



**KEN HOLDINGS BERHAD**  
**(198301010855 (106173-M))**

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2021**

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2021

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.12.2021	Preceding Year Corresponding Quarter 31.12.2020	Current Year To Date 31.12.2021	Preceding Year Corresponding Period 31.12.2020
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	11,731	12,092	51,608	33,524
Cost of sales	(3,646)	(5,930)	(23,400)	(15,197)
<b>Gross Profit</b>	8,085	6,162	28,208	18,327
Operating expenses	(4,125)	(6,150)	(13,967)	(14,254)
Other operating income	1,957	1,464	6,511	5,861
<b>Profit before tax</b>	5,917	1,476	20,752	9,934
Income tax expense	(1,930)	324	(5,639)	(1,287)
<b>Profit for the period / Total comprehensive income for the period</b>	3,987	1,800	15,113	8,647
Other comprehensive income:				
Revaluation surplus on property, plant and equipment	-	888	-	934
Deferred tax liabilities relating to components of other comprehensive income	-	-	-	(46)
<b>Total comprehensive income for the period</b>	3,987	2,688	15,113	9,535
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	3,987	2,688	15,113	9,535
Non-controlling interest	-	-	-	-
	3,987	2,688	15,113	9,535
<b>Earnings per share (sen) :</b>				
(i) Basic earnings per ordinary share	2.22	1.00	8.43	4.82
(ii) Diluted earnings per ordinary share	-	-	-	-

(The Unaudited Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2020)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	(Unaudited) As at 31.12.2021 RM'000	(Audited) As at 31.12.2020 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	6,292	7,792
Investment properties	127,923	131,166
Inventories	106,419	105,856
Right-of-use assets	9,282	9,450
Other investments	26	26
Deferred tax assets	9,412	10,796
	259,354	265,086
<b>Current assets</b>		
Inventories	63,529	78,628
Trade and other receivables	18,503	18,196
Deposits, bank and cash balances	58,959	21,660
	140,991	118,484
	400,345	383,570
<b>Total Assets</b>	400,345	383,570
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	95,860	95,860
Treasury shares at cost	(5,366)	(5,366)
Reserves	9,255	9,255
Non-controlling interest	49	49
Retained earnings	244,723	229,610
<b>Total equity</b>	344,521	329,408
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Deferred tax liabilities	15,910	15,892
	15,910	15,892
<b>Current liabilities</b>		
Trade and other payables	36,145	36,191
Borrowings	2,000	2,000
Provision for taxation	1,769	79
	39,914	38,270
<b>Total Liabilities</b>	55,824	54,162
<b>Total equity and liabilities</b>	400,345	383,570
<b>Net assets per share (RM)</b>	1.92	1.84

(The Unaudited Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2020)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD 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 interest RM'000	Total equity RM'000
At 1 January 2020	95,860	(5,366)	8,367	220,963	319,824	49	319,873
Net profit for the period	-	-	-	8,647	8,647	-	8,647
Other comprehensive income	-	-	888	-	888	-	888
Total comprehensive income for the year	-	-	888	8,647	9,535	-	9,535
At 31 December 2020	95,860	(5,366)	9,255	229,610	329,359	49	329,408
At 1 January 2021	95,860	(5,366)	9,255	229,610	329,359	49	329,408
Net profit for the period	-	-	-	15,113	15,113	-	15,113
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	15,113	15,113	-	15,113
Changes in ownership interests in a subsidiary	-	-	-	-	-	-	-
<b>At 31 December 2021</b>	<b>95,860</b>	<b>(5,366)</b>	<b>9,255</b>	<b>244,723</b>	<b>344,472</b>	<b>49</b>	<b>344,521</b>

(The Unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2020)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2021

	Current Period To Date 31.12.2021 RM'000	Preceding Year Corresponding Period 31.12.2020 RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	20,752	9,934
Adjustments for:		
Non-cash items	4,054	6,946
Non-operating items	(1,157)	(885)
<b>Operating profit before working capital changes</b>	<u>23,649</u>	<u>15,995</u>
Changes in working capital:		
Net changes in current assets	14,849	4,299
Net changes in current liabilities	25	(1,925)
Cash generated from operations	<u>38,523</u>	<u>18,369</u>
Interest received	133	957
Tax refund	171	338
Tax paid	(3,409)	(2,019)
<b>Net cash generated from operating activities</b>	<u>35,418</u>	<u>17,645</u>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(12)	(3,100)
Proceeds from disposal of investment property	858	-
Proceeds from disposal of property, plant and equipment	-	5
Interest received	1,087	9
<b>Net cash from/(used in) investing activities</b>	<u>1,933</u>	<u>(3,086)</u>
<b>Cash flows from financing activities</b>		
Interest paid	(63)	(81)
<b>Net cash used in financing activities</b>	<u>(63)</u>	<u>(81)</u>
<b>Net changes in cash and cash equivalents</b>	37,288	14,478
Effect of exchange rate fluctuations on cash held	11	(5)
Cash and cash equivalents at the beginning of the financial period	21,660	7,187
<b>Cash and cash equivalents at the end of the financial period</b>	<u>58,959</u>	<u>21,660</u>

*(The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2020)*

**A. EXPLANATORY NOTES PURSUANT TO THE INTERIM FINANCIAL REPORT – IN COMPLIANCE WITH MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRSs”)**

**A1. BASIS OF PREPARATION**

The unaudited interim financial statements have been prepared in accordance with the requirements of MFRS 134 Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”) and Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Listing Requirements”) and should be read in conjunction with the Group’s audited financial statements for the year ended 31 December 2020.

The significant accounting policies and methods of computation adopted in the unaudited interim financial statements are consistent with those adopted in the Group’s audited financial statements for the year ended 31 December 2020.

The Group and the Company’s financial statements for reporting period ended 31 December 2021 are prepared in accordance with the Malaysian Financial Reporting Standards (“MFRSs”) issued by MASB and International Financial Reporting Standards except for the adoption of the following new/revised MFRSs and Amendments to MFRSs:

- Amendment to MFRS 9, MFRS 139 and MFRS 7, MFRS4 and MFRS 16: Interest Rate Benchmark Reform – Phase 2
- Amendments to MFRS 16 Leases: Covid-19 Related Rent Concessions

The adoption of the above amendments to MFRSs did not result in material impact to the interim financial statements of the Group.

The following are accounting standards, amendments and interpretations that have been issued by the MASB but are not yet effective for the Group and the Company:

	<b>Effective dates for financial periods beginning on or after</b>
• Annual Improvement of MFRS Standards 2018 – 2020	1 January 2022
• Amendments to MFRS 3 Business Combinations: 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
• Amendments to MFRS 112 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
• MFRS 17 and Amendments to MFRS 17 Insurance Contracts	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 10 and MFRS 128, Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

## A2. AUDITORS' REPORT OF PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the year ended 31 December 2020 was not qualified.

## A3. SEASONAL OR CYCLICAL FACTORS

The Group's operations were not significantly affected by any seasonal or cyclical factors.

## A4. UNUSUAL ITEMS

There were no items affecting the assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size, or incidence during the current financial period.

## A5. MATERIAL CHANGES IN ACCOUNTING ESTIMATES

There were no changes in accounting estimates of amounts reported in prior interim period which have a material effect on the current financial period.

## A6. ISSUANCE OR REPAYMENT OF DEBTS AND EQUITY SECURITIES

Save as disclosed below, there were no other issuance and repayment of debts and equity securities, shares buy-back, share cancellations, shares held as treasury shares or resale of treasury shares during the current financial period under review:

### Share Buy-back

The Company had not purchased any of its own shares for the quarter ended 31 December 2021.

At the date of this report, a total of 12,383,400 shares purchased back were held as treasury shares with a total cost of RM5,366,095. None of the treasury shares held were resold or cancelled during the quarter under review and up to the date of this report.

## A7. DIVIDENDS PAID

No dividend has been paid for the current quarter ended 31 December 2021.

## A8. SEGMENTAL REPORTING

Segmental analysis of the results and assets employed for 12 months ended 31 December 2021.

Business Segment	Construction RM'000	Property Development RM'000	Property Investment RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
Revenue from external customers	-	41,989	9,331	288	-	51,608
Inter-segment revenue	-	-	578	-	(578)	-
Total revenue	-	41,989	9,909	288	(578)	51,608
<b>Segment result</b>	(967)	23,998	(2,460)	181	-	20,752
Unallocated income / (expenses)						(1,157)
Interest income						1,220
Profit from operations						20,815
Finance cost						(63)
Profit before tax						20,752
Taxation						(5,639)
Net profit for the period						15,113

#### A9. VALUATIONS OF PROPERTY, PLANT AND EQUIPMENT

The values of property, plant and equipment have been brought forward without amendments from the previous financial statements for the year ended 31 December 2020.

#### A10. SUBSEQUENT MATERIAL EVENTS

There were no material events subsequent to the end of the reporting quarter and up to the date of issuance of this Interim Financial Report.

#### A11. CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group for the quarter ended 31 December 2021 including business combination, acquisition or disposal of subsidiaries and long term investments, restructuring and discontinuing operation.

#### A12. CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS

	Quarter Ended 31.12.2021 RM'000	Financial Year Ended 31.12.2020 RM'000
<b>A Contingent Liabilities</b>		
Corporate guarantee for credit facilities and guarantee granted to subsidiaries of the company	11	14

#### B. ADDITIONAL INFORMATION AS REQUIRED BY APPENDIX 9B OF THE LISTING REQUIREMENTS

##### B1. REVIEW OF THE PERFORMANCE

A comparison of the results of current quarter ended 31 December 2021 and the corresponding period in the preceding year is as follows:

	Current Year Quarter 01.10.2021 – 31.12.2021 RM'000	Preceding Year Quarter 01.10.2020 – 31.12.2020 RM'000	Current Year 01.01.2021 – 31.12.2021 RM'000	Preceding Year 01.01.2020 – 31.12.2020 RM'000
Revenue	11,731	12,092	51,608	33,524
Profit before tax	5,917	1,476	20,752	9,934
Profit after tax (before non-controlling interest)	3,987	1,800	15,113	8,647
Profit attributable to equity holders of the parent	3,987	1,800	15,113	8,647

##### Current quarter vs preceding year quarter

The Group recorded slightly lower revenue of approximately RM11.7 million for the current quarter as compared to the previous year's corresponding period due to lower sales registered in the current quarter ended 31 December 2021. However, profit before tax of approximately RM5.9 million for the current quarter was higher as compared to the previous year's corresponding period due to impairment loss on receivables recognised during the previous year's corresponding period.



### Current year to date vs preceding year to date

The Group registered revenue of approximately RM51.6 million and profit before tax of approximately RM20.8 million for the current period ended 31 December 2021 as compared to the previous year's corresponding period's revenue and profit before tax of approximately RM33.5 million and RM9.9 million, respectively. The higher revenue and profit before tax was mainly contributed by the sale of completed properties during the current period ended 31 December 2021.

### B2. MATERIAL VARIATION AGAINST THE PRECEDING QUARTER RESULTS

A comparison of the quarterly results of the current and preceding quarter is as follows:

	<b>Current Quarter 01.10.2021 – 31.12.2021 RM'000</b>	<b>Preceding Quarter 01.07.2021 – 30.09.2021 RM'000</b>
Revenue	11,731	5,733
Profit after tax (before Non-controlling Interest)	3,987	1,582
Profit after tax (after Non-controlling Interest)	3,987	1,582

The revenue for the current quarter ended 31 December 2021 at approximately RM11.7 million was higher than the preceding quarter ended 30 September 2021 by approximately RM6.0 million due to higher number of sales registered during the current quarter. Correspondingly, profit after tax for the current quarter was higher as compared to the preceding quarter.

### B3. PROSPECTS FOR 2022

The prolonged Covid-19 pandemic has caused significant disruptions and challenges to most economic sectors and business activities over the past 2 years. Following the progress of the nationwide vaccination programme, economic sectors are reopening and continuing to its recovery path. 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. The Group will continue focusing on its strategic efforts to strengthen its long-term recurring income as well as monetisation of its remaining inventories while exercising prudence on new project launches. Barring any unforeseen circumstances, the Board of Directors is of the view that the Group's performance will remain positive for the financial year ending 31 December 2022.

### B4. PROFIT FORECAST AND ESTIMATES ANNOUNCED OR DISCLOSED

Not applicable as there were no profit forecast or estimates that has been announced or disclosed for the financial year 2021.

### B5. TAX EXPENSE

	<b>Current Year Quarter 01.10.2021 – 31.12.2021 RM'000</b>	<b>Preceding Year Quarter 01.10.2020 – 31.12.2020 RM'000</b>	<b>Current Year 01.01.2021 – 31.12.2021 RM'000</b>	<b>Preceding Year 01.01.2020 – 31.12.2020 RM'000</b>
In respect of current period				
- income tax	585	(53)	4,236	1,530
- deferred tax	1,345	(271)	1,403	(243)
	<u>1,930</u>	<u>(324)</u>	<u>5,639</u>	<u>1,287</u>

The Group's effective tax rate for the 12 months ended 31 December 2021 was higher than the statutory rate of 24% mainly due to certain expenses which are not deductible for tax purposes.

**B6. THE STATUS OF CORPORATE PROPOSALS**

There was no corporate proposal announced as of the date of this report.

**B7. BORROWINGS AND DEBT SECURITIES**

The Group has unsecured short term borrowings of RM2.0 million at the end of the current quarter ended 31 December 2021.

**B8. MATERIAL LITIGATION****(a) Kuala Lumpur High Court Suit No. 22NCVC-64-01/2015 Sazean Holdings Sdn Bhd ("Plaintiff") v KEN and three of its wholly-owned subsidiaries ("Defendant")**

On 4 June 2015, the Company announced that the Company and three of its wholly-owned subsidiaries, namely Ken Property Sdn Bhd, Ken Capital Sdn Bhd and Ken JBCC Sdn Bhd ("Defendants") had on 3 June 2015 been served with an application for interlocutory injunction ("Application") filed by Sazean Holdings Sdn Bhd to prevent the Defendants from taking any form of action including development of a land in Johor owned by Ken JBCC Sdn Bhd pending the full disposal of the High Court Suit No. 22NCVC-64-01/2015.

The Court has allowed the Application whereby only part of the prayers was granted. The outcome of the Injunction is that the Defendants are only prevented from imposing any encumbrances on the land, selling and/or auctioning the land pending full disposal of the High Court Suit No. 22NCVC-64-01/2015. Nevertheless, it 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.

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 for High Court Suit No. 22NCVC-64-01/2015 ended in January 2020 and is now pending for decision.

**(b) Kuala Lumpur High Court Suit No. WA-22NCVC-650-10/2020 Common Ground TTDI Sdn Bhd ("Plaintiff") v Ken TTDI Sdn Bhd ("Defendant")**

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. The Defendant had on 30 November 2020 filed a Defence and Counterclaim against the Plaintiff and on 30 December 2020, the Defendant also 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.

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 RM5,000.00 awarded in favour of the Defendant and accordingly, the Plaintiff's claim against the Defendant is dismissed.

The hearing of the Third Parties' Setting Aside Application was heard on 14 June 2021 and the Court has allowed the Third Parties' Setting Aside Application with costs of RM6,000.00. The Court has also fixed the trial dates for the Defendant's Counterclaim against the Plaintiff on 31 July 2023, 21 August 2023 and 22 August 2023, and further directions will be given for the pre-trial case management in relation to the Defendant's Counterclaim.

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 12 April 2022.

## B9. DIVIDEND

The Board does not recommend any interim dividend for the current quarter under review (2020: Nil).

## B10. EARNINGS PER SHARE

	Quarter Ended 31.12.2021 RM'000	12months ended 31.12.2021 RM'000
<b>A Basic Earnings</b>		
Profit attributable to owners of the Company	3,987	15,113
Weighted average number of ordinary shares ('000)	179,337	179,337
Basic earnings per share (sen)	2.22	8.43
<b>B Diluted earnings</b>	-	-

There is no impending effect on the diluted earnings per share.

**B11. PROFIT FOR THE PERIOD**

	<b>Current Year Quarter 01.10.2021 – 31.12.2021 RM'000</b>	<b>Preceding Year Quarter 01.10.2020 – 31.12.2020 RM'000</b>	<b>Current Year 01.01.2021 - 31.12.2021 RM'000</b>	<b>Preceding Year 01.01.2020 – 31.12.2020 RM'000</b>
Profit for the period is arrived at after crediting/(charging):				
Gain on disposal of property, plant and equipment	-	-	-	5
Gain on disposal of investment property	283	-	283	-
Interest income	523	159	1,220	966
Other income	910	1,310	4,767	5,199
Depreciation	(1,088)	(1,550)	(4,306)	(3,863)
Interest expense	(17)	(17)	(63)	(81)
Impairment loss on receivables	-	(3,035)	-	(3,035)

Save as disclosed above, the other items as required under Appendix 9B, Part A (16) of the Listing Requirements are not applicable.

By Order of the Board,

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Andrea Huong Jia Mei  
Company Secretary  
Date: 24 February 2022