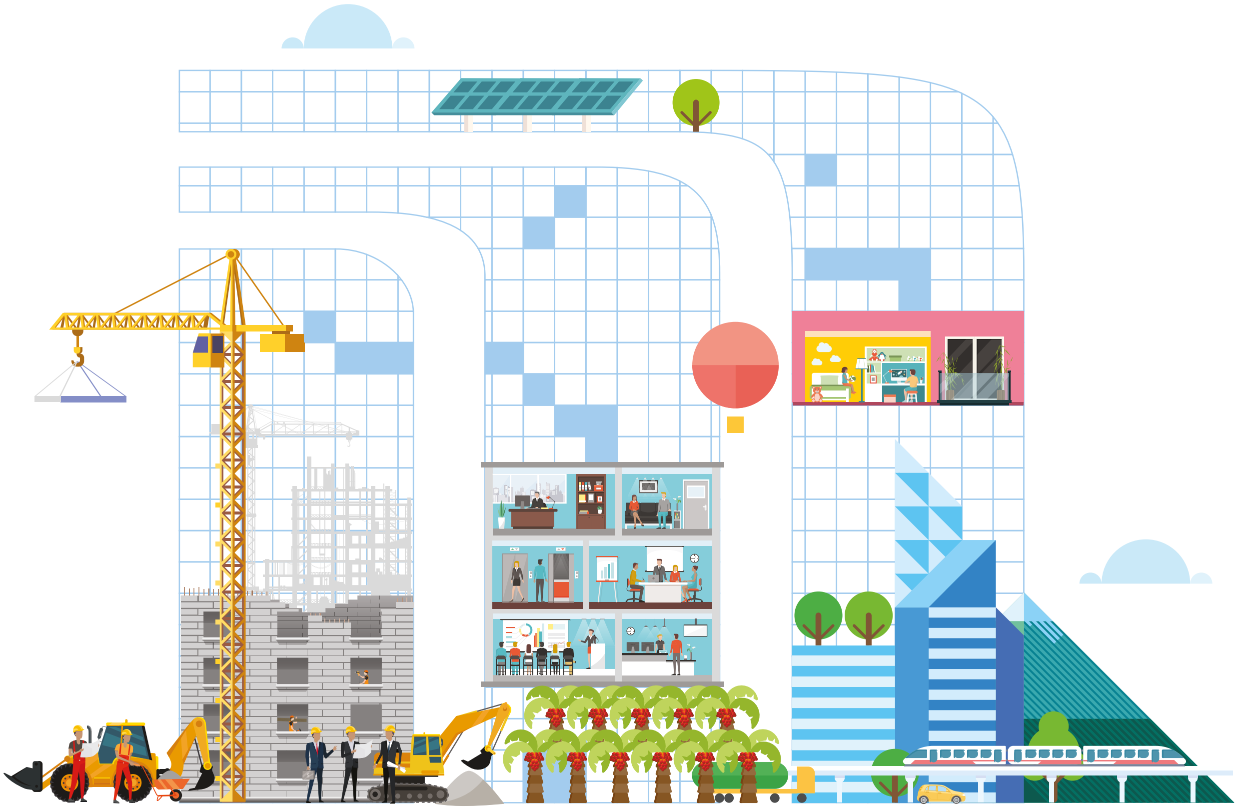

Sustaining Future

ANNUAL REPORT 2019

Sustaining Future

MKH Berhad commits to inspire the future generation.

Distinguished by its resilience, transforming into a metropolitan property developer hence improving the quality of people's lives through integrated townships, quality developments and well-designed communities as home for customers.

Visionary in sustainable future with its oil palm plantation trees at the prime age.

Businesses in Property Development and Construction, Plantation, Hotel and Property Investment, Trading and Furniture Manufacturing to provide sustainable growth.

To be a leading corporation in delivering sustainable growth, MKH is nurturing future generation, building future communities and sustainable future.

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Form of Proxy

VISION

To be a leading corporation in delivering sustainable growth.

MISSION

- To lead the market by continually developing and innovating quality products and projects that meet and exceed market expectations.
- To be responsive to market trends and customer needs.
- To provide conducive working environment that will encourage the application of creative energy that is guided by best industry practices.
- To be a good and responsible corporate citizen.
- To provide a sustainable return to shareholders.

CORE values

At MKH, we take pride in living a set of shared core values that define our culture and business operations, thus helping us to create value for our clients, our people and our organisation.

STABLE

We use our expertise, business acumen and financial resources to provide a holistic value to all stakeholders and customers.

RESPONSIVE

We proactively engage with the community to understand their needs and concerns with the aim of delivering solutions for betterment of the situations.

PROFESSIONAL

We deal with our stakeholders and customers in an efficient, knowledgeable and responsive manner.

DYNAMIC

We are always enthusiastic in looking out for new opportunities and delivering innovative products into the market.

FRIENDLY

We greet our colleagues, customers and stakeholders in an approachable manner with a smile and are considerate for each other's feelings.

RELIABLE

We utilise our experience and financial strength to deliver on our promises and complete all projects on time or earlier.

1979

- Established as private limited company: **Srijang Bena Sdn. Bhd.**
- Built first landed residential development: **Taman Bukit Indah**

1983

- Established building materials trading division: **Metro Kajang Trading Sdn. Bhd.**

1993

- Built first joint venture development with Selangor state government: **Bandar Teknologi Kajang**
- Built first high-rise development in Kajang

2014

- Metro Kajang Trading Sdn. Bhd. rebranded: **MKH Building Materials Sdn. Bhd.**

2017

- **PT Maju Kalimantan Hadapan** achieved Indonesian Sustainable Palm Oil certification

2019

- **JOURNEY TO BE CONTINUED**

CORPORATE milestones

Guided by visionary leadership, we have forged a strong foundation through successful diversification of businesses that empowers the creation of true value for our stakeholders.

We are committed to continually enhance our business models to ensure long-term success for the decades to come.

1994

- Established property investment sector
- Built first shopping complex in Kajang: **Plaza Metro Kajang**

1995

- Srijang Bena Sdn. Bhd. rebranded: **Metro Kajang Holdings Berhad**
- Officially listed on Bursa Malaysia as "MKH" under stock code "6114"

2000

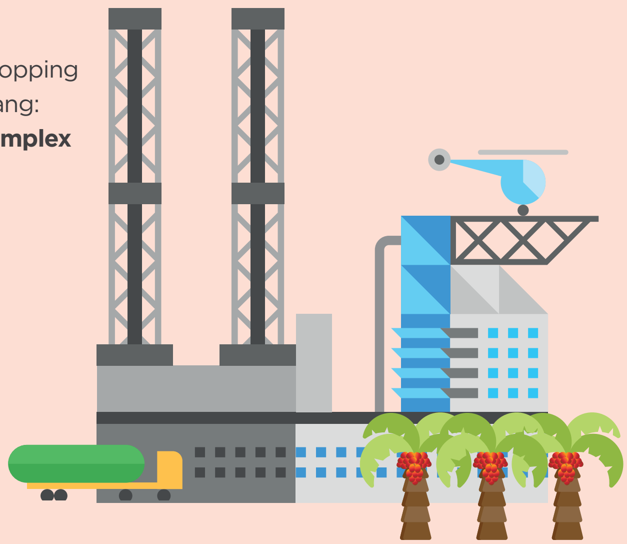
- Established Furniture Manufacturing Division in China : **Vast Furniture Manufacturing (Kunshan) Co. Ltd**.

2007

- Built second shopping complex in Kajang: **Metro Point Complex**

2008

- Established oil palm plantation sector
- Acquired **PT Maju Kalimantan Hadapan ("PT MKH")**



2011

- Metro Kajang Holdings Berhad rebranded: **MKH Berhad**

Situated within the matured residential development of Puchong, Putrajaya, Subang and Cyberjaya, Saville @ D'Lake, Puchong offers an idyllic lifestyle and stunning view.

COMPANY profile

MKH Core Businesses

- **Property Development and Construction**
- **Plantation**
- **Property Investment**
- **Building Materials Trading**

MKH Berhad ("MKH" or "the Group") is a Malaysian public listed company with its headquarters in Kajang that has established a prominent brand presence in Selangor, Kuala Lumpur and East Kalimantan, Indonesia.

Distinguished for its contribution in transforming Kajang, MKH has expanded its property footprints into Klang Valley and other parts of Selangor. Our property portfolio comprises well-planned landed residentials, townships and integrated high rises in Kajang, Petaling Jaya, Cheras, Puchong, Shah Alam North as well as affluent neighbourhoods in Kuala Lumpur such as south of Bangsar and Mon't Kiara.

The Group also owns 18,388 hectares of oil palm plantation in East Kalimantan, Indonesia together with a 90MT per hour crude palm oil ("CPO") mill. This division contributes as one of the Group's core businesses that will continue to generate sustainable income in the long run.

Following the successful completion of the Group's first shopping complex Plaza Metro Kajang in 1996, our property investment portfolio has since grown to include Metro Point Complex, RHR Hotel @ Kajang and Rafflesia International and Private Schools among others, while our Building Materials Trading Division is well-established as a supplier of quality building materials to local property related business since 2002. In addition, we also own land and factory buildings in China for furniture manufacturing.

Guided by its core values and beliefs, MKH is mindful of the need to have a sustainable growth strategy and supports it by taking into account sustainable practices in economic, environmental and social aspects.

Through meaningful social investment and community engagement, we aspire to foster stable relationships with our key stakeholders as well as the greater community and are driven by determination in our journey forward towards a sustainable future.

The Company's roots can be traced back to its establishment in

1979

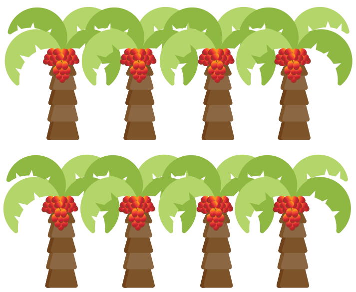
Listed on the **Main Market of Bursa Malaysia Securities Berhad** in

1995

AWARDS and achievements

In FY2019, MKH was ranked 12th among Top 30 Property Developers in Malaysia recognised at The Edge Malaysia's Property Excellence Award for maintaining a property portfolio of good product quality with seasoned industry expertise that ensures value creation for our home buyers and investors.

PROPERTY



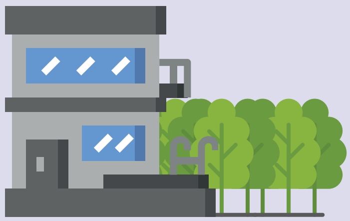
Our Plantation Divison, PT Maju Kalimantan Hadapan was awarded by the Provincial Government of East Kalimantan for Zero Accident Award on 20 April 2019.

PLANTATION

COMPANY

FY2019 highlights

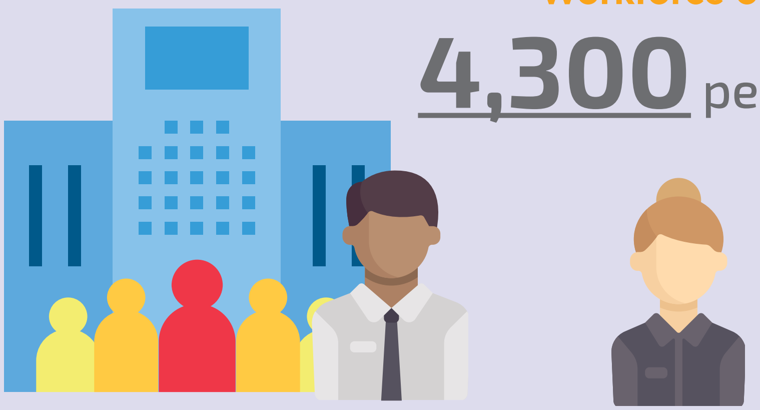
Achieved Group Revenue of
RM1.12 billion



Launched a total of three (3) new projects namely Kajang East Precinct 1, MKH Boulevard 2 and Nexus @ Kajang. FY2019 new sales was
RM823.5 million

Ranked
12th
among Top 30 Property Developers at The Edge Malaysia's Property Excellence Award

THE EDGE MALAYSIA Top Property Developers Awards 2019



Workforce of over
4,300 people

72% Male 28% Female

Solar photovoltaic panels were installed at our shopping malls in Kajang. Reduction of utility bills by up to
22%

16,408 hectares
PT Maju Kalimantan Hadapan is planted with 14,877 hectares of oil palm trees aged within the range of 8 to 11 years old and PT Sawit Prima Sakti is planted with 1,531 hectares of oil palm trees aged 2 to 8 years old.

5 YEARS GROUP financial highlights

	2019 RM'000	2018 RM'000 (Restated)	2017 RM'000	2016 RM'000	2015 RM'000
INCOME STATEMENT					
Revenue	**1,121,657**	1,081,701	1,068,834	1,265,872	1,041,898
Profit Before Taxation	**158,373**	128,232	193,592	304,669	137,314
Profit After Taxation	**97,477**	76,613	124,843	214,178	96,630
Profit Attributable to Shareholders of the Company	**82,561**	70,865	128,207	205,041	86,961
BALANCE SHEET					
Issued and Paid up Capital	**654,459***	654,459*	613,315*	419,444	419,407
Shareholders' Equity	**1,615,885**	1,552,635	1,476,995	1,276,285	1,104,653
RATIOS					
Single Tier Dividend Per Share (sen)	**4.00**	3.50	5.00	7.00	7.00
@ Net Earnings Per Share (sen)	**14.26**	12.26	24.18	40.01^	16.97^
Net Assets Per Share (RM)	**2.79**	2.67	2.62	2.53^	2.19^
Debt/Equity ratio (%)	**42.4**	43.3	52.3	65.7	72.5
Return on Shareholders' Equity (%)	**5.1**	4.6	8.7	16.1	7.9

* With the Companies Act 2016 ("the Act") coming into effect on 31 January 2017, the credit standing in the share premium account has been transferred into the share capital account pursuant to the transitional provisions set out in Section 618 (2) of the Act.

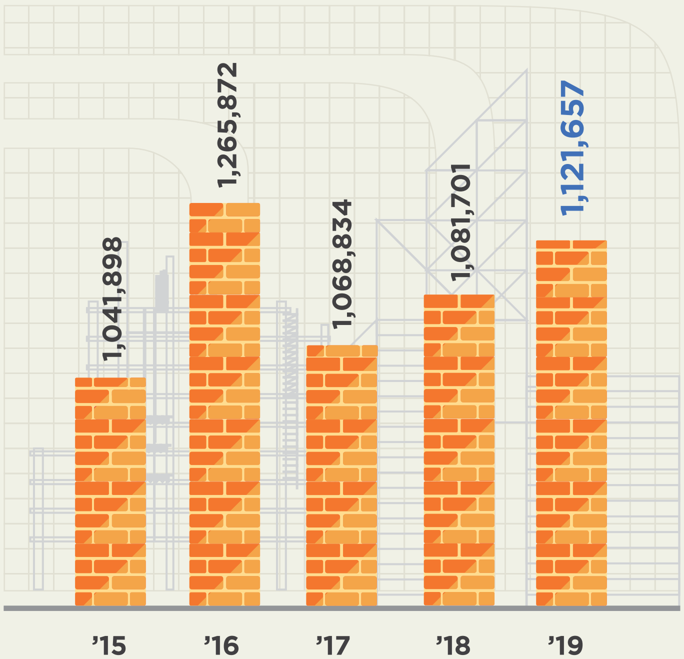
@ Attributable to the equity holders of the Company.

^ The preceding years' net earnings per share and net assets per share have been restated to effect the Bonus Issues made.

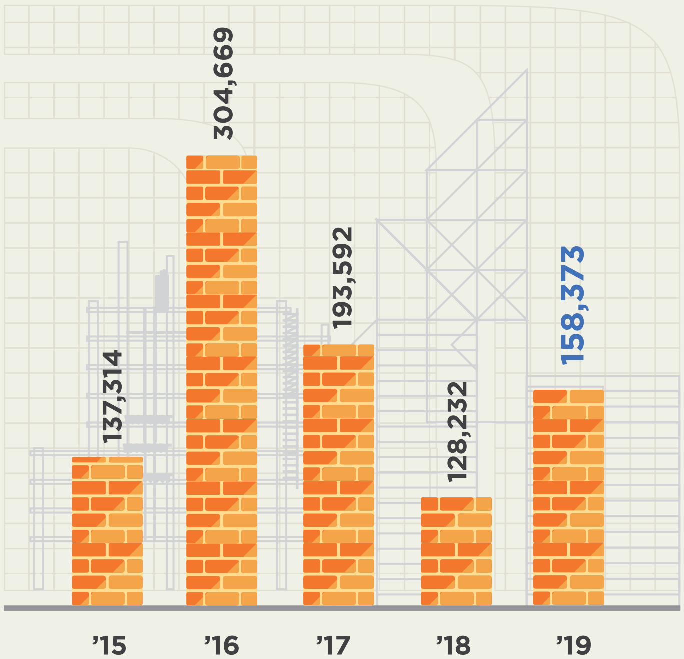
The financial statements for FY2019 and FY2018 (Restated) are prepared in accordance with Malaysian Financial Reporting Standards. The financial statements of the previous financial years (FY2015 to FY2017) were prepared in accordance with Financial Reporting Standards in Malaysia.

5 YEARS GROUP FINANCIAL HIGHLIGHTS

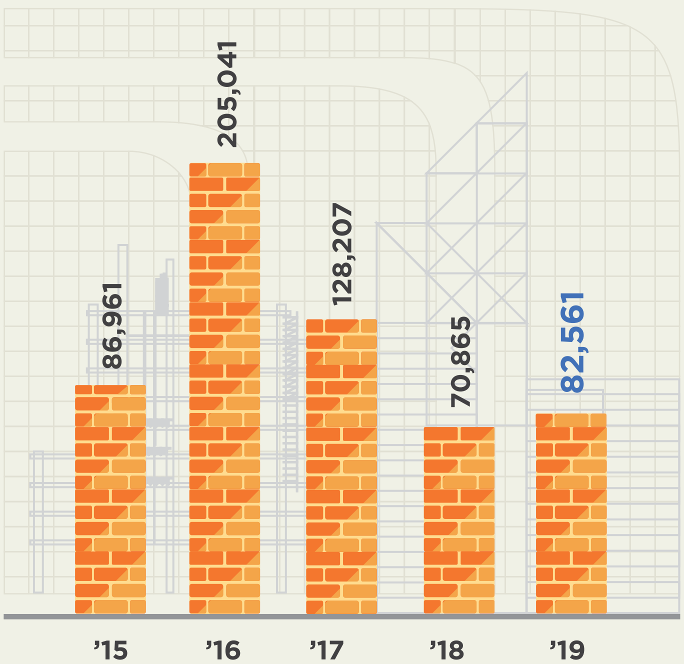
REVENUE (RM'000)



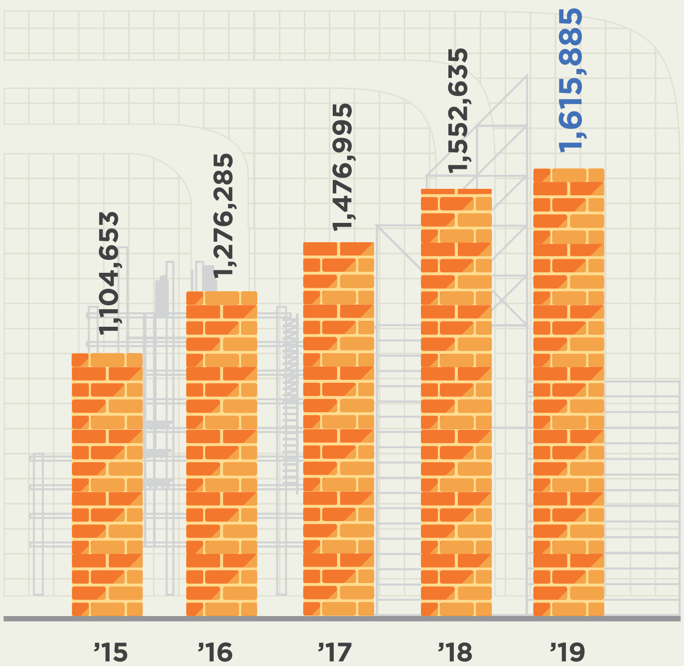
PROFIT BEFORE TAXATION (RM'000)



PROFIT ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY (RM'000)



SHAREHOLDERS' EQUITY (RM'000)



CORPORATE information

BOARD OF DIRECTORS

Y. Bhg. Tan Sri Dato' Chen Kooi Chiew @ Cheng Ngi Chong	*Group Executive Chairman*
Y. Bhg. Tan Sri Datuk Chen Lok Loi	*Group Managing Director*
Y. Bhg. Datuk Chen Fook Wah	*Deputy Managing Director*
Y. Bhg. Datuk Mohammad bin Maidon	*Independent Non-Executive Director*
Haji Mohammed Chudi bin Haji Ghazali	*Senior Independent Non-Executive Director*
Jeffrey bin Bosra	*Independent Non-Executive Director*
Haji Hasan Aziz bin Mohd Johan	*Independent Non-Executive Director*

Audit Committee
Jeffrey bin Bosra (Chairman)
Haji Mohammed Chudi bin Haji Ghazali (Member)
Haji Hasan Aziz bin Mohd Johan (Member)

Nomination Committee
Haji Mohammed Chudi bin Haji Ghazali (Chairman)
Y. Bhg. Datuk Mohammad bin Maidon (Member)

Remuneration Committee
Y. Bhg. Datuk Mohammad bin Maidon (Chairman)
Jeffrey bin Bosra (Member)

Chief Financial Officer
Kok Siew Yin (MIA 15343)

Group Company Secretary
Tan Wan San (MIA 10195)

External Auditors
Deloitte PLT (AF 0080)
Level 16, Menara LGB
1, Jalan Wan Kadir
Taman Tun Dr. Ismail
60000 Kuala Lumpur
Tel No : (603) 7610 8888
Fax No: (603) 7726 8986

Panel Solicitors
Khaled Mutang Chan & Lim
Ling & Theng Book
Markiman & Associates
Michael Chen & Co.
Raja, Darryl & Loh
Steven Tai, Wong & Partners

Principal Bankers
- Affin Bank Berhad
- Al Rajhi Banking & Investment Corporation (Malaysia) Bhd
- AmBank (M) Berhad
- AmBank Islamic Berhad
- Bank of China (Malaysia) Berhad
- Bank Islam Malaysia Berhad
- Bank Muamalat Malaysia Berhad
- CIMB Islamic Bank Berhad
- Hong Leong Bank Berhad
- Hong Leong Islamic Bank Berhad
- ICICI Bank Limited
- Industrial and Commercial Bank of China (Malaysia) Berhad
- Malayan Banking Berhad
- Maybank Islamic Berhad
- OCBC Bank (Malaysia) Berhad
- OCBC Al-Amin Bank Berhad
- RHB Bank Berhad
- RHB Islamic Bank Berhad
- United Overseas Bank (Malaysia) Berhad

Registrar
Tricor Investor & Issuing House Services Sdn. Bhd.
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel No : (603) 2783 9299
Fax No: (603) 2783 9222

Registered Office
Suite 1, 5th Floor
Wisma MKH, Jalan Semenyih
43000 Kajang
Selangor Darul Ehsan
Tel No : (603) 8737 8228
Fax No: (603) 8736 5436

Stock Exchange Listing
Main Market of Bursa Malaysia Securities Berhad
Stock Code : MKH
Stock No : 6114

Corporate Website
www.mkhberhad.com

CORPORATE structure

PROPERTY AND CONSTRUCTION DIVISION

- Achieve Acres S/B (85%)
- Aliran Perkasa S/B (100%)
- Budi Bidara S/B (100%)
- Danau Saujana S/B (51%)
- Dapat Jaya Builder S/B (100%)
  - **Rimbunan Melati S/B (45%)**
- Everland Asia Development S/B (100%)
- Gabung Wajib S/B (100%)
  - **Alif Mesra S/B (65%)**
  - **Amona Metro Development S/B (60%)**
    - Temara Pekeliling S/B (84%)
- Gerak Teguh S/B (100%)
- GK Resort Berhad (100%)
  - **PNSB-GK Resort S/B (70%)**
- Intelek Kekal (M) S/B (100%)
- Intra Tegas (M) S/B (100%)
- Kajang Resources Corporation S/B (100%)
  - **MKH Property Ventures S/B (51%)**
  - **Panasonic Homes MKH Malaysia S/B (49%)**
- Kumpulan Indah Bersatu S/B (100%)
  - **Palga S/B (100%)**
    - Hiliran Juara S/B (100%)
- Metro K.L. City S/B (100%)
- Metro Kajang Construction S/B (100%)
- MKH Development S/B (100%)
- MKH IHS Precast S/B (100%)
- MKH Land (Aust) Pty Ltd (100%)
- Nexus Starship S/B (100%)
  - **Quantum Density S/B (50.0004%)**
- Pelangi Binaraya S/B (100%)
- Pelangi Semenyih S/B (100%)
- Pelangi Seri Alam Development S/B (100%)
  - **Hillpark Resources S/B (100%)**
- Perkasa Bernas (M) S/B (100%)
  - **Daksina Harta S/B (40%)**
- Petik Mekar S/B (100%)
- Serba Sentosa S/B (100%)
- Serentak Maju Corporation S/B (100%)
- Srijang Kemajuan S/B (99.99%)
- Stand Allied Corporation S/B (100%)
- Sumber Lengkap S/B (100%)
- Suria Villa S/B (100%)
- Vista Haruman Development S/B (55%)

MKH

NON-PROPERTY DIVISION

- Detik Merdu S/B (100%)
  - **PT Maju Kalimantan Hadapan (95%)**
  - **PT Nusantara Makmur Jaya (100%)**
- Global Landscape Creation S/B (51%)
- MKH Plantation S/B (100%)
  - **PT Sawit Prima Sakti (75%)**
- Intelek Murni (M) Berhad (100%)
- Metro Kajang (Oversea) S/B (100%)
  - **Vast Furniture Manufacturing (Kunshan) Co. Ltd. (100%)**
- Metro Nusantara S/B (100%)
- Metro Readymix S/B (100%)
- Metro Tiara (M) S/B (100%)
- MKH Building Materials S/B (100%)
- MKH Credit Corporation S/B (100%)
- MKH Food S/B (100%)
- MKH Management S/B (100%)
- MKH Resources S/B (100%)
- Srijang Indah S/B (100%)
  - **Laju Jaya S/B (100%)**
  - **Maha Usaha S/B (100%)**
  - **Metro Emart S/B (100%)**
    - Europixel S/B (100%)
    - Hexapace S/B (100%)
    - Mercu Jasakita S/B (100%)


MKH

WE CREATE **distinction**

We develop smart and sustainable township for our home buyers.

CHAIRMAN'S statement

Dear Shareholders,

On behalf of the Board of Directors and the management, it is my great pleasure to present to you the Annual Report of MKH Berhad ("MKH", or "the Group") for the financial year ended 30 September 2019 ("FY2019").

The Malaysian economy remained resilient although gross domestic product ("GDP") moderated to 4.4% for the third quarter of 2019 (Q2 2019: 4.9%) mainly due to lower growth in key sectors and a decline in the mining and construction activities.

For FY2019, the Group recorded a commendable performance, building on our strong vision and mission. The Group's revenue increased by 3.7% to RM1.12 billion and profit before tax ("PBT") increased by 23.5% to RM158.4 million, which were mainly contributed by the Property Development and Construction Division.

A more detailed review of the Group's performance is covered under the section on "Management Discussion and Analysis Report" in this Annual Report.

The Group continue to leverage on strong demand for affordable housing emphasising on affordable pricing, good location and the right product mix. In FY2019, the Group launched a total of three (3) new projects namely Kajang East Precinct 1, MKH Boulevard 2 and Nexus @ Kajang and these 3 new projects have contributed 64% of the total FY2019 new sales of RM823.5 million.

In line with the rising trend of transit-oriented urban development model ("TOD"), MKH has been developing TOD projects that are well-located along the Klang Valley transit system such as Saville @ Cheras (completed project), MKH Boulevard 2 and Nexus @ Kajang (ongoing projects) and the upcoming Nexus @ Taman Pertama in Cheras and TR2 Residence @ Jalan Tun Razak, Kuala Lumpur.

As at 30 September 2019, the Group recorded an unbilled sales of RM1.12 billion that is mainly attributable to new and ongoing property projects namely Kajang East Precinct 1, MKH Boulevard 2, Nexus @ Kajang, Bandar Teknologi Kajang shops, TR Residence @ Jalan Tun Razak, Inspirasi Mont' Kiara, Hillpark @ Shah Alam North, Kajang 2 Precinct 2 and Hillpark Residence.

In recognising the importance of innovation in value creation for our businesses, our oil palm plantation located in East Kalimantan, Indonesia continue to expand on the use of mechanical-assisted collection of fresh fruits bunches to increase productivity. The announcement by the Indonesian Government on the shifting of the administrative capital of Indonesia to East Kalimantan have a positive effect as it will accelerate the economic and infrastructure development in East Kalimantan where our plantation is located.

Our Building Materials Trading Division has also established its own ironmongeries trademarked "EGON" to fit the aesthetically needs of modern residential and commercial projects that can enhance the prestige of the property.

At our Hotel and Property Investment Division, I am pleased to note that our shopping complexes namely Plaza Metro Kajang and Metro Point Complex maintained a relatively good tenants' occupancy rate of approximately 93% for the reporting year.

During the financial year, the Group have contributed approximately RM786,770 in community engagement that benefitted 113 educational institutions, community clubs and charitable organisations.

Harvesting a ripe bunch with a sickle.

In our continuous quest in driving growth and enhancing the sustainability of our business operations, we are humbled to be consecutively recognised by The Edge Malaysia as the Top 12th Developer in Malaysia at The Edge Malaysia's Property Excellence Award 2019.

MKH's sustainability progress is further detailed in the section on "Sustainability Report" within this report, from page 30 to page 41.

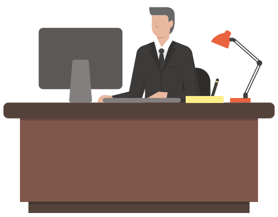
During the financial year, the Company repurchased 3,475,000 of ordinary shares, representing 0.59% of the total number of shares, at an average price of RM1.20 per share, amounting to approximately RM4.2 million including transaction costs. The exercise was financed by internally generated funds.

For FY2019, a first interim dividend of 4 sen per ordinary share amounting to approximately RM23.16 million was declared on 27 November 2019 and paid on 3 January 2020. This represents a distribution of approximately 28.1% of the Group's net profit attributable to shareholders.

Kajang 2 is an award-winning integrated township with excellent connectivity.

(Artist's impression only)

RM**1.12** billion
unbilled sales



Moving forward, we are confident that the Group is well positioned to create sustainable businesses with our TOD model. While the Klang Valley residential market in general is foreseen to remain challenging, we are confident that our strategy of building affordable housing at good location with TOD concept will continue to receive good take up rate.

We are also optimistic that crude palm oil ("CPO") prices will remain well supported in 2020 with the current CPO price trading above RM3,000/MT as at 10 January 2020 at Malaysia Derivatives Exchange. The adoption of B20 and B30 biodiesel mandate in Malaysia and Indonesia respectively in year 2020 will further increase the demand for CPO. We will continue to focus on our efforts to maximise CPO production and operation efficiency.

On behalf of the Board of Directors, I would like to express our sincere appreciation and thanks to our valued shareholders, customers, bankers, business associates and regulatory authorities for their continued support towards the Group. I would also like to extend my heartfelt gratitude to my Board members, management team and all employees for their commitment and teamwork towards the Group's success.

I believe that MKH Berhad is well positioned to achieve greater success in year 2020 with the continued support from all of our stakeholders.

Thank you.

Tan Sri Dato' Alex Chen Kooi Chiew
Group Executive Chairman

WE CREATE **environment**

As we believe that green spaces provide substantial environmental benefits to our communities, we allocated about 60 acres of forest park and central lake in Hillpark @ Shah Alam North, one of our eco-themed township development.

Inspired to bring nature to its residents, this award-winning township has a large reforested public community park built with various recreational facilities and an innovative ant colony themed playground to encourage healthy community living.

MANAGEMENT DISCUSSION
and analysis report

This Statement provides a discussion and analysis of the Group's financial performance for the year ended 30 September 2019 ("FY 2019"), including explanations for significant fluctuations over the previous financial year.

The Group's principal business segments, which remained unchanged from the preceding year, comprise Property Development and Construction; Plantation; Hotel and Property Investment; and Others. The segment "Others" comprises Trading, Manufacturing, Investment Holding and other non-reportable operations.

FY2019 FINANCIAL HIGHLIGHTS

The Group's revenue and profit before tax for the financial year under review and the preceding year are summarised as follows:

	2019 RM'000	2018 RM'000	Changes (%)
Group Revenue	**1,121,657**	**1,081,701**	**3.7**
Segments			
• Property Development and Construction	775,923	702,687	10.4
• Plantation	229,762	263,197	(12.7)
• Hotel and Property Investment	31,192	32,957	(5.4)
• Others	84,780	82,860	2.3
Group Profit Before Tax	**158,373**	**128,232**	**23.5**
Segments			
• Property Development and Construction	122,239	76,565	59.7
• Plantation	5,936	11,961	(50.4)
• Hotel and Property Investment	1,784	11,761	(84.8)
• Others	28,414	27,945	1.7

For the financial year ended 30 September 2019, the Group's revenue increased by 3.7% to RM1.12 billion (FY2018: RM1.08 billion) mainly due to higher recognition of revenue and profit from new and ongoing projects from property development and construction division.

The Group's profit before tax ("PBT") increased by 23.5% to RM158.4 million (FY2018: RM128.2 million) which was mainly due to higher contribution from the property and construction division from its new and ongoing projects and following the adoption of Malaysia Financial Reporting Standards ("MFRS") 15 Revenue from Contracts with Customers ("MFRS 15"), which resulted in legal fees and sales commission expenses progressively charged to income statement instead of immediately charged out as and when incurred previously.

Our eco-themed township project, Hillpark @ Shah Alam North has a unique 60 acres of forest park which provides an affordable green living and create a sustainable living for residents.

In addition, the Group also recorded unrealised foreign exchange gains of RM14.0 million as compared to the preceding year unrealised foreign exchange losses of RM36.4 million for the plantation division following the strengthening of Indonesian Rupiah against its borrowings in United States ("US") Dollar.

Excluding the unrealised foreign exchange gains of RM14.0 million (FY2018: unrealised foreign exchange losses of RM36.4 million), the Group's PBT was lower by 12.3% at RM144.4 million (FY2018: RM164.6 million) which was mainly due to lower average selling price for crude palm oil ("CPO") and higher average production cost incurred from the plantation division, inclusion of loss on changes in fair value of investment properties totalling RM6.2 million (FY2018: RM317,000) from the

The oil palm plantation in Kalimantan.

hotel and property investment division and impairment loss on trade and other receivables totalling RM5.3 million (FY2018: RM78,000) from the property development and construction and trading divisions.

Further details of the Group's financial performance are discussed in the segments below.

LIQUIDITY AND CAPITAL RESOURCES

During FY2019, the cash and cash equivalents of the Group increased significantly by RM178.8 million to RM374.1 million as at 30 September 2019 (FY2018: decreased by RM41.6 million to RM194.7 million as at 30 September 2018), which was culminated from the following cash flows activities:

Net cash generated from/ (used in)	2019 RM'000	2018 RM'000	Changes (%)
Operating activities	250,579	97,384	**157.3**
Investing activities	(58,431)	(66,593)	**12.3**
Financing activities	(13,308)	(72,423)	**81.6**
Increase/ (Decrease) in cash and cash equivalents	178,840	(41,632)	**529.6**

For FY2019, the Group recorded vast improvement in cash flows from operating activities following the handing over of vacant possession ("HOVP") of The Pinang and The Palm (phase 1A & 1B1) @ Hillpark Shah Alam North and Saville @ D'Lake Puchong. The cashflows used in investing activities was also reduced with lower upfront development expenditure incurred in land held for property development.

The cashflows used in financing activities was also reduced significantly following a net drawdown of bank borrowings totalling RM11.8 million in FY2019 as compared to a net repayment of bank borrowings totalling RM92.2 million in FY2018.

Group's revenue increased by

3.7%

to RM1.12 billion
(FY2018: RM1.08 billion)

The Group's capital resources comprise primarily of cash flows generated from operating activities, cash and cash equivalents, term deposits, fixed income funds and available lines of credit. As at 30 September 2019, the Group's net gearing improved to 0.17 times (FY2018: 0.29 times), largely due to the above mentioned as well as prudent cash flow management. The Group continues to maintain a prudent approach towards managing its capital resources to ensure adequacy in meeting operational requirements and capital expenditure from time to time.

SEGMENT RESULTS AND ANALYSIS

Property Development and Construction

The Group's revenue was driven by this segment with the contribution from nine (9) key projects located in Kuala Lumpur, Mont' Kiara, Kajang, Semenyih and Hillpark @ Shah Alam North of which three (3) new projects were launched in FY2019, namely, Kajang East Precinct 1, MKH Boulevard 2 and Nexus @ Kajang and these 3 new projects have contributed 64% of the total FY2019 new sales of RM823.5 million (FY2018: RM815.0 million).

This division achieved higher revenue and PBT of RM775.9 million (FY2018: RM702.7 million) and RM122.2 million (FY2018: RM76.6 million) respectively from its ongoing projects namely, TR Residence @ Jalan Tun Razak, Inspirasi Mont' Kiara, Hillpark @ Shah Alam North and Hillpark Residence coupled with HOVP of The Pinang and The Palm (phase 1A & 1B1) @ Hillpark Shah Alam North and Saville @ D'Lake Puchong. This division's PBT was further improve by the adoption of MFRS 15.

As at 30 September 2019, the gross development value of nine (9) new and ongoing projects amounted to RM2.30 billion with unbilled sales totalling RM1.12 billion (FY2018: RM1.06 billion) namely, Hillpark @ Shah Alam North, Hillpark Residence, TR Residence @ Jalan Tun Razak, Kajang 2 Precinct 2, Inspirasi Mont' Kiara, Kajang East Precinct 1, MKH Boulevard 2, Nexus @ Kajang and Bandar Teknologi Kajang shops.

The Group is well-positioned to unlock the value of its existing development landbank in Kuala Lumpur, Kajang, Semenyih and Puncak Alam vicinities.

Paired with good product design and strategic location essential lifestyle amenities, our ongoing projects recorded an average take up rate of 85%.

Inspired by Japanese culture, Kajang 2 Precinct 2 creates tranquil living for residents, delicately designed with Zen gardens, Sakura boulevard main entrance and a lakeside deck which is equipped with jetty and gazebo for recreational pleasures.

Plantation

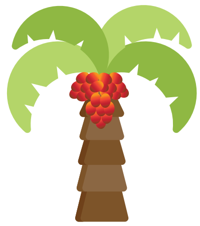
The following table summarises the performance of the division for the past three (3) years: -

Production for Estate (MT)	FY 2017	FY 2018	FY 2019
Fresh Fruit Bunches ("FFB")	398,000*	465,000*	459,000*
Crude Palm Oil ("CPO")	83,000*	101,000*	100,000*
Average CPO Price	RM2,530	RM2,163	RM1,856
Oil Extraction Rate ("OER")	20%	21%	21%
PT MKH - FFB Yield/hectare	26 MT	30 MT	29 MT

Note: Figures exclude CPO purchased from outside parties for resale.
** rounded up to nearest thousand*

Inspirasi Mont' Kiara applies a minimalist concept which features 46-storey residential towers that provide a modern yet holistic living environment.

Group Executive Chairman, Tan Sri Dato' Chen Kooi Chiew (second from right) and team inspecting the oil palm plantation.



For FY2019, the plantation division recorded a decrease in revenue by 12.7% to RM229.8 million (FY2018: RM263.2 million) mainly attributable to lower average CPO price of RM1,856 per metric ton (MT) in FY2019 as compared to RM2,163 per MT in FY2018. This division's PBT was lower by 50.4% to RM5.9 million (FY2018: RM12.0 million) mainly due to lower average CPO price and couple with higher average production cost incurred as a result of lower production of fresh fruit bunches of 459,000 MT in FY2019 (FY2018: 465,000 MT) due to dry weather.

This division recorded unrealised foreign exchange gains of RM14.0 million in FY2019 (FY2018: unrealised foreign exchange losses of RM36.4 million) following the strengthening of Indonesian Rupiah against its borrowings in US Dollar. Excluding the unrealised foreign exchange gains or losses, this division recorded loss before tax of RM8.1 million as compared to PBT of RM48.4 million in FY2018 due to the above mentioned factors.

As at 30 September 2019, the total area planted for this division was about 16,408 hectares (FY2018: 16,408 hectares) with 15,623 hectares (FY2018: 15,623 hectares) have reached the mature age for harvest. Presently, PT Maju Kalimantan Hadapan is planted with 14,877 hectares of oil palm trees aged between 8 and 11 years old, while PT Sawit Prima Sakti is planted with 1,531 hectares of oil palm trees aged 2 to 8 years old.

Hotel and Property Investment

For FY2019, this division recorded a lower revenue and PBT of RM31.2 million (FY2018: RM33.0 million) and RM1.8 million (FY2018: RM11.8 million) respectively due to inclusion of loss on changes in fair value of investment properties totalling RM6.2 million in FY2019 (FY2018: RM317,000), absence of gain on disposal of an associate in FY2019 (FY2018: RM2.0 million), reduction in average rental rates for tenants to sustain the occupancy rates and the newly refurbished 3-star hotel namely RHR Hotel @ Kajang has yet to achieve its breakeven occupancy rates.

PROSPECTS

The Board is optimistic and expecting to achieve satisfactory results for the financial year ending 30 September 2020 ("FY 2020") mainly from the following principal business segments: -

Kajang East offers modern double-storey terraces and semi-detached homes nestled in lush greenery for tranquil living.

Property Development and Construction

With the unbilled sales of RM1.12 billion as at 30 September 2019, the Group is well positioned for FY2020 with new and ongoing developments, such as, TR Residence @ Jalan Tun Razak, Inspirasi Mont' Kiara, Hillpark @ Shah Alam North, Kajang 2 Precinct 2, Hillpark Residence, Kajang East Precinct 1, MKH Boulevard 2 and Nexus @ Kajang.

Our FY2020 planned launches with total estimated GDV of RM1.48 billion are in line with the Government's encouragement for more affordable housing and transit-oriented developments, comprising mainly of affordable to mid-ranged landed residential and high-rises located near the public transportation system.

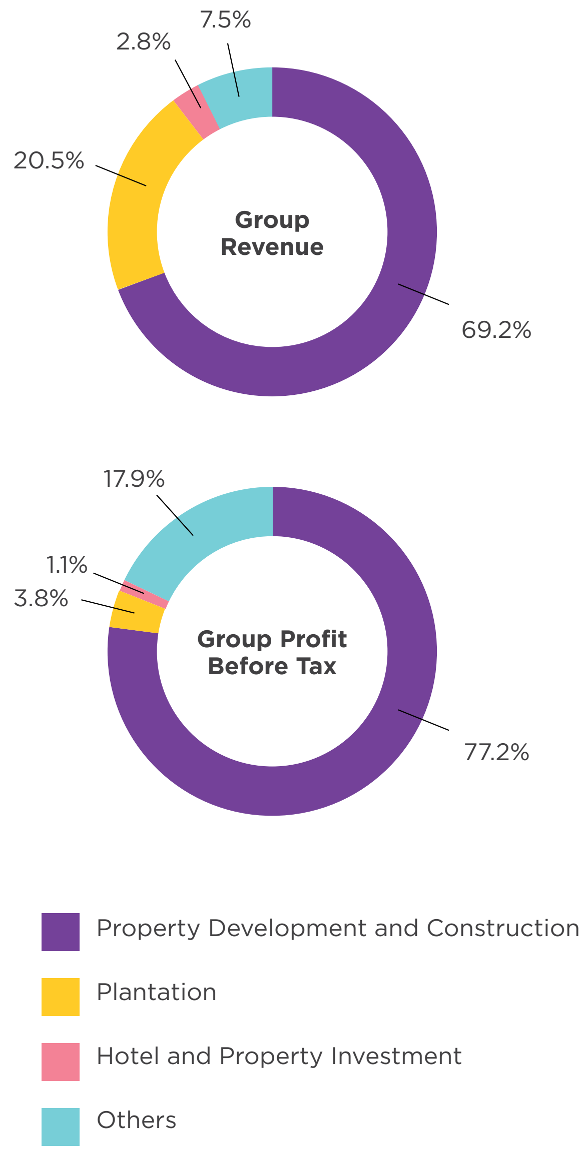
In addition, we continuously explore joint venture opportunities with potential partners with the aim to create value for the Group.

Plantation

Moving forward, our plantation division is expected to contribute positively to the Group's future earnings. We expect the price of CPO to be well supported in 2020 mainly due to the demand from the adoption of B20 and B30 biodiesel programmes by Malaysia and Indonesia respectively and the anticipated tighther CPO supply from the oil palm industry. CPO prices have rebounded strongly from its low and was trading at above RM3,000 per MT (as at 10 January 2020) at Malaysia Derivatives Exchange which augurs well for the plantation division.

Property Investment

This division is expected to continue in providing a steady income stream to the Group by maintaining an average rental yield of approximately 5% per annum based on fair values of the properties as at 30 September 2019.



WE CREATE sustainable future

In our continuous pursuit of excellence, the Group is mindful of its responsibility as a corporate citizen towards sustainable practices in the economic, environment and social aspects.

The Group is committed to maintain a high standard of governance in our operations to have a positive sustainable impact on the business, environment and its key stakeholders.

SUSTAINABILITY report

The content of this Sustainability Report ("Report") narrates MKH's sustainability efforts from 1 October 2018 to 30 September 2019, encompass the Group's operations in Malaysia and Indonesia, which are the locations of the Group's key businesses.

Through this Report, the Group demonstrates our commitment in integrating sustainability practices across all facets of its businesses. This Report was prepared in accordance with the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa"), sets out what the Board considers as material sustainability risks and opportunities, collectively known as Material Sustainability Matters, that impact the way the Group's operations are carried out as well as how such Material Sustainability Matters are managed. In preparing this Report the Board has considered the Sustainability Reporting Guide and its accompanying toolkits, issued by Bursa.

SUSTAINABILITY GOVERNANCE

In MKH Berhad, we hold firmly to the principles of ethical conduct to ensure our business is conducted with integrity through good governance, in line with the best industry practices as well as the applicable rules and regulations.

Our business operating units are guided by the Group's policies and its respective standard operating procedures. The Board of Directors and the senior management meet regularly to ensure that the planning, decision-making and execution of the Group's business operations are carried out professionally.

We have an Internal Audit Division to undertake an independent and systematic assessment of the Group's system of risk management and internal controls as established by management in addressing the principal business risks faced by the Group.

Full disclosure on our Corporate Governance Report is available for reference on www.mkhberhad.com.

We provide job opportunities and shares knowledge in planting, estate management and the transfer of technology to the local community in our oil palm plantation.

ORGANISATIONAL STRUCTURE FOR SUSTAINABILITY COMMITTEE

MKH's Sustainability Committee, led by the Group Managing Director Tan Sri Datuk Chen Lok Loi, oversees the planning and execution of sustainability strategies to ensure that our sustainability matters are implemented throughout our business operations.

Together, the Sustainability Committee identifies, evaluates, monitors and manages risks as well as opportunities in our business operations relating to economic, environmental and social aspects.

MKH Berhad's Sustainability Committee comprises:-

- Group Managing Director
- Key Senior Management

Various programmes are conducted by engaging with other health associations for the employees to achieve a positive work-life balance.

The functions of the key management members are defined in sustainability management.

Board of Directors of MKH	Group Managing Director of MKH	Sustainability Committee
▶ Review the Group's sustainability matters and provide advice and direction on sustainability for the Group as and when necessary. ▶ Approve sustainability report.	▶ Lead and drive the sustainability initiatives in the Group. ▶ Discuss, review and monitor progress of sustainability matters regularly. ▶ Report to the Board of Directors on sustainability matters.	▶ Responsible for assessing and identifying sustainability matters. ▶ Oversee the planning and execution of sustainability strategies. ▶ Undertake actions as and when necessary to address sustainability concerns.

MKH's SUSTAINABILITY GOALS

MKH defines and aligns its key topics and core principles with reference to the United Nation's 17 Sustainable Development Goals ("SDGs") enacted in 2015 by the United Nation General Assembly. We share our responsibilities in supporting the efforts of tackling the economic, environmental and social challenges through the implementation of sustainable practices as follows:-

To drive economic, growth and innovation by using our resources efficiently to create value for shareholders via sustainable planning, decision making and implementation of business processes.

To operate transparently in compliance with ethical codes of conduct and adopt shared values approach in business and social collaborations that bring positive impact towards internal and external communities.

To responsibly utilise resources with emphasis on recycling waste and energy savings, as well as to initiate continuous development of environmentally-friendly initiatives.

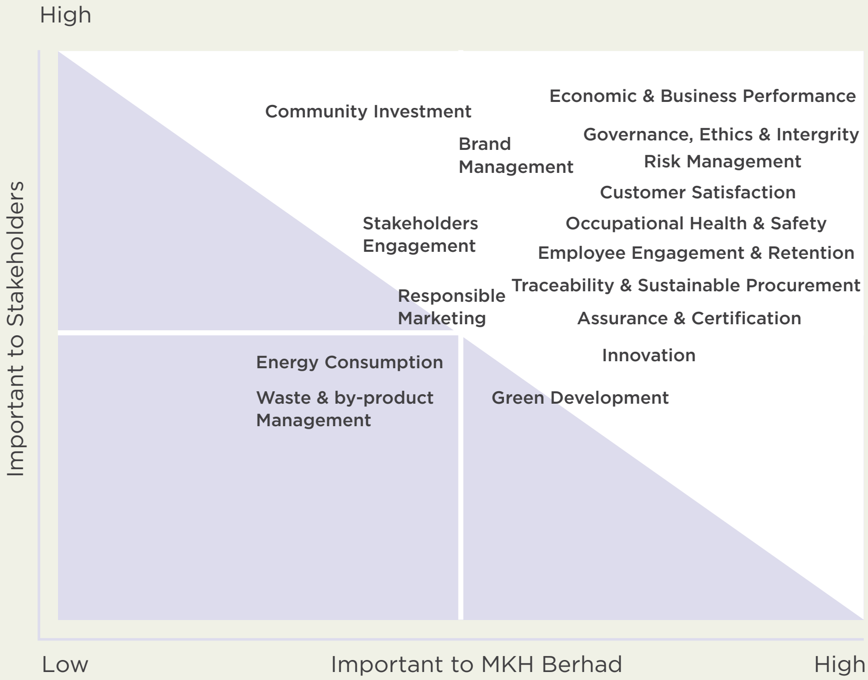
To provide a healthy, safe and empowering environmental that encourages the health, growth and productivity of our employees and communities.

To foster diversity and social inclusion by creating an environment where employees are valued without discrimination against gender, race and religion.

To support education for the community and employees with the provision of education aid or access to better learning environment towards academic excellence.

MKH'S MATERIALITY MATRIX

The key sustainability matters most relevant to our business operations relating to the economic, environmental and social aspects as well as to our internal and external stakeholders, is illustrated below.



We believe these 16 key material matters are keys to creating value for all our stakeholders, building mutual trust and allowing better insight on community needs as well as market trends in our journey towards a sustainable future.

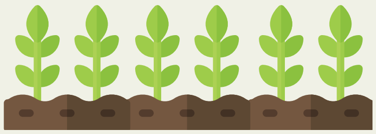
The ongoing transit-oriented high-rise development namely TR Residence @ Jalan Tun Razak is located next to major highway which is connected to the entire Klang Valley.

STAKEHOLDER ENGAGEMENT

We engage our stakeholders regularly to develop a deeper understanding of how we can address their needs while further carrying our corporate mission. Maintaining a good relationship, recognising and valuing each of them such as our business partners and understanding their interest and needs are vital aspects that ensure our business success.

Our stakeholder universe consists of shareholders, investors, customers, employees, community members, regulators, financial institutions, industry group, business associates, consultants, suppliers and the media.

Working with stakeholders improves our ability to address priorities. In line with our corporate core values, we strive to engage with our stakeholders, respectfully in an efficient, knowledgeable and responsive manner in our journey to deliver holistic value. We listen to and learn from stakeholders. We also provide stakeholders with accurate information so that they can understand our actions and intentions with greater clarity.



The following groups are key stakeholders who have the greatest impact on our organisation and with whom we engage regularly.

No.	STAKEHOLDERS	TYPE OF ENGAGEMENT	FREQUENCY OF ENGAGEMENT
1	Customers	• Written, Social Media & Email Communication • Centralised Sales Galleries • Customer Feedback Management • Outreach Events/Roadshow/Open Day	• Daily • Daily • Daily • Ad hoc
2	Employees	• Employee Engagement Activities • Written Communications • Departmental Meetings • Employee Development Trainings & Workshops	• Regular • Regular • Regular • Regular
3	Government Agencies/ Local Authorities	• Reports • Written Communications • Formal Meetings	• Regular • Regular • Ad hoc
4	Industry Group	• Formal Meetings • Written Communications	• Regular • Regular
5	Investors/Analysts/Fund Managers/Private Equity Firms	• Formal Meetings/ Briefing • Written Communications	• Ad hoc • Ad hoc
6	Financial Institutions	• Formal Meetings • Written Communications	• Regular • Regular
7	JV Partners/Business Associates	• Formal Meetings • Written Communications	• Regular • Regular
8	Local Communities/ Residents' Associations/Joint Management Bodies	• Formal Meetings • Written Communications	• Regular • Regular
9	Media	• Press Releases • Written Communications • Networking Sessions	• Regular • Regular • Ad hoc
10	Shareholders	• Written Communications • Quarterly Financial Report • Annual General Meeting	• Regular • Quarterly • Annual
11	Vendors/Suppliers/ Contractors/Consultants	• Formal Meetings • Project Tender • Written Communications	• Regular • Regular • Regular

SUSTAINABILITY EFFORTS

At MKH, we are guided by the best industry practices in our business operations to produce and deliver quality products to our customers, while also being cognizant of the economic, environment and social aspects of our communities.

To-date, MKH's diverse property portfolio comprises

10

- Townships
- Mixed developments

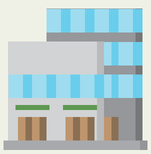
29

- Landed
- High-rise residential developments

10

- Boutique serviced apartments

7



- Transit-oriented developments

9

- Commercial Developments

that are strategically located within Kajang and across the Klang Valley.

Towards the Economy

With more than 40 years in the property industry, the Group actively engage with various chamber associations and professional groups to gain latest insight on industries which are relevant to our business operations.

Our adaptation of Industrialised Building System ("IBS") in property development proves to accentuate our expertise in creating value for our home buyers through the building of affordable yet quality housing.

Of recent years, the palm oil industry had been largely facing challenges in terms of manpower shortage, weather anomalies and fluctuating CPO prices. The Plantation Division recognised that we have to continuously improve our operational and production efficiencies and have carried out the necessary steps. The Group has also been developing and testing software applications ("App") to further complement the management of our plantation. For example, RondaApp enabled the plantation management team to monitor and take timely steps to mitigate or resolve matters such as maintenance and repair work to roads and machineries. Such Apps are being continuously tested and improved over time to suit our plantation usage.

Fresh fruit bunches are harvested at the right time.

CASCADA's hand shower represents the second trademarked product which is established by our Building Material Trading Division in FY2019.

Building Materials Trading Division managed to deliver its first trademarked product namely EGON to 329 units of Kajang East development. In addition, our Building Materials Trading Division has also established its second trademarked product namely CASCADA, a hand shower which was delivered to 552 units of our Kajang 2 Precinct 2 project.

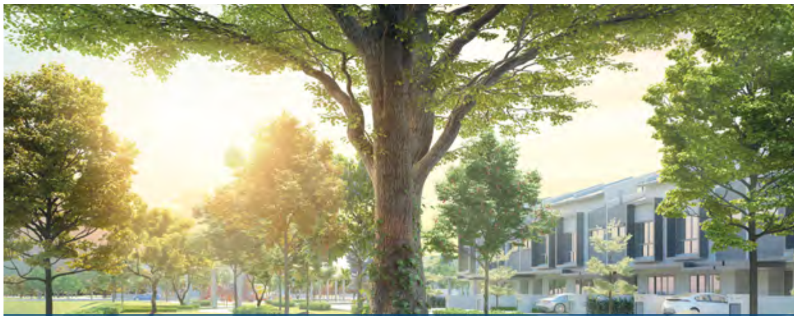
We emphasise on traceability in our operational activities by ensuring responsible sourcing from our supply chain through taking steps to understand respective practices of our suppliers, regular reviews and renegotiating terms of trade in efforts to ensure a sustainable business relationships in the long run. At our oil palm plantation, we also focus on the traceability of external crops procured under the Indonesian Plasma Programme.

Our Property Development and Construction Division has developed a wide range of successful property products to include integrated townships, transit-oriented developments ("TOD") and affordable homes that caters to various market demands.

We constantly explore joint-venture opportunities to expand our land bank which enable the Group to carry out development with relatively lower upfront financial commitment.

Partnering to develop projects also enable our Property Development and Construction Division the opportunity to adopt new specialised knowledge in the construction industry, which further enhances our product offerings for the greater community. We began to apply the Japanese inspired living for the development project namely Kajang 2 Precinct 2 Phase 3 "MIDORI" & Phase 4 "HIROKI", offering a total of 184 units of double-storey terraces in Kajang 2. The Japanese inspired concept emphasize on holistic and eco-friendly living.

Our Plantation Division's continuous research and development on mechanisation over the years had enabled more efficient FFB crop evacuation, even during festive seasons when more workers go on leave and during monsoon seasons when road access is more challenging. The consistent crop evacuation in a timely manner enabled our production and sales of CPO to be better managed.



Artist impression of ongoing double-storey terraces Kajang 2 Precinct 2 Phase 4 "HIROKI" with Japanese inspired living concept.

Our Building Materials Trading Division continues to produce quality ironmongery for our customers to meet current needs and also to ensure a sustainable trade business among industry peers.

MKH engages certified architects, engineers and contractors for its property development projects through strict tender process. In addition, our Quality Assurance personnel carry out regular inspection throughout the construction and processes in order to achieve minimum scores of 75% in QLASSIC assessments for all our developments.

In FY2019, we were ranked 12th among Top 30 Property Developers in Malaysia at The Edge Malaysia's Property Excellence Awards 2019, with high scores in good quality of development projects that create value for our home buyers and investors.

Given our Plantation Division's constant innovations, the local authorities have been making study trips to our plantation. The local province have implemented some of our innovations such as the setting up of Quick Response Units for fire prevention and control during dry season.

Our Plantation Division had been recognised by the Governor of East Kalimantan Province and other local authorities as one of the most efficient plantations in East Kalimantan for its good estate management practices and innovations, as could be evidenced by our multiple awards. Besides, we also believed in establishing health and safety programs to further educate and improve on the living standards of our workers and surrounding local communities.

Towards the Environment

Our Property Development and Construction Division incorporates a sustainable approach and focuses on the innovative concept and design which aim to reduce energy consumption in our residential development.

At the construction sites, existing top soil is preserved where possible for future landscape use, while buildings are constructed in the north-south orientation, where possible, to create cooler living environment for residents. In addition, wastes generated from the construction sites are either recycled for reuse, or timely transported to designated disposal sites.

As we believe that green spaces provide substantial environmental benefits to our communities, we allocated about 60 acres of forest park and central lake park in Hillpark @ Shah Alam North, one of our eco-themed township development. Inspired to bring nature to its residents, this award-winning township has a large reforested public community park built with various recreational facilities and an innovative ant colony-themed playground to encourage healthy community living.

In recognising the importance for sustainable living environment, we practises energy saving faithfully by using natural renewable energy. Solar photovoltaic panels were installed at our shopping malls in Kajang and successfully reduced utility bills by up to 22%.

Certified green building materials and fittings are also part of our Building Materials Trade Division's product offering to contractors.

In addition, our employees practise energy saving faithfully at the workplace by switching lights and appliances off when not in use and reducing paper printing.

We are committed to preserve a healthy ecosystem at our plantation estates via good estate management practices such as practise zero-burning policy in the planting of oil palm trees and putting up various signboards on environment preservation and wildlife protection as a constant reminder to in-field workers as they carry out their daily duties.

To ensure that our estates are responsibly managed, we work closely with the Indonesian Department of Environment. Drainage and irrigation systems are built to ensure optimum water levels to promote growth of oil palm trees and we also reduce application of agrochemicals through the use of natural alternatives such as planting of beneficial plant to combat pests.

Effluents from our CPO mill are treated using anaerobic, aerobic and facultative ponding system and subsequently used as natural soil fertiliser.

An innovative ant colony-themed playground at Hillpark @ Shah Alam North.

While the practice to reduce, reuse and recycle is observed, recycle bins are provided at our high-rise residences, shopping complexes and workplace. Organic wastes are periodically collected and recycled into natural composts at our headquarters, which are used as fertilisers in our developments' landscape. Waste paper and plastic materials are collected from headquarters periodically to be sent to respective recycling service providers for further processing.

In support to reduce carbon-footprints and encourage public transportation ridership, we have also taken to build transit-oriented developments that are connected or well-within walking distances to public transit points.

Our employees are encouraged to practise water-saving habits by minimising water wastage in the washrooms and pantries, while at our investment properties, notices and posters encouraging efficient water usage are put up at designated areas to encourage tenants, customers and guests to use water responsibly.

Towards the Society

As a responsible corporate citizen, MKH aspires to foster a stable relationship while creating value for our key stakeholders, comprising customers, shareholders, regulators and the greater community within the environment where our businesses operate in.

We believe respect in the workplace is fundamental to good performance and engagement. We appreciate the wide range of experiences and socio-cultural differences that exist in our MKH family and believe the unique traits of our people add to our strength and resilience as a visionary company. As at end-September 2019, we have a dedicated workforce of over 4,300 people, comprising 72% male and 28% female employees of respective local origins ethnicity backgrounds.

We place great importance on staff safety and health by providing a safe and secure work environment. The Safety and Health Committee ("SHC") is established to develop in-house safety and health rules, review the policies and ensure that all employees are in a safe working environment at our headquarters.

Organic wastes such as fruit skins are regularly collected from our headquarters and processed into natural compost for our development's landscape.

The committee will meet regularly to discuss and identify any safety health issues and form the Emergency Response Team ("ERT") as a precautionary measure against fire or emergency in the workplace. Additionally, regular trainings are carried out for our employees to ensure that they are equipped with the proper knowledge of standard precautions while carrying out in-field and on-site duties in their respective work environments without risking injuries.

Our employees regularly participate in blood donation drive that is held at our headquarters.

The workers use proper equipment for the job at hand.

The Property Development and Construction Division supervises site safety by following specific project safety plans which are drawn up by the appointed contractors before commencement of any construction activity at site.

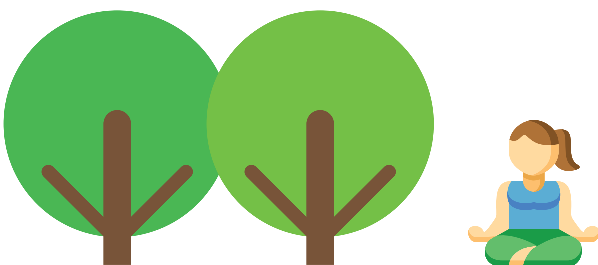
Additionally, our employees are required to attend the training programmes to increase motivation and teamwork spirit among others as well as to create a harmonious workplace. Various programmes and activities were conducted as part of our efforts in maintaining a good relationship between staff. The relevant training is provided in developing our employees' functional development, leadership skills as well as soft skills throughout the year of 2019.

MKH cares about the welfare of its employees. We progressively create an integrated work culture that emphasises on providing various welfare benefits such as dental and health care in recognition and appreciation of the dedicated hard work by fellow employees. Special arrangements such as designated parking for pregnant employees are also provided for mobility convenience and birthdays are celebrated with the giving of gift vouchers.

Our headquarters in Kajang, Selangor is equipped with a studio gym within the office building where employees can enjoy at their leisure and provision of membership subsidy for gym-goers to external fitness centres to promote positive work-life balance among the employees. A daily 10-minute exercise regime is also practised before working hours in the mornings and weekly after-work Qi Gong, Yoga and Zumba classes are also provided, while fresh fruits and herbal teas are provided on alternate days for the employees' well being.

Promoting a harmonious work culture is always a priority for the Group. The Group respects and appreciates diversity in our workforce and does not tolerate discrimination against anyone on the basis of race, religion and gender. Our Human Resource ("HR") and Administration Department hosted the major festive celebrations such as Chinese New Year, Hari Raya and Deepavali gatherings to promote employees engagement.

Harmonious work culture is always a priority to the Group.

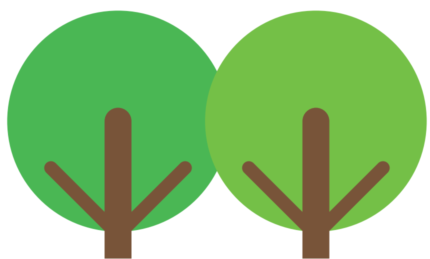


We ensure that our residential developments are ideal for multigenerational living with recreational and landscape creation as well as provision of various outdoor exercise facilities at Hillpark @ Shah Alam North.

We are mindful of the need to constantly upskill our workforce and provide equal opportunities of personal and career enhancement within the Group. A total of 136 trainings and workshops amounting to 4,061 training hours were organised within the reporting year to educate MKH employees on proper precaution against hazards associated with their respective responsibilities. For the year ended 30 September 2019, a total of 2,442 training hours were conducted outside of the Company while 1,619 training hours were carried out in the headquarters.

The Group greatly appreciates the employees who have consistently shown a high level of commitment and achievement throughout the year. To provide fair remuneration to our employees, we determine their annual performance through the evaluation of key performance indicators ("KPI") and practise the internal promotions for eligible employees to assume greater responsibility. In addition, bonuses and salary increment are awarded to each individual's effort through the years.

Qi-Gong class is one of the ongoing efforts with the aim to encourage a healthy lifestyle for the employees.



In the social realm, we strive to foster high quality working relationship with local authorities, interest groups, joint-venture partners, bankers, suppliers, contractors and also agencies in our mission to create and deliver sustainable value to all our stakeholders. We work closely with industry associations, participate in multi-sector forums and meet with socially responsible investors to gain diverse and valuable perspectives as we continuously improve our sustainable development programs and initiatives. Our key management members also play active roles in advocating the growth and advancement of the industry with present memberships in non-governmental organisations that also contribute to improving the welfare of the greater community.

We recognise that the journey towards a sustainable future begins with ourselves therefore we are committed to fulfil our role as a responsible corporate citizen in our mission to generate long-term growth for our businesses and also ensure value creation for our immediate communities.

In supporting and adding value to the communities-in-need where our employees live and work in, we ensure that our residential developments are ideal for multi-generational living with the adoption of universal designs, recreational and landscape creation as well as provision of various outdoor exercise facilities.

In enhancing the living experience for residents of our projects, we set up online portals for certain newly handed over projects that provide communication channels to the building management and various residence services, such as monthly maintenance payments and booking of common facilities. Initially a mobile application ("App") and this pilot programme has evolved to include a website platform for residents' convenience.

Being mindful of the need to invest in the community, we proactively engage with its community through various corporate social responsibility ("CSR") activities such as welfare homes visitations, charity donation drives and festive celebrations. With our aim to nurture a healthy young mind, we organised a 12-week community badminton outreach programme for residents at Lembah Subang 2, Petaling Jaya. The objectives of the programme were crafted under the guidelines of the ministry's National Community Policy, to engage and transform the lives of those in the B40 groups through empowerment and sustainability.

Over 800 children of our estate workers are provided with schooling opportunities while their parents are at work.

During the financial year, we contributed approximately RM786,770 in the community engagement that supported a total 113 beneficiaries included educational institutions, community clubs and welfare organisations.

The Group had been continuously upgrading essential facilities and infrastructure built for the benefit of approximately 10,000 of our employees and family members within our oil palm plantation. Amongst the facilities provided were 24-hour community clinic, pre-school and primary school, mini market, mosques, churches and ATM for banking.

A total of

136

trainings and workshops amounting to

4,061

training hours

Badminton Outreach Programme 2019 is part of MKH commitment in support of Ministry of Housing and Local Government's National Community Policy, to engage and transform the lives of B40 group through empowerment and sustainability.

The Plasma Programme was an initiative implemented by the Indonesian government and the Group's Plantation Division strongly supported this endeavour to improve the local communities' livelihood. Vide this programme, we provided job opportunities to them and embark on educating them in terms of estate knowledge and management, as well as transfer of technology to the plasma plantation. Our Plantation Division had previously won the best plasma award from the local Regent and was a source of pride to the local communities. Moving forward, our Plantation Division will continue to further strengthen its sustainability initiative to ensure long term growth.

As a seasoned builder of mass market and affordable housing, we commit to escalate our brand presence in the real estate industry and also engage the community where the company operates through responsible marketing campaigns.

The Board is of the view that the existing sustainability practices adopted are adequate and pertinent to steer the Group's sustainable growth. Nonetheless, it will consider the need to implement other sustainability practise, as appropriate, to complement existing ones as the Board monitors the sustainability performance of the Group's operations on an ongoing basis.

MKH volunteer helping out the residents by cleaning the yard at Sincere Home Kajang.

The 5km walking challenge, MKH Walk 2018 received very good response from the Kajang community.

DIRECTORS' profile

Tan Sri Dato Chen Kooi Chiew @ Cheng Ngi Chong

Group Executive Chairman
Aged 76, Male, Malaysian

Tan Sri Dato' Chen Kooi Chiew @ Cheng Ngi Chong serves as the Group Executive Chairman since 30 October 2006. He was appointed to the Board on 27 September 1979 and is also a member of the Group's Board of Directors and Executive Committee as well as Director of Intelek Murni (M) Berhad, a subsidiary of MKH Berhad.

Other than real estate and property development, he has successfully led the Group to establish and develop oil palm plantation as one of MKH's present core businesses. To-date, he has been involved in business for about 59 years, of which 41 years were in property development and construction industry and 27 years were in plantation sector.

In recognition of his vast knowledge and experience in the business industry, he was the recipient of "World Chinese Economic Summit Lifetime Achievement Award 2017" and "The International Real Estate Federation (FIABCI) Malaysia Property Man of the Year 2013".

He is generous in supporting community and educational causes and is also the Chairman for Hulu Langat Chinese & Commerce Association as well as Chairman for Yu Hua National Primary and Secondary School Board.

Tan Sri Dato' Chen Kooi Chiew @ Cheng Ngi Chong is the brother of Tan Sri Datuk Chen Lok Loi and Datuk Chen Fook Wah. He has no conflict of interest with the Company.

Tan Sri Datuk Chen Lok Loi

Group Managing Director
Aged 67, Male, Malaysian

Tan Sri Datuk Chen Lok Loi holds a Bachelor of Business Studies (Marketing) from Monash University, Australia. He was appointed to the Board on 31 July 1984 and holding the present position as Group Managing Director since 19 January 2005. He is also a member of the Executive Committee and a Director of GK Resort Berhad and Intelek Murni (M) Berhad, both subsidiaries of MKH Berhad.

He is the recipient of "The Edge Malaysia Outstanding Property CEO Award 2018", "CIDB's Malaysian Construction Industry Excellence Awards CEO of The Year Award 2015" and "Real Estate and Housing Developers' Association ("REHDA") Personality Award 2013". He has 38 years of experience in property development and construction related businesses and has been appointed as the Chairman of Perbadanan PR1MA Malaysia ("PR1MA") on 1 October 2018. He is a patron of REHDA Malaysia and serves as a National Council and Executive Committee Member of REHDA Malaysia as well as the Board of Advisors for Malaysia Shopping Malls Association.

He is an active committee member in various government-private sector organisations that formulate policies governing the housing and real estate industry; holding current positions as the Advisory Council Member of Construction Labour Exchange Centre Berhad and member of PEMUDAH Special Task Force on Kuala Lumpur City Hall. An advocate of healthy living, he is also the President of the Race Walkers' Association of Malaysia.

Tan Sri Datuk Chen Lok Loi is the brother of Tan Sri Dato' Chen Kooi Chiew @ Cheng Ngi Chong and Datuk Chen Fook Wah. Notwithstanding his appointment as the Chairman of PR1MA, he has no conflict of interest with the Group as his role is to preside over meetings of PR1MA and to share views and give suggestions based on his vast experience in the property development industry. The policies and business directions of PR1MA are jointly formulated by Members of PR1MA Corporation comprising of the Chairman, representatives of the Federal Government, other members and the Chief Executive Officer ("CEO"). The CEO of PR1MA is responsible in carrying out the overall administration and management affairs of PR1MA.

Datuk Chen Fook Wah

Deputy Managing Director
Aged 63, Male, Malaysian

Datuk Chen Fook Wah holds a Master of Business Administration from University of Wales. He was appointed to the Board on 25 November 1999 and holding the present position as Deputy Managing Director since 19 January 2005. He is currently a member of the Executive Committee and also a Director of GK Resort Berhad, a subsidiary of MKH Berhad. He was admitted to the Board of Valuers and Real Estate Agent of Malaysia in 1986. Prior to joining the Group, he was with Guthrie Trading Sdn. Bhd. from 1973 to 1974 and Hilton Realty from 1975 to 1978.

He is the brother of Tan Sri Dato' Chen Kooi Chiew @ Cheng Ngi Chong and Tan Sri Datuk Chen Lok Loi. He has no conflict of interest with the Company.

Datuk Mohammad bin Maidon

Independent
Non-Executive Director
Aged 78, Male, Malaysian

Datuk Mohammad bin Maidon was appointed to the Board on 27 February 2014. He is also the Chairman of the Remuneration Committee and a member of the Nomination Committee. He holds a Degree in Business Administration from Universiti Teknologi MARA.

He started his career in the marketing division of Colgate-Palmolive (Malaysia) Sdn. Bhd. ("Colgate-Palmolive") in 1965 as Product Manager. In 1975, he was promoted to Marketing Director of Colgate-Palmolive (Indonesia) based in Surabaya until end of 1979. Back in Malaysia, he assumed the position of Human Resources Director until his retirement in 2000. He was responsible for the Halal program of Colgate-Palmolive and had been working closely with Jabatan Kemajuan Islam Malaysia and Halal Development Corporation. He was an active member of the Halal Management Team of Colgate-Palmolive from 1980 to 2000 and is still a board member of Colgate-Palmolive as at this date.

He does not have any family relationship with any other Directors and/or major shareholders of the Company and has no conflict of interest with the Company.

Haji Mohammed Chudi bin Haji Ghazali

Senior Independent
Non-Executive Director
Aged 76, Male, Malaysian

Haji Mohammed Chudi bin Haji Ghazali was appointed to the Board on 19 March 2003. He is also a member of the Audit Committee and Chairman of the Nomination Committee. He was attached to Standard Chartered Bank Malaysia Berhad for 36 years and was a Senior Manager prior to his retirement in 1999. He has attended banking courses conducted at National Westminister Bank Staff College, Oxford and Manchester University Business School.

He does not have any family relationship with any other Directors and/or major shareholders of the Company and has no conflict of interest with the Company.

En. Jeffrey bin Bosra

Independent
Non-Executive Director
Aged 51, Male, Malaysian

En. Jeffrey bin Bosra was appointed to the Board on 1 August 2008. He is also the Chairman of the Audit Committee and a member of the Remuneration Committee. He is currently a member of The Malaysian Institute of Certified Public Accountants ("MICPA") and The Malaysian Institute of Accountants ("MIA"). He started his professional career with Arthur Andersen & Co. focusing on external audits and business advisory works. He later joined an established commercial group as the Finance Manager from 1996 to 2000. He then joined Ernst & Young as the Senior Manager specialising in corporate governance, risk management, internal audits, special investigation and turnaround management related service. He left Ernst & Young in 2004 and started his own audit firm.

He does not have any family relationship with any other Directors and/or major shareholders of the Company and has no conflict of interest with the Company.

Haji Hasan Aziz bin Mohd Johan

Independent
Non-Executive Director
Aged 80, Male, Malaysian

Haji Hasan Aziz bin Mohd Johan was appointed to the Board on 18 July 2013. He is also a member of the Audit Committee. He holds a Diploma in Agriculture Malaya from College of Agriculture, Serdang, Selangor Darul Ehsan. He started his career in 1962 at the Department of Agriculture, Kuantan, Pahang under the Ministry of Agriculture (soil science division). He was appointed as the advisor to an oil palm plantation company, Watawala Plantations Ltd in Sri Lanka from 2001 to 2003 and later engaged as a Visiting Agent for some of FELCRA Berhad's plantations from 2009 till 2010.

He does not have any family relationship with any other Directors and/or major shareholders of the Company and has no conflict of interest with the Company.

Additional Information:

1. Save as disclosed in the profile of Directors, Tan Sri Dato' Chen Kooi Chiew @ Cheng Ngi Chong, Tan Sri Datuk Chen Lok Loi and Datuk Chen Fook Wah have no other directorship in public companies and listed issuers.
2. Save for Tan Sri Dato' Chen Kooi Chiew @ Cheng Ngi Chong, Tan Sri Datuk Chen Lok Loi and Datuk Chen Fook Wah, none of the other Directors have any family relationship with any Director and/or major shareholder of the Company.
3. None of the Directors have:
   (i) any conflict of interest with the Company;
   (ii) been convicted of any offence (other than traffic offences, if any) within the past 5 years; and
   (iii) been imposed with any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.
4. Details of the Directors' attendance at Board meetings are set out in the Corporate Governance Overview Statement on page 53 to page 54.

PROFILE OF key senior management

Dato' Chong Yong Han

Property Director
Aged 48, Male, Malaysian

He was appointed as a Property Manager in Property Development Department of MKH Berhad and was later promoted to General Manager of Property Department in December 2002, Group Senior General Manager in April 2007 and Property Director in March 2013.

He graduated from Lincoln University, New Zealand with Bachelor of Commerce (Valuation and Property Management) in year 1994 and obtained his MBA (Real Estate) in year 2000 from University of Western Sydney, Australia.

He has more than 18 years of experience in property development and construction related businesses. He specialises in development planning and marketing.

Dato' Lee Khee Meng

Plantation Director
Aged 41, Male, Malaysian

He holds a Bachelor of Science (Honours) in Economics and Management from University of London, UK. He had further undertaken Certified Credit Professional examinations from the Institute of Bankers Malaysia.

Having started his career as a corporate banker in Malaysia, he moved on to management roles in other industries, with exposure in Southeast Asia and Europe. In 2011, he began his career in MKH Berhad and currently heads the Group's agriculture division.

He is passionate about sustainable palm oil practices and has been an international delegate at Indonesia Palm Oil Conferences since 2012. He has been regularly invited by authorities and industry players to share his views on policies, initiatives and innovative practices relevant to the oil palm industry.

Dato' Chen Way Kian

Deputy Property Director
Aged 35, Male, Malaysian

He holds a Bachelor of Business from University of Technology, Sydney. He joined MKH Berhad in 2005 and has been appointed as the Deputy Property Director of MKH Berhad on March 2015. Prior to his appointment to the present position, he was Special Assistant to the Group Executive Chairman since 2011. He has been in the property development and agricultural sectors for more than 13 years.

He is the son of Tan Sri Dato' Chen Kooi Chiew @ Cheng Ngi Chong and the nephew of Tan Sri Datuk Chen Lok Loi and Datuk Chen Fook Wah who are members of the Board of the Company.

Ms. Kok Siew Yin

Chief Financial Officer
Aged 47, Female, Malaysian

She is a fellow member of the Association of Chartered Certified Accountants (FCCA) and a member of the Malaysian Institute of Accountants (MIA).

She is the Chief Financial Officer for MKH Berhad group of companies. She has more than 15 years of audit experience in property development, construction, hotels, retail, manufacturing and timber plantation industry. She was also involved in corporate advisory and has experience in financial valuation and financial due diligence for companies. She joined MKH Group in 2004 as a Corporate Finance Manager and was promoted to Financial Controller in 2008 and Chief Financial Officer in 2015.

Mr. Tan Wan San

Chief Treasury Officer /
Group Company Secretary
Aged 51, Male, Malaysian

He is the Chief Treasury Officer and Group Company Secretary for MKH Berhad group of companies. Prior to joining MKH Berhad Group in 1996, he was with a bank. He graduated from Universiti Utara Malaysia with a Bachelor Degree in Accountancy (Honours) and is a Chartered Accountant registered with the Malaysian Institute of Accountants and is a member of Certified Practising Accountant (CPA), Australia. He was promoted to Chief Treasury Officer in 2015.

He has more than 26 years of senior-level management experience in company secretarial, legal and treasury matters.

En. Ahmad Yani Sulaiman

General Manager
Aged 53, Male, Malaysian

He was appointed as a Senior Manager in Property Development Department of MKH Berhad in 2007 and was promoted to General Manager in 2016.

He started his career as an auditor in 1991 upon graduating from ITM in Accounting Studies.

In 2001, he joined a property developer and was overseeing the sales and marketing portfolio and was later re-designated to be a Project Manager overseeing property development.

Save as disclosed, none of the Key Senior Management have:-

- Any directorship in public companies and listed issuers;
- Any family relationship with any Directors and/or major shareholders of the Company;
- Any conflict of interest with the Company;
- Any conviction for offences within the past 5 years other than traffic offences, if any; and
- Any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

CORPORATE GOVERNANCE overview statement

The Board of Directors ("Board") of MKH Berhad recognise the importance of promoting good corporate governance to ensure long term sustainability, growth and delivering value.

The Board is pleased to present the Corporate Governance Overview Statement ("CG Overview Statement"), which is made pursuant to Paragraph 15.25(1) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") to the shareholders on the manner MKH Berhad ("MKH" or "the Company") and its subsidiaries ("the Group") has applied the key Principles and Practices in accordance with the Malaysian Code on Corporate Governance 2017 ("the Code") during the financial year ended 30 September 2019.

This overview statement is to be read together with the Corporate Governance Report ("CG Report"), made pursuant to Paragraph 15.25(2) of the MMLR which articulates the application of the Company's corporate governance practices as set out in the CG Report. The CG Report is available on the Company's website at www.mkhberhad.com and Bursa Malaysia website.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

1. Board Duties and Responsibilities

The Board is primarily responsible for the Group's overall strategic plans, business performance, overseeing the proper conduct of the Group's business, risk management, succession planning, investor relations, shareholders' communication, internal control, corporate governance practices and statutory matters.

To ensure effective discharge of its responsibilities, the Board delegates specific powers to other Board Committees and the management as prescribed under the Code namely, Executive Committee, Audit Committee, Nomination Committee, Remuneration Committee, Risk Management Committee and Sustainability Committee to ensure appropriate checks and balances in discharging its oversight function. These committees operates under clearly defined terms of reference as approved by the Board to oversee and deliberate matters within their purviews.

The Board Charter, which was last reviewed in December 2018, would be periodically reviewed by the Board as and when required. The Board Charter which outlines the duties and responsibilities of the Board and matters specifically reserved for collective decision of the Board, serves as a source of reference and primary induction literature for Directors in discharging their duties. The Board Charter is available for viewing at www.mkhberhad.com.

2. Chairman of the Board

The Board is led by an experienced Executive Chairman, who is accountable for ensuring the integrity and effectiveness of the governance process of the Board.

The Executive Chairman is primarily responsible for the orderly conduct of the Board meetings and ensure effectiveness of the Board as well as to ensure that all strategic and critical issues are discussed by the Board in a timely manner.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. BOARD RESPONSIBILITIES (CONT'D)

3. Separation of Position of Chairman and Chief Executive Officer ("CEO")

The roles and responsibilities of CEO in the Company is assumed by the Managing Director ("MD"). There is a clear division of responsibilities to ensure a balance of authority and power as the roles of the Chairman and the Managing Director are held by two different individuals. The responsibilities of the Chairman and the MD are set out in the Board Charter.

The MD is responsible for the development and implementation of the Board policies and business direction, formulating business strategies for the Group's business operation based on effective risk management controls and overseeing and managing the day-to-day operation of the Group, including defining the limits of Management's responsibilities.

4. Qualified and Competent Company Secretary

The Board is supported by a qualified and competent Company Secretary in carrying out its roles and responsibilities and ensuring that Board meeting procedures are followed. The Board has direct access to the professional advice and services of the Company Secretary especially relating to procedural and regulatory requirements such as company and securities laws and regulations, governance matters and MMLR of Bursa Securities. The profile of the Company Secretary is provided on page 46.

The Company Secretary attends the Board Meetings and Board Committees' meetings to ensure that all deliberation of issues discussed and decisions/conclusions made are recorded accurately. The Company Secretary also facilitates timely communication of decisions made by the Board at Board Meetings to the Senior Management team for action and work closely with the Senior Management team to ensure that there are timely and appropriate information flow within and to the Board and Board Committees and between the Non-Executive Directors and the management.

The Company Secretary constantly keep himself abreast with the latest regulatory changes and/or development in corporate governance by attending the necessary trainings, conferences, seminars and/or workshops to ensure effective discharge of his advisory role to the Board.

5. Access to Information and Advice

The Board have access to all information within the Company on matters requiring information for deliberation. The Board may seek independent professional advice, at the Company's expense, if required in furtherance of their duties.

The Notice of Board meeting and the Board papers (non-financial meeting materials) are circulated at least seven (7) days prior to the meeting whilst the financial meeting materials are circulated at least three (3) days prior to the meeting.

The Board papers are issued in advance thus given sufficient time for the Board members to peruse the matters that will be tabled at the Board meeting and this enhances the overall decision-making process. The MD, Chief Financial Officer and Group Company Secretary would lead the presentation of board papers and provide comprehensive explanations of business plans, business performance, corporate proposals (if any), progress reports on operations in relation to the risk management and other pertinent issues.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

I. BOARD RESPONSIBILITIES (CONT'D)

5. Access to Information and Advice (Cont'd)

The Board has full access to both internal and external auditors and received reports on audit findings via the Audit Committee. All matters raised, discussions, deliberations, decisions and conclusions including dissenting views made at the meeting are recorded in the minutes of meeting.

The Board is also regularly updated and kept informed by the Company Secretary and the management on corporate disclosures and compliance with company and securities regulations and listing requirements such as restriction in dealing with the securities of the Company and updates on the latest developments in legislations and regulatory framework affecting the Group issued by the various regulatory authorities.

6. Board Charter

The Board has adopted a Charter, which sets out the Board's strategic intent and outlines the Board's roles and responsibilities including the vision and mission and principles of the Company and the policies and strategy development of the Group. The Charter also serves as a source of reference and primary induction literature, providing insights to new Board members and matters specifically reserved for collective decision of the Board.

The Charter will be periodically reviewed and updated in accordance with the objectives and responsibilities of the Board and any new regulations that may have an impact on the discharge of the Board's responsibilities.

In December 2018, the Board had reviewed and approved the Board Charter to enhance governance practices on the Board in line with the principles of good corporate governance of the Code and requirements of MMLR of Bursa Securities.

7. Code of Ethics and Conduct

The Board is committed to create a corporate culture that adhere to the best practices of corporate governance and to uphold high standard of corporate conduct. The *Code of Ethics and Conduct* ("the Ethics Conduct") which set out the ethical standards and appropriate conduct at work adopted by the Group and is applicable to all employees and Directors of the Group.

The Ethics Conduct covers the areas of conflict of interest, confidential information, insider information and securities trading, protection of Group's assets and etc. The details of the Ethics Conduct are available for reference at the Company's website at www.mkhberhad.com.

8. Whistleblowing Policy

The Board has put in place *Whistleblowing Policy*, a mechanism for its employees and stakeholders to report any concerns relating to possible improper conduct within the Company in matters relating to financial, compliance, misconduct, wrongdoing and other malpractices in an appropriate manner. The Group encourages its employees to raise genuine concerns within the Group in an appropriate way without the fear of retaliation and the identity of the whistleblower will be protected and kept confidential. The *Whistleblowing Policy* is posted on the Company's website at www.mkhberhad.com for ease of reference.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. BOARD COMPOSITION

The Board presently have Seven (7) members comprising three (3) Executive Directors including the Chairman and Managing Director and four (4) other Independent Non-Executive Directors. This is in line with Chapter 15.02 of the MMLR of Bursa Securities, which requires that at least two (2) Directors or one-third (1/3) of the Board of the Company, whichever is the higher, are independent directors and the best practice where the Board must comprise a majority of independent directors where the Chairman of the Board is not an independent director.

The Board has identified and appointed Haji Mohammed Chudi bin Haji Ghazali as the Senior Independent Non-Executive Director to whom concerns of shareholders, management, employees and others may be conveyed by way of writing to the Company's registered address or electronic mail to chudi@mkhberhad.com or contact via Tel: +603-8737 8228.

The Independent Directors led by Haji Mohammed Chudi bin Haji Ghazali provide a broader view, independent and balanced assessment of proposals from the Executive Directors.

The Board having reviewed its size and composition is satisfied that its current size and composition is well balanced, with diverse professional background, skills, expertise and knowledge in discharging its responsibilities for the proper functioning of the Board and fairly reflects the investment in the Company by shareholders apart from the largest shareholder. Furthermore, the current number of Board members is conducive for efficient deliberations at Board meetings and effective conduct of Board decision-making.

Brief profile of each Director is detailed under Profile of Directors in this Annual Report.

1. Independence

The Board supports the highest standards of corporate governance and the development of best practices for the Company. The concept of independence adopted by the Board is in line with the definition of an Independent Director under Paragraph 1.01 and Practice Note 13 of the MMLR of Bursa Securities, i.e. independent from management and are free from any business or other relationships that could materially interfere with the exercise of their independent judgement. Independent Non-Executive Directors are required to voice their reservations of any Board decisions in areas such as policies and strategies which could be detrimental to the interest of the minority shareholders.

2. Tenure of Independent Directors

The Board is mindful of the recommendation of the Code that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon completion of nine (9) years, an Independent Director may continue to serve on the Board subject to being re-designated as a Non-Independent Non-Executive Director.

However, the Company does not have term limits for its Independent Directors as the Board believes that continued contribution provides benefits to the Board and the Company as a whole. The length of service on the Board does not in any way interfere the exercising of independent judgement, expressing views and in participating in deliberations and decision making of the Board and Board Committees.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. BOARD COMPOSITION (CONT'D)

2. Tenure of Independent Directors (Cont'd)

There are four (4) Independent Non-Executive Directors on the Board presently. As at this date, two (2) Independent Directors, namely En. Jeffrey bin Bosra and Haji Mohammed Chudi bin Haji Ghazali, both have served on the Board for a cumulative term of more than nine (9) and twelve (12) years respectively.

The Board upon the recommendation of the Nomination Committee has approved and intends to seek shareholder's approval at the forthcoming AGM to retain En. Jeffrey bin Bosra, who has served on the Board for a cumulative term of more than nine (9) years to be retained as an Independent Director.

The Board will continue to undertake a two-tier voting to seek shareholder's approval at the forthcoming AGM to retain Haji Mohammed Chudi bin Haji Ghazali, who has served on the Board for a cumulative term of more than 12 years to be retained as Senior Independent Non-Executive Director of the Company.

3. Board Diversity

The Board comprise of members who are specialised in the property development and construction sector, banking sector, plantation/agriculture sector, professional in accounting sector and human resource sector. This wide spectrum of competencies, capabilities, skills and relevant business experience provide the Board with a diverse set of expertise and knowledge in discharging its responsibilities for the proper functioning of the Board and ensure that the Group continues to be competitive within its diverse industry segment.

The current Board composition in terms of each of the Director's industry and/or background experience and age is as follows:

Directors	Industry/Background Experience					Age Composition				
	Property Development and Construction	Banking	Plantation/Agriculture	Professional in Accounting	Human Resource	40 to 49 years	50 to 59 years	60 to 69 years	70 to 79 years	80 to 89 years
Tan Sri Dato' Chen Kooi Chiew @ Cheng Ngi Chong	√		√						√	
Tan Sri Datuk Chen Lok Loi	√							√		
Datuk Chen Fook Wah	√							√		
Datuk Mohammad bin Maidon					√				√	
Haji Mohammed Chudi bin Haji Ghazali		√							√	
En. Jeffrey bin Bosra				√			√			
Haji Hasan Aziz bin Mohd Johan			√							√

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. BOARD COMPOSITION (CONT'D)

4. Gender Diversity

The Board acknowledges the importance of diversity in its membership, including gender, ethnicity and age and strives to maintain the right balance for effective functioning of the Board. The Board is mindful of the recommendation of the Code to have at least 30% women decision-makers in the corporate sector for Large Companies. However, the Board has not established the policy on gender diversity.

Nevertheless, the Nomination Committee would take steps to ensure suitable woman candidates are sought for appointment as the Board encourages a dynamic and diverse composition by nurturing suitable and potential candidates equipped with the competency, skills, experience, character, time commitment, integrity and other qualities in meeting the future needs of the Company so as to ensure balances gender and skills diversity, ethnicity and age within the Group.

5. Nomination Committee

The Nomination Committee was established on 27 November 2012 and comprises of two (2) members, all of whom are Independent Non-Executive Directors and they are responsible to make independent recommendations for new appointments to the Board. The members of the Nomination Committee and their attendance at the Nomination Committee meeting held during the year under review are as follows:

Name	Designation	Attendance	Percentage
Haji Mohammed Chudi bin Haji Ghazali	Chairman	1/1	100%
Datuk Mohammad bin Maidon	Member	1/1	100%

The summary activities undertaken by the Nomination Committee in the discharge of its duty for the financial year under review are as follows:

i) reviewed the Directors who were due for re-election by rotation and/or re-appointment;
ii) reviewed the Board's required mix of skills, current size and composition, experience and other qualities including the core competencies which Independent Non-Executive Directors should bring to the Board;
iii) evaluated the independence of the Independent Non-Executive Directors based on the criteria of "Independence" as prescribed in the MMLR and the Corporate Governance Guide issued by Bursa Securities;
iv) assessed and evaluated the effectiveness of the Board based on specific criteria such as Board composition and structure, principal responsibilities of the Board, the Board process and Board governance;
v) assessed and evaluated the individual Directors' performance and the effectiveness of the Board as a whole together with the Audit Committees' performance;
vi) identified suitable training programmes for the Directors and Audit Committee; and
vii) deliberated on the findings of the assessments and reported the findings to the Board.

The terms of reference of the Nomination Committee are available for reference at www.mkhberhad.com.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. BOARD COMPOSITION (CONT'D)

6. Board and Board Committee Evaluation

The Nomination Committee also assesses the effectiveness of the Board as a whole and Audit Committee and the contribution of each individual Director, including Independent Non-Executive Directors on an annual basis. The evaluation process was led by the Nomination Committee's Chairman and supported by the Company Secretary. The evaluation results were considered by the Nomination Committee, which then made recommendations to the Board with the aim of helping the Board to discharge its duties and responsibilities. The evaluation was based on specific criteria such as Board composition and structure, principal responsibilities of the Board, the Board process and Board governance.

The Nomination Committee conducted the Board members performance evaluation via questionnaires which covers Board's effectiveness as a whole together with Directors' self-assessment. The Directors' self-assessment was conducted to evaluate the mix of skills, experience and the individual Director's ability to contribute and exercise independent judgement towards the effective functioning of the Board. The Nomination Committee also conducted the review of the Audit Committee members' performance via questionnaire and self and peer evaluation form to ensure a balanced and objective review by the Directors and the Audit Committee for the abovementioned key areas.

The Nomination Committee also evaluates the independence of the Independent Non-Executive Directors based on the criteria of "Independence" as prescribed in the MMLR of Bursa Securities.

During the deliberation of the performance of an individual Director who is also a member of the Nomination Committee, that member will abstains from the deliberation of his or her own performance to avoid any conflict of interests.

The Nomination Committee, pursuant to the annual review that was carried out, was satisfied that the size of the Board is optimum, well-balanced with the appropriate mix of skills and experience for the composition of the Board and its Committees. All assessments and valuation carried out by the Nomination Committee in discharging its duties were also properly documented.

7. Board Meetings

The Board meets at least four (4) times a year and has a formal schedule of matters reserved to it. Additional meetings are held on an ad-hoc basis to deliberate on matters requiring its immediate attention. The Board is supplied with full and timely information to enable it to discharge its responsibilities. During these meetings, the Board reviews the Group's financial performance, business operations, reports of the various Board Committees and results are deliberated and considered. Management and performance of the Group and any other strategic issues that affect or may affect the Group's businesses are also deliberated.

During the financial year, the Board met five (5) times; whereat it deliberated and considered a variety of matters affecting the Company's operations including the Group's financial results, business plan and direction of the Group.

The attendance record of each Director is as follows:

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. BOARD COMPOSITION (CONT'D)

7. Board Meetings (Cont'd)

Name	No. of Meetings Attended	Percentage
Tan Sri Dato' Chen Kooi Chiew @ Cheng Ngi Chong	5/5	100%
Tan Sri Datuk Chen Lok Loi	5/5	100%
Datuk Chen Fook Wah	5/5	100%
Datuk Mohammad bin Maidon	5/5	100%
Haji Mohammed Chudi bin Haji Ghazali	5/5	100%
Haji Hasan Aziz bin Mohd Johan	5/5	100%
En. Jeffrey bin Bosra	5/5	100%

In the intervals between Board meetings, any matters requiring urgent Board decisions and/or approval will be sought via circular resolutions which are supported with all the relevant information and explanations required for an informed decision to be made.

In fostering the commitment of the Board to devote sufficient time to carry out their responsibilities, each Director is required to notify the Chairman of the Board prior to accepting directorships outside the Group. Similarly, the Chairman of the Board shall also do likewise before taking up any additional appointment of directorships. The notification will also include an approximate indication of time that will be spent by the Directors on the new directorships.

All Directors shall not hold more than five (5) directorships in other public listed companies as required under Paragraph 15.06 of the MMLR of Bursa Securities.

8. Retirement and Re-election

In accordance with the Company's Constitution, all Directors who are appointed by the Board are subjected to re-election by the shareholders in the next AGM subsequent to their appointment. At least one-third (1/3) of the Directors are required to retire from office by rotation annually and subject to re-election at each AGM. All Directors shall retire from office at least once in every three (3) years but shall be eligible for re-election which is in line with the MMLR of Bursa Securities.

Any person appointed by the Board either to fill a casual vacancy or as an addition to the existing Directors, shall hold office until the conclusion of the next AGM and shall then be eligible for re-election.

The Directors due for re-election by rotation pursuant to Clause 112(1) of the Company's Constitution at the forthcoming AGM are Tan Sri Dato' Chen Kooi Chiew @ Cheng Ngi Chong, Datuk Chen Fook Wah and Haji Mohammed Chudi bin Haji Ghazali.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. BOARD COMPOSITION (CONT'D)

9. Directors' Training

The Nomination Committee has taken on the responsibility in evaluating and determining the specific and continuous training needs of the Directors on a regular basis. The Directors have attended courses/ conferences and/or in house training from time to time to enhance their skills and knowledge and to keep abreast with the relevant changes in laws, listing requirements, regulations and business environment in order to discharge their duties more effectively.

All the Directors had completed the Mandatory Accreditation Programme as specified by MMLR of Bursa Securities.

The Directors are mindful that they should continually attend seminars and courses to keep themselves abreast with the latest economic and corporate developments as well as new regulations and statutory requirements. The Directors are also encouraged to evaluate their own training needs on a continuous basis and to determine the relevant programmes, seminars, briefings or dialogues available that would best enable them to enhance their knowledge and contributions to the Board.

The Board is also updated by the Company Secretary on the latest update/amendments on the MMLR of Bursa Securities and other regulatory requirements relating to the discharge of the Directors' duties and responsibilities.

The training programmes, seminars and/or conferences attended by the Directors during the financial year are as follows:

Director	Training/Seminars/Conferences
Tan Sri Dato' Chen Kooi Chiew @ Cheng Ngi Chong	• Global Investors Week by icapital on 13 and 14 April 2019
Tan Sri Datuk Chen Lok Loi	• Industrialised Building System ("IBS") Roundtable: Innovate to Transform organised by Real Estate & Housing Developers' Association (REHDA) Institute • IBS Conference: Affordable Housing Delivery Through Modern Construction Technologies by REHDA Institute • Big Data Analytics for Real Estate & Property Development - Property Data Made Easy by REHDA Institute • International Housing Association 2019 Interim Meeting in Taipei, Taiwan
Datuk Chen Fook Wah	• Cyber Security: Cyber Proofing for the Next Wave by Securities Industry Development Corporation
Datuk Mohammad bin Maidon	• Building an Enterprise Risk Management ("ERM") Framework - A Step-By-Step Approach in Fitting in The "Bolts and Nuts" to Fortify a Holistic & Robust Framework organised by Malaysian Institute of Corporate Governance on 7 November 2018 • "Audit Committee Conference 2019 - Meeting the New Expectations" by Malaysian Institute of Accountants on 15 April 2019

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

II. BOARD COMPOSITION (CONT'D)

9. Directors' Training (Cont'd)

Director	Training/Seminars/Conferences
Haji Mohammed Chudi bin Haji Ghazali	• "Audit Committee Conference 2019 - Meeting the New Expectations" by Malaysian Institute of Accountants on 15 April 2019 • CG Watch: How Does Malaysia Rank? by The Iclif Leadership and Governance Centre on 3 May 2019
Haji Hasan Aziz bin Mohd Johan	• Building an ERM Framework - A Step-By-Step Approach in Fitting in The "Bolts and Nuts" to Fortify a Holistic & Robust Framework organised by Malaysian Institute of Corporate Governance on 7 November 2018 • "Audit Committee Conference 2019 - Meeting the New Expectations" by Malaysian Institute of Accountants on 15 April 2019 • CG Watch: How Does Malaysia Rank? by The Iclif Leadership and Governance Centre on 3 May 2019 • Demystifying The Diversity Conundrum: The Road to Business Excellence by Bursa Malaysia and the Institute of Corporate Directors Malaysia on 14 August 2019
En. Jeffrey bin Bosra	• Demystifying The Diversity Conundrum: The Road to Business Excellence by Bursa Malaysia and the Institute of Corporate Directors Malaysia on 14 August 2019

III. REMUNERATION

The levels of remuneration for Executive Directors are linked to experience, scope of responsibilities, service seniority, performance of the Executive Directors and published market survey information in order to attract, retain and motivate the Executive Directors to run the Group successfully. The components of the remuneration package for the Executive Directors include fixed salary, allowance, bonus, performance incentive and benefits-in-kind.

The levels of remuneration for Independent Non-Executive Directors are based on their contribution to the Group in terms of their knowledge, experience and level of responsibilities undertaken by the Independent Non-Executive Directors concerned. The determination of Directors' fees for all Independent Non-Executive Directors shall be a matter for the Board as a whole.

1. Remuneration Committee

The Remuneration Committee was established on 27 November 2012 and comprises of two (2) members, all of whom are Independent Non-Executive Directors. The members of the Remuneration Committee and their attendance at the Remuneration Committee meetings held during the year under review are as follows:-

Name	Designation	Attendance	Percentage
Datuk Mohammad bin Maidon	Chairman	1/1	100%
En. Jeffrey bin Bosra	Member	1/1	100%

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

III. REMUNERATION (CONT'D)

1. Remuneration Committee (Cont'd)

The Remuneration Committee is responsible for recommending to the Board on the remuneration framework and packages of all Directors and in the case of Non-Executive Directors' fees including Board Committees' fees, the approval of the shareholders is required. The Directors shall abstain from deliberation and voting on their own remuneration.

During the financial year under review, the Committee held one (1) meeting to deliberate on the following:

(a) review of the salaries, bonuses and incentives of Senior Management of the Group; and
(b) approve the remuneration package and bonus for the Executive Directors.

The terms of reference of the Remuneration Committee are available for reference at www.mkhberhad.com.

2. Directors' Remuneration

The details of the remuneration of Directors during the financial year are as follows:-

Company Level

Name	Directors' Fees RM	Salaries and bonuses RM	Allowance RM	Benefits in kind RM	Other emoluments^ RM	Total RM
Company Level						
Executive Directors						
Tan Sri Dato' Chen Kooi Chiew @ Cheng Ngi Chong	-	-	-	-	-	**-**
Tan Sri Datuk Chen Lok Loi	-	-	-	-	-	**-**
Datuk Chen Fook Wah	-	-	-	-	-	**-**
Independent						
Non-Executive Directors						
Datuk Mohammad bin Maidon	50,000	-	6,000	-	-	**56,000**
Haji Mohammed Chudi bin Haji Ghazali	50,000	-	9,000	-	-	**59,000**
Haji Hasan Aziz bin Mohd Johan	50,000	-	8,250	-	-	**58,250**
Jeffrey bin Bosra	50,000	-	9,000	-	-	**59,000**
Total	**200,000**	**-**	**32,250**	**-**	**-**	**232,250**

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

III. REMUNERATION (CONT'D)

2. Directors' Remuneration (Cont'd)

Group Level

Name	Directors' Fees RM	Salaries and bonuses RM	Allowance RM	Benefits in kind RM	Other emoluments^ RM	Total RM
Group Level						
Executive Directors						
Tan Sri Dato' Chen Kooi Chiew @ Cheng Ngi Chong	-	6,396,300	-	38,528	1,216,648	**7,651,476**
Tan Sri Datuk Chen Lok Loi	-	4,892,500	-	42,364	930,826	**5,865,690**
Datuk Chen Fook Wah	-	1,699,500	-	22,700	322,914	**2,045,114**
Independent Non-Executive Directors						
Datuk Mohammad bin Maidon	50,000	-	*18,775	-	-	**68,775**
Haji Mohammed Chudi bin Haji Ghazali	50,000	-	*36,665	-	-	**86,665**
Haji Hasan Aziz bin Mohd Johan	50,000	-	8,250	-	-	**58,250**
Jeffrey bin Bosra	50,000	-	9,000	-	-	**59,000**
Total	**200,000**	**12,988,300**	**72,690**	**103,592**	**2,470,388**	**15,834,970**

Note:-
^ Post-employment benefits.
** Inclusive of Employees Provident Fund*

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT COMMITTEE

1. Composition of Audit Committee

The Audit Committee comprise of three (3) members, all of whom are Independent Non-Executive Directors. The Chairman of the Audit Committee, En. Jeffrey bin Bosra is a member of the Malaysian Institute of Certified Public Accountants ("MICPA") and the Malaysian Institute of Accountants ("MIA"). The other members of the Audit Committee are Haji Mohammed Chudi bin Haji Ghazali and Haji Hasan Aziz bin Mohd Johan.

2. Relationship with Auditors

The Company's independent external auditors fill an essential role for the shareholders by enhancing the reliability of the Company's financial statements and giving assurance of that reliability to users of these financial statements.

The Board through the Audit Committee maintains a transparent and professional relationship with the external auditors. The external auditors will communicate to the Audit Committee and the Board when they become aware of any significant weaknesses in the Company's system of internal control, including fraud, during the course of their audit that may require the attention of the Audit Committee and the Board. The role of the Audit Committee in relation to the external auditors is set out on pages 63 to 65.

For the financial year under review, the external auditors had attended all the Audit Committee meetings and general meeting of the Company and had five (5) meetings with the Audit Committee without the presence of any Executive Director and management, to discuss the audit findings and any other observations they may have during the audit process.

The external auditors have also confirmed that they are and have been, independent throughout the conduct of the audit engagement in accordance with the independence criteria as set out by the MIA By-Laws and have provided the declaration in their annual audit plan presented to the Audit Committee of the Company.

The Audit Committee together with the Chief Financial Officer had undertaken an annual assessment of the competency and independence of the external auditors pursuant to the External Auditors Assessment Policy, which has outlined the guidelines and procedures for the assessment on the suitability of the external auditors on 27 November 2019.

The Board, on the recommendation of the Audit Committee, is of the view that the declaration of independence, integrity and objectivity made by the external auditors in their audit report for each financial year under review is sufficient to serve as a written assurance from the external auditors on their independence and integrity throughout the conduct of the audit engagement in accordance with the independence criteria as set out by MIA By-Laws, has recommended their re-appointment to the Board, upon which the shareholders' approval will be sought at the AGM.

The details of the External Auditors Assessment Policy are available for reference at www.mkhberhad.com.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

I. AUDIT COMMITTEE (CONT'D)

3. Directors' Responsibility Statement

The Directors are required by the Companies Act, 2016 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial year and the results of the operations, changes in equity and cash flows of the Group and of the Company for the financial year. Where there are new accounting standards or policies that become effective during the year, the impact of these new treatments would be stated in the notes to the financial statements, accordingly.

In preparing those financial statements, the Directors ensure that management have:

- adopted appropriate accounting policies and consistently apply them;
- made judgements and estimates that are reasonable and prudent;
- state whether applicable approved accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepared financial statements on the going concern basis as the Directors have a reasonable expectation, having made enquiries, that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future.

The Directors have responsibility for ensuring that the Company keeps proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Group and the Company and to enable them to ensure that the financial statements comply with the Companies Act, 2016.

The Directors have taken such steps as are necessary to safeguard the assets of the Group and the Company to prevent fraud and other irregularities.

II. Risk Management and Internal Control

The Risk Management Committee presently comprised of five (5) members comprising one (1) Group Managing Director and four (4) other members from the Key Senior Management assists the Audit Committee and the Board in discharging its risk management and control responsibilities. The terms of reference of the Risk Management Committee are available on the Company's website at www.mkhberhad.com. The members of the Risk Management Committee are as follows:-

Name	Designation	Business Occupation
Tan Sri Datuk Chen Lok Loi	Chairman	Group Managing Director
Dato' Chong Yong Han	Member	Property Director
Dato' Lee Khee Meng	Member	Plantation Director
Kok Siew Yin	Member	Chief Financial Officer
Tan Wan San	Member	Chief Treasury Officer/ Group Company Secretary

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)

II. Risk Management and Internal Control (Cont'd)

In fulfilling the primary objectives, the Risk Management Committee has been tasked to identify and communicate the existing and potential critical risk areas faced by the Group and the management action plans to mitigate such risks by working with the internal auditors in providing periodic reports and updates to the Audit Committee on a quarterly basis.

The Group's Statement on Risk Management and Internal Control provides an overview of the risk management framework and state of internal control within the Group is set out on pages 69 to 72.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. Communication with Stakeholders

The Board recognises the need for stakeholders and the wider investment community to ensure that they are kept informed of all material business matters affecting the Group. This is done through timely dissemination of information on the Group's performance and major developments which are communicated via the following channels:

a) the Annual Report and relevant circulars despatched to shareholders and published in the Company's website and Bursa Malaysia;
b) the convening of AGM and/or Extraordinary General Meeting;
c) the release of various disclosures and announcements including quarterly financial announcements; and
d) press releases and analysts briefings.

The Company leverages on the use of information technology by maintaining a corporate website at http://www.mkhberhad.com for effective dissemination of information which shareholders or other stakeholders can easily access to the latest corporate information of the Group. All information released to Bursa Malaysia is posted on the Investor Relations section of the website at http://mkh.irplc.com.

The Group's investor relationship is helmed by the Group Managing Director, Chief Financial Officer, Property Director and Deputy Property Director, who attends to various investors namely fund managers and investment analysts, while the Corporate Communications Department will communicate with members of the media.

The Group has appointed Ms. Kok Siew Yin, the Chief Financial Officer to respond to investor queries and concerns pertaining to financial performance (Tel: +603-8737 8228, Fax: +603-8736 5436, E-mail: ir@mkhberhad.com), whereas Company developments related queries may be referred to the Deputy Property Director, Dato' Chen Way Kian (Tel: +603-8737 8228, Fax: +603-8736 5436, E-mail: ccm@mkhberhad.com).

In addition, stakeholders who wish to reach the respective divisions of the Group may do so through the "Contact Us" page for enquiries and feedback purpose.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

II. Conduct of General Meetings

The AGM which is held once a year is the principal forum for dialogue with individual shareholders. At the Company's AGM, shareholders have direct access to the Board and are given the opportunity to ask questions during the AGM. The shareholders are encouraged to ask questions both about the resolutions being proposed or about the Company's operations in general. The Chairman of the Board also addresses the shareholders on the review of the Company's operations for the financial year and outlines the prospects of the Company for the new financial year. Additionally, immediately after the AGM, the Board also meets members of the press.

The external auditors of the Company are invited to attend the AGM to answer any questions relating to the conduct of the audit and contents of the Auditor's Report.

Statement on Compliance

The Board having duly considered the rationale for the said exception as explained in the CG Report is committed to comply with the key Principles and Practices of the Code.

This Corporate Governance Overview Statement has been approved by the Board on 26 December 2019.

AUDIT COMMITTEE report

During the financial year under review, the Audit Committee had carried out its duties and responsibilities namely held discussion with external auditors, in-house internal auditors, risk management committee and relevant members of management in accordance with its terms of reference. The Audit Committee is of the view that no material misstatement, contingencies or uncertainties and significant deficiencies in internal control have arisen, based on the reviews made and discussion held.

Composition and Meetings

The Audit Committee is appointed by the Board of Directors from amongst Non-Executive Directors and comprise of three (3) members, all of whom are Independent Non-Executive Directors.

The Chairman of the Audit Committee, En. Jeffrey bin Bosra is a member of the Malaysian Institute of Certified Public Accountants ("MICPA") and the Malaysian Institute of Accountants ("MIA"). The other members of the Audit Committee are Haji Mohammed Chudi bin Haji Ghazali and Haji Hasan Aziz bin Mohd Johan.

The Audit Committee meetings were structured through the use of agendas and relevant board papers which were distributed to the Audit Committee prior to such meetings. During the financial year, five (5) meetings were held with the attendance of the Chief Financial Officer, Chief Treasury Officer/ Group Company Secretary, Group Accountant, Partners and/or Managers from the external auditors and in-house internal audit team also attended the meetings upon invitation where matters relating to the external and internal audit were discussed. The Audit Committee also met with the external auditors without the presence of management during each of the Audit Committee meeting. The Chairman of the Audit Committee will report and highlights key issues discussed at each Audit Committee meeting to the Board accordingly.

Details of the Audit Committee members' attendance are appended below:

Name of Directors	Directorship	No. of Meetings Attended
En. Jeffrey bin Bosra (Chairman)	Independent Non-Executive Director	5/5
Haji Mohammed Chudi bin Haji Ghazali (Member)	Senior Independent Non-Executive Director	5/5
Haji Hasan Aziz bin Mohd Johan (Member)	Independent Non-Executive Director	5/5

For the financial year under review, the performance and effectiveness of the Audit Committee has been evaluated through Audit Committee members' self and peer evaluation conducted by the Audit Committee and endorsed by the Nomination Committee. Having reviewed the Audit Committee's performance, the Board is satisfied that the Audit Committee members have been able to discharge their functions, duties and responsibilities in accordance with the terms of reference of the Audit Committee.

The details of the terms of reference of the Audit Committee are available for reference at www.mkhberhad.com.

Summary of Work of the Audit Committee

During the financial year ended 30 September 2019 (“FY 2019”), the Audit Committee had worked closely with the external auditors, in-house internal audit team and management to carry out its functions and duties in line with the terms of reference.

The summary of the work of the Audit Committee in discharging its duties during the financial year under review includes the following:-

(a) Financial Reporting

- Reviewed all the four (4) quarter’s unaudited financial results and audited financial statements of the Company and the Group for the FY 2019 together with the external auditors prior to recommending the same for approval by the Board.

- Reviewed the impacts of any changes in accounting policies and adoption of new accounting standards together with significant matters highlighted in the financial statements.

- Confirmed with management and external auditors that the Company’s and Group’s annual audited financial statements have been prepared in compliance with applicable approved accounting and financial reporting standards.

(b) Internal Audit

- Reviewed and approved the scope of annual audit plan for the FY 2019 proposed by the in-house internal audit team to ensure the adequacy of the scope and coverage of work on the Group’s activities.

- Reviewed the internal audit reports, which highlighted the audit issues, recommendations and management’s responses. Discussed with management on actions taken to improve the system of internal control based on improvement opportunities identified in the internal audit reports.

- Reviewed and approved the follow-up reports on the status of implementation of those control weaknesses as highlighted by in-house internal audit team.

- Reported to the Board on significant audit issues and concerns discussed during the Audit Committee meetings which may have significant impact on the Group from time to time, for consideration and deliberation by the Board.

(c) External Audit

- Reviewed and approved the external auditors annual audit planning memorandum of the Group for the FY 2019, external auditor’s fees, audit strategy and scope of work for the year in connection with their audit.

- Reviewed the findings of the external auditors reports particularly on key audit matter and areas of concern highlighted in the progress report, including management’s response to the concerns raised by the external auditors.

Summary of Work of the Audit Committee (Cont'd)

(c) External Audit (Cont'd)

- Held private sessions with the external auditors without the presence of Executive Directors and management, to discuss the audit findings and any other observations they may have during the audit process. There were no major concerns/issues raised by the external auditors at the meetings.

- Discussed with external auditors on significant accounting and auditing updates arising from new or proposed changes in accounting standard and regulatory requirements in relation to the financial statements.

- Evaluated the performance and assessed the independence and objectivity of the external auditors in providing their services and made recommendations to the Board on their re-appointment and remuneration.

(d) Risk Management Committee

- Reviewed the Risk Management Committee's reports regarding the Group's risk exposures, including review risk assessment model used to monitor the risk exposures and management's views/responses on the acceptable and appropriate level of risks faced by Group's business unit as well as the proposed recommendations for improvements to be implemented.

(e) Related Party Transactions

- Reviewed on a quarterly basis if there is any related party transaction(s) entered into by the Group and any conflict of interest situation that may arise within the Group, which are required to be transacted at an arm's length basis and not detrimental to the interest of the minority shareholders.

- Reviewed the annual confirmation from the Board and Audit Committee on related party transaction(s) entered into (if any) for the financial year under review.

(f) Annual Reporting

- Reviewed the Audit Committee Report, Statement on Risk Management and Internal Control and Corporate Governance Overview Statement to ensure compliance with relevant regulatory reporting requirements prior to recommend the same to the Board for approval.

The Audit Committee having reviewed the extent of assistance rendered by management in the course of the audit and based on feedback from the external auditors was satisfied that management had co-operated fully and the external auditors were able to obtain information requested to carry out their work. Based on the review carried out and the report from the external auditors, the Audit Committee recommended the audited financial statements for the FY 2019 to the Board of Directors for approval on 26 December 2019.

The Audit Committee was satisfied with the conduct of external auditors professional work and the timeliness of completion of their works to meet reporting deadline. Accordingly, the Audit Committee recommended the re-appointment of the external auditors, Deloitte PLT at the forthcoming Annual General Meeting.

Training

During the year, all the Audit Committee have attended various seminars, training programmes and conferences. The list of trainings attended is disclosed on the Corporate Governance Overview Statement at page 56 of the Annual Report.

The Internal Audit Function And Its Role

The Company has set-up an in-house Internal Audit Department ("IAD") effective 1 October 2016.

The IAD comprises four (4) staff members, led by Mr. Kannan A/L Sevakrishnavelu, an Associate Member of the Institute of Internal Auditors Malaysia ("IIA Malaysia") who has over 13 years of experience in internal audit. IAD report directly to the Audit Committee and is guided by its Internal Audit Charter. The IAD adopts the International Standards for the Professional Practice of Internal Auditing as well as established internal auditing guidelines to enhance its competency and proficiency.

The principal role of the internal audit function is to undertake, on a prioritised approach, an independent and systematic assessment of the Group's system of risk management and internal controls as established by management in addressing the principal business risks faced by the Group. In conducting internal audit of the Group, the internal audit function deployed professional standards promulgated by the IIA Malaysia. During the financial year under review, weaknesses noted in the said system and areas that required improvement, including the recommendations thereof and action plans agreed to be deployed by management to address the issues raised, were highlighted by the internal audit function by way of internal audit reports issued to the Audit Committee.

(a) Internal Audit Work Carried Out During The Financial Year Under Review

The internal audit function conducted its work based on an annual internal audit plan which was tabled before and approved by, the Audit Committee. The main activities of work carried out by the internal audit function are set out below:

(i) Conduct Of Internal Audit

The internal audit function adopted a risk-based approach in identifying specific areas and processes to be covered. During the financial year under review, the internal audit function focused on selected key processes of the Group's as follows:-

Entity	Key Processes
Laju Jaya Sdn. Bhd. - Prescott Hotel Kajang	• Revenue cycle • Sales and marketing • Cost efficiency • Housekeeping • Purchasing • Store management • Repair and maintenance • Customers complaint

The Internal Audit Function And Its Role (Cont'd)

(a) Internal Audit Work Carried Out During The Financial Year Under Review (Cont'd)

(i) Conduct Of Internal Audit (Cont'd)

Entity	Key Processes
PT. Maju Kalimantan Hadapan	• Estates - harvesting practices, field practices, store management, nursery, employment and checkroll and fixed asset management • Mill production, store management, oil losses analysis, crude palm oil and palm kernel dispatch and jetty management
Hillpark Resources Sdn. Bhd.	• Project management • Quality • Sales and marketing • Progress claims
Head Office (Sales & Marketing)	• Overall sales activities • Marketing activities • Unsold stocks • Sales management and monitoring
Achieve Acres Sdn. Bhd.	• Project management • Quality • Progress claims
Temara Pekeliling Sdn. Bhd.	• Project management • Quality • Progress claims
MKH Building Materials Sdn. Bhd.	• Travelling claims

Based on the internal audit reviews carried out, the findings of the internal audit, including the recommendations to address areas of control deficiencies as well as opportunities for improvements, were discussed with Senior Management and subsequently presented to the Audit Committee.

The Internal Audit Function And Its Role (Cont'd)

(a) Internal Audit Work Carried Out During The Financial Year Under Review (Cont'd)

(ii) Follow-Up On Internal Audit

During the financial year under review, the internal audit function also performed a follow-up to assess the status of management-agreed action plans on recommendations raised in preceding cycles of internal audit. The outcome thereof was summarised in a follow-up report to the Audit Committee, highlighting those issues that had yet to be fully addressed by management, including specific timelines for those outstanding matters to be resolved.

Whilst reports issued by the internal audit function for the financial year under review were tabled at Audit Committee meetings, management was present at such meetings to provide pertinent clarification or additional information to address questions raised by Audit Committee members pertaining to matters raised by the internal audit function.

(b) Cost Of Internal Audit

The cost of the internal audit function for the financial year under review amounted to approximately RM462,043 (2018: RM405,773).

This Audit Committee Report has been approved by the Board on 26 December 2019.

STATEMENT ON RISK MANAGEMENT and internal control

The Malaysian Code on Corporate Governance 2017 ("the Code") set out the Principles and Practices for the Board of a company listed on the Bursa Malaysia Securities Berhad ("Bursa Securities") to establish a sound risk management framework and internal controls system to safeguard shareholders' investment and the Group's assets. The Board is committed to establish a sound framework to manage risks and is pleased to provide the following statement in accordance with paragraph 15.26(b) of Bursa Securities Main Market Listing Requirements and guided by the "Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers".

Board's Responsibilities

The Board acknowledges its responsibilities for establishing a sound risk management framework and internal control system to manage risks in accordance with Principle B of the Code to safeguard the interest of shareholders, customers, employees and the Group's assets. The Board's responsibilities include:-

(a) determine the Group's level of risk tolerance and actively identify, assess and monitor key business risks to safeguard shareholders' investments and the Group's assets;

(b) committed to articulating, implementing and reviewing the Group's internal controls system for risk management; and

(c) periodic review and/or conduct of the effectiveness and adequacy of the internal controls procedures and processes to ensure that the system is viable and robust.

However, due to the limitations inherent in any internal control system, it should be noted that such system is designed to manage rather than to eliminate the risk of failure to achieve the Group's business objectives. Therefore, the system can only provide a reasonable and not absolute assurance against material misstatement or loss. The internal control system or framework of the Group covers, inter-alia, risk management, financial, operational and compliance controls. This process has been in place for the year under review and up to the date of approval of this statement for inclusion in the Annual Report.

Accompanying the maintenance of an appropriate internal control system, is an on-going process to identify, evaluate, monitor and manage principal risks faced by the Group and this process is reviewed quarterly by the Board. The Group identified major risk areas of concern which included demand for properties, fluctuating commodity prices, foreign exchange rates fluctuation and change in regulatory environments.

The Board has reviewed the adequacy and effectiveness of the Group's risk management and internal control system for the year under review.

Risk Management And Internal Control Processes

The Board has put in place an organisational structure with formally defined lines of responsibility and delegation of authority. A process of hierarchical reporting has been established which provides for a documented and auditable trail of accountability as appended below:-

- The Executive Committee, comprising Executive Directors and assisted by certain Key Senior Management was established to review the operations of the Group's operating divisions, the monthly financial information which includes actual results compare against budget as approved by the Board, explanation on significant variances and management actions taken, where necessary.

Risk Management And Internal Control Processes (Cont'd)

- The Audit Committee with the assistance of the Internal Audit team and Risk Management Committee ("RMC"), reviews the internal control processes and evaluates the adequacy and effectiveness of the risk management and internal control system. Further details are set out in the Audit Committee Report and Corporate Governance Overview Statement.

- The RMC was established to review and monitor Group's risk management framework and activities. The RMC members are Property Director, Plantation Director, Chief Financial Officer and Chief Treasury Officer/Group Company Secretary. The RMC reports to the Audit Committee on a quarterly basis where key risks and mitigating action are discussed and implemented.

- The head of business unit to follow-up on those potential risks identified and the management action plans to mitigate such risks based on the findings from internal audit reports prepared by our Internal Audit team and approved by the Audit Committee. Any significant findings of non-compliance or implementation by respective business units will be reported to the Audit Committee during quarterly meeting.

- Sufficient insurance coverage and physical safeguards on major assets are in place to ensure the Group's assets are adequately covered against any mishap that could result in material loss.

Risk Management Framework

The Board recognises that an effective risk management framework will allow the Group to identify, evaluate and manage risks that affect the achievement of the Group's business objectives within defined risk parameters in a timely and effective manner. The Group is exposed to operational risks and various financial risks as follows:-

(a) Operational Risks

Operational risks arise from the execution of the Group core businesses (i.e. property development and construction, plantation, investment property and hotel and trading) and competencies of the management in managing the risks relating to health and safety, quality, inadequate skilled workforce and adverse climatic conditions. The management is guided by approved standard operating procedures and quality controls to ensure that all business units are functional.

The Group continue to offer competitive compensation that is benchmarked against the best performing companies in the same industry and rewards framework that is closely linked to employees' performance to attract and retain a skilled workforce to meet existing and future needs. The plantation division emphasise on good agricultural practices to ensure high production yields of fresh fruit bunches.

(b) Financial Risks

(a) Credit and liquidity risks arise from the inability to recover debts in a timely manner which may adversely affect the Group's profitability, cash flow and funding. In order to minimise such exposures, tightening of credit control, close monitoring of collections and overdue debts were carried out.

(b) Interest rate risk arise mainly from the Group's borrowings in the form of term loan, overdraft and revolving credit facilities to meet capital expenditures and working capital requirements.

Risk Management Framework (Cont'd)

(b) Financial Risks (Cont'd)

(c) Commodity risk arises from the volatility of commodity prices such as crude palm oil ("CPO") and palm kernel which are affected by factors such as weather, government policies, supply and demand and competition from substitution products as well as currency fluctuation.

(d) Foreign exchange risk arises from movements in foreign currency exchange rates. The Group's reporting currency is Malaysian Ringgit ("RM"). The majority of the Group's plantation division borrowing is denominated in United States Dollar ("USD") and RM, while the majority of the Group's expenses is denominated in Indonesian Rupiah ("IDR") and sales of CPO is denominated in IDR and USD while sale of palm kernel is denominated in IDR.

As the CPO is an internationally traded commodity mainly in USD, there is a natural hedge as the selling price of the CPO in IDR has a positive correlation with the strengthening of the USD currency. In addition, the Group constantly monitors and compare the selling price of CPO in the local Indonesian market (in Rupiah) and the Malaysia Derivation Exchange (in RM) and the foreign exchange rate to ensure that the Group is selling the CPO at the best possible price.

The Board with the assistance of the Audit Committee, RMC and Internal Audit team have continuously review existing risks and identify new risks that the Group faces and management action plans to manage the risks.

To further enhance the risk management process within the culture of the Group, review of existing risks and identification of new risks is also conducted annually with involvement of selected management staff. In additions, nominated key management personnel in each business unit have prepared action plans to address key risks and control issues highlighted by the Internal Audit team.

During the financial year ended 30 September 2019, the RMC has:

(a) reviewed management action plans presented by the nominated key management of certain business units of the Group;

(b) reviewed the Group's quarterly financial and non-financial performances measured against the approved budget with major variances being reviewed and management actions taken as necessary;

(c) reported its findings on major issues relating to risks and risk management to the Audit Committee on quarterly basis which then reports to the Board;

(d) reviewed new property development projects and business investment in the subsidiaries;

(e) reviewed quarterly the property development outlook with appropriate product differentiation and pricing to suit the market demand; and

(f) monitored financial performances and the progress of corrective actions/implementation for highlighted issues.

Internal Audit Function

During the financial year, the Audit Committee worked closely with the Internal Audit team, distinct from the external auditors, to provide independent internal audit services to the Group, who reports independently to the Audit Committee. The internal audit function provides the Audit Committee with quarterly reports, based on the audits conducted, highlighting observations, recommendations and management action plans to improve the internal control system and contribute towards improving the Group's risk management.

The key role of the internal audit function is to assess management's adherence to establish policies and procedures as well as to act as an independent sounding board to the Audit Committee concerning areas of weaknesses or deficiencies in the risk management, governance and control processes for appropriate remedial measures to be carried out by the management.

Review By The External Auditors

As required by paragraph 15.23 of Bursa Securities Main Market Listing Requirements, the external auditors have conducted a limited assurance engagement on this Statement on Risk Management and Internal Control. Their limited assurance engagement was performed in accordance with Malaysian Approved Standard on Assurance Engagements, International Standard on Assurance Engagements, ISAE 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information and Audit and Assurance Practice Guide 3 ("AAPG 3"): Guidance for Auditors on Engagements to Report on the Statement of Risk Management and Internal Control included in the Annual Report.

Based on their procedures performed, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that the Statement on Risk Management and Internal Control is not prepared, in all material aspects, in accordance with disclosure required by paragraphs 41 and 42 of the Statement of Risk Management and Internal Controls: Guidance for Directors of Listed Issuers to be set out, nor is factually inaccurate. AAPG 3 does not require the external auditors to consider whether the Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and control system including the assessment and opinion by the Board and management thereon. The external auditors are not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the Annual Report will, in fact, remedy the problems. The report from the external auditors was made solely for and directed solely to the Board of Directors in connection with their compliance with the Bursa Securities Main Market Listing Requirements and for no other purposes or parties.

Management Assurance

In accordance with the requirements of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, the Group Managing Director and the Chief Financial Officer have given reasonable assurance to the Board that the Group's risk management and internal control system, in all material aspects, is operating adequately and effectively.

Board's Conclusion

The Board is of the view that an appropriate risk management and internal control system, procedures and processes in operation during the year in review was reasonably adequate and effective to safeguard the assets of the Group and interest of shareholders. For the financial year under review, no significant control failures or weaknesses that result in material losses and require disclosure in the Group's Annual Report were identified.

This Statement has been approved by the Board on 26 December 2019.

ADDITIONAL COMPLIANCE information

1. Utilisation of Proceeds Raised from Corporate Proposals

The utilisation of rights issue proceeds as at 30 September 2019 are as follows:

	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance Unutilised RM'000	Revised timeframe
Infrastructure and property development	37,190	28,736	8,454	Within 30 months^
Payment of landowners' entitlements	20,000	20,000	-	Completed
Construction of KTM Komuter station	21,400	6,055	15,345	Within 30 months#
Working capital	372	372	-	Completed
Estimated expenses for the rights with bonus issue	1,600	1,600	-	Completed
Total	80,562	56,763	23,799	

Notes:
^ Construction works completed and pending finalisation of claims.
# Construction works in progress.
The time frame for the utilisation of the proceeds raised from the rights with bonus issue has been extended for another 10 months period from 30 November 2019 (i.e. 1st revised time frame from 1 June 2017 till 30 November 2019) up to 30 September 2020.

2. Audit and Non-Audit Fees

The amount of audit fees and non-audit fees paid by the Company and its subsidiaries to the external auditors for the financial year ended 30 September 2019 are as follows:-

	Group (RM)	Company (RM)
Audit Fees	607,149	52,000
Non-audit Fees	15,900	15,900
Total	623,049	67,900

The non-audit fees was payment towards reviewing the statement on risk management and internal control as well as conducting training for Malaysia Financial Reporting Standards 9, 15 and 141.

3. Material Contracts Involving Directors and Major Shareholders' Interest

There were no material contracts entered into by the Company and its subsidiaries involving Directors' and/or major shareholders' interests during the financial year.

4. Sanctions and/or Penalties

There were no material publics sanctions and/or penalties imposed on the Company and its subsidiaries, Directors or management by the relevant regulatory bodies during the financial year.

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DIRECTORS' report

The directors have pleasure in presenting their report to the members together with the audited financial statements of the Group and of the Company for the financial year ended 30 September 2019.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and providing management services.

The information on the name, place of incorporation, principal activities and percentage of issued share capital held by the Company in each subsidiaries are as disclosed in Note 14 to the Financial Statements.

RESULTS OF OPERATIONS

	The Group RM	The Company RM
Profit for the financial year	97,476,769	47,853,009
Profit attributable to:		
Owners of the parent	82,561,117	47,853,009
Non-controlling interests	14,915,652	-
	97,476,769	47,853,009

DIVIDEND

Since the end of the previous financial year, a first interim single tier dividend of 3.5 sen per ordinary share in respect of financial year ended 30 September 2018 amounting to RM20,268,891 was declared on 30 November 2018 and paid on 10 January 2019 as reported in the directors' report of that year.

A first interim single tier dividend of 4.0 sen per ordinary share in respect of financial year ended 30 September 2019 amounting to RM23,161,383 was declared on 27 November 2019 and to be paid on 3 January 2020. The financial statements for the current financial year do not reflect the dividend. Such dividend will be accounted in equity as an appropriation of retained earnings in the financial year ending 30 September 2020.

The directors do not recommend any final dividend payment in respect of the financial year ended 30 September 2019.

ISSUES OF SHARES

The Company has not issued any new shares or debentures during the financial year.

DIRECTORS

The directors of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are:

Tan Sri Dato' Chen Kooi Chiew @ Cheng Ngi Chong
Tan Sri Datuk Chen Lok Loi
Datuk Chen Fook Wah
Datuk Mohammad bin Maidon
Mohammed Chudi bin Haji Ghazali
Jeffrey bin Bosra
Hasan Aziz bin Mohd Johan

LIST OF DIRECTORS OF SUBSIDIARIES

Tan Sri Dato' Chen Kooi Chiew @ Cheng Ngi Chong
Tan Sri Datuk Chen Lok Loi
Datuk Chen Fook Wah
Datuk Mohammad bin Maidon
Dato' Chong Yong Han
Dato' Chen Way Kian
Dato' Lee Khee Meng
Dato' Mazbar bin Abu Bakar
Mohammed Chudi bin Haji Ghazali
Datuk Hj. Johan bin Abd. Aziz
Chen Wei Chyong
Chen Way Liang
Chen Yunn Shin
Tan Wan San
Tang Wai Hoong
Tang Hee Teik
Teh Lee Lean
Ahmad Yani bin Sulaiman
Kok Siew Yin
Datuk Muztaza bin Mohamad
Ra Adrina binti Muztaza (Alternate director to Datuk Muztaza bin Mohamad)
Dzulkeflee bin Khairuddin
Yap Yoon Soong (Alternate director to Dzulkeflee bin Khairuddin)
Abd Manaf bin Ahmad
Mohd Adib bin Othman
Hafiz bin Othman
Che Hasnadi bin Che Hassan
Drs. Haji Khairil Anwar
Morlifa Elanda
Mirza Aulia

LIST OF DIRECTORS OF SUBSIDIARIES (CONT'D)

Keiichi Tokushima
Isso Suzuki
Chen Wei Sern (Appointed on 4 June 2019)
Siti Norbaya binti Abdul Jabar (Appointed on 17 June 2019)
Kaisyah binti Abu Khalil (Appointed on 17 June 2019)
Mikiya Ishizako (Appointed on 19 June 2019)
Shigeki Watanabe (Appointed on 19 June 2019)
Yasuhito Imamura (Resigned on 19 June 2019)
Yasuhiro Nishikawa (Resigned on 19 June 2019)

DIRECTORS' INTERESTS

The holdings and deemed holdings in the ordinary shares of the Company and of its related corporations of those who were directors at financial year end as recorded in the Register of Directors' Shareholdings are as follows:

(a) Shareholdings in the Company

	Number of ordinary shares			
	At 1 October 2018	**Bought**	**Sold**	**At 30 September 2019**
Direct interests:				
Tan Sri Dato' Chen Kooi Chiew @ Cheng Ngi Chong	1,487,080	-	-	1,487,080
Tan Sri Datuk Chen Lok Loi	10,602,844	-	-	10,602,844
Datuk Chen Fook Wah	1,734,311	249,600	-	1,983,911
Mohammed Chudi bin Haji Ghazali	67,361	-	-	67,361
Deemed interests:				
Tan Sri Dato' Chen Kooi Chiew @ Cheng Ngi Chong^	251,385,358	72,800	-	251,458,158
Tan Sri Datuk Chen Lok Loi#	243,736,368	831,719	-	244,568,087
Datuk Chen Fook Wah*	236,325,454	12,000	-	236,337,454

^ Deemed interest through shares held in Chen Choy & Sons Realty Sdn. Bhd. ("CCSR"), Lotus Way Sdn. Bhd. and a nominee company.
# Deemed interest through shares held in CCSR and a nominee company.
* Deemed interest through shares held in CCSR and Activest Sdn. Bhd.

DIRECTORS' INTERESTS (CONT'D)

(b) Shareholdings in subsidiary - Srijang Kemajuan Sdn. Bhd.

	Number of ordinary shares			
	At 1 October 2018	Bought	Sold	At 30 September 2019
Direct interests:				
Tan Sri Dato' Chen Kooi Chiew @ Cheng Ngi Chong	1	-	-	1

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by directors as shown in the financial statements or the fixed salary of a full time employee of the Company) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest other than any benefits which may be deemed to have arisen from transactions entered into in the ordinary course of business as disclosed in Note 35 to the financial statements.

During and at the end of the financial year, no arrangements subsisted to which the Company is a party, being arrangements with the object of enabling directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year are disclosed in the financial statements.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before financial statements of the Group and of the Company were prepared, the directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

(ii) to ensure that any current assets which were unlikely to realise in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (CONT'D)

At the date of this report, the directors are not aware of any circumstances:

(i) which would render the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or

(iv) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

At the date of this report, there does not exist:

(i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liability of any other person; or

(ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may affect the ability of the Group and of the Company to meet their obligations when they fall due.

In the opinion of the directors:

(i) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

TREASURY SHARES

Treasury shares relate to ordinary shares of the Company that are repurchased and held by the Company in accordance with the requirements of Section 127(4)(b) of the Companies Act, 2016 in Malaysia.

During the financial year, the Company repurchased 3,475,000 of its issued ordinary shares from the open market at an average price of RM1.20 per share. The total consideration paid for the repurchase including transaction costs was RM4,199,140.

As at 30 September 2019, the Company held 7,513,600 treasury shares out of its 586,548,168 issued and paid-up ordinary shares. Such treasury shares are held at a carrying amount of RM9,637,077. Further details are disclosed in Note 25 to the financial statements.

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

The Company maintains directors' and officers' liability insurance for purposes of Section 289 of the Companies Act, 2016, throughout the year, which provides appropriate insurance coverage for the Directors and Officers of the Company. The amount of insurance premium paid during the year amounted to RM40,290.

There was no indemnity given to or insurance effected for auditors of the Company.

SIGNIFICANT EVENTS

Details of significant events during the financial year are disclosed in Note 37 to the financial statements.

AUDITORS

The auditors, Deloitte PLT, have expressed their willingness to continue in office.

AUDITORS' REMUNERATION

The amount paid or payable by the Group and the Company as remuneration of the auditors for audit services for the financial year ended 30 September 2019 amounting to RM607,149 and RM52,000 respectively.

Signed on behalf of the Board in accordance with a resolution of the directors dated 26 December 2019.

TAN SRI DATO' CHEN KOOI CHIEW @ CHENG NGI CHONG

TAN SRI DATUK CHEN LOK LOI

STATEMENT by directors

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT, 2016

We, Tan Sri Dato' Chen Kooi Chiew @ Cheng Ngi Chong and Tan Sri Datuk Chen Lok Loi, being two of the directors of the Company, do hereby state that in the opinion of the directors, the accompanying financial statements as set out on pages 87 to 238, are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 September 2019 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 26 December 2019.

TAN SRI DATO' CHEN KOOI CHIEW @ CHENG NGI CHONG

TAN SRI DATUK CHEN LOK LOI

STATUTORY declaration

PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT, 2016

I, Kok Siew Yin, being the person primarily responsible for the financial management of **MKH BERHAD**, do solemnly and sincerely declare that, to the best of my knowledge and belief, the financial statements as set out on pages 87 to 238, in my opinion, are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the above named at
Kajang in the State of Selangor
on 26 December 2019

KOK SIEW YIN
MIA MEMBERSHIP NO: 15343

Before me

BADLISHAM TALHAH (B475)
Commissioner for Oaths

INDEPENDENT AUDITORS' report

TO THE MEMBERS OF MKH BERHAD (Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **MKH BERHAD**, which comprise the statements of financial position of the Group and of the Company as at 30 September 2019 and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, as set out on pages 87 to 238.

In our opinion, the accompanying financial statements of the Group and of the Company give a true and fair view of the financial position of the Group and of the Company as at 30 September 2019 and of their financial performance and their cash flows for the year then ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are described further in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters.

Key audit matter	*How the matter was addressed in the audit*
Revenue from property development activities The Group recognises property development revenue using the cost-based input method, which is measured on the basis of the Group's efforts or inputs to the property development costs incurred to date relative to the total expected property development costs.	Our audit procedures included, among others: • Obtained an understanding of the relevant controls put in place by the Group in respect of revenue recognition for property development activities and performed procedures to evaluate the design and implementation and test operating effectiveness of such controls.

Key Audit Matters (Cont'd)

Key audit matter (Cont'd)	*How the matter was addressed in the audit (Cont'd)*
Revenue from property development activities (Cont'd) Significant judgement is required in the estimation of total property development costs. Where the actual total property development costs is different from the estimated total property development costs, such difference will impact the property development profits recognised. Refer to "Significant accounting estimates and judgements" in Note 2(c)(i) to the financial statements.	Our audit procedures included, among others: (Cont'd) • Performed site visits for individually significant projects to arrive at an overall assessment as to whether information provided by management is reasonable. • Reviewed management prepared budgets for property development projects and ensured that budgets are appropriate and reflected cost incurred and cost to complete, current cost of operations and computation of profit recognition. • Challenged management assumptions used in the preparation of the respective budgets, and performed a retrospective review to establish the reliability of management-prepared budgets and considered the implication of any changes in assumption used in the budgets. • Verified the gross development value by reviewing the sale and purchase agreement entered into between the purchasers and the Group. • Checked the mathematical accuracy of the revenue and profit based on percentage of completion calculations and considered the implications of any changes in estimate.

We have determined that there are no key audit matters in the audit of the separate financial statements of the Company to be communicated in our auditors' report.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report of the Group but does not include the financial statements of the Group and of the Company and our auditor's report thereon, which we obtained prior to the date of this auditors' report and the Analysis of Shareholdings and Directors' Shareholdings, which are expected to be made available to us after that date.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Analysis of Shareholdings and Directors' Shareholdings, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and request management to correct the other information accordingly.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, as disclosed in Note 14 to the financial statements.

Other Matters

(a) As stated in Note 2 to the financial statements, the Group and the Company adopted Malaysian Financial Reporting Standards on 1 October 2018 with a transition date of 1 October 2017. These standards were applied retrospectively by directors to the comparative information in these financial statements, including the statements of financial position as at 30 September 2018 and 1 October 2017 and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year ended 30 September 2018 and related disclosures. We were not engaged to report on these comparative information which are now presented in accordance with Malaysian Financial Reporting Standards and hence, it is unaudited. Our responsibilities as part of our audit of the financial statements of the Group and the Company for the year ended 30 September 2019 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 October 2018 do not contain misstatements that materially affect the financial position as at 30 September 2019 and financial performance and cash flows for the year then ended.

(b) This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act, 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

DELOITTE PLT (LLP0010145-LCA)
Chartered Accountants (AF0080)

TEO SWEE CHUA
Partner - 02846/01/2020 J
Chartered Accountant

Kuala Lumpur
26 December 2019

STATEMENTS OF PROFIT OR LOSS
and other comprehensive income
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2019

	Note	The Group 2019 RM	The Group 2018 RM (Restated)	The Company 2019 RM	The Company 2018 RM
Revenue	4	1,121,656,628	1,081,700,915	30,903,675	32,516,500
Cost of sales	5	(807,161,744)	(733,529,731)	-	-
Gross profit		314,494,884	348,171,184	30,903,675	32,516,500
Other income		37,338,444	19,606,549	30,844,155	36,779,251
Sales and marketing expenses		(34,653,975)	(50,364,180)	-	-
Administrative expenses		(92,618,557)	(89,658,855)	(1,755,140)	(3,053,866)
Other expenses		(24,912,857)	(65,634,431)	(559,127)	(873,518)
Profit from operations		199,647,939	162,120,267	59,433,563	65,368,367
Finance costs		(40,389,950)	(34,249,204)	(7,192,376)	(3,216,910)
Share of results of associates	15	(885,173)	360,579	-	-
Profit before tax	6	158,372,816	128,231,642	52,241,187	62,151,457
Tax expense	8	(60,896,047)	(51,618,640)	(4,388,178)	(4,138,084)
Profit for the financial year		97,476,769	76,613,002	47,853,009	58,013,373
Other comprehensive income/(loss)					
Items that will not be reclassified subsequently to profit or loss:					
Remeasurement gains on defined benefit plans	27	4,090,635	2,200,700	-	-
Income tax relating to components of other comprehensive loss	8	(997,750)	(504,607)	-	-
		3,092,885	1,696,093	-	-
Items that may be reclassified subsequently to profit or loss:					
Foreign currency translation differences		2,233,731	(3,068,794)	-	-
Changes in tax rate relating to surplus arising from revaluation of land and buildings	8	-	(131,500)	-	(26,500)
		2,233,731	(3,200,294)	-	(26,500)
Total comprehensive income for the financial year		102,803,385	75,108,801	47,853,009	57,986,873
Profit attributable to:					
Owners of the parent		82,561,117	70,864,939	47,853,009	58,013,373
Non-controlling interests		14,915,652	5,748,063	-	-
		97,476,769	76,613,002	47,853,009	58,013,373

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2019

		The Group		The Company	
		2019	2018	2019	2018
	Note	RM	RM (Restated)	RM	RM
Total comprehensive income attributable to:					
Owners of the parent		87,718,201	68,947,116	47,853,009	57,986,873
Non-controlling interests		15,085,184	6,161,685	-	-
		102,803,385	75,108,801	47,853,009	57,986,873
Basic earnings per share (sen)	9	14.26	12.26		

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF financial position

AS AT 30 SEPTEMBER 2019

	Note	The Group 30.9.2019 RM	30.9.2018 RM (Restated)	1.10.2017 RM (Restated)
ASSETS				
Non-Current Assets				
Property, plant and equipment	10	447,611,595	435,224,789	493,609,706
Intangible assets	11	30,448,679	26,353,749	22,014,685
Prepaid lease payments	12	43,397,363	44,675,754	45,724,238
Investment properties	13	312,440,000	318,620,000	318,937,000
Investment in associates	15	14,990,213	14,250,386	13,889,807
Land held for property development	16	873,949,964	866,759,029	915,911,610
Deferred tax assets	17	47,382,713	49,602,802	33,933,101
Tax recoverable		1,148,290	1,082,118	1,282,296
Receivables, deposits and prepayments	18	36,161,916	32,383,712	32,356,488
Total Non-Current Assets		1,807,530,733	1,788,952,339	1,877,658,931
Current Assets				
Property development costs	19	416,739,609	466,714,197	474,969,277
Inventories	20	193,850,605	273,584,830	153,184,911
Contract assets	21	281,297,699	198,704,864	152,556,850
Biological assets	22	5,181,734	5,960,459	5,041,948
Receivables, deposits and prepayments	18	229,730,104	263,860,689	266,765,819
Current tax assets		19,491,707	19,885,707	12,214,337
Cash, bank balances, term deposits and fixed income funds	23	405,156,006	227,726,216	264,609,775
		1,551,447,464	1,456,436,962	1,329,342,917
Non-current assets classified as held for sale	24	1,543,550	-	22,549,538
Total Current Assets		1,552,991,014	1,456,436,962	1,351,892,455
Total Assets		3,360,521,747	3,245,389,301	3,229,551,386
EQUITY AND LIABILITIES				
Capital and Reserves				
Share capital	25	654,458,655	654,458,655	613,315,284
Treasury shares	25	(9,637,077)	(5,437,937)	-
Reserves	26	971,063,777	903,614,467	868,443,625
Equity attributable to owners of the parent		1,615,885,355	1,552,635,185	1,481,758,909
Non-controlling interests	14	71,249,104	56,038,921	31,103,757
Total Equity		1,687,134,459	1,608,674,106	1,512,862,666

STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2019

	Note	The Group 30.9.2019 RM	30.9.2018 RM (Restated)	1.10.2017 RM (Restated)
Non-Current Liabilities				
Deferred tax liabilities	17	64,327,355	64,124,182	59,037,723
Provisions	27	14,561,360	8,732,893	11,453,546
Payables and accruals	28	309,712,190	289,306,920	346,511,714
Loans and borrowings	29	313,682,979	350,491,183	444,139,353
Total Non-Current Liabilities		702,283,884	712,655,178	861,142,336
Current Liabilities				
Provisions	27	20,183,386	20,183,386	20,183,386
Contract liabilities	21	2,141,093	-	870,000
Payables and accruals	28	566,679,889	573,303,432	497,500,699
Loans and borrowings	29	371,081,282	322,265,493	328,377,464
Current tax liabilities		11,017,754	8,307,706	8,614,835
Total Current Liabilities		971,103,404	924,060,017	855,546,384
Total Liabilities		1,673,387,288	1,636,715,195	1,716,688,720
Total Equity and Liabilities		3,360,521,747	3,245,389,301	3,229,551,386
Net assets per share (RM)	9	2.79	2.67	2.63

STATEMENTS OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2019

	Note	30.9.2019 RM	The Company 30.9.2018 RM	1.10.2017 RM
ASSETS				
Non-Current Assets				
Property, plant and equipment	10	1,180,051	1,198,845	1,218,418
Investment in subsidiaries	14	795,015,054	752,462,754	713,212,031
Receivables, deposits and prepayments	18	379,265,402	336,596,078	296,512,339
Total Non-Current Assets		1,175,460,507	1,090,257,677	1,010,942,788
Current Assets				
Receivables, deposits and prepayments	18	20,555,215	25,869,463	4,378,683
Cash, bank balances, term deposits and fixed income funds	23	593,455	3,941,479	12,145,700
Total Current Assets		21,148,670	29,810,942	16,524,383
Total Assets		1,196,609,177	1,120,068,619	1,027,467,171
EQUITY AND LIABILITIES				
Capital and Reserves				
Share capital	25	654,458,655	654,458,655	613,315,284
Treasury shares	25	(9,637,077)	(5,437,937)	-
Reserves	26	402,717,148	375,133,030	350,922,431
Total Equity		1,047,538,726	1,024,153,748	964,237,715
Non-Current Liabilities				
Deferred tax liabilities	17	93,500	92,226	64,326
Total Non-Current Liabilities		93,500	92,226	64,326
Current Liabilities				
Payables and accruals	28	769,521	539,936	1,344,734
Loans and borrowings	29	146,469,068	93,701,813	60,500,000
Current tax liabilities		1,738,362	1,580,896	1,320,396
Total Current Liabilities		148,976,951	95,822,645	63,165,130
Total Liabilities		149,070,451	95,914,871	63,229,456
Total Equity and Liabilities		1,196,609,177	1,120,068,619	1,027,467,171

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT of changes in equity

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2019

			← Non-distributable →			Distributable			
	Share capital RM	Treasury shares RM	Warrant reserve RM	Translation reserve RM	Revaluation reserve RM	Retained earnings RM	Attributable to owners of the parent RM	Non - controlling interests RM	Total equity RM
At 1 October 2018 (As reported)	654,458,655	(5,437,937)	-	(6,240,848)	23,402,037	880,819,793	1,547,001,700	55,711,947	1,602,713,647
Effect of adoption of MFRS 141	-	-	-	(548,928)	-	6,182,413	5,633,485	326,974	5,960,459
At 1 October 2018 (Restated)	654,458,655	(5,437,937)	-	(6,789,776)	23,402,037	887,002,206	1,552,635,185	56,038,921	1,608,674,106
Comprehensive income									
Profit for the financial year	-	-	-	-	-	82,561,117	82,561,117	14,915,652	97,476,769
Other comprehensive income									
Foreign currency translation differences	-	-	-	2,238,770	-	-	2,238,770	(5,039)	2,233,731
Remeasurement gains on defined benefit plans - net of tax	-	-	-	-	-	2,918,314	2,918,314	174,571	3,092,885
Total comprehensive income	-	-	-	2,238,770	-	85,479,431	87,718,201	15,085,184	102,803,385

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2019

				Non-distributable			Distributable			
	Note	Share capital RM	Treasury shares RM	Warrant reserve RM	Translation reserve RM	Revaluation reserve RM	Retained earnings RM	Attributable to owners of the parent RM	Non-controlling interests RM	Total equity RM
Transactions with owners										
Issuance of shares by subsidiaries to non-controlling shareholder		-	-	-	-	-	-	-	124,999	124,999
Share buy back		-	(4,199,140)	-	-	-	-	(4,199,140)	-	(4,199,140)
Dividend	30	-	-	-	-	-	(20,268,891)	(20,268,891)	-	(20,268,891)
Total transactions with owners		-	(4,199,140)	-	-	-	(20,268,891)	(24,468,031)	124,999	(24,343,032)
At 30 September 2019		**654,458,655**	**(9,637,077)**	**-**	**(4,551,006)**	**23,402,037**	**952,212,746**	**1,615,885,355**	**71,249,104**	**1,687,134,459**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2019

			← Non-distributable		→	Distributable			
	Share capital RM	Treasury shares RM	Warrant reserve RM	Translation reserve RM	Revaluation reserve RM	Retained earnings RM	Attributable to owners of the parent RM	Non - controlling interests RM	Total equity RM
At 1 October 2017 (As reported)	613,315,284	-	4,761,173	(3,428,618)	23,533,537	838,813,182	1,476,994,558	30,826,160	1,507,820,718
Effect of adoption of MFRS 141	-	-	-	-	-	4,764,351	4,764,351	277,597	5,041,948
At 1 October 2017 (Restated)	613,315,284	-	4,761,173	(3,428,618)	23,533,537	843,577,533	1,481,758,909	31,103,757	1,512,862,666
Comprehensive income									
Profit for the financial year	-	-	-	-	-	70,864,939	70,864,939	5,748,063	76,613,002
Other comprehensive income									
Foreign currency translation differences	-	-	-	(3,361,158)	-	-	(3,361,158)	292,364	(3,068,794)
Remeasurement gains on defined benefit plans - net of tax	-	-	-	-	-	1,574,835	1,574,835	121,258	1,696,093
Changes in tax rate relating to surplus arising from revaluation of land and buildings	-	-	-	-	(131,500)	-	(131,500)	-	(131,500)
Total comprehensive income	-	-	-	(3,361,158)	(131,500)	72,439,774	68,947,116	6,161,685	75,108,801

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2019

				← Non-distributable	→		Distributable			
	Note	Share capital RM	Treasury shares RM	Warrant reserve RM	Translation reserve RM	Revaluation reserve RM	Retained earnings RM	Attributable to owners of the parent RM	Non - controlling interests RM	Total equity RM
Transactions with owners										
Issuance of shares pursuant to warrants		41,143,371	-	(4,491,689)	-	-	-	36,651,682	-	36,651,682
Warrants expired		-	-	(269,484)	-	-	269,484	-	-	-
Issuance of shares by subsidiaries to non-controlling shareholder		-	-	-	-	-	-	-	22,648,519	22,648,519
Share buy back		-	(5,437,937)	-	-	-	-	(5,437,937)	-	(5,437,937)
Dividend	30	-	-	-	-	-	(29,284,585)	(29,284,585)	-	(29,284,585)
Dividend paid to non-controlling interests		-	-	-	-	-	-	-	(3,875,040)	(3,875,040)
Total transactions with owners		41,143,371	(5,437,937)	(4,761,173)	-	-	(29,015,101)	1,929,160	18,773,479	20,702,639
At 30 September 2018		654,458,655	(5,437,937)	-	(6,789,776)	23,402,037	887,002,206	1,552,635,185	56,038,921	1,608,674,106

STATEMENTS OF changes in equity

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2019

	Note	Share capital RM	Treasury shares RM	←Non-distributable→ Warrant reserve RM	Revaluation reserve RM	Distributable Retained earnings RM	Total equity RM
At 1 October 2018		654,458,655	(5,437,937)	-	620,407	374,512,623	1,024,153,748
Comprehensive income							
Profit for the financial year, representing total comprehensive income for the financial year		-	-	-	-	47,853,009	47,853,009
Transactions with owners							
Share buy back		-	(4,199,140)	-	-	-	(4,199,140)
Dividend	30	-	-	-	-	(20,268,891)	(20,268,891)
Total transactions with owners		-	(4,199,140)	-	-	(20,268,891)	(24,468,031)
At 30 September 2019		654,458,655	(9,637,077)	-	620,407	402,096,741	1,047,538,726

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2019

	Note	Share capital RM	Treasury shares RM	←Non-distributable→ Warrant reserve RM	Revaluation reserve RM	Distributable Retained earnings RM	Total equity RM
At 1 October 2017		613,315,284	-	4,761,173	646,907	345,514,351	964,237,715
Comprehensive income							
Profit for the financial year		-	-	-	-	58,013,373	58,013,373
Other comprehensive income							
Changes in tax rate relating to surplus arising from revaluation of land and buildings		-	-	-	(26,500)	-	(26,500)
Total comprehensive income		-	-	-	(26,500)	58,013,373	57,986,873
Transactions with owners							
Issuance of shares pursuant to warrants		41,143,371	-	(4,491,689)	-	-	36,651,682
Warrants expired		-	-	(269,484)	-	269,484	-
Share issue expenses		-	(5,437,937)	-	-	-	(5,437,937)
Dividend	30	-	-	-	-	(29,284,585)	(29,284,585)
Total transactions with owners		41,143,371	(5,437,937)	(4,761,173)	-	(29,015,101)	1,929,160
At 30 September 2018		654,458,655	(5,437,937)	-	620,407	374,512,623	1,024,153,748

The accompanying notes form an integral part of the financial statements.

STATEMENTS of cash flows

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2019

	The Group 2019 RM	The Group 2018 RM (Restated)	The Company 2019 RM	The Company 2018 RM
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES				
Profit before tax	158,372,816	128,231,642	52,241,187	62,151,457
Adjustments for:				
Amortisation of prepaid lease payments	1,513,413	1,509,763	-	-
Bad debts written off	88,742	216,368	980	-
Changes in fair value of biological assets	1,170,893	(1,533,164)	-	-
Changes in fair value of investment properties	6,180,000	317,000	-	-
Depreciation of property, plant and equipment	36,697,383	34,707,953	18,794	19,573
Deposits written off	-	2,000	-	-
Dividend income	-	-	(30,903,675)	(32,516,500)
Impairment loss on:				
Finance lease receivables	-	890	-	-
Loan receivables	116,286	-	-	-
Trade receivables	626,174	77,374	-	-
Other receivables	4,531,362	-	-	-
Inventories written down	137,658	940,057	-	-
Inventories written off	20,995	2,193	-	-
Allowance for slow moving inventories	45,180	-	-	-
Interest expense	40,389,950	34,249,204	7,192,376	3,216,910
Unrealised (gains)/losses on foreign exchange - net	(13,967,232)	36,440,727	23,650	-
Property, plant and equipment written off	91,893	1,344,910	-	-
Land donation	-	9,461,450	-	-
Provision for post-employment benefit obligations	10,117,286	1,497,090	-	-
Gain on investment in subsidiary arising from realisation of bonus share	-	-	(10,000,000)	(18,000,000)
Gain on disposal of an associate	-	(2,000,000)	-	-
Gain on disposal of non-current assets classified as held for sale	-	(1,055,182)	-	-
Gain on disposal of property, plant and equipment	(111,833)	(26,176)	-	-
Gain on retention sum measured at amortised cost	(466,060)	(161,806)	-	-
Interest income	(6,937,093)	(6,145,101)	(20,772,898)	(18,663,455)
Impairment loss no longer required on:				
Finance lease receivables	(500)	(200)	-	-
Trade receivables	(250,778)	(25,662)	-	-
Other receivables	(23,528)	(32,200)	(2,700)	(7,200)
Share of results of associates	885,173	(360,579)	-	-

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2019

	The Group		The Company	
	2019 RM	2018 RM (Restated)	2019 RM	2018 RM
Operating Profit/(Loss) Before Changes in Working Capital	239,228,180	237,658,551	(2,202,286)	(3,799,215)
Change in property development costs	131,921,470	45,320,989	-	-
Change in inventories	60,904,977	36,129,663	-	-
Change in contract assets	(80,451,742)	(47,018,014)	-	-
Change in receivables, deposits and prepayments	25,997,779	(42,203,941)	23,315,968	(483,580)
Change in payables and accruals	(35,882,102)	(28,579,077)	229,585	(804,798)
Cash Generated From/(Used In) Operations	341,718,562	201,308,171	21,343,267	(5,087,593)
Interest received	6,203,937	5,451,093	20,772,898	18,663,455
Interest paid	(39,889,386)	(38,036,963)	(7,192,376)	(3,216,910)
Tax paid	(65,926,993)	(71,440,492)	(4,229,438)	(3,876,184)
Tax refunded	9,259,085	1,133,539	-	-
Retirement benefit obligations paid	(785,667)	(1,031,517)	-	-
Net Cash From Operating Activities	250,579,538	97,383,831	30,694,351	6,482,768
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES				
Acquisition of subsidiaries, net of cash acquired	-	-	(1)	(2)
Advances to subsidiaries	-	-	(42,669,324)	(40,083,739)
Subscription of shares in an associate	(5,000,000)	-	-	-
Acquisition of property, plant and equipment	(26,712,383)	(21,649,535)	-	-
Additions to intangible assets	(3,796,311)	(4,971,433)	-	-
Additions to land held for property development	(30,903,244)	(47,739,819)	-	-
Subscription of additional shares in subsidiaries	-	-	(50,552,299)	(42,250,721)
Dividends received from subsidiaries	-	-	30,903,675	32,516,500
Withdrawal/(Placement) of deposits with licensed banks	4,479,568	(5,458,455)	-	-
Proceeds from disposal of an associate	-	2,000,000	-	-
Proceeds from disposal of property, plant and equipment	126,221	143,944	-	-
Proceeds from disposal of non-current assets classified as held for sale	-	11,082,732	-	-
Proceeds from capital reduction in an associate	3,375,000	-	-	-
Net Cash Used In Investing Activities	(58,431,149)	(66,592,566)	(62,317,949)	(49,817,962)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2019

	The Group		The Company	
	2019 RM	2018 RM (Restated)	2019 RM	2018 RM
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES				
Drawdown of revolving credits	178,133,193	197,676,598	116,485,350	144,000,000
Drawdown of term loans	41,691,795	37,637,657	-	-
Repayments of bridging loan	-	(6,306,911)	-	-
Repayments of revolving credits	(103,551,959)	(166,296,231)	(66,000,000)	(112,400,000)
Repayments of term loans	(104,503,140)	(154,899,423)	-	-
Payments of finance lease	(735,349)	(938,042)	-	-
Proceeds from issuance of shares pursuant to warrants	-	36,651,682	-	36,651,682
Shares buy back	(4,199,140)	(5,437,937)	(4,199,140)	(5,437,937)
Proceeds from issuance of shares by subsidiaries to non-controlling shareholders	124,999	22,648,519	-	-
Dividend paid to non-controlling shareholders	-	(3,875,040)	-	-
Dividend paid	(20,268,891)	(29,284,585)	(20,268,891)	(29,284,585)
Net Cash (Used In)/From Financing Activities	(13,308,492)	(72,423,713)	26,017,319	33,529,160
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	178,839,897	(41,632,448)	(5,606,279)	(9,806,034)
Effect of exchange rate fluctuations	564,918	(3,003,261)	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	194,661,350	239,297,059	2,339,666	12,145,700
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	374,066,165	194,661,350	(3,266,613)	2,339,666

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2019

Cash and cash equivalents

Cash and cash equivalents included in the statements of cash flows comprise the following amounts:

		The Group		The Company	
		2019	2018	2019	2018
	Note	RM	RM	RM	RM
Deposits with licensed banks	23	10,325,296	12,611,412	-	-
Cash and bank balances	23	128,387,261	106,698,370	593,455	3,941,479
Cash held under housing development accounts	23	241,678,107	78,206,979	-	-
Fixed income funds:					
Redeemable at call	23	8,862,827	1,476,808	-	-
Redeemable upon 1 day notice	23	13,643,057	17,953,612	-	-
Redeemable upon 5 days notice	23	2,259,458	10,779,035	-	-
		405,156,006	227,726,216	593,455	3,941,479
Bank overdrafts	29	(7,293,959)	(4,789,416)	(3,860,068)	(1,601,813)
		397,862,047	222,936,800	(3,266,613)	2,339,666
Less: Non short-term and highly liquid fixed deposits		(8,113,020)	(10,105,200)	-	-
Less: Deposits and bank balances pledged for credit facilities		(15,682,862)	(18,170,250)	-	-
		374,066,165	194,661,350	(3,266,613)	2,339,666

Acquisition of property, plant and equipment

During the financial year, the Group acquired property, plant and equipment by the following means:

	The Group	
	2019	2018
	RM	RM (Restated)
Finance lease arrangement	281,000	650,000
Interest capitalised	645,200	940,699
Cash payments	26,712,383	21,649,535
	27,638,583	23,240,234

The accompanying notes form an integral part of the financial statements.

NOTES TO THE financial statements

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2019

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The principal activities of the Company are investment holding and providing management services.

The information on the name, place of incorporation, principal activities and percentage of issued share capital held by the Company in each subsidiaries are as disclosed in Note 14.

There have been no significant changes in the nature of these activities during the financial year.

The registered office of the Company is located at Suite 1, 5th Floor, Wisma MKH, Jalan Semenyih, 43000 Kajang, Selangor Darul Ehsan.

The principal place of business of the Company is located at 5th Floor, Wisma MKH, Jalan Semenyih, 43000 Kajang, Selangor Darul Ehsan.

The financial statements were approved and authorised for issue in accordance with a Board of Directors' resolution dated 26 December 2019.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost basis, except as disclosed in the significant accounting policies in Note 3.

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of the revenue and expenses during the reported period. It also requires directors to exercise their judgements in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgements are based on the directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2(c).

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

(a) Statement of compliance (Cont'd)

Transitioning to MFRS Framework

The Group and the Company's financial statements for the financial year ended 30 September 2019 have been prepared in accordance with MFRSs for the first time. In the previous financial years, the financial statements were prepared in accordance with Financial Reporting Standards ("FRSs").

The financial statements of the Group and of the Company for the financial year ended 30 September 2019 are the first set of financial statements prepared in accordance with MFRS, including MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards*. The MFRS Framework is effective for the Group and the Company from 1 October 2018 and the date of transition to the MFRS Framework for the purpose of preparation of the MFRS compliant financial statements is on 1 October 2017.

As provided in MFRS 1, a first-time adopter of MFRS Framework can elect optional exemptions from full retrospective application of MFRS. The Group has elected not to apply MFRS 3 *Business Combinations*, MFRS 9 *Financial Instruments* and MFRS 10 *Consolidated Financial Statements* retrospectively, that is not to restate any of its business combinations that occurred before the date of transition to MFRS.

During the financial year, the Group has early adopted IFRIC Agenda Decision on MFRS 123 *Borrowing Costs* as detailed in Note 3.

The transition to MFRS framework did not result in significant changes in the accounting policies of the Group and the Company and have no significant effect on the financial performance or position of the Group and the Company, except as disclosed below:

Impact of initial application of MFRS 9 Financial Instruments

In the current year, the Group and the Company have applied MFRS 9 *Financial Instruments* and the related consequential amendments to other MFRS Standards that are effective for an annual period that begins on or after 1 January 2018. The transition provisions of MFRS 9 allow an entity not to restate comparative information, accordingly, the Group and the Company have applied MFRS 9 prospectively and have not elected to restate comparative information. As a result, the comparative information provided continues to be accounted for in accordance with the Group's and the Company's previous accounting policy as disclosed in Note 3.

MFRS 9 introduced new requirements for:

(1) The classification and measurement of financial assets and financial liabilities; and
(2) Impairment of financial assets.

Details of these new requirements as well as their impact on the Group's and the Company's financial statements are described below. The Group and the Company have applied MFRS 9 in accordance with the transitional provisions set out in MFRS 9.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

(a) Statement of compliance (Cont'd)

Impact of initial application of MFRS 9 Financial Instruments (Cont'd)

Classification and measurement of financial assets

The date of initial application (i.e. the date on which the Group and the Company have assessed its existing financial assets and financial liabilities in terms of the requirements of MFRS 9) is on 1 October 2018. Accordingly, the Group and the Company have applied the requirements of MFRS 9 to instruments that continue to be recognised as at 1 October 2018 and have not applied the requirements to instruments that have already been derecognised as at 1 October 2018.

All recognised financial assets that are within the scope of MFRS 9 are required to be measured subsequently at amortised cost or fair value on the basis of the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The directors of the Group and the Company reviewed and assessed the Group's and the Company's existing financial assets as at 1 October 2018 based on the facts and circumstances that existed at that date and concluded that the initial application of MFRS 9 has had a classification and measurement impact on the Group's and the Company's financial assets. Financial assets classified as loans and receivables under MFRS 139 that were measured at amortised cost continue to be measured at amortised cost under MFRS 9 as they are held within the business model to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding.

None of the above reclassifications of financial assets have had any impact on the Group and the Company's financial position, profit or loss, other comprehensive income or total comprehensive income.

Impairment

In relation to the impairment of financial assets, MFRS 9 requires an expected credit loss ("ECL") model, as opposed to an incurred loss model under MFRS 139. The expected credit loss model requires the Group and the Company to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised. MFRS 9 requires a simplified approach for measuring the loss allowance at an amount equal to lifetime ECL for trade receivables, contract assets and lease receivables in certain circumstances.

The application of expected credit loss model of MFRS 9 has had no material impact to the Group's and the Company's financial statements.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

(a) Statement of compliance (Cont'd)

Impact of initial application of MFRS 9 Financial Instruments (Cont'd)

Classification and measurement of financial liabilities

With regard to the measurement of financial liabilities designated as at fair value through profit or loss, MFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability, is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under MFRS 139, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

The application of MFRS 9 has had no impact on the classification and measurement of the Group's and the Company's financial liabilities as the Group and the Company have no financial liabilities designated at FVTPL.

Disclosures in relation to the initial application of MFRS 9

There were no financial assets or financial liabilities which the Group and the Company had previously designated as at FVTPL under MFRS 139 that were subject to reclassification or which the Group and the Company have elected to reclassify upon the application of MFRS 9. There were no financial assets or financial liabilities which the Group and the Company have elected to designate as at FVTPL at the date of initial application of MFRS 9.

The application of MFRS 9 has had no impact on the financial statements of the Group and the Company.

Impact of initial application of MFRS 15 Revenue from Contract with Customers

MFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. MFRS 15 supersedes the current revenue recognition guidance including MFRS 118 *Revenue*, MFRS 111 Construction Contracts and the related interpretation.

The core principle of MFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition.

Step 1 : Identify the contract(s) with a customer
Step 2 : Identify the performance obligations in the contract
Step 3 : Determine the transaction price
Step 4 : Allocate the transaction price to the performance obligations in the contract
Step 5 : Recognise revenue when (or as) the entity satisfies a performance obligation

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

(a) Statement of compliance (Cont'd)

Impact of initial application of MFRS 15 Revenue from Contract with Customers (Cont'd)

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in MFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by MFRS 15.

The directors have applied full retrospective method of transition to MFRS 15 and the application of MFRS 15 has no material impact on the Group's and the Company's financial statements.

Impact of initial application of MFRS 141 Agriculture and Amendments to MFRS 116 and MFRS 141 Agriculture: Bearer Plants

MFRS 141 prescribes the accounting treatment, financial statements presentation and disclosures related to agricultural activity. It requires measurement of fair value less costs to sell, from initial recognition of biological assets up to the point of harvest.

The amendments to MFRS 141 on 2 September 2014 introduces a new category for biological asset, i.e. the bearer plants. A bearer plant is accounted for in the same way as self-constructed items of property, plant and equipment. Bearer plants are measured either at cost or revalued amounts, less accumulated depreciation and impairment losses in accordance with MFRS 116 - *Property, Plant and Equipment*. Agricultural produce growing on bearer plants continue to be measured at fair value less costs to sell in accordance with MFRS 141, with fair value changes recognised in profit or loss as the produce grows.

The Group currently adopts the capitalisation and amortisation model on its bearer plants (previously termed as biological assets) whereby the expenditure on new planting was capitalised as biological assets at cost. Replanting of same crops expenditure was charged to the profit or loss in the financial year in which the expenditure was incurred.

Upon the adoption of the MFRS, bearer plants (both new planting and replanting) will be accounted for in the same way as self-constructed items of property, plant and equipment. Expenditure on new planting and replanting of bearer plants are capitalised at cost and depreciated on a straight-line basis over the economic useful lives of 20 years for its oil palm trees. The bearer plants will be classified as property, plant and equipment. The bearer plants will be assessed for indicator of impairment and if indication exists, an impairment test will be performed in accordance with MFRS 136 - *Impairment of Assets*.

The biological assets of the Group comprise fresh fruit bunches ("FFB") prior to harvest. The valuation model adopted by the Group considers the present value of the net cash flows expected to be generated from the sale of FFB.

To arrive at the fair value of FFB, the management considered the oil content of the unripe FFB and derived the assumption that the net cash flow to be generated from FFB prior to more than 15 days to harvest to be negligible, therefore quantity of unripe FFB on bearer plant of up to 15 days prior to harvest was used for valuation purpose. Costs to sell, which include harvesting and transport cost, are deducted in arriving at the net cash flow to be generated.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

(a) Statement of compliance (Cont'd)

Impact of initial application of MFRS 141 Agriculture and Amendments to MFRS 116 and MFRS 141 Agriculture: Bearer Plants (Cont'd)

The adoption of MFRS 141 has been applied retrospectively and comparatives were restated. The adoption has resulted in additional depreciation charges to profit or loss in the current and previous financial years.

The effects of the transition to MFRS Framework are presented in Note 44.

Standards, Amendments and IC Interpretations in Issue But Not Yet Effective

At the date of authorisation for issue of these financial statements, the new and revised MFRSs, amendments to MFRSs and Issues Committee Interpretations ("IC Interpretations") which were in issue but not yet effective and not early adopted by the Group and the Company are as listed below:

MFRS 16	Leases[1]
MFRS 17	Insurance Contracts[3]
MFRSs	Amendments to Reference to the Conceptual Framework in MFRS Standards[2]
Amendments to MFRS 3	Definition of a Business[2]
Amendments to MFRS 9	Prepayments Features with Negative Compensation[1]
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to MFRS 101 and MFRS 108	Definition of Material[2]
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement[1]
Amendments to MFRS 128	Long Term Interest in Associates and Joint Venture[1]
Amendments to MFRSs	Annual Improvements to MFRSs 2015 - 2017 Cycle[1]
IC Interpretation 23	Uncertainty Over Income Tax Treatments[1]

[1] Effective for annual periods beginning on or after 1 January 2019.
[2] Effective for annual periods beginning on or after 1 January 2020.
[3] Effective for annual periods beginning on or after 1 January 2021.
[4] Effective date deferred to a date to be announced by MASB.

The directors anticipate that the abovementioned MFRSs, amendments to MFRSs and IC Interpretations will be adopted in the annual financial statements of the Group and the Company when they become effective and that the adoption of these Standards will have no material impact on the financial statements of the Group and the Company in the period of initial application except as disclosed below.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

(a) Statement of compliance (Cont'd)

MFRS 16 *Leases*

MFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities, except for short-term leases and leases of low value assets. A lessee is required to recognise a right-of-use ("ROU") asset representing its rights to use the underlying leased asset and a lease liability representing its obligation to make lease payments.

The Standard will affect primarily the accounting for the Group leases previously recognised as operating leases under MFRS 117 *Leases*.

At the date of initial application, all ROU assets will be measured at an amount equal to the lease liabilities measured at present value of the remaining lease payments discounted using the incremental borrowing rate at the date of initial application.

The Group intends to apply the simplified transition approach and will not restate comparative amounts for the financial year prior to first adoption. ROU assets for property leases will be measured on transition as if the new rules had always been applied. Based on assessment undertaken to-date, the adoption of this Standard would impact on the Group's financial position with the recognition of ROU assets and lease liabilities.

The Group is currently assessing the impact on the financial statements consequent upon adopting the above standard on the effective dates.

(b) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements of the Group and of the Company are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency. All financial information presented in RM has been rounded to the nearest RM, unless otherwise stated.

(c) Significant accounting estimates and judgements

Significant areas of estimation, uncertainty and critical judgements used in applying accounting principles that have significant effect on the amount recognised in the financial statements are described in the following paragraphs:

(i) Revenue and cost of sales recognition (Notes 4 and 5) – revenue is recognised as and when the control of the asset is transferred to customers and it is probable that the Group will collect the consideration to which it will be entitled in exchange for the asset that will be transferred to the customer.

The Group recognises revenue from property development over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Significant judgement is required in determining the progress towards complete satisfaction of that performance obligation, based on the Group's efforts or inputs to the satisfaction of the performance obligation (e.g. by reference to the property development costs incurred to date as a percentage of the estimated total costs of development of the contract).

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

(c) Significant accounting estimates and judgements (Cont'd)

The total estimated costs are based on approved budgets, which require assessments and judgements to be made on changes in, for example, work scope, changes in costs and costs to completion. In making these judgements, management relies on past experience and the work of specialists.

As at 30 September 2019, the Group recognised revenue of RM698,864,661 and cost of RM510,596,216, respectively arising from the property development activities recognised over time using the cost-based input method.

(ii) Tax expense (Note 8) - significant judgement is required in determining the capital allowances and deductibility of certain expenses when estimating the tax expense. There were transactions during the ordinary course of business for which the ultimate tax determination of whether additional taxes will be due is uncertain. The Group recognises liabilities for tax based on estimates of assessment of the tax liability due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current tax and deferred tax in the periods in which the outcome is known.

(iii) Valuation of land and buildings (Note 10) - the valuation of land and buildings performed by management is based on independent professional valuations with reference to direct comparison method, being comparison of current prices in an active market for similar properties in the same location and condition and when necessary, adjusting for location, accessibility, visibility, time, terrain, size, present market trends and other differences, cost method of valuation, being assumed to have a direct relationship with its cost of construction, is then adjusted to allow for cost of finance, profit and demand to reflect its profitable present market value. The management believes that the chosen valuation techniques and assumptions are appropriate in determining the valuation of the Group's and of the Company's land and buildings.

(iv) Depreciation of property, plant and equipment (Note 10) - the cost of property, plant and equipment is depreciated on a straight line basis over the assets' useful lives. Management estimates the useful lives of these property, plant and equipment to be within 5 to 50 years based on past experience with similar assets or/and common life expectancies of the industries. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets resulting in revision of future depreciation or amortisation charges. Depreciation of bearer plants is charged so as to write off the cost of mature plantations, using the straight-line method, over the estimated useful lives of 20 years or over the lease period, whichever is shorter.

(v) Impairment of goodwill (Note 11) - significant judgement is used in the estimation of the present value of future cash flows generated by the cash-generating units which involve uncertainties and are based on assumptions used and judgement made regarding estimates of future cash flows and discount rate.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

(c) Significant accounting estimates and judgements (Cont'd)

(vi) Fair values of investment properties (Note 13) - the measurement of the fair values for investment properties performed by management is based on independent professional valuations with reference to direct comparison method, being comparison of current prices in an active market for similar properties in the same location and condition and where necessary, adjusting for location, accessibility, visibility, time, terrain, size, present market trends and other differences, investment method, being the projected net income and other benefits that the subject property can generate over the life of the property capitalised at market derived yields to arrive at the present value of the property and cost method of valuation, being assumed to have a direct relationship with its cost of construction, is then adjusted to allow for cost of finance, profit and demand to reflect its profitable present market value. The management believes that the chosen valuation techniques and assumptions are appropriate in determining the fair values of the Group's investment properties.

(vii) Deferred tax assets (Note 17) - deferred tax assets are recognised for deductible temporary differences, unused tax losses and unabsorbed capital allowances based on the projected future profits of the Group to the extent that is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and unabsorbed capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the future financial performance of the Group.

(viii) Impairment loss on receivables (Note 18) - the Group accounts for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. The Group uses a simplified approach for measuring the loss allowance at an amount equal to lifetime ECL for trade receivables, contract assets and lease receivables.

(ix) Inventories (Note 20) - the saleability of inventories are reviewed by management on a periodic basis. This review involves comparison of the carrying value of the inventory items with the respective net realisable value. The purpose is to ascertain whether a write down to net realisable value is required to be made.

(x) Fair values of biological assets (Note 22) - to arrive at the fair value of FFB, the management considered the oil content of the unripe FFB and derived the assumption that the net cash flow to be generated from FFB prior to more than 15 days to harvest to be negligible, therefore quantity of unripe FFB on bearer plant of up to 15 days prior to harvest was used for valuation purpose. Costs to sell, which include harvesting and transport cost, are deducted in arriving at the net cash flow to be generated.

(xi) Provision of post-employment benefit obligations (Note 27) - the provision is determined using actuarial valuation prepared by an independent actuary. The actuarial valuation involved making assumptions about discount rate, future salary increase, mortality rates, resignation rate and normal retirement age. As such, this estimated provision amount is subject to significant uncertainty.

(xii) Revenue and cost recognition for intangible asset model (Note 11) - a subsidiary, which adopts the intangible asset model has recognised a construction margin of 7% in the construction of commuter station. Income and expenses associated with the said construction are recognised based on percentage of completion method. The estimated margin is based on relative comparison with general industry trend although actual margins may differ due to location, materials and other pricing considerations.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONT'D)

(c) Significant accounting estimates and judgements (Cont'd)

(xiii) Tax litigation in Indonesia (Note 33) - significant judgement is required in determining the tax litigation status in Indonesia. This judgement involves the understanding of relevant case facts, past experience and updates on the tax assessment status from time to time. Should it be probable that an outflow of resources will be required to settle the obligation, a provision may be required.

(xiv) Liquidated ascertained damages in relation to the construction of KTM Komuter Station (Note 33) - significant judgement is required in determining the potential liquidated ascertained damages. This judgement involves the understanding of relevant case facts, past experience and updates on the legal assessment status from time to time. Should it be probable that an outflow of resources will be required to settle the obligation, a provision may be required.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and have been applied consistently by the Group, unless otherwise stated.

(a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries.

Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of consolidation (Cont'd)

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group assets and liabilities, equity, income and expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted at the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or a loss is recognised and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for as if the Group had directly disposed of the relevant assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable MFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 9 *Financial Instruments* or, when applicable, the cost on initial recognition of an investment in an associate or joint venture.

In the Company's separate financial statements, investments in subsidiaries are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

(b) Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair value of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Business combinations (Cont'd)

At acquisition date, the identifiable assets acquired and liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with MFRS 112 *Income Taxes* and MFRS 119 *Employee Benefits* respectively;
- liabilities or equity instruments related to the share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with MFRS 2 *Share-based Payment* at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with MFRS 5 *Non-current Assets Held for Sale and Discontinued Operation*s are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition date fair value. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or liability is remeasured at subsequent reporting dates in accordance with MFRS 9 or MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete at the reporting date in which the combination occurs, the Group reports provisional amounts for the items of which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised at that date.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Investment in Associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results, assets and liabilities of associate are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*. Under the equity method, investments in associate are initially recognised in the consolidated statements of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate, less any impairment in the value of individual investments. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with MFRS 136 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with MFRS 136 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when investment ceases to be an associate, or when the investment is classified as held for sale. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with MFRS 9.

The difference between the carrying amount of the associate at the date the equity method was discontinued and the fair value of any retained interest and any proceeds from disposing of the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets and liabilities. Therefore, if a gain or a loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Investment in Associates (Cont'd)

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with its associate of the Group, profits or losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of the Group's interest in the associate that are not related to the Group.

(d) Foreign currency

(i) Foreign currency transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the Group entities' functional currency (foreign currencies) are recorded in the Group entities' functional currency at the exchange rates prevailing at the date of the transaction. Monetary items denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. Non-monetary items denominated in foreign currencies are not retranslated at the reporting date except for those that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Exchange differences arising on the settlement of monetary items and on the translation of monetary items are included in profit or loss for the period except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. These are initially taken directly to the translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss.

Exchange differences arising on monetary items that form part of the Group's net investment in foreign operations are recognised in profit or loss in the Company's separate financial statements or the individual financial statements of the foreign operation, as appropriate.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Foreign currency (Cont'd)

(ii) Operations denominated in functional currencies other than Ringgit Malaysia

The results and financial position of foreign operations that have a functional currency different from the presentation currency (RM) of the consolidated financial statements are translated into RM as follows:

(i) assets and liabilities for each reporting date presented are translated at the closing rate prevailing at the reporting date;
(ii) income and expenses are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and
(iii) all resulting exchange differences are taken to other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of foreign operations on or after 1 January 2006 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date. Goodwill and fair value adjustments which arose on the acquisition of foreign subsidiaries before 1 January 2006 are deemed to be assets and liabilities of the parent company and are recorded in RM at the rate prevailing at the date of acquisition.

Upon disposal of a foreign subsidiary, the cumulative amount of translation differences accumulated in equity at the date of disposal of the subsidiary is reclassified to the consolidated profit or loss.

(e) Revenue recognition

Revenue is recognised when or as a performance obligation in the contract with customer is satisfied, i.e. when the "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation is a promise to transfer a distinct goods or service (or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer) to the customer that is explicitly stated in the contract and implied in the Group's customary business practices.

Revenue is measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customers, excluding amounts collected on behalf of third parties such as sales taxes or goods and services taxes. If the amount of consideration varies due to discounts, rebates, refunds, credits, incentives, penalties or other similar items, the Group estimates the amount of consideration to which it will be entitled based on the expected value or the most likely outcome. If the contract with customer contains more than one performance obligation, the amount of consideration is allocated to each performance obligation based on the relative stand-alone selling prices of the goods or services promised in the contract.

The revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Revenue recognition (Cont'd)

The control of the promised goods or services may be transferred over time or at a point in time. The control over the goods or services is transferred over time and revenue is recognised over time if:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

Revenue for performance obligation that is not satisfied over time is recognised at the point in time at which the customer obtains control of the promised goods or services.

(i) Development properties

The Group recognises revenue from property development over time if it creates an asset with no alternative use to the Group and the Group has an enforceable right to payment for performance completed to date. Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation.

The progress towards complete satisfaction of the performance obligation is measured based on the Group's efforts or inputs to the satisfaction of the performance obligation (e.g. by reference to the property development costs incurred to date as a percentage of the estimated total costs of development of the contract).

(ii) Sales of completed properties

Revenue from sale of completed properties is recognised at a point in time upon the finalisation of sale and purchase agreements and when the control of the properties has been passed to the customers.

(iii) Investment properties

Revenue from sale of investment properties is measured at fair value of the consideration received or receivable. Revenue is recognised when the control of the ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of investment properties can be estimated reliably and there is no continuing management involvement with the properties.

(iv) Construction contract

Revenue from rendering of services relating to construction contracts is recognised over time based on efforts or inputs to the satisfaction of the performance obligation.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Revenue recognition (Cont'd)

(v) Sale of goods

Revenue from sale of goods, crude palm oil and palm kernel is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Revenue is recognised by the Group at a point in time when control of the goods underlying the performance obligation is transferred to the buyers.

(vi) Services

Revenue from services is recognised as and when services are rendered.

(vii) Entrance and subscription fees

Entrance and subscription fees received from club members are recognised on an accrual basis. When members account become inactive, subscription fee is suspended until it is realised on a cash basis. Members' accounts are deemed to be inactive where subscriptions are in arrears for more than 6 months.

(viii) Rental income

Rental income is recognised on a straight-line basis over the lease terms.

(ix) Interest income

Interest income is recognised on an accrual basis using the effective interest method.

Interest income from hire-purchase financing, housing loan and term loan are recognised on an accrual basis as follows:

(a) interest earned on hire-purchase financing is recognised using the 'sum-of-digits' method so as to produce a constant periodic rate of interest on the balance for each period. Unearned interest is deducted in arriving at the net balance of the hire-purchase debts; and

(b) interest earned on housing loan and term loan is calculated on a monthly rest basis.

(x) Dividend income

Dividend income is recognised when the right to receive payment is established.

(xi) Income from fixed income fund

Income from fixed income fund is recognised when the right to receive payment is established.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans, if any, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The Group's contributions to the Employees Provident Fund or other defined contributable plans are charged to profit or loss in the year to which they relate. Once the contributions have been paid, the Group has no further payment obligations.

(ii) Defined benefit plans

Certain foreign subsidiaries of the Company operate unfunded defined benefit schemes. The foreign subsidiaries' obligations under the schemes are determined based on external actuarial valuation in accordance with the labour law requirements in that country where the amount of benefits that employees have earned in return for their service in the current and prior years is estimated. For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting date. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statements of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be classified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost and past service cost);
- net interest expense or income; and
- remeasurement.

The amount recognised at the reporting date represents the present value of the defined benefit obligations adjusted for unrecognised actuarial gains and losses and unrecognised past service cost and reduced by the fair value of plan assets. Plan assets resulting from this calculation are to be used only to settle the employee benefit obligations and only can be returned to the Group if the remaining assets of the fund are sufficient to meet the plan's obligation to pay the related employee benefits directly.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Employee benefits (Cont'd)

(iii) Retirement gratuity scheme

The Company established a retirement gratuity scheme in 2005 for certain Executive Directors of the Company. The amount of retirement gratuity payable is determined by the Board of Directors in relation to the past services rendered and it does not account for the director's services to be rendered in later years up to retirement. The retirement gratuity is calculated based on the last drawn monthly salaries of the eligible directors and contribution to Employees Provident Fund for three years. The retirement gratuity payable is vested upon the directors reaching retirement age and is classified as current liabilities.

(g) Borrowing costs

All borrowing costs are recognised in profit or loss using the effective interest method, in the period in which they are incurred except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred and activities that are necessary to prepare the asset for its intended use are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use are interrupted or completed.

In the previous financial years, under FRSs framework, borrowing costs incurred on property under development were capitalised in property development costs. In March 2019, the IFRS Interpretations Committee ("IFRIC") has issued an agenda decision concluding that receivable, contract asset and inventory (work-in-progress) for unsold units under construction are not qualifying assets in relation to the construction of a residential multi-unit real estate development (building). Accordingly, an entity does not capitalise borrowing costs on those assets in accordance to the principle and requirements of IAS 23 Borrowing Costs.

Upon adoption of MFRSs framework, the Group changed its accounting policy of not capitalising borrowing costs incurred on property under development when the properties are ready for their intended sale in their current condition. The change in accounting policy was applied retrospectively from the date of transition as permitted in MFRS 1: *First-time Adoption of Malaysian Financial Reporting Standards*. The Group elected to apply the optional exemption to not restate the borrowing costs that were capitalised under FRSs framework and that were included in the carrying amount of the assets at the date of transition and shall account for borrowing costs, incurred on or after that date in accordance with MFRS 123: *Borrowing Costs*, including those borrowing costs incurred on or after that date on qualifying assets already under construction.

(h) Leases

(i) Finance leases - The Group as lessee

Leases of property, plant and equipment where the Group and the Company assume substantially all the benefits and risks of ownership are classified as finance leases.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Leases (Cont'd)

(i) Finance leases - The Group as lessee (Cont'd)

Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a periodic constant rate of interest on the remaining balance. The corresponding rental obligations, net of finance charges, are included in borrowings. The interest element of the finance charge is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

(ii) Operating leases - The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on the straight-line basis. The up-front payment for lease of land represents prepaid land lease payments and are amortised on a straight-line basis over the lease term.

(iii) Finance leases - The Group as lessor

Leases where the Group transfers substantially all the risks and rewards of ownership of the asset are classified as finance leases. Initial direct costs are included in the initial measurement of the finance lease receivable and reduce the amount of income recognised over the lease term. The interest earned on hire purchase or finance lease financing is recognised using the 'sum-of-digits' method so as to produce a constant periodic rate of interest on the balance for each period. Unearned interest is deducted in arriving at the net balance of the hire purchase or finance lease debts.

(i) Tax expense

Income tax for the year comprises current and deferred tax. Current tax is the expected amount of income tax payable in respect of the taxable profit for the financial year and is measured using the tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the asset to be recovered.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Tax expense (Cont'd)

Deferred tax is measured at tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date. Deferred tax is recognised in profit or loss, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also charged or credited directly in equity.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle the current tax assets and liabilities on a net basis.

(j) Property, plant and equipment

(i) Recognition and measurement

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment, except for freehold land and buildings, are stated at cost less accumulated depreciation and impairment loss, if any. Freehold land is stated at valuation, which is the fair value at the date of valuation, less impairment loss, if any. Buildings are stated at valuation, which is the fair value at the date of the valuation, less accumulated depreciation and impairment loss, if any.

The Group revalues its land and building every five years from the last date of valuation or at shorter intervals whenever the fair value of the said assets is expected to differ substantially from its carrying amounts.

Surplus arising from revaluation are transferred to revaluation reserve. Any deficits are offset against the previously recognised revaluation surplus to the extent of a previous increase for the same property and the balance is thereafter recognised in profit or loss. Upon disposal or retirement of an asset, any unutilised revaluation reserve relating to the particular asset is transferred to retained earnings.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to working condition for its intended use and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Property, plant and equipment (Cont'd)

(i) Recognition and measurement (Cont'd)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in profit or loss.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of an item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The cost of the day-to-day servicing of the property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until these assets are ready for their intended use.

The principal annual rates for the current and comparative financial years are as follows:

Long-term leasehold land	Over lease period of 78 to 99 years
Bearer plants	20 years, or over the lease period if shorter
Buildings	2% to 12.5%
Motor vehicles, plant and machinery	5% to 20%
Furniture, fittings and equipment	10% to 25%
Plantation infrastructure	12.5%

The depreciable amount is determined after deducting the residual value.

Depreciation methods, useful lives and residual values are reassessed at the reporting date.

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these property, plant and equipment.

Bearer plants are living plants that are used in the production or supply of agricultural produce, which are expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales.

Bearer plants (oil palm trees) include mature plantations and immature plantations that are established or acquired by the Group.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Property, plant and equipment (Cont'd)

(iii) Depreciation (Cont'd)

Mature plantations are stated at cost, less accumulated depreciation and any impairment losses where the recoverable amount of the asset is estimated to be lower than its carrying amount. Depreciation is charged so as to write off the cost of mature plantations, using the straight-line method, over the estimated useful lives of 20 years or over the lease period, whichever is shorter.

Immature plantations are stated at cost. The costs of immature plantations consist mainly of the accumulated cost of planting, fertilising and maintaining the plantation, including borrowing costs on such borrowings and other indirect overhead costs up to the time the trees are harvestable and to the extent appropriate. An oil palm plantation is considered mature when such plantation starts to produce at the end of the fourth year.

Bearer plants are derecognised upon disposal or when no future economic benefits are expected from its use. Any gains or losses on disposal of bearer plants are recognised in the income statement in the year of disposal.

The residual values and useful lives of bearer plants are reviewed and adjusted as appropriate, at the end of each reporting period.

(k) Intangible assets

(i) Goodwill

Goodwill arises on the acquisition of subsidiaries is identified as any excess of the consideration paid over the Group's share of fair value of the identifiable assets, liabilities and contingent liabilities acquired as at the date of acquisition. Goodwill is initially measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Goodwill acquired is allocated to the cash-generating units ("CGU") expected to benefit from the acquisition synergies. An impairment loss is recognised in profit or loss when the carrying amount of the CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount is the higher of the CGU's fair value less costs to sell and its value in use. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

The total impairment loss is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each assets in the CGU. Impairment loss on goodwill is not reversed in a subsequent period.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Intangible assets (Cont'd)

(ii) Other intangible assets

Other intangible assets acquired by the Group are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair values as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised on a straight-line basis over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each reporting date.

Intangible assets with indefinite useful lives are not amortised but tested for impairment annually or more frequently if the events or changes in circumstances indicate that the carrying value may be impaired either individually or at the cash generating unit level.

(l) Biological assets

Biological assets comprise produce growing on bearer plants. Biological assets are measured at fair value less costs to sell. Any gains or losses arising from changes in the fair value less costs to sell are recognised in profit or loss. Fair value is determined based on the present value of expected net cash flows from the produce growing on bearer plants. The expected net cash flow are estimated using expected output method and the estimated market price of the produce growing on bearer plants.

Biological assets are classified as current assets for bearer plants that are expected to be harvested on a date not more than 12 months after the reporting date.

(m) Investment properties

Investment properties are properties which are owned or held to earn rental income or for capital appreciation or for both. These include land held for a currently undetermined future use. Properties that are occupied by the companies within the Group are accounted for as owner's occupied rather than as investment properties.

All investment properties are measured initially and subsequently at fair value with any change therein recognised in profit or loss.

Investment property under construction is classified as investment property. Where the fair value of the investment property under construction is not reliably determinable, the investment property under construction is measured at cost until either its fair value becomes reliably determinable or construction is complete, whichever is earlier.

A property interest under an operating lease is classified and accounted for as an investment property on a property-by-property basis when the Group holds it to earn rentals or for capital appreciation or both. Any such property interest under an operating lease classified as an investment property is carried at fair value.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(n) Land held for property development

Land held for property development consists of land on which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle. Such land is classified as non-current asset and is stated at lower of cost and net realisable value.

Costs associated with the acquisition of land include the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies.

Land held for property development is transferred to property development costs (under current assets) where development activities have commenced and where the development activities can be completed within the normal operating cycle.

(o) Property development costs

Property development costs are determined on a specific identification basis. Property development costs comprise costs associated with the acquisition of land and all costs directly attributable to development activities or that meet the definition of inventories are recognised as an asset and stated at lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and applicable variable selling expenses. The asset is subsequently recognised as an expense in profit or loss when or as the control of the asset is transferred to the customer over time or at a point in time.

Property development cost of unsold unit is transferred to completed development unit once the development is completed.

(p) Inventories

(i) Completed properties

Inventories are valued at the lower of cost and net realisable value. The cost of completed development properties is determined based on the specific identification basis and includes land, construction and appropriate development overheads.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(ii) Materials and goods

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is based on the specific identification, first-in first-out and weighted average principles and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of work-in-progress and finished goods, cost includes raw materials, direct labour and an appropriate production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(q) Contract assets and contract liabilities

Contract asset is the right to consideration for goods or services transferred to the customers. The Group's contract asset is the excess of cumulative revenue earned over the billings to-date. Where there is objective evidence of impairment, the amount of impairment losses is determined by comparing the contract asset's carrying amount and the present value of estimated future cash flows to be generated by the contract asset.

Contract asset is reclassified to trade receivables at the point at which invoices have been billed to customers.

Contract liability is the obligation to transfer goods or services to customers for which the Group has received the consideration or has billed the customers. The Group's contract liability is the excess of the billings to-date over the cumulative revenue earned. Contract liability is recognised as revenue when the Group performs its obligation under the contracts.

(r) Contract costs

The Group recognises the incremental costs of obtaining a contract with a customer, which are expected to be recovered, as an asset. The incremental costs of obtaining a contract are costs incur to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. These contract costs are initially measured at cost and amortised on a systematic basis that is consistent with the pattern of revenue recognition to which the asset relates.

An impairment loss is recognised in profit and loss when the carrying amount of the contract cost asset exceeds the expected revenue less expected costs that will be incurred.

(s) Impairment of non-financial assets

The carrying amounts of assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss unless it reverses a previous revaluation in which case it is charged to the revaluation surplus.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless it reverses an impairment loss on revalued assets, in which case, the reversal is treated as a revaluation increase.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(t) Non-current assets classified as held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and the sale is expected to be completed within one year from the date of classification. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition.

Non-current assets (or disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Any differences are included in profit or loss.

(u) Financial instruments

Financial assets and financial liabilities are recognised when the Group and the Company become a party to the contractual provision of the instrument.

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statements of profit and loss. Where the fair value of a financial asset at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognised as a gain or loss in the statements of profit or loss. However, trade receivables that do not contain a significant financing component are measured at transaction price.

(i) Financial assets

<u>Financial assets measured at amortised cost</u>

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

<u>Financial assets measured at fair value through other comprehensive income ("FVTOCI")</u>

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(u) Financial instruments (Cont'd)

(i) Financial assets

Financial assets measured at fair value through other comprehensive income ("FVTOCI") (Cont'd)

Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment. Other net gains and losses are recognised in other comprehensive income.

Financial assets measured at fair value through profit or loss ("FVTPL")

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at fair value through the statements of profit and loss. Fair value changes are recognised in the statements of profit or loss at each reporting period.

Impairment of financial assets

Loss allowance for expected credit losses is recognised for financial assets measured at amortised cost and fair value through other comprehensive income. The Group and the Company recognise life time expected credit losses for all trade receivables and contact assets that do not constitute a financing transaction. For financial assets whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit losses is recognised. Loss allowance equal to the lifetime expected credit losses is recognised if the credit risk on the financial instruments has significantly increased since initial recognition. The impairment losses and reversals are recognised in the statements of profit or loss.

Derecognition of financial assets

The Group and the Company derecognise a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group and the Company neither transfer nor retain substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group and the Company recognise its retained interest in the asset and an associated liability for amounts it may have to pay.

If the Group and the Company retain substantially all the risks and rewards of ownership of a transferred financial asset, the Group and the Company continue to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received. On the recognition of a financial asset (except for financial assets measured at FVTOCI), the difference between the carrying amount and the consideration received is recognised in the statements of profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(u) Financial instruments (Cont'd)

(ii) Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group and the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group and the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

Payables are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant. Interest bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the statements of profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Group and the Company derecognise financial liabilities when and only when, the Group's and the Company's obligations are discharged, cancelled or they expire. The differences between the carrying amount of the financial liability derecognised and the consideration paid is recognised in the statements of profit or loss.

Prior to the adoption of MFRS 9, the accounting policies of the Group and the Company for financial instruments are as follows:

Financial instruments

(i) Initial recognition and measurement

Financial instruments are recognised in the statements of financial position when and only when, the Group and the Company becomes a party to the contractual provisions of the financial instruments.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(u) Financial instruments (Cont'd)

Financial instruments (Cont'd)

(i) Initial recognition and measurement (Cont'd)

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of the financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs that are directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

(ii) Financial instrument categories and subsequent measurement

Financial assets

Financial assets are classified into the following specified categories: financial assets "at fair value through profit or loss" (FVTPL), "held-to-maturity" investments, "available-for-sale" (AFS) financial assets and "loans and receivables". The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset from another enterprise, a contractual right to exchange financial instruments with another enterprise under conditions that are potentially favourable, or an equity instrument of another enterprise.

(a) Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial assets are either held for trading or is designated as at FVTPL. Financial assets at FVTPL are stated at fair value with any gains or losses arising on remeasurement recognised in profit or loss.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market (including fixed deposits with financial institutions). Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Income from financial assets is recognised on an effective interest method for debt instruments other than those financial assets classified as at FVTPL.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(u) Financial instruments (Cont'd)

Financial instruments (Cont'd)

(ii) Financial instrument categories and subsequent measurement (Cont'd)

Equity instruments

(a) Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

(b) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group and the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or to exchange financial instruments with another enterprise under conditions that are potentially unfavourable. Financial liabilities are classified as either financial liabilities "at FVTPL" or "other financial liabilities".

(a) Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when financial liabilities are either held for trading or is designated as at FVTPL. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss.

(b) Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(u) Financial instruments (Cont'd)

Financial instruments (Cont'd)

(iii) Derecognition

A financial asset or part of it is derecognised when and only when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset, the difference between carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(iv) Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial reorganisation.

Receivables assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

In respect of receivables carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(u) Financial instruments (Cont'd)

Financial instruments (Cont'd)

(iv) Impairment of financial assets (Cont'd)

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

(v) Cash and cash equivalents

The Group and the Company adopt the indirect method in the preparation of the statements of cash flows. Cash and cash equivalents are short-term and highly liquid investments and are readily convertible to cash with insignificant risk of changes in value. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts.

(w) Provisions

Provisions are made when the Group has a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Provisions are measured at the management's best estimate of the amount required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

At the reporting date, provisions are reviewed by the management and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that the Group will be required to settle the obligation.

(x) Treasury shares

When share capital recognised as equity is repurchased, the amount of consideration paid is recognised directly in equity. Repurchased shares that have not been cancelled including any attributable costs are classified as treasury shares and presented as deduction from total equity.

When treasury shares are sold or reissued subsequently, the difference between the sales consideration and the carrying amount is presented as a movement in equity.

(y) Warrant reserve

Warrant reserve arose from the issuance of renounceable rights issue together with free detachable warrants in prior years, which was measured at fair value on the date of issuance. Warrants reserve is transferred to the share capital account upon the exercise of warrant and the warrant reserve in relation to unexercised warrants at the expiry of the warrants period will be transferred to retained earnings.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(z) Contingencies

The Group does not recognise a contingent liability but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare case where there is a liability that cannot be recognised because it cannot be measured reliably.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group. The Group does not recognise contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

(aa) Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by their respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to chief operating decision maker who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are disclosed in Note 35, including the factors used to identify the reportable segments and the measurement basis of segment information.

(ab) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group and the Company take into account the characteristics of the asset or liability at the measurement date.

Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of MFRS 2, leasing transactions that are within the scope of MFRS 117 and measurements that have some similarities to fair value but are not fair value, such as net realisable value in MFRS 102 *Inventories* or value in use in MFRS 136 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirely, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

4. REVENUE

	The Group		The Company	
	2019	2018	2019	2018
	RM	RM	RM	RM
Revenue from contracts with customers:				
Property development:				
Attributable revenue from sale of uncompleted development properties	698,864,661	616,381,006	-	-
Attributable revenue from sale of completed development properties	73,162,259	70,251,578	-	-
Attributable revenue from construction contracts	3,796,311	4,971,433	-	-
	775,823,231	691,604,017	-	-
Sale of goods	83,227,682	81,501,366	-	-
Sale of crude palm oil and palm kernel	229,761,671	263,196,707	-	-
Revenue from hotel operations	2,213,484	2,617,170	-	-
Services rendered	1,008,873	849,633	-	-
Sale of non-current assets classified as held for sale	-	11,082,732	-	-
	1,092,034,941	1,050,851,625	-	-
Revenue from other sources:				
Dividend income from subsidiaries	-	-	30,903,675	32,516,500
Interest income from money lending	1,583,960	1,542,788	-	-
Rental income	180,685	178,475	-	-
Rental income from investment properties	27,857,042	29,128,027	-	-
	1,121,656,628	1,081,700,915	30,903,675	32,516,500

Group revenue excludes intra-group transactions.

4. REVENUE (CONT'D)

	The Group		The Company	
	2019	2018	2019	2018
	RM	RM	RM	RM
Timing of revenue recognition				
Point in time	389,373,969	429,499,186	-	-
Over time	702,660,972	621,352,439	-	-
	1,092,034,941	1,050,851,625	-	-

5. COST OF SALES

	The Group	
	2019	2018
	RM	RM
Attributable property development costs	510,596,216	431,829,074
Attributable cost of completed development properties sold	49,567,575	46,067,304
Overprovision of property development costs for completed projects	(24,653,375)	(502,669)
Attributable construction contract costs	3,547,954	4,646,199
Direct operating expenses from investment properties generating rental income	11,831,599	10,986,928
Cost of goods sold	79,358,292	78,005,902
Cost of non-current assets classified as held for sale	-	10,027,550
Cost of sales of crude palm oil and palm kernel	176,312,352	151,754,590
Cost of services	601,131	714,853
	807,161,744	733,529,731

6. PROFIT BEFORE TAX

	The Group		The Company	
	2019 RM	2018 RM (Restated)	2019 RM	2018 RM
Profit before tax is arrived at after charging:				
Amortisation of prepaid lease payments	1,513,413	1,509,763	-	-
Auditors' remuneration:				
Audit services	607,149	539,438	52,000	50,000
Other services by auditors of the Company	15,900	35,000	15,900	15,000
Bad debts written off	88,742	216,368	980	-
Changes in fair value of biological assets	1,170,893	-	-	-
Changes in fair value of investment properties	6,180,000	317,000	-	-
Deposits written off	-	2,000	-	-
Depreciation of property, plant and equipment	36,697,383	34,707,953	18,794	19,573
Interest expense:				
Loans and borrowings	39,244,186	30,905,456	7,192,376	3,216,910
Unwinding of discount	1,145,764	3,343,748	-	-
Inventories written down	137,658	940,057	-	-
Inventories written off	20,995	2,193	-	-
Impairment loss on:				
Finance lease receivables	-	890	-	-
Loan receivables	116,286	-	-	-
Trade receivables	626,174	77,374	-	-
Other receivables	4,531,362	-	-	-
Land donation	-	9,461,450	-	-
Net losses on foreign exchange:				
Realised	-	3,949,785	-	-
Unrealised	-	36,440,727	23,650	-
Personnel expenses (including key management personnel):				
Contributions to Employees Provident Fund	6,297,817	6,234,943	-	-
Provision for post-employment benefit obligations	10,117,286	1,497,090	-	-
Wages, salaries and others	55,987,896	57,147,728	245,681	291,881
Property, plant and equipment written off	91,893	1,344,910	-	-

6. PROFIT BEFORE TAX (CONT'D)

	The Group		The Company	
	2019 RM	2018 RM (Restated)	2019 RM	2018 RM
Allowance for slow moving inventories	45,180	-	-	-
Rental of motor vehicles, equipment and machinery	615,468	1,029,691	-	-
Rental of premises	308,691	66,744	-	-
and after crediting:				
Bad debts recovered	-	9,187	-	-
Changes in fair value of biological assets	-	1,533,164	-	-
Gain on disposal of an associate	-	2,000,000	-	-
Gain on disposal of non-current assets classified as held for sale	-	1,055,182	-	-
Gain arising from derivatives financial assets	8,850	-	-	-
Gain on disposal of property, plant and equipment	111,833	26,176	-	-
Gain on retention sum measured at amortised cost	466,060	161,806	-	-
Gain on investment in subsidiary arising from realisation of bonus shares	-	-	10,000,000	18,000,000
Interest income:				
Advances to subsidiaries	-	-	20,717,522	18,351,865
Bank balances, term deposits and fixed income funds	6,203,937	5,451,093	55,376	311,590
Accretion of interest	733,156	694,008	-	-
Net gain on foreign exchange:				
Realised	4,022,045	-	68,507	108,590
Unrealised	13,967,232	-	-	-
Rental income on land and buildings	32,407,631	32,792,687	-	-
Impairment loss no longer required on:				
Finance lease receivables	500	200	-	-
Trade receivables	250,778	25,662	-	-
Other receivables	23,528	32,200	2,700	7,200

7. DIRECTORS' REMUNERATION

	The Group		The Company	
	2019 RM	2018 RM	2019 RM	2018 RM
Directors of the Company				
Executive Directors:				
Other emoluments	15,458,688	15,973,580	-	-
Non-Executive Directors:				
Fees	200,000	233,333	200,000	233,333
Other emoluments	72,690	75,240	32,250	33,000
	272,690	308,573	232,250	266,333
	15,731,378	16,282,153	232,250	266,333
Directors of subsidiaries				
Executive Directors:				
Other emoluments	5,116,475	5,660,927	-	-
	20,847,853	21,943,080	232,250	266,333
Estimated monetary value of benefits-in-kind				
Directors of the Company				
- Executive Directors	103,592	100,653	-	-
Directors of subsidiaries				
- Executive Directors	30,405	199,825	-	-
	133,997	300,478	-	-
	20,981,850	22,243,558	232,250	266,333

8. TAX EXPENSE

	The Group		The Company	
	2019	2018	2019	2018
	RM	RM	RM	RM
Current tax				
Malaysia:				
Current financial year	48,410,320	51,861,840	4,382,900	4,112,100
Prior financial year	4,773,044	716,418	4,004	24,584
Overseas:				
Current financial year	6,588,592	8,602,400	-	-
Prior financial year	-	957,212	-	-
	59,771,956	62,137,870	4,386,904	4,136,684
Deferred tax (Note 17):				
Origination and reversal of temporary differences	879,105	(10,254,508)	1,274	1,400
Under/(Over)provision in prior financial year	244,986	(264,722)	-	-
	1,124,091	(10,519,230)	1,274	1,400
Total tax expense recognised in profit or loss	60,896,047	51,618,640	4,388,178	4,138,084
Deferred tax related to other comprehensive income (Note 17):				
Remeasurement loss on defined benefit plans	997,750	504,607	-	-
Changes in tax rate relating to surplus arising from revaluation of land and buildings	-	131,500	-	26,500
Total tax expense recognised in other comprehensive income	997,750	636,107	-	26,500

8. TAX EXPENSE (CONT'D)

A reconciliation of tax expense applicable to profit before tax at the applicable statutory income tax rate to tax expense at the effective income tax rate of the Group and of the Company is as follows:

	The Group		The Company	
	2019 RM	2018 RM (Restated)	2019 RM	2018 RM
Profit before tax	158,372,816	128,231,642	52,241,187	62,151,457
Tax calculated using Malaysian tax rate of 24% (2018:24%)	38,009,500	30,775,600	12,537,900	14,916,400
Tax effects of:				
Non-deductible expenses	9,518,797	11,355,307	1,663,174	1,321,100
Non-taxable income	(4,959,224)	(3,289,322)	(9,816,900)	(12,124,000)
Share of results of associates	212,442	(86,539)	-	-
Effect of changes in tax rate:				
Investment properties	870,000	60,230	-	-
Real property gains tax	-	6,496,070	-	-
Effect of differences in overseas tax rate:				
The People's Republic of China	33,800	9,000	-	-
Republic of Indonesia	65,637	182,646	-	-
Deferred tax assets not recognised	8,261,570	6,477,740	-	-
Realisation of deferred tax assets not recognised in prior financial years	(705)	(1,704,700)	-	-
Reversal of deferred tax assets recognised in prior year	3,963,700	-	-	-
Utilisation of reinvestment allowance	(97,500)	(66,300)	-	-
Under/(Over)provision in prior financial year:				
Current tax	4,773,044	1,673,630	4,004	24,584
Deferred tax	244,986	(264,722)	-	-
Tax expense	60,896,047	51,618,640	4,388,178	4,138,084

8. TAX EXPENSE (CONT'D)

As mentioned in Note 3, the tax effects of deductible temporary differences, unused tax losses and unused tax credits which would give rise to net deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. As of 30 September 2019, the estimated amount of deductible temporary differences, unused tax losses and unused tax credits, for which the net deferred tax assets are not recognised in the financial statements due to uncertainty of realisation, is as follows:

	The Group	
	2019 RM	2018 RM
Unused tax losses	47,675,561	32,329,597
Unabsorbed capital allowances	144,249	108,856
Other temporary differences	130,565,977	95,008,800
	178,385,787	127,447,253

Based on Finance Act, 2018, the untilised tax losses which are available to offset against future taxable profits up to year of assessment ("YA") 2019 can only be carried forward up to seven (7) consecutive YAs to YA 2026.

9. EARNINGS AND NET ASSETS PER SHARE

Basic earnings per share

The basic earnings per share is calculated by dividing the Group's profit attributable to owners of the parent by the weighted average number of ordinary shares in issue during the financial year.

Basic earnings per share are calculated as follows:

	The Group	
	2019 **RM**	**2018** **RM** **(Restated)**
Profit attributable to owners of the parent	82,561,117	70,864,939
Number of ordinary shares in issue at beginning of the financial year	586,548,168	562,901,922
Effect of exercise of warrants	-	19,270,137
	586,548,168	582,172,059
Treasury shares	(7,513,600)	(4,038,600)
Weighted average number of ordinary shares in issue	579,034,568	578,133,459
Basic earnings per share (sen)	14.26	12.26

Net assets per share

The net assets per share is calculated by dividing the total equity attributable to owners of the parent by the number of ordinary shares in issue, net of treasury shares at the reporting date as disclosed in Note 25.

10. PROPERTY, PLANT AND EQUIPMENT

The Group 2019	Freehold land RM	Long-term leasehold land RM	Buildings RM	Motor vehicles, plant and machinery RM	Furniture, fittings and equipment RM	Plantation infrastructure RM	Bearer plants RM	Under construction RM	Total RM
Cost/ Valuation									
At 1 October 2018 (Restated)	12,240,000	6,400,000	88,990,387	95,118,171	35,313,267	45,791,934	284,760,464	30,001,482	598,615,705
Additions	-	-	-	8,103,646	3,842,192	-	-	15,692,745	27,638,583
Disposals	-	-	-	(471,050)	(30,937)	-	-	-	(501,987)
Write-offs	-	-	(2,363)	(1,207,358)	(1,651,818)	-	-	-	(2,861,539)
Reclassification	-	-	2,812,445	94,448	96,520	3,346,459	16,750,157	(23,100,029)	-
Effect of movements in exchange rates	-	-	2,297,043	5,199,848	296,615	2,790,342	17,127,633	1,626,555	29,338,036
At 30 September 2019	12,240,000	6,400,000	94,097,512	106,837,705	37,865,839	51,928,735	318,638,254	24,220,753	652,228,798
Accumulated Depreciation									
At 1 October 2018 (Restated)	-	260,340	22,643,052	40,867,457	18,287,071	13,105,264	68,227,732	-	163,390,916
Charge for the financial year	-	86,780	6,904,427	7,956,657	4,004,104	2,533,194	15,212,221	-	36,697,383
Disposals	-	-	-	(471,048)	(16,551)	-	-	-	(487,599)
Write-offs	-	-	-	(1,173,553)	(1,596,093)	-	-	-	(2,769,646)
Effect of movements in exchange rates	-	-	1,112,258	1,254,324	247,266	793,082	4,379,219	-	7,786,149
At 30 September 2019	-	347,120	30,659,737	48,433,837	20,925,797	16,431,540	87,819,172	-	204,617,203
Net Carrying Amount									
At 30 September 2019	12,240,000	6,052,880	63,437,775	58,403,868	16,940,042	35,497,195	230,819,082	24,220,753	447,611,595

10. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group 2018 (Restated)	Freehold land RM	Long-term leasehold land RM	Buildings RM	Motor vehicles, plant and machinery RM	Furniture, fittings and equipment RM	Plantation infrastructure RM	Bearer plants RM	Under construction RM	Total RM
Cost/ Valuation									
At 1 October 2017	12,240,000	6,400,000	93,477,876	99,064,626	33,259,629	48,649,545	322,082,977	25,359,081	640,533,734
Additions	-	-	307,125	7,625,156	3,826,797	107,244	-	11,373,912	23,240,234
Disposals	-	-	-	(421,000)	-	-	-	-	(421,000)
Write-offs	-	-	(2,413)	(1,135,828)	(903,095)	-	(1,130,667)	-	(3,172,003)
Reclassification	-	-	1,595,319	2,258	-	2,622,199	-	(4,219,776)	-
Effect of movements in exchange rates	-	-	(6,387,520)	(10,017,041)	(870,064)	(5,587,054)	(36,191,846)	(2,511,735)	(61,565,260)
At 30 September 2018	12,240,000	6,400,000	88,990,387	95,118,171	35,313,267	45,791,934	284,760,464	30,001,482	598,615,705
Accumulated Depreciation									
At 1 October 2017	-	173,560	18,055,027	39,565,863	16,099,556	12,276,716	60,753,306	-	146,924,028
Charge for the financial year	-	86,780	6,479,328	7,396,851	3,522,242	2,245,008	14,977,744	-	34,707,953
Disposals	-	-	-	(303,232)	-	-	-	-	(303,232)
Write-offs	-	-	-	(947,149)	(879,944)	-	-	-	(1,827,093)
Effect of movements in exchange rates	-	-	(1,891,303)	(4,844,876)	(454,783)	(1,416,460)	(7,503,318)	-	(16,110,740)
At 30 September 2018	-	260,340	22,643,052	40,867,457	18,287,071	13,105,264	68,227,732	-	163,390,916
Net Carrying Amount									
At 30 September 2018	12,240,000	6,139,660	66,347,335	54,250,714	17,026,196	32,686,670	216,532,732	30,001,482	435,224,789
At 1 October 2017	12,240,000	6,226,440	75,422,849	59,498,763	17,160,073	36,372,829	261,329,671	25,359,081	493,609,706

10. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The freehold and leasehold land and buildings stated at valuation were revalued by the directors in September 2015 based on independent professional valuation on the market value basis using the cost and direct comparison of valuation methods, except for certain buildings located at oil palm plantation with carrying amounts (included current year additions) totalling RM13,858,801 (30.9.2018: RM12,392,952; 1.10.2017: RM13,963,159) were not revalued as at 30 September 2015. The directors are of the view that it is not practicable to fair value these buildings as these are mainly staff quarters and amenities which were built at the oil palm plantation for use by the plantation workers and there is a lack of active market for the buildings.

The Group 30.9.2019	Freehold land RM	Long-term leasehold land RM	Buildings RM	Motor vehicles, plant and machinery RM	Furniture, fittings and equipment RM	Plantation infrastructure RM	Bearer plants RM	Under construction RM	Total RM
Analysis of Cost and Valuation									
At valuation - 2015	12,240,000	6,400,000	68,530,440	-	-	-	-	-	87,170,440
At cost	-	-	25,567,072	106,837,705	37,865,839	51,928,735	318,638,254	24,220,753	565,058,358
	12,240,000	6,400,000	94,097,512	106,837,705	37,865,839	51,928,735	318,638,254	24,220,753	652,228,798
Net Carrying Amount									
At valuation - 2015	12,240,000	6,052,880	49,578,974	-	-	-	-	-	67,871,854
At cost	-	-	13,858,801	58,403,868	16,940,042	35,497,195	230,819,082	24,220,753	379,739,741
	12,240,000	6,052,880	63,437,775	58,403,868	16,940,042	35,497,195	230,819,082	24,220,753	447,611,595

10. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group 30.9.2018 (Restated)	Freehold land RM	Long-term leasehold land RM	Buildings RM	Motor vehicles, plant and machinery RM	Furniture, fittings and equipment RM	Plantation infrastructure RM	Bearer plants RM	Under construction RM	Total RM
Analysis of Cost and Valuation									
At valuation - 2015	12,240,000	6,400,000	67,540,137	-	-	-	-	-	86,180,137
At cost	-	-	21,450,250	95,118,171	35,313,267	45,791,934	284,760,464	30,001,482	512,435,568
	12,240,000	6,400,000	88,990,387	95,118,171	35,313,267	45,791,934	284,760,464	30,001,482	598,615,705
Net Carrying Amount									
At valuation - 2015	12,240,000	6,139,660	53,954,383	-	-	-	-	-	72,334,043
At cost	-	-	12,392,952	54,250,714	17,026,196	32,686,670	216,532,732	30,001,482	362,890,746
	12,240,000	6,139,660	66,347,335	54,250,714	17,026,196	32,686,670	216,532,732	30,001,482	435,224,789
The Group 1.10.2017 (Restated)									
Analysis of Cost and Valuation									
At valuation - 2015	12,240,000	6,400,000	71,392,241	-	-	-	-	-	90,032,241
At cost	-	-	22,085,635	99,064,626	33,259,629	48,649,545	322,082,977	25,359,081	550,501,493
	12,240,000	6,400,000	93,477,876	99,064,626	33,259,629	48,649,545	322,082,977	25,359,081	640,533,734
Net Carrying Amount									
At valuation - 2015	12,240,000	6,226,440	61,459,690	-	-	-	-	-	79,926,130
At cost	-	-	13,963,159	59,498,763	17,160,073	36,372,829	261,329,671	25,359,081	413,683,576
	12,240,000	6,226,440	75,422,849	59,498,763	17,160,073	36,372,829	261,329,671	25,359,081	493,609,706

10. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Freehold land RM	Buildings RM	Furniture, fittings and equipment RM	Total RM
The Company				
2019				
Cost/Valuation				
At 1 October 2018/ 30 September 2019	640,000	590,000	68,434	1,298,434
Accumulated Depreciation				
At 1 October 2018	-	40,227	59,362	99,589
Charge for the financial year	-	13,409	5,385	18,794
At 30 September 2019	-	53,636	64,747	118,383
Net Carrying Amount				
At 30 September 2019	640,000	536,364	3,687	1,180,051
2018				
Cost/Valuation				
At 1 October 2017/ 30 September 2018	640,000	590,000	68,434	1,298,434
Accumulated Depreciation				
At 1 October 2017	-	26,818	53,198	80,016
Charge for the financial year	-	13,409	6,164	19,573
At 30 September 2018	-	40,227	59,362	99,589
Net Carrying Amount				
At 30 September 2018	640,000	549,773	9,072	1,198,845
At 1 October 2017	640,000	563,182	15,236	1,218,418

10. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Freehold land RM	Buildings RM	Furniture, fittings and equipment RM	Total RM
The Company				
30.9.2019				
Analysis of Cost and Valuation				
At valuation - 2015	640,000	590,000	-	1,230,000
At cost	-	-	68,434	68,434
	640,000	590,000	68,434	1,298,434
Net Carrying Amount				
At valuation - 2015	640,000	536,364	-	1,176,364
At cost	-	-	3,687	3,687
	640,000	536,364	3,687	1,180,051
30.9.2018				
Analysis of Cost and Valuation				
At valuation - 2015	640,000	590,000	-	1,230,000
At cost	-	-	68,434	68,434
	640,000	590,000	68,434	1,298,434
Net Carrying Amount				
At valuation - 2015	640,000	549,773	-	1,189,773
At cost	-	-	9,072	9,072
	640,000	549,773	9,072	1,198,845
1.10.2017				
Analysis of Cost and Valuation				
At valuation - 2015	640,000	590,000	-	1,230,000
At cost	-	-	68,434	68,434
	640,000	590,000	68,434	1,298,434
Net Carrying Amount				
At valuation - 2015	640,000	563,182	-	1,203,182
At cost	-	-	15,236	15,236
	640,000	563,182	15,236	1,218,418

10. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The net carrying amount of revalued assets had they been carried at cost would have been as follows:

	The Group		
	30.9.2019 RM	30.9.2018 RM	1.10.2017 RM
Freehold land	666,424	666,424	666,424
Long-term leasehold land	948,869	962,473	976,077
Buildings	35,802,261	36,796,235	40,708,588
	37,417,554	38,425,132	42,351,089

	The Company		
	30.9.2019 RM	30.9.2018 RM	1.10.2017 RM
Freehold land	110,000	110,000	110,000
Buildings	365,700	374,900	384,100
	475,700	484,900	494,100

Included in the above property, plant and equipment are:

(a) Motor vehicles, plant and machinery analysed as follows:

The Group	Motor vehicles RM	Plant and machinery RM	Total RM
30.9.2019			
Cost	17,505,575	89,332,130	106,837,705
Accumulated depreciation	(11,974,673)	(36,459,164)	(48,433,837)
Net carrying amount	5,530,902	52,872,966	58,403,868
30.9.2018			
Cost	16,131,899	78,986,272	95,118,171
Accumulated depreciation	(10,466,997)	(30,400,460)	(40,867,457)
Net carrying amount	5,664,902	48,585,812	54,250,714
1.10.2017			
Cost	16,235,403	82,829,223	99,064,626
Accumulated depreciation	(9,546,648)	(30,019,215)	(39,565,863)
Net carrying amount	6,688,755	52,810,008	59,498,763

10. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(b) Property, plant and equipment pledged as security for bank guarantee and credit facilities granted to certain subsidiaries as disclosed in Note 29 are as follows:

		The Group	
	30.9.2019	**30.9.2018**	**1.10.2017**
	RM	**RM**	**RM**
		(Restated)	**(Restated)**
Cost/Valuation			
Buildings	24,000,000	24,000,000	24,000,000
Bearer plants	318,638,254	284,760,464	322,082,977
	342,638,254	308,760,464	346,082,977
Net Carrying Amount			
Buildings	21,658,536	22,243,902	22,829,268
Bearer plants	230,819,082	216,532,732	261,329,671
	252,477,618	238,776,634	284,158,939

(c) Motor vehicles under finance lease arrangements are as follows:

		The Group	
	30.9.2019	**30.9.2018**	**1.10.2017**
	RM	**RM**	**RM**
Cost	5,216,689	5,201,170	5,561,811
Net carrying amount	1,301,535	1,728,568	2,025,083

(d) Bearer plants comprise of oil palm trees.

(e) Property, plant and equipment under construction are mainly immature bearer plants, construction of buildings, plant and machinery in oil palm plantation.

Included in addition to the property, plant and equipment under construction are:

	The Group	
	2019	**2018**
	RM	**RM**
		(Restated)
Interest capitalised	645,200	940,699
Personnel expenses:		
Wages, salaries and others	883,596	831,284

The interest on borrowings for the financial year is capitalised at rates ranging from 5.00% to 5.75% (30.9.2018: 5.30% to 5.40%) per annum.

(f) The long-term leasehold land of the Group has remaining unexpired lease period of more than 50 years.

11. INTANGIBLE ASSETS

	The Group 30.9.2019 RM	30.9.2018 RM	1.10.2017 RM
Goodwill (Note 11.1)	5,214,288	4,915,669	5,548,038
Other intangible asset (Note 11.2)	25,234,391	21,438,080	16,466,647
Net carrying amount	30,448,679	26,353,749	22,014,685

11.1 Goodwill

	The Group 2019 RM	2018 RM
Goodwill on acquisition - At cost		
At beginning of year	5,019,897	5,652,266
Effect of movements in exchange rate	298,619	(632,369)
At end of year	5,318,516	5,019,897
Accumulated impairment loss		
At beginning and end of year	(104,228)	(104,228)
Net carrying amount	5,214,288	4,915,669

Impairment test of goodwill

Goodwill on acquisition is allocated to the Group's cash-generating units ("CGUs"), business segments as follows:

	The Group 30.9.2019 RM	30.9.2018 RM	1.10.2017 RM
Plantation	5,181,919	4,883,300	5,515,669
Property development	32,369	32,369	32,369
	5,214,288	4,915,669	5,548,038

The goodwill allocated to property development segment is not significant in comparison with the Group's total carrying amount of goodwill.

11. INTANGIBLE ASSETS (CONT'D)

11.1 Goodwill (Cont'd)

Impairment test of goodwill (Cont'd)

Key assumptions used in the value-in-use calculations based on a 11 years (30.9.2018: 12 years; 1.10.2017: 13 years) cash flows projection in respect of impairment test for goodwill on the plantation segment are:

(i) discount rate of 11.5% (30.9.2018 and 1.10.2017: 11.5%) which is pre-tax and reflected specific risks of the plantation segment in Indonesia;

(ii) oil palm trees with an average life of 25 (30.9.2018 and 1.10.2017: 25) years with the first three years as immature and remaining years as mature which is the average life cycle of the trees;

(iii) crude palm oil ("CPO") average selling price of RM2,000 (30.9.2018: RM1,984; 1.10.2017: RM2,323) per metric tonne based on the management's estimate;

(iv) average CPO extraction rate of 22% (30.9.2018 and 1.10.2017: 22%) based on the industry trend and past performance; and

(v) average annual oil palm yield per hectare of 30 to 33 (30.9.2018: 30 to 34; 1.10.2017: 28 to 33) metric tonnes based on management's estimate and historical yield.

In assessing the value-in-use, management does not foresee any possible changes in the above key assumptions that would cause the carrying amounts of the goodwill to materially exceed its recoverable amounts.

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11.2 Other intangible asset

	The Group	
	2019 RM	2018 RM
Capitalised development		
At beginning of year	21,438,080	16,466,647
Additions	3,796,311	4,971,433
At end of year	25,234,391	21,438,080

Other intangible asset represents expenditure incurred to construct a commuter station for Perbadanan Aset Keretapi ("PAK") in consideration for the right to lease a plot of land from PAK for a period of 60 years. The total estimated construction costs of the commuter station is approximately RM53,154,136 (30.9.2018 and 1.10.2017: RM40,139,000). The status of the construction as disclosed in Note 33.

12. PREPAID LEASE PAYMENTS

	The Group 2019 RM	The Group 2018 RM
At beginning of year	44,675,754	45,724,238
Transfer from prepayments (Note 18 (j) (i))	-	1,290,188
Amortisation for the financial year	(1,513,413)	(1,509,763)
Effect of movements in exchange rate	235,022	(828,909)
At end of year	43,397,363	44,675,754

The above is short-term leasehold land with remaining unexpired lease period of less than 50 years.

The short-term leasehold land of RM39,082,912 (30.9.2018: RM40,251,790; 1.10.2017: RM42,156,888) is pledged as security for credit facilities granted to the Group as disclosed in Note 29

13. INVESTMENT PROPERTIES

	The Group 2019 RM	The Group 2018 RM
At beginning of year	318,620,000	318,937,000
Changes in fair values	(6,180,000)	(317,000)
At end of year	312,440,000	318,620,000

Included in the above are:

	The Group 30.9.2019 RM	The Group 30.9.2018 RM	The Group 1.10.2017 RM
Freehold land and buildings - at fair value			
Freehold land	47,100,000	46,200,000	46,200,000
Buildings	54,250,000	55,330,000	55,347,000
	101,350,000	101,530,000	101,547,000
Leasehold land and buildings - at fair value			
Leasehold land with unexpired lease period of more than 50 years	66,900,000	65,800,000	66,600,000
Buildings	144,190,000	151,290,000	150,790,000
	211,090,000	217,090,000	217,390,000
	312,440,000	318,620,000	318,937,000

13. INVESTMENT PROPERTIES (CONT'D)

Fair value measurement disclosures for investment properties are disclosed in Note 42.

Included in the above are land and buildings amounting to RM250,450,000 (30.9.2018: RM265,030,000; 1.10.2017: RM254,847,000) pledged for credit facilities granted to subsidiaries as disclosed in Note 29.

14. INVESTMENT IN SUBSIDIARIES

	The Company		
	30.9.2019 RM	30.9.2018 RM	1.10.2017 RM
Unquoted shares - at cost			
Ordinary shares	518,339,268	475,786,968	436,536,245
Redeemable convertible preference shares ("RCPS")	279,500,000	279,500,000	279,500,000
	797,839,268	755,286,968	716,036,245
Accumulated impairment loss			
At beginning and end of year	(2,824,214)	(2,824,214)	(2,824,214)
Net book value	795,015,054	752,462,754	713,212,031

Details of the subsidiaries are as follows:

	Name of subsidiary	Country of incorporation	Principal activities	Proportion of ownership interest and voting power held by the Group 30.9.2019	30.9.2018	1.10.2017
	Achieve Acres Sdn. Bhd.	Malaysia	Property development	85%	85%	85%
	Aliran Perkasa Sdn. Bhd.	Malaysia	Property development	100%	100%	100%
	Budi Bidara Sdn. Bhd.	Malaysia	Property development	100%	100%	100%
	Dapat Jaya Builder Sdn. Bhd.	Malaysia	Building and civil works contracting and project management services	100%	100%	100%
	Danau Saujana Sdn. Bhd.	Malaysia	Dormant	51%	51%	51%
€@	Detik Merdu Sdn. Bhd.	Malaysia	Investment holding and trading of building materials and household related products	100%	100%	100%

14. INVESTMENT IN SUBSIDIARIES (CONT'D)

	Name of subsidiary	Country of incorporation	Principal activities	Proportion of ownership interest and voting power held by the Group 30.9.2019	30.9.2018	1.10.2017
	Everland Asia Development Sdn. Bhd.	Malaysia	Investment holding	100%	100%	100%
	Gabung Wajib Sdn. Bhd.	Malaysia	Property development	100%	100%	100%
	Gerak Teguh Sdn. Bhd.	Malaysia	Property development	100%	100%	100%
	GK Resort Berhad	Malaysia	Investment holding	100%	100%	100%
	Global Landscape Creation Sdn. Bhd.	Malaysia	Dormant	51%	51%	51%
	Intelek Kekal (M) Sdn. Bhd.	Malaysia	Management services	100%	100%	100%
	Intelek Murni (M) Berhad	Malaysia	Operating a recreational club	100%	100%	100%
	Intra Tegas (M) Sdn. Bhd.	Malaysia	Property development	100%	100%	100%
	Kajang Resources Corporation Sdn. Bhd.	Malaysia	Property development	100%	100%	100%
	Kumpulan Indah Bersatu Sdn. Bhd.	Malaysia	Property development	100%	100%	100%
Ω	Metro Kajang Construction Sdn. Bhd.	Malaysia	Building and civil works contracting and project and building management services	100%	100%	100%
	Metro Kajang (Oversea) Sdn. Bhd.	Malaysia	Investment holding and treasury management services	100%	100%	100%
	Metro K.L. City Sdn. Bhd.	Malaysia	Property development	100%	100%	100%
	Metro Nusantara Sdn. Bhd.	Malaysia	Dormant	100%	100%	100%

14. INVESTMENT IN SUBSIDIARIES (CONT'D)

	Name of subsidiary	Country of incorporation	Principal activities	Proportion of ownership interest and voting power held by the Group 30.9.2019	30.9.2018	1.10.2017
∞	Metro Readymix Sdn. Bhd.	Malaysia	Dormant	100%	100%	-
	Metro Tiara (M) Sdn. Bhd.	Malaysia	Property investment	100%	100%	100%
	MKH Building Materials Sdn. Bhd.	Malaysia	Trading of building materials and household related products	100%	100%	100%
	MKH Credit Corporation Sdn. Bhd.	Malaysia	Money lending, hire-purchase and leasing finance	100%	100%	100%
	MKH Development Sdn. Bhd.	Malaysia	Property Development	100%	100%	100%
	MKH Food Sdn. Bhd.	Malaysia	Dormant	100%	100%	100%
!	MKH Land (Aust) Pty Ltd.	Australia	Dormant	100%	100%	100%
	MKH IHS Precast Sdn. Bhd.	Malaysia	Dormant	100%	100%	100%
	MKH Management Sdn. Bhd.	Malaysia	Management, secretarial services and insurance agency	100%	100%	100%
	MKH Plantation Sdn. Bhd.	Malaysia	Investment holding	100%	100%	100%
	MKH Resources Sdn. Bhd.	Malaysia	Management services	100%	100%	100%
~ €	Nexus Starship Sdn. Bhd. (Note 31)	Malaysia	Investment holding	100%	-	-
	Pelangi Binaraya Sdn. Bhd.	Malaysia	Property development	100%	100%	100%
	Pelangi Seri Alam Development Sdn. Bhd.	Malaysia	Building and civil works contracting	100%	100%	100%

14. INVESTMENT IN SUBSIDIARIES (CONT'D)

	Name of subsidiary	Country of incorporation	Principal activities	Proportion of ownership interest and voting power held by the Group 30.9.2019	30.9.2018	1.10.2017
*	Pelangi Semenyih Sdn. Bhd.	Malaysia	Property development	100%	100%	100%
	Perkasa Bernas (M) Sdn. Bhd.	Malaysia	Property development and management services	100%	100%	100%
	Petik Mekar Sdn. Bhd.	Malaysia	Property development	100%	100%	100%
	Serba Sentosa Sdn. Bhd.	Malaysia	Property development	100%	100%	100%
	Serentak Maju Corporation Sdn. Bhd.	Malaysia	Property development	100%	100%	100%
€	Srijang Indah Sdn. Bhd.	Malaysia	Property investment and management and investment holding	100%	100%	100%
€	Srijang Kemajuan Sdn. Bhd.	Malaysia	Property development and property investment	99.99%	99.99%	99.99%
€	Stand Allied Corporation Sdn. Bhd.	Malaysia	Property development	100%	100%	100%
	Sumber Lengkap Sdn. Bhd.	Malaysia	Property development	100%	100%	100%
€	Suria Villa Sdn. Bhd.	Malaysia	Property development	100%	100%	100%
	Vista Haruman Development Sdn. Bhd.	Malaysia	Property development	55%	55%	55%
	Subsidiaries of Detik Merdu Sdn. Bhd.					
#@	PT Maju Kalimantan Hadapan	Republic of Indonesia	Oil palm plantation	95%	95%	95%
#	PT Nusantara Makmur Jaya	Republic of Indonesia	Dormant	100%	100%	100%

14. INVESTMENT IN SUBSIDIARIES (CONT'D)

	Name of subsidiary	Country of incorporation	Principal activities	Proportion of ownership interest and voting power held by the Group		
				30.9.2019	30.9.2018	1.10.2017
	Subsidiaries of MKH Plantation Sdn. Bhd.					
#@	PT Sawit Prima Sakti	Republic of Indonesia	Oil palm plantation	75%	75%	75%
	Subsidiaries of Gabung Wajib Sdn. Bhd.					
	Amona Metro Development Sdn. Bhd.	Malaysia	Property development	60%	60%	60%
	Alif Mesra Sdn. Bhd.	Malaysia	Property development	65%	65%	65%
	Subsidiary of GK Resort Berhad					
	PNSB-GK Resort Sdn. Bhd.	Malaysia	Property development	70%	70%	70%
	Subsidiary of Kumpulan Indah Bersatu Sdn. Bhd.					
	Palga Sdn. Bhd.	Malaysia	Investment holding	100%	100%	100%
	Subsidiary of Pelangi Seri Alam Development Sdn. Bhd.					
	Hillpark Resources Sdn. Bhd.	Malaysia	Property development	100%	100%	100%
	Subsidiary of Metro Kajang (Oversea) Sdn. Bhd.					
	Vast Furniture Manufacturing (Kunshan) Co. Ltd.	The People's Republic of China	Furniture manufacturing	100%	100%	100%
	Subsidiary of Palga Sdn. Bhd.					
	Hiliran Juara Sdn. Bhd.	Malaysia	Property development	100%	100%	100%
	Subsidiary of Amona Metro Development Sdn. Bhd.					
	Temara Pekeliling Sdn. Bhd.	Malaysia	Property development	50.4%	50.4%	50.4%

14. INVESTMENT IN SUBSIDIARIES (CONT'D)

Name of subsidiary	Country of incorporation	Principal activities	Proportion of ownership interest and voting power held by the Group 30.9.2019	30.9.2018	1.10.2017
Subsidiary of Kajang Resources Corporation Sdn. Bhd.					
MKH Property Ventures Sdn. Bhd.	Malaysia	Property development	51%	51%	-
Subsidiary of Nexus Starship Sdn. Bhd. (Note 31)					
Quantum Density Sdn. Bhd.	Malaysia	Property development	50.0004%	-	-
Subsidiaries of Srijang Indah Sdn. Bhd.					
Laju Jaya Sdn. Bhd.	Malaysia	Hotel business and property investment	100%	100%	100%
Maha Usaha Sdn. Bhd.	Malaysia	Property investment and management	100%	100%	100%
Metro Emart Sdn. Bhd.	Malaysia	E-commerce	100%	100%	100%
Subsidiaries of Metro Emart Sdn. Bhd. (Note 31)					
Europixel Sdn. Bhd.	Malaysia	Dormant	100%	-	-
Hexapace Sdn. Bhd.	Malaysia	Dormant	100%	-	-
Mercu Jasakita Sdn. Bhd.	Malaysia	Dormant	100%	-	-

~ During the financial year, the Company acquired the subsidiary for total cash consideration of RM1.

€ During the financial year, the Company subscribed for additional 35,968,000 (30.9.2018: 26,600,000; 1.10.2017: Nil) new ordinary shares in Detik Merdu Sdn. Bhd., 2,000,000 (30.9.2018: 1,000,000; 1.10.2017: Nil) new ordinary shares in Srijang Indah Sdn. Bhd., 1,620,000 (30.9.2018: 3,495,394; 1.10.2017: 940,606) new ordinary shares in Srijang Kemajuan Sdn. Bhd., 10,764,300 (30.9.2018: 11,155,327; 1.10.2017: 28,226,373) new ordinary shares in Suria Villa Sdn. Bhd., Nil (30.9.2018: Nil; 1.10.2017: 2,500,000) new ordinary shares in Stand Allied Corporation Sdn. Bhd. and 199,999 (30.9.2018 and 1.10.2017: Nil) new ordinary shares in Nexus Starship Sdn. Bhd..

14. INVESTMENT IN SUBSIDIARIES (CONT'D)

Ω In the previous financial year, the Company received bonus shares of 10,000,000 ordinary shares from Metro Kajang Construction Sdn. Bhd. ("MKCSB"). On 5 November 2018, MKCSB reduced its ordinary share capital from RM20,000,000 to RM2,000,000 via cancellation of 18,000,000 ordinary shares comprising 7,759,506 cash and 10,240,494 non-cash allotment. This has resulted the Company recognised a gain on investment in subsidiary arising from realisation of bonus share of RM10,000,000 in the current year.

* In the previous financial year, the Company received bonus shares of 18,000,000 ordinary shares from Pelangi Semenyih Sdn. Bhd. ("PSSB"). On 28 September 2018, PSSB reduced its share capital from RM23,000,000 to RM2,000,000 via cancellation of 21,000,000 ordinary shares comprising 3,000,000 cash and 18,000,000 non-cash allotment. This has resulted the Company recognised a gain on investment in subsidiary arising from realisation of bonus share of RM18,000,000 in the previous financial year.

∞ In the previous financial year, the Company acquired the subsidiary for a total cash consideration of RM2.

Subsidiaries audited by firms of auditors other than Deloitte PLT.

@ The investment in shares have been pledged as security for credit facilities granted to subsidiaries as disclosed in Note 29.

! The company is not audited by Deloitte PLT. As the company is dormant, no statutory audit is required under the Australian Corporations Act.

Redeemable Convertible Preference Shares

The salient features of the Redeemable Convertible Preference Shares ("RCPS") of the subsidiaries are as follows:

(a) Dividends

The holder has the right to be paid, out of such profits of the subsidiary available for distribution determined by the directors at their discretion to be distributed in respect of each financial year or other accounting period of the subsidiary, a dividend at a rate as the Board of Directors shall determine from time to time.

(b) Voting rights

The RCPS carry rights to vote at any general meeting of the subsidiary if:

(i) any resolution is proposed for the winding up of the subsidiary, in which case the holder of the RCPS may only then vote at such general meeting on the election of a chairman, any motion for adjournment and the resolution for winding up; or

(ii) the meeting is convened for the purpose of considering the reduction of the capital of the subsidiary; or

(iii) the meeting is relating to any dividend or part thereof unpaid on any RCPS; or

14. INVESTMENT IN SUBSIDIARIES (CONT'D)

Redeemable Convertible Preference Shares (Cont'd)

(b) Voting rights (Cont'd)

The RCPS carry rights to vote at any general meeting of the subsidiary if: (Cont'd)

(iv) the proposition which is submitted to the meeting proposes to abrogate or vary or otherwise directly affects the special rights and privileges attaching to the RCPS; in which event the holder of the RCPS shall have such number of votes for each RCPS registered in his name equivalent to the number of ordinary shares, which solely for the purpose of calculating the number of votes of the holder of the RCPS is entitled to, one RCPS held by the holder of RCPS shall be deemed to be equivalent to one of ordinary share of the subsidiary. The holder of the RCPS shall further be entitled to speak, demand a poll, to move resolutions and participate in the meeting of the shareholders of RCPS of the subsidiary.

(c) Redemption

(i) Subject to the provision of Section 72 of the Companies Act, 2016, the subsidiary shall have the right to redeem all or any of the RCPS at RM100 only per RCPS at anytime after the date of issuance of RCPS; and

(ii) no RCPS redeemed by the subsidiary shall be capable of reissue.

(d) Conversion

The subsidiary is entitled, at any time during the period commencing on the date of issuance of RCPS to convert all or any of the RCPS registered in the name of each holder of the RCPS. Each RCPS is convertible into 100 ordinary shares in the share capital of the subsidiary.

(e) Capital

The holder has the right on winding up or other return of capital (other than on the redemption of the RCPS) to receive, in priority to the holders of any other class of shares in the capital of the subsidiary.

14. INVESTMENT IN SUBSIDIARIES (CONT'D)

Non-controlling Interests

The subsidiaries that have material non-controlling interests ("NCI") are as follows:

	Amona Metro Development Sdn. Bhd. RM	PT Maju Kalimantan Hadapan RM	Alif Mesra Sdn. Bhd. RM	PT Sawit Prima Sakti RM	Vista Haruman Development Sdn. Bhd. RM	MKH Property Ventures Sdn. Bhd. RM	Individually immaterial subsidiaries RM	Total RM
2019								
NCI percentage of ownership interest and voting power	40%	5%	35%	25%	45%	49%	-	-
Carrying amount of NCI	21,384,160	5,410,195	9,362,530	1,010,849	11,781,461	17,727,961	4,571,948	71,249,104
Profit/(Loss) allocated to NCI	4,014,168	77,958	7,269,114	286,605	1,821,729	(1,320,417)	2,766,495	14,915,652
Total comprehensive income/(loss) allocated to NCI	4,014,168	493,091	7,269,114	41,004	1,821,729	(1,320,417)	2,766,495	15,085,184
2018 (Restated)								
NCI percentage of ownership interest and voting power	40%	5%	35%	25%	45%	49%	-	-
Carrying amount of NCI	17,369,992	4,917,104	2,093,416	969,841	9,959,732	19,048,378	1,680,458	56,038,921
Profit/(Loss) allocated to NCI	2,789,128	586,681	(2,372,308)	(1,902,303)	5,800,839	(551,622)	1,397,648	5,748,063
Total comprehensive income/(loss) allocated to NCI	2,789,128	512,396	(2,372,308)	(1,414,396)	5,800,839	(551,622)	1,397,648	6,161,685

14. INVESTMENT IN SUBSIDIARIES (CONT'D)

The financial information of the subsidiaries that have material NCI before intra-group elimination are as follows:

	Amona Metro Development Sdn. Bhd. RM	PT Maju Kalimantan Hadapan RM	Alif Mesra Sdn. Bhd. RM	PT Sawit Prima Sakti RM	Vista Haruman Development Sdn. Bhd. RM	MKH Property Ventures Sdn. Bhd. RM
2019						
Assets and liabilities						
Non-current assets	303,100	320,771,275	2,344,500	76,114,757	257,200	-
Current assets	152,864,120	109,152,966	133,738,315	4,444,951	38,886,367	36,462,115
Non-current liabilities	(65,741,788)	(173,211,294)	(80,161,255)	(5,233,600)	-	-
Current liabilities	(30,049,626)	(148,509,051)	(29,171,474)	(71,282,713)	(12,962,543)	(282,603)
Non-controlling interests	(3,915,405)	-	-	-	-	-
Net assets	53,460,401	108,203,896	26,750,086	4,043,395	26,181,024	36,179,512
Results						
Revenue	82,135,779	229,761,671	106,396,980	6,516,930	13,025,710	-
Profit/(Loss) for the financial year	10,035,420	1,559,150	20,768,898	1,146,420	4,048,286	(2,694,729)
Total comprehensive income	10,035,420	9,861,819	20,768,898	164,019	4,048,286	(2,694,729)
2018 (Restated)						
Assets and liabilities						
Non-current assets	-	313,569,274	3,058,200	68,248,030	278,000	-
Current assets	118,075,418	121,422,625	89,391,157	6,093,901	123,567,676	39,105,841
Non-current liabilities	(45,920,794)	(234,689,999)	(57,102,511)	(56,810,590)	(2,988,200)	-
Current liabilities	(27,139,709)	(101,959,823)	(29,365,658)	(13,651,978)	(98,724,738)	(231,600)
Non-controlling interests	(1,589,934)	-	-	-	-	-
Net assets	43,424,981	98,342,077	5,981,188	3,879,363	22,132,738	38,874,241
Results						
Revenue	55,542,976	263,196,707	-	5,734,677	94,701,403	-
Profit/(Loss) for the financial year	6,972,819	11,733,620	(6,778,022)	(7,609,211)	12,890,754	(1,125,759)
Total comprehensive income	6,972,819	10,247,914	(6,778,022)	(5,657,584)	12,890,754	(1,125,759)

14. INVESTMENT IN SUBSIDIARIES (CONT'D)

	Amona Metro Development Sdn. Bhd. RM	PT Maju Kalimantan Hadapan RM	Alif Mesra Sdn. Bhd. RM	PT Sawit Prima Sakti RM	Vista Haruman Development Sdn. Bhd. RM	MKH Property Ventures Sdn. Bhd. RM
2019						
Cash flows from/(used in):						
Operating activities	(25,096,514)	37,173,414	(19,003,749)	4,582,284	47,505,003	(2,705,756)
Investing activities	-	(16,228,792)	-	(6,903,264)	-	-
Financing activities	22,817,680	(19,603,025)	21,777,973	278,171	(37,588,359)	-
Net increase/(decrease) in cash and cash equivalents	(2,278,834)	1,341,597	2,774,224	(2,042,809)	9,916,644	(2,705,756)
Dividends paid to NCI	-	-	-	-	-	-
2018						
Cash flows from/(used in):						
Operating activities	9,454,857	8,097,562	(21,014,757)	(4,521,323)	45,729	(23,509,179)
Investing activities	-	13,532,141	-	(5,087,357)	-	-
Financing activities	(9,110,950)	(26,402,202)	21,243,597	10,381,732	(7,011,804)	40,000,000
Net increase/(decrease) in cash and cash equivalents	343,907	(4,772,499)	228,840	773,052	(6,966,075)	16,490,821
Dividends paid to NCI	3,875,040	-	-	-	-	-

There are no significant restrictions on the Company's ability to access or use the assets and to settle the liabilities of the Group except for the covenants of the bank term loans taken by PT Maju Kalimantan Hadapan and PT Sawit Prima Sakti, subsidiaries of the Company, which restrict the ability of the subsidiaries to provide advances to other companies within the Group and to declare dividends to its shareholders until full settlement of the loans unless prior written consent is obtained from the lenders. The assets to which such restrictions apply are the cash and cash equivalents of the subsidiaries included in the consolidated financial statements amounting to RM12,399,248 (30.9.2018: RM14,337,332; 1.10.2017: RM14,679,964).

15. INVESTMENT IN ASSOCIATES

	The Group 30.9.2019 RM	30.9.2018 RM	1.10.2017 RM
At cost:			
Unquoted shares	6,660,000	8,660,000	6,700,000
Additions	5,000,000	-	1,960,000
Disposals	-	(2,000,000)	-
Capital reductions	(3,375,000)	-	-
	8,285,000	6,660,000	8,660,000
Share of post-acquisition reserves	6,705,213	7,590,386	5,229,807
	14,990,213	14,250,386	13,889,807

The details of the associates, incorporated in Malaysia, are as follows:

	Name of associate	Principal activities	Proportion of ownership interest and voting power held by the Group 30.9.2019	30.9.2018	1.10.2017	Financial year end
Ω	Daksina Harta Sdn. Bhd. ("DHSB")	Property development	40%	-	-	31 December
~	Panasonic Homes MKH Malaysia Sdn. Bhd. ("PHMMSB")	General construction	49%	49%	49%	31 March
*	Rimbunan Melati Sdn. Bhd. ("RMSB")	Property development	45%	45%	45%	31 December
^	Rafflesia School (Kajang) Sdn. Bhd.	Education centre and tenant of the Group's investment property	-	-	20%	31 December

15. INVESTMENT IN ASSOCIATES (CONT'D)

The details of the associates, incorporated in Malaysia, are as follows: (Cont'd)

Ω Interest held through Perkasa Bernas (M) Sdn. Bhd. ("PBSB").
~ Interest held through Kajang Resources Corporation Sdn. Bhd. ("KRC").
* Interest held through Dapat Jaya Builder Sdn. Bhd..
^ Interest disposed at cash consideration of RM2,000,000 in 2018.

The above associates are accounted for using the equity method in the consolidated financial statements.

The following table summarises the information of the Group's material associate, adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Group's interest in the associate.

		The Group	
	RMSB RM	PHMMSB RM	DHSB RM
2019			
Non-current assets	108	3,375,597	-
Current assets	17,454,611	15,039,695	88,200,198
Current liabilities	(4,805,741)	(9,463,505)	(75,920,713)
Net assets	12,648,978	8,951,787	12,279,485
Results			
Revenue	-	68,919,741	-
Loss for the financial year	(198,014)	(1,444,614)	(220,514)
Total comprehensive loss	(198,014)	(1,444,614)	(220,514)
2018			
Non-current assets	356	5,117,474	-
Current assets	24,939,789	22,198,983	-
Current liabilities	(4,593,153)	(16,920,054)	-
Net assets	20,346,992	10,396,403	-
Results			
Revenue	-	79,269,622	-
(Loss)/Profit for the financial year	(1,205,454)	1,842,926	-
Total comprehensive (loss)/profit	(1,205,454)	1,842,926	-

15. INVESTMENT IN ASSOCIATES (CONT'D)

The reconciliation of net assets to carrying amount of the associates is as follows:

	RMSB RM	PHMMSB RM	DHSB RM	Total RM
2019				
Group's share of net assets	5,692,040	4,386,376	4,911,797	14,990,213
Group's share of results in associates	(89,106)	(707,861)	(88,206)	(885,173)
Dividend received from associates	-	-	-	-
2018				
Group's share of net assets	9,156,147	5,094,239	-	14,250,386
Group's share of results in associates	(542,455)	903,034	-	360,579
Dividend received from associates	-	-	-	-

16. LAND HELD FOR PROPERTY DEVELOPMENT

	The Group	
	2019 RM	2018 RM
Freehold land		
At beginning of year	463,848,960	510,261,469
Additions	11,279,551	27,467,524
Reclassification to development cost	-	(10,637,689)
Charged out to profit or loss as land donation	-	(3,608,106)
Reclassification from leasehold land	-	59,121
Transfer to property development costs (Note 19)	(4,586,972)	(59,693,359)
At end of year	470,541,539	463,848,960
Leasehold land		
At beginning of year	142,191,590	155,342,976
Additions	34,296,161	-
Reversal of provision for landowners' entitlement	-	(734,875)
Transfer (to)/from non-current assets held for sale (Note 24)	(643,458)	5,920,445
Reclassification to freehold land	-	(59,121)
Transfer to property development costs (Note 19)	(11,552,782)	(18,277,835)
At end of year	164,291,511	142,191,590
Total land	634,833,050	606,040,550

16. LAND HELD FOR PROPERTY DEVELOPMENT (CONT'D)

	The Group	
	2019	2018
	RM	RM
Development costs		
At beginning of year	267,003,467	256,592,153
Additions	30,903,244	21,007,170
Reclassification from freehold land cost	-	10,637,689
Charged out to profit or loss as land donation	-	(5,853,344)
Transfer (to)/from non-current assets held for sale (Note 24)	(900,092)	6,601,543
Transfer to property development costs (Note 19)	(51,604,717)	(21,981,744)
At end of year	245,401,902	267,003,467
Total land and development costs	880,234,952	873,044,017
Less: Accumulated impairment loss		
At beginning and end of year	(6,284,988)	(6,284,988)
	873,949,964	866,759,029

Included in land held for property development are:

(i) freehold land amounting to RM143,414,505 (30.9.2018: RM127,530,916; 1.10.2017: RM169,678,150) which have been pledged for term loan and revolving credit facilities granted to certain subsidiaries as disclosed in Note 29;

(ii) leasehold land amounting to RM19,040,009 (30.9.2018 and 1.10.2017: RM19,040,009) which have been charged for revolving credit facilities granted to certain subsidiaries as disclosed in Note 29; and

(iii) freehold and leasehold land amounting to RM295,900,485 (30.9.2018: RM284,461,990; 1.10.2017: RM257,621,706) represent entitlements of the landowners pursuant to joint land development agreements to undertake property development projects. The titles to the development land will be transferred from landowners to the property purchasers.

17. DEFERRED TAX ASSETS AND LIABILITIES

	The Group	
	2019 RM	2018 RM
Deferred tax assets		
At beginning of year	49,602,802	33,933,101
Recognised in profit or loss (Note 8)	(2,220,089)	15,669,701
At end of year	47,382,713	49,602,802
Deferred tax liabilities		
At beginning of year	(64,124,182)	(59,037,723)
Recognised in profit or loss (Note 8)	1,095,998	(5,150,471)
Recognised in other comprehensive income (Note 8)	(997,750)	(636,107)
Effect of movements in exchange rate	(301,421)	700,119
At end of year	(64,327,355)	(64,124,182)

	The Company	
	2019 RM	2018 RM
Deferred tax liabilities		
At beginning of year	(92,226)	(64,326)
Recognised in profit or loss (Note 8)	(1,274)	(1,400)
Recognised in other comprehensive income (Note 8)	-	(26,500)
At end of year	(93,500)	(92,226)

17. DEFERRED TAX ASSETS AND LIABILITIES (CONT'D)

Deferred tax assets and liabilities are attributable to the following:

	The Group 30.9.2019 RM	30.9.2018 RM	1.10.2017 RM
Deferred tax assets			
Deductible temporary differences arising from:			
Property, plant and equipment	(37,316)	(23,398)	703,943
Land held for property development	1,775,900	1,241,600	903,700
Property development costs	35,518,000	34,185,400	21,022,200
Receivables and deposits	131,799	21,370	542,128
Payables and accruals	7,884,730	10,161,430	9,844,330
Unused tax losses	2,090,700	4,006,800	916,800
Unabsorbed capital allowance	18,900	9,600	-
	47,382,713	49,602,802	33,933,101
Deferred tax liabilities			
Taxable temporary differences arising from:			
Property, plant and equipment	(11,554,318)	(10,008,069)	(9,243,497)
Investment properties	(3,001,506)	(3,001,706)	(2,957,506)
Property development costs	62,908	2,468,208	2,220,508
Inventories	513,300	440,400	765,900
Receivables and deposits	(598,100)	(574,900)	(192,225)
Provisions	3,348,989	2,026,421	2,863,387
Payables and accruals	(796,600)	(753,900)	(1,050,200)
Surplus arising from revaluation of land and buildings	(6,302,267)	(6,498,755)	(6,835,817)
Fair value adjustment in respect of investment properties	(12,526,593)	(13,142,593)	(6,656,265)
Fair value adjustment in respect of subsidiaries acquired	(34,865,468)	(36,861,388)	(39,431,108)
Unused tax losses	353,700	840,700	1,137,800
Unabsorbed capital allowances	746,100	559,100	341,300
Unutilised reinvestment allowances	292,500	382,300	-
	(64,327,355)	(64,124,182)	(59,037,723)

	The Company 30.9.2019 RM	30.9.2018 RM	1.10.2017 RM
Deferred tax liabilities			
Taxable temporary differences arising from:			
Property, plant and equipment	4,830	6,104	7,504
Surplus arising from revaluation of land and buildings	(98,330)	(98,330)	(71,830)
	(93,500)	(92,226)	(64,326)

The deferred tax assets and liabilities are not available for set-off as they arise from different taxable entities within the Group.

18. RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Note	The Group 30.9.2019 RM	30.9.2018 RM (Restated)	1.10.2017 RM (Restated)
Non-current				
Trade				
Loan receivables	(a)	23,920,529	20,989,966	20,766,372
Trade receivables	(d)	-	-	855,493
Prepayments	(b)	11,132,825	10,362,080	9,564,650
Other receivables	(c)	1,108,562	1,031,666	1,169,973
		36,161,916	32,383,712	32,356,488
Current				
Trade				
Trade receivables		128,846,387	189,976,534	162,995,590
Less: Allowance for impairment loss		(1,053,868)	(825,130)	(915,545)
	(d)	127,792,519	189,151,404	162,080,045
Finance lease receivables	(e)	-	-	890
Loan receivables	(a)	674,239	2,609,781	266,307
Less: Allowance for impairment loss		(116,286)	-	-
		557,953	2,609,781	266,307
		128,350,472	191,761,185	162,347,242
Current				
Non-trade				
Other receivables	(g)	45,686,181	35,306,484	24,022,155
Less: Allowance for impairment loss		(5,026,398)	(518,564)	(550,764)
		40,659,783	34,787,920	23,471,391
Deposits for development land acquisition		100,000	100,000	100,000
Joint venture deposits for land development	(h)	20,954,000	1,344,474	16,104,969
Other deposits	(i)	21,852,363	18,247,150	17,922,259
Prepayments	(j)	17,813,486	17,619,960	46,819,958
		229,730,104	263,860,689	266,765,819

18. RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D)

		The Company		
	Note	30.9.2019 RM	30.9.2018 RM	1.10.2017 RM
Non-Current				
Non-trade				
Amount due from subsidiaries	(f)	379,443,402	336,774,078	296,690,339
Less: Allowance for impairment loss		(178,000)	(178,000)	(178,000)
		379,265,402	336,596,078	296,512,339
Current				
Non-trade				
Amount due from subsidiaries	(f)	5,525,215	25,838,363	4,344,703
Other receivables	(g)	33,830	37,630	44,710
Less: Allowance for impairment loss		(33,830)	(36,530)	(43,730)
		-	1,100	980
Joint venture deposits for land development	(h)	15,000,000	-	-
Other deposits		30,000	30,000	33,000
		20,555,215	25,869,463	4,378,683

(a) Loan receivables

	The Group		
	30.9.2019 RM	30.9.2018 RM	1.10.2017 RM
Term loan (business)	24,594,768	23,599,747	21,028,947
Other loan	-	-	3,732
	24,594,768	23,599,747	21,032,679

The maturity profile of loan receivables is as follows:

	Term loan RM	Other loan RM	Total RM
30.9.2019			
Fixed rate instruments			
Receivable within 1 year	674,239	-	674,239
Receivable after 1 year but not later than 2 years	19,815,647	-	19,815,647
Receivable after 2 years but not later than 3 years	4,070,647	-	4,070,647
Receivable after 3 years but not later than 4 years	34,235	-	34,235
	24,594,768	-	24,594,768

18. RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D)

(a) Loan receivables (Cont'd)

The maturity profile of loan receivables is as follows:

	Term loan RM	Other loan RM	Total RM
30.9.2018			
Fixed rate instruments			
Receivable within 1 year	2,609,781	-	2,609,781
Receivable after 1 year but not later than 2 years	3,351,872	-	3,351,872
Receivable after 2 years but not later than 3 years	17,088,521	-	17,088,521
Receivable after 3 years but not later than 4 years	549,573	-	549,573
	23,599,747	-	23,599,747
1.10.2017			
Fixed rate instruments			
Receivable within 1 year	262,575	3,732	266,307
Receivable after 1 year but not later than 2 years	5,435,192	-	5,435,192
Receivable after 2 years but not later than 3 years	158,180	-	158,180
Receivable after 3 years but not later than 4 years	15,173,000	-	15,173,000
	21,028,947	3,732	21,032,679

The loan receivables bear effective interest at rates ranging from 5.0% to 8.5% (30.9.2018 and 1.10.2017: 5.0% to 12.0%) per annum.

The movement of allowance account used to record the impairment of loan receivables is as follows:

	The Group	
	2019 RM	2018 RM
At beginning of year	-	-
Additions	116,286	-
At end of year	116,286	-

(b) Included in non-current prepayments of the Group is an amount of RM9,485,916 (30.9.2018: RM9,333,363; 1.10.2017: RM8,152,285) in respect of property infrastructure costs incurred on a plot of land leased from PAK for a period of 60 years for future construction of a retail mall.

(c) This is in respect of an amount due from Plasma Farmers Cooperative in Indonesia. In accordance with the Indonesian Government policy, a subsidiary assumes the responsibilities to develop plantation for small land holders (known as Plasma Farmers) in addition to its own plantation. The subsidiary is also required to train and supervise the Plasma Farmers and purchase the fresh fruit bunches from the farmers at prices determined by the Government. The amount is unsecured, interest-free, to be settled in cash not within one year.

18. RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D)

(d) Trade receivables

(i) The Group's normal trade credit term ranges from 7 to 90 days (30.9.2018 and 1.10.2017: 7 to 90 days).

(ii) The ageing analysis of the Group's trade receivables is as follows:

	30.9.2019 RM	The Group 30.9.2018 RM	1.10.2017 RM
Neither past due nor impaired	105,624,308	166,700,611	147,235,616
1 to 30 days past due not impaired	12,591,096	9,371,488	9,649,393
31 to 60 days past due not impaired	6,916,293	4,396,999	3,224,736
61 to 90 days past due not impaired	869,024	1,651,926	775,930
More than 90 days past due not impaired	1,791,798	7,030,380	2,049,863
	22,168,211	22,450,793	15,699,922
Past due and impaired	1,053,868	825,130	915,545
	128,846,387	189,976,534	163,851,083

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired comprise property purchasers mostly are with end financing facilities from reputable end-financiers whilst the others are creditworthy customers with good payment records.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

Trade receivables of the Group amounting to RM22,168,211 (30.9.2018: RM22,450,793; 1.10.2017: RM15,699,922) which are past due but not impaired because there have been no significant changes in credit quality of the debtors and the amounts are still considered recoverable. The Group does not hold any collateral or other credit enhancements over these balances.

Receivables that are impaired

The movement of allowance accounts used to record the impairment is as follows:

	The Group 30.9.2019 RM	30.9.2018 RM
At beginning of year	825,130	915,545
Addition	626,174	77,374
No longer required	(250,778)	(25,662)
Written off	(146,658)	(142,127)
At end of year	1,053,868	825,130

18. RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D)

(d) Trade receivables (Cont'd)

Receivables that are impaired (Cont'd)

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payment. These receivables are not secured by any collateral or credit enhancements.

The Group always measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss ("ECLs"). The ECLs on trade receivables are estimated by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

(iii) Included in trade receivables of the Group are:

(a) retention sums amounting to RM47,508,022 (30.9.2018: RM61,444,985; 1.10.2017: RM71,415,710) held by stakeholders;

(b) amount of RM130,225 (30.9.2018: RM149,495 and 1.10.2017: RMNil) due from key management personnel of the Group in respect of purchase of development properties of the Group which include retention sum of RM43,525 (30.9.2018: RM43,525; 1.10.2017: RMNil) held by stakeholders;

(c) amount of RMNil (30.9.2018: RMNil; 1.10.2017: RM387,504) due from a corporate shareholder of a subsidiary in respect of purchase of development properties of the said subsidiary;

(d) amount of RMNil (30.9.2018: RM6,200; 1.10.2017: RMNil) due from a corporate in which a director of the Company has substantial interest in respect of purchase of development properties of the Group which include retention sum of RMNil (30.9.2018: RM6,200; 1.10.2017: RMNil) held by stakeholders;

(e) amount of RMNil (30.9.2018: RM10,075; 1.10.2017: RM20,150) due from a director of the Company in respect of purchase of development properties of the Group which represent retention sum of RMNil (30.9.2018: RM10,075; 1.10.2017: RM20,150) held by stakeholders;

(f) amount of RM79,550 (30.9.2018: RM256,080; 1.10.2017: RM73,725) due from a person connected to certain directors of the Company in respect of purchase of development properties of the Group which include retention sum of RM79,550 (30.9.2018: RM79,550; 1.10.2017: RM73,725) held by stakeholders; and

18. RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D)

(d) Trade receivables (Cont'd)

(iii) Included in trade receivables of the Group are: (Cont'd)

(g) amount of RM28,719 (30.9.2018: RM6,009,426; 1.10.2017: RM2,160,395) due from an associate.

(e) Finance lease receivables

	The Group	
	30.9.2019 RM	30.9.2018 RM
Receivable within 1 year		
Gross investment in finance lease receivables	1,108,695	1,109,195
Less: Unearned finance income	(88,856)	(88,856)
Present value of minimum lease payment receivables	1,019,839	1,020,339
Less: Allowance for impairment loss		
At beginning of year	(1,020,339)	(1,019,649)
Additions	-	(890)
No longer required	500	200
At end of year	(1,019,839)	(1,020,339)
	-	-

The finance lease receivables bear effective interest at 8.15% (30.9.2018 and 1.10.2017: 8.15%) per annum.

The maturity profile of finance lease receivables is as follows:

		The Group	
	30.9.2019 RM	30.9.2018 RM	1.10.2017 RM
Fixed rate instrument			
Receivable within 1 year	-	-	890

(f) Included in amount due from subsidiaries are unsecured amounts of:

(i) RM379,265,402 (30.9.2018: RM336,596,078; 1.10.2017: RM296,512,339) which bears interest at 5.79% (30.9.2018: 5.99%; 1.10.2017: 5.85%) per annum and is not expected to be settled within the next 12 months; and

(ii) RM5,525,215 (30.9.2018: RM25,838,363; 1.10.2017: RM4,344,703) which is interest-free and repayable on demand.

18. RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D)

(g) Included in other receivables of the Group and the Company are:

(i) an amount of RM17,124,894 (30.9.2018: RM8,752,676; 1.10.2017: RM3,621,392) being indirect taxes paid in advance to tax authorities;

(ii) an amount of RM5,996,149 (30.9.2018: RM4,825,917; 1.10.2017: RM4,198,434) being amount due from Plasma Farmers Cooperative in Indonesia; and

The movement of allowance account used to record the impairment of other receivables is as follows:

	The Group	
	2019 RM	2018 RM
At beginning of year	518,564	550,764
Additions	4,531,362	-
No longer required	(23,528)	(32,200)
At end of year	5,026,398	518,564

	The Company	
	2019 RM	2018 RM
At beginning of year	36,530	43,730
No longer required	(2,700)	(7,200)
At end of year	33,830	36,530

The impaired other receivables at the reporting date relate to debtors that have defaulted on payment. These receivables are not secured by any collateral or credit enhancements.

(h) The joint venture deposits of the Group and of the Company are paid to landowners in respect of Joint Venture Agreements ("Agreements") whereby the Group and the Company are responsible to implement and undertake the overall development projects on the land owned by the third parties upon fulfilment of the terms and conditions as stipulated in the Agreements. In the previous financial year, the Group reclassified joint venture deposits amounted to RM15,265,716 to property development costs upon fulfilment of terms and conditions stipulated in the Agreements as disclosed in Note 19.

(i) Included in other deposits of the Group is RM14,589,339 (30.9.2018: RM13,759,524; 1.10.2017: RM13,440,271) paid to the relevant authorities for property development projects.

18. RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D)

(j) Included in prepayments of the Group are:

(i) RMNil (30.9.2018: RMNil; 1.10.2017: RM1,290,188) paid for the acquisition of land in Indonesia. In the previous financial year, the Group reclassified prepayments amounted to RM1,290,188 to prepaid lease payments as disclosed in Note 12;

(ii) RM6,155,837 (30.9.2018: RM5,668,010; 1.10.2017: RM28,612,485) preliminary costs incurred in respect of future property development projects. In the previous financial year, the Group reclassified certain prepayments pertaining to joint venture projects amounted to RM28,597,733 to property development costs upon fulfilment of terms and conditions as stipulated in the agreement as disclosed in Note 19; and

(iii) an amount of RM8,706,155 (30.9.2018: RM11,349,748; 1.10.2017: RM12,669,284) paid to Trustee accounts for joint development of infrastructure projects with other developers.

19. PROPERTY DEVELOPMENT COSTS

	The Group	
	2019 RM	2018 RM
At cost:		
Freehold land		
At beginning of year	204,227,635	110,620,937
Additions	29,632,449	69,675,547
Reclassify to development costs	(18,392,560)	-
Transfer from land held for property development (Note 16)	4,586,972	59,693,359
Transfer from joint venture deposits (Note 18 (h))	-	15,265,716
Transfer from prepayments (Note 18 (j) (ii))	-	22,970,197
Transfer to inventories	-	(14,288,605)
Adjustment on completion of projects	-	(59,709,516)
At end of year	220,054,496	204,227,635
Leasehold land		
At beginning of year	185,805,272	228,498,496
Additions	3,572,508	119,886
Reversal of provision for landowners' entitlement	(305,988)	(2,154,229)
Transfer from land held for property development (Note 16)	11,552,782	18,277,835
Transfer to inventories	(5,066,956)	(9,341,879)
Adjustment on completion of projects	(52,589,086)	(49,594,837)
At end of year	142,968,532	185,805,272

19. PROPERTY DEVELOPMENT COSTS (CONT'D)

	The Group 2019 RM	The Group 2018 RM
Development costs		
At beginning of year	374,024,725	531,191,372
Additions	378,982,524	398,290,689
Reclassify from freehold land	18,392,560	-
Transfer from prepayments (Note 18 (j) (ii))	-	5,627,536
Transfer from land held for property development (Note 16)	51,604,717	21,981,744
Transfer to inventories	(13,937,380)	(162,543,802)
Adjustment on completion of projects	(215,941,375)	(420,522,814)
At end of year	593,125,771	374,024,725
Total land and development costs	956,148,799	764,057,632
Less: Costs recognised as an expense in profit or loss		
At beginning of year	297,343,435	395,341,528
Additions (Note 5)	510,596,216	431,829,074
Adjustment on completion of projects	(268,530,461)	(529,827,167)
At end of year	539,409,190	297,343,435
	416,739,609	466,714,197

Included in the above are:

(i) interest on borrowing capitalised for the financial year amounting to RMNil (30.9.2018: RM6,190,808; 1.10.2017: RM6,836,527);

(ii) titles of freehold land amounting to RM14,831,054 (30.9.2018: RM8,644,397; 1.10.2017: RM8,734,375) which have been pledged with a financial institution for term loan facility granted to certain subsidiaries as disclosed in Note 29;

(iii) titles of leasehold land amounting to RM62,643,600 (30.9.2018: RM62,643,600; 1.10.2017: RM116,905,077) which have been pledged with a financial institution for term loan facility granted to certain subsidiaries as disclosed in Note 29; and

(iv) freehold and leasehold land amounting to RM224,348,703 (30.9.2018: RM254,221,979; 1.10.2017: RM181,145,276) represent entitlements of the landowners pursuant to joint venture and joint land development agreements to undertake property development projects. The titles to the development land will be transferred from landowners to the property purchasers.

20. INVENTORIES

	The Group 30.9.2019 RM	 30.9.2018 RM	 1.10.2017 RM
At cost:			
Raw materials	268,940	461,498	512,371
Work-in-progress	169,600	260,665	639,863
Finished goods	1,083,362	1,651,881	1,424,203
Food and beverages	40,333	30,762	43,047
Plantation consumables	8,317,720	6,324,812	6,231,775
Fertilizers	9,051,615	9,226,966	1,508,120
Crude palm oil and palm kernel	3,526,480	15,905,043	7,455,514
Completed development properties	159,342,555	227,673,203	134,970,018
	181,800,605	261,534,830	152,784,911
At net realisable value:			
Completed development properties	12,050,000	12,050,000	400,000
	193,850,605	273,584,830	153,184,911

During the financial year, the cost of inventories recognised as an expense in cost of sales of the Group is RM280,359,101 (30.9.2018: RM279,412,883; 1.10.2017: RM270,014,521).

Included in inventories of the Group is an amount of RMNil (30.9.2018: RM37,629,751; 1.10.2017: RM28,702,454) being entitlements of the landowner pursuant to Joint Venture Agreements to undertake a property development projects.

21. CONTRACT ASSETS AND LIABILITIES

	The Group 30.9.2019 RM	 30.9.2018 RM	 1.10.2017 RM
Contract assets	281,297,699	198,704,864	152,556,850
Contract liabilities	(2,141,093)	-	(870,000)
Net	279,156,606	198,704,864	151,686,850

	The Group 2019 RM	 2018 RM
At beginning of the year	198,704,864	151,686,850
Consideration paid/payable to customers	169,975,605	110,566,052
Revenue recognised during the year (Note 4)	698,864,661	616,381,006
Progress billing during the year	(788,388,524)	(679,929,044)
	279,156,606	198,704,864

21. CONTRACT ASSETS AND LIABILITIES (CONT'D)

Revenue from property development activities is recognised over time using the cost-based input method, which is measured on the basis of the Group's efforts or inputs to the property development costs incurred to date relative to the total expected property development costs.

The transaction price allocated to the unsatisfied performance obligations as at 30 September 2019 is RM1,115,128,882. The remaining performance obligations are expected to be recognised within the remaining 4 years.

The Group has applied the practical expedient in MFRS 15 whereby the transaction price allocated to unsatisfied or partially unsatisfied performance obligations as at 30 September 2018 is not disclosed.

22. BIOLOGICAL ASSETS

	The Group 2019 RM	2018 RM (Restated)
Net Book Value		
At beginning of year	5,960,459	5,041,948
Changes in fair value	(1,170,893)	1,533,164
Effect of movements in exchange rate	392,168	(614,653)
At end of year	5,181,734	5,960,459

The biological assets of the Group comprise fresh fruit bunches ("FFB") prior to harvest. Management has considered FFB less than 15 days before harvesting in the calculation of fair value. FFB more than 15 days before harvesting are excluded from the valuation as their fair values are considered negligible.

The fair value measurement of the biological assets is valued using present value of net cashflows expected to be generated from the sale of FFB, adjusted for estimated oil content of unharvested FFB, less harvesting, transport and other costs to sell and is categorised within Level 3 of the fair value hierarchy is disclosed in Note 42.

During the financial year, the Group harvested approximately 459,222 metric tonnes ("MT") of FFB (30.9.2018: 464,774 MT; 1.10.2017: 397,569 MT).

23. CASH, BANK BALANCES, TERM DEPOSITS AND FIXED INCOME FUNDS

	The Group 30.9.2019 RM	30.9.2018 RM	1.10.2017 RM
Deposits with licensed banks	10,325,296	12,611,412	8,830,105
Cash and bank balances	128,387,261	106,698,370	132,260,508
Cash held under housing development accounts	241,678,107	78,206,979	91,347,222
Fixed income funds:			
Redeemable at call	8,862,827	1,476,808	10,378,499
Redeemable upon 1 day notice	13,643,057	17,953,612	11,183,738
Redeemable upon 5 days notice	2,259,458	10,779,035	10,609,703
	405,156,006	227,726,216	264,609,775

23. CASH, BANK BALANCES, TERM DEPOSITS AND FIXED INCOME FUNDS (CONT'D)

	The Company		
	30.9.2019 RM	30.9.2018 RM	1.10.2017 RM
Cash and bank balances	593,455	3,941,479	12,145,700

The deposits bear effective interest at rates ranging from 2.19% to 3.86% (30.9.2018: 1.56% to 5.05%; 1.10.2017: 1.56% to 3.67%) per annum with maturity period ranging from 30 days to 365 days (30.9.2018 and 1.10.2017: 15 days to 365 days).

Fixed income funds represent investment in highly liquid money market funds, which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

Cash held under housing development accounts represent amounts placed in Housing Development Accounts ("HDA") in accordance with Section 7(A) of the Housing Development (Control and Licensing) Act, 1966 (Amended 2002). These HDA accounts, which consist of monies received from purchasers, are for the payment of property development costs incurred. The surplus monies in these accounts, if any, will be released to the Group in accordance with the provisions of the Act.

The non-short term and highly liquid fixed deposits of RM8,113,020 (30.9.2018: RM10,105,200; 1.10.2017: RM4,312,380) included in deposit with licensed banks have maturity period of more than 3 months.

Cash and cash equivalents held by the Group which are not freely available for general use are as follows:

(i) deposits amounting to RM2,000,000 (30.9.2018 and 1.10.2017: RM2,000,000) pledged for bank guarantee facilities granted to a subsidiary;

(ii) bank balances of RM13,649,248 (30.9.2018: RM16,142,455; 1.10.2017: RM16,480,238) pledged as restricted fund held as security for the credit facilities as disclosed in Note 29; and

(iii) deposit and bank balances of RM33,614 (30.9.2018: RM27,795; 1.10.2017: RM24,377) held under sinking fund account for the recreational club.

24. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

	The Group	
	2019 RM	2018 RM
At cost:		
At beginning of year	-	22,549,538
Transfer (to)/from land held for property development (Note 16)	1,543,550	(12,521,988)
Disposals	-	(10,027,550)
At end of year	1,543,550	-

24. NON-CURRENT ASSETS CLASSFIED AS HELD FOR SALE (CONT'D)

This was in respect of the sales and purchase agreement entered into between a subsidiary and third parties for disposal of leasehold land held under land held for property development:

2019:

(i) on 3 December 2018 for the disposal of a piece of leasehold land located at Hillpark Shah Alam for a total cash consideration of RM298,427; and

(ii) on 3 December 2018 for the disposal of a piece of leasehold land located at Hillpark Shah Alam for a total cash consideration of RM1,441,996.

2018:

(i) on 6 January 2016 for the disposal of a piece of leasehold land located at Hillpark Shah Alam for a total cash consideration of RM9,500,000;

(ii) on 16 January 2017 for the disposal of a piece of leasehold land located at Hillpark Shah Alam for a total cash consideration of RM7,587,739;

(iii) on 16 May 2017 for the disposal of a piece of leasehold land located at Hillpark Shah Alam for a total cash consideration of RM11,273,000; and

(iv) on 9 February 2018 for the disposal of a piece of leasehold land located at Hillpark Shah Alam for a total cash consideration of RM2,247,696.

The sales and purchase agreements entered on 16 January 2017 and 16 May 2017 respectively have been revoked in the previous financial year and the land cost has been transferred to land held for property development.

The disposals of leasehold land located at Hillpark Shah Alam as mentioned in 2018 (i) and (iv) above were completed in the previous financial year.

25. SHARE CAPITAL

	The Group and The Company			
	Number of shares		Amount	
	Share capital (issued and fully paid-up)	Treasury shares	Share capital (issued and fully paid-up) RM	Treasury shares RM
2019				
At beginning of year	586,548,168	(4,038,600)	654,458,655	(5,437,937)
Share buy back	-	(3,475,000)	-	(4,199,140)
At end of year	586,548,168	(7,513,600)	654,458,655	(9,637,077)
2018				
At beginning of year	562,901,922	-	613,315,284	-
Issuance of shares pursuant to warrants	23,646,246	-	41,143,371	-
Share buy back	-	(4,038,600)	-	(5,437,937)
At end of year	586,548,168	(4,038,600)	654,458,655	(5,437,937)

25. SHARE CAPITAL (CONT'D)

(a) Share capital

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

(b) Treasury shares

Treasury shares relate to ordinary shares of the Company that are held by the Company. The amount consists of the acquisition costs of treasury shares net of the proceeds received on their subsequent sale or issuance.

The Company acquired 3,475,000 (30.9.2018: 4,038,600; 1.10.2017: Nil) shares in the Company through purchases on the Bursa Malaysia Securities Berhad during the financial year. The total amount paid to acquire the shares including transaction costs was RM4,199,140 (30.9.2018: RM5,437,937; 1.10.2017: RMNil) and this was presented as a component within shareholders' equity.

The directors of the Company are committed to enhancing the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders. The repurchase transactions were financed by internally generated funds. The shares repurchased are held as treasury shares.

26. RESERVES

		The Group	
	30.9.2019 RM	30.9.2018 RM (Restated)	1.10.2017 RM (Restated)
Non-distributable			
Translation reserve	(4,551,006)	(6,789,776)	(3,428,618)
Revaluation reserve	23,402,037	23,402,037	23,533,537
Warrant reserve	-	-	4,761,173
	18,851,031	16,612,261	24,866,092
Distributable			
Retained earnings	952,212,746	887,002,206	843,577,533
	971,063,777	903,614,467	868,443,625

26. RESERVES (CONT'D)

	The Company 30.9.2019 RM	30.9.2018 RM	1.10.2017 RM
Non-distributable			
Revaluation reserve	620,407	620,407	646,907
Warrant reserve	-	-	4,761,173
	620,407	620,407	5,408,080
Distributable			
Retained earnings	402,096,741	374,512,623	345,514,351
	402,717,148	375,133,030	350,922,431

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations as well as the foreign currency differences arising from monetary items which form part of the Group's net investment in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation or another currency.

Revaluation reserve

The revaluation reserve relates to the revaluation of land and buildings.

Warrant reserve

On 31 December 2012, the Company allotted and issued 29,104,378 free warrants constituted under the deed poll dated 23 November 2012.

The salient features of the warrants are as follows:

(i) entitles its registered holders to subscribe for one (1) new ordinary share at the exercise price during the exercise period;

(ii) the exercise price is RM2.26 per share subject to adjustments in accordance with the provisions of the deed poll executed; and

(iii) the warrants may be exercised at any time for a period of five years from 31 December 2012 to 30 December 2017 ("exercise period"). Warrants that are not exercised during the exercise period will thereafter lapse and become void.

The warrants expired on 29 December 2017.

Retained earnings

Distributable reserves are those available for distribution as dividends. The entire retained earnings of the Company are available to be distributed as single tier dividends to the shareholders of the Company.

27. PROVISIONS

	Post-employment benefit obligations RM	Retirement gratuity RM	Total RM
The Group			
2019			
At beginning of year	8,732,893	20,183,386	28,916,279
Provision during the financial year	10,117,286	-	10,117,286
Incurred during the financial year	(785,667)	-	(785,667)
Remeasurement gain on defined benefit plans:			
Actuarial gain arising from experience adjustments	(4,090,635)	-	(4,090,635)
Effect of movements in exchange rate	587,483	-	587,483
At end of year	14,561,360	20,183,386	34,744,746
2018			
At beginning of year	11,453,546	20,183,386	31,636,932
Provision during the financial year	1,497,090	-	1,497,090
Incurred during the financial year	(1,031,517)	-	(1,031,517)
Remeasurement gain on defined benefit plans:			
Actuarial gain arising from experience adjustments	(2,200,700)	-	(2,200,700)
Effect of movements in exchange rate	(985,526)	-	(985,526)
At end of year	8,732,893	20,183,386	28,916,279

The above provisions are classified as follows:

	Post-employment benefit obligations RM	Retirement gratuity RM	Total RM
The Group			
30.9.2019			
Non-current	14,561,360	-	14,561,360
Current	-	20,183,386	20,183,386
	14,561,360	20,183,386	34,744,746
30.9.2018			
Non-current	8,732,893	-	8,732,893
Current	-	20,183,386	20,183,386
	8,732,893	20,183,386	28,916,279
1.10.2017			
Non-current	11,453,546	-	11,453,546
Current	-	20,183,386	20,183,386
	11,453,546	20,183,386	31,636,932

27. PROVISIONS (CONT'D)

(a) Post-employment benefit obligations

Two subsidiaries of the Company in Indonesia operate unfunded defined benefit schemes, as required under the Labour Law of the Republic of Indonesia. The defined benefit schemes expose the Group to actuarial risks, such as longetivity risk and interest rate risk.

The amount recognised in the consolidated statements of financial position is determined as follows:

		The Group	
	30.9.2019	30.9.2018	1.10.2017
	RM	RM	RM
Present value of obligations	14,561,360	8,732,893	11,453,546

Movement in the present value of unfunded defined benefit scheme in the current financial year are as follows:

	The Group	
	2019	2018
	RM	RM
At beginning of year	8,732,893	11,453,546
Amounts recognised in profit or loss (Note 6):		
Current service costs	3,983,020	4,283,727
Interest on obligation	1,281,687	775,264
Past service cost	4,852,579	(3,561,901)
	10,117,286	1,497,090
Amounts recognised in other comprehensive income:		
Remeasurement gain	(4,090,635)	(2,200,700)
Benefit paid	(785,667)	(1,031,517)
Effect of movements in exchange rates	587,483	(985,526)
At end of year	14,561,360	8,732,893

27. PROVISIONS (CONT'D)

(a) Post-employment benefit obligations (Cont'd)

The defined benefit obligation expenses were determined based on actuarial valuations prepared by an independent actuary using the projected unit credit method. Principal assumptions at reporting date are as follows:

		The Group	
	30.9.2019 RM	30.9.2018 RM	1.10.2017 RM
Discount rate	8.25%	9.25% - 9.75%	7.5%
Future salary increase	8%	10%	10%
Mortality rate	100%TMI3	100%TMI3	100%TMI3
Resignation rate	4% - 9% until age of 30 - 32 then decrease linearly to 0% at age of 57	4% - 9% until age of 30 - 32 then decrease linearly to 0% at age of 56	4% - 9% until age of 30 - 32 then decrease linearly to 0% at age of 55
Disability	5% of mortality rate	5% of mortality rate	5% of mortality rate
Normal retirement age	57	56	55

Sensitivity analysis

The sensitivity analysis below has been determined based on reasonably possible changes in the discount rate and future salary increase occurring at the reporting date, while holding all other assumptions constant.

		The Group Increase/(Decrease) in profit	
	30.9.2019 RM	30.9.2018 RM	1.10.2017 RM
Discount rate increase by 1%	1,411,923	829,352	1,260,891
Discount rate decrease by 1%	(1,665,602)	(1,159,590)	(1,507,646)
Future salary increase by 1%	(1,675,289)	(1,153,089)	(1,472,743)
Future salary decrease by 1%	1,445,264	841,389	1,258,670

The sensitivity analysis presented above has been determined using deterministic method and may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

At 30 September 2019, the weighted-average duration of the defined benefit obligation was 15.52 to 18.50 years (30.9.2018: 18.28 to 22.18 years; 1.10.2017: 17.95 to 21.90 years).

27. PROVISIONS (CONT'D)

(a) Post-employment benefit obligations (Cont'd)

Sensitivity analysis (Cont'd)

The benefits, which reflect the expected future services, as appropriate are expected to be paid as follows:

	The Group		
	30.9.2019 RM	30.9.2018 RM	1.10.2017 RM
Within 1 year	862,263	469,189	577,278
Between 2 and 5 years	6,661,519	3,984,844	4,440,283
After 5 years	16,848,935	11,852,637	15,087,817
	24,372,717	16,306,670	20,105,378

(b) Retirement gratuity

Provision for retirement gratuity are for certain eligible directors. The accounting policy in respect of the retirement gratuity scheme is disclosed in Note 3(f)(iii).

28. PAYABLES AND ACCRUALS

		The Group		
	Note	30.9.2019 RM	30.9.2018 RM	1.10.2017 RM
Non-current				
Landowners' entitlement	(a)	294,501,382	273,233,000	326,856,547
Retention sum payable to subcontractors after one year		15,210,808	16,073,920	19,655,167
		309,712,190	289,306,920	346,511,714
Current				
Trade				
Trade payables	(b)	277,270,307	279,167,694	225,103,708
Landowners' entitlement	(a)	130,036,194	144,978,155	108,362,901
Retention sum payable to subcontractors within one year		46,050,150	44,171,905	52,638,403
Non-trade				
Deferred revenue	(d)	9,839,466	9,158,189	16,308,921
Other payables		49,525,019	27,955,538	25,227,206
Deposits received	(e)	13,684,831	14,857,889	16,752,330
Advances from customers	(f)	9,847,132	7,353,983	5,997,888
Accruals	(g)	30,426,790	45,660,079	47,109,342
		566,679,889	573,303,432	497,500,699

28. PAYABLES AND ACCRUALS (CONT'D)

	Note	30.9.2019 RM	The Company 30.9.2018 RM	1.10.2017 RM
Current				
Non-trade				
Amount due to subsidiaries	(c)	12,343	8,160	12,720
Other payables		55,960	65,800	341,247
Accruals	(g)	701,218	465,976	990,767
		769,521	539,936	1,344,734

(a) These are in respect of payable for landowners' entitlement under deferred payment term pursuant to the joint land development agreements and joint venture agreements entered into with the landowners. Pursuant to the said agreements, the entitlements are determined based on agreed percentage on the total development units and/or total gross development value net of trade discount, where applicable, of the property development projects. These deferred payables are measured at amortised cost at imputed interest rates ranging from 5.56% to 10.00% (30.9.2018: 5.81% to 10.00%; 1.10.2017: 5.61% to 10.00%) per annum.

(b) The normal trade credit term granted to the Group ranges from 7 to 90 days (30.9.2018 and 1.10.2017: 7 to 90 days) unless as specified in the agreements.

Included in trade payables is amount due to an associate of the Group of RM7,465,019 (30.9.2018: RM6,587,169; 1.10.2017: RM2,668,949) which include retention sum of RM7,465,019 (30.9.2018: RM5,675,820; 1.10.2017: RM2,668,949).

(c) Amount due to subsidiaries of the Company is unsecured, interest-free and is repayable on demand.

(d) The deferred revenue arises in respect of the progress billings issued in relation to the disposal of inventories and is expected to be recognised within 12 months.

(e) Included in deposits received of the Group are:

(i) an amount of RM8,027,806 (30.9.2018: RM8,930,313; 1.10.2017: RM8,894,376) being rental, utilities and other deposits received from tenants; and

(ii) an amount of RM4,112,332 (30.9.2018: RM3,564,929; 1.10.2017: RM2,616,463) being downpayment from purchasers of development properties.

(f) Advances from customers of the Group is downpayment from purchasers of crude palm oil and palm kernel.

(g) Included in accruals of the Group are accrued legal and professional fees and agents commission totalling RM17,871,219 (30.9.2018: RM33,502,220; 1.10.2017: RM35,179,447) in respect of on-going property development projects.

29. LOANS AND BORROWINGS

	The Group		
	30.9.2019 RM	30.9.2018 RM	1.10.2017 RM
Non-current			
Term loans			
Secured:			
RM	66,089,198	54,536,695	108,043,061
United States Dollar	93,375,783	137,183,569	193,813,565
Revolving credits			
Secured:			
RM	153,522,750	157,815,750	141,130,907
Finance lease liabilities			
RM	695,248	955,169	1,151,820
	313,682,979	350,491,183	444,139,353
Current			
Term loans			
Secured:			
RM	5,557,345	39,028,182	55,833,339
United States Dollar	24,729,898	32,812,595	28,504,262
Unsecured:			
RM	-	-	3,000,000
United States Dollar	16,725,320	-	-
Bridging loan			
Secured:			
RM	-	-	6,306,911
Revolving credits			
Secured:			
RM	113,000,000	100,453,407	117,476,301
United States Dollar	56,447,955	44,050,466	53,438,636
Unsecured:			
RM	138,000,000	92,100,000	60,500,000
United States Dollar	8,790,330	8,300,524	-
Bank overdrafts			
Secured:			
RM	3,315,044	3,187,603	1,987,551
Unsecured:			
RM	3,978,915	1,601,813	508,170
Finance lease liabilities			
RM	536,475	730,903	822,294
	371,081,282	322,265,493	328,377,464
	684,764,261	672,756,676	772,516,817

29. LOANS AND BORROWINGS (CONT'D)

	The Company		
	30.9.2019 RM	30.9.2018 RM	1.10.2017 RM
Current			
Revolving credits			
Unsecured:			
RM	138,000,000	92,100,000	60,500,000
United States Dollar	4,609,000	-	-
Bank overdrafts			
Unsecured:			
RM	3,860,068	1,601,813	-
	146,469,068	93,701,813	60,500,000

29. LOANS AND BORROWINGS (CONT'D)

The maturity profile of loans and borrowings of the Group is as follows:

The Group 30.9.2019	**Carrying amount RM**	**Within 1 year RM**	**1-2 years RM**	**2-3 years RM**	**3-4 years RM**	**4-5 years RM**	**More than 5 years RM**
Fixed rate instrument							
Finance lease liabilities							
RM	1,231,723	536,475	272,829	201,286	165,201	55,932	-
Floating rate instruments							
Term loans							
Secured:							
RM	71,646,543	5,557,345	40,994,325	20,172,462	1,947,643	337,662	2,637,106
United States Dollar	118,105,681	24,729,898	44,983,092	40,049,123	8,343,568	-	-
Unsecured:							
United States Dollar	16,725,320	16,725,320	-	-	-	-	-
Revolving credits							
Secured:							
RM	266,522,750	113,000,000	54,300,000	46,878,750	12,900,000	10,000,000	29,444,000
United States Dollar	56,447,955	56,447,955	-	-	-	-	-
Unsecured:							
RM	138,000,000	138,000,000	-	-	-	-	-
United States Dollar	8,790,330	8,790,330	-	-	-	-	-
Bank overdrafts							
Secured:							
RM	3,315,044	3,315,044	-	-	-	-	-
Unsecured:							
RM	3,978,915	3,978,915	-	-	-	-	-
	683,532,538	370,544,807	140,277,417	107,100,335	23,191,211	10,337,662	32,081,106
	684,764,261	371,081,282	140,550,246	107,301,621	23,356,412	10,393,594	32,081,106

29. LOANS AND BORROWINGS (CONT'D)

The maturity profile of loans and borrowings of the Group is as follows (Cont'd):

The Group 30.9.2018	Carrying amount RM	Within 1 year RM	1-2 years RM	2-3 years RM	3-4 years RM	4-5 years RM	More than 5 years RM
Fixed rate instrument							
Finance lease liabilities							
RM	1,686,072	730,903	485,198	218,967	144,837	106,167	-
Floating rate instruments							
Term loans							
Secured:							
RM	93,564,877	39,028,182	36,420,532	12,967,852	1,539,227	851,283	2,757,801
United States Dollar	169,996,164	32,812,595	44,545,823	44,628,828	39,731,519	8,277,399	-
Revolving credits							
Secured:							
RM	258,269,157	100,453,407	32,281,750	45,090,000	36,000,000	5,000,000	39,444,000
United States Dollar	44,050,466	44,050,466	-	-	-	-	-
Unsecured:							
RM	92,100,000	92,100,000	-	-	-	-	-
United States Dollar	8,300,524	8,300,524	-	-	-	-	-
Bank overdrafts							
Secured:							
RM	3,187,603	3,187,603	-	-	-	-	-
Unsecured:							
RM	1,601,813	1,601,813	-	-	-	-	-
	671,070,604	321,534,590	113,248,105	102,686,680	77,270,746	14,128,682	42,201,801
	672,756,676	322,265,493	113,733,303	102,905,647	77,415,583	14,234,849	42,201,801

29. LOANS AND BORROWINGS (CONT'D)

The maturity profile of loans and borrowings of the Group is as follows (Cont'd):

The Group 1.10.2017	Carrying amount RM	Within 1 year RM	1-2 years RM	2-3 years RM	3-4 years RM	4-5 years RM	More than 5 years RM
Fixed rate instrument							
Finance lease liabilities							
RM	1,974,114	822,294	675,813	381,818	87,304	6,885	-
Floating rate instruments							
Term loans							
Secured:							
RM	163,876,400	55,833,339	50,371,199	22,863,163	12,839,227	12,839,227	9,130,245
United States Dollar	222,317,827	28,504,262	53,797,516	45,387,965	45,539,940	40,610,389	8,477,755
Unsecured:							
RM	3,000,000	3,000,000	-	-	-	-	-
Bridging loan							
Secured:							
RM	6,306,911	6,306,911	-	-	-	-	-
Revolving credits							
Secured:							
RM	258,607,208	117,476,301	34,766,227	22,881,750	22,000,000	61,482,930	-
United States Dollar	53,438,636	53,438,636	-	-	-	-	-
Unsecured:							
RM	60,500,000	60,500,000	-	-	-	-	-
Bank overdrafts							
Secured:							
RM	1,987,551	1,987,551	-	-	-	-	-
Unsecured:							
RM	508,170	508,170	-	-	-	-	-
	770,542,703	327,555,170	138,934,942	91,132,878	80,379,167	114,932,546	17,608,000
	772,516,817	328,377,464	139,610,755	91,514,696	80,466,471	114,939,431	17,608,000

29. LOANS AND BORROWINGS (CONT'D)

The maturity profile of loans and borrowings of the Group is as follows (Cont'd):

The Company	Carrying amount RM	Within 1 year RM	1-2 years RM	2-3 years RM	3-4 years RM	4-5 years RM	More than 5 years RM
30.9.2019							
Floating rate instruments							
Revolving credits							
Unsecured:							
RM	138,000,000	138,000,000	-	-	-	-	-
United States Dollar	4,609,000	4,609,000	-	-	-	-	-
Bank overdraft							
Unsecured:							
RM	3,860,068	3,860,068	-	-	-	-	-
	146,469,068	146,469,068	-	-	-	-	-
30.9.2018							
Floating rate instruments							
Revolving credits							
Unsecured:							
RM	92,100,000	92,100,000	-	-	-	-	-
Bank overdraft							
Unsecured:							
RM	1,601,813	1,601,813	-	-	-	-	-
	93,701,813	93,701,813	-	-	-	-	-
1.10.2017							
Floating rate instruments							
Revolving credits							
Unsecured:							
RM	60,500,000	60,500,000	-	-	-	-	-

29. LOANS AND BORROWINGS (CONT'D)

Finance lease liabilities

Finance lease liabilities are payable as follows:

The Group	30.9.2019 Future minimum lease payments RM	30.9.2019 Finance charges RM	30.9.2019 Present value of minimum lease payments RM	30.9.2018 Future minimum lease payments RM	30.9.2018 Finance charges RM	30.9.2018 Present value of minimum lease payments RM	1.10.2017 Future minimum lease payments RM	1.10.2017 Finance charges RM	1.10.2017 Present value of minimum lease payments RM
Less than one year	580,545	44,070	536,475	792,448	61,545	730,903	895,491	73,197	822,294
Between one and five years	741,938	46,690	695,248	1,014,223	59,054	955,169	1,203,428	51,608	1,151,820
	1,322,483	90,760	1,231,723	1,806,671	120,599	1,686,072	2,098,919	124,805	1,974,114

29. LOANS AND BORROWINGS (CONT'D)

The finance lease liabilities bear effective interest at rates ranging from 1.71% to 6.00% (30.9.2018: 1.71% to 6.59%; 1.10.2017: 1.71% to 6.59%) per annum.

The term loans, bridging loan and revolving credits bear effective interest at rates ranging from 3.68% to 5.95% (30.9.2018: 4.47% to 5.87%; 1.10.2017: 3.90% to 7.20%) per annum.

The bank overdrafts bear effective interest at rates ranging from 6.70% to 7.95% (30.9.2018: 7.32% to 7.90%; 1.10.2017: 7.60% to 7.65%) per annum.

Secured revolving credit I of RM49,444,000 (30.9.2018 and 1.10.2017: RM49,444,000) is part of the total revolving credit of RM50,000,000 which is repayable by way of redemption upon the full settlement of secured revolving credit II. **Secured revolving credit II** of RM66,000,000 (30.9.2018: RM78,038,930; 1.10.2017: RM100,038,930) is part of the total revolving credit of RM110,000,000 which is repayable by 10 equal half yearly principal instalments of RM11,000,000 each over 8 years commencing on the first day of the 42nd month following the date of first drawdown or payment by way of redemption whichever is earlier. **Secured revolving credit III** of RM29,578,750 (30.9.2018: RM26,690,000; 1.10.2017: RMNil) is part of the total revolving credit of RM90,000,000 which is repayable by 18 equal quarterly principal instalments of RM5,000,000 each over 4 1/2 year commencing on the first day of the 31st month following the date of first drawdown or payment by way of redemption whichever is earlier. The revolving credits are secured and supported as follows:

(a) legal charge over the freehold land for property development of a subsidiary;

(b) corporate guarantee of the Company; and

(c) 3rd party specific debenture by way of fixed and floating charge over the land held for property development of a subsidiary.

Term loan I of RMNil (30.9.2018: RM7,724,980; 1.10.2017: RM15,044,980) is part of total term loan of RM22,000,000 which is repayable by 11 quarterly principal instalments of RM1,830,000 each and final payment of RM1,870,000 or any balance outstanding with the first repayment to commence on 39th month from the date of first reimbursement or payment by way of redemption whichever is earlier. **Term loan II** of RM3,458,409 (30.9.2018: RM22,033,429; 1.10.2017: RM35,393,429) is part of the total term loan of RM40,000,000 which is repayable by 11 equal quarterly principal instalments of RM3,340,000 each and final payment of RM3,260,000 or any balance outstanding with the first repayment to commence on 39th month from the day of first reimbursement or payment by way of redemption whichever is earlier. The secured term loans are secured and supported as follows:

(a) specific debenture over the project land of a subsidiary;

(b) corporate guarantee of the Company; and

(c) legal charge over freehold land held for property development of a subsidiary.

29. LOANS AND BORROWINGS (CONT'D)

Term loan III of RM26,059,530 (30.9.2018: RM30,178,625; 1.10.2017: RM50,000,000) is repayable by 16 quarterly principal instalments of RM3,125,000 each commencing April 2019 and is secured and supported as follows:

(a) legal charge over leasehold land held for property development of a subsidiary;

(b) joint and several guarantee of the directors of a subsidiary; and

(c) corporate guarantee of the Company.

Term loan IV of RM16,334,800 (30.9.2018: RM7,898,025; 1.10.2017: RMNil) is part of total term loan of RM27,500,000 and is repayable by 8 quarterly principal instalments of RM3,437,500 each and commencing 27 months from the date of the disbursement or by way of redemption whichever is earlier. **Secured revolving credit IV** of RM10,000,000 (30.9.2018: RM10,000,000; 1.10.2017: RMNil) is repayable by 4 quarterly principal instalments of RM2,500,000 each and commencing 39 months from the date of the disbursement. The term loan and revolving credit are secured and supported as follows:

(a) legal charge over the leasehold land of a subsidiary;

(b) specific debenture over the project land of a subsidiary;

(c) assignment over all applicable insurance policies;

(d) deed of assignment over designated accounts; and

(e) corporate guarantee of the Company.

Secured revolving credit V of RM20,000,000 (30.9.2018: RM20,000,000; 1.10.2017: RM20,000,000) and **secured bank overdraft I** of RMNil (30.9.2018: RM3,187,603; 1.10.2017: RMNil) are repayable on demand and are secured and supported as follows:

(a) legal charge over the leasehold land held for property development of a subsidiary; and

(b) corporate guarantee of the Company.

Term loan V of RMNil (30.9.2018: RM6,994,304; 1.10.2017: RM20,994,304) is repayable by 10 quarterly principal instalments of RM3,500,000 each commencing December 2016 and is secured and supported as follows:

(a) legal charge over freehold land held for property development of a subsidiary; and

(b) corporate guarantee of the Company.

29. LOANS AND BORROWINGS (CONT'D)

Term loan VI of RM1,335,093 (30.9.2018 and 1.10.2017: RMNil) is part of the total term loan of RM10,000,000 and is repayable by 4 quarterly principal instalments of RM2,500,000 each with the first repayment to commence on 27th month following the date of first drawdown and is secured and supported as follows:

(a) specific debenture over the project land of a subsidiary;

(b) assignment over all applicable insurance policies;

(c) assignment over designated accounts; and

(d) corporate guarantee of the Company.

Term loan VII of RMNil (30.9.2018: RMNil; 1.10.2017: RM384,253) is part of the total term loan of RM13,000,000 and is repayable by 5 quarterly principal instalments of RM2,167,000 each and final principal instalment of RM2,165,000 or any balance outstanding with the first repayment to commence on the 33rd month following the date of first drawdown or payment by way of redemption whichever is earlier. **Secured revolving credit VI** of RMNil (30.9.2018: RM4,000,000; 1.10.2017: RMNil) is part of total revolving credit of RM5,000,000 and is repayable by 4 quarterly principal instalments of RM1,250,000 each with the first repayment to commence on 39th month following the date of first drawdown or payment by way of redemption whichever is earlier. The term loan and revolving credit are secured and supported as follows:

(a) legal charge over the freehold land held for property development of a subsidiary;

(b) specific debenture over the project land of a subsidiary; and

(c) corporate guarantee of the Company

Term loan VIII of RM13,121,570 (30.9.2018: RM4,843,597; 1.10.2017: RMNil) is part of the total term loan of RM55,000,000 and repayable by 9 quarterly principal instalments over 3 years commencing on the first day of the 30th month following the date of first drawdown or payment by way of redemption whichever is earlier. **Secured revolving credit VII** of RM12,900,000 (30.9.2018: RM1,400,000; 1.10.2017: RMNil) is part of the total revolving credit of RM15,000,000 is repayable by 3 quarterly principal instalments of RM5,000,000 each over 2 years commencing on the first day of the 36th month following the date of first drawdown or payment by way of redemption whichever is earlier. The term loan and revolving credit are secured and supported as follows:

(a) specific charge and assignment over all designated accounts to be opened with the bank of a subsidiary;

(b) specific debenture by way of fixed and floating charge over all present of future assets in relation to the project of a subsidiary; and

(c) corporate guarantee of the Company.

29. LOANS AND BORROWINGS (CONT'D)

Secured revolving credits VIII of RM2,300,000 (30.9.2018 and 1.10.2017: RMNil) is part of the total revolving credits of RM8,000,000 and is repayable by 3 yearly repayment commencing 24 months from the day of first drawdown or payment by way of redemption whichever is earlier. The revolving credit is secured and supported as follows:

(a) specific debenture by way of fixed and floating charge over all present of future assets in relation to the projects of a subsidiary;

(b) assignment of sales proceeds to be deposited into the designated accounts;

(c) assignment over all applicable insurance policies;

(d) legal charge over the all designated accounts; and

(e) corporate guarantee of the Company;

Term loan IX of RM2,300,000 (30.9.2018 and 1.10.2017: RMNil) is part of the total term loan of RM28,000,000 and is repayable by 6 quarterly principal instalments of RM4,700,000 each and final payment of RM4,500,000 or any balance outstanding with the first repayment to commence on 33rd month following the date of first drawdown or payment by way of redemption whichever is earlier. **Secured revolving credits IX** of RM10,300,000 (30.9.2018 and 1.10.2017: RMNil) is part of the total revolving credits of RM15,000,000 and is repayable by 4 quarterly principal instalments of RM3,750,000 each or any balance outstanding with the first repayment to commence 39th month of first drawdown or payment by way of redemption whichever is earlier. The term loan and revolving credit are secured and supported as follows:

(a) specific debenture over the project land of a subsidiary;

(b) assignment over all applicable insurance policies;

(c) legal charge over the designated accounts; and

(d) corporate guarantee of the Company.

Term loan X of RM108,321,369 (30.9.2018: RM147,169,723; 1.10.2017: RM190,544,167) is repayable in 20 quarterly principal instalments commencing 9th month from the day of first drawdown. **Secured revolving credit X** of RM56,447,955 (30.9.2018: RM44,050,466; 1.10.2017: RM53,438,636) is repayable on demand. The term loan and revolving credits are secured and supported as follows:

(a) legal charge over the oil palm plantation land of a subsidiary in Indonesia;

(b) pledged of shares of a subsidiary; and

(c) corporate guarantee of the Company.

29. LOANS AND BORROWINGS (CONT'D)

Term loan XI of RMNil (30.9.2018: RM8,300,524; 1.10.2017: RM16,945,952) is repayable in 12 quarterly principal instalments commencing 61st month from the day of first drawdown. **Term loan XII** of RM9,784,312 (30.9.2018: RM14,525,917; 1.10.2017: RM14,827,708) is repayable in 12 quarterly principal instalments commencing 48th month from the day of first drawdown. The term loans are secured and supported as follows:

(a) facility agreement and security sharing agreement;

(b) legal charge over the oil palm plantation land of a subsidiary in Indonesia;

(c) deed of fiduciary by way of fixed and floating charge over the oil palm plantation in Indonesia;

(d) charge over a designated bank account of a subsidiary in Indonesia;

(e) pledge of 95% shares of a subsidiary;

(f) assignment over all applicable insurance policies;

(g) negative pledge over a subsidiary's assets; and

(h) corporate guarantee of the Company.

Term loan XIII of RMNil (30.9.2018: RM68,816; 1.10.2017: RM684,129) is repayable by 96 monthly instalments of RM52,875 each commencing December 2010 and is secured and supported as follows:

(a) by way of charge over the freehold buildings of a subsidiary upon issuance of titles;

(b) first party open monies deed of assignment; and

(c) corporate guarantee of the Company.

Term loan XIV of RMNil (30.9.2018: RM495,835; 1.10.2017: RM1,855,084) is repayable in 19 quarterly principal instalments of RM471,076 each and final instalment to be calculated and advised by the bank commencing on 4th month after the first drawdown. **Secured revolving credit XI** RM21,000,000 (30.9.2018: RM23,700,000; 1.10.2017: RM24,400,000) is repayable on demand. The term loan and revolving credit are secured and supported as follows:

(a) facility agreement;

(b) legal charge over the leasehold land and building of a subsidiary;

(c) legal assignment over debt service account;

(d) legal assignment over all tenancy and rent agreements;

(e) specific debenture on fixed and floating charge over the leasehold land and building of a subsidiary;

(f) deed of subordinate in respect of shareholders advances and loans to the subsidiary;

(g) legal assignment of all of the subsidiary's present and future rights, title and benefits in and under such insurance policies procure in respect of the charge; and

(h) corporate guarantee of the Company.

29. LOANS AND BORROWINGS (CONT'D)

Term loan XV of RM4,325,416 (30.9.2018: RM4,453,936; 1.10.2017: RM4,576,379) is repayable in 300 monthly principal instalments of RM28,269 each, commencing November 2014 and is secured and supported as follows:

(a) legal charge over the freehold buildings of a subsidiary;

(b) first party open monies deed of assignment; and

(c) corporate guarantee of the Company.

Term loan XVI of RM561,274 (30.9.2018: RM3,561,274; 1.10.2017: RM6,561,274) is repayable by 84 monthly principal instalments commencing 19th month from the date of first drawdown or on 1 January 2014, whichever is earlier. The term loan is secured and supported as follows:

(a) legal charge over the freehold land of a subsidiary;

(b) a limited debenture by way of a fixed and floating charge over construction costs for a private and international school developed on the said freehold land;

(c) legal assignment over a subsidiary and/or the customer's rights and interest under an offer to lease and purchase;

(d) legal assignment over all rents and other monies payables; and

(e) corporate guarantee of the Company.

Term loan XVII of RM4,150,451 (30.9.2018: RM5,312,056; 1.10.2017: RMNil) is repayable by 60 monthly instalments of RM100,000 each, commencing on 1st month from date of disbursement and is secured and supported as follows:

(a) legal charge over the leasehold building of a subsidiary;

(b) assignment of all rights, title and interest in respect of rental proceeds from leasehold building of subsidiary; and

(c) corporate guarantee of the Company.

Secured revolving credit XII of RMNil (30.9.2018: RM10,277,977; 1.10.2017: RM20,251,028) is repayable by 18 quarterly principal instalments of RM2,500,000 each commencing December 2014. **Secured revolving credit XIII** of RM45,000,000 (30.9.2018: RM34,718,250; 1.10.2017: RM34,718,250) is repayable on demand. All revolving credits are secured and supported as follows:

(a) legal charge over the leasehold land and building of a subsidiary;

(b) specific debenture by way of fixed and floating charge over the leasehold land and building of a subsidiary;

(c) legal assignment of rental proceeds from the investment property of a subsidiary; and

(d) corporate guarantee of the Company.

29. LOANS AND BORROWINGS (CONT'D)

Secured bank overdraft II of RM3,315,044 (30.9.2018 and 1.10.2017: RMNil) is repayable on demand and is secured and supported as follows:

(a) legal charge over the leasehold land and building of a subsidiary;

(b) joint and secured guarantee of the directors of the subsidiary; and

(c) corporate guarantee of the Company.

Secured revolving credit XIV of RMNil (30.9.2018: RMNil; 1.10.2017: RM4,510,000) is rollover quarterly and repayable on demand. **Bridging loan** of RMNil (30.9.2018: RMNil; 1.10.2017: RM6,306,911) is part of total loan of RM17,000,000 and is repayable by 4 quarterly principal instalments of RM4,250,000 or any balance outstanding with first repayment to commence upon expiry of availability period or on 28th month following the date of full drawdown or payment by way of redemption whichever is earlier. The revolving credit and bridging loan are secured and supported as follows:

(a) specific debenture over the project land of a subsidiary;

(b) legal charge over leasehold land held for property development of a subsidiary; and

(c) corporate guarantee of the Company.

Term loan XVIII of RMNil (30.9.2018: RMNil; 1.10.2017: RM5,317,922) is repayable by 8 quarterly principal instalments of RM1,250,000 each with the first repayment to commence on 13th month following the date of first drawdown. **Term loan XIX** of RMNil (30.9.2018: RMNil; 1.10.2017: RM5,000,000) is repayable by 8 quarterly instalments of RM625,000 each and commencing 13th month following the date of first drawdown and is secured and supported as follows:

(a) legal charge over Housing Development Account and Project Account;

(b) legal charge over the Financial Service Reserve Account; and

(c) corporate guarantee of the Company.

Term loan XX of RMNil (30.9.2018: RMNil; 1.10.2017: RM3,740,000) is part of total term loan of RM10,000,000 and is repayable by 5 quarterly principal instalments of RM1,667,000 each and a final payment of RM1,665,000 with the first repayment to commence on 21st month from the day of first drawdown. **Secured revolving credit XV** of RMNil (30.9.2018: RMNil; 1.10.2017: RM3,370,000) is part of the total revolving credit of RM5,000,000 and is repayable by 6 quarterly repayment commencing 24th month from the day of first drawdown or by way of redemption whichever is earlier. The term loan and revolving credit are secured and supported as follows:

(a) legal charge over designated account and the credit balances;

(b) assignment over all applicable insurance policies;

(c) facility agreement; and

(d) corporate guarantee of the Company.

29. LOANS AND BORROWINGS (CONT'D)

Secured revolving credit XVI of RMNil (30.9.2018: RMNil; 1.10.2017: RM1,875,000) is repayable by 8 quarterly principal instalments of RM1,875,000 each commencing on the 39th month from the date of first drawdown. **Secured bank overdraft III** of RMNil (30.9.2018: RMNil; 1.10.2017: RM1,987,551) is repayable on demand. The revolving credit and bank overdraft are secured and supported as follows:

(a) legal charge over leasehold land and building of a subsidiary; and

(b) corporate guarantee of the Company.

Term loan XXI of RMNil (30.9.2018: RMNil; 1.10.2017: RM14,324,646) is repayable by 48 monthly principal instalments commencing from the 4th year following to the date of the first drawdown or payment by way of redemption, whichever is earlier and is secured and supported as follows:

(a) specific debentures by way of fixed and floating charge for all present and future assets of the project of a subsidiary;

(b) deed of assignment over the rights under the joint development agreement;

(c) legal assignment and charge over all sales proceeds; and

(d) corporate guarantee of the Company.

Unsecured term loan of RM16,725,320 (30.9.2018: RMNil; 1.10.2017: RM3,000,000), **Unsecured revolving credit** of RM4,181,330 (30.9.2018: RM8,300,524; 1.10.2017: RMNil) and **Unsecured bank overdraft** of RMNil (30.9.2018: RM118,847; 1.10.2017: RM508,170) of the Group are repayable on demand and are supported by corporate guarantee of the Company.

Unsecured revolving credits of RM142,609,000 (30.9.2018: RM92,100,000; 1.10.2017: RM60,500,000), and **Unsecured bank overdrafts** of RM3,860,068 (30.9.2018: RM1,601,813; 1.10.2017: RMNil) of the Company are repayable on demand.

29. LOANS AND BORROWINGS (CONT'D)

Reconciliation of loans and borrowings arising from financing activities

	As of 1.10.2017 RM	Financing cash flows RM	Acquisition of property, plant and equipment by finance lease payment RM	Effect of movements in exchange rate RM	As of 30.9.2018 RM	Financing cash flows RM	Acquisition of property, plant and equipment by finance lease payment RM	Effect of movements in exchange rate RM	As of 30.9.2019 RM
THE GROUP									
Term loans	389,194,227	(117,261,766)	-	(8,371,420)	263,561,041	(62,811,345)	-	5,727,848	206,477,544
Bridging loan	6,306,911	(6,306,911)	-	-	-	-	-	-	-
Revolving credits	372,545,844	31,380,367	-	(1,206,064)	402,720,147	74,581,234	-	(7,540,346)	469,761,035
Finance lease liabilities	1,974,114	(938,042)	650,000	-	1,686,072	(735,349)	281,000	-	1,231,723
	770,021,096	(93,126,352)	650,000	(9,577,484)	667,967,260	11,034,540	281,000	(1,812,498)	677,470,302
THE COMPANY									
Revolving credits	60,500,000	31,600,000	-	-	92,100,000	50,485,350	-	23,650	142,609,000

30. DIVIDEND

	Net dividend per share Sen	Total amount RM	Date of payment
30.9.2019			
Interim single tier dividend of 3.5 sen per ordinary share in respect of financial year ended 30 September 2018	3.5	20,268,891	10 January 2019
30.9.2018			
Interim single tier dividend of 5.0 sen per ordinary share in respect of financial year ended 30 September 2017	5.0	29,284,585	11 January 2018

A first interim single tier dividend of 4.0 sen per ordinary share in respect of financial year ended 30 September 2019 amounting to RM23,161,383 was declared on 27 November 2019 and to be paid on 3 January 2020. The financial statements for the current financial year do not reflect the dividend. Such dividend will be accounted in equity as an appropriation of retained earnings in the financial year ending 30 September 2020.

The directors do not recommend any final dividend payment in respect of the financial year ended 30 September 2019.

31. ACQUISITION OF SUBSIDIARIES AND ASSOCIATES

During the financial year

(a) On 26 October 2018, Perkasa Bernas (M) Sdn. Bhd. ("PBSB"), a wholly-owned subsidiary of the Company, acquired 4 ordinary shares representing 40% of the equity interest of Daksina Harta Sdn. Bhd., for a cash consideration of RM5,000,000. The Group has on 9 November 2018 completed the acquisition. The said acquisition did not give rise to a material impact on the financial statements of the Group.

(b) On 19 December 2018, the Company acquired 1 share representing 100% of the equity interest of Nexus Starship Sdn. Bhd. ("NSSB"), for a cash consideration of RM1. The said acquisition did not give rise to a material impact on the financial statements of the Group and the Company.

(c) On 20 December 2018, NSSB, a wholly-owned subsidiary of the Company, acquired 1 ordinary shares representing 100% of the equity interest of Quantum Density Sdn. Bhd. ("QDSB"), for a cash consideration of RM1. Subsequently on 20 September 2019, NSSB subscribed for RM125,000, representing 50.0004% of total allotment of 249,999 new ordinary shares in QDSB. The said acquisition did not give rise to a material impact on the financial statements of the Group.

(d) On 28 June 2019, Metro Emart Sdn. Bhd., a wholly-owned subsidiary of the Company has acquired 1 ordinary share each representing 100% of the equity interest of Hexapace Sdn. Bhd., Europixel Sdn. Bhd. and Mercu Jasakita Sdn. Bhd., for total cash consideration of RM3. The said acquisitions did not give rise to a material impact on the financial statements of the Group.

31. ACQUISITION OF SUBSIDIARIES AND ASSOCIATES (CONT'D)

In the previous financial year

(a) On 16 January 2018, Kajang Resources Corporation Sdn. Bhd. ("KRC"), a wholly owned subsidiary of the Company, acquired 2 ordinary shares representing 100% of the equity interest in MKH Property Ventures Sdn. Bhd. ("MPVSB"), for a cash consideration of RM2. Subsequently on 28 February 2018 and 27 March 2018, KRC subscribed for 509,998 and 19,890,000 new ordinary shares in MPVSB, representing 51% of the total allotment of 999,998 and 39,000,000 new ordinary shares respectively. The said acquisition did not give rise to a material impact on the financial statements of the Group.

(b) On 17 January 2018, the Company acquired 2 ordinary shares representing 100% of the equity interest in Metro Readymix Sdn. Bhd., for a cash consideration of RM2. The said acquisition did not give rise to a material impact on the financial statements of the Group.

32. FINANCIAL GUARANTEE

	The Company	
	2019 RM	2018 RM
Corporate guarantees given by the Company to financial institutions and creditors for banking and credit facilities granted to the subsidiaries:		
Outstanding as at financial year end	638,519,708	646,246,556

The financial guarantees have not been recognised since the fair value on initial recognition was immaterial as the financial guarantees provided by the Company did not contribute towards credit enhancement of the subsidiaries' borrowings in view of the securities pledged by the subsidiaries and it is not probable that the counterparties to financial guarantee contracts will claim under the contracts.

33. CONTINGENT LIABILITIES

(a) 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 incurred amounted to IDR97,700 million, equivalent to RM30.7 million. According to the tax objection in Balikpapan, Indonesia, on 19 June 2017, DGT restricted PTMKH's claims on net realised and unrealised foreign exchange losses up to IDR7,414 million, equivalent to RM2.3 million instead of abovementioned IDR97,700 million. Based on applicable corporate income tax rate of 25%, the restricted amount of the net realised and unrealised foreign currency exchange losses of IDR90,286 million, equivalent to RM28.4 million will result in over-recognition of tax benefit of IDR22,571 million, equivalent to RM7.1 million in the financial statements of the Group and PTMKH. On 6 August 2018, PTMKH received official verdict letter from the DGT for year of assessment 2012's tax appeal. The entire net realised and unrealised foreign exchange losses of IDR90,286 million, equivalent to RM28.4 million is allowable to claim as expenses in the tax return submitted by PTMKH.

33. CONTINGENT LIABILITIES (CONT'D)

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 incurred amounted to IDR188,875 million, equivalent to RM59.3 million. According to the tax assessment letter, DGT restricted PTMKH's claims on net realised and unrealised foreign exchange losses up to IDR44,405 million, equivalent to RM13.9 million instead of abovementioned IDR188,875 million. Based on applicable corporate income tax rate of 25%, the restricted amount of the realised and unrealised foreign exchange losses of IDR144,470 million, equivalent to RM45.4 million will result in over-recognition of tax benefit of IDR36,118 million, equivalent to RM11.3 million in the financial statements of the Group and PTMKH. On 27 November 2017, PTMKH filed an objection letter in reply to tax assessment letter for the year of assessment 2013. The objection letter has been rejected by tax appeal office in Balikpapan, Indonesia. On 19 December 2018, PTMKH filed an appeal to tax court in Jakarta, 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 years of assessment 2012 and 2013. Accordingly, PTMKH has not made any adjustments in respect of the tax assessments in the financial statements.

(b) On 11 January 2019, the recipient of KTM Komuter Station, Perbadanan Aset Keretapi ("PAK") has issued a certificate of non-completion ("CNC") to Srijang Kemajuan Sdn. Bhd. ("SKSB"), a 99.99% owned subsidiary of the Company and stating that SKSB has failed to complete the construction of KTM Komuter Station ("Construction Works") by 10 December 2016 and therefore PAK is entitled to impose liquidated ascertained damages ("LAD") pursuant to the Development cum Lease Agreement ("DCLA") dated 12 October 2012 entered into between PAK and SKSB. The LAD will be calculated daily at a rate of RM4,438.36 from the revised completion date on 10 December 2016 (extension of time number 1) until the completion of the Construction Works.

On 28 February 2019, SKSB has written to dispute the validity of the CNC on the grounds that SKSB had on 10 January 2017 submitted extension of time ("EOT") number 2 of which PAK has yet to assess SKSB's application for EOT number 2 and on the same day, SKSB submitted EOT number 3 in view of the delay by relevant authorities in approving the change of building design and use of building materials. On 19 August 2019, PAK granted SKSB's EOT number 2, for a period of up to 8 January 2017 ("EOT 2").

Based on legal opinion obtained, the directors of SKSB are of the opinion that SKSB's LAD could not be estimated until and unless PAK has completed the assessment of EOT number 3 as the date by which SKSB is required to complete the Construction Works remains uncertain. In view of the uncertainty, there is no date from which the LAD could be computed and PAK's right to impose LAD pursuant to DCLA cannot be triggered. Accordingly, SKSB has not made any provision in the financial statements and only disclosed as contingent liabilities. Based on EOT 2, the potential LAD as at 30 September 2019 will be approximately RM4.4 million.

34. CAPITAL COMMITMENTS

As at the reporting date, the Group has the following capital commitments:

	The Group	
	2019 RM	2018 RM
Approved and contracted for	29,570,593	19,009,639
Approved and not contracted for	4,863,934	21,007,796
	34,434,527	40,017,435

35. RELATED PARTY DISCLOSURES

(a) Identity of related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decision, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Group has a related party relationship with its subsidiaries, associates and key management personnel.

(b) Key management personnel compensation

The key management personnel compensation is as follows:

	The group	
	2019	**2018**
	RM	**RM**
Directors of the Company		
Other short-term emoluments	12,983,860	13,414,660
Post-employment benefits	2,474,828	2,558,920
	15,458,688	15,973,580
Estimated monetary value of benefits-in-kind	103,592	100,653
	15,562,280	16,074,233
Other key management personnel		
Remuneration	9,007,441	9,497,906
Other short-term employee benefits	30,405	199,825
Total short-term employee benefits	9,037,846	9,697,731
Post-employment benefit	1,073,095	1,182,846
	10,110,941	10,880,577
Total key management personnel compensation	25,673,221	26,954,810

Other key management personnel comprises persons other than the directors of Company, having authority and responsibility for planning, directing and controlling the activities of the Group, either directly or indirectly.

35. RELATED PARTY DISCLOSURES (CONT'D)

(c) Related party transactions and balances of the Company

	The Company 2019 RM	The Company 2018 RM
Received or receivable from subsidiaries		
Gross dividend	(30,903,675)	(32,516,500)
Interest income	(20,717,522)	(18,351,865)
Paid or payable to subsidiaries		
Management fee	24,000	24,000
Secretarial fee	9,600	9,600

Information on outstanding balances with related companies of the Company are disclosed in Notes 18 and 28.

(d) Related party transactions and balances of the Group

	The Group 2019 RM	The Group 2018 RM
Paid and payable to associate		
Progress billings	81,405,394	64,529,829
Received and receivables from associate		
Sale of goods	11,725,187	20,969,992
Received and receivable from company in which a director has substantial equity interests		
Secretarial fees	1,080	1,440
Received and receivable from other related parties		
Progress billings to:		
(i) a corporate shareholder of a subsidiary	-	3,487,536
(ii) a corporate in which a director of the Company has substantial interests	133,900	-
(iii) a person connected to a director of the Company	-	1,035,900
(iv) certain key management personnel of the Group	230,380	855,668

Information on outstanding balances with related parties of the Group is disclosed in Notes 18 and 28.

36. SEGMENT INFORMATION

For management purposes, the Group is organised into business segments based on their products and services. The Group's chief operation decision maker reviews the information of each business segment on at least monthly basis for the purposes of resource allocation and assessment of segment performance. Therefore, the Group's reportable segments under MFRS 8 are as follows:

(i)	Property development and construction	-	property development, building and civil works contracting.
(ii)	Plantation	-	oil palm cultivation.
(iii)	Hotel and property investment	-	hotel business and property investment and management.
(iv)	Trading	-	trading in building materials and household related products and general trading.
(v)	Manufacturing	-	furniture manufacturing.
(vi)	Investment holding	-	investment holding and management services.

Non-reportable segments comprise recreational club operation, money lending and provision of insurance broking services.

Segment revenue and results

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 3. Segment results represents profit before tax of the segment. Inter-segment transactions are entered into in the ordinary course of business based on terms mutually agreed upon by the parties concerned.

Segment assets

Segment assets are measured based on all assets (including goodwill) of the segment, excluding investment in associates, deferred tax assets and current tax asset.

Segment liabilities

Segment liabilities are measured based on all liabilities, excluding current tax liabilities, interest bearing loans and borrowings and deferred tax liabilities.

36. SEGMENT INFORMATION (CONT'D)

Segment revenue and results

2019	Property Development and Construction RM	Plantation RM	Hotel and property investment RM	Trading RM	Manufacturing RM	Investment holding RM	Non-reportable segments RM	Elimination RM	Total RM
Revenue									
Total external revenue	775,923,231	229,761,671	31,192,449	72,999,437	9,287,007	-	2,492,833	-	1,121,656,628
Inter-segment revenue	-	6,516,930	1,747,500	478,673	-	101,156,486	-	(109,899,589)	-
Total segment revenue	775,923,231	236,278,601	32,939,949	73,478,110	9,287,007	101,156,486	2,492,833	(109,899,589)	1,121,656,628
Results									
Operating results	161,546,070	23,691,557	3,743,073	2,192,767	2,925,230	39,082,593	475,923	(40,946,367)	192,710,846
Interest expense	(47,450,183)	(18,095,067)	(1,971,358)	(3,035)	-	(33,848,667)	(3,932,845)	64,911,205	(40,389,950)
Interest income	9,028,052	339,888	12,536	66,325	435,281	21,006,941	12,908	(23,964,838)	6,937,093
Share of results of associates	(885,173)	-	-	-	-	-	-	-	(885,173)
Segment results	122,238,766	5,936,378	1,784,251	2,256,057	3,360,511	26,240,867	(3,444,014)	-	158,372,816
Tax expense	(45,456,137)	(3,667,866)	(2,110,391)	(531,455)	(817,990)	(8,082,154)	(230,054)	-	(60,896,047)
Profit/(Loss) for the financial year	76,782,629	2,268,512	(326,140)	1,724,602	2,542,521	18,158,713	(3,674,068)	-	97,476,769

36. SEGMENT INFORMATION (CONT'D)

Segment revenue and results (Cont'd)

2019	Property Development and Construction RM	Plantation RM	Hotel and property investment RM	Trading RM	Manufacturing RM	Investment holding RM	Non-reportable segments RM	Elimination RM	Total RM
Other segment information									
Bad debts written off	-	-	20,091	67,671	-	980	-	-	88,742
Depreciation and amortisation	1,171,383	32,880,071	2,876,193	44,911	732,751	377,160	128,327	-	38,210,796
Changes in fair value of biological assets	-	1,170,893	-	-	-	-	-	-	1,170,893
Changes in fair value of investment properties	-	-	6,180,000	-	-	-	-	-	6,180,000
(Gain)/Loss on disposal of property, plant and equipment	(112,823)	-	990	-	-	-	-	-	(111,833)
Gain on retention sum measured at amortised cost	(466,060)	-	-	-	-	-	-	-	(466,060)
Inventories written down	137,658	-	-	-	-	-	-	-	137,658
Inventories written off	-	20,995	-	-	-	-	-	-	20,995
Allowance for slow moving inventories	-	-	45,180	-	-	-	-	-	45,180
Impairment loss on trade and other receivables	4,531,362	-	74,962	549,163	-	-	118,335	-	5,273,822
Property, plant and equipment written off	8,301	28,666	28,913	460	25,288	263	2	-	91,893
Provision for retirement benefit obligation	-	10,117,286	-	-	-	-	-	-	10,117,286

36. SEGMENT INFORMATION (CONT'D)

Segment revenue and results (Cont'd)

2019	Property Development and Construction RM	Plantation RM	Hotel and property investment RM	Trading RM	Manufacturing RM	Investment holding RM	Non-reportable segments RM	Elimination RM	Total RM
(Gain)/Loss on foreign exchange:									
Realised	-	(3,854,113)	-	-	(71,383)	(96,549)	-	-	(4,022,045)
Unrealised	-	(14,009,143)	-	-	-	41,911	-	-	(13,967,232)
Impairment loss no longer required on trade and other receivables	(42,428)	-	(151,804)	(77,374)	-	(2,700)	(500)	-	(274,806)

2018 (Restated)	Property Development and Construction RM	Plantation RM	Hotel and property investment RM	Trading RM	Manufacturing RM	Investment holding RM	Non-reportable segments RM	Elimination RM	Total RM
Revenue									
Total external revenue	702,686,749	263,196,707	32,956,734	72,886,083	7,582,221	-	2,392,421	-	1,081,700,915
Inter-segment revenue	10,377,358	5,734,677	1,803,600	111,077	-	100,044,502	-	(118,071,214)	-
Total segment revenue	713,064,107	268,931,384	34,760,334	72,997,160	7,582,221	100,044,502	2,392,421	(118,071,214)	1,081,700,915
Results									
Operating results	109,557,569	33,044,571	13,884,932	2,843,653	505,626	37,231,490	506,651	(41,599,326)	155,975,166
Interest expense	(42,618,785)	(21,814,550)	(2,180,251)	(3,644)	-	(29,715,394)	(2,914,612)	64,998,032	(34,249,204)
Interest income	9,265,142	730,662	55,938	90,543	297,827	19,095,342	8,353	(23,398,706)	6,145,101
Share of results of associates	360,579	-	-	-	-	-	-	-	360,579
Segment results	76,564,505	11,960,683	11,760,619	2,930,552	803,453	26,611,438	(2,399,608)	-	128,231,642
Tax expense	(25,220,826)	(9,708,556)	(8,296,045)	(683,004)	(210,705)	(7,295,598)	(203,906)	-	(51,618,640)
Profit/(Loss) for the financial year	51,343,679	2,252,127	3,464,574	2,247,548	592,748	19,315,840	(2,603,514)	-	76,613,002

36. SEGMENT INFORMATION (CONT'D)

Segment revenue and results (Cont'd)

2018 (Restated)	Property Development and Construction RM	Plantation RM	Hotel and property investment RM	Trading RM	Manufacturing RM	Investment holding RM	Non-reportable segments RM	Elimination RM	Total RM
Other segment information									
Bad debts written off	-	212,636	-	-	-	-	3,732	-	216,368
Deposits written off	2,000	-	-	-	-	-	-	-	2,000
Depreciation and amortisation	1,319,116	31,108,778	2,445,451	46,480	741,490	427,583	128,818	-	36,217,716
Changes in fair value of biological assets	-	(1,533,164)	-	-	-	-	-	-	(1,533,164)
Changes in fair value of investment properties	-	-	317,000	-	-	-	-	-	317,000
Gain on disposal of property, plant and equipment	(25,233)	-	(943)	-	-	-	-	-	(26,176)
Gain on retention sum measured at amortised cost	(161,806)	-	-	-	-	-	-	-	(161,806)
Inventories written down	940,057	-	-	-	-	-	-	-	940,057
Inventories written off	-	-	2,193	-	-	-	-	-	2,193
Impairment loss on trade and other receivables	-	-	-	77,374	-	-	890	-	78,264
Land donation	9,461,450	-	-	-	-	-	-	-	9,461,450
Property, plant and equipment written off	11,221	1,276,174	877	-	56,638	-	-	-	1,344,910
Provision for post-employment benefit obligations	-	1,497,090	-	-	-	-	-	-	1,497,090

36. SEGMENT INFORMATION (CONT'D)

Segment revenue and results (Cont'd)

2018 (Restated)	Property Development and Construction RM	Plantation RM	Hotel and property investment RM	Trading RM	Manufacturing RM	Investment holding RM	Non-reportable segments RM	Elimination RM	Total RM
Loss on foreign exchange:									
Realised	1,388	3,542,135	-	-	161,052	245,210	-	-	3,949,785
Unrealised	-	36,440,727	-	-	-	-	-	-	36,440,727
Impairment loss no longer required on trade and other receivables	(25,000)	-	(25,662)	-	-	(7,200)	(200)	-	(58,062)

2019	Property Development and Construction RM	Plantation RM	Hotel and property investment RM	Trading RM	Manufacturing RM	Investment holding RM	Non-reportable segments RM	Elimination RM	Total RM
Assets									
Segment assets	2,281,916,080	508,990,254	365,470,169	27,321,416	29,113,608	21,741,210	42,956,087	-	3,277,508,824
Investment in associates	14,990,213	-	-	-	-	-	-	-	14,990,213
Deferred tax assets	42,437,900	-	9,300	127,513	-	4,808,000	-	-	47,382,713
Tax recoverable	-	1,148,290	-	-	-	-	-	-	1,148,290
Current tax assets	3,785,794	15,556,633	115,849	28,703	-	-	4,728	-	19,491,707
Total assets	2,343,129,987	525,695,177	365,595,318	27,477,632	29,113,608	26,549,210	42,960,815	-	3,360,521,747
Liabilities									
Segment liabilities	811,806,665	59,005,569	10,071,373	6,438,810	3,291,830	21,534,359	1,129,312	-	913,277,918
Current tax liabilities	6,829,237	-	701,520	-	415,599	2,998,630	72,768	-	11,017,754
Interest bearing liabilities	267,495,439	195,460,286	30,107,694	46,299	-	191,654,543	-	-	684,764,261
Deferred tax liabilities	26,727,400	17,151,566	18,290,400	-	1,828,769	93,500	235,720	-	64,327,355
Total liabilities	1,112,858,741	271,617,421	59,170,987	6,485,109	5,536,198	216,281,032	1,437,800	-	1,673,387,288

36. SEGMENT INFORMATION (CONT'D)

Segment revenue and results (Cont'd)

2019	Property Development and Construction RM	Plantation RM	Hotel and property investment RM	Trading RM	Manufacturing RM	Investment holding RM	Non-reportable segments RM	Elimination RM	Total RM
Other segment information									
Additions to non-current assets other than financial instruments and deferred tax assets	80,720,527	23,990,911	3,005,831	9,953	182,829	-	-	-	107,910,051

2018 (Restated)	Property Development and Construction RM	Plantation RM	Hotel and property investment RM	Trading RM	Manufacturing RM	Investment holding RM	Non-reportable segments RM	Elimination RM	Total RM
Assets									
Segment assets	2,161,050,903	492,889,831	371,819,633	32,064,419	33,019,121	28,576,775	41,147,606	-	3,160,568,288
Investment in associates	14,250,386	-	-	-	-	-	-	-	14,250,386
Deferred tax assets	44,741,800	-	27,200	15,302	-	4,818,500	-	-	49,602,802
Tax recoverable	-	1,082,118	-	-	-	-	-	-	1,082,118
Current tax assets	14,791,342	4,805,483	39,279	213,603	-	-	36,000	-	19,885,707
Total assets	2,234,834,431	498,777,432	371,886,112	32,293,324	33,019,121	33,395,275	41,183,606	-	3,245,389,301

36. SEGMENT INFORMATION (CONT'D)

Segment revenue and results (Cont'd)

2018 (Restated)	Property Development and Construction RM	Plantation RM	Hotel and property investment RM	Trading RM	Manufacturing RM	Investment holding RM	Non-reportable segments RM	Elimination RM	Total RM
Liabilities									
Segment liabilities	799,936,246	44,009,160	10,324,716	11,378,605	3,433,100	21,347,711	1,097,093	-	891,526,631
Current tax liabilities	5,308,486	-	774,869	-	147,928	2,029,499	46,924	-	8,307,706
Interest bearing liabilities	273,588,344	222,347,154	37,591,917	64,595	-	139,164,666	-	-	672,756,676
Deferred tax liabilities	25,144,600	17,914,835	18,848,257	-	1,871,074	92,226	253,190	-	64,124,182
Total liabilities	1,103,977,676	284,271,149	67,539,759	11,443,200	5,452,102	162,634,102	1,397,207	-	1,636,715,195
Other segment information									
Additions to non-current assets other than financial instruments and deferred tax assets	56,465,094	18,880,677	1,696,010	92,698	176,642	-	1,430	-	77,312,551

36. SEGMENT INFORMATION (CONT'D)

Geographical information

Revenue and non-current assets information is presented based on the segment's country of domicile. Revenue from external customers based on the location of its customers has not been disclosed as revenue earned outside the segment's country of domicile is insignificant. Non-current assets do not include financial instruments, investment in associates, deferred tax assets and tax recoverable.

	Revenue		Non-current assets	
	2019 RM	2018 RM	2019 RM	2018 RM (Restated)
Malaysia	882,607,950	810,921,987	1,269,871,704	1,266,249,928
Republic of Indonesia	229,761,671	263,196,707	419,364,346	405,646,453
The Peoples' Republic of China	9,287,007	7,582,221	18,611,551	19,736,940
	1,121,656,628	1,081,700,915	1,707,847,601	1,691,633,321

Major customer information

There is no single customer with revenue equal or more than 10% of the Group revenue.

37. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) On 26 October 2018, Perkasa Bernas (M) Sdn. Bhd. ("PBSB"), a wholly owned subsidiary of the Company acquired 4 ordinary shares representing 40% of the equity interest of Daksina Harta Sdn. Bhd. ("DHSB"), for a cash consideration of RM5,000,000. The Group has on 9 November 2018 completed the acquisition. As a result, DHSB become an associate of PBSB and of the Group;

(b) On 19 December 2018, the Company acquired 1 ordinary share representing 100% of the equity interest of Nexus Starship Sdn. Bhd. ("NSSB"), for a cash consideration of RM1. As a result, NSSB became a 100% owned subsidiary of the Company;

(c) On 20 December 2018, NSSB, a wholly-owned subsidiary of the Company acquired 1 ordinary share representing 100% of the equity interest of Quantum Density Sdn. Bhd. ("QDSB"), for a cash consideration of RM1. Subsequently on 20 September 2019, NSSB subscribed for RM125,000, representing 50.0004% of total allotment of 249,999 new ordinary shares in QDSB. As a result, QDSB became a 50.0004% owned subsidiary of NSSB and of the Group; and

(d) On 28 June 2019, Metro Emart Sdn. Bhd. ("MESB"), a wholly-owned subsidiary of the Company has acquired 1 ordinary share each representing 100% of the equity interest of Hexapace Sdn. Bhd. ("HPSB"), Europixel Sdn. Bhd. ("EPSB") and Mercu Jasakita Sdn. Bhd. ("MJSB"), for total cash consideration of RM3. As a result, HPSB, EPSB and MJSB became a 100% owned subsidiary of MESB and of the Group.

38. OPERATING LEASE ARRANGEMENTS - THE GROUP AS LESSOR

The Group has entered into property leases on its investment properties, which comprise freehold and leasehold land and buildings, with non-cancellable lease terms ranging from 12 to 30 years. The lease contracts contain fixed upward revision of the rental charges over the lease period.

Future minimum rental receivables under non-cancellable operating leases at the reporting date but not recognised as receivables, are as follows:

	The Group	
	2019 RM	2018 RM
Not later than 1 year	4,319,287	4,008,356
Later than 1 year but not later than 5 years	17,985,249	17,620,009
Later than 5 years	35,797,148	40,481,302
	58,101,684	62,109,667

39. FINANCIAL INSTRUMENTS

Categories of financial instruments

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned and therefore by the measurement basis:

	The Group			The Company		
	30.9.2019 RM	30.9.2018 RM	1.10.2017 RM	30.9. 2019 RM	30.9. 2018 RM	1.10.2017 RM
Financial assets						
At amortised cost:						
Receivables and deposits	215,891,709	-	-	399,820,617	-	-
Cash, bank balances, term deposits and fixed income funds	405,156,006	-	-	593,455	-	-
Loans and receivables:						
Receivables and deposits	-	266,817,887	226,532,730	-	362,465,541	300,891,022
Cash, bank balances, term deposits and fixed income funds	-	227,726,216	264,609,775	-	3,941,479	12,145,700
Financial liabilities						
At amortised cost:						
Payables and accruals	856,705,481	-	-	769,521	-	-
Loans and borrowings	684,764,261	-	-	146,469,068	-	-
Other financial liabilities:						
Payables and accruals	-	846,098,180	821,705,604	-	539,936	1,344,734
Loans and borrowings	-	672,756,676	772,516,817	-	93,701,813	60,500,000

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

The main risks and corresponding management policies arising from the Group's normal course of business are as follows:

(i) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations.

The Group's and the Company's exposure to credit risk primarily arises from the receivables. For other financial assets, the Group minimises credit risk by dealing with high credit rating counterparties. The maximum risk associated with recognised financial assets is the carrying amounts as presented in the statements of financial position and corporate guarantee provided by the Company to banks on subsidiaries' credit facilities.

The Group has a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures.

The Group determines concentrations of credit risk by monitoring the country of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's net trade related receivables at the reporting date are as follows:

	The Group			
	2019		2018	
	RM	% of total	RM	% of total
By country:				
Malaysia	149,341,922	98.08%	210,803,186	99.09%
Republic of Indonesia	2,289,022	1.50%	1,323,558	0.62%
The Peoples' Republic of China	640,057	0.42%	624,407	0.29%
	152,271,001	100.00%	212,751,151	100.00%

The Group does not have any significant exposure to any individual customer at the reporting date.

Financial guarantee

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to subsidiaries and creditors for credit terms granted to subsidiaries.

The Company monitors on an ongoing basis the repayments made by the subsidiaries and their financial performance.

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(i) Credit risk (Cont'd)

Financial guarantee (Cont'd)

The maximum exposure to credit risk amounts to RM638,519,708 (30.9.2018: RM646,246,556; 1.10.2017: RM781,034,663) representing the outstanding credit facilities of the subsidiaries guaranteed by the Company at the reporting date. At the reporting date, there was no indication that the subsidiaries would default on their repayment.

The financial guarantees have not been recognised since the fair value on initial recognition was immaterial as the financial guarantees provided by the Company did not contribute towards credit enhancement of the subsidiaries' borrowings in view of the securities pledged by the subsidiaries and it was not probable that the counterparties to financial guarantee contracts will claim under the contracts.

(ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations when they fall due. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through use of stand-by credit facilities.

The Group actively manages its operating cash flows and the availability of funding so as to ensure that all repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities of a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from both capital markets and financial institutions so as to achieve overall cost effectiveness.

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(ii) Liquidity risk (Cont'd)

Analysis of financial instruments by remaining contractual maturities

The table below summaries the maturity profile of the Group's and of the Company's financial liabilities at the reporting date based on contractual undiscounted repayment of obligations.

	Carrying amount RM	Total contractual amount RM	On demand or within 1 year RM	1-2 years RM	2 to 5 years RM	Over 5 years RM
The Group						
2019						
Financial liabilities:						
Payables and accruals	856,705,481	919,788,221	566,679,897	77,952,472	275,155,852	-
Loans and borrowings	684,764,261	741,081,115	403,396,331	152,543,845	150,262,164	34,878,775
	1,541,469,742	1,660,869,336	970,076,228	230,496,317	425,418,016	34,878,775
The Company						
2019						
Financial liabilities:						
Payables and accruals	769,521	769,521	769,521	-	-	-
Loans and borrowings	146,469,068	150,321,242	150,321,242	-	-	-
	147,238,589	151,090,763	151,090,763	-	-	-

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(ii) **Liquidity risk (Cont'd)**

Analysis of financial instruments by remaining contractual maturities (Cont'd)

	Carrying amount RM	Total contractual amount RM	On demand or within 1 year RM	1-2 years RM	2 to 5 years RM	Over 5 years RM
The Group						
2018						
Financial liabilities:						
Payables and accruals	846,098,180	903,668,757	556,791,260	80,543,608	256,222,630	10,111,259
Loans and borrowings	672,756,676	743,090,852	353,508,518	134,526,619	208,005,590	47,050,125
	1,518,854,856	1,646,759,609	910,299,778	215,070,227	464,228,220	57,161,384
The Company						
2018						
Financial liabilities:						
Payables and accruals	539,936	539,936	539,936	-	-	-
Loans and borrowings	93,701,813	99,007,528	99,007,528	-	-	-
	94,241,749	99,547,464	99,547,464	-	-	-

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(iii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to foreign currency risk when the currency denomination differs from its functional currency.

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of the Group entities, primarily Ringgit Malaysia ("RM"), Indonesian Rupiah ("IDR") and Chinese Renminbi ("RMB"). The foreign currency in which these transactions are denominated is mainly United States Dollar ("USD"). Foreign currency exposure in transactions and currencies other than functional currencies of the operating entities are kept to an acceptable level.

The Group also holds cash and bank balances denominated in USD for working capital purposes.

The Group is also exposed to currency translation risk arising from its net investments in foreign operations. The Group's net investment in The Peoples' Republic of China and Republic of Indonesia are not hedged as currency positions in RMB and IDR are considered to be long-term in nature.

Financial assets and liabilities denominated in USD are as follows:

	The Group	
	2019 RM	2018 RM
USD		
Cash and bank balances	19,608,925	31,686,906
Trade receivables	640,057	624,407
Loans and borrowings	(200,069,286)	(222,347,154)

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) Foreign currency risk (Cont'd)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit for the financial year to a reasonably possible change in the USD exchange rate against their respective functional currencies, with all other variables held constant.

The Group	Profit for the financial year 2019 RM	Profit for the financial year 2018 RM
USD/RM		
Strengthened 5%	(87,700)	410,400
Weakened 5%	87,700	(410,400)
USD/RMB		
Strengthened 3%	15,900	34,600
Weakened 3%	(15,900)	(34,600)
USD/IDR		
Strengthened 5%	(6,683,200)	(7,589,100)
Weakened 5%	6,683,200	7,589,100

The Group	Translation reserve 2019 RM	Translation reserve 2018 RM
IDR/RM		
Strengthened 5%	4,531,000	3,689,200
Weakened 5%	(4,531,000)	(3,689,200)
RMB/RM		
Strengthened 3%	707,300	827,100
Weakened 3%	(707,300)	(827,100)

(iv) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group's exposure to interest rate risk relates to interest bearing financial assets and financial liabilities. Interest bearing financial assets include finance lease receivables, loan receivables and deposits with licensed banks. Deposits are placed for better yield returns than cash at banks and to satisfy conditions for bank guarantee.

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(iv) **Interest rate risk (Cont'd)**

The Group's interest bearing financial liabilities comprise finance lease, bank overdrafts, revolving credits, bridging loan and term loans.

The fixed deposits placed with licensed banks and loan receivables at fixed rate exposes the Group to fair value interest rate risk. The bank overdrafts, revolving credits, bridging loan and term loans totalling RM683,532,538 (30.9.2018: RM671,070,604; 1.10.2017: RM770,542,703) at floating rate expose the Group to cash flow interest rate risk whilst finance lease of RM1,231,723 (30.9.2018: RM1,686,072; 1.10.2017: RM1,974,114) at fixed rate expose the Group to fair value interest rate risk.

The Group manages its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. The Group also actively reviews its debts portfolio to ensure favourable rates are obtained, taking into account the investment holding period and nature of assets.

As at the reporting date, a change of 50 basis points in interest rates, with all other variables held constant, would decrease/increase the total equity and profit after tax by approximately RM2,597,000 (30.9.2018: RM2,550,000; 1.10.2017: RM2,928,100), arising mainly as a result of higher/lower interest expense on floating rate loans and borrowings.

41. FAIR VALUE OF FINANCIAL INSTRUMENTS

The methods and assumptions used to estimate the fair value of the following classes of financial assets and liabilities are as follows:

(i) **Cash and cash equivalents, trade and other receivables and payables**

The carrying amounts approximate their fair values due to the relatively short-term maturities of these financial assets and liabilities.

(ii) **Long-term trade receivables and payables, loan receivables and finance lease receivables**

The fair values of long-term trade receivables and payables, loan receivables and finance lease receivables are estimated using expected future cash flows of contractual instalment payments discounted at current prevailing rates offered for similar types of credit or lending arrangements.

(iii) **Borrowings**

The carrying amounts of bank overdrafts, short-term revolving credits, bridging loan and short-term loans approximate fair values due to the relatively short-term maturity of these financial liabilities.

The carrying amounts of long-term floating rate revolving credits and loans approximate their fair values as the loans will be re-priced to market interest rate on or near reporting date.

The fair value of finance lease is estimated using discounted cash flow analysis, based on current lending rates for similar types of lending arrangements.

41. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D)

(iii) Borrowings (Cont'd)

The carrying amounts of long-term floating rate revolving credits and loans approximate their fair values as the loans will be re-priced to market interest rate on or near reporting date.

The fair value of finance lease is estimated using discounted cash flow analysis, based on current lending rates for similar types of lending arrangements.

The carrying amounts and fair value of financial instruments, other than the carrying amounts which are reasonable approximation of fair values, are as follows:

	The Group	
	Carrying amount RM	Fair value RM
2019		
Financial assets		
Long-term other receivables	1,108,562	489,745
Loan receivables	24,594,768	22,983,281
Financial liabilities		
Finance lease liabilities	1,231,723	1,302,756
2018		
Financial assets		
Long-term other receivables	1,031,666	455,774
Loan receivables	23,599,747	21,278,374
Financial liabilities		
Finance lease liabilities	1,686,072	1,719,296

42. FAIR VALUE HIERARCHY

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities at the reporting date:

	Fair value measurement using			
The Group	**Level 1**	**Level 2**	**Level 3**	**Total**
2019	**RM**	**RM**	**RM**	**RM**
Investment properties (Note 13)				
Commercial properties	-	-	237,500,000	237,500,000
Office and shoplot	-	-	29,940,000	29,940,000
Education centre	-	-	45,000,000	45,000,000
	-	-	312,440,000	312,440,000
Biological assets (Note 22)	-	-	5,181,734	5,181,734
Liability for which fair value is disclosed (Note 41)				
Finance lease payables	-	1,302,756	-	1,302,756
Asset for which fair value is disclosed (Note 41)				
Long-term other receivables	-	489,745	-	489,745
Loan receivables	-	22,983,281	-	22,983,281
	-	23,473,026	-	23,473,026

The Group				
2018				
Investment properties (Note 13)				
Commercial properties	-	-	243,500,000	243,500,000
Office and shoplot	-	-	30,120,000	30,120,000
Education centre	-	-	45,000,000	45,000,000
	-	-	318,620,000	318,620,000
Biological assets (Note 22)	-	-	5,960,459	5,960,459
Liability for which fair value is disclosed (Note 41)				
Finance lease payables	-	1,719,296	-	1,719,296
Asset for which fair value is disclosed (Note 41)				
Long-term other receivables	-	455,774	-	455,774
Loan receivables	-	21,278,374	-	21,278,374
	-	21,734,148	-	21,734,148

42. FAIR VALUE HIERARCHY (CONT'D)

The land and building under property, plant and equipment were revalued by directors in September 2015 based on independent professional valuation. The fair value of these assets are within level 3 of the fair value hierarchy using significant unobservable inputs. There is no fair value determined for the current financial year as the Group revalues its land and building every five years or at a shorter intervals whenever fair value of the said assets is expected to differ substantially from the carrying amounts

Fair value reconciliation of investment properties measured at level 3 are as follows:

The Group 2019	**Commercial properties RM**	**Office and shoplot RM**	**Education centre RM**	**Total RM**
Investment properties				
At beginning of year	243,500,000	30,120,000	45,000,000	318,620,000
Changes in fair values	(6,000,000)	(180,000)	-	(6,180,000)
At end of year	237,500,000	29,940,000	45,000,000	312,440,000
2018				
Investment properties				
At beginning of year	244,300,000	29,637,000	45,000,000	318,937,000
Changes in fair values	(800,000)	483,000	-	(317,000)
At end of year	243,500,000	30,120,000	45,000,000	318,620,000

42. FAIR VALUE HIERARCHY (CONT'D)

Description of valuation techniques used and key unobservable inputs to valuation on investment properties measured at level 3 are as follows:

Property category	Valuation technique	Significant unobservable inputs	Range
Investment properties			
Commercial properties	Comparison method	Market value per square feet	RM120 - RM1,639
Commercial properties	Investment method	Estimated average rental rate per square feet per month	RM3.53 - RM4.97
		Estimated outgoings per square feet per month	RM1.49 - RM1.75
		Term yield	6% - 7%
		Sinking fund	3% - 4%
		Void rate	10%
Commercial properties	Cost method	Construction price per square feet	RM120
Office and shoplot	Investment method	Estimated price per parking bay	RM17,000 - RM28,300
		Estimated outgoings per square feet per month	RM0.25
		Term yield	6%
		Void rate	5%
Education centre	Investment method	Estimated average rental rate per square feet per month	RM0.72 - RM0.85
		Estimated outgoings per square feet per month	RM0.04 - RM0.05
		Term yield	5%
		Reversionary yield	6%
		Void rate	10%

42. FAIR VALUE HIERARCHY (CONT'D)

The estimated fair value would increase/(decrease) if:

- Estimated rental/average rental rate per square feet per month were higher/(lower)
- Estimated price per parking bay per month were higher/(lower)
- Estimated outgoings per square feet per month lower/(higher)
- Rent growth rate per annum were higher/(lower)
- Void rate lower/(higher)
- Term yield rate lower/(higher)
- Reversionary yield rate lower/(higher)
- Sinking fund rate lower/(higher)
- Construction price per square feet higher/(lower)

Direct comparison method

Under the direct comparison method, a property's fair value is estimated based on comparison of current prices in an active market for similar properties in the same location and condition and where necessary, adjusting for location, accessibility, visibility, time, terrain, size, present market trends and other differences. Fair value of properties derived using direct comparison method have been generally included in Level 3 fair value hierarchy due to the adjustments mentioned above. The most significant input into this valuation approach is price per square feet of comparable properties.

Investment method

In the investment method of valuation, the projected net income and other benefits that the subject property can generate over the life of the property is capitalised at market derived term yields to arrive at the present market value of the property. Net income is the residue of gross annual rental less annual expenses (outgoings) required to sustain the rental with allowance for void.

Cost method of valuation

In the cost method of valuation, the market value of the subject property is the sum of the market value of the land and building. The value of the building is assumed to have a direct relationship with its cost of construction. The cost of construction is then adjusted to allow for cost of finance, profit and demand to reflect its profitable present market value.

Valuation processes applied by the Group

The fair value of land and buildings under property, plant and equipment is determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The Group revalues its land and buildings every five years or at shorter intervals whenever the fair value of the said assets is expected to differ substantially from the carrying amounts.

The fair value of investment properties is determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The independent professional valuer provides the fair value of the Group's investment property annually.

42. FAIR VALUE HIERARCHY (CONT'D)

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Transfer between Level 1 and 2 fair value

There is no transfer between Level 1 and 2 fair values during the financial year.

43. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratio in order to sustain future development of the businesses so that it can continue to maximise returns for shareholders and benefits for other stakeholders.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares, obtain new borrowings or repay existing borrowings. No changes were made in the objectives, policies and processes during the financial years ended 30 September 2019 and 30 September 2018.

The debt-to-equity ratio is calculated as total debts divided by total capital of the Group. Total debts comprise interest bearing loans and borrowings whilst total capital is the total equity attributable to owners of the parent. The Group's policy is to keep the debt-to-equity ratio of not exceeding 80%. The debt-to-equity ratio as at 30 September 2019 and 2018, which are within the Group's objectives of capital management are as follows:

	The Group	
	2019 RM	2018 RM (Restated)
Loans and borrowings	684,764,261	672,756,676
Total equity attributable to owners of the parent	1,615,885,355	1,552,635,185
Debt-to-equity ratio (%)	42%	43%

The Group is not subject to any externally imposed capital requirements other than PT Maju Kalimantan Hadapan and PT Sawit Prima Sakti which are required to maintain a debt-to-equity ratio of 75:25 and 65:35 respectively as well as loan-to-value ratio of not more than 75% and 65% respectively in respect of the term loan facilities. Based on the proforma financial information provided to the financial institutions, the Group has complied with this capital requirement.

44. RESTATEMENT OF COMPARATIVE FIGURES

As mentioned in Note 2, these are the first financial statements of the Group and of the Company prepared in accordance with MFRSs.

The accounting policies set on in Note 3 have been applied in preparing the financial statements of the Group and of the Company for the financial year ended 30 September 2019. Adjusted corresponding comparative information for the financial year ended 30 September 2018 and in the preparation of opening MFRSs statement of financial position at 1 October 2017 (the Group's date of transition to MFRSs) was presented.

In preparing the opening consolidated financial statement at 1 October 2017, the Group has adjusted amounts reported previously in financial statements prepared in accordance with FRSs. The effect of the transition from FRSs to MFRSs are set out as follows:

	As previously reported RM	Adjustments RM	As restated RM
The Group			
Statements of Financial Position:			
As at 30 September 2018			
Non-current assets			
Property, plant and equipment	192,936,110	242,288,679	435,224,789
Biological assets	243,317,396	(243,317,396)	-
Receivables, deposits and prepayments	31,354,995	1,028,717	32,383,712
Current assets			
Biological assets	-	5,960,459	5,960,459
Capital and reserves			
Reserves	897,980,982	5,633,485	903,614,467
Non-controlling interests	55,711,947	326,974	56,038,921
The Group			
Statements of Financial Position:			
As at 1 October 2017			
Non-current assets			
Property, plant and equipment	210,046,563	283,563,143	493,609,706
Biological assets	284,975,508	(284,975,508)	-
Receivables, deposits and prepayments	30,944,123	1,412,365	32,356,488
Current assets			
Biological assets	-	5,041,948	5,041,948
Capital and reserves			
Reserves	863,679,274	4,764,351	868,443,625
Non-controlling interests	30,826,160	277,597	31,103,757

44. RESTATEMENT OF COMPARATIVE FIGURES (CONT'D)

	As previously reported RM	Adjustments RM	As restated RM
The Group			
Statement of Profit or Loss and Other Comprehensive Income for the financial year ended 30 September 2018			
Other income	18,073,385	1,533,164	19,606,549
Other comprehensive loss:			
Foreign currency translation differences	(2,454,141)	(614,653)	(3,068,794)
Profit attributable to:			
Owners of the parent	69,446,877	1,418,062	70,864,939
Non-controlling interests	5,632,961	115,102	5,748,063
	75,079,838	1,533,164	76,613,002
Total comprehensive income attributable to:			
Owners of the parent	68,077,982	869,134	68,947,116
Non-controlling interests	6,112,308	49,377	6,161,685
	74,190,290	918,511	75,108,801
The Group			
Statement of Cash Flows for the financial year ended 30 September 2018			
Cash flow from Operating Activities			
Profit before tax	126,698,478	1,533,164	128,231,642
Adjustment for:			
Amortisation of biological assets	14,977,744	(14,977,744)	-
Biological assets written off	1,130,667	(1,130,667)	-
Changes in fair value of biological assets	-	(1,533,164)	(1,533,164)
Depreciation of property, plant and equipment	19,428,065	15,279,888	34,707,953
Property, plant and equipment written off	214,243	1,130,667	1,344,910
Cash flow from Investing Activities			
Acquisition of property, plant and equipment	(16,919,649)	(4,729,886)	(21,649,535)
Acquisition to biological assets	(4,427,742)	4,427,742	-

LIST OF properties

AS AT 30 SEPTEMBER 2019

Location	Description and Existing Use	Land Area (acres)	Tenure	Carrying Amount As At 30-9-2019 RM'000	*Date of Revaluation/ Date of Acquisition
Aliran Perkasa Sdn. Bhd.					
Lot 42195, Mukim Kajang, Daerah Ulu Langat, Selangor	Agricultural title Existing use: Vacant land	3.088	Freehold	1,353	01.04.2004
Lot 42182, Seksyen 10, Bandar Kajang, Daerah Ulu Langat, Selangor	Land approved for development Existing use: Rubber trees	1.495	Freehold	664	07.02.2005
PT 47267, Mukim Semenyih, Daerah Ulu Langat, Selangor	Land approved for development Existing use: Vacant land	1.067	Freehold	990	22.03.2010
PT 37451 - PT 37465 & PT 37466, Mukim Semenyih, Daerah Ulu Langat, Selangor	Land approved for development Existing use: Vacant land	0.832	Freehold		22.03.2010
PT 37334, Mukim Semenyih, Daerah Ulu Langat, Selangor	Land approved for development Existing use: Vacant land	3.790	Freehold	7,162	22.03.2010
Lot 2006, Mukim Semenyih, Daerah Ulu Langat, Selangor	Agricultural title Existing use: Vacant land	10.394	Freehold	7,198	25.10.2011
PT 37330, Mukim Semenyih, Daerah Ulu Langat, Selangor	Land approved for development Existing use: Vacant land	6.870	Freehold	9,612	22.03.2010
PT 37331, Mukim Semenyih, Daerah Ulu Langat, Selangor	Land approved for development Existing use: Vacant land	5.612	Freehold	8,054	01.07.2010
Budi Bidara Sdn. Bhd.					
PT 68858 to PT 68941 (total 84 lots) and PT 68973 (1 lot), Mukim Kajang, Daerah Ulu Langat, Selangor	Individual titles approved for commercial use (84 lots) and residential (1 lot)	5.240	Leasehold of 99 years expiring in 2107	58,645	06.02.2013
PT 688942 to PT 688972 (total 31 lots) Mukim Kajang, Daerah Ulu Langat, Selangor	Individual titles approved for residential use Existing use: Vacant land	1.232	Leasehold of 99 years expiring in 2107		

Location	Description and Existing Use	Land Area (acres)	Tenure	Carrying Amount As At 30-9-2019 RM'000	*Date of Revaluation/ Date of Acquisition
Gerak Teguh Sdn. Bhd.					
All of the parcels of land held by this subsidiary are located at Mukim Semenyih, Daerah Ulu Langat, Selangor and form part of the mixed development project of Taman Pelangi Semenyih					
PT 26791	Vacant residential land	16.140	Freehold	1,703	08.10.2001
PT 26792	Vacant commercial land	0.500	Freehold	139	08.10.2001
PT 26793	Existing use: 1-storey clubhouse, car park and swimming pool (built-up area of 17,797 sq. ft., Building age: 11 years) and part of the land is vacant	2.530	Freehold	513	08.10.2001
PT 26794	Existing use: Lease out for commercial building	2.200	Freehold	11,000	30.09.2019 (Investment Properties stated at fair value)
PT 26795	Existing use: Lease out for commercial building	6.900	Freehold	15,000	30.09.2019 (Investment Properties stated at fair value)
****Hillpark Resources Sdn. Bhd.**					
Lot PT 834, Mukim Ijok and PT 1092, Mukim Jeram, District of Kuala Selangor, Selangor	Agricultural title Existing use: Vacant land	44.970	Leasehold expiring in year 2091	103,908	25.06.2013
Hiliran Juara Sdn. Bhd.					
PT 417 to 427 (11 lots), Pekan Baru Sungai Besi, Daerah Petaling, Selangor	Land approved for residential and commercial development Existing use: Partly vacant and partly occupied by building	11.980	Leasehold expiring in year 2100	21,804	14.01.2005

LIST OF PROPERTIES
AS AT 30 SEPTEMBER 2019

Location	Description and Existing Use	Land Area (acres)	Tenure	Carrying Amount As At 30-9-2019 RM'000	*Date of Revaluation/ Date of Acquisition
Intelek Murni (M) Berhad					
PT 25624, Taman Bukit Mewah, Kajang, Selangor	3-storey clubhouse, car park and swimming pool, all known as Mewah Club (built-up area of 39,478 sq. ft.) (Building age: 25 years)	4.840	Freehold	14,207	* 30.09.2015
Kajang Resources Corporation Sdn. Bhd.					
All of the parcels of land held by this subsidiary are located at Batu 18, Jalan Semenyih, Mukim Semenyih, Daerah Ulu Langat, Selangor					
PT Nos. 50 and 51	Residential land Existing use: Oil palm plantation	9.659	Leasehold expiring in year 2089	2,800	1991
PT Nos. 131 and 132	Vacant residential land	1.572	Freehold	323	19.08.1997
Lot 27977	Agricultural title Existing use: Vacant land	9.219	Freehold	4,994	26.05.1994
PT 42777	Land approved for development Existing use: Vacant land	2.220	Freehold	2,234	08.12.2010 - 07.04.2011
PT 42107	Land approved for development Existing use: Vacant land	2.000	Freehold	1,945	08.12.2010 - 07.04.2011
Lot 2227	Agricultural title Existing use: Vacant land	7.006	Freehold	4,718	14.01.2011
Lot 2229	Agricultural title Existing use: Vacant land	7.387	Freehold	7,388	27.04.2011
Lot 2236	Agricultural title Existing use: Vacant land	11.044	Freehold	15,886	28.10.2010
Laju Jaya Sdn. Bhd.					
PT Nos. 19379 to 19391 (13 lots) Jalan Semenyih, Kajang, Selangor	Wisma MKH. A 6-storey hotel cum office building with built-up area of 171,935 sq. ft. Existing use: 100% tenanted (Building age: 25 years)	0.585	Leasehold expiring in 2089	27,711	* 30.09.2015

LIST OF PROPERTIES
AS AT 30 SEPTEMBER 2019

Location	Description and Existing Use	Land Area (acres)	Tenure	Carrying Amount As At 30-9-2019 RM'000	*Date of Revaluation/ Date of Acquisition
Maha Usaha Sdn. Bhd.					
PT No. 19482, Bandar Kajang, Daerah Ulu Langat, Selangor	Commercial complex with built-up area of approximately 600,000 sq. ft. Existing use: 99% tenanted (Building age: 23 years)	2.226	Leasehold expiring in 2089	138,500	30.09.2019 (Investment Properties stated at fair value)
Lot 10502, Seksyen 7, Bandar Kajang, Daerah Ulu Langat, Selangor	1 unit of 6-storey Shop/ Office in MKH Avenue (Building age: 2 years)	0.112	Leasehold expiring in 2107	11,000	30.09.2019 (Investment Properties stated at fair value)
Metro Tiara (M) Sdn. Bhd.					
Unit 1-1, Tingkat 1, Dataran Pelangi Utama, Pelangi Utama, Jalan Masjid, PJU6A, Petaling Jaya, Selangor	1 unit of stratified office lot within a block of 6-storey shop offices with 58 bays of car park. (Building age: 11.5 years)	2,971 sq. ft. (net lettable area)	Leasehold expiring in year 2101	2,590	30.09.2019 (Investment Properties stated at fair value)
PT No. 76622, Bandar Kajang, Daerah Ulu Langat, Selangor	Private school complex with built-up area of approximately 224,736 sq. ft. (Building age: 6 years)	5.000	Freehold	45,000	30.09.2019 (Investment Properties stated at fair value)
Petik Mekar Sdn. Bhd.					
Lot 1014, Mukim Semenyih, Daerah Ulu Langat, Selangor	Agricultural title Existing use: Vacant land	64.607	Freehold	56,127	10.07.2013
Lot 21740, Mukim Semenyih, Daerah Ulu Langat, Selangor	Agricultural title Existing use: Vacant land	10.544	Freehold	10,658	05.07.2013
PT. Maju Kalimantan Hadapan					
East Kalimantan, Indonesia	Oil palm plantation and office building and estate quarter (built-up area of approximately 3,973,971 sq. ft.)	39,395	Leasehold of 35 years expiring in year 2042 with an option to renew for a further period of 25 years and ^	228,710	* 25.09.2015

^ generally can be further renewed for another period of 35 years upon fulfilment of conditions

LIST OF PROPERTIES
AS AT 30 SEPTEMBER 2019

Location	Description and Existing Use	Land Area (acres)	Tenure	Carrying Amount As At 30-9-2019 RM'000	*Date of Revaluation/ Date of Acquisition
PT. Sawit Prima Sakti					
East Kalimantan, Indonesia	Oil palm plantation and estate quarter (built-up area of approximately 91,752 sq. ft.)	6,043	Leasehold of 35 years expiring in year 2045 with an option to renew for a further period of 25 years and ^	81,798	02.06.2016
^ generally can be further renewed for another period of 35 years upon fulfilment of conditions					
PT. Nusantara Makmur Jaya					
East Kalimantan, Indonesia	Land approved for construction of Jetty and ancillary facilities building and office (built-up area of approximately 10,979 sq. ft.)	42.698	Leasehold of 20 years expiring in year 2037	1,212	19.05.2017
Serba Sentosa Sdn. Bhd.					
Lot 456, Seksyen 7, Bandar Kajang, Daerah Ulu Langat, Selangor	Existing use: Lease out for commercial building	1.047	Leasehold expiring in year 2096	11,000	30.09.2019 (Investment Properties stated at fair value)
PT 35799, Bandar Kajang, Daerah Ulu Langat, Selangor	Land approved for commercial development Existing use: Office	1.210	Leasehold expiring in year 2096	3,026	25.07.1995
Lot 42275, Seksyen 9, Bandar Kajang, Daerah Ulu Langat, Selangor	Land approved for commercial development Existing use: Vacant land	1.857	Leasehold expiring in year 2096	4,985	25.07.1995
PT 56159, Bandar Kajang, Daerah Ulu Langat, Selangor	Land approved for commercial development Existing use: Vacant land	3.720	Leasehold expiring in year 2103	10,300	25.07.1995
PT 69670, Bandar Kajang, Daerah Ulu Langat, Selangor	Vacant commercial land	1.194	Leasehold expiring in year 2107	3,869	25.07.1995
Lot 41078 and Lot 41086 Seksyen 10, Bandar Kajang, Daerah Ulu Langat, Selangor	Vacant residential land	1.011	Freehold	953	05.08.2004

LIST OF PROPERTIES
AS AT 30 SEPTEMBER 2019

Location	Description and Existing Use	Land Area (acres)	Tenure	Carrying Amount As At 30-9-2019 RM'000	*Date of Revaluation/ Date of Acquisition
Srijang Indah Sdn. Bhd.					
Lot 501, Seksyen 7, Bandar Kajang, Daerah Ulu Langat, Selangor	4-storey commercial complex with built-up area of approximately 358,707 sq. ft. Existing use: 97% tenanted (Building age: 12.5 years)	1.774	Leasehold expiring in year 2102	48,000	30.09.2019 (Investment Properties stated at fair value)
Lot 43402, Bandar Baru Bangi, Daerah Ulu Langat, Selangor	1.5-storey hypermarket building with built-up area of approximately 67,089 sq. ft. (Building age: 16 years)	1.770	Freehold	14,000	30.09.2019 (Investment Properties stated at fair value)
Unit G-1, G-2 & G-3, Idaman KL 128 (Saville Residence), 128, Jalan Klang Lama, Kuala Lumpur	3 units of strata shop lot within a block of 30-storey serviced apartment with 79 bays of car park (Building age: 9 years)	11,077 sq. ft. (total net lettable area)	Freehold	8,400	30.09.2019 (Investment Properties stated at fair value)
Unit G-3A, 1-3A, G-5, 1-5, G-6 & 1-6, Pangsapuri Khidmat Melawati (Saville@ Melawati), No. 2, Jalan Kolam Air, Desa Melawati, Kuala Lumpur	6 units of strata shop and office lot within two blocks of 24-storey serviced apartment with 128 bays of car park (Building age: 5 years)	11,162 sq. ft. (total net lettable area)	Freehold	7,950	30.09.2019 (Investment Properties stated at fair value)
Srijang Kemajuan Sdn. Bhd.					
Part of Lot 660, 661, 662 and 663, Seksyen 10, Bandar Kajang, Part of Lot 246, 300, 1029, 1070 and 1127, Mukim Kajang, all in Daerah Hulu Langat, Selangor	Land approved for mixed development Existing use: Vacant land	235.049	Freehold	190,248	05.05.2008
Geran 94270, Lot 38631 and Geran 94269, Lot 38636, Bandar Kajang, Daerah Hulu Langat, Selangor	Agricultural title Existing use: Partly occupied	4.052	Freehold		04.01.2011
Stand Allied Corporation Sdn. Bhd.					
PT 5188, Seksyen 40, Bandar Petaling Jaya, Daerah Petaling, Selangor	Vacant commercial land	1.531	Freehold	10,591	18.07.2014

LIST OF PROPERTIES
AS AT 30 SEPTEMBER 2019

Location	Description and Existing Use	Land Area (acres)	Tenure	Carrying Amount As At 30-9-2019 RM'000	*Date of Revaluation/ Date of Acquisition
Sumber Lengkap Sdn. Bhd.					
Lot 15694, Mukim Semenyih, Daerah Ulu Langat, Selangor	Vacant residential land	3.105	Freehold	1,605	30.04.1999
Lot 15683, Mukim Semenyih, Daerah Ulu Langat, Selangor	Vacant residential land	3.184	Freehold		30.04.1999
Part of Lot 15703, Mukim Semenyih, Daerah Ulu Langat, Selangor	Partly vacant residential land	1.770	Freehold	467	30.04.1999
****Suria Villa Sdn. Bhd.**					
Lot 12684, Mukim Semenyih, Daerah Ulu Langat, Selangor	Land approved for mixed development Existing use: Vacant land	9.581	Freehold	313,553	07.08.2015
Lot 935, 1933, 1934, PT29942, 29943, Lot 1077 &1640, Mukim Semenyih, Daerah Ulu Langat, Selangor	Existing use: Vacant land	74.474	Freehold		07.08.2015
PT 9781 & PT9782, Mukim Semenyih, Daerah Ulu Langat, Selangor	Existing use: Vacant land	14.560	Leasehold of 99 years expiring in 2096		07.08.2015
Lot 1935, 1936, & PT 29946, Mukim Semenyih, Daerah Ulu Langt, Selangor	Existing use: Vacant land	39.119	Freehold		19.08.2016
Vast Furniture Manufacturing (Kunshan) Co. Ltd.					
Lot 1120101015 & Lot 1120101009, 588 Airport Road, Shipu Town, Kunshan City, Jiangsu Province, Republic of China	Office, factory buildings & partial vacant land (Building age: 19 years), new factory building (Building age: 14 years)	10.000	Leasehold of 50 years expiring in 2049	18,255	* 30.09.2015
MKH Berhad					
Lot No. 2 and Lot No. 8, Jalan Bukit Mewah 66, Kajang, Selangor	Two units of 2-storey shop house with built-up area of approximately 8,802 sq. ft. (Building age: 21 years)	4,401 sq. ft. total land area	Freehold	1,176	* 30.09.2015

* All revalued assets were as of 30 September 2015, except PT. Maju Kalimantan Hadapan, which was at 25 September 2015

** Joint venture land

ANALYSIS of shareholdings

AS AT 31 DECEMBER 2019

Issued and fully paid-up capital	:	RM654,458,655
No. of shares issued and paid-up	:	586,548,168 (inclusive of 7,513,600 shares bought-back by the Company and retained as treasury shares as at 31 December 2019)
Class of equity securities	:	Ordinary shares
Voting rights by show of hand	:	One vote for every member
Voting rights by poll	:	One vote for every share held
No. of shareholders	:	6,467

ANALYSIS OF SHAREHOLDINGS

Size of Shareholdings	No. of Holders	%	Total Holdings	%
1 - 99	566	8.752	20,086	0.003
100 - 1,000	587	9.077	325,227	0.056
1,001 - 10,000	3,067	47.425	14,160,063	2.446
10,001 - 100,000	1,867	28.870	58,017,365	10.020
100,001 - 28,951,727	376	5.814	344,808,693	59.549
28,951,728 and above	4	0.062	161,703,134	27.926
Total	6,467	100.000	579,034,568	100.000

SUBSTANTIAL SHAREHOLDERS

		No. of Shares Held			
	Name of Shareholder	Direct Interest	%	Indirect Interest	%
1	Chen Choy & Sons Realty Sdn. Bhd.* ("CCSR")	43,359,954	7.488	192,965,500	33.325
2	Public Bank Group Officers' Retirement Benefits Fund	53,352,059	9.214	-	-
3	Tan Sri Dato' Chen Kooi Chiew @ Cheng Ngi Chong#	1,487,080	0.257	251,458,158	43.427
4	Tan Sri Datuk Chen Lok Loi^	10,602,844	1.831	244,568,087	42.237
5	Datuk Chen Fook Wah+	1,983,911	0.343	236,337,454	40.816

Notes :

* *Deemed interest through shares held in nominee companies.*

\# *Deemed interest through shares held in CCSR, Lotus Way Sdn. Bhd. and a nominee company.*

^ *Deemed interest through shares held in CCSR and a nominee company.*

\+ *Deemed interest through shares held in CCSR and Activest Sdn. Bhd..*

ANALYSIS OF SHAREHOLDINGS
AS AT 31 DECEMBER 2019

LIST OF TOP 30 SHAREHOLDERS
(Without Aggregating Securities From Different Securities Accounts Belonging To The Same Registered Holder)

No.	Name	Shareholdings	% (-)
1	Kenanga Nominees (Tempatan) Sdn. Bhd. Qualifier: Pledged Securities Account For Chen Choy & Sons Realty Sdn. Bhd.	56,750,000	9.801
2	Amsec Nominees (Tempatan) Sdn. Bhd. Qualifier: Pledged Securities Account – AmBank (M) Berhad For Chen Choy & Sons Realty Sdn. Bhd.	37,400,000	6.459
3	Kenanga Nominees (Tempatan) Sdn. Bhd. Qualifier: Public Bank Group Officers' Retirement Benefits Fund	34,553,134	5.967
4	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Qualifier: Pledged Securities Account For Chen Choy & Sons Realty Sdn. Bhd.	33,000,000	5.699
5	Alliancegroup Nominees (Tempatan) Sdn. Bhd. Qualifier: Pledged Securities Account For Chen Choy & Sons Realty Sdn. Bhd.	22,980,000	3.969
6	Chen Choy & Sons Realty Sdn. Berhad	18,879,704	3.260
7	Public Invest Nominees (Tempatan) Sdn. Bhd. Qualifier: Public Bank Group Officers' Retirement Benefits Fund	18,798,925	3.247
8	UOBM Nominees (Tempatan) Sdn. Bhd. Qualifier: Pledged Securities Account For Chen Choy & Sons Realty Sdn. Bhd.	16,700,000	2.884
9	HLB Nominees (Tempatan) Sdn. Bhd. Qualifier: Pledged Securities Account For Chen Choy & Sons Realty Sdn. Bhd.	15,280,500	2.639
10	Chen Choy & Sons Realty Sdn. Bhd.	12,399,592	2.141
11	Chen Choy & Sons Realty Sdn. Bhd.	12,080,658	2.086
12	RHB Capital Nominees (Tempatan) Sdn. Bhd. Qualifier: Pledged Securities Account For Chen Choy & Sons Realty Sdn. Berhad	10,855,000	1.875
13	Tan Sri Datuk Chen Lok Loi	10,602,844	1.831
14	RHB Nominees (Tempatan) Sdn. Bhd. Qualifier: Pledged Securities Account For Cau Vong Holdings Sdn. Bhd.	7,687,747	1.328
15	Alliancegroup Nominees (Tempatan) Sdn. Bhd. Qualifier: Pledged Securities Account For Tan Sri Dato' Chen Kooi Chiew @ Cheng Ngi Chong	6,675,000	1.153

LIST OF TOP 30 SHAREHOLDERS (CONT'D)
(Without Aggregating Securities From Different Securities Accounts Belonging To The Same Registered Holder)

No.	Name	Shareholdings	% (-)
16	Lotus Way Sdn. Bhd.	5,707,704	0.986
17	Public Nominees (Tempatan) Sdn. Bhd. Qualifier: Pledged Securities Account For Kong Goon Khing	5,499,500	0.950
18	Alliancegroup Nominees (Tempatan) Sdn. Bhd. Qualifier: Pledged Securities Account For Liberty Alliance (M) Sdn. Bhd.	5,442,633	0.940
19	Tan Sou Yee	4,321,494	0.746
20	Citigroup Nominees (Asing) Sdn. Bhd. Qualifier: CBNY For Dimensional Emerging Markets Value Fund	4,076,477	0.704
21	Neoh Choo Ee & Company, Sdn. Berhad	4,000,000	0.691
22	Yong Moh Lim	3,800,941	0.656
23	Goh Thong Beng	3,315,100	0.572
24	Low Siew Lian	3,273,787	0.565
25	Wong Ah Tim @ Ong Ah Tin	3,200,000	0.553
26	Key Development Sdn. Berhad	3,101,748	0.536
27	Citigroup Nominees (Asing) Sdn. Bhd. Qualifier: CBNY For Emerging Market Core Equity Portfolio DFA Investment Dimensions Group Inc	2,992,375	0.517
28	Citigroup Nominees (Tempatan) Sdn. Bhd. Qualifier: Employees Provident Fund Board	2,818,030	0.487
29	Alliancegroup Nominees (Tempatan) Sdn. Bhd. Qualifier: Pledged Securities Account For Liberty Alliance (M) Sdn. Bhd.	2,800,000	0.483
30	Cau Vong Holdings Sdn. Bhd.	2,778,364	0.480
TOTAL		**371,771,257**	**64.205**

Note:
(-) Based on 579,034,568 ordinary shares (excluding 7,513,600 treasury shares).

DIRECTORS' shareholdings

AS AT 31 DECEMBER 2019

MKH BERHAD

Name of Director	No. of Ordinary Shares Held Direct Interest	%	Indirect Interest	%
Tan Sri Dato' Chen Kooi Chiew @ Cheng Ngi Chong*	1,487,080	0.257	251,458,158	43.427
Tan Sri Datuk Chen Lok Loi^	10,602,844	1.831	244,568,087	42.237
Datuk Chen Fook Wah#	1,983,911	0.343	236,337,454	40.816
Haji Mohammed Chudi bin Haji Ghazali	67,361	0.012	-	-

Notes :-

* *Deemed interest through shares held in Chen Choy & Sons Realty Sdn. Bhd. ("CCSR"), Lotus Way Sdn. Bhd. and a nominee company.*

^ *Deemed interest through shares held in CCSR and a nominee company.*

Deemed interest through shares held in CCSR and Activest Sdn. Bhd..

RELATED COMPANY
- Srijang Kemajuan Sdn. Bhd.

Name of Director	No. of Ordinary Shares Held Direct Interest	%	Indirect Interest	%
Tan Sri Dato' Chen Kooi Chiew @ Cheng Ngi Chong	1	Negligible	-	-

NOTICE OF FORTIETH annual general meeting

NOTICE IS HEREBY GIVEN THAT the Fortieth Annual General Meeting ("40th AGM") of MKH Berhad will be held at Emerald Ballroom, 1st Floor, RHR Hotel @ Kajang, Jalan Semenyih, 43000 Kajang, Selangor Darul Ehsan on Thursday, 5 March 2020 at 10.00 a.m. to transact the following businesses:

ORDINARY BUSINESS:

1. To receive the Audited Financial Statements for the financial year ended 30 September 2019 together with the Directors' and Auditors' reports thereon. **(Please refer to Explanatory Note A)**

2. To approve the payment of Directors' fees amounting to RM200,000-00 for the financial year ended 30 September 2019 to the Non-Executive Directors. **(Ordinary Resolution 1)**

3. To approve the payment of Directors' benefits (excluding Directors' fees) to the Non-Executive Directors from 5 March 2020 until the next Annual General Meeting of the Company. **(Ordinary Resolution 2)**

4. To re-elect the following Directors who retire by rotation pursuant to Clause 112(1) of the Company's Constitution and being eligible, have offered themselves for re-election:-

   (a) Tan Sri Dato' Chen Kooi Chiew @ Cheng Ngi Chong **(Ordinary Resolution 3)**
   (b) Datuk Chen Fook Wah **(Ordinary Resolution 4)**
   (c) Haji Mohammed Chudi bin Haji Ghazali **(Ordinary Resolution 5)**

5. To re-appoint Deloitte PLT as the Company's Auditors for the financial year ending 30 September 2020 and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 6)**

SPECIAL BUSINESS:

To consider and if thought fit, to pass the following ordinary resolutions:

6. Ordinary Resolution
   Authority To Issue Shares Pursuant To Sections 75 and 76 Of The Companies Act 2016

   "**THAT** subject always to the Companies Act 2016, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Company's Constitution and the approvals of the relevant government and/or regulatory authorities, the Directors be and are hereby empowered pursuant to Sections 75 and 76 of the Companies Act 2016, to issue and allot new shares in the Company at any time at such price, upon such terms and conditions, for such purposes and to such person(s) or party(ies) whomsoever as the Directors may in their absolute discretion, deem fit and expedient in the best interest of the Company, provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being **AND THAT** the Directors are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad **AND THAT** such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company." **(Ordinary Resolution 7)**

7. Ordinary Resolution
Proposed Renewal of Authority for the Company to Purchase Its Own Shares

"**THAT** subject to the Companies Act 2016 (the "Act"), rules, regulations and orders made pursuant to the Act, provisions of the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and any other relevant authorities, the Directors of the Company be and are hereby authorised to exercise the power of the Company to purchase such amount of ordinary shares in the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the best interest of the Company ("Proposed Renewal of Share Buy-Back") subject further to the following:

(i) the aggregate number of shares purchased does not exceed 10% of the existing number of shares of the Company ("Purchased Shares") at the point of purchase;

(ii) the maximum funds to be allocated by the Company for the purpose of purchasing the Purchased Shares shall not exceed the total retained profits of the Company at the time of the purchase(s); and

(iii) the authority conferred by this resolution will commence immediately upon passing of this resolution and will continue to be in force until:
    (a) the conclusion of the next Annual General Meeting ("AGM") of the Company unless the authority is renewed subject to conditions; or
    (b) the expiration of the period within which the next AGM after that date is required by law to be held; or
    (c) it is revoked or varied by ordinary resolution passed by the shareholders of the Company in general meeting;

    whichever occurs first,

(iv) upon the completion of the purchase(s) of the Purchased Shares, the Directors of the Company be and are hereby authorised to deal with the Purchased Shares in the following manner:-
    (a) to cancel the Purchased Shares so purchased; or
    (b) to retain the Purchased Shares so purchased as treasury shares for distribution as dividends to the shareholders and/or resold on the market of Bursa Securities; or
    (c) to retain part of the Purchased Shares so purchased as treasury shares and cancel the remainder; or
    (d) to deal in such other manner as prescribed by the Act, rules, regulations and orders made pursuant to the Act and the requirements of the Bursa Securities and any other relevant authorities may allow from time to time.

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary to implement, finalise and give full effect to the Proposed Renewal of Share Buy-Back with full power to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed by the relevant authorities and with fullest power to do all such acts and things thereafter as the Directors may deem fit and expedient in the best interest of the Company." **(Ordinary Resolution 8)**

8. Ordinary Resolution
Retention of Independent Directors/Continuing in Office as Independent Non-Executive Directors

(a) "**THAT** approval be and is hereby given to En. Jeffrey bin Bosra who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than 9 years, to continue to serve as an Independent Non-Executive Director of the Company in accordance with the Malaysian Code on Corporate Governance 2017." **(Ordinary Resolution 9)**

(b) "**THAT** subject to the passing of Ordinary Resolution 5, approval be and is hereby given to Haji Mohammed Chudi bin Haji Ghazali who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than 12 years, to continue to serve as an Independent Non-Executive Director of the Company until the conclusion of the next AGM of the Company in accordance with the required two-tier voting process of the Malaysian Code on Corporate Governance 2017." **(Ordinary Resolution 10)**

ANY OTHER BUSINESS:

9. To transact any other business of the Company of which due notice shall have been given in accordance with the Company's Constitution and the Companies Act 2016.

By Order of the Board,

TAN WAN SAN (MIA 10195)
Group Company Secretary
Kajang, Selangor Darul Ehsan
Date : 21 January 2020

Notes:

1. Appointment of Proxy

(a) A member entitled to attend and vote at the meeting is entitled to attend and vote in person or by proxy or by attorney or by duly authorised representative. A proxy or attorney or duly authorised representative may but need not be a member of the Company.

(b) The power of attorney or an office copy or a notarially certified copy thereof or the instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing. If the appointor is a corporation, it must be executed under its common seal or in the manner authorised by its constitution.

(c) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), the exempt authorised nominee may appoint any number of proxy (no limit) in respect of each omnibus account it holds.

(d) If the Form of Proxy is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain as he thinks fit. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.

(e) Only members whose names appear in the Record of Depositors as at 27 February 2020 will be entitled to attend and vote at the meeting or appoint a proxy or proxies to attend and vote in his/her stead.

(f) The instrument appointing a proxy together with the power of attorney (if any) under which it is signed or an office copy or a notarially certified copy thereof must be deposited at the registered office at Suite 1, 5th Floor, Wisma MKH, Jalan Semenyih, 43000 Kajang, Selangor Darul Ehsan, at least 48 hours before the time appointed for holding the meeting.

2. To receive the Audited Financial Statements - Explanatory Note A

This Agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Act, does not require a formal approval of the shareholders for the audited financial statements. As such, this item is not put forward for voting.

3. Ordinary Resolution 1 - Payments of Directors' Fees to Non-Executive Directors for Financial Year Ended 30 September 2019

The Proposed Directors' fees of RM200,000-00 for the financial year ended 30 September 2019 to be shared by the following Non-Executive Directors of the Company:-

Datuk Mohammad bin Maidon	:	*RM 50,000-00*
Haji Mohammed Chudi bin Haji Ghazali	:	*RM 50,000-00*
Haji Hasan Aziz bin Mohd Johan	:	*RM 50,000-00*
En. Jeffrey bin Bosra	:	*RM 50,000-00*
Total	:	*RM200,000-00*

4. Ordinary Resolution 2 - Payments of Directors' Benefits (excluding Directors' fees) to Non-Executive Directors

Pursuant to Section 230 of the Act, any fees and benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting.

The Company is seeking shareholders' approval on the benefits/emoluments payable to the Non-Executive Directors which comprises of the following:-

(a) meeting allowance of RM1,000.00 per meeting to be given to the Board and Board Committees;
(b) lodging allowance of RM250.00 and food allowance of RM220.00 per day as well as traveling allowance of up to RM650.00 to be given to outstation Non-Executive Director(s);

in relation to attending the meeting of the Board and Board Committees for the period commencing 5 March 2020 until the next AGM of the Company.

5. Explanatory Statement Pertaining to Special Business

Ordinary Resolution 7

The Proposed Ordinary Resolution 7 is for the purpose of granting a renewed mandate ("General Mandate") and empowering the Directors of the Company, pursuant to Sections 75 and 76 of the Act, to issue and allot new shares in the Company from time to time at such price provided that the aggregate number of shares issued pursuant to the General Mandate does not exceed 10% of the total number of issued shares of the Company for the time being. The General Mandate, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next AGM of the Company.

The General Mandate will provide flexibility to the Company for any possible fundraising activities, including but not limited to further placing of shares, for purpose of funding future investment project(s), working capital and/or acquisition(s).

As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the Thirty-Ninth (39th) AGM which will lapse at the conclusion of the 40th AGM to be held on 5 March 2020.

Ordinary Resolution 8

The Proposed Ordinary Resolution 8, if passed, will give authority to the Directors of the Company to exercise the power of the Company to purchase up to 10% of the existing number of shares of the Company for the time being. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company or the expiration of the period within which the next AGM is required by law to be held, whichever is the earlier.

As at 31 December 2019, a total of 7,513,600 existing shares of the Company were purchased and held as Treasury Shares.

The detailed information on the Proposed Renewal of Share Buy-Back is set out in the Statement to Shareholders dated 21 January 2020 which is dispatched together with the Annual Report 2019.

Ordinary Resolutions 9 and 10

The Nomination Committee has assessed the independence of the following Directors, who have served as an Independent Non-Executive Director of the Company for a cumulative term of more than 9 years and 12 years respectively and recommended them to continue to act as Independent Non-Executive Directors of the Company based on the following justifications:-

Ordinary Resolution 9: En. Jeffrey bin Bosra

(i) He fulfilled the criteria of independence contained in the Corporate Governance Guide issued by Bursa Securities and thus, he would be able to function as check and balance, provide a broader view and brings an element of objectivity to the Board.

(ii) *His vast experience in the auditing industry enabled him to provide the Board with proven experience and competency in advising the management and Board in term of significant accounting policies and practices that enhanced the Company's risk management as he has good knowledge of the business of the Company and is able to exercise independent and objective judgement without fear or favour and act in the best interest of the Company.*

(iii) *He has contributed sufficient time and effort in his capacity as an Audit Committee Chairman and has attended all the meetings of the Board and Board Committees which he sits on for informed and balanced decision making.*

Ordinary Resolution 10: Haji Mohammed Chudi bin Haji Ghazali

(i) *He fulfilled the criteria of independence contained in the Corporate Governance Guide issued by Bursa Securities and thus, he would be able to function as check and balance, provide a broader view and brings an element of objectivity to the Board.*

(ii) *His vast experience in the banking industry enabled him to provide the Board with a diverse set of experience, expertise and independent judgement.*

(iii) *He has performed his duty diligently and in the best interest of the Company and provides a broader view, independent and balanced assessment of proposals from the management.*

(iv) *He has contributed sufficient time and effort in his capacity as Senior Independent Non-Executive Director and has attended all the meetings of the Board and Audit Committee which he sits on and has participated actively in the Board and Board Committees deliberations.*

Personal Data Privacy*:*

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof) and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representatives for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Statement Accompanying Notice of fortieth annual general meeting

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

The profiles of the Directors who are standing for re-election (as per Resolutions 3 to 5 as stated above) at the 40th Annual General Meeting of MKH Berhad are set out in the profile of Directors' section from pages 42 to 43 of the Company's Annual Report.

The information relating to the shareholding of the above Directors in the Company and its related corporation are set out on page 249 of the Company's Annual Report.

MKH

MKH BERHAD
Registration No. 197901006663 (50948-T)
(Incorporated in Malaysia)

Form of Proxy

I/We ____________________

NRIC/Passport/Company No.: ____________________ Mobile Phone No.: ____________________

CDS Account No.: ____________________ Number of Shares Held: ____________________

Address: ____________________

being a member of MKH Berhad hereby appoint:

1) Name of Proxy: ____________________ NRIC/Passport/Company No.: ____________________
Address: ____________________
Number of Shares Represented: ____________________

^ or failing him/her

2) Name of Proxy: ____________________ NRIC/Passport/Company No.: ____________________
Address: ____________________
Number of Shares Represented: ____________________

* or failing him/her, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Fortieth Annual General Meeting of the Company to be held at the Emerald Ballroom, 1st Floor, RHR Hotel @ Kajang, Jalan Semenyih, 43000 Kajang, Selangor Darul Ehsan on Thursday, 5 March 2020 at 10.00 a.m. and at any adjournment thereof.

The proxy is to vote on the Resolutions set out in the Notice of Meeting with "X" in the appropriate spaces. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion.

Resolutions		**For**	**Against**
Ordinary Resolution 1	Payment of Directors' Fees for financial year ended 30 September 2019		
Ordinary Resolution 2	Payment of Directors' benefits (excluding Directors' fees) to the Non-Executive Directors of the Company		
Ordinary Resolution 3	Re-election of retiring Director, Tan Sri Dato' Chen Kooi Chiew @ Cheng Ngi Chong		
Ordinary Resolution 4	Re-election of retiring Director, Datuk Chen Fook Wah		
Ordinary Resolution 5	Re-election of retiring Director, Haji Mohammed Chudi bin Haji Ghazali		
Ordinary Resolution 6	Re-appointment of Deloitte PLT as Auditors of the Company and to authorise the Directors to fix their remuneration		
Ordinary Resolution 7	Authority for Directors to Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016		
Ordinary Resolution 8	Proposed Renewal of Authority for Share Buy-Back		
Ordinary Resolution 9	Retention of Encik Jeffrey bin Bosra as Independent Non-Executive Director		
Ordinary Resolution 10	Retention of Haji Mohammed Chudi bin Haji Ghazali as Independent Non-Executive Director		

Dated this ______________ day of ______________ 2020

____
Signature/Common Seal of Member

* Delete the words "or failing him/her, the Chairman of the Meeting" if you do not wish to appoint the Chairman of the meeting to be your proxy
^ Delete if inapplicable

Notes:-

1. *A member entitled to attend and vote at the meeting is entitled to attend and vote in person or by proxy or by attorney or by duly authorised representative. A proxy or attorney or duly authorised representative may but need not be a member of the Company.*
2. *The power of attorney or an office copy or a notarially certified copy thereof or the instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing. If the appointor is a corporation, it must be executed under its common seal or in the manner authorised by its constitution.*
3. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), the exempt authorised nominee may appoint any number of proxy (no limit) in respect of each omnibus account it holds.*
4. *If the Form of Proxy is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain as he thinks fit. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy.*
5. *Only members whose names appear in the Record of Depositors as at 27 February 2020 will be entitled to attend and vote at the meeting or appoint a proxy or proxies to attend and vote in his/her stead.*
6. *The instrument appointing a proxy together with the power of attorney (if any) under which it is signed or an office copy or a notarially certified copy thereof must be deposited at the registered office at Suite 1, 5th Floor, Wisma MKH, Jalan Semenyih, 43000 Kajang, Selangor Darul Ehsan, at least 48 hours before the time appointed for holding the meeting.*
7. *Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the Resolutions set out in the Notice of 40th Annual General Meeting will be put to vote by poll.*

Please fold here

AFFIX
STAMP

THE COMPANY SECRETARY
MKH BERHAD
Registration No. 197901006663 (50948-T)
Suite 1, 5th Floor
Wisma MKH
Jalan Semenyih
43000 Kajang
Selangor Darul Ehsan

Please fold here

www.mkhberhad.com

MKH Berhad (197901006663 (50948-T))

5th Floor, Wisma MKH, Jalan Semenyih
43000 Kajang, Selangor Darul Ehsan

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Fax : +603 8736 5436

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for instant access to the Annual Report 2019
which is also available at
http://mkhberhad.com/shareholders-meeting/