



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME  
INTERIM REPORT FOR THE FIRST QUARTER  
AND FINANCIAL PERIOD ENDED 31 DECEMBER 2015**

	(Unaudited) INDIVIDUAL QUARTER Current Year Quarter 31.12.2015 RM'000	(Unaudited) Preceding Year Corresponding Quarter 31.12.2014 RM'000	(Unaudited) CUMULATIVE QUARTER Current Year-to-Date 31.12.2015 RM'000	(Unaudited) Preceding Year-to-Date 31.12.2014 RM'000
<b>Revenue</b>	<b>266,365</b>	207,634	<b>266,365</b>	207,634
Cost of sales	(178,545)	(134,402)	(178,545)	(134,402)
<b>Gross profit</b>	<b>87,820</b>	73,232	<b>87,820</b>	73,232
Other income	45,980	2,867	45,980	2,867
Sales and marketing expenses	(7,747)	(6,105)	(7,747)	(6,105)
Administrative expenses	(16,008)	(15,197)	(16,008)	(15,197)
Other expenses	(10,299)	(801)	(10,299)	(801)
<b>Profit from operations</b>	<b>99,746</b>	53,996	<b>99,746</b>	53,996
Share of results of associates	173	347	173	347
Interest expenses	(9,657)	(7,709)	(9,657)	(7,709)
<b>Profit before tax</b>	<b>90,262</b>	46,634	<b>90,262</b>	46,634
Tax expense	(23,241)	(11,291)	(23,241)	(11,291)
<b>Profit for the period</b>	<b>67,021</b>	35,343	<b>67,021</b>	35,343
<b>Other comprehensive income</b>				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Foreign exchange translation differences	(2,113)	862	(2,113)	862
Other comprehensive income for the period	(2,113)	862	(2,113)	862
<b>Total comprehensive income for the period</b>	<b>64,908</b>	36,205	<b>64,908</b>	36,205
<b>Profit attributable to:</b>				
Owners of the parent	61,570	30,129	61,570	30,129
Non-controlling interests	5,451	5,214	5,451	5,214
	<b>67,021</b>	35,343	<b>67,021</b>	35,343
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	59,512	30,975	59,512	30,975
Non-controlling interests	5,396	5,230	5,396	5,230
	<b>64,908</b>	36,205	<b>64,908</b>	36,205
<b>Earnings per share</b>				
<b>Basic Earnings per ordinary share (sen)</b>	<b>14.68</b>	7.18	<b>14.68</b>	7.18
<b>Diluted Earnings per ordinary share (sen)</b>	<b>14.62</b>	7.13	<b>14.46</b>	6.97
<b>Proposed/Declared Dividend per share (sen)</b>	<b>7.00</b>	8.00	<b>7.00</b>	8.00

The condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Audited Financial Report for the financial year ended 30 September 2015 and the accompanying explanatory notes attached to the interim Financial Report.



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
INTERIM FINANCIAL REPORT AS AT 31 DECEMBER 2015**

	(Unaudited) 31.12.2015	(Audited) 30.09.2015
<i>Assets</i>	<b>RM'000</b>	<b>RM'000</b>
Property, plant and equipment	213,656	210,990
Goodwill	5,495	5,355
Biological assets	250,969	247,070
Prepaid lease payments	27,564	27,913
Investment properties	308,457	308,457
Investment in associates	13,168	12,504
Land held for property development	532,675	553,239
Deferred tax assets	30,335	34,737
Receivables, deposits and prepayments	2,743	2,624
<b>Total Non-Current Assets</b>	<b>1,385,062</b>	<b>1,402,889</b>
Property development costs	483,728	437,955
Inventories	64,338	68,668
Accrued billings	115,674	181,014
Receivables, deposits and prepayments	282,577	235,711
Current tax assets	3,400	3,311
Cash, bank balances, term deposits and fixed income funds	294,114	269,074
<b>Total Current Assets</b>	<b>1,243,831</b>	<b>1,195,733</b>
<b>TOTAL ASSETS</b>	<b>2,628,893</b>	<b>2,598,622</b>
<i>Equity</i>		
Share capital	419,425	419,407
Share premium	36	16
Warrant reserve	8,005	8,009
Translation reserve	181	2,239
Revaluation reserve	23,534	23,534
Retained earnings	683,658	651,448
<b>Equity attributable to owners of the parent</b>	<b>1,134,839</b>	<b>1,104,653</b>
<b>Non-Controlling Interests</b>	<b>23,275</b>	<b>21,879</b>
<b>Total Equity</b>	<b>1,158,114</b>	<b>1,126,532</b>
<i>Liabilities</i>		
Deferred tax liabilities	48,869	47,355
Provisions	6,353	6,311
Loans and borrowings - long-term	550,129	514,447
Payables, deposits received and accruals	140,781	136,507
<b>Total Non-Current Liabilities</b>	<b>746,132</b>	<b>704,620</b>
Provisions	19,596	19,596
Progress billings	37,677	65,235
Payables, deposits received and accruals	373,295	377,372
Loans and borrowings - short-term	271,780	286,938
Current tax liabilities	22,299	18,329
<b>Total Current Liabilities</b>	<b>724,647</b>	<b>767,470</b>
<b>Total Liabilities</b>	<b>1,470,779</b>	<b>1,472,090</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,628,893</b>	<b>2,598,622</b>
<b>Net Assets per share attributable to shareholders of the Company (RM)</b>	<b>2.71</b>	<b>2.63</b>

The condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Report for the financial year ended 30 September 2015 and the accompanying explanatory notes attached to the interim Financial Report.



**MKH BERHAD** (Company No. 50948-T)  
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**INTERIM REPORT FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2015**

	< ----- Attributable to owners of the parent ----- >								
	< ----- Non-distributable ----- >				Distributable				
Group	Share Capital RM'000	Share Premium RM'000	Warrant Reserve RM'000	Translation Reserve RM'000	Revaluation Reserve RM'000	Retained Earnings RM'000	Total RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
Financial period ended 31 December 2015									
At 1.10.2015 (audited)	419,407	16	8,009	2,239	23,534	651,448	1,104,653	21,879	1,126,532
Total comprehensive income for the period	-	-	-	(2,058)	-	61,570	59,512	5,396	64,908
Transactions with owners									
Issuance of shares pursuant to warrants	18	20	(4)	-	-	-	34	-	34
Dividend paid to non-controlling shareholders	-	-	-	-	-	-	-	(4,000)	(4,000)
Dividends	-	-	-	-	-	(29,360)	(29,360)	-	(29,360)
At 31.12.2015 (unaudited)	419,425	36	8,005	181	23,534	683,658	1,134,839	23,275	1,158,114
Financial period ended 31 December 2014									
At 1.10.2014 (audited)	419,394	1	8,012	(1,146)	12,100	596,144	1,034,505	23,162	1,057,667
Total comprehensive income for the period	-	-	-	846	-	30,129	30,975	5,230	36,205
Transactions with owners									
Issuance of shares pursuant to warrants	13	14	(3)	-	-	-	24	-	24
Issurance of shares by subsidiaries to non-controlling shareholders	-	-	-	-	-	-	-	38	38
Dividends	-	-	-	-	-	(33,552)	(33,552)	-	(33,552)
At 31.12.2014 (unaudited)	419,407	15	8,009	(300)	12,100	592,721	1,031,952	28,430	1,060,382

The condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Audited Financial Report for the financial year ended 30 September 2015 and the accompanying explanatory notes attached to the interim Financial Report.



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
INTERIM REPORT FOR THE FIRST QUARTER  
AND FINANCIAL PERIOD ENDED 31 DECEMBER 2015**

	(Unaudited) 31.12.2015 RM'000	(Unaudited) 31.12.2014 RM'000
<b>Cash Flows From/(Used In) Operating Activities</b>		
Profit before tax	90,262	46,634
Adjustments for non-cash items	(6,145)	12,744
Operating profit before changes in working capital	<u>84,117</u>	<u>59,378</u>
Change in property development costs	(11,099)	(28,501)
Change in inventories	4,330	6,878
Change in receivables, deposits and prepayments	18,359	64,218
Change in payables and accruals	(27,202)	(8,810)
Cash generated from operations	<u>68,505</u>	<u>93,163</u>
Interest paid	(9,871)	(8,415)
Interest received	1,254	1,175
Tax paid	(14,442)	(10,577)
Tax refund	1,019	-
Retirement benefits obligations paid	(124)	-
<b>Net cash from operating activities</b>	<u>46,341</u>	<u>75,346</u>
<b>Cash Flows From/(Used In) Investing Activities</b>		
Additions to land held for property development	(14,054)	(17,562)
Acquisition of property, plant and equipment	(4,433)	(1,295)
Additions to biological assets	(526)	(1,942)
Subscription of shares in an associate	(490)	-
Placement of deposits with licensed banks	9,375	(2,359)
<b>Net cash used in investing activities</b>	<u>(10,128)</u>	<u>(23,158)</u>
<b>Cash Flows From/(Used In) Financing Activities</b>		
Dividend paid	(29,360)	(33,552)
Dividend paid to non-controlling shareholders	(4,000)	-
Net drawdown of bank borrowings	29,238	41,666
Payments of finance lease liabilities	(445)	(1,322)
Proceeds from Government grant	-	-
Proceeds from issuance of shares by a subsidiary to non-controlling shareholders	-	38
Proceeds from issuance of shares	34	24
<b>Net cash (used in)/from financing activities</b>	<u>(4,533)</u>	<u>6,854</u>
<b>Net increase in cash and cash equivalents</b>	<u>31,680</u>	<u>59,042</u>
Effect of exchange rate fluctuations	45	7,292
<b>Cash and cash equivalents at beginning of the period</b>	<u>226,159</u>	<u>175,605</u>
<b>Cash and cash equivalents at end of the period</b>	<u><u>257,884</u></u>	<u><u>241,939</u></u>

The notes on cash and cash equivalents can be referred to paragraph B5 (ii).

The condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Audited Financial Report for the financial year ended 30 September 2015 and the accompanying explanatory notes attached to the interim Financial Report.



## EXPLANATORY NOTES

### A1. BASIS OF PREPARATION

The quarterly financial statements have been prepared in accordance with Financial Reporting Standards (“FRS”) 134 – Interim Financial Reporting and Appendix 9B of the Bursa Malaysia Securities Berhad Listing Requirements, and should be read in conjunction with MKH Berhad’s audited financial statements for the financial year ended 30 September 2015.

### CHANGES IN ACCOUNTING POLICIES

The accounting policies and methods of computation adopted by the Group in this interim financial statement are consistent with those adopted for the annual financial statements for the financial year ended 30 September 2015 (“Annual Report 2015”).

#### **New and revised Financial Reporting Standards (“FRS”) and Issues Committee Interpretations (“IC Interpretation”) and amendments to FRSs that are issued, but not yet effective and have not been early adopted**

The Group have not adopted the following new and revised FRSs and Amendments that have been issued as at the date of authorisation of this interim financial statements but are not yet effective for the Group:

FRS 9	Financial Instruments (IFRS 9 issued by IASB in July 2014) <sup>2</sup>
FRS 14	Regulatory DeferralAccounts <sup>1</sup>
Amendments to FRS 10, FRS 12 and FRS 128	Investment Entities: Applying the Consolidation Exception <sup>1</sup>
Amendments to FRS 10 and FRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
Amendments to FRS 11	Accounting for Acquisitions of Interests in Joint Operations <sup>1</sup>
Amendments to FRS 101	Disclosure Initiative <sup>1</sup>
Amendments to FRS 116 and FRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation <sup>1</sup>
Amendments to FRS 127	Equity Method in Separate Financial Statements <sup>1</sup>
Annual Improvements to FRSs 2012 - 2014 cycle <sup>1</sup>	

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.

<sup>3</sup> Effective date deferred to a date to be determined and announced, with earlier application still permitted.

The directors anticipate that the abovementioned Standards and Amendments will be adopted in the annual financial statements of the Group when they become effective and that the adoption of these Standards will have no material impact on the financial statements of the Group in the period of initial application.

## **A1. BASIS OF PREPARATION (continued)**

### **Malaysian Financial Reporting Standards**

On 19 November 2011, the MASB issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards Framework (“MFRS Framework”), a fully-IFRS compliant framework. Entities other than private entities shall apply the MFRS Framework for annual periods beginning on or after 1 January 2012, with the exception of Transitioning Entities.

Transitioning Entities, being entities within the scope of MFRS 141 *Agriculture* and/or IC Interpretation 15: *Agreements for the Construction of Real Estate*, including its parents, significant investors and venturers were allowed to defer the adoption of the MFRS Framework until such time as mandated by the MASB. On 2 September 2014, with the issuance of MFRS 15 *Revenue from Contracts with Customers* and Amendments to MFRS 116 and MFRS 141 *Agriculture: Bearer Plants*, the MASB announced that Transitioning Entities which have chosen to continue with the FRS Framework are now required to adopt the MFRS Framework latest by 1 January 2017.

On 8 September 2015, the MASB confirmed that the effective date of MFRS 15 will be deferred to annual periods beginning on or after 1 January 2018. However, early application of MFRS 15 is still permitted.

The Group falls within the scope definition of Transitioning Entities and has availed itself of this transitional arrangement and will continue to apply FRSs in the preparation of its financial statements. Accordingly, the Group will be required to apply MFRS 1 *First-time adoption of Malaysian Financial Reporting Standards* in its financial statements for the financial year ending 30 September 2019, being the first set of financial statements prepared in accordance with new MFRS Framework.

The Group is currently assessing the impact of adoption of MFRS 1, including identification of the differences in existing accounting policies as compared to the new MFRSs and the use of optional exemptions as provided for in MFRS 1. At the date of authorisation for issue of these financial statements, accounting policy decisions or elections have not been finalised. Thus, the impact of adopting the new MFRS Framework on the Group’s first set of financial statements prepared in accordance with the MFRS Framework cannot be determined and estimated reliably until the process is complete.

## **A2. AUDITORS’ REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS**

The auditors have expressed an unqualified opinion on the Company’s statutory financial statements for the financial year ended 30 September 2015 in their report dated 5 January 2016.

## **A3. SEASONAL OR CYCLICAL FACTORS**

The Group’s operations were not materially affected by seasonal or cyclical factors other than the general effects of the prevailing economic conditions.

## **A4. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter and the financial year-to-date.

**A5. CHANGES IN ESTIMATES**

There were no material changes in estimates that have had material effect in the current quarter and the financial year-to-date.

**A6. ISSUANCE AND REPAYMENT OF DEBT AND EQUITY SECURITIES**

There were no issuance, cancellations, repurchases, resale and repayment of debt and equity securities in the current quarter and the financial year-to-date except issuance of 18,000 ordinary shares of RM1/- each pursuant to the exercised of 18,000 warrants at an exercise price of RM1.89 per ordinary share.

**A7. DIVIDEND PAID**

A first interim single tier dividend of 7.0 sen per ordinary share in respect of financial year ended 30 September 2015 amounting to RM29,359,770 was declared on 27 November 2015 and paid on 31 December 2015.

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## A8. OPERATING SEGMENTS

### (a) Segment Analysis – Business Segments

Financial period ended 31 December 2015

	Property development & construction RM'000	Plantation RM'000	Hotel & property investment RM'000	Trading RM'000	Manu- facturing RM'000	Investment holding RM'000	Non-reportable segment RM'000	Eliminations RM'000	Consolidated RM'000
<b>Revenue</b>									
Total external revenue	201,346	31,432	9,218	19,353	4,656	-	360	-	266,365
Inter-segment revenue	-	-	-	-	-	45,091	-	(45,091)	-
Total segment revenue	201,346	31,432	9,218	19,353	4,656	45,091	360	(45,091)	266,365
<b>Results</b>									
Operating result <sup>#</sup>	68,946	23,955	4,430	1,702	432	7,983	71	(9,024)	98,495
Interest expense*	(9,397)	(6,450)	(704)	-	-	(6,138)	(36)	13,068	(9,657)
Interest income**	2,323	131	16	24	137	2,664	-	(4,044)	1,251
Share of results of associates	372	-	(199)	-	-	-	-	-	173
Segment result	62,244	17,636	3,543	1,726	569	4,509	35	-	90,262
Tax expense									(23,241)
Profit for the period									67,021
<b>Assets</b>									
Segment assets	1,608,799	520,538	355,970	26,780	32,337	18,432	19,134	-	2,581,990
Investment in associates	12,986	-	182	-	-	-	-	-	13,168
Deferred tax assets									30,335
Current tax assets									3,400
Total assets									2,628,893
<b>Liabilities</b>									
Segment liabilities	775,453	394,316	60,321	10,039	2,843	155,548	1,091	-	1,399,611
Deferred tax liabilities									48,869
Current tax liabilities									22,299
Total liabilities									1,470,779
<b>Other segment information</b>									
Depreciation and amortisation	301	7,350	547	3	152	5	32	-	8,390
Additions to non-current assets other than financial instruments and deferred tax assets	26,831	1,819	1,488	-	1,712	-	-	-	31,850
* Included inter-company interest expense	6,010	2,773	-	-	-	4,147	36	(12,966)	-
** Included inter-company interest income	(1,421)	-	-	-	-	(2,623)	-	4,044	-
# Included unrealised foreign exchange gains	-	(22,988)	-	-	-	-	-	-	(22,988)
# Included realised foreign exchange losses	-	998	-	-	-	463	-	-	1,461

Note: The construction division has been combined with property development division to form a reportable segment as major part of its revenue is derived from internal property development projects.



**A8. OPERATING SEGMENTS (continued)**  
(a) Segment Analysis – Business Segments (continued)

Financial period ended 31 December 2014

	Property development & construction RM'000	Plantation RM'000	Hotel & property investment RM'000	Trading RM'000	Manu- facturing RM'000	Investment holding RM'000	Non-reportable segment RM'000	Eliminations RM'000	Consolidated RM'000
<b>Revenue</b>									
Total external revenue	118,922	62,416	8,721	14,805	2,483	-	287	-	207,634
Inter-segment revenue	-	-	-	16	-	3,504	-	(3,520)	-
Total segment revenue	118,922	62,416	8,721	14,821	2,483	3,504	287	(3,520)	207,634
<b>Results</b>									
Operating result	27,007	19,322	4,502	1,488	250	3,240	(127)	(2,861)	52,821
Interest expense	(1,542)	(6,458)	(515)	-	-	(2,055)	-	2,861	(7,709)
Interest income	584	548	17	-	11	14	1	-	1,175
Share of results of associates	589	-	(242)	-	-	-	-	-	347
Segment result	26,638	13,412	3,762	1,488	261	1,199	(126)	-	46,634
Tax expense									(11,291)
Profit for the period									35,343
<b>Assets</b>									
Segment assets	1,268,802	472,203	342,776	23,082	24,879	21,698	16,882	-	2,170,322
Investment in associates	12,135	-	648	-	-	-	-	-	12,783
Deferred tax assets									21,861
Current tax assets									5,647
Total assets									2,210,613
<b>Liabilities</b>									
Segment liabilities	557,549	327,071	69,134	7,969	2,204	126,248	1,177	-	1,091,352
Deferred tax liabilities									54,494
Current tax liabilities									4,385
Total liabilities									1,150,231
<b>Other segment information</b>									
Depreciation and amortisation	(42)	5,405	433	5	110	4	32	-	5,947
Additions to non-current assets other than financial instruments and deferred tax assets	17,714	4,197	417	4	20	-	5	-	22,357
* Included inter-company interest expense	-	2,832	-	-	-	-	-	(2,832)	-
** Included inter-company interest income	-	-	-	-	-	-	-	-	-
# Included unrealised foreign exchange gains	-	(302)	-	-	-	-	-	-	(302)
# Included realised foreign exchange losses/(gains)	-	(184)	-	1	(1)	(673)	-	-	(857)

*Note: The construction division has been combined with property development division to form a reportable segment as major part of its revenue is derived from internal property development projects.*

**A8. OPERATING SEGMENTS (continued)**  
(b) Segment Analysis – Geographical Segments

	Revenue		Non-current assets	
	31.12.2015 RM'000	31.12.2014 RM'000	31.12.2015 RM'000	31.12.2014 RM'000
<b>Continuing operations</b>				
Malaysia	230,277	142,735	900,110	873,434
The Peoples' Republic of China	4,656	2,483	19,342	12,973
Republic of Indonesia	31,432	62,416	419,364	383,120
	<u>266,365</u>	<u>207,634</u>	<u>1,338,816</u>	<u>1,269,527</u>

*The non-current assets do not include financial instruments and deferred tax assets.*

**A9. VALUATION OF PROPERTY, PLANT AND EQUIPMENT**

The valuations of property, plant and equipment have been brought forward without any amendments from the previous audited financial statements.

**A10. MATERIAL EVENT SUBSEQUENT TO THE END OF THE INTERIM PERIOD**

There were no material events subsequent to the end of the current quarter under review that have not been reflected in the financial statements except for on 4 February 2016, Amona Metro Development Sdn Bhd ("AMDSB"), a subsidiary of Gabung Wajib Sdn Bhd ("GWSB"), which is a wholly owned subsidiary of the Company, has acquired 84,002 ordinary shares of RM1/- each representing 84% equity interest in Temara Pekeliling Sdn Bhd ("TPSB"), for a cash consideration of RM5,000,000. As a result, TPSB became 84% owned subsidiary of AMDSB, GWSB and the Company.

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

There were no changes in the composition of the Group in the current quarter and the financial year-to-date except for on 17 December 2015, Kajang Resources Corporation Sdn Bhd ("KRC"), a wholly owned subsidiary of the Company subscribed for 49 new ordinary shares of RM1/- each, representing 49% equity interest in PanaHome MKH Malaysia Sdn Bhd ("PanaHome MKH"), a company incorporated in Malaysia. Consequently, PanaHome MKH became an associated company of KRC and the Company.

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

As at 16 February 2016, the latest practicable date which is not earlier than 7 days from the date of issuance of this interim Financial Report, the net changes in the contingent liabilities of the Company to financial institutions and suppliers for banking and trade credit facilities granted to subsidiary companies since the preceding financial year ended 30 September 2015 recorded an increase of approximately RM46.2 million. Total credit facilities granted to subsidiaries with corporate guarantees issued by the Company to the lenders and utilised by subsidiaries as at 16 February 2016 was approximately RM1.0 billion and RM802.1 million respectively.

**A13. CAPITAL COMMITMENTS**

The capital commitment of the Group is as follows:

	<b>As at 31.12.2015 RM'000</b>
Approved, contracted but not provided for:	
- Property, plant and equipment for plantation division	3,010
Approved but not contracted and not provided for:	
- Property, plant and equipment for plantation division	3,820
- Property, plant and equipment for manufacturing division	2,730
- Investment property for hotel and property investment division	2,890
	<u>12,450</u>

**A14. RELATED PARTY TRANSACTIONS**

There were no related party transactions in the current quarter and the financial year-to-date.

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## **ADDITIONAL INFORMATION REQUIRED BY APPENDIX 9B OF THE BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS**

### **B1. REVIEW OF PERFORMANCE OF THE GROUP FOR:**

#### **(i) First quarter ended 31 December 2015**

The Group recorded higher revenue and profit before tax for the current quarter of RM266.4 million and RM90.3 million as compared to the preceding year correspondence quarter of RM207.6 million and RM46.6 million respectively. The increase in the Group's revenue by 28.3% and profit before tax by 93.8% was mainly contributed by the property and construction division from its on-going development projects and a project grant from government of RM11.7 million.

#### **The performance commentary by Segments as follows:**

##### **Property and construction**

The division recorded higher revenue and profit before tax of RM201.3 million and RM62.2 million for the current quarter as compared to the preceding year correspondence quarter of RM118.9 million and RM26.6 million respectively following the higher revenue and profit recognition from the ongoing projects, namely Hill Park Shah Alam, Pelangi Heights, Kajang East, MKH Avenue, MKH Boulevard, Saville @ Kajang, Pelangi Semenyih (built then sell), Saville @ Cheras and Hillpark 3 and a project grant from government of RM11.7 million in the current quarter.

As at 31.12.2015, the Group has locked-in unbilled sales value of RM826.8 million from which attributed sales revenue and profits will be recognised progressively as their development percentage of completion progresses.

##### **Plantation**

Despite the lower revenue of RM31.4 million for the current quarter as compared to the preceding year correspondence quarter of RM62.4 million, this division recorded higher profit before tax of RM17.6 million in the current quarter as compared to the preceding year correspondence quarter of RM13.4 million mainly due to inclusion of unrealised foreign exchange gains of RM23.0 million in the current quarter as compared to the preceding year correspondence quarter of RM0.3 million. The unrealised foreign exchange gains were mainly due to strengthening of Indonesia Rupiah against its USD borrowings.

Excluding the unrealised foreign exchange gains, this division recorded loss before tax of RM5.4 million in the current quarter as compared to preceding year correspondence quarter profit before tax of RM13.1 million mainly due to weaker crude palm oil ("CPO") and palm kernel ("PK") selling price per metric tonnes ("MT") and lower CPO sales volume from 32,200 MT to 19,000 MT. The lower CPO sales volume was due to stock up strategy for better CPO and PK selling prices in the following quarter. The CPO and PK production has increased from the preceding year correspondence quarter of 25,900 MT to current quarter of 29,400 MT.

##### **Hotel and property investment**

Despite the higher revenue of RM9.2 million for the current quarter as compared to the preceding year correspondence quarter of RM8.7 million, this division recorded lower profit before tax of RM3.5 million in the current quarter as compared to the preceding year correspondence quarter of RM3.8 million mainly due to slight increase in interest expenses.

**Trading**

This division recorded higher revenue and profit before tax of RM19.4 million and RM1.7 million for the current quarter as compared to the preceding year correspondence quarter of RM14.8 million and RM1.5 million respectively mainly due to higher building materials sales to external subcontractors for the group's development projects.

**Manufacturing**

This division recorded higher revenue and profit before tax of RM4.7million and RM0.6 million for the current quarter as compared to the preceding year correspondence quarter of RM2.5 million and RM0.3 million respectively.

**Investment holding**

This division revenue and profit before tax/(loss before tax) were mainly derived from the inter-group transactions on management fee and interest billings and charging which were eliminated at the Group level.

**(ii) Financial year-to-date ended 31 December 2015 by Segments**

The performance commentary for the financial year-to-date and the preceding year-to-date is same as paragraph B1 (i) above.

**B2. COMMENT ON MATERIAL CHANGES IN THE PROFIT BEFORE TAX OF THE CURRENT QUARTER COMPARED WITH PRECEDING QUARTER**

	<b>1st Quarter ended 31.12.2015 RM'000</b>	<b>4th Quarter ended 30.9.2015 RM'000</b>
Profit before tax	<u>90,262</u>	<u>39,385</u>

The profit before tax for the current quarter of RM90.3 million was higher compared to preceding quarter of RM39.4 million mainly due to the inclusion of unrealised foreign exchange gains in the current quarter of RM23.0 million as compared to unrealised foreign exchange losses in the preceding quarter of RM17.7 million and lower operation losses suffered as a result of weaker CPO and palm kernel selling prices from the plantation division and higher profit contribution from the property and construction division.

**B3. VARIANCE OF ACTUAL PROFIT FROM PROFIT FORECAST AND PROFIT GUARANTEE**

This is not applicable to the Group.

#### **B4. CURRENT YEAR PROSPECTS**

The Board of Directors expect the Group to achieve satisfactory results for the financial year ending 30 September 2016 arising from the profit recognition of the ongoing projects that have been launched and sales locked-in in the previous financial years by the property and construction division and the profit contribution from the plantation as more palms are entering into maturity stage in the current financial year.

#### **B5. (i) PROFIT BEFORE TAX FROM CONTINUING OPERATIONS**

The profit before tax of the Group from continuing operations is arrived at after (charging)/crediting:

	<b>Current Quarter 31.12.2015 RM'000</b>	<b>Financial year-to-date 31.12.2015 RM'000</b>
Amortization of prepaid lease payments	(204)	(204)
Amortization of biological assets	(3,433)	(3,433)
Depreciation of property, plant and equipment	(4,753)	(4,753)
Property, plant and equipment written off	(1)	(1)
Interest expense	(9,657)	(9,657)
Net gain/(loss) on foreign exchange:		
- realised	(1,461)	(1,461)
- unrealised	22,988	22,988
Interest income	<u>1,251</u>	<u>1,251</u>

#### **(ii) CASH AND CASH EQUIVALENTS**

The cash and cash equivalents at end of the period comprise of the following:

	<b>(Unaudited) 31.12.2015 RM'000</b>	<b>(Unaudited) 31.12.2014 RM'000</b>
Cash and bank balances	118,123	95,165
Cash held under housing development accounts	146,804	112,477
Cash held under sinking fund accounts	12	7
Deposits with licensed banks	25,134	57,184
Short term funds	4,042	4,922
Bank overdrafts	<u>(19,237)</u>	<u>(5,701)</u>
	274,878	264,054
Less: Non short term and highly liquid fixed deposits	(16,994)	(22,115)
Less: Deposits and bank balances pledged for credit facilities	<u>257,884</u>	<u>241,939</u>
	<u>257,884</u>	<u>241,939</u>

**B6. TAX EXPENSE**

The taxation of the Group from continuing operations comprises of the following: -

	<b>Current Quarter 31.12.2015 RM'000</b>	<b>Financial Year-to-Date 31.12.2015 RM'000</b>
Current taxation		
- income taxation	17,080	17,080
- deferred taxation	6,161	6,161
	<u>23,241</u>	<u>23,241</u>
Under provision in prior year	-	-
	<u>23,241</u>	<u>23,241</u>

The effective tax rate applicable to the Group for the financial year-to-date is higher than the statutory rate of taxation as certain expenses were disallowed for tax purposes.

**B7. STATUS OF CORPORATE PROPOSALS ANNOUNCED**

There were no corporate proposals announced which is pending completion as at the date of issue of this announcement.

**B9. GROUP BORROWINGS AND DEBT SECURITIES**

The loans and borrowings (including finance lease liabilities) of the Group from continuing operations are as follows: -

	<b>As at 31.12.2015 RM'000</b>
Short-term - unsecured	82,015
Short-term - secured	189,765
Long-term - secured	<u>550,129</u>
	<u>821,909</u>

The Group's loans and borrowings from continuing operations include foreign currency bank borrowings as follows:

	<b>Denominated in United States Dollar USD'000</b>	<b>Denominated in Ringgit Malaysia RM'000</b>
Long-term - secured	<u>80,000</u>	<u>342,148</u>
	<u>80,000</u>	<u>342,148</u>

**B10. MATERIAL LITIGATION**

There was no material litigation involving the Group during the current quarter under review.

**B11. DIVIDEND**

The Board of Directors does not recommend any dividend payment for the current quarter ended 31 December 2015 except a first interim single tier dividend of 7.0 sen per ordinary share in respect of financial year ended 30 September 2015 amounting to RM29,359,770 was declared on 27 November 2015 and paid on 31 December 2015.

**B12. EARNINGS PER SHARE (“EPS”)**

	Current Year Quarter 31.12.2015 (unaudited)	Preceding Year Corresponding Quarter 31.12.2014 (unaudited)	Current Year-to-Date 31.12.2015 (unaudited)	Preceding Year-to-Date 31.12.2014 (unaudited)
<b>BASIC EPS</b>				
Profit attributable to Owners of the parent (RM'000)	<b>61,570</b>	30,129	<b>61,570</b>	30,129
Weighted average number of ordinary shares ('000)				
At 1 October 2015/2014	<b>419,407</b>	419,405	<b>419,407</b>	419,405
Effect of exercise of warrants ('000)	<b>17</b>	-	<b>17</b>	-
At 31 December 2015/2014	<b>419,424</b>	419,405	<b>419,424</b>	419,405
<b>BASIC EPS (sen)</b>	<b>14.68</b>	7.18	<b>14.68</b>	7.18
<b>DILUTED EPS</b>				
Profit attributable to Owners of the parent (RM'000)	<b>61,570</b>	30,129	<b>61,570</b>	30,129
Adjusted weighted average number of ordinary shares in issue and issuable ('000)				
Weighted average number of ordinary shares ('000)	<b>419,424</b>	419,405	<b>419,424</b>	419,405
Adjustment for warrants ('000)	<b>1,637</b>	3,289	<b>6,494</b>	13,049
At 31 December 2015/2014	<b>421,061</b>	422,694	<b>425,918</b>	432,454
<b>DILUTED EPS (sen)</b>	<b>14.62</b>	7.13	<b>14.46</b>	6.97



### **B13. REALISED AND UNREALISED PROFITS OR LOSSES**

The following analysis of realised and unrealised retained earnings of the Group as at the reporting date is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad (“Bursa Malaysia”) dated 25 March 2010 and prepared in accordance with the Guidance on Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants.

The retained earnings of the Group is analysed as follows:

	<b>As at 31.12.2015 RM'000</b>	<b>(Audited) As at 30.09.2015 RM'000</b>
Total retained earnings of its subsidiaries		
- realised	652,636	666,257
- unrealised	167,264	116,184
	<u>819,900</u>	<u>782,441</u>
Total share of retained earnings from an associate		
- realised	8,428	8,254
	<u>828,328</u>	<u>790,695</u>
Less: Consolidation adjustments	(144,670)	(139,247)
Total retained earnings of the Group	<u><u>683,658</u></u>	<u><u>651,448</u></u>

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purposes.

### **B14. AUTHORISATION FOR ISSUE**

The interim Financial Report were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 25 February 2016.