



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME  
INTERIM REPORT FOR THE SECOND QUARTER  
AND FINANCIAL PERIOD ENDED 31 MARCH 2018**

	(Unaudited) INDIVIDUAL QUARTER Current Year Quarter 31.03.2018 RM'000	(Unaudited) Preceding Year Corresponding Quarter 31.03.2017 RM'000	(Unaudited) CUMULATIVE QUARTER Current Year-to-Date 31.03.2018 RM'000	(Unaudited) Preceding Year-to-Date 31.03.2017 RM'000
<b>Revenue</b>	325,487	278,076	519,778	539,101
Cost of sales	(222,702)	(169,669)	(348,710)	(334,358)
<b>Gross profit</b>	<b>102,785</b>	108,407	<b>171,068</b>	204,743
Other income	4,393	5,956	7,590	9,816
Sales and marketing expenses	(16,233)	(8,477)	(24,109)	(15,855)
Administrative expenses	(23,976)	(22,100)	(42,355)	(39,826)
Other expenses	(17,654)	(2,643)	(26,938)	(9,380)
<b>Profit from operations</b>	<b>49,315</b>	81,143	<b>85,256</b>	149,498
Share of results of associates	(23)	(57)	(231)	(1,323)
Interest expenses	(7,817)	(12,081)	(16,149)	(21,924)
<b>Profit before tax</b>	<b>41,475</b>	69,005	<b>68,876</b>	126,251
Tax expense	(14,048)	(20,365)	(24,572)	(36,135)
<b>Profit for the period</b>	<b>27,427</b>	48,640	<b>44,304</b>	90,116
<b>Other comprehensive income</b>				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Foreign exchange translation differences	(1,482)	(143)	(1,973)	(1,955)
Other comprehensive income for the period	(1,482)	(143)	(1,973)	(1,955)
<b>Total comprehensive income for the period</b>	<b>25,945</b>	48,497	<b>42,331</b>	88,161
<b>Profit attributable to:</b>				
Owners of the parent	24,630	49,368	41,264	90,157
Non-controlling interests	2,797	(728)	3,040	(41)
	<b>27,427</b>	48,640	<b>44,304</b>	90,116
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	23,143	49,223	39,145	88,409
Non-controlling interests	2,802	(726)	3,186	(248)
	<b>25,945</b>	48,497	<b>42,331</b>	88,161
<b>Earnings per share</b>				
Basic Earnings per ordinary share (sen)	4.23	9.58	7.09	17.49
Diluted Earnings per ordinary share (sen)	4.23	9.53	7.09	17.15
Proposed/Declared Dividend per share (sen)	-	-	5.00	7.00

The condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Audited Financial Report for the financial year ended 30 September 2017 and the accompanying explanatory notes attached to the interim Financial Report.



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
INTERIM FINANCIAL REPORT AS AT 31 MARCH 2018**

	(Unaudited) 31.03.2018	(Audited) 30.09.2017
<i>Assets</i>	<b>RM'000</b>	RM'000
Property, plant and equipment	192,170	210,047
Intangible assets	23,763	22,015
Biological assets	251,276	284,975
Prepaid lease payments	44,408	45,724
Investment properties	318,937	318,937
Investment in associates	13,659	13,890
Land held for property development	936,074	915,912
Deferred tax assets	36,081	33,933
Tax recoverable	1,148	1,282
Receivables, deposits and prepayments	32,425	30,944
<b>Total Non-Current Assets</b>	<b>1,849,941</b>	<b>1,877,659</b>
Property development costs	436,510	474,969
Inventories	187,233	153,185
Accrued billings	189,714	152,557
Receivables, deposits and prepayments	193,074	266,766
Current tax assets	16,677	12,214
Cash, bank balances, term deposits and fixed income funds	282,479	264,610
	1,305,687	1,324,301
Non-current assets classified as held for sale	10,536	22,549
<b>Total Current Assets</b>	<b>1,316,223</b>	<b>1,346,850</b>
<b>TOTAL ASSETS</b>	<b>3,166,164</b>	<b>3,224,509</b>
<i>Equity</i>		
Share capital	654,459	613,315
Warrant reserve	-	4,761
Translation reserve	(5,548)	(3,429)
Revaluation reserve	23,534	23,534
Retained earnings	851,061	838,813
<b>Equity attributable to owners of the parent</b>	<b>1,523,506</b>	<b>1,476,994</b>
<b>Non-Controlling Interests</b>	<b>51,229</b>	<b>30,826</b>
<b>Total Equity</b>	<b>1,574,735</b>	<b>1,507,820</b>
<i>Liabilities</i>		
Deferred tax liabilities	58,246	59,038
Provisions	9,482	11,454
Loans and borrowings - long-term	379,063	444,139
Payables, deposits received and accruals	346,211	346,512
<b>Total Non-Current Liabilities</b>	<b>793,002</b>	<b>861,143</b>
Provisions	20,183	20,183
Progress billings	2,113	870
Payables, deposits received and accruals	446,764	497,501
Loans and borrowings - short-term	320,014	328,377
Current tax liabilities	9,353	8,615
<b>Total Current Liabilities</b>	<b>798,427</b>	<b>855,546</b>
<b>Total Liabilities</b>	<b>1,591,429</b>	<b>1,716,689</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,166,164</b>	<b>3,224,509</b>
<b>Net Assets per share attributable to shareholders of the Company (RM)</b>	<b>2.60</b>	<b>2.62</b>

The condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Report for the financial year ended 30 September 2017 and the accompanying explanatory notes attached to the interim Financial Report.



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
INTERIM REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2018**

Group	Attributable to owners of the parent						Total	Non-Controlling Interests	Total Equity
	Non-distributable			Distributable					
	Share Capital	Share Premium	Warrant Reserve	Translation Reserve	Revaluation Reserve	Retained Earnings	RM'000	RM'000	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000			RM'000
<b>Financial period ended 31 March 2018</b>									
At 1.10.2017 (audited)	613,315	-	4,761	(3,429)	23,534	838,813	1,476,994	30,826	1,507,820
Total comprehensive income for the period	-	-	-	(2,119)	-	41,264	39,145	3,186	42,331
<b>Transactions with owners</b>									
Issuance of shares pursuant to warrants	41,144	-	(4,492)	-	-	-	36,652	-	36,652
Issuance of shares by subsidiaries to non-controlling shareholder	-	-	-	-	-	-	-	21,092	21,092
Warrants expired	-	-	(269)	-	-	269	-	-	-
Dividend paid to non-controlling shareholders	-	-	-	-	-	-	-	(3,875)	(3,875)
Dividends	-	-	-	-	-	(29,285)	(29,285)	-	(29,285)
<b>At 31.03.2018 (unaudited)</b>	<b>654,459</b>	<b>-</b>	<b>-</b>	<b>(5,548)</b>	<b>23,534</b>	<b>851,061</b>	<b>1,523,506</b>	<b>51,229</b>	<b>1,574,735</b>
<b>Financial period ended 31 March 2017</b>									
At 1.10.2016 (audited)	419,444	57	8,000	(561)	23,534	825,811	1,276,285	34,371	1,310,656
Total comprehensive income for the period	-	-	-	(1,748)	-	90,157	88,409	(248)	88,161
<b>Transactions with owners</b>									
Issuance of shares pursuant to warrants	10,403	728	(1,214)	-	-	-	9,917	-	9,917
Changes of ownership interest in a subsidiary	-	-	-	-	-	6	6	(6)	-
Dividends	-	-	-	-	-	(29,363)	(29,363)	-	(29,363)
<b>At 31.03.2017 (unaudited)</b>	<b>429,847</b>	<b>785</b>	<b>6,786</b>	<b>(2,309)</b>	<b>23,534</b>	<b>886,611</b>	<b>1,345,254</b>	<b>34,117</b>	<b>1,379,371</b>

The condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Audited Financial Report for the financial year ended 30 September 2017 and the accompanying explanatory notes attached to the interim Financial Report.



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
INTERIM REPORT FOR THE SECOND QUARTER  
AND FINANCIAL PERIOD ENDED 31 MARCH 2018**

	(Unaudited) 31.03.2018 RM'000	(Unaudited) 31.03.2017 RM'000
<b>Cash Flows From/(Used In) Operating Activities</b>		
Profit before tax	68,876	126,251
Adjustments for non-cash items	53,706	39,888
Operating profit before changes in working capital	<u>122,582</u>	<u>166,139</u>
Change in property development costs	17,928	(22,971)
Change in inventories	51,441	10,473
Change in accrued billings in respect of property development	(35,914)	115,639
Change in receivables, deposits and prepayments	30,358	(32,253)
Change in payables and accruals	(55,595)	(96,964)
Cash generated from operations	<u>130,800</u>	<u>140,063</u>
Interest paid	(18,378)	(23,810)
Interest received	2,271	3,140
Tax paid	(30,733)	(47,510)
Tax refund	-	1,232
Retirement benefits obligations paid	(1,257)	(199)
<b>Net cash from operating activities</b>	<u>82,703</u>	<u>72,916</u>
<b>Cash Flows From/(Used In) Investing Activities</b>		
Additions to land held for property development	(27,575)	(46,206)
Acquisition of property, plant and equipment	(5,790)	(4,943)
Additions to biological assets	(2,121)	(1,693)
Additions to intangible assets	(2,328)	(5,355)
Proceeds from disposal of property, plant and equipment	8	-
(Placement)/Withdrawal of deposits with licensed banks	30	(4,813)
<b>Net cash used in investing activities</b>	<u>(37,776)</u>	<u>(63,010)</u>
<b>Cash Flows From/(Used In) Financing Activities</b>		
Dividend paid	(29,285)	(29,363)
Dividend paid to non-controlling shareholders	(3,875)	-
Net (repayment)/drawdown of bank borrowings	(51,967)	79,471
Payments of finance lease liabilities	(410)	(368)
Proceeds from issuance of shares by subsidiaries to non-controlling shareholders	21,092	-
Proceeds from issuance of shares	36,652	9,917
<b>Net cash from financing activities</b>	<u>(27,793)</u>	<u>59,657</u>
<b>Net increase in cash and cash equivalents</b>	<u>17,134</u>	<u>69,563</u>
Effect of exchange rate fluctuations	(221)	209
<b>Cash and cash equivalents at beginning of the period</b>	<u>239,297</u>	<u>267,180</u>
<b>Cash and cash equivalents at end of the period</b>	<u>256,210</u>	<u>336,952</u>

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

The condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Audited Financial Report for the financial year ended 30 September 2017 and the accompanying explanatory notes attached to the interim Financial Report.



## EXPLANATORY NOTES

### A1. BASIS OF PREPARATION

The quarterly financial statements have been prepared in accordance with Financial Reporting Standards (“FRS”) 134 – Interim Financial Reporting and Appendix 9B of the Bursa Malaysia Securities Berhad Listing Requirements, and should be read in conjunction with MKH Berhad’s audited financial statements for the financial year ended 30 September 2017.

### CHANGES IN ACCOUNTING POLICIES

The accounting policies and methods of computation adopted by the Group in this interim financial statement are consistent with those adopted for the annual financial statements for the financial year ended 30 September 2017 (“Annual Report 2017”) except for adoption of the following new and revised Standards and Amendments:

Amendments to FRS 107 Disclosure Initiative  
Amendments to FRS 112 Recognition of Deferred Tax Assets for Unrealised Losses  
Annual Improvements to FRSs 2014 - 2016 cycle

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

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

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

FRS 9	Financial Instruments (IFRS 9 issued by IASB in July 2014) <sup>1</sup>
Amendments to FRS 2	Classification and Measurement of Share-based Payment Transaction <sup>1</sup>
Amendments to FRS 4	Applying FRS 9 Financial Instruments with FRS 4 Insurance Contracts <sup>1</sup>
Amendments to FRS 10 and FRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
Amendments to FRS 140	Transfer of Investment Property <sup>1</sup>
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration <sup>1</sup>
IC Interpretation 23	Uncertainty Over Income Tax Payments <sup>2</sup>
Annual Improvements to FRSs 2014 - 2016 cycle <sup>1</sup>	

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

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2019, with earlier application permitted.

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

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

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

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

### **Malaysian Financial Reporting Standards**

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

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

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

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

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

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

The auditors have expressed an unqualified opinion on the Company’s statutory financial statements for the financial year ended 30 September 2017 in their report dated 28 December 2017.

**A3. SEASONAL OR CYCLICAL FACTORS**

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

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

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

**A5. CHANGES IN ESTIMATES**

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

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

There were no issuance, cancellations, repurchases, resale and repayment of debt and equity securities in the current quarter and the financial year-to-date except issuance of 23,646,246 ordinary shares pursuant to the exercised of 23,646,246 warrants at an exercise price of RM1.55 per ordinary share.

**A7. DIVIDEND PAID**

A first interim single tier dividend of 5.0 sen per ordinary share in respect of financial year ended 30 September 2017 amounting to RM29,284,585 was declared on 28 November 2017 and paid on 11 January 2018.

## A8. OPERATING SEGMENTS

### (a) Segment Analysis – Business Segments

Financial period ended 31 March 2018

	Property development & construction RM'000	Plantation RM'000	Hotel & property investment RM'000	Trading RM'000	Manu- facturing RM'000	Investment holding RM'000	Non-reportable segment RM'000	Eliminations RM'000	Consolidated RM'000
<b>Revenue</b>									
Total external revenue	336,146	125,207	16,637	35,679	4,915	-	1,194	-	519,778
Inter-segment revenue	10,377	2,799	-	94	-	55,532	-	(68,802)	-
Total segment revenue	<u>346,523</u>	<u>128,006</u>	<u>16,637</u>	<u>35,773</u>	<u>4,915</u>	<u>55,532</u>	<u>1,194</u>	<u>(68,802)</u>	<u>519,778</u>
<b>Results</b>									
Operating result <sup>#</sup>	64,606	12,545	6,356	1,780	199	18,318	219	(21,038)	82,985
Interest expense*	(20,000)	(11,698)	(1,087)	(2)	-	(14,679)	(1,294)	32,611	(16,149)
Interest income**	3,748	404	26	53	26	9,583	4	(11,573)	2,271
Share of results of associates	(231)	-	-	-	-	-	-	-	(231)
Segment result	<u>48,123</u>	<u>1,251</u>	<u>5,295</u>	<u>1,831</u>	<u>225</u>	<u>13,222</u>	<u>(1,071)</u>	<u>-</u>	<u>68,876</u>
Tax expense									(24,572)
Profit for the period									<u>44,304</u>
<b>Assets</b>									
Segment assets	2,096,011	505,425	372,646	30,092	32,958	22,116	40,499	-	3,099,747
Investment in associates	13,659	-	-	-	-	-	-	-	13,659
Deferred tax assets									36,081
Current tax assets									<u>16,677</u>
Total assets									<u>3,166,164</u>
<b>Liabilities</b>									
Segment liabilities	1,036,728	268,055	53,111	9,762	3,455	151,613	1,106	-	1,523,830
Deferred tax liabilities									58,246
Current tax liabilities									<u>9,353</u>
Total liabilities									<u>1,591,429</u>
<b>Other segment information</b>									
Depreciation and amortisation	646	15,355	1,221	21	379	213	526	-	18,361
Additions to non-current assets other than financial instruments and deferred tax assets	<u>30,879</u>	<u>6,543</u>	<u>763</u>	<u>93</u>	<u>52</u>	<u>-</u>	<u>(91)</u>	<u>-</u>	<u>38,239</u>
* Included inter-company interest expense	13,733	5,926	64	-	-	11,594	1,294	(32,611)	-
** Included inter-company interest income	(2,321)	-	-	-	-	(9,252)	-	11,573	-
# Included unrealised foreign exchange losses	-	20,651	-	-	-	-	-	-	20,651
# Included realised foreign exchange losses	1	191	-	-	280	1,114	-	-	1,586

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

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

Financial period ended 31 March 2017

	Property development & construction RM'000	Plantation RM'000	Hotel & property investment RM'000	Trading RM'000	Manu- facturing RM'000	Investment holding RM'000	Non-reportable segment RM'000	Eliminations RM'000	Consolidated RM'000
<b>Revenue</b>									
Total external revenue	347,675	136,379	16,986	30,775	6,710	-	576	-	539,101
Inter-segment revenue	-	1,595	1,128	99	-	49,452	-	(52,274)	-
Total segment revenue	<u>347,675</u>	<u>137,974</u>	<u>18,114</u>	<u>30,874</u>	<u>6,710</u>	<u>49,452</u>	<u>576</u>	<u>(52,274)</u>	<u>539,101</u>
<b>Results</b>									
Operating result <sup>#</sup>	90,249	45,483	7,616	2,614	839	19,096	(79)	(19,460)	146,358
Interest expense*	(21,905)	(13,626)	(1,125)	(1)	-	(14,497)	(345)	29,575	(21,924)
Interest income**	6,026	445	9	38	99	6,631	7	(10,115)	3,140
Share of results of associates	(1,323)	-	-	-	-	-	-	-	(1,323)
Segment result	<u>73,047</u>	<u>32,302</u>	<u>6,500</u>	<u>2,651</u>	<u>938</u>	<u>11,230</u>	<u>(417)</u>	<u>-</u>	<u>126,251</u>
Tax expense									<u>(36,135)</u>
Profit for the period									<u><u>90,116</u></u>
<b>Assets</b>									
Segment assets	2,222,162	598,222	363,016	27,390	34,527	23,162	25,147	-	3,293,626
Investment in associates	12,813	-	-	-	-	-	-	-	12,813
Deferred tax assets									29,105
Current tax assets									<u>15,258</u>
Total assets									<u><u>3,350,802</u></u>
<b>Liabilities</b>									
Segment liabilities	1,277,897	362,021	52,254	7,815	3,964	178,698	1,149	-	1,883,798
Deferred tax liabilities									64,371
Current tax liabilities									<u>23,262</u>
Total liabilities									<u><u>1,971,431</u></u>
<b>Other segment information</b>									
Depreciation and amortisation	630	17,590	1,017	14	450	248	165	-	20,114
Additions to non-current assets other than financial instruments and deferred tax assets	<u>58,645</u>	<u>4,701</u>	<u>2,329</u>	<u>99</u>	<u>70</u>	<u>-</u>	<u>162</u>	<u>-</u>	<u>66,006</u>
* Included inter-company interest expense	13,300	5,707	-	-	-	10,223	345	(29,575)	-
** Included inter-company interest income	(3,546)	-	-	-	-	(6,569)	-	10,115	-
# Included unrealised foreign exchange gains	-	(5,035)	-	-	-	-	-	-	(5,035)
# Included realised foreign exchange (gains)/losses	(1)	6,723	-	-	-	(851)	-	-	5,871
# Included loss arising from derivative financial assets	-	64	-	-	-	-	-	-	64

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

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

	Revenue		Non-current assets	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
	RM'000	RM'000	RM'000	RM'000
<b>Continuing operations</b>				
Malaysia	389,656	396,012	1,333,512	1,435,615
The Peoples' Republic of China	4,915	6,710	20,525	22,096
Republic of Indonesia	125,207	136,379	413,739	500,470
	<u>519,778</u>	<u>539,101</u>	<u>1,767,776</u>	<u>1,958,181</u>

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

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

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

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

There were no material events subsequent to the end of the current quarter under review that have not been reflected in the financial statements.

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

There were no changes in the composition of the Group in the current quarter and the financial year-to-date except for:

- (a) On 16 January 2018, Kajang Resources Corporation Sdn Bhd (“KRC”), a wholly owned subsidiary of the Company has acquired 2 ordinary shares representing 100% of the equity interest of 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. As a result, MPVSB became a 51% owned subsidiary of KRC and the Company; and
- (b) On 17 January 2018, the Company has acquired 2 ordinary shares representing 100% of the equity interest of Metro Readymix Sdn Bhd (“MRSB”), for a cash consideration of RM2/-. As a result, MRSB became a wholly-owned subsidiary of the Company.

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

- (a) As at 17 May 2018, the latest practicable date which is not earlier than 7 days from the date of issuance of this interim Financial Report, the net changes in the contingent liabilities of the Company to financial institutions and suppliers for banking and trade credit facilities granted to subsidiary companies since the preceding financial year ended 30 September 2017 recorded a decrease of approximately RM81.5 million. Total credit facilities granted to subsidiaries with corporate guarantees issued by the Company to the lenders and utilised by subsidiaries as at 17 May 2018 was approximately RM1.1 billion and RM699.5 million respectively.

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

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

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

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

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

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

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

### A13. CAPITAL COMMITMENTS

The capital commitment of the Group is as follows:

	<b>As at 31.03.2018 RM'000</b>
Approved, contracted but not provided for:	
- Intangible asset for property development division	24,538
Approved but not contracted and not provided for:	
- Property, plant and equipment for plantation division	6,998
	<u>31,536</u>

### A14. RELATED PARTY TRANSACTIONS

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

	<b>Current Quarter 31.03.2018 RM'000</b>	<b>Financial Year-to-Date 31.03.2018 RM'000</b>
Sales of development properties to:		
-Other key management personnel of the Group	<u>1,087</u>	<u>1,607</u>

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

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

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	Current Year Quarter	Preceding Year Corresponding Quarter	Changes	Current Year-to-Date	Preceding Year-to-Date	Changes
	31.03.2018 RM'000	31.03.2017 RM'000	RM'000	31.03.2018 RM'000	31.03.2017 RM'000	RM'000
Revenue	325,487	278,076	47,411	519,778	539,101	(19,323)
Operating profit	48,396	79,526	(31,130)	82,985	146,358	(63,373)
Profit before interest and tax	48,373	79,469	(31,096)	82,754	145,035	(62,281)
Profit before tax	41,475	69,005	(27,530)	68,876	126,251	(57,375)
Profit after tax	27,427	48,640	(21,213)	44,304	90,116	(45,812)
Profit attributable to ordinary equity holders of the Parent	24,630	49,368	(24,738)	41,264	90,157	(48,893)

**(i) Second quarter ended 31 March 2018**

The Group recorded higher revenue of RM325.5 million for the current quarter as compared to the preceding year correspondence quarter of RM278.1 million, representing an increase of 17.0% which mainly contributed from the property and construction division.

Despite the increase in revenue, the Group recorded lower profit before tax of RM41.5 million for the current quarter as compared to the preceding year correspondence quarter of RM69.0 million. The decrease in the Group's profit before tax by 39.9% was mainly due lower gross profit margin achieved by the property and construction division following higher sales rebates offered on certain property development projects and inclusion of unrealised foreign exchange losses of RM12.8 million in the current quarter as compared to the preceding year correspondence quarter's unrealised foreign exchange gains of RM9.2 million from the plantation division.

Excluding the unrealised foreign exchange losses/gains, the Group's profit before tax was lower by 9.2% to RM54.3 million in the current quarter as compared to the preceding year correspondence quarter of RM59.8 million mainly due to lower gross profit achieved by the property and construction division as mentioned above. Nevertheless, the lower gross profit from the property and construction division was mitigated by higher crude palm oil ("CPO") sales volume of 25,000 metric tonnes ("MT") in the current quarter as compared to the preceding correspondence quarter of 20,000 MT.

**(ii) Financial year-to-date ("YTD") ended 31 March 2018 by Segments**

**Property and construction**

This division recorded lower revenue and profit before tax of RM336.1 million and RM48.1 million for the current YTD as compared to the preceding YTD of RM347.7 million and RM73.0 million respectively was mainly due to the lower revenue and profit recognition following the handling over vacant possession of MKH Avenue, Saville @ Kajang, Hillpark Home 3, Pelangi Heights and Kajang East Precinct 2. The ongoing new property development projects namely, TR Residence at Jalan Tun Razak, Kajang 2 Precinct 2 (Midori & Hiroki) and Inspirasi Mont' Kiara are still at the preliminary stage of development.

As at 31.3.2018, the Group has locked-in unbilled sales value of RM973.2 million from which attributed sales revenue and profits will be recognised progressively as their development percentage of completion progresses and were mainly contributed from the ongoing projects namely Hill Park Shah Alam (RM276.7 million), Saville @ Cheras (RM37.6 million), Saville @ D'Lake Puchong (RM45.9 million), Hillpark Home 3 (RM3.8 million), Hillpark Residence (RM92.8 million), TR Residence (RM286.2 million), Kajang 2 Precinct 2 (RM88.1 million) and Inspirasi Mont' Kiara (RM142.1 million).

### Plantation

Despite the higher CPO sales volume of 46,800 MT in the current YTD as compared to the preceding YTD of 44,900 MT, this division recorded lower revenue of RM125.2 million for the current YTD as compared to the preceding YTD of RM136.4 million mainly due to lower average selling price for CPO of RM2,321 per MT in the current YTD as compared to the preceding year correspondence YTD of RM2,637 per MT.

This division recorded lower profit before tax of RM1.3 million in the current YTD as compared to the preceding YTD of RM32.3 million mainly due to lower gross profit as a result of lower revenue as mentioned above and inclusion of unrealised foreign exchange losses of RM20.7 million in the current YTD as compared to the preceding YTD's unrealised foreign exchange gains of RM5.0 million. The unrealised foreign exchange losses were mainly due to weakening of Indonesia Rupiah against its RM and USD borrowings.

Excluding the unrealised foreign exchange losses/gains, this division recorded profit before tax of RM22.0 million for the current YTD as compared to preceding YTD of RM27.3 million.

Palm oil plantation's production key indicators:

As at 31 March 2018	Q1	Q2	YTD 2018
Total land area (hectares)			18,388
Planted area (hectares)			16,408
Mature area (hectares)			15,623
Fresh Fruit Bunches produced by (MT)			
Own estates	88,194	117,094	205,288
External	3,039	2,963	6,002
	91,233	120,057	211,290
Crude Palm Oil (MT)	20,169	26,309	46,478
Palm Kernel (MT)	3,952	4,986	8,938
Average CPO price/MT	2,449	2,210	2,321
Average PK price/MT	2,352	1,987	2,100

As at 30 September 2017	Q1	Q2	Q3	Q4	Year 2017
Total land area (hectares)					18,388
Planted area (hectares)					16,408
Mature area (hectares)					15,623
Fresh Fruit Bunches produced by (MT)					
Own estates	102,482	105,150	98,653	91,284	397,569
External	2,877	2,900	2,243	2,472	10,492
	105,359	108,050	100,896	93,756	408,061
Crude Palm Oil (MT)	22,163	21,423	19,352	19,771	82,709
Palm Kernel (MT)	4,061	4,107	3,409	3,787	15,364
CPO average price RM/MT	2,536	2,762	2,450	2,375	2,526
PK average price RM/MT	2,187	2,808	1,739	1,897	2,172

### **Hotel and property investment**

This division recorded lower revenue and profit before tax of RM16.6 million and RM5.3 million for the current YTD as compared to the preceding YTD of RM17.0 million and RM6.5 million respectively mainly due to charge out of professional fees incurred on acquisition of investment property and slight reduction in rental rates for certain tenants.

### **Trading**

Despite the higher revenue in current YTD of RM35.7 million as compared to preceding YTD of RM30.8 million, this division recorded lower profit before tax of RM1.8 million for the current YTD as compared to the preceding YTD of RM2.7 million respectively mainly due to higher product mixed of low profit margin building materials.

### **Manufacturing**

This division recorded a decrease in revenue and profit before tax of RM4.9 million and RM0.2 million for the current YTD as compared to the preceding YTD of RM6.7 million and RM0.9 million respectively mainly due to lower sales order from existing customers coupled with we are in the midst of converting this division's land and factory buildings into property investment for better returns and expect to be completed by 30 September 2018.

### **Investment holding**

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

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

	<b>Current Quarter 31.03.2018 RM'000</b>	<b>Immediate Preceding Quarter 31.12.2017 RM'000</b>	<b>Changes RM'000</b>
Revenue	325,487	194,291	131,196
Operating profit	48,396	34,590	13,806
Profit before interest and tax	48,373	34,382	13,991
Profit before tax	41,475	27,401	14,074
Profit after tax	27,427	16,877	10,550
Profit attributable to ordinary equity holders of the parent	24,630	16,634	7,996

The revenue and profit before tax for the current quarter of RM325.5 million and RM41.5 million were higher compared to the preceding quarter of RM194.3 million and RM27.4 million respectively mainly due to higher revenue and profit recognition from ongoing property development phases in Hill Park Shah Alam and new property development project at Jalan Tun Razak known as TR Residence.

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

This is not applicable to the Group.

#### B4. CURRENT YEAR PROSPECTS

The Board of Directors expect the Group to achieve satisfactory results for the financial year ending 30 September 2018 arising from the following three (3) major segments:

- Property and construction segment - ongoing property development projects that have been launched with total unbilled sales of RM973.2 million. Moving forward, the Klang Valley residential market is expected to remain challenging but the Group is well positioned as most of its properties are in the affordable segment whereby the demand continues to be strong.
- Plantation segment – crude palm oil prices are expected to be sustainable and we will continue to focus on the estate management to increase the production efficiencies including oil extraction rate and maximising the utilisation of the CPO mill.
- Property Investment segment – rental yield from this division is expected at an average of approximately 5% per annum based on fair value as at 30 September 2017.

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

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

	<b>Current Quarter 31.03.2018 RM'000</b>	<b>Financial year-to-date 31.03.2018 RM'000</b>
Amortisation of prepaid lease payments	(291)	(757)
Amortisation of biological assets	(3,745)	(7,718)
Depreciation of property, plant and equipment	(4,842)	(9,886)
Interest expenses	(7,817)	(16,149)
<b><i>Other expenses</i></b>		
Net gain/(loss) on foreign exchange:		
- realised	(1,181)	(1,586)
- unrealised	(12,818)	(20,651)
Property, plant and equipment written off	(82)	(83)
<b><i>Other income</i></b>		
Interest income	919	2,271
Reversal of impairment loss on receivables	-	51
Gain on disposal of property, plant and equipment	7	8

(ii) **CASH AND CASH EQUIVALENTS**

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

	<b>(Unaudited)</b> <b>31.03.2018</b> <b>RM'000</b>	<b>(Unaudited)</b> <b>31.03.2017</b> <b>RM'000</b>
Cash and bank balances	164,375	131,946
Cash held under housing development accounts	91,498	226,538
Cash held under sinking fund accounts	4	18
Deposits with licensed banks	6,913	12,574
Short term funds	19,689	9,231
Bank overdrafts	(5,019)	(16,635)
	<u>277,460</u>	<u>363,672</u>
Less: Non short term and highly liquid fixed deposits	(4,011)	(7,810)
Less: Deposits and bank balances pledged for credit facilities	(17,239)	(18,910)
	<u>256,210</u>	<u>336,952</u>

**B6. TAX EXPENSE**

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

	<b>INDIVIDUAL QUARTER</b>		<b>CUMULATIVE QUARTER</b>	
	<b>Current Year Quarter 31.03.2018 RM'000</b>	<b>Preceding Year Corresponding Quarter 31.03.2017 RM'000</b>	<b>Current Year-to-Date 31.03.2018 RM'000</b>	<b>Preceding Year-to-Date 31.03.2017 RM'000</b>
<b>Current tax</b>				
- Current financial year	15,681	20,606	25,996	36,303
- Prior financial year	-	288	957	288
<b>Deferred tax</b>				
- Current financial year	(1,679)	(12)	(2,223)	-
- Prior financial year	46	(517)	(158)	(456)
	<u>14,048</u>	<u>20,365</u>	<u>24,572</u>	<u>36,135</u>

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

## B7. STATUS OF CORPORATE PROPOSALS ANNOUNCED

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

The utilisation of right issue proceeds as at 31 March 2018 are as follows:

	<b>Proposed Utilisation RM'000</b>	<b>Actual Utilisation RM'000</b>	<b>Deviation RM'000</b>	<b>Intended Time Frame</b>
Infrastructure and property development	37,190	15,353	21,837	Within 12 months <sup>#</sup>
Payment of land owners' entitlements	20,000	20,000	-	Completed
Construction of KTM Komuter station	21,400	2,934	18,466	Within 12 months <sup>#</sup>
Working capital	372	372	-	Completed
Estimated expenses for the rights with bonus issue	1,600	1,600	-	Completed
	<b>80,562</b>	<b>40,259</b>	<b>40,303</b>	

<sup>#</sup> Construction works in progress

## B8. GROUP BORROWINGS AND DEBT SECURITIES

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

	<b>Long term</b>		<b>Short term</b>		<b>Total borrowings</b>	
	<b>Foreign currency 000</b>	<b>RM Equivalent RM'000</b>	<b>Foreign currency 000</b>	<b>RM Equivalent RM'000</b>	<b>Foreign currency 000</b>	<b>RM Equivalent RM'000</b>
<b>As at 31 March 2018</b>						
<b><u>Secured</u></b>						
<b><u>Denominated in USD</u></b>						
Term loans	40,100	154,430	6,800	25,955	46,900	180,385
Revolving credits	-	-	12,614	48,758	12,614	48,758
<b><u>Denominated in RM</u></b>						
Term loans	-	92,665	-	49,206	-	141,871
Revolving credits	-	131,188	-	111,091	-	242,279
Bank overdraft	-	-	-	4,487	-	4,487
<b><u>Unsecured</u></b>						
<b><u>Denominated in RM</u></b>						
Revolving credits	-	-	-	79,200	-	79,200
Bank overdraft	-	-	-	533	-	533
<b><u>Finance lease liabilities</u></b>						
<b><u>Denominated in RM</u></b>	-	780	-	784	-	1,564
<b>Total</b>		<b>379,063</b>		<b>320,014</b>		<b>699,077</b>

	Long term		Short term		Total borrowings	
	Foreign currency 000	RM Equivalent RM'000	Foreign currency 000	RM Equivalent RM'000	Foreign currency 000	RM Equivalent RM'000
<b>As at 31 March 2017</b>						
<b><u>Secured</u></b>						
<b><u>Denominated in USD</u></b>						
Term loans	51,700	227,545	6,800	29,956	58,500	257,501
Revolving credits	12,614	55,478	-	-	12,614	55,478
<b><u>Denominated in RM</u></b>						
Term loans	-	154,984	-	38,269	-	193,253
Bridging loans	-	4,998	-	-	-	4,998
Revolving credits	-	153,734	-	110,475	-	264,209
Bank overdraft	-	-	-	13,123	-	13,123
<b><u>Unsecured</u></b>						
<b><u>Denominated in RM</u></b>						
Term loans	-	-	-	31,500	-	31,500
Revolving credits	-	3,370	-	103,175	-	106,545
Bank overdraft	-	-	-	3,514	-	3,514
<b><u>Finance lease liabilities</u></b>						
<b><u>Denominated in RM</u></b>	-	1,564	-	822	-	2,386
<b>Total</b>		601,673		330,834		932,507

#### **B9. MATERIAL LITIGATION**

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

#### **B10. DIVIDEND**

The Board of Directors has approved a first interim single tier dividend of 5.0 sen per ordinary share on 28 November 2017 for the financial year ended 30 September 2017 amounting to RM29,284,585 was declared on 28 November 2017 and paid on 11 January 2018.

**B11. EARNINGS PER SHARE (“EPS”)**

	<b>Current Year Quarter 31.03.2018 (unaudited)</b>	<b>Preceding Year Corresponding Quarter 31.03.2017 (unaudited)</b>	<b>Current Year-to-Date 31.03.2018 (unaudited)</b>	<b>Preceding Year-to-Date 31.03.2017 (unaudited)</b>
<b>BASIC EPS</b>				
Profit attributable to Owners of the parent (RM'000)	<b>24,630</b>	49,368	<b>41,264</b>	90,157
Weighted average number of ordinary shares ('000)				
At 1 October 2017/2016	<b>562,902</b>	419,444	<b>562,902</b>	419,444
Bonus elements of rights issue and bonus issue	-	93,002	-	93,002
Effect of exercise of warrants	<b>19,270</b>	2,986	<b>19,270</b>	2,986
At 31 March 2018/2017	<b>582,172</b>	515,432	<b>582,172</b>	515,432
<b>BASIC EPS (sen)</b>	<b>4.23</b>	9.58	<b>7.09</b>	17.49
<b>DILUTED EPS</b>				
Profit attributable to Owners of the parent (RM'000)	<b>24,630</b>	49,368	<b>41,264</b>	90,157
Adjusted weighted average number of ordinary shares in issue and issuable ('000)				
Weighted average number of ordinary shares	<b>582,172</b>	515,432	<b>582,172</b>	515,432
Adjustment for warrants	-	2,656	-	10,261
At 31 March 2018/2017	<b>582,172</b>	518,088	<b>582,172</b>	525,693
<b>DILUTED EPS (sen)</b>	<b>4.23</b>	9.53	<b>7.09</b>	17.15

**B13. AUTHORISATION FOR ISSUE**

The interim Financial Report were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 30 May 2018.