



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
INTERIM REPORT FOR THE FOURTH QUARTER
AND FINANCIAL YEAR ENDED 30 SEPTEMBER 2017**

	(Unaudited) INDIVIDUAL QUARTER Current Year Quarter 30.09.2017 RM'000	(Unaudited) Preceding Year Corresponding Quarter 30.09.2016 RM'000	(Unaudited) CUMULATIVE QUARTER Current Year-to-Date 30.09.2017 RM'000	(Audited) Preceding Year-to-Date 30.09.2016 RM'000
Revenue	260,982	395,182	1,068,834	1,265,873
Cost of sales	(180,963)	(273,377)	(683,923)	(842,604)
Gross profit	80,019	121,805	384,911	423,269
Other income	8,138	16,275	16,004	83,031
Sales and marketing expenses	(17,632)	(15,688)	(40,780)	(46,578)
Administrative expenses	(23,153)	(19,430)	(88,550)	(83,457)
Other expenses	(13,838)	(3,047)	(28,562)	(18,585)
Profit from operations	33,534	99,915	243,023	357,680
Share of results of associates	(377)	(244)	(2,206)	(818)
Interest expenses	(16,150)	(23,099)	(47,464)	(52,193)
Profit before tax	17,007	76,572	193,353	304,669
Tax expense	(12,975)	(26,594)	(65,849)	(90,491)
Profit for the year	4,032	49,978	127,504	214,178
Other comprehensive income				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Foreign exchange translation differences	(275)	661	(3,002)	(2,844)
	(275)	661	(3,002)	(2,844)
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Remeasurement gains on defined benefit plans	(910)	(1,029)	(783)	(1,029)
Income tax relating to components of other comprehensive income	228	(356)	196	(356)
	(682)	(1,385)	(587)	(1,385)
Other comprehensive income for the year	(957)	(724)	(3,589)	(4,229)
Total comprehensive income for the year	3,075	49,254	123,915	209,949
Profit attributable to:				
Owners of the parent	6,137	50,377	130,477	205,041
Non-controlling interests	(2,105)	(399)	(2,973)	9,137
	4,032	49,978	127,504	214,178
Total comprehensive income attributable to:				
Owners of the parent	5,195	49,754	127,083	200,919
Non-controlling interests	(2,120)	(500)	(3,168)	9,030
	3,075	49,254	123,915	209,949
Earnings per share ("EPS")				
Basic Earnings per ordinary share (sen)	1.16	9.83*	24.61	40.01*
Diluted Earnings per ordinary share (sen)	1.15	9.79*	24.14	39.45*
Declared Dividend per share (sen)	-	-	7.00	7.00

* The EPS has been adjusted to effect the Rights Issue of 42,625,187 new ordinary shares and Bonus Issue of 85,250,374 new ordinary shares which was completed on 1 June 2017.

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 2016 and the accompanying explanatory notes attached to the interim Financial Report.



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
INTERIM FINANCIAL REPORT AS AT 30 SEPTEMBER 2017**

	(Unaudited) 30.09.2017	(Restated) 30.09.2016
<i>Assets</i>	RM'000	RM'000
Property, plant and equipment	210,037	217,163
Intangible assets	22,015	14,636
Biological assets	303,536	324,119
Prepaid lease payments	27,109	27,964
Investment properties	318,937	308,457
Investment in associates	13,890	14,136
Land held for property development	915,912	1,062,540
Deferred tax assets	37,281	29,358
Tax recoverable	1,282	-
Receivables, deposits and prepayments	31,017	13,198
Total Non-Current Assets	1,881,016	2,011,571
Property development costs	474,969	384,999
Inventories	153,185	94,111
Accrued billings	152,557	216,392
Receivables, deposits and prepayments	268,752	226,135
Current tax assets	12,270	7,639
Cash, bank balances, term deposits and fixed income funds	263,206	305,087
	1,324,939	1,234,363
Non-current assets classified as held for sale	22,550	7,482
Total Current Assets	1,347,489	1,241,845
TOTAL ASSETS	3,228,505	3,253,416
<i>Equity</i>		
Share capital	613,315	419,444
Share premium	-	57
Warrant reserve	4,762	8,001
Translation reserve	(3,395)	(561)
Revaluation reserve	23,534	23,534
Retained earnings	841,120	825,810
Equity attributable to owners of the parent	1,479,336	1,276,285
Non-Controlling Interests	31,197	34,371
Total Equity	1,510,533	1,310,656
<i>Liabilities</i>		
Deferred tax liabilities	59,021	64,545
Provisions	11,440	10,352
Loans and borrowings - long-term	444,139	597,093
Payables, deposits received and accruals	346,512	451,619
Total Non-Current Liabilities	861,112	1,123,609
Provisions	20,183	19,596
Progress billings	870	6,539
Payables, deposits received and accruals	498,408	526,289
Loans and borrowings - short-term	328,377	241,670
Current tax liabilities	9,022	25,057
Total Current Liabilities	856,860	819,151
Total Liabilities	1,717,972	1,942,760
TOTAL EQUITY AND LIABILITIES	3,228,505	3,253,416
Net Assets per share attributable to shareholders of the Company (RM)	2.63	2.53*

* The preceding year's net assets per share has been adjusted to effect the Bonus Issue of 85,250,374 new ordinary shares in order to be comparable to current year's net assets per share.

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 2016 and the accompanying explanatory notes attached to the interim Financial Report.



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
INTERIM REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 30 SEPTEMBER 2017**

Group	< ----- Attributable to owners of the parent ----- >										
	< ----- Non-distributable ----- >						Distributable		Total RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Warrant Reserve RM'000	Translation Reserve RM'000	Revaluation Reserve RM'000	Disposal Group Classified as Held for Sale RM'000	Retained Earnings RM'000				
Financial year ended 30 September 2017											
At 1.10.2016 (audited)	419,444	57	8,001	(561)	23,534	-	825,810	1,276,285	34,371	1,310,656	
Total comprehensive income for the year	-	-	-	(2,834)	-	-	129,917	127,083	(3,168)	123,915	
Transactions with owners											
Issuance of shares pursuant to:											
- bonus issue	85,250	-	-	-	-	-	(85,250)	-	-	-	
- rights issue	80,562	-	-	-	-	-	-	80,562	-	80,562	
- warrants	28,978	728	(3,239)	-	-	-	-	26,467	-	26,467	
Share issue expenses	(1,704)	-	-	-	-	-	-	(1,704)	-	(1,704)	
Changes of ownership interest in a subsidiary	-	-	-	-	-	-	6	6	(6)	-	
Dividends	-	-	-	-	-	-	(29,363)	(29,363)	-	(29,363)	
Reclassification pursuant to Section 618 (2) of the Companies Act 2016	785	(785)	-	-	-	-	-	-	-	-	
At 30.09.2017 (unaudited)	613,315	-	4,762	(3,395)	23,534	-	841,120	1,479,336	31,197	1,510,533	
Financial year ended 30 September 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 year	-	-	-	(2,800)	-	-	203,719	200,919	9,030	209,949	
Transactions with owners											
Issuance of shares pursuant to warrants	37	41	(8)	-	-	-	-	70	-	70	
Issuance of shares by subsidiaries to non-controlling shareholders	-	-	-	-	-	-	-	-	482	482	
Effect of acquisition of a subsidiary	-	-	-	-	-	-	-	-	6,983	6,983	
Changes of ownership interest in a subsidiary	-	-	-	-	-	-	3	3	(3)	-	
Dividend paid to non-controlling shareholders	-	-	-	-	-	-	-	-	(4,000)	(4,000)	
Dividends	-	-	-	-	-	-	(29,360)	(29,360)	-	(29,360)	
At 30.09.2016 (audited)	419,444	57	8,001	(561)	23,534	-	825,810	1,276,285	34,371	1,310,656	

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 2016 and the accompanying explanatory notes attached to the interim Financial Report.



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
INTERIM REPORT FOR THE FOURTH QUARTER
AND FINANCIAL YEAR ENDED 30 SEPTEMBER 2017**

	(Unaudited) 30.09.2017 RM'000	(Audited) 30.09.2016 RM'000
Cash Flows From/(Used In) Operating Activities		
Profit before tax	193,353	304,669
Adjustments for non-cash items	92,212	41,947
Operating profit before changes in working capital	<u>285,565</u>	<u>346,616</u>
Change in property development costs	2,074	62,052
Change in inventories	56,102	36,780
Change in accrued billings in respect of property development	58,167	(94,075)
Change in receivables, deposits and prepayments	(60,348)	(32,809)
Change in payables and accruals	(141,692)	15,722
Cash generated from operations	<u>199,868</u>	<u>334,286</u>
Interest paid	(48,768)	(43,277)
Interest received	6,013	5,805
Tax paid	(102,681)	(78,888)
Tax refund	2,423	2,203
Retirement benefits obligations paid	(356)	(224)
Net cash from operating activities	<u>56,499</u>	<u>219,905</u>
Cash Flows From/(Used In) Investing Activities		
Acquisition of a subsidiary company, net of cash acquired	-	(4,128)
Additions to land held for property development	(76,155)	(83,828)
Acquisition of property, plant and equipment	(13,817)	(15,839)
Additions to biological assets	(3,821)	(3,911)
Additions to intangible assets	(7,466)	(4,848)
Subscription of shares in an associate	(1,960)	(2,450)
Withdrawal of deposits with licensed banks	(997)	4,461
Proceeds from disposal of property, plant and equipment	32	130
Net cash used in investing activities	<u>(104,184)</u>	<u>(110,413)</u>
Cash Flows From/(Used In) Financing Activities		
Dividend paid	(29,363)	(29,360)
Dividend paid to non-controlling shareholders	-	(4,000)
Net drawdown of bank borrowings	(59,584)	(33,346)
Payments of finance lease liabilities	(873)	(1,624)
Proceeds from issuance of shares by a subsidiary to non-controlling	-	482
Proceeds from issuance of shares pursuant to:		
- rights issue	80,562	-
- warrants	26,467	70
Share issue expenses	(1,704)	-
Net cash from/(used in) financing activities	<u>15,505</u>	<u>(67,778)</u>
Net (decrease)/increase in cash and cash equivalents	<u>(32,180)</u>	<u>41,714</u>
Effect of exchange rate fluctuations	2,804	(693)
Cash and cash equivalents at beginning of the year	<u>267,180</u>	<u>226,159</u>
Cash and cash equivalents at end of the year	<u>237,804</u>	<u>267,180</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 2016 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 2016.

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 2016 (“Annual Report 2016”) except for adoption of the following new and revised Standards and Amendments:

FRS 14	Regulatory DeferralAccounts
Amendments to FRS 10, FRS 12 and FRS 128	Investment Entities: Applying the Consolidation Exception
Amendments to FRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to FRS 101	Disclosure Initiative
Amendments to FRS 116 and FRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to FRS 127	Equity Method in Separate Financial Statements
Annual Improvements to FRSs 2012 - 2014 cycle	

The adoption of the above new and revised Standards and Amendments did not have any significant effect on this interim financial statement of the Group.

New and revised Standards and Amendments that are issued, but not yet effective and have not been early adopted

The Group have not adopted the following new and revised Standards 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 November 2009) ²
FRS 9	Financial Instruments (IFRS 9 issued by IASB in October 2010) ²
FRS 9	Financial Instruments (IFRS 9 issued by IASB in July 2014) ²
FRS 9	Financial Instruments (Hedge Accounting and amendments to FRS 9, FRS 7 and FRS 139) ²
Amendments to FRS 2	Classification and Measurement of Share-based Payment Transaction ²
Amendments to FRS 4	Applying FRS 9 Financial Instruments with FRS 4 Insurance Contracts ²
Amendments to FRS 9 and FRS 7	Mandatory Effective Date of FRS 9 (IFRS 9 issued by IASB in November 2009 and October 2010) and Transition Disclosures ³

A1. BASIS OF PREPARATION (continued)

New and revised Standards and Amendments that are issued, but not yet effective and have not been early adopted (continued)

Amendments to FRS 10 and FRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to FRS 107	Disclosure Initiative ¹
Amendments to FRS 112	Recognition of Deferred Tax Assets for Unrealised Losses ¹
Amendments to FRS 140	Transfers of Investment Property ²
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration ²
Annual Improvements to FRSs 2014 - 2016 cycle ¹	
Annual Improvements to FRSs 2014 - 2016 cycle ²	

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

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

³ 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.

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.

A1. BASIS OF PREPARATION (continued)

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 2016 in their report dated 29 December 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 as follows:

- (i) issuance of 6,807,895 ordinary shares of RM1/- each pursuant to the exercised of 6,807,895 warrants at an exercise price of RM1.89 per ordinary share;
- (ii) issuance of 8,774,482 ordinary shares of RM1/- each pursuant to the exercised of 6,209,891 warrants at an exercise price of RM1.55 per ordinary share; and
- (iii) renounceable rights issue of 42,625,187 rights shares on the basis of one (1) rights share for every ten (10) existing MKH shares and 85,250,374 bonus shares on the basis of two (2) bonus shares for every one (1) rights share subscribed for at an issue price of RM1.89 for each rights share. The rights issue and bonus issue was completed on 1 June 2017.

A7. DIVIDEND PAID

A first interim single tier dividend of 7.0 sen per ordinary share in respect of financial year ended 30 September 2016 amounting to RM29,362,829 was declared on 25 November 2016 and paid on 30 December 2016.

A8. OPERATING SEGMENTS

(a) Segment Analysis – Business Segments

Financial year ended 30 September 2017

	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	702,528	260,538	33,878	59,282	11,124	-	1,484	-	1,068,834
Inter-segment revenue	-	4,046	1,276	186	-	109,530	-	(115,038)	-
Total segment revenue	<u>702,528</u>	<u>264,584</u>	<u>35,154</u>	<u>59,468</u>	<u>11,124</u>	<u>109,530</u>	<u>1,484</u>	<u>(115,038)</u>	<u>1,068,834</u>
Results									
Operating result [#]	177,217	40,537	17,294	4,528	918	36,226	(94)	(39,737)	236,889
Interest expense*	(48,393)	(26,682)	(2,246)	(3)	-	(30,261)	(1,138)	61,259	(47,464)
Interest income**	11,162	863	17	113	121	15,358	22	(21,522)	6,134
Share of results of associates	(2,206)	-	-	-	-	-	-	-	(2,206)
Segment result	<u>137,780</u>	<u>14,718</u>	<u>15,065</u>	<u>4,638</u>	<u>1,039</u>	<u>21,323</u>	<u>(1,210)</u>	<u>-</u>	<u>193,353</u>
Tax expense									(65,849)
Profit for the period									<u>127,504</u>
Assets									
Segment assets	2,113,671	533,198	377,231	27,193	33,869	41,232	38,670	-	3,165,064
Investment in associates	13,890	-	-	-	-	-	-	-	13,890
Deferred tax assets									37,281
Current tax assets									12,270
Total assets									<u>3,228,505</u>
Liabilities									
Segment liabilities	1,128,089	321,194	48,656	8,243	3,648	138,955	1,144	-	1,649,929
Deferred tax liabilities									59,021
Current tax liabilities									9,022
Total liabilities									<u>1,717,972</u>
Other segment information									
Depreciation and amortisation	1,216	33,393	2,131	30	775	459	311	-	38,315
Additions to non-current assets other than financial instruments and deferred tax assets	84,194	14,730	3,340	101	117	-	329	-	102,811
* Included inter-company interest expense	26,862	11,453	61	-	-	21,745	1,138	(61,259)	-
** Included inter-company interest income	(6,637)	-	-	-	-	(14,885)	-	21,522	-
# Included unrealised foreign exchange losses	-	7,130	-	-	-	18	-	-	7,148
# Included realised foreign exchange (gains)/losses	(1)	6,795	-	-	155	(230)	-	-	6,719
# Included gain arising from derivative financial assets	-	322	-	-	-	-	-	-	322

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 year ended 30 September 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	932,008	205,955	39,057	71,840	16,063	-	950	-	1,265,873
Inter-segment revenue	-	399	681	118	-	129,475	-	(130,673)	-
Total segment revenue	<u>932,008</u>	<u>206,354</u>	<u>39,738</u>	<u>71,958</u>	<u>16,063</u>	<u>129,475</u>	<u>950</u>	<u>(130,673)</u>	<u>1,265,873</u>
Results									
Operating result	241,350	87,924	20,592	5,340	1,876	33,536	(1,681)	(37,067)	351,870
Interest expense	(52,502)	(25,567)	(2,648)	-	-	(25,806)	(210)	54,540	(52,193)
Interest income	10,793	760	42	79	208	11,393	8	(17,473)	5,810
Share of results of associates	(437)	-	(381)	-	-	-	-	-	(818)
Segment result	<u>199,204</u>	<u>63,117</u>	<u>17,605</u>	<u>5,419</u>	<u>2,084</u>	<u>19,123</u>	<u>(1,883)</u>	<u>-</u>	<u>304,669</u>
Tax expense									(90,491)
Profit for the period									<u>214,178</u>
Assets									
Segment assets	2,176,056	562,469	359,893	27,563	33,695	21,138	21,469	-	3,202,283
Investment in associates	14,136	-	-	-	-	-	-	-	14,136
Deferred tax assets									29,358
Current tax assets									<u>7,639</u>
Total assets									<u>3,253,416</u>
Liabilities									
Segment liabilities	1,273,023	368,148	54,758	10,124	4,715	141,295	1,095	-	1,853,158
Deferred tax liabilities									64,545
Current tax liabilities									<u>25,057</u>
Total liabilities									<u>1,942,760</u>
Other segment information									
Depreciation and amortisation	1,244	29,187	1,927	15	611	507	129	-	33,620
Additions to non-current assets other than financial instruments and deferred tax assets	<u>398,367</u>	<u>10,298</u>	<u>4,375</u>	<u>7</u>	<u>5,501</u>	<u>-</u>	<u>39</u>	<u>-</u>	<u>418,587</u>
* Included inter-company interest expense	25,006	11,436	-	-	-	17,888	210	(54,540)	-
** Included inter-company interest income	(6,185)	-	-	-	-	(11,288)	-	17,473	-
# Included unrealised foreign exchange (gains)/losses	-	(39,535)	-	-	-	28	-	-	(39,507)
# Included realised foreign exchange losses/(gains)	6	(3,298)	-	-	(88)	899	1	-	(2,480)

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	
	30.09.2017	30.09.2016	30.09.2017	30.09.2016
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
Malaysia	797,172	1,043,855	1,311,356	1,439,986
The Peoples' Republic of China	11,124	16,063	21,425	21,710
Republic of Indonesia	260,538	205,955	466,047	493,183
	<u>1,068,834</u>	<u>1,265,873</u>	<u>1,798,828</u>	<u>1,954,879</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:

- (a) On 7 October 2016, the Company has incorporated a wholly-owned subsidiary company known as MKH Land (Aust) Pty Ltd in Australia with issued and paid up share capital of AUD100 comprising 100 shares of AUD1/- each; and
- (b) On 4 July 2017, the Company has acquired 2 ordinary shares of RM1/- each representing 100% of the equity interest of MKH IHS Precast Sdn Bhd (“MIPSB”), for a cash consideration of RM2/-. As a result, MIPSB became a wholly-owned subsidiary of the Company.

A12. CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS

- (a) As at 17 November 2017, 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 2016 recorded an decrease of approximately RM36.3 million. Total credit facilities granted to subsidiaries with corporate guarantees issued by the Company to the lenders and utilised by subsidiaries as at 17 November 2017 was approximately RM1.2 billion and RM764.2 million respectively.

- (b) On 18 April 2016, PT Maju Kalimantan Hadapan (“PTMKH”), a subsidiary of the Company, received a tax assessment letter from the Indonesia’s Director General of Tax (“DGT”) for the year of assessment 2012, to restrict the claims on net realised and unrealised foreign exchange losses. The details are as follows:

Year of Assessment 2012	IDR million	RM million
Net realised and unrealised foreign exchange losses claimed	97,700	30.7
Less: Net realised and unrealised foreign exchange losses allowed by DGT	(7,414)	(2.3)
Net realised and unrealised foreign exchange losses disallowed by DGT	90,286	28.4
Potential tax payable due to over-recognition of deferred tax assets based on applicable corporate income tax rate of 25%	22,571	7.1

This appeal case is currently at the tax court in Jakarta, Indonesia.

- (c) On 29 August 2017, PTMKH received tax assessment letter from DGT for the year of assessment 2013, to restrict the claims on net realised and unrealised foreign exchange losses. The details are as follows:

Year of Assessment 2013	IDR million	RM million
Net realised and unrealised foreign exchange losses claimed	188,875	59.3
Less: Net realised and unrealised foreign exchange losses allowed by DGT	(44,405)	(13.9)
Net realised and unrealised foreign exchange losses disallowed by DGT	144,470	45.4
Potential tax payable due to over-recognition of deferred tax assets based on applicable corporate income tax rate of 25%	36,118	11.3

On 27 November 2017, PTMKH filed an objection letter in reply to tax assessment letter for the year of assessment 2013. This appeal case is currently at tax appeal office in Balikpapan, Indonesia.

Based on consultation with the local tax experts, the directors of PTMKH are of the opinion that PTMKH has a valid defense against DGT’s assessments for both year of assessment 2012 and 2013. Accordingly, PTMKH has not made any adjustments in respect of the tax assessments in the financial statements of the Group and the Company.

A13. CAPITAL COMMITMENTS

The capital commitment of the Group is as follows:

	As at 30.09.2017 RM'000
Approved, contracted but not provided for:	
- Intangible asset for property development division	21,160
Approved but not contracted and not provided for:	
- Property, plant and equipment for plantation division	8,440
- Intangible asset for property development division	3,590
	<u>33,190</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 30.09.2017 RM'000	Financial Year-to-Date 30.09.2017 RM'000
Sales of development properties to:		
- Person connected to a Director of the Company	-	1,030
- Corporate shareholder of a subsidiary company	3,875	3,875
	<u>3,875</u>	<u>4,905</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:

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	Current Year Quarter	Preceding Year Corresponding Quarter	Changes	Current Year-to-Date	Preceding Year-to-Date	Changes
	30.09.2017 RM'000	30.09.2016 RM'000	RM'000	30.09.2017 RM'000	30.09.2016 RM'000	RM'000
Revenue	260,982	395,182	(134,200)	1,068,834	1,265,873	(197,039)
Operating profit	32,261	98,488	(66,227)	236,889	351,870	(114,981)
Profit before interest and tax	31,884	98,244	(66,360)	234,683	351,052	(116,369)
Profit before tax	17,007	76,572	(59,565)	193,353	304,669	(111,316)
Profit after tax	4,032	49,978	(45,946)	127,504	214,178	(86,674)
Profit attributable to ordinary equity holders of the Parent	6,137	50,377	(44,240)	130,477	205,041	(74,564)

(i) Fourth quarter ended 30 September 2017

The Group recorded lower revenue and profit before tax of RM261.0 million and RM17.0 million for the current quarter as compared to the preceding year correspondence quarter of RM395.2 million and RM76.6 million respectively. The decrease in the Group's revenue by 34.0% and the profit before tax by 77.8% was mainly due to lower sales revenue and profit recognition in the current quarter following the handling over vacant possession of MKH Boulevard, Pelangi Semenyih (built then sell), Pelangi Heights and Kajang East Precinct 4 in the preceding year correspondence quarter from property and construction division, inclusion of unrealised foreign exchange losses of RM7.2 million in the current quarter as compared to the preceding year correspondence quarter of unrealised foreign exchange gains of RM7.6 million from the plantation division's United States Dollar ("USD") and Ringgit Malaysia ("RM") borrowings as a result of depreciation in Indonesia Rupiah against USD and RM.

Excluding the unrealised foreign exchange losses and gains, the Group's profit before tax was lower by 64.9% to RM24.2 million in the current quarter as compared to the preceding year correspondence quarter of RM69.0 million due to lower gross profit and absence on a net project grant from government from the property and construction division, higher average cost of production of crude palm oil resulted from improvement carried out on the estate roads and infrastructure, written off some of the biological assets from immature oil palms by the plantation division and absence on lease income from certain long term lease investment properties recognised in accordance with FRS 117 Leases from the property investment division.

(ii) Financial year ended 30 September 2017 by Segments

Property and construction

This division recorded lower revenue and profit before tax of RM702.5 million and RM137.8 million for the current year as compared to the preceding year of RM932.0 million and RM199.2 million respectively mainly due to absence on a net project grant from government of RM11.7 million, lower sales revenue and profit recognition following the handling over vacant possession of MKH Boulevard, Pelangi Heights, Kajang East Precinct 4 and completion of profit recognition on the sales of Pelangi Semenyih (built then sell) in the preceding year, stringent lending guidelines, weaker Ringgit and slowdown in property market sentiment. Ongoing high-rise development projects namely, Saville @ D'Lake Puchong, Hillpark Residence still at the preliminary stage of development and slower work progress at Saville @ Cheras.

As at 30.9.2017, the Group has locked-in unbilled sales value of RM926.5 million from which attributed sales revenue and profits will be recognised progressively as their development percentage of completion progresses and were mainly contributed from the ongoing projects namely Hill Park Shah Alam (RM358.3 million), Kajang East (RM7.6 million), Saville @ Kajang (RM16.3 million), Saville @ Cheras (RM70.8 million), Hillpark Home 3 (RM22.9 million), Saville @ D'Lake Puchong (RM58.2 million), Hillpark Residence (RM108.8 million), TR Residence (RM276.5 million) and Kajang 2 Precinct 2 (RM7.1 million).

Plantation

The division recorded higher revenue of RM260.5 million for the current year as compared to the preceding year of RM206.0 million mainly due to higher average crude palm oil (“CPO”) and palm kernel (“PK”) selling prices couple with higher CPO sales volume of 90,600 metric tonnes (“MT”) (including CPO trading sales volume of 7,000 MT) as compared to the preceding year CPO sales volume of 87,200 MT (including CPO trading sales volumes of 3,400 MT). This division recorded lower PK sales volume of 14,650 MT as compared to the preceding year of 16,700 MT.

This division recorded lower profit before tax of RM14.7 million in the current year as compared to the preceding year of RM63.1 million mainly due to inclusion of unrealised foreign exchange losses of RM7.1 million in the current year as compared to the preceding year of unrealised foreign exchange gains of RM39.5 million.

Excluding the unrealised foreign exchange losses/gains, this division recorded a decrease in profit before tax of RM21.8 million in the current year as compared to the preceding year of RM23.6 million mainly due lower average oil extraction rate achieved, higher average cost of production resulted from improvement carried out on the estate roads and infrastructure given the relatively flat geographical attributes of the plantation and written off some of the biological assets from immature oil palms totaling RM4.8 million as a result of the effect of La Nina weather.

The average oil extraction rate was lower in the current year at 20.27% as compared to the preceding year at 22.32% mainly caused by La Nina weather with heavier rainfall which raised the moisture content of the fresh fruit bunches.

Palm oil plantation’s production key indicators:

As at 30 September 2017	Q1	Q2	Q3	Q4	Year 2017
Total land area (hectares)					18,388
Planted area (hectares)					16,407
Mature area (hectares)					15,622
Fresh Fruit Bunches produced by (MT)					
Own estates	107,094	110,040	98,653	91,284	407,071
External	2,877	2,900	2,243	2,472	10,492
	109,971	112,940	100,896	93,756	417,563
Crude Palm Oil (MT)	22,163	21,423	19,352	19,771	82,709
Palm Kernel (MT)	4,061	4,107	3,409	3,787	15,364
CPO average price RM/MT	2,536	2,762	2,450	2,375	2,526
PK average price RM/MT	2,187	2,808	1,739	1,897	2,172

As at 30 September 2016	Q1	Q2	Q3	Q4	Year 2016
Total land area (hectares)					18,388
Planted area (hectares)					16,775
Mature area (hectares)					14,679
Fresh Fruit Bunches produced by (MT)					
Own estates	106,252	112,355	79,368	72,722	370,697
External	6,398	5,268	4,499	5,489	21,654
	112,650	117,623	83,867	78,211	392,351
Crude Palm Oil (MT)	25,121	23,855	19,534	16,842	85,352
Palm Kernel (MT)	4,247	4,455	3,773	3,138	15,613
CPO average price RM/MT	1,703	1,954	2,290	2,310	2,056
PK average price RM/MT	1,002	1,271	1,668	2,119	1,604

Hotel and property investment

This division recorded a decrease in revenue and profit before tax of RM33.9 million and RM15.1 million as compared to the preceding year of RM39.1 million and RM17.6 million respectively mainly due to inclusion of a gain on transfer of inventory to investment property amounted to RM3.0 million and absence of RM4.6 million lease income from certain long term leased investment properties recognised in accordance with FRS 117 Leases in the current year.

Trading

Notwithstanding this division recorded a decrease in revenue and profit before tax of RM59.3 million and RM4.6 million as compared to the preceding year of RM71.8 million and RM5.4 million respectively, this division able to maintain higher profit before tax margin mainly due to improvement in gross profit margin as a result of lower cost of purchase of certain building materials following the slowdown in construction activities.

Manufacturing

This division recorded a decrease in revenue and profit before tax of RM11.1 million and RM1.0 million as compared to the preceding year of RM16.1 million and RM2.1 million respectively mainly due to lower sales order from existing customers.

Investment holding

This division revenue and profit 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

	Current Quarter 30.09.2017 RM'000	Immediate Preceding Quarter 30.6.2017 RM'000	Changes RM'000
Revenue	260,982	268,751	(7,769)
Operating profit	32,261	58,270	(26,009)
Profit before interest and tax	31,884	57,764	(25,880)
Profit before tax	17,007	50,095	(33,088)
Profit after tax	4,032	33,356	(29,324)
Profit attributable to ordinary equity holders of the parent	6,137	34,183	(28,046)

The profit before tax for the current quarter of RM17.0 million was lower as compared to the preceding quarter of RM50.1 million mainly due to lower gross profit from the property and construction division and written off some of the biological assets from immature oil palms by the plantation division as explained in paragraph B1 above.

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 2018 arising from the following three (3) major segments:

- Property and construction segment - ongoing property development projects that have been launched with total unbilled sales of RM926.5 million. Moving forward, the Klang Valley residential market is expected to remain challenging but the Group is well positioned as most of its properties are in the affordable segment whereby the demand continue to be strong.
- Plantation segment – crude palm oil prices is expected to be sustainable and we will continue to focus on the estate management to increase the production efficiencies including oil extraction rate and maximising the utilisation of the CPO mill.
- Property Investment segment – rental yield from this division is expected at average of approximately 5% per annum based on fair value as at 30 September 2017.

B5. (i) PROFIT BEFORE TAX FROM CONTINUING OPERATIONS

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

	Current Quarter 30.09.2017 RM'000	Financial year-to-date 30.09.2017 RM'000
Amortisation of prepaid lease payments	(110)	(854)
Amortisation of biological assets	(4,301)	(17,397)
Depreciation of property, plant and equipment	(5,099)	(20,064)
Interest expenses	(16,150)	(47,464)
<i>Other expenses</i>		
Net gain/(loss) on foreign exchange:		
- realised	(459)	(6,719)
- unrealised	(7,211)	(7,148)
Changes in fair value of investment properties	(20)	(20)
Impairment loss on receivables	(62)	(62)
Property, plant and equipment written off	(9)	(21)
Biological assets written off	(4,776)	(4,776)
Inventories written down	(161)	(161)
<i>Other income</i>		
Interest income	1,273	6,134
Gain on transfer of inventory to investment property	3,008	3,008
Reversal of impairment loss on receivables	104	124
Gain on disposal of property, plant and equipment	8	8
Gain arising from derivative financial assets	-	322

(ii) CASH AND CASH EQUIVALENTS

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

	(Unaudited) 30.09.2017 RM'000	(Audited) 30.09.2016 RM'000
Cash and bank balances	130,855	105,112
Cash held under housing development accounts	91,347	161,726
Cash held under sinking fund accounts	2	20
Deposits with licensed banks	8,830	16,234
Short term funds	32,172	21,995
Bank overdrafts	(2,496)	(16,000)
	<u>260,710</u>	<u>289,087</u>
Less: Non short term and highly liquid fixed deposits	(4,312)	(5,175)
Less: Deposits and bank balances pledged for credit facilities	(18,594)	(16,732)
	<u><u>237,804</u></u>	<u><u>267,180</u></u>

B6. TAX EXPENSE

The taxation of the Group comprises of the following: -

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.09.2017 RM'000	Preceding Year Corresponding Quarter 30.09.2016 RM'000	Current Year-to-Date 30.09.2017 RM'000	Preceding Year-to-Date 30.09.2016 RM'000
Current tax				
- Current financial year	22,824	28,667	71,457	80,721
- Prior financial year	782	38	7,622	(1,636)
Deferred tax				
- Current financial year	(10,505)	(2,394)	(11,976)	11,020
- Prior financial year	(126)	283	(1,254)	386
	<u>12,975</u>	<u>26,594</u>	<u>65,849</u>	<u>90,491</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

On 1 June 2017, the Company has completed the renounceable rights issue of 42,625,187 new ordinary shares on the basis of one (1) rights share for every ten (10) existing MKH Shares held and bonus issue of 85,250,374 new ordinary shares on the basis of two (2) bonus shares for every one (1) rights share subscribed for at an issue price of RM1.89 for each rights share.

The utilisation of right issue proceeds as at 30 September 2017 are as follows:

	Proposed Utilisation RM'000	Actual Utilisation RM'000	Deviation RM'000	Intended Time Frame
Infrastructure and property development	37,190	5,793	31,397	Within 12 months [#]
Payment of land owners' entitlements	20,000	20,000	-	Completed
Construction of KTM				
Komuter station	21,400	941	20,459	Within 12 months [#]
Working capital	372	372	-	Completed
Estimated expenses for the rights with bonus issue	1,600	1,600	-	Completed
	80,562	28,706	51,856	

[#] Construction works in progress

B8. GROUP BORROWINGS AND DEBT SECURITIES

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

	Long term		Short term		Total borrowings	
	Foreign currency 000	RM Equivalent RM'000	Foreign currency 000	RM Equivalent RM'000	Foreign currency 000	RM Equivalent RM'000
As at 30 September 2017						
<u>Secured</u>						
<u>Denominated in USD</u>						
Term loans	45,900	193,813	6,800	28,504	52,700	222,317
Revolving credits	-	-	12,614	53,439	12,614	53,439
<u>Denominated in RM</u>						
Term loans	-	108,043	-	55,833	-	163,876
Bridging loans	-	-	-	6,307	-	6,307
Revolving credits	-	141,131	-	117,476	-	258,607
Bank overdraft	-	-	-	1,988	-	1,988
<u>Unsecured</u>						
<u>Denominated in RM</u>						
Term loans	-	-	-	3,000	-	3,000
Revolving credits	-	-	-	60,500	-	60,500
Bank overdraft	-	-	-	508	-	508
<u>Finance lease liabilities</u>						
<u>Denominated in RM</u>	-	1,152	-	822	-	1,974
Total		444,139		328,377		772,516

As at 30 September 2016	Long term		Short term		Total borrowings	
	Foreign currency 000	RM Equivalent RM'000	Foreign currency 000	RM Equivalent RM'000	Foreign currency 000	RM Equivalent RM'000
<u>Secured</u>						
<u>Denominated in USD</u>						
Term loans	57,500	279,382	17,000	28,695	74,500	308,077
<u>Denominated in RM</u>						
Term loans	-	160,645	-	26,263	-	186,908
Revolving credits	-	155,174*	-	100,500*	-	255,674
Bank overdraft	-	-	-	10,222	-	10,222
<u>Unsecured</u>						
<u>Denominated in RM</u>						
Term loans	-	-	-	15,000	-	15,000
Revolving credits	-	-	-	54,350	-	54,350
Bank overdraft	-	-	-	5,778	-	5,778
<u>Finance lease liabilities</u>						
<u>Denominated in RM</u>	-	1,892	-	819	-	2,711
<u>Denominated in IDR</u>	-	-	136,230	43	-	43
Total		597,093		241,670		838,763

* The loans and borrowings of RM39,744,000 as at 30 September 2016 have been reclassified from current to non-current to conform with current year's presentation.

B9. MATERIAL LITIGATION

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

B10. DIVIDEND

The Board of Directors has approved a first interim single tier dividend of 5.0 sen per ordinary share on 28 November 2017 for the financial year ended 30 September 2017 and will be payable on 11 January 2018 to shareholders whose name appear on the Company's Record of Depositors on 27 December 2017.

B11. EARNINGS PER SHARE (“EPS”)

	Current Year Quarter 30.09.2017 (unaudited)	Preceding Year Corresponding Quarter 30.09.2016 (unaudited)	Current Year-to-Date 30.09.2017 (unaudited)	Preceding Year-to-Date 30.09.2016 (unaudited)
BASIC EPS				
Profit attributable to Owners of the parent (RM'000)	6,137	50,377	130,477	205,041
Weighted average number of ordinary shares ('000)				
At 1 October 2016/2015	419,444	419,407	419,444	419,407
Rights issue and bonus issue	105,113	93,002*	105,113	93,002*
Effect of exercise of warrants	5,700	17	5,700	17
At 30 September 2017/2016	530,257	512,426	530,257	512,426
BASIC EPS (sen)	1.16	9.83*	24.61	40.01*
DILUTED EPS				
Profit attributable to Owners of the parent (RM'000)	6,137	50,377	130,477	205,041
Adjusted weighted average number of ordinary shares in issue and issuable ('000)				
Weighted average number of ordinary shares ('000)	530,257	512,426*	530,257	512,426*
Adjustment for warrants ('000)	1,849	2,199	10,183	7,277
At 30 September 2017/2016	532,106	514,625	540,440	519,703
DILUTED EPS (sen)	1.15	9.79*	24.14	39.45*

* The EPS has been adjusted to effect the Rights Issue of 42,625,187 new ordinary shares and Bonus Issue of 85,250,374 new ordinary shares which was completed on 1 June 2017 as disclosed under paragraph A6.

B12. 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 30.09.2017 RM'000	(Audited) As at 30.09.2016 RM'000
Total retained earnings of its subsidiaries		
- realised	835,611	807,786
- unrealised	132,156	165,151
	<u>967,767</u>	<u>972,937</u>
Total share of retained earnings from an associate		
- realised	5,230	7,436
	<u>972,997</u>	<u>980,373</u>
Less: Consolidation adjustments	(131,877)	(154,563)
Total retained earnings of the Group	<u><u>841,120</u></u>	<u><u>825,810</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.

B13. 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 28 November 2017.