



KEN HOLDINGS BERHAD
(198301010855 (106173-M))

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2023

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2023

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.12.2023	Preceding Year Corresponding Quarter 31.12.2022	Current Year To Date 31.12.2023	Preceding Year Corresponding Period 31.12.2022
	RM'000	RM'000	RM'000	RM'000
Revenue	9,311	7,901	37,308	20,843
Cost of sales	(5,956)	(4,282)	(21,037)	(11,735)
Gross Profit	3,355	3,619	16,271	9,108
Operating expenses	(3,293)	(4,026)	(12,492)	(12,296)
Other operating income	3,631	1,940	10,289	7,187
Profit before tax	3,693	1,533	14,068	3,999
Income tax expense	(503)	(116)	(3,161)	(1,088)
Profit for the period / Total comprehensive income for the period	3,190	1,417	10,907	2,911
Other comprehensive income:				
Revaluation of land and buildings	26	26	26	26
Total comprehensive income for the period	3,216	1,443	10,933	2,937
Total comprehensive income attributable to:				
Owners of the Company	3,217	1,443	10,934	2,937
Non-controlling interest	(1)	-	(1)	-
	3,216	1,443	10,933	2,937
Earnings per share (sen) :				
(i) Basic earnings per ordinary share	1.78	0.79	6.08	1.62
(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 2022)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	(Unaudited) As at 31.12.2023 RM'000	(Audited) As at 31.12.2022 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	4,283	5,227
Investment properties	122,607	125,265
Inventories	107,478	106,943
Right-of-use assets	8,947	9,114
Other investments	26	26
Deferred tax assets	8,836	9,258
	252,177	255,833
Current assets		
Inventories	54,987	60,958
Trade and other receivables	6,597	10,716
Deposits, bank and cash balances	96,005	72,246
	157,589	143,920
Total Assets	409,766	399,753
EQUITY AND LIABILITIES		
EQUITY		
Share capital	95,860	95,860
Treasury shares at cost	(5,366)	(5,366)
Reserves	9,052	9,026
Non-controlling interest	50	49
Retained earnings	258,634	247,727
Total equity	358,230	347,296
LIABILITIES		
Non-current liabilities		
Deferred tax liabilities	17,686	16,492
	17,686	16,492
Current liabilities		
Trade and other payables	33,573	35,870
Provision for taxation	277	95
	33,850	35,965
Total Liabilities	51,536	52,457
Total equity and liabilities	409,766	399,753
Net assets per share (RM)	2.00	1.94

(The Unaudited Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2022)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2023

	<----- Attributable to owners of the Company ----->						
	<----- Non-distributable ----->			Distributable		Non-controlling interest	Total equity
	Share capital	Treasury shares	Revaluation reserve	Retained earnings	Total		
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 January 2022	95,860	(5,366)	9,000	244,816	344,310	49	344,359
Net profit for the period	-	-	-	2,911	2,911	-	2,911
Other comprehensive income	-	-	26	-	26	-	26
Total comprehensive income for the year	-	-	26	2,911	2,937	-	2,937
At 31 December 2022	<u>95,860</u>	<u>(5,366)</u>	<u>9,026</u>	<u>247,727</u>	<u>347,247</u>	<u>49</u>	<u>347,296</u>
At 1 January 2023	95,860	(5,366)	9,026	247,727	347,247	49	347,296
Net profit for the period	-	-	-	10,907	10,907	1	10,908
Other comprehensive income	-	-	26	-	26	-	26
Total comprehensive income for the period	-	-	26	10,907	10,933	1	10,934
Changes in ownership interests in a subsidiary	-	-	-	-	-	-	-
At 31 December 2023	<u>95,860</u>	<u>(5,366)</u>	<u>9,052</u>	<u>258,634</u>	<u>358,180</u>	<u>50</u>	<u>358,230</u>

(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 2022)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2023

	Current Period To Date 31.12.2023 RM'000	Preceding Year Corresponding Period 31.12.2022 RM'000
Cash flows from operating activities		
Profit before tax	14,068	3,999
Adjustments for:		
Non-cash items	2,697	3,825
Non-operating items	(3,341)	(1,498)
Operating profit before working capital changes	13,424	6,326
Changes in working capital:		
Net changes in current assets	9,791	9,863
Net changes in current liabilities	(1,226)	(264)
Cash generated from operations	21,989	15,925
Interest received	84	120
Tax refund	2	733
Tax paid	(1,518)	(2,902)
Net cash generated from operating activities	20,557	13,876
Cash flows from investing activities		
Acquisition of property, plant and equipment	(78)	(153)
Interest received	3,257	1,568
Net cash generated from investing activities	3,179	1,415
Cash flows from financing activities		
Repayment of borrowings	-	(2,000)
Interest paid	-	(22)
Net cash used in financing activities	-	(2,022)
Net changes in cash and cash equivalents	23,736	13,269
Effect of exchange rate fluctuations on cash held	23	18
Cash and cash equivalents at the beginning of the financial period	72,246	58,959
Cash and cash equivalents at the end of the financial period	96,005	72,246

(The Unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the year ended 31 December 2022)

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 2022.

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 2022.

The Group and the Company’s financial statements for reporting period ended 31 December 2023 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:

- Amendments to MFRS 112 Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- MFRS 17 and Amendments to MFRS 17 Insurance Contracts
- Amendments to MFRS 101 Classification of Liabilities as Current or Non-current
- Amendments to MFRS 101 Disclosure of Accounting Policies
- Amendments to MFRS 108 Definition of Accounting Estimates

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:

	Effective dates for financial periods beginning on or after
• Amendments to MFRS 16 Lease Liability in a Sale and Leaseback	1 January 2024
• Amendments to MFRS 101 Non-current Liabilities with covenants	1 January 2024
• Amendments to MFRS 107 and MFRS 7 Suppliers Finance Arrangement	1 January 2024
• Amendments to MFRS 121 Lack of Exchangeability	1 January 2025
• 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 2022 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 2023.

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 2023.

A8. SEGMENTAL REPORTING

Segmental analysis of the results and assets employed for 12 months ended 31 December 2023.

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	281	15,451	18,712	748	2,116	37,308
Inter-segment revenue	-	-	1,567	-	(1,567)	-
Total revenue	281	15,451	20,279	748	549	37,308
Segment result	378	9,822	3,762	106	-	14,068
Unallocated income / (expenses)						(3,341)
Interest income						3,341
Profit from operations						14,068
Finance cost						-
Profit before tax						14,068
Taxation						(3,161)
Net profit for the period						10,907

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 2022.

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

Save as disclosed below, there were no other changes in the composition of the Group for the quarter under review:

- (a) On 23 October 2023, the Company's wholly-owned subsidiary, Ken-Chec Sdn. Bhd. has incorporated a new wholly-owned subsidiary, St. Paul's Investment Pte. Ltd., with an issued share capital of RM2.
- (b) On 31 October 2023, the Company's wholly-owned subsidiary, St. Paul's Investment Pte. Ltd. has incorporated a new wholly-owned subsidiary, St. Paul's Ventures Limited, with an issued share capital of GBP2.

A12. CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS

	Quarter Ended 31.12.2023 RM'000	Financial Year Ended 31.12.2022 RM'000
A Contingent Liabilities		
Corporate guarantee for credit facilities and guarantee granted to subsidiaries of the company	174	177

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 2023 and the corresponding periods in the preceding year is as follows:

	Current Year Quarter 01.10.2023 – 31.12.2023 RM'000	Preceding Year Quarter 01.10.2022 – 31.12.2022 RM'000	Current Year 01.01.2023 – 31.12.2023 RM'000	Preceding Year 01.01.2022 – 31.12.2022 RM'000
Revenue	9,311	7,901	37,308	20,843
Profit before tax	3,693	1,533	14,068	3,999
Profit after tax (before non-controlling interest)	3,190	1,417	10,907	2,911
Profit attributable to equity holders of the parent	3,190	1,417	10,907	2,911

Current year quarter vs preceding year quarter

The Group registered revenue of approximately RM9.3 million and profit before tax of approximately RM3.7 million for the current quarter ended 31 December 2023 which was higher as compared to the previous year's corresponding period's revenue and profit before tax of approximately RM7.9 million and RM1.5 million, respectively.

This was mainly due to higher sales of completed properties registered during the current year's quarter ended 31 December 2023. Correspondingly, profit before tax increased during the current quarter.

B2. MATERIAL VARIATION AGAINST THE PRECEDING QUARTER RESULTS

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

	Current Quarter 01.10.2023 – 31.12.2023 RM'000	Preceding Quarter 01.07.2023 – 30.09.2023 RM'000
Revenue	9,311	10,605
Profit after tax (before Non-controlling Interest)	3,190	3,979
Profit after tax (after Non-controlling Interest)	3,190	3,979

The revenue for the current quarter ended 31 December 2023 at approximately RM9.3 million was lower than the preceding quarter ended 30 September 2023 by approximately RM1.3 million due to lower sales registered during the current quarter. Correspondingly, profit after tax was lower during the current quarter.

B3. PROSPECTS FOR 2024

The Gross Domestic Product (GDP) of Malaysia is expected to moderate in 2023 but strengthen in 2024, driven by expansion in all sectors and improved global trade prospects. However, challenges in the domestic property sector are expected to persist in the year 2024 due to inflationary pressure and higher interest rates. Nevertheless, the Group will continue adopting a cautious strategy, with a focus on strengthening long-term recurring revenue streams and monetisation of its remaining inventories, while exercising prudence in launching new projects. 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 2024.

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 2023.

B5. TAX EXPENSE

	Current Year Quarter 01.10.2023 – 31.12.2023 RM'000	Preceding Year Quarter 01.10.2022 – 31.12.2022 RM'000	Current Year 01.01.2023 – 31.12.2023 RM'000	Preceding Year 01.01.2022 – 31.12.2022 RM'000
In respect of current period				
- income tax	(604)	42	1,519	670
- deferred tax	1,107	74	1,642	418
	<u>503</u>	<u>116</u>	<u>3,161</u>	<u>1,088</u>

The Group's effective tax rate for the 12 months ended 31 December 2023 was lower than the statutory rate of 24% due to losses of certain subsidiaries, which set off against taxable profits of other subsidiaries.

B6. THE STATUS OF CORPORATE PROPOSALS

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

B7. BORROWINGS AND DEBT SECURITIES

There were no borrowings at the end of the current quarter ended 31 December 2023.

B8. MATERIAL LITIGATION**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.

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.

The trial for the Plaintiff’s Claim and the Defendant’s Counterclaim against the Plaintiff concluded on 24 January 2024 and the case is now pending for the filing and exchange of written submissions among the parties.

B9. DIVIDEND

The Board does not recommend any interim dividend for the current quarter under review (2022: Nil).

B10. EARNINGS PER SHARE

	Quarter Ended 31.12.2023 RM'000	12 months ended 31.12.2023 RM'000
A Basic Earnings		
Profit attributable to owners of the Company	3,190	10,907
Weighted average number of ordinary shares ('000)	179,337	179,337
Basic earnings per share (sen)	1.78	6.08
B Diluted earnings	-	-

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

B11. PROFIT FOR THE PERIOD

	Current Year Quarter 01.10.2023 – 31.12.2023 RM'000	Preceding Year Quarter 01.10.2022 – 31.12.2022 RM'000	Current Year 01.01.2023 - 31.12.2023 RM'000	Preceding Year 01.01.2022 – 31.12.2022 RM'000
Profit for the period is arrived at after crediting/(charging):				
Interest income	954	671	3,341	1,688
Other income	2,713	491	6,948	4,668
Depreciation	(898)	(1,007)	(3,848)	(4,043)
Interest expense	-	-	-	(22)

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: 22 February 2024