KEN®

40 years 1980 - 2020

Developing Your Future

ANNUAL REPORT 2021

OUR VISION

Recognising our responsibilities as a developer and nation builder, we will aspire to deliver sustainable, quality developments that exceed customers' expectations.

OUR MISSION

- We enhance shareholders' value through sustainable resource management and sound corporate governance that promotes steady earnings growth.
- We are committed to delivering sustainable quality homes that are efficiently planned and innovatively designed on schedule.
- We embrace sustainable practices to preserve the environment for future generations.
- We create learning opportunities and a conducive working environment that promotes teamwork and work life balance for sustainable job satisfaction.

OUR CORE VALUES

We are hands-on and committed
We will accomplish, learn and coach effectively with our own hands-on experience. We will commit ourselves at all times faithfully fulfilling our responsibilities as a developer to the communities in which we operate.

We are Careful, Thoughtful and Mindful
We are proud of our KEN brand and we will keep our brand promise to constantly improve our ability to contribute to our customers. We will be Careful, Thoughtful and Mindful in all things that we do to fulfil our Vision Statement.

We are innovators and we create value
We will continually innovate and create value for our brand to achieve world class recognition.

We are part of the KEN Family
We will treat everyone in KEN as a family member and we will pool our abilities to accomplish our shared goals. No matter how talented we are as individuals, without cooperation and family spirit, we will be a company in name only.

We embrace sustainable practices – "Mottainai"
We must value the precious resources that we have and use them wisely, efficiently and effectively. We will embrace sustainable practices and endeavour to create more value by using lesser resources.

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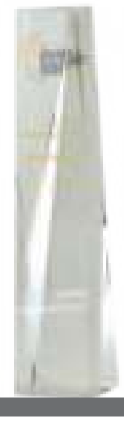

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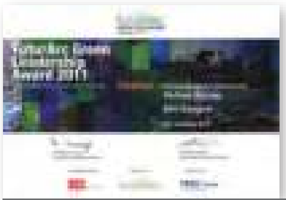

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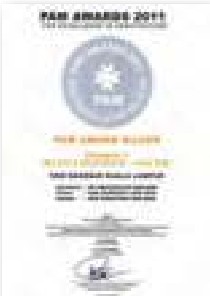

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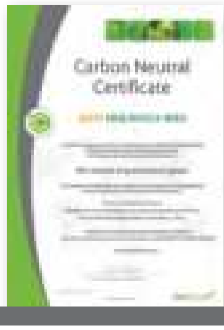

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25. 2011

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26. 2011

FuturArc Green Leadership Citation Award

27. 2011

PAM Silver Award For Excellence In Architecture

28. 2011

FIABCI Malaysia Property Award: Sustainable Development Category

29. 2010

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30. 2010

New Straits Times SC Cheah Choice Awards: Best Green Developer

Awards & Recognition (cont'd)

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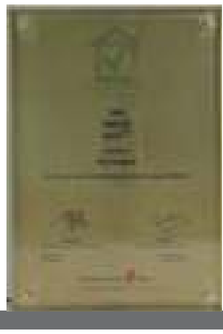

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BCA Green Mark Certified Award

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GBI Gold Award

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The Edge-PAM Green Excellence Award

36. 2009

BCA Green Mark GOLD^{PLUS} Award

Awards & Recognition

Award Milestone

2021

Menara KEN TTDI
- FIABCI Malaysia Property Award: Office Category

KEN Holdings Berhad
- Carbon Neutral Status

2020

Menara KEN TTDI
- ASEAN Energy Awards

Menara KEN TTDI
- National Energy Awards

Menara KEN TTDI
- EdgeProp Malaysia's Best Managed and Sustainable Property Awards

KEN Holdings Berhad
- Carbon Neutral Status

2019

Menara KEN TTDI
- BCA Green Mark Platinum Award

Menara KEN TTDI
- FIABCI Malaysia Property Award: Sustainable Development Category

KEN TTDI Sdn Bhd
- National Energy Awards

KEN Holdings Berhad
- Carbon Neutral Status

2018

Menara KEN TTDI
- GreenRE Platinum Award
- USGBC LEED Platinum Award

KEN Rimba Condominium 1
- GreenRE Gold Award
- BCA Green Mark GOLD PLUS Award

KEN Holdings Berhad
- Carbon Neutral Status

2017

Menara KEN TTDI
- Multimedia Super Corridor (MSC) Cybercentre Status

KEN Holdings Berhad
- Carbon Neutral Status

2016

KEN Holdings Berhad
- Carbon Neutral Status

2015

KEN Holdings Berhad
- Carbon Neutral Status

KEN Rimba Jimbaran Residences
- GreenRE Platinum Award
- BCA Green Mark GOLD PLUS Award

KEN Rimba Condominium 2
- GreenRE Platinum Award (Provisional)

2014

KEN Holdings Berhad
- Carbon Neutral Status

KEN Rimba Legian Residences
- FIABCI Malaysia Property Award: Sustainable Development Category

2013

KEN Holdings Berhad
- Carbon Neutral Status

KEN Rimba Condominium 2
- BCA Green Mark Platinum Award (Provisional)

2012

KEN Holdings Berhad
- Carbon Neutral Status

2011

KEN Holdings Berhad
- Carbon Neutral Status

KEN Rimba
- GBI Pilot Project for The GBI Township Tool

KEN Bangsar Serviced Residences
- FuturArc Green Leadership Citation Award
- PAM Silver Award For Excellence In Architecture
- FIABCI Malaysia Property Award: Sustainable Development Category

2010

KEN Holdings Berhad
- Carbon Neutral Status
- New Straits Times SC Cheah Choice Awards: Best Green Developer

KEN Rimba Legian Residences
- BCA Green Mark Gold Award
- GBI Certified Award

KEN Rimba Commercial Centre
- BCA Green Mark Certified Award

KEN Bangsar Serviced Residences
- GBI Gold Award
- The Edge-PAM Green Excellence Award

2009

KEN Bangsar Serviced Residences
- BCA Green Mark GOLD PLUS Award

GROUP EXECUTIVE CHAIRMAN'S STATEMENT

"On behalf of the Board of Directors of KEN Holdings Berhad ("KEN") ("Board"), I am pleased to present the Annual Report and the audited financial statements of the Group for the financial year ended 31 December 2021 ("FYE 2021")."

FINANCIAL REVIEW

The prolonged COVID-19 pandemic has continued to dampen economic sentiments globally and inevitably caused disruptions to the Group's operations. Amidst the challenging operating environment, the Group's operating performance remained resilient as our affordable high rated green developments have continuously attracted the homebuyers and long term investors which enabled the Group to register encouraging sales during the year. For the FYE 2021, the Group's revenue rose to approximately RM51.6 million as compared to the previous year's revenue of approximately RM33.5 million on account of the Group's efforts in monetising its inventories. Correspondingly, the Group achieved a higher profit before tax of approximately RM21.0 million as compared to approximately RM9.9 million in the previous year. This translated to higher net assets per share of RM1.92 in FYE 2021 as compared to RM1.84 in the previous year.

Group Executive Chairman's Statement (cont'd)

AWARDS & RECOGNITION

Being recognised as one of the pioneers in sustainable development, we take pride in our quality and innovative developments and this achievement is validated by the numerous awards and accolades garnered over the years. Menara KEN TTDI is a multiple platinum grade corporate office and this year, it was further accorded with the FIABCI Malaysia Property Awards 2021 in the office category.

FIABCI Malaysia Property Award 2021

EXPECTATIONS & PROSPECTS

Following an improved nationwide vaccination rate, the reopening of economic sectors and easing of international borders will provide some recovery to businesses. Nevertheless, there are uncertainties surrounding the COVID-19 pandemic with the emergence of new COVID-19 variants and thus the property market outlook remains challenging in the year 2022. Moving forward, the Group will continue to exercise prudence in its capital and cash flow management and drive its marketing efforts to monetise its remaining inventories. The Group will also focus on bringing in incremental recurring income to deliver sustainable growth and remain cautious with pursuing new project launches.

ANNOUNCEMENTS & ACKNOWLEDGEMENTS

The Board acknowledges the responsibility in upholding the best practices as set out in the new Malaysian Code of Corporate Governance ("MCCG") which was issued by the Securities Commission Malaysia. The Group's Corporate Governance Overview Statement pertaining to the implementation of the MCCG during the year under review is set out on pages 24 to 29 of this Annual Report.

On behalf of the Board, I would like to take this opportunity to express our heartfelt gratitude to our valued management and employees of the Group for their perseverance and commitment and to our stakeholders, business partners, tenants, customers, suppliers, financiers and the authorities for their unwavering support and trust in us throughout these unprecedented times. To our shareholders, thank you for your confidence in our Group and for continuing your journey with us. Lastly, to my fellow Directors, we would like to extend our sincerest appreciation for your invaluable counsel and guidance throughout the year.

DATO' TAN BOON KANG DPMT.,DPNS
Group Executive Chairman

Kuala Lumpur
21 April 2022

GROUP MANAGING DIRECTOR'S REVIEW

FINANCIAL PERFORMANCE

In 2021, the Malaysian economic recovery remained uncertain due to the resurgence of the third wave of COVID-19 which resulted in a prolonged Movement Control Order that disrupted many business operations. However, the Government continued to provide various economic stimulus measures to support business sectors and strengthen the nation's economy including the extension of the Homeownership Campaign ("HOC") throughout the year 2021. With the low interest rate environment and continuous demand from homebuyers coupled with the HOC 2021, the Group was able to steadily monetise the remaining inventories and thereby, remain resilient during the year.

For the year under review, the Group recorded total revenue of RM51.6 million, an increase of RM18.1 million as compared to the previous financial year. Correspondingly, profit before tax increased to RM21.0 million during the financial year. On a segmental basis, revenue from the property development segment remained the main revenue driver as we capitalise on the HOC 2021 and our strategic marketing efforts. The Group's property investment segment also contributed a steady stream of recurrent income on the back of stable occupancy levels and rental rates.

The Group's financial position remained healthy with cash and cash equivalents of RM59.0 million as at 31 December 2021. The improved cash position generated from operations was mainly attributable to the sale of completed properties during the financial year. The Group has always maintained a strong capital base with low gearing ratio of 0.01 times and continues to manage its capital structure prudently to ensure that it remains financially sound. As a result of the Group's performance for the year, net assets per share increased from RM1.84 to RM1.92 at the close of the year.

SUSTAINABLE DEVELOPMENTS

Menara KEN TTDI

Menara KEN TTDI, a multiple platinum award-winning corporate office tower situated within the affluent vicinity of Taman Tun Dr Ismail, Kuala Lumpur comprises Platinum Grade office suites, state of the art performing arts theatre, art gallery, ballroom and function rooms, chains of food and beverage outlets and rooftop gymnasium. As a testament to the Group's conscientious efforts towards developing sustainable environment, this corporate office tower has been recognised with the coveted US Green Building Council LEED Platinum Award, BCA Green Mark Platinum Award, GreenRE Platinum Award. Menara KEN TTDI also received additional accolades including the EdgeProp Malaysia's Best Managed and Sustainable Property Awards 2020, National Energy Awards 2020 and ASEAN Energy Awards 2020. To add on, Menara KEN TTDI clinched the prestigious FIABCI Malaysia Property Award 2021 in the office category, which marks the 10th award won thus far. Menara KEN TTDI has also obtained the Multimedia Super Corridor (MSC) Cybercentre status whereby qualified businesses will be able to enjoy tax exemption of up to 10 years. During the year,

This cultural office tower integrates the lifestyle needs of today's urbanites and corporate executives with various attractive facilities and amenities which we believe will give us a competitive edge in securing well-established tenants from various sectors in the near future. Although the COVID-19 pandemic continues to bring about uncertainties, we remain committed in providing a safe workplace for our tenants, employees and community at large by enhancing the level of hygiene and sanitization in the building. The outbreak of the COVID-19 pandemic has brought significant disruptions to all business activities and has caused a temporary slowdown on the leasing momentum of office and social spaces within Menara KEN TTDI. Nevertheless, in efforts to sustain a long term relationship with existing tenants, the Group provided several

Group Managing Director's Review (cont'd)

initiatives and forms of marketing support to its tenants to enable them to ride through this challenging time in a bid to stabilise the long term recurring income from the property investment segment.

With the gradual re-opening of the economy coupled with safety measures in place, we will continue focusing on enhancing our recurring income base with the availability of the following social spaces for rent within Menara KEN TTDI:

KEN GALLERY

KEN's vision was always about Developing Your Future and we see a future where culture plays a big role in our lives and the lives of the nation we are building. As part of our initiatives in promoting arts and culture, KEN Gallery, is an art gallery that houses a permanent collection of Malaysian Artists' works as well as 3 Exhibition Halls which are available for rent. This venue is suitable for art exhibitions as well as intimate social or corporate functions.

THE SPACE

With 30,000 sq. ft. of event spaces within Menara KEN TTDI, this versatile venue includes column-free ballroom and function rooms which can be custom designed to host any event including product launches, seminars, conferences, corporate events and private functions. The Space takes pride in the versatility of the spaces offered with its sleek soundproof partition walls which can be opened up to reveal a larger space. Each room at The Space is naturally lit with the abundance of light coming in through the full-length glass which envelopes the whole floor. The foyer in itself is unique with a central glass atrium void all the way to the rooftop.

THE PLATFORM

The Platform is a Performing Arts Theatre that offers comfortable seating with state-of-the art sound and lighting systems which makes it an ideal venue for live performances, theatrical and musical productions, orchestras, music concerts, conferences, award ceremonies, private events and virtually any entertainment event. The Platform seats 523 people and has hosted a variety of activities including orchestra, musical production, concert, performances and corporate events.

PROSPECTS

The COVID-19 pandemic dampened the global economic and operating environment and consequently negatively impacted the property market in Malaysia. While the evolving COVID-19 pandemic continues to bring about uncertainty on the nation's economic recovery, the Group's priority is to remain vigilant and strengthen its resilience through prudent financial and risk management. Looking ahead, the Group will continue focusing its strategic leasing efforts on securing new leases and renewals in order to enhance its recurring income base as well as monetise its remaining development inventories as these two segments remain the core pillars in achieving sustainable growth and providing earnings visibility for the Group.

IR. TAN CHEK SIONG
Group Managing Director

Kuala Lumpur
21 April 2022

BOARD OF DIRECTORS


1

Dato' Tan Boon Kang
Group Executive Chairman


2

Ir. Tan Chek Siong
Group Managing Director


3

Tan Moon Hwa
Executive Director


4

Dato' Ir. Dr. Ashaari bin Mohamad
Independent Non-Executive Director


5

YAM Dato' Seri Syed Azni Ibni Almarhum Tuanku Syed Putra Jamalullail
Independent Non-Executive Director


6

Loo Pak Soon
Non-Independent Non-Executive Director

DIRECTORS' **PROFILE**

Dato' Tan Boon Kang

Group Executive Chairman

Gender: Male
Nationality: Malaysian
Age: 64 Years

Dato' Tan Boon Kang is the founder of the Group and has been the driving force behind the growth of the Group in all its activities over the past 42 years. He was appointed to the Board on 18 March 1996 and has been Chairman/ Managing Director of the Group from March 2009 to February 2013. On 28 February 2013, he was re-designated as Group Executive Chairman.

He has vast experience in the specialist engineering business and was the pioneer in Malaysia for the highly-acclaimed soil-nailing system, which is now the most widely used method of slope protection. He has contributed significantly in elevating the Group to one of the more established specialist engineering companies in Malaysia and Hong Kong. He was also 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.

He does not hold any other directorship in other public listed companies.

Dato' Tan Boon Kang is the father of Ir. Tan Chek Siong, Group Managing Director of the Company and the brother of Mr. Tan Moon Hwa, Executive Director of the Company.

Ir. Tan Chek Siong

Group Managing Director

Gender: Male
Nationality: Malaysian
Age: 41 Years

Ir. Tan Chek Siong was appointed to the Board on 24 February 2006 as an Executive Director. On 28 February 2013, he was re-designated as Group Managing Director. He graduated with a Bachelor 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 a 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 was 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 was also instrumental in spearheading the green building movement transformation in the Group on sustainable development and the Group has achieved numerous awards over the years. In 2015, he was accorded the BCA Young Green Advocate by the Building and Construction Authority (BCA) of Singapore as an affirmation for his continuous efforts towards caring for the environment.

He does not hold any other directorship in other public listed companies.

He is the son of Dato' Tan Boon Kang, Group Executive Chairman of the Company and the nephew of Mr. Tan Moon Hwa, Executive Director of the Company.

Directors' Profile (cont'd)

YAM Dato' Seri Syed Azni Ibni Almarhum Tuanku Syed Putra Jamalullail

Independent Non-Executive Director

Gender: Male
Nationality: Malaysian
Age: 67 Years

YAM Dato' Seri Syed Azni Ibni Almarhum Tuanku Syed Putra Jamalullail was appointed to the Board on 5 March 2012. On 17 September 2019, he was re-designated as the Audit Committee Chairman. He is also the Chairman of the Nomination Committee and a member of the Remuneration Committee.

He graduated from the University College of Wales, Aberystwyth, United Kingdom with a Bachelor of Science in Economics (Hons). He started his career with ICI Paints Malaysia in 1976 as Marketing Manager in the paints division. In 1985, he joined Armitage Shanks Malaysia as a General Manager, marketing its toiletries fittings line of products. In 1995, he ventured into his own business dealing with the trading of construction materials.

He does not hold any other directorship in other public listed companies.

Tan Moon Hwa

Executive Director

Gender: Male
Nationality: Malaysian
Age: 59 Years

Tan Moon Hwa 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 logistics and maintenance division which supports the construction activities.

He does not hold any other directorship in other public listed companies.

He is the brother of Dato' Tan Boon Kang, Group Executive Chairman of the Company and the uncle of Ir. Tan Chek Siong, Group Managing Director of the Company.

Dato' Ir. Dr. Ashaari bin Mohamad

Independent Non-Executive Director

Gender: Male
Nationality: Malaysian
Age: 68 Years

Dato' Ir. Dr. Ashaari bin Mohamad was appointed as an Independent Non-Executive Director of the Company on 20 February 2013. He is also a member of the Nomination, Remuneration and Audit Committee.

He holds a Doctorate of Philosophy in Civil Engineering from the University of New Hampshire, United States of America, Master of Science in Engineering from the University of South Carolina, United States of America and a Bachelor of Science in Engineering (Civil) from the University of Aberdeen, Scotland.

He was attached with Jabatan Kerja Raya (JKR), Penang, as a State Director from July 2001 to January 2005 and became the Senior Director of the Engineering Branch of JKR in February 2005. He then joined the Ministry of Works, Malaysia, as a technical adviser from December 2011 to November 2012.

He does not hold any other directorship in other public listed companies.

Directors' Profile (cont'd)

Loo Pak Soon

Non-Independent Non-Executive Director

Gender: Male
Nationality: Malaysian
Age: 59 Years

Mr. Loo Pak Soon was appointed to the Board on 17 September 2019 as a Non-Independent Non-Executive Director of the Company, Chairman of Remuneration Committee and a member of the Audit and Nomination Committee.

He graduated with a Bachelor of Commerce (Honours Business Administration) majoring in Finance from the University of Windsor, Canada in 1984. He started his career as a banker in 1984 and has 8 years of commercial and merchant banking experience working with various banks namely, Arab Malaysian Credit Bhd, Arab Malaysian Merchant Bank Berhad, Lee Wah Bank Limited (now United Overseas Bank (Malaysia) Berhad) and Bank Buruh (Malaysia) Berhad (now Bank Simpanan Nasional Berhad) from 1984 to 1992. In 1992, he joined NCK Corporation Berhad and was involved in the entire restructuring and listing exercise of NCK Corporation Berhad onto the then Main Board of the Kuala Lumpur Stock Exchange. He joined Powernet Industries Sdn Bhd as a Financial Controller in 1993. While there, he was also a Director of Ken Holdings Berhad from 1996 to 2006.

At Powernet Industries Sdn Bhd, he successfully assisted in turning the company around from a loss making concern and got it listed onto the then Second Board of the Kuala Lumpur Stock Exchange as Kumpulan Powernet Bhd in 2002. He was the Executive Director and Special Assistant to the Chairman cum Managing Director from 2002 to 2015. From October 2015 to February 2016, he remained in Kumpulan Powernet Bhd to handover outstanding matters to the new owners and management team. He was principally involved in the financial operations and strategic planning of Kumpulan Powernet Bhd.

With his vast experience in various industries, finance background and corporate experience, he joined MTS Fibromat (M) Sdn Bhd as the Chief Operating Officer in 2016. In May 2019, Fibromat (M) Bhd, through a restructuring exercise, acquired MTS Fibromat (M) Sdn Bhd and was listed on the LEAP Market of Bursa Malaysia Securities Bhd. On 22 August 2019, he was appointed as an Executive Director of Fibromat (M) Bhd. Subsequently on 31 March 2021, Mr. Loo was re-designated as Non-Independent Non-Executive Director of Fibromat (M) Bhd.

He is the brother in law of To' Puan Lau Pek Kuan, a substantial shareholder of the Company.

Notes:

1. *Save as disclosed above, none of the Directors have any family relationship with any other Directors and/or substantial shareholders of the Company.*
2. *None of the Directors have any conflict of interest with the Company.*
3. *None of the Directors have been convicted for any offences against the law other than traffic offences (if any) within the past five (5) years.*
4. *Please refer to the Corporate Governance Overview Statement on pages 24 to 29 of for the Directors' meeting attendance records.*

SENIOR **MANAGEMENT TEAM**

To' Puan Lau Pek Kuan

Executive Director

Gender: Female
Nationality: Malaysian
Age: 65 Years

To' Puan Lau Pek Kuan is the co-founder of the Group and was instrumental in developing and implementing the accounting and human resource policies for the Group. She was also a member of the Board from 1996 to 2008. She has extensive knowledge and experience in 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 does not hold any other directorship in other public listed companies.

She is the spouse of Dato' Tan Boon Kang, Group Executive Chairman of the Company, mother of Ir. Tan Chek Siong, Group Managing Director of the Company and sister in law of Mr. Loo Pak Soon, Non-Independent Non-Executive Director of the Company.

Tan Chek Een

Finance Director

Gender: Female
Nationality: Malaysian
Age: 37 Years

Tan Chek Een holds a Bachelor of Science in Economics and Accountancy from City University of London. She is a Fellow of the Association of Chartered Certified Accountants and a member of the Malaysian Institute of Accountants (MIA). Prior to joining the Group, she has gained experience in audit at KPMG and corporate finance at OSK Investment Bank Berhad. She joined the Group in 2012 and is currently the Finance Director, overseeing the financial planning and general administration of the Group.

She does not hold any other directorship in other public listed companies.

She is the daughter of Dato' Tan Boon Kang, Group Executive Chairman of the Company, sister of Ir. Tan Chek Siong, Group Managing Director of the Company and niece of Mr. Tan Moon Hwa, Executive Director of the Company.

Notes:
1. *None of the key senior management has any conflict of interest with the Company.*
2. *None of the key senior management has been convicted for any offences against the law other than traffic offences (if any) within the past five (5) years.*

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 38th Annual General Meeting of Ken Holdings Berhad ("KEN" or the "Company") will be held at The Space, Level 2, Menara KEN TTDI, No. 37, Jalan Burhanuddin Helmi, Taman Tun Dr Ismail, 60000 Kuala Lumpur on Wednesday, 25 May 2022, at 10.00 a.m. for the transaction of the following businesses:

AGENDA

1. To receive the Audited Financial Statements for the financial year ended 31 December 2021 together with the Reports of the Directors and the Auditors thereon. **Refer Explanatory Notes (a)**

2. To approve the payment of Directors' fees of RM120,000/- (2020: RM120,000) in respect of the financial year ended 31 December 2021. **(Ordinary Resolution 1)**

3. To approve the payment of Directors' benefits to the Non-Executive Directors up to an amount of RM50,000 from 26 May 2022, being the day after the 38th Annual General Meeting until the next Annual General Meeting of the Company. **(Ordinary Resolution 2)**

4. To re-elect the following Directors who retire pursuant to Clause 114 of the Company's Constitution and, being eligible, offer themselves for re-election:

   (a) Dato' Ir. Dr. Ashaari bin Mohamad **(Ordinary Resolution 3)**
   (b) Mr. Loo Pak Soon **(Ordinary Resolution 4)**

5. To re-appoint Messrs. UHY as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 5)**

6. As Special Business:
   To consider and, if thought fit, to pass the following Ordinary resolutions:

   Authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act, 2016 **(Ordinary Resolution 6)**

   THAT subject to the Companies Act 2016 ("the Act"), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements") , Additional Temporary Relief Measures to Listed Corporations for Covid-19, issued by Bursa Securities on 16 April 2020, its subsequent letter dated 23 December 2021 on extension of implementation of the 20% General Mandate and subject to the approvals of the relevant governmental/ regulatory authorities, the Directors be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Act, to issue and allot shares in the Company, at any time to such persons 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 to be issued pursuant to this resolution does not exceed twenty per centum (20%) of the total number of issued shares of the Company (excluding treasury shares) at any point in time ("20% General Mandate"); **AND THAT** the Directors be and are hereby also empowered to obtain approval from the Bursa Securities for the listing and quotation of the additional shares so issued pursuant to the 20% General Mandate on Bursa Securities which would be utilised before 31 December 2022 and thereafter, the 10% general mandate will be reinstated;

   AND THAT such authority shall continue to be in force until the conclusion of the next AGM of the Company.

   AND THAT authority be and is hereby given to the Directors to do all acts including executing all relevant documents as he/they may consider expedient or necessary to complete and give full effect to the abovesaid mandate."

NOTICE OF ANNUAL GENERAL MEETING
(cont'd)

7. **Proposed Renewal of Authority for the Company to purchase its own shares of up to ten percent (10%) of the issued and paid-up share capital of the Company ("Proposed Renewal of Share Buy-Back")** **(Ordinary Resolution 7)**

"**THAT**, subject to compliance with Section 127 of the Act, the Constitution of the Company, the Listing Requirements and all other applicable laws, regulations and guidelines, 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 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 number of issued shares of the Company as quoted on Bursa Securities as at the point of purchase;

AND THAT, upon completion of the purchase by the Company of its own shares, the Directors are authorised to retain the shares as treasury shares or cancel the shares or retain part of the shares so purchased as treasury shares and cancel the remainder **AND THAT** 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 to deal with the treasury shares in the manners as allowed by the Act;

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:

(a) the conclusion of the next AGM of the Company following at which time the authority shall lapse unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or

(b) the expiration of the period within which the next AGM is required by law to be held; or

(c) revoked or varied by ordinary resolution passed by the shareholders at a General Meeting,

whichever occur first but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and in any event, in accordance with the provisions of the Listing Requirements and any other relevant authorities **AND THAT** authority be and is hereby given to Directors of the Company 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. **Retention of YAM Dato' Seri Syed Azni Ibni Almarhum Tuanku Syed Putra Jamalullail as Independent Non-Executive Director** **(Ordinary Resolution 8)**

"**THAT** YAM Dato' Seri Syed Azni Ibni Almarhum Tuanku Syed Putra Jamalullail, who has served as an Independent Non-Executive Director for a cumulative term of more than nine (9) years, be and is hereby retained as an Independent Non-Executive Director of the Company until the conclusion of the next AGM or at any adjournment thereof in accordance with the Malaysian Code on Corporate Governance."

NOTICE OF ANNUAL GENERAL MEETING
(cont'd)

9. **Retention of Dato' Ir. Dr. Ashaari bin Mohamad as Independent Non-Executive Director** **(Ordinary Resolution 9)**

"**THAT** Dato' Ir. Dr. Ashaari bin Mohamad, who has served as an Independent Non-Executive Director for a cumulative term of more than nine (9) years, be and is hereby retained as an Independent Non-Executive Director of the Company until the conclusion of the next AGM or at any adjournment thereof in accordance with the Malaysian Code on Corporate Governance."

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

BY ORDER OF THE BOARD

ANDREA HUONG JIA MEI (MIA 36347/ SSM PC NO. 202008003125)
Company Secretary

Kuala Lumpur
26 April 2022

Notes:

1. As a precautionary measure in view of the COVID-19 pandemic, members who wish to attend the 38th AGM in person ARE REQUIRED TO PRE-REGISTER with the Company's share registrar, Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor"), via TIIH Online at https://tiih.online no later than 23 May 2022 at 10.00 a.m. Please refer to the Administrative Guide for the 38th AGM for further details.

2. A member of the Company entitled to attend, speak and vote at this meeting is entitled to appoint any person as his/her proxy to attend, speak and vote instead of him/her. There shall be no restriction as to the qualification of proxy.

3. 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 proportion of his/her shareholdings to be represented by each proxy.

4. Where a member is an authorised nominee, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares standing to the credit of the said securities account.

5. Where a member of the Company is an Exempt Authorised Nominee ("EAN") as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the EAN may appoint in respect of each omnibus account it holds.

6. In the case of a corporate body, the proxy appointed must be in accordance with the Constitution, 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.

7. The instrument appointing the proxy must be deposited at the the Share Registrar's office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi 59200 Kuala Lumpur or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or by electronic lodgement via TIIH Online at https://tiih.online (applicable to individual shareholders only), not less than 48 hours before the time set for the meeting or any adjournment thereof. Please refer to the Administrative Guide for the 38th AGM for further information on the electronic lodgement of the Proxy Form.

NOTICE OF ANNUAL GENERAL MEETING
(cont'd)

8. For purposes of determining who shall be entitled to attend, speak and vote at this meeting, the Company shall be requesting the Bursa Malaysia Depository Sdn Bhd to make available to the Company pursuant to Clause 63 of the Constitution of the Company and Paragraph 7.16(2) of the Listing Requirements, a Record of Depositors as at 17 May 2022 and a Depositor whose name appears on such Record of Depositors shall be entitled to attend, speak and vote at this meeting or appoint proxy to attend, speak and vote in his/her stead.

9. Pursuant to Paragraph 8.29A(1) of the Listing Requirements, all the Resolutions set out in this Notice will be put to vote by poll.

Explanatory Notes on Ordinary and Special Business:

(a) Audited Financial Statements for financial year ended 31 December 2021

The audited financial statements are for discussion only under Agenda 1, as it does not require shareholders' approval under the provisions of Section 340(1)(a) of the Companies Act, 2016. Hence, this item on the Agenda is not put forward for voting by the shareholders of the Company.

(b) Directors' benefits payable

Section 230(1) of the Companies Act, 2016 provides amongst others, that "the fees" of the Directors and "any benefits" payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting. In this respect, the Board agreed that the shareholders' approval shall be sought at the 38th AGM on the Directors remuneration.

(c) Resolution pursuant to Sections 75 and 76 of the Companies Act, 2016

The proposed Ordinary Resolution 6, if passed, is a general mandate to empower the Directors to issue and allot shares up to an amount not exceeding 20% of the total number of issued share of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company. Bursa Securities has via their letter dated 23 December 2021 granted an extension to the temporary relief measures to listed corporations, amongst others, an increase in general mandate limit for new issues of securities to not more than 20% of the total number of issued shares of the Company for the time being ("20% General Mandate"). Pursuant to the 20% General Mandate, Bursa Securities has also mandated that the 20% General Mandate may be utilised by a listed corporation to issue new securities until 31 December 2022 and thereafter, the 10% general mandate will be reinstated.

Having considered the current economic climate arising from the global COVID-19 pandemic and future financial needs of the Group, the Board would like to procure approval for the 20% General Mandate, pursuant to Section 76(4) of the Companies Act 2016 from its shareholders at the forthcoming 38th AGM of the Company. The 20% General Mandate will provide flexibility to the Company for any possible fund-raising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s) workings capital and/or acquisitions. The 20% General Mandate, unless revoked or varied by the Company in general meeting, will expire at the end of the 31 December 2022. The Board of Directors of the Company, after due consideration, is of the opinion that in the face of unprecedented challenges to the Company brought by Covid-19 pandemic, this 20% General Mandate will enable the Company further flexibility to raise funds expeditiously other than incurring additional interest costs as compared to bank borrowings, thereby allowing the Company to preserve its cash flow and achieve a more optimal capital structure. Any funds raised from this 20% General Mandate is expected be used as working capital to finance day-to-day operational expenses, on-going projects or future projects/investments to ensure the long-term sustainability of the Company. The Board, having considered the current and prospective financial position, needs and capacity of the Company, is of the opinion that the 20% General Mandate is in the best interest of the Company and its subsidiaries. As at the date of this Notice, no new shares in the Company were issued pursuant to the general mandate granted to the Directors at the last AGM held on 27 September 2021 and which will lapse at the conclusion of the 38th AGM.

NOTICE OF ANNUAL GENERAL MEETING
(cont'd)

(d) Resolution in respect of the Proposed Renewal of Share Buy-Back

Resolution No. 7, if passed, will empower the Company to purchase and/or hold up to ten percent (10%) of the issued shares of the Company. This authority will, unless revoked or varied by the Company in General Meeting, expire at the next AGM. For further information, please refer to the Share Buy-Back Statement dated 26 April 2022 which is circulated together with this Annual Report.

(e) Retention of YAM Dato' Seri Syed Azni Ibni Almarhum Tuanku Syed Putra Jamalullail and Dato' Ir. Dr. Ashaari bin Mohamad as Independent Non-Executive Directors of the Company

Pursuant to the Malaysian Code on Corporate Governance ("MCCG"), it is recommended that approval of the shareholders be sought in the event the Company intends to retain an Independent Non-Executive Director who has served in that capacity for more than nine (9) years.

YAM Dato' Seri Syed Azni Ibni Almarhum Tuanku Syed Putra Jamalullail and Dato' Ir. Dr. Ashaari bin Mohamad was appointed to the Board on 7 March 2012 and 20 February 2013 respectively and have therefore as at the date of this Notice, served the Company for more than nine (9) years. The Board of Directors has via the Nomination Committee ("NC") assessed the independence of YAM Dato' Seri Syed Azni Ibni Almarhum Tuanku Syed Putra Jamalullail and Dato' Ir. Dr. Ashaari bin Mohamad and recommended that they continue to act as Independent Non-Executive Directors of the Company. Details of the Board's justifications and recommendations for the retention of YAM Dato' Seri Syed Azni Ibni Almarhum Tuanku Syed Putra Jamalullail and Dato' Ir. Dr. Ashaari bin Mohamad are set out in the Corporate Governance Overview Statement of the Annual Report 2021. The proposed Ordinary Resolutions 8 and 9 if passed, will YAM Dato' Seri Syed Azni Ibni Almarhum Tuanku Syed Putra Jamalullail and Dato' Ir. Dr. Ashaari bin Mohamad to continue to act as an Independent Non-Executive Directors of the Company.

STATEMENT ACCOMPANYING NOTICE OF THIRTY-EIGHTH (38TH) ANNUAL GENERAL MEETING
(Pursuant to Practice 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

1. Pursuant to Clause 114 of the Company's Constitution the following Directors are standing for re-election at the 38th AGM of the Company:

   (a) Dato' Ir. Dr. Ashaari bin Mohamad
   (b) Mr. Loo Pak Soon

2. No individual is standing for election as a Director at the forthcoming 38th AGM of the Company other than the Directors seeking for re-election and retention as a Director at the 38th AGM.

3. The profiles of the Directors who are standing for re-election at the 38th AGM are set out in the Company's Annual Report 2021.

4. The Company will seek shareholder's approval on the general meeting to allot and issue shares. Please refer to the proposed Ordinary Resolution 6 as stated in the Notice of the 38th AGM of the Company for further details.

CORPORATE **INFORMATION**

BOARD OF DIRECTORS

DATO' TAN BOON KANG	Group Executive Chairman
IR. TAN CHEK SIONG	Group Managing Director
TAN MOON HWA	Executive Director
DATO' IR. DR. ASHAARI BIN MOHAMAD	Independent Non-Executive Director
YAM DATO' SERI SYED AZNI IBNI ALMARHUM TUANKU SYED PUTRA JAMALULLAIL	Independent Non-Executive Director
LOO PAK SOON	Non-Independent Non-Executive Director

AUDIT COMMITTEE

YAM Dato' Seri Syed Azni Ibni Almarhum Tuanku Syed Putra Jamalullail - Chairman

Dato' Ir. Dr. Ashaari bin Mohamad - Member

Loo Pak Soon - Member

NOMINATION COMMITTEE

YAM Dato' Seri Syed Azni Ibni Almarhum Tuanku Syed Putra Jamalullail - Chairman

Loo Pak Soon - Member

Dato' Ir. Dr. Ashaari bin Mohamad - Member

REMUNERATION COMMITTEE

Loo Pak Soon - Chairman

YAM Dato' Seri Syed Azni Ibni Almarhum Tuanku Syed Putra Jamalullail - Member

Dato' Ir. Dr. Ashaari bin Mohamad - Member

COMPANY SECRETARY

Andrea Huong Jia Mei
(MIA 36347/ SSM PC No. 202008001325)

SHARE REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

Customer Service Centre:
Unit G-3, Ground Floor, Vertical Podium
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

Tel : (03) 2783 9299
Fax : (03) 2783 9222
E-mail : is.enquiry@my.tricorglobal.com

REGISTERED OFFICE

Level 12, Menara KEN TTDI
No. 37, Jalan Burhanuddin Helmi
Taman Tun Dr. Ismail
60000 Kuala Lumpur
Tel : (03) 7727 9933
Fax : (03) 7728 8246
E-mail : contact@kenholdings.com.my
Website: www.kenholdings.com.my

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad

Stock Code : 7323
Stock Name : KEN
Sector : Property

PRINCIPAL BANKER

Malayan Banking Berhad

AUDITORS

UHY (Firm No: AF 1411)
Chartered Accountants
Suite 11.05, Level 11
The Gardens South Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Tel : (03) 2279 3088
Fax : (03) 2279 3099

CORPORATE **STRUCTURE**

As at 31 December 2021

KEN HOLDINGS BERHAD
198301010855 (106173-M)

- 100% **KEN GROUTING SDN BHD** – Specialist Engineering Services, Turnkey Contracts, Building and Civil Engineering Works
  - 100% **KEN-CHEC SDN BHD** – Land Reclamation, Dredging, Civil and Marine Engineering
- 100% **KEN PROJECTS SDN BHD** – Investment Holding
  - 100% **KEN RIMBA SDN BHD** – Property Development
  - 100% **KHIDMAT TULIN SDN BHD** – Property Development and Investment Holding
- 100% **KEN PROPERTY SDN BHD** – Property Development and Investment Holding
  - 100% **KEN LINK SDN BHD** – Investment Holding
  - 100% **KEN TTDI SDN BHD** – Investment Holding
  - 100% **KEN CAPITAL SDN BHD** – Dormant
- 100% **KEN HIGHLANDS SDN BHD** – Investment Holding
  - 55% **WEALTHY RESORT SDN BHD** – Property Development
- 100% **KEN JBCC SDN BHD** – Property Development
- 100% **KEN JBCC HOLDINGS SDN BHD** – Investment Holding
  - 100% **KEN JBCC LAND SDN BHD** – Property Development
- 100% **KEN MANAGEMENT SDN BHD** – Investment Holding
  - 100% **KEN PARK SDN BHD** – Car park Management
  - 100% **GENESIS NATURE SDN BHD** – Dormant
  - 100% **T.B.S. MANAGEMENT SDN BHD** – Property Management Services
  - 100% **JEWEL ESTATE SDN BHD** – Property Management Services

FINANCIAL **HIGHLIGHTS**

PRINCIPAL ACTIVITIES

The Company

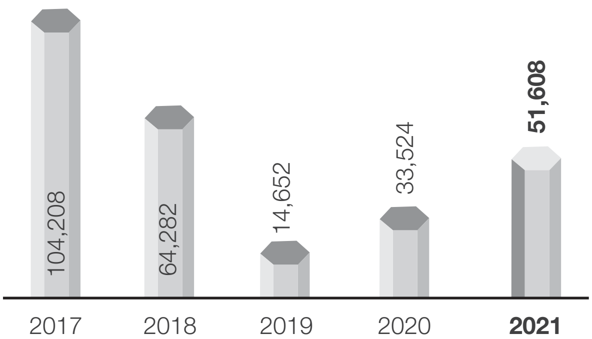
Investment holding and provision of management services.

The Subsidiary Companies

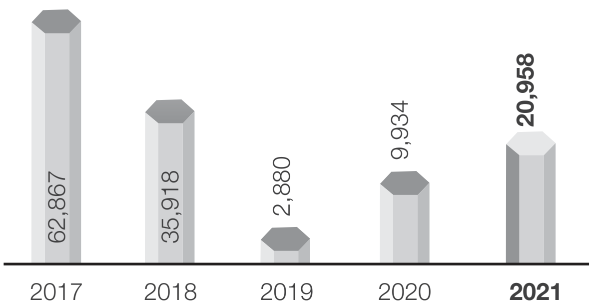
Include property holding, investment and development, specialist engineering services, geo-technical, civil engineering and building works,land reclamation and marine engineering, property management and car park management.

FIVE YEARS GROUP FINANCIAL STATISTICS	2017 RM'000	2018 RM'000	2019 RM'000	2020 RM'000 (Restated)	2021 RM'000
Revenue	104,208	64,282	14,652	33,524	51,608
Profit before taxation	62,867	35,918	2,880	9,934	20,958
Profit after taxation	50,400	24,688	2,244	8,647	15,206
Profit attributable to shareholders	50,399	24,686	2,242	8,647	15,206
Shareholders' fund	300,070	320,272	319,824	329,359	344,310
Issued share capital	95,860	95,860	95,860	95,860	95,860
Total assets	357,716	382,699	377,299	383,360	399,314
Net asset	300,115	320,319	319,873	329,408	344,359
Net earnings per share (sen)	28	14	1	5	8
Net assets per share (sen)	167	179	178	184	192

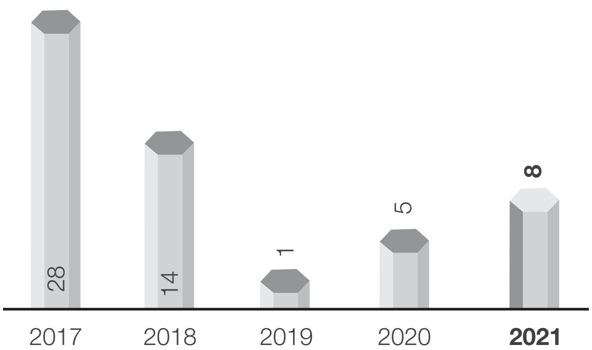
Revenue (RM'000)



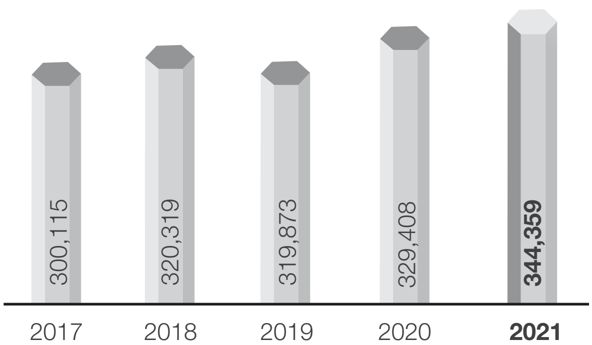
Profit before taxation (RM'000)



Net earnings per share (sen)



Net asset (RM'000)



CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("Board") is committed in maintaining the highest standards of corporate governance throughout KEN Holdings Berhad and its subsidiaries ("Group") so that the affairs of the Group are conducted with integrity and professionalism with the objective of safeguarding shareholders' investment and ultimately enhancing long term shareholder value.

The Board continues to monitor and review the Group's corporate governance practices to ensure compliance. The following paragraphs describe an overview of the Group's corporate governance practices pursuant to the Malaysian Code on Corporate Governance ("MCCG") issued by the Securities Commission and should be read together with the Corporate Governance Report 2021 which is available on the Company's website at www.kenholdings.com.my.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

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 overall strategic direction and objective for the Group and overseeing the business operations of the Group, evaluating whether they are properly managed.

There is a clear division of responsibilities between the Group Executive Chairman, Group Managing Director and Independent and Non-Independent Non-Executive Directors to ensure a balance of power and authority. The position of Group Executive Chairman and Group Managing Director are held by Dato' Tan Boon Kang and Ir. Tan Chek Siong, respectively, which is in line with Practice 1.3 of the MCCG. The Group Executive Chairman is responsible for ensuring Board effectiveness and to champion good governance practices in the Group and the Group Managing Director has the overall responsibility for the day-to-day management of the business and implementation of Board policies and procedures.

In compliance with Practice 1.4 of the MCCG, the Chairman of the Board, Dato' Tan Boon Kang ceased to be a member of the Remuneration Committee on 30 December 2021 meanwhile Dato' Ir. Dr Ashaari bin Mohamad was appointed as a member of the Remuneration Committee on 30 December 2021 in replacement thereof.

The Board Charter guides the Directors in relation to the Board's fiduciary duties and responsibilities, various regulations and best practices governing their conduct and the need for safeguarding the interests of shareholders and stakeholders. The Board will periodically review and update the Board Charter in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's responsibilities. Details of the Board Charter are available on the Company's website.

The Board is supported by a qualified and competent Company Secretary who is a member of the Malaysian Institute of Accountants (MIA) under Section 235(2) of the Companies Act, 2016. The Directors are regularly updated by the Company Secretary on 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 proper records of the proceedings of board meetings are properly kept and advises the Board on all governance matters.

All scheduled meetings held during the year were preceded with a formal agenda issued by the Company Secretary. Board papers were circulated electronically to all Directors at least seven (7) days prior to the meeting to allow sufficient time for the Directors to review and obtain further explanations, where necessary in order to be properly briefed before the meeting. This enables the Directors to discharge their duties and responsibilities competently and in a well-informed manner. Management is invited to attend the Board and Board Committee meetings to brief and provide explanations to the Directors and Committee members on the operations of the Group. Upon conclusion of each meeting, minutes are circulated in a timely manner.

Board meetings are held at quarterly intervals with additional meetings convened when urgent and important decisions need to be taken between the scheduled meetings. In view of the ongoing COVID-19 pandemic, the Board and Board Committee meetings were held on a hybrid basis, where they deliberated on a variety of matters including the Group's financial results, strategic decisions and direction of the Group. Board meetings for the whole year are scheduled ahead at the beginning of each financial year to allow the Directors to plan their schedule ahead to enable them to attend the board meetings which have been scheduled for the following year.

Corporate Governance Overview Statement (cont'd)

The details of meeting attendance for each Director for FYE 31 December 2021 are contained in the table below:

Directors	Board Meetings Attended
Dato' Tan Boon Kang	5/5
Ir. Tan Chek Siong	5/5
YAM Dato' Seri Syed Azni Ibni Almarhum Tuanku Syed Putra Jamalullail	5/5
Tan Moon Hwa	5/5
Dato' Ir. Dr. Ashaari bin Mohamad	5/5
Loo Pak Soon	5/5

The Group's Code of Conduct and Ethics sets the tone for proper and ethical behavior expected of the Board members and the employees. The Group's Code of Conduct and Ethics serves as a reference for all parties to conduct themselves in accordance with key principles including integrity in discharging their duties, conflict of interest and confidentiality of information. It also sets out prohibited activities or misconduct involving gifts, gratuities, bribery, dishonest behaviour and sexual harassment. In discharging its responsibilities, the Board is also guided by the Code of Ethics for Company Directors issued by the Companies Commission of Malaysia. The Group's Code of Conduct and Ethics is reviewed periodically and is available on the Company's website.

In its effort to enhance corporate governance, the Board has established, reviewed and put in place a Whistle Blowing Policy, which was designed to create a positive environment in which employees and stakeholders can raise genuine concerns without fear of recrimination and to enable prompt corrective actions and measures to be taken where appropriate and necessary. Additionally, the Group has also established an Anti-Corruption policy in line with Section 17A of the Malaysian Anti-Corruption Commission Act 2009 which is available on the Company's website.

II. Board Composition

The Board comprise of three (3) Executive Directors and three (3) Non-Executive Directors, of which two (2) of the Non-Executive Directors are Independent Non-Executive Directors and one (1) is a Non-Independent Non-Executive Director. This is in compliance with Paragraph 15.02 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements") which requires at least two (2) or one-third ($^1/_3$) of the Board members to comprise independent members, whichever is higher. Each of the Independent Directors has provided an annual confirmation of their independence to the Nomination Committee and the Board.

The MCCG recommends that the tenure of the Independent Director shall not exceed a cumulative term of nine (9) years. At the date of this Statement, Dato' Ir. Dr. Ashaari bin Mohamad and YAM Dato' Seri Syed Azni Ibni Almarhum Tuanku Syed Putra Jamalullail have served for nine (9) years and beyond. The Nomination Committee and Board have assessed and concluded that these two (2) Independent Directors had continued to remain independent based on the annual independence assessment conducted. Thus, the Board had recommended the continuation of these directors as Independent Directors at the forthcoming Annual General Meeting ("AGM").

The Board is well represented by individuals with diverse professional backgrounds and experiences in the areas of engineering, finance, accounting, law and property development. The Board also recognises the importance of having a diverse Board and takes into consideration gender, age, ethinicity, skills and experience to ensure a well balanced mix of Board members. The Nomination Committee, in making a recommendation to the Board on the candidate for recruitment or new Board appointment, shall have regard to the same criteria and in the case of candidates for the position of independent non-executive directors, the independence criteria as set out in Paragraph 1.01 of the Listing Requirements as well as the necessary skill and experience to bring an independent and objective judgement on issues considered by the Board and the ability to discharge such responsibilities as expected from independent non-executive directors.

The present composition of the Nomination Committee consists of three (3) members, majority of whom are Independent Non-Executive Directors. The Terms of Reference of the Nomination Committee is available on the Company's website. The Nomination Committee, upon the review being carried out, is satisfied that the size of the Board is optimum and that there is an appropriate mix of experience and expertise in the composition of the Board and its Committees. The Board also believes in providing equal opportunity to candidates who have the skills, experience, core competencies and other qualities regardless of gender. However, the Board is mindful of the Practice 5.9 of the MCCG that the Board should comprise at least 30% women directors. A woman Director will be appointed to the Board as soon as a suitable candidate is identified.

Corporate Governance Overview Statement (cont'd)

The Nomination Committee carried out its duties in accordance with its Terms of Reference. During the FYE 31 December 2021, the activities of the Nomination Committee included the following:

(a) conducted annual assessment and review via questionnaires on the effectiveness of the Board, its Committees and the contribution of each Director;
(b) reviewed the overall mix of skills, experience and other qualities of directors, including core competencies in the Board's composition;
(c) conducted annual assessment on the independence of the Independent Directors;
(d) facilitated an assessment of each Directors' contribution to the Company and recommended to the Board for re-election at the next AGM;
(e) conducted an assessment of the training needs of the Directors and reviewed the trainings attended by the Directors during the year.

The results of these assessments are summarised by the Company Secretary and discussed by the Nomination Committee and thereafter reported to the Board. The results concluded that the Board and Board Committees as a whole was generally satisfactory and has met the various objectives and criteria as set out under the existing framework for performance evaluation. Each member of the Nominating Committee has abstained from discussions and voting on any resolutions in respect of the assessment of his performance or nomination for re-election as a Director.

The Directors are encouraged to continuously attend relevant training programmes to further enhance their skills and knowledge as well as to effectively discharge their duties and obligations. All Directors have attended and successfully completed the Mandatory Accreditation Programme prescribed by Bursa Securities. During the FYE 31 December 2021, the Directors have attended the following training programmes and briefings:

Director	Training/Briefing attended
Dato' Tan Boon Kang	• Tax Measures and Impact on Businesses and Households • BUDGET 2022 : What's to Like & What's Missing
Ir. Tan Chek Siong	• Tax Measures and Impact on Businesses and Households • BUDGET 2022 : What's to Like & What's Missing
YAM Dato' Seri Syed Azni Ibni Almarhum Tuanku Syed Putra Jamalullail	• SC's Audit Oversight Board Conversation with Audit Committees
Tan Moon Hwa	• BUDGET 2022 : What's to Like & What's Missing
Dato' Ir. Dr. Ashaari bin Mohamad	• SC's Audit Oversight Board Conversation with Audit Committees • Covid-19: Micro Outlook 2nd Half 2021
Loo Pak Soon	• The Malaysian Transfer Pricing Developments • SC's Audit Oversight Board Conversation with Audit Committees

Additionally, the external auditors will provide updates to the Audit Committee on any amendments to the accounting standards and the company secretary will provide briefings to the Board members on any regulatory changes to the Companies Act 2016 or Listing Requirements to ensure compliance.

III. Remuneration

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 necessary to attract, retain and motivate Directors. Each Director does not participate in the discussion of their own remuneration. Directors' fees are subject to approval by the shareholders at the Company's AGM. The Terms of Reference of the Remuneration Committee is available on the Company's website.

The remuneration packages of Executive Directors include salaries and benefits-in-kind which are linked to the Group's performance. The remuneration of the Non-Executive Directors consists of fixed fees and meeting allowances for their services in connection with the Board and Board Committee meetings. They do not have contracts and do not participate in any share option scheme of the Group. Detailed disclosure of Directors' remuneration is disclosed in the Corporate Governance Report which is available on the Company's website at www.kenholdings.com.my.

Remuneration details of the Directors of the Company and Group for the FYE 31 December 2021 categorised in appropriate components is set out below:

Company	Fee RM'000	Salaries and other emoluments RM'000	Benefits-in- kind RM'000	Bonus RM'000	Total RM'000
Executive	60	–	–	–	60
Non-Executive	60	35	–	–	95
	120	35	–	–	155

Group	Fee RM'000	Salaries and other emoluments RM'000	Benefits-in- kind RM'000	Bonus RM'000	Total RM'000
Executive	60	2,202	27	682	2,971
Non-Executive	60	35	–	–	95
	120	2,237	27	682	3,066

The number of Directors whose remuneration falls within successive bands of RM50,000 is set out below:

Range of Remuneration	Executive	Non-Executive
Below RM50,000	–	3
RM250,001 - RM300,000	1	–
RM850,001 – RM900,000	1	–
RM1,800,001 - RM1,850,000	1	–
	3	**3**

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit Committee

The Audit Committee comprise of three (3) members, of which majority are Independent Non-Executive Directors. The composition, authority as well as duties and responsibilities of the Audit Committee are set out in its Terms of Reference approved by the Board.

The Audit Committee also has adopted a policy that requires a former key audit partner to observe a cooling-off period of three (3) years before being appointed as a member of the Audit Committee. The Audit Committee is responsible for reviewing issues of accounting policy and presentation for external financial reporting, monitoring the work of the internal audit function, reviewing the independence of the Group's external auditors and ensuring that an objective and professional relationship is maintained with the external auditors, who in turn, have access at all times to the Chairman of the Committee.

The Board through the Audit Committee has established a formal and transparent relationship with the external auditors which have been maintained on a professional basis. The Audit Committee has in place policies and procedures to review and assess the appointment or re-appointment of the external auditors in respect of their suitability, objectivity and independence. The external auditors have provided assurance to the Audit Committee on its independence via the Audit Planning Memorandum. The Audit Committee also had a meeting with the external auditors twice on 23 November 2021 and 24 February 2022 without the presence of the executive Board members and management to discuss on key concerns and obtain feedback relating to the Company's affairs.

Details of audit fee and non-audit fee payable by the Company and Group to the external auditors for the FYE 31 December 2021 are set out below:

	Company RM'000	Group RM'000
Audit fee payable	30	110
Non-audit fee payable	6	6
Total	**36**	**116**

Corporate Governance Overview Statement (cont'd)

The Group has outsourced its internal audit function to an external consultant which reports directly to the Audit Committee. The Internal Audit's main responsibility is to provide an independent and objective assessment on the adequacy and effectiveness of the Group's governance, risk management and internal control processes. The Internal Audit carries out its internal audit functions based on a work plan agreed with the Audit Committee, where different aspects of internal controls are reviewed for each year, and also take into consideration key risk factors applicable to the Company. The Audit Committee conducts an annual assessment to assess the competency and experience of the internal audit function as well as the adequacy of resources in order for the internal audit function to carry out its work effectively.

A summary of the work of the Committee during the financial year is set out in the Audit Committee report on pages 32 and 33 of this Annual Report. The Terms of Reference of the Audit Committee is available on the Company's website.

II. Risk Management and Internal Control Framework

The Board acknowledges that risk management and internal controls is an integral part of the overall management processes which is an ongoing process to identify, evaluate, monitor and manage and mitigate the risks that may affect the achievement of its business and corporate objectives.

The Group Risk Management Committee had conducted its annual risk evaluation exercise and reviewed the adequacy and effectiveness of the internal controls and was reviewed by the Audit Committee. The Board is of the view that the current risk management and internal control system is adequate and effective to safeguard investment, the interest of customers, regulators, employees, and the Group's assets.

Details of the Company's risk management and internal control system are set out in the Statement on Risk Management and Internal Control on pages 30 and 31 of this Annual Report.

PRINCIPLE C: INTERGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. Communication with Stakeholders

The Board recognises the importance of an effective communication channel between the Board, shareholders and the investment community. The policy of the Board is to promote effective communication and proactive engagement with its shareholders with the intention of giving shareholders a clear and complete picture of the Group's performance and position as possible.

Bursa Securities also provides the Company to electronically publish all its announcements, including full versions of its quarterly results announcements, circulars and Annual Reports on Bursa Securities' website at www.bursamalaysia.com/market/. The Company also maintains its corporate website that allows all shareholders and investors access to information about the Group at www.kenholdings.com.my which is updated regularly to provide the latest information about the Group, including announcements and quarterly results of the Group.

Whilst the Company endeavours to provide as much information as possible to its shareholders, it is mindful 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.

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 financial performance and cash flows for the year ended. In preparing the financial statements, the Board made judgements and estimates that are reasonable and prudent and 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, 2016.

Corporate Governance Overview Statement (cont'd)

II. Conduct of General Meetings

The AGM represents the principal forum for dialogue and interaction with shareholders where shareholders are informed of current developments. At the AGM, the Board provides ample time for the question and answer session and for shareholders to give their views to the Board. All members of the Board and the external auditors are present at the AGM to respond to shareholders' queries during the meeting. The Notice of AGM and Annual Report are sent out to shareholders at least twenty-eight (28) days before the meeting.

Pursuant to Paragraph 8.29A(1) of the Listing Requirements, the Company will implement poll voting for all the resolutions set out in the Notice of AGM. An Independent scrutineer will be appointed to validate the votes cast at the AGM.

The Corporate Governance Overview Statement is made in accordance with a resolution of the Board dated 21 April 2022.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors ("Board") believes that the practice of good corporate governance is an important continuous process in accordance with Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Board is responsible for the adequacy and effectiveness of the Group's risk management and internal control system. The Board continues to review the system to ensure that the risk management and internal control system provides a reasonable but not absolute assurance against material misstatement of management and financial information and records or against financial losses or fraud. The process is regularly reviewed by the Board and is guided by the *Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers*.

While achieving the Group's strategic goals and maximising stakeholders' values, the Board ensures that risks are reasonably mitigated and adverse impact to the Group is limited. The Board has established a risk management and internal control framework which consists of a formalised risk management policy and procedure for a systematic and consistent approach to evaluate and improve the adequacy and effectiveness of the Group's risk management process. The framework involves a continuous cycle of designing, implementing, monitoring, reviewing and improving of the framework. The key elements of the risk management framework are as follows:

(a) a documented risk management policy and procedure with defined risk strategy and risk management policy on risk assessment, risk communication and risk monitoring;

(b) defined parameters for risk rating; and

(c) a Group Risk Management Committee ("GRMC") chaired by the Managing Director of the Company with the main functions of recommending risk management policy to the Board, maintaining overall risk management oversights and to review the risk profile of the Group on an ongoing basis.

The respective Heads of Department are primarily responsible for the identification, evaluation and management of major risks affecting their respective business units including the design and implementation of controls on a regular basis.

The Board has received assurance from the Group Managing Director and Finance Director that the Group's risk management and internal control system is operating effectively, in all material aspects, based on the risk management and internal control system of the Group.

The Board is of the view that the risk management and internal control system in place for the year under review and up to the date of issuance of the financial statements is adequate and effective to safeguard investment, the interest of customers, regulators, employees, and the Group's assets.

KEY RISK MANAGEMENT AND INTERNAL CONTROL PROCESSES

The key processes that have been established in reviewing the adequacy and effectiveness of the risk management and internal control system include:

(a) The GRMC conducts an annual risk assessment exercise in the identification and evaluation of the significant risk affecting the Group. During the year, two significant and two moderate risk areas were selected for review and a general review was performed on the other risk areas. The risk profile of the Group together with the Risk Register were reviewed and presented during the annual GRMC meeting held on 25 October 2021.

The risk assessment performed in 2021 was subsequently reviewed and approved by the Audit Committee and the Board respectively in April 2022.

(b) 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 GRMC and reports from the internal audit function.

During the year, the internal audit function was outsourced to an appointed independent consultant who undertook internal audit reviews on selected risk areas of the Group and its findings were presented to the Audit Committee and the Board in August 2021.

(c) The key elements of the Group's internal control system which have been in place during the financial year include:

(i) The Group has an organisation structure with well-defined lines of responsibility and authority levels;
(ii) Management/project committee meetings and departmental meetings were held weekly to identify, discuss and resolve significant operational and financial issues;
(iii) Budgets were prepared for each subsidiary and reviewed by the Group Managing Director;
(iv) Management reports were prepared monthly and monitored against budget on a quarterly basis;

Statement on Risk Management and Internal Control (cont'd)

(v) Board Committees comprising Audit Committee, Nomination Committee, Remuneration Committee, Management/ Project Committee and Risk Management Committee with defined terms of reference outlining functions and duties established by the Board;
(vi) Standard Operating Procedures manuals which are reviewed and updated regularly to reflect the changes in business environment, operational needs and regulatory requirements;
(vii) Internal quality audits were conducted on all departments/sites during the year to monitor compliance with ISO 9001:2015 as well as identify and monitor operational issues;
(viii) Ken Grouting Sdn Bhd, Ken Rimba Sdn Bhd and KEN TTDI Sdn Bhd, which are subsidiaries of the Group, have been accorded ISO 9001:2015 accreditation demonstrating continuous improvement of its internal controls;
(ix) The Audit Committee reviewed the quarterly results before approval by the Board for public release. The Audit Committee also reviewed the audit findings of the external auditors, the annual financial statements and Annual Report of the Group. The minutes of the Audit Committee were tabled to the Board on a periodic basis. Further details of the activities of the Audit Committee were set out in the Audit Committee report;
(x) The Group's internal audit function has the responsibility to assure the Board, via the Audit Committee that internal control systems were fully implemented through its audit reviews on selected risk areas during the year and submitted its findings to the Audit Committee;
(xi) Appointment of suitable employees with the required qualification and experience to fulfil their responsibilities and to provide education, training and development to enhance employees' skills and to reinforce such qualities; and
(xii) Employee handbook and Code of Conduct are communicated to all employees of the Group upon commencement of employment.

There is no material joint venture or non-controlling entities that have not been dealt with as part of the Group for risk management and internal control system.

The Board remains committed towards operating a sound system of risk management and 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.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in Audit and Assurance Practice Guide 3 ("AAPG3") Guidance for Auditors on Engagements to report on the Statement on Risk Management and Internal Control included in the Annual Report issued by Malaysian Institute of Accountants for inclusion in the Annual Report of the Group for the year ended 31 December 2021 and reported to the Board that nothing has come to their attention that cause them to believe that the statement is intended to be included in the annual report of the Group, in all material respects:

(a) has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or

(b) is factually inaccurate.

AAPG3 does not require the auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Directors and management thereon. The auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.

For the financial year under review and up to the date of approval of this Statement, the Board is satisfied with the adequacy and effectiveness of the Group's system of risk management and internal controls to safeguard shareholders' investments and the Group's assets.

This statement is made in accordance with a resolution of the Board dated 21 April 2022.

AUDIT COMMITTEE REPORT

ESTABLISHMENT AND COMPOSITION

The Audit Committee of KEN Holdings Berhad ("Company") was established on 19 March 1996. For the financial year ended 31 December 2021, the Audit Committee comprise the following Directors:

Chairman:	**YAM Dato' Seri Syed Azni Ibni Almarhum Tuanku Syed Putra Jamalullail**	*(Independent Non-Executive Director)*
Members:	**Dato' Ir. Dr. Ashaari bin Mohamad**	*(Independent Non-Executive Director)*
	Loo Pak Soon	*(Non-Independent Non-Executive Director)*

The composition of the Audit Committee is in line with Paragraph 15.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements") which prescribes that the Audit Committee must consist of at least three (3) members with the Chairman and a majority of the members being independent directors. Mr Loo Pak Soon fulfils the financial expertise requisite pursuant to Paragraph 15.09(1)(c) of the Listing Requirements.

TERMS OF REFERENCE

During the year, the Audit Committee reviewed its Terms of Reference and was approved by the Board on 23 November 2021. The Terms of Reference of the Audit Committee is available at www.kenholdings.com.my.

AUDIT COMMITTEE MEETINGS

The Audit Committee met five (5) times during the financial year ended 31 December 2021. The details of the Audit Committee's meetings held and attended by the Committee during the financial year are as follows:

Name of Members	No. of Audit Committee Meetings Attended/Held
YAM Dato' Seri Syed Azni Ibni Almarhum Tuanku Syed Putra Jamalullail	5/5
Dato' Ir. Dr. Ashaari bin Mohamad	5/5
Loo Pak Soon	5/5

SUMMARY OF WORK OF THE AUDIT COMMITTEE DURING THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

The Audit Committee carried out its duties in accordance with its Terms of Reference. During the financial year ended 31 December 2021, the activities of the Audit Committee included the following:

(a) Financial Reporting

(i) Reviewed the unaudited quarterly financial results for the financial quarters ended 31 March 2021, 30 June 2021, 30 September 2021 and 31 December 2021 and audited financial statements of the Group for the financial year ended 31 December 2021 before recommending to the Board for approval to release to Bursa Securities accordingly;

(ii) Reviewed on a quarterly basis if there is any related party transactions entered into by the Group and any conflict of interest situation that may arise within the Group which are required to be transacted at arm's length basis and not detrimental to the interest of the minority shareholders;

(iii) Reviewed the Audit Committee Report, Corporate Governance Overview Statement, Corporate Governance Report and Statement on Risk Management and Internal Control to ensure compliance with the Listing Requirements and recommend to the Board for inclusion in the Annual Report 2021;

(iv) Reviewed the Statement to Shareholders in relation to the proposed renewal of authority for the Company to purchase its own shares of up to 10% of the total number of the issued shares of the Company and recommended the same to the Board for approval;

(b) External Audit

(i) Reviewed and endorsed the audit planning memorandum of the external auditors to discuss their audit methodology, materiality, scope of work, key milestones, fraud consideration and the new accounting standards prior to commencement of their annual audit for the financial year ended 31 December 2021;

(ii) Reviewed the findings of the external auditors' report for the financial year ended 31 December 2021 focusing on areas of concern and the management's response to the concerns raised by the external auditors;

Audit Committee Report (cont'd)

(iii) Discussed with the external auditors on updates in relation to new or proposed changes in accounting standards and regulatory requirements and considered the implications to the financial statements presentation and disclosure arising from the adoption of the new Malaysian Financial Reporting Standards;

(iv) Met with the external auditors without the presence of Executive Directors and management on 24 February 2022 to discuss audit findings, assistance given by management to the external auditors or any observations noted during the audit process. There were no major concerns raised by the external auditors at the meetings;

(v) Conducted an annual assessment and evaluation of the external auditors via a questionnaire covering areas such as quality processes, competency of its audit team, audit communication and governance, independence and calibre before recommending to the Board for approval of the re-appointment of the external auditors;

(vi) Considered the audit fee payable and recommended the re-appointment of the external auditors to the Board for approval;

(c) Risk Management

(i) Reviewed the Risk Management Assessment Report of the Group for the financial year ended 31 December 2021.

INTERNAL AUDIT FUNCTION

The Group outsourced its internal audit function to an independent consulting firm to assist the Audit Committee in discharging its duties and responsibilities. The Internal Auditors report directly to the Audit Committee and is free from any conflict of interest which may impair objectivity and independence. The internal audit function is to ensure a regular review of the adequacy and integrity of the Group's system of internal control, risk management process and compliance with the Group's established policies and procedures so as to provide reasonable assurance that such systems continue to operate satisfactorily and effectively in the Group. The Internal Auditor undertakes the internal audit function based on the audit plan that is reviewed and approved by the Audit Committee. On an annual basis, the Internal Auditors prepare and execute a risk-based internal audit plan to review the adequacy and effectiveness of the system of internal controls of the Group that address either financial, operational, compliance and/or technology risks.

During the financial year, the Internal Auditors conducted the internal control reviews on the operating functions and procedures and recommended action plans for improvement by management. The Internal Audit Plan was reviewed and approved by the Audit Committee on 24 August 2021. The internal audit review was conducted on the Group's tenancy administration. The final audit reports containing audit findings and recommendations together with management's responses thereto including timelines for the remaining matters to be resolved were presented to the Audit Committee. All internal audit reports were reviewed by the Audit Committee and discussed at Audit Committee Meetings. The Audit Committee also met with the Internal Auditors on 24 August 2021 in the absence of Executive Directors and management to discuss audit issues and reservations arising from the internal audit cycles.

For the financial year under review and up to the date of approval of this Statement, the Board is satisfied with the adequacy and effectiveness of the Group's system of risk management and internal controls to safegard shareholders' investments and the Group's assets.

The cost incurred for the internal audit function in respect of the financial year ended 31 December 2021 was RM15,500.

ADDITIONAL DISCLOSURE INFORMATION

UTILISATION OF PROCEEDS

No proceeds were raised by the Company from any corporate proposal during the financial year ended 31 December 2021.

NON-AUDIT FEES

The total amount of non-audit fees payable to external auditors by the Group for the financial year ended 31 December 2021 amounted to RM6,000.

MATERIAL CONTRACTS

There were no material contracts (not being contract entered into in the ordinary course of business) 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 2021, or entered into since the end of the previous financial year except as disclosed in Note 26 to the Financial Statements.

SUSTAINABILITY STATEMENT

OUR COMMITMENT TOWARDS SUSTAINABILITY

The Board recognises the importance of sustainability as a key consideration in every aspect of our business. We strive to meet the needs of not only our stakeholders' interests but also the needs of our environment and future generations. We are committed to our vision of creating value by conducting our business operations in a manner that practises high standards of corporate governance and consider the environmental and social impact to sustain profitable growth. The scope of this statement covers the Group's business operations for the financial year under review.

SUSTAINABILITY GOVERNANCE STRUCTURE

The Board oversees the Group's sustainability strategies and performance and is supported by the Group's senior management to identify sustainability matters, oversee the implementation and monitor its progress. The Group continuously reviews its sustainability practices and efforts to ensure they remain relevant as best practices.

STAKEHOLDER ENGAGEMENT

We place great value on our diverse stakeholders and by maintaining an active and ongoing dialogue with them, we are able to better understand their viewpoints and align their needs in our business decisions.

Stakeholders	Engagement channels	Frequency of engagement	Topics
Investors	• General meetings • Corporate announcements • Website	• Annual • Quarterly	• Long term value creation • Corporate governance and sustainability practices
Employees	• Management meetings • Performance appraisals • Employee engagement activities • Training and development • Internal newsletters and e-communications	• Weekly • Annual • Regularly	• Welfare and benefits • Career development • Workplace health and safety
Customers	• Customer feedback survey • Email, phone and social media channels	• As and when required	• Affordable housing solution • Product and service quality
Suppliers / Contractors / Consultants	• Meetings • Assessments and reviews • Written communication	• As and when required	• Timely payments • Product quality
Regulators / Government agencies / Local authorities	• Meetings • Written communication	• As and when required	• Compliance

Sustainability Statement (cont'd)

MATERIAL SUSTAINABILITY MATTERS

Each business unit heads reflected on significant economic, environmental and social impacts to identify and evaluate material issues which are relevant in our operating environment. An assessment will be carried out to identify those material matters which are most relevant and will have potential impact to the business.

(a) Economic

We ensure that our sustainability practices are extended to all of our stakeholders including our purchasers. As part of the Group's mission, we strive to deliver sustainable quality homes to our purchasers. As such, we place emphasis on the procurement of materials to ensure the suppliers are reputable, able to deliver quality products and in a timely manner whilst being most cost efficient so as to ensure our housing development units remain affordable to purchasers. By having a majority of our suppliers being locally based, this will in turn help build the local economy.

(b) Environment

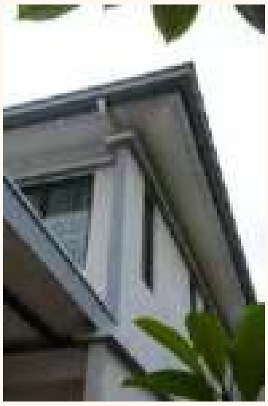
(i) Commitment to sustainable developments

As a pioneer of green development, we believe in building sustainable lifestyle practices into our developments. In line with the Group's vision to deliver sustainable, quality developments, the Group considers environmental factors during the planning and design stage for each development. Since 2009, all projects undertaken by KEN have achieved green building certifications so as to ensure that resources are effectively deployed and to maintain the sustainability of our developments. This includes KEN Bangsar, KEN Rimba Legian Residences, KEN Rimba Commercial Centre and KEN Rimba Jimbaran Residences, Menara KEN TTDI and KEN Rimba Condominium 1.

Key sustainable design features and principles which have been incorporated into KEN's developments are as follows:

Residential developments	Commercial developments
▪ North-South orientation for better natural ventilation ▪ Adjustable louvered windows which allows maximum cross-ventilation and provide optimal air flow ▪ Breathable roof system which allows heat to dissipate from the roof and thus reduce indoor temperature ▪ Low-emissivity laminated glass to reduce heat gain as well as to improve thermal comfort ▪ Water efficient fittings ▪ Rainwater harvesting system for irrigation purpose ▪ Provision of recycling bins for collection and storage of different recyclable waste ▪ Compost bin for on-site composting ▪ Low Volatile Organic Compound (VOC) paint to improve indoor environmental quality ▪ CHEEL system: Waste heat from the air conditioner system is being recycled and reused for generation of hot water to the common toilets and condensate water collected from the air conditioner system is recycled to naturally lower the ambient temperature in the lobby	▪ High ceiling which allows maximisation of natural lighting ▪ Zoned air conditioning system which allows occupants to control their desired room temperate and have better control of their costs ▪ Building Automation System (BAS) to monitor the building's performance and ensure the facilities are efficiently and effectively managed ▪ Photovoltaic (PV) panels at rooftop to harness sunlight and generate renewable energy ▪ Sensor taps in common toilets ▪ Electric vehicle charging stations ▪ Motion sensor lights ▪ Rainwater harvesting system for irrigation and toilet flushing ▪ Low Volatile Organic Compound (VOC) paint to improve indoor environmental quality ▪ Automatic drip irrigation system

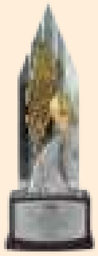
Sustainability Statement (cont'd)



Breathable Roof system

In efforts to reduce heat retention in the roof system, we have designed a breathable roof system whereby the ridge-tile design works to convect heat upward and the gap between the ridge tiles and balance openings from both sides of the roof eave would allow for the heat to escape and for ventilation serving to reduce indoor temperatures. Thus, it allows users to reduce the dependency on air conditioning which require higher electricity cost. We are proud to share that we have been granted with a patent for this breathable roof system in Dec 2020.

Menara KEN TTDI exemplifies our continued commitment to building sustainable development and delivering long term value to its stakeholders. We have received multiple awards and green building recognition over the years and this year, we are honoured to be awarded the prestigious FIABCI Malaysia Property Award in the Office category during the year.



(ii) Carbon emissions and offsetting methods

We recognise that the effective management and monitoring of our carbon footprint can reduce operating costs and increase stakeholder value. As such, we have worked towards achieving a carbon neutral status which we have maintained for more than 10 years, since the year 2010. Being carbon neutral refers to a state where the carbon dioxide produced by the organisation is balanced by the amount of carbon dioxide offset by that organisation. In 2021, a total of 73 tonnes of CO_2e emissions were offset by emission reductions in the verified carbon standard through the climate protection project, Guanacaste Wind Farm, Costa Rica.

(b) Environment (Cont'd)

(ii) Carbon emissions and offsetting methods (Cont'd)

As part of our efforts to promote and encourage KEN Family members to reduce carbon footprint, we introduced a vehicle interest subsidy scheme in 2011 which provides an incentive for KEN Family members to purchase hybrid cars. This scheme offers interest subsidy for the repayment of hybrid car loans. The usage of fuel efficient vehicles helps to reduce carbon dioxide emissions created by commuting staff.

We also provided two (2) units of electric vehicle charging stations in the carpark of Menara KEN TTDI to increase public awareness of green environment and it exemplifies our commitment to environmental values.

(iii) Energy conservation

In 2021, the total energy consumption of the Group's corporate office tower was 1,655,386 kWh, a decrease of approximately 19.8%. This was resultant from the lockdown imposed by the Malaysian government caussed a decline in business activities as well as lower physical occupancy and non-essential equipments were turned off during this period. To ensure the sustainability of the environment we operate in, we continually look for opportunities to reduce the environmental impact of our operation. We encourage all KEN Family members to implement the following energy saving initiatives to reduce carbon footprint of the Company:

(a) lights and air-conditioners of offices or meeting rooms are switched off when not in use;
(b) computers and photocopiers are set to sleeping mode or switched off when not in use;
(c) energy conservation tips are placed at different locations within the office to remind KEN Family members to conserve energy;
(d) use of energy efficient lightings; and
(e) encourage maintaining the air conditioning temperature at approximately 23°C - 24°C in offices.

To support the use of renewable energy, Menara KEN TTDI has photovoltaic (PV) panels installed on the rooftop which enables electricity to be generated from sunlight which will eventually feed into the building for self-consumption and thereby reduces electricity bills. Total solar energy generated in 2021 was 172,341 kWh. Furthermore, with these PV panels, energy generation is emission-free and thereby reducing carbon footprint.

(iv) Water conservation

Water is a scarce resource and we are committed to reducing potable water usage by having water efficient water fittings installed in our housing developments and corporate office tower. Water consumption is also monitored on a monthly basis and any significant increase is investigated immediately. Another environmental feature is the provision of rainwater harvesting systems at KEN Rimba Legian Residences, KEN Rimba Jimbaran Residences and Menara KEN TTDI whereby rain water collected can be used for general cleaning, irrigation and flushing. In 2021, the total water consumption of the Group's corporate office tower was 24,089 m3, a decrease of approximately 24.8% due to the reduction in business activities during the Movement Control Order implemented during the year.

KEN recognises the importance of an effective water consumption management and continues to implement the following water saving initiatives to minimise water wastage:

(a) water taps are turned off when not in use;
(b) unnecessary flushing should be avoided; and
(c) water conservation tips are placed at washrooms and pantries within the office as a reminder to conserve water.

(b) Environment (Cont'd)

(v) Waste management

We have taken steps to raise environmental awareness through recycling and waste segregation. At Menara KEN TTDI, recycling rooms are provided on every office floor to encourage tenants to segregate and recycle their waste. To foster a sustainable and environmentally conscious environment for the residents, we provide recycling bins and compost bins in every residential development. The horticulture waste turned into compost can be used to fertilise the plants in the premises.

We have also implemented the following paper saving initiatives to encourage all KEN Family members to reduce paper consumption:

(a) encourage usage of soft copies for meetings or presentations;
(b) encourage printing or photocopying double-sided;
(c) paper management tips are placed at photocopiers as a constant reminder to minimise paper usage;
(d) recycling bins are conveniently located in each department to encourage recycling of used papers or box cartons; and
(e) re-use envelopes, papers or box cartons as much as possible.

(c) Social

(i) KEN Foundation

Driven by the belief and desire to support the nation's youth through education and employment, KEN Foundation was set up in 2005 with the aim of providing education scholarships to deserving Malaysian students. The KEN Foundation scholarship programme funds the costs of university education in a local institution and assists scholars with their living costs through the period. The scholarship fund is built upon the contributions from KEN and donors. Since its inception, the Foundation has financially supported 63 students through their tertiary education. We have also helped develop the careers of these students via our internship programme. Through the internship programme the students receive practical and relevant industry experience and training which ensures their transition into their careers and supports their career development. The students are also offered an opportunity to work with KEN upon graduation.

(ii) Community

The unprecedented COVID-19 pandemic has affected many lives of the community and disrupted education systems globally. As such, we have supported Tzu Chi Foundation's efforts in supplying medical and related equipment such as ICU ventilators, respiratory monitoring devices and medical beds to hospitals by making a donation of RM100,000 in June 2021. The COVID-19 pandemic has also resulted in an unplanned shift to online learning. Thus, we have donated unused computers and printers which were restored and repurposed for low income families, enabling their children to participate in online lessons.

Sustainability Statement (cont'd)

(c) Social (Cont'd)

(iii) KEN Gallery and The Platform

KEN Gallery at Menara KEN TTDI provides space to promote art and where art collectors or artists can display their artworks. It is with a vision that by adding a quality space for arts in Malaysia, it will be able to stimulate the interest of the young and old and many generations to come.

KEN Gallery spans about 20,000 sq. ft. in total and comprises of the Main Hall, Halls 1, 2, 3 and a Conservation Centre. The Main Hall houses a permanent exhibition with a selection of some of Malaysian artists' works. Halls 1, 2 and 3 are available for rent to any artists or members of the public who wanted to host their own exhibitions. Also featured at the gallery is a Conservation Centre, which is dedicated to the preservation of cultural heritage for future generations. KEN Gallery provides the opportunity for everyone to experience, participate and be inspired by the arts.

Unveiling another quality space for arts in Malaysia is The Platform, a fully-integrated performing arts theatre comprising a 523-seat theatre, which is suitable for a wide range of events including theatrical performances, music concerts, corporate meetings, conferences, seminars and private events. Through The Platform, we hope to bring the community, theatre lovers and the youth of our country together for intellectual engagement and enlightenment.

(iv) Our people

We acknowledge that our people are our most valuable asset and the driving force behind KEN's long term success. The Group recognise the importance of workforce sustainability which include attracting, developing and retaining a diverse team to meet current and future business requirements. The Group strives to maintain high standards of recruitment and retention of competent employees by offering attractive remuneration package coupled with a comprehensive range of benefits including paid vacation leave, medical benefits, provision of insurance coverage under hospitalisation which also extends to their immediate family members, KEN Points which are convertible and redeemable for selected goods/services and investing in training programmes as part of talent development.

The worldwide impact of the unprecedented Covid-19 saw a big shift in the way we work and operate. The Group provided precautionary measures by providing face masks, face shields, hand sanitisers as well as self-test kits to staff to ensure a clean and safe work environment. Where possible, we have also adopted flexible work arrangements to reduce exposure and physical interactions.

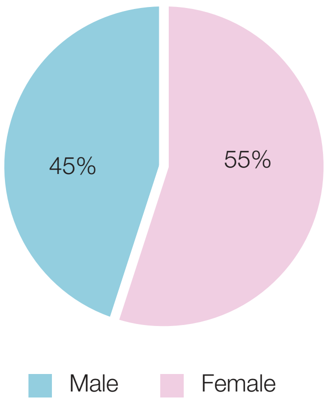
The KEN Sports and Social Club (KSSK) formed by the employees of KEN, organises events and charity outreach each year such as sports sessions, vacation trips and festive gatherings. This will foster good working relationships and interactions amongst staff from all departments and at the same time promote work-life balance.

(c) Social (Cont'd)

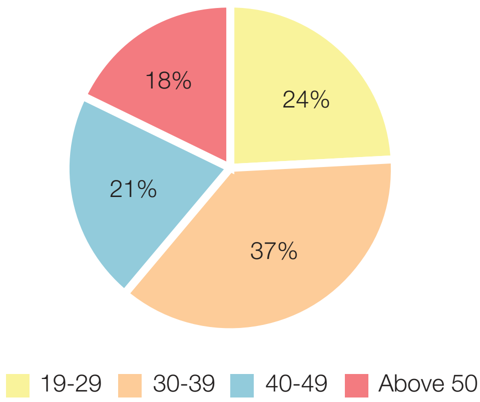
(iv) Our people (Cont'd)

KEN embraces diversity at the workplace and believes that employees can contribute positively to the growth of the Company regardless of ethnicity, age or gender. At KEN, recruitment of dynamic individuals includes from fresh graduates to experienced hires and they are given equal opportunities to achieve their full potential.

WORKFORCE BY GENDER



WORKFORCE BY AGE



We are a boutique firm and recognise that the scale of our efforts are small but we are confident that as a corporate entity we have taken significant steps in ensuring we play an effective role in the sustainable development of our nation economically, socially and environmentally. We shall continue our efforts in building sustainable developments and ensuring we continuously remain a responsible corporate entity.

DIRECTORS' REPORT

The Directors of Ken Holdings Berhad have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2021.

PRINCIPAL ACTIVITIES

The principal activities of the Company consist of investment holding and provision of management services. The principal activities of its subsidiaries are disclosed in Note 8 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

FINANCIAL RESULTS

The results of the Group and of the Company for the financial year are as follows:

	Group RM'000	Company RM'000
Profit for the financial year attributable to:		
Owners of the Company	15,206	6,871
Non-controlling interests	–	–
	15,206	6,871

In the opinion of the Directors, the results of operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature other than the changes in accounting policies as disclosed in Note 2(a) to the financial statements and significant event during the year as disclosed in Note 31 to the financial statements.

RESERVES AND PROVISIONS

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

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year. The Directors do not recommend any dividend payment in respect of the current financial year.

ISSUE OF SHARES AND DEBENTURES

There was no issuance of shares or debentures during the financial year.

TREASURY SHARES

As at 31 December 2021, the Company held 12,383,000 treasury shares out of the total 191,720,000 issued ordinary shares. Further relevant details are disclosed in Note 14 to the financial statements.

SHARE OPTIONS

No options were granted to any person to take up unissued shares of the Company during the financial year.

Directors' Report (cont'd)

DIRECTORS

The Directors of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are:

Dato' Tan Boon Kang*
Tan Moon Hwa*
Ir. Tan Chek Siong*
YAM Dato' Seri Syed Azni Ibni Almarhum Tuanku Syed Putra Jamalullail
Dato' Ir. Dr. Ashaari bin Mohamad
Loo Pak Soon

* *Director of the Company and of its subsidiaries*

DIRECTORS OF SUBSIDIARIES

The following is a list of Directors of subsidiaries (excluding Directors who are also Directors of the Company) in office during the financial year and during the period from the end of the financial year to the date of this report :

Datuk Tan Bon Sin
Datuk Lim Soon Foo
To' Puan Lau Pek Kuan
Tan Chek Een
Ronnie Lim Hai Liang, alternate Director to Datuk Lim Soon Foo

The information required to be disclosed pursuant to Section 253 of the Companies Act 2016 in Malaysia is deemed incorporated herein by such reference to the financial statements of the respective subsidiaries and made a part hereof.

DIRECTORS' INTERESTS IN SHARES

The interests and deemed interests in the shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at financial year end (including their spouses or children) according to the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			
	At 1.1.2021 '000	**Bought '000**	**Sold '000**	**At 31.12.2021 '000**
Interests in the Company				
Direct Interests				
Dato' Tan Boon Kang	6,604	1,179	–	7,783
Ir. Tan Chek Siong	6,242	–	–	6,242
Tan Moon Hwa	1,203	–	–	1,203
Indirect Interests				
Dato' Tan Boon Kang*	84,469	–	–	84,469
Spouse of Dato' Tan Boon Kang:				
Interests in the Company				
Direct Interests				
To' Puan Lau Pek Kuan	4,620	–	–	4,620

Directors' Report (cont'd)

DIRECTORS' INTERESTS IN SHARES (CONT'D)

The interests and deemed interests in the shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at financial year end (including their spouses or children) according to the Register of Directors' Shareholdings are as follows: (Cont'd)

	Number of ordinary shares			
	At 1.1.2021 '000	**Bought '000**	**Sold '000**	**At 31.12.2021 '000**
Indirect Interests				
To' Puan Lau Pek Kuan*	86,454	1,179	–	87,633
Children of Dato' Tan Boon Kang:				
Interests in the Company				
Direct Interests				
Tan Chek Een	6,000	–	–	6,000
Tan Chek Ying	6,000	–	–	6,000

* *Deemed interested by virtue of his/her substantial shareholding in Kencana Bahagia Sdn. Bhd. and shareholding of his/her spouse and children in the Company.*

By virtue of his interests in the shares of the Company, Dato' Tan Boon Kang is also deemed interested in the shares of all the subsidiaries during the financial year to the extent that the Company has an interest under Section 8 of the Companies Act 2016 in Malaysia.

None of the other Directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors as shown in Note 26(c) to the financial statements) 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 Director who have significant financial interests in companies which traded with certain companies in the Group in the ordinary course of business as disclosed in Note 26(b) to the financial statements.

Neither during nor at the end of the financial year, was the Company a party to any arrangement whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

INDEMNITY AND INSURANCE COSTS

There was no indemnity given to or insurance effected for any Directors, officers and auditors of the Company in accordance with Section 289 of the Companies Act 2016 in Malaysia.

OTHER STATUTORY INFORMATION

(a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

   (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that adequate allowance had been made for doubtful debts and there were no bad debts to be written off; and

   (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.

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

   (i) which would render it necessary to write off any bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

   (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

   (iii) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading; or

   (iv) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(c) At the date of this report, there does not exist:

   (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

   (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

(d) In the opinion of the Directors:

   (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due;

   (ii) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

   (iii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

Directors' Report (cont'd)

SUBSIDIARIES

The details of the subsidiaries are disclosed in Note 8 to the financial statements.

SIGNIFICANT EVENT

The details of the significant event are disclosed in Note 31 to the financial statements.

AUDITORS

The auditors, UHY have indicated their willingness to continue in office.

AUDITORS' REMUNERATION

The amount paid as remuneration of the auditors for the financial year ended 31 December 2021 is as disclosed in Note 20 to the financial statements.

Signed on behalf of the Board, as approved by the Board in accordance with a resolution of the Directors, 21 April 2022.

....
DATO' TAN BOON KANG

....
IR. TAN CHEK SIONG

KUALA LUMPUR

STATEMENT **BY DIRECTORS**

The Directors of Ken Holdings Berhad state that, in their opinion, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2021 and of the financial performance and the cash flows of the Group and of the Company for the financial year ended on that date.

Signed in accordance with a resolution of the Directors, 21 April 2022.

....
DATO' TAN BOON KANG

....
IR. TAN CHEK SIONG

KUALA LUMPUR

DECLARATION BY **THE OFFICER PRIMARILY RESPONSIBLE**
For the Financial Management of the Company

I, Tan Chek Een (MIA Membership No: 33089), the officer primarily responsible for the financial management of Ken Holdings Berhad, do solemnly and sincerely declare that the accompanying financial statements are, in my opinion, 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.

....
TAN CHEK EEN

Subscribed and solemnly declared by the abovenamed Tan Chek Een at Kuala Lumpur in the Federal Territory, this 21 April 2022.

Before me,

NO. W790
ZAINUL ABIDIN BIN AHMAD
....
COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT
To the Members of Ken Holdings Berhad

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Ken Holdings Berhad, which comprise the statements of financial position as at 31 December 2021 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 52 to 106.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International *Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditors' Report (cont'd)

Key Audit Matters (Cont'd)

Key Audit Matters	How we addressed the key audit matters
Recoverability and valuation of inventories	
As at 31 December 2021, the Group held a significant inventory amounted to RM169.9 million as disclosed in Note 6 to the financial statements and it constituted approximately 43% of the Group's total assets. The carrying amount of these inventories comprising land held for development and completed properties amounted to RM106.4 million and RM63.5 million respectively as at 31 December 2021. As described in the Accounting Policies in Note 3(j) to the financial statements, inventories are carried at the lower of cost and net realisable value. We focused on the valuation and recoverability of the completed properties because the estimates made by management to determine the net realisable values of long outstanding unsold completed properties involved significant judgement. The estimated selling prices derived based from recent transacted prices, net of expected discounts and prediction of future market demand.	We reviewed the Group's policy on inventory valuation that is in accordance with MFRS 102 *Inventories*. For those unsold completed properties which have recent sale transactions, we tested the carrying amount of these unsold completed properties, on a sample basis, by agreeing to the recent selling prices for similar units stated in the signed sales and purchase agreements, net of discounts given. For those unsold completed properties without recent sale transactions, we obtained the recent transacted prices of comparable properties in similar or same vicinity, and adjusted for the size of the units. Besides that, we performed a search of market value of the completed properties on the various property's websites and advertisement. We also inquired the management on the future marketing plans to promote those slow-moving inventories. We assessed the adequacy of the disclosures made in the financial statements.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal controls as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Independent Auditors' Report (cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have compiled with relevant ethical requirements regarding independence, and to communicate with them all relationships and others matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Auditors' Report (cont'd)

Other Matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

UHY
Firm Number: AF 1411
Chartered Accountants

YEOH AIK CHUAN
Approved Number: 02239/07/2022 J
Chartered Accountant

KUALA LUMPUR
21 April 2022

STATEMENTS OF **FINANCIAL POSITION**
As at 31 December 2021

	Note	Group 2021 RM'000	Group 2020 RM'000 (Restated)	Company 2021 RM'000	Company 2020 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	4	6,292	7,582	–	–
Investment properties	5	127,923	131,166	–	–
Inventories	6	106,419	105,856	–	–
Right-of-use assets	7	9,282	9,450	–	–
Investments in subsidiaries	8	–	–	57,891	57,891
Other investments	9	26	26	–	–
Deferred tax assets	10	9,412	10,796	630	630
		259,354	264,876	58,521	58,521
Current assets					
Inventories	6	63,529	78,628	–	–
Trade and other receivables	11	14,898	15,077	88,051	85,825
Tax recoverable		2,574	3,119	–	–
Deposits, bank and cash balances	12	58,959	21,660	70	110
		139,960	118,484	88,121	85,935
Total assets		399,314	383,360	146,642	144,456
EQUITY					
Share capital	13	95,860	95,860	95,860	95,860
Treasury shares	14	(5,366)	(5,366)	(5,366)	(5,366)
Reserves	15	253,816	238,865	43,529	36,658
Equity attributable to owners of the Company		344,310	329,359	134,023	127,152
Non-controlling interests		49	49	–	–
Total equity		344,359	329,408	134,023	127,152
LIABILITIES					
Non-current liability					
Deferred tax liabilities	10	16,252	15,892	–	–
Current liabilities					
Trade and other payables	16	36,145	35,981	12,576	17,281
Bank borrowings	17	2,000	2,000	–	–
Tax payables		558	79	43	23
		38,703	38,060	12,619	17,304
Total liabilities		54,955	53,952	12,619	17,304
Total equity and liabilities		399,314	383,360	146,642	144,456

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Financial Year Ended 31 December 2021

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Revenue	18	51,608	33,524	7,311	974
Cost of sales		(23,400)	(15,197)	–	–
Gross profit		28,208	18,327	7,311	974
Other income		6,383	5,861	1	1
Distribution expenses		(370)	(180)	–	–
Administrative expenses		(13,406)	(10,959)	(287)	(374)
Net gain/(loss) on impairment of financial instruments		206	(3,034)	(38)	–
Profit from operation		21,021	10,015	6,987	601
Finance costs	19	(63)	(81)	–	(76)
Profit before tax	20	20,958	9,934	6,987	525
Taxation	21	(5,752)	(1,287)	(116)	(82)
Profit for the financial year		15,206	8,647	6,871	443
Other comprehensive income:					
Items that will not be reclassified subsequently to profit or loss					
Revaluation of land and buildings	4, 7	–	934	–	–
Deferred tax liabilities relating to components of other comprehensive income	10	(255)	(46)	–	–
Other comprehensive income for the financial year		(255)	888	–	–
Total comprehensive income for the financial year		14,951	9,535	6,871	443
Profit for the financial year attributable to:					
Owners of the Company		15,206	8,647	6,871	443
Non-controlling interests		–	–	–	–
		15,206	8,647	6,871	443
Total comprehensive income for the financial year attributable to:					
Owners of the Company		14,951	9,535	6,871	443
Non-controling interests		–	–	–	–
		14,951	9,535	6,871	443
Earnings per share					
Basic and diluted earnings per share (sen)	22	8	5		

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY
For the Financial Year Ended 31 December 2021

	Attributable to owners of the Company						
	Non-distributable			Distributable			
	Share capital RM'000	Treasury shares RM'000	Revaluation reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
Group							
2021							
At 1 January	95,860	(5,366)	9,255	229,610	329,359	49	329,408
Net profit for the financial year	–	–	–	15,206	15,206	–	15,206
Other comprehensive income for the financial year	–	–	(255)	–	(255)	–	(255)
Total comprehensive income for the financial year	–	–	(255)	15,206	14,951	–	14,951
At 31 December	95,860	(5,366)	9,000	244,816	344,310	49	344,359
2020							
At 1 January	95,860	(5,366)	8,367	220,963	319,824	49	319,873
Net profit for the financial year	–	–	–	8,647	8,647	–	8,647
Other comprehensive income for the financial year	–	–	888	–	888	–	888
Total comprehensive income for the financial year	–	–	888	8,647	9,535	–	9,535
At 31 December	95,860	(5,366)	9,255	229,610	329,359	49	329,408

	Non-distributable		Distributable	
	Share capital RM'000	Treasury shares RM'000	Retained earnings RM'000	Total equity RM'000
Company				
At 1 January 2021	95,860	(5,366)	36,658	127,152
Profit for the financial year, representing total comprehensive income for the financial year	–	–	6,871	6,871
At 31 December 2021	95,860	(5,366)	43,529	134,023
At 1 January 2020	95,860	(5,366)	36,215	126,709
Profit for the financial year, representing total comprehensive income for the financial year	–	–	443	443
At 31 December 2020	95,860	(5,366)	36,658	127,152

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF **CASH FLOWS**
For the Financial Year Ended 31 December 2021

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Cash Flows From Operating Activities				
Profit before tax	20,958	9,934	6,987	525
Adjustments for:				
Waiver of debts owed by subsidiaries	–	–	–	93
Depreciation of:				
- property, pant and equipment	1,302	1,418	–	–
- investment properties	2,668	2,342	–	–
- right-of-use assets	168	152	–	–
Impairment loss on:				
- trade and other receivables	255	3,034	–	–
- amount due from a subsidiary	–	–	38	–
Reversal of impairment loss on trade receivables	(461)	–	–	–
Dividend income	–	–	–	(476)
Finance costs	63	81	–	76
Finance income	(1,220)	(966)	(1)	(1)
Gain on disposal of investment properties	(283)	–	–	–
Gain on disposal of property, plant and equipment	–	(5)	–	–
Unrealised (gain)/loss on foreign exchange	(11)	5	–	–
Operating profit before working capital changes	23,439	15,995	7,024	217
Changes in working capital:				
Inventories	14,536	9,019	–	–
Receivables	383	(4,720)	(2,264)	758
Payables	164	(2,135)	(4,704)	766
Cash generated from operations	38,522	18,159	56	1,741
Interest received	133	957	–	–
Tax paid	(3,408)	(2,019)	(96)	(92)
Tax refund	171	338	–	–
Net cash from/(used in) operating activities	35,418	17,435	(40)	1,649
Cash Flows From Investing Activities				
Acquisition of property, plant and equipment	(12)	(2,890)	–	–
Proceeds from disposal of investment properties	858	–	–	–
Proceeds from disposal of property, plant and equipment	–	5	–	–
Proceeds from sale of a subsidiary net of cash sold	*	–	–	–
Dividends received	–	–	–	476
Interest received	1,087	9	–	1
Net cash from/(used in) investing activities	1,933	(2,876)	–	477
Cash Flows From Financing Activities				
Net changes in revolving credits	–	–	–	(2,000)
Interest paid	(63)	(81)	–	(76)
Net cash used in financing activities	(63)	(81)	–	(2,076)

Statemens of Cash Flows (cont'd)

	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Net increase/(decrease) in cash and cash equivalents	37,288	14,478	(40)	50
Effect of exchange translation difference on cash and cash equivalents	11	(5)	–	–
Cash and cash equivalents at the beginning of the financial year	21,660	7,187	110	60
Cash and cash equivalents at the end of the financial year	58,959	21,660	70	110
Cash and cash equivalents at the end of the financial year comprises:				
Cash and bank balances	5,128	4,229	70	110
Liquid investments	53,349	16,957	–	–
Deposits with licensed banks	482	474	–	–
	58,959	21,660	70	110

* Denotes less than one thousand

The accompanying notes form an integral part of the financial statements.

NOTES TO THE **FINANCIAL STATEMENTS**
31 December 2021

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of the Bursa Malaysia Securities Berhad.

The principal place of business and registered office of the Company are located at Level 12, Menara KEN TTDI, No. 37, Jalan Burhanuddin Helmi, Taman Tun Dr. Ismail, 60000 Kuala Lumpur.

The principal activities of the Company consist of investment holding and provision of management services. The principal activities of its subsidiaries are disclosed in Note 8. There have been no significant changes in the nature of these activities of the Company and its subsidiaries during the financial year.

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the significant accounting policies below.

Adoption of amended standards

During the financial year, the Group and the Company have adopted the following amendments to MFRSs and new interpretation issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial year:

Amendments to MFRS 16	Covid-19 Related Rent Concessions
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current – Deferral of Effective Date
Amendments to MFRS 4, MFRS 7, MFRS 9, MFRS 16 and MFRS 139	Interest rate benchmark reform – Phase 2

The adoption of the amendments to MFRSs did not have any significant impact on the financial statements of the Group and of the Company.

Notes to the Financial Statements (cont'd)

2. BASIS OF PREPARATION (CONT'D)

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective

The Group and the Company have not applied the following amendments to MFRSs and new interpretation that have been issued by the MASB but are not yet effective for the Group and for the Company:

		Effective dates for financial periods beginning on or after
Amendments to MFRS 16	Covid-19 Related Rent Concessions beyond 30 June 2021	1 April 2021
Annual Improvements to MFRS Standard 2018 - 2020		1 January 2022
• Amendments to MFRS 1		
• Amendments to MFRS 9		
• Amendments to MFRS 16		
• Amendments to MFRS 141		
Amendments to MFRS 3	Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137	Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Insurance Contracts	1 January 2023
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 Comparative Information	1 January 2023
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101	Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108	Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The Group and the Company intend to adopt the above MFRSs and amendments to MFRSs when they become effective.

The initial application of the above-mentioned MFRSs is not expected to have any significant impacts on the financial statements of the Group and of the Company.

2. BASIS OF PREPARATION (CONT'D)

(b) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest thousand ("RM'000") except when otherwise stated.

(c) Significant accounting judgements, estimates and assumptions

The preparation of the Group's and of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of assets or liabilities affected in the future.

Judgements

The following are the judgements made by management in the process of applying the Group's and of the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements:

<u>Satisfaction of performance obligations in relation to contracts with customers</u>

The Group is required to assess each of its contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method for recognising revenue. This assessment was made based on the terms and conditions of the contracts, and the provisions of relevant laws and regulations.

The Group recognises revenue over time in the following circumstances:

(a) the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
(b) the Group does not create an asset with an alternative use to the Group and has an enforceable right to payment for performance completed to date; and
(c) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point in time, the Group assesses each contract with customers to determine when the performance obligation of the Group under the contract is satisfied.

<u>Classification between investment properties and inventories</u>

The Group has developed certain criteria based on MFRS 140 Investment Property in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

The Group has temporarily sub-let some completed unsold properties. These properties are not treated as investment properties as it is not the management's intention to hold these properties long term for capital appreciation or rental income but rather for sale. Accordingly, these properties are classified as inventories. The carrying amounts of these inventories as at reporting date are RM37,458,000 (2020: RM30,454,000).

Notes to the Financial Statements (cont'd)

2. BASIS OF PREPARATION (CONT'D)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are set out below:

<u>Useful lives of property, plant and equipment, investment properties and right-of-use ("ROU") assets</u>

The Group regularly reviews the estimated useful lives of property, plant and equipment, investment properties and ROU assets based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment, investment properties and ROU assets would increase the recorded depreciation and decrease the value of property, plant and equipment, investment properties and ROU assets. The carrying amount at the reporting date for property, plant and equipment, investment properties and ROU assets are disclosed in Notes 4, 5 and 7 respectively.

<u>Inventories valuation</u>

Inventories are measured at the lower of cost and net realisable value. The Group estimates the net realisable value of inventories based on the estimated selling prices by reference to recent sales transactions of similar properties or comparable properties in similar or nearby locations. The estimation of the selling price is subject to significant inherent uncertainties, in particular the property market. Whilst the Directors exercise due care and attention to make reasonable estimates, taking into account all available information in estimating the selling price and predicting market demand, the estimates will, in all likelihood, differ from the actual selling prices achieved in future periods and these differences may, in certain circumstances, be significant. Details of inventories are disclosed in Note 6.

<u>Deferred tax assets</u>

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the unused tax losses, unabsorbed capital allowances and other deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying value of recognised and unrecognised deferred tax assets are disclosed in Note 10.

<u>Impairment of receivables</u>

The Group and the Company review the recoverability of its receivables, include trade and other receivables, amount due from subsidiaries at each reporting date to assess whether an impairment loss should be recognised. The impairment provisions for receivables are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions at the end of each reporting period.

The carrying amounts at the reporting date for receivables are disclosed in Note 11.

<u>Determination of transaction prices</u>

The Group is required to determine the transaction price in respect of each of its contracts with customers. In making such judgment the Group assesses the impact of any variable consideration in the contract due to discounts or penalties, the existence of any significant financing component and any non-cash consideration in the contract.

2. BASIS OF PREPARATION (CONT'D)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)

Determination of transaction prices (Cont'd)

In determining the impact of variable consideration, the Group uses the most-likely amount, whereby the transaction price is determined by reference to single most likely amount in a range of possible consideration amounts.

There is no significant financing as the period between the transfer of control of good or service to a customer and the payment date is always less than one year, and no non-cash consideration noted in the contracts with customers.

Income taxes

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and/or deferred tax provisions in the period in which such determination is made. As at 31 December 2021, the Group has tax recoverable and payable of RM2,574,000 (2020: RM3,119,000) and RM558,000 (2020: RM79,000) respectively. The Company has tax payable of RM43,000 (2020: RM23,000).

3. SIGNIFICANT ACCOUNTING POLICIES

The Group and the Company apply the significant accounting policies set out below, consistently throughout all periods presented in the financial statements unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed in profit or loss as incurred.

If the business combination is achieved in stages, the acquirer's previously held equity interest in the acquiree is re-measured at its acquisition date fair value and the resulting gain or loss is recognised in profit or loss.

Notes to the Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (Cont'd)

(i) Subsidiaries (Cont'd)

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (which cannot exceed one year from the acquisition date), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date, if known, would have affected the amounts recognised at that date.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9 *Financial Instruments* is measured at fair value with the changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated. Unrealised losses are eliminated only if there is no indication of impairment. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

In the Company's separate financial statements, investments in subsidiaries are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy Note 3(n)(i) to the financial statements on impairment of non-financial assets.

(ii) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions - that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(iii) Disposal of subsidiaries

If the Group loses control of a subsidiary, the assets and liabilities of the subsidiary, including any goodwill, and non-controlling interests are derecognised at their carrying value on the date that control is lost. Any remaining investment in the entity is recognised at fair value. The difference between the fair value of consideration received and the amounts derecognised and the remaining fair value of the investment is recognised as a gain or loss on disposal in profit or loss. Any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

(iv) Goodwill on consolidation

The excess of the aggregate of the consideration transferred the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary acquired (i.e. a bargain purchase), the gain is recognised in profit or loss.

Following the initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequent when there is objective evidence that the carrying value may be impaired. See accounting policy Note 3(n)(i) to the financial statements on impairment of non-financial assets.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Foreign currency transactions and balances

Transactions in foreign currency are recorded in the functional currency of the respective Group entities using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are included in profit or loss.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the reporting period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. Exchange differences arising from such non-monetary items are also recognised in other comprehensive income.

(c) Property, plant and equipment

Property, plant and equipment are stated at cost/valuation less accumulated depreciation and accumulated impairment losses. The policy of recognition and measurement of impairment losses is in accordance with Note 3(n)(i) to the financial statements on impairment of non-financial assets.

(i) Recognition and measurement

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. All other repair and maintenance costs are recognised in profit or loss as incurred.

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

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.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

Land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognised after the date of the revaluation. Valuations are performed with sufficient regularity, usually every five years, to ensure that the carrying amount does not differ materially from the fair value of the land and buildings at the end of the reporting period.

Notes to the Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

(i) Recognition and measurement (Cont'd)

As at the date of revaluation, accumulated depreciation, if any, is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Any revaluation surplus arising upon appraisal of land and buildings are recognised in other comprehensive income and credited to the revaluation reserve in equity. To the extent that any revaluation decrease or impairment loss has previously been recognised in profit or loss, a revaluation increase is credited to profit or loss with the remaining part of the increase recognised in other comprehensive income. Downward revaluations of land and buildings are recognised upon appraisal or impairment testing, with the decrease being charged to other comprehensive income to the extent of any revaluation surplus in equity relating to this asset and any remaining decrease recognised in profit or loss. Any revaluation surplus remaining in equity on disposal of the asset is transferred to other comprehensive income.

(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 costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred.

(iii) Depreciation

Depreciation is recognised in the profit or loss on straight-line basis to write off the cost or valuation of each asset to its residual value over its estimated useful life. Freehold land is not depreciated.

Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Freehold building	25 years
Motor vehicles	5 years
Site equipment	5 years
Plant and machinery	5 years
Office equipment	5 years
Furniture and fittings	5 years
Office renovation	5 years

The residual values, useful lives and depreciation method are reviewed at each reporting period end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the property, plant and equipment.

(d) Leases

As lessee

The Group and the Company recognise a ROU asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or site on which it is located, less any lease incentives received.

The ROU asset is subsequently measured at cost less any accumulated depreciation, accumulated impairment loss and, if applicable, adjusted for any remeasurement of lease liabilities. The policy of recognition and measurement of impairment losses is in accordance with Note 3(n)(i) to the financial statements on impairment of non-financial assets.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Leases (Cont'd)

As lessee (Cont'd)

The ROU asset under cost model is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. The estimated useful lives of the ROU assets are determined on the same basis as those of property, plant and equipment as follows:

Leasehold land	Over the remaining lease period

The lease liability is initially measured at the present value of future lease payments at the commencement date, discounted using the respective Group entities' incremental borrowing rates. Lease payments included in the measurement of the lease liability include fixed payments, any variable lease payments, amount expected to be payable under a residual value guarantee, and exercise price under an extension option that the Group and the Company are reasonably certain to exercise.

Variable lease payments that do not depend on an index or a rate and are dependent on a future activity are recognised as expenses in profit or loss in the period in which the event or condition that triggers the payment occurs.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in rate, or if the Group or the Company changes its assessment of whether it will exercise an extension or termination option.

Lease payments associated with short term leases and leases of low value assets are recognised on a straight-line basis as an expense in profit or loss. Short term leases are leases with a lease term of 12 months or less and do not contain a purchase option. Low value assets are those assets valued at less than RM20,000 each when purchased new.

As lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. Leases in which the Group or the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

If the lease arrangement contains lease and non-lease components, the Group and the Company apply MFRS 15 Revenue from Contracts with Customers to allocate the consideration in the contract based on the stand-alone selling price.

The Group and the Company recognise assets held under a finance lease in their statement of financial position and presents them as a receivable at an amount equal to the net investment in the lease. The Group and the Company use the interest rate implicit in the lease to measure the net investment in the lease.

The Group recognises lease payments under operating leases as income on a straight-line basis over the lease term unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. The lease payment recognised is included as part of "Other income". Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(e) Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both. Investment properties are measured at cost, including transaction costs, less any accumulated depreciation and impairment losses.

The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property.

Notes to the Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Investment properties (Cont'd)

Freehold land is not depreciated. Other investment properties are depreciated on a straight-line basis to write down the cost of each asset to their residual values over their estimated useful lives. The principal annual depreciation rate for freehold buildings are 2% (2020: 2%).

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. See accounting policy Note 3(n)(i) to the financial statements on impairment of non-financial assets.

Investment properties are derecognised upon disposal or when they are permanently withdrawn from use and no future economic benefits are expected from their disposal. Upon disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the profit or loss.

Transfers are made to (or from) investment property only when there is a change in use. Transfer between investment property, property plant and equipment and inventories do not change the carrying amount and the cost of the property transferred.

(f) Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit and loss ("FVTPL"), directly attributable transaction costs.

The Group and the Company determine the classification of their financial assets at initial recognition, and the categories include trade and other receivables and deposits, bank and cash balances.

(a) Financial assets at amortised cost

The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

(b) Fair value through other comprehensive income

Debt instruments

A debt security is measured at fair value through other comprehensive income ("FVTOCI") if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Financial assets (Cont'd)

(b) Fair value through other comprehensive income (Cont'd)

Equity instruments

On initial recognition of an entity investment that is not held for trading, the Group and the Company may irrevocably elect to present subsequent changes in fair value in other comprehensive income on an investment-by-investment basis.

Financial assets categorised as FVTOCI are subsequently measured at fair value, with unreaslied gains and losses recognised directly in other comprehensive income and accumulated under fair value reserve in equity. For debt instruments, when the investment is derecognised or determined to be impaired, the cumulative gain or loss previously recorded in equity is reclassified to the profit or loss. For equity instruments, the gains or losses are never reclassified to profit or loss.

The Group and the Company have not designated any financial assets as FVTOCI.

(c) Financial assets at fair value through profit or loss

All financial assets not classified as measured at amortised cost or FVTOCI, as described above, are measured at FVTPL. This includes derivative financial assets (except for a derivative that is a financial guarantee contract or a designated and effective hedging instruments). On initial recognition, the Group or the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as FVTPL are subsequently measured at their fair value with gains or losses recognised in the profit or loss.

All financial assets, except for those measured at FVTPL and equity investments measured at FVTOCI, are subject to impairment.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases or sales of financial assets are recognised or derecognised on the trade date i.e. the date that the Group and the Company commit to purchase or sell the asset.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received for financial instrument is recognised in profit or loss.

(g) Financial liabilities

Financial liabilities are recognised when, and only when, the Group and the Company become a party to the contractual provisions of the financial instruments. All financial liabilities are recognised initially at fair value plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Notes to the Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs when the guaranteed debtor fails to make payment when due.

Financial guarantee contracts are recognised initially as financial liabilities at fair value, net of transaction costs. Subsequently, the liability is measured at the higher of:

- the amount of the loss allowance; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15 *Revenue from Contracts with Customers*.

Liabilities arising from financial guarantees are presented together with other provisions.

(i) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statements of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(j) Inventories

Inventories are stated at the lower of cost and net realisable value.

(i) Land held for property development

Land held for property development consists of purchase price of land, professional fees, stamp duties, commissions, conversion fees, other relevant levies and direct development cost incurred in preparing the land for development.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated cost necessary to make the sale. If net realisable value cannot be determined reliably, these inventories will be stated at the lower of cost or fair value less costs to sell. Fair value is the amount the inventory can be sold in an arm's length transaction.

Land held for property development for which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle, is classified as non-current asset.

Land held for property development is transferred to property development costs under current assets when development activities have commenced and are expected to be completed within the normal operating cycle.

(ii) Property under development and completed property

Property under development consists of the cost of land and all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities, including common costs such as the cost of constructing mandatory infrastructure, amenities and affordable houses (net of estimated approved selling prices) and other related costs. The asset is subsequently recognised as an expense in profit or loss when and as the control of the asset is transferred to the customer.

Properties development costs attributable to unsold properties, upon completion, are transferred to completed properties held for sale.

The cost of completed properties includes costs of land and related development cost or its purchase costs and incidental cost of acquisition. Cost is determined on a specific identification basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable selling expenses.

Notes to the Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Construction contracts

Construction contracts are contracts specifically negotiated for the construction of an asset or a combination of assets that are closely interrelated or interdependent in terms of their design, technology and functions or their ultimate purpose or use.

Cost incurred to fulfil the contracts, comprising cost of direct materials, direct labour, other direct costs, attributable overheads and payments to subcontractors are recognised as an asset and amortised over the profit or loss systematically to reflect the transfer of the contracted service to the customer.

The Group uses the efforts or inputs to the satisfaction of the performance obligations to determine the appropriate amount to recognise in a given period. This is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. Costs incurred in the financial year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as inventories, prepayments or other assets, depending on their nature. When the carrying amount of the asset exceeds the remaining amount of consideration that the Group expects to receive in exchange of the contracted asset, an impairment loss is recognised in profit or loss.

The Group presents as an asset the gross amount due from customers for contract work-in-progress for which costs incurred plus recognised profits (less recognised losses) exceed contract liabilities. Contract liabilities not yet paid by customers and retention monies are included within receivables and contract assets. The Group presents as a liability the gross amount due to customers for contract work for all contracts in progress for which contract liabilities exceed costs incurred plus recognised profit (less recognised losses).

(l) Contract assets and contract liabilities

Contract asset is the right to consideration for goods or services transferred to the customers. The Group's contract asset is the excess of revenue recognised over the billings to-date and deposits or advances received from customers.

Where there is objective evidence of impairment, the amount of impairment losses is determined by comparing the contract asset's carrying amount and the present value of estimated future cash flows to be generated by the contract asset.

Contract asset is reclassified to trade receivables at the point at which invoices have been billed to customers.

Contract liability is the obligation to transfer goods or services to customers for which the Group has received the consideration or has billed the customers. The Group's contract liability is the excess of the billings to-date over the revenue recognised. Contract liabilities are recognised as revenue when the Group performs its obligation under the contracts.

(m) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, demand deposits, bank overdrafts and highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. For the purpose of statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(n) Impairment of assets

(i) Non-financial assets

The carrying amounts of non-financial assets (except for inventories and deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

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 cash-generating units.

Notes to the Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Impairment of assets (Cont'd)

(i) Non-financial assets (Cont'd)

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. 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 or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss, unless the asset is carried at a revalued amount, in which such impairment loss is recognised directly against any revaluation surplus for the asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset.

Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the profit or loss, unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

(ii) Financial assets

The Group and the Company recognise an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since intial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months ("a 12 month ECL"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default ("a lifetime ECL").

For trade receivables, other receivables and inter-company balances, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established a provision matrix that is based on its historical credit loss experience and the economic environment.

(o) Share capital

(i) Ordinary shares

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of its liabilities. Ordinary shares are equity instruments. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity.

Dividend distribution to the Company's shareholders is recognised as a liability in the period they are approved by the Board of Directors except for the final dividend which is subject to approval by the Company's shareholders.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Share capital (Cont'd)

(ii) Treasury shares

When issued share of the Company are repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is recognised as a deduction from equity as treasury shares until the shares are cancelled, reissued or disposed of. No gain or loss is recognised in profit or loss on the sale, re-issuance or cancellation of the treasury shares.

When treasury shares are distributed as share dividends, the cost of the treasury shares is deducted against the retained earnings of the Company.

When treasury shares are sold or reissued subsequently, the difference between the sales consideration, net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity.

(p) Provision

Provisions are recognised when there is a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each end of the reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. The expense relating to any provision is presented in the statements of profit or loss and other comprehensive income net of any reimbursement.

(q) Employee benefits

(i) Short-term employee benefits

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

The expected cost of accumulating compensated absences is measured as additional amount expected to be paid as a result of the unused entitlement that has accumulated at the end of the reporting period.

(ii) Defined contribution plans

As required by law, companies in Malaysia contribute to the state pension scheme, the Employee Provident Fund ("EPF"). Such contributions are recognised as an expense in the profit or loss as incurred. Once the contributions have been paid, the Group has no further payment obligations.

Notes to the Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Revenue recognition

(i) Revenue from contracts with customers

Revenue is recognised when the Group satisfied a performance obligation ("PO") by transferring a promised goods or services to the customer, which is when the customer obtains control of the good or service. A PO may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied PO.

The Group recognised revenue from the following major sources:

(a) Revenue from property development

Revenue from sales of completed properties is recognised at a point in time, being when the control of the properties has been passed to the purchasers. And, it is probable that the Group will collect the considerations to which it will be entitled to in exchange for the properties sold.

(b) Rendering of services

Revenue from management fee is recognised in the reporting period in which the services are rendered, which simultaneously received and consumes the benefits provided by the Group, and the Group has a present right to payment for the services.

(ii) Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(iii) Interest income

Interest income is recognised on accruals basis using the effective interest method.

(iv) Dividend income

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

(v) Car park operations

Revenue from car park operations are recognised on an accrual basis.

(s) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the assets, which are assets that necessarily take a substantial period of time to get ready for theirs intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(t) Income taxes

Tax expense in profit or loss comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the financial year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method for all temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and their tax bases. 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 end of the reporting period.

The measurement of deferred tax is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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

(u) Segments reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-makers are responsible for allocating resources and assessing performance of the operating segments and make overall strategic decisions. The Group's operating segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

(v) Contingencies

Where it is not probable that an inflow or an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the asset or the obligation is disclosed as a contingent asset or contingent liability, unless the probability of inflow or 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 assets or contingent liabilities unless the probability of inflow or outflow of economic benefits is remote.

(w) Fair value measurement

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

Notes to the Financial Statements (cont'd)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(w) Fair value measurement (Cont'd)

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

Notes to the Financial Statements (cont'd)

4. PROPERTY, PLANT AND EQUIPMENT

	At revaluation		At cost						
	Freehold land RM'000	Freehold building RM'000	Motor vehicles RM'000	Site equipment RM'000	Plant and machinery RM'000	Office equipment RM'000	Furniture and fittings RM'000	Office Renovation RM'000	Total RM'000
Group									
2021									
Cost/Valuation									
At 1 January	3,750	650	3,303	358	8,484	1,439	1,122	4,188	23,294
Additions	–	–	–	–	–	12	–	–	12
At 31 December	3,750	650	3,303	358	8,484	1,451	1,122	4,188	23,306
Accumulated depreciation									
At 1 January	–	–	3,200	358	8,465	1,346	762	1,581	15,712
Charge for the financial year	–	46	54	–	6	52	151	993	1,302
At 31 December	–	46	3,254	358	8,471	1,398	913	2,574	17,014
Carrying amount									
At 31 December	3,750	604	49	–	13	53	209	1,614	6,292

Notes to the Financial Statements
(cont'd)

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	At revaluation		At cost						
	Freehold land RM'000	Freehold building RM'000	Motor vehicles RM'000	Site equipment RM'000	Plant and machinery RM'000	Office equipment RM'000	Furniture and fittings RM'000	Office Renovation RM'000 (Restated)	Total RM'000
Group									
2020									
Cost/Valuation									
At 1 January	3,750	650	3,407	358	8,484	1,402	1,122	1,335	20,508
Additions	–	–	–	–	–	37	–	2,853	2,890
Disposals	–	–	(104)	–	–	–	–	–	(104)
At 31 December	3,750	650	3,303	358	8,484	1,439	1,122	4,188	23,294
Accumulated depreciation									
At 1 January	–	136	3,223	358	8,368	1,289	607	587	14,568
Charge for the financial year	–	34	81	–	97	57	155	994	1,418
Disposals	–	–	(104)	–	–	–	–	–	(104)
Elimination of accumulated depreciation on revaluation	–	(170)	–	–	–	–	–	–	(170)
At 31 December	–	–	3,200	358	8,465	1,346	762	1,581	15,712
Carrying amount									
At 31 December	3,750	650	103	–	19	93	360	2,607	7,582

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Revaluation of freehold land and buildings

During the previous financial year, the fair value of freehold land and buildings of a subsidiary were determined based on valuations performed by independent professional valuers on 13 January 2021.

The fair value of freehold land and buildings are within level 2 of the fair value hierarchy. The fair value was determined by based on market comparable approach that reflects recent transaction price for similar properties.

There has been no change to the valuation technique during the financial year.

There were no transfers between levels during the current and previous financial year.

Had the land and building been carried at historical cost less accumulated depreciation, their carrying amounts would have been as follows:

	Group	
	2021 RM'000	**2020 RM'000**
Freehold land	490	490
Freehold building	56	61
	546	551

5. INVESTMENT PROPERTIES

Group	**Freehold land RM'000**	**Buildings RM'000**	**Total RM'000**
2021			
Cost			
At 1 January	23,307	117,399	140,706
Disposals	–	(770)	(770)
At 31 December	23,307	116,629	139,936
Accumulated depreciation			
At 1 January	–	9,540	9,540
Charge for the financial year	–	2,668	2,668
Disposals	–	(195)	(195)
At 31 December	–	12,013	12,013

Notes to the Financial Statements (cont'd)

5. INVESTMENT PROPERTIES (CONT'D)

	Freehold land RM'000	Buildings RM'000	Total RM'000
Group			
2021			
Carrying amount			
At 31 December	23,307	104,616	127,923
Fair value of investment properties	16,234	226,329*	242,563
2020			
Cost			
At 1 January/31 December	23,307	117,399	140,706
Accumulated depreciation			
At 1 January	–	7,198	7,198
Charge for the financial year	–	2,342	2,342
At 31 December	–	9,540	9,540
Carrying amount			
At 31 December	23,307	107,859	131,166
Fair value of investment properties	14,035	216,223*	230,258

* The estimated fair value of the commercial office building is determined together with the freehold land at RM209 million (2020: RM205 million) using the comparison method as the fair value of the land and the said commercial office building is unable to be determined separately.

(a) Income and expenses recognised in profit or loss

The following are recognised in profit or loss in respect of investment properties:

	Group 2021 RM'000	Group 2020 RM'000
Rental income	10,382	13,239
Direct operating expenses:		
- Income generating investment properties	(7,221)	(7,365)
- Non-income generating investment properties	(39)	(30)

(b) Fair value information

The fair value of investment properties was assessed by the management at the end of reporting date using the sales comparison approach based on recent transactions of comparable properties and comparable properties that were listed for sale. Market price of comparable properties in close proximity are adjusted for differences in key attributes such as property size, location and market trends. The most significant input into this valuation approach is price per square foot of comparable properties. There has been no change to the valuation technique during the financial year.

The fair value of the investment properties is within level 3 of the fair value hierarchy. There were no transfers between levels during current and previous financial years.

5. INVESTMENT PROPERTIES (CONT'D)

(c) Highest and best use

The Group's investment properties represent a number of commercial properties that are partially tenanted and two pieces of vacant land. The highest and best use of these properties and land is for rental generation as they are located in the vicinity of the commercial area.

(d) Lienholders' caveat on investment properties

A licensed bank had lodged a lienholder's caveat on a freehold land owned by a subsidiary with a carrying amount of RM15.8 million (2020: RM15.8 million) to secure banking facilities granted to the Company as disclosed in Note 17(b).

6. INVENTORIES

	Note	Group 2021 RM'000	Group 2020 RM'000
Non-current:			
Land held for property development	(a)	106,419	105,856
Current:			
Completed properties	(b)	63,529	78,628
Recognised in profit or loss:			
Inventories recognised as cost of sales		15,099	9,507

(a) Land held for property development

	Group 2021 RM'000	Group 2020 RM'000
Non-current		
Freehold land, at cost		
At 1 January/31 December	101,465	101,465
Development costs		
At 1 January	4,391	3,903
Additions	563	488
At 31 December	4,954	4,391
Total land held for property development	106,419	105,856

Notes to the Financial Statements (cont'd)

6. INVENTORIES (CONT'D)

(b) Completed properties

	Group	
	2021 RM'000	2020 RM'000
At 1 January	78,628	88,135
Disposal during the financial year	(15,099)	(9,507)
At 31 December	63,529	78,628

Completed properties amounted to RM21,935,000 (2020: RM21,935,000) are pledged as security for credit facility granted to a subsidiary as disclosed in Note 17(a).

7. RIGHT-OF-USE ASSETS

	Group	
	2021 RM'000	2020 RM'000
Group		
Leasehold land		
At valuation		
At 1 January/31 December	9,450	9,450
Accumulated depreciation		
At 1 January	–	612
Charge for the financial year	168	152
Elimination of accumulated depreciation on revaluation	–	(764)
At 31 December	168	–
Carrying amount		
At 31 December	9,282	9,450

Revaluation of leasehold land

During the previous financial year, the fair value of leasehold land of a subsidiary were determined based on valuations performed by independent professional valuers, Messrs. Henry Butcher Malaysia Sdn. Bhd. on 13 January 2021.

The fair value of leasehold land is within level 2 of the fair value hierarchy. The fair value was determined by based on market comparable approach that reflects recent transaction price for similar property.

There has been no change to the valuation technique during the financial year.

There were no transfers between levels during the current and previous financial year.

Had the land been carried at historical cost less accumulated depreciation, their carrying amounts would have been RM1,551,000 (2020: RM1,578,000)

As at 31 December 2021, the remaining lease period of the leasehold land are ranging from 47 to 70 years (2020: 48 to 71 years).

Notes to the Financial Statements
(cont'd)

8. INVESTMENTS IN SUBSIDIARIES

	Company	
	2021 RM'000	2020 RM'000
In Malaysia:		
Unquoted shares - at cost	53,891	53,891
Advances to a subsidiary *	4,000	4,000
	57,891	57,891

* The advances to a subsidiary as at year end were reclassified as non-current as the Company recognised these amounts as a long-term source of capital to the subsidiary.

Details of the subsidiaries are as follows:

Name of company	Place of business/ Country of incorporation	Effective interest (%) 2021	Effective interest (%) 2020	Principal activities
Ken Grouting Sdn. Bhd.	Malaysia	100	100	Specialist engineering services, turnkey contracts, building and civil engineering works
Ken Projects Sdn. Bhd.	Malaysia	100	100	Investment holding
Ken Property Sdn. Bhd.	Malaysia	100	100	Property development and investment holding
Ken Highlands Sdn. Bhd.	Malaysia	100	100	Investment holding
Ken JBCC Sdn. Bhd.	Malaysia	100	100	Property development
Ken JBCC Holdings Sdn. Bhd.	Malaysia	100	100	Investment holding
Ken Management Sdn. Bhd.	Malaysia	100	100	Investment holding
Ken-Chec Sdn. Bhd.	Malaysia	100	100	Land reclamation, civil, dredging, and marine engineering
Ken JBCC Land Sdn. Bhd.	Malaysia	100	100	Investment holding
Khidmat Tulin Sdn. Bhd.	Malaysia	100	100	Property development and investment holding
T.B.S. Management Sdn. Bhd.	Malaysia	100	100	Property management services
Ken Rimba Sdn. Bhd.	Malaysia	100	100	Property development
Genesis Nature Sdn. Bhd.	Malaysia	100	100	Dormant
Swift Frontiers Sdn. Bhd. #	Malaysia	–	100	Dormant
Ken Link Sdn. Bhd.	Malaysia	100	100	Investment holding
Ken TTDI Sdn. Bhd.	Malaysia	100	100	Investment holding
Ken Capital Sdn. Bhd.	Malaysia	100	100	Dormant
Ken Park Sdn. Bhd.	Malaysia	100	100	Car park management
Jewel Estate Sdn. Bhd.	Malaysia	100	100	Property management services
Wealthy Resort Sdn. Bhd.	Malaysia	55	55	Property development

\# On 16 November 2021, the Group disposed of its 100% equity interest in its subsidiary, Swift Frontiers Sdn. Bhd. ("SFSB") with a cash consideration of RM2 which is equivalent to the carrying amount of SFSB's net assets.

Notes to the Financial Statements (cont'd)

8. INVESTMENTS IN SUBSIDIARIES (CONT'D)

The Group's subsidiary which has non-controlling interests is not material individually or in aggregate to the financial position, financial performance and cash flows of the Group.

There are no significant restrictions on the ability of the subsidiaries to transfer funds within Group in the form of repayment of loans and advances. Generally, for subsidiary which is not wholly-owned by the Company, non-controlling shareholders hold protective rights restricting the Company's ability to use the assets of the subsidiary and settle the liabilities of the Group, unless approval is obtained from non-controlling shareholders.

9. OTHER INVESTMENTS

	Group	
	2021 RM'000	**2020 RM'000**
Non-current		
Financial assets measured at fair value through profit or loss		
Quoted shares	6	6
Other investment		
Golf club membership, at cost	20	20
	26	26

The fair value of the listed equity securities was determined by reference to the quoted price in an active market.

10. DEFERRED TAX ASSETS/(LIABILITIES)

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Deferred tax assets				
At 1 January	10,796	11,880	630	630
Recognised in profit or loss	(1,384)	(1,084)	–	–
At 31 December	9,412	10,796	630	630
Deferred tax liabilities				
At 1 January	(15,892)	(17,172)	–	–
Recognised in profit or loss	84	1,069	–	–
Recognised in other comprehensive income	(255)	(46)	–	–
(Over)/Under provision in prior years	(189)	257	–	–
At 31 December	(16,252)	(15,892)	–	–
	(6,840)	(5,096)	630	630

10. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

The net deferred tax assets and liabilities shown on the statements of financial position after appropriate offsetting are as follows:

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Deferred tax assets	15,271	16,284	630	630
Deferred tax liabilities	(22,111)	(21,380)	–	–
	(6,840)	(5,096)	630	630

The components and movements of deferred tax assets and liabilities prior to offsetting are as follows:

	Unabsorbed capital allowance RM'000	**Unutilised tax losses RM'000**	**Others RM'000**	**Provision RM'000**	**Total RM'000**
Group					
Deferred tax assets					
At 1 January 2021	5,373	116	10,166	630	16,285
Recognised in profit or loss	467	(15)	(1,384)	–	(932)
(Over)/Under provision in prior years	(110)	28	–	–	(82)
At 31 December 2021	5,730	129	8,782	630	15,271
At 1 January 2020	1,036	64	11,250	630	12,980
Recognised in profit or loss	4,535	52	(1,084)	–	3,503
Over provision in prior years	(199)	–	–	–	(199)
At 31 December 2020	5,372	116	10,166	630	16,284

	Land held for development RM'000	**Accelerated capital allowances RM'000**	**Revaluation of assets RM'000**	**Total RM'000**
Group				
Deferred tax liabilities				
At 1 January 2021	(14,150)	(5,510)	(1,720)	(21,380)
Recognised in profit or loss	–	(368)	–	(368)
Recognised in other comprehensive income				
- Deferred tax liabilities arising from revaluation land and buildings	–	–	(255)	(255)
(Over)/Under provision in prior years	–	(110)	2	(108)
At 31 December 2021	(14,150)	(5,988)	(1,973)	(22,111)
At 1 January 2020	(14,150)	(2,400)	(1,722)	(18,272)
Recognised in profit or loss	–	(3,037)	33	(3,004)
Recognised in other comprehensive income				
- Deferred tax liabilities arising from revaluation land and buildings	–	–	(46)	(46)
(Over)/Under provision in prior years	–	(73)	15	(58)
At 31 December 2020	(14,150)	(5,510)	(1,720)	(21,380)

Notes to the Financial Statements (cont'd)

10. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

The components and movements of deferred tax assets and liabilities are as follows: (Cont'd)

	Provision RM'000
Company	
Deferred tax assets	
At 1 January/31 December 2021	630
At 1 January/31 December 2020	630

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

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Unutilised tax losses	2,101	1,731	–	–
Unabsorbed capital allowances	503	27	–	–
	2,604	1,758	–	–

With effect from year of assessment 2022, unutilised tax losses that were allowed to be carried forward up to seven consecutive years was extended to a maximum of ten consecutive years of assessment under the current tax legislation. The unabsorbed capital allowances do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items as they may not have sufficient taxable profits to be used to offset or they have arisen in subsidiary companies that have a recent history of losses.

11. TRADE AND OTHER RECEIVABLES

		Group		Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Trade					
Trade receivables	(a)	12,529	14,203	–	–
Less: Accumulated impairment losses		(866)	(1,543)	–	–
		11,663	12,660	–	–
Non-trade					
Amount due from subsidiaries	(b)	–	–	88,089	85,814
Other receivables and deposits	(c)	5,235	4,417	–	11
Less: Accumulated impairment losses		(2,000)	(2,000)	(38)	–
		3,235	2,417	88,051	85,825
		14,898	15,077	88,051	85,825

11. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Trade receivables

Trade receivables normal trade credit terms ranged from 0 to 90 days (2020: 0 to 21 days) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Movements in the allowance for impairment losses of trade receivables are as follows:

	Group 2021 RM'000	Group 2020 RM'000
At 1 January	1,543	509
Impairment loss recognised	255	1,034
Impairment loss reversed	(461)	–
Impairment losses written off	(471)	–
At 31 December	866	1,543

The loss allowance account in respect of trade receivables is used to record loss allowance. Unless the Group and the Company are satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

The aged analysis of trade receivables as at the end of the reporting period:

	Gross Amount RM'000	Loss Allowance RM'000	Net Amount RM'000
Group			
2021			
Not past due	11,483	–	11,483
Past due:			
Less than 30 days	176	–	176
31 to 60 days	–	–	–
61 to 90 days	–	–	–
More than 90 days	4	–	4
	180	–	180
Credit impaired			
Individual impaired	866	(866)	–
	12,529	(866)	11,663
2020			
Not past due	12,349	–	12,349
Past due:			
Less than 30 days	149	–	149
31 to 60 days	78	–	78
61 to 90 days	47	–	47
More than 90 days	37	–	37
	311	–	311
Credit impaired			
Individual impaired	1,543	(1,543)	–
	14,203	(1,543)	12,660

Notes to the Financial Statements (cont'd)

11. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Trade receivables (Cont'd)

Trade receivables that are not past due are creditworthy receivables with good payment records with the Group.

As at 31 December 2021, trade receivables of RM180,000 (2020: RM311,000) were past due. These relate to a number of independent customers for whom there is no recent history of default.

Trade receivables of the Group that are individually assessed to be impaired amounting to RM866,000 (2020: RM1,543,000), relate to customers that are in financial difficulties, has defaulted on payments and/or have disputed on the billings. These balances are expected to be recovered through the debts recovery process.

(b) Amount due from subsidiaries are unsecured, interest free and repayable on demand.

(c) Included in other receivables and deposits of the Group are:

(i) a deposit of RM500,000 (2020: RM500,000) paid to a third party for a joint development project entered into by a subsidiary.

Movements in the allowance for impairment losses of other receivables are as follows:

	Group	
	2021 RM'000	**2020 RM'000**
At 1 January	2,000	–
Impairment loss recognised	–	2,000
At 31 December	2,000	2,000

12. DEPOSITS, BANK AND CASH BALANCES

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Cash and bank balances	5,128	4,229	70	110
Liquid investments	53,349	16,957	–	–
Deposits with licensed banks	482	474	–	–
	58,959	21,660	70	110

Included in the cash at bank of the Group is an amount of RM471,000 (2020: RM669,000) held under Housing Development Accounts pursuant to Housing Development (Control and Licensing) Act 1966 and are restricted from use in other operations.

The Directors regard liquid investments as cash and cash equivalents when they are highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. The liquid investments represented income funds that measured at fair value through profit and loss at level 1. The fair value measurement are derived from quoted prices (unadjusted) in active market for identical assets.

The effective interest rates and maturity period of deposits with licensed banks of the Group as at the end of the reporting period is 1.5% (2020: 1.5%) per annum and 1 month (2020: 1 month) respectively.

13. SHARE CAPITAL

	Group and Company			
	Number of Ordinary Shares		Amount	
	2021 Units'000	2020 Units'000	2021 RM'000	2020 RM'000
Ordinary shares with no par value				
Issued and fully paid:				
At 1 January/ 31 December	191,720	191,720	95,860	95,860

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regards to the Company's residual assets. In respect of the Company's treasury shares that are held by the Company, all rights are suspended until those shares are reissued.

14. TREASURY SHARES

The shareholders of the Company, by a resolution passed in the last Annual General Meeting held on 27 September 2021, renewed their approval for the Company's plan to repurchase its own shares. The Directors of the Company are committed to enhancing the value of the Company to its shareholders and believe that the repurchase plan can be applied in the best interest of the Company and its shareholders.

	Group and Company			
	2021		2020	
	Number of ordinary shares Units'000	Amount RM'000	Number of ordinary shares Units'000	Amount RM'000
At 1 January/ 31 December	12,383	5,366	12,383	5,366

As at 31 December 2021, the total shares held as treasury shares amounted to 12,383,000 (2020: 12,383,000) ordinary shares at a total cost of RM5,366,000 (2020: RM5,366,000).

None of the treasury shares held is resold or cancelled during the financial year.

15. RESERVES

		Group		Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Revaluation reserve	(i)	9,000	9,255	–	–
Retained earnings	(ii)	244,816	229,610	43,529	36,658
		253,816	238,865	43,529	36,658

Notes to the Financial Statements (cont'd)

15. RESERVES (CONT'D)

The nature of reserves of the Group and of the Company are as follows:

(i) Revaluation reserve

This is in respect of revaluation surplus net of deferred tax arising from the revaluation of the Group's land and buildings and is non-distributable.

	Group	
	2021 RM'000	2020 RM'000
At 1 January	9,255	8,367
Revaluation of land and buildings (net of tax)	–	888
Changes in tax rate	(255)	–
At 31 December	9,000	9,255

(ii) Retained earnings

The entire retained earnings of the Company are available for distribution as single-tier dividends.

16. TRADE AND OTHER PAYABLES

		Group		Company	
	Note	2021 RM'000	2020 RM'000 (Restated)	2021 RM'000	2020 RM'000
Trade					
Trade payables	(a)	11,346	12,754	–	–
Non-trade					
Other payables and accruals	(b)	24,644	23,072	2,670	2,675
Amount due to Directors	(c)	155	155	155	155
Amount due to subsidiaries	(d)	–	–	9,751	14,451
		24,799	23,227	12,576	17,281
		36,145	35,981	12,576	17,281

(a) Included in trade payables of the Group are retention sum payables amounted to RM4,870,000 (2020: RM5,088,000).

Credit terms of trade payables of the Group ranged from 14 to 60 days (2020: 14 to 60 days) depending on the terms of the contracts.

(b) Included in other payables and accruals of the Group are:

(i) accrual for project costs amounted to RM2,666,000 (2020: RM2,073,000); and

(ii) an amount of RM7,515,000 (2020: RM7,515,000) representing advances from a corporate shareholder of a partially owned subsidiary of the Company which are unsecured, interest free and repayable on demand.

(iii) refundable deposits of RM5,851,000 (2020: RM5,438,000) paid by third parties for rental of investment properties.

16. TRADE AND OTHER PAYABLES (CONT'D)

(c) Amount due to Directors represents accrual of Directors fee and allowance payable which are unsecured, interest free and repayable on demand.

(d) Amount due to subsidiaries are unsecured, interest free and repayable on demand.

17. BANK BORROWINGS

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Current				
Secured				
Revolving credits	2,000	2,000	–	–

The revolving credits are secured by the following:

(a) Legal charge over completed properties owned by a subsidiary amounted to RM21,935,000. [Note 6(b)]
(b) Lodged a lienholders' caveat on the land owned by a subsidiary with carrying amounts of RM15,800,000. [Note 5(d)]
(c) Corporate guarantee from the Company for the sum of RM2,000,000. [Note 25]

The average effective interest rate is 3.35% (2020: 4.19%) per annum.

18. REVENUE

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Revenue from contracts with customers:				
Sale of completed properties	41,989	21,100	–	–
Management fees	288	324	498	498
	42,277	21,424	498	498
Revenue from other sources:				
Dividend income	–	–	6,813	476
Rental income	9,331	12,100	–	–
	9,331	12,100	6,813	476
	51,608	33,524	7,311	974
Timing of revenue recognition:				
At a point in time	41,989	21,100	–	–
Over time	288	324	498	498
Total revenue from contracts with customers	42,277	21,424	498	498

Notes to the Financial Statements (cont'd)

18. REVENUE (CONT'D)

Breakdown of the Group's and of the Company's revenue from contracts with customers:

	Property development RM'000	Others RM'000	Total RM'000
Group			
2021			
Major goods and services:			
Sale of completed properties	41,989	–	41,989
Management fees	–	288	288
Total revenue from contracts with customers	41,989	288	42,277
Geographical market:			
Malaysia	41,989	288	42,277
Total revenue from contracts with customers	41,989	288	42,277
2020			
Major goods and services:			
Sale of completed properties	21,100	–	21,100
Management fees	–	324	324
Total revenue from contracts with customers	21,100	324	21,424
Geographical market:			
Malaysia	21,100	324	21,424
Total revenue from contracts with customers	21,100	324	21,424

	2021 RM'000	2020 RM'000
Company		
Others		
Major goods and services:		
Management fees	498	498

19. FINANCE COST

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Interest expenses on				
- revolving credits	63	81	–	76

20. PROFIT BEFORE TAX

Profit before tax is determined after charging/(crediting) amongst other, the following items:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Auditors' remuneration				
- current year	110	106	30	30
- under provision in prior years	5	–	–	–
- non-audit services	6	6	6	6
Depreciation of:				
- property, plant and equipment	1,302	1,418	–	–
- investment properties	2,668	2,342	–	–
- right-of-use assets	168	152	–	–
Interest income	(1,220)	(966)	(1)	(1)
Non-executive Directors' remuneration				
- fees	60	60	60	60
- other emoluments	35	35	35	35
Gain on disposal of property, plant and equipment	–	(5)	–	–
Gain on disposal of investment properties	(283)	–	–	–
Reversal of impairment loss on trade receivables	(461)	–	–	–
Impairment loss on:				
- trade and other receivables	255	3,034	–	–
- amount due from a subsidiary	–	–	38	–
Lease expenses relating to short term leases	12	12	–	–
Rental income from premises	(3,981)	(4,122)	–	–
Unrealised (gain)/loss on foreign exchange	(11)	5	–	–

21. TAXATION

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Tax expenses recognised in profit or loss				
Current tax:				
Current year provision	4,208	1,530	116	84
Under provision in prior years	54	–	–	–
	4,262	1,530	116	84
Deferred tax:				
Origination and reversal of temporary differences	1,301	(500)	–	–
Under provision in prior years	189	257	–	(2)
	1,490	(243)	–	(2)
	5,752	1,287	116	82

Malaysian income tax is calculated at the statutory tax rate of 24% (2020: 24%) of the estimated assessable profits for the financial year.

Notes to the Financial Statements (cont'd)

21. TAXATION (CONT'D)

A reconciliation of income tax expenses applicable to profit before tax at the statutory income tax rate to income tax expenses at the effective income tax rate of the Group and of the Company are as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Profit before tax	20,958	9,934	6,987	525
At Malaysian statutory tax rate of 24% (2020: 24%)	5,030	2,384	1,677	126
Expenses not deductible for tax purposes	770	1,123	74	72
Income not subject to tax	(469)	(582)	(1,635)	(114)
Deferred tax assets not recognised	203	268	–	–
Utilisation of previously unrecognised deferred tax assets	(25)	(264)	–	–
Reversal of deferred tax liabilities	–	(1,899)	–	–
Under provision of income tax in prior years	54	–	–	–
Under/(Over) provision of deferred tax in prior years	189	257	–	(2)
	5,752	1,287	116	82

The Group and the Company have the following estimated unutilised capital allowances and unused tax losses available for carry forward to offset against future taxable profits. The said amounts are subject to approval by the tax authorities.

	Group	
	2021 RM'000	2020 RM'000
Unutilised tax losses	2,643	2,214
Unabsorbed capital allowances	24,378	22,361
	27,021	24,575

With effect from year of assessment 2022, unutilised tax losses that were allowed to be carried forward up to seven consecutive years was extended to a maximum of ten consecutive years of assessment under the current tax legislation. The other temporary differences do not expire under current tax legislation.

Pursuant to Section 44(5F) of the Income Tax Act 1967, the unutilised tax losses can only be carried forward until the following years of assessment.

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Unutilised tax losses to be carried forward until:				
- Year of assessment 2029	2,214	2,214	–	–
- Year of assessment 2031	429	–	–	–
	2,643	2,214	–	–

Notes to the Financial Statements (cont'd)

22. EARNINGS PER SHARE

(a) Basic earnings per share

The basic earnings per share are calculated based on the consolidated profit for the financial year attributable to owners of the parent and the weighted average number of ordinary shares in issue during the financial year as follows:

	Group	
	2021 RM'000	2020 RM'000
Profit attributable to owners of the Company	15,206	8,647
Weighted average number of ordinary shares in issue (in thousands of shares)		
Issued ordinary shares at 1 January	191,720	191,720
Effect of treasury shares held	(12,383)	(12,383)
Weighted average number of ordinary shares at 31 December	179,337	179,337
Basic earnings per ordinary share (sen)	8	5

(b) Diluted earnings per share

The diluted earnings per share of the Group is equal to the basic earnings per share as the Group does not have any dilutive potential ordinary shares in issue.

23. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below show the details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes:

	At 1 January RM'000	Net Financing cash flows (i) RM'000	At 31 December RM'000
2021			
Group			
Revolving credits (Note 17)	2,000	–	2,000
Company			
Revolving credits (Note 17)	–	–	–
2020			
Group			
Revolving credits (Note 17)	2,000	–	2,000
Company			
Revolving credits (Note 17)	2,000	(2,000)	–

(i) The cash flows from revolving credits make up the net amount of proceeds from or repayments of borrowings in the statements of cash flows.

Notes to the Financial Statements (cont'd)

24. STAFF COSTS

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Salaries, wages and other emoluments	6,764	6,948	154	154
Social security contributions	44	44	–	–
Defined contribution plans	786	789	–	–
Other benefits	–	11	–	–
	7,594	7,792	154	154

Included in staff costs is aggregate amount of remuneration received and receivable by the Executive Directors of the Company and of the subsidiaries during the financial year as below:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Executive Directors				
Salary, fees and allowance	2,641	2,532	60	60
Defined contribution plans	330	326	–	–
	2,971	2,858	60	60

25. FINANCIAL GUARANTEE

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Unsecured				
Corporate guarantee given to licensed banks for credit facilities granted to a subsidiary [Note 17(c)]	–	–	2,000	2,000
Banker's guarantee issued in favour of third parties	11	14	–	–
	11	14	2,000	2,000

26. RELATED PARTY DISCLOSURES

(a) Identifying related parties

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

Related parties also include key management personnel 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 comprise the Directors and management personnel of the Group, having authority and responsibility for planning, directing and controlling the activities of the Group entities directly or indirectly.

26. RELATED PARTY DISCLOSURES (CONT'D)

(b) Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to the related party balances disclosed elsewhere in the financial statements, the significant related party transactions of the Group and of the Company are as follows:

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Transactions with subsidiaries				
- Dividend income	–	–	(6,813)	(476)
- Management fee income	–	–	(498)	(498)
Transactions with companies in which a Director of the Company have substantial financial interest				
- Rental expense on premise	12	12	–	–

(c) Compensation of key management personnel

Remuneration of Directors and other members of key management are as follows:

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Salaries, fees and other emoluments	3,483	3,360	155	154
Defined contribution plans	413	407	–	–
Estimated money value of benefits-in-kind	50	56	–	–
	3,946	3,823	155	154

Included in remuneration of Directors is Director fees received and receivable by the Non-executive Directors of the Company during the financial year was RM60,000 (2020: RM60,000).

27. SEGMENT INFORMATION

The Group has three reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different techniques and marketing strategies and industry expertise. For each of the strategic business units, the Group's Managing Director (the chief operating decision maker) reviews internal management reports at least on a quarterly basis. The following summary describes the operations in each of the Group's reportable 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
Property investment	Rental of investment property and car park management

Other non-reportable segments comprise operations related to the provision of property management services.

Notes to the Financial Statements (cont'd)

27. SEGMENT INFORMATION (CONT'D)

There are varying levels of integration between reportable segments. This integration includes construction of building. Inter-segment pricing is determined on negotiated basis. The accounting policies of the reportable segments are the same as described in Note 3(u).

Performance is measured based on segment profit before tax as included in the internal management reports that are reviewed by the Group's Managing Director. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Segment assets

The total of segment asset is measured based on all assets of a segment, as included in the internal management reports that are reviewed by the Group's Managing Director. Segment total asset is used to measure the return of assets of each segment.

Segment liabilities

Segment liabilities information is neither included in the internal management reports nor provided regularly to the Group's Managing Director. Hence, no disclosure is made on segment liabilities.

Geographical segments

Both construction, property development and property investment segments are solely operating in Malaysia. Accordingly, information by geographical segment is not presented.

27. SEGMENT INFORMATION (CONT'D)

	Construction		Property development		Property investment		Total	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000 (Restated)	2021 RM'000	2020 RM'000 (Restated)
Segment profit	(967)	(762)	24,002	11,268	(2,254)	(723)	20,781	9,783
Included in the measure of segment profit are:								
Revenue from external customers	–	–	41,989	21,100	9,954	12,187	51,943	33,287
Inter-segment revenue	(24)	249	–	–	578	–	554	249
Not included in the measure of segment profit but provided to Managing Director:								
Depreciation	(508)	(1,000)	(153)	(431)	(3,401)	(2,922)	(4,062)	(4,353)
Finance income	9	12	1,111	862	96	84	1,216	958
Segment assets	17,627	12,768	231,670	237,040	125,220	121,862	374,517	371,670
Included in the measure of segment assets are:								
Additions to non-current assets other than financial instruments and deferred tax assets	–	–	564	490	10	1,077	574	1,567
Segment liabilities	13,416	11,989	32,913	31,922	6,303	5,703	52,632	49,614

Notes to the Financial Statements (cont'd)

27. SEGMENT INFORMATION (CONT'D)

Reconciliations of reportable segments revenues, profit or loss, assets and other material items:

	2021 RM'000	2020 RM'000 (Restated)
Profit or loss		
Total profit or loss for reportable segments	20,781	9,783
Other non-reportable segments	14,806	3,180
Elimination of inter-segment profits	(14,629)	(3,029)
Consolidated profit before tax	20,958	9,934
Assets		
Total assets for reportable segments	374,517	371,670
Other non-reportable segments	24,797	11,690
Consolidated assets	399,314	383,360
Liabilities		
Total liabilities for reportable segments	52,632	49,614
Other non-reportable segments	2,323	4,338
Consolidated liabilities	54,955	53,952

	External revenue RM'000	Depreciation RM'000	Finance income RM'000	Additions to non-current assets RM'000
2021				
Total reportable segments	51,319	(4,063)	1,216	574
Other non-reportable segments	289	(75)	4	(770)
Consolidated total	51,608	(4,138)	1,220	(196)
2020				
Total reportable segments	33,287	(4,353)	958	1,638
Other non-reportable segments	237	(40)	8	1,651
Consolidated total	33,524	(4,393)	966	3,289

No disclosure on geographical segment information as the Group operates predominantly in Malaysia.

The Group has large and diversified customers base which consists of individuals and corporations. There was no single customer that contributed 10% or more of the Group's revenue for the financial years ended 2021 and 2020.

Notes to the Financial Statements (cont'd)

28. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 3 describe how the classes of the financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised.

	At amortised cost RM'000	At FVTPL RM'000	Total RM'000
Group			
2021			
Financial assets			
Other investments	–	6	6
Trade and other receivables	14,898	–	14,898
Deposits, bank and cash balances	5,610	53,349	58,959
	20,508	53,355	73,863
Financial liabilities			
Trade and other payables	36,145	–	36,145
Bank borrowings	2,000	–	2,000
	38,145	–	38,145
Group			
2020			
Restated			
Financial assets			
Other investments	–	6	6
Trade and other receivables	15,003	–	15,003
Deposits, bank and cash balances	4,703	16,957	21,660
	19,706	16,963	36,669
Financial liabilities			
Trade and other payables	35,981	–	35,981
Bank borrowings	2,000	–	2,000
	37,981	–	37,981

	At amortised cost 2021 RM'000	At amortised cost 2020 RM'000
Company		
Financial assets		
Trade and other receivables	88,051	85,825
Deposits, bank and cash balances	70	110
	88,121	85,935
Financial liabilities		
Trade and other payables	12,576	17,281

Notes to the Financial Statements (cont'd)

28. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's operations whilst managing its credit, liquidity, foreign currency and interest rate risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(i) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers and deposits with banks. The Company's exposure to credit risk arises principally from loans and advances to subsidiaries and financial guarantees given to banks for credit facilities granted to subsidiaries. There are no significant changes as compared to previous financial years.

The Group has adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties and deposits with banks with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

The Company provides unsecured loans and advances to subsidiaries. It also provides unsecured financial guarantees to banks for banking facilities granted to certain subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

At each reporting date, the Group and the Company assess whether any if the receivables are credit impaired.

The gross carrying amounts of credit impaired trade receivables are written off (either partial or full) when there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the financial year represents the Group's and the Company's maximum exposure to credit risk except for bankers' guarantee issued in favour of third parties for securing contract performance and financial guarantees provided to banks and trade suppliers for banking facilities and for supply of goods and services to certain subsidiaries. The Group's maximum exposure in this respect is RM11,000 (2020: RM14,000), while the Company's maximum exposure in this respect is RM2,000,000 (2020: RM2,000,000), representing the outstanding banking facilities and trade suppliers accounts of the subsidiaries as at the end of the reporting period. There was no indication that any subsidiary companies would default on repayment as at the end of the reporting period.

There are no significant changes as compared to previous financial year.

The Group has no significant concentration of credit risk as its exposure spread over a large number of customers. The Company has no significant concentration of credits risks except for loans and advances to its subsidiaries where risks of default have been assessed to be low.

(ii) Liquidity risk

Liquidity risk refers to the risk that the Group or the Company will encounter difficulty in meeting its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's and the Company's funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Group finances its liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

28. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

	On demand or within 1 year RM'000	Total contractual cash flows RM'000	Total carrying amount RM'000
Group			
2021			
Non-derivative financial liabilities			
Trade and other payables	36,145	36,145	36,145
Bank borrowings	2,000	–	2,000
Financial guarantee *	11	11	–
	38,156	36,156	38,145
2020			
Restated			
Non-derivative financial liabilities			
Trade and other payables	35,981	35,981	35,981
Bank borrowings	2,000	–	2,000
Financial guarantee *	14	14	–
	37,995	35,995	37,981
Company			
2021			
Non-derivative financial liabilities			
Trade and other payables	12,576	12,576	12,576
Financial guarantee *	2,000	2,000	–
	14,576	14,576	12,576
2020			
Non-derivative financial liabilities			
Trade and other payables	17,281	17,281	17,281
Financial guarantee *	2,000	2,000	–
	19,281	19,281	17,281

* Based on the maximum amount that can be called for under the financial guarantee contract.

The Company provides unsecured financial guarantee to banks in respect of credit facilities and to suppliers of goods for credit terms granted to subsidiaries and monitors on an ongoing basis the performance of the subsidiaries. At the end of the financial year, there was no indication that the subsidiaries would default on repayment.

Financial guarantee have not been recognised since the fair value on initial recognition was deemed not material and the probability of the subsidiaries defaulting on their credit facilities is remote.

Notes to the Financial Statements (cont'd)

28. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risk

(a) Foreign currency risk

The Group is exposed to foreign currency risk on transactions that are denominated in currencies other than the respective functional currencies of Group entities. The currencies giving rise to this risk is Hong Kong Dollar ("HKD").

The Group has not entered into any derivative instruments for hedging or trading purposes. Where possible, the Group will apply natural hedging by selling and purchasing in the same currency. However, the exposure to foreign currency risk is monitored from time to time by management.

The carrying amounts of the Group's foreign currency denominated financial assets at the end of the reporting period are as follows:

	Denominated in HKD RM'000
Group	
2021	
Deposits, cash and bank balances	333
2020	
Deposits, cash and bank balances	322

Foreign currency sensitivity analysis

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in the HKD exchange rates against the RM, with all other variables held constant.

	Effect on profit before tax	
	2021 RM'000	**2020 RM'000**
Group		
Change in currency rate		
Strengthened 10% (2020: 10%)	33	32
Weakened 10% (2020: 10%)	(33)	(32)

(b) Interest rate risk

The Group's and the Company's fixed rate deposits placed with licensed banks and borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's and the Company's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The Group manages the interest rate risk of its deposits with licensed banks by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining a prudent mix of short and long-term deposits.

28. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risk (Cont'd)

(b) Interest rate risk (Cont'd)

The Group manages its interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group constantly monitors its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group does not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

The interest rate profile of the Group's and of the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	Group	
	2021	**2020**
	RM'000	**RM'000**
		(Restated)
Fixed rate instrument		
Financial assets	482	474
Floating rate instruments		
Financial assets	53,349	16,957
Financial liabilities	(2,000)	(2,000)
	51,349	14,957

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for floating rate instruments

A change in interest rates at the end of the reporting period would not significantly affect profit or loss in view that variable rate financial liabilities are not significant as at the reporting date.

(c) Fair value of financial instruments

The carrying amounts of short-term receivables and payables, cash and cash equivalents and short-term borrowings approximate their fair value due to the relatively short-term nature of these financial instruments and insignificant impact of discounting.

The table below analyses financial instruments carried at fair value and carrying amounts shown in the statements of financial position.

Notes to the Financial Statements (cont'd)

28. FINANCIAL INSTRUMENTS (CONT'D)

(c) Fair value of financial instruments (Cont'd)

	Fair value of financial instruments carried at fair value		Total fair value	Carrying amount
	Level 1 RM'000	Total RM'000	RM'000	RM'000
Group				
2021				
Financial asset				
Quoted shares	6	6	6	6
2020				
Financial asset				
Quoted shares	6	6	6	6

29. MATERIAL LITIGATION

Group and Company

(a) In the previous financial years, a third party (the "Plaintiff") filed a Writ and a Statement of Claim against Ken Holdings Berhad and three of its subsidiaries (hereinafter jointly known as the "Defendants") pursuant to the alleged termination of a share sale agreement and an agreement between one of the Defendants and the Plaintiff (the "Suit"). Subsequently, the Plaintiff filed an Interlocutory Injunction Application ("Injunction Application"), to which the Court had granted part of the Injunction Application - preventing the Defendants from imposing any encumbrances on and selling and/or auctioning the land, pending full disposal of the Suit. This injunction does not affect the development progress of the land. The Court has also allowed the Defendants application for securities for costs whereby the Plaintiff is required to deposit into their solicitor's client account the sum of RM50,000 in the form of fixed deposit.

Subsequently, The Defendant has appealed to the Court of Appeal against the High Court's decision for allowing part of the Application and the Court of Appeal has dismissed the Application. The Plaintiff filed a motion for Leave to Appeal to Federal Court in relation to the Application where the Federal Court has decided the matter in the Defendant's favour with cost. The trial High Court Suit No. 22NCVC-64-01/2015 ended in January 2020 and the case is now pending for decision.

The Directors were advised by the solicitors that based on the evidence, the Suit will resolve in the Defendants' favour.

(b) On 12 October 2020, Common Ground TTDI Sdn Bhd (the "Plaintiff") filed a Writ of Summons and Statement of Claim and an ex-parte Interim Injunction Order against Ken TTDI Sdn Bhd (the "Defendant") to prevent the Defendant from, among other things, taking any form of action to repossess the demised premises in the interim period.

On 26 November 2020, the Defendant filed a Third Party Notice against Common Ground Works Sdn Bhd, Teo Juhn How and Erman Akinci and the hearing is set for 14 June 2021 and the Court has allowed the Third Parties' Setting Aside Application with costs of RM6,000.00. The Defendant had also on 30 November 2020 filed a Defence and Counterclaim against the Plaintiff and the trial dates has been set on 31 July 2023, 21 August 2023 and 22 August 2023. On 30 December 2020, the Defendant had filed an Application pursuant to Order 14A Rule 1 and/or Order 33 Rule 2 for the Court to determine two questions of law and/or interpretation of the TA, or preliminary issues, in order that the action may be disposed of without the need for a trial.

Notes to the Financial Statements (cont'd)

29. MATERIAL LITIGATION (CONT'D)

Group and Company (Cont'd)

(b) The *inter-partes* hearing of the Plaintiff's Interim Injunction Application and the Defendant's Application pursuant to Order 14A Rule 1 and/or Order 33 Rule 2 Rules of Court 2012 were both heard on 18 March 2021 and the Court had on 15 April 2021 dismissed the Plaintiff's Interim Injunction Application with costs of RM8,000 awarded in favour of the Defendant. On the even date, the High Court had also allowed the Defendant's Application pursuant to Order 14A Rule 1 and/or Order 33 Rule 2 Rules of Court 2012 with costs of RM5,000 awarded in favour of the Defendant and accordingly, the Plaintiff's claim against the Defendant is dismissed.

On 30 August 2021, the Defendant filed an Application for Consequential Orders, which was heard on 2 November 2021 and the Court had allowed the Defendant's Application and granted the following orders:

a) that the Plaintiff shall immediately hand over possession of the Demised Premises to the Defendant in accordance with the terms of the Tenancy Agreement which had expired on 31.10.2020;

b) that the Plaintiff shall pay double rental for the Demised Premises from 1.11.2020 until the date vacant possession of the Demised Premises is handed over at a monthly rental based on the agreed minimum rate of RM128,337.60 per month; and

c) cost of RM5,000.00 to be paid by the Plaintiff to the Defendant.

On 20 December 2021, the Defendant filed a winding up petition at the Kuala Lumpur High Court against the Plaintiff due to the failure of the Plaintiff to comply with the statutory demand notice pursuant to Section 466 of the Companies Act 2016 for the payment of a total sum of RM3,105,769.92 to the Defendant being the double rental for the Demised Premises, as granted in the Consequential Orders dated 2 November 2021. The Court has fixed the hearing of the winding up petition on 25 May 2022.

30. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital using a gearing ratio. The Group's policy is to maintain a prudent level of gearing ratio that complies with debt covenants and regulatory requirements. The gearing ratios at end of the reporting period are as follows:

	Group		Company	
	2021 RM'000	**2020 RM'000**	**2021 RM'000**	**2020 RM'000**
Total bank borrowings	2,000	2,000	–	–
Total equity	344,830	329,408	134,023	127,152
Gearing ratio	0.01	0.01	–	–

Notes to the Financial Statements
(cont'd)

30. CAPITAL MANAGEMENT (CONT'D)

There were no changes in the Group's and the Company's approach to capital management during the financial year.

The Group and the Company are not subject to any externally imposed capital requirements.

31. SIGNIFICANT EVENT

Effect of outbreak of coronavirus pandemic

The outbreak of the COVID-19 pandemic has caused travel restrictions and lockdown and prolonged economic downturn nationwide and worldwide. Consequently, the Group has recorded lower performance from all operating segments.

The Group has taken initiative and steps to mitigate the exposure and disruptions in the business operations. Nevertheless, the Directors will closely monitor the current development of COVID-19 pandemic and at the present the business activities of the Group are in normal and stable operation.

The Group is cognizant of the challenges posed by these developing events and is actively monitoring and taking appropriate and timely measures, also works closely with the local authorities to support their efforts in containing the spread of Covid-19 to minimise the impact of Covid-19 on its business operations. The COVID-19 mitigation measures that implemented by the Group includes physical distancing at work, staggered lunch breaks, flexible working arrangements including working from home, virtual meetings, temperature checks and regular workplace sanitisation.

At the reporting date, the Group and the Company have performed an assessment of the overall impact of the situation on the Group's and on the Company's operations, including the recoverability of the carrying amount of assets and measurements of assets and liabilities and concluded that there is no material adverse effect on the financial statements for the financial year ended 31 December 2021.

The Directors and management of the Company are not aware of any uncertainties arising after the end of the financial year that would have a significant impact on the current financial statements, including the financial continuity and sustainability of the Group and of the Company as going concern for the next twelve (12) months.

32. COMPARATIVE FIGURES

Certain comparatives were restated to conform with current financial year's presentation. There was no significant impact to the financial performance in relation to the financial year ended 31 December 2021.

33. DATE OF AUTHORISATION FOR ISSUE

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 21 April 2022.

LIST OF PROPERTIES
As at 31 December 2021

The properties of the Group as at 31 December 2021 are as follows:

No	Location	Description / usage	Tenure / year of expiry	Age of property/ building	Land/ Built-up area	Net book value (RM'000)	Year of valuation / acquisition
1.	Geran Nos. 63978 and 35098 Lot No. 20 and 419, Section 1 Bandar Batu Feringgi District of Timor Laut State of Penang	Two parcels of land for development	Freehold	–	2.53 acres	5,726	2005
2.	Geran 6372A, 6373 to 6377 Lot Nos. 12325,12326 & 8273 to 8277 Mukim of Chenderiang District of Batang Padang State of Perak Darul Ridzuan	Six parcels of agriculture land for investment	Freehold	–	50.98 acres	1,741	2005
3.	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 for development	Freehold	–	14.44 acres	2,111	2003
4.	PM 269, Lot No. 13555 Kampung Sungai Kayu Ara Mukim of Sungai Buloh District of Petaling State of Selangor Darul Ehsan	A parcel of land occupied as store	Leasehold/ 1 February 2079	–	47,006 sq ft	4,129	2020**
5.	PM 270, Lot No. 13559 Kampung Sungai Kayu Ara Mukim of Sungai Buloh District of Petaling State of Selangor Darul Ehsan	A parcel of land occupied as store	Leasehold/ 1 February 2079	–	36,909 sq ft	3,244	2020**
6.	Lot 29504, H.S. (D) 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 as investment	Freehold	41 years	1,875 sq ft	4,354	2020**
7.	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 ground floor shoplots for investment	Leasehold/ 9 February 2104	21 years	9,192 sq ft	1,096	2005*
8.	A-3A-1, A-3A-2, A-3A-3, A-3A-3A, A-3A-7, B-3A-5, C-3A-2, C-3A-3, C-3A-6 Ken Damansara Condominium No. 217 Jalan SS2/72 47400 Petaling Jaya State of Selangor Darul Ehsan	9 units of retail commercial lots for investment	Freehold	19 years	6,653 sq ft	335	2005*

List of Properties (cont'd)

No	Location	Description / usage	Tenure / year of expiry	Age of property/ building	Land/Built-up area	Net book value (RM'000)	Year of valuation / acquisition
9.	GRN 310971 Lot 96752, GRN 338115 Lot 112181 Mukim of Kapar District of Klang State of Selangor Darul Ehsan	Two parcels of land for development	Freehold	–	Approximately 4.32 acres	2,912	2003
10.	Menara KEN TTDI No. 37, Jalan Burhanuddin Helmi Taman Tun Dr Ismail 60000 Kuala Lumpur Federal Territory	Corporate office tower	Freehold	–	Approximately 1.21 acres	119,090	2007
11.	PM11255, Lot 38126 Tempat Kampung Melayu Malra, Sungai Buloh Bandar Sungai Buloh Daerah Gombak Negeri Selangor Darul Ehsan	A parcel of land to be occupied as store	Leasehold/ 18 August 2068	–	110,543 sq ft	1,909	2020**
12.	01-01, 01-02, 01-03, 01-04, 01-05, 01-06, 01-07, 01-08, 01-09, 01-10, 01-11, 01-12, 01-13, 01-14, 01-15, 01-16, 01-17 Pangsapuri Rimba 2, No. 5, Jalan Lengkuas 16/19, Seksyen 16, 40200 Shah Alam, Selangor Darul Ehsan	17 units of ground floor shoplots for investment	Freehold	12 years	11,050 sq ft	1,123	2010
13.	GM1431-1438 & 1670 Lot No 2794-2797, 3511-3514 & 8826 Mukim Cheng District of Melaka Tengah State of Melaka	Nine parcels of land for investment	Freehold	–	437,671 sq ft	5,750	2011
14.	HS(D) 10382 Lot PT 11205 and HS(D) 10386 Lot 11209 Mukim and District of Bentong State of Pahang	Two parcels of land for development	Freehold	–	Approximately 4.95 acres	16,604	2012
15.	PN 38964, 38965, 38966 and 38967 Lots 22642, 22643, 22644 and 22645 Town and District of Johor Bahru State of Johor	Four parcels of land for development	Leasehold / 8 March 2091	–	992,368 sq ft	74,028	2012
16.	HS(D) 548463 PTB 19200 Town and District of Johor Bahru State of Johor	A parcel of land for development	Leasehold / 8 March 2091	–	60,700 sq ft	5,037	2015*

* *Valuation done in 2005*
** *Valuation done in 2020*

ANALYSIS OF SHAREHOLDINGS

As at 28 March 2022

SHARE CAPITAL

Issued shares	:	191,720,000 ordinary shares
No. of treasury shares	:	12,383,400 ordinary shares
Class of shares	:	Ordinary shares
Voting rights	:	1 vote per ordinary share

ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of shareholdings	No. of shareholders	%	No. of shares held	%
Less than 100 shares	75	4.81	1,582	0.00
100 – 1,000 shares	139	8.92	64,060	0.04
1,001 – 10,000	828	53.11	5,048,678	2.82
10,001 – 100,000	447	28.67	13,962,860	7.79
100,001 to less than 5% of issued shares	67	4.30	65,501,280	36.52
5% and above of issued shares	3	0.19	94,758,140	52.84
Total	**1,559**	**100.00**	**179,336,600**	**100.00**

LIST OF THIRTY LARGEST SHAREHOLDERS

	Name	No. of shares held	%
1.	Kencana Bahagia Sdn. Bhd.	64,549,638	35.99
2.	SJ Sec Nominees (Tempatan) Sdn. Bhd. *Budaya Dinamik Sdn. Bhd.*	20,425,724	11.39
3.	Dato' Tan Boon Kang	9,782,778	5.45
4.	SJ Sec Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Seloka Aman Sdn. Bhd.*	6,663,000	3.72
5.	Ir. Tan Chek Siong	6,242,000	3.48
6.	Tan Chek Een	6,000,000	3.35
7.	Tan Chek Ying	6,000,000	3.35
8.	Kencana Bahagia Sdn. Bhd.	3,300,000	1.84
9.	Maybank Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Tan Kian Ling*	2,640,000	1.47
10.	CGS-CIMB Nominess (Tempatan) Sdn. Bhd. *Pledged Securities Account for Tan Kian Ling (MY2236)*	2,470,000	1.38
11.	Yeoh Phek Leng	2,377,000	1.33
12.	To' Puan Lau Pek Kuan	2,320,000	1.29
13.	To' Puan Lau Pek Kuan	2,300,000	1.28
14.	Maybank Nominees (Tempatan) Sdn. Bhd. *Pledged Securities Account for Khoo Bee Lian*	2,257,600	1.26
15.	Adat Saga Sdn. Bhd.	2,095,300	1.17
16.	Teo Kwee Hock	2,019,000	1.13
17.	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. *Pledged Securities Account For Khoo Bee Lian*	1,516,400	0.85
18.	Liew Yoon Yee	1,350,300	0.75
19.	Low Siew Choong @ Liew Siew Meng	1,265,500	0.71
20.	Tan Moon Hwa	1,202,680	0.67

Analysis of Shareholdings (cont'd)

LIST OF THIRTY LARGEST SHAREHOLDERS (CONT'D)

	Name	No. of shares held	%
21.	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tan Kian Aik	1,000,000	0.56
22.	Liew Yoon Yee	970,000	0.54
23.	Yeo Khee Huat	593,000	0.33
24.	Lai Jee Hing	523,500	0.29
25.	Lim Hong Liang	493,480	0.28
26.	Lim Pay Kaon	482,700	0.27
27.	Lau Chin Ka	468,320	0.26
28.	Universal Trustee (Malaysia) Berhad TA Islamic Fund	463,000	0.26
29.	Sek Kiang Noi	430,000	0.24
30.	Lau Chin Kok	426,000	0.24
	Total	**152,626,920**	**85.11**

SUBSTANTIAL SHAREHOLDERS (AS SHOWN IN THE REGISTER OF SUBSTANTIAL SHAREHOLDERS)

Name of substantial shareholders	No. of ordinary shares			
	Direct	**%**	**Indirect**	**%**
1) Kencana Bahagia Sdn. Bhd.	67,849,638	37.83	–	-
2) Dato' Tan Boon Kang	9,782,778	5.46	84,469,638 (1)	47.10
3) To' Puan Lau Pek Kuan	4,620,000	2.58	89,632,416 (1)	49.98
4) Anton Syazi bin Ahmad Sebi	–	–	20,425,724 (2)	11.39
5) Aryati Sasya Binti Ahmad Sebi	–	–	20,425,724 (2)	11.39
6) Budaya Dinamik Sdn. Bhd.	20,425,724	11.39	–	–

STATEMENT OF DIRECTORS' SHAREHOLDINGS

	No. of ordinary shares			
Directors' name	**Direct**	**%**	**Indirect**	**%**
1) Dato' Tan Boon Kang	9,782,778	5.46	84,469,638 (1)	47.10
2) Ir. Tan Chek Siong	6,242,000	3.48	–	–
3) Tan Moon Hwa	1,202,680	0.67	–	–
4) YAM Dato' Seri Syed Azni Ibni Almarhum Tuanku Syed Putra Jamalullail	–	–	–	–
5) Dato' Ir. Dr. Ashaari bin Mohamad	–	–	–	–
6) Loo Pak Soon	–	–	–	–

By virtue of his interest in the Company, Dato' Tan Boon Kang is deemed to be interested in the shares in all subsidiaries to the extent that the Company has an interest.

Notes:
(1) Deemed interested by virtue of his/her substantial shareholding in Kencana Bahagia Sdn. Bhd. and shareholdings of his/her spouse and children in the Company
(2) Deemed interested by virtue of his/her substantial shareholding in Budaya Dinamik Sdn. Bhd.

KEN®

KEN HOLDINGS BERHAD
Registration No.: 198301010855 (106173-M)
(Incorporated in Malaysia)

Proxy Form

I/We ....
(FULL NAME AS PER NRIC / CERTIFICATE OF INCORPORATION IN CAPITAL LETTERS)

Company No. .... / NRIC No. (new)...(old)...

of ....
(FULL ADDRESS)

being a member(s) of KEN HOLDINGS BERHAD hereby appoint:

....NRIC No. (new) ....(old)...

or failing him/her..NRIC No. (new) ....(old)...

or failing him/her, the Chairman of the Meeting as *my/our proxy to vote for *me/us on *my/our behalf at the 38th Annual General Meeting of the Company to be held at The Space, Level 2, Menara KEN TTDI, No. 37, Jalan Burhanuddin Helmi, Taman Tun Dr Ismail, 60000 Kuala Lumpur on Wednesday, 25 May 2022, at 10.00 a.m. or 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/her discretion.)

NO.	RESOLUTIONS	FOR	AGAINST
1)	Ordinary Resolution 1 - To approve the payment of Directors' fees		
2)	Ordinary Resolution 2 - To approve the payment of Directors' benefits to the Non-Executive Directors		
3)	Ordinary Resolution 3 - Re-election of Dato' Ir. Dr. Ashaari Bin Mohamad		
4)	Ordinary Resolution 4 - Re-election of Mr. Loo Pak Soon		
5)	Ordinary Resolution 5 - Re-appointment of Messrs. UHY as Auditors and authorise the Directors to fix their remuneration		
6)	Ordinary Resolution 6 - Authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act, 2016		
7)	Ordinary Resolution 7 - Proposed Renewal of Share Buy-Back		
8)	Ordinary Resolution 8 - Retention of YAM Dato' Seri Syed Azni Ibni Almarhum Tuanku Syed Putra Jamalullail		
9)	Ordinary Resolution 9 - Retention of Dato' Ir. Dr. Ashaari Bin Mohamad		

Signed this .... day of 2022

No. of shares held:	
CDS Account No.:	

The proportions of my/our holdings to be represented by my/our proxy(ies) are as follows:

Proxy 1	Shares	%
Proxy 2	Shares	%
Total	Shares	100%

....
Signature/Common Seal of Member(s)

Notes:

1. As a precautionary measure in view of the COVID-19 pandemic, members who wish to attend the 38th AGM in person ARE REQUIRED TO PRE-REGISTER with the Company's share registrar, Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor"), via TIIH Online at https://tiih.online no later than 23 May 2022 at 10.00 a.m. Please refer to the Administrative Guide for the 38th AGM for further details.
2. A member of the Company entitled to attend, speak and vote at 38th AGM is entitled to appoint any person as his/her proxy to attend, speak and vote instead of him/her at the 38th AGM. There shall be no restriction as to the qualification of proxy.
3. 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 proportion of his/her shareholdings to be represented by each proxy.
4. Where a member is an authorised nominee, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares standing to the credit of the said securities account.
5. Where a member of the Company is an Exempt Authorised Nominee ("EAN") as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the EAN may appoint in respect of each omnibus account it holds.
6. In the case of a corporate body, the proxy appointed must be in accordance with the Constitution, 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.
7. The instrument appointing the proxy must be deposited at the Share Registrar's office at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi 59200 Kuala Lumpur or by electronic lodgement via TIIH Online at https://tiih.online (applicable to individual shareholders only), not less than 48 hours before the time set for the meeting or any adjournment thereof. Please refer to the Administrative Guide for the 38th AGM for further information on the electronic lodgement of the Proxy Form.
8. For purposes of determining who shall be entitled to attend, speak and vote at the 38th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company pursuant to Clause 63 of the Constitution of the Company and Paragraph 7.16(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Listing Requirements"), a Record of Depositors as at 17 May 2022 and a Depositor whose name appears on such Record of Depositors shall be entitled to attend, speak and vote at the 38th AGM or appoint proxy to attend, speak and vote in his/her stead.
9. Pursuant to Paragraph 8.29A(1) of the Listing Requirements, all the Resolutions set out in this Notice will be put to vote by poll.

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AFFIX
STAMP

The Share Registrar
TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

Then fold here

KEN® HOLDINGS BERHAD

198301010855 (106173-M)

Level 12, Menara KEN TTDI, No. 37, Jalan Burhanuddin Helmi,
Taman Tun Dr. Ismail, 60000 Kuala Lumpur, Malaysia.

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Facebook : www.facebook.com/KEN.Greenbook