



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME  
INTERIM REPORT FOR THE SECOND QUARTER  
AND FINANCIAL PERIOD ENDED 31 MARCH 2016**

	(Unaudited) INDIVIDUAL QUARTER Current Year Quarter 31.03.2016 RM'000	(Unaudited) Preceding Year Corresponding Quarter 31.03.2015 RM'000	(Unaudited) CUMULATIVE QUARTER Current Year-to-Date 31.03.2016 RM'000	(Unaudited) Preceding Year-to-Date 31.03.2015 RM'000
<b>Revenue</b>	<b>322,231</b>	229,720	<b>588,596</b>	437,354
Cost of sales	(213,735)	(158,416)	(392,280)	(292,818)
<b>Gross profit</b>	<b>108,496</b>	71,304	<b>196,316</b>	144,536
Other income	13,304	1,598	59,284	4,465
Sales and marketing expenses	(8,917)	(8,128)	(16,664)	(14,233)
Administrative expenses	(25,547)	(20,898)	(41,555)	(36,095)
Other expenses	(2,869)	(13,494)	(13,168)	(14,295)
<b>Profit from operations</b>	<b>84,467</b>	30,382	<b>184,213</b>	84,378
Share of results of associates	324	(65)	497	282
Interest expenses	(9,594)	(9,313)	(19,251)	(17,022)
<b>Profit before tax</b>	<b>75,197</b>	21,004	<b>165,459</b>	67,638
Tax expense	(18,099)	(5,532)	(41,340)	(16,823)
<b>Profit for the period</b>	<b>57,098</b>	15,472	<b>124,119</b>	50,815
<b>Other comprehensive income</b>				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Foreign exchange translation differences	(1,373)	1,256	(3,486)	2,118
Other comprehensive income for the period	(1,373)	1,256	(3,486)	2,118
<b>Total comprehensive income for the period</b>	<b>55,725</b>	16,728	<b>120,633</b>	52,933
<b>Profit attributable to:</b>				
Owners of the parent	55,379	10,904	116,949	41,033
Non-controlling interests	1,719	4,568	7,170	9,782
	<b>57,098</b>	15,472	<b>124,119</b>	50,815
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	53,938	12,165	113,450	43,140
Non-controlling interests	1,787	4,563	7,183	9,793
	<b>55,725</b>	16,728	<b>120,633</b>	52,933
<b>Earnings per share</b>				
<b>Basic Earnings per ordinary share (sen)</b>	<b>13.20</b>	2.60	<b>27.88</b>	9.78
<b>Diluted Earnings per ordinary share (sen)</b>	<b>13.15</b>	2.58	<b>27.46</b>	9.50
<b>Proposed/Declared Dividend per share (sen)</b>	-	-	<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 MARCH 2016**

	(Unaudited) 31.03.2016 RM'000	(Audited) 30.09.2015 RM'000
<b>Assets</b>		
Property, plant and equipment	205,090	210,990
Goodwill	5,214	5,355
Biological assets	235,284	247,070
Prepaid lease payments	26,871	27,913
Investment properties	308,457	308,457
Investment in associates	15,452	12,504
Land held for property development	619,133	553,239
Deferred tax assets	28,514	34,737
Receivables, deposits and prepayments	2,625	2,624
<b>Total Non-Current Assets</b>	<b>1,446,640</b>	<b>1,402,889</b>
Property development costs	479,705	437,955
Inventories	49,821	68,668
Accrued billings	147,451	181,014
Receivables, deposits and prepayments	233,880	235,711
Current tax assets	2,750	3,311
Cash, bank balances, term deposits and fixed income funds	295,678	269,074
Non-current assets classified as held for sale	5,673	-
<b>Total Current Assets</b>	<b>1,214,958</b>	<b>1,195,733</b>
<b>TOTAL ASSETS</b>	<b>2,661,598</b>	<b>2,598,622</b>
<b>Equity</b>		
Share capital	419,425	419,407
Share premium	36	16
Warrant reserve	8,005	8,009
Translation reserve	(1,260)	2,239
Revaluation reserve	23,534	23,534
Retained earnings	739,037	651,448
<b>Equity attributable to owners of the parent</b>	<b>1,188,777</b>	<b>1,104,653</b>
<b>Non-Controlling Interests</b>	<b>27,045</b>	<b>21,879</b>
<b>Total Equity</b>	<b>1,215,822</b>	<b>1,126,532</b>
<b>Liabilities</b>		
Deferred tax liabilities	56,856	47,355
Provisions	6,630	6,311
Loans and borrowings - long-term	554,071	514,447
Payables, deposits received and accruals	143,781	136,507
<b>Total Non-Current Liabilities</b>	<b>761,338</b>	<b>704,620</b>
Provisions	19,596	19,596
Progress billings	24,237	65,235
Payables, deposits received and accruals	341,417	377,372
Loans and borrowings - short-term	273,493	286,938
Current tax liabilities	25,695	18,329
<b>Total Current Liabilities</b>	<b>684,438</b>	<b>767,470</b>
<b>Total Liabilities</b>	<b>1,445,776</b>	<b>1,472,090</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,661,598</b>	<b>2,598,622</b>
<b>Net Assets per share attributable to shareholders of the Company (RM)</b>	<b>2.83</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 SECOND QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2016**

	< ----- 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 March 2016									
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	-	-	-	(3,499)	-	116,949	113,450	7,183	120,633
Transactions with owners									
Issuance of shares pursuant to warrants	18	20	(4)	-	-	-	34	-	34
Issurance of shares by subsidiaries to non-controlling shareholders	-	-	-	-	-	-	-	144	144
Effect of acquisition of a subsidiary	-	-	-	-	-	-	-	1,839	1,839
Dividend paid to non-controlling shareholders	-	-	-	-	-	-	-	(4,000)	(4,000)
Dividends	-	-	-	-	-	(29,360)	(29,360)	-	(29,360)
At 31.03.2016 (unaudited)	419,425	36	8,005	(1,260)	23,534	739,037	1,188,777	27,045	1,215,822
Financial period ended 31 March 2015									
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	-	-	-	2,107	-	41,033	43,140	9,793	52,933
Transactions with owners									
Issuance of shares pursuant to warrants	14	15	(3)	-	-	-	26	-	26
Issurance of shares by subsidiaries to non-controlling shareholders	-	-	-	-	-	-	-	38	38
Dividends	-	-	-	-	-	(33,552)	(33,552)	-	(33,552)
At 31.03.2015 (unaudited)	419,408	16	8,009	961	12,100	603,625	1,044,119	32,993	1,077,112

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 SECOND QUARTER  
AND FINANCIAL PERIOD ENDED 31 MARCH 2016**

	(Unaudited) 31.03.2016 RM'000	(Unaudited) 31.03.2015 RM'000
<b>Cash Flows From/(Used In) Operating Activities</b>		
Profit before tax	165,459	67,638
Adjustments for non-cash items	1,516	42,500
Operating profit before changes in working capital	<u>166,975</u>	<u>110,138</u>
Change in property development costs	(7,569)	(44,335)
Change in inventories	18,848	(8,072)
Change in receivables, deposits and prepayments	35,437	33,165
Change in payables and accruals	(89,440)	14,124
Cash generated from operations	<u>124,251</u>	<u>105,020</u>
Interest paid	(20,457)	(17,901)
Interest received	2,796	2,666
Tax paid	(22,009)	(17,691)
Tax refunded	1,019	-
Retirement benefits obligations paid	(252)	-
<b>Net cash from operating activities</b>	<u>85,348</u>	<u>72,094</u>
<b>Cash Flows From/(Used In) Investing Activities</b>		
Acquisition of a subsidiary company, net of cash acquired	(5,000)	-
Additions to land held for property development	(26,434)	(72,291)
Acquisition of property, plant and equipment	(7,070)	(6,535)
Additions to biological assets	(1,154)	(1,940)
Subscription of shares in an associate	(2,450)	-
Placement of deposits with licensed banks	(1,873)	(2,359)
Proceeds from disposal of property, plant and equipment	-	255
Proceeds from disposal of land held for property development	-	4
<b>Net cash used in investing activities</b>	<u>(43,981)</u>	<u>(82,866)</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	8,972	72,562
Payments of finance lease liabilities	(853)	(1,022)
Proceeds from issuance of shares by a subsidiary to non-controlling shareholders	144	38
Proceeds from issuance of shares	34	26
<b>Net cash (used in)/from financing activities</b>	<u>(25,063)</u>	<u>38,052</u>
<b>Net increase in cash and cash equivalents</b>	<u>16,304</u>	<u>27,280</u>
Effect of exchange rate fluctuations	1,035	1,952
<b>Cash and cash equivalents at beginning of the period</b>	<u>237,407</u>	<u>175,605</u>
<b>Cash and cash equivalents at end of the period</b>	<u>254,746</u>	<u>204,837</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 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 Deferral Accounts <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>4</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 107	Disclosure Initiative <sup>3</sup>
Amendments to FRS 112	Recognition of Deferred Tax Assets for Unrealised Losses <sup>3</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 for annual periods beginning on or after 1 January 2017, with earlier application permitted.

<sup>4</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 March 2016

	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	422,902	100,774	18,119	37,637	8,649	-	515	-	588,596
Inter-segment revenue	-	-	-	-	-	73,810	-	(73,810)	-
Total segment revenue	422,902	100,774	18,119	37,637	8,649	73,810	515	(73,810)	588,596
<b>Results</b>									
Operating result <sup>#</sup>	123,717	49,380	7,697	2,618	830	15,448	(61)	(18,210)	181,419
Interest expense*	(19,042)	(12,899)	(1,370)	-	-	(13,809)	(73)	27,942	(19,251)
Interest income**	6,563	270	28	49	183	5,432	1	(9,732)	2,794
Share of results of associates	674	-	(177)	-	-	-	-	-	497
Segment result	111,912	36,751	6,178	2,667	1,013	7,071	(133)	-	165,459
Tax expense									(41,340)
Profit for the period									124,119
<b>Assets</b>									
Segment assets	1,673,954	487,236	356,753	28,090	29,803	20,739	18,307	-	2,614,882
Investment in associates	15,248	-	204	-	-	-	-	-	15,452
Deferred tax assets									28,514
Current tax assets									2,750
Total assets									2,661,598
<b>Liabilities</b>									
Segment liabilities	794,079	342,328	58,580	11,503	2,352	153,265	1,118	-	1,363,225
Deferred tax liabilities									56,856
Current tax liabilities									25,695
Total liabilities									1,445,776
<b>Other segment information</b>									
Depreciation and amortisation	597	14,183	1,098	7	297	10	65	-	16,257
Additions to non-current assets other than financial instruments and deferred tax assets	26,576	3,168	3,559	7	1,660	-	2	-	34,972
* Included inter-company interest expense	12,159	5,724	-	-	-	9,962	73	(27,918)	-
** Included inter-company interest income	(4,365)	-	-	-	-	(5,367)	-	9,732	-
# Included unrealised foreign exchange gains	-	(27,007)	-	-	-	-	-	-	(27,007)
# Included realised foreign exchange losses	-	445	-	-	-	1,579	-	-	2,024

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 March 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	287,596	97,205	17,285	29,655	5,010	-	603	-	437,354
Inter-segment revenue	-	-	-	64	-	34,386	-	(34,450)	-
Total segment revenue	287,596	97,205	17,285	29,719	5,010	34,386	603	(34,450)	437,354
<b>Results</b>									
Operating result	62,260	9,267	7,764	2,579	293	9,295	(287)	(9,455)	81,716
Interest expense	(9,567)	(12,496)	(1,586)	-	-	(5,732)	(32)	12,391	(17,022)
Interest income	2,304	1,160	27	-	13	2,093	1	(2,936)	2,662
Share of results of associates	493	-	(211)	-	-	-	-	-	282
Segment result	55,490	(2,069)	5,994	2,579	306	5,656	(318)	-	67,638
Tax expense									(16,823)
Profit for the period									50,815
<b>Assets</b>									
Segment assets	1,363,013	478,652	342,845	23,071	25,853	16,920	17,900	-	2,268,254
Investment in associates	12,039	-	679	-	-	-	-	-	12,718
Deferred tax assets									24,237
Current tax assets									3,875
Total assets									2,309,084
<b>Liabilities</b>									
Segment liabilities	614,639	348,667	67,408	7,925	1,856	131,834	1,183	-	1,173,512
Deferred tax liabilities									50,382
Current tax liabilities									8,078
Total liabilities									1,231,972
<b>Other segment information</b>									
Depreciation and amortisation	276	11,293	888	8	227	9	64	-	12,765
Additions to non-current assets other than financial instruments and deferred tax assets	73,627	6,741	1,892	15	40	-	11	-	82,326
* Included inter-company interest expense	4,703	4,722	-	-	-	3,042	33	(12,500)	-
** Included inter-company interest income	(868)	-	-	-	-	(2,067)	-	2,935	-
# Included unrealised foreign exchange losses	-	13,510	-	-	-	-	-	-	13,510
# Included realised foreign exchange losses/(gains)	-	(1,050)	-	1	(44)	(1,340)	-	-	(2,433)

*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	
	31.03.2016 RM'000	31.03.2015 RM'000	31.03.2016 RM'000	31.03.2015 RM'000
<b>Continuing operations</b>				
Malaysia	479,173	335,139	987,804	858,279
The Peoples' Republic of China	8,649	5,010	18,830	13,688
Republic of Indonesia	100,774	97,205	393,415	385,137
	<u>588,596</u>	<u>437,354</u>	<u>1,400,049</u>	<u>1,257,104</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.

**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:

- (i) 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; and
- (ii) 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.

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

As at 18 May 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 RM71.6 million. Total credit facilities granted to subsidiaries with corporate guarantees issued by the Company to the lenders and utilised by subsidiaries as at 18 May 2016 was approximately RM1.0 billion and RM827.5 million respectively.

**A13. CAPITAL COMMITMENTS**

The capital commitment of the Group is as follows:

	<b>As at 31.03.2016 RM'000</b>
Approved, contracted but not provided for:	
- Property, plant and equipment for plantation division	840
Approved but not contracted and not provided for:	
- Property, plant and equipment for plantation division	3,510
- Property, plant and equipment for manufacturing division	1,060
- Investment property for hotel and property investment division	1,860
	<u>7,270</u>

**A14. RELATED PARTY TRANSACTIONS**

There were no related party transactions in the current quarter and the financial year-to-date except for the following:

	<b>Current Quarter 31.03.2016 RM'000</b>	<b>Financial Year-to-Date 31.03.2016 RM'000</b>
Sales of development properties to:		
-Other key management personnel of the Group	<u>1,659</u>	<u>1,659</u>

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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) Second quarter ended 31 March 2016**

The Group recorded higher revenue and profit before tax for the current quarter of RM322.2 million and RM75.2 million as compared to the preceding year correspondence quarter of RM229.7 million and RM21.0 million respectively. The increase in the Group's revenue by 40.3% and profit before tax by 258.1% was mainly contributed by the property and construction division from its on-going development projects and the plantation division from its sales of crude palm oil ("CPO") and palm kernel.

#### **(ii) Financial year-to-date ("YTD") ended 31 March 2016 by Segments**

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

The division recorded higher revenue and profit before tax of RM422.9 million and RM111.9 million for the current YTD as compared to the preceding YTD of RM287.6 million and RM55.5 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.

As at 31 Mar 2016, the Group has locked-in unbilled sales value of RM827.7 million from which attributed sales revenue and profits will be recognised progressively as their development percentage of completion progresses.

##### **Plantation**

The division recorded an increase in revenue and profit before tax of RM100.8 million and RM36.8 million for the current YTD as compared to the preceding YTD of RM97.2 million and loss before tax of RM2.1 million, mainly due to inclusion of unrealised foreign exchange gains of RM27.0 million in the current YTD as compared to the preceding YTD unrealised foreign exchange losses of RM13.5 million. The current YTD unrealised foreign exchange gains were mainly due to strengthening of Indonesia Rupiah against its United States Dollar borrowings.

Excluding the unrealised foreign exchange gains/losses, this division recorded lower profit before tax of RM9.7 million in the current YTD as compared to the preceding YTD of RM11.4 million mainly due to lower average CPO price of RM1,867 per metric tonnes ("MT") in current YTD as compared to RM2,109 per MT in preceding YTD despite the CPO sales volume has increased from 48,300 MT to 56,800 MT.

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

The division recorded slight increase in revenue and profit before tax of RM18.1 million and RM6.2 million for the current YTD as compared to the preceding YTD of RM17.3 million and RM6.0 million.

**Trading**

Despite the higher revenue of RM37.6 million in the current YTD as compared to the preceding YTD of RM30.0 million, this division maintained profit before tax of RM2.6 million in the current YTD.

**Manufacturing**

This division recorded higher revenue and profit before tax of RM8.6 million and RM1.0 million for the current YTD as compared to the preceding YTD of RM5.0 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.

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

	<b>2nd Quarter ended 31.03.2016 RM'000</b>	<b>1st Quarter ended 31.12.2015 RM'000</b>
Profit before tax	<u>75,197</u>	<u>90,262</u>

The profit before tax for the current quarter of RM75.2 million was lower compared to the preceding quarter of RM90.3 million mainly due to lower unrealised foreign exchange gains in the current quarter of RM4.0 million as compared the preceding quarter of RM23.0 million. The profit before tax excluding unrealised foreign exchange gains of RM71.2 million in current quarter was higher as compared to the preceding quarter of RM67.3 million mainly contributed from the plantation division as a results of the increased in sales of CPO and palm kernel and improved in average CPO and palm kernel selling prices.

**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 better 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 couple with the anticipation in the increase in CPO and palm kernel prices and the target FFB production of 415,000 MT for the current financial year.

#### **B5. (i) PROFIT BEFORE TAX**

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

	<b>Current Quarter 31.03.2016 RM'000</b>	<b>Financial year-to-date 31.03.2016 RM'000</b>
Amortization of prepaid lease payments	(200)	(404)
Amortization of biological assets	(3,389)	(6,822)
Depreciation of property, plant and equipment	(4,278)	(9,031)
Property, plant and equipment written off	(14)	(15)
Interest expense	(9,594)	(19,251)
Net gain/(loss) on foreign exchange:		
- realised	(563)	(2,024)
- unrealised	4,019	27,007
Interest income	1,543	2,794
Gain on bargain purchase on acquisition of subsidiary	4,652	4,652

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

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

	<b>(Unaudited) 31.03.2016 RM'000</b>	<b>(Unaudited) 31.03.2015 RM'000</b>
Cash and bank balances	106,616	73,187
Cash held under housing development accounts	166,038	134,030
Cash held under sinking fund accounts	13	8
Deposits with licensed banks	21,146	33,950
Short term funds	1,865	5,284
Bank overdrafts	(23,938)	(19,507)
	<u>271,740</u>	<u>226,952</u>
Less: Non short term and highly liquid fixed deposits	(7,071)	(13,102)
Less: Deposits and bank balances pledged for credit facilities	(9,923)	(9,013)
	<u>254,746</u>	<u>204,837</u>

**B6. TAX EXPENSE**

The taxation of the Group comprises of the following: -

	<b>Current Quarter 31.03.2016 RM'000</b>	<b>Financial Year-to-Date 31.03.2016 RM'000</b>
Current taxation		
- income taxation	11,616	28,696
- deferred taxation	6,484	12,645
	<u>18,100</u>	<u>41,341</u>
Under provision in prior year	(1)	(1)
	<u>18,099</u>	<u>41,340</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 are as follows: -

	<b>As at 31.03.2016 RM'000</b>
Short-term - unsecured	79,415
Short-term - secured	194,078
Long-term - secured	<u>554,071</u>
	<u>827,564</u>

The Group's loans and borrowings 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>75,000</u>	<u>292,715</u>
	<u>75,000</u>	<u>292,715</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 March 2016.

**B12. EARNINGS PER SHARE (“EPS”)**

	Current Year Quarter 31.03.2016 (unaudited)	Preceding Year Corresponding Quarter 31.03.2015 (unaudited)	Current Year-to-Date 31.03.2016 (unaudited)	Preceding Year-to-Date 31.03.2015 (unaudited)
<b>BASIC EPS</b>				
Profit attributable to Owners of the parent (RM'000)	<b>55,379</b>	10,904	<b>116,949</b>	41,033
Weighted average number of ordinary shares ('000)				
At 1 October 2015/2014	<b>419,407</b>	419,394	<b>419,407</b>	419,394
Effect of exercise of warrants (‘000)	<b>17</b>	11	<b>17</b>	11
At 31 March 2016/2015	<b>419,424</b>	419,405	<b>419,424</b>	419,405
<b>BASIC EPS (sen)</b>	<b>13.20</b>	2.60	<b>27.88</b>	9.78
<b>DILUTED EPS</b>				
Profit attributable to Owners of the parent (RM'000)	<b>55,379</b>	10,904	<b>116,949</b>	41,033
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>1,589</b>	2,869	<b>6,434</b>	12,364
At 31 March 2016/2015	<b>421,013</b>	422,274	<b>425,858</b>	431,769
<b>DILUTED EPS (sen)</b>	<b>13.15</b>	2.58	<b>27.46</b>	9.50



### **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 31.03.2016 RM'000</b>	<b>(Audited) As at 30.09.2015 RM'000</b>
Total retained earnings of its subsidiaries		
- realised	717,375	666,257
- unrealised	162,747	116,184
	<u>880,122</u>	<u>782,441</u>
Total share of retained earnings from an associate		
- realised	8,752	8,254
	<u>888,874</u>	<u>790,695</u>
Less: Consolidation adjustments	(149,837)	(139,247)
Total retained earnings of the Group	<u><u>739,037</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 27 May 2016.