



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
INTERIM REPORT FOR THE SECOND QUARTER
AND FINANCIAL PERIOD ENDED 31 MARCH 2014**

	(Unaudited) INDIVIDUAL QUARTER		(Unaudited) CUMULATIVE QUARTER	
	Current Year Quarter 31.03.2014 RM'000	Preceding Year Corresponding Quarter 31.03.2013 RM'000	Current Year-to-Date 31.03.2014 RM'000	Preceding Year-to-Date 31.03.2013 RM'000
Revenue	188,147	137,234	370,642	285,070
Cost of sales	(112,566)	(92,339)	(230,730)	(183,886)
Gross profit	75,581	44,895	139,912	101,184
Other income	13,699	1,348	15,748	2,413
Sales and marketing expenses	(5,510)	(3,410)	(10,067)	(9,182)
Administrative expenses	(20,483)	(16,305)	(32,870)	(26,938)
Other expenses	17,786	(1,658)	(2,925)	(3,793)
Profit from operations	81,073	24,870	109,798	63,684
Share of profit of an associate	1,119	280	2,128	10,739
Interest expenses	(7,199)	(5,455)	(11,933)	(9,472)
Profit before tax	74,993	19,695	99,993	64,951
Tax expense	(18,903)	(5,429)	(25,392)	(14,717)
Profit for the period	56,090	14,266	74,601	50,234
Other comprehensive income				
<i>Items that may be subsequently reclassified to profit or loss:</i>				
Foreign exchange translation differences	(2,269)	643	(1,074)	(837)
Income tax relating to components of other comprehensive income	-	(243)	-	152
Other comprehensive income for the period	(2,269)	400	(1,074)	(685)
Total comprehensive income for the period	53,821	14,666	73,527	49,549
Profit attributable to:				
Owners of the parent	50,700	12,674	67,483	46,882
Non-controlling interest	5,390	1,592	7,118	3,352
	56,090	14,266	74,601	50,234
Total comprehensive income attributable to:				
Owners of the parent	48,531	13,073	66,455	46,193
Non-controlling interest	5,290	1,593	7,072	3,356
	53,821	14,666	73,527	49,549
Earnings per share				
Basic Earnings per ordinary share (sen) *	12.10	3.08	16.10	11.38
Diluted Earnings per ordinary share (sen)	12.01	3.08	15.76	11.38
Proposed/Declared Dividend per share (sen)	-	-	10.00	-

* The Basic EPS has been adjusted to effect the Bonus Issue of 69,898,293 new ordinary shares which was completed subsequent to 31 March 2014 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 2013 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 2014**

	(Unaudited) 31.03.2014	(Audited) 30.09.2013
<i>Assets</i>	RM'000	RM'000
Property, plant and equipment	179,685	163,292
Intangible assets	5,091	4,931
Biological assets	235,771	217,596
Prepaid lease payments	27,883	28,226
Investment properties	273,342	263,605
Investment in associated companies	20,380	26,652
Land held for property development	477,120	434,758
Deferred tax assets	17,565	29,948
Receivables, deposits and prepayments	4,551	4,483
Total Non-Current Assets	1,241,388	1,173,491
Property development costs	318,036	277,745
Inventories	30,031	42,231
Accrued billings	75,610	125,039
Receivables, deposits and prepayments	146,054	117,799
Current tax assets	3,990	834
Cash and cash equivalents	190,407	122,138
Non-current assets classified as held for sale	-	1,249
Total Current Assets	764,128	687,035
TOTAL ASSETS	2,005,516	1,860,526
<i>Equity</i>		
Share capital	349,258	349,253
Share premium	13,922	13,915
Warrant reserve	8,078	8,080
Translation reserve	(4,128)	(3,100)
Revaluation reserve	9,030	9,030
Retained earnings	617,443	576,154
Equity attributable to Equity holders of the Company	993,603	953,332
Non-Controlling Interest	9,666	2,594
Total Equity	1,003,269	955,926
<i>Liabilities</i>		
Deferred tax liabilities	49,014	49,699
Provisions	3,138	3,102
Loans and borrowings - long-term	473,840	414,772
Payables, deposits received and accruals	102,156	92,806
Total Non-Current Liabilities	628,148	560,379
Provisions	16,862	17,918
Progress billings	7,110	8,067
Payables, deposits received and accruals	179,307	201,804
Loans and borrowings - short-term	160,706	107,165
Current tax liabilities	10,114	9,267
Total Current Liabilities	374,099	344,221
Total Liabilities	1,002,247	904,600
TOTAL EQUITY AND LIABILITIES	2,005,516	1,860,526
Net Assets per share attributable to shareholders of the Company (RM)	2.84	2.73

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 2013 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 2014**

Group	< ----- Attributable to owners of the parent ----- >							Non-Controlling Interests	Total Equity
	< ----- Non-distributable ----- >			Distributable					
	Share Capital	Share Premium	Warrant Reserve	Translation Reserve	Revaluation Reserve	Retained Earnings	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Financial period ended 31 March 2014									
At 1.10.2013 (audited)	349,253	13,915	8,080	(3,100)	9,030	576,154	953,332	2,594	955,926
Total comprehensive income for the period	-	-	-	(1,028)	-	67,483	66,455	7,072	73,527
Transactions with owners									
Issuance of shares pursuant to warrants	5	7	(2)	-	-	-	10	-	10
Dividends	-	-	-	-	-	(26,194)	(26,194)	-	(26,194)
At 31.03.2014 (unaudited)	349,258	13,922	8,078	(4,128)	9,030	617,443	993,603	9,666	1,003,269
Financial period ended 31 March 2013									
At 1.10.2012 (audited)	291,044	-	-	(16,453)	9,030	513,961	797,582	(1,772)	795,810
Total comprehensive income for the period	-	-	-	(689)	-	46,882	46,193	3,356	49,549
Transactions with owners									
Issuance of shares pursuant to	-	-	-	-	-	-	-	-	-
- Bonus issue	29,104	-	-	-	-	(29,104)	-	-	-
- Rights issue with warrants	29,104	15,204	8,080	-	-	-	52,388	-	52,388
Share issue expenses	-	(1,290)	-	-	-	-	(1,290)	-	(1,290)
Dividends	-	-	-	-	-	(13,097)	(13,097)	-	(13,097)
At 31.03.2013 (unaudited)	349,252	13,914	8,080	(17,142)	9,030	518,642	881,776	1,584	883,360

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 2013 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 2014**

	(Unaudited) 31.03.2014 RM'000	(Unaudited) 31.03.2013 RM'000
Cash Flows From Operating Activities		
Profit before taxation	99,993	64,951
Adjustments for non-cash items	6,025	5,552
Operating profit before changes in working capital	<u>106,018</u>	<u>70,503</u>
Change in property development costs	(6,545)	9,060
Change in inventories	12,000	(2,350)
Change in amount due to customers on contracts	-	(146)
Change in receivables, deposits and prepayments	21,174	19,377
Change in payables and accruals	<u>(10,724)</u>	<u>(8,600)</u>
Cash generated from operations	121,923	87,844
Interest paid	(21,999)	(11,834)
Interest received	1,177	1,063
Tax paid	(15,848)	(13,490)
Tax refund	33	20
Net cash from operating activities	<u>85,286</u>	<u>63,603</u>
Cash Flows From Investing Activities		
Acquisition of a subsidiary company, net of cash acquired	13	-
Additions to investment property	(1,636)	(7,460)
Additions to land held for property development	(80,163)	(25,060)
Acquisition of property, plant and equipment	(17,876)	(11,465)
Additions to biological assets	(5,486)	(13,720)
Acquisition of investment in an associate	-	-
Subscription of shares in an associate	(600)	(200)
Dividend received	9,000	-
Proceeds from disposal of property, plant and equipment	-	147
Proceeds from disposal of land held for property development	5	-
Proceeds from redemption of non-cumulative redeemable preference shares	-	4,797
Proceeds from disposal of non-current assets classified as held for sale	<u>1,249</u>	<u>-</u>
Net cash used in investing activities	<u>(95,494)</u>	<u>(52,961)</u>
Cash Flows From Financing Activities		
Proceeds from issuance of shares	10	52,388
Dividend paid	(26,194)	(13,097)
Net drawdown/(repayment) of bank borrowings	106,374	(20,656)
Payments of finance lease liabilities	(693)	(791)
Share issue expenses	-	(1,290)
Net cash from financing activities	<u>79,497</u>	<u>16,554</u>
Net increase in cash and cash equivalents	<u>69,289</u>	<u>27,196</u>
Effect of exchange rate fluctuations	1,428	(432)
Cash and cash equivalents at beginning of the period	<u>118,631</u>	<u>77,528</u>
Cash and cash equivalents at end of the period	<u><u>189,348</u></u>	<u><u>104,292</u></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 2013 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 2013.

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 2013 (“Annual Report 2013”) except for the adoption of the following Revised Financial Reporting Standards (“FRSs”) and Amendments/Improvements to FRSs:

New FRSs

FRS 10	Consolidated Financial Statements
FRS 11	Joint Arrangements
FRS 12	Disclosure of Interests in Other Entities
FRS 13	Fair Value Measurement

Revised FRSs

FRS 119	Employee Benefits
FRS 127	Separate Financial Statements
FRS 128	Investments in Associates and Joint Ventures

Amendments/Improvements to FRSs

FRS 1	First-time Adoption of Financial Reporting Standards
FRS 7	Financial Instruments: Disclosures
FRS 10	Consolidated Financial Statements
FRS 11	Joint Arrangements
FRS 12	Disclosure of Interest in Other Entities
FRS 101	Presentation of Financial Statements
FRS 116	Property, plant and equipment
FRS 132	Financial Instruments: Presentation
FRS 134	Interim Financial Reporting

New IC Int

IC Int 20	Stripping Costs in the Production Phase of a Surface Mine
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Amendments to IC Int

IC Int 2	Members’ Shares in Co-operative Entities & Similar Instruments
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The adoption of the above new FRSs, revised FRSs, amendments/improvements to FRSs, new IC Int and amendments to IC Int did not have any significant effect on the financial statements of the Group.

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

The Group have not adopted the following new FRSs, amendments/improvements to FRSs and new 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 FRS</u>		
FRS 9	Financial Instruments	To be announced by the MASB
<u>Amendments/Improvements to FRSs</u>		
FRS 1	First-time Adoption of Financial Reporting Standards	1 July 2014
FRS 2	Share-based Payment	1 July 2014
FRS 3	Business Combinations	1 July 2014
FRS 7	Financial Instruments: Disclosures	Applies when FRS 9 is applied
FRS 8	Operating Segments	1 July 2014
FRS 9	Financial Instruments	To be announced by the MASB
FRS 10	Consolidated Financial Statements	1 January 2014
FRS 12	Disclosure of Interests in Other Entities	1 January 2014
FRS 13	Fair Value Measurement	1 July 2014
FRS 116	Property, Plant and Equipment	1 July 2014
FRS 119	Employee Benefits	1 July 2014
FRS 124	Related Party Disclosures	1 July 2014
FRS 127	Separate Financial Statements	1 January 2014
FRS 132	Financial Instruments: Presentation	1 January 2014
FRS 136	Impairment of Assets	1 January 2014
FRS 138	Intangible Assets	1 July 2014
FRS 139	Financial Instruments: Recognition and Measurement	1 January 2014
FRS 139	Financial Instruments: Recognition and Measurement	Applies when FRS 9 is applied
FRS 140	Investment Property	1 July 2014
<u>New IC Int</u>		
IC Int 21	Levies	1 January 2014

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 2013. 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 2013 in their report dated 6 January 2014

A3. SEASONAL OR CYCLICAL FACTORS

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

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

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

A5. CHANGES IN ESTIMATES

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

A6. ISSUANCE AND REPAYMENT OF DEBT AND EQUITY SECURITIES

There were no issuance, cancellations, repurchases, resale and repayment of debt and equity securities in the current quarter and the financial year-to-date except as follows:

- (i) issuance of 4,620 ordinary shares of RM1/- each pursuant to the exercised of 4,620 warrants at an exercise price of RM2.26 per ordinary share; and
- (ii) bonus issue of 69,898,293 new ordinary shares and 5,772,221 additional warrants (arising from the adjustments made in accordance with the Provisions under the Deed Poll constituting the warrants dated 23 November 2012) consequential to the bonus issue on the basis of one (1) bonus share for every five (5) existing MKH shares held as at 5.00 p.m. on 19 May 2014. The bonus issue was completed on 20 May 2014.

A7. DIVIDEND PAID

A first interim dividend of 10.0 sen less 25% tax per ordinary share in respect of financial year ended 30 September 2013 amounting to RM26,194,005 was declared on 10 December 2013 and paid on 31 December 2013.

A8. OPERATING SEGMENTS

(a) Segment Analysis – Business Segments

Financial period ended 31 March 2014

	Property development & construction RM'000	Plantation RM'000	Hotel & property investment RM'000	Trading RM'000	Manu- facturing RM'000	Investment holding RM'000	Non-reportable segment RM'000	Eliminations RM'000	Consolidated RM'000
Revenue									
Total external revenue	244,437	74,805	16,888	28,296	5,551	-	665	-	370,642
Inter-segment revenue	18,202	-	-	879	-	16,876	-	(35,957)	-
Total segment revenue	<u>262,639</u>	<u>74,805</u>	<u>16,888</u>	<u>29,175</u>	<u>5,551</u>	<u>16,876</u>	<u>665</u>	<u>(35,957)</u>	<u>370,642</u>
Results									
Operating result [#]	56,233	40,025	9,966	2,014	101	7,765	(73)	(7,408)	108,623
Interest expense*	(7,645)	(7,805)	(1,326)	-	-	(4,150)	(32)	9,025	(11,933)
Interest income**	1,075	97	25	-	82	1,512	1	(1,617)	1,175
Share of profits of associates	2,473	-	(345)	-	-	-	-	-	2,128
Segment result	<u>52,136</u>	<u>32,317</u>	<u>8,320</u>	<u>2,014</u>	<u>183</u>	<u>5,127</u>	<u>(104)</u>	<u>-</u>	<u>99,993</u>
Tax expense									(25,392)
Profit for the period									<u>74,601</u>
Assets									
Segment assets	1,138,774	437,358	315,941	20,615	22,429	13,286	15,178	-	1,963,581
Investment in an associate	19,486	-	894	-	-	-	-	-	20,380
Deferred tax assets									17,565
Current tax assets									3,990
Total assets									<u>2,005,516</u>
Liabilities									
Segment liabilities	460,520	303,536	79,457	7,636	2,085	89,831	54	-	943,119
Deferred tax liabilities									49,014
Current tax liabilities									10,114
Total liabilities									<u>1,002,247</u>
Other segment information									
Depreciation and amortisation	548	7,162	757	9	208	10	60	-	8,754
Additions to non-current assets other than financial instruments and deferred tax assets	80,897	22,853	10,487	34	46	-	4	-	114,321
* Included inter-company interest expense	3,338	2,893	-	-	-	1,659	32	(7,922)	-
** Included inter-company interest income	(150)	-	-	-	-	(1,467)	-	1,617	-
# Included unrealised foreign exchange gain	-	(9,468)	-	-	-	-	-	-	(9,468)
# Included realised foreign exchange loss/(gain)	-	522	-	-	12	(191)	-	-	343

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 2013

	Property development & construction RM'000	Plantation RM'000	Hotel & property investment RM'000	Trading RM'000	Manu- facturing RM'000	Investment holding RM'000	Non-reportable segment RM'000	Eliminations RM'000	Consolidated RM'000
Revenue									
Total external revenue	189,484	42,689	15,854	31,085	4,786	-	1,172	-	285,070
Inter-segment revenue	-	-	-	14	-	7,890	-	(7,904)	-
Total segment revenue	189,484	42,689	15,854	31,099	4,786	7,890	1,172	(7,904)	285,070
Results									
Operating result [#]	42,265	11,045	7,986	1,953	(186)	811	399	(1,723)	62,550
Interest expense*	(6,759)	(178)	(1,239)	-	-	(4,754)	(39)	3,497	(9,472)
Interest income**	1,216	44	14	-	146	1,484	4	(1,774)	1,134
Share of profits of associates	10,870	-	(131)	-	-	-	-	-	10,739
Segment result	47,592	10,911	6,630	1,953	(40)	(2,459)	364	-	64,951
Tax expense									(14,717)
Profit for the period									50,234
Assets									
Segment assets	670,967	394,460	284,659	21,820	20,852	26,330	26,628	-	1,445,716
Investment in an associate	56,291	-	201	-	-	-	-	-	56,492
Deferred tax assets									21,236
Current tax assets									3,413
Total assets									1,526,857
Liabilities									
Segment liabilities	288,890	119,046	66,662	8,972	1,757	133,414	25	-	618,766
Deferred tax liabilities									17,538
Current tax liabilities									7,193
Total liabilities									643,497
Other segment information									
Depreciation and amortisation	555	4,942	685	10	209	10	65	-	6,476
Additions to non-current assets other than financial instruments and deferred tax assets	25,616	23,012	7,847	-	14	-	2	-	56,491
* Included inter-company interest expense	1,579	59	-	-	-	1,820	39	(3,497)	-
** Included inter-company interest income	(305)	-	-	-	-	(1,466)	(3)	1,774	-
# Included unrealised foreign exchange loss/(gain)	-	(40)	-	-	130	(2)	-	-	88
# Included realised foreign exchange loss	-	1,189	-	-	-	292	-	-	1,481

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	
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
Malaysia	290,286	237,595	802,108	580,596
The Peoples' Republic of China	5,551	4,786	12,344	12,028
Republic of Indonesia	74,805	42,689	386,816	366,364
	<u>370,642</u>	<u>285,070</u>	<u>1,201,268</u>	<u>958,988</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 on 29 April 2014, the Company has undertaken a bonus issue of 69,898,293 new ordinary shares and 5,772,221 additional warrants (arising from the adjustments made in accordance with the Provisions under the Deed Poll constituting the warrants dated 23 November 2012) consequential to the bonus issue on the basis of one (1) bonus share for every five (5) existing MKH shares held as at 5.00 p.m. on 19 May 2014. The bonus issue was completed on 20 May 2014.

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 21 October 2013, the Company has acquired 2 ordinary shares of RM1/- each representing the entire 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; and
- (ii) On 13 March 2014, Gabung Wajib Sdn Bhd (“GWSB”), a subsidiary of the Company has acquired two (2) existing ordinary shares of RM1/- each representing the entire issued and paid-up share capital of Alif Mesra Sdn Bhd (“AMSB”), for a cash consideration of RM2. As a result, AMSB become a wholly-owned subsidiary of GWSB and the Company.

A12. CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS

As at 16 May 2014, 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 2013 recorded an increase of approximately RM87.7 million. Total credit facilities granted to subsidiaries with corporate guarantees issued by the Company to the lenders and utilised by subsidiaries as at 16 May 2014 was approximately RM1.0 billion and RM624.7 million respectively.

A13. CAPITAL COMMITMENTS

The capital commitment of the Group is as follows:

	As at 31.03.2014 RM'000
Approved, contracted but not provided for:	
- Investment property for hotel and property investment division	3,200
- Property, plant and equipment for plantation division	8,700
	<u>11,900</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 31.03.2014 RM'000	Financial Year-to-Date 31.03.2014 RM'000
Sales of development properties to:		
- Directors of the Company	4,053	4,053
- Corporation in which a Director of the Company has interest	7,380	7,380
- Other key management personnel of the Group	-	1,065
	<u>11,433</u>	<u>12,498</u>

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

B1. REVIEW OF PERFORMANCE OF THE GROUP FOR:

(i) Second quarter ended 31 March 2014

The Group recorded higher revenue and profit before tax for the current quarter of RM188.1 million and RM75.0 million as compared to the preceding year's corresponding quarter of RM137.2 million and RM19.7 million respectively. The increase in the Group's revenue by 37% and profit before tax by 281% was mainly contributed by the property and construction division from its on-going development projects and the plantation division, arising from the increase in sales of crude palm oil ("CPO") and palm kernel.

The significant increase in the Group's profit before tax was partially due to the inclusion of unrealised foreign exchange gain of RM29.4 million in the current quarter as compared to unrealised foreign exchange loss of RM1.0 million in the preceding year's corresponding quarter from the Plantation division's United States Dollar ("USD") and Malaysian Ringgit ("RM") borrowings as a result of the Indonesian Rupiah having strengthened against the USD and the RM respectively.

(ii) Current year-to-date (YTD) ended 31 March 2014 by Segments

Property and construction

This division recorded higher revenue and profit before tax of RM244.4 million and RM52.1 million for the current YTD as compared to the preceding YTD of RM189.5 million and RM47.6 million respectively. The increase in revenue and profit before tax was mainly due to higher percentage of revenue recognition of on-going development projects namely, Pelangi Semenyih 2, Hill Park Home, Saville @ Melawati, Pelangi Seri Alam, Saville@the Park, Bangsar, Mewah 9 Residence, Kajang 2 and MKH Boulevard, and newly launched projects namely, Hill Park Shah Alam, Pelangi Heights and Kajang East, which still at preliminary stage of development.

As at 31.3.2014, the Group has locked-in unbilled sales value of RM601.8 million from which attributed sales revenue and profits will be recognised progressively as their development percentage of completion progresses.

Plantation

This division recorded higher revenue and profit before tax from the sale of CPO and palm kernel of RM74.8 million and RM32.3 million for the current YTD as compared to the preceding YTD of RM42.7 million and RM10.9 million. The increase in profit before tax was partially due to inclusion of unrealised foreign exchange gain of RM9.5 million in current YTD as compared to preceding YTD of RM40,000 as a result of the strengthening of Rupiah against the USD and the RM from its borrowings.

Hotel and property investment

This division recorded higher revenue and profit before tax of RM16.9 million and RM8.3 million for the current YTD as compared to the preceding YTD of RM15.9 million and RM6.6 million respectively. The increase in revenue and profit before tax was mainly due to increase in average rental rates and inclusion of gain on transfer from property development costs to investment properties of RM1.8 million.

Trading

Despite the lower revenue of RM28.3 million for the current YTD as compared to the preceding YTD of RM31.1 million, this division's profit before tax was maintained at RM2.0 million.

Manufacturing

This division recorded higher revenue and profit before tax of RM5.6 million and RM183,000 for the current YTD as compared to the preceding YTD of RM4.8 million and loss before tax of RM40,000 respectively.

Investment holding

This division revenue and profit before tax/(loss 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

	2nd Quarter ended 31.03.2014 RM'000	1st Quarter ended 31.12.2013 RM'000
Profit before tax	<u>74,993</u>	<u>25,000</u>

The profit before tax for the current quarter of RM75.0 million was higher compared to preceding quarter of RM25.0 million. The increase in profit before tax was mainly due to inclusion of unrealised foreign exchange gain of RM29.4 million for the current quarter as compared to unrealised foreign exchange loss of RM19.9 million in preceding quarter from plantation division as mentioned under paragraph B1 (i) and (ii).

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 31.03.2014 RM'000	Financial year-to-date 31.03.2014 RM'000
Amortization of prepaid lease payments	(198)	(392)
Amortization of biological assets	(2,067)	(3,835)
Depreciation of property, plant and equipment	(2,312)	(4,527)
Bad debts written off	-	(33)
Interest expense	(7,199)	(11,933)
Net gain/(loss) on foreign exchange:		
- realised	(438)	(345)
- unrealised	29,384	9,468
Interest income	590	1,175
Reversal of impairment loss on:		
- receivables	69	102
Bad debts recovered	-	41

(ii) CASH AND CASH EQUIVALENTS

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

	(Unaudited) 31.03.2014 RM'000	(Unaudited) 31.03.2013 RM'000
Cash and bank balances	52,686	35,675
Cash held under housing development accounts	119,523	52,688
Deposits with licensed banks	18,198	17,417
Short term funds	-	2,069
Bank overdrafts	(1,059)	(3,557)

B6. TAX EXPENSE

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

	Current Quarter 31.03.2014 RM'000	Financial Year-to-Date 31.03.2014 RM'000
Current taxation		
- income taxation	6,843	13,505
- deferred taxation	12,088	11,915
	<u>18,931</u>	<u>25,420</u>
Under provision in prior year	(28)	(28)
	<u><u>18,903</u></u>	<u><u>25,392</u></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

There were no corporate proposals announced which is pending completion as at the date of issue of this announcement.

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 31.03.2014 RM'000
Short-term - unsecured	24,423
Short-term - secured	136,283
Long-term - unsecured	3,851
Long-term - secured	469,989
	<u><u>634,546</u></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	85,000	277,960
	<u><u>85,000</u></u>	<u><u>277,960</u></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 second quarter ended 31 March 2014.

B12. EARNINGS PER SHARE (“EPS”)

	Current Year	Preceding Year	Current	Preceding
	Quarter	Corresponding	Year-to-Date	Year-to-Date
	31.03.2014	31.03.2013	31.03.2014	31.03.2013
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
BASIC EPS				
Profit attributable to Owners of the parent (RM'000)	50,700	12,674	67,483	46,882
Weighted average number of ordinary shares ('000)				
At 1 October 2013/2012	349,253	291,044	349,253	291,044
Bonus issue and Rights issue*	69,898	120,917	69,898	120,917
Execised Warrants	3	-	3	-
At 31 March 2014/2013	419,154	411,961	419,154	411,961
BASIC EPS (sen)	12.10	3.08	16.10	11.38
DILUTED EPS				
Profit attributable to Owners of the parent (RM'000)	50,700	12,674	67,483	46,882
Adjusted weighted average number of ordinary shares in issue and issuable ('000)				
Weighted average number of ordinary shares ('000)	419,154	411,961	419,154	411,961
Effect of dilution: warrants ('000)	3,035	-	8,998	-
At 31 March 2014/2013	422,189	411,961	428,152	411,961
DILUTED EPS (sen)	12.01	3.08	15.76	11.38

* The EPS has been adjusted to effect the Bonus Issue of 69,898,293 new ordinary shares which was completed subsequent to 31 March 2014 as disclosed under paragraph A6.

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 31.03.2014 RM'000	(Audited) As at 30.09.2013 RM'000
Total retained earnings of its subsidiaries		
- realised	606,253	598,600
- unrealised	109,871	73,372
	<u>716,124</u>	<u>671,972</u>
Total share of retained earnings from an associate		
- realised	16,530	23,402
	<u>732,654</u>	<u>695,374</u>
Less: Consolidation adjustments	(115,211)	(119,220)
Total retained earnings of the Group	<u><u>617,443</u></u>	<u><u>576,154</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 27 May 2014.