KEN HOLDINGS BHD

Incorporated in Malaysia (Company No. 106173-M)

# LAPORAN TAHUNAN **2007** ANNUAL REPORT

# Contents *Kandungan*

# Notice of Annual General Meeting

**NOTICE IS HEREBY GIVEN THAT** the Twenty-Fourth 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 Monday, 26 May 2008, 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 2007 together with the Reports of the Directors and the Auditors thereon. **(Resolution 1)**

2. To declare a first and final dividend of 6% less income tax of 26% in respect of the year ended 31 December 2007. **(Resolution 2)**

3. To approve the Directors' fees of RM99,000/- (2006: RM90,000) in respect of the year ended 31 December 2007. **(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) Mr. Tan Boon Kang **(Resolution 4)**

   (b) Mr. Tan Chek Siong **(Resolution 5)**

   (c) Dato' Seri Raja Haji Ahmad Zainuddin bin Raja Haji Omar **(Resolution 6)**

5. To consider and, if thought fit, pass the following resolution pursuant to Section 129(6) of the Companies Act, 1965: **(Resolution 7)**

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

6. To re-appoint Messrs. KPMG as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 8)**

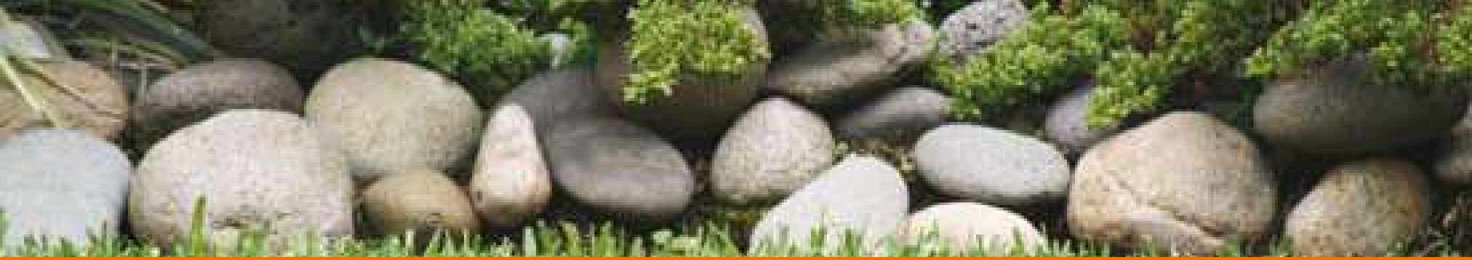
7. As Special Business:

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

   **(a) Ordinary Resolution 1** **(Resolution 9)**

   **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 ten percent (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."





(b) **Ordinary Resolution 2** **(Resolution 10)**

**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 Securities Berhad ("Bursa Securities") and 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 Securities 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 Securities 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:

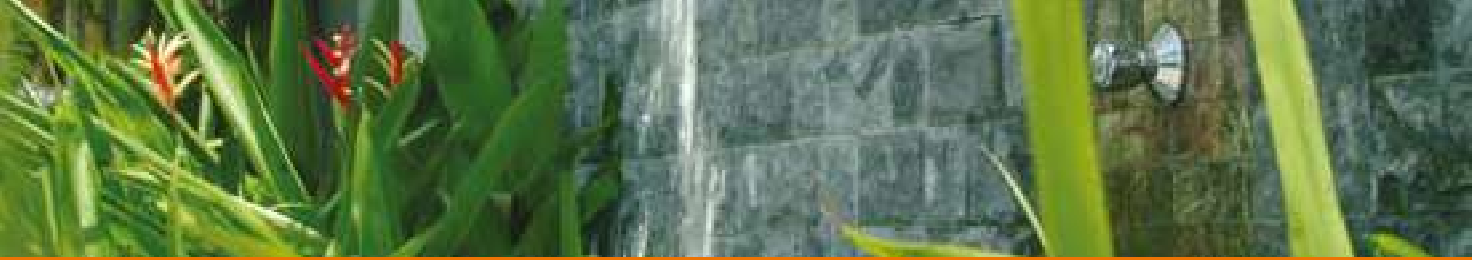
(i) the conclusion of the next Annual General Meeting of the Company following the General Meeting at which this resolution was passed at which time it shall lapse unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or

(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,

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."

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-Fourth Annual General Meeting, the first and final dividend of 6% less income tax of 26% in respect of the year ended 31 December 2007 will be payable on 25 June 2008 to depositors registered in the Record of Depositors on 10 June 2008.

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 10 June 2008 in respect of transfers; and

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

**BY ORDER OF THE BOARD,**

**CHOW CHOOI YOONG** (MAICSA 0772574)
**HAZLINA BT HARUN** (LS 03078)
Company Secretaries

Kuala Lumpur
30 April 2008

**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. A member may appoint up to two persons to be his/her proxy. 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 Proposed Renewal of Authority For Share Buy-Back**

   Resolution No.10 proposed under item 7(b), 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 2008 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-Fourth Annual General Meeting of the Company**

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

(a) Mr Tan Boon Kang

(b) Mr Tan Chek Siong

(c) Dato' Seri Raja Haji Ahmad Zainuddin bin Raja Haji Omar

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

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 11 to 15 of the Annual Report and their securities holdings in the Company and its subsidiaries are set out on page 45 and 141.

# Corporate Information *Maklumat Korporat*

## BOARD OF DIRECTORS / LEMBAGA PENGARAH

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

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

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

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

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

**Tan Moon Hwa**
Executive Director / Pengarah Eksekutif

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

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

## AUDIT COMMITTEE / JAWATANKUASA AUDIT

**Sha Thiam Fook**
Chairman / Pengerusi

**Dato' Ahmad Badri bin Mohamed Basir**
Member / Ahli

**Dato' Seri Raja Haji Ahmad Zainuddin bin Raja Haji Omar**
Member / Ahli

## REMUNERATION COMMITTEE / JAWATANKUASA GANJARAN

**Sha Thiam Fook**
Chairman / Pengerusi

**Tan Boon Kang**
Member / Ahli

**Dato' Ahmad Badri bin Mohamed Basir**
Member / Ahli

## NOMINATION COMMITTEE / JAWATANKUASA PENCALONAN

**Dato' Ahmad Badri bin Mohamed Basir**
Chairman / Pengerusi

**Sha Thiam Fook**
Member / Ahli

**Dato' Seri Raja Haji Ahmad Zainuddin bin Raja Haji Omar**
Member / Ahli

## COMPANY SECRETARIES / SETIAUSAHA SYARIKAT

**Chow Chooi Yoong**
(MAICSA 0772574)

**Haslina 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, East Wing, Plaza Permata
Jalan Kampar, Off Jalan Tun Razak
50400 Kuala Lumpur

Tel : 03 4047-3883
Fax : 03 4042-6352

## AUDITORS / JURUAUDIT

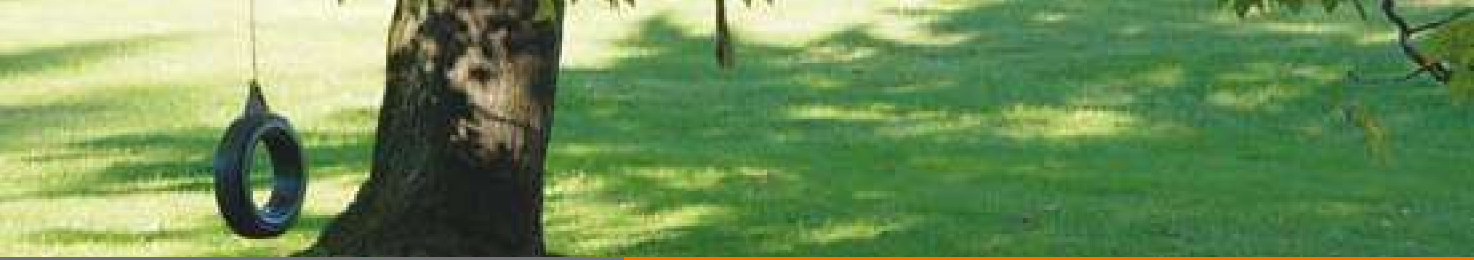
KPMG (Firm No: AF0758)
Chartered Accountants
Wisma KPMG
Jalan Dungun, Damansara Heights
50490 Kuala Lumpur

## PRINCIPAL BANKERS / BANK-BANK UTAMA

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

## STOCK EXCHANGE / BURSA SAHAM DISENARAIKAN

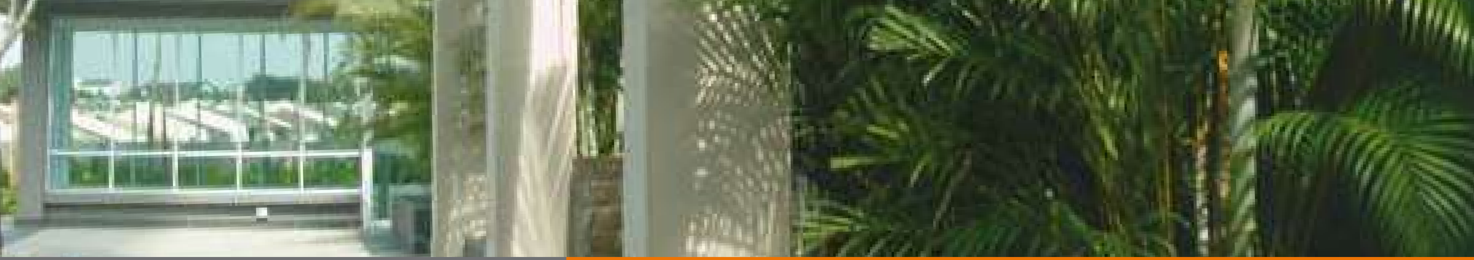
Main Board of the
Bursa Malaysia Securities Berhad
Papan Utama
Bursa Malaysia Securities Berhad



# Corporate Structure *Struktur Korporat*

KEN HOLDINGS BHD

- 100% **KEN GROUTING SDN. BHD.**
  Specialist Engineering Services, Turnkey Contract, Building and Civil Engineering Works
  - 100% **KEN-CHEC SDN. BHD.**
    Land Reclamation Dredging, Civil and Marine Engineering
- 100% **SUPPORT CAPITAL SDN. BHD.**
  Investment Holding
  - 79.4% **KENLY (HK) LTD.**
    Construction, Civil Engineering, Specialist Engineering Service and Micro-tunneling
- 100% **KEN PROJECTS SDN. BHD.**
  Investment Holding
  - 100% **KEN RIMBA JAYA SDN. BHD.**
    Housing Developer and Investment Holding
  - 100% **KHIDMAT TULIN SDN. BHD.**
    Housing Developer and Contractor
    - 100% **TBS MANAGEMENT SDN. BHD.**
      Property Management Services
- 100% **KEN PROPERTY SDN. BHD.**
  Property Holding, Investment and Housing Developer
  - 100% **KEN LINK SDN. BHD.**
    Property Holding and Investment
  - 100% **AUNYANG HOLDINGS SDN. BHD.**
    Investment Holding
    - 100% **JEWEL ESTATE SDN. BHD.**
      Property Management Services



# 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 STATISTIC

| RM'000 | 2003 | 2004 | 2005 | 2006 | 2007 |
|---|---|---|---|---|---|
| Revenue | 59,300 | 65,579 | 63,352 | 75,477 | **60,201** |
| Profit before taxation | 9,875 | 11,392 | 7,909 | 9,947 | **11,842** |
| Profit after taxation | 6,813 | 7,119 | 4,479 | 3,867 | **8,430** |
| Profit attributable to shareholders | 7,214 | 8,123 | 6,462 | 4,073 | **8,430** |
| Shareholders' fund | 90,686 | 96,652 | 101,434 | 102,322 | **112,333** |
| Issued share capital | 60,162 | 60,180 | 90,285 | 90,285 | **95,860** |
| Total assets | 132,046 | 131,882 | 143,007 | 145,632 | **147,093** |
| Net asset | 93,309 | 98,101 | 101,486 | 102,322 | **112,333** |
| Net earnings per share (sen) | 8* | 9* | 7 | 5 | **9** |
| Net assets per share (sen) | 155 | 163 | 112 | 113 | **117** |

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

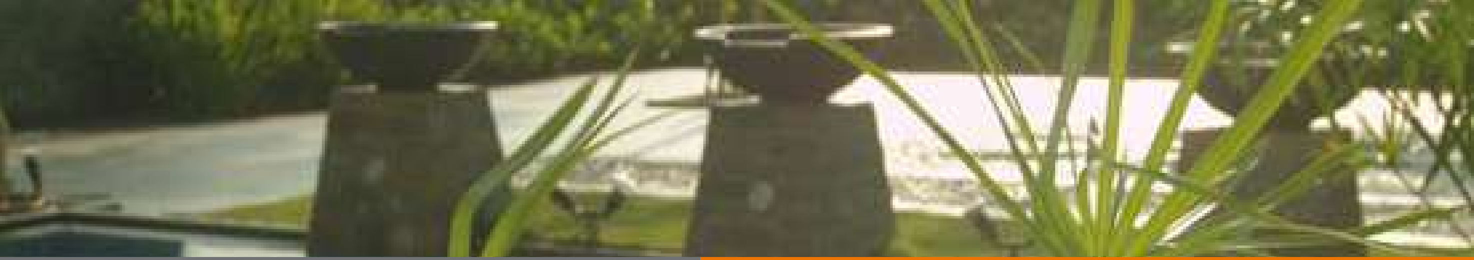
**KEGIATAN UTAMA**

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

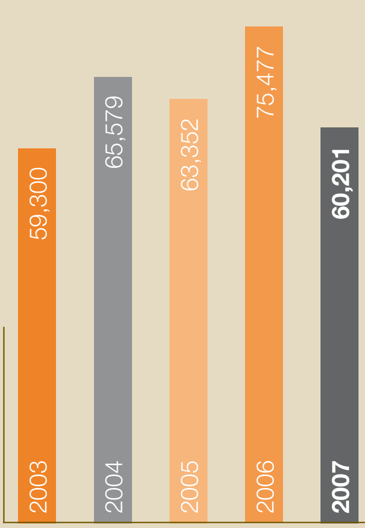
## TINJAUAN KEWANGAN KUMPULAN BAGI TEMPOH LIMA TAHUN

| RM'000 | 2003 | 2004 | 2005 | 2006 | 2007 |
|---|---|---|---|---|---|
| Hasil | 59,300 | 65,579 | 63,352 | 75,477 | **60,201** |
| Keuntungan sebelum cukai | 9,875 | 11,392 | 7,909 | 9,947 | **11,842** |
| Keuntungan selepas cukai | 6,813 | 7,119 | 4,479 | 3,867 | **8,430** |
| Keuntungan boleh diagih kepada pemegang saham | 7,214 | 8,123 | 6,462 | 4,073 | **8,430** |
| Dana pemegang saham | 90,686 | 96,652 | 101,434 | 102,322 | **112,333** |
| Terbitan modal saham | 60,162 | 60,180 | 90,285 | 90,285 | **95,860** |
| Jumlah aset | 132,046 | 131,882 | 143,007 | 145,632 | **147,093** |
| Aset bersih | 93,309 | 98,101 | 101,486 | 102,322 | **112,333** |
| Pendapatan bersih sesaham (sen) | 8* | 9* | 7 | 5 | **9** |
| Aset bersih sesaham (sen) | 155 | 163 | 112 | 113 | **117** |

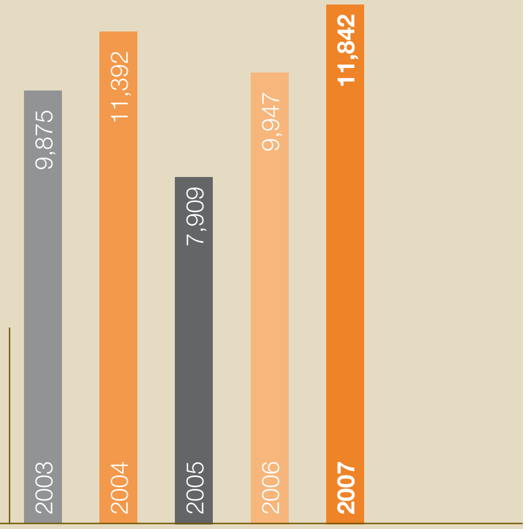
* Dinyata semula dengan mengambil kira terbitan saham bonus dalam tahun kewangan 31 Disember 2005.



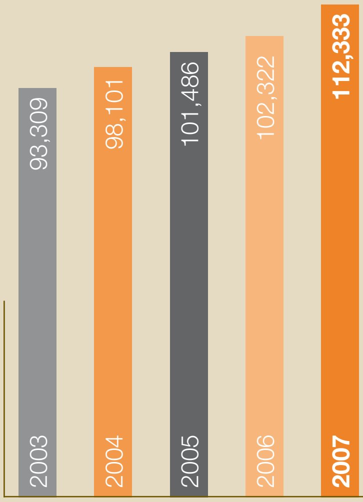




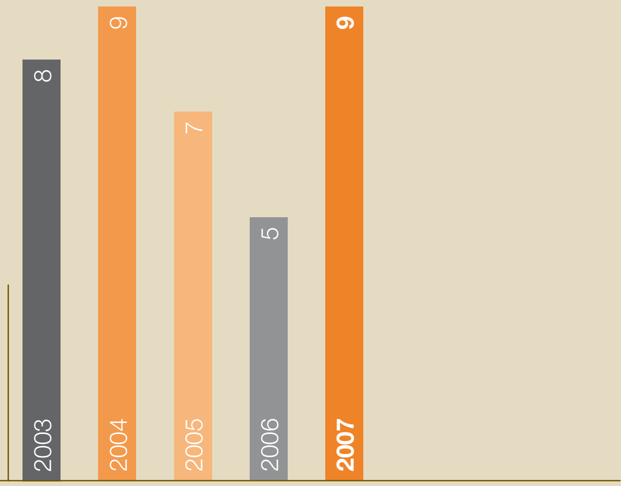

**REVENUE (RM'000) /**
**HASIL (RM'000)**




**PROFIT BEFORE TAXATION (RM'000) /**
**KEUNTUNGAN SEBELUM CUKAI (RM'000)**




**NET ASSET (RM'000) /**
**ASET BERSIH (RM'000)**




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

# Board of Directors *Lembaga Pengarah*

1 2

1 DATO' AHMAD BADRI BIN MOHAMED BASIR

2 TAN BOON KANG

3 LAU PEK KUAN

4 TAN CHEK SIONG

5 TANG KAM CHEE

6 TAN MOON HWA

7 SHA THIAM FOOK

8 DATO' SERI RAJA HAJI AHMAD ZAINUDDIN BIN RAJA HAJI OMAR

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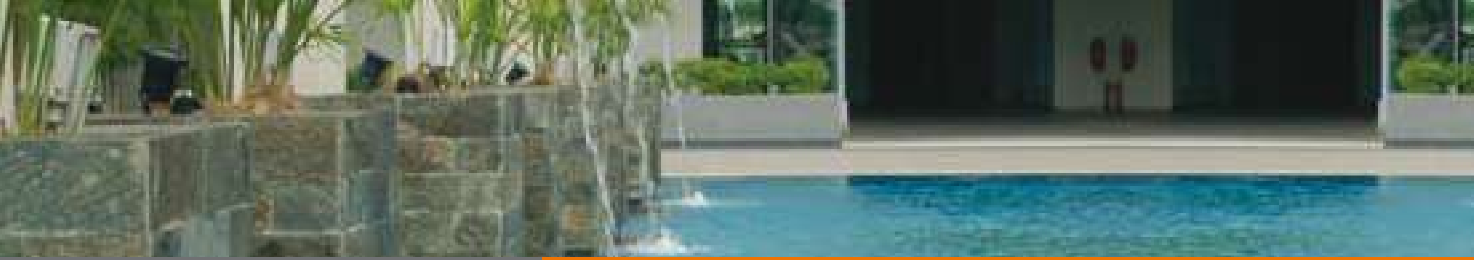


# Directors' Profile *Profil Para Pengarah*

## DATO' AHMAD BADRI BIN MOHAMED BASIR

Independent Non-Executive Chairman / Pengerusi Bebas Bukan Eksekutif
73 years of age • Malaysian / 73 tahun • 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 and Malaysia Packaging Industry 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 dan Malaysia Packaging Industry Berhad.

## TAN BOON KANG

Managing Director / Pengarah Urusan
50 years of age • Malaysian / 50 tahun • 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 27 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 and Kenly (HK) Limited.

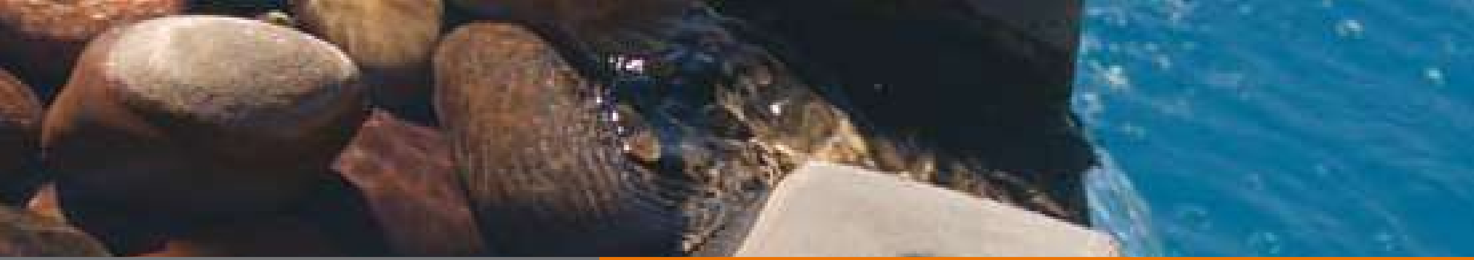
His spouse - Mdm Lau Pek Kuan, his brother - Mr Tan Moon Hwa and his son - Mr Tan Chek Siong are also members of the board.

Beliau ialah pengasas Kumpulan dan tokoh yang menjana pertumbuhan Kumpulan sejak 27 tahun yang lepas. Beliau dilantik menjadi ahli Lembaga pada 18 Mac 1996. Beliau mempunyai pengalaman yang mendalam dalam industri kejuruteraan pakar dan merupakan perintis di Malaysia untuk sistem pemakuan tanah yang terkenal yang kini digunakan secara meluas untuk melindungi lereng. Beliau banyak menyumbang kepada meningkatkan taraf Kumpulan sebagai kumpulan syarikat kejuruteraan pakar yang ternama di Malaysia dan kini di Hong Kong.

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

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

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



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

## LAU PEK KUAN

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

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

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

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

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

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

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

## TAN CHEK SIONG

Executive Director / Pengarah Eksekutif
27 years of age • Malaysian / 27 tahun • Warganegara Malaysia

He was appointed to the Board on 24 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 also heads 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 hartanah, pengurusan hartanah, dan penjualan dan pemasaran hartanah Kumpulan. Beliau turut menerajui bahagian-bahagian hartanah Kumpulan.

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



### SHA THIAM FOOK

Independent Non-Executive Director / Pengarah Bebas dan Bukan Eksekutif
57 years of age • Malaysian / 57 tahun • 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 was an Independent Non-Executive Director of Maxbiz Corporation Berhad from 21 February 2005 to 22 January 2008.

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 ialah Pengarah Bebas dan Bukan Eksekutif di Maxbiz Corporation Berhad dari 21 Februari 2005 hingga 22 Januari 2008.

### TANG KAM CHEE

Executive Director / Pengarah Eksekutif
53 years of age • Malaysian / 53 tahun • 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 and Classic Scenic Berhad.

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

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

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

## TAN MOON HWA

Executive Director / Pengarah Eksekutif
45 years of age • Malaysian / 45 tahun • 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.

## DATO' SERI RAJA HAJI AHMAD ZAINUDDIN BIN RAJA HAJI OMAR

Independent Non-Executive Director / Pengarah Bebas dan Bukan Eksekutif
52 years of age • Malaysian / 52 tahun • 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 also been the Member of Parliament for the constituency of Larut. 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. Beliau juga 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.

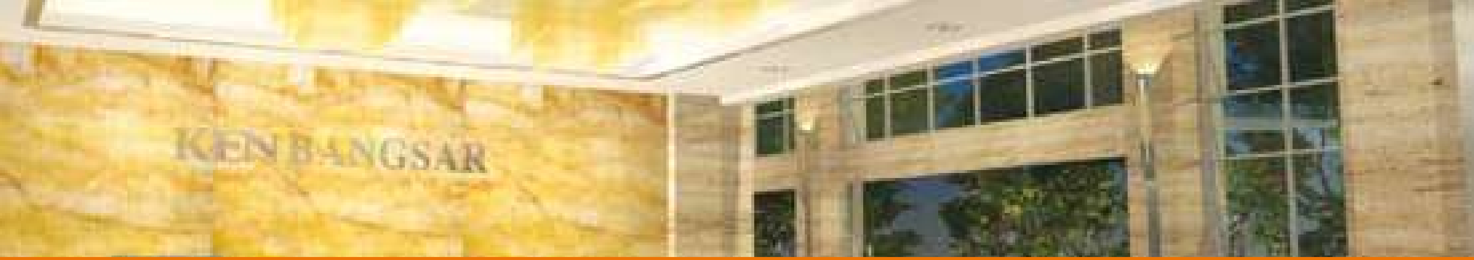
# Directors’ Profile (cont’d) *Profil Para Pengarah (samb.)*

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

**DATO' AHMAD BADRI BIN MOHAMED BASIR**
**Independent Non-Executive Chairman**

"**Dear Shareholders,**

It is my pleasure to present on behalf of the Board of Directors, the Annual Report and the Audited Financial Statements of Ken Holdings Berhad and its subsidiaries for the financial year ended 31 December 2007."



**BUSINESS REVIEW**

During the year under review the Malaysian economy remained favourable with sustainable growth in 2007 despite uncertainty in the global economic environment amidst the high crude oil prices.

The companies within the Group continued to operate in favourable environments. Whilst focusing on enhancing its competitive position in the market place, the internal processes of the group were strengthened to enhance competitiveness to ensure business outcomes are consistently aligned with the target levels.

**FINANCIAL PERFORMANCE**

For the financial year ended 31 December 2007, the Group recorded a turnover of RM60.2 million and profit after tax of RM8.4 million, an increase of RM4.6 million compared to last year's RM3.9 million. The positive trend was largely due to the completion of 2 major projects in Selangor and a gain arising from the disposal of a subsidiary.

**DIVIDENDS**

The Board has recommended a final dividend of 6 sen per share less tax of 26% (2006: 5 sen less tax of 27%) for the financial year ended 31 December 2007 in recognition of your continued support and confidence in us. The dividend shall be subject to shareholders' approval at the forthcoming Annual General Meeting.

**OUTLOOK**

With the positive momentum enjoyed by the property sector in 2007, we envisage that it would continue in 2008 with the favourable economic outlook supported by the continued roll-out of key infrastructure projects. The Government's landmark decision to allow monthly EPF withdrawals to fund mortgages will profoundly impact the property market.

With the on-going projects in the pipeline, with clear directions where we are heading and a committed management team, we believe we can weather the challengers ahead and look forward to positive results in 2008.

**CORPORATE GOVERNANCE**

The Board is committed to ensuring that the Malaysian Code of Practice on Corporate Governance is adhered to in the conduct of activities of the Group. The Board's statement pertaining to the implementation of the guidelines of the Code during the year under review is contained in the Statement on Corporate Governance on pages 25 through 30 of this Annual Report.

**ACKNOWLEDGING CONTRIBUTIONS**

On behalf of the Board, I would like to extend our deepest appreciation to our customers, business partners, government authorities and financial community for their relentless support, continued trust, confidence and contributions to the Group's growth and success. To the management and staff, I wish to place on record my heartfelt gratitude for their invaluable contribution, loyalty, team spirit, diligence and whole-hearted commitment shown during the year. Last but not least, my sincere appreciation to the shareholders and my fellow board members for their unwavering support towards the success of the Group.

**DATO' AHMAD BADRI BIN MOHAMED BASIR**
**Independent Non-Executive Chairman**

Kuala Lumpur
30 April 2008

# *Penyata Pengerusi*

**“ Para Pemegang Saham yang dihormati,**

Bagi pihak Lembaga Pengarah, saya dengan gembiranya membentangkan Laporan Tahunan dan Penyata Kewangan Teraudit Ken Holdings Berhad dan anak-anak syarikatnya bagi tahun kewangan berakhir 31 Disember 2007. ”

## ULASAN PERNIAGAAN

Sepanjang tahun di bawah tinjauan, ekonomi Malaysia tetap berada dalam keadaan yang memberangsangkan dengan pertumbuhan cemerlang dalam tahun 2007 walaupun terdapat ketidakpastian dalam keadaan ekonomi global akibat kenaikan harga minyak mentah.

Syarikat-syarikat di dalam Kumpulan terus beroperasi dalam keadaan yang membanggakan. Di samping meningkatkan daya saing dalam pasaran, proses dalaman Kumpulan terus diperkuatkan untuk meningkatkan daya saing untuk memastikan yang hasil perniagaan bertepatan dengan konsisten dengan tahap target yang ditetapkan.

## PRESTASI KEWANGAN

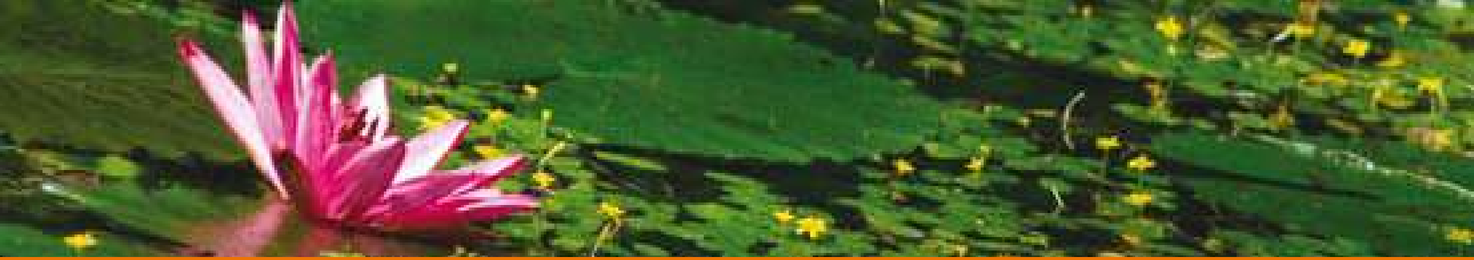
Untuk tahun kewangan berakhir 31 Disember 2007, Kumpulan mencatatkan pulangan sebanyak RM60.2 juta dan keuntungan selepas cukai berjumlah RM8.4 juta, peningkatan sebanyak RM4.6 juta berbanding dengan RM3.9 juta yang dicatatkan pada tahun sebelumnya. Trend positif ini dihasilkan berikutan siapnya dua projek utama di Selangor dan perolehan dari penjualan syarikat subsidiari.

## DIVIDEN

Lembaga Pengarah telah mencadangkan dividen terakhir bernilai 6 sen sesaham kurang cukai 26% (2006: 5 sen kurang cukai 27%) untuk tahun kewangan berakhir 31 Disember 2007 untuk menghargai sokongan dan keyakinan berterusan yang telah diberikan oleh para pemegang saham kepada kami. Dividen ini tertakluk pada kelulusan para pemegang saham dalam Mesyuarat Agung Tahunan yang akan datang.

## PROSPEK

Disebabkan oleh momentum positif yang dinikmati oleh sektor hartanah dalam tahun 2007, kami menjangkakan yang ianya akan berterusan ke tahun 2008 berikutan prospek ekonomi yang memberangsangkan di samping pelaksanaan projek infrastruktur utama yang berterusan. Keputusan Kerajaan membenarkan pengeluaran bulanan duit EPF untuk membiayai pinjaman akan memberi kesan yang hebat ke atas pasaran hartanah.





Dengan adanya projek-projek dalam perancangan, dengan arah tujuan yang jelas dan dengan kumpulan pengurusan yang komited, kami yakin kami akan dapat mengharungi semua cabaran di masa akan datang dan kami yakin kami akan mendapat hasil positif bagi tahun 2008.

**URUS TADBIR KORPORAT**

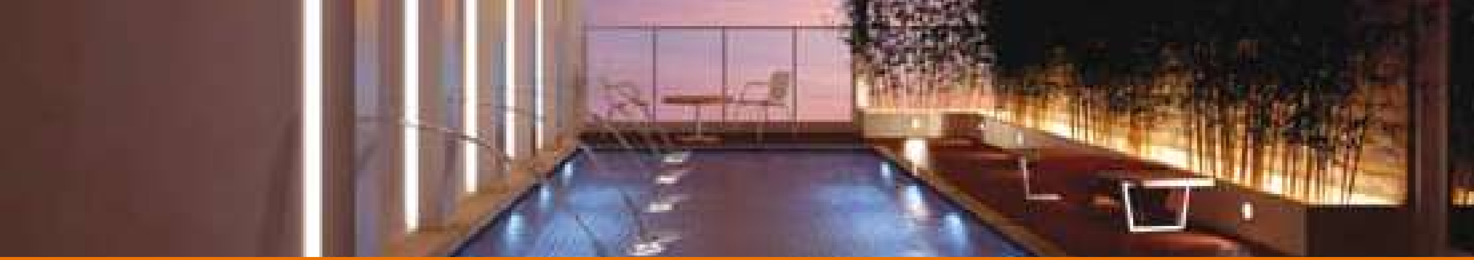
Lembaga Pengarah adalah komited dalam usaha untuk memastikan yang Kod Urus Tadbir Korporat Malaysia dipatuhi dalam pelaksanaan aktiviti-aktiviti Kumpulan. Penyata Lembaga Pengarah berkenaan dengan pelaksanaan garis panduan Kod sepanjang tahun di bawah tinjauan disertakan dalam Penyata Urus Tadbir Korporat di halaman 25 sehingga halaman 30 Laporan Tahunan ini.

**PENGHARGAAN**

Bagi pihak Lembaga Pengarah, saya ingin merakamkan penghargaan yang tidak terhingga kepada para pelanggan, rakan perniagaan, pihak kerajaan dan masyarakat kewangan di atas sokongan, kepercayaan, keyakinan dan sumbangan berterusan mereka kepada pertumbuhan dan kejayaan Kumpulan. Kepada pihak pengurusan dan kakitangan, saya ingin mengucapkan setinggi-tinggi ucapan terima kasih di atas sumbangan berharga, kesetiaan, semangat berkumpulan, kerajinan dan komitmen yang tidak berbelah-bagi yang ditunjukkan sepanjang tahun. Tidak juga dilupakan, saya ingin mengucapkan ribuan terima kasih kepada para pemegang saham dan rakan-rakan Lembaga Pengarah di atas sokongan berterusan yang mereka berikan kepada Kumpulan.

**DATO' AHMAD BADRI BIN MOHAMED BASIR**
**Pengerusi Bebas Bukan Eksekutif**

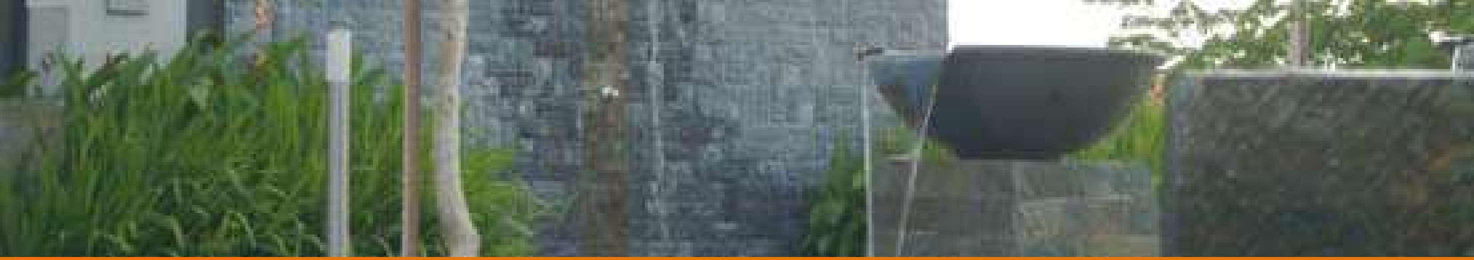
Kuala Lumpur
30 April 2008



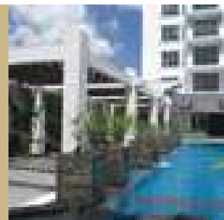
# Managing Director's Report

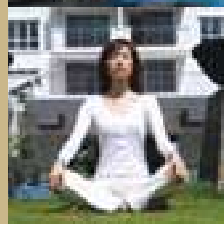
**TAN BOON KANG**
**Managing Director**

"2007 has been a good year for Ken Holdings Berhad. We recorded a revenue of RM60.2 million and profit after tax of RM8.4 million for the year ended 31 December 2007, an increase of RM4.6 million in profit after tax compared to RM3.9 million recorded last year."







## OVERVIEW

The Malaysian economy continued to record favourable growth in 2007 despite the tightened global financial market conditions and slowdown in the United States. The Malaysian GDP expanded by 6% in 2007 supported by strong private and public consumption and strong investment while inflation remained modest supported by the appreciation of the Ringgit against the US Dollar which helped reduce the inflationary rate.

## PROPERTY DEVELOPMENT OPERATIONS

The year saw the Group actively completing two of its on-going projects, Ken Damansara Condominium 3 in SS2 Petaling Jaya and low cost apartments in Ken Rimba Jaya, Shah Alam, Selangor. After having resettled the squatters in Ken Rimba Jaya, we can look forward to active participation in the development of our project consisting of mixed commercial and residential properties. We have commenced work on the extended-low cost apartments, an extended version of the low cost apartments with the facilities and size of a medium-cost apartment but at a more affordable price. We hope this will set the trend for affordable housing to cater to the urban lower income group with bigger living space but at an affordable price.

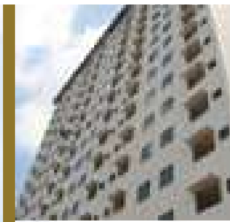
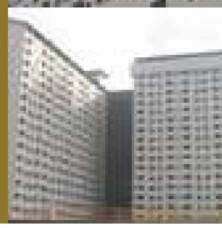
Our Ken Bangsar project located at the peak of the exclusive Bukit Bandaraya, Bangsar is expected to be completed in early 2009 and shall contribute favourably to Group revenue and profits.

During the year we have also acquired two pieces of land in Taman Tun Dr Ismail, Kuala Lumpur for a commercial development which will partly be use to house our corporate office. This commercial/office building will provide long term sustainable income and revenue to the group in view of the growing demand for commercial space in the growing commercial precinct of Damansara Perdana, Taman Tun Dr Ismail and 1-Utama.

## CONSTRUCTION AND SPECIALIST ENGINEERING OPERATIONS

Our construction activities mainly from our in-house projects in SS2, Petaling Jaya and Shah Alam have been completed ahead of schedule much to the satisfaction of our esteem purchasers. Our other construction projects include a sub-structure project in Kuala Lumpur which is expected to be completed this year.

# Managing Director's Report (cont'd)

## CORPORATE SOCIAL RESPONSIBILITY

Ken Holdings Berhad does not operate in isolation and is very much aware of its responsibility to both the shareholders and the community at large - our commitment to Corporate Social Responsibility.

To assist the authorities in addressing housing issues of the urban lower income group, we have offered discounts to squatter families to purchase low cost apartments at our low cost apartment project in Shah Alam Selangor at discounted price to enable them to buy their own homes.

Following the establishment of Ken Foundation, a charitable trust foundation, we are in the process of finalising the framework to provide financial support in terms of scholarship to Malaysian students. We hope to roll off the scholarship programme with the first batch of students this year.

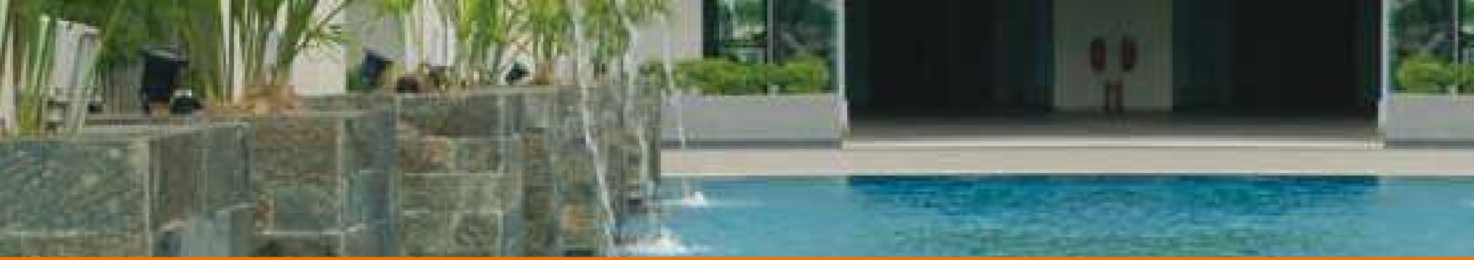
## LOOKING FORWARD

Looking forward, the Malaysian economy is expected to remain positive in 2008 amidst slowing global economy due to deceleration in the US economy. The government's decision to allow monthly EPF withdrawals to fund mortgages will provide the impetus for growth. We expect to spur demand for a wide spectrum of properties where EPF contributors will take advantage of this flexibility to boost their purchasing power.

We will continue to stand in good stead as we grow and maintain our brand of quality products, service excellence and value creation.

**TAN BOON KANG**
**Managing Director**

Kuala Lumpur
30 April 2008



# *Laporan oleh Pengarah Urusan*

> "Tahun 2007 adalah tahun yang baik bagi Ken Holdings Berhad. Kami mencatatkan perolehan sebanyak RM60.2 juta dan keuntungan selepas cukai sebanyak RM8.4 juta untuk tahun berakhir 31 Disember 2007, satu peningkatan berjumlah RM4.6 juta bagi keuntungan selepas cukai berbanding dengan RM3.9 juta yang dicatatkan pada tahun sebelumnya."

## TINJAUAN

Ekonomi Malaysia terus mencatatkan pertumbuhan yang memberangsangkan dalam tahun 2007 walaupun keadaan pasaran kewangan global bertambah kecil dan terdapatnya kemerosotan di Amerika Syarikat. Keluaran Dalam Negara Kasar (GDP) Malaysia meningkat sebanyak 6% dalam tahun 2007 yang didorong oleh penggunaan sektor swasta dan sektor awam dan juga pelaburan yang tinggi, di mana inflasi kekal sederhana berikutan peningkatan Ringgit berbanding US Dollar yang telah mengurangkan kadar inflasi.

## OPERASI PEMBANGUNAN HARTANAH

Pada tahun 2007, Kumpulan dengan aktifnya, menyempurnakan dua projeknya yang sedia ada iaitu Ken Damansara Kondominium 3 di SS2 Petaling Jaya dan Pangsapuri Kos Rendah di Ken Rimba Jaya, Shah Alam, Selangor. Setelah memindahkan penduduk-penduduk setinggan ke Ken Rimba Jaya, kami bercadang untuk melibatkan diri secara aktif dalam membangunkan projek kami di Ken Rimba Jaya yang mengandungi hartanah komersil dan perumahan. Kami telah memulakan kerja bagi pangsapuri kos rendah tambahan, versi tambahan bagi pangsapuri kos rendah kami yang mempunyai kemudahan dan saiz seperti pangsapuri kos sederhana tetapi dijual pada harga yang lebih berpatutan. Kami harap projek ini akan memulakan trend di mana terdapat lebih banyak perumahan yang mempunyai ruang rumah yang lebih luas tetapi dengan harga yang berpatutan untuk golongan penduduk bandar berpendapatan rendah.

Projek Ken Bangsar kami terletak di puncak Bukit Bandaraya, Bangsar yang eksklusif dan dijangka siap pada tahun 2008. Projek ini akan menyumbang perolehan dan keuntungan yang membanggakan kepada Kumpulan.

Dalam tahun 2007, kami juga telah membeli dua keping tanah di Taman Tun Dr Ismail, Kuala Lumpur untuk tujuan pembangunan komersil, di mana sebahagian darinya akan digunakan sebagai pejabat korporat kami. Bangunan komersil/pejabat ini akan menyumbang pendapatan dan perolehan jangka panjang kepada Kumpulan berikutan terdapatnya permintaan yang meningkat bagi ruang komersil di kawasan komersil Damansara Perdana, Taman Tun Dr Ismail dan 1-Utama yang semakin berkembang.

## OPERASI PEMBINAAN DAN KEJURUTERAAN PAKAR

Aktiviti pembinaan kami terutamanya projek dalaman di SS2, Petaling Jaya dan Shah Alam telah siap lebih awal dari jadual dan ini tentulah menggembirakan para pembeli. Projek pembinaan kami yang lain termasuklah projek sub-struktur di Kuala Lumpur yang dijangka siap dalam tahun ini.



**TANGGUNGJAWAB SOSIAL KORPORAT**

Ken Holdings Berhad tidak beroperasi secara berasingan, tetapi sentiasa peka terhadap tanggungjawabnya kepada pemegang saham dan juga kepada masyarakat sekeliling - komitmen kami terhadap Tanggungjawab Sosial Korporat.

Untuk membantu pihak berkuasa menangani isu perumahan bagi golongan penduduk bandar berpendapatan rendah, kami telah menawarkan diskaun kepada keluarga golongan setinggan untuk membeli pangsapuri kos rendah di projek pangsapuri kos rendah kami di Shah Alam, Selangor pada harga diskaun untuk membolehkan mereka memiliki rumah sendiri.

Berikutan penubuhan Yayasan Ken, sebuah pertubuhan dana kebajikan, kami sekarang berada dalam proses menyiapkan rangka kerja untuk memberi bantuan kewangan dalam bentuk biasiswa kepada pelajar-pelajar Malaysia. Kami merancang untuk menawarkan program biasiswa ini kepada kumpulan pelajar yang pertama dalam tahun ini.

**MELIHAT KE HADAPAN**

Melihat ke hadapan, ekonomi Malaysia dijangka akan kekal positif untuk tahun 2008 berikutan penurunan dalam ekonomi global akibat kemerosotan ekonomi Amerika Syarikat. Keputusan kerajaan membenarkan pengeluaran bulanan duit KWSP untuk membiayai pinjaman akan menggalakkan pertumbuhan. Kami mahu meningkatkan permintaan terhadap jenis hartanah yang lebih luas dimana penyumbang KWSP akan mengambil kesempatan ini untuk meningkatkan kuasa pembelian mereka.

Kami akan terus memberi sumbangan dan pada masa yang sama, kami akan terus berkembang dan akan terus menawarkan produk yang berkualiti, perkhidmatan yang memuaskan dan mencipta nilai untuk pelanggan kami.

**TAN BOON KANG**
**Pengarah Urusan**

Kuala Lumpur
30 April 2008

KEN HOLDINGS BHD

# 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.

The following paragraph describe how 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 2007.

## 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 Dato' Seri 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 2007 which is in compliance with paragraph 15.02 of Bursa Securities Malaysia Berhad (Bursa Securities) Listing Requirements in respect of board composition. One of the Executive Directors resigned in 2008 and the Board currently has eight (8) members. 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 11 to 15 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 2007, the Board met on five (5) occasions, where it deliberates on a variety of matters including the Group's results, major investments and strategic decisions and direction of the Group.

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

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

Record of each Director's meeting attendance for financial year ended 31 December 2007 is contained in the table below:

| Director | Board | Audit Committee | Nomination Committee | Remuneration Committee |
|---|---|---|---|---|
| Dato'Ahmad Badri bin Mohamed Basir | (4/5)^ | (5/6)^ | (1/1)^ | (1/1)^ |
| Mr Tan Boon Kang | (5/5)^ | (5/5)^ Resigned on (25/10/07) | | (1/1)^ |
| Mr Sha Thiam Fook | (5/5)^ | (6/6)^ | (1/1)^ | (1/1)^ |
| Mdm Lau Pek Kuan | (4/5)^ | | | |
| Mr Tan Moon Hwa | (5/5)^ | | | |
| Mr Tan Chek Siong | (5/5)^ | | | |
| Mr Tang Kam Chee | (5/5)^ | | | |
| YTM Tengku Panglima Dato' Seri Baderul Zaman ibni Almarhum Sultan Mahmud (resigned on 15 April 2008) | (1/5)^ | | | |
| Dato' Seri Raja Ahmad Zainuddin bin Raja Haji Omar | (4/5)^ | (4/5) Appointed on (12/03/07) | (0/1) | |

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.

The Directors are regularly updated by the Company Secretary on the new statutory as well as regulatory requirements relating to Directors' duties and responsibilities or the discharge of their duties as Directors of the Company. The Company Secretary attends all Board Meetings and ensures that accurate and adequate records of the proceedings of Board Meetings and decisions made are properly kept.

### 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 (70) years of age are required to submit themselves for re-appointment annually in accordance with Section 129(6) of the Companies Act, 1965.

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

The Nomination Committee comprises entirely of Independent Non-Executive Directors and all the three (3) Independent Non-Executive Directors are members of the Nomination Committee.

**Directors' Training**

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

During the financial year ended 31 December 2007, the Directors have attended training programmes conducted by external training providers on the topics relevant to the Group's business operations and strategy.

**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 36 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 the following members:

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

**c. Nomination Committee**

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

1. Dato'Ahmad Badri bin Mohamed Basir (Chairman);
2. Mr Sha Thiam Fook;
3. Dato' Seri Raja Haji Ahmad Zainuddin bin Raja Haji Omar.

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

**d. Remuneration Committee**

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

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

The Remuneration Committee is entrusted with the role of determining and recommending to the Board the remuneration framework for Directors as well as remuneration packages of Executive Directors in all its form drawing for outside advice if necessary. None of the Executive Directors participated in anyway in determining their remuneration. The Board as 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 Group for the year ended 31 December 2007 categorised in appropriate components is set out below:

| | Fee RM'000 | Benefits-in-Kind RM'000 | Salaries and Other Emoluments RM'000 | Bonus RM'000 | Total RM'000 |
|---|---|---|---|---|---|
| Executive | 66 | 57 | 1,368 | 259 | 1,750 |
| Non-Executive | 33 | - | 33 | - | 66 |
| | 99 | 57 | 1,401 | 259 | 1,816 |

An analysis of the number of Directors whose remuneration, paid by the Group, 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 | - |
| RM850,001 - RM900,000 | 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 provide regular update on the Group's financial performance and operations. 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 Dato' Seri 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 Securities also provides the Company to electronically publish all its announcements, including full versions of its quarterly result announcement, Circulars and Annual Report at Bursa Securities' website at www.bursamalaysia.com/website/bm. The Company also maintains its homepage that allows all shareholders and investors access to information about the Group at www.kenholdings.com.my.

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

## ACCOUNTABILITY AND AUDIT

### Financial Reporting

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

The Board is assisted by the Audit Committee to oversee the Group's financial reporting processes to ensure accuracy, adequacy of all relevant information for disclosure and that necessary steps have been taken to ensure that the Group had used all the applicable accounting policies consistently, and that the policies are supported by reasonable prudent judgements and estimates. 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 36 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 36 of this Annual Report.

The details of audit fee payable and non-audit fee paid to the external auditors are set out below:

| | 2007 RM'000 |
|---|---|
| Audit fee payable | 93 |
| Non-audit fee paid | 6 |
| Total | 99 |

**Statement of Internal Control**

The Statement of Internal Control furnished on pages 31 to 32 of this Annual Report provides an overview on the state of internal controls within the Group.

**Directors' responsibility statement in respect of the preparation of the audited financial statements**

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

**Compliance Statement**

The Company has complied throughout the financial year with the best practices of the corporate governance set out in Part 2 of the Code.

This statement was made in accordance with a resolution of the Board dated 26 March 2008.

KEN HOLDINGS BHD

# 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 Listing Requirements, the Board set out below the nature and scope of internal control of the Group during the year.

## RESPONSIBILITY

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

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

## RISK MANAGEMENT

The Board regards risk management as an integral part of the business. The Group has formalised a risk policy and risk management framework prepared with the involvement of an independent consultant in 2002 for a systematic and consistent approach to evaluate and improve the adequacy and effectiveness of the Group' 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 2008.

## 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 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 risk areas of the Company and KGSB and its findings were presented to the Audit Committee and the Board in February 2008. The annual audit plan has also been reviewed and approved by the Audit Committee.

## 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 subsidiaries 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 are documented in Standard Operating Procedure Manuals and covers:
  - Finance and administration processes;
  - Sales administration and marketing processes;
  - Human resource processes;
  - Property management processes;
  - Purchasing processes; and
  - ISO quality management system.
- Internal quality audits were conducted on Ken Property Sdn Bhd (KPSB), Khidmat Tulin Sdn Bhd (KTSB), Jewel Estate Sdn Bhd (JESB) and KGSB on a half yearly basis to monitor compliance with ISO 9001:2000 as well as identify and monitor operational issues;
- KGSB, KPSB, KTSB and JESB have been certified by a certification body 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; and
- The Group's internal audit function with the primary responsibility to assure the Board, via the Audit Committee, that internal control systems are fully implemented through its audit reviews on selected risk areas during the year and submits its findings to 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 26 March 2008.

KEN HOLDINGS BHD

# 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 2007, the Committee comprises the following three directors:

| | | |
|---|---|---|
| Chairman | : Sha Thiam Fook (MIA member) | *(Independent Non-Executive Director)* |
| Member | : Dato' Ahmad Badri bin Mohamed Basir | *(Independent Non-Executive Director)* |
| | : Dato' Seri Raja Haji Ahmad Zainuddin bin Raja Haji Omar (appointed on 12 March 2007) | *(Independent Non-Executive Director)* |
| | : Tan Boon Kang (resigned on 25 October 2007) | *(Managing Director)* |

Following the revision made to the Malaysian Code of Corporate Governance ("Code"), Mr Tan Boon Kang has resigned as a member of the Audit Committee on 25 October 2007. The Company is in compliance with the Listing Requirements of Bursa Malaysia Securities Berhad as well as the Code on the composition of the Audit Committee.

## TERM OF REFERENCE

### 1) Policy

The policy of the Audit Committee is to ensure that internal and external audit functions are properly conducted and that audit recommendations are being carried out effectively by the KEN HOLDINGS BERHAD group of companies.

### 2) Objectives

The objectives of this policy are:

a) to assure the shareholders of the Company that the Directors of the Company have complied with Malaysian financial standards and required disclosure policies developed and administered by Bursa Malaysia Securities Berhad ("Bursa Securities");

b) to ensure consistency with Bursa Securities' commitment to encourage high standards of corporate disclosure and to adopt best practices aimed at maintaining appropriate standards of corporate responsibility, integrity and accountability to all the Company's shareholders; and

c) to relieve the full Board of Directors from detailed involvement in the review of the results of internal and external audit activities and yet ensure that audit findings are brought to the highest level for consideration.

### 3) Membership

a) The Committee shall be appointed by the Board from amongst the directors of the Company and shall be composed exclusively of Non-Executive Directors of no fewer than three members, of whom the majority shall be independent.

b) The Committee shall include at least one (1) person who is a member of the Malaysian Institute of Accountants or alternatively a person who must have at least three (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 of accountants specified in Part II of the said Schedule or alternatively a person who has fulfill such other requirements as prescribed or approved by Bursa Securities.

c) No alternate director shall be appointed as a member of the Committee.

d) The members of the Committee shall elect from among their number a Chairman who is non-executive and independent, as defined above.

e) If one (1) 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 Bursa Securities are breached, the Board shall, within three (3) months of the event, appoint such number of new members as may be required to correct the breach.

f) The Board shall review the term of office of Committee members no less than once every three (3) years.

**4) 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 or its subsidiaries;

d) have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity;

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, internal auditors or both, excluding the attendance of the other Directors and employees of the Company, whenever deemed necessary.

**5) Functions**

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

a) with the external auditors, the scope of the audit and the audit plan;

b) with the external auditors, their evaluation of the system of internal controls;

c) with the external auditors, their management letter and the management's response;

d) with the external auditors, their audit report;

e) the assistance given by the employees to the external auditors;

f) the nomination or re-appointment of the external auditors and their audit fees as well as matters pertaining to resignation or change of the external auditors;

g) the adequacy of the scope, functions, competency and resources of the internal audit function and that it has the necessary authority to carry out its work;

h) the internal audit programme, processes, the results of the internal audit programme, processes or investigation undertaken and whether or not appropriate action is taken on the recommendations of the internal audit function;

i) the quarterly results and year end financial statements, prior to the approval by the Board of Directors, focusing particularly on:

   i) any changes in or implementation of major accounting policy changes;

   ii) significant adjustments arising from the audit;

   iii) significant and unusual events;

   iv) the going concern assumption; and

   v) compliance with accounting standards and other legal requirements;

j) any related party transaction and conflict of interest situation that may arise within the Company or the group including any transaction, procedure or course of conduct that raises questions of management integrity; and

k) any other matters as directed by the Board.

**6) Overseeing the Internal Audit Function**

a) The Committee shall establish an internal audit function which is independent of the activities it audits.

b) The Committee shall oversee the internal audit function and is authorised to commission investigations to be conducted by internal audit as it deems fit.

c) The internal auditor shall report directly to the Committee and shall have direct access to the Chairman of the Committee.

d) All proposals by management regarding the appointment, transfer or dismissal of the internal auditor shall require the prior approval of the Committee.

**7) Quorum for Meetings**

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

**8) Attendance at Meetings**

The Finance Director, the Head of Internal Audit and a representative of the external auditors shall normally attend meetings. Other Board members and employees may attend any particular meeting upon the invitation of the Audit Committee, specific to the relevant meeting. However, at least twice (2) a year the Committee shall meet with the external auditors without executive Board members present.

**9) Frequency of Meetings**

The Chairman shall call for meetings, to be held not less than four (4) times a year. The external auditors may request a meeting if they consider one necessary.

**10) Proceedings of Meetings**

a) A member may at any time and the Secretary shall on the requisition of a member summon a meeting of the Audit Committee by giving the members not less than seven (7) days notice thereof unless such requirement is waived.

b) In the absence of the Chairman, the Committee shall appoint one of its members present to chair that meeting.

c) A resolution put to vote shall be decided by a majority of votes of the members present, each member having one (1) vote.

**11) Reporting Procedures**

a) The Company Secretary shall be the Secretary of the Committee. He shall record attendance of all members and invitees and take minutes to record the proceedings of every meeting of the Committee. All minutes of meetings shall be circulated to every member of the Board.

b) The Committee shall prepare an Annual Report to the Board that provides a summary of the activities of the Committee and the internal audit function or activity for inclusion in the Company's Annual Report.

c) The Committee shall assist the Board in preparing the following for publication in the Company's Annual Report:

i) Statement on the Company's application of the principles set out in Part 1 of the Malaysian Code on Corporate Governance;

ii) Statement on the extent of compliance with the Best Practices in Corporate Governance set out in Part 2 of the Malaysian Code on Corporate Governance, specifying reasons for any areas of non-compliance (if any) and the alternatives adopted in such areas;

iii) Statement on the Board's responsibility for preparing the annual audited accounts; and

iv) Statement about the state of internal control of the Group.

d) The Committee may report any breaches of the Listing Requirements, which have not been satisfactorily resolved, to the Bursa Securities

## AUDIT COMMITTEE MEETINGS

The Audit Committee met six (6) times during the financial year ended 31 December 2007. The details of Audit Committee's meetings held and attended by the Committee during the financial year are as follows:

| Name of Member | No of Audit Committee Meetings Attended/Held |
|---|---|
| **Chairman** | |
| Sha Thiam Fook *(Independent Non-Executive Director)* | 6/6 |
| **Members** | |
| Dato' Ahmad Badri bin Mohamed Basir *(Independent Non-Executive Director)* | 5/6 |
| Dato' Seri Raja Haji Ahmad Zainuddin bin Raja Haji Omar *(Independent Non-Executive Director) (appointed on 12/3/2007)* | 4/5 |
| Tan Boon Kang *(Managing Director) (resigned on 25/10/2007)* | 5/5 |

## SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE DURING THE FINANCIAL YEAR ENDED 31 DECEMBER 2007

The Audit Committee carried out its duties in accordance with its Terms and Reference. During the financial year ended 31 December 2007, 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 31/12/2006, 31/3/2007, 30/6/2007 and 30/9/2007 prior to submission to the Board of Directors for consideration and approval;

b) Reviewed the year end financial statements ended 31 December 2006;

c) Reviewed the external auditors' reports for the financial year ended 31 December 2006 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 2006 and recommended its adoption to the Board;

e) Reviewed the Risk Management Assessment Report of the Company and its wholly-owned subsidiary;

f) Reviewed Internal Audit Report of the Company and its operating subsidiaries;

g) Reviewed the Group Internal Audit Plan;

h) Considered the nomination of the external auditors for recommendation to the Board for re-appointment and reviewed the audit fees; and

i) Review and verified the allocation of options granted to employees pursuant to the Company's Employees Share Option Scheme.

## INTERNAL AUDIT FUNCTION

The Group has an in-house Internal Audit Department which assists the Audit Committee in the discharge of its duties and responsibilities. The principal responsibility of the Internal Audit Department is to undertake regular and systematic review of the systems of control so as to provide reasonable assurance that such systems continue to operate satisfactorily and effectively in the Group. The Internal Auditor undertakes internal audit function based on the audit plan that is reviewed and approved by the Audit Committee.

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 and recommendations were duly acted upon by the management.

## STATEMENT BY AUDIT COMMITTEE ON THE GROUP'S EMPLOYEES' SHARE OPTION SCHEME

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

The Audit Committee has reviewed and verified that the allocation of options granted during the financial year under the Company's Employees Share Option Scheme ("ESOS") were 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 2007, ahli-ahli Jawatankuasa adalah seperti berikut:*

| | | |
|---|---|---|
| *Pengerusi* | *: Sha Thiam Fook (ahli MIA)* | *(Pengarah Bebas Bukan Eksekutif)* |
| *Ahli-ahli* | *: Dato' Ahmad Badri bin Mohamed Basir* | *(Pengarah Bebas Bukan Eksekutif)* |
| | *: Dato' Seri Raja Haji Ahmad Zainuddin bin Raja Haji Omar (dilantik pada 12 Mac 2007)* | *(Pengarah Bebas Bukan Eksekutif)* |
| | *: Tan Boon Kang (meletak jawatan pada 25 Oktober 2007)* | *(Pengarah Urusan)* |

*Berikutan penyemakan yang dibuat kepada Kod Urus Tadbir Korporat Malaysia ("Kod"), Encik Tan Boon Kang telah meletakkan jawatan sebagai ahli Jawatankuasa Audit pada 25 Oktober 2007. Syarikat menetapi Keperluan Penyenaraian Bursa Malaysia Sekuriti Berhad dan juga Kod mengenai komposisi Jawatankuasa Audit.*

## BIDANG RUJUKAN

### 1) Polisi

*Polisi Jawatankuasa Audit adalah untuk memastikan yang fungsi audit dalaman dan luaran dijalankan dengan betul dan saranan audit dilaksanakan dengan sempurna oleh kumpulan syarikat-syarikat KEN HOLDINGS BERHAD.*

### 2) Objektif

*Objektif-objektif polisi adalah untuk:*

a) *meyakinkan pemegang saham Syarikat bahawa Pengarah Syarikat telah mematuhi piawaian kewangan Malaysia dan polisi pendedahan yang berkenaan yang telah diperkenalkan dan ditadbirkan oleh Bursa Malaysia Sekuriti Berhad ("Bursa Sekuriti");*

b) *memastikan terdapatnya konsistensi dengan komitmen Bursa Sekuriti untuk menggalakkan pendedahan korporat yang tinggi standardnya dan untuk menggunakan amalan terbaik bagi mengekalkan standard tanggungjawab korporat, integriti dan kesungguhan yang berpatutan kepada semua pemegang saham Syarikat; dan*

c) *untuk membebaskan semua Lembaga Pengarah dari penglibatan terperinci dalam menyemak keputusan aktiviti audit dalaman dan luaran tapi tetap memastikan yang hasil audit dipertimbangan pada tahap tertinggi.*

### 3) Keahlian

a) *Ahli-ahli jawatankuasa mestilah dipilih oleh Lembaga Pengarah daripada kalangan para pengarah Syarikat dan mestilah terdiri daripada Pengarah Bukan Eksekutif dan sekurang-kurangnya tiga (3) ahli, yang mana majoritinya mestilah terdiri daripada pengarah-pengarah bebas.*

b) *Jawatankuasa mestilah mengandungi sekurang-kurangnya seorang (1) ahli yang merupakan ahli Institut Akauntan Malaysia atau seseorang yang mempunyai sekurang-kurangnya tiga (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 atau seseorang yang telah memenuhi syarat-syarat yang telah ditetapkan atau diluluskan oleh Bursa Sekuriti.*

c) *Tiada pengarah pengganti boleh dilantik sebagai Ahli Jawatankuasa Audit.*

d) *Ahli-ahli Jawatankuasa Audit hendaklah melantik seorang Pengerusi daripada kalangan mereka yang merupakan seorang Pengarah Bebas Bukan Eksekutif, seperti yang dinyatakan di atas.*

e) *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 Sekuriti Berhad dimungkiri, Lembaga Pengarah akan, dalam masa tiga (3) bulan daripada peristiwa tersebut, melantik ahli jawatankuasa baru seperti diperlukan untuk membetulkan kemungkiran tersebut.*

f) *Lembaga Pengarah akan mengkaji semula syarat pemegangan jawatan bagi ahli Jawakankuasa tidak kurang daripada sekali dalam setiap tiga (3) tahun.*

*4) **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 subsidiarinya;*

*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, juruaudit dalam atau dengan kedua-duanya sekali, tanpa kehadiran Pengarah dan kakitangan Syarikat, pada bila-bila masa dirasakan perlu.*

*5) **Fungsi-fungsi***

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

*a) dengan juruaudit luar, skop audit dan juga pelan audit;*

*b) dengan juruaudit luar, penilaian mereka mengenai sistem kawalan dalaman;*

*c) dengan juruaudit luar, surat pihak pengurusan dan respons dari pihak pengurusan;*

*d) dengan juruaudit luar, laporan audit mereka;*

*e) bantuan diberikan oleh kakitangan kepada juruaudit luar;*

*f) pencalonan atau pelantikan semula juruaudit dalam dan yuran audit mereka dan juga perkara-perkara berkaitan dengan perletakan jawatan atau pertukaran juruaudit luar;*

*g) kecukupan skop, fungsi-fungsi, keupayaan dan sumber-sumber fungsi audit dalaman, dan samada ianya mempunyai kuasa yang diperlukan untuk menjalankan tugas;*

*h) program audit dalaman, proses, hasil dari program audit dalaman, proses atau penyiasatan yang dilakukan dan sama ada tindakan bertepatan telah diambil berikutan saranan fungsi audit dalaman;*

*i) hasil suku tahunan dan penyata kewangan akhir tahun, sebelum diluluskan oleh Lembaga Pengarah, tertumpu terutamanya pada:*

*i) sebarang pertukaran dalam atau pelaksanaan pertukaran polisi perakaunan utama;*

*ii) penyesuaian besar diakibatkan oleh audit;*

*iii) peristiwa besar dan peristiwa ganjil;*

*iv) andaian 'going concern'; dan*

*v) mematuhi piawaian perakaunan dan lain-lain keperluan dan syarat guaman;*

*j) sebarang urusniaga pihak berkaitan dan keadaan konflik kepentingan yang mungkin timbul di dalam Syarikat atau Kumpulan termasuk sebarang urusniaga, langkah-langkah atau tingkah laku yang menimbulkan persoalan tentang integrity pengurusan; dan*

*k) lain-lain perkara yang diarahkan oleh Lembaga Pengarah.*

*6. **Penyeliaan Fungsi Audit Dalaman***

*a) Jawatankuasa akan menubuhkan fungsi audit dalaman yang bebas dari aktiviti-aktiviti yang diauditnya.*

*b) Jawatankuasa hendaklah menyelia segala fungsi audit dalaman dan diberi kuasa untuk mengarahkan penyiasatan dilakukan oleh audit dalaman sekiranya dianggap sesuai.*

*c) Juruaudit dalaman melapor terus kepada Jawatankuasa dan harus mempunyai akses terus kepada Pengerusi Jawatankuasa.*

d) Segala cadangan yang dibuat oleh pihak pengurusan berkenaan dengan perlantikan, pemindahan atau pemecatan juruaudit dalaman hendaklah diluluskan oleh Jawatankuasa terlebih dahulu.

7. **Kuorum Untuk Mesyuarat**

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

8. **Kehadiran Dalam Mesyuarat**

Pengarah Kewangan, Ketua Audit Dalaman dan wakil juruaudit luar perlu menghadiri mesyuarat. Ahli Lembaga Pengarah yang lain boleh menghadiri mana-mana mesyuarat di atas jemputan Jawatankuasa Audit, khusus pada mesyuarat yang berkaitan. Walau bagaimanapun, Jawatankuasa harus mengadakan mesyuarat, sekurang-kurangnya dua kali setahun, dengan juruaudit luar tanpa kehadiran ahli Lembaga Pengarah eksekutif.

9) **Kekerapan Mesyuarat**

Pengurusi mesti mengadakan mesyuarat yang diadakan tidak kurang dari empat (4) kali setahun. Juruaudit luar boleh memohon agar mesyuarat diadakan jika mereka berpendapat ianya perlu.

10) **Perjalanan Mesyuarat**

a) Seorang ahli boleh, pada bila-bila masa dan Setiausaha boleh, di atas permohonan ahli, mengadakan mesyuarat Jawatankuasa Audit dengan memberi ahli notis tidak kurang dari tujuh (7) hari melainkan jika keperluan begitu boleh diabaikan.

b) Jika Pengerusi tidak hadir, Jawatankuasa perlu melantik seorang daripada ahlinya untuk menjadi Pengerusi mesyuarat.

c) Resolusi yang dicadangkan untuk pengundian harus ditentukan oleh undi majoriti ahli-ahli yang hadir, di mana setiap ahli mempunyai satu undi.

11) **Langkah-langkah Pelaporan**

a) Setiausaha Syarikat akan menjadi Setiausaha Jawatankuasa. Dia perlu mencatat kehadiran semua ahli dan para jemputan dan mencatatkan minit untuk merekod perjalanan setiap mesyuarat Jawatankuasa. Semua minit mesyuarat akan diedarkan kepada setiap ahli Lembaga Pengarah.

b) Jawatankuasa akan menyediakan laporan tahunan untuk Lembaga Pengarah, di mana laporan itu mengandungi ringkasan aktiviti Jawatankuasa dan fungsi atau aktiviti audit dalaman yang akan dimasukkan ke dalam Laporan Tahunan Syarikat.

c) Jawatankuasa akan membantu Lembaga Pengarah menyediakan perkara-perkara berikut untuk diterbitkan dalam laporan tahunan Syarikat:

   i) Penyata permohonan prinsip Syarikat seperti yang dinyatakan dalam Bahagian 1 Kod Urus Tadbir Korporat Malaysia;

   ii) Penyata tahap komplians dengan Amalan Terbaik Urus Tadbir Korporat seperti dinyatakan dalam Bahagian 2 Kod Urus Tadbir Korporat Malaysia, dengan menyatakan alasan bagi sebarang bahagian yang tidak komplians (jika ada) dan langkah-langkah lain diambil untuk bahagian tidak komplians ini;

   iii) Penyata tanggungjawab Lembaga Pengarah dalam menyediakan akaun teraudit tahunan; dan

   iv) Penyata yang menunjukkan keadaan kawalan dalaman Kumpulan.

d) Jawatankuasa boleh melaporkan sebarang kemungkiran dalam Keperluan Penyenaraian yang belum diselesaikan dengan sempurna kepada Bursa Sekuriti.

## MESYUARAT JAWATANKUASA AUDIT

Jawatankuasa Audit telah bermesyuarat sebanyak enam (6) kali sepanjang tahun kewangan berakhir 31 Disember 2007. Butir-butir mengenai mesyuarat Jawatankuasa Audit yang diadakan dan dihadiri oleh Jawatankuasa sepanjang tahun kewangan tersebut adalah seperti berikut:

| Nama Ahli | Jumlah Mesyuarat Jawatankuasa Audit yang Dihadiri/Diadakan |
|---|---|
| **Pengerusi** | |
| Sha Thiam Fook (Pengarah Bebas Bukan Eksekutif) | 6/6 |
| **Ahli-ahli** | |
| Dato' Ahmad Badri bin Mohamed Basir (Pengarah Bebas Bukan Eksekutif) | 5/6 |
| Dato' Seri Raja Haji Ahmad Zainuddin bin Raja Haji Omar (Pengarah Bebas Bukan Eksekutif) (dilantik pada 12/3/2007) | 4/5 |
| Tan Boon Kang (Pengarah Urusan) (meletakkan jawatan pada 25/10/2007) | 5/5 |

## RINGKASAN-RINGKASAN AKTIVITI JAWATANKUASA AUDIT SEPANJANG TAHUN KEWANGAN BERAKHIR 31 DISEMBER 2007

*Ahli Jawatankuasa Audit telah menjalankan tugasnya mengikut Bidang Rujukan. Sepanjang tahun kewangan berakhir 31 Disember 2007, aktiviti-aktiviti Jawatankuasa Audit adalah seperti berikut:*

a) mengkaji keputusan kewangan suku tahunan dan pengumuman Syarikat dan Kumpulan untuk suku tahun kewangan berakhir 31/12/2006, 31/3/2007, 30/6/2007 dan 30/9/2007 sebelum dikemukakan kepada Lembaga Pengarah untuk pertimbangan dan kelulusan;

b) mengkaji semula penyata kewangan tahunan berakhir 31 Disember 2006;

c) mengkaji semula laporan juruaudit luar bagi tahun kewangan berakhir 31 Disember 2006 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 2006 dan mengesyorkan kepada Lembaga Pengarah untuk diterima pakai;

e) mengkaji semula Laporan Penilaian Pengurusan Risiko Syarikat dan subsidiari milik penuhnya;

f) mengkaji semula Laporan Audit Dalaman Syarikat dan subsidiari-subsidiarinya yang beroperasi;

g) mengkaji semula Rancangan Audit Dalaman Kumpulan;

h) mempertimbangkan pencalonan juruaudit luar untuk disyorkan kepada Lembaga Pengarah untuk perlantikan; dan

i) disemak dan disahkan pengagihan opsyen yang diberikan kepada pekerja-pekerja mengikut Skim Opsyen Saham Pekerja Syarikat.

## FUNGSI AUDIT DALAMAN

*Kumpulan mempunyai Jabatan Audit Dalaman yang membantu Jawatankuasa Audit menjalankan tugas dan tanggungjawabnya. Tanggungjawab utama fungsi Jabatan Audit Dalaman 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 berkesan dalam Kumpulan. Juruaudit Dalaman menjalankan fungsi audit dalaman berdasarkan pelan audit yang telah disemak dan diluluskan oleh Jawatankuasa Audit.*

*Sepanjang tahun kewangan, Juruaudit Dalaman telah menjalankan pengauditan ke atas subisidiari-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 dan saranan-saranan dilaksanakan oleh pihak pengurusan dengan sepatutnya.*

## PENYATAAN JAWATANKUASA AUDIT ATAS SKIM OPSYEN SAHAM PEKERJA KUMPULAN

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

*Jawatankuasa Audit telah menyemak semula dan memastikan yang pengagihan opsyen yang diberikan sepanjang tahun kewangan di bawah Skim Opsyen Saham Pekerja Syarikat ("ESOS") adalah bertepatan dengan kriteria yang ditetapkan oleh Bye Laws of 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 2007.

## SHARE BUY-BACK

Mandate for the share buy-back of Company's shares was approved by the shareholders at the Annual General Meeting held on 8 June 2007. The Company has not bought back any Company's shares during the financial year ended 31 December 2007.

## OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

During the financial year ended 31 December 2007, the following additional share options were granted and exercised pursuant to the Group's Employees' Shares Option Scheme (ESOS):

| | | Number of options over ordinary shares of RM1.00 each | | | | |
|---|---|---|---|---|---|---|
| **Date of offer** | **Option price RM** | **At 1.1.2007 '000** | **Granted '000** | **Exercised '000** | **Lapsed '000** | **At 31.12.2007 '000** |
| 4.6.2003 | 1.00 | 6,189 | 1,262 | (5,575) | (1,876) | - |

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 2007, 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 2007 amounted to RM6,000.

## VARIATION IN RESULTS

There was no material variance between the audited results for the financial year 31 December 2007 and the unaudited results previously announced.

## PROFIT GUARANTEE

The Company did not issue any profit guarantee during the financial year ended 31 December 2007.

## MATERIAL CONTRACTS

Save as disclosed in Note 28 to the Financial Statements on significant related party transactions, there were no material contracts entered into by the Company and its subsidiary companies which involve Directors' and major shareholders' interests either still subsisting at the end of the financial year ended 31 December 2007 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 2007.*

### BELI-BALIK SAHAM

*Mandat untuk membeli balik saham Syarikat telah diluluskan oleh para pemegang saham di Mesyuarat Agung Tahunan pada 8 Jun 2007. Syarikat belum membeli balik mana-mana saham Syarikat sepanjang tahun kewangan berakhir 31 Disember 2007.*

### OPSYEN, WARAN ATAU SEKURITI BOLEH TUKAR

*Sepanjang tahun kewangan berakhir 31 Disember 2007, opsyen saham tambahan berikut telah diberikan dan dilaksanakan menurut Skim Opsyen Saham Pekerja (ESOS):*

| | | Bilangan opsyen untuk saham biasa pada RM1.00 sesaham | | | | |
|---|---|---|---|---|---|---|
| Tarikh tawaran | Harga opsyen RM | Pada 1.1.2007 '000 | Diberi '000 | Dilaksanakan '000 | Lupus '000 | Pada 31.12.2007 '000 |
| 4.6.2003 | 1.00 | 6,189 | 1,262 | (5,575) | (1,876) | - |

*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 2007, 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 2007 adalah RM6,000.*

### VARIASI KEPUTUSAN

*Tiada varians penting di antara keputusan teraudit bagi tahun kewangan berakhir 31 Disember 2007 dan keputusan belum diaudit yang diumumkan terdahulu.*

### JAMINAN KEUNTUNGAN

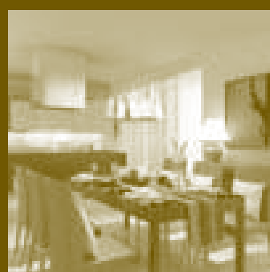
*Syarikat tidak mengeluarkan apa-apa jaminan keuntungan sepanjang tahun kewangan berakhir 31 Disember 2007.*

### KONTRAK MATERIAL

*Kecuali mana yang dibentangkan dalam Nota 28 kepada Penyata Kewangan mengenai urusniaga penting pihak berkaitan, tiada kontrak material yang ditandatangani oleh syarikat dan syarikat-syarikat subsidiarinya yang melibatkan kepentingan Pengarah dan pemegang saham utama sama ada masih berkuatkuasa pada hujung tahun kewangan berakhir 31 Disember 2007 atau ditandatangani sejak berakhir tahun kewangan sebelumnya.*

## Financial Statements / *Laporan Kewangan*

KEN HOLDINGS BHD



# Directors' Report for the year ended 31 December 2007

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 2007.

## PRINCIPAL ACTIVITIES

The principal activities of the Company consist of investment holding and provision of management services whilst 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 | 8,430 | 3,703 |

## RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the year under review.

## DIVIDENDS

In 2006, the Directors recommended a first and final dividend of 5 sen per ordinary share less tax totalling RM3,250,260 in respect of the year ended 31 December 2006 which was proposed for shareholders' approval at the Annual General Meeting.

Upon approval by the shareholders, the issued and paid-up capital of the Company had increased. A total issued and paid-up capital of 95,575,000 number of ordinary shares were entitled to the dividend, resulting in the Company paying a first and final dividend of 5 sen per ordinary share less tax totalling RM3,488,487 in respect of the year ended 31 December 2006 on 23 August 2007.

A first and final dividend of 6 sen per ordinary share less tax totalling RM4,256,184 in respect of the year ended 31 December 2007 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' Seri Raja Haji Ahmad Zainuddin bin Raja Haji Omar

Tengku Dato' Seri Baderul Zaman Ibni Almarhum Sultan Mahmud

## DIRECTORS' INTERESTS

The interests and deemed interests in the ordinary shares and options 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 1.1.2007 '000 | Bought '000 | Sold '000 | At 31.12.2007 '000 |
|---|---|---|---|---|
| **Direct interest** | | | | |
| Tan Boon Kang | 10,095 | 750 | - | **10,845** |
| Lau Pek Kuan | 1,209 | 750 | - | **1,959** |
| Tan Moon Hwa | 806 | 750 | (950) | **606** |
| Tang Kam Chee | 15 | 315 | (160) | **170** |
| **Indirect interest** | | | | |
| Tan Boon Kang | 35,133 | 750 | - | **35,883** |
| Lau Pek Kuan | 44,019 | 750 | - | **44,769** |

| | Number of ordinary shares of HK$1.00 each At 1.1.2007 '000 | Bought '000 | Sold '000 | At 31.12.2007 '000 |
|---|---|---|---|---|
| **Subsidiary** | | | | |
| Kenly (HK) Ltd. | | | | |
| **Indirect interest** | | | | |
| 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"), which has lapsed on 13 August 2007 are set out as below:

| | Number of options over ordinary shares of RM1.00 each At 1.1.2007 '000 | Granted '000 | Exercised '000 | Lapsed '000 | At 31.12.2007 '000 |
|---|---|---|---|---|---|
| **Share options in the Company** | | | | | |
| Tan Boon Kang | 750 | - | (750) | - | **-** |
| Lau Pek Kuan | 750 | - | (750) | - | **-** |
| Tan Moon Hwa | 750 | - | (750) | - | **-** |
| Tang Kam Chee | 740 | - | (315) | (425) | **-** |

None of the other Directors holding office at 31 December 2007 had any interest in the ordinary shares of the Company and of its related corporations during the financial year.

## DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than 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, other than certain Directors who have significant financial interests in a company which received rental income from a subsidiary of the Group, as disclosed in note 28 to the financial statements.

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

## ISSUE OF SHARES AND DEBENTURES

During the year, the Company issued 5,575,000 new ordinary shares of RM1.00 each for cash arising from the exercise of employees' share options at a weighted average price of RM1.00 per ordinary share.

There were no other changes in the authorised, 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.

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.

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

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

| | | Number of options over ordinary shares of RM1.00 each | | | | |
|---|---|---|---|---|---|---|
| **Date of offer** | **Option price RM** | **At 1.1.2007 '000** | **Granted '000** | **Exercised '000** | **Lapsed '000** | **At 31.12.2007 '000** |
| 4.6.2003 | 1.00 | 6,189 | 1,262 | (5,575) | (1,876) | - |

The ESOS has lapsed on 13 August 2007.

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.

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

| | | Number of options over ordinary shares of RM1.00 each | | | | |
|---|---|---|---|---|---|---|
| **Name of option holder** | **Option price RM** | **At 1.1.2007 '000** | **Granted '000** | **Exercised '000** | **Lapsed '000** | **At 31.12.2007 '000** |
| Tan Boon Kang | 1.00 | 750 | - | (750) | - | - |
| Lau Pek Kuan | 1.00 | 750 | - | (750) | - | - |
| Tan Moon Hwa | 1.00 | 750 | - | (750) | - | - |
| Tang Kam Chee | 1.00 | 740 | - | (315) | (425) | - |
| Lau Chin Ka | 1.00 | 750 | - | (750) | - | - |
| Lau Chin Kok | 1.00 | 375 | - | (375) | - | - |
| Tan Bon Sin | 1.00 | 304 | 117 | (420) | (1) | - |

**OTHER STATUTORY INFORMATION**

Before the balance sheets and income statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

i) all known bad debts have been written off and adequate provision made for doubtful debts, and

ii) all current assets have been stated at the lower of cost and net realisable value.

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

i) that would render the amount written off for bad debts, or the amount of the provision for doubtful debts, in the Group and in the Company inadequate to any substantial extent, or

ii) that would render the value attributed to the current assets in the Group and in the Company financial statements misleading, or

iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or

## OTHER STATUTORY INFORMATION (cont'd)

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 disposal of subsidiary as disclosed in note 29 to the financial statements, the results of the operations of the Group and of the Company for the financial year ended 31 December 2007 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.

## SIGNIFICANT EVENTS

i) 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. Incidental costs of RM156,000 were also incurred during the acquisition, resulting in a total capitalisation of RM15,956,000 under investment property.

ii) In October 2007, a subsidiary, Kenly (HK) Ltd. disposed of 1,000 ordinary shares of HK$1.00 each representing 100% equity interest in Kenly Engineering Ltd. for a total cash consideration of HK$2.00. The disposal of this subsidiary resulted in a gain on disposal of HK$6,112,000 (approximately RM2,693,000) at the group level.

## 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: 26 March 2008

# 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 51 to 90 are drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved Financial Reporting Standards (FRS) 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 2007 and of the results of their operations and cash flows for the year ended on that date.

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

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

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

Kuala Lumpur, Malaysia
Date: 26 March 2008

# 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 51 to 90 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 26 March 2008.

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

Before me:

No. W476
Raman Kunyapu
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 51 to 90. 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 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 Financial Reporting Standards (FRS) 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 2007 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 where audited, 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: 26 March 2008

# Balance Sheets at 31 December 2007

| | Note | Group 2007 RM'000 | Group 2006 RM'000 | Company 2007 RM'000 | Company 2006 RM'000 |
|---|---|---|---|---|---|
| **Assets** | | | | | |
| Property, plant and equipment | 3 | **2,950** | 8,758 | **-** | - |
| Prepaid lease payments | 4 | **3,132** | 3,176 | **-** | - |
| Land held for property development | 5 | **7,370** | 7,347 | **-** | - |
| Investment properties | 6 | **20,829** | 9,177 | **-** | - |
| Investment in subsidiaries | 7 | **-** | - | **13,333** | 13,333 |
| Other investments | 8 | **26** | 26 | **-** | - |
| Goodwill | 9 | **183** | 538 | **-** | - |
| Deferred tax assets | 10 | **2,531** | 1,878 | **153** | 130 |
| Amount due from subsidiaries | 11 | **-** | - | **71,020** | - |
| **Total non-current assets** | | **37,021** | 30,900 | **84,506** | 13,463 |
| Inventories | | **9,118** | 6,099 | **-** | - |
| Property development costs | 12 | **64,834** | 55,901 | **-** | - |
| Receivables, deposits and prepayments | 13 | **19,562** | 23,008 | **8** | 19 |
| Amount due from subsidiaries | 11 | **-** | - | **18,789** | 81,551 |
| Current tax assets | | **1,953** | 1,829 | **1,351** | 1,120 |
| Cash and cash equivalents | 14 | **14,605** | 27,895 | **2,492** | 4,917 |
| **Total current assets** | | **110,072** | 114,732 | **22,640** | 87,607 |
| **Total assets** | | **147,093** | 145,632 | **107,146** | 101,070 |
| **Equity** | | | | | |
| Share capital | 15 | **95,860** | 90,285 | **95,860** | 90,285 |
| Reserves | 16 | **1,683** | 2,189 | **-** | - |
| Retained earnings | 16 | **14,790** | 9,848 | **9,064** | 8,849 |
| **Total equity attributable to shareholders of the Company** | | **112,333** | 102,322 | **104,924** | 99,134 |
| **Minority interest** | 17 | **-** | - | **-** | - |
| **Total equity** | | **112,333** | 102,322 | **104,924** | 99,134 |
| **Liabilities** | | | | | |
| Loans and borrowings | 18 | **184** | 197 | **-** | - |
| Deferred tax liabilities | 10 | **7,101** | 7,196 | **1,310** | 1,120 |
| **Total non-current liabilities** | | **7,285** | 7,393 | **1,310** | 1,120 |
| Payables and accruals | 19 | **26,652** | 27,015 | **912** | 776 |
| Loans and borrowings | 18 | **-** | 6,756 | **-** | - |
| Current tax liabilities | | **823** | 2,146 | **-** | 40 |
| **Total current liabilities** | | **27,475** | 35,917 | **912** | 816 |
| **Total liabilities** | | **34,760** | 43,310 | **2,222** | 1,936 |
| **Total equity and liabilities** | | **147,093** | 145,632 | **107,146** | 101,070 |

The notes on pages 57 to 90 are an integral part of these financial statements.

# Income statements for the year ended 31 December 2007

| | Note | Group 2007 RM'000 | Group 2006 RM'000 | Company 2007 RM'000 | Company 2006 RM'000 |
|---|---|---|---|---|---|
| **Revenue** | | | | | |
| - contract revenue | | **4,026** | 17,415 | **-** | - |
| - property development revenue | | **56,175** | 58,062 | **-** | - |
| - dividends | | **-** | - | **4,850** | 6,600 |
| - management fees | | **-** | - | **484** | 660 |
| | | **60,201** | 75,477 | **5,334** | 7,260 |
| **Cost of sales** | | | | | |
| - contract costs | | **(5,807)** | (24,301) | **-** | - |
| - property development costs | | **(36,932)** | (30,862) | **-** | - |
| | | **(42,739)** | (55,163) | **-** | - |
| **Gross profit** | | **17,462** | 20,314 | **5,334** | 7,260 |
| Distribution expenses | | **(456)** | (116) | **-** | - |
| Administrative expenses | | **(8,682)** | (11,550) | **(394)** | (502) |
| Other operating expenses | | **(354)** | - | **-** | - |
| Other operating income | | **1,712** | 1,886 | **124** | 161 |
| **Results from operating activities** | | **9,682** | 10,534 | **5,064** | 6,919 |
| Finance costs | | **(533)** | (587) | **-** | - |
| **Operating profit** | 21 | **9,149** | 9,947 | **5,064** | 6,919 |
| Gain on disposal of subsidiary | 29.1 | **2,693** | - | **-** | - |
| **Profit before tax** | | **11,842** | 9,947 | **5,064** | 6,919 |
| Tax expense | 23 | **(3,412)** | (6,080) | **(1,361)** | (1,961) |
| **Profit after tax** | | **8,430** | 3,867 | **3,703** | 4,958 |
| Minority interest | | **-** | 206 | **-** | - |
| **Profit for the year** | | **8,430** | 4,073 | **3,703** | 4,958 |
| **Basic earnings per ordinary share** | 24 | **9 sen** | 5 sen | | |
| **Diluted earnings per ordinary share** | 24 | **N/A** | N/A | | |
| **Dividends per ordinary share - gross** | 25 | **5 sen** | 5 sen | | |

The notes on pages 57 to 90 are an integral part of these financial statements.

KEN HOLDINGS BHD

# Consolidated Statement of Changes in Equity

for the year ended 31 December 2007

| | | ----------- Attributable to shareholders of the Company ----------- | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | -------- Non-distributable -------- | | | | Distributable | | | |
| Group | Note | Share capital RM'000 | Share premium RM'000 | Revaluation reserve RM'000 | Translation reserve RM'000 | Retained earnings RM'000 | Total RM'000 | Minority interest RM'000 | Total equity RM'000 |
| **At 1 January 2006** | | 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 recognised directly in equity | | - | - | (124) | 1 | (30) | (153) | 154 | 1 |
| Profit/(Loss) for the year | | - | - | - | - | 4,073 | 4,073 | (206) | 3,867 |
| Dividends to shareholders | 25 | - | - | - | - | (3,250) | (3,250) | - | (3,250) |
| **At 31 December 2006** | | 90,285 | - | 2,003 | 186 | 9,848 | 102,322 | - | 102,322 |
| **At 1 January 2007** | | 90,285 | - | 2,003 | 186 | 9,848 | 102,322 | - | 102,322 |
| Realisation of revaluation reserve | | - | - | (19) | - | - | (19) | - | (19) |
| Foreign exchange translation differences | | - | - | - | (487) | - | (487) | - | (487) |
| Net gains or losses recognised directly in equity | | - | - | (19) | (487) | - | (506) | - | (506) |
| Share options exercised | | 5,575 | - | - | - | - | 5,575 | - | 5,575 |
| Profit for the year | | - | - | - | - | 8,430 | 8,430 | - | 8,430 |
| Dividends to shareholders | 25 | - | - | - | - | (3,488) | (3,488) | - | (3,488) |
| **At 31 December 2007** | | **95,860** | **-** | **1,984** | **(301)** | **14,790** | **112,333** | **-** | **112,333** |
| | | Note 15 | | Note 16.1 | Note 16.2 | | | | |

The notes on pages 57 to 90 are an integral part of these financial statements.

KEN HOLDINGS BHD

# Statement of Changes in Equity for the year ended 31 December 2007

| Company | Note | Share capital RM'000 | Non-distributable Share premium RM'000 | Distributable Retained earnings RM'000 | Total RM'000 |
|---|---|---|---|---|---|
| **At 1 January 2006** | | 90,285 | - | 7,141 | 97,426 |
| Profit for the year | | - | - | 4,958 | 4,958 |
| Dividends to shareholders | 25 | - | - | (3,250) | (3,250) |
| **At 31 December 2006/1 January 2007** | | 90,285 | - | 8,849 | 99,134 |
| Profit for the year | | - | - | 3,703 | 3,703 |
| Share options exercised | | 5,575 | - | - | 5,575 |
| Dividends to shareholders | 25 | - | - | (3,488) | (3,488) |
| **At 31 December 2007** | | **95,860** | **-** | **9,064** | **104,924** |
| | | Note 15 | | Note 16.3 | |

The notes on pages 57 to 90 are an integral part of these financial statements.

# Cash Flow Statements for the year ended 31 December 2007

| | Note | Group 2007 RM'000 | Group 2006 RM'000 | Company 2007 RM'000 | Company 2006 RM'000 |
|---|---|---|---|---|---|
| **Cash flows from operating activities** | | | | | |
| Profit before tax | | **11,842** | 9,947 | **5,064** | 6,919 |
| Adjustments for: | | | | | |
| Allowance for diminution in value of other investments | | **-** | 6 | **-** | - |
| Amortisation of prepaid lease payments | | **44** | 44 | **-** | - |
| Depreciation of investment properties | | **89** | - | **-** | - |
| Depreciation of property, plant and equipment | | **716** | 1,018 | **-** | - |
| Dividend income | | **-** | - | **(4,850)** | (6,600) |
| Finance costs | | **533** | 587 | **-** | - |
| Gain on disposal of property, plant and equipment | | **(223)** | (76) | **-** | - |
| Gain on disposal of subsidiary | | **(2,693)** | - | **-** | - |
| Impairment loss on goodwill | | **355** | - | **-** | - |
| Interest income | | **(414)** | (558) | **(124)** | (161) |
| Property, plant and equipment written off | | **2** | - | **-** | - |
| Operating profit before changes in working capital | | **10,251** | 10,968 | **90** | 158 |
| Changes in working capital: | | | | | |
| Inventories | | **(3,019)** | 513 | **-** | - |
| Land held for property development | | **(23)** | (24) | **-** | - |
| Payables and accruals | | **4,470** | 829 | **136** | 235 |
| Property development costs | | **1,904** | (1,531) | **-** | - |
| Receivables, deposits and prepayments | | **1,307** | 6 | **11** | (2) |
| Subsidiaries | | **-** | - | **(6,997)** | (2,151) |
| Cash generated from/(used in) from operations | | **14,890** | 10,761 | **(6,760)** | (1,760) |
| Income taxes paid | | **(6,501)** | (5,889) | **(156)** | (178) |
| Income taxes refunded | | **908** | - | **-** | - |
| Interest paid | | **(238)** | (288) | **-** | - |
| Interest received | | **142** | 107 | **-** | - |
| **Net cash generated from/(used in) operating activities** | | **9,201** | 4,691 | **(6,916)** | (1,938) |
| **Cash flows from investing activities** | | | | | |
| Acquisition of investment properties | | **(15,956)** | - | **-** | - |
| Acquisition of property, plant and equipment | | **(44)** | (1,135) | **-** | - |
| Decrease/(Increase) in pledged deposits placed with licensed banks | | **3,879** | (127) | **3,878** | (126) |
| Disposal of subsidiary, net of cash disposed | | **(5)** | - | **-** | - |
| Dividends received | | **-** | - | **2,280** | 4,752 |
| Improvements on investment properties | | **(1,660)** | (149) | **-** | - |
| Interest income from fixed deposits | | **272** | 451 | **124** | 161 |
| Proceeds from disposal of property, plant and equipment | | **366** | 76 | **-** | - |
| **Net cash (used in)/generated from investing activities** | | **(13,148)** | (884) | **6,282** | 4,787 |

# Cash Flow Statements for the year ended 31 December 2007 (cont'd)

| | Note | Group 2007 RM'000 | Group 2006 RM'000 | Company 2007 RM'000 | Company 2006 RM'000 |
|---|---|---|---|---|---|
| **Cash flows from financing activities** | | | | | |
| Dividends paid to shareholders of the Company | | **(3,488)** | (3,250) | **(3,488)** | (3,250) |
| Interest paid on loans and borrowings | | **(295)** | (299) | **-** | - |
| Payment of hire purchase liabilities | | **-** | (75) | **-** | - |
| Proceeds from issuance of share capital | | **5,575** | - | **5,575** | - |
| Repayment of loans and borrowings | | **(3,536)** | (100) | **-** | - |
| **Net cash (used in)/generated from financing activities** | | **(1,744)** | (3,724) | **2,087** | (3,250) |
| **Net (decrease)/increase in cash and cash equivalents** | | **(5,691)** | 83 | **1,453** | (401) |
| **Cash and cash equivalents at beginning of year** | | **19,882** | 19,494 | **538** | 939 |
| Effect of exchange rate fluctuations on cash held | | **(487)** | 305 | **-** | - |
| Cash and cash equivalents at end of year | i) | **13,704** | 19,882 | **1,991** | 538 |

**i) Cash and cash equivalents**

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

| | Group 2007 RM'000 | Group 2006 RM'000 | Company 2007 RM'000 | Company 2006 RM'000 |
|---|---|---|---|---|
| Cash and bank balances | **4,316** | 16,482 | **127** | 86 |
| Deposits placed with licensed banks | **10,289** | 11,413 | **2,365** | 4,831 |
| | **14,605** | 27,895 | **2,492** | 4,917 |
| Less: Bank overdrafts - secured | **-** | (3,233) | **-** | - |
| Less: Deposits pledged | **(901)** | (4,780) | **(501)** | (4,379) |
| | **13,704** | 19,882 | **1,991** | 538 |



The notes on pages 57 to 90 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 the Bursa Malaysia Securities Berhad. The address of its principal place of business and registered office is as follows:

**Principal place of business/Registered office**

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

The consolidated financial statements of the Company as at and for the year ended 31 December 2007 comprise the Company and its subsidiaries (together referred to as the Group). The financial statements of the Company as at and for the year ended 31 December 2007 do not include other entities.

The Company is principally engaged in investment holding and provision of management services whilst 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.

The financial statements were approved by the Board of Directors on 26 March 2008.

## 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 Financial Reporting Standards (FRS) 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 FRS 119, *Employee Benefits - Actuarial Gains and Losses, Group Plans and Disclosures* and FRS 6, *Exploration for and Evaluation of Mineral Resources* for accounting periods beginning 1 January 2007. The adoption of FRS 119, *Employee Benefits - Actuarial Gains and Losses, Group Plans and Disclosures* does not have any significant financial impact on the Group and on the Company. Meanwhile, FRS 6 is not applicable to the Group and to the Company.

The MASB has also issued the following FRSs and Interpretations that are effective for annual periods beginning after 1 January 2007 and that have not been applied in preparing these financial statements:

| **FRSs / Interpretations** | **Effective date** |
|---|---|
| FRS 139, *Financial Instruments: Recognition and Measurement* | To be announced |
| FRS 107, *Cash Flow Statements* | 1 July 2007 |
| FRS 111, *Construction Contracts* | 1 July 2007 |
| FRS 112, *Income Taxes* | 1 July 2007 |
| FRS 118, *Revenue* | 1 July 2007 |
| FRS 120, *Accounting for Government Grants and Disclosure of Government Assistance* | 1 July 2007 |
| Amendment to FRS 121, *The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation* | 1 July 2007 |
| FRS 134, *Interim Financial Reporting* | 1 July 2007 |
| FRS 137, *Provisions, Contingent Liabilities and Contingent Assets* | 1 July 2007 |
| IC Interpretation 1, *Changes in Existing Decommissioning, Restoration and Similar Liabilities* | 1 July 2007 |
| IC Interpretation 2, *Members' Shares in Co-operative Entities and Similar Instruments* | 1 July 2007 |

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

### (a) Statement of compliance (cont'd)

| FRSs / Interpretations | Effective date |
|---|---|
| IC Interpretation 5, *Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds* | 1 July 2007 |
| IC Interpretation 6, *Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment* | 1 July 2007 |
| IC Interpretation 7, *Applying the Restatement Approach under FRS 129, Financial Reporting in Hyperinflationary Economies* | 1 July 2007 |
| IC Interpretation 8, *Scope of FRS 2* | 1 July 2007 |

The Group and the Company plans to apply the abovementioned FRSs and Interpretations for the annual period beginning 1 January 2008 except for FRS 139 which effective date has yet to be announced.

The impact of applying FRS 139 on the financial statements upon first adoption as required by paragraph 30(b) of FRS 108, Accounting Policies, Changes in Accounting Estimates and Errors is not disclosed by virtue of the exemption given in FRS 139.103AB.

The initial application of the other FRSs and Interpretations are not expected to have any material impact on the financial statements of the Group and of the Company.

### (b) Basis of measurement

The financial statements have been prepared on the historical cost basis.

### (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.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than disclosed in the following notes:

- Note 3 - revaluation of property, plant and equipment
- Note 6 - valuation of investment properties
- Note 10 - recognition of unutilised tax losses and capital allowances
- Note 12 - calculation of revenue and cost of sales for property development projects
- Note 13 - calculation of revenue and cost of sales for construction contracts

## 2. SIGNIFICANT ACCOUNTING POLICIES

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

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

### (a) Basis of consolidation

#### (i) Subsidiaries

Subsidiaries are entities, including unincorporated entities, controlled by the Group. Control exists when the Group has the ability to exercise its 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. Subsidiaries are consolidated using the purchase method of accounting.

Under the purchase method of accounting, the financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that 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 (excluding goodwill) 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.

Where losses applicable to the minority exceed the minority's interest in the equity of a subsidiary, 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) 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.

#### (iv) 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 losses are also eliminated only to the extent that there is no evidence of impairment.

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

### (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 transactions. 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 historical 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 statements.

#### (ii) Operations denominated in functional currencies other than Ringgit Malaysia

The assets and liabilities of operations in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at exchange rates at the balance sheet date. The income and expenses of foreign operations are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in translation reserve. On disposal, accumulated translation differences are recognised in the consolidated income statement as part of the gain or loss on sale.

### (c) Property, plant and equipment

#### (i) Recognition and measurement

Items of property, plant and equipment are stated at cost/valuation less accumulated depreciation and accumulated 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. Surpluses arising from revaluation are dealt with in the revaluation reserve account.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within “other operating income” or “other operating expenses” respectively in the income statement. When revalued assets are sold, the amounts included in the revaluation surplus reserve are transferred to retained earnings.

#### (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.

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

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

#### (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.

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

| | |
|---|---|
| • buildings | 25 - 50 years |
| • motor vehicles | 5 years |
| • machinery and equipment | 5 years |
| • furniture and fittings | 5 years |

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

### (d) Leased assets

#### Operating lease

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Other leases are operating leases and, except for property interest held under operating lease, the leased assets are not recognised on the Group's balance sheet. Property interest held under an operating lease, which is held to earn rental income or for capital appreciation or both, is classified as investment property.

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 for as prepaid lease payments.

Certain leasehold land were revalued in December 2005 and the Group has retained the unamortised revalued amount as the surrogate carrying amount of prepaid lease payments in accordance with the transitional provision in FRS 117.67A when it first adopted FRS 117, Leases in 2006.

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

### (e) Investment properties

#### (i) Investment properties carried at cost

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

Investment properties are stated at cost less accumulated depreciation and accumulated impairment losses, consistent with the accounting policy for property, plant and equipment as stated in accounting policy note 2(c).

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of 50 years for buildings. Freehold land is not depreciated.

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

### (e) Investment properties (cont'd)

#### (ii) Reclassification to/from investment property

When an item of property, plant and equipment is transferred to investment property following a change in its use, it continues to be stated at cost less accumulated depreciation and accumulated impairment losses under the cost model.

Investment property transferred to property development costs following a change in use applies the accounting policy for property development costs as stated in accounting policy note 2(m).

#### (iii) Determination of fair value

The Directors estimate the fair values of the Group's investment properties without the involvement of independent valuers.

The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Significant assumptions in arriving at the fair value of investment properties are disclosed in note 6.

### (f) Goodwill

Goodwill arises on business combinations and is measured at cost less accumulated impairment losses.

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.

Any excess of the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in the income statement.

Goodwill is tested for impairment annually and whenever there is an indication that it may 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.

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

**(g) Investments in debt and equity securities (cont'd)**

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 if is delivered.

**(h) Inventories**

Completed properties held for sale are measured 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.

**(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 payables and accruals 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 activity has been carried out or when development activities are not expected to be completed within the Group'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 Group's operating cycle of 2 to 3 years.

Cost associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies. Where the Group has previously carried the land at revalued amount, it continues to retain this amount as its surrogate cost as allowed by FRS 201.

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

### (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 receivables, deposits and prepayments while the excess billing to purchasers over revenue recognised in the income statement is shown as progress billings under payables and accruals.

### (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 financial assets, inventories, deferred tax assets and assets arising from construction contracts, 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, the recoverable amount is estimated at each reporting date.

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. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). Goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statements. 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.

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 statements in the year in which the reversals are recognised.

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

### (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.

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.

### (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 statements 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 Employees 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. Prior to the adoption of FRS 2, Share-based Payment, 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.

**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.

**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 an outflow 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 accounts 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 recognition**

**(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 the 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.

**(iii) Dividend income**

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

**(iv) Management fee income**

Management fee income is recognised on an accrual basis.

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

### (u) 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.

### (v) 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.

### (w) 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.

### (x) 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.

## 3. PROPERTY, PLANT AND EQUIPMENT

| Group | Freehold building RM'000 | Freehold land RM'000 | Long term leasehold buildings RM'000 | Motor vehicles RM'000 | Site equipment RM'000 | Plant and machinery RM'000 | Office equipment RM'000 | Furniture and fittings RM'000 | Total RM'000 |
|---|---|---|---|---|---|---|---|---|---|
| **Cost/Valuation** | | | | | | | | | |
| At 1 January 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 January 2007 | 1,402 | 3,169 | 2,380 | 3,883 | 630 | 9,533 | 1,042 | 232 | 22,271 |
| Additions | - | - | - | - | - | - | 34 | 10 | 44 |
| Disposals | - | - | - | (598) | - | (665) | (24) | (7) | (1,294) |
| Write offs | - | - | - | - | (89) | (297) | (146) | - | (532) |
| Disposal of subsidiary | - | - | - | - | - | (266) | - | - | (266) |
| Transfer to investment properties | (930) | (1,741) | (2,380) | - | - | - | - | - | (5,051) |
| Effect of movements in exchange rate | - | - | - | (39) | (6) | (61) | (9) | (4) | (119) |
| At 31 December 2007 | **472** | **1,428** | **-** | **3,246** | **535** | **8,244** | **897** | **231** | **15,053** |
| **Representing items at:** | | | | | | | | | |
| Cost | - | - | - | 3,246 | 535 | 8,244 | 897 | 231 | 13,153 |
| Valuation - 2005 | 472 | 1,428 | - | - | - | - | - | - | 1,900 |
| At 31 December 2007 | **472** | **1,428** | **-** | **3,246** | **535** | **8,244** | **897** | **231** | **15,053** |
| **Depreciation** | | | | | | | | | |
| 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/ 1 January 2007 | 56 | - | 52 | 3,049 | 617 | 8,644 | 888 | 207 | 13,513 |
| Charge for the year | 19 | - | - | 315 | 4 | 301 | 65 | 12 | 716 |
| Disposals | - | - | - | (459) | - | (665) | (22) | (5) | (1,151) |
| Write offs | - | - | - | - | (88) | (297) | (145) | - | (530) |
| Disposal of subsidiary | - | - | - | - | - | (253) | - | - | (253) |
| Transfer to investment properties | (37) | - | (52) | - | - | - | - | - | (89) |
| Effect of movements in exchange rate | - | - | - | (28) | (6) | (57) | (8) | (4) | (103) |
| At 31 December 2007 | **38** | **-** | **-** | **2,877** | **527** | **7,673** | **778** | **210** | **12,103** |
| **Carrying amounts** | | | | | | | | | |
| At 1 January 2006 | 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 |
| At 31 December 2007 | **434** | **1,428** | **-** | **369** | **8** | **571** | **119** | **21** | **2,950** |

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

| Company | Office equipment RM'000 |
|---|---|
| **Cost** | |
| At 1 January 2006/31 December 2006/31 December 2007 | 1 |
| **Depreciation** | |
| At 1 January 2006/31 December 2006/31 December 2007 | 1 |
| **Carrying amounts** | |
| At 1 January 2006/31 December 2006/31 December 2007 | - |

**Property, plant and equipment under the revaluation model**

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

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

| Group | 2007 RM'000 | 2006 RM'000 |
|---|---|---|
| Freehold land | 490 | 490 |
| Freehold building | 116 | 121 |
| | 606 | 611 |

## 4. PREPAID LEASE PAYMENTS

| Group<br>Prepaid interest in leased land | Leasehold land with unexpired period more than 50 years<br>2007 RM'000 | <br>2006 RM'000 |
|---|---|---|
| **Valuation** | | |
| At 1 January/31 December | 3,220 | 3,220 |
| **Amortisation** | | |
| At 1 January | 44 | - |
| Amortisation for the year | 44 | 44 |
| At 31 December | 88 | 44 |
| **Carrying amounts** | | |
| At 31 December | 3,132 | 3,176 |

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

**Prepaid lease payments under the revaluation model**

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

Had the leasehold land been carried under the cost model, its carrying amount would have been RM1,925,000 (2006 - RM1,952,000).

## 5. LAND HELD FOR PROPERTY DEVELOPMENT

| Group | 2007 RM'000 | 2006 RM'000 |
|---|---|---|
| **Cost** | | |
| At 1 January | **7,323** | 7,323 |
| Improvements | **47** | 24 |
| At 31 December | **7,370** | 7,347 |

## 6. INVESTMENT PROPERTIES

| Group | Freehold land RM'000 | Buildings RM'000 | Total RM'000 |
|---|---|---|---|
| **Cost** | | | |
| At 1 January 2006 | - | 9,028 | 9,028 |
| Improvements | - | 149 | 149 |
| At 31 December 2006/1 January 2007 | - | 9,177 | 9,177 |
| Acquisition | 15,956 | - | 15,956 |
| Improvements | - | 1,660 | 1,660 |
| Transfer from property, plant and equipment | 1,741 | 3,310 | 5,051 |
| Transfer to property development costs | - | (10,837) | (10,837) |
| At 31 December 2007 | **17,697** | **3,310** | **21,007** |
| **Depreciation** | | | |
| At 1 January 2006/31 December 2006/1 January 2007 | - | - | - |
| Transfer from property, plant and equipment | - | 89 | 89 |
| Depreciation for the year | - | 89 | 89 |
| At 31 December 2007 | **-** | **178** | **178** |
| **Carrying amounts** | | | |
| At 1 January 2006 | - | 9,028 | 9,028 |
| At 31 December 2006 | - | 9,177 | 9,177 |
| At 31 December 2007 | **17,697** | **3,132** | **20,829** |

## 6. INVESTMENT PROPERTIES (cont'd)

| Group | Freehold land RM'000 | Buildings RM'000 | Total RM'000 |
|---|---|---|---|
| **Fair values** | | | |
| At 1 January 2006 | - | 9,028 | 9,028 |
| At 31 December 2006 | - | 9,177 | 9,177 |
| At 31 December 2007 | **17,740** | **3,716** | **21,456** |

**Estimation uncertainty and key assumptions**

The Group estimates the fair values of its investment properties based on the following key assumptions:

- The comparison of the Group's investment properties with similar properties that were listed for sale within the same locality or other comparable localities;

- Enquiries from relevant property valuers and real estate agents on market conditions and changing market trends.

**Land titles**

The titles for long term leasehold buildings costing RM1,680,000 (2006 - RM1,680,000) are pending issuance of titles to the Group by the relevant authorities.

The following are recognised in the income statement in respect of investment properties:

| Group | 2007 RM'000 |
|---|---|
| Rental income | **386** |
| Direct operating expenses - income generating investment properties | **(220)** |

## 7. INVESTMENT IN SUBSIDIARIES

| | Company 2007 RM'000 | Company 2006 RM'000 |
|---|---|---|
| Unquoted shares - at cost | **13,333** | 13,333 |

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

The details of the subsidiaries are as follows:

| Subsidiaries | Principal activities | Effective ownership interest (%) 2007 | 2006 |
|---|---|---|---|
| Ken Grouting Sdn. Bhd. | Specialist engineering services, turnkey contracts, building and civil engineering works | **100** | 100 |
| Ken Projects Sdn. Bhd. | Investment holding | **100** | 100 |
| Ken Property Sdn. Bhd. | Property holding and investment and housing developer | **100** | 100 |
| Support Capital Sdn. Bhd. | Investment holding | **100** | 100 |
| **The subsidiary of Support Capital Sdn. Bhd. is:** | | | |
| Kenly (HK) Ltd. † | Construction and civil engineering | **79.4** | 79.4 |
| **The subsidiary of Ken Grouting Sdn. Bhd. is:** | | | |
| Ken-Chec Sdn. Bhd. | Land reclamation, civil, dredging, and marine engineering | **100** | 100 |
| **The subsidiaries of Ken Projects Sdn. Bhd. are:** | | | |
| Khidmat Tulin Sdn. Bhd. | Property holding and investment and housing developer | **100** | 100 |
| T.B.S. Management Sdn. Bhd. | Property management services | **100** | 100 |
| Ken Rimba Jaya Sdn. Bhd. | Property development and investment holding | **100** | 100 |
| **The subsidiaries of Ken Property Sdn. Bhd. are:** | | | |
| Ken Link Sdn. Bhd. | Property development and investment holding | **100** | 100 |
| Aunyang Holdings Sdn. Bhd. | Investment holding | **100** | 100 |
| **The subsidiary of Aunyang Holdings Sdn. Bhd. is:** | | | |
| Jewel Estate Sdn. Bhd. | Property management services | **100** | 100 |
| **The subsidiary of Kenly (HK) Ltd. is:** | | | |
| Kenly Engineering Ltd. † * | Construction and civil engineering | **-** | 100 |

† Audited by another firm of auditors

* Disposed of in October 2007

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

## 8. OTHER INVESTMENTS - AT COST

| | Group | |
|---|---|---|
| | **2007 RM'000** | **2006 RM'000** |
| Quoted shares in Malaysia | **120** | 120 |
| Less: Allowance for diminution in value | **(114)** | (114) |
| | **6** | 6 |
| Unquoted shares | **20** | 20 |
| | **26** | 26 |
| Market value of quoted shares in Malaysia | **23** | 12 |

## 9. GOODWILL

| | Group | |
|---|---|---|
| | **2007 RM'000** | **2006 RM'000** |
| **Cost** | | |
| At 1 January | **538** | 4,629 |
| Effect of adopting FRS 3 | **-** | (4,091) |
| At 31 December | **538** | 538 |
| **Amortisation** | | |
| At 1 January | **-** | 4,091 |
| Effect of adopting FRS 3 | **-** | (4,091) |
| At 31 December | **-** | - |
| **Impairment loss** | | |
| At 1 January | **-** | - |
| Impairment loss for the year | **355** | - |
| At 31 December | **355** | - |
| **Carrying amounts** | **183** | 538 |

**Impairment charge**

The impairment loss is recognised in other operating expenses in the income statement.

## 10. DEFERRED TAXATION

### Recognised deferred tax assets and liabilities

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

| | Group | | Company | |
|---|---|---|---|---|
| | 2007 RM'000 | 2006 RM'000 | 2007 RM'000 | 2006 RM'000 |
| Deferred tax assets | **(2,531)** | (1,878) | **(153)** | (130) |
| Deferred tax liabilities | **7,101** | 7,196 | **1,310** | 1,120 |

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 | |
|---|---|---|---|---|
| | 2007 RM'000 | 2006 RM'000 | 2007 RM'000 | 2006 RM'000 |
| Property, plant and equipment | | | | |
| - capital allowances | **74** | 87 | **-** | - |
| - revaluation | **630** | 700 | **-** | - |
| Property development costs | **5,425** | 5,849 | **-** | - |
| Unabsorbed capital allowances | **(6)** | (6) | **-** | - |
| Tax loss carry-forwards | **(388)** | (361) | **-** | - |
| Provisions | **(225)** | (190) | **(153)** | (130) |
| Deductible temporary differences | **(940)** | (761) | **1,310** | 1,120 |
| | **4,570** | 5,318 | **1,157** | 990 |

In recognising the deferred tax assets attributable to unutilised tax loss carry-forwards and unutilised capital allowance carry-forwards (included in deductible temporary differences of property, plant and equipment) the Directors made an assumption that there will not be any substantial change (more than 50%) in the shareholders before these assets are utilised. If there is substantial change in the shareholders, unutilised tax loss carry-forwards and unutilised capital allowance carry-forwards amounting to approximately RM1,492,000 and RM23,000 respectively will not be available to the Group, resulting in an increase in net deferred tax liabilities of RM394,000.

## 10. DEFERRED TAXATION (cont'd)

### Unrecognised deferred tax assets

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

| | Group | | Company | |
|---|---|---|---|---|
| | 2007<br>RM'000 | 2006<br>RM'000 | 2007<br>RM'000 | 2006<br>RM'000 |
| Deductible temporary differences | **(177)** | (177) | **-** | - |
| Unabsorbed capital allowances | **11** | 11 | **-** | - |
| Tax loss carry-forwards | **19,501** | 18,119 | **-** | - |
| | **19,335** | 17,953 | **-** | - |
| @ 17.5% | **3,382** | 3,130 | **-** | - |
| @ 20% | **10** | 14 | **-** | - |
| | **3,392** | 3,144 | **-** | - |

In 2007, unrecognised deferred tax assets of Kenly Engineering Ltd. comprising unutilised tax loss carry-forwards amounting to RM2,566,000 have not been carried forward following the disposal of the subsidiary in October 2007.

The deductible temporary differences do not expire under current tax legislation unless there is a substantial change in shareholders (more than 50%). If there is substantial change in shareholders, unutilised tax loss carry-forwards and unutilised capital allowance carry-forwards amounting to RM19,501,000 and RM11,000 will not be available to the Group. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits there from.

## 11. AMOUNTS DUE FROM SUBSIDIARIES

| | Company | |
|---|---|---|
| | 2007<br>RM'000 | 2006<br>RM'000 |
| **Non-current** | | |
| - Non-trade | **71,020** | - |
| **Current** | | |
| - Non-trade | **18,789** | 81,551 |
| | **89,809** | 81,551 |

11.1 The amounts due from subsidiaries are unsecured, interest free and is repayable on demand except for the non-current portion amounting to RM71,020,000 (2006 - Nil) which is not expected to be repaid within the next 12 months.

11.2 Included in the current portion of the amounts due from subsidiaries are dividends receivable from subsidiaries amounting to RM3,540,000 (2006 - RM2,280,000).

## 12. PROPERTY DEVELOPMENT COSTS

| | Group 2007 RM'000 | Group 2006 RM'000 |
|---|---|---|
| At 1 January | | |
| Land | **39,913** | 39,913 |
| Development costs | **70,785** | 38,161 |
| Accumulated costs charged to income statement | **(54,797)** | (23,704) |
| | **55,901** | 54,370 |
| Development costs transferred from investment properties | **10,837** | - |
| Development costs incurred during the year | **38,090** | 32,624 |
| | **104,828** | 86,994 |
| Costs charged to income statement | **(35,259)** | (31,093) |
| Costs transferred to inventories | **(4,735)** | - |
| | **64,834** | 55,901 |
| At 31 December | | |
| Land | **42,463** | 39,913 |
| Development costs | **65,646** | 70,785 |
| Accumulated costs charged to income statement | **(43,275)** | (54,797) |
| | **64,834** | 55,901 |

12.1 Additions to development costs during the year include staff costs amounting to RM15,000 (2006 - RM106,000).

12.2 Estimation uncertainty and critical judgements

The Group estimates revenue and budgeted costs for property development projects based on the following key assumptions:

- Revenue on development projects have been projected based on the estimated market selling price of the units;
- The property development costs have been projected based on prevailing cost of construction 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. RECEIVABLES, DEPOSITS AND PREPAYMENTS

| | Group | | Company | |
|---|---|---|---|---|
| | 2007 RM'000 | 2006 RM'000 | 2007 RM'000 | 2006 RM'000 |
| **Trade** | | | | |
| Trade receivables | **24,980** | 23,410 | **-** | - |
| Retention sum | **1,540** | 2,909 | **-** | - |
| | **26,520** | 26,319 | **-** | - |
| Less: Allowance for doubtful debts | **(15,229)** | (14,149) | **-** | - |
| | **11,291** | 12,170 | **-** | - |
| Construction work-in-progress | **652** | 3,808 | **-** | - |
| Progress billings receivable | **5,164** | 4,799 | **-** | - |
| **Non-trade** | | | | |
| Other receivables, deposits and prepayments | **2,481** | 2,231 | **8** | 19 |
| Less: Allowance for doubtful debts | **(26)** | - | **-** | - |
| | **2,455** | 2,231 | **8** | 19 |
| | **19,562** | 23,008 | **8** | 19 |

13.1 The currency exposure profile of trade receivables is as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 2007 RM'000 | 2006 RM'000 | 2007 RM'000 | 2006 RM'000 |
| Ringgit Malaysia | **10,908** | 8,200 | **-** | - |
| Hong Kong Dollar | **15,612** | 18,119 | **-** | - |
| | **26,520** | 26,319 | **-** | - |

13.2 In 2006, bad debts written off against allowance for doubtful debts amounted to RM1,088,000.

13.3 Construction work-in-progress

| | Group | |
|---|---|---|
| | 2007 RM'000 | 2006 RM'000 |
| Aggregate costs incurred to date | **1,318** | 57,501 |
| Add/Less: Attributable profits/(losses) | **312** | (6,551) |
| | **1,630** | 50,950 |
| Less: Progress billings | **(978)** | (47,142) |
| | **652** | 3,808 |
| Additions to aggregate costs incurred during the year include: | | |
| Staff costs | **1,381** | 3,268 |
| Rental of plant and machinery | **1,119** | 1,135 |

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

13.4 Estimation uncertainty and critical judgements

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

- 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 the amount of revenue can be measured reliably;

- 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.

## 14. CASH AND CASH EQUIVALENTS

| | Group | | Company | |
|---|---|---|---|---|
| | 2007 RM'000 | 2006 RM'000 | 2007 RM'000 | 2006 RM'000 |
| Cash and bank balances | **4,316** | 16,482 | **127** | 86 |
| Deposits placed with licensed banks | **10,289** | 11,413 | **2,365** | 4,831 |
| | **14,605** | 27,895 | **2,492** | 4,917 |

Included in the Group's cash and bank balances is RM1,318,000 (2006 - RM14,906,000) maintained pursuant to the Housing Development (Housing Development Account) Regulations 1991 and included in the Group and Company's deposits placed with licensed banks is RM901,000 (2006 - RM4,780,000) and RM501,000 (2006 - RM4,379,000) pledged for bank overdraft and bank guarantee facilities granted to the subsidiaries.

## 15. SHARE CAPITAL

| | Number of shares | | Amount | |
|---|---|---|---|---|
| **Group and Company** | 2007 '000 | 2006 '000 | 2007 RM'000 | 2006 RM'000 |
| Ordinary shares of RM1.00 each: | | | | |
| Authorised | **300,000** | 300,000 | **300,000** | 300,000 |
| Issued and fully paid: | | | | |
| At 1 January | **90,285** | 90,285 | **90,285** | 90,285 |
| Issued for cash | **5,575** | - | **5,575** | - |
| On issue at 31 December | **95,860** | 90,285 | **95,860** | 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.

The Company has also issued share options (see note 20).

## 16. RESERVES

### 16.1 Revaluation reserve

The revaluation reserve represents surplus arising from the revaluation of the Group's freehold land and building and long term prepaid lease payments prior to its reclassification.

### 16.2 Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

### 16.3 Section 108 tax credit

Subject to agreement by the Inland Revenue Board, the Company has Section 108 tax credit and tax exempt income to frank all of its distributable reserves at 31 December 2007 if paid out as dividends.

The Malaysian Budget 2008 introduced a single tier company income tax system with effect from year of assessment 2008. As such, the Section 108 tax credit as at 31 December 2007 will be available to the Company until such time the credit is fully utilised or upon expiry of the six-year transitional period on 31 December 2013, whichever is earlier.

## 17. MINORITY SHAREHOLDERS' INTERESTS

This consists of the minority shareholders' proportion of share capital and reserves of subsidiaries.

## 18. LOANS AND BORROWINGS

| | Group | |
|---|---|---|
| | **2007 RM'000** | **2006 RM'000** |
| **Non-current** | | |
| Loan from minority shareholder | **184** | 197 |
| **Current** | | |
| Revolving credit - unsecured | **-** | 3,523 |
| Bank overdrafts - secured | **-** | 3,233 |
| | **-** | 6,756 |

### Terms and debt repayment schedule

In 2006, the revolving credit was subjected to interest at 10.00% and supported by a corporate guarantee issued by the Company.

In 2006, the bank overdrafts were subjected to interest at 9.70% and secured by fixed deposits of the Company placed with licensed banks.

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

## 19. PAYABLES AND ACCRUALS

| | Group | | Company | |
|---|---|---|---|---|
| | **2007 RM'000** | **2006 RM'000** | **2007 RM'000** | **2006 RM'000** |
| **Trade** | | | | |
| Trade payables | **14,377** | 18,807 | **-** | - |
| Progress billings | **4,290** | 2,489 | **-** | - |
| **Non-trade** | | | | |
| Other payables and accruals | **7,632** | 5,393 | **668** | 554 |
| Amount due to Directors | **353** | 326 | **244** | 222 |
| | **26,652** | 27,015 | **912** | 776 |

19.1 The currency exposure profile of trade payables is as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | **2007 RM'000** | **2006 RM'000** | **2007 RM'000** | **2006 RM'000** |
| Ringgit Malaysia | **14,149** | 12,225 | **-** | - |
| Hong Kong Dollar | **228** | 6,582 | **-** | - |
| | **14,377** | 18,807 | **-** | - |

19.2 Included in trade payables of the Group are retention sums payable amounting to RM3,009,000 (2006 - RM3,678,000).

19.3 Amount due to Directors represents accrual of Directors fee payable which is unsecured, interest free and is repayable on demand.

## 20. 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.

The ESOS has lapsed on 13 August 2007 and no new share-based payment has since been offered by the Company.

| | Company | |
|---|---|---|
| | **2007 RM'000** | **2006 RM'000** |
| Outstanding at 1 January | **6,189** | 4,109 |
| Granted | **1,262** | 2,122 |
| Exercised | **(5,575)** | - |
| Lapsed | **(1,876)** | (42) |
| Outstanding at 31 December | **-** | 6,189 |

## 20. EMPLOYEE BENEFITS (cont'd)

### Share-based payments (cont'd)

Details of share options exercised during 2007 are as follows:

| | |
|---|---|
| Expiry date | 13 August 2007 |
| Weighted average exercise price per ordinary share (RM) | 1.00 |
| Aggregate issue proceeds (RM'000) | 5,575 |
| Fair value at date of issue (RM'000) | 8,052 |

## 21. OPERATING PROFIT

| | Group | | Company | |
|---|---|---|---|---|
| | 2007 RM'000 | 2006 RM'000 | 2007 RM'000 | 2006 RM'000 |
| **Operating profit is arrived at after charging:** | | | | |
| Allowance for diminution in value of other investments | **-** | 6 | **-** | - |
| Allowance for doubtful debts | **1,106** | 3,016 | **-** | - |
| Amortisation of prepaid lease rentals | **44** | 44 | **-** | - |
| Auditors' remuneration | | | | |
| Company auditors (statutory audit) | | | | |
| - current year | **80** | 70 | **20** | 15 |
| - under provision in prior year | **6** | 1 | **3** | 1 |
| Company auditors (other services) | **6** | 6 | **6** | 6 |
| Other auditors (statutory audit) | **7** | 34 | **-** | - |
| Depreciation of investment properties | **89** | - | **-** | - |
| Depreciation of property, plant and equipment | **716** | 1,018 | **-** | - |
| Impairment loss on goodwill | **355** | - | **-** | - |
| Interest expense on: | | | | |
| - Bank overdrafts | **238** | 288 | **-** | - |
| - Loans | **295** | 299 | **-** | - |
| Personnel expenses (including key management personnel): | | | | |
| - Contributions to Employees Provident Fund | **587** | 651 | **-** | - |
| - Wages, salaries and others | **7,779** | 10,611 | **132** | 122 |
| Property, plant and equipment written off | **2** | - | **-** | - |
| Rental expense on premises | **205** | 214 | **-** | - |
| **and after crediting:** | | | | |
| Dividend income from subsidiaries | **-** | - | **4,850** | 6,600 |
| Gain on disposal of property, plant and equipment | **223** | 76 | **-** | - |
| Gain on disposal of subsidiary | **2,693** | - | **-** | - |
| Inter-company management fees | **-** | - | **484** | 660 |
| Interest income from: | | | | |
| - Fixed deposits | **272** | 451 | **124** | 162 |
| - Housing Development Account | **97** | 81 | **-** | - |
| - Purchasers (late payment) | **45** | 26 | **-** | - |
| Recovery of bad debts | **173** | 136 | **-** | - |
| Rental income from properties | **732** | 651 | **-** | - |
| Reversal of allowance for doubtful debts | **-** | 2 | **-** | - |

## 22. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel compensation is as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | 2007 RM'000 | 2006 RM'000 | 2007 RM'000 | 2006 RM'000 |
| Directors: | | | | |
| - Fees | **99** | 90 | **99** | 90 |
| - Remuneration | **1,660** | 1,525 | **33** | 32 |
| - Other short term employee benefits (including estimated monetary value of benefits-in-kind) | **57** | 70 | **-** | - |
| Total | **1,816** | 1,685 | **132** | 122 |

## 23. TAX EXPENSE

| | Group | | Company | |
|---|---|---|---|---|
| | 2007 RM'000 | 2006 RM'000 | 2007 RM'000 | 2006 RM'000 |
| **Recognised in the income statements** | | | | |
| Current tax expense | | | | |
| Malaysian - current year | **4,567** | 7,024 | **1,384** | 2,031 |
| - under provision in prior year | **39** | 125 | **-** | 6 |
| Total current tax | **4,606** | 7,149 | **1,384** | 2,037 |
| Deferred tax expense | | | | |
| Malaysian - origination and reversal of temporary differences | **(1,311)** | (952) | **(23)** | (76) |
| - under/(over) provision in prior year | **117** | (117) | **-** | - |
| Total deferred tax | **(1,194)** | (1,069) | **(23)** | (76) |
| Total tax expense | **3,412** | 6,080 | **1,361** | 1,961 |
| **Reconciliation of effective tax expense** | | | | |
| Profit before tax | **11,842** | 9,947 | **5,064** | 6,919 |
| Tax calculated using Malaysian tax rates * | **3,066** | 2,622 | **1,367** | 1,937 |
| Non-deductible expenses | **237** | 208 | **23** | 18 |
| Tax exempt income | **(471)** | - | **-** | - |
| Effect of changes in tax rates ** | **(417)** | - | **(29)** | - |
| Effect of tax rates in foreign jurisdiction *** | **144** | 1,305 | **-** | - |
| Current year losses for which no deferred tax asset was recognised | **697** | 1,938 | **-** | - |
| Change in unrecognised temporary differences | **-** | (1) | **-** | - |
| | **3,256** | 6,072 | **1,361** | 1,955 |
| Under provision in prior year | **156** | 8 | **-** | 6 |
| Total tax expense | **3,412** | 6,080 | **1,361** | 1,961 |

## 23. TAX EXPENSE (cont'd)

* With effect from year of assessment 2004, several subsidiaries with paid-up capital of RM2.5 million and below at the beginning of the basis period for a year of assessment are subject to corporate tax at 20% on chargeable income up to RM500,000.

** With effect from year of assessment 2007, corporate tax rate is at 27%. The Malaysian Budget 2008 also announced the reduction of corporate tax rate to 26% with effect from year of assessment 2008 and to 25% with effect from year of assessment 2009 respectively. Consequently deferred tax assets and liabilities are measured using these tax rates.

*** Several subsidiaries in Hong Kong (see note 7) operate in a tax jurisdiction with a lower tax rate of 17.5%.

## 24. EARNINGS PER ORDINARY SHARE

### Basic earnings per ordinary share

The calculation of basic earnings per ordinary share at 31 December 2007 was based on the profit attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding calculated as follows:

**Profit attributable to ordinary shareholders**

| | 2007 RM'000 | 2006 RM'000 |
|---|---|---|
| Profit for the year attributable to shareholders | **8,430** | 4,073 |

**Weighted average number of ordinary shares**

| | 2007 '000 | 2006 '000 |
|---|---|---|
| Issued ordinary shares at 1 January | **90,285** | 90,285 |
| Effect of ordinary shares issued arising from exercise of options | **2,328** | - |
| Weighted average number of ordinary shares at 31 December | **92,613** | 90,285 |

### Diluted earnings per ordinary share

For 2007, there is no dilutive effect following the expiration of ESOS on 13 August 2007. In 2006, the effect on the basic earnings per share arising from the assumed exercise of ESOS is anti-dilutive.

## 25. DIVIDENDS

Dividends recognised in the current year by the Company are:

| Paid | Total amount RM'000 | Date of payment |
|---|---|---|
| 2006 final dividend of RM0.05 per share less tax | 3,488 | 21 August 2007 |

## 25. DIVIDENDS (cont'd)

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 |
|---|---|---|
| 2007 final dividend of RM0.06 per share less tax | 6 | 4,256 |

## 26. 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.

Segment 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, loans and borrowings and related expenses, corporate assets (primarily the Company's headquarters) and head office expenses, and tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment and investment properties.

Inter-segment pricing is determined on negotiated terms.

### 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.

## 26. SEGMENT REPORTING (cont'd)

| Group | Construction 2007 RM'000 | Construction 2006 RM'000 | Property development 2007 RM'000 | Property development 2006 RM'000 | Eliminations 2007 RM'000 | Eliminations 2006 RM'000 | Consolidated 2007 RM'000 | Consolidated 2006 RM'000 |
|---|---|---|---|---|---|---|---|---|
| **Business segments** | | | | | | | | |
| Total external revenue | **4,026** | 17,415 | **56,175** | 58,062 | **-** | - | **60,201** | 75,477 |
| Inter-segment revenue | **44,911** | 43,850 | **144** | 144 | **(45,055)** | (43,994) | **-** | - |
| **Total segment revenue** | **48,937** | 61,265 | **56,319** | 58,206 | **(45,055)** | (43,994) | **60,201** | 75,477 |
| Segment result | **659** | (4,212) | **12,455** | 17,206 | **(3,505)** | (2,499) | **9,609** | 10,495 |
| Unallocated expenses | | | | | | | **(341)** | (519) |
| Interest income | | | | | | | **414** | 558 |
| Finance costs | | | | | | | **(533)** | (587) |
| **Operating profit** | | | | | | | **9,149** | 9,947 |
| Gain on disposal of subsidiary | | | | | | | **2,693** | - |
| **Profit before tax** | | | | | | | **11,842** | 9,947 |
| Tax expense | | | | | | | **(3,412)** | (6,080) |
| Minority interest | | | | | | | **-** | 206 |
| **Profit for the year** | | | | | | | **8,430** | 4,073 |
| **Segment assets** | **51,056** | 47,518 | **110,832** | 119,486 | **(37,891)** | (30,085) | **123,997** | 136,919 |
| Unallocated assets | | | | | | | **23,096** | 8,713 |
| **Total assets** | | | | | | | **147,093** | 145,632 |
| **Segment liabilities** | **22,792** | 33,672 | **42,119** | 30,089 | **(39,244)** | (27,895) | **25,667** | 35,866 |
| Unallocated liabilities | | | | | | | **9,093** | 7,444 |
| **Total liabilities** | | | | | | | **34,760** | 43,310 |
| Capital expenditure | **27** | 1,101 | **15,973** | 34 | **-** | - | **16,000** | 1,135 |
| Depreciation and amortisation | **697** | 910 | **507** | 152 | **-** | - | **1,204** | 1,062 |
| Non cash expenses other than depreciation and amortisation | **1,108** | 3,022 | **-** | - | **-** | - | **1,108** | 3,022 |

## 26. SEGMENT REPORTING (cont'd)

| | Malaysia | | Hong Kong | | Eliminations | | Consolidated | |
|---|---|---|---|---|---|---|---|---|
| | 2007 RM'000 | 2006 RM'000 | 2007 RM'000 | 2006 RM'000 | 2007 RM'000 | 2006 RM'000 | 2007 RM'000 | 2006 RM'000 |
| **Geographical segments** | | | | | | | | |
| Revenue from external customers | **57,662** | 58,412 | **2,539** | 17,065 | **-** | - | **60,201** | 75,477 |
| Segment assets | **121,253** | 132,283 | **2,744** | 4,636 | **-** | - | **123,997** | 136,919 |
| Capital expenditure | **16,000** | 1,133 | **-** | 2 | **-** | - | **16,000** | 1,135 |

## 27. CONTINGENCIES

The Directors are of the opinion that provisions are not required in respect of these matters, as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

### 27.1 Corporate guarantees (unsecured)

| | Group | | Company | |
|---|---|---|---|---|
| | 2007 RM'000 | 2006 RM'000 | 2007 RM'000 | 2006 RM'000 |
| Guarantees given to financial institutions for credit facilities granted to subsidiaries | **-** | - | **683** | 5,030 |
| Guarantees given to third parties for credit facilities granted to subsidiaries for purchase of materials/services | **-** | - | **317** | 951 |
| | **-** | - | **1,000** | 5,981 |

### 27.2 Litigation (unsecured)

A subsidiary has instituted legal actions against a debtor for outstanding debts of RM14.4 million (2006 - RM14.4 million) in respect of various contract works. An allowance for doubtful debts of RM14.4 million (2006 - RM14.4 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. In the Directors' opinion, disclosure of any further information would be prejudicial to the interests of the Company.

## 28. 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.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Group.

## 28. RELATED PARTIES (cont'd)

The significant related party transactions, other than key management personnel compensation, are as follows:

| Group<br>Director | Transaction | Transaction value year ended 31 December<br>2007<br>RM'000 | <br>2006<br>RM'000 |
|---|---|---|---|
| Tang Kam Chee | Purchase of property from Ken Property Sdn. Bhd.,a subsidiary | - | 385 |
| | Discount received via normal employee incentives | - | (39) |
| | | - | 346 |
| Tan Boon Kang<br>Lau Pek Kuan | Rental expense on premises payable by Ken Grouting Sdn. Bhd., a subsidiary, to Kenkat Realty Sdn. Bhd, a company in which the Directors have interests | **12** | 12 |

| Company | Transaction value year ended 31 December<br>2007<br>RM'000 | <br>2006<br>RM'000 |
|---|---|---|
| **Subsidiaries** | | |
| Management fees receivable | | |
| - Ken Grouting Sdn. Bhd. | **(120)** | (120) |
| - Ken Projects Sdn. Bhd. | **(124)** | (120) |
| - Ken Property Sdn. Bhd. | **(240)** | (420) |
| | **(484)** | (660) |
| Dividend income receivable | | |
| - Ken Grouting Sdn. Bhd. | **(1,861)** | (540) |
| - Ken Projects Sdn. Bhd. | **(730)** | - |
| - Ken Property Sdn. Bhd. | **(949)** | (4,212) |
| | **(3,540)** | (4,752) |

The terms and conditions for the above transactions are based on normal trade terms. All the amounts outstanding are unsecured and expected to be settled by cash.

## 29. BUSINESS COMBINATIONS

### Disposal

29.1 On 3 October 2007, the Group disposed of all its equity interest in Kenly Engineering Ltd. ("KEL") to a third party for a total cash consideration of HK2.00 (approximately RM1.00).

The deconsolidation of KEL had the following effect on the Group's cash flow, total assets and total liabilities:

| | 3.10.2007 RM'000 |
|---|---|
| Plant and equipment | 13 |
| Current assets | 2,144 |
| Current liabilities | (4,850) |
| Net liabilities of subsidiary deconsolidated | (2,693) |
| Consideration received, satisfied in cash | - |
| Gain on disposal of subsidiary | (2,693) |
| Consideration received, satisfied in cash | - |
| Cash disposed | (5) |
| Net cash outflow | (5) |

The results and cash flows of KEL for the period up to the date of disposal were as follows:

| | From 1.1.2007 to 3.10.2007 RM'000 |
|---|---|
| Revenue | 1,965 |
| Cost of sales | (4,809) |
| Gross loss | (2,844) |
| Administrative expenses | (181) |
| Other operating income | 326 |
| Loss before tax | (2,699) |
| Tax expense | 7 |
| Loss for the period | (2,692) |
| Cash flows from operating activities | (5) |
| Total cash flows | (5) |

## 29. BUSINESS COMBINATIONS (cont'd)

### Prior year disposals

29.2 On 19 May 2006, the Group disposed of all its equity interest in KD Management Sdn. Bhd. ("KDSB") for a total cash consideration of RM1.00.

29.3 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. In 2007, deregistration of SGAL was completed.

### Prior year acquisitions

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

The acquisition and disposals in year 2006 had no significant financial impact on the Group's assets and liabilities as KDSB and JESB are semi-dormant companies handling property management services whilst SGAL is a dormant company.

## 30. SIGNIFICANT EVENTS

i) 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. Incidental costs of RM156,000 were also incurred during the acquisition, resulting in a total capitalisation of RM15,956,000 under investment property.

ii) In October 2007, a subsidiary, Kenly (HK) Ltd. disposed of 1,000 ordinary shares of HK$1.00 each representing 100% equity interest in Kenly Engineering Ltd. for a total cash consideration of HK$2.00. The disposal of this subsidiary resulted in a gain on disposal of HK$6,112,000 (approximately RM2,693,000) at the Group level.

## 31. FINANCIAL INSTRUMENTS

Exposure to foreign currency, credit and liquidity risks arises in the normal course of the Company's business. Derivative financial instruments are not used to hedge exposure to fluctuations in foreign exchange rates.

### 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.

### 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.

## 31. FINANCIAL INSTRUMENTS (cont'd)

### Credit risk (cont'd)

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 (2006 - RM14.4 million), of which the Group has provided for an allowance of doubtful debts of RM14.4 million (2006 - RM14.4 million) for this particular trade receivable. Legal action has been taken to recover this trade receivable. As disclosed in note 27.2 of the financial statements, the Directors, based on the advice of lawyers, are of the opinion that the subsidiary has a good claim against the debtor.

### Liquidity risk

The Group and 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 Group and 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.

### 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

| | Note | Average effective rate | Total RM'000 |
|---|---|---|---|
| **GROUP** | | | |
| **2007** | | | |
| Deposits placed with licensed banks | 14 | 2.93% | 10,289 |
| **2006** | | | |
| Deposits placed with licensed banks | 14 | 3.10% | 11,413 |
| **COMPANY** | | | |
| **2007** | | | |
| Deposits placed with licensed banks | 14 | 2.86% | 2,365 |
| **2006** | | | |
| Deposits placed with licensed banks | 14 | 3.11% | 4,831 |

### Fair values

The carrying amounts of cash and cash equivalents, receivables, other payables and short term borrowings, approximate fair values due to the relatively short term nature of these financial instruments.

The Company provides financial guarantees to banks for credit facilities extended to certain subsidiaries. The fair value of such financial guarantees is not expected to be material as the probability of the subsidiaries defaulting on the credit lines is remote.

In respect of amount due from subsidiaries, it is not practical to estimate the fair values due principally to a lack of specific repayment terms entered into by the parties involved and without incurring excessive costs.

It was not practicable to estimate the fair value of the Group's investment in unquoted shares due to the lack of comparable quoted market prices and the inability to estimate fair value without incurring excessive costs.

# Laporan Pengarah untuk tahun berakhir 31 Disember 2007

Para Pengarah dengan sukacitanya membentangkan laporan mereka dan penyata-penyata kewangan Kumpulan dan Syarikat yang telah diaudit untuk tahun berakhir 31 Disember 2007.

## AKTIVITI-AKTIVITI UTAMA

Aktiviti-aktiviti utama Syarikat merangkumi pegangan pelaburan dan pemberian perkhidmatan pengurusan manakala aktiviti utama syarikat-syarikat subsidiarinya dinyatakan di dalam nota 7 kepada penyata kewangan. Tiada perubahan ketara dalam aktiviti-aktiviti utama tersebut sepanjang tahun kewangan.

## KEPUTUSAN

| | Kumpulan RM'000 | Syarikat RM'000 |
|---|---|---|
| Keuntungan bagi tahun semasa | 8,430 | 3,703 |

## RIZAB DAN PERUNTUKAN

Tiada pindahan kepada atau daripada rizab dan peruntukan sepanjang tahun kewangan yang ditinjau.

## DIVIDEN

Dalam tahun 2006, para Pengarah menyarankan dividen pertama dan terakhir berjumlah 5 sen setiap saham biasa tolak cukai berjumlah RM3,250,260 berhubung tahun berakhir 31 Disember 2006 yang akan dicadangkan untuk kelulusan para pemegang saham dalam Mesyuarat Agung Tahunan akan datang.

Apabila diluluskan oleh para pemegang saham, modal diterbitkan dan modal berbayar Syarikat akan meningkat. Jumlah modal diterbitkan dan modal berbayar ialah 95,575,000 saham biasa diperuntukkan untuk dividen, dan Syarikat membayar dividen pertama dan terakhir berjumlah 5 sen setiap saham biasa tolak cukai yang berjumlah RM3,488,487 berhubung tahun berakhir 31 Disember 2006 pada 24 Ogos 2007.

Dividen pertama dan terakhir yang berjumlah 6 sen setiap saham biasa kurang cukai berjumlah RM4,256,184 berhubung tahun berakhir 31 Disember 2007 telah dicadangkan oleh para Pengarah dan akan disarankan untuk kelulusan para pemegang saham dalam 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' Seri Raja Haji Ahmad Zainuddin bin Raja Haji Omar

Tengku Dato' Seri Baderul Zaman Ibni Almarhum Sultan Mahmud

## KEPENTINGAN PARA PENGARAH

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

| | Bilangan saham biasa berharga RM1.00 sesaham | | | |
|---|---|---|---|---|
| **Syarikat** | **Pada 1.1.2007 '000** | **Dibeli '000** | **Dijual '000** | **Pada 31.12.2007 '000** |
| **Kepentingan langsung** | | | | |
| Tan Boon Kang | 10,095 | 750 | - | **10,845** |
| Lau Pek Kuan | 1,209 | 750 | - | **1,959** |
| Tan Moon Hwa | 806 | 750 | (950) | **606** |
| Tang Kam Chee | 15 | 315 | (160) | **170** |
| **Kepentingan tidak langsung** | | | | |
| Tan Boon Kang | 35,133 | 750 | - | **35,883** |
| Lau Pek Kuan | 44,019 | 750 | - | **44,769** |

| | Bilangan saham biasa berharga HK$1.00 sesaham | | | |
|---|---|---|---|---|
| | **Pada 1.1.2007 '000** | **Dibeli '000** | **Dijual '000** | **Pada 31.12.2007 '000** |
| **Subsidiari** | | | | |
| Kenly (HK) Ltd. | | | | |
| **Kepentingan tidak langsung** | | | | |
| 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 kepada para Pengarah yang layak menurut Skim Opsyen Saham Pekerja ("ESOS"), yang telah lupus pada 13 Ogos 2007 adalah seperti berikut:

| | Bilangan opsyen untuk saham biasa berharga RM1.00 sesaham | | | | |
|---|---|---|---|---|---|
| | **Pada 1.1.2007 '000** | **Diberi '000** | **Dilaksanakan '000** | **Lupus '000** | **Pada 31.12.2007 '000** |
| **Opsyen saham dalam Syarikat** | | | | | |
| Tan Boon Kang | 750 | - | (750) | - | **-** |
| Lau Pek Kuan | 750 | - | (750) | - | **-** |
| Tan Moon Hwa | 750 | - | (750) | - | **-** |
| Tang Kam Chee | 740 | - | (315) | (425) | **-** |

Tiada Pengarah lain yang memegang jawatan pada 31 Disember 2007 yang mempunyai sebarang kepentingan dalam saham biasa Syarikat dan syarikat-syarikat berkaitan dengannya sepanjang tahun kewangan ini.

## MANFAAT PARA PENGARAH

Sejak akhir tahun kewangan yang lepas, tiada Pengarah Syarikat menerima atau layak menerima sebarang manfaat (selain daripada manfaat yang termasuk dalam jumlah agregat emolumen yang diterima atau belum diterima dan akan diterima oleh Pengarah tertentu seperti dinyatakan dalam penyata kewangan atau gaji tetap pekerja Syarikat atau syarikat-syarikat berkaitan) disebabkan oleh kontrak yang dibuat oleh Syarikat atau syarikat berkaitan dengan Pengarah berkenaan atau dengan sebuah firma di mana Pengarah berkenaan adalah seorang ahli, atau dengan sebuah syarikat di mana Pengarah berkenaan mempunyai kepentingan kewangan yang besar selain daripada Pengarah tertentu yang mempunyai kepentingan kewangan yang besar dalam syarikat yang menerima pendapatan sewa dari subsidiari Syarikat, seperti yang dicatatkan dalam nota 28 penyata kewangan.

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

## TERBITAN SAHAM DAN DEBENTUR

Sepanjang tahun kewangan ini, Syarikat telah menerbitkan sebanyak 5,575,000 saham biasa baru pada harga RM1.00 sesaham untuk tunai, hasil daripada pelaksanaan opsyen saham pekerja pada harga purata berwajaran yang bernilai RM1.00 sesaham biasa.

Tiada perubahan lain dalam saham diluluskan, diterbitkan dan berbayar Syarikat sepanjang tahun kewangan. Tiada debentur diterbitkan sepanjang tahun kewangan.

## OPSYEN DIBERI BAGI SAHAM YANG BELUM DITERBITKAN

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

Dalam 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.

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 diskaun 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.

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

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

| | | Bilangan opsyen untuk saham biasa pada RM1.00 sesaham | | | | |
|---|---|---|---|---|---|---|
| Tarikh tawaran | Harga opsyen RM | Pada 1.1.2007 '000 | Diberi '000 | Dilaksanakan '000 | Lupus '000 | Pada 31.12.2007 '000 |
| 4.6.2003 | 1.00 | 6,189 | 1,262 | (5,575) | (1,876) | - |

ESOS telah lupus pada 13 Ogos 2007.

Syarikat telah diberi pengecualian oleh Surahanjaya 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.

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

| | | Bilangan opsyen untuk saham biasa pada RM1.00 sesaham | | | | |
|---|---|---|---|---|---|---|
| Nama pemegang opsyen | Harga opsyen RM | Pada 1.1.2007 '000 | Diberi '000 | Dilaksanakan '000 | Lupus '000 | Pada 31.12.2007 '000 |
| Tan Boon Kang | 1.00 | 750 | - | (750) | - | - |
| Lau Pek Kuan | 1.00 | 750 | - | (750) | - | - |
| Tan Moon Hwa | 1.00 | 750 | - | (750) | - | - |
| Tang Kam Chee | 1.00 | 740 | - | (315) | (425) | - |
| Lau Chin Ka | 1.00 | 750 | - | (750) | - | - |
| Lau Chin Kok | 1.00 | 375 | - | (375) | - | - |
| Tan Bon Sin | 1.00 | 304 | 117 | (420) | (1) | - |

## LAIN-LAIN MAKLUMAT BERKANUN

Sebelum lembaran imbangan dan penyata pendapatan 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

## LAIN-LAIN MAKLUMAT BERKANUN (samb.)

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 menjejaskan dengan ketara keupayaan Kumpulan dan Syarikat untuk memenuhi kewajipannya apabila tiba masanya kelak.

Pada pendapat Para Pengarah, selain daripada penjualan anak syarikat seperti yang dinyatakan dalam nota 29 penyata kewangan, keputusan daripada Kumpulan dan Syarikat bagi tahun kewangan berakhir 31 Disember 2007 tidak terjejas dengan ketara oleh sebarang perkara, urusniaga atau peristiwa penting dan berbentuk luar biasa atau sebarang perkara, urusniaga atau kejadian yang berlaku sepanjang tempoh antara akhir tahun kewangan hingga ke tarikh laporan ini.

## PERISTIWA-PERISTIWA PENTING

i) Pada bulan Februari 2007, anak syarikat Aunyang Holdings Sdn. Bhd. telah menandatangani Penjanjian Jual Beli untuk membeli dua keping tanah untuk pertimbangan tunai berjumlah RM15,800,00. Kos sampingan berjumlah RM156,000 juga terdapat semasa pembelian, dan ini menyebabkan jumlah permodalan sebanyak RM15,956,000 di bawah pelaburan hartanah.

ii) Pada bulan Oktober 2007, anak syarikat Kenly (HK) Ltd. menjual sebanyak 1,000 saham biasa bernilai HK$1.00 sesaham mewakili 100% faedah ekuiti bagi Kenly Engineering Ltd. untuk jumlah pertimbangan tunai bernilai HK$2.00. Penjualan anak syarikat ini menghasilkan pulangan penjualan sebanyak HK$6,112,000 (lebih kurang bernilai RM2,693,000) pada tahap syarikat.

## 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: 26 Mac 2008

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

Pada pendapat para Pengarah, penyata kewangan yang dibentangkan di muka surat 98 hingga 138 telah disediakan menurut peruntukan Akta Syarikat, 1965 dan Piawaian Laporan Kewangan (FRS) yang diluluskan oleh Lembaga Piawaian Perakaunan Malaysia untuk memberi gambaran yang benar dan saksama mengenai kedudukan urusan Kumpulan dan Syarikat pada 31 Disember 2007 dan keputusan operasi serta aliran tunai masing-masing bagi tahun berakhir pada tarikh tersebut.

Ditandatangani bagi pihak Lembaga Pengarah menurut resolusi Para Pengarah:

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

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

Kuala Lumpur, Malaysia
Tarikh: 26 Mac 2008

# Perakuan Berkanun menurut 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 98 hingga 138, 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 26 Mac 2008.

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

Di hadapan saya:

No. W476
Raman Kunyapu
Pesuruhjaya Sumpah
Kuala Lumpur

# Laporan Juruaudit kepada para ahli Ken Holdings Berhad

Kami telah mengaudit penyata kewangan yang dibentangkan di muka surat 98 hingga 138. 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 menurut Piawaian Laporan Kewangan (FRS) yang diluluskan oleh Badan Piawaian Perakaunan Malaysia supaya dapat memberikan 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 yang diaudit 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: AF 0758
Akauntan Bertauliah

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

Kuala Lumpur, Malaysia
Tarikh: 26 Mac 2008

# Lembaran Imbangan pada 31 Disember 2007

| | Nota | Kumpulan 2007 RM'000 | Kumpulan 2006 RM'000 | Syarikat 2007 RM'000 | Syarikat 2006 RM'000 |
|---|---|---|---|---|---|
| **Aset-aset** | | | | | |
| Hartanah, loji dan peralatan | 3 | **2,950** | 8,758 | **-** | - |
| Pembayaran pajakan prabayar | 4 | **3,132** | 3,176 | **-** | - |
| Tanah untuk pembangunan hartanah | 5 | **7,370** | 7,347 | **-** | - |
| Pelaburan hartanah | 6 | **20,829** | 9,177 | **-** | - |
| Pelaburan dalam subsidiari | 7 | **-** | - | **13,333** | 13,333 |
| Pelaburan lain | 8 | **26** | 26 | **-** | - |
| Muhibah | 9 | **183** | 538 | **-** | - |
| Aset cukai tertunda | 10 | **2,531** | 1,878 | **153** | 130 |
| Jumlah terhutang oleh subsidiari | 11 | **-** | - | **71,020** | - |
| **Jumlah aset bukan semasa** | | **37,021** | 30,900 | **84,506** | 13,463 |
| Inventori | | **9,118** | 6,099 | **-** | - |
| Kos pembangunan hartanah | 12 | **64,834** | 55,901 | **-** | - |
| Penerimaan, deposit dan prabayaran | 13 | **19,562** | 23,008 | **8** | 19 |
| Jumlah terhutang oleh subsidiari | 11 | **-** | - | **18,789** | 81,551 |
| Aset cukai semasa | | **1,953** | 1,829 | **1,351** | 1,120 |
| Tunai dan bersamaan tunai | 14 | **14,605** | 27,895 | **2,492** | 4,917 |
| **Jumlah aset semasa** | | **110,072** | 114,732 | **22,640** | 87,607 |
| **Jumlah aset** | | **147,093** | 145,632 | **107,146** | 101,070 |
| **Ekuiti** | | | | | |
| Modal saham | 15 | **95,860** | 90,285 | **95,860** | 90,285 |
| Rizab | 16 | **1,683** | 2,189 | **-** | - |
| Pendapatan tertahan | 16 | **14,790** | 9,848 | **9,064** | 8,849 |
| **Jumlah ekuiti diagihkan kepada pemegang saham Syarikat** | | **112,333** | 102,322 | **104,924** | 99,134 |
| **Kepentingan minoriti** | 17 | **-** | - | **-** | - |
| **Jumlah ekuiti** | | **112,333** | 102,322 | **104,924** | 99,134 |
| **Liabiliti** | | | | | |
| Pinjaman | 18 | **184** | 197 | **-** | - |
| Liabiliti cukai tertunda | 10 | **7,101** | 7,196 | **1,310** | 1,120 |
| **Jumlah liabiliti bukan semasa** | | **7,285** | 7,393 | **1,310** | 1,120 |
| Pembayaran dan akruan | 19 | **26,652** | 27,015 | **912** | 776 |
| Pinjaman | 18 | **-** | 6,756 | **-** | - |
| Liabiliti cukai semasa | | **823** | 2,146 | **-** | 40 |
| **Jumlah liabiliti semasa** | | **27,475** | 35,917 | **912** | 816 |
| **Jumlah liabiliti** | | **34,760** | 43,310 | **2,222** | 1,936 |
| **Jumlah ekuiti dan liabiliti** | | **147,093** | 145,632 | **107,146** | 101,070 |

Nota-nota pada halaman 104 hingga 138 merupakan sebahagian penting daripada penyata-penyata kewangan ini.

# Penyata Pendapatan bagi tahun berakhir 31 Disember 2007

| | Nota | Kumpulan 2007 RM'000 | Kumpulan 2006 RM'000 | Syarikat 2007 RM'000 | Syarikat 2006 RM'000 |
|---|---|---|---|---|---|
| **Hasil** | | | | | |
| - hasil kontrak | | **4,026** | 17,415 | **-** | - |
| - hasil pembangunan hartanah | | **56,175** | 58,062 | **-** | - |
| - dividen | | **-** | - | **4,850** | 6,600 |
| - yuran pengurusan | | **-** | - | **484** | 660 |
| | | **60,201** | 75,477 | **5,334** | 7,260 |
| **Kos perjualan** | | | | | |
| - kos kontrak | | **(5,807)** | (24,301) | **-** | - |
| - kos pembangunan hartanah | | **(36,932)** | (30,862) | **-** | - |
| | | **(42,739)** | (55,163) | **-** | - |
| **Keuntungan kasar** | | **17,462** | 20,314 | **5,334** | 7,260 |
| Perbelanjaan pengagihan | | **(456)** | (116) | **-** | - |
| Perbelanjaan pentadbiran | | **(8,682)** | (11,550) | **(394)** | (502) |
| Perbelanjaan operasi lain | | **(354)** | - | **-** | - |
| Pendapatan operasi lain | | **1,712** | 1,886 | **124** | 161 |
| **Keputusan dari aktiviti operasi** | | **9,682** | 10,534 | **5,064** | 6,919 |
| Kos pembiayaan | | **(533)** | (587) | **-** | - |
| **Keuntungan operasi** | 21 | **9,149** | 9,947 | **5,064** | 6,919 |
| Keuntungan dari penjualan subsidiari | 29.1 | **2,693** | - | **-** | - |
| **Keuntungan sebelum cukai** | | **11,842** | 9,947 | **5,064** | 6,919 |
| Perbelanjaan cukai | 23 | **(3,412)** | (6,080) | **(1,361)** | (1,961) |
| **Keuntungan selepas cukai** | | **8,430** | 3,867 | **3,703** | 4,958 |
| Kepentingan minoriti | | **-** | 206 | **-** | - |
| **Keuntungan bagi tahun** | | **8,430** | 4,073 | **3,703** | 4,958 |
| **Pendapatan asas sesaham biasa** | 24 | **9 sen** | 5 sen | | |
| **Pendapatan dicairkan sesaham biasa** | 24 | **N/A** | N/A | | |
| **Dividen sesaham biasa - kasar** | 25 | **5 sen** | 5 sen | | |

Nota-nota pada halaman 104 hingga 138 merupakan sebahagian penting daripada penyata-penyata kewangan ini.

# Penyata Perubahan dalam Ekuiti Disatukan

bagi tahun berakhir 31 Disember 2007

| Kumpulan | Nota | Modal saham RM'000 | Premium saham RM'000 | Rizab penilaian semula RM'000 | Rizab pertukaran RM'000 | Keuntungan tertahan RM'000 | Jumlah RM'000 | Kepentingan minoriti RM'000 | Jumlah ekuiti RM'000 |
|---|---|---|---|---|---|---|---|---|---|
| | | -------------- Boleh diagih kepada pemegang saham Syarikat | | | | | | | |
| | | --------- Tidak boleh diagih --------- | | | | Boleh diagih | | | |
| **Pada 1 Januari 2006** | | 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 | - |
| Perolehan atau kerugian bersih diiktiraf terus dalam ekuiti | | - | - | (124) | 1 | (30) | (153) | 154 | 1 |
| Keuntungan/(Kerugian) bagi tahun | | - | - | - | - | 4,073 | 4,073 | (206) | 3,867 |
| Dividen untuk pemegang saham | 25 | - | - | - | - | (3,250) | (3,250) | - | (3,250) |
| **Pada 31 Disember 2006** | | 90,285 | - | 2,003 | 186 | 9,848 | 102,322 | - | 102,322 |
| **Pada 1 Januari 2007** | | 90,285 | - | 2,003 | 186 | 9,848 | 102,322 | - | 102,322 |
| Realisasi rizab penilaian semula | | - | - | (19) | - | - | (19) | - | (19) |
| Pertukaran perbezaan mata wang | | - | - | - | (487) | - | (487) | - | (487) |
| Perolehan atau kerugian bersih diiktiraf terus dalam ekuiti | | - | - | (19) | (487) | - | (506) | - | (506) |
| Pelaksanaan opsyen saham | | 5,575 | - | - | - | - | 5,575 | - | 5,575 |
| Keuntungan bagi tahun | | - | - | - | - | 8,430 | 8,430 | - | 8,430 |
| Dividen untuk pemegang saham | 25 | - | - | - | - | (3,488) | (3,488) | - | (3,488) |
| **Pada 31 Disember 2007** | | **95,860** | **-** | **1,984** | **(301)** | **14,790** | **112,333** | **-** | **112,333** |
| | | Nota 15 | | Nota 16.1 | Nota 16.2 | | | | |

Nota-nota pada halaman 104 hingga 138 merupakan sebahagian penting daripada penyata-penyata kewangan ini.

# Penyata Perubahan dalam Ekuiti bagi tahun berakhir 31 Disember 2007

| Syarikat | Nota | Modal saham RM'000 | Tidak boleh diagih<br>Premium saham RM'000 | Boleh diagih<br>Keuntungan tertahan RM'000 | Jumlah RM'000 |
|---|---|---|---|---|---|
| **Pada 1 Januari 2006** | | 90,285 | - | 7,141 | 97,426 |
| Keuntungan bagi tahun | | - | - | 4,958 | 4,958 |
| Dividen untuk pemegang saham | 25 | - | - | (3,250) | (3,250) |
| **Pada 31 Disember 2006/1 Januari 2007** | | 90,285 | - | 8,849 | 99,134 |
| Keuntungan bagi tahun | | - | - | 3,703 | 3,703 |
| Pelaksanaan opsyen saham | | 5,575 | - | - | 5,575 |
| Dividen untuk pemegang saham | 25 | - | - | (3,488) | (3,488) |
| **Pada 31 Disember 2007** | | **95,860** | **-** | **9,064** | **104,924** |
| | | Nota 15 | | Nota 16.3 | |

Nota-nota pada halaman 104 hingga 138 merupakan sebahagian penting daripada penyata-penyata kewangan ini.

# Penyata Aliran Tunai bagi tahun berakhir 31 Disember 2007

| | Nota | Kumpulan 2007 RM'000 | Kumpulan 2006 RM'000 | Syarikat 2007 RM'000 | Syarikat 2006 RM'000 |
|---|---|---|---|---|---|
| **Aliran tunai daripada aktiviti operasi** | | | | | |
| Keuntungan sebelum cukai | | **11,842** | 9,947 | **5,064** | 6,919 |
| Pelarasan untuk: | | | | | |
| Peruntukan bagi kesusutan dalam nilai untuk lain-lain pelaburan | | **-** | 6 | **-** | - |
| Pelunasan pembayaran pajakan prabayar | | **44** | 44 | **-** | - |
| Susut nilai pelaburan hartanah | | **89** | - | **-** | - |
| Susut nilai hartanah, loji dan peralatan | | **716** | 1,018 | **-** | - |
| Pendapatan dividen | | **-** | - | **(4,850)** | (6,600) |
| Kos pembiayaan | | **533** | 587 | **-** | - |
| Perolehan dari penjualan hartanah, loji dan peralatan | | **(223)** | (76) | **-** | - |
| Perolehan dari penjualan subsidiari | | **(2,693)** | - | **-** | - |
| Kerugian kemerosotan muhibah | | **355** | - | **-** | - |
| Pendapatan faedah | | **(414)** | (558) | **(124)** | (161) |
| Hartanah, loji dan peralatan dihapus kira | | **2** | - | **-** | - |
| Keuntungan operasi sebelum perubahan modal kerja | | **10,251** | 10,968 | **90** | 158 |
| Perubahan dalam modal kerja: | | | | | |
| Inventori | | **(3,019)** | 513 | **-** | - |
| Tanah untuk pembangunan hartanah | | **(23)** | (24) | **-** | - |
| Pembayaran dan akruan | | **4,470** | 829 | **136** | 235 |
| Kos pembangunan hartanah | | **1,904** | (1,531) | **-** | - |
| Penerimaan, deposit dan pembayaran | | **1,307** | 6 | **11** | (2) |
| Subsidiari | | **-** | - | **(6,997)** | (2,151) |
| Tunai dihasilkan daripada/(digunakan dalam) operasi | | **14,890** | 10,761 | **(6,760)** | (1,760) |
| Cukai pendapatan dibayar | | **(6,501)** | (5,889) | **(156)** | (178) |
| Cukai pendapatan dipulangkan | | **908** | - | **-** | - |
| Faedah dibayar | | **(238)** | (288) | **-** | - |
| Faedah diterima | | **142** | 107 | **-** | - |
| **Tunai bersih dihasilkan daripada/ (digunakan dalam) aktiviti operasi** | | **9,201** | 4,691 | **(6,916)** | (1,938) |
| **Aliran tunai daripada aktiviti pelaburan** | | | | | |
| Pembelian hartanah pelaburan | | **(15,956)** | - | **-** | - |
| Pembelian hartanah, loji dan peralatan | | **(44)** | (1,135) | **-** | - |
| Tambahan/(Kurangan) dalam cagaran deposit dalam bank-bank berlesen | | **3,879** | (127) | **3,878** | (126) |
| Penjualan subsidiari, tunai bersih dijual | | **(5)** | - | **-** | - |
| Dividen diterima | | **-** | - | **2,280** | 4,752 |
| Pembaikan hartanah pelaburan | | **(1,660)** | (149) | **-** | - |
| Pendapatan faedah dari simpanan tetap | | **272** | 451 | **124** | 161 |
| Perolehan dari penjualan hartanah, loji dan peralatan | | **366** | 76 | **-** | - |
| **Tunai bersih (digunakan dalam)/dihasilkan daripada aktiviti pelaburan** | | **(13,148)** | (884) | **6,282** | 4,787 |

# Penyata Aliran Tunai bagi tahun berakhir 31 Disember 2007 (samb.)

| | Nota | Kumpulan 2007 RM'000 | Kumpulan 2006 RM'000 | Syarikat 2007 RM'000 | Syarikat 2006 RM'000 |
|---|---|---|---|---|---|
| **Aliran tunai daripada aktiviti pembiayaan** | | | | | |
| Dividen dibayar kepada pemegang saham Syarikat | | **(3,488)** | (3,250) | **(3,488)** | (3,250) |
| Faedah dibayar bagi pinjaman | | **(295)** | (299) | **-** | - |
| Pembayaran liabiliti pembelian hutang | | **-** | (75) | **-** | - |
| Perolehan dari terbitan saham | | **5,575** | - | **5,575** | - |
| Pembayaran semula pinjaman | | **(3,536)** | (100) | **-** | - |
| **Tunai bersih (digunakan dalam)/dihasilkan daripada aktiviti pembiayan** | | **(1,744)** | (3,724) | **2,087** | (3,250) |
| **(Kurangan)/tambahan bersih dalam tunai dan bersamaan tunai** | | **(5,691)** | 83 | **1,453** | (401) |
| **Tunai dan bersamaan tunai pada awal tahun** | | **19,882** | 19,494 | **538** | 939 |
| Kesan pertukaran wang asing ke atas tunai di tangan | | **(487)** | 305 | **-** | - |
| Tunai dan bersamaan tunai pada akhir tahun | i) | **13,704** | 19,882 | **1,991** | 538 |

**i) Tunai dan bersamaan tunai**

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

| | Kumpulan 2007 RM'000 | Kumpulan 2006 RM'000 | Syarikat 2007 RM'000 | Syarikat 2006 RM'000 |
|---|---|---|---|---|
| Baki tunai dan baki bank | **4,316** | 16,482 | **127** | 86 |
| Deposit dalam bank-bank berlesen | **10,289** | 11,413 | **2,365** | 4,831 |
| | **14,605** | 27,895 | **2,492** | 4,917 |
| Tolak: Bank overdraf - selamat | **-** | (3,233) | **-** | - |
| Tolak: Deposit bercagar | **(901)** | (4,780) | **(501)** | (4,379) |
| | **13,704** | 19,882 | **1,991** | 538 |

Nota-nota pada halaman 104 hingga 138 merupakan sebahagian penting daripada penyata-penyata 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 tempat utama perniagaannya dan pejabat berdaftarnya adalah seperti berikut:

**Tempat utama perniagaan / Pejabat berdaftar**

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

Penyata kewangan yang telah disatukan pada dan untuk tahun berakhir 31 Disember 2007 merangkumi Syarikat dan syarikat-syarikat subsidiarinya (bersama dirujuk sebagai Kumpulan). Penyata kewangan Syarikat pada dan untuk tahun berakhir 31 Disember 2007 tidak termasuk entiti lain.

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

Penyata kewangan diluluskan oleh Lembaga Pengarah pada 26 Mac 2008.

## 1. ASAS PENYEDIAAN

### (a) Penyata komplians

Penyata kewangan Kumpulan dan Syarikat telah disediakan bertepatan dengan Piawaian Pelaporan Kewangan (FRS) 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 FRS 119, *Employee Benefits - Actuarial Gains and Losses, Group Plans and Disclosures* dan FRS 6, *Exploration for and Evaluation of Mineral Resources* untuk tempoh perakaunan bermula dari 1 Januari 2007. Penggunaan FRS 119, *Employee Benefits - Actuarial Gains and Losses, Group Plans and Disclosures* tidak mempunyai kesan kewangan yang besar ke atas Kumpulan dan Syarikat. Manakala FRS 6 tidak mempunyai kaitan dengan Kumpulan dan Syarikat.

MASB juga telah menerbitkan FRS dan Interpretasi berikut yang boleh digunakan untuk tempoh tahunan bermula dari 1 Januari 2007 dan yang belum digunakan dalam penyediaan penyata kewangan ini:

| **FRSs / Interpretasi** | **Tarikh berkuatkuasa** |
|---|---|
| FRS 139, *Financial Instruments: Recognition and Measurement* | Akan diumumkan |
| FRS 107, *Cash Flow Statements* | 1 Julai 2007 |
| FRS 111, *Construction Contracts* | 1 Julai 2007 |
| FRS 112, *Income Taxes* | 1 Julai 2007 |
| FRS 118, *Revenue* | 1 Julai 2007 |
| FRS 120, *Accounting for Government Grants and Disclosure of Government Assistance* | 1 Julai 2007 |
| Amendment to FRS 121, *The Effects of Changes in Foreign Exchange Rates - Net Investment in a Foreign Operation* | 1 Julai 2007 |
| FRS 134, *Interim Financial Reporting* | 1 Julai 2007 |
| FRS 137, *Provisions, Contingent Liabilities and Contingent Assets* | 1 Julai 2007 |
| IC Interpretation 1, *Changes in Existing Decommissioning, Restoration and Similar Liabilities* | 1 Julai 2007 |
| IC Interpretation 2, *Members' Shares in Co-operative Entities and Similar Instruments* | 1 Julai 2007 |

1. **ASAS PENYEDIAAN (samb.)**

(a) **Penyata komplians (samb.)**

| FRSs / Interpretasi | Tarikh berkuatkuasa |
|---|---|
| IC Interpretation 5, *Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds* | 1 Julai 2007 |
| IC Interpretation 6, *Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment* | 1 Julai 2007 |
| IC Interpretation 7, *Applying the Restatement Approach under FRS 129, Financial Reporting in Hyperinflationary Economies* | 1 Julai 2007 |
| IC Interpretation 8, *Scope of FRS 2* | 1 Julai 2007 |

Kumpulan dan Syarikat merancang untuk menggunakan FRS dan Interpretasi di atas untuk tempoh tahunan bermula dari 1 Januari 2008, melainkan FRS 139 yang mana tarikh berkuatkuasanya belum lagi diumumkan.

Kesan penggunaan FRS 139 pada penyata kewangan pada penggunaan pertama, seperti yang ditetapkan oleh perenggan 30(b) FRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors* tidak akan dinyatakan berikutan pengecualian yang diberikan dalam FRS 139.103AB.

Pengunaan awal FRS dan Interpretasi yang lain dijangka tidak akan mempunyai kesan material ke atas penyata kewangan Kumpulan dan Syarikat.

(b) **Asas pengukuran**

Penyata kewangan telah disediakan berdasarkan kos sejarah.

(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.

Tidak ada maklumat mengenai bahagian penting dalam ketidakpastian anggaran dan pertimbangan kritikal ketika melaksanakan polisi perakaunan yang mempunyai kesan yang paling ketara terhadap jumlah yang diiktiraf dalam penyata kewangan selain dari yang dijelaskan dalam nota yang berikut:

- Note 3 - penilaian semula hartanah, loji dan peralatan
- Note 6 - penilaian pelaburan hartanah
- Note 10 - pengiktirafan kerugian cukai tidak terpakai dan elaun modal
- Note 12 - pengiraan hasil dan kos jualan untuk projek pembangunan hartanah
- Note 13 - pengiraan hasil dan kos jualan di atasnya untuk kontrak pembinaan

## 2. POLISI-POLISI PERAKAUNAN PENTING

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

### (a) Asas penyatuan

#### (i) Subsidiari

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

Dengan menggunakan kaedah pembelian perakaunan, penyata kewangan subsidiari dimasukkan ke dalam penyata kewangan disatukan dari tarikh bermulanya kawalan sehingga tarikh kawalan berakhir.

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

#### (ii) Kepentingan minoriti

Kepentingan minoriti pada tarikh lembaran imbangan, yang merupakan bahagian aset bersih (kecuali muhibah) subsidiari disebabkan kepentingan ekuiti yang tidak dimiliki oleh Syarikat, samada secara langsung atau tidak langsung melalui subsidiari, adalah dibentangkan dalam lembaran imbangan 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.

Apabila kerugian disebabkan minoriti melebihi kepentingan minoriti dalam ekuiti subsidiari, 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) 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.

#### (iv) Urusniaga dihapuskan atas penyatuan

Baki antara kumpulan, dan sebarang pendapatan dan perbelanjaan yang belum direalisasikan antara kumpulan, dihapuskan semasa menyediakan penyata kewangan disatukan. Kerugian yang belum direalisasikan dihapuskan mengikut cara yang sama, tetapi hanya sehingga tiada bukti yang menunjukkan terdapatnya kerosakan.

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

### (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 kos sejarahnya ditukar pada mata wang fungsian 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.

#### (ii) Urusniaga dalam mata wang selain dari Ringgit Malaysia

Operasi aset dan liabiliti dalam mata wang berfungsi selain dari RM, termasuk muhibah dan penyesuaian nilai saksama yang timbul semasa pembelian, ditukar kepada RM pada kadar pertukaran pada tarikh lembaran imbangan. Pendapatan dan perbelanjaan dari operasi asing ditukar kepada RM pada kadar pertukaran pada tarikh urusniaga tersebut.

Perbezaan dalam mata wang asing diiktiraf dalam rizab pertukaran. Semasa penjualan, perbezaan pertukaran terkumpul diiktiraf dalam penyata pendapatan disatukan sebagai sebahagian daripada keuntungan atau kerugian jualan.

### (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 hartanahnya 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. Lebihan yang timbul daripada penilaian semula diuruskan dalam akaun rizab penilaian.

Kos termasuk perbelanjaan yang secara langsung disebabkan oleh pembelian aset dan lain-lain kos yang secara langsung timbul semasa menjalani proses supaya aset itu boleh digunakan seperti yang diharapkan, dan kos membuka dan memindahkan aset tersebut dan memulihkan tempat di mana aset itu berada. Perisian yang diperlukan supaya alat berkaitan dapat berfungsi dimodalkan sebagai sebahagian daripada alat tersebut.

Apabila sebahagian besar hartanah, loji dan peralatan mempunyai usia berguna yang berlainan, ia dianggap barang berasingan (komponen utama) bagi hartanah, loji dan peralatan.

Keuntungan dan kerugian berikutan penjualan hartanah, loji dan peralatan ditentukan dengan membandingkan perolehan dari penjualan dengan jumlah bawaan hartanah, loji dan peralatan dan diiktiraf secara bersih dalam 'pendapatan operasi lain' atau 'perbelanjaan operasi lain' masing-masing dalam penyata pendapatan. Apabila aset dinilai semula dijual, jumlah yang di masukkan ke dalam rizab lebihan penilaian semula dipindahkan ke pendapatan tertahan.

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

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

**(ii) Kos seterusnya**

Kos menggantikan bahagian-bahagian pada hartanah, 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 hartanah, 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 hartanah, 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.

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

| | |
|---|---|
| • bangunan | 25 - 50 tahun |
| • kenderaan bermotor | 5 tahun |
| • mesin dan peralatan | 5 tahun |
| • perabut dan pemasangan | 5 tahun |

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

**(d) Aset pajakan**

**Pajakan operasi**

Pajakan di mana Kumpulan menanggung semua risiko dan ganjaran hak milik dianggap pajakan kewangan. Lain-lain pajakan adalah pajakan operasi dan, selain dari kepentingan hartanah dipegang di bawah pajakan operasi, aset pajakan itu tidak diiktiraf dalam lembaran imbangan Kumpulan. Kepentingan hartanah dipegang di bawah pajakan operasi, yang dipegang untuk mendapat pendapatan sewa atau untuk penambahan nilai modal atau kedua-duanya, diklasifikasikan sebagai hartanah pelaburan.

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 mengambilalih tanah pegangan pajak dikira sebagai pembayaran pajakan prabayar.

Tanah pajakan tertentu telah dinilai semula pada bulan Disember 2005 dan Kumpulan telah mengekalkan jumlah penilaian semula yang belum dilunaskan sebagai jumlah bawaan tumpang untuk pembayaran pajakan prabayar bertepatan dengan peruntukan peralihan dalam FRS 117.67A apabila ia mula menggunakan FRS 117, *Leases* dalam tahun 2006.

Pembayaran yang dibuat di bawab pajakan operasi diiktiraf dalam penyata pendapatan mengikut kaedah garis lurus berdasarkan atas terma pajakan. Insentif pajakan yang diterima diiktiraf sebagai bahagian penting dalam jumlah perbelanjaan pajakan, berdasarkan atas terma pajakan.

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

**(e) Hartanah pelaburan**

**(i) Hartanah pelaburan dibawa pada kos**

Hartanah pelaburan adalah hartanah yang dimiliki untuk memperolehi pendapatan sewa atau penambahan nilai modal atau kedua-duanya. Ini termasuk tanah (selain daripada tanah pajakan) yang dipegang untuk kegunaan masa depan. Hartanah yang diduduki oleh syarikat-syarikat Kumpulan dikira sebagai diduduki oleh pemilik dan bukan sebagai hartanah pelaburan.

Hartanah pelaburan dinyatakan dalam kos ditolak susut nilai terkumpul dan kerugian kerosakan terkumpul, konsisten dengan polisi perakaunan untuk hartanah, loji dan peralatan seperti yang dinyatakan dalam nota polisi perakaunan nota 2(c).

Susut nilai dicaj dalam penyata pendapatan mengikut kaedah garis lurus terhadap anggaran usia berguna iaitu 50 tahun untuk bangunan. Tanah pajakan bebas tidak dikira susut nilainya.

**(ii) Pengklasifikasi semula kepada/dari hartanah pelaburan**

Apabila hartanah, loji dan peralatan ditukar kepada hartanah pelaburan berikutan pertukaran dalam kegunaannya, ianya akan terus dinyatakan pada kos tolak susut nilai terkumpul dan kerugian kerosakan terkumpul di bawah kos model.

Hartanah pelaburan yang ditukar kepada kos pembangunan hartanah berikutan pertukaran dalam kegunaannya menggunakan polisi perakaunan untuk kos pembangunan hartanah seperti yang dicatatkan dalam nota polisi perakaunan 2(m).

**(iii) Penentuan nilai saksama**

Pengarah menganggarkan nilai saksama hartanah pelaburan Kumpulan tanpa penglibatan penilai bebas.

Nilai-nilai saksama adalah berdasarkan nilai pasaran, di mana nilai anggaran bagi hartanah boleh ditukar pada tarikh penilaian di antara pembeli dan penjual dalam urusniaga selengan selepas pemasaran yang benar di mana pihak-pihak telah bertindak dengan benar, bijak dan tanpa paksaan.

Anggaran penting yang diambil dalam menentukan nilai saksama hartanah pelaburan dinyatakan dalam nota 6.

**(f) Muhibah**

Muhibah timbul semasa penggabungan perniagaan dan dinilai pada kos tolak kerugian kerosakan terkumpul.

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.

Sebarang lebihan dalam kepentingan Kumpulan dalam nilai saksama bersih bagi aset, liabiliti dan liabiliti kontingen pengambilalih yang boleh dikenalpasti di atas kos pengambilan diiktiraf serta merta dalam penyata pendapatan.

Muhibah diuji sama ada terdapat kerosakan setahun sekali atau lebih kerap jika peristiwa atau perubahan menunjukkan mungkin terdapat kerosakan.

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

### (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.

### (h) Inventori

Hartanah yang sedia untuk dijual dikira 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 hartanah 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 ragu.

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 imbangan. Sekiranya bayaran diterima daripada pelanggan melebihi pendapatan diiktiraf, perbezaan jumlah tersebut disampaikan sebagai pembayaran dan akruan dalam lembaran imbangan.

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

### (k) Pembayaran

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

### (l) Tanah untuk pembangunan hartanah

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

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

Kos berkaitan dengan pembelian tanah termasuk harga belian tanah, yuran profesional, duti setem, komisyen, yuran pertukaran dan levi-levi lain. Sekiranya Kumpulan telah merekodkan nilai tanah pada nilai penilaian, nilai ini akan terus digunakan sebagai kos tumpang seperti yang dibenarkan oleh FRS 201.

### (m) Kos pembangunan hartanah

Kos pembangunan hartanah 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.

Kos pembangunan hartanah 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 penerimaan, deposit dan prabayaran manakala lebihan bil kepada pembeli-pembeli atas hasil jualan diiktiraf dalam penyata pendapatan sebagai bil progres tergolong dalam pembayaran dan akruan.

### (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 overdraf bank dan deposit yang dicagarkan.

### (o) Kemerosotan aset

Nilai dibawa aset, selain daripada aset kewangan, inventori, aset cukai tertunda dan aset daripada kontrak pembinaan, dikaji semula pada setiap tarikh laporan untuk menentukan sama ada terdapat sebarang tanda kemerosotan. Sekiranya wujud tanda-tanda tersebut, jumlah aset yang boleh diperolehi semula dianggarkan. Untuk muhibah, jumlah boleh diperolehi semua dianggarkan pada setiap tarikh laporan.

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. Untuk menguji kemerosotan, aset dikumpulkan dalam kumpulan aset terkecil yang menghasilkan aliran masuk tunai dari penggunaannya yang berterusan, yang tidak bergantung pada aliran masuk tunai aset lain atau kumpulan aset lain ('unit menjana tunai'). Muhibah yang diperolehi dalam penggabungan perniagaan, untuk tujuan ujian kemerosotan, diperuntukan unit menjana tunai yang dijangka akan mendapat manfaat dari penggabungan tersebut.

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

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

Kerugian kemerosotan diiktiraf sekiranya jumlah bawaan aset atau unit menjana tunainya melebihi nilai diperolehi semula. Kerugian kemerosotan diiktiraf dalam penyata pendapatan. Kerugian kemerosotan diiktiraf sekiranya unit menjana tunai diperuntukan pada awalnya untuk mengurangkan jumlah bawaan sebarang muhibah yang diperuntukan kepada unit tersebut dan kemudian untuk mengurangkan jumlah bawaan lain-lain aset dalam unit (kumpulan unit) pada dasar pro rata.

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

### (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 imbangan, dan sebarang pelarasan kepada cukai perlu dibayar berhubung dengan tahun-tahun sebelumnya.

Cukai tertunda diiktiraf menggunakan kaedah lembaran imbangan, mengambilkira perbezaan sementara di antara jumlah bawaan aset dan liabiliti untuk tujuan laporan dan jumlah digunakan untuk tujuan percukaian. 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 apabila dibalikkan, berdasarkan pada undang-undang yang telah digubal atau yang telah digubal dengan ketara pada tarikh lembaran imbangan.

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.

### (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 faedah berkesan.

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

**(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 apabila perkara itu diberikan.

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. Sebelum penggunaan FRS 2, Share-based Payment, opsyen saham diberikan kepada pekerja tidak diiktiraf sebagai kos pekerja. Berikutan 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 atau obligasi konstruktif yang boleh dianggarkan dengan pasti, dan kemungkinan aliran manfaat ekonomi diperlukan untuk menyelesaikan obligasi itu. Peruntukan ditentukan dengan mengambil kira diskaun aliran tunai masa depan ke atas jangkaan pada kadar sebelum cukai yang menggambarkan penilaian pasaran semasa pada nilai wang dan risiko khusus pada liabiliti.

**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.

Sekiranya 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.

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

### (t) Pengiktirafan 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.

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 hartanah

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

Sekiranya keputusan kewangan yang timbul akibat pembangunan hartanah tidak boleh dianggar dengan tepat, pendapatan pembangunan hartanah boleh diiktiraf hanya ke tahap kos pembangunan hartanah berlaku yang mungkin boleh dipulihkan, dan kos pembangunan hartanah ke atas unit pembangunan yang dijual 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 dividen

Pendapatan dividen diiktiraf apabila hak untuk menerima bayaran ditentukan.

#### (iv) Pendapatan yuran pengurusan

Pendapatan yuran pengurusan diiktiraf mengikut asas akruan.

### (u) Pendapatan sewa

Pendapatan sewa daripada pelaburan hartanah 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.

### (v) 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

### (w) Perolehan sesaham

Kumpulan membentangkan data perolehan sesaham (EPS) yang asas dan dicairkan untuk saham biasanya. Asas EPS dikira dengan membahagi 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.

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

### (x) Laporan segmen

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

## 3. HARTANAH, LOJI DAN PERALATAN

| Kumpulan | Bangunan milik bebas RM'000 | Tanah milik bebas RM'000 | Bangunan pajakan jangka panjang RM'000 | Kenderaan bermotor RM'000 | Peralatan tapak RM'000 | Loji dan jentera RM'000 | Peralatan pejabat RM'000 | Perabot dan keleng-kapan RM'000 | Jumlah RM'000 |
|---|---|---|---|---|---|---|---|---|---|
| **Kos/Penilaian** | | | | | | | | | |
| Pada 1 Januari 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 Januari 2007 | 1,402 | 3,169 | 2,380 | 3,883 | 630 | 9,533 | 1,042 | 232 | 22,271 |
| Tambahan | - | - | - | - | - | - | 34 | 10 | 44 |
| Jualan | - | - | - | (598) | - | (665) | (24) | (7) | (1,294) |
| Hapus kira | - | - | - | - | (89) | (297) | (146) | - | (532) |
| Jualan subsidiari | - | - | - | - | - | (266) | - | - | (266) |
| Pertukaran ke pelaburan hartanah | (930) | (1,741) | (2,380) | - | - | - | - | - | (5,051) |
| Kesan pergerakan dalam kadar pertukaran | - | - | - | (39) | (6) | (61) | (9) | (4) | (119) |
| Pada 31 Disember 2007 | **472** | **1,428** | **-** | **3,246** | **535** | **8,244** | **897** | **231** | **15,053** |
| **Mewaikili perkara pada:** | | | | | | | | | |
| Kos | - | - | - | 3,246 | 535 | 8,244 | 897 | 231 | 13,153 |
| Penilaian - 2005 | 472 | 1,428 | - | - | - | - | - | - | 1,900 |
| Pada 31 Disember 2007 | **472** | **1,428** | **-** | **3,246** | **535** | **8,244** | **897** | **231** | **15,053** |
| **Susut nilai** | | | | | | | | | |
| 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/ 1 Januari 2007 | 56 | - | 52 | 3,049 | 617 | 8,644 | 888 | 207 | 13,513 |
| Caj tahunan | 19 | - | - | 315 | 4 | 301 | 65 | 12 | 716 |
| Jualan | - | - | - | (459) | - | (665) | (22) | (5) | (1,151) |
| Hapus kira | - | - | - | - | (88) | (297) | (145) | - | (530) |
| Jualan subsidiari | - | - | - | - | - | (253) | - | - | (253) |
| Pertukaran ke pelaburan hartanah | (37) | - | (52) | - | - | - | - | - | (89) |
| Kesan pergerakan dalam kadar pertukaran | - | - | - | (28) | (6) | (57) | (8) | (4) | (103) |
| Pada 31 Disember 2007 | **38** | **-** | **-** | **2,877** | **527** | **7,673** | **778** | **210** | **12,103** |
| **Jumlah bawaan** | | | | | | | | | |
| Pada 1 Januari 2006 | 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 |
| Pada 31 Disember 2007 | **434** | **1,428** | **-** | **369** | **8** | **571** | **119** | **21** | **2,950** |

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

| Syarikat | Peralatan pejabat RM'000 |
|---|---|
| **Kos** | |
| Pada 1 Januari 2006/31 Disember 2006/31 Disember 2007 | 1 |
| **Susut nilai** | |
| Pada 1 Januari 2006/31 Disember 2006/31 Disember 2007 | 1 |
| **Jumlah bawaan** | |
| Pada 1 Januari 2006/31 Disember 2006/31 Disember 2007 | - |

**Hartanah, loji dan peralatan di bawah model penilaian semula**

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

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

| Kumpulan | 2007 RM'000 | 2006 RM'000 |
|---|---|---|
| Tanah milik bebas | **490** | 490 |
| Bangunan milik bebas | **116** | 121 |
| | **606** | 611 |

## 4. PEMBAYARAN PAJAKAN PRABAYAR

| Kumpulan<br>Faedah prabayar untuk tanah pajakan | Tanah pajakan yang tempoh luputnya lebih daripada 50 tahun<br>2007 RM'000 | <br>2006 RM'000 |
|---|---|---|
| **Penilaian** | | |
| Pada 1 Januari/31 Disember | **3,220** | 3,220 |
| **Pelunasan** | | |
| Pada 1 Januari | **44** | - |
| Pelunasan tahunan | **44** | 44 |
| Pada 31 Disember | **88** | 44 |
| **Jumlah bawaan** | | |
| Pada 31 Disember | **3,132** | 3,176 |

## 4. PEMBAYARAN PAJAKAN PRABAYAR (samb.)

**Pembayaran pajakan prabayar di bawah model penilaian semula**

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

Sekiranya tanah pajakan tersebut dinyatakan pada kos model, jumlah bawaan adalah RM1,925,000 (2006 - RM1,952,000).

## 5. TANAH DIPEGANG UNTUK PEMBANGUNAN HARTANAH

| Kumpulan | 2007<br>RM'000 | 2006<br>RM'000 |
|---|---|---|
| **Kos** | | |
| Pada 1 Januari | **7,323** | 7,323 |
| Pembaikan | **47** | 24 |
| Pada 31 Disember | **7,370** | 7,347 |

## 6. HARTANAH PELABURAN

| Kumpulan | Tanah milik bebas<br>RM'000 | Bangunan<br>RM'000 | Jumlah<br>RM'000 |
|---|---|---|---|
| **Kos** | | | |
| Pada 1 Januari 2006 | - | 9,028 | 9,028 |
| Pembaikan | - | 149 | 149 |
| Pada 31 Disember 2006/1 Januari 2007 | - | 9,177 | 9,177 |
| Pengambilalihan | 15,956 | - | 15,956 |
| Pembaikan | - | 1,660 | 1,660 |
| Pertukaran dari hartanah, loji dan peralatan | 1,741 | 3,310 | 5,051 |
| Pertukaran kepada kos pembangunan hartanah | - | (10,837) | (10,837) |
| Pada 31 Disember 2007 | **17,697** | **3,310** | **21,007** |
| **Susut nilai** | | | |
| Pada 1 Januari 2006/31 Disember 2006/1 Januari 2007 | - | - | - |
| Pertukaran dari hartanah, loji dan peralatan | - | 89 | 89 |
| Susut nilai bagi tahun | - | 89 | 89 |
| Pada 31 Disember 2007 | **-** | **178** | **178** |
| **Jumlah bawaan** | | | |
| Pada 1 Januari 2006 | - | 9,028 | 9,028 |
| Pada 31 Disember 2006 | - | 9,177 | 9,177 |
| Pada 31 Disember 2007 | **17,697** | **3,132** | **20,829** |

## 6. HARTANAH PELABURAN (samb.)

| Kumpulan | Tanah milik bebas RM'000 | Bangunan RM'000 | Jumlah RM'000 |
|---|---|---|---|
| **Nilai saksama** | | | |
| Pada 1 Januari 2006 | - | 9,028 | 9,028 |
| Pada 31 Disember 2006 | - | 9,177 | 9,177 |
| Pada 31 Disember 2007 | **17,740** | **3,716** | **21,456** |

**Anggaran ketidakpastian dan andaian-andaian utama**

Kumpulan menganggarkan nilai saksama hartanah pelaburannya berdasarkan pada andaian-andaian utama berikut:

- Perbandingan hartanah pelaburan Kumpulan dengan hartanah yang serupa yang ditawarkan untuk jualan dalam kawasan yang sama atau dalam lokasi yang sebanding;
- Pertanyaan dari penilai hartanah dan agen hartanah tentang keadaan pasaran dan trend pasaran yang berubah.

**Hak milik tanah**

Hak milik bagi bangunan pajakan jangka panjang berjumlah RM1,680,000 (2006 - RM1,680,000) menunggu pemberian hak milik kepada Kumpulan dari pihak berkuasa yang berkaitan.

Berikut adalah diiktiraf dalam penyata pendapatan berhubung dengan pelaburan hartanah:

| Kumpulan | 2007 RM'000 |
|---|---|
| Pendapatan sewa | **386** |
| Perbelanjaan operasi secara langsung - Pelaburan hartanah yang menghasilkan pendapatan | **(220)** |

## 7. PELABURAN DALAM SUBSIDIARI

| | Syarikat | |
|---|---|---|
| | 2007 RM'000 | 2006 RM'000 |
| Saham tidak disebut harga - pada kos | **13,333** | 13,333 |

## 7. PELABURAN DALAM SUBSIDIARI (samb.)

Maklumat subsidiari-subsidiari adalah seperti berikut:

| Subsidiari-subsidiari | Aktiviti utama | Kepentingan pemilikan utama (%) 2007 | 2006 |
|---|---|---|---|
| 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 hartanah dan pemaju perumahan | **100** | 100 |
| Support Capital Sdn. Bhd. | Pegangan pelaburan | **100** | 100 |
| **Subsidiari Support Capital Sdn. Bhd. adalah:** | | | |
| Kenly (HK) Ltd. † | Pembinaan dan kejuruteraan awam | **79.4** | 79.4 |
| **Subsidiari Ken Grouting Sdn. Bhd. adalah:** | | | |
| Ken-Chec Sdn. Bhd. | Tambakan tanah, kejuruteraan awam, korekan dan marin | **100** | 100 |
| **Subsidiari-subsidiari Ken Projects Sdn. Bhd. adalah:** | | | |
| Khidmat Tulin Sdn. Bhd. | Pegangan dalam pelaburan hartanah dan pemaju perumahan | **100** | 100 |
| T.B.S. Management Sdn. Bhd. | Perkhidmatan pengurusan hartanah | **100** | 100 |
| Ken Rimba Jaya Sdn. Bhd. | Pembangunan hartanah dan pegangan pelaburan | **100** | 100 |
| **Subsidiari-subsidiari Ken Property Sdn. Bhd. adalah:** | | | |
| Ken Link Sdn. Bhd. | Pembangunan hartanah dan pegangan pelaburan | **100** | 100 |
| Aunyang Holdings Sdn. Bhd. | Pegangan pelaburan | **100** | 100 |
| **Subsidiari Aunyang Holdings Sdn. Bhd. adalah:** | | | |
| Jewel Estate Sdn. Bhd. | Perkhidmatan pengurusan hartanah | **100** | 100 |
| **Subsidiari Kenly (HK) Ltd. adalah:** | | | |
| Kenly Engineering Ltd. † * | Pembinaan dan kejuruteraan awam | **-** | 100 |

† Diaudit oleh firma juruaudit lain

* Dijual pada bulan Oktober 2007

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

## 8. PELABURAN LAIN - PADA KOS

| | Kumpulan 2007 RM'000 | Kumpulan 2006 RM'000 |
|---|---|---|
| Saham disebut harga di Malaysia | **120** | 120 |
| Tolak: Peruntukan bagi kesusutan dalam nilai | **(114)** | (114) |
| | **6** | 6 |
| Saham tidak disebut harga | **20** | 20 |
| | **26** | 26 |
| Nilai pasaran saham disebut harga di Malaysia | **23** | 12 |

## 9. MUHIBAH

| | Kumpulan 2007 RM'000 | Kumpulan 2006 RM'000 |
|---|---|---|
| **Kos** | | |
| Pada 1 Januari | **538** | 4,629 |
| Kesan menggunakan FRS 3 | **-** | (4,091) |
| Pada 31 Disember | **538** | 538 |
| **Pelunasan** | | |
| Pada 1 Januari | **-** | 4,091 |
| Kesan menggunakan FRS 3 | **-** | (4,091) |
| Pada 31 Disember | **-** | - |
| **Kerugian kemerosotan** | | |
| Pada 1 Januari | **-** | - |
| Kerugian kemerosotan bagi tahun | **355** | - |
| Pada 31 Disember | **355** | - |
| **Jumlah bawaan** | **183** | 538 |

**Caj kemerosotan**

Kerugian kemerosotan diiktiraf dalam perbelanjaan operasi lain-lain dalam penyata pendapatan.

## 10. CUKAI TERTUNDA

**Aset cukai tertunda dan liabiliti cukai tertunda yang diiktiraf**

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

| | Kumpulan | | Syarikat | |
|---|---|---|---|---|
| | 2007 RM'000 | 2006 RM'000 | 2007 RM'000 | 2006 RM'000 |
| Aset cukai tertunda | **(2,531)** | (1,878) | **(153)** | (130) |
| Liabiliti cukai tertunda | **7,101** | 7,196 | **1,310** | 1,120 |

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 | |
|---|---|---|---|---|
| | 2007 RM'000 | 2006 RM'000 | 2007 RM'000 | 2006 RM'000 |
| Hartanah, loji dan peralatan | | | | |
| - elaun modal | **74** | 87 | **-** | - |
| - penilaian semula | **630** | 700 | **-** | - |
| Kos pembangunan hartanah | **5,425** | 5,849 | **-** | - |
| Elaun modal tidak serap | **(6)** | (6) | **-** | - |
| Kerugian cukai belum digunakan | **(388)** | (361) | **-** | - |
| Peruntukan | **(225)** | (190) | **(153)** | (130) |
| Perbezaan sementara deduktibel | **(940)** | (761) | **1,310** | 1,120 |
| | **4,570** | 5,318 | **1,157** | 990 |

Dalam mengiktiraf aset cukai tertunda yang berkaitan dengan kerugian cukai terhutang yang belum digunakan dan peruntukan modal terhutang yang belum digunakan (termasuk perbezaan sementara deduktibel bagi hartanah, loji dan peralatan), para Pengarah membuat andaian bahawa tidak terdapat sebarang pertukaran ketara (lebih dari 50%) dalam pemegang saham sebelum aset ini digunakan. Sekiranya terdapat pertukaran ketara dalam pemegang saham, kerugian cukai terhutang yang belum digunakan dan peruntukan modal terhutang yang belum digunakan yang mencapai jumlah lebih kurang RM1,492,000 dan RM23,000 masing-masing, tidak akan diberikan kepada Kumpulan, yang mana akan menyebabkan peningkatan dalam liabiliti cukai tertunda iaitu RM394,000.

## 10. CUKAI TERTUNDA (samb.)

**Aset cukai tertunda tidak diiktiraf**

Aset cukai tertunda tidak diiktirafkan untuk perkara-perkara berikut:

| | Kumpulan | | Syarikat | |
|---|---|---|---|---|
| | 2007 RM'000 | 2006 RM'000 | 2007 RM'000 | 2006 RM'000 |
| Perbezaan sementara deduktibel | **(177)** | (177) | **-** | - |
| Elaun modal tidak serap | **11** | 11 | **-** | - |
| Kerugian cukai belum digunakan | **19,501** | 18,119 | **-** | - |
| | **19,335** | 17,953 | **-** | - |
| @ 17.5% | **3,382** | 3,130 | **-** | - |
| @ 20% | **10** | 14 | **-** | - |
| | **3,392** | 3,144 | **-** | - |

Dalam tahun 2007, aset cukai tertunda tidak diiktiraf Kenly Engineering Ltd. yang terdiri dari kerugian cukai belum digunakan yang berjumlah RM2,566,000 tidak dibawa ke hadapan berikutan penjualan subsidiari dalam bulan Oktober 2007.

Perbezaan sementara deduktibel tidak ada had tempoh di bawah perundangan cukai semasa melainkan terdapat perubahan besar dalam pemegang saham (lebih dari 50%). Sekiranya terdapat perubahan besar dalam pemegang saham, kerugian cukai yang belum digunakan dan elaun modal yang belum digunakan yang bernilai RM19,501,000 dan RM11,000 tidak boleh digunakan oleh Kumpulan. Aset cukai tertunda belum diiktiraf berhubung dengan perkara ini kerana tiada kemungkinan keuntungan boleh cukai masa hadapan akan dihasilkan di mana Kumpulan boleh menggunakan faedah tersebut.

## 11. JUMLAH TERHUTANG DARI SUBSIDIARI-SUBSIDIARI

| | Syarikat | |
|---|---|---|
| | 2007 RM'000 | 2006 RM'000 |
| **Bukan semasa** | | |
| - Bukan dagangan | **71,020** | - |
| **Semasa** | | |
| - Bukan dagangan | **18,789** | 81,551 |
| | **89,809** | 81,551 |

11.1 Jumlah belum diterima dari subsidiari-subsidiari adalah tidak bercagar, tanpa faedah dan boleh dibayar apabila diminta melainkan bahagian bukan semasa yang bernilai RM71,020,000 (2006 - tiada) yang tidak dijangka akan dibayar dalam masa 12 bulan akan datang.

11.2 Dimasukkan dalam bahagian semasa jumlah belum diterima dari subsidiari adalah dividen diterima dari subsidiari yang berjumlah RM3,540,000 (2006 - RM2,280,000).

### 12. KOS PEMBANGUNAN HARTANAH

| | Kumpulan 2007 RM'000 | Kumpulan 2006 RM'000 |
|---|---|---|
| Pada 1 Januari | | |
| Tanah | **39,913** | 39,913 |
| Kos pembangunan | **70,785** | 38,161 |
| Kos terkumpul dicajkan ke penyata pendapatan | **(54,797)** | (23,704) |
| | **55,901** | 54,370 |
| Kos pembangunan dipindahkan dari hartanah pelaburan | **10,837** | - |
| Kos pembangunan sepanjang tahun | **38,090** | 32,624 |
| | **104,828** | 86,994 |
| Kos dicajkan ke penyata pendapatan | **(35,259)** | (31,093) |
| Kos dipindahkan ke inventori | **(4,735)** | - |
| | **64,834** | 55,901 |
| Pada 31 Disember | | |
| Tanah | **42,463** | 39,913 |
| Kos pembangunan | **65,646** | 70,785 |
| Kos terkumpul dicajkan ke penyata pendapatan | **(43,275)** | (54,797) |
| | **64,834** | 55,901 |

12.1 Tambahan kepada kos pembangunan sepanjang tahun ini termasuk kos pekerja berjumlah RM15,000 (2006 - RM106,000).

12.2 Anggaran ketidakpastian dan pertimbangan kritikal

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

- Hasil daripada projek pembangunan hartanah telah diunjurkan berdasarkan pada harga angaran jualan pasaran unit tersebut;

- Kos pembangunan hartanah telah diunjurkan berdasarkan pada kos pembinaan 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. PENERIMAAN, DEPOSIT DAN PRABAYARAN

| | Kumpulan | | Syarikat | |
|---|---|---|---|---|
| | 2007 RM'000 | 2006 RM'000 | 2007 RM'000 | 2006 RM'000 |
| **Dagangan** | | | | |
| Penerimaan dagangan | 24,980 | 23,410 | - | - |
| Jumlah tertahan | 1,540 | 2,909 | - | - |
| | 26,520 | 26,319 | - | - |
| Tolak: Peruntukan hutang ragu | (15,229) | (14,149) | - | - |
| | 11,291 | 12,170 | - | - |
| Kerja pembinaan dalam progres | 652 | 3,808 | - | - |
| Penerimaan bil progres | 5,164 | 4,799 | - | - |
| **Bukan dagangan** | | | | |
| Penerimaan, deposit dan prabayaran lain | 2,481 | 2,231 | 8 | 19 |
| Tolak: Peruntukan hutang ragu | (26) | - | - | - |
| | 2,455 | 2,231 | 8 | 19 |
| | 19,562 | 23,008 | 8 | 19 |

13.1 Profil dedahan mata wang penerimaan dagangan adalah seperti berikut:

| | Kumpulan | | Syarikat | |
|---|---|---|---|---|
| | 2007 RM'000 | 2006 RM'000 | 2007 RM'000 | 2006 RM'000 |
| Ringgit Malaysia | 10,908 | 8,200 | - | - |
| Hong Kong Dollar | 15,612 | 18,119 | - | - |
| | 26,520 | 26,319 | - | - |

13.2 Dalam tahun 2006, hutang lapuk yang dihapuskira terhadap peruntukan bagi hutang ragu berjumlah RM1,088,000.

13.3 Pembinaan dalam progres

| | Kumpulan | |
|---|---|---|
| | 2007 RM'000 | 2006 RM'000 |
| Kos agregat dibelanja sehingga kini | 1,318 | 57,501 |
| Tambah/tolak: Keuntungan/(kerugian) boleh diagih | 312 | (6,551) |
| | 1,630 | 50,950 |
| Tolak: Bil progres | (978) | (47,142) |
| | 652 | 3,808 |
| Tambahan pada kos agregat dibelanja sepanjang tahun termasuk: | | |
| Kos pekerja | 1,381 | 3,268 |
| Sewaan loji dan jentera | 1,119 | 1,135 |

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

13.4 Anggaran ketidakpastian dan pertimbangan kritikal

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

- Hasil daripada kontrak pembinaan telah diunjurkan berdasarkan jumlah kontrak dan sebarang variasi hanya akan diiktiraf apabila ada kemungkinan terdapat kelulusan daripada pelanggan apabila jumlah hasil boleh diukur dengan pasti;

- 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.

## 14. TUNAI DAN BERSAMAAN TUNAI

| | Kumpulan | | Syarikat | |
|---|---|---|---|---|
| | **2007 RM'000** | **2006 RM'000** | **2007 RM'000** | **2006 RM'000** |
| Baki tunai dan bank | **4,316** | 16,482 | **127** | 86 |
| Deposit di bank berlesen | **10,289** | 11,413 | **2,365** | 4,831 |
| | **14,605** | 27,895 | **2,492** | 4,917 |

Termasuk dalam baki tunai dan bank Kumpulan adalah RM1,318,000 (2006 - RM14,906,000) yang disimpan menurut Peraturan Pembangunan Perumahan (Akuan Pembangunan Perumahan) 1991. Deposit Kumpulan dan Syarikat dicagarkan kepada bank berlesen adalah RM901,000 (2006 - RM4,780,000) dan RM501,000 (2006 - RM4,379,000) untuk kemudahan overdraf bank dan jaminan bank yang diberikan kepada syarikat-syarikat subsidiari.

## 15. MODAL SAHAM

| | Bilangan saham | | Jumlah | |
|---|---|---|---|---|
| **Kumpulan dan Syarikat** | **2007 '000** | **2006 '000** | **2007 RM'000** | **2006 RM'000** |
| Saham biasa bernilai RM1.00 sesaham: | | | | |
| Dibenarkan | **300,000** | 300,000 | **300,000** | 300,000 |
| Diterbitkan dan dibayar penuh: | | | | |
| Pada 1 Januari | **90,285** | 90,285 | **90,285** | 90,285 |
| Diterbitkan untuk tunai | **5,575** | - | **5,575** | - |
| Diterbitkan pada 31 Disember | **95,860** | 90,285 | **95,860** | 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.

Syarikat juga telah menerbitkan opsyen saham (sila lihat nota 20).

## 16. RIZAB

### 16.1 Rizab penilaian semula

Rizab penilaian semula mewakili lebihan yang timbul daripada penilaian semula tanah dan bangunan milik bebas Kumpulan dan prabayar pembayaran pajakan jangka panjang sebelum klasifikasi semula.

### 16.2 Rizab pertukaran

Rizab pertukaran mata wang terdiri daripada perbezaan semua mata wang asing yang timbul daripada penukaran penyata kewangan operasi asing.

### 16.3 Cukai kredit Seksyen 108

Tertakluk pada persetujuan Lembaga Hasil Dalam Negeri, Syarikat mempunyai cukai kredit Seksyen 108 dan pendapatan dikecualikan cukai yang mencukupi untuk pembayaran rizab boleh agihnya pada 31 Disember 2007 jika dibayar sebagai dividen.

Bajet Malaysia 2008 memperkenalkan sistem cukai pendapatan syarikat satu tier yang berkuatkuasa dari tahun penilaian 2008. Oleh itu, cukai kredit Seksyen 108 pada 31 Disember 2007 akan diperolehi oleh Syarikat sehingga waktu kredit itu digunakan sepenuhnya atau apabila tempoh peralihan enam tahun berakhir pada 31 Disember 2013, yang mana lebih awal.

## 17. KEPENTINGAN PEMEGANG SAHAM MINORITI

Ini terdiri daripada bahagian modal saham dan rizab pemegang saham minoriti pada subsidiari.

## 18. PINJAMAN

| | Kumpulan | |
|---|---|---|
| | **2007 RM'000** | **2006 RM'000** |
| **Bukan semasa** | | |
| Pinjaman daripada pemegang saham minoriti | **184** | 197 |
| **Semasa** | | |
| Kredit pusingan - tidak bercagar | **-** | 3,523 |
| Overdraf bank - bercagar | **-** | 3,233 |
| | **-** | 6,756 |

**Terma dan jadual pembayaran balik hutang**

Dalam tahun 2006, kredit pusingan dikenakan faedah sebanyak 10.00% dan disokong oleh jaminan korporat yang dikeluarkan oleh Syarikat.

Dalam tahun 2006, overdraf bank dikenakan faedah sebanyak 9.70% dan dijamin dengan simpanan tetap Syarikat dalam bank berlesen.

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

## 19. PEMBAYARAN DAN AKRUAN

| | Kumpulan | | Syarikat | |
|---|---|---|---|---|
| | 2007 RM'000 | 2006 RM'000 | 2007 RM'000 | 2006 RM'000 |
| **Dagangan** | | | | |
| Pembayaran dagangan | **14,377** | 18,807 | **-** | - |
| Bil progres | **4,290** | 2,489 | **-** | - |
| **Bukan dagangan** | | | | |
| Pembayaran dan akruan lain | **7,632** | 5,393 | **668** | 554 |
| Jumlah terhutang kepada Pengarah | **353** | 326 | **244** | 222 |
| | **26,652** | 27,015 | **912** | 776 |

19.1 Profil dedahan mata wang pembayaran dagangan adalah seperti berikut:

| | Kumpulan | | Syarikat | |
|---|---|---|---|---|
| | 2007 RM'000 | 2006 RM'000 | 2007 RM'000 | 2006 RM'000 |
| Ringgit Malaysia | **14,149** | 12,225 | **-** | - |
| Hong Kong Dollar | **228** | 6,582 | **-** | - |
| | **14,377** | 18,807 | **-** | - |

19.2 Termasuk dalam pembayaran dagangan Kumpulan adalah jumlah belum bayar tertahan yang berjumlah RM3,009,000 (2006 - RM3,678,000).

19.3 Jumlah terhutang kepada para Pengarah melambangkan akruan pembayaran Pengarah yuran di mana tidak dicagarkan, tanpa faedah dan pembayaran balik dibuat apabila diminta.

## 20. GANJARAN PEKERJA

**Pembayaran berdasarkan saham**

Pada 30 Jun 2000, pemegang saham telah meluluskan Skim Opsyen Saham Pekerja ("ESOS") yang membolehkan semua pekerja 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.

ESOS telah lupus pada 13 Ogos 2007 dan tiada pembayaran berdasarkan saham yang baru ditawarkan oleh Syarikat.

| | Syarikat | |
|---|---|---|
| | 2007 RM'000 | 2006 RM'000 |
| Tunggakan pada 1 Januari | **6,189** | 4,109 |
| Terbitan | **1,262** | 2,122 |
| Dilaksana | **(5,575)** | - |
| Lupus | **(1,876)** | (42) |
| Tunggakan pada 31 Disember | **-** | 6,189 |

## 20. GANJARAN PEKERJA (samb.)

**Pembayaran berdasarkan saham (samb.)**

Butiran opsyen saham yang dilaksanakan sepanjang tahun 2007 adalah seperti berikut:

| | |
|---|---|
| Tarikh tamat tempoh | 13 Ogos 2007 |
| Harga laksana purata sesaham biasa (RM) | 1.00 |
| Perolehan agregat terbitan (RM'000) | 5,575 |
| Nilai saksama pada tarikh terbitan (RM'000) | 8,052 |

## 21. KEUNTUNGAN OPERASI

| | Kumpulan | | Syarikat | |
|---|---|---|---|---|
| | 2007 RM'000 | 2006 RM'000 | 2007 RM'000 | 2006 RM'000 |
| **Keuntungan operasi diperolehi selepas dicaj:** | | | | |
| Peruntukan untuk kesusutan dalam nilai bagi lain-lain pelaburan | **-** | 6 | **-** | - |
| Peruntukan untuk hutang ragu | **1,106** | 3,016 | **-** | - |
| Pelunasan untuk sewa pajakan prabayar | **44** | 44 | **-** | - |
| Ganjaran juruaudit | | | | |
| Juruaudit Syarikat (audit statutori) | | | | |
| - tahun semasa | **80** | 70 | **20** | 15 |
| - peruntukan terkurung dalam tahun sebelumnya | **6** | 1 | **3** | 1 |
| Juruaudit Syarikat (perkhimatan lain) | **6** | 6 | **6** | 6 |
| Juruaudit lain (audit statutori) | **7** | 34 | **-** | - |
| Susut nilai pelaburan hartanah | **89** | - | **-** | - |
| Susut nilai hartanah, loji dan peralatan | **716** | 1,018 | **-** | - |
| Kerugian kemerosotan muhibah | **355** | - | **-** | - |
| Perbelanjaan faedah untuk: | | | | |
| - Overdraf bank | **238** | 288 | **-** | - |
| - Pinjaman | **295** | 299 | **-** | - |
| Perbelanjaan pekerja (termasuk pekerja utama pengurusan): | | | | |
| - Sumbangan KWSP | **587** | 651 | **-** | - |
| - Gaji dan lain-lain | **7,779** | 10,611 | **132** | 122 |
| Hartanah, loji dan peralatan dihapus kira | **2** | - | **-** | - |
| Perbelanjaan sewa premis | **205** | 214 | **-** | - |
| **dan selepas dikredit:** | | | | |
| Pendapatan dividen dari subsidiari | **-** | - | **4,850** | 6,600 |
| Keuntungan dari penjualan hartanah, loji dan peralatan | **223** | 76 | **-** | - |
| Keuntungan dari penjualan subsidiari | **2,693** | - | **-** | - |
| Yuran pengurusan antara syarikat | **-** | - | **484** | 660 |
| Pendapatan faedah daripada: | | | | |
| - Deposit tetap | **272** | 451 | **124** | 162 |
| - Akaun Pembangunan Perumahan | **97** | 81 | **-** | - |
| - Pembeli (pembayaran lewat) | **45** | 26 | **-** | - |
| Pembalikan hutang lapuk | **173** | 136 | **-** | - |
| Pendapatan sewa dari hartanah | **732** | 651 | **-** | - |
| Pembalikan peruntukan hutang ragu | **-** | 2 | **-** | - |

## 22. GANJARAN PEKERJA PENGURUSAN UTAMA

Ganjaran untuk pekerja pengurusan utama adalah seperti berikut:

| | Kumpulan | | Syarikat | |
|---|---|---|---|---|
| | **2007 RM'000** | **2006 RM'000** | **2007 RM'000** | **2006 RM'000** |
| Pengarah: | | | | |
| - Yuran | **99** | 90 | **99** | 90 |
| - Ganjaran | **1,660** | 1,525 | **33** | 32 |
| - Lain-lain ganjaran jangka pendek untuk pekerja (termasuk anggaran nilai monetari berupa ganjaran) | **57** | 70 | **-** | - |
| Jumlah | **1,816** | 1,685 | **132** | 122 |

## 23. PERBELANJAAN CUKAI

| | Kumpulan | | Syarikat | |
|---|---|---|---|---|
| | **2007 RM'000** | **2006 RM'000** | **2007 RM'000** | **2006 RM'000** |
| **Diiktiraf dalam penyata pendapatan** | | | | |
| Perbelanjaan cukai semasa | | | | |
| Malaysian - tahun semasa | **4,567** | 7,024 | **1,384** | 2,031 |
| - peruntukan terkurang tahun sebelumnya | **39** | 125 | **-** | 6 |
| Jumlah cukai semasa | **4,606** | 7,149 | **1,384** | 2,037 |
| Perbelanjaan cukai tertunda | | | | |
| Malaysian - originasi dan pembalikan perbezaan sementara | **(1,311)** | (952) | **(23)** | (76) |
| - peruntukan terkurang/(terlebih) tahun sebelumnya | **117** | (117) | **-** | - |
| Jumlah cukai tertunda | **(1,194)** | (1,069) | **(23)** | (76) |
| Jumlah perbelanjaan cukai | **3,412** | 6,080 | **1,361** | 1,961 |
| **Penyesuaian perbelanjaan cukai efektif** | | | | |
| Keuntungan sebelum cukai | **11,842** | 9,947 | **5,064** | 6,919 |
| Cukai mengikut kadar cukai Malaysia * | **3,066** | 2,622 | **1,367** | 1,937 |
| Perbelanjaan tidak deduktibel | **237** | 208 | **23** | 18 |
| Pendapatan dikecualikan cukai | **(471)** | - | **-** | - |
| Kesan perubahan dalam kadar cukai ** | **(417)** | - | **(29)** | - |
| Kesan perbezaan kadar cukai atas jurisdiksi asing *** | **144** | 1,305 | **-** | - |
| Kesan aset cukai tertunda tidak diiktiraf dalam tahun semasa | **697** | 1,938 | **-** | - |
| Perubahan dalam perbezaan sementara tidak diiktiraf | **-** | (1) | **-** | - |
| | **3,256** | 6,072 | **1,361** | 1,955 |
| Terkurang peruntukan dalam tahun sebelumnya | **156** | 8 | **-** | 6 |
| Jumlah perbelanjaan cukai | **3,412** | 6,080 | **1,361** | 1,961 |

## 23. PERBELANJAAN CUKAI (samb.)

* Berkuatkuasa dari tahun penilaian 2004, beberapa subsidiari dengan modal terbayar berjumlah RM2.5 juta dan kurang pada permulaan tempoh asas untuk tahun penilaian tertakluk pada cukai korporat 20% untuk pendapatan bernilai sehingga RM500,000.

** Berkuatkuasa dari tahun penilaian 2007, kadar cukai korporat adalah 27%. Bajet Malaysia 2008 juga mengumumkan pengurangan kadar cukai korporat kepada 26% yang berkuatkuasa dari tahun penilaian 2008 dan 25% untuk tahun penilaian 2009. Oleh itu, aset cukai tertunda dan liabiliti cukai tertunda dikira menggunakan kadar cukai ini.

*** Beberapa subsidiari di Hong Kong (lihat nota 7) beroperasi dalam juridiksi cukai yang mempunyai kadar cukai yang lebih rendah iaitu 17.5%.

## 24. PENDAPATAN SESAHAM BIASA

### Pendapatan asas sesaham biasa

Pengiraan pendapatan asas sesaham biasa pada 31 Disember 2007 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**

| | 2007 RM'000 | 2006 RM'000 |
|---|---|---|
| Keuntungan bagi tahun semasa yang diagih kepada pemegang saham | **8,430** | 4,073 |

**Bilangan purata berwajaran saham biasa**

| | 2007 '000 | 2006 '000 |
|---|---|---|
| Terbitan saham biasa pada 1 Januari | **90,285** | 90,285 |
| Kesan terbitan saham biasa dari pelaksanaan opsyen | **2,328** | - |
| Bilangan purata berwajaran saham biasa pada 31 Disember | **92,613** | 90,285 |

### Pendapatan dicairkan sesaham biasa

Dalam tahun 2007, tiada kesan pencairan berikutan pelupusan ESOS pada 13 Ogos 2007. Dalam tahun 2006, kesan pada pendapatan asas sesaham biasa hasil dari pelaksanaan ESOS adalah anti-pencairan.

## 25. DIVIDEN

Dividen diiktiraf oleh Syarikat dalam tahun semasa adalah:

| Dibayar | Jumlah RM'000 | Tarikh pembayaran |
|---|---|---|
| Dividen terakhir RM0.05 sesaham kurang cukai 2006 | 3,488 | 21 Ogos 2007 |

## 25. DIVIDEN (samb.)

Selepas tarikh lembaran imbangan, dividen yang berikut telah dicadangkan oleh para Pengarah. Dividen-dividen ini akan diiktiraf dalam laporan kewangan subsekuen apabila diluluskan oleh pemegang-pemegang saham.

| | Sen sesaham | Jumlah RM'000 |
|---|---|---|
| 2007 dividen terakhir bernilai RM0.06 sesaham kurang cukai | 6 | 4,256 |

## 26. LAPORAN SEGMEN

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 diperuntukan secara munasabah. Butir-butir yang tidak diperuntukan adalah terdiri daripada aset yang mendatangkan faedah dan hasil, pinjaman dan perbelanjaan berkaitan, aset korporat (terutama ibu pejabat Syarikat) dan perbelanjaan ibu pejabat serta aset dan liabiliti cukai.

Perbelanjaan modal segmen adalah jumlah kos yang ditanggung sepanjang tahun untuk membeli hartanah, loji dan peralatan dan pelaburan hartanah.

Harga antara segmen ditentukan pada terma yang dibincangkan.

### 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 hartanah | Pembangunan hartanah perumahan dan komersil. |

### Segmen geografi

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

Dalam membentangkan maklumat berdasarkan segmen geografi, hasil segmen adalah berdasarkan kepada lokasi geografi pelanggan. Aset segmen adalah berdasarkan pada lokasi geografi aset tersebut.

**26. LAPORAN SEGMEN (samb.)**

| Kumpulan | Pembinaan 2007 RM'000 | Pembinaan 2006 RM'000 | Pembangunan hartanah 2007 RM'000 | Pembangunan hartanah 2006 RM'000 | Penghapusan 2007 RM'000 | Penghapusan 2006 RM'000 | Penyatuan 2007 RM'000 | Penyatuan 2006 RM'000 |
|---|---|---|---|---|---|---|---|---|
| **Segmen perniagaan** | | | | | | | | |
| Jumlah hasil luaran | **4,026** | 17,415 | **56,175** | 58,062 | **-** | - | **60,201** | 75,477 |
| Hasil antara segmen | **44,911** | 43,850 | **144** | 144 | **(45,055)** | (43,994) | **-** | - |
| **Jumlah hasil segmen** | **48,937** | 61,265 | **56,319** | 58,206 | **(45,055)** | (43,994) | **60,201** | 75,477 |
| Keputusan segmen | **659** | (4,212) | **12,455** | 17,206 | **(3,505)** | (2,499) | **9,609** | 10,495 |
| Perbelanjaan tidak diagihkan | | | | | | | **(341)** | (519) |
| Pendapatan faedah | | | | | | | **414** | 558 |
| Kos kewangan | | | | | | | **(533)** | (587) |
| **Keuntungan operasi** | | | | | | | **9,149** | 9,947 |
| Keuntungan dari penjualan subsidiari | | | | | | | **2,693** | - |
| **Keuntungan sebelum cukai** | | | | | | | **11,842** | 9,947 |
| Perbelanjaan cukai | | | | | | | **(3,412)** | (6,080) |
| Kepentingan minoriti | | | | | | | **-** | 206 |
| **Keuntungan untuk tahun** | | | | | | | **8,430** | 4,073 |
| **Aset segmen** | **51,056** | 47,518 | **110,832** | 119,486 | **(37,891)** | (30,085) | **123,997** | 136,919 |
| Aset tidak diagihkan | | | | | | | **23,096** | 8,713 |
| **Jumlah aset** | | | | | | | **147,093** | 145,632 |
| **Liabiliti segmen** | **22,792** | 33,672 | **42,119** | 30,089 | **(39,244)** | (27,895) | **25,667** | 35,866 |
| Liabiliti tidak diagihkan | | | | | | | **9,093** | 7,444 |
| **Jumlah liabiliti** | | | | | | | **34,760** | 43,310 |
| Perbelanjaan modal | **27** | 1,101 | **15,973** | 34 | **-** | - | **16,000** | 1,135 |
| Susut nilai dan pelunasan | **697** | 910 | **507** | 152 | **-** | - | **1,204** | 1,062 |
| Perbelanjaan bukan tunai selain daripada susut nilai dan pelunasan | **1,108** | 3,022 | **-** | - | **-** | - | **1,108** | 3,022 |

## 26. LAPORAN SEGMEN (samb.)

| | Malaysia | | Hong Kong | | Penghapusan | | Penyatuan | |
|---|---|---|---|---|---|---|---|---|
| | 2007 RM'000 | 2006 RM'000 | 2007 RM'000 | 2006 RM'000 | 2007 RM'000 | 2006 RM'000 | 2007 RM'000 | 2006 RM'000 |
| **Segmen geografi** | | | | | | | | |
| Hasil daripada pelanggan luaran | **57,662** | 58,412 | **2,539** | 17,065 | **-** | - | **60,201** | 75,477 |
| Aset segmen | **121,253** | 132,283 | **2,744** | 4,636 | **-** | - | **123,997** | 136,919 |
| Perbelanjaan modal | **16,000** | 1,133 | **-** | 2 | **-** | - | **16,000** | 1,135 |

## 27. KONTINGENSI

Pengarah berpendapat bahawa peruntukan tidak diperlukan berhubung dengan perkara ini, oleh kerana tidak mungkin ganjaran ekonomi untuk masa hadapan diperlukan atau jumlahnya tidak cukup untuk ukuran yang tepat.

### 27.1 Jaminan korporat - tidak bercagar

| | Kumpulan | | Syarikat | |
|---|---|---|---|---|
| | 2007 RM'000 | 2006 RM'000 | 2007 RM'000 | 2006 RM'000 |
| Jaminan diberi kepada institusi kewangan untuk kemudahan kredit yang diberikan kepada subsidiari | **-** | - | **683** | 5,030 |
| Jaminan diberi kepada pihak ketiga untuk kemudahan kredit yang diberikan kepada subsidiari bagi pembelian bahan/perkhidmatan | **-** | - | **317** | 951 |
| | **-** | - | **1,000** | 5,981 |

### 27.2 Litigasi (tidak bercagar)

Satu subsidiari telah mengambil tindakan guaman terhadap satu penghutang bagi hutang tertunggak sebanyak RM14.4 juta (2006 - RM14.4 juta) berhubung dengan pelbagai kerja kontrak. Satu peruntukan bagi hutang ragu sebanyak RM14.4 juta (2006 - RM14.4 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. Pengarah berpendapat sebarang pendedahan lanjut adalah bersifat berat sebelah bagi kepentingan Syarikat.

## 28. PIHAK BERKAITAN

Untuk tujuan penyata-penyata kewangan ini, pihak dianggap mempunyai kaitan dengan Kumpulan jika Kumpulan mempunyai kemampuan, sama ada 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.

Pekerja pengurusan utama adalah orang yang mempunyai kuasa dan tanggungjawab merancang, mengarah dan mengawal aktiviti Kumpulan sama ada secara langsung ataupun secara tidak langsung. Pekerja pengurusan utama termasuklah semua Pengarah Kumpulan.

## 28. PIHAK BERKAITAN (samb.)

Urusniaga pihak berkaitan yang besar, selain dari pampasan pekerja pengurusan utama, adalah seperti berikut:

| **Kumpulan** | | **Nilai urusniaga berakhir pada 31 Disember** | |
|---|---|---|---|
| **Pengarah** | **Urusniaga** | **2007 RM'000** | **2006 RM'000** |
| Tang Kam Chee | Pembelian hartanah daripada Ken Property Sdn. Bhd., subsidiari | **-** | 385 |
| | Diskaun diterima melalui insentif biasa pekerja | **-** | (39) |
| | | **-** | 346 |
| Tan Boon Kang<br>Lau Pek Kuan | Sewa hartanah dibayar oleh Ken Grouting Sdn. Bhd., subsidiari, kepada Kenkat Realty Sdn. Bhd., syarikat di mana Pengarah mempunyai kepentingan | **12** | 12 |

| | **Nilai urusniaga berakhir pada 31 Disember** | |
|---|---|---|
| **Syarikat** | **2007 RM'000** | **2006 RM'000** |
| **Subsidiari** | | |
| Penerimaan yuran pengurusan | | |
| - Ken Grouting Sdn. Bhd. | **(120)** | (120) |
| - Ken Projects Sdn. Bhd. | **(124)** | (120) |
| - Ken Property Sdn. Bhd. | **(240)** | (420) |
| | **(484)** | (660) |
| Penerimaan pendapatan dividen | | |
| - Ken Grouting Sdn. Bhd. | **(1,861)** | (540) |
| - Ken Projects Sdn. Bhd. | **(730)** | - |
| - Ken Property Sdn. Bhd. | **(949)** | (4,212) |
| | **(3,540)** | (4,752) |

Terma dan syarat untuk urusniaga di atas berdasarkan terma dagangan biasa. Semua jumlah tertunggak adalah tidak bercagar dan dijangka dibayar dengan tunai.

## 29. KOMBINASI PERNIAGAAN

### Penjualan

29.1 Pada 3 Oktober 2007, Kumpulan menjual semua kepentingan ekuitinya dalam Kenly Engineering Ltd. ("KEL") kepada pihak ketiga dengan jumlah pertimbangan tunai bernilai HK2.09 (lebih kurang RM1.00).

Penjualan KEL mempunyai kesan berikut ke atas aliran tunai, jumlah aset dan jumlah liabiliti Kumpulan:

| | **3.10.2007 RM'000** |
|---|---|
| Loji dan peralatan | 13 |
| Aset semasa | 2,144 |
| Liabiliti semasa | (4,850) |
| Liabiliti bersih penjualan subsidiari | (2,693) |
| Tunai diterima | - |
| Perolehan dari penjualan subsidiari | (2,693) |
| Tunai diterima | - |
| Tunai dikeluarkan | (5) |
| Aliran keluar tunai bersih | (5) |

Keputusan dan aliran tunai KEL bagi tempoh sehingga tarikh penjualan adalah seperti berikut:

| | **Dari 1.1.2007 hingga 3.10.2007 RM'000** |
|---|---|
| Hasil | 1,965 |
| Kos penjualan | (4,809) |
| Kerugian kasar | (2,844) |
| Perbelanjaan pentadbiran | (181) |
| Pendapatan operasi lain | 326 |
| Kerugian sebelum cukai | (2,699) |
| Perbelanjaan cukai | 7 |
| Kerugian bagi tempoh | (2,692) |
| Aliran tunai daripada aktiviti operasi | (5) |
| Jumlah aliran tunai | (5) |

## 29. KOMBINASI PERNIAGAAN (samb.)

### Penjualan tahun-tahun sebelumnya

29.2 Pada 19 Mei 2006, Kumpulan telah menjual semua kepentingan entitinya dalam KD Management Sdn. Bhd. ("KDSB") dengan jumlah pertimbangan tunai bernilai RM1.00.

29.3 Pada bulan Ogos 2006, Kumpulan telah membuat permohonan untuk mengeluarkan subsidiari, Success Goal Asia Limited ("SGAL") daripada Register of the Hong Kong Companies Registry. Pada tahun 2007, pengeluaran SGAL telah selesai.

### Pengambilalihan tahun-tahun sebelumnya

29.4 Pada 20 Mei 2006, Kumpulan membeli 2 saham biasa Jewel Estate Sdn. Bhd. ("JESB") pada harga RM1.00 sesaham, mewakili keseluruhan modal terbayar. Dalam masa tujuh bulan sehingga 31 Disember 2006, syarikat subsidiari itu menyumbangkan keuntungan berjumlah RM1,000.

Pembelian dan penjualan dalam tahun 2006 tidak mempunyai kesan kewangan yang besar ke atas aset dan liabiliti Kumpulan kerana subsidiari tersebut adalah separa-dorman dan mengendalikan perkhidmatan pengurusan hartanah manakala SGAL adalah syarikat yang dorman.

## 30. PERISTIWA PENTING

i) Pada bulan Februari 2007, syarikat subsidiari Aunyang Holdings Sdn. Bhd. menandatangani Perjanjian Jual dan Beli untuk membeli dua keping tanah pada harga RM15,800,000. Kos sampingan berjumlah RM156,000 juga dibelanjakan semasa pembelian, dan menghasilkan jumlah permodalan sebanyak RM15,956,000 di bawah pelaburan hartanah.

ii) Pada Oktober 2007, syarikat subsidiari Kenly (HK) Ltd. menjual 1,000 saham biasa pada harga HK$1.00 sesaham, mewakili 100% kepentingan ekuiti Kenly Engineering Ltd. untuk jumlah tunai sebanyak HK$2.00. Penjualan subsidiari ini menghasilkan perolehan dari penjualan berjumlah HK$6,112,000 (lebih kurang RM2,693,000) pada tahap Kumpulan.

## 31. INSTRUMEN KEWANGAN

Pendedahan kepada mata wang asing, risiko kredit dan liabiliti timbul dalam urusan perniagaan biasa. Instrumen kewangan terbitan tidak digunakan untuk melindungi pendedahan perubahan kadar pertukaran asing.

### 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.

### 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.

## 31. INSTRUMEN KEWANGAN (samb.)

### Risiko kredit (samb.)

Pada tarikh lembaran imbangan, Kumpulan mempunyai satu penumpuan ketara risiko kredit dalam bentuk penerimaan dagangan daripada satu pelanggan yang mewakili RM14.4 juta (2006 - RM14.4 juta), di mana Kumpulan telah memperuntukkan hutang ragu sebanyak RM14.4 juta (2006 - RM14.4 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 bahawa subsidiari mempunyai satu tuntutan yang baik terhadap penghutang ini.

### Risiko kecairan

Kumpulan dan Syarikat menguruskan dan mengekalkan satu paras tunai dan bersamaan tunai supaya dapat memastikan kesemua kehendak pendanaan dicapai. Sebagai sebahagian daripada pengurusan kecairan, Kumpulan dan Syarikat 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.

### 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 | Purata kadar berkesan | Jumlah RM'000 |
|---|---|---|---|
| **KUMPULAN** | | | |
| **2007** | | | |
| Deposit dalam bank berlesen | 14 | 2.93% | 10,289 |
| **2006** | | | |
| Deposit dalam bank berlesen | 14 | 3.10% | 11,413 |
| **SYARIKAT** | | | |
| **2007** | | | |
| Deposit dalam bank berlesen | 14 | 2.86% | 2,365 |
| **2006** | | | |
| Deposit dalam bank berlesen | 14 | 3.11% | 4,831 |

### Nilai saksama

Jumlah dibawa tunai dan bersamaan tunai, penerimaan, pembayaran lain dan pinjaman jangka pendek menganggarkan nilai saksama disebabkan oleh sifat jangka pendek instrumen-instrumen kewangan ini.

Syarikat menyediakan jaminan kewangan kepada bank bagi kemudahan kredit yang ditawarkan kepada subsidiari tertentu. Nilai saksama bagi jaminan kewangan ini tidak dijangka tinggi kerana kemungkinan subsidiari melanggar garisan kredit adalah kecil.

Berhubung dengan jumlah yang terhutang dari subsidiari, ianya adalah tidak praktikal untuk menganggarkan nilai saksama kerana ketiadaan terma pembayaran yang khusus yang dipersetujui oleh pihak-pihak yang terlibat dan tanpa kos yang berlebihan.

Ianya juga adalah tidak praktikal untuk menganggar nilai saksama untuk pelaburan Kumpulan dalam saham tidak disebut harga kerana ketiadaan harga pasaran yang sebanding dan ketidakupayaan untuk menganggar nilai saksama tanpa menyebabkan kos yang berlebihan.

# Analysis of Shareholdings
as at 11 April 2008

# *Analisa Pemegang Saham*
*pada 11 April 2008*

### SHARE CAPITAL / *MODAL SAHAM*

| | |
|---|---|
| Authorised Share Capital<br>*Modal Saham Dibenarkan* | : RM300,000,000/- |
| Issued and fully paid-up capital<br>*Modal diterbitkan dan dibayar penuh* | : RM95,860,000/- |
| Class of Shares<br>*Jenis Saham* | : Ordinary shares of RM1.00 each<br>*Saham biasa berharga RM1.00 setiap satu* |
| Voting rights<br>*Hak Mengundi* | : 1 vote per ordinary share<br>*1 undi setiap saham biasa* |
| No. of Treasury shares held<br>*Bilangan saham perbendaharaan dipegang* | : 146,000 ordinary shares of RM1.00 each<br>*146,000 saham biasa berharga RM1.00 setiap satu* |

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

| **Size of Shareholdings /** ***Saiz Pemegang Saham*** | **No. of Shareholders /** ***Bil. Pemegang Saham*** | **%** | **No. of Shares Held /** ***Bil. Saham Dipegang*** | **%** |
|---|---|---|---|---|
| Less than 100 shares / *Kurang daripada 100 saham* | 90 | 3.24 | 2,960 | 0.00 |
| 100 - 1,000 shares / *100 - 1,000 saham* | 249 | 8.98 | 219,630 | 0.23 |
| 1,001 - 10,000 | 1,945 | 70.12 | 9,200,250 | 9.61 |
| 10,001 - 100,000 | 440 | 15.86 | 11,683,412 | 12.21 |
| 100,001 to less than 5% of issued shares / *100,001 hingga kurang daripada 5% saham yang diterbitkan* | 47 | 1.69 | 23,925,429 | 25.00 |
| 5% and above of issued shares / *5% dan ke atas saham yang diterbitkan* | 3 | 0.11 | 50,682,319 | 52.95 |
| Total / *Jumlah* | 2,774 | 100.00 | 95,714,000 | 100.00 |

# Analysis of Shareholdings
as at 11 April 2008 (cont'd)

# *Analisa Pemegang Saham*
*pada 11 April 2008 (samb.)*

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

| | Name / *Nama* | No. of Shares Held / *Bil. Saham Dipegang* | % |
|---|---|---|---|
| 1. | Kencana Bahagia Sdn. Bhd. | 32,274,819 | 33.67 |
| 2. | ABB Nominee (Tempatan) Sdn. Bhd.<br>Pledged Securities Account For Budaya Dinamik Sdn. Bhd. | 10,500,000 | 10.95 |
| 3. | Tan Boon Kang | 7,907,500 | 8.25 |
| 4. | SJ Sec Nominees (Tempatan) Sdn. Bhd.<br>Pledged Securities Account For Seloka Aman Sdn. Bhd. | 2,031,000 | 2.12 |
| 5. | Tan Boon Kang | 1,723,500 | 1.80 |
| 6. | Kencana Bahagia Sdn. Bhd. | 1,650,000 | 1.72 |
| 7. | Yeoh Kean Hua | 1,530,000 | 1.60 |
| 8. | SJ Sec Nominees (Tempatan) Sdn. Bhd.<br>Pledged Securities Account For Impian Nuri Sdn. Bhd. | 1,300,500 | 1.36 |
| 9. | M & A Nominee (Asing) Sdn. Bhd.<br>Pedigree Limited | 1,222,000 | 1.27 |
| 10. | Tan Boon Kang | 1,213,500 | 1.27 |
| 11. | SJ Sec Nominees (Tempatan) Sdn. Bhd.<br>Pledged Securities Account For Adat Saga Sdn. Bhd. | 1,186,600 | 1.24 |
| 12. | Lau Pek Kuan | 1,150,000 | 1.20 |
| 13. | Soo San Hem | 1,072,000 | 1.12 |
| 14. | Lau Pek Kuan | 808,500 | 0.84 |
| 15. | Tan Foo See | 726,489 | 0.76 |
| 16. | Low Siew Choong @ Liew Siew Meng | 680,750 | 0.71 |
| 17. | Tan Moon Hwa | 606,340 | 0.63 |
| 18. | M & A Nominee (Tempatan) Sdn. Bhd.<br>Titan Express Sdn. Bhd. | 476,100 | 0.50 |
| 19. | Tan Chee Koon | 459,500 | 0.48 |
| 20. | Lau Chin Ka | 350,660 | 0.37 |
| 21. | HDM Nominees (Tempatan) Sdn. Bhd.<br>UOB Kay Hian Pte Ltd for Ng Lee Choo | 350,000 | 0.37 |
| 22. | Lim Hui Huat @ Lim Hooi Chang | 333,000 | 0.35 |
| 23. | Lau Chin Kok | 311,500 | 0.32 |
| 24. | AIBB Nominees (Tempatan) Sdn. Bhd.<br>Pledged Securities Account for Wong Yee Hui | 309,500 | 0.32 |
| 25. | Cartaban Nominees (Tempatan) Sdn. Bhd.<br>Axa Affin General Insurance Berhad | 300,000 | 0.31 |
| 26. | RHB Capital Nominees (Tempatan) Sdn. Bhd.<br>Pledged Securities Account for Khoo Boo Teik | 300,000 | 0.31 |
| 27. | RHB Capital Nominees (Tempatan) Sdn. Bhd.<br>Pledged Securities Account for Loke Phaik Har | 277,400 | 0.29 |
| 28. | Lim Hong Liang | 246,740 | 0.26 |
| 29. | Tan Bak Fooi @ Tang Kiat | 245,050 | 0.26 |
| 30. | Mayban Nominees (Tempatan) Sdn. Bhd.<br>Pledged Securities Account for Soon Ah Ba | 230,500 | 0.24 |
| | Total / *Jumlah* | 71,773,448 | 74.87 |

# Analysis of Shareholdings
as at 11 April 2008 (cont'd)

# *Analisa Pemegang Saham*
*pada 11 April 2008 (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 Langsung* | % | Indirect / *Secara Tidak Langsung* | % |
| 1) | Tan Boon Kang | 10,844,500 | 11.33 | 35,883,319 | 37.49 |
| 2) | Lau Pek Kuan | 1,958,500 | 2.05 | 44,769,319 | 46.77 |
| 3) | Anton Syazi bin Ahmad Sebi | - | - | 10,590,612 | 11.06 |
| 4) | Aryati Sasya binti Ahmad Sebi | - | - | 10,590,612 | 11.06 |
| 5) | Budaya Dinamik Sdn. Bhd. | 10,590,612 | 11.06 | - | - |
| 6) | Kencana Bahagia Sdn. Bhd. | 33,924,819 | 35.44 | - | - |

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

| | Directors' Name / *Nama Pengarah*<br>The Company / *Syarikat* | No. of Ordinary Shares of RM1.00 Each / *Bil. Saham Biasa Berharga RM1.00 Setiap Satu* | |
|---|---|---|---|
| | | Direct / *Secara Langsung* | Indirect / *Secara Tidak Langsung* |
| 1) | Dato' Ahmad Badri Bin Mohamed Basir | - | - |
| 2) | Tan Boon Kang | 10,844,500 | 35,883,319 |
| 3) | Lau Pek Kuan | 1,958,500 | 44,769,319 |
| 4) | Tan Chek Siong | - | - |
| 5) | Tan Moon Hwa | 606,340 | - |
| 6) | Tang Kam Chee | 170,000 | - |
| 7) | Dato' Seri Raja Haji Ahmad Zainuddin bin Raja Haji Omar | - | - |
| 8) | YTM Tengku Sri Panglima Raja Terengganu,<br>Tengku Dato' Seri Baderul Zaman<br>Ibni Almarhum Sultan Mahmud (Resigned on 15 April 2008) | - | - |
| 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 2007

# *Senarai Hartanah*
*pada 31 Disember 2007*

The properties of the Group as at 31 December 2007 are as follows:
*Hartanah Kumpulan pada 31 Disember 2007 adalah seperti berikut:*

| **Location** <br> ***Lokasi*** | **Description/ usage** <br> ***Keterangan/ kegunaan*** | **Tenure/ year of expiry** <br> ***Tempoh pemegangan/ tahun tamat*** | **Age of property/ building** <br> ***Usia hartanah/ bangunan*** | **Land/ Built-up area** <br> ***Tanah/ keluasan binaan*** | **Net book value (RM'000)** <br> ***Nilai buku bersih (RM'000)*** | **Year of valuation/ acquisition** <br> ***Tahun penilaian/ pengambil-alihan*** |
|---|---|---|---|---|---|---|
| 12 1/2 Storey 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 re-development | Freehold | - | 30,742 sq ft | 15,295 | 2005 |
| *12 1/2 tingkat bangunan dengan 3 tingkat tempat letak kereta bawah tanah Geran 7611, Lot No. 40405 Mukim Kuala Lumpur Daerah Kuala Lumpur Wilayah Persekutuan* | *Bangunan komersial untuk dimajukan semula* | *Milik bebas* | *-* | *30,742 kps* | *15,295* | *2005* |
| Geran Nos. 63978 and 35098 Lot No. 20 and 419, Section 1 Bandar Batu Ferringgi District of Timur Laut State of Penang | Two parcels of beach front undeveloped land | Freehold | - | 2.53 acres | 5,523 | 2005 |
| *Geran Nos. 63978 and 35098 Lot No. 20 and 419, Seksyen 1 Bandar Batu Ferringgi Daerah Timur Laut Pulau Pinang* | *2 bidang tanah yang berhadapan dengan pantai yang belum dimajukan* | *Milik bebas* | *-* | *2.53 ekar* | *5,523* | *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 2007 (cont'd)

# *Senarai Hartanah*
*pada 31 Disember 2007 (samb.)*

| Location<br>*Lokasi* | Description/ usage<br>*Keterangan/ kegunaan* | Tenure/ year of expiry<br>*Tempoh pemegangan/ tahun tamat* | Age of property/ building<br>*Usia hartanah/ bangunan* | Land/ Built-up area<br>*Tanah/ keluasan binaan* | Net book value (RM'000)<br>*Nilai buku bersih (RM'000)* | Year of valuation/ acquisition<br>*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 | 1,847 | 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* | *1,847* | *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 | 71 years unexpired lease | 47,006 sq ft | 1,673 | 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* | *71 tahun tempoh tamat* | *47,006 kps* | *1,673* | *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 | 71 years Unexpired Lease | 36,909 sq ft | 1,459 | 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* | *71 tahun tempoh tamat* | *36,909 kps* | *1,459* | *2005** |
| Lot 29504, H.S.(O) 4926 Mukim and 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 | 27 years (Building) | 1,875 sq ft | 1,862 | 2005* |

| Location<br>*Lokasi* | Description/ usage<br>*Keterangan/ kegunaan* | Tenure/ year of expiry<br>*Tempoh pemegangan/ tahun tamat* | Age of property/ building<br>*Usia hartanah/ bangunan* | Land/ Built-up area<br>*Tanah/ keluasan binaan* | Net book value (RM'000)<br>*Nilai buku bersih (RM'000)* | Year of valuation/ acquisition<br>*Tahun penilaian/ pengambil-alihan* |
|---|---|---|---|---|---|---|
| *Lot 29504, H.S.(O) 4926<br>Mukim dan Daerah Kuala Lumpur<br>Wilayah Persekutuan<br>Alamat: 6, Jalan Datuk Sulaiman<br>Taman Tun Dr. Ismail<br>60000 Kuala Lumpur<br>Wilayah Persekutuan* | *Seunit rumah kedai teres tiga tingkat/ digunakan sebagai pejabat korporat* | *Milik bebas* | *27 tahun (Bangunan)* | *1,875 kps* | *1,862* | *2005** |
| Lot 205<br>Summervilla Condominium<br>Wangsa Baiduri, Subang Jaya<br>Petaling Jaya, Selangor<br>Held under title P.M. No. 22<br>Lot 14785, Mukim of Damansara<br>District of Petaling<br>State Selangor Darul Ehsan | 1 unit of condominium | Leasehold/ January 16, 2089 | 82 years unexpired lease | 1,890 sq ft | 334 | 2005* |
| *Lot 205<br>Kondominium Summervilla<br>Wangsa Baiduri, Subang Jaya<br>Petaling Jaya, Selangor<br>Di bawah pegangan dokumen sah<br>Lot 14785, Mukim Damansara<br>Daerah Petaling<br>Negeri Selangor Darul Ehsan* | *1 unit kondominium* | *Pajakan/ 16 Januari 2089* | *82 tahun tempoh tamat* | *1,890 kps* | *334* | *2005** |
| Lot 405<br>Summervilla Condominium<br>Wangsa Baiduri, Subang Jaya<br>Petaling Jaya, Selangor<br>Held under title P.M. No. 22<br>Lot 14785, Mukim of Damansara<br>District of Petaling<br>State Selangor Darul Ehsan | 1 unit of condominium | Leasehold/ January 16, 2089 | 82 years unexpired lease | 1,890 sq ft | 334 | 2005* |
| *Lot 405<br>Kondominium Summervilla<br>Wangsa Baiduri, Subang Jaya<br>Petaling Jaya, Selangor<br>Di bawah pegangan dokumen sah<br>Lot 14785, Mukim Damansara<br>Daerah Petaling<br>Negeri Selangor Darul Ehsan* | *1 unit kondominium* | *Pajakan/ 16 Januari 2089* | *82 tahun tempoh tamat* | *1,890 kps* | *334* | *2005** |

# List of Properties
as at 31 December 2007 (cont'd)

# *Senarai Hartanah*
*pada 31 Disember 2007 (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 | 7 Years (Building) 90 years unexpired leases | 9,100 sq ft | 1,607 | 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* | *7 tahun (Bangunan) 90 tahun tempoh tamat* | *9,100 kps* | *1,607* | *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 retails commercial lots | Freehold | 5 Years | 6,247 sq ft | 856 | 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* | *5 tahun* | *6,247 kps* | *856* | *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 Negeri Selangor Darul Ehsan* | *Tanah sedang dimajukan* | *Milik bebas* | - | *2 ekar* | *2,148* | *2003* |

## List of Properties
as at 31 December 2007 (cont'd)

## *Senarai Hartanah*
*pada 31 Disember 2007 (samb.)*

| Location<br>*Lokasi* | Description/ usage<br>*Keterangan/ kegunaan* | Tenure/ year of expiry<br>*Tempoh pemegangan/ tahun tamat* | Age of property/ building<br>*Usia hartanah/ bangunan* | Land/ Built-up area<br>*Tanah/ keluasan binaan* | Net book value (RM'000)<br>*Nilai buku bersih (RM'000)* | Year of valuation/ acquisition<br>*Tahun penilaian/ pengambil-alihan* |
|---|---|---|---|---|---|---|
| Lot No. 1927<br>Mukim and District of Petaling<br>State of Selangor Darul Ehsan | Land under development | Freehold | - | Approximately 1.75 acres | 313 | 2002 |
| *Lot No. 1927<br>Mukim dan Daerah Petaling<br>Negeri Selangor Darul Ehsan* | *Tanah sedang dimajukan* | *Milik bebas* | - | *Lebih kurang 1.75 ekar* | *313* | *2002* |
| GM 43019 Lot No. 37448 and<br>GM 1849 Lot No. 17494<br>Mukim of Kapar, District of Klang<br>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<br>GM 1849 Lot No. 17494<br>Mukim Kapar, Daerah Klang<br>Negeri Selangor Darul Ehsan* | *2 bidang tanah untuk pembangunan perumahan* | *Milik bebas* | - | *Lebih kurang 69.18 ekar* | *25,000* | *2003* |
| Geran 44855 (formerly H.S.(D) 7212)<br>Lot 31210 and Geran 44856<br>(formerly H.S.(D) 7213) Lot 31211<br>Mukim and District of Kuala Lumpur<br>Federal Territory | Two parcels of land for investment | Freehold | - | Approximately 1.21 acres | 15,956 | 2007 |
| *Geran 44855 (dahulu dikenali sebagai H.S.(D) 7212) Lot 31210 dan Geran 44856 (dahulu dikenali sebagai H.S.(D) 7213) Lot 31211<br>Mukim dan Daerah Kuala Lumpur<br>Wilayah Persekutuan* | *2 bidang tanah untuk pelaburan* | *Milik bebas* | - | *Lebih kurang 1.21 ekar* | *15,956* | *2007* |

* Valuation done in 2005
** Penilaian dibuat dalam tahun 2005*

KEN HOLDINGS BHD

Incorporated in Malaysia (Company No. 106173-M)

# 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-FOURTH 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 Monday, 26 May 2008, at 10.00 a.m. and at any adjournment thereof. (*Strike out whichever is not desired)

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

| NO. | RESOLUTIONS | FOR | AGAINST |
|---|---|---|---|
| 1) | Adoption of Audited Financial Statements | | |
| 2) | Declaration of a First and Final Dividend | | |
| 3) | Approval of Directors’ Fees | | |
| 4) | Re-election of Mr. Tan Boon Kang as Director | | |
| 5) | Re-election of Mr. Tan Chek Siong as Director | | |
| 6) | Re-election of Dato’ Seri Raja Haji Ahmad Zainuddin bin Raja Haji Omar 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 - Proposed Renewal of Authority For Share Buy-Back | | |

Signed this ............................. day of ............................. 2008

| | |
|---|---|
| No. of Shares Held: | |
| CDS Account No.: | |
| Tel No. (during office hours): | |

.............................................

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. A member may appoint up to two (2) persons to be his/her proxy. 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

fold here

KEN HOLDINGS BHD

# Borang Proksi

Saya/Kami.......................................................................................................................................................
(NAMA PENUH DALAM HURUF BESAR)

dari...............................................................................................................................................................
(ALAMAT)

adalah ahli/ahli-ahli **KEN HOLDINGS BERHAD** dengan ini melantik.......................................................................

......................................................................................................................................................................
(NAMA PENUH)

dari...............................................................................................................................................................
(ALAMAT)

atau jika beliau tidak dapat hadir ..............................................................................................................
(NAMA PENUH)

dari...............................................................................................................................................................
(ALAMAT)

atau jika beliau tidak dapat hadir, Pengerusi Syarikat sebagai proksi *saya/kami akan mengundi mewakili *saya/kami dan bagi pihak *saya/kami di **MESYUARAT AGUNG TAHUNAN KEDUA PULUH EMPAT** 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 Isnin, 26 Mei 2008, pada jam 10.00 pagi dan mana-mana mesyuarat ditangguhkan. (*Batalkan mana-mana yang tidak berkenaan)

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

| NO. | RESOLUSI | SOKONG | TOLAK |
|---|---|---|---|
| 1) | Penerimaan Penyata-Penyata Kewangan Teraudit | | |
| 2) | Pengistyiharan Dividen Pertama dan Terakhir | | |
| 3) | Kelulusan Yuran Pengarah | | |
| 4) | Pemilihan semula Encik Tan Boon Kang sebagai Pengarah | | |
| 5) | Pemilihan semula Encik Tan Chek Siong sebagai Pengarah | | |
| 6) | Pemilihan semula Dato' Seri Raja Haji Ahmad Zainuddin bin Raja Haji Omar 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 - Cadangan pembaharuan kuasa untuk beli-balik | | |

Bertarikh ............................. haribulan ............................. 2008

| | |
|---|---|
| Jumlah saham dimiliki: | |
| No. Akaun CDS: | |
| No. Tel (semasa waktu berkerja): | |

....................................
Tandatangan

**Nota-nota:**

1. Seorang ahli Syarikat yang layak untuk hadir dan mengundi dalam mesyuarat ini berhak melantik seorang proksi atau proksi-proksi untuk hadir dan mengundi bagi pihaknya. Seorang proksi tidak semestinya ahli Syarikat dan peruntukan Seksyen 149(1)(b) Akta Syarikat, 1965 tidak dipakai terhadap Syarikat.
2. Seorang ahli boleh melantik sehingga dua (2) orang sebagai proksi bagi pihaknya. Jika ahli melantik lebih satu (1) proksi, perlantikan berkenaan adalah tidak sah melainkan dia menyatakan kadar pegangan sahamnya yang akan diwakili oleh setiap proksi.
3. Jikalau melibatkan badan korporat, perlantikan proksi mestilah menurut Memorandum dan Artikel Persatuan, dan suratcara melantik proksi mestilah dimeterai dengan meterai rasminya atau ditandatangani oleh pegawai atau wakil yang diberi kuasa.
4. Borang Proksi tersebut mesti diserahkan ke Pejabat Berdaftar Syarikat di No. 6, Jalan Datuk Sulaiman, Taman Tun Dr. Ismail, 60000 Kuala Lumpur tidak kurang daripada 48 jam sebelum masa yang ditetapkan untuk mesyuarat tersebut dan sebarang penangguhannya.

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