



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
INTERIM REPORT FOR THE FIRST QUARTER
AND FINANCIAL PERIOD ENDED 31 DECEMBER 2012**

	(Unaudited) INDIVIDUAL QUARTER		(Unaudited) CUMULATIVE QUARTER	
	Current Year Quarter 31.12.2012 RM'000	Preceding Year Corresponding Quarter 31.12.2011 RM'000	Current Year-to-Date 31.12.2012 RM'000	Preceding Year-to-Date 31.12.2011 RM'000
CONTINUING OPERATIONS				
Revenue	147,836	110,989	147,836	110,989
Cost of sales	(91,547)	(75,905)	(91,547)	(75,905)
Gross profit	56,289	35,084	56,289	35,084
Other income	1,065	1,176	1,065	1,176
Sales and marketing expenses	(5,772)	(2,938)	(5,772)	(2,938)
Administrative expenses	(10,633)	(8,280)	(10,633)	(8,280)
Other expenses	(2,135)	(1,908)	(2,135)	(1,908)
Profit from operations	38,814	23,134	38,814	23,134
Share of profit of an associate	10,459	1,180	10,459	1,180
Interest expenses	(4,017)	(3,581)	(4,017)	(3,581)
Profit before tax from continuing operations	45,256	20,733	45,256	20,733
Tax expense	(9,288)	(5,180)	(9,288)	(5,180)
Profit for the period from continuing operations	35,968	15,553	35,968	15,553
DISCONTINUED OPERATIONS				
Profit for the period from discontinued operations	-	589	-	589
Profit for the period	35,968	16,142	35,968	16,142
Other comprehensive income				
Foreign exchange translation differences	(1,480)	(2,482)	(1,480)	(2,482)
Income tax relating to components of other comprehensive income	395	1,473	395	1,473
Other comprehensive income for the period	(1,085)	(1,009)	(1,085)	(1,009)
Total comprehensive income for the period	34,883	15,133	34,883	15,133
Profit attributable to:				
Owners of the parent	34,208	16,527	34,208	16,527
Non-controlling interest	1,760	(385)	1,760	(385)
	35,968	16,142	35,968	16,142
Total comprehensive income attributable to:				
Owners of the parent	33,120	15,537	33,120	15,537
Non-controlling interest	1,763	(404)	1,763	(404)
	34,883	15,133	34,883	15,133
Earnings per share				
Basic Earnings per ordinary share (sen) *	10.69	5.16	10.69	5.16
Diluted Earnings per ordinary share (sen)	-	-	-	-
Proposed/Declared Dividend per share (sen)	-	-	-	-

* The Basic EPS has been adjusted to effect the Bonus Issue of 29,104,378 new ordinary share which was completed subsequent to 31 December 2012 as disclosed under paragraph A6.

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 2012 and the accompanying explanatory notes attached to the interim Financial Report.



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
INTERIM FINANCIAL REPORT AS AT 31 DECEMBER 2012**

	(Unaudited) 31.12.2012	(Restated) 30.09.2012
<i>Assets</i>	RM'000	RM'000
Property, plant and equipment	165,124	163,355
Intangible assets	5,651	5,651
Biological assets	216,847	210,400
Prepaid lease payments	29,029	29,145
Investment properties	239,960	237,681
Investment in associated companies	56,013	50,350
Land held for property development	264,737	261,463
Deferred tax assets	21,357	21,704
Receivables, deposits and prepayments	36,843	35,203
Total Non-Current Assets	1,035,561	1,014,952
Property development costs	120,469	128,816
Inventories	43,098	42,880
Amount due from customers on contracts	1,952	1,952
Accrued billings	62,863	100,766
Receivables, deposits and prepayments	113,219	94,463
Current tax assets	1,865	1,087
Cash and cash equivalents	126,677	109,664
Total Current Assets	470,143	479,628
TOTAL ASSETS	1,505,704	1,494,580
<i>Equity</i>		
Share capital	291,044	291,044
Translation reserve	(17,541)	(16,453)
Revaluation reserve	9,030	9,030
Retained earnings	548,169	513,961
Reserves of disposal group classified as held for sale	-	-
Equity attributable to Equity holders of the Company	830,702	797,582
Non-Controlling Interest	(9)	(1,772)
Total Equity	830,693	795,810
<i>Liabilities</i>		
Deferred tax liabilities	15,575	14,981
Provisions	1,876	1,894
Loans and borrowings - long-term	296,073	307,383
Payables, deposits received and accruals	15,758	15,758
Total Non-Current Liabilities	329,282	340,016
Provisions	18,482	18,482
Progress billings	9,302	663
Payables, deposits received and accruals	133,343	139,924
Loans and borrowings - short-term	178,125	192,911
Current tax liabilities	6,477	6,774
Liabilities of disposal group classified as held for sale	-	-
Total Current Liabilities	345,729	358,754
Total Liabilities	675,011	698,770
TOTAL EQUITY AND LIABILITIES	1,505,704	1,494,580
Net Assets per share attributable to shareholders of the Company (RM)	2.85	2.74

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 2012 and the accompanying explanatory notes attached to the interim Financial Report.



MKH BERHAD (Company No. 50948-T)
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
INTERIM REPORT FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2012**

Group	Attributable to owners of the parent							
	Non-distributable				Distributable			
	Share Capital RM'000	Translation Reserve RM'000	Revaluation Reserve RM'000	Revaluation Reserve of Disposal Group Classified as Held for Sale RM'000	Retained Earnings RM'000	Total RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
Financial period ended 31 December 2012								
At 1.10.2012 (audited)								
As previously stated	291,044	(16,453)	9,030	-	491,461	775,082	(1,772)	773,310
Effect of adopting Amendments to FRS 112	-	-	-	-	22,500	22,500	-	22,500
As restated	291,044	(16,453)	9,030	-	513,961	797,582	(1,772)	795,810
Total comprehensive income for the period	-	(1,088)	-	-	34,208	33,120	1,763	34,883
Transactions with owners								
Issuance of shares pursuant to Bonus Issue	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-
At 31.12.2012 (unaudited)	291,044	(17,541)	9,030	-	548,169	830,702	(9)	830,693
Financial period ended 31 December 2011								
At 1.10.2011 (audited)								
As previously stated	264,585	6,984	10,102	20,571	431,562	733,804	154	733,958
Effect of adopting Amendments to FRS 112	-	-	-	-	19,728	19,728	-	19,728
As restated	264,585	6,984	10,102	20,571	451,290	753,532	154	753,686
Total comprehensive income for the period	-	(990)	-	-	16,527	15,537	(404)	15,133
Transactions with owners								
Dividends	-	-	-	-	-	-	-	-
At 31.12.2011 (audited)	264,585	5,994	10,102	20,571	467,817	769,069	(250)	768,819

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 2012 and the accompanying explanatory notes attached to the interim Financial Report.



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
INTERIM REPORT FOR THE FIRST QUARTER
AND FINANCIAL PERIOD ENDED 31 DECEMBER 2012**

	(Unaudited) 31.12.2012 RM'000	(Unaudited) 31.12.2011 RM'000
Cash Flows From Operating Activities		
Profit before taxation		
- continuing operations	45,256	20,733
- discontinued operations	-	930
Adjustments for non-cash items	(3,453)	4,553
Operating profit before changes in working capital	<u>41,803</u>	<u>26,216</u>
Change in property development costs	8,593	7,927
Change in inventories	(218)	(4,243)
Change in amount due from/(to) customers on contracts	-	(92)
Change in receivables, deposits and prepayments	17,545	(15,970)
Change in payables and accruals	2,075	(298)
Cash generated from operations	<u>69,798</u>	<u>13,540</u>
Interest paid	(4,910)	(4,195)
Interest received	515	238
Tax paid	(9,068)	(5,553)
Tax refund	-	654
Net cash from operating activities	<u>56,335</u>	<u>4,684</u>
Cash Flows From Investing Activities		
Additions to investment property	(2,279)	-
Additions to land held for property development	(3,273)	(12,942)
Acquisition of property, plant and equipment	(4,958)	(31,104)
Additions to biological assets	(8,015)	(14,450)
Proceeds from disposal of property, plant and equipment	133	207
Proceed from disposal of investment property	-	55
Proceeds from redemption of non-cumulative redeemable preference shares	4,797	-
Proceeds from disposal of other investment	-	(200)
Net cash used in investing activities	<u>(13,595)</u>	<u>(58,434)</u>
Cash Flows From Financing Activities		
Dividend paid	-	-
Net drawdown of bank borrowings	(19,431)	44,455
Payments of finance lease liabilities	(460)	(496)
Proceeds from Government grant	-	250
Net cash (used in)/from financing activities	<u>(19,891)</u>	<u>44,209</u>
Net increase/(decrease) in cash and cash equivalents	<u>22,849</u>	<u>(9,541)</u>
Effect of exchange rate fluctuations	678	6,638
Cash and cash equivalents at beginning of the period	<u>77,528</u>	<u>45,599</u>
Cash and cash equivalents at end of the period	<u>101,055</u>	<u>42,696</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 2012 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 2012.

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 2012 (“Annual Report 2012”) except for the adoption of the following Revised Financial Reporting Standards (“FRSs”) and Amendments/Improvements to FRSs:

Revised FRSs

FRS 124 Related Party Disclosures

Amendments/Improvements to FRSs

FRS 1 First-time Adoption of Financial Reporting Standards

FRS 7 Financial Instruments: Disclosures

FRS 101 Presentation of Financial Statements

FRS 112 Income Taxes

The adoption of the above revised FRSs and amendments/improvements to FRSs did not have any significant effect on the financial statements of the Group except for the amendment to FRS 112 Income Taxes. Prior to 1 October 2012, the Group provides for deferred tax liabilities for its investment properties on the basis that the carrying amount of the investment properties will be recovered through use. Upon adoption of this amendment, as there is a presumption that the carrying amount of investment properties measured at fair value will be recovered entirely through sale, deferred tax liability on investment properties will be recognised based on rate applicable to real property gain tax. The effects on the statement of financial position of the Group as at 30 September 2012 arising from the above change in accounting policy will be as follows:

	Increase/ (Decrease) RM'000
Group	
Statement of financial position	
Retained earnings	22,500
Deferred tax liabilities	<u>(22,500)</u>

New and Revised FRSs, Amendments/Improvements to FRSs, New IC Int and Amendments to IC Int that are issued, but not yet effective and have not been early adopted

The Group have not adopted the following new and revised FRSs, amendments/improvements to FRSs, new IC Int and amendments to IC Int that have been issued as at the date of authorisation of this interim financial statements but are not yet effective for the Group:

	Effective for financial periods beginning on or after
<u>Revised FRSs</u>	
FRS 119 Employee Benefits	1 January 2013
FRS 127 Separate Financial Statements	1 January 2013
FRS 128 Investments in Associates and Joint Ventures	1 January 2013
<u>Amendments/Improvements to FRSs</u>	
FRS 10 Consolidated Financial Statements	1 January 2013
FRS 11 Joint Arrangements	1 January 2013
FRS 12 Disclosure of Interests in Other Entities	1 January 2013
FRS 116 Property, Plant and Equipment	1 January 2013
FRS 132 Financial Instruments: Presentation	1 January 2013 and 1 January 2014
FRS 134 Interim Financial Reporting	1 January 2013
<u>New IC Int</u>	
IC Int 20 Stripping Costs in the Production Phase of a Surface Mine	1 January 2013
<u>Amendments to IC Int</u>	
IC Int 2 Members' Shares in Co-operative Entities & Similar Instruments	1 January 2013

The brief discussion on the above significant new and revised FRSs, amendments/improvements to FRSs, new IC Int and amendments to IC Int that are applicable to the Group can be referred to the Annual Report 2012. The financial effects of their adoption are currently still being assessed by the Group.

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 2012 in their report dated 21 December 2012.

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 except for the renounceable rights issue of 29,104,378 rights shares on the basis of one (1) rights share for every ten (10) existing MKH shares held together with 29,104,378 free detachable warrants and 29,104,378 bonus shares on the basis of one (1) warrant and one (1) bonus share for every one (1) rights share subscribed for at an issue price of RM1.80 for each rights share. The rights issue with warrants and bonus issue was completed on 10 January 2013.

A7. DIVIDEND PAID

There were no dividends paid in the current quarter and the financial year-to-date.

A8. OPERATING SEGMENTS

(a) Segment Analysis – Business Segments

Financial period ended 31 December 2012

	Property development & construction RM'000	Hotel & property investment RM'000	Trading RM'000	Manu- facturing RM'000	Plantation RM'000	Investment holding RM'000	Non-reportable segment RM'000	Non-Halal (Discontinued Operations) Farming, food processing & retail RM'000	Eliminations RM'000	Consolidated RM'000
Revenue										
Total external revenue	102,008	7,891	15,249	2,782	19,280	-	626	-	-	147,836
Inter-segment revenue	-	-	-	-	-	2,192	-	-	(2,192)	-
Total segment revenue	102,008	7,891	15,249	2,782	19,280	2,192	626	-	(2,192)	147,836
Results										
Operating result	27,768	4,469	1,213	47	4,715	(303)	355	-	-	38,264
Interest expense	(2,438)	(632)	-	-	(62)	(885)	-	-	-	(4,017)
Interest income	416	8	-	103	23	0	-	-	-	550
Share of profits of an associate	10,500	(41)	-	-	-	-	-	-	-	10,459
Segment result	36,246	3,804	1,213	150	4,676	(1,188)	355	-	-	45,256
Tax expense	-	-	-	-	-	-	-	-	-	(9,288)
Profit for the period	-	-	-	-	-	-	-	-	-	35,968
Assets										
Segment assets	696,701	279,977	18,884	21,539	380,636	2,796	25,936	-	-	1,426,469
Investment in an associate	55,921	92	-	-	-	-	-	-	-	56,013
Deferred tax assets	-	-	-	-	-	-	-	-	-	21,357
Current tax assets	-	-	-	-	-	-	-	-	-	1,865
Total assets	-	-	-	-	-	-	-	-	-	1,505,704
Liabilities										
Segment liabilities	312,825	67,918	6,729	2,058	113,097	150,298	34	-	-	652,959
Deferred tax liabilities	-	-	-	-	-	-	-	-	-	15,575
Current tax liabilities	-	-	-	-	-	-	-	-	-	6,477
Total liabilities	-	-	-	-	-	-	-	-	-	675,011
Other segment information										
Depreciation and amortisation	275	341	5	100	2,316	5	32	-	-	3,074
Additions to non-current assets other than financial instruments and deferred tax assets	3,688	2,529	-	27	12,590	-	1	-	-	18,835

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 – Business Segments (continued)

Financial period ended 31 December 2011

	Property development & construction RM'000	Hotel & property investment RM'000	Trading RM'000	Manu- facturing RM'000	Plantation RM'000	Investment holding RM'000	Non-reportable segment RM'000	Non-Halal (Discontinued Operations) Farming, food processing & retail RM'000	Eliminations RM'000	Consolidated RM'000
Revenue										
Total external revenue	84,231	7,207	16,319	2,956	-	-	275	10,633	-	121,621
Inter-segment revenue	-	-	10	-	-	1,593	-	-	(1,603)	-
Total segment revenue	84,231	7,207	16,329	2,956	-	1,593	275	10,633	(1,603)	121,621
Results										
Operating result	20,272	3,852	1,150	183	(2,224)	(654)	62	989	-	23,630
Interest expense	(2,574)	(590)	-	-	(73)	(344)	-	(59)	-	(3,640)
Interest income	389	11	-	69	22	1	-	-	-	492
Share of profits of an associate	1,181	-	-	-	-	-	-	-	-	1,181
Segment result	19,268	3,273	1,150	252	(2,275)	(997)	62	930	-	21,663
Tax expense										(5,521)
Profit for the period										16,142
Assets										
Segment assets	545,336	255,179	20,218	24,031	333,618	4,104	18,040	85,535	-	1,286,061
Investment in an associate	39,458	-	-	-	-	-	-	-	-	39,458
Deferred tax assets										13,469
Current tax assets										1,849
Total assets										1,340,837
Liabilities										
Segment liabilities	284,113	62,537	8,746	2,265	53,806	111,243	1,289	16,176	-	540,175
Deferred tax liabilities										26,001
Current tax liabilities										5,842
Total liabilities										572,018
Other segment information										
Depreciation and amortisation	241	300	5	96	194	5	2	761	-	1,604
Additions to non-current assets other than financial instruments and deferred tax assets	13,650	409	-	-	44,307	-	4	1,483	-	59,853

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 – Geographical Segments

	Revenue		Non-current assets	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
Malaysia	125,774	108,033	554,034	534,610
The Peoples' Republic of China	2,782	2,956	12,330	12,458
Republic of Indonesia	19,280	-	354,984	308,613
	<u>147,836</u>	<u>110,989</u>	<u>921,348</u>	<u>855,681</u>
Discontinued operations				
Malaysia	-	10,632	-	72,304
	<u>147,836</u>	<u>121,621</u>	<u>921,348</u>	<u>927,985</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 except the following:

- (i) On 6 February 2013, the Company has entered into a Share Sale Agreement ("the SSA") with Supreme Suria Sdn Bhd for the proposed acquisition of 45,000 ordinary shares of RM1/- each or equivalent to 45% of the issued and paid-up share capital of Budi Bidara Sdn Bhd ("Sale Shares") at the purchase price of Ringgit Malaysia Eighteen Million (RM18,000,000/-) only ("Proposed Acquisition"). The Proposed Acquisition is targeted to be completed within five (5) months from the date of the SSA.

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.

A12. CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS

As at 15 February 2013, 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 2012 recorded a decrease of approximately RM22.2 million. Total credit facilities granted to subsidiaries with corporate guarantees issued by the Company to the lenders and utilised by subsidiaries as at 15 February 2013 was approximately RM591.1 million and RM399.9 million respectively.

A13. CAPITAL COMMITMENTS

The capital commitment of the Group is as follows:

	As at 31.12.2012 RM'000
Approved, contracted but not provided for:	
- Investment property for hotel and property investment division	22,200
- Property, plant and equipment for plantation division	8,200
Approved but not contracted and not provided for:	
- Property, plant and equipment for plantation division	33,800
	<u>64,200</u>

A14. RELATED PARTY TRANSACTIONS

There were no related party transactions in the current quarter and the financial year-to-date.

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

B1. REVIEW OF PERFORMANCE OF THE GROUP FOR:

(i) First quarter ended 31 December 2012

The Group recorded higher revenue and profit before tax from continuing operations for the current quarter of RM147.8 million and RM45.3 million as compared to the preceding year corresponding quarter of RM111.0 million and RM20.7 million respectively. The increase in Group's revenue by 33% and profit before tax by 119% was mainly contributed from the following segments:

Property and construction

Increase in revenue and profit before tax contribution from property and construction division by RM17.8 million and RM7.7 million respectively from the on-going projects, namely Hill Park Home, Pelangi Semenyih 2, Saville@Melawati, Kajang 2 and Pelangi Seri Alam 1 and higher profit contribution from an associated company of RM9.3 million following the completion of Areca Residence in Kepong as compared to the preceding year corresponding quarter.

As at 31.12.2012, the Group has locked-in unbilled sales value of RM392.6 million from which attributed sales revenue and profits will be recognised progressively as their development percentage of completion progresses.

Hotel and property investment

This division recorded an increase in revenue and profit before tax by RM0.7 million and RM0.5 million as compared to the preceding year corresponding quarter's revenue of RM7.2 million and profit before tax of RM3.3 million.

Trading

Despite the marginal drop in revenue of RM1.1 million its profit before tax remained at RM1.2 million as compared to the preceding year corresponding quarter's revenue of RM16.3 million and profit before tax of RM1.2 million.

Manufacturing

This division recorded revenue and profit before tax of RM2.8 million and RM0.2 million for the current quarter as compared to the preceding year corresponding quarter's revenue of RM3.0 million and profit before tax of RM0.3 million.

Plantation

As at to date, this division has planted approximately 15,000 hectares out of the plantable area of 15,200 hectares (total land area of 15,942.6 hectares) representing 98% of the plantable area and approximately 10,700 hectares are under harvesting stage.

This division recorded CPO revenue of RM19.3 million from both matured and immatured palms and profit before tax of RM4.7 million for the current quarter as compared to the preceding year corresponding quarter's loss before tax of RM2.3 million.

Investment holding

This division revenue and losses were mainly derived from the inter-group transactions which were eliminated at the Group level.

Discontinued operations: Non-Halal Livestock farming, food processing and retail

The Group has completed the disposal of this Non-Halal division on 16 January 2012, there were no revenue and operation profit contribution from this division for the current quarter.

(ii) **Current year-to-date ended 31 December 2012 by Segments**

The performance commentary for the current year-to-date and the preceding year-to-date is same as paragraph B1 (i) above.

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

	1st Quarter ended 31.12.2012 RM'000	4th Quarter ended 30.09.2012 RM'000
Profit before tax from:		
- Continuing operations	45,256	38,249
- Discontinued operations	-	-
	<u>45,256</u>	<u>38,249</u>

The profit before tax from the continuing operations for the current quarter was higher at RM45.3 million compared to RM38.2 million in the preceding quarter mainly contributed by the property and construction division of RM18.7 million from its ongoing development projects. Nevertheless, the profit before tax was reduced by the absence of gain on changes in fair value of investment properties in current quarter as compared to preceding quarter of RM12.7 million.

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 2013 arising from the profit recognition of the ongoing projects that have been launched and sales locked-in in the previous financial years by the property and construction division and the positive profit contribution from the plantation as more palms are entering into maturity stage in the current financial year.

B5. (i) PROFIT BEFORE TAX FROM CONTINUING OPERATIONS

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

	Current Quarter 31.12.2012 RM'000	Financial year-to-date 31.12.2012 RM'000
Amortization of prepaid lease payments	(197)	(197)
Amortization of biological assets	(743)	(743)
Depreciation of property, plant and equipment	(2,134)	(2,134)
Impairment loss on:		
- receivables	(4)	(4)
Interest expense	(4,017)	(4,017)
Net loss on foreign exchange:		
- realised	(800)	(800)
- unrealised	(457)	(457)
Interest income	550	550

(ii) CASH AND CASH EQUIVALENTS

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

	(Unaudited) 31.12.2012 RM'000	(Audited) 31.12.2011 RM'000
Continuing operations		
Cash and bank balances	32,191	24,939
Cash held under housing development accounts	87,821	25,877
Cash held under sinking fund accounts	-	6
Deposits with licensed banks	5,554	9,559
Short term funds	1,111	1,035
Bank overdrafts	(25,622)	(21,818)
	<u>101,055</u>	<u>39,598</u>
Discontinued operations		
Cash and bank balances	-	4,131
Bank overdrafts	-	(1,033)
	<u>-</u>	<u>3,098</u>
	<u>101,055</u>	<u>42,696</u>

B6. DISCONTINUED OPERATIONS AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

	(Unaudited)		(Audited)	
	Individual Quarter		Cumulative Quarter	
	Current Year	Preceding Year	Current Year	Preceding Year
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
	RM'000	RM'000	RM'000	RM'000
Revenue	-	10,632	-	10,632
Cost of sales	-	(7,469)	-	(7,469)
Gross profit	-	3,163	-	3,163
Other income	-	49	-	49
Distribution expenses	-	(259)	-	(259)
Administrative expenses	-	(1,800)	-	(1,800)
Other expenses	-	(164)	-	(164)
Profit from operations	-	989	-	989
Interest expenses	-	(59)	-	(59)
Profit before tax	-	930	-	930
Tax expense	-	(341)	-	(341)
Profit for the period	-	589	-	589

Included in profit before tax from discontinued operations are:

Depreciation of property, plant and equipment	-	(761)	-	(761)
Interest expense	-	(59)	-	(59)
Inventories written off	-	(23)	-	(23)
Net loss on foreign exchange	-	(1)	-	(1)

B7. TAX EXPENSE

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

	Current Quarter	Financial Year-to-Date
	31.12.2012	31.12.2012
	RM'000	RM'000
Current taxation		
- income taxation	7,992	7,992
- deferred taxation	1,296	1,296
	<u>9,288</u>	<u>9,288</u>
Under provision in prior year	-	-
	<u>9,288</u>	<u>9,288</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.

B8. STATUS OF CORPORATE PROPOSALS ANNOUNCED

There were no corporate proposals announced which is pending completion as at the date of issue of this announcement as the renounceable rights issue of 29,104,378 rights shares on the basis of one (1) rights share for every ten (10) existing MKH shares held together with 29,104,378 free detachable warrants and 29,104,378 bonus shares on the basis of one (1) warrant and one (1) bonus share for every one (1) rights share subscribed for at an issue price of RM1.80 for each rights share was completed on 10 January 2013.

B9. GROUP BORROWINGS AND DEBT SECURITIES

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

	As at 31.12.2012 RM'000
Short-term - unsecured	60,019
Short-term - secured	118,106
Long-term - unsecured	101
Long-term - secured	295,972
	<u>474,198</u>

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

	Denominated in United States Dollar RM'000	Denominated in Ringgit Malaysia RM'000
Short-term - secured	3,500	10,723
Long-term - secured	38,500	117,931
	<u>42,000</u>	<u>128,654</u>

B10. MATERIAL LITIGATION

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

B11. DIVIDEND

The shareholders have approved a Final Dividend of 5.0 sen per share less 25% tax per ordinary share of RM1.00 each for the financial year ended 30 September 2012 at the Annual General Meeting held on 5 February 2013 and the Final Dividend will be paid on 5 March 2013.

B12. EARNINGS PER SHARE (“EPS”)

	Current Year	Preceding Year	Current	Preceding
	Quarter	Corresponding	Year-to-Date	Year-to-Date
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
	(unaudited)	(audited)	(unaudited)	(audited)
BASIC EPS				
Profit attributable to Owners of the parent (RM'000)				
from:				
- continuing operations	34,208	15,938	34,208	15,938
- discontinued operations	-	589	-	589
	34,208	16,527	34,208	16,527
Weighted average number of ordinary shares ('000)				
At 1 October 2012	291,044	291,044	291,044	291,044
Bonus issue *	29,104	29,104	29,104	29,104
At 10 January 2013	320,148	320,148	320,148	320,148
BASIC EPS (sen) *				
from:				
- continuing operations	10.69	4.98	10.69	4.98
- discontinued operations	-	0.18	-	0.18
	10.69	5.16	10.69	5.16

* The EPS has been adjusted to effect the Bonus Issue of 29,104,378 new ordinary shares which was completed subsequent to 31 December 2012 as disclosed under paragraph A6.

DILUTED EPS (sen)

Not applicable

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B13. REALISED AND UNREALISED PROFITS OR LOSSES

The following analysis of realised and unrealised retained earnings of the Group as at the reporting date is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad (“Bursa Malaysia”) dated 25 March 2010 and prepared in accordance with the Guidance on Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants.

The retained earnings of the Group is analysed as follows:

	As at 31.12.2012 RM'000	(Restated) As at 30.09.2012 RM'000
Total retained earnings of its subsidiaries		
- realised	498,748	526,883
- unrealised	99,709	69,112
	<u>598,457</u>	<u>595,995</u>
Total share of retained earnings from an associate		
- realised	53,563	43,103
	<u>652,020</u>	<u>639,098</u>
Less: Consolidation adjustments	(103,851)	(125,137)
Total retained earnings of the Group	<u><u>548,169</u></u>	<u><u>513,961</u></u>

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purposes.

B14. AUTHORISATION FOR ISSUE

The interim Financial Report were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 26 February 2013.