registered valuer using the comparison method.

Had the lease been carried under the cost model, its carrying amount would have been as follows:

	2006 RM'000	2005 RM'000
Long term leasehold land	<b>1,952</b>	1,977

### 5. LAND HELD FOR PROPERTY DEVELOPMENT

	Group 2006 RM'000	2005 RM'000
<b>Cost</b>		
At 1 January	7,323	1,800
Improvements/Additions	24	5,523
At 31 December	<b>7,347</b>	7,323

## • Notes to the Financial Statements (cont'd)

### 6. INVESTMENT PROPERTY

	Group	2006 RM'000	2005 RM'000
<b>Cost</b>			
At 1 January		9,028	-
Improvements/Additions		149	9,028
At 31 December		<b>9,177</b>	<b>9,028</b>
Included in the above is:			
Building		<b>9,177</b>	<b>9,028</b>

### 7. INVESTMENT IN SUBSIDIARIES

	Company	2006 RM'000	2005 RM'000
Unquoted shares - at cost		<b>13,333</b>	<b>13,333</b>

The subsidiaries of the Company are as follows:

Subsidiaries	Principal activities	Effective ownership interest (%)	2006	2005
Ken Grouting Sdn. Bhd.	Specialist engineering services, turnkey contracts, building and civil engineering works	100	100	100
Ken Projects Sdn. Bhd.	Investment holding	100	100	100
Ken Property Sdn. Bhd.	Property holding and investment and housing developer	100	100	100
Support Capital Sdn. Bhd.	Investment holding	100	100	100
<b>The subsidiary of Support Capital Sdn. Bhd. is:</b>				
Kenly (HK) Ltd. †	Construction and civil engineering	79.4	73.6	73.6
<b>The subsidiaries of Ken Grouting Sdn. Bhd. are:</b>				
Ken-Chec Sdn. Bhd.	Land reclamation, civil, dredging, and marine engineering	100	100	100
Success Goal Asia Ltd. †	Dormant	-	100	100
<b>The subsidiaries of Ken Projects Sdn. Bhd. are:</b>				
Khidmat Tulin Sdn. Bhd.	Contractor and housing developer	100	100	100
T.B.S. Management Sdn. Bhd.	Property management services	100	100	100
Ken Rimba Jaya Sdn. Bhd.	Property development and investment holding	100	100	100
<b>The subsidiaries of Ken Property Sdn. Bhd. are:</b>				
Ken Link Sdn. Bhd.	Property development and investment holding	100	100	100
KD Management Sdn. Bhd.	Property management services	-	100	100
Aunyang Holdings Sdn. Bhd.	Investment holding	100	100	100

## ● Notes to the Financial Statements (cont'd)

### 7. INVESTMENT IN SUBSIDIARIES (cont'd)

Subsidiaries	Principal activities	Effective ownership interest (%)	
		2006	2005
<b>The subsidiary of Aunyang Holdings Sdn. Bhd. is:</b>			
Jewel Estate Sdn. Bhd.	Property management services	100	-
<b>The subsidiary of Kenly (HK) Ltd. is:</b>			
Kenly Engineering Ltd. †	Construction and civil engineering	100	100

† Audited by another firm of auditors

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

### 8. OTHER INVESTMENTS

	Group	
	2006 RM'000	2005 RM'000
<b>At cost:</b>		
Quoted shares in Malaysia	120	120
Less: Allowance for diminution in value	(114)	(108)
Unquoted shares	6	12
	20	20
	26	32
<b>Market value:</b>		
Quoted shares in Malaysia	12	6

### 9. INTANGIBLE ASSETS

	Group	
	2006 RM'000	2005 RM'000
<b>Goodwill</b>		
Cost		
At 1 January/31 December	4,629	4,629
<b>Amortisation</b>		
At 1 January	4,091	3,820
Amortisation for the year	-	271
At 31 December 2006	4,091	4,091
<b>Carrying amounts</b>		
	538	538

## • Notes to the Financial Statements (cont'd)

### 10. NEGATIVE GOODWILL

	Group 2006 RM'000	2005 RM'000
<b>Cost</b>		
At 1 January/31 December	664	664
<b>Amortisation</b>		
At 1 January	446	446
Effect of adopting FRS 3	218	-
At 31 December	664	446
<b>Carrying amounts</b>	-	218

### 11. PROPERTY DEVELOPMENT COSTS

	Group 2006 RM'000	2005 RM'000
<b>At 1 January</b>		
Land	39,913	57,846
Development costs	38,161	60,942
Accumulated costs charged to income statement	(23,704)	(67,565)
	<b>54,370</b>	<b>51,223</b>
Freehold building purchased during the year	-	6,001
Development costs incurred during the year	32,624	24,921
	<b>86,994</b>	<b>82,145</b>
Costs charged to income statement	(31,093)	(23,170)
Costs transferred to inventories	-	(4,605)
	<b>55,901</b>	<b>54,370</b>
<b>At 31 December</b>		
Land	39,913	39,913
Development costs	70,785	38,161
Accumulated costs charged to income statement	(54,797)	(23,704)
	<b>55,901</b>	<b>54,370</b>

Additions to development costs during the year include staff costs amounting to RM106,000 (2005 - RM99,000).

## • Notes to the Financial Statements (cont'd)

### 12. RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
<b>Trade</b>				
Trade receivables	<b>23,410</b>	25,920	-	-
Retention sum	<b>2,909</b>	4,504	-	-
	<b>26,319</b>	30,424	-	-
Less:				
Allowance for doubtful debts	(14,149)	(12,223)	-	-
	<b>12,170</b>	18,201	-	-
Construction work-in-progress	<b>3,808</b>	2,179	-	-
Progress billings receivable	<b>4,799</b>	-	-	-
<b>Non-trade</b>				
Other receivables, deposits and prepayments	<b>2,231</b>	3,610	<b>19</b>	17
	<b>23,008</b>	23,990	<b>19</b>	17

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

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Ringgit Malaysia	<b>8,200</b>	10,213	-	-
Hong Kong Dollar	<b>18,119</b>	20,211	-	-
	<b>26,319</b>	30,424	-	-

12.2 Bad debts written off against allowance for doubtful debts during the year amounted to RM1,088,000 (2005 - RM 1,513,000).

12.3 Construction work-in-progress

	Group	
	2006 RM'000	2005 RM'000
Aggregate costs incurred to date	<b>57,501</b>	38,218
Add: Attributable profits	(6,551)	908
	<b>50,950</b>	39,126
Less: Progress billings	(47,142)	(36,947)
	<b>3,808</b>	2,179
Additions to aggregate costs incurred during the year include:		
Staff costs	<b>3,268</b>	3,357
Rental of plant and machinery	<b>238</b>	756

## • Notes to the Financial Statements (cont'd)

### 12. RECEIVABLES, DEPOSITS AND PREPAYMENTS (cont'd)

#### 12.4 Estimation uncertainty and critical judgements

The Group prepares estimates of revenue and budgeted costs for its construction and property development projects based on the following key assumptions:-

- Revenue of property development projects has been projected based on the estimated market selling price of the units;
- Revenue of construction contracts has been projected based on contracted sum and any variations will only be recognised when it is probable for approval by customer and amount of revenue can be measured reliably;
- The property development costs have been projected based on prevailing cost of construction and such costs are reviewed on an on-going basis;
- The construction costs have been projected based on the prevailing cost of materials, labour and rental of machineries and such costs are reviewed on an on-going basis.

Any revision to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

### 13. AMOUNT DUE FROM/(TO) SUBSIDIARIES

	Company	
	2006 RM'000	2005 RM'000
Amount due from subsidiaries		
- Non-trade	81,551	79,403
Amount due to a subsidiary		
- Non-trade	-	3

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

13.2 Included in amount due from subsidiaries are dividends receivable from subsidiaries amounting to RM2,880,036 (2005 - RM3,348,000).

### 14. CASH AND CASH EQUIVALENTS

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Cash and bank balances	16,482	5,727	86	79
Deposits with licensed banks:				
- unpledged	6,633	16,739	452	860
- pledged	4,780	4,653	4,379	4,253
	<b>27,895</b>	<b>27,119</b>	<b>4,917</b>	<b>5,192</b>

## • Notes to the Financial Statements (cont'd)

### 14. CASH AND CASH EQUIVALENTS (cont'd)

14.1 Included in the Group's cash and bank balances is RM14,906,000 (2005 - RM1,442,000) maintained pursuant to the Housing Development (Housing Development Account) Regulations 1991.

14.2 Deposits of the Group and of the Company are pledged to licensed banks for bank overdraft and bank guarantee facilities granted to subsidiaries.

### 15. PAYABLES AND ACCRUALS

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
<b>Trade</b>				
Trade payables	18,807	14,740	-	-
Progress billings	2,489	4,884	-	-
<b>Non-trade</b>				
Other payables and accruals	5,393	6,711	554	404
Amount due to Directors	326	246	222	137
	27,015	26,581	776	541

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

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Ringgit Malaysia	12,225	9,572	-	-
Hong Kong Dollar	6,582	5,168	-	-
	18,807	14,740	-	-

15.2 Included in trade payables of the Group are retention sums payable amounting to RM3,678,000 (2005 - RM3,139,000).

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

### 16. BORROWINGS

	Group	
	2006 RM'000	2005 RM'000
<b>Current</b>		
Revolving credit - unsecured	3,523	3,905
Bank overdrafts - secured	3,233	2,972
Finance lease liabilities	-	91
	6,756	6,968
<b>Non-Current</b>		
Loan from minority shareholder	197	212

## • Notes to the Financial Statements (cont'd)

### 16. BORROWINGS (cont'd)

#### Terms and debt repayment schedule

The revolving credit is subject to interest at 10.00% (2005 - 9.75%) and supported by a corporate guarantee issued by the Company. The bank overdrafts are subject to interest at 9.7% (2005 - 9.5%) 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	Interest	Principal	Payments	Interest	Principal
	2006 RM'000	2006 RM'000	2006 RM'000	2005 RM'000	2005 RM'000	2005 RM'000
Less than one year	-	-	-	95	4	91

### 17. SHARE CAPITAL

	Group and Company 2006 RM'000	2005 RM'000
Ordinary shares of RM1.00 each		
Authorised:		
At 1 January	300,000	100,000
Created during the financial year	-	200,000
At 31 December	300,000	300,000
Issued and fully paid:		
At 1 January	90,285	60,180
Bonus issue	-	30,095
Issue of shares under the employee share option scheme	-	10
At 31 December	90,285	90,285

The holders of the ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

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.

## ● Notes to the Financial Statements (cont'd)

### 18. RESERVES

#### 18.1 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 buildings.

#### 18.2 Exchange fluctuation reserve (Non-distributable)

The exchange fluctuation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations as well as from the translation of liabilities that hedge the Company's net investment in foreign subsidiaries.

#### 18.3 Retained earnings (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 earnings at 31 December 2006 if paid out as dividends.

### 19. 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 impairment of goodwill, if any, charged to the minority shareholders.

### 20. DEFERRED TAXATION

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

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Deferred tax assets	(1,878)	(1,070)	(130)	(54)
Deferred tax liabilities	7,196	6,335	1,120	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	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Property, plant and equipment				
- capital allowances	87	87	-	-
- revaluation	700	717	-	-
Property development costs	5,849	6,110	-	-
Unabsorbed capital allowances	(6)	(6)	-	-
Tax loss carry-forwards	(361)	(361)	-	-
Provisions	(190)	(114)	(130)	(54)
Deductible temporary differences	(761)	(1,168)	1,120	1,302
	5,318	5,265	990	1,248

## • Notes to the Financial Statements (cont'd)

### 20. DEFERRED TAXATION (cont'd)

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Deductible temporary differences	(166)	(176)	-	-
Unabsorbed capital allowances	-	12	-	-
Tax loss carry-forwards	18,119	7,042	-	-
	<b>17,953</b>	<b>6,878</b>	<b>-</b>	<b>-</b>

The deductible temporary differences, unabsorbed capital allowances and tax loss carry-forwards do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of certain tax loss carry-forwards 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.

### 21. EMPLOYEE BENEFITS

#### Share-based payments

On 30 June 2000, the shareholders approved the Employees Share Option Scheme (ESOS) that entitles all qualified personnel to purchase shares in the Company. On 4 June 2003, a grant of option was offered to the employees. In accordance with the ESOS, options are exercisable at the offer price of RM1.00.

As allowed by the transitional provisions in FRS 2, the recognition and measurement principles in FRS 2 have not been applied as these were granted prior to the effective date of FRS 2.

	Company	
	2006 '000	2005 '000
Outstanding at 1 January	4,109	4,478
Granted	2,122	-
Exercised	-	(10)
Lapsed	(42)	(359)
Outstanding at 31 December	<b>6,189</b>	<b>4,109</b>

Details of share options exercised during year 2005:

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 RM	Number '000
4 June 2008	1.00	6,189

● Notes to the Financial Statements (cont'd)

**22. OPERATING PROFIT**

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
<b>Operating profit is arrived at after charging:-</b>				
Allowance for diminution in value of other investments	6	-	-	-
Allowance for doubtful debts	3,016	2,640	-	-
Amortisation of intangible assets	-	271	-	-
Amortisation of prepaid lease rentals	44	41	-	-
Auditors' remuneration				
Company auditors				
- current year	70	69	15	13
- under provision in prior year	1	3	1	-
Other auditors	34	24	-	-
Depreciation	1,018	968	-	-
Interest expense on:-				
- Bank overdraft	288	208	-	-
- Loan interest	299	33	-	-
- Finance leases	-	12	-	-
Property, plant and equipment written off	-	8	-	-
Personnel expenses (including key management personnel):				
- Contribution to Employee Provident Fund	651	607	-	-
- Wages, salaries and others	10,611	10,018	122	132
Rental of premises	214	219	-	-
<b>and after crediting:-</b>				
Dividend income from subsidiaries	-	-	6,654	6,654
Gain on disposal of property, plant and equipment	76	40	-	-
Interest income from:-				
- fixed deposits	451	754	162	397
- Housing Development Account	81	24	-	-
- others	26	57	-	-
Rental of properties	651	656	-	-
Reversal of allowance for doubtful debts	2	15	-	-

## • Notes to the Financial Statements (cont'd)

### 23. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel compensation is as follows:-

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Directors:				
- Fees	90	80	90	80
- Remuneration	1,525	1,370	32	52
- Other short term employee benefits (including estimated monetary value of benefits-in-kind)	70	54	-	-
Total	1,685	1,504	122	132

### 24. TAX EXPENSE

Recognised in the income statement

	Group		Company	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Current tax expense				
Malaysian				
- current year	7,024	4,119	2,031	2,052
- prior year	125	(20)	6	4
	7,149	4,099	2,037	2,056
Deferred tax expense				
Malaysian				
- current year	(952)	(669)	(76)	(22)
- prior year	(117)	-	-	-
	6,080	3,430	1,961	2,034

Reconciliation of effective tax expense

Profit before tax	9,947	7,909	6,919	7,150
Tax calculated using Malaysian tax rates	2,622	2,044	1,937	2,002
Non-deductible expenses	208	149	18	28
Effect of tax rates in foreign jurisdiction	1,305	490	-	-
Current year losses for which no deferred tax asset was recognised	1,938	778	-	-
Change in unrecognised temporary differences	(1)	(11)	-	-
Under/(Over) provision in prior years	6,072	3,450	1,955	2,030
	8	(20)	6	4
Tax expense	6,080	3,430	1,961	2,034

## ● Notes to the Financial Statements (cont'd)

### 25. EARNINGS PER ORDINARY SHARE - GROUP

#### Basic earnings per share

The calculation of basic earnings per share was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding calculated as follows:

#### Profit attributable to ordinary shareholders

	2006 RM'000	2005 RM'000
Profit for the year	4,073	6,462

#### Weighted average number of ordinary shares

	2006 '000	2005 '000
Issued ordinary shares at beginning of the year	90,285	60,180
Effect of bonus issue	-	30,093
Effect of options exercised	-	6
Weighted average number of ordinary shares at end of the year	90,285	90,279

#### Diluted earnings per share

The effect on the basic earnings per share arising from the assumed exercise of ESOS is anti-dilutive for year 2006 and 2005. Accordingly, diluted earnings per share have not been presented for year 2006 and 2005.

### 26. DIVIDENDS

Dividends recognised in the current year by the Company are:

	Sen per share	Total amount RM'000	Date of payment
<b>2006</b>			
Final 2005	5.0	3,250	21 June 2006
<b>2005</b>			
Final 2004	5.0	2,167	1 June 2005

After the balance sheet date the following dividends were proposed by the Directors. These dividends will be recognised in subsequent financial reports upon approval by the shareholders.

	Sen per share	Total amount RM'000
Final Ordinary	5.0	3,250

## • Notes to the Financial Statements (cont'd)

### 27. SEGMENT REPORTING

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.

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 comprise mainly interest-earning assets and revenue, borrowings and expenses, and corporate assets and expenses.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment and intangible assets other than goodwill.

#### **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 location of customers. Segment assets are based on the geographical location of the assets.

Group	Construction		Property development		Eliminations		Consolidated	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
<b>Business Segments</b>								
Total external revenue	17,415	20,628	58,062	42,724	-	-	75,477	63,352
Inter-segment revenue	43,850	25,987	144	144	(43,994)	(26,131)	-	-
<b>Total segment revenue</b>	<b>61,265</b>	<b>46,615</b>	<b>58,206</b>	<b>42,868</b>	<b>(43,994)</b>	<b>(26,131)</b>	<b>75,477</b>	<b>63,352</b>
<b>Segment result</b>	<b>(4,212)</b>	<b>(2,700)</b>	<b>17,206</b>	<b>12,508</b>	<b>(2,499)</b>	<b>(2,094)</b>	<b>10,495</b>	<b>7,714</b>
Unallocated expenses							(519)	(392)
Interest income							558	840
Operating profit							10,534	8,162
Finance costs							(587)	(253)
Profit before tax							9,947	7,909
Tax expense							(6,080)	(3,430)
Minority interest							206	1,983
<b>Profit for the year</b>	<b></b>	<b></b>	<b></b>	<b></b>	<b></b>	<b></b>	<b>4,073</b>	<b>6,462</b>

● Notes to the Financial Statements (cont'd)

**27. SEGMENT REPORTING (cont'd)**

**Business segments (cont'd)**

Group	Construction		Property development		Eliminations		Consolidated		
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000	
<b>Segment assets</b>	<b>47,518</b>	52,303	<b>119,486</b>	99,261	(30,085)	(15,993)	<b>136,919</b>	135,571	
Unallocated assets							<b>8,665</b>	7,436	
<b>Total assets</b>							<b>145,584</b>	143,007	
<b>Segment liabilities</b>	<b>33,672</b>	30,859	<b>30,089</b>	27,990	(27,895)	(22,285)	<b>35,866</b>	36,564	
Unallocated liabilities							<b>7,247</b>	4,745	
<b>Total liabilities</b>							<b>43,113</b>	41,309	
Capital expenditure	<b>1,102</b>	462	<b>35</b>	1,881	-	-	<b>1,137</b>	2,343	
Depreciation and amortisation	<b>912</b>	884	<b>154</b>	396	-	-	<b>1,066</b>	1,280	
Non cash expenses other than depreciation and amortisation	<b>3,022</b>	2,635	-	4	-	-	<b>3,022</b>	2,639	
<b>Geographical segments</b>									
		Malaysia		Hong Kong		Eliminations		Consolidated	
		2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Revenue from external customers by location of customers									
Segment assets by location of assets									
Capital expenditure by location of assets									
Segment assets by location of assets	<b>58,412</b>	42,520	<b>17,065</b>	20,832	-	-	<b>75,477</b>	63,352	
Segment assets by location of assets	<b>132,283</b>	119,601	<b>4,636</b>	15,970	-	-	<b>136,919</b>	135,571	
Capital expenditure by location of assets	<b>1,135</b>	2,289	<b>2</b>	54	-	-	<b>1,137</b>	2,343	

## • Notes to the Financial Statements (cont'd)

### 28. CONTINGENCIES

	Group	2006 RM'000	2005 RM'000	Company	2006 RM'000	2005 RM'000
28.1 Corporate guarantees (unsecured)						
Guarantees given to financial institutions for credit facilities granted to subsidiaries	-	-	-	25,030	28,895	
Guarantees given to third parties for credit facilities granted to subsidiaries for purchase of materials/services	-	-	-	6,060	2,600	
	-	-	-	31,090	31,495	

#### 28.2 Litigation (unsecured)

A subsidiary company has instituted legal actions against a debtor for outstanding debts of RM14.4 million (2005 - RM14.4 million) in respect of various contract works. An allowance for doubtful debts of RM14.4 million (2005 - RM11.2 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.

### 29. RELATED PARTIES

#### Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common significant influence. Related parties may be individuals or other entities.

The Group has a related party relationship with its subsidiaries (see note 7), Directors and key management personnel.

From time to time Directors of the Group, or their related entities, may purchase products and services from the Group. These purchases are on the same terms and conditions as those entered into by other Group employees or customers.

#### Transactions with key management personnel

Key management personnel compensation is disclosed in note 23.

## ● Notes to the Financial Statements (cont'd)

### 29. RELATED PARTIES (cont'd)

#### Transactions with Directors other than compensation

The value of transactions relating to Directors was as follows:-

Group	Director	Transaction	Transaction value year ended 31 December	
			2006 RM'000	2005 RM'000
	Tang Kam Chee	Purchase of property from Ken Property Sdn. Bhd., a subsidiary	385	-
		Discount received via normal employee incentives	(39)	-
			<b>346</b>	<b>-</b>
	Tan Boon Kang	Rental of property payable by Ken Grouting Sdn. Bhd., a subsidiary, to Kenkat Realty Sdn. Bhd.	12	12

#### Other related party transactions

Company		Transaction value year ended 31 December	
		2006 RM'000	2005 RM'000
Subsidiaries			
Management fees receivable			
- Ken Property Sdn. Bhd.		(420)	(240)
- Ken Projects Sdn. Bhd.		(120)	(120)
- Ken Grouting Sdn. Bhd.		(120)	(120)
		<b>(660)</b>	<b>(480)</b>

All outstanding balances with these related parties are priced on an arm's length basis. None of the balances is secured.

### 30. SIGNIFICANT EVENTS

- i) In January 2006, a subsidiary, Support Capital Sdn. Bhd., subscribed for the renounced rights issue entitlement of 1,654,232 ordinary shares of HK\$1.00 each in Kenly (HK) Ltd. after the minority shareholders did not subscribe for their entitlement pursuant to a rights issue of 3,900,000 ordinary shares of HK\$1.00 each in Kenly. The company had subscribed earlier for its entitlement of 2,245,768 shares of HK\$1.00 each in Kenly in December 2005.

After the subscription of renounced rights shares, the company's shareholding increased to 79.4%.

## • Notes to the Financial Statements (cont'd)

### **30. SIGNIFICANT EVENTS (cont'd)**

- ii) In May 2006, a subsidiary, Aunyang Holdings Sdn. Bhd., acquired two (2) ordinary shares of RM1.00 each representing 100% equity interest in Jewel Estate Sdn. Bhd. for a cash consideration of RM2.00.
- iii) In May 2006, a subsidiary, Ken Property Sdn. Bhd., disposed two (2) ordinary shares of RM1.00 each representing 100% equity interest in KD Management Sdn. Bhd. for a cash consideration of RM1.00.
- iv) In August 2006, an application was made to deregister a subsidiary, Success Goal Asia Limited ("SGAL"), from the Register of the Hong Kong Companies Registry.

### **31. SUBSEQUENT EVENT**

In February 2007, a subsidiary, Aunyang Holdings Sdn. Bhd., entered into a Sale and Purchase Agreement to acquire two pieces of land for a cash consideration of RM15,800,000.

### **32. ACQUISITION OF SUBSIDIARIES**

#### **Business combinations**

On 19 May 2006, the Group disposed 2 ordinary shares of RM1.00 representing 100% equity interest in KD Management Sdn. Bhd. for a cash consideration of RM1.00.

On 20 May 2006, the Group acquired 2 ordinary shares of RM1.00 each in Jewel Estate Sdn. Bhd., representing the entire paid up capital. For the seven months to 31 December 2006, the subsidiary contributed a profit of RM 1,000.

In August 2006, the Group made an application to deregister a subsidiary, Success Goal Asia Limited ("SGAL"), from the Register of the Hong Kong Companies Registry.

The acquisition had no significant financial impact on the Group's assets and liabilities as the subsidiary is a semi-dormant company handling property management services.

### **33. FINANCIAL INSTRUMENTS**

Exposure to foreign currency, credit and liquidity risks arises in the normal course of the Company's business.

#### **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.

## ● Notes to the Financial Statements (cont'd)

### 33. 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.

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

At balance sheet date, the Group has significant concentration risk in the form of trade receivables from a customer of a subsidiary amounting to RM14.4 million (2005 - RM14.4 million), of which the Group has provided for an allowance of doubtful debts of RM14.4 million (2005 - RM11.2 million) for this particular trade receivable. Legal action has been taken to recover this trade receivable. As disclosed in note 28.2 of the financial statements, the Directors, based on the advice of lawyers, are of the opinion that the subsidiary has a good claim against the debtor.

#### Effective interest rates

In respect of interest-earning financial assets, the following table indicates their average interest rate at the balance sheet date.

#### Fixed rate instruments

			2006		2005
	Note	Average effective rate %	Total RM	Average effective rate %	Total RM
<b>Group</b>					
Deposits	14	<b>3.10</b>	<b>11,413,000</b>	2.67	21,392,000
<b>Company</b>					
Deposits	14	<b>3.11</b>	<b>4,831,000</b>	2.66	5,113,000

#### Liquidity risk

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

#### Fair values

The carrying amount of cash and cash equivalents, receivables, deposits and prepayments, payables and accruals approximate their fair values due to the relatively short term nature of these financial instruments.

## • Notes to the Financial Statements (cont'd)

### **34. CHANGES IN ACCOUNTING POLICIES**

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended 31 December 2006.

Changes in accounting policies arise from the adoption of FRS 101: *Presentation of Financial Statements*, FRS 3: *Business Combinations*, FRS 117: *Leases*, FRS 136 *Impairment of Assets* and FRS 138: *Intangible Assets*.

The principal effects of the changes in accounting policies resulting from the adoption of the new/revised FRSs are discussed below:

#### **(a) FRS 101: *Presentation of Financial Statements***

The adoption of the revised FRS 101 has affected the presentation of minority interest. Minority interest is now presented within total equity in the consolidated balance sheet and as an allocation from net profit for the period in the consolidated income statement. The movement of minority interest is now presented in the consolidated statement of changes in equity.

The presentation of the comparative figures in the financial statements of the Group has been restated to conform with the current period's presentation.

#### **(b) FRS 3: *Business Combinations*, FRS 136 *Impairment of Assets* and FRS 138: *Intangible Assets***

The adoption of FRS 3 Business Combinations and the consequential changes to FRS 136 Impairment of Assets and FRS 138 Intangible Assets has resulted in a change in the accounting policy relating to purchased goodwill and negative goodwill.

Goodwill acquired in a business combination is now stated at cost less any accumulated impairment losses. The adoption of these new FRSs has resulted in the Group ceasing annual amortisation of goodwill. Instead, goodwill is allocated to cash-generating units and the carrying amount is tested annually for impairment or more frequently if events changes in circumstances indicate that it might be impaired. Goodwill impairment is determined by comparing its carrying amount against its recoverable amount in accordance with FRS 136. Any impairment loss is recognised in the income statement and subsequent reversals are not allowed.

This change in accounting policy has been accounted for prospectively for business combinations where the agreement date is on or after 1 January 2006. The carrying amount of goodwill for the Group as at 1 January 2006 of RM538,000 shall cease to be amortised. With the adoption of these new FRS, no impairment loss on goodwill has been recognised in the financial year ended 31 December 2006.

Negative goodwill which represents the excess in fair value of the net identifiable assets acquired over the cost of the acquisition is now recognised immediately to the income statement. Prior to 1 January 2006, negative goodwill was recognised and amortised over the years of development by reference to the development profit earned compared to total estimated development profit. In accordance with the transitional provisions of FRS 3, the negative goodwill as at 1 January 2006 of RM218,000 was derecognised with a corresponding increase in retained earnings.

## • Notes to the Financial Statements (cont'd)

### 34. CHANGES IN ACCOUNTING POLICIES (cont'd)

#### (c) FRS 117: Leases

The adoption of FRS 117 has resulted in a retrospective change in accounting policy relating to the classification of long term leasehold land. The up-front payments made for the leasehold land represents prepaid lease payments and are amortised on a straight-line basis over the lease term. Prior to 1 January 2006, leasehold land was classified as property, plant and equipment and was stated at valuation less accumulated depreciation and impairment losses.

As a result of the adoption of FRS 117 at 1 January 2006, the carrying value of leasehold land which is held under operating lease has now been reclassified to prepaid interest in leased land as a separate line item in the consolidated balance sheet.

The adoption of this accounting policy has resulted in a decrease in opening balance of property, plant and equipment of RM3,220,000 as at 1 January 2006.

The presentation of the comparative figures in the financial statements of the Group has been restated to conform with the current period's presentation.

### 35. COMPARATIVE FIGURES

Certain comparative figures have been reclassified as a result of changes in accounting policies as stated in note 34 and to conform with the presentation requirements of FRS 101.

	Group	As restated RM'000	As previously stated RM'000
<b>Balance sheets</b>			
Property, plant and equipment	8,671	11,891	
Prepaid lease payments	3,220	-	
<b>Statements of changes in equity</b>			
Retained earnings at 1 January 2006	<b>101,704</b>	<b>101,434</b>	

## • Laporan Pengarah

untuk tahun berakhir 31 Disember 2006

Para Pengarah dengan sukacitanya membentangkan laporan mereka dan penyata kewangan Kumpulan dan Syarikat yang telah diaudit untuk tahun berakhir 31 Disember 2006.

### **KEGIATAN-KEGIATAN UTAMA**

Kegiatan-kegiatan utama Syarikat merangkumi pegangan pelaburan dan pemberian perkhidmatan pengurusan. Kegiatan utama syarikat-syarikat subsidiarinya dinyatakan dalam Nota 7 kepada penyata kewangan. Tiada perubahan ketara dalam kegiatan-kegiatan utama tersebut sepanjang tahun kewangan.

### **KEPUTUSAN**

	<b>Kumpulan RM'000</b>	<b>Syarikat RM'000</b>
Keuntungan bagi tahun semasa	4,073	4,958

### **RIZAB DAN PERUNTUKAN**

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

### **DIVIDEN**

Sejak akhir tahun kewangan yang lepas, Syarikat telah membayar dividen pertama dan akhir sebanyak 5 sen sesaham tolak cukai berjumlah RM3,250,260 berhubung tahun berakhir 31 Disember 2005 pada 21 Jun 2006.

Dividen pertama dan akhir yang berjumlah 5 sen sesaham tolak cukai berjumlah RM3,250,260 berhubung tahun berakhir 31 Disember 2006 telah disyorkan oleh para Pengarah dan akan dicadangkan untuk kelulusan para pemegang saham pada Mesyuarat Agung Tahunan yang 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  
 Tan Chek Siong  
 Tang Kam Chee  
 Dato' Raja Haji Ahmad Zainuddin bin Raja Haji Omar  
 Tengku Dato' Seri Baderul Zaman Ibni Almarhum Sultan Mahmud

## • Laporan Pengarah

untuk tahun berakhir 31 Disember 2006 (samb.)

### KEPENTINGAN PARA PENGARAH

Pegangan dan anggapan pegangan dalam saham biasa Syarikat dan syarikat-syarikat berkaitannya (selain daripada 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 RM1.00 sesaham			
	Pada 1.1.2006 '000	Dibeli '000	Dijual '000	Pada 31.12.2006 '000
<b>Kepentingan langsung</b>				
Tan Boon Kang	7,745	2,350	-	10,095
Lau Pek Kuan	59	1,150	-	1,209
Tan Moon Hwa	806	-	-	806
Tang Kam Chee	15	-	-	15
<b>Kepentingan tidak langsung</b>				
Tan Boon Kang	33,983	2,350	-	36,333
Lau Pek Kuan	41,669	1,150	-	42,819
 <b>Bilangan saham biasa berharga HK\$1.00 sesaham</b>				
Subsidiari	Pada 1.1.2006 '000	Dibeli '000	Dijual '000	Pada 31.12.2006 '000
	Kenly (HK) Ltd.			
<b>Kepentingan tidak langsung</b>				
Tan Boon Kang	4,376	-	-	4,376
Lau Pek Kuan	4,376	-	-	4,376

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

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

	Bilangan opsyen untuk saham biasa berharga RM1.00 sesaham			
	Pada 1.1.2006 '000	Diberi '000	Dilaksanakan '000	Pada 31.12.2006 '000
<b>Opsyen saham dalam Syarikat</b>				
Tan Boon Kang	500	250	-	750
Lau Pek Kuan	500	250	-	750
Tan Moon Hwa	500	250	-	750
Tang Kam Chee	490	250	-	740

Tiada Pengarah lain yang memegang jawatan pada 31 Disember 2006 yang mempunyai sebarang kepentingan dalam saham biasa Syarikat dan syarikat-syarikat berkaitan dengannya sepanjang tahun kewangan ini.

## • Laporan Pengarah

untuk tahun berakhir 31 Disember 2006 (samb.)

### **MANFAAT PARA PENGARAH**

Sejak akhir tahun kewangan yang lepas, tiada Pengarah Syarikat yang 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 yang 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**

Tiada perubahan dalam terbitan dan modal berbayar Syarikat sepanjang tahun kewangan. Tiada terbitan debentur sepanjang tahun kewangan ini.

### **OPSYEN DIBERI BAGI SAHAM YANG BELUM DITERBITKAN**

Tiada opsyen yang diberikan kepada sesiapa untuk mengambil saham Syarikat yang belum diterbitkan tahun ini.

Pada Mesyuarat Agung Luarbiasa yang diadakan pada 30 Jun 2000, para pemegang saham syarikat telah meluluskan penubuhan Skim Opsyen Saham Pekerja (“ESOS”) tidak lebih daripada 10% modal saham diterbit Syarikat kepada para Pengarah dan pekerja-pekerja Kumpulan yang layak.

Tiada opsyen yang diberikan kepada sesiapa untuk mengambil saham Syarikat yang belum diterbitkan tahun ini selain daripada memberi opsyen tambahan bertepatan dengan Undang-Undang ESOS Ken Holdings Berhad menurut Terbitan Bonus sebanyak 30,095,000 saham biasa baru bagi Ken Holdings Berhad pada bulan Julai 2005 sebanyak satu (1) saham biasa baru pada harga RM1.00 sesaham untuk setiap dua (2) saham yang dipegang.

Opsyen yang ditawarkan untuk mengambil saham belum diterbit bernilai RM1.00 sesaham dan harga opsyen adalah seperti berikut:

<b>Tarikh Tawaran</b>	<b>Harga opsyen RM</b>	<b>Bilangan opsyen untuk saham biasa pada RM1.00 sesaham</b>				<b>Pada 31.12.2006</b>
		<b>Pada 1.1.2006</b>	<b>Diberi '000</b>	<b>Dilaksanakan '000</b>	<b>Lupus '000</b>	
4.6.2003	1.00	4,109	2,122	-	(42)	6,189

Syarikat telah diberi pengecualian oleh Suruhanjaya Syarikat Malaysia daripada mengemukakan di dalam laporan ini nama-nama pihak yang diberi kurang daripada 370,000 opsyen di bawah ESOS, seperti yang dikehendaki mengikut Seksyen 169(11) Akta Syarikat, 1965. Maklumat ini telah difailkan dengan Suruhanjaya Syarikat Malaysia secara berasingan.

## • Laporan Pengarah

untuk tahun berakhir 31 Disember 2006 (samb.)

### **OPSYEN DIBERI BAGI SAHAM YANG BELUM DITERBITKAN** (samb.)

Butiran opsyen yang diberi di bawah ESOS berhubung dengan opsyen yang berjumlah 370,000 dan lebih adalah seperti berikut:

Nama pemegang opsyen	Bilangan opsyen untuk saham biasa pada RM1.00 sesaham				
	Harga Opsyen RM	Pada 1.1.2006 '000	Diberi '000	Dilaksanakan '000	Pada 31.12.2006 '000
Tan Boon Kang	1.00	500	250	-	750
Lau Pek Kuan	1.00	500	250	-	750
Tan Moon Hwa	1.00	500	250	-	750
Tang Kam Chee	1.00	490	250	-	740
Lau Chin Ka	1.00	500	250	-	750
Lau Chin Kok	1.00	250	125	-	375

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 atau sebelum tarikh tawaran.
- ii) Opsyen tersebut adalah peribadi dan tidak boleh dipindah milik.
- iii) Harga bagi opsyen akan ditetapkan berdasarkan diskauan yang tidak melebihi 10% daripada harga pasaran purata berwajaran saham bagi lima hari pasaran sebelum tarikh tawaran atau pada nilai tara saham biasa Syarikat, yang mana lebih tinggi.
- iv) Opsyen yang diberi dalam sesuatu tahun tetapi tidak dilaksanakan dalam tahun tersebut boleh dilaksanakan dalam jangka masa lima tahun daripada tarikh opsyen itu ditawarkan.
- v) Opsyen yang diberi boleh dilaksanakan secara penuh atau kurang daripada bilangan saham biasa dengan syarat bilangan saham mestilah dalam gandaan 1,000 saham.

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

### **PERISTIWA-PERISTIWA PENTING**

- i) Pada bulan Januari 2000, syarikat subsidiari, Support Capital Sdn. Bhd., melanggan terbitan hak yang dilepaskan berjumlah 1,654,232 saham biasa pada harga HK\$1.00 sesaham dalam Kenly (HK) Ltd. setelah pemegang saham minoriti tidak melanggan kelayakan mereka menurut terbitan hak berjumlah 3,900,000 saham biasa pada harga HK\$1.00 sesaham dalam Kenly. Syarikat tersebut telah melanggan kelayakannya berjumlah 2,245,768 saham berharga HK\$1.00 sesaham dalam Kenly pada bulan Disember 2005.

Setelah pelangganan saham terbitan hak yang dilepaskan, pemegangan saham Syarikat meningkat kepada 79.4%.

- ii) Dalam bulan Mei 2006, syarikat subsidiari, Aunyang Holdings Sdn. Bhd., mengambil alih dua (2) saham berharga RM1.00 sesaham mewakili 100% kepentingan ekuiti dalam Jewel Estate Sdn. Bhd. untuk pertimbangan tunai bernilai RM2.00.

## • Laporan Pengarah

untuk tahun berakhir 31 Disember 2006 (samb.)

### **PERISTIWA-PERISTIWA PENTING (samb.)**

- iii) Dalam bulan Mei 2006, syarikat subsidiari, Ken Property Sdn. Bhd., menjual dua (2) saham biasa berharga RM1.00 sesaham mewakili 100% kepentingan ekuiti dalam KD Management Sdn. Bhd. untuk pertimbangan tunai bernilai RM1.00.
- iv) Dalam bulan Ogos 2006, permohonan telah dibuat untuk mengeluarkan subsidiari, Success Goal Asia Limited daripada Register of the Hong Kong Companies Registry.

### **PERISTIWA LAIN**

Dalam bulan Februari 2007, syarikat subsidiari, Aunyang Holdings Sdn. Bhd., menandatangani Perjanjian Jual Beli untuk mengambil alih dua keping tanah untuk pertimbangan tunai bernilai RM15,800,000.00.

### **LAIN-LAIN MAKLUMAT BERKANUN**

Sebelum penyata kewangan Kumpulan dan Syarikat disediakan, para Pengarah 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 hutang 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 atau 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 atau Syarikat yang telah timbul sejak akhir tahun kewangan ini.

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

## • Laporan Pengarah

untuk tahun berakhir 31 Disember 2006 (samb.)

### LAIN-LAIN MAKLUMAT BERKANUN (samb.)

Pada pendapat para Pengarah, melainkan kesan-kesan yang timbul akibat perubahan dalam polisi perakaunan seperti yang dipaparkan dalam penyata kewangan, keputusan operasi Kumpulan dan Syarikat untuk tahun kewangan berakhir 31 Disember 2006 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 dengan tarikh laporan ini.

### JURUAUDIT

Juruaudit, Tetuan KPMG, telah menyatakan persetujuan mereka untuk menerima pelantikan semula.

Ditandatangani bagi pihak Lembaga Pengarah menurut resolusi para Pengarah:

.....  
**Tan Boon Kang**

.....  
**Tang Kam Chee**

Kuala Lumpur, Malaysia

Tarikh: 12 Mac 2007

## • Penyata Para Pengarah

menurut Seksyen 169(15) Akta Syarikat, 1965

Pada pendapat para Pengarah, penyata kewangan yang dibentangkan di muka surat 101 hingga 144 telah disediakan menurut peruntukan Akta Syarikat, 1965 dan piawaian-piawaian perakaunan yang diluluskan untuk entiti selain daripada entiti swasta yang diterbitkan oleh Lembaga Piawaian Perakaunan Malaysia, untuk memberi gambaran yang benar dan saksama mengenai kedudukan urusan Kumpulan dan Syarikat pada 31 Disember 2006 dan keputusan operasi serta aliran tunai masing-masing bagi tahun berakhir pada tarikh tersebut.

Ditandatangani menurut resolusi para Pengarah:

.....  
**Tan Boon Kang**

.....  
**Tang Kam Chee**

Kuala Lumpur, Malaysia

Tarikh: 12 Mac 2007

## • Perakuan Berkanun

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 di muka surat 101 hingga 144, 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 di atas di Kuala Lumpur, Wilayah Persekutuan pada 12 Mac 2007.

.....  
**Tang Kam Chee**

Di hadapan saya:

W438  
P. Thurirajoo AMN PJK  
Pesuruhjaya Sumpah, Kuala Lumpur

## • Laporan Juruaudit

kepada para ahli Ken Holdings Berhad

Kami telah mengaudit penyata kewangan yang dibentangkan di muka surat 101 hingga 144. Penyediaan penyata kewangan adalah tanggungjawab para Pengarah Syarikat.

Adalah tanggungjawab kami untuk memberi pandangan bebas berdasarkan audit yang telah kami lakukan ke atas penyata kewangan dan melaporkan pandangan kami kepada sekalian, sebagai sebuah badan berkanun, menurut Seksyen 174 Akta Syarikat, 1965 dan bukan untuk tujuan lain. Kami tidak bertanggungjawab kepada mana-mana pihak di atas isi kandungan laporan ini.

Kami telah menjalankan audit menurut Piawaian-piawaian Pengauditan yang diluluskan di Malaysia. Piawaian-piawaian ini memerlukan kami merancang dan melaksanakan audit untuk memperolehi jaminan bukti yang berpatutan untuk memastikan yang penyata kewangan adalah bebas daripada salah penyataan yang ketara. Pengauditan meliputi pemeriksaan, berasaskan ujian, bukti yang menyokong jumlah dan pendedahan di dalam penyata kewangan. Sesebuah pengauditan juga merangkumi penilaian ke atas prinsip-prinsip perakaunan yang digunakan dan anggaran penting yang dibuat oleh para Pengarah, serta menilai keseluruhan penyampaian maklumat. Kami percaya bahawa pengauditan kami menyediakan asas yang berpatutan ke atas pendapat yang kami berikan.

Pada pendapat kami:

- (a) penyata kewangan telah disediakan dengan sempurna menurut peruntukan Akta Syarikat, 1965 dan piawaian-piawaian perakaunan yang berkaitan untuk entiti selain daripada entiti swasta yang diterbitkan oleh Lembaga Piawaian Perakaunan Malaysia, agar dapat memberi gambaran yang benar dan saksama mengenai:
  - i) kedudukan Kumpulan dan Syarikat pada 31 Disember 2006 dan keputusan operasi masing masing dan aliran tunai untuk 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, telah pun disimpan dengan sempurna menurut peruntukan Akta tersebut.

Syarikat-syarikat subsidiari di mana kami tidak bertindak sebagai juruaudit telah disenaraikan dalam nota 7 kepada penyata kewangan dan kami telah mempertimbangkan penyata kewangan dan laporan juruauditnya.

Kami berpuas hati bahawa penyata kewangan syarikat subsidiari yang telah disatukan dengan penyata kewangan Syarikat adalah bersesuaian dan berpatutan daripada 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**  
Nombor Firma: AF0758  
Akauntan Bertauliah

Kuala Lumpur, Malaysia

Tarikh: 12 Mac 2007

**Lim Hun Soon @ David Lim**  
Rakan Kongsi  
Nombor Kelulusan: 1514/05/08(J)

**• Lembaran Imbangan**  
pada 31 Disember 2006

	Nota	Kumpulan		Syarikat	
		2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
<b>Aset bukan-semasa</b>					
Hartanah, loji dan peralatan	3	8,758	8,671	-	-
Bayaran pajakan prabayar	4	3,176	3,220	-	-
Tanah untuk pembangunan	5	7,347	7,323	-	-
Hartanah pelaburan	6	9,177	9,028	-	-
Pelaburan dalam subsidiari	7	-	-	13,333	13,333
Pelaburan lain	8	26	32	-	-
Aset tak ketara	9	538	538	-	-
Aset cukai tertunda	20	1,878	1,070	130	54
<b>Jumlah aset bukan-semasa</b>		<b>30,900</b>	<b>29,882</b>	<b>13,463</b>	<b>13,387</b>
<b>Aset semasa</b>					
Inventori		6,099	6,613	-	-
Kos pembangunan hartaanah	11	55,901	54,370	-	-
Penerimaan, deposit dan prabayaran	12	23,008	23,990	19	17
Jumlah terhutang oleh subsidiari	13	-	-	81,551	79,403
Cukai boleh diperolehi semula		1,829	1,033	1,120	1,302
Tunai dan bersamaan tunai	14	27,895	27,119	4,917	5,192
<b>Jumlah aset semasa</b>		<b>114,732</b>	<b>113,125</b>	<b>87,607</b>	<b>85,914</b>
<b>Liabiliti semasa</b>					
Pembayaran dan akruan	15	27,015	26,581	776	541
Jumlah terhutang kepada subsidiari	13	-	-	-	3
Pinjaman	16	6,756	6,968	-	-
Cukai		2,146	1,207	40	29
<b>Jumlah liabiliti semasa</b>		<b>35,917</b>	<b>34,756</b>	<b>816</b>	<b>573</b>
<b>Aset semasa bersih</b>		<b>78,815</b>	<b>78,369</b>	<b>86,791</b>	<b>85,341</b>
		<b>109,715</b>	<b>108,251</b>	<b>100,254</b>	<b>98,728</b>

## • Lembaran Imbangan

pada 31 Disember 2006 (samb.)

	Nota	Kumpulan		Syarikat	
		2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
<b>Ekuiti</b>					
Modal saham	17	<b>90,285</b>	90,285	<b>90,285</b>	90,285
Rizab	18	<b>12,037</b>	11,149	<b>8,849</b>	7,141
<b>Jumlah ekuiti</b>		<b>102,322</b>	101,434	<b>99,134</b>	97,426
<b>Kepentingan minoriti</b>	19	-	52	-	-
<b>Jumlah ekuiti</b>		<b>102,322</b>	101,486	<b>99,134</b>	97,426
<b>Muhibah negatif</b>	10	-	218	-	-
<b>Liabiliti bukan-semasa</b>					
Pinjaman	16	<b>197</b>	212	-	-
Liabiliti cukai tertunda	20	<b>7,196</b>	6,335	<b>1,120</b>	1,302
<b>Jumlah ekuiti dan liabiliti bukan-semasa</b>		<b>109,715</b>	108,251	<b>100,254</b>	98,728

Nota-nota pada halaman 110 hingga 144 merupakan sebahagian penting daripada penyata-penyata kewangan ini.

**• Penyata Pendapatan**  
bagi tahun berakhir 31 Disember 2006

	Nota	Kumpulan		Syarikat	
		2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
<b>Hasil</b>					
- hasil kontrak		17,415	20,628	-	-
- hasil pembangunan harta tanah		58,062	42,724	-	-
- dividen		-	-	6,600	6,654
- perkhidmatan		-	-	660	480
		75,477	63,352	7,260	7,134
<b>Kos perjualan</b>					
- kos kontrak		(24,301)	(22,563)	-	-
- kos pembangunan harta tanah		(30,862)	(23,241)	-	-
		(55,163)	(45,804)	-	-
<b>Keuntungan kasar</b>		20,314	17,548	7,260	7,134
Perbelanjaan pengagihan		(116)	(441)	-	-
Perbelanjaan pentadbiran		(11,550)	(10,560)	(502)	(381)
Perbelanjaan operasi lain		-	(271)	-	-
Pendapatan operasi lain		1,886	1,886	161	397
<b>Keuntungan operasi</b>	22	10,534	8,162	6,919	7,150
Kos pembiayaan		(587)	(253)	-	-
<b>Keuntungan sebelum cukai</b>		9,947	7,909	6,919	7,150
Perbelanjaan cukai	24	(6,080)	(3,430)	(1,961)	(2,034)
<b>Keuntungan selepas cukai</b>		3,867	4,479	4,958	5,116
Kepentingan minoriti		206	1,983	-	-
<b>Keuntungan bagi tahun</b>		4,073	6,462	4,958	5,116
<b>Pendapatan atas sesaham biasa</b>	25	5 sen	7 sen		
<b>Pendapatan dicairkan sesaham biasa</b>	25	N/A	N/A		
<b>Dividen sesaham biasa</b>					
- kasar	26	5 sen	5 sen		

Nota-nota pada halaman 110 hingga 144 merupakan sebahagian penting daripada penyata-penyeata kewangan ini.

## • Penyata Perubahan dalam Ekuiti Disatukan

bagi tahun berakhir 31 Disember 2006

Boleh diagih pada pemegang saham Syarikat

Tidak boleh diagih      Boleh diagih

Kumpulan	Nota	Rizab				Keuntungan tertahan RM'000	Jumlah Kepentingan minoriti RM'000	Jumlah ekuiti RM'000
		Modal saham RM'000	Premium saham RM'000	penilaian semula hartanah RM'000	Rizab pertukaran asing RM'000			
<b>Pada 1 Januari 2005</b>		60,180	242	1,239	219	34,772	96,652	1,449
Realisasi rizab penilaian semula		-	-	(209)	-	209	-	-
Penilaian semula harta tanah, bersih dari cukai		-	-	1,097	-	-	1,097	1,097
Pertukaran perbezaan mata wang		-	-	-	(34)	-	(34)	-
Kerugian diiktiraf atas peningkatan kepentingan dalam subsidiari		-	-	-	-	(586)	(586)	586
Kepentingan atau kerugian tidak diiktiraf dalam penyata pendapatan		-	-	888	(34)	(377)	477	586
Terbitan saham:								
- Perlaksanaan opsyen saham		10	-	-	-	-	10	-
- Terbitan bonus		30,095	(242)	-	-	(29,853)	-	-
Keuntungan/ (Kerugian) bagi tahun		-	-	-	-	6,462	6,462	(1,983)
Dividen untuk pemegang saham	26	-	-	-	-	(2,167)	(2,167)	-
<b>Pada 31 Disember 2005</b>		<b>90,285</b>	<b>-</b>	<b>2,127</b>	<b>185</b>	<b>8,837</b>	<b>101,434</b>	<b>52</b>

Note 17

Note 18.1 Note 18.2

The notes on pages 110 to 144 are an integral part of these financial statements.

**• Penyata Perubahan dalam Ekuiti Disatukan**  
bagi tahun berakhir 31 Disember 2006 (samb.)

Kumpulan	Nota	Boleh diagih pada pemegang saham Syarikat							
		Tidak boleh diagih				Boleh diagih			
		Rizab		penilaian		Rizab			
		Modal saham RM'000	Premium saham RM'000	semula hartanah RM'000	pertukaran asing RM'000	Keuntungan tertahan RM'000	Jumlah Jumlah Kepentingan minoriti RM'000	Kepentingan minoriti RM'000	Jumlah ekuiti RM'000
Pada 31 Disember 2005, tetapi sebelum pembukaan penyesuaian baki - kesan daripada FRS 3		90,285	-	2,127	185	8,837	101,434	52	101,486
Pada 1 Januari 2006, dinyata semula		90,285	-	2,127	185	9,055	101,652	52	101,704
Realisasi rizab penilaian semula		-	-	(124)	-	124	-	-	-
Pertukaran perbezaan mata wang		-	-	-	1	-	1	-	1
Kerugian diiktiraf atas peningkatan kepentingan dalam subsidiari		-	-	-	-	(154)	(154)	154	-
Kepentingan atau kerugian bersih tidak diiktiraf dalam penyata pendapatan		-	-	(124)	1	(30)	(153)	154	1
Keuntungan/(Kerugian) bagi tahun		-	-	-	-	4,073	4,073	(206)	3,867
Dividen untuk pemegang saham	26	-	-	-	-	(3,250)	(3,250)	-	(3,250)
Pada 31 Disember 2006		90,285	-	2,003	186	9,848	102,322	-	102,322

Nota 17

Nota 18.1 Nota 18.2

## • Penyata Perubahan dalam Ekuiti

bagi tahun berakhir 31 Disember 2006

Kumpulan	Nota	Modal saham RM'000	<i>Tidak boleh diagih</i>	<i>Boleh diagih</i>	Jumlah RM'000
			Premium saham RM'000	Keuntungan tertahan RM'000	
<b>Pada 1 Januari 2005</b>		60,180	242	34,045	94,467
Terbitan saham:					
- pelaksanaan saham		10	-	-	10
- terbitan saham		30,095	(242)	(29,853)	-
Keuntungan bagi tahun		-	-	5,116	5,116
Dividen untuk pemegang saham	26	-	-	(2,167)	(2,167)
<b>Pada 31 Disember 2005/ 1 Januari 2006</b>		<b>90,285</b>	-	<b>7,141</b>	<b>97,426</b>
Keuntungan bagi tahun		-	-	4,958	4,958
Dividen untuk pemegang saham	26	-	-	(3,250)	(3,250)
<b>Pada 31 Disember 2006</b>		<b>90,285</b>	-	<b>8,849</b>	<b>99,134</b>

Nota 17

Nota 18.3

Nota-nota pada halaman 110 hingga 144 merupakan sebahagian penting daripada penyata-penyata kewangan ini.

**• Penyata Aliran Tunai**  
bagi tahun berakhir 31 Disember 2006

	Kumpulan		Syarikat	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
<b>Aliran tunai daripada aktiviti operasi</b>				
Keuntungan sebelum cukai	9,947	7,909	6,919	7,150
Pelarasan untuk:				
Peruntukan bagi kesusutan dalam nilai untuk lain-lain pelaburan	6	-	-	-
Pelunasan aset tak ketara	-	271	-	-
Pelunasan pembayaran pajakan prabayar	44	41	-	-
Peruntukan untuk hutang ragu	3,016	2,640	-	-
Susut nilai	1,018	968	-	-
Pendapatan dividen	-	-	(6,600)	(6,654)
Kos pembiayaan	587	253	-	-
Keuntungan atas penjualan hartanah, loji dan peralatan	(76)	(40)	-	-
Pendapatan faedah	(558)	(840)	(161)	(397)
Hartanah, loji dan peralatan dihapus kira	-	8	-	-
Pembalikan perutusan bagi hutang ragu	(2)	(15)	-	-
Keuntungan operasi sebelum perubahan modal kerja	<b>13,982</b>	11,195	158	99
Perubahan dalam modal kerja:				
Inventori	513	(4,402)	-	-
Tanah untuk pembangunan	(24)	(5,523)	-	-
Penerimaan, deposit dan pembayaran	(3,008)	(6,308)	(2)	6
Kos pembangunan harta tanah	(1,531)	(3,147)	-	-
Pembayaran dan akruan	829	4,826	235	120
Syarikat subsidiari	-	-	(2,151)	(18,363)
Tunai dihasilkan daripada/(digunakan dalam) Operasi	<b>10,761</b>	(3,359)	(1,760)	(18,138)
Cukai pendapatan dibayar	(5,889)	(5,942)	(178)	(225)
Faedah diterima	107	85	-	-
Perbelanjaan pembiayaan	(288)	(218)	-	-
<b>Tunai bersih dihasilkan daripada/(digunakan dalam) aktiviti operasi</b>	<b>4,691</b>	(9,434)	(1,938)	(18,363)

## • Penyata Aliran Tunai

bagi tahun berakhir 31 Disember 2006 (samb.)

	Kumpulan		Syarikat	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
<b>Aliran tunai daripada aktiviti pelaburan</b>				
Pembelian harta tanah, loji dan peralatan	(1,135)	(2,343)	-	-
Dividen diterima	-	-	4,752	1,443
Pembaikan/Pembelian harta tanah pelaburan	(149)	(9,028)	-	-
Tambahan dalam cagaran deposit dengan bank-bank berlesen	(127)	(264)	(126)	(264)
Faedah diterima	451	755	161	397
Perolehan daripada pelupusan harta tanah, loji dan peralatan	76	41	-	-
<b>Tunai bersih (digunakan dalam)/dihasilkan daripada aktiviti pelaburan</b>	(884)	(10,839)	4,787	1,576
<b>Aliran tunai daripada aktiviti pembiayaan</b>				
Dividen dibayar pada pemegang saham Syarikat	(3,250)	(2,167)	(3,250)	(2,167)
Kos pembiayaan	(299)	(35)	-	-
Pembayaran untuk liabiliti pajakan kewangan	(75)	(212)	-	-
Perolehan daripada terbitan saham (Pembayaran untuk)/	-	10	-	10
Perolehan daripada pinjaman	(100)	3,905	-	-
<b>Tunai bersih (digunakan dalam)/dihasilkan daripada aktiviti pembiayaan</b>	(3,724)	1,501	(3,250)	(2,157)
<b>Tambahan/(kurangan) bersih dalam tunai dan bersamaan tunai</b>	83	(18,772)	(401)	(18,944)
<b>Tunai dan bersamaan tunai pada awal tahun</b>	19,494	38,300	939	19,883
<b>Kesan pertukaran wang asing ke atas tunai di tangan</b>	305	(34)	-	-
<b>Tunai dan bersamaan tunai pada akhir tahun</b>	19,882	19,494	538	939

## • Penyata Aliran Tunai

bagi tahun berakhir 31 Disember 2006 (samb.)

### i) Tunai dan bersamaan tunai

Tunai dan bersamaan tunai yang dimasukkan ke dalam penyata aliran tunai terdiri daripada jumlah lembaran imbangan yang berikut:

	Kumpulan		Syarikat	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Baki tunai dan baki bank	16,482	5,727	86	79
Deposit dalam bank-bank berlesen (tidak termasuk deposit tercagar)	6,633	16,739	452	860
Overdraft bank - bercagar	(3,233)	(2,972)	-	-
	<b>19,882</b>	<b>19,494</b>	<b>538</b>	<b>939</b>

Nota-nota pada halaman 110 hingga 144 merupakan sebahagian penting daripada penyata-penyeata kewangan ini.

## • Nota-nota kepada Penyata Kewangan

Ken Holdings Berhad adalah sebuah syarikat liabiliti awam berhad ditubuhkan dan berdomisil di Malaysia, dan disenaraikan dalam Papan Utama Bursa Malaysia Securities Berhad. Alamat-alamat pejabat berdaftarnya dan tempat perniagaan utamanya adalah seperti berikut:

### **Pejabat berdaftar**

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

### **Tempat utama perniagaan**

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

Penyata kewangan yang telah disatukan pada dan untuk tahun berakhir 31 Disember 2006 merangkumi Syarikat dan syarikat-syarikat subsidiarinya (bersama dirujuk sebagai Kumpulan) dan kepentingan Kumpulan dalam usaha sama tidak diperbadankan. Penyata kewangan Syarikat pada dan untuk tahun berakhir 31 Disember 2006 tidak termasuk entiti lain selain daripada untuk kepentingan Syarikat dalam usaha sama tidak diperbadankan.

Syarikat terlibat dalam pelaburan pemegangan dan peruntukan untuk perkhidmatan pengurusan sementara entiti lain Kumpulan adalah terlibat terutamanya dalam pelaburan pemegangan harta tanah dan pembangunan harta tanah, perkhidmatan kejuruteraan pakar, geo-teknikal, kejuruteraan awam dan kerja-kerja pembangunan, penebusgunaan tanah dan kejuruteraan laut, aktiviti pengurusan projek dan harta tanah

### **1. ASAS PENYEDIAAN**

#### **(a) Penyata Komplians**

Penyata kewangan Kumpulan dan Syarikat telah disediakan bertepatan dengan piawaian-piawaian perakaunan yang berkaitan dan yang diluluskan untuk entiti selain daripada entiti swasta seperti yang diterbitkan oleh Lembaga Piawaian Perakaunan Malaysia (MASB), prinsip perakaunan yang umumnya diterima di Malaysia dan peruntukan Akta Syarikat, 1965. Penyata kewangan itu juga menepati peruntukan pendedahan Keperluan Penyenaraian Bursa Malaysia Securities Berhad yang berkaitan.

MASB telah menerbitkan beberapa Piawaian Pelaporan Kewangan (Financial Reporting Standards - FRSs) yang baru dan yang telah dipindah, yang berkuatkuasa untuk tempoh perakaunan bermula selepas 1 Januari 2006 atau tersedia untuk digunakan lebih awal. Dalam set penyata kewangan ini, Kumpulan telah memilih untuk menggunakan lebih awal FRS 117, *Leases* dan FRS 124, *Related Party Disclosure* yang berkuatkuasa bagi tempoh tahunan bermula pada atau selepas 1 Oktober 2006. MASB juga telah menerbitkan FRS 139, *Financial Instruments: Recognition and Measurement* tetapi MASB belum lagi mengumumkan tarikh berkuatkuasa untuk piawai ini. Kumpulan belum lagi menggunakan FRS 139 dan pengecualian dalam perenggan 103AB pada FRS 139, kesan menggunakan FRS 139 dalam penyata kewangan dalam penggunaan pertama piawai ini seperti yang dikehendaki oleh perenggan 30(b) FRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors* tidak dinyatakan.

Kesan menggunakan FRS yang baru/dipindah pada tahun 2006 dipaparkan dalam nota 34.

Penyata kewangan telah diluluskan oleh Lembaga Pengarah pada 12 Mac 2007.

#### **(b) Asas pengukuran**

Penyata kewangan telah disediakan berdasarkan kos sejarah kecuali seperti yang dinyatakan dalam nota-nota kepada penyata kewangan.

## • Nota-nota kepada Penyata Kewangan (samb.)

### 1. ASAS PENYEDIAAN (samb.)

#### (c) Fungsi dan penyampaian mata wang

Penyata kewangan dinyatakan dalam Ringgit Malaysia (RM), yang berfungsi sebagai mata wang Syarikat. Semua maklumat kewangan yang dinyatakan dalam RM telah dibundarkan kepada angka ribu yang terdekat.

#### (d) Penggunaan anggaran dan pertimbangan

Penyediaan penyata kewangan memerlukan pengurusan untuk membuat pertimbangan, anggaran dan andaian yang memberi kesan ke atas pelaksanaan polisi perakaunan dan jumlah aset, liabiliti, pendapatan dan perbelanjaan yang dilaporkan. Keputusan yang sebenarnya mungkin berbeza daripada anggaran-anggaran ini.

Anggaran dan andaian dasar ini disemak secara berterusan. Semakan yang dilakukan ke atas anggaran perakaunan diiktiraf dalam tempoh di mana anggaran itu disemak dan dalam tempoh-tempoh akan datang yang terlibat atau terjejas.

Maklumat mengenai kawasan penting dalam ketidakpastian anggaran dan pertimbangan kritikal ketika melaksanakan polisi perakaunan yang mempunyai kesan yang paling ketara terhadap jumlah yang diiktiraf dalam penyata kewangan dijelaskan khususnya dalam nota yang berikut:

- Nota 12 - pengiraan hasil dan kos jualan di atasnya untuk kontrak pembinaan dan projek pembangunan harta tanah

### 2. POLISI-POLISI PERAKAUNAN PENTING

Polisi perakaunan yang ditetapkan di bawah telah digunakan secara konsisten untuk semua tempoh yang dibentangkan dalam penyata kewangan ini, dan telah digunakan secara konsisten oleh entiti Kumpulan, melainkan jika dinyatakan sebaliknya.

Jumlah perbandingan tertentu telah diklasifikasikan semula untuk menepati penyampaian bagi tahun semasa.

#### (a) Asas penyatuhan

##### (i) Syarikat Subsidiari

Syarikat subsidiari adalah entiti, termasuk entiti tidak diperbadankan, yang dikawal oleh Kumpulan. Kawalan wujud bila Kumpulan mempunyai kuasa untuk menentukan polisi kewangan dan operasi bagi entiti untuk memperolehi manfaat daripada aktiviti-aktiviti entiti tersebut. Ketika mengenakan kawalan, hak mengundi yang kini dijalankan diambil kira.

Penyata kewangan syarikat subsidiari dimasukkan ke dalam penyata kewangan disatukan daripada tarikh kawalan bermula sehingga tarikh kawalan tamat.

Pelaburan dalam syarikat subsidiari dicatatkan dalam lembaran imbang Syarikat pada kos tolak kerugian kerosakan.

##### (ii) Kepentingan minoriti

Kepentingan minoriti pada tarikh lembaran imbang, yang merupakan bahagian aset bersih subsidiari disebabkan kepentingan ekuiti yang tidak dimiliki oleh Syarikat, samada secara langsung atau tidak langsung melalui subsidiari, adalah dibentangkan dalam lembaran imbang disatukan dan penyata perubahan dalam ekuiti di antara ekuiti, diasingkan daripada ekuiti disebabkan ekuiti pemegang saham Syarikat. Kepentingan minoriti dalam keputusan Kumpulan dibentangkan pada muka penyata pendapatan disatukan sebagai peruntukan jumlah keuntungan atau kerugian bagi tahun di antara kepentingan minoriti dan ekuiti pemegang saham Syarikat.

## • Nota-nota kepada Penyata Kewangan (samb.)

### 2. POLISI-POLISI PERAKAUNAN PENTING (samb.)

#### (a) Asas penyataan (samb.)

##### (ii) Kepentingan minoriti (samb.)

Apabila kerugian disebabkan minoriti melebihi kepentingan minoriti dalam ekuiti subsidiari, dan sebarang kerugian disebabkan minoriti akan dicaj terhadap kepentingan Syarikat melainkan jika minoriti mempunyai obligasi terikat, dan mampu membuat pelaburan tambahan untuk menampung kerugian. Jika subsidiari kemudiannya melaporkan keuntungan, kepentingan Kumpulan akan mencatat semua keuntungan sehingga kerugian minoriti yang sebelumnya diserap oleh Kumpulan dapat diperolehi semula.

##### (iii) Operasi dan aset yang dikawal bersama

Kepentingan Syarikat dan Kumpulan dalam usaha sama tidak diperbadankan dan aset yang dikawal bersama dimasukkan dengan mengiktiraf di dalam penyata kewangan aset yang dikawalnya dan liabiliti yang ditanggung, dan perbelanjaan yang ditanggung dan pendapatan yang diperolehi daripada jualan saham dalam usaha sama tersebut.

##### (iv) Perubahan dalam komposisi Kumpulan

Apabila suatu kumpulan membeli saham ekuiti subsidiari daripada kepentingan minoriti untuk pertimbangan tunai dan harga jualan telah ditetapkan pada nilai saksama, akresi kepentingan Kumpulan dalam subsidiari dikira sebagai pembelian kepentingan ekuiti yang mana kaedah perakaunan pengambilalihan digunakan.

Kumpulan menganggap semua perubahan yang lain dalam komposisi kumpulan sebagai urusniaga ekuiti di antara Kumpulan dan pemegang saham ekuitinya. Sebarang perbezaan di antara aset bersih Kumpulan sebelum dan sesudah perubahan itu, dan sebarang pertimbangan yang diterima atau dibayar, akan disesuaikan mengikut rizab Kumpulan.

##### (v) Urusniaga dihapuskan atas penyataan

Baki antara kumpulan, dan sebarang pendapatan dan perbelanjaan yang belum direalisasikan antara kumpulan, dihapuskan semasa menyediakan penyata kewangan disatukan.

Pendapatan yang belum direalisasikan berpuncak daripada urusniaga dengan pelaburan ekuiti dihapuskan terhadap pelaburan mengikut kepentingan Kumpulan dalam pelaburan tersebut. Kerugian yang belum direalisasikan dihapuskan mengikut cara yang sama, tetapi hanya sehingga tiada bukti yang menunjukkan terdapatnya kerosakan.

#### (b) Mata wang asing

##### (i) Urusniaga dalam mata wang asing

Urusniaga dalam mata wang asing ditukar kepada mata wang berfungsi entiti Kumpulan masing-masing pada kadar pertukaran pada tarikh urusniaga tersebut.

Aset dan liabiliti monetari dalam mata wang asing pada tarikh lembaran imbangan ditukar kepada mata wang berfungsi pada kadar pertukaran pada tarikh tersebut. Aset dan liabiliti bukan-monetari dalam mata wang asing yang dikira pada nilai saksama ditukar kepada mata wang berfungsi pada kadar pertukaran pada tarikh nilai saksama itu ditetapkan. Perbezaan mata wang asing yang timbul semasa penukaran diiktiraf dalam penyata pendapatan.

## • Nota-nota kepada Penyata Kewangan (samb.)

### 2. POLISI-POLISI PERAKAUNAN PENTING (samb.)

#### (b) Mata wang asing (samb.)

##### (ii) Pelaburan bersih dalam operasi asing

Perbezaan penukaran yang timbul daripada perkara-perkara monetari yang membentuk sebahagian daripada pelaburan bersih Syarikat dalam operasi asing diiktiraf dalam penyata pendapatan Syarikat. Perbezaan penukaran ini diklasifikasikan semula sebagai ekuiti dalam penyata kewangan disatukan hanya bila pinjaman adalah dalam mata wang berfungsi Syarikat atau dalam operasi asing. Perbezaan penukaran tertunda dicatatkan dalam penyata pendapatan apabila pelaburan dilupuskan.

#### (c) Hartanah, loji dan peralatan

##### (i) Pengiktirafan dan pengukuran

Hartanah, loji dan peralatan dinyatakan pada kos/penilaian tolak susut nilai terkumpul dan kerugian kerosakan terkumpul.

Kumpulan menilai semula harta-hartanya yang meliputi tanah dan bangunan setiap 5 tahun dan pada tempoh masa yang lebih pendek apabila nilai saksama aset yang dinilai itu dijangka berbeza dengan ketara daripada nilai bawanya. Kos termasuk perbelanjaan yang secara langsung disebabkan oleh pembelian aset tersebut.

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

Kos loji dan peralatan yang diiktiraf daripada keputusan penggabungan perniagaan adalah berdasarkan nilai saksama pada tarikh pengambilalihan. Nilai saksama harta-harta adalah jumlah anggaran di mana harta-harta boleh dijual pada tarikh penilaian di antara pembeli dan penjual yang rela dalam urusniaga selenggar selangkah setelah proses pemasaran yang berpatutan di mana pihak-pihak tersebut telah bertindak dengan wajar/bijak, cermat dan tanpa paksaan. Nilai saksama bagi lain-lain loji dan peralatan adalah berdasarkan pada harga pasaran yang disebutkan untuk barang yang sama.

##### (ii) Kos seterusnya

Kos menggantikan bahagian-bahagian pada harta-harta, loji dan peralatan diiktiraf dalam jumlah bawaan barang tersebut jika terdapat kemungkinan yang manfaat ekonomi masa depan di dalam bahagian tersebut akan mengalir ke dalam Kumpulan dan kosnya boleh dikira dengan pasti. Nilai buku bersih untuk bahagian yang diganti itu dimasukkan ke dalam penyata kewangan apabila bahagian yang diganti itu dimodalkan. Kos harian penyelenggaraan harta-harta, loji dan peralatan diiktiraf dalam penyata pendapatan apabila berlaku.

##### (iii) Susut nilai

Susut nilai diiktiraf dalam penyata pendapatan menggunakan kaedah garis lurus terhadap anggaran tempoh usia berguna setiap harta-harta, loji dan peralatan. Aset yang dipajak dilunaskan mengikut mana yang lebih pendek di antara terma pajakan dan tempoh usia berguna mereka. Tanah milik bebas tidak dilunaskan.

## ● Nota-nota kepada Penyata Kewangan (samb.)

### 2. POLISI-POLISI PERAKAUNAN PENTING (samb.)

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

##### (iii) Susut nilai (samb.)

Anggaran usia berguna untuk tempoh semasa dan tempoh berbanding adalah seperti berikut:

• bangunan	25 – 50 tahun
• loji dan peralatan	5 – 10 tahun
• perabut, kelengkapan dan pemasangan	5 – 10 tahun
• komponen utama	3 – 5 tahun

Jumlah yang dilunaskan ditentukan setelah menolak nilai sisa.

Kaedah susut nilai, usia berguna dan nilai sisa ditaksir pada tarikh laporan.

#### (d) Hartanah pelaburan

Hartanah pelaburan adalah harta tanah yang dimiliki atau dipegang melalui kepentingan pegangan pajakan untuk memperolehi pendapatan sewa atau penambahan nilai modal atau kedua-duanya. Ini termasuk tanah yang dipegang untuk kegunaan masa depan. Hartanah yang diduduki oleh syarikat-syarikat Kumpulan dikira sebagai diduduki oleh pemilik dan bukan sebagai harta tanah pelaburan.

Hartanah pelaburan dinyatakan dalam kos ditolak susut nilai terkumpul dan kerugian kerosakan terkumpul, konsisten dengan polisi perakaunan untuk harta tanah, loji dan peralatan seperti yang dinyatakan dalam nota polisi perakaunan nota (c).

Susut nilai dicaj dalam penyata pendapatan mengikut kaedah garis lurus terhadap anggaran usia berguna iaitu 50 tahun untuk bangunan.

#### (e) Pembayaran pajakan prabayar

Tanah pegangan pajak yang selalunya mempunyai usia ekonomi dan hak milik tak tentu dan dijangka tidak akan diserahkan kepada pemajak pada akhir terma pajakan dianggap sebagai pajakan operasi. Pembayaran yang dibuat apabila mengambil alih tanah pegangan pajak dikira sebagai pembayaran pajakan prabayar yang dilunaskan mengikut terma pajakan menurut corak manfaat yang disediakan melainkan untuk tanah pegangan pajak yang diklasifikasikan sebagai harta tanah pelaburan.

Sebelum ini, Kumpulan telah mengklasifikasikan pajakan tanah sebagai pajakan kewangan dan telah mengiktiraf jumlah pembayaran pajakan prabayar sebagai harta tanah di dalam harta tanah, loji dan peralatannya. Dengan penggunaan awal FRS 117, Leases, Kumpulan menganggap pajakan seperti ini sebagai pajakan operasi, dengan jumlah bawaan yang tidak dilunaskan diklasifikasikan sebagai pembayaran pajakan prabayar bertepatan dengan peruntukan peralihan dalam FRS 117.67A.

Kumpulan, sebelum ini, telah menilai semula tanah pegangan pajaknya dan telah mengekalkan jumlah penilaian semula yang tidak dilunaskan sebagai jumlah bawaan tumpang untuk pembayaran pajakan prabayar bertepatan dengan peruntukan peralihan dalam FRS 117.67A. Pembayaran pajakan prabayar seperti ini dilunaskan terhadap terma pajakan.

Susut nilai dicaj pada penyata pendapatan mengikut kaedah garis lurus berdasarkan atas anggaran usia berguna 25 tahun.

#### (f) Muhibah

Muhibah (muhibah negatif) timbul semasa pengambilalihan subsidiari, rakan sekutu dan usaha sama.

## • Nota-nota kepada Penyata Kewangan (samb.)

### 2. POLISI-POLISI PERAKAUNAN PENTING (samb.)

#### (f) Muhibah (samb.)

Untuk pengambilalihan sebelum 1 Januari 2006, muhibah mewakili lebihan kos pengambilalihan berbanding kepentingan Kumpulan dalam nilai saksama bagi aset dan liabiliti bersih yang boleh dikenalpasti.

Dengan penggunaan FRS 3 bermula daripada 1 Januari 2006, muhibah mewakili lebihan kos pengambilan berbanding kepentingan Kumpulan dalam nilai saksama bersih bagi aset, liabiliti dan liabiliti kontingen pengambilalih yang boleh dikenalpasti.

Muhibah diukur pada kos dan tidak lagi dilunaskan tetapi diuji samada terdapat kerosakan sekurang-kurangnya sekali setahun atau lebih kerap jika terdapat bukti kerosakan. Bila lebihan bernilai negatif (muhibah negatif), ianya diiktiraf serta-merta di dalam penyata pendapatan. Dengan penggunaan FRS 3, nilai bawaan muhibah negatif pada 1 Januari 2006 diiktiraf dengan penyesuaian yang berkaitan dengan pembukaan perolehan tertahan.

Muhibah ditempatkan di unit penghasilan-tunai dan diuji samada terdapat kerosakan setahun sekali atau lebih kerap jika peristiwa atau perubahan menunjukkan mungkin terdapat kerosakan.

#### (g) Pelaburan dalam sekuriti hutang dan ekuiti

Pelaburan dalam sekuriti hutang dan ekuiti pada awalnya diiktiraf pada nilai saksama dan kos urusniaga yang timbul.

Pengiktirafan kemudiannya:

- Pelaburan dalam sekuriti ekuiti bukan-semasa selain daripada pelaburan dalam subsidiari dicatat pada kos tolak peruntukan untuk kesusutan dalam nilai,
- Pelaburan dalam sekuriti hutang bukan-semasa dicatat pada kos pelunasan menggunakan kaedah bunga berkesan tolak peruntukan untuk kesusutan dalam nilai,
- Semua pelaburan semasa dibawa pada kos yang rendah dan nilai pasaran, ditetapkan pada portfolio agregat atau kadar pelaburan individu oleh kategori pelaburan.

Sekiranya para Pengarah berpendapat bahawa terdapat pengurangan, selain daripada nilai sekuriti ekuiti bukan-semasa dan sekuriti hutang bukan-semasa yang bersifat sementara, selain daripada pelaburan dalam subsidiari, peruntukan untuk kesusutan dalam nilai diiktiraf sebagai perbelanjaan dalam tahun kewangan di mana pengurangan itu dikenalpasti.

Semasa pelaburan dijual, perbezaan di antara perolehan jualan bersih dan jumlah bawaannya diiktiraf dalam penyata kewangan.

Semua pelaburan dalam sekuriti hutang dan ekuiti diambilkira dengan menggunakan perakaunan tarikh langsai. Perakaunan tarikh langsai merujuk kepada:

- (i) pengiktirafan aset pada hari ianya diterima oleh entiti, dan
- (ii) ketidakpengiktirafan aset dan pengiktirafan sebarang perolehan atau kerugian daripada jualan pada tarikh ianya dihantar.

## ● Nota-nota kepada Penyata Kewangan (samb.)

### 2. POLISI-POLISI PERAKAUNAN PENTING (samb.)

#### (h) Inventori

Hartanah yang sedia untuk dijual dicatat pada harga lebih rendah dan nilai boleh realis bersih. Kos terdiri daripada kos berkaitan dengan pengambilalihan tanah, kos langsung dan pembahagian sesuai untuk kos bersama disebabkan membangunkan harta sehingga selesai.

#### (i) Penerimaan

Penerimaan pada awalnya diiktiraf pada kos apabila hak kontraktual untuk menerima tunai atau aset kewangan lain daripada entiti lain ditentukan.

Selepas pengiktirafan awal ini, penerimaan dicatatkan pada kos tolak peruntukan untuk harta rugu.

Penerimaan tidak dipegang untuk tujuan perdagangan.

#### (j) Pembinaan dalam progres

Kerja pembinaan dalam progres mewakili jumlah belum dikenakan bayaran kasar yang dijangka diterima daripada pelanggan di atas kerja kontrak yang dilakukan pada tarikh. Ianya diukur pada kos tambah keuntungan yang diiktiraf pada tarikh tolak bil progres dan kerugian yang diiktiraf. Kos termasuk semua perbelanjaan yang berkaitan secara langsung dengan projek khusus dan peruntukan overhead tetap dan berubah yang dihasilkan dalam aktiviti kontrak Kumpulan berdasarkan kapasiti operasi normal.

Kerja pembinaan dalam progres dicatatkan sebagai sebahagian daripada penerimaan, deposit dan prabayaran dalam lembaran imbalan. Sekiranya bayaran diterima daripada pelanggan melebihi pendapatan diiktiraf, perbezaan jumlah tersebut dicatat sebagai pendapatan tertunda dalam lembaran imbalan

#### (k) Pembayaran

Pembayaran diukur pada awal dan kemudiannya pada kos. Pembayaran diiktiraf bila terdapat obligasi kontraktual untuk memberi tunai atau aset kewangan lain kepada entiti lain.

#### (l) Tanah untuk pembangunan harta

Tanah untuk pembangunan harta termasuk tanah atau sebahagian daripadanya yang tidak digunakan dalam aktiviti pembangunan, atau pembangunan aktiviti yang tidak dijangka boleh siap dalam jangkamasa 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 sebagai kos pembangunan harta 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 sebagai kos tumpang seperti yang dibenarkan oleh FRS 201.

#### (m) Kos pembangunan harta

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

## • Nota-nota kepada Penyata Kewangan (samb.)

### 2. POLISI-POLISI PERAKAUNAN PENTING (samb.)

#### (m) Kos pembangunan hartaanah (samb.)

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

Lebihan hasil jualan diiktiraf dalam penyata pendapatan ke atas bil kepada pembeli-pembeli ditunjukkan sebagai bil terakru yang tergolong dalam dagangan dan penerimaan lain, dan lebihan bil kepada pembeli-pembeli atas hasil jualan diiktiraf dalam penyata pendapatan sebagai bil progres tergolong dalam dagangan dan lain-lain pembayaran.

#### (n) Tunai dan bersamaan tunai

Tunai dan bersamaan tunai merangkumi tunai dalam tangan, baki dan deposit dengan bank.

Untuk tujuan penyata aliran tunai, tunai dan bersamaan tunai dicatatkan setelah ditolak bank overdraf dan deposit yang dicagarkan.

#### (o) Kemererosotan aset

Nilai dibawa aset, selain daripada inventori, set yang timbul daripada kontrak pembinaan, aset cukai tertunda dan aset kewangan (selain daripda pelaburan dalam subsidiari), dikaji semula pada setiap tarikh laporan untuk menentukan samada terdapat sebarang tanda kemererosotan.

Sekiranya wujud tanda-tanda tersebut, jumlah boleh diperolehi semula aset dianggarkan. Untuk muhibah dan aset tak ketara yang mempunyai usia berguna yang tidak tentu atau yang belum sedia untuk digunakan, jumlah boleh diperolehi dianggarkan pada setiap tarikh laporan.

Kerugian kemererosotan jika nilai bawaan aset atau unit yang menjana tunai bagi aset itu melebihi nilai boleh diperolehi semula, kecuali aset itu dibawa pada nilai penilaian semula di mana kerugian kemererosotan diiktiraf secara langsung pada sebarang lebihan penilaian semula untuk aset asalkan kerugian kemererosotan itu tidak melebihi jumlah dalam lebihan penilaian semula untuk aset yang sama.

Unit yang menjana aset adalah kumpulan aset yang paling kecil yang dikenalpasti yang menjana aliran tunai yang kebanyakannya tidak bersandar pada lain-lain aset dan kumpulan. Kerugian kemererosotan diiktiraf dalam penyata pendapatan. Kerugian kemererosotan diiktiraf sekiranya unit menjana tunai diperuntukkan pada awalnya untuk mengurangkan jumlah bawaan sebarang muhibah yang diperuntukkan kepada unit tersebut dan kemudian untuk mengurangkan jumlah bawaan lain-lain aset dalam unit (kumpulan unit) pada dasar pro rata.

Nilai boleh diperolehi sesuatu aset atau unit menjana tunai adalah lebih besar dalam nilai digunakan dan nilai saksama tolak kos untuk dijual. Dalam membuat penilaian terhadap nilai yang digunakan, anggaran aliran tunai masa depan adalah selepas diskaun pada nilai kini menggunakan kadar diskaun sebelum-cukai yang menggambarkan penilaian pasaran semasa untuk nilai masa wang dan risiko khusus untuk aset.

Kerugian kemererosotan berhubung dengan muhibah tidak dibalikkan. Berhubung dengan aset lain, kerugian kemererosotan diiktiraf sebelum tempoh penilaian pada setiap tarikh laporan untuk memastikan samada kerugian telah berkurangan atau tidak lagi wujud. Kerugian kemererosotan dibalikkan sekiranya terdapat perubahan pada anggaran yang digunakan untuk menentukan jumlah boleh diperolehi.

## ● Nota-nota kepada Penyata Kewangan (samb.)

### 2. POLISI-POLISI PERAKAUNAN PENTING (samb.)

#### (o) Kemerosotan aset (samb.)

Kerugian kemerosotan dibalikkan hanya sekiranya jumlah bawaan aset tidak melebihi jumlah bawaan yang akan ditentukan, tolak susut nilai atau pelunasan, sekiranya jika tiada kerugian kemerosotan diiktiraf. Pembalikan untuk kerugian kemerosotan dikreditkan ke dalam penyata pendapatan pada tahun pembalikan itu diiktiraf, melainkan ianya dibalikkan pada kerugian kemerosotan untuk aset yang dinilai semula, yang mana ianya akan dikreditkan terus kepada lebihan penilaian semula. Sekiranya kerugian kemerosotan untuk aset yang dinilai yang sama yang sebelumnya diiktiraf dalam penyata pendapatan, pembalikan kerugian kemerosotan itu juga diiktiraf dalam penyata pendapatan.

#### (p) Perbelanjaan cukai

Perbelanjaan cukai merangkumi cukai semasa dan cukai tertunda. Perbelanjaan cukai diiktiraf dalam penyata pendapatan melainkan ianya berkaitan dengan perkara-perkara yang diiktiraf secara langsung ke dalam ekuiti, dalam kes ini ianya diiktiraf dalam ekuiti.

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 imbanginan, dan sebarang pelarasan kepada cukai perlu dibayar berhubung dengan tahun-tahun sebelumnya.

Cukai tertunda diiktiraf menggunakan kaedah lembaran imbanginan, mengambil kira perbezaan sementara di antara jumlah bawaan aset dan liabiliti untuk tujuan laporan dan jumlah digunakan untuk tujuan percakaian. Cukai tertunda tidak diiktiraf untuk perbezaan sementara yang berikut: pengiktirafan awal muhibah, pengiktirafan awal untuk aset atau liabiliti dalam urusniaga yang bukan gabungan perniagaan dan tidak memberi kesan pada perakaunan atau keuntungan bercukai (kerugian cukai). Cukai tertunda diukur pada kadar cukai yang dijangka akan digunakan pada perbezaan sementara bila dibalikkan, berdasarkan pada undang-undang yang telah digubal atau yang telah digubal dengan ketara pada tarikh lembaran imbanginan.

Liabiliti cukai tertunda diiktiraf untuk semua perbezaan sementara yang dikenakan cukai.

Aset cukai tertunda diiktiraf hanya pada tahap ianya berkemungkinan bahawa keuntungan bercukai pada masa hadapan akan tersedia ada di mana perbezaan sementara itu boleh digunakan. Aset cukai tertunda disemak pada setiap tarikh laporan dan dikurangkan pada tahap ianya tidak lagi berkemungkinan memberi manfaat cukai sekiranya ia direalisasikan.

Cukai tambahan yang timbul daripada pengagihan dividen diiktiraf pada masa yang sama liabiliti untuk membayar dividen yang berkaitan diiktiraf.

#### (q) Pinjaman dan peminjaman

Pinjaman dan peminjaman dicatatkan pada kos pelunasan dengan sebarang perbezaan di antara kos dan nilai penebusan diiktiraf dalam penyata pendapatan di atas tempoh pinjaman dan peminjaman itu menggunakan kaedah bunga berkesan.

#### (r) Ganjaran pekerja

##### (i) Ganjaran pekerja jangka pendek

Ganjaran pekerja jangka pendek iaitu gaji, bonus tahunan, cuti tahunan berbayar dan cuti sakit berbayar dikira pada dasar tidak terdiskaun dan dibelanjakan bila perkara itu diberikan.

## • Nota-nota kepada Penyata Kewangan (samb.)

### 2. POLISI-POLISI PERAKAUNAN PENTING (samb.)

#### (r) Ganjaran pekerja (samb.)

##### (i) Ganjaran pekerja jangka pendek (samb.)

Peruntukan diiktiraf untuk jumlah yang dijangka akan dibayar di bawah bonus tunai jangka pendek atau pelan perkongsian-keuntungan jika Kumpulan mempunyai obligasi undang-undang atau konstruktif untuk membayar jumlah ini disebabkan oleh perkhidmatan yang diberikan sebelumnya oleh pekerja dan obligasi itu boleh dianggarkan dengan pasti.

Sumbangan Kumpulan kepada Kumpulan Wang Simpanan Pekerja (“KWSP”) dicaj dalam penyata pendapatan bagi tahun berkaitan. Apabila sumbangan telah dibayar, Kumpulan tidak lagi mempunyai sebarang obligasi pembayaran.

##### (ii) Urusniaga pembayaran berdasarkan saham

Program saham opsyen membolehkan pekerja Kumpulan memiliki saham Syarikat. Pada tahun sebelumnya, opsyen saham diberikan kepad pekerja tidak diiktiraf sebagai kos pekerja. Berikut dengan penggunaan FRS 2, *Share-based Payment*, nilai saksama tarikh pemberian kepada pekerja diiktiraf sebagai perbelanjaan pekerja, dengan peningkatan sepadan dalam ekuiti, di atas tempoh di mana pekerja mempunyai hak yang tidak bersyarat terhadap opsyen. Pertukaran dalam polisi perakaunan digunakan ke belakang, hanya untuk opsyen saham yang diberikan selepas 31 Disember 2004 dan belum terletak hak pada 1 Januari 2006 seperti yang dicatatkan dalam peruntukan peralihan dalam FRS 2. Oleh kerana tiada opsyen saham yang diberikan kepada pekerja selepas tempoh peralihan, jadi tiada pengiktirafan untuk perbelanjaan dibuat.

#### (s) Peruntukan

Peruntukan diiktiraf sekiranya, akibat daripada peristiwa yang lalu, Kumpulan memiliki obligasi undang-undang dan konstruktif yang boleh dianggarkan dengan pasti, dan kemungkinan aliran manfaat ekonomi diperlukan untuk menyelesaikan obligasi itu. Peruntukan ditentukan dengan mengambil kira diskau aliran tunai masa depan ke atas jangkaan pada kadar sebelum-cukai yang menggambarkan penilaian pasaran semasa pada nilai wang dan risiko khusus pada liabiliti.

##### (i) Liabiliti kontingen

Sekiranya tidak berkemungkinan yang aliran keluar manfaat ekonomi diperlukan, atau jumlah tidak boleh dianggarkan dengan pasti, obligasi dinyatakan sebagai liabiliti kontingen, melainkan jika kebarangkalian aliran keluar manfaat ekonomi tidak dapat dijangkakan. Obligasi yang mungkin, yang kewujudannya hanya akan dipastikan oleh satu atau lebih kejadian di masa depan atau tidak berlakunya kejadian juga dicatatkan sebagai liabiliti kontingen melainkan kebarangkalian aliran keluar manfaat ekonomi tidak dapat dijangkakan.

Di mana Syarikat menandatangani perjanjian jaminan kewangan untuk menjamin keberhutangan syarikat-syarikat lain di dalam Kumpulan, Syarikat menganggap ini sebagai perencanaan insuran, dan mencatatnya sebegitu juga. Dalam hubungan ini, Syarikat menganggap perjanjian jaminan sebagai liabiliti kontingen sehingga tiba masanya ianya menjadi berkemungkinan yang Syarikat dikehendaki membuat pembayaran di bawah jaminan tersebut.

#### (t) Hasil

##### (i) Kontrak pembinaan

Apabila hasil daripada kontrak pembinaan dapat dianggarkan dengan tepat, hasil dan perbelanjaan kontrak diiktiraf dalam penyata pendapatan mengikut kadar tahap penyempurnaan kontrak itu. Hasil kontrak termasuk jumlah awal yang dipersetujui dalam kontrak dan sebarang kelainan dalam kerja-kerja kontrak, tuntutan dan bayaran insentif setakat adanya kemungkinan yang mereka akan menghasilkan hasil yang boleh diukur dengan pasti.

## • Nota-nota kepada Penyata Kewangan (samb.)

### 2. POLISI-POLISI PERAKAUNAN PENTING (samb.)

#### (t) Hasil (samb.)

##### (i) Kontrak pembinaan (samb.)

Tahap penyempurnaan dinilai mengikut rujukan mengikut kadar kos pembinaan yang timbul untuk kerja yang dilakukan pada tarikh untuk jumlah kos pembinaan yang dianggarkan. Apabila kontrak pembinaan itu tidak dapat dianggar dengan pasti, hasil kontrak diiktiraf hanya pada tahap kos kontrak itu timbul dan berkemungkinan diperolehi semula. Kerugian yang dijangka pada kontrak diiktiraf serta-merta dalam penyata pendapatan.

##### (ii) Pembangunan harta tanah

Hasil daripada aktiviti pembangunan harta tanah diiktiraf berdasarkan pada tahap penyempurnaan diukur mengikut rujukan pada kadar kos pembangunan harta tanah itu timbul untuk kerja yang dilaksanakan pada tarikh untuk jumlah kos pembinaan yang dianggarkan.

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

Sebarang kerugian yang dijangka dalam projek pembangunan, termasuk kos yang dipergunakan dalam tempoh liabiliti kecacatan, akan diiktiraf dengan serta-merta dalam penyata pendapatan.

##### (iii) Pendapatan sewa

Pendapatan sewa daripada pelaburan harta tanah diiktiraf dalam penyata pendapatan mengikut asas garis lurus di atas terma pajakan. Insentif pajakan yang diberikan diiktiraf sebagai bahagian penting dalam jumlah pendapatan sewa, di atas terma pajakan.

##### (iv) Pendapatan dividen

Pendapatan dividen diiktiraf apabila hak untuk menerima bayaran ditentukan.

#### (u) Pendapatan faedah dan kos pinjaman

Pendapatan faedah diiktiraf apabila ianya terakru dengan menggunakan kaedah bunga berkesan.

Semua kos pinjaman diiktiraf dalam penyata pendapatan menggunakan kaedah bunga berkesan, dalam tempoh mereka berlaku melainkan pada tahap mereka dipermodalkan dan berkaitan secara langsung dengan pengambilalihan, pembinaan atau pengeluaran aset yang sejajarannya mengambil masa yang panjang untuk dipersiapkan untuk kegunaannya yang dilanjutkan.

#### (v) Perolehan sesaham

Kumpulan membentangkan data perolehan sesaham (EPS) yang asas dan dicairkan untuk saham biasanya. Asas EPS dikira dengan membagi keuntungan atau kerugian disebabkan pemegang saham biasa Syarikat pada jumlah purata berwajaran bagi saham biasa yang terdapat sepanjang tempoh itu. EPS tercair ditentukan dengan menyelaraskan keuntungan atau kerugian disebabkan pemegang saham biasa dan jumlah purata berwajaran bagi saham biasa yang terdapat untuk semua saham biasa yang mempunyai potensi untuk dicairkan, yang merangkumi opsyen saham diberikan kepada pekerja.

## • Nota-nota kepada Penyata Kewangan (samb.)

### 2. POLISI-POLISI PERAKAUNAN PENTING (samb.)

#### (w) Laporan segmen

Segmen adalah komponen Kumpulan yang boleh dibezakan yang terlibat samada dalam memberikan produk atau perkhidmatan (segmen perniagaan), atau dalam memberikan produk atau perkhidmatan di dalam persekitaran ekonomi tertentu (segmen geografi), yang tertakluk pada risiko dan ganjaran yang berbeza di antara segmen-segemen.

### 3. HARTANAH, LOJI DAN PERALATAN

Kumpulan	Bangunan						Perabot			Jumlah RM'000
	Bangunan milik bebas RM'000	Tanah milik bebas RM'000	pajakan jangka panjang RM'000	Kenderaan bermotor RM'000	Peralatan tapak RM'000	Loji dan jentera RM'000	Peralatan pejabat RM'000	keleng- kapan RM'000		
<b>Kos/Penilaian</b>										
Pada 1 Januari 2006	1,402	3,169	2,380	3,906	627	8,928	991	223	21,626	
Tambahan	-	-	-	291	10	759	61	14	1,135	
Jualan	-	-	-	(271)	-	-	-	-	(271)	
Kesan pergerakan dalam kadar pertukaran	-	-	-	(43)	(7)	(154)	(10)	(5)	(219)	
Pada 31 Disember 2006	1,402	3,169	2,380	3,883	630	9,533	1,042	232	22,271	
<b>Mewaikili perkara pada :</b>										
Kos	-	1,741	-	3,883	630	9,533	1,042	232	17,061	
Penilaian - 2005	1,402	1,428	2,380	-	-	-	-	-	5,210	
Pada 31 Disember 2006	1,402	3,169	2,380	3,883	630	9,533	1,042	232	22,271	
<b>Susut nilai</b>										
Pada 1 Januari 2006	-	-	-	2,896	608	8,441	812	198	12,955	
Caj tahunan	56	-	52	451	16	345	85	13	1,018	
Jualan	-	-	-	(271)	-	-	-	-	(271)	
Kesan pergerakan dalam kadar pertukaran	-	-	-	(27)	(7)	(142)	(9)	(4)	(189)	
Pada 31 Disember 2006	56	-	52	3,049	617	8,644	888	207	13,513	
<b>Jumlah bawaan</b>										
Pada 1 Januari 2005	1,376	975	1,727	1,117	54	623	192	31	6,095	
Pada 31 Disember 2005	1,402	3,169	2,380	1,010	19	487	179	25	8,671	
Pada 31 Disember 2006	1,346	3,169	2,328	834	13	889	154	25	8,758	

## ● Nota-nota kepada Penyata Kewangan (samb.)

### 3. HARTANAH, LOJI DAN PERALATAN (samb.)

Syarikat

Peralatan pejabat  
RM'000

Kos

Pada 1 Januari 2006/31 Disember 2006

1

Susut nilai

Pada 1 Januari 2006/31 Disember 2006

1

Jumlah bawaan

Pada 1 Januari 2005/31 Disember 2005/31 Disember 2006

-

3.1 Hak milik bagi bangunan pajakan jangka panjang bernilai RM1,680,00 (2005 – RM2,430,000) tergantung menunggu pengeluaran hak milik kepada Kumpulan daripada pihak berkuasa yang berkaitan.

3.2 Penilaian semula - Kumpulan

Tanah dan bangunan milik bebas dan bangunan pajakan jangka panjang Kumpulan dinilai semula pada 31 Disember 2005 oleh penilai berdaftar menggunakan kaedah perbandingan.

Sekiranya tanah dan bangunan tersebut dinyatakan pada model kos, jumlah bawaan adalah seperti berikut:

	2006 RM'000	2005 RM'000
Tanah milik bebas	490	490
Bangunan milik bebas	974	999
Bangunan pajakan jangka panjang	2,172	2,221
	<b>3,636</b>	<b>3,710</b>

### 4. PEMBAYARAN PAJAKAN PRABAYAR

Faedah prabayar untuk tanah pajakan

Tanah pajakan Kumpulan  
yang tempoh luputnya  
lebih daripada 50 tahun  
RM'000

Penilaian

Pada 1 Januari 2005

-

Kesan menggunakan FRS 117

3,213

Pada 1 Januari 2005, dinyatakan semula

3,213

Susut nilai terkumpul masuk kira semula setelah dinilai semula

(161)

Lebihan penilaian

168

Pada 31 Disember 2005/31 Disember 2006

3,220

## • Nota-nota kepada Penyata Kewangan (samb.)

### 4. PEMBAYARAN PAJAKAN PRABAYAR (samb.)

	Tanah pajakan Kumpulan yang tempoh luputnya lebih daripada 50 tahun RM'000
<b>Faedah prabayar untuk tanah pajakan</b>	
Pada 1 Januari 2005	-
Kesan menggunakan FRS 117	120
	<hr/>
Pada 1 Januari 2005, dinyatakan semula	120
Pelunasan tahunan	41
Susut nilai terkumpul masuk kira semula setelah dinilai semula	(161)
	<hr/>
Pada 31 Disember 2005	-
Pelunasan tahunan	44
	<hr/>
Pada 31 Disember 2006	44
<b>Jumlah bawaan</b>	
Pada 1 Januari 2005, dinyatakan semula	3,093
	<hr/>
Pada 31 Disember 2005	3,220
	<hr/>
Pada 31 Disember 2006	3,176

Tanah pajakan jangka panjang Kumpulan dinilai semula pada 31 Disember 2005 oleh penilai berdaftar menggunakan kaedah perbandingan.

Sekiranya pajakan tersebut dinyatakan pada model kos, jumlah bawaan adalah seperti berikut:

	2006 RM'000	2005 RM'000
Tanah pajakan jangka panjang	1,952	1,977

### 5. TANAH DIPEGANG UNTUK PEMBANGUNAN

	Kumpulan	
	2006 RM'000	2005 RM'000
<b>Kos</b>		
Pada 1 Januari	7,323	1,800
Pembaikan/Tambahan	24	5,523
	<hr/>	<hr/>
Pada 31 Disember	7,347	7,323

## ● Nota-nota kepada Penyata Kewangan (samb.)

### 6. HARTANAH PELABURAN

<b>Kos</b>	<b>Kumpulan</b>	
	<b>2006</b> <b>RM'000</b>	<b>2005</b> <b>RM'000</b>
Pada 1 Januari	9,028	-
Pembaikan/Tambahan	149	9,028
 Pada 31 Disember	 9,177	 9,028
 Termasuk di atas adalah:		
Bangunan	9,177	9,028

### 7. PELABURAN DALAM SUBSIDIARI

	<b>Syarikat</b>	
	<b>2006</b> <b>RM'000</b>	<b>2005</b> <b>RM'000</b>
Saham tidak disebut harga - pada kos	13,333	13,333

Subsidiari-subsidiari Syarikat adalah seperti berikut:

<b>Subsidiari</b>	<b>Aktiviti utama</b>	<b>Kepentingan pemilikan utama (%)</b>	
		<b>2006</b>	<b>2005</b>
Ken Grouting Sdn. Bhd.	Perkhidmatan kejuruteraan pakar, kontrak serah kunci, pembinaan kerja kejuruteraan awam	100	100
Ken Projects Sdn. Bhd.	Pegangan pelaburan	100	100
Ken Property Sdn. Bhd.	Pegangan dalam pelaburan harta tanah dan pemaju perumahan	100	100
Support Capital Sdn. Bhd.	Pegangan pelaburan	100	100
<b>Subsidiari Support Capital Sdn. Bhd. adalah:</b>			
Kenly (HK) Ltd. †	Pembinaan dan kejuruteraan awam	79.4	73.6
<b>Subsidiari-subsidiari Ken Grouting Sdn. Bhd. adalah:</b>			
Ken-Chec Sdn. Bhd.	Tambakan tanah, kejuruteraan awam, korekan dan marin	100	100
Success Goal Asia Ltd. †	Tidak aktif	-	100
<b>Subsidiari-subsidiari Ken Projects Sdn. Bhd. adalah:</b>			
Khidmat Tulin Sdn. Bhd.	Kontraktor dan pemaju perumahan	100	100
T.B.S. Management Sdn. Bhd.	Perkhidmatan pengurusan harta tanah	100	100
Ken Rimba Jaya Sdn. Bhd.	Pembangunan harta tanah dan pegangan pelaburan	100	100
<b>Subsidiari-subsidiari Ken Property Sdn. Bhd. adalah:</b>			
Ken Link Sdn. Bhd.	Pembangunan harta tanah dan pegangan pelaburan	100	100
KD Management Sdn. Bhd.	Perkhidmatan pengurusan harta tanah	-	100
Aunyang Holdings Sdn. Bhd.	Pegangan pelaburan	100	100

## • Nota-nota kepada Penyata Kewangan (samb.)

### 7. PELABURAN DALAM SUBSIDIARI (samb.)

Subsidiari	Aktiviti utama	Kepentingan pemilikan utama (%)	
		2006	2005
<b>Subsidiari Aunyang Holdings Sdn. Bhd. adalah:</b>			
Jewel Estate Sdn. Bhd.	Perkhidmatan pengurusan harta tanah	100	-
<b>Subsidiari Kenly (HK) Ltd. adalah:</b>			
Kenly Engineering Ltd. †	Pembinaan dan kejuruteraan awam	100	100

† Diaudit oleh firma juruaudit lain

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

### 8. PELABURAN LAIN

	Kumpulan	
	2006 RM'000	2005 RM'000
Pada kos		
Saham disebut harga di Malaysia	120	120
Tolak: Peruntukan bagi kesusutan dalam nilai	(114)	(108)
	6	12
Saham tidak disebut harga	20	20
	26	32
Nilai pasaran:		
Saham disebut harga di Malaysia	12	6

### 9. ASET TAK KETARA

	Kumpulan	
	2006 RM'000	2005 RM'000
<b>Muhibah</b>		
<b>Kos</b>		
Pada 1 Januari/31 Disember	4,629	4,629
<b>Pelunasan</b>		
Pada 1 Januari	4,091	3,820
Pelunasan tahunan	-	271
Pada 31 Disember 2006	4,091	4,091
<b>Jumlah bawaan</b>	<b>538</b>	<b>538</b>

● **Nota-nota kepada Penyata Kewangan** (samb.)

**10. MUHIBAH NEGATIF**

	Kumpulan	
	2006 RM'000	2005 RM'000
<b>Kos</b>		
Pada 1 Januari/31 Disember	664	664
<b>Pelunasan</b>		
Pada 1 Januari	446	446
Kesan menggunakan FRS 3	218	-
Pada 31 Disember	664	446
<b>Jumlah bawaan</b>	-	218

**11. KOS PEMBANGUNAN HARTANAH**

	Kumpulan	
	2006 RM'000	2005 RM'000
<b>Pada 1 Januari</b>		
Tanah	39,913	57,846
Kos pembangunan	38,161	60,942
Kos terkumpul dicajkan ke penyata pendapatan	(23,704)	(67,565)
	<b>54,370</b>	51,223
Bangunan milik bebas dibeli sepanjang tahun	-	6,001
Kos pembangunan sepanjang tahun	32,624	24,921
	<b>86,994</b>	82,145
Kos dicajkan ke penyata pendapatan	(31,093)	(23,170)
Kos dipindahkan ke inventori	-	(4,605)
	<b>55,901</b>	54,370
<b>Pada 31 Disember</b>		
Tanah	39,913	39,913
Kos pembangunan	70,785	38,161
Kos terkumpul dicajkan ke penyata pendapatan	(54,797)	(23,704)
	<b>55,901</b>	54,370

Tambahan kepada kos pembangunan sepanjang tahun ini termasuk kos pekerja berjumlah RM106,000 (2005 – RM99,000).

## • Nota-nota kepada Penyata Kewangan (samb.)

### 12. PENERIMAAN, DEPOSIT DAN PRABAYARAN

	Kumpulan		Syarikat	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
<b>Dagangan</b>				
Penerimaan dagangan	<b>23,410</b>	25,920	-	-
Jumlah tertahan	<b>2,909</b>	4,504	-	-
	<b>26,319</b>	30,424	-	-
Tolak: Peruntukan hutang rugu	<b>(14,149)</b>	(12,223)	-	-
	<b>12,170</b>	18,201	-	-
Kerja pembinaan dalam progres	<b>3,808</b>	2,179	-	-
Penerimaan bil progres	<b>4,799</b>	-	-	-
<b>Bukan-dagangan</b>				
Penerimaan, deposit dan Prabayaran lain	<b>2,231</b>	3,610	<b>19</b>	17
	<b>23,008</b>	23,990	<b>19</b>	17

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

	Kumpulan		Syarikat	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Ringgit Malaysia	<b>8,200</b>	10,213	-	-
Hong Kong Dollar	<b>18,119</b>	20,211	-	-
	<b>26,319</b>	30,424	-	-

12.2 Hutang lapuk yang dihapuskira terhadap peruntukan bagi hutang rugu sepanjang tahun berjumlah RM1,088,000 (2005 – RM1,513,000).

12.3 Pembinaan dalam progres

	Kumpulan	
	2006 RM'000	2005 RM'000
Kos agregat dibelanja sehingga kini	<b>57,501</b>	38,218
Tambah: Keuntungan boleh diagih	<b>(6,551)</b>	908
	<b>50,950</b>	39,126
Tolak: Bil progres	<b>(47,142)</b>	(36,947)
	<b>3,808</b>	2,179
Tambahan pada kos agregat dibelanja sepanjang tahun termasuk:		
Kos pekerja	<b>3,268</b>	3,357
Sewaan loji dan jentera	<b>238</b>	756

## ● Nota-nota kepada Penyata Kewangan (samb.)

### 12. PENERIMAAN, DEPOSIT DAN PRABAYARAN (samb.)

12.4 Anggaran ketidakpastian dan pertimbangan kritikal

Kumpulan menyediakan anggaran hasil dan kos bajet untuk projek pembinaan dan pembangunan harta tanahnya berdasarkan pada andaian-andaan berikut:

- Hasil daripada projek pembangunan harta tanah telah diunjurkan berdasarkan pada harga anggaran jualan pasaran unit tersebut;
- Hasil daripada kontrak pembinaan telah diunjurkan berdasarkan jumlah kontrak dan sebarang variasi hanya akan diiktiraf apabila ada kemungkinan terdapat kelulusan daripada pelanggan bila jumlah hasil boleh diukur dengan pasti;
- Kos pembangunan harta tanah telah diunjurkan berdasarkan pada kos pembinaan semasa dan kos-kos tersebut disemak secara berterusan;
- Kos pembinaan telah diunjurkan berdasarkan pada kos bahan, buruh dan sewaan jentera semasa dan kos-kos tersebut disemak secara berterusan;

Sebarang penyemakan ke atas anggaran perakaunan diiktiraf pada tempoh di mana anggaran itu disemak dan pada tempoh masa akan datang yang terlibat.

### 13. JUMLAH TERHUTANG DARI/(KEPADA) SUBSIDIARI-SUBSIDIARI

	Syarikat	
	2006 RM'000	2005 RM'000
Jumlah ter hutang daripada subsidiari-subsidiari		
- Bukan dagangan	81,551	79,403
Jumlah ter hutang kepada subsidiari-subsidiari		
- Bukan dagangan	-	3

13.1 Jumlah ter hutang dari/(kepada) subsidiari-subsidiari adalah tidak bercagar, tanpa faedah dan tiada tempoh pembayaran balik yang tetap.

13.2 Termasuk dalam jumlah ter hutang daripada subsidiari-subsidiari adalah dividen belum diterima daripada subsidiari-subsidiari yang berjmlah RM2,880,036 (2005 - RM3,348,000).

### 14. TUNAI DAN BERSAMAAN TUNAI

	Kumpulan		Syarikat	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Baki tunai dan bank	16,482	5,727	86	79
Deposit di bank berlesen:				
- tidak dicagar	6,633	16,739	452	860
- dicagar	4,780	4,653	4,379	4,253
	27,895	27,119	4,917	5,192

14.1 Termasuk dalam baki tunai dan bank Kumpulan adalah RM14,906,000 (2005 - RM1,442,000) yang disimpan menurut Peraturan Pembangunan Perumahan (Akaun Pembangunan Perumahan) 1991.

## • Nota-nota kepada Penyata Kewangan (samb.)

### 14. TUNAI DAN BERSAMAAN TUNAI (samb.)

14.2 Deposit Kumpulan dan Syarikat dicagarkan kepada bank berlesen untuk kemudahan overdraf bank dan jaminan bank ke atas kemudahan jaminan bank yang diberikan kepada syarikat-syarikat subsidiari.

### 15. PEMBAYARAN DAN AKRUAN

	Kumpulan		Syarikat	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
<b>Dagangan</b>				
Pembayaran dagangan	18,807	14,740	-	-
Bil progres	2,489	4,884	-	-
<b>Bukan dagangan</b>				
Pembayaran dan akruan lain	5,393	6,711	554	404
Jumlah terhutang kepada Pengarah	326	246	222	137
	<b>27,015</b>	<b>26,581</b>	<b>776</b>	<b>541</b>

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

	Kumpulan		Syarikat	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Ringgit Malaysia	12,225	9,572	-	-
Hong Kong Dollar	6,582	5,168	-	-
	<b>18,807</b>	<b>14,740</b>	<b>-</b>	<b>-</b>

15.2 Termasuk dalam pembayaran dagangan Kumpulan adalah jumlah belum bayar tertahan yang berjumlah RM3,678,000 (2005 - RM3,139,000).

15.3 Jumlah terhutang kepada para Pengarah tidak dicagarkan, tanpa faedah dan tiada tempoh pembayaran balik yang tetap.

### 16. PINJAMAN

	Kumpulan	
	2006 RM'000	2005 RM'000
<b>Semasa</b>		
Kredit pusingan - tidak bercagar	3,523	3,905
Overdraft bank - bercagar	3,233	2,972
Liabiliti pajakan kewangan	-	91
	<b>6,756</b>	<b>6,968</b>
<b>Bukan semasa</b>		
Pinjaman daripada pemegang saham minoriti	197	212

## ● Nota-nota kepada Penyata Kewangan (samb.)

### 16. PINJAMAN (samb.)

#### Terma dan jadual pembayaran balik hutang

Kredit pusingan dikenakan faedah sebanyak 10.00% (2005 - 9.75%) dan disokong oleh jaminan korporat yang dikeluarkan oleh Syarikat. Overdraft bank dikenakan faedah sebanyak 9.7% (2005 - 9.5%) 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 berikutnya.

Liabiliti-liabiliti kewangan dibayar seperti berikut:

Kumpulan	Pembayaran 2006 RM'000	Faedah 2006 RM'000	Pokok 2006 RM'000	Pembayaran 2005 RM'000	Faedah 2005 RM'000	Pokok 2005 RM'000
Kurang daripada satu tahun	-	-	-	95	4	91

### 17. MODAL SAHAM

	Kumpulan	dan Syarikat
	2006	2005
	RM'000	RM'000
Saham biasa bernilai RM1.00 sesaham		
Dibenarkan		
Pada 1 Januari	300,000	100,000
Diterbitkan dalam tahun kewangan	-	200,000
 Pada 31 Disember	 300,000	 300,000
 Diterbitkan dan dibayar penuh:	 90,285	 60,180
Pada 1 Januari	-	30,095
Terbitan bonus	-	10
Saham diterbit di bawah skim opsyen saham pekerja		
 Pada 31 Disember	 90,285	 90,285

Pemegang saham biasa layak menerima dividen seperti yang diumumkan dari masa ke semasa dan layak kepada satu undi setiap saham semasa menghadiri mesyuarat Syarikat. Semua saham mempunyai taraf yang sama dengan aset sisa Syarikat.

Pada Mesyuarat Agung Luar Biasa yang diadakan pada 19 Mei 2005, para pemegang saham Syarikat telah meluluskan terbitan saham sebanyak 30,095,000 saham biasa baru pada harga RM1.00 sesaham dan dikreditkan sebagai saham biasa dibayar penuh berdasarkan 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 diperuntukkan pada 8 Julai 2005 dan dikreditkan sebagai saham biasa dibayar penuh dengan mempermodalkan sebanyak RM242,000 dan RM29,853 daripada akaun saham premium Syarikat dan akaun keuntungan tertahan masing-masing.

## • Nota-nota kepada Penyata Kewangan (samb.)

### 18. RIZAB

#### 18.1 Rizab penilaian semula harta tanah (Tidak boleh diagih)

Rizab penilaian semula harta tanah mewakili lebihan yang timbul daripada penilaian semula tanah dan bangunan milik bebas Kumpulan dan tanah dan bangunan pajakan jangka panjang.

#### 18.2 Rizab pertukaran mata wang (Tidak boleh diagih)

Rizab pertukaran mata wang terdiri daripada perbezaan semua mata wang asing yang timbul daripada penukaran penyata kewangan operasi asing dan juga daripada penukaran liabiliti melindungi pelaburan bersih Syarikat dalam subsidiari asing.

#### 18.3 Keuntungan tertahan (Boleh diagih)

Tertakluk pada 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.

### 19. 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 kemerosotan muhibah, jika ada, yang dicaj kepada pemegang saham minoriti.

### 20. CUKAI TERTUNDA

Jumlah ini, ditentukan selepas imbalan yang sewajarnya, seperti berikut:

	Kumpulan		Syarikat	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Aset cukai tertunda	(1,878)	(1,070)	(130)	(54)
Liabiliti cukai tertunda	7,196	6,335	1,120	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	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Harta tanah, loji dan peralatan				
- Elaun modal	87	87	-	-
- Penilaian semula	700	717	-	-
Kos pembangunan harta tanah	5,849	6,110	-	-
Elaun modal tidak serap	(6)	(6)	-	-
Kerugian cukai belum digunakan	(361)	(361)	-	-
Peruntukan	(190)	(114)	(130)	(54)
Perbezaan sementara deduktibel	(761)	(1,168)	1,120	1,302
	5,318	5,265	990	1,248

## ● Nota-nota kepada Penyata Kewangan (samb.)

### 20. CUKAI TERTUNDA (samb.)

Aset cukai tertunda tidak diiktirafkan untuk perkara-perkara berikut:

	Kumpulan		Syarikat	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Perbezaan sementara deduktibel	(166)	(176)	-	-
Elaun modal tidak serap	-	12	-	-
Kerugian cukai belum digunakan	18,119	7,042	-	-
	17,953	6,878	-	-

Perbezaan sementara deduktibel, elauan modal belum diserap dan kerugian cukai sebelum digunakan tidak 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.

### 21. GANJARAN PEKERJA

#### Pembayaran berdasarkan saham

Pada 30 Jun 2000, pemegang saham telah meluluskan Skim Opsyen Saham Pekerja (ESOS) yang membolehkan semua perkerja yang layak membeli saham Syarikat. Pada 4 Jun 2003, satu opsyen telah ditawarkan kepada pekerja. Bertepatan dengan ESOS, opsyen telah dilaksanakan pada harga tawaran RM1.00.

Seperti yang dibenarkan oleh peruntukan peralihan dalam FRS 2, prinsip pengiktirafan dan pengukuran dalam FRS 2 belum digunakan kerana ini diberikan sebelum tarikh berkuatkuasa FRS 2.

	Syarikat	
	2006 RM'000	2005 RM'000
Tunggakan pada 1 Januari	4,109	4,478
Terbitan	2,122	-
Dilaksana	-	(10)
Lupus	(42)	(359)
Tunggakan pada 31 Disember	6,189	4,109

Butiran opsyen saham yang diberikan sepanjang tahun 2005

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

Terma-terma opsyen tertunggak pada 31 Disember

Tarikh tamat tempoh	Harga laksana RM	Bilangan '000
4 Jun 2008	1.00	6,189

## • Nota-nota kepada Penyata Kewangan (samb.)

### 22. KEUNTUNGAN OPERASI

	Kumpulan		Syarikat	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
<b>Keuntungan operasi diperolehi selepas dicaj:</b>				
Peruntukan untuk kesusutan dalam nilai bagi lain-lain pelaburan	6	-	-	-
Peruntukan untuk hutang ragu	3,016	2,640	-	-
Pelunasan untuk aset tak ketara	-	271	-	-
Pelunasan untuk sewa pajakan prabayar	44	41	-	-
Ganjaran juruaudit Juruaudit Syarikat - tahun semasa	70	69	15	13
- peruntukan terkurang dalam tahun sebelumnya	1	3	1	-
Juruaudit lain	34	24	-	-
Susut nilai	1,018	968	-	-
Perbelanjaan Faedah untuk:				
- Overdraff bank	288	208	-	-
- Faedah pinjaman	299	33	-	-
- Pajakan kewangan	-	12	-	-
Hartanah, loji dan peralatan dihapuskira	-	8	-	-
Perbelanjaan pekerja (termasuk pekerja utama pengurusan)				
- Sumbangan KWSP	651	607	-	-
- Gaji dan lain-lain	10,611	10,018	122	132
Sewa premis	214	219	-	-
<b>dan selepas dikredit:</b>				
Pendapatan dividen dari subsidiari	-	-	6,654	6,654
Keuntungan daripada penjualan hartanah, loji dan peralatan	76	40	-	-
Pendapatan faedah daripada:				
- deposit tetap	451	754	162	397
- Akaun Pembangunan Perumahan	81	24	-	-
- Lain-lain	26	57	-	-
Sewa harta tanah	651	656	-	-
Pembalikan peruntukan hutang ragu	2	15	-	-

## ● Nota-nota kepada Penyata Kewangan (samb.)

### 23. GANJARAN PEKERJA PENGURUSAN UTAMA

Ganjaran untuk pekerja pengurusan utama adalah seperti berikut:

	Kumpulan		Syarikat	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Pengarah:				
- Yuran	90	80	90	80
- Ganjaran	1,525	1,370	32	52
- Lain-lain ganjaran jangka pendek untuk pekerja (termasuk anggaran nilai monetari berupa ganjaran)	70	54	-	-
Jumlah	1,685	1,504	122	132

### 24. PERBELANJAAN CUKAI

Diiktiraf dalam penyata pendapatan

	Kumpulan		Syarikat	
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000
Perbelanjaan cukai semasa Malaysia - tahun semasa	7,024	4,119	2,031	2,052
- tahun lalu	125	(20)	6	4
	7,149	4,099	2,037	2,056
Perbelanjaan cukai tertunda Malaysia - tahun semasa	(952)	(669)	(76)	(22)
- tahun lalu	(117)	-	-	-
	6,080	3,430	1,961	2,034

Penyesuaian perbelanjaan cukai efekif

Keuntungan sebelum cukai	9,947	7,909	6,919	7,150
Cukai mengikut kadar cukai Malaysia	2,622	2,044	1,937	2,002
Perbelanjaan tidak deduktibel	208	149	18	28
Kesan perbezaan kadar cukai atas jurisdiksi asing	1,305	490	-	-
Kesan aset cukai tertunda tidak diiktiraf dalam tahun semasa	1,938	778	-	-
Perubahan dalam perbezaan sementara tidak diiktiraf	(1)	(11)	-	-
	6,072	3,450	1,955	2,030
Terkurang/(Terlebih) peruntukan dalam tahun-tahun sebelumnya	8	(20)	6	4
Perbelanjaan cukai	6,080	3,430	1,961	2,034

## • Nota-nota kepada Penyata Kewangan (samb.)

### 25. PENDAPATAN SESAHAM BIASA - KUMPULAN

#### Pendapatan atas sesaham biasa

Pengiraan pendapatan atas sesaham biasa berdasarkan keuntungan bersih yang boleh diagih kepada pemegang-pemegang saham biasa dan bilangan purata berwajaran saham biasa adalah seperti berikut:

#### Keuntungan boleh diagih kepada pemegang saham biasa

	2006 RM'000	2005 RM'000
Keuntungan bagi tahun semasa	4,073	6,462

	2006 '000	2005 '000
<b>Bilangan purata berwajaran saham biasa</b>		
Terbitan saham pada awal tahun	90,285	60,180
Kesan terbitan bonus	-	30,093
Kesan opsyen dilaksana	-	6
<b>Bilangan purata berwajaran saham biasa pada akhir tahun</b>	<b>90,285</b>	<b>90,279</b>

#### Pendapatan dicairkan sesaham

Kesan terhadap pendapatan atas sesaham yang timbul daripada anggapan perlaksanaan ESOS adalah anti-pencairan dalam tahun 2006 dan 2005. Oleh itu, pendapatan dicairkan sesaham tidak diumumkan pada tahun 2006 dan 2005.

### 26. DIVIDEN

Dividen diiktiraf oleh Syarikat dalam tahun semasa adalah:

	Sen sesaham	Jumlah RM'000	Tarikh pembayaran
<b>2006</b>			
Akhir 2005	5.0	3,250	21 Jun 2006
<b>2005</b>			
Akhir 2004	5.0	2,167	1 Jun 2005

Selepas tarikh lembaran imbangan, dividen yang berikut telah dicadangkan oleh para Pengarah. Dividen-dividen ini akan diiktiraf dalam laporan kewangan subsekuensi apabila diluluskan oleh pemegang-pemegang saham.

	Sen sesaham	Jumlah RM'000
Terakhir biasa	5.0	3,250

## • Nota-nota kepada Penyata Kewangan (samb.)

### 27. LAPORAN SEGMENT

Maklumat segmen dinyatakan daripada segi perniagaan dan geografi Kumpulan. Format utama, segmen perniagaan, adalah berdasarkan pada struktur perniagaan dan laporan dalaman Kumpulan.

Keputusan segmen, aset dan liabiliti termasuk butir-butir yang berhubung secara langsung kepada sesuatu segmen dan 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 sepanjang tahun untuk membeli harta tanah, loji dan peralatan dan aset tak ketara selain daripada muhibah.

#### *Segmen perniagaan*

Kumpulan terdiri daripada segmen-segmen perniagaan utama seperti berikut:

Pembinaan Perkhidmatan kejuruteraan pakar, kontraktor serah kunci, kerja kejuruteraan pembinaan awam, tambakan tanah, pengorekan, kejuruteraan laut dan awam.

Pembangunan harta tanah Pembangunan harta tanah perumahan dan komersil

#### *Segmen geografi*

Segmen pembinaan diurus dalam dua kawasan geografi utama, iaitu Malaysia dan Hong Kong. Segmen pembangunan harta tanah beroperasi di Malaysia sahaja.

Dalam membentangkan maklumat berdasarkan segmen geografi, hasil segmen adalah berdasarkan kepada lokasi geografi pelanggan. Aset segmen adalah berdasarkan pada lokasi geografi aset tersebut.

## • Nota-nota kepada Penyata Kewangan (samb.)

### 27. LAPORAN SEGMEN (samb.)

Kumpulan	Pembinaan		Pembangunan		Hartanah		Penghapusan		Penyatuan	
	2006 RM'000	2005 RM'000								
<b>Segmen Perniagaan</b>										
Jumlah hasil luaran	17,415	20,628	58,062	42,724	-	-	75,477	63,352		
Hasil antara segmen	43,850	25,987	144	144	(43,994)	(26,131)	-	-		
Jumlah hasil segmen	61,265	46,615	58,206	42,868	(43,994)	(26,131)	75,477	63,352		
Keputusan segmen	(4,212)	(2,700)	17,206	12,508	(2,499)	(2,094)	10,495	7,714		
Perbelanjaan tidak diagihkan							(519)	(392)		
Pendapatan faedah							558	840		
Keuntungan operasi							10,534	8,162		
Kos kewangan							(587)	(253)		
Keuntungan sebelum cukai							9,947	7,909		
Perbelanjaan cukai							(6,080)	(3,430)		
Kepentingan minoriti							206	1,983		
<b>Keuntungan untuk tahun</b>							4,073	6,462		

● **Nota-nota kepada Penyata Kewangan** (samb.)

**27. LAPORAN SEGMENT** (samb.)

Kumpulan	Pembinaan		Pembangunan		Hartanah		Penghapusan		Penyatuan	
	2006 RM'000	2005 RM'000								
Aset segmen	<b>47,518</b>	52,303	<b>119,486</b>	99,261	(30,085)	(15,993)	<b>136,919</b>	135,571		
Aset tidak diagihkan							<b>8,665</b>	7,436		
Jumlah aset							<b>145,584</b>	143,007		
Liabiliti segmen	<b>33,672</b>	30,859	<b>30,089</b>	27,990	(27,895)	(22,285)	<b>35,866</b>	36,564		
Liabiliti tidak diagihkan							<b>7,247</b>	4,745		
Jumlah liabiliti							<b>43,113</b>	41,309		
Perbelanjaan modal	<b>1,102</b>	462	<b>35</b>	1,881	-	-	<b>1,137</b>	2,343		
Susut nilai dan pelunasan	<b>912</b>	884	<b>154</b>	396	-	-	<b>1,066</b>	1,280		
Perbelanjaan bukan tunai selain daripada susut nilai dan pelunasan	<b>3,022</b>	2,635	-	4	-	-	<b>3,022</b>	2,639		
<i>Segmen geografi</i>	Malaysia		Hong Kong		Penghapusan		Penyatuan		2006 RM'000	2005 RM'000
	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000	2006 RM'000	2005 RM'000		
Hasil daripada pelanggan luaran mengikut lokasi pelanggan	<b>58,412</b>	42,520	<b>17,065</b>	20,832	-	-	<b>75,477</b>	63,352		
Aset segmen mengikut lokasi aset	<b>132,283</b>	119,601	<b>4,636</b>	15,970	-	-	<b>136,919</b>	135,571		
Perbelanjaan modal mengikut lokasi aset	<b>1,135</b>	2,289	<b>2</b>	54	-	-	<b>1,137</b>	2,343		

## • Nota-nota kepada Penyata Kewangan (samb.)

### 28. KONTINGENSI

28.1 Jaminan korporat - tidak bercagar

	Kumpulan 2006 RM'000	Kumpulan 2005 RM'000	Syarikat 2006 RM'000	Syarikat 2005 RM'000
Jaminan diberi kepada institusi kewangan untuk kemudahan kredit yang diberikan kepada subsidiari-subsidiari	-	-	25,030	28,895
Jaminan diberi kepada pihak Ketiga untuk kemudahan kredit yang diberikan kepada subsidiari-subsidiari untuk pembelian bahan-bahan/ perkhidmatan	-	-	6,060	2,600
	-	-	31,090	31,495

28.2 Litigasi (tidak bercagar)

Satu syarikat subsidiari telah mengambil tindakan guaman terhadap satu penghutang bagi hutang tertunggak sebanyak RM14.4 juta (2005 - RM14.4 juta) berhubung dengan pelbagai kerja kontrak. Satu peruntukan bagi hutang rugu sebanyak RM14.4 juta (2005 - RM11.2 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.

### 29. PIHAK BERKAITAN

#### Identiti pihak berkaitan

Untuk tujuan penyata-penyata kewangan ini, pihak dianggap mempunyai kaitan dengan Kumpulan jika Kumpulan mempunyai kemampuan, samada secara langsung atau tidak langsung, untuk mengawal pihak dan melaksanakan pengaruh yang besar ke atas pihak tersebut dalam membuat keputusan kewangan dan operasi, begitu juga sebaliknya, atau apabila Kumpulan dan pihak itu tertakluk pada pengaruh bersama yang besar.

Kumpulan mempunyai hubungan pihak berkait dengan subsidiari, para Pengarah dan pekerja pengurusan utamanya.

Dari masa ke semasa, para Pengarah Kumpulan, atau entiti berkait mereka, boleh membeli barang atau perkhidmatan daripada Kumpulan. Pembelian-pembelian ini adalah pada termasuk dan peraturan yang sama seperti yang dikenakan ke atas lain-lain pekerja Kumpulan atau pelanggan-pelanggan.

#### Urus niaga dengan pekerja pengurusan utama

Ganjaran untuk pekerja pengurusan utama dicatatkan dalam nota 23.

## ● Nota-nota kepada Penyata Kewangan (samb.)

### 29. PIHAK BERKAITAN (samb.)

#### Urusniaga dengan para Pengarah selain daripada pampasan

Nilai urusniaga yang berkaitan dengan para Pengarah adalah seperti berikut:

Kumpulan	Pengarah	Urus niaga	Nilai urus niaga untuk tahun berakhir 31 Disember	
			2006 RM'000	2005 RM'000
	Tang Kam Chee	Pembelian harta tanah daripada Ken Property Sdn. Bhd., subsidiari Diskaun diterima melalui insentif biasa pekerja	385	-
			(39)	-
			346	-
	Tan Boon Kang	Sewa harta tanah dibayar oleh Ken Grouting Sdn. Bhd., subsidiari, kepada Kenkat Realty Sdn. Bhd.	12	12

#### Lain-lain urusniaga pihak berkait

Syarikat	Subsidiari	Penerimaan yuran pengurusan	Nilai urus niaga untuk tahun berakhir 31 Disember	
			2006 RM'000	2005 RM'000
	- Ken Property Sdn. Bhd.	(420)	(240)	
	- Ken Projects Sdn. Bhd.	(120)	(120)	
	- Ken Grouting Sdn. Bhd.	(120)	(120)	
		(660)	(480)	

Semua baki tertunggak dengan pihak berkait ini dihargakan berdasarkan dasar selangan. Tiada di antara baki-baki ini yang tercagar.

### 30. PERISTIWA-PERISTIWA PENTING

- i) Pada bulan Januari 2006, syarikat subsidiari, Support Capital Sdn. Bhd., melanggan terbitan hak yang dilepaskan berjumlah 1,654,232 saham biasa pada harga HK\$1.00 sesaham dalam Kenly (HK) Ltd. setelah pemegang saham minoriti tidak melanggan kelayakan mereka menurut terbitan hak berjumlah 3,900,000 saham biasa pada harga HK\$1.00 sesaham dalam Kenly. Syarikat, sebelumnya, telah melanggan kelayakannya berjumlah 2,245,768 saham berharga HK\$1.00 sesaham dalam Kenly pada bulan Disember 2005.

Setelah pelanggan saham terbitan hak yang dilepaskan, pemegangan saham Syarikat meningkat kepada 79.4%.

## • Nota-nota kepada Penyata Kewangan (samb.)

### 30. PERISTIWA-PERISTIWA PENTING (samb.)

- ii) Dalam bulan Mei 2006, syarikat subsidiari, Aunyang Holdings Sdn. Bhd., mengambilalih dua (2) saham berharga RM1.00 sesaham mewakili 100% kepentingan ekuiti dalam Jewel Estate Sdn. Bhd. untuk pertimbangan tunai bernilai RM2.00.
- iii) Dalam bulan Mei 2006, syarikat subsidiari, Ken Property Sdn. Bhd., menjual dua (2) saham biasa berharga RM1.00 sesaham mewakili 100% kepentingan ekuiti dalam KD Management Sdn. Bhd. untuk pertimbangan tunai bernilai RM1.00.
- iv) Dalam bulan Ogos 2006, permohonan telah dibuat untuk mengeluarkan subsidiari, Success Goal Asia Limited daripada Register of the Hong Kong Companies Registry.

### 31. PERISTIWA LAIN

Dalam bulan Februari 2007, subsidiari, Aunyang Holdings Sdn. Bhd., menandatangani Perjanjian Jual Beli untuk mengambilalih dua keping tanah untuk pertimbangan tunai bernilai RM15,800,000.00.

### 32. PENGAMBILALIHAN SUBSIDIARI

#### Kombinasi perniagaan

Pada 19 Mei 2006, Kumpulan telah menjual 2 saham biasa bernilai RM1.00 mewakili 100% kepentingan ekuiti dalam KD Management Sdn. Bhd. untuk pertimbangan tunai bernilai RM1.00.

Pada 20 Mei 2006, Kumpulan membeli 2 saham biasa bernilai RM1.00 sesaham dalam Jewel Estate Sdn. Bhd., mewakili keseluruhan modal dibayar. Selama tujuh bulan, hingga 31 Disember 2006, subsidiari itu telah menyumbang keuntungan sebanyak RM1,000.

Pada bulan Ogos 2006, Kumpulan telah membuat permohonan untuk mengeluarkan subsidiari, Success Goal Asia Limited (“SGAL”) daripada Register of the Hong Kong Companies Registry.

Pengambilalihan itu tidak mempunyai kesan kewangan yang besar pada aset dan liabiliti Kumpulan, kerana subsidiari tersebut adalah separa-dormant dan mengendalikan perkhidmatan pengurusan hartanah.

### 33. INSTRUMEN KEWANGAN

Pendedahan kepada mata wang asing, risiko kredit dan liabiliti timbul dalam urusan perniagaan biasa.

#### 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 untuk subsidiari yang beroperasi di luar negara dengan memadankan hasil mata wang tempatan dengan kos mata wang tempatan.

## ● Nota-nota kepada Penyata Kewangan (samb.)

### 33. INSTRUMEN KEWANGAN (samb.)

#### Risiko kredit

Pihak pengurusan mempunyai satu polisi kredit dan pendedahan kepada risiko kredit diawasi secara berterusan.

Pendedahan maksimum kepada risiko kredit diwakili oleh jumlah dibawa setiap aset kewangan dalam lembaran imbangan.

Pada tarikh lembaran imbangan, Kumpulan mempunyai satu penumpuan ketara risiko kredit dalam bentuk penerimaan dagangan daripada satu pelanggan yang mewakili RM14.4 juta (2005 – RM14.4 juta), di mana Kumpulan telah memperuntukkan hutang rugu sebanyak RM14.4 juta (2005 – RM11.2 juta) untuk dagangan belum terima ini. Tindakan undang-undang telah diambil untuk memulihkan semua hutang dagangan ini. Seperti yang dinyatakan dalam nota 28.2 pada penyata-penyata kewangan, para Pengarah berdasarkan nasihat peguam-peguam, berpendapat bahwa subsidiari mempunyai satu tuntutan yang baik terhadap penghutang ini.

#### Kadar faedah berkesan

Berhubung dengan aset kewangan yang mendatangkan faedah, jadual berikut menunjukkan kadar faedah purata mereka pada tarikh lembaran imbangan.

#### Instrumen kadar tetap

	Nota	2006		2005	
		Purata kadar berkesan %	Jumlah RM	Purata kadar berkesan %	Jumlah RM
<b>Kumpulan</b>					
Deposit	14	3.10	11,413,000	2.67	21,392,000
<b>Syarikat</b>					
Deposits	14	3.11	4,831,000	2.66	5,113,000

#### Risiko kecairan

Kumpulan menguruskan dan mengekalkan satu paras tunai dan bersamaan tunai supaya dapat memastikan kesemua kehendak pendanaan dicapai. Sebagai sebahagian daripada pengurusan kecairan, kumpulan mengekalkan paras tunai untuk memenuhi kehendak modal kerjanya di mana dana yang tidak digunakan diletakkan di dalam deposit tetap dengan instrumen kewangan berdaftar yang diluluskan.

#### Nilai saksama

Jumlah dibawa tunai dan bersamaan tunai, penerimaan, deposit dan prabayaran, pembayaran dan akruan menganggarkan nilai saksama mereka disebabkan oleh sifat jangka pendek instrumen-instrumen kewangan ini.

## • Nota-nota kepada Penyata Kewangan (samb.)

### 34. PERUBAHAN DALAM POLISI PERAKAUNAN

Polisi perakaunan yang dinyatakan dalam nota 2 telah digunakan dalam persediaan penyata kewangan untuk tahun berakhir 31 Disember 2006.

Pertukaran dalam polisi perakaunan timbul daripada penggunaan FRS 101: *Presentation of Financial Statements*, FRS 3: *Business Combinations*, FRS 117: *Leases*, FRS 136 *Impairment of Assets* and FRS 138: *Intangible Assets*.

Kesan utama perubahan-perubahan dalam polisi perakaunan ini akibat daripada penggunaan FRS yang baru/dipinda dibincangkan di bawah:

#### (a) FRS 101: *Presentation of Financial Statements*

Penggunaan FRS 101 yang telah dipinda telah memberi kesan ke atas penyampaian kepentingan minoriti. Kepentingan minoriti kini diwakili di dalam jumlah ekuiti dalam lembaran imbangan disatukan dan sebagai peruntukan daripada keuntungan bersih bagi tempoh yang dinyatakan dalam penyata pendapatan disatukan. Pergerakan kepentingan minoriti kini dibentangkan dalam penyata perubahan ekuiti disatukan.

Pembentangan jumlah yang dibandingkan dalam penyata kewangan Kumpulan telah dinyatakan semula untuk mematuhi pembentangan tempoh semasa.

#### (b) FRS 3: *Business Combinations*, FRS 136 *Impairment of Assets* dan FRS 138: *Intangible Assets*

Penggunaan FRS 3 Business Combinations dan pertukaran seterusnya kepada FRS 136 Impairment of Assets dan FRS 138 Intangible Assets telah mengakibatkan pertukaran dalam polisi perakaunan berkaitan dengan muhibah yang dibeli dan muhibah negatif.

Muhibah yang diambilalih dalam kombinasi perniagaan kini dinyatakan pada kos tolak sebarang kerugian kemerosotan terkumpul. Penggunaan FRS baru ini telah mengakibatkan Kumpulan menghentikan pelunasan tahunan untuk muhibah. Sebaliknya, muhibah diperuntukkan pada unit penjana tunai dan jumlah bawaan diuji setiap tahun untuk menentukan kewujudan kemerosotan atau lebih kerap jika pertukaran peristiwa menunjukkan kewujudan kemerosotan. Kemerosotan muhibah ditentukan dengan membezakan jumlah bawaan dengan jumlah boleh diperolehi semula bertepatan dengan FRS 136. Sebarang kerugian kemerosotan diiktiraf dalam penyata pendapatan dan pembalikan seterusnya tidak dibenarkan.

Pertukaran dalam polisi perakaunan telah dikira untuk prospektif bagi kombinasi perniagaan di mana tarikh perjanjian pada atau selepas 1 Januari 2006. Jumlah bawaan muhibah untuk Kumpulan pada 1 Januari 2006 yang bernilai RM538,000 tidak akan dilunaskan. Dengan penggunaan FRS baru ini, tiada kerugian kemerosotan bagi muhibah diiktiraf bagi tahun kewangan berakhir 31 Disember 2006.

Muhibah negatif yang mewakili lebihan dalam nilai saksama aset yang boleh dikenali yang dibeli pada kos pengambilalihan kini diiktiraf serta-merta dalam penyata pendapatan. Sebelum 1 Januari 2006, muhibah negatif diiktiraf dan dilunaskan sepanjang tahun pembangunan dengan merujuk kepada keuntungan pembangunan yang diperolehi, berbanding dengan jumlah keuntungan pembangunan yang dianggarkan. Mengikut peruntukan peralihan FRS 3, muhibah negatif pada 1 Januari 2006 yang bernilai RM218,000 telah ditidakiktirafkan dengan peningkatan sepadan dalam perolehan tertahan.

## • Nota-nota kepada Penyata Kewangan (samb.)

### 34. PERUBAHAN DALAM POLISI PERAKAUNAN (samb.)

#### (c) FRS 117: Leases

Penggunaan FRS 117 telah mengakibatkan perubahan retrospektif dalam polisi perakaunan berkaitan dengan klasifikasi tanah pegangan pajak jangka panjang. Bayaran yang dibuat terlebih dahulu bagi tanah pegangan pajak mewakili pembayaran pajakan prabayar dan dilunaskan pada dasar garis lurus pada terma pajakan. Sebelum 1 Januari 2006, tanah pegangan pajak diklasifikasikan sebagai hartanah, loji dan peralatan dan dinyatakan pada penilaian tolak susut nilai terkumpul dan kerugian kemerosotan.

Akibat daripada penggunaan FRS 117 pada 1 Januari 2006, nilai bawaan tanah pegangan pajak yang dipegang dalam pajakan operasi kini telah diklasifikasikan sebagai faedah bayar terdahulu untuk tanah pajakan sebagai butiran berbeza dalam lembaran imbangan disatukan.

Penggunaan polisi perakaunan ini telah mengakibatkan pengurangan dalam baki pembukaan bagi hartanah, loji dan peralatan berjumlah RM3,220,000 pada 1 Januari 2006.

Pembentangan angka komparatif dalam penyata kewangan Kumpulan telah dinyatakan semula untuk mematuhi pembentangan tempoh semasa.

### 35. ANGKA KOMPARATIF

Angka perbandingan tertentu telah diklasifikasikan semula akibat daripada pertukaran dalam polisi perakaunan seperti yang dinyatakan dalam nota 34 dan untuk mematuhi keperluan pembentangan FRS 101.

	Kumpulan Seperti dinyatakan semula RM'000	Seperti dinyatakan semula sebelumnya RM'000
<b>Lembaran imbangan</b>		
Hartanah, loji dan peralatan	8,671	11,891
Pembayaran pajakan terdahulu	3,220	-
<b>Penyata perubahan ekuiti</b>		
Perolehan tertahan pada 1 Januari 2006	<b>101,704</b>	<b>101,434</b>

- **Analysis of Shareholdings** as at 16 April 2007
- *Analisa Pemegang Saham pada 16 April 2007*

**SHARE CAPITAL / MODAL SAHAM**

Authorised Share Capital : RM300,000,000/-  
*Modal Saham Dibenarkan*

Issued and fully paid-up capital : RM90,285,000/-  
*Modal diterbitkan dan dibayar penuh*

Class of Shares : Ordinary shares of RM1.00 each  
*Jenis Saham* *Saham biasa berharga RM1.00 setiap satu*

Voting rights : 1 vote per share  
*Hak Mengundi* *1 undi sesaham*

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

<b>Size of Shareholdings</b> <i>Saiz Pemegang Saham</i>	<b>No. of Shareholders</b> <i>Bil. Pemegang Saham</i>	<b>%</b>	<b>No. of Shares Held</b> <i>Bil. Saham Dipegang</i>	<b>%</b>
Less than 100 shares / <i>Kurang daripada 100 saham</i>	76	3.97	2,285	0.00
100 – 1,000 shares / <i>100 - 1,000 saham</i>	82	4.28	54,105	0.06
1,001 – 10,000	1,381	72.08	6,419,450	7.11
10,001 – 100,000	336	17.54	9,523,262	10.55
100,001 to less than 5% of issued shares / <i>100,001 hingga kurang daripada 5% saham yang diterbitkan</i>	38	1.98	23,603,579	26.14
5% and above of issued shares / <i>5% dan ke atas saham yang diterbitkan</i>	3	0.15	50,682,319	56.14
<b>Total / Jumlah</b>	<b>1,916</b>	<b>100.00</b>	<b>90,285,000</b>	<b>100.00</b>

- **Analysis of Shareholdings** as at 16 April 2007 (cont'd)
- *Analisa Pemegang Saham pada 16 April 2007 (samb.)*

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

Name <i>Nama</i>	No. of Shares Held <i>Bil. Saham Dipegang</i>	%
1. Kencana Bahagia Sdn. Bhd.	32,274,819	35.75
2. ABB Nominee (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Budaya Dinamik Sdn. Bhd.</i>	10,500,000	11.63
3. Tan Boon Kang	7,907,500	8.76
4. SJ Sec Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Adat Saga Sdn. Bhd.</i>	2,400,000	2.66
5. SJ Sec Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Seloka Aman Sdn. Bhd.</i>	2,031,000	2.25
6. SJ Sec Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Impian Nuri Sdn. Bhd.</i>	1,663,500	1.84
7. Kencana Bahagia Sdn. Bhd.	1,650,000	1.83
8. Yeoh Kean Hua	1,530,000	1.69
9. M & A Nominee (Asing) Sdn. Bhd. <i>Pedigree Limited</i>	1,512,000	1.67
10. Tan Boon Kang	1,213,500	1.34
11. Lau Chin Kok	1,197,500	1.33
12. Lau Pek Kuan	1,150,000	1.27
13. Tan Boon Kang	973,500	1.08
14. Poo Choo @ Ong Poo Choi	927,100	1.03
15. Tan Moon Hwa	806,340	0.89
16. Tan Foo See	654,989	0.73
17. M & A Nominee (Tempatan) Sdn. Bhd. <i>Titan Express Sdn. Bhd.</i>	476,100	0.53
18. Low Siew Choong @ Liew Siew Meng	450,000	0.50
19. Lim Hui Huat @ Lim Hooi Chang	421,000	0.47
20. Lau Chin Ka	374,060	0.41
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. Cheah See Han	259,900	0.29
26. Mayban Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Soon Ah Ba</i>	230,500	0.26
27. Tan Chee Koon	213,500	0.24
28. Lim Shiu Ho	204,900	0.23
29. Tan Yong Tian	203,200	0.23
30. Choo Yau Yan @ Choo Yaw Yan	201,000	0.22
 Total	 72,675,998	 80.50

- **Analysis of Shareholdings** as at 16 April 2007 (cont'd)
- *Analisa Pemegang Saham pada 16 April 2007 (samb.)*

**SUBSTANTIAL SHAREHOLDERS**

(As Shown in the Register of Substantial Shareholders) /

**PEMEGANG SAHAM TERBESAR**

(Seperti Yang Ditunjukkan Dalam Daftar Pemegang Saham Terbesar)

Name of Substantial Shareholders Nama Pemegang Saham Terbesar	No. of Ordinary Shares of RM1.00 Each Bil. Saham Biasa Berharga RM1.00 Setiap Satu			
	Direct Secara <i>Langsung</i>	%	Indirect Secara Tidak <i>Langsung</i>	%
1) Tan Boon Kang	10,094,500	11.18	35,133,319	38.91
2) Lau Pek Kuan	1,208,500	1.34	44,019,319	48.76
3) Anton Syazi bin Ahmad Sebi	0	0.00	10,590,612	11.73
4) Aryati Sasya binti Ahmad Sebi	0	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**

Directors' Name / Nama Pengarah The Company / Syarikat	No. of Ordinary Shares of RM1.00 Each Bil. Saham Biasa Berharga RM1.00 Setiap Satu	
	Direct Secara <i>Langsung</i>	Indirect Secara Tidak <i>Langsung</i>
1) YB. Dato' Ahmad Badri Bin Mohamed Basir	-	-
2) Tan Boon Kang	10,094,500	35,133,319
3) Lau Pek Kuan	1,208,500	44,019,319
4) Tan Chek Siong	-	-
5) Tan Moon Hwa	806,340	-
6) Tang Kam Chee	15,000	-
7) YB. Dato' Raja Haji Ahmad Zainuddin bin Raja Haji Omar	-	-
8) YAM Tengku Panglima Raja Terengganu, 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 Puan Lau Pek Kuan dianggap mempunyai kepentingan dalam saham-saham syarikat subsidiari setakat mana Syarikat mempunyai kepentingan.*

- **List of Properties** as at 31 December 2006
- *Senarai Hartanah pada 31 Disember 2006*

The properties of the Group as at 31 December 2006 are as follows:

*Hartanah Kumpulan pada 31 Disember 2006 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'000)  Nilai buku bersih (RM'000)	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	Commercial building for investment & re-development	Freehold	-	30,742 sq ft	15,295	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	15,295	2005
Geran Nos. 63978 and 35098 Lot No. 20 and 419, Section 1 Bandar Batu Feringgi District of Timur Laut State of Penang	Two parcels of beach front undeveloped land	Freehold	-	2.53 acres	5,516	2005
Geran Nos. 63978 and 35098 Lot No. 20 and 419, Seksyen 1 Bandar Batu Feringgi Daerah Timur Laut Pulau Pinang	2 bidang tanah yang berhadapan dengan pantai yang belum dimajukan	Milik bebas	-	2.53 ekar	5,516	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	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	2005

- **List of Properties** as at 31 December 2006 (cont'd)
- *Senarai Hartanah pada 31 Disember 2006 (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'000)  Nilai buku bersih (RM'000)	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	1,830	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	1,830	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	72 years unexpired lease	47,006 sq ft	1,696	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	72 tahun tempoh tamat	47,006 kps	1,696	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	72 years Unexpired Lease	36,909 sq ft	1,480	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	72 tahun tempoh tamat	36,909 kps	1,480	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	26 years (Building)	1,875 sq ft	1,881	2005*

- **List of Properties** as at 31 December 2006 (cont'd)
- *Senarai Hartanah pada 31 Disember 2006 (samb.)*

Location	Description/ usage	Tenure/ year of expiry	Age of property/ building	Land/ Built-up area	Net book value (RM'000)	Year of valuation/ acquisition
Lokasi	Keterangan/ kegunaan	Tempoh Pemegangan/ tahun tamat	Usia hartanah/ bangunan	Tanah/ keluasan binaan	Nilai buku bersih (RM'000)	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	26 tahun	1,875 (Bangunan) kps	1,881	2005*
Lot 205, Summerville 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	83 years unexpired lease	1,890 sq ft	342	2005*
Lot 205 Kondominium Summerville Wangsa Baiduri, Subang Jaya Petaling Jaya, Selangor Di bawah pegangan dokumen sah Lot 14785 Mukim Damansara District of Petaling Negeri Selangor Darul Ehsan	1 unit kondominium	Pajakan/ 16 Jan 2089	83 tahun tempoh tamat	1,890 kps	342	2005*
Lot 405 Summerville 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	83 years unexpired lease	1,890 sq ft	342	2005*
Lot 405, Kondominium Summerville Wangsa Baiduri, Subang Jaya Petaling Jaya, Selangor Di bawah pegangan dokumen sah Lot 14785, Mukim Damansara District of Petaling Negeri Selangor Darul Ehsan	1 unit kondominium	Pajakan/ 16 Jan 2089	83 tahun tempoh tamat	1,890 kps	342	2005*

- **List of Properties** as at 31 December 2006 (cont'd)
- *Senarai Hartanah pada 31 Disember 2006 (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'000)  Nilai buku bersih (RM'000)	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	6 Years (Building) 91 years unexpired lease	9,100 sq ft	1,644	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	6 tahun (Bangunan) kps 91 tahun tempoh tamat	9,100 kps	1,644	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	4 Years	6,247 sq ft	893	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	4 tahun	6,247 kps	893	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	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	2003
Lot 22722 (formerly known as lot 1257) Mukim of Sungai Buloh District of Petaling State of Selangor Darul Ehsan	Land under development	Freehold	-	Approximately 2 acres	12,452	1996

- **List of Properties** as at 31 December 2006 (cont'd)
- *Senarai Hartanah pada 31 Disember 2006 (samb.)*

Location	Description/ usage	Tenure/ year of expiry	Age of property/ building	Land/ Built-up area	Net book value (RM'000)	Year of valuation/ acquisition
Lokasi	Keterangan/ kegunaan	Tempoh Pemegangan/ tahun tamat	Usia hartanah/ bangunan	Tanah/ keluasan binaan	Nilai buku bersih (RM'000)	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	12,452	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	2002
Lot No. 1927 Mukim dan Daerah Petaling Negeri Selangor Darul Ehsan	Tanah sedang dimajukan	Milik bebas	-	Lebih kurang 1.75 ekar	313	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	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	2003

\* Valuation done in 2005

\* Penilaian dibuat dalam tahun 2005



## • 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-THIRD 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 8 June 2007, 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 Madam Lau Pek Kuan as Director		
5)	Re-election of Mr. Tan Moon Hwa as Director		
6)	Re-election of Mr. Tang Kam Chee as Director		
7)	Re-appointment of Dato' Ahmad Badri bin Mohamed Basir as Director		
8)	Re-appointment of Messrs. KPMG as Auditors		
9)	Ordinary Resolution 1 - Authority to Allot and Issue Shares		
10)	Ordinary Resolution 2 - Authority to Issue Shares Pursuant to the Employees' Share Option Scheme		
11)	Ordinary Resolution 3 - Proposed Renewal of Authority For Share Buy-Back		
12)	Special Resolution - Proposed Amendments to the Company's Articles of Association		

Signed this ..... day of ..... 2007

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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**KEN HOLDINGS BERHAD**

(106173-M)

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

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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, Pengurus Syarikat sebagai proksi \*saya/kami akan mengundi mewakili \*saya/kami dan bagi pihak \*saya/kami di **MESYUARAT AGUNG TAHUNAN KEDUA PULUH TIGA** 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 8 Jun 2007, 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-penya Kewangan Teraudit		
2)	Pengistiharan Dividen Pertama dan Akhir		
3)	Kelulusan Yuran Pengarah		
4)	Pemilihan semula Puan Lau Pek Kuan sebagai Pengarah		
5)	Pemilihan semula Encik Tan Moon Hwa sebagai Pengarah		
6)	Pemilihan semula Encik Tang Kam Chee sebagai Pengarah		
7)	Pemilihan semula Dato' Ahmad Badri bin Mohamed Basir sebagai Pengarah		
8)	Pemilihan semula Tetuan KPMG sebagai Juruaudit		
9)	Resolusi Biasa 1 – Kuasa untuk memperuntuk dan menerbitkan saham		
10)	Resolusi Biasa 2 – Kuasa untuk menerbitkan saham mengikut Skim Opsyen Saham Kakitangan		
11)	Resolusi Biasa 3 – Cadangan Pembaharuan Kuasa Untuk Beli-Balik		
12)	Resolusi Khas – Cadangan Pindaan kepada Tataurusan Persatuan Syarikat		

Bertarikh ..... haribulan ..... 2007

Jumlah saham dimiliki:	.....
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Tandatangan

**Nota-nota:-**

- 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.
- Jika ahli melantik lebih satu (1) proksi, perlantikan berkenaan adalah tidak sah melainkan dia menyatakan kadar pegangan sahamnya yang akan diwakili oleh setiap proksi.
- Jikalau melibatkan badan korporat, 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.
- 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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