



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
INTERIM REPORT FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2013**

	(Unaudited) INDIVIDUAL QUARTER Current Year Quarter 30.09.2013 RM'000	(Audited) Preceding Year Corresponding Quarter 30.09.2012 RM'000	(Unaudited) CUMULATIVE QUARTER Current Year-to-Date 30.09.2013 RM'000	(Audited) Preceding Year-to-Date 30.09.2012 RM'000
CONTINUING OPERATIONS				
Revenue	217,858	179,886	688,297	545,292
Cost of sales	(141,561)	(118,815)	(440,805)	(362,359)
Gross profit	76,297	61,071	247,492	182,933
Other income	38,613	18,882	47,826	22,294
Sales and marketing expenses	(8,513)	(7,807)	(23,212)	(18,326)
Administrative expenses	(13,423)	(19,398)	(53,960)	(51,949)
Other expenses	(65,428)	(11,890)	(76,438)	(29,444)
Profit from operations	27,546	40,858	141,708	105,508
Share of profit of an associate	652	4,931	11,203	14,573
Interest expenses	(1,618)	(6,998)	(17,119)	(21,536)
Profit before tax from continuing operations	26,580	38,791	135,792	98,545
Tax expense	(2,322)	(8,882)	(28,940)	(24,292)
Profit for the year from continuing operations	24,258	29,909	106,852	74,253
DISCONTINUED OPERATIONS				
Profit for the year from discontinued operations	-	-	-	1,201
Profit for the year	24,258	29,909	106,852	75,454
Other comprehensive income				
Foreign exchange translation differences	10,669	(20,311)	12,267	(30,429)
Income tax relating to components of other comprehensive income	221	11,137	(30)	7,021
Other comprehensive income for the year	10,890	(9,174)	12,237	(23,408)
Total comprehensive income for the year	35,148	20,735	119,089	52,046
Profit attributable to:				
Owners of the parent	24,168	30,296	103,368	77,409
Non-controlling interest	90	(387)	3,484	(1,955)
	24,258	29,909	106,852	75,454
Total comprehensive income attributable to:				
Owners of the parent	34,944	21,087	115,485	53,972
Non-controlling interest	204	(352)	3,604	(1,926)
	35,148	20,735	119,089	52,046
Earnings per share				
Basic Earnings per ordinary share (sen)	7.71	10.22*	32.97	26.12*
Diluted Earnings per ordinary share (sen)	7.69	n/a	32.92	n/a
Proposed/Declared Dividend per share (sen)	-	5.00	5.00	5.00

* The Basic EPS has been adjusted to effect the Bonus Issue of 26,458,525 and 29,104,378 new ordinary shares which was completed on 23 May 2012 and 10 January 2013 respectively and bonus elements of the Rights Issue of 29,104,378 new ordinary shares which was completed on 10 January 2013.

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 30 SEPTEMBER 2013**

	(Unaudited) 30.09.2013	(Restated) 30.09.2012
	RM'000	RM'000
<i>Assets</i>		
Property, plant and equipment	163,107	163,355
Intangible assets	4,931	5,651
Biological assets	218,584	210,400
Prepaid lease payments	28,226	29,145
Investment properties	263,605	237,681
Investment in associated companies	27,542	50,350
Land held for property development	429,447	261,463
Deferred tax assets	27,110	21,704
Receivables, deposits and prepayments	4,483	35,203
Total Non-Current Assets	1,167,035	1,014,952
Property development costs	280,185	128,816
Inventories	40,773	42,880
Amount due from customers on contracts	-	1,952
Accrued billings	125,039	100,766
Receivables, deposits and prepayments	112,606	94,463
Current tax assets	1,025	1,087
Non-current assets classified as held for sale	1,249	-
Cash and cash equivalents	122,911	109,664
Total Current Assets	683,788	479,628
TOTAL ASSETS	1,850,823	1,494,580
<i>Equity</i>		
Share capital	349,252	291,044
Share premium	13,525	-
Warrants reserve	8,469	-
Translation reserve	(4,336)	(16,453)
Revaluation reserve	9,030	9,030
Retained earnings	575,553	513,961
Equity attributable to Equity holders of the Company	951,493	797,582
Non-Controlling Interest	2,894	(1,772)
Total Equity	954,387	795,810
<i>Liabilities</i>		
Deferred tax liabilities	48,614	14,981
Provisions	1,621	1,894
Loans and borrowings - long-term	414,670	307,383
Payables, deposits received and accruals	102,156	15,758
Total Non-Current Liabilities	567,061	340,016
Provisions	17,918	18,482
Progress billings	13,021	663
Payables, deposits received and accruals	181,977	139,924
Loans and borrowings - short-term	107,137	192,911
Current tax liabilities	9,322	6,774
Total Current Liabilities	329,375	358,754
Total Liabilities	896,436	698,770
TOTAL EQUITY AND LIABILITIES	1,850,823	1,494,580
Net Assets per share attributable to shareholders of the Company (RM)	2.72	2.49*

* The preceding year's net assets per share has been adjusted to effect the Bonus Issue of 29,104,378 new ordinary shares in order to be comparable to current year's net assets per share.

The condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Report for the financial year ended 30 September 2012 and the accompanying explanatory notes attached to the interim Financial Report.



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
INTERIM REPORT FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2013**

	< ----- Attributable to owners of the parent ----- >						Total	Non-Controlling Interests	Total Equity
	< ----- Non-distributable ----- >			Distributable					
Group	Share Capital	Share Premium	Warrants Reserve	Translation Reserve	Revaluation Reserve	Retained Earnings	RM'000	RM'000	RM'000
Financial period ended 30 September 2013									
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 year	-	-	-	12,117	-	103,368	115,485	3,604	119,089
Transactions with owners									
Issuance of shares pursuant to Bonus Issue	29,104	-	-	-	-	(29,104)	-	-	-
Issuance of shares pursuant to Rights Issue with Warrants	29,104	14,815	8,469	-	-	-	52,388	-	52,388
Issuance of shares pursuant to exercise of Warrants ^	-	-	-	-	-	-	-	-	-
Share issue expenses	-	(1,290)	-	-	-	-	(1,290)	-	(1,290)
Changes in ownership interest in a subsidiary	-	-	-	-	-	425	425	249	674
Issuance of shares by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	813	813
Dividends	-	-	-	-	-	(13,097)	(13,097)	-	(13,097)
At 30.09.2013 (unaudited)	349,252	13,525	8,469	(4,336)	9,030	575,553	951,493	2,894	954,387

^ Negligible

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 CHANGES IN EQUITY
INTERIM REPORT FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2012**

Group	< ----- Attributable to owners of the parent ----- >								
	< ----- Non-distributable ----- >					Distributable			
	Share Capital RM'000	Share Premium 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 30 September 2012									
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 year	-	-	(23,437)	-	-	77,409	53,972	(1,926)	52,046
Transactions with owners									
Issuance of shares pursuant to Bonus Issue	26,459	-	-	-	-	(26,459)	-	-	-
Realisation of reserve of disposal group classified as held for sale	-	-	-	(1,072)	(20,571)	21,643	-	-	-
Dividends	-	-	-	-	-	(9,922)	(9,922)	-	(9,922)
At 30.09.2012 (audited)	291,044	-	(16,453)	9,030	-	513,961	797,582	(1,772)	795,810

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 FINANCIAL YEAR ENDED 30 SEPTEMBER 2013**

	(Unaudited) 30.09.2013 RM'000	(Audited) 30.09.2012 RM'000
Cash Flows From Operating Activities		
Profit before taxation		
- continuing operations	135,792	98,545
- discontinued operations	-	1,542
Adjustments for non-cash items	40,398	25,545
Operating profit before changes in working capital	<u>176,190</u>	<u>125,632</u>
Change in property development costs	8,117	(11,542)
Change in inventories	22,946	(1,304)
Change in amount due to customers on contracts	1,952	(302)
Change in receivables, deposits and prepayments	(8,617)	(105,413)
Change in payables and accruals	(30,723)	65,984
Cash generated from operations	<u>169,865</u>	<u>73,055</u>
Interest paid	(28,380)	(25,748)
Interest received	2,059	1,480
Tax paid	(36,217)	(28,665)
Tax refund	1,883	490
Retirement benefit obligations paid	-	(16)
Tax penalties paid	-	(1,094)
Net cash from operating activities	<u>109,210</u>	<u>19,502</u>
Cash Flows From Investing Activities		
Acquisition of a subsidiary company, net of cash acquired	(53,350)	-
Acquisition of shares from the non-controlling interests	(18,000)	-
Additions to investment property	(22,113)	(2,570)
Additions to land held for property development	(57,239)	(34,611)
Acquisition of property, plant and equipment	(23,348)	(56,182)
Additions to biological assets	(24,355)	(51,466)
Subscription of shares in an associate	(800)	(200)
Disposal of discontinued operations, net of cash and cash equivalents disposed	-	58,790
Disposal of investment in subsidiary, net of cash and cash equivalents disposed	-	(2,445)
Dividend received	30,015	-
Proceeds from disposal of property, plant and equipment	440	276
Proceeds from disposal of investment property	-	55
Proceeds from redemption of non-cumulative redeemable preference shares of an associate	4,797	2,700
Net cash used in investing activities	<u>(163,953)</u>	<u>(85,653)</u>
Cash Flows From Financing Activities		
Proceeds from issuance of shares	52,388	-
Proceeds from issuance of shares by subsidiaries to non-controlling interests	813	-
Dividend paid	(13,097)	(9,922)
Net drawdown of bank borrowings	50,138	113,242
Payments of finance lease liabilities	(727)	(1,561)
Proceeds from Government grant	-	250
Share issue expenses	(1,290)	-
Net cash from financing activities	<u>88,225</u>	<u>102,009</u>
Net increase in cash and cash equivalents	<u>33,482</u>	<u>35,858</u>
Effect of exchange rate fluctuations	8,394	(3,929)
Cash and cash equivalents at beginning of the year	<u>77,528</u>	<u>45,599</u>
Cash and cash equivalents at end of the year	<u>119,404</u>	<u>77,528</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>New FRSs</u>		
FRS 9	Financial Instruments	1 January 2015
FRS 10	Consolidated Financial Statements	1 January 2013
FRS 11	Joint Arrangements	1 January 2013
FRS 12	Disclosure of Interest in Other Entities	1 January 2013
FRS 13	Fair Value Measurement	1 January 2013
<u>Revised FRSs</u>		
FRS 119	Employee Benefits	1 January 2013
FRS 127	Separate Financial Statements	1 January 2013
FRS 128	Investments in Associate and Joint Ventures	1 January 2013
<u>Amendments/Improvements to FRSs</u>		
FRS 1	First-time Adoption of Financial Reporting Standards	1 January 2013
FRS 7	Financial Instruments: Disclosures	1 January 2013
FRS 10	Consolidated Financial Statements	1 January 2013 and 1 January 2014
FRS 11	Joint Arrangements	1 January 2013
FRS 12	Disclosure of Interests in Other Entities	1 January 2013 and 1 January 2014
FRS 101	Presentation of Financial Instruments	1 January 2013
FRS 116	Property, Plant and Equipment	1 January 2013
FRS 127	Separate Financial Statements	1 January 2014
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

On 5 March 2013, the Company paid a final dividend of 5.0 sen less 25% tax per ordinary shares of RM1.00 each amounting to RM13,096,977 in respect of the financial year ended 30 September 2012. The dividend was approved by the shareholders during the Annual General Meeting held on 5 February 2013.

A8. OPERATING SEGMENTS

(a) Segment Analysis – Business Segments

Financial year ended 30 September 2013

	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	476,095	32,419	67,091	9,476	101,147	-	2,069	-	-	688,297
Inter-segment revenue	-	-	1,161	-	-	42,615	-	-	(43,776)	-
Total segment revenue	<u>476,095</u>	<u>32,419</u>	<u>68,252</u>	<u>9,476</u>	<u>101,147</u>	<u>42,615</u>	<u>2,069</u>	<u>-</u>	<u>(43,776)</u>	<u>688,297</u>
Results										
Operating result [#]	146,242	19,010	4,466	(216)	(34,346)	21,891	362	-	(19,748)	137,661
Interest expense*	(19,498)	(2,418)	-	-	(8,364)	(14,989)	(320)	-	28,470	(17,119)
Interest income**	4,405	26	-	224	209	7,598	7	-	(8,422)	4,047
Share of profits of associates	11,497	(294)	-	-	-	-	-	-	-	11,203
Segment result	<u>142,646</u>	<u>16,324</u>	<u>4,466</u>	<u>8</u>	<u>(42,501)</u>	<u>14,500</u>	<u>49</u>	<u>-</u>	<u>300</u>	<u>135,792</u>
Tax expense										(28,940)
Profit for the period										<u>106,852</u>
Assets										
Segment assets	1,041,917	304,036	20,884	22,287	387,246	3,523	14,953	-	300	1,795,146
Investment in associates	26,904	638								27,542
Deferred tax assets										27,110
Current tax assets										1,025
Total assets										<u>1,850,823</u>
Liabilities										
Segment liabilities	421,673	81,936	10,271	1,886	270,795	51,893	46	-	-	838,500
Deferred tax liabilities										48,614
Current tax liabilities										9,322
Total liabilities										<u>896,436</u>
Other segment information										
Depreciation and amortisation	1,130	1,392	17	423	10,828	21	112	-	-	13,923
Additions to non-current assets other than financial instruments and deferred tax assets	58,580	23,087	-	19	45,894	-	205	-	-	127,785
* Included inter-company interest expenses	8,184	-	-	-	4,977	8,642	320	-	(22,123)	-
**Included inter-company interest income	(925)	-	-	-	-	(7,492)	(5)	-	8,422	-
# Included unrealised foreign exchange loss	-	-	-	-	49,556	881	-	-	-	50,437
# Included realised foreign exchange loss	-	-	-	152	16,867	214	-	-	-	17,233
^ Inter-company interest eliminated against biological assets										

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

A8. OPERATING SEGMENTS (continued)

(a) Segment Analysis – Business Segments (continued)

Financial year ended 30 September 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	390,610	32,229	63,027	13,286	44,912	-	1,228	10,632	-	555,924
Inter-segment revenue	6,534	-	61	-	-	11,877	-	-	(18,472)	-
Total segment revenue	<u>397,144</u>	<u>32,229</u>	<u>63,088</u>	<u>13,286</u>	<u>44,912</u>	<u>11,877</u>	<u>1,228</u>	<u>10,632</u>	<u>(18,472)</u>	<u>555,924</u>
Results										
Operating result [†]	82,463	26,026	4,443	1,094	232	(3,713)	(3,365)	1,601	(4,800)	103,981
Interest expense*	(16,190)	(2,678)	-	-	(409)	(13,211)	(384)	(59)	11,827	(21,104)
Interest income**	3,652	377	-	199	243	5,177	16	-	(7,027)	2,637
Share of profits of an associate	14,640	(67)	-	-	-	-	-	-	-	14,573
Segment result	<u>84,565</u>	<u>23,658</u>	<u>4,443</u>	<u>1,293</u>	<u>66</u>	<u>(11,747)</u>	<u>(3,733)</u>	<u>1,542</u>	<u>-</u>	<u>100,087</u>
Tax expense										(24,633)
Profit for the period										<u>75,454</u>
Assets										
Segment assets	693,925	278,276	21,330	23,988	368,374	11,564	23,982	-	-	1,421,439
Investment in an associate	50,217	133	-	-	-	-	-	-	-	50,350
Deferred tax assets										21,704
Current tax assets										1,087
Total assets										<u>1,494,580</u>
Liabilities										
Segment liabilities	333,577	70,493	8,418	2,140	111,962	149,124	1,301	-	-	677,015
Deferred tax liabilities										14,981
Current tax liabilities										6,774
Total liabilities										<u>698,770</u>
Other segment information										
Depreciation and amortisation	1,970	1,284	21	364	5,077	21	26	761	-	9,524
Additions to non-current assets other financial instruments and deferred tax assets	36,025	4,122	3	225	104,594	-	15	1,482	-	146,466
* Included inter-company interest expenses	4,163	6	-	-	102	7,172	383	-	(11,826)	-
**Included inter-company interest income	(1,510)	(335)	-	-	-	(9,966)	(15)	-	11,826	-
# Included unrealised foreign exchange loss/(gain)	-	-	-	-	5,158	(1,625)	297	-	-	3,830
# Included realised foreign exchange loss/(gain)	-	-	-	(23)	(213)	21	-	-	-	(215)

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

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

	Revenue		Non-current assets	
	30.09.2013	30.09.2012	30.09.2013	30.09.2012
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
Malaysia	577,674	487,094	742,124	547,706
The Peoples' Republic of China	9,476	13,286	12,667	11,972
Republic of Indonesia	101,147	44,912	353,109	348,017
	<u>688,297</u>	<u>545,292</u>	<u>1,107,900</u>	<u>907,695</u>
Discontinued operations				
Malaysia	-	10,632	-	-
	<u>688,297</u>	<u>555,924</u>	<u>1,107,900</u>	<u>907,695</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 as follows:

- (i) On 17 October 2013, Kajang Resources Corporation Sdn Bhd (“KRCSB”), a 100% owned subsidiary of the Company has through its agent, Petik Mekar Sdn Bhd (“PMSB”) completed the acquisition of all that piece of freehold land held under Geran 44865, Lot 1014, situated in Mukim Semenyih, Daerah Ulu Langat, Negeri Selangor measuring approximately 64 acres for a cash consideration of RM50,656,932/-; and
- (ii) On 21 October 2013, the Company has acquired 2 ordinary shares of RM1/- each representing 100% of the issued and paid-up share capital of Petik Mekar Sdn Bhd (“PMSB”), for a cash consideration of RM2/-. As a result, PMSB became a wholly-owned subsidiary of the Company.

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 as follows:

- (i) On 23 January 2013, the Company has entered into Share Sale and Purchase Agreements to acquire 10,000 ordinary shares of RM1/- each or equivalent to 10% of the issued and paid-up share capital of Budi Bidara Sdn Bhd (“BBSB”) for a cash consideration of RM4,000,000/-. On 6 February 2013, the Company has entered into a Share Sale and Purchase Agreement to acquire 45,000 ordinary shares of RM1/- each or equivalent to 45% of the issued and paid-up share capital of BBSB for a total cash consideration of RM18,000,000/-, which was completed on 25 June 2013. As a result, BBSB became a 55% owned subsidiary of the Company. On 12 September 2013, the Company acquired the remaining 45% equity interest in BBSB for a cash consideration of RM18,000,000/-. Consequently, BBSB became a wholly owned subsidiary of the Company;
- (ii) On 17 April 2013, the Company has acquired two (2) existing ordinary shares of RM1/- each representing 100% of the issued and paid-up share capital of Vista Haruman Development Sdn Bhd (“VHDSB”), a shelf company, for a cash consideration of RM1,950/- (including reimbursement of incorporation expenses of RM1,948/-). As a result, VHDSB became a wholly-owned subsidiary of the Company. On 24 September 2013, the Company subscribed for additional 137,498 ordinary shares of RM1/- representing 55% of the total allotment of 249,998 ordinary shares for a total cash consideration of RM137,498. Consequently, VHDSB became a 55% owned subsidiary of the Company;
- (iii) On 6 August 2013, Pelangi Seri Alam Development Sdn Bhd (“PSADSB”), a 100% owned subsidiary of the Company has entered into a Share Sale and Purchase Agreement to acquire 1,200,000 ordinary shares of RM1/- each representing 100% of the issued and paid-up share capital of Puncak Alam Resources Sdn Bhd (“PARSB”) for a total cash consideration of RM30,600,000/-. As a result, PARSB became a wholly-owned subsidiary of PSADSB and the Company; and
- (iv) On 13 September 2013, Kajang Resources Corporation Sdn Bhd (“KRCSB”), a 100% owned subsidiary of the Company has entered into Sale Shares Agreement to acquire 2 ordinary shares of RM1/- each representing 100% of the issued and paid-up share capital of Achieve Acres Sdn Bhd (“AASB”) for a total cash consideration of RM1,837,184/-. As a result, AASB became a wholly-owned subsidiary of KRCSB and the Company.

A12. CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS

As at 21 November 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 an increase of approximately RM197.9 million. Total credit facilities granted to subsidiaries with corporate guarantees issued by the Company to the lenders and utilised by subsidiaries as at 21 November 2013 was approximately RM857.0 million and RM620.0 million respectively.

A13. CAPITAL COMMITMENTS

The capital commitment of the Group is as follows:

	As at 30.09.2013 RM'000
Approved, contracted but not provided for:	
- Investment property for hotel and property investment division	4,500
- Property, plant and equipment for plantation division	17,700
	<u>22,200</u>

A14. RELATED PARTY TRANSACTIONS

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

	Current Quarter 30.09.2013 RM'000	Financial Year-to-Date 30.09.2013 RM'000
Sales of development property to:		
- Directors of the Company	480	480
- Person connected to a Director of the Company	-	479
- Other key management personnel of the Group	410	410
	<u>890</u>	<u>1,369</u>

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

B1. REVIEW OF PERFORMANCE OF THE GROUP FOR:

(i) Fourth quarter ended 30 September 2013

The Group recorded higher revenue from continuing operations for the current quarter of RM217.9 million as compared to the preceding year corresponding quarter of RM179.9 million. The increase in the Group's revenue by 21% was mainly contributed by the plantation division arising from its increase in sales of crude palm oil ("CPO") and palm kernel and the property and construction division from the on-going and new development projects.

The Group recorded lower profit before tax from continuing operations for the current quarter of RM26.6 million as compared to the preceding year corresponding quarter of RM38.8 million due to inclusion of foreign exchange losses totaling RM63.0 million ("Foreign Exchange losses") in the current quarter which was mainly resulted from the weakening of Indonesia Rupiah ("Rupiah") against the United State Dollar ("USD") and the Malaysian Ringgit ("RM") from the Plantation division's USD and RM borrowings. The profit before tax excluding the Foreign Exchange losses amounted to RM89.6 million for the current quarter which was 131% higher than the preceding year corresponding quarter profit before tax of RM38.8 million.

The profit before tax excluding the Foreign Exchange losses amounted to RM89.6 million for the current quarter as compared to the preceding year corresponding quarter profit before tax of RM38.8 million was mainly due to recognition of bargain purchase gain on acquisition of subsidiaries totaling approximately RM26.5 million by the property and construction division and higher profit contribution from both the property & construction and plantation divisions.

The breakdown of the foreign exchange losses between the realised and unrealised can be referred to paragraph B5 (i).

(ii) Financial year ended 30 September 2013 by Segments

Property and construction

This division recorded higher revenue and profit before tax of RM476.1 million and RM142.7 million for the current year as compared to the preceding year of RM390.6 million and RM84.6 million respectively. The increase in revenue and profit before tax was mainly due to higher percentage of profit recognition of on-going and new development projects namely, Pelangi Semenyih 2, Hill Park Home, Saville@Melawati, Pelangi Seri Alam, Saville@the Park, Bangsar and Mewah 9 Residence and recognition of bargain purchase gain on acquisition of subsidiaries totaling approximately RM31.2 million.

As at 30.09.2013, the Group has locked-in unbilled sales value of RM503.2 million from which attributed sales revenue and profits will be recognised progressively as their development percentage of completion progresses.

Hotel and property investment

Despite the slight increase in revenue of RM32.4 million for the current year as compared to the preceding year of RM32.2 million, this division recorded lower profit before tax of RM16.3 million for the current year as compared to the preceding year of RM23.6 million mainly due to lower gain on changes in fair value of investment properties of RM3.8 million in the current year as compared to the preceding year of RM12.7 million.

Trading

This division recorded higher revenue of RM67.1 million for the current year as compared to the preceding year of RM63.0 million but maintained its profit before tax at RM4.5 million due to higher product mixed of low profit margin building materials.

Manufacturing

This division recorded lower revenue and profit before tax of RM9.5 million and RM8,000 for the current year as compared to the preceding year of RM13.3 million and RM1.3 million respectively. The lower revenue and profit before tax was mainly due to insufficient sales revenue and gross profit to absorb certain fixed production and administrative overheads.

Plantation

Despite the higher revenue from the sale of CPO and palm kernel of RM101.1 million for the current year as compared to the preceding year of RM44.9 million, this division recorded loss before tax of RM42.5 million for the current year as compared to the preceding year profit before tax of RM66,000. The loss before tax of RM42.5 million for the current year was mainly derived after charging foreign exchange losses totaling RM66.4 million (foreign exchange losses in 2012: RM4.9 million). The foreign exchange losses were mainly due to weakening of the Rupiah against the USD and the RM from its USD and RM borrowings. The profit before tax excluding the foreign exchange losses for the current year amounted to RM23.9 million as compared to the preceding year profit before tax excluding foreign exchange losses of RM5.0 million.

Investment holding

This division revenue and profit before tax/(loss before tax) were mainly derived from the inter-group transactions on management fees and interest billings and charging 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.

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

	4th Quarter ended 30.09.2013 RM'000	3rd Quarter ended 30.06.2013 RM'000
Profit before tax from:		
- Continuing operations	26,580	44,261
- Discountinued operations	-	-
	<u>26,580</u>	<u>44,261</u>

The profit before tax from the continuing operations for the current quarter was lower at RM26.6 million as compared to RM44.3 million in the preceding quarter was mainly due to inclusion of foreign exchange losses totaling RM63.0 million and RM3.1 million respectively. The profit before tax excluding the foreign exchange losses amounted to RM89.6 million for the current quarter which was 89% higher than the immediate preceding quarter profit before tax of RM47.4 million mainly due to recognition of bargain purchase gain on acquisition of subsidiaries totaling approximately RM26.5 million by the property & construction division and higher profit contribution from the plantation.

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 2014 arising from the profit recognition of the ongoing projects that have been launched and sales locked-in in the previous financial years by the property and construction division and the profit contribution from the plantation as more palms are entering into maturity stage 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 30.09.2013 RM'000	Financial year-to-date 30.09.2013 RM'000
Amortization of prepaid lease payments	(198)	(789)
Amortization of biological assets	(1,431)	(5,174)
Depreciation of property, plant and equipment	(2,089)	(7,960)
Interest expense	(1,618)	(17,119)
Net gain/(loss) on foreign exchange:		
- realised	(12,557)	(17,233)
- unrealised	(50,437)	(50,437)
Bargain purchase gain on acquisition of subsidiaries	26,454	31,170
Interest income	1,535	4,047
	<u>1,535</u>	<u>4,047</u>

(ii) CASH AND CASH EQUIVALENTS

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

	(Unaudited) 30.09.2013 RM'000	(Audited) 30.09.2012 RM'000
Continuing operations		
Cash and bank balances	58,442	26,011
Cash held under housing development accounts	57,583	68,663
Cash held under sinking fund accounts	-	-
Deposits with licensed banks and financial institutions	5,768	13,738
Short term funds	1,118	1,252
Bank overdrafts	(3,507)	(32,136)
	<u>119,404</u>	<u>77,528</u>

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

	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	Individual Quarter		Cumulative Quarter	
	Current	Preceding Year	Current	Preceding
	Year	Corresponding	Year-to-Date	Year-to-Date
Quarter	Quarter	Year-to-Date	Year-to-Date	
	30.09.2013	30.09.2012	30.09.2013	30.09.2012
	RM'000	RM'000	RM'000	RM'000
Revenue	-	-	-	10,632
Cost of sales	-	-	-	(7,469)
Gross profit	-	-	-	3,163
Other income	-	-	-	49
Distribution expenses	-	-	-	(259)
Administrative expenses	-	-	-	(1,800)
Other expenses	-	-	-	(164)
Profit from operations	-	-	-	989
Interest expenses	-	-	-	(59)
Profit before tax	-	-	-	930
Tax expense	-	-	-	(341)
Profit from operating activities, net of tax	-	-	-	589
Gain on disposal of discontinued operations	-	-	-	612
Profit for the year	-	-	-	1,201

Included in profit before tax from discontinued operations are:

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

B7. TAX EXPENSE

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

	Current Quarter 30.09.2013 RM'000	Financial Year-to-Date 30.09.2013 RM'000
Current taxation		
- income taxation	12,426	36,751
- deferred taxation	(10,432)	(8,338)
	<u>1,994</u>	<u>28,413</u>
Under provision in prior year	328	527
	<u>2,322</u>	<u>28,940</u>

The effective tax rate applicable to the Group for the financial year-to-date is lower than the statutory rate of taxation as bargain purchase gain on acquisition of subsidiaries totaling approximately RM31.2 million is non-taxable and set off with certain expenses were disallowed for tax purposes.

B8. STATUS OF CORPORATE PROPOSALS ANNOUNCED

On 10 January 2013, the Company has completed 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 utilisation of rights issue proceeds are as follows:

	Proposed Utilisation RM'000	Actual Utilisation RM'000	Deviation RM'000	Intended Time Frame
Repayment of bank borrowings	45,000	45,000	-	Completed
General working capital	5,988	6,098	(110)	Completed
Estimated expenses in relation to the Corporate Exercise	1,400	1,290	110	Completed
	<u>52,388</u>	<u>52,388</u>	<u>-</u>	

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 30.09.2013 RM'000
Short-term - unsecured	6,007
Short-term - secured	101,130
Long-term - unsecured	5,157
Long-term - secured	409,513
	<u>521,807</u>

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

	Denominated in United States Dollar USD'000	Denominated in Ringgit Malaysia RM'000
Long-term - secured	<u>77,000</u>	<u>247,692</u>

B10. MATERIAL LITIGATION

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

B11. DIVIDEND

The Board of Directors does not recommend any dividend payment for the fourth quarter ended 30 September 2013.

B12. EARNINGS PER SHARE (“EPS”)

	Current Year	Preceding Year	Current	Preceding
	Quarter	Corresponding	Year-to-Date	Year-to-Date
	30.09.2013	30.09.2012	30.09.2013	30.09.2012
	(unaudited)	(audited)	(unaudited)	(audited)
BASIC EPS				
Profit attributable to Owners of the parent (RM'000)				
from:				
- continuing operations	24,168	30,296	103,368	76,208
- discontinued operations	-	-	-	1,201
	24,168	30,296	103,368	77,409
Weighted average number of ordinary shares ('000)				
At 1 October 2012	291,044	291,044 ^	291,044	291,044 ^
Bonus issue and Right issue	22,515	5,292 *	22,515	5,292 *
Execised Warrants	-	-	-	-
At 30 September 2013	313,559	296,336	313,559	296,336
BASIC EPS (sen)				
from:				
- continuing operations	7.71	10.22^ *	32.97	25.72^ *
- discontinued operations	-	-	-	0.41^ *
	7.71	10.22	32.97	26.12

^ The EPS has been adjusted to effect the Bonus Issue of 26,458,525 new ordinary shares which was completed on 23 May 2012.

* The EPS has been adjusted to effect the Bonus Issue of 29,104,378 new ordinary shares and Rights Issue of 29,104,378 new ordinary shares which was completed on 10 January 2013 as disclosed under paragraph A6.

Exercised of 290 units of warrants during the financial year.

B12. EARNINGS PER SHARE (“EPS”) (continued)

	Current Year Quarter 30.09.2013 (unaudited)	Preceding Year Corresponding Quarter 30.09.2012 (audited)	Current Year-to-Date 30.09.2013 (unaudited)	Preceding Year-to-Date 30.09.2012 (audited)
DILUTED EPS				
Profit attributable to Owners of the parent (RM'000)				
from:				
- continuing operations	24,168	n/a	103,368	n/a
- discontinued operations	-	n/a	-	n/a
	24,168	n/a	103,368	n/a
Adjusted weighted average number of ordinary shares in issue and issuable ('000)				
Weighted average number of ordinary shares ('000)	313,559	n/a	313,559	n/a
Effect of dilution: warrants (‘000)	868	n/a	416	n/a
	314,427	n/a	313,975	n/a
DILUTED EPS (sen)				
from:				
- continuing operations	7.69	n/a	32.92	n/a
- discontinued operations	-	n/a	-	n/a
	7.69	n/a	32.92	n/a

B13. REALISED AND UNREALISED PROFITS OR LOSSES

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

The retained earnings of the Group is analysed as follows:

	As at 30.09.2013 RM'000	(Restated) As at 30.9.2012 RM'000
Total retained earnings of its subsidiaries		
- realised	598,372	526,883
- unrealised	61,938	69,112
	<u>660,310</u>	<u>595,995</u>
Total share of retained earnings from an associate		
- realised	24,292	43,103
	<u>684,602</u>	<u>639,098</u>
Less: Consolidation adjustments	(109,049)	(125,137)
Total retained earnings of the Group	<u><u>575,553</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 28 November 2013.