



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
INTERIM REPORT FOR THE THIRD QUARTER
AND FINANCIAL PERIOD ENDED 30 JUNE 2016**

	(Unaudited) INDIVIDUAL QUARTER Current Year Quarter 30.06.2016 RM'000	(Unaudited) Preceding Year Corresponding Quarter 30.06.2015 RM'000	(Unaudited) CUMULATIVE QUARTER Current Year-to-Date 30.06.2016 RM'000	(Unaudited) Preceding Year-to-Date 30.06.2015 RM'000
Revenue	282,095	255,838	870,691	693,192
Cost of sales	(176,947)	(179,428)	(569,227)	(472,246)
Gross profit	105,148	76,410	301,464	220,946
Other income	7,472	1,965	66,756	6,430
Sales and marketing expenses	(14,226)	(10,646)	(30,890)	(24,879)
Administrative expenses	(22,472)	(20,751)	(64,027)	(56,846)
Other expenses	(2,370)	(6,470)	(15,538)	(20,765)
Profit from operations	73,552	40,508	257,765	124,886
Share of results of associates	(1,071)	(99)	(574)	183
Interest expenses	(9,843)	(10,118)	(29,094)	(27,140)
Profit before tax	62,638	30,291	228,097	97,929
Tax expense	(22,557)	(9,095)	(63,897)	(25,918)
Profit for the period	40,081	21,196	164,200	72,011
Other comprehensive income				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Foreign exchange translation differences	(19)	517	(3,505)	2,635
Other comprehensive income for the period	(19)	517	(3,505)	2,635
Total comprehensive income for the period	40,062	21,713	160,695	74,646
Profit attributable to:				
Owners of the parent	37,715	20,886	154,664	61,919
Non-controlling interests	2,366	310	9,536	10,092
	40,081	21,196	164,200	72,011
Total comprehensive income attributable to:				
Owners of the parent	37,715	21,395	151,165	64,535
Non-controlling interests	2,347	318	9,530	10,111
	40,062	21,713	160,695	74,646
Earnings per share				
Basic Earnings per ordinary share (sen)	8.99	4.98	36.88	14.76
Diluted Earnings per ordinary share (sen)	8.95	4.96	36.25	14.39
Proposed/Declared Dividend per share (sen)	-	-	7.00	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 30 JUNE 2016**

	(Unaudited) 30.06.2016	(Audited) 30.09.2015
<i>Assets</i>	RM'000	RM'000
Property, plant and equipment	207,529	210,990
Goodwill	5,390	5,355
Biological assets	240,975	247,070
Prepaid lease payments	26,769	27,913
Investment properties	308,457	308,457
Investment in associates	14,380	12,504
Land held for property development	666,178	553,239
Deferred tax assets	25,483	34,737
Receivables, deposits and prepayments	1,521	2,624
Total Non-Current Assets	1,496,682	1,402,889
Property development costs	472,720	437,955
Inventories	44,597	68,668
Accrued billings	171,835	181,014
Receivables, deposits and prepayments	184,487	235,711
Current tax assets	9,124	3,311
Cash, bank balances, term deposits and fixed income funds	287,289	269,074
Non-current assets classified as held for sale	7,127	-
Total Current Assets	1,177,179	1,195,733
TOTAL ASSETS	2,673,861	2,598,622
<i>Equity</i>		
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	776,752	651,448
Equity attributable to owners of the parent	1,226,492	1,104,653
Non-Controlling Interests	29,392	21,879
Total Equity	1,255,884	1,126,532
<i>Liabilities</i>		
Deferred tax liabilities	54,946	47,355
Provisions	7,089	6,311
Loans and borrowings - long-term	543,975	514,447
Payables, deposits received and accruals	145,319	136,507
Total Non-Current Liabilities	751,329	704,620
Provisions	19,813	19,596
Progress billings	26,332	65,235
Payables, deposits received and accruals	315,677	377,372
Loans and borrowings - short-term	269,033	286,938
Current tax liabilities	35,793	18,329
Total Current Liabilities	666,648	767,470
Total Liabilities	1,417,977	1,472,090
TOTAL EQUITY AND LIABILITIES	2,673,861	2,598,622
Net Assets per share attributable to shareholders of the Company (RM)	2.92	2.63

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 THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 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 30 June 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)	-	154,664	151,165	9,530	160,695
Transactions with owners									
Issuance of shares pursuant to warrants	18	20	(4)	-	-	-	34	-	34
Issurance of shares by a subsidiary 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 30.06.2016 (unaudited)	419,425	36	8,005	(1,260)	23,534	776,752	1,226,492	29,392	1,255,884
Financial period ended 30 June 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	-	-	-	2,616	-	61,919	64,535	10,111	74,646
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 30.06.2015 (unaudited)	419,408	16	8,009	1,470	12,100	624,511	1,065,514	33,311	1,098,825

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 THIRD QUARTER
AND FINANCIAL PERIOD ENDED 30 JUNE 2016**

	(Unaudited) 30.06.2016 RM'000	(Unaudited) 30.06.2015 RM'000
Cash Flows From/(Used In) Operating Activities		
Profit before tax	228,097	97,929
Adjustments for non-cash items	15,951	63,940
Operating profit before changes in working capital	244,048	161,869
Change in property development costs	(4,591)	(28,107)
Change in inventories	29,830	2,810
Change in receivables, deposits and prepayments	40,114	(38,482)
Change in payables and accruals	(106,113)	48,429
Cash generated from operations	203,288	146,519
Interest paid	(31,333)	(27,921)
Interest received	4,383	3,674
Tax paid	(40,940)	(25,206)
Tax refunded	2,191	-
Retirement benefits obligations paid	(407)	354
Net cash from operating activities	137,182	97,420
Cash Flows From/(Used In) Investing Activities		
Acquisition of a subsidiary company, net of cash acquired	(5,000)	-
Additions to land held for property development	(56,012)	(89,858)
Acquisition of property, plant and equipment	(9,566)	(12,120)
Additions to biological assets	(2,004)	(2,040)
Subscription of shares in an associate	(2,450)	-
Placement/(Withdraw) of deposits with licensed banks	327	(4,876)
Proceeds from disposal of property, plant and equipment	-	525
Proceeds from disposal of land held for property development	-	4
Net cash used in investing activities	(74,705)	(108,365)
Cash Flows From/(Used In) Financing Activities		
Dividend paid	(29,360)	(33,552)
Dividend paid to non-controlling shareholders	(4,000)	-
Net drawdown of bank borrowings	(7,080)	73,526
Payments of finance lease liabilities	(1,189)	(843)
Proceeds from issuance of shares by a subsidiary to non-controlling shareholders	144	38
Proceeds from issuance of shares pursuant to warrants	34	26
Net cash (used in)/from financing activities	(41,451)	39,195
Net increase in cash and cash equivalents	21,026	28,250
Effect of exchange rate fluctuations	1,682	880
Cash and cash equivalents at beginning of the period	237,407	175,605
Cash and cash equivalents at end of the period	260,115	204,735

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) ²
FRS 14	Regulatory Deferral Accounts ¹
Amendments to FRS 10, FRS 12 and FRS 128	Investment Entities: Applying the Consolidation Exception ¹
Amendments to FRS 10 and FRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
Amendments to FRS 11	Accounting for Acquisitions of Interests in Joint Operations ¹
Amendments to FRS 101	Disclosure Initiative ¹
Amendments to FRS 107	Disclosure Initiative ³
Amendments to FRS 112	Recognition of Deferred Tax Assets for Unrealised Losses ³
Amendments to FRS 116 and FRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation ¹
Amendments to FRS 127	Equity Method in Separate Financial Statements ¹
Annual Improvements to FRSs 2012 - 2014 cycle ¹	

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

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

³ Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.

⁴ 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 18,080 ordinary shares of RM1/- each pursuant to the exercised of 18,080 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 30 June 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
Revenue									
Total external revenue	620,598	154,829	27,358	54,548	12,611	-	747	-	870,691
Inter-segment revenue	-	-	304	14	-	116,032	-	(116,350)	-
Total segment revenue	620,598	154,829	27,662	54,562	12,611	116,032	747	(116,350)	870,691
Results									
Operating result [#]	171,378	69,874	11,475	3,678	1,320	25,080	(1,740)	(27,683)	253,382
Interest expense*	(29,657)	(18,776)	(2,041)	-	-	(19,121)	(134)	40,635	(29,094)
Interest income**	8,172	447	38	63	186	8,392	1	(12,916)	4,383
Share of results of associates	(119)	-	(455)	-	-	-	-	-	(574)
Segment result	149,774	51,545	9,017	3,741	1,506	14,351	(1,873)	36	228,097
Tax expense									(63,897)
Profit for the period									164,200
Assets									
Segment assets	1,686,119	485,848	357,839	26,512	30,054	22,032	16,470	-	2,624,874
Investment in associates	14,454	-	(74)	-	-	-	-	-	14,380
Deferred tax assets									25,483
Current tax assets									9,124
Total assets									2,673,861
Liabilities									
Segment liabilities	783,678	321,301	56,542	9,441	2,279	152,902	1,095	-	1,327,238
Deferred tax liabilities									59,243
Current tax liabilities									31,496
Total liabilities									1,417,977
Other segment information									
Depreciation and amortisation	924	21,090	1,779	11	438	15	97	-	24,354
Additions to non-current assets other than financial instruments and deferred tax assets	56,656	5,496	4,067	7	1,669	-	2	-	67,897
* Included inter-company interest expense	18,628	8,596	-	-	-	13,277	134	(40,635)	-
** Included inter-company interest income	(4,607)	-	-	-	-	(8,309)	-	12,916	-
# Included inter-company management expense/(income)	13,799	3,477	1,827	529	-	(19,781)	149	-	-
# Included unrealised foreign exchange gains	-	(31,931)	-	-	-	-	-	-	(31,931)
# Included realised foreign exchange losses/(gains)	6	(1,439)	-	-	(76)	1,273	1	-	(235)

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 30 June 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
Revenue									
Total external revenue	445,008	165,567	26,257	47,799	7,697	-	864	-	693,192
Inter-segment revenue	-	-	304	64	-	34,277	-	(34,645)	-
Total segment revenue	<u>445,008</u>	<u>165,567</u>	<u>26,561</u>	<u>47,863</u>	<u>7,697</u>	<u>34,277</u>	<u>864</u>	<u>(34,645)</u>	<u>693,192</u>
Results									
Operating result	86,593	18,955	11,695	4,168	406	15,870	(341)	(16,131)	121,215
Interest expense	(17,462)	(18,569)	(2,338)	-	-	(10,788)	(64)	22,081	(27,140)
Interest income	3,849	1,541	33	-	15	4,182	1	(5,950)	3,671
Share of results of associates	555	-	(372)	-	-	-	-	-	183
Segment result	<u>73,535</u>	<u>1,927</u>	<u>9,018</u>	<u>4,168</u>	<u>421</u>	<u>9,264</u>	<u>(404)</u>	<u>-</u>	<u>97,929</u>
Tax expense									<u>(25,918)</u>
Profit for the period									<u><u>72,011</u></u>
Assets									
Segment assets	1,446,135	466,371	343,172	25,243	26,337	17,338	17,389	-	2,341,985
Investment in associates	12,101	-	518	-	-	-	-	-	12,619
Deferred tax assets									30,143
Current tax assets									<u>4,995</u>
Total assets									<u><u>2,389,742</u></u>
Liabilities									
Segment liabilities	670,949	335,253	65,864	9,885	1,834	139,298	1,122	-	1,224,205
Deferred tax liabilities									47,968
Current tax liabilities									<u>18,744</u>
Total liabilities									<u><u>1,290,917</u></u>
Other segment information									
Depreciation and amortisation	550	17,033	1,361	12	345	13	97	-	19,411
Additions to non-current assets other than financial instruments and deferred tax assets	<u>93,167</u>	<u>11,103</u>	<u>2,852</u>	<u>22</u>	<u>122</u>	<u>-</u>	<u>11</u>	<u>-</u>	<u>107,277</u>
* Included inter-company interest expense	9,213	6,612	-	-	-	6,184	64	(22,073)	-
** Included inter-company interest income	(1,809)	-	-	-	-	(4,141)	-	5,950	-
# Included inter-company management expense/(income)	10,828	4,476	1,981	591	-	(18,041)	165	-	-
# Included unrealised foreign exchange losses	-	18,956	-	-	-	-	-	-	18,956
# Included realised foreign exchange losses/(gains)	-	(1,923)	-	1	(72)	(1,545)	-	-	(3,539)

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	
	30.06.2016 RM'000	30.06.2015 RM'000	30.06.2016 RM'000	30.06.2015 RM'000
Continuing operations				
Malaysia	703,251	519,928	1,034,810	872,775
The Peoples' Republic of China	12,611	7,697	18,785	13,893
Republic of Indonesia	154,829	165,567	401,703	385,247
	<u>870,691</u>	<u>693,192</u>	<u>1,455,298</u>	<u>1,271,915</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;
- (ii) On 4 February 2016, Amona Metro Development Sdn Bhd (“AMDSB”), a subsidiary of Gabung Wajib Sdn Bhd (“GWSB”), which is a 60% 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 and 50.4% owned subsidiary of GWSB and the Company;
- (iii) On 10 June 2016, MKH Plantation Sdn Bhd (formerly known as Global Retreat (MM2H) Sdn Bhd) (“MPSB”), a wholly owned subsidiary of the Company entered into a conditional Sale and Purchase Agreement to acquire 6,975 ordinary shares of Rp1,000,000 each equivalent to 75% equity interest in PT Sawit Prima Sakti (“PTSPS”), for a cash consideration of RM15,000,000; and
- (iv) On 16 June 2016, the Company has acquired 2 ordinary shares of RM1/- each representing 100% equity interest in Metro Emart Sdn Bhd (“MESB”), for a cash consideration of RM2. As a result, MESB became 100% owned subsidiary of the Company.

A12. CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS

As at 16 August 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 RM30.6 million. Total credit facilities granted to subsidiaries with corporate guarantees issued by the Company to the lenders and utilised by subsidiaries as at 16 August 2016 was approximately RM1.0 billion and RM786.5 million respectively.

A13. CAPITAL COMMITMENTS

The capital commitment of the Group is as follows:

	As at 30.06.2016 RM'000
Approved, contracted but not provided for:	
- Property, plant and equipment for plantation division	2,090
Approved but not contracted and not provided for:	
- Property, plant and equipment for plantation division	3,630
- Property, plant and equipment for manufacturing division	970
	<u>6,690</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:

	Current Quarter 30.06.2016 RM'000	Financial Year-to-Date 30.06.2016 RM'000
Sales of development properties to:		
-Person connected to a Director of the Company	674	674
-Other key management personnel of the Group	-	1,659
	<u>674</u>	<u>2,333</u>

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

B1. REVIEW OF PERFORMANCE OF THE GROUP FOR:

(i) Third quarter ended 30 June 2016

The Group recorded higher revenue and profit before tax for the current quarter of RM282.1 million and RM62.6 million as compared to the preceding year correspondence quarter of RM255.8 million and RM30.3 million respectively. The increase in the Group's revenue by 10.3% and profit before tax by 106.6% was mainly contributed by the property and construction division from its on-going and new development projects and the unrealised foreign exchange gains of RM4.9 million from the plantation division following the strengthening of Indonesia Rupiah against the United States Dollar borrowings as compared to the unrealised foreign exchange losses of RM5.4 million in the preceding year correspondence quarter.

(ii) Financial year-to-date ("YTD") ended 30 June 2016 by Segments

Property and construction

The division recorded higher revenue and profit before tax of RM620.6 million and RM149.8 million for the current YTD as compared to the preceding YTD of RM445.0 million and RM73.5 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), and new projects, namely Saville @ Cheras and Hillpark 3 and a project grant from government of RM11.7 million.

As at 30 June 2016, the Group has locked-in unbilled sales value of RM800.6 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 RM154.8 million and RM51.5 million for the current YTD as compared to the preceding YTD of RM165.6 million and RM1.9 million, mainly due to inclusion of unrealised foreign exchange gains of RM31.9 million in the current YTD as compared to the preceding YTD unrealised foreign exchange losses of RM19.0 million. The current YTD unrealised foreign exchange gains were mainly due to strengthening of Indonesia Rupiah against the United States Dollar borrowings.

Excluding the unrealised foreign exchange gains/losses, this division recorded lower profit before tax of RM19.6 million in the current YTD as compared to the preceding YTD of RM20.9 million mainly due to lower crude palm oil ("CPO") sales volume and average CPO price of 70,500 metric tonnes ("MT") and RM1,995 per MT in current YTD as compared to 72,800 MT and RM2,091 per MT in preceding YTD respectively. The lower CPO sales volume was mainly due to deferment of sales totaling 3,750 MT to the following quarter for better pricing strategy and lower external CPO sales trading.

Hotel and property investment

Despite the marginal increase in revenue of RM27.4 million in the current YTD as compared to the preceding YTD of RM26.3 million, this division maintained its profit before tax at RM9.0 million in the current YTD.

Trading

Despite the higher revenue of RM54.5 million in the current YTD as compared to the preceding YTD of RM47.8 million, this division recorded lower profit before tax of RM3.7 million in the current YTD as compared to the preceding YTD of RM4.2 million mainly due competitive pricing strategy imposed to certain customers.

Manufacturing

This division recorded higher revenue and profit before tax of RM12.6 million and RM1.5 million for the current YTD as compared to the preceding YTD of RM7.7 million and RM0.4 million respectively mainly due to increase in sales orders as a result of improvement in product quality and manage to secure new customers.

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

	3rd Quarter ended 30.06.2016 RM'000	2nd Quarter ended 31.03.2016 RM'000
Profit before tax	<u>62,638</u>	<u>75,197</u>

The profit before tax for the current quarter of RM62.6 million was lower compared to the preceding quarter of RM75.2 million. Excluding unrealised foreign exchange gains, the profit before tax of RM57.7 million in current quarter was lower as compared to the preceding quarter of RM71.2 million mainly due to absent of gain on bargain purchase on acquisition of RM4.7 million and higher accrual of sales commission by the property division. In addition, plantation division also recorded lower CPO sales in the current quarter of 21,300 MT as compared to the preceding quarter of 32,100 MT. The lower CPO sales was mainly due to deferment of sales totaling 3,750 MT to the following quarter for better pricing strategy and absent of external CPO sales trading.

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.

B5. (i) PROFIT BEFORE TAX

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

	Current Quarter 30.06.2016 RM'000	Financial year-to-date 30.06.2016 RM'000
Amortisation of prepaid lease payments	(203)	(607)
Amortisation of biological assets	(3,263)	(10,085)
Depreciation of property, plant and equipment	(4,631)	(13,662)
Property, plant and equipment written off	(8)	(23)
Impairment loss on receivables	(94)	(94)
Land held for property development costs written off	(184)	(184)
Interest expense	(9,843)	(29,094)
Deposits written off	(1,514)	(1,514)
Reversal of impairment loss on receivables	61	61
Net gain/(loss) on foreign exchange:		
- realised	2,259	235
- unrealised	4,924	31,931
Interest income	1,589	4,383
Gain on bargain purchase on acquisition of a subsidiary	-	4,652

(ii) CASH AND CASH EQUIVALENTS

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

	(Unaudited) 30.06.2016 RM'000	(Unaudited) 30.06.2015 RM'000
Cash and bank balances	108,472	62,184
Cash held under housing development accounts	157,555	152,249
Cash held under sinking fund accounts	19	10
Deposits with licensed banks	13,989	38,870
Short term funds	7,254	4,520
Bank overdrafts	(12,381)	(28,466)
	<u>274,908</u>	<u>229,367</u>
Less: Non short term and highly liquid fixed deposits	(5,041)	(15,527)
Less: Deposits and bank balances pledged for credit facilities	(9,752)	(9,105)
	<u>260,115</u>	<u>204,735</u>

B6. TAX EXPENSE

The taxation of the Group comprises of the following: -

	Current Quarter 30.06.2016 RM'000	Financial Year-to-Date 30.06.2016 RM'000
Current taxation		
- income taxation	23,358	52,054
- deferred taxation	769	13,414
	<u>24,127</u>	<u>65,468</u>
Under provision in prior year	(1,570)	(1,571)
	<u>22,557</u>	<u>63,897</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 and derecognition of certain deferred tax assets amounting to RM3.9 million until the Group has definite plans to launch these development projects.

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: -

	As at 30.06.2016 RM'000
Short-term - unsecured	79,760
Short-term - secured	189,273
Long-term - secured	543,975
	<u>813,008</u>

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

	Denominated in United States Dollar USD'000	Denominated in Ringgit Malaysia RM'000
Long-term - secured	70,000	282,050
	<u>70,000</u>	<u>282,050</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 30 June 2016.

B12. EARNINGS PER SHARE (“EPS”)

	Current Year Quarter 30.06.2016 (unaudited)	Preceding Year Corresponding Quarter 30.06.2015 (unaudited)	Current Year-to-Date 30.06.2016 (unaudited)	Preceding Year-to-Date 30.06.2015 (unaudited)
BASIC EPS				
Profit attributable to Owners of the parent (RM'000)	37,715	20,886	154,664	61,919
Weighted average number of ordinary shares ('000)				
At 1 October 2015/2014	419,407	419,394	419,407	419,394
Effect of exercise of warrants (‘000)	17	11	17	11
At 30 June 2016/2015	419,424	419,405	419,424	419,405
BASIC EPS (sen)	8.99	4.98	36.88	14.76
DILUTED EPS				
Profit attributable to Owners of the parent (RM'000)	37,715	20,886	154,664	61,919
Adjusted weighted average number of ordinary shares in issue and issuable ('000)				
Weighted average number of ordinary shares ('000)	419,424	419,405	419,424	419,405
Adjustment for warrants (‘000)	2,199	1,719	7,277	10,817
At 30 June 2016/2015	421,623	421,124	426,701	430,222
DILUTED EPS (sen)	8.95	4.96	36.25	14.39

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:

	As at 30.06.2016 RM'000	(Audited) As at 30.09.2015 RM'000
Total retained earnings of its subsidiaries		
- realised	776,915	666,257
- unrealised	156,359	116,184
	<u>933,274</u>	<u>782,441</u>
Total share of retained earnings from an associate		
- realised	7,634	8,254
	<u>940,908</u>	<u>790,695</u>
Less: Consolidation adjustments	(164,156)	(139,247)
Total retained earnings of the Group	<u><u>776,752</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 August 2016.