



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
INTERIM REPORT FOR THE THIRD QUARTER
AND FINANCIAL PERIOD ENDED 30 JUNE 2014**

	(Unaudited) INDIVIDUAL QUARTER Current Year Quarter 30.06.2014 RM'000	(Unaudited) Preceding Year Corresponding Quarter 30.06.2013 RM'000	(Unaudited) CUMULATIVE QUARTER Current Year-to-Date 30.06.2014 RM'000	(Unaudited) Preceding Year-to-Date 30.06.2013 RM'000
Revenue	212,294	185,369	582,936	470,439
Cost of sales	(139,454)	(115,358)	(370,184)	(299,244)
Gross profit	72,840	70,011	212,752	171,195
Other income	2,665	6,800	8,978	9,213
Sales and marketing expenses	(8,721)	(5,517)	(18,788)	(14,699)
Administrative expenses	(14,853)	(13,599)	(47,723)	(40,537)
Other expenses	(23,895)	(7,217)	(17,385)	(11,010)
Profit from operations	28,036	50,478	137,834	114,162
Share of profit of associates	214	(188)	2,342	10,551
Interest expenses	(7,168)	(6,029)	(19,101)	(15,501)
Profit before tax	21,082	44,261	121,075	109,212
Tax expense	(6,141)	(11,901)	(31,533)	(26,618)
Profit for the period	14,941	32,360	89,542	82,594
Other comprehensive income				
<i>Items that may be subsequently reclassified to profit or loss:</i>				
Foreign exchange translation differences	2,527	2,435	1,453	1,598
Income tax relating to components of other comprehensive income	-	(403)	-	(251)
Other comprehensive income for the period	2,527	2,032	1,453	1,347
Total comprehensive income for the period	17,468	34,392	90,995	83,941
Profit attributable to:				
Owners of the parent	11,606	32,318	79,089	79,200
Non-controlling interest	3,335	42	10,453	3,394
	14,941	32,360	89,542	82,594
Total comprehensive income attributable to:				
Owners of the parent	14,071	34,348	80,526	80,541
Non-controlling interest	3,397	44	10,469	3,400
	17,468	34,392	90,995	83,941
Earnings per share				
Basic Earnings per ordinary share (sen)	2.77	7.84*	18.86	19.23*
Diluted Earnings per ordinary share (sen)	2.74	7.84*	18.28	19.23*
Proposed/Declared Dividend per share (sen)	-	-	10.00	-

* The Basic and diluted EPS has been adjusted to effect the Bonus Issue of 69,898,293 new ordinary shares which was completed on 20 May 2014.

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 30 JUNE 2014**

	(Unaudited) 30.06.2014	(Audited) 30.09.2013
<i>Assets</i>	RM'000	RM'000
Property, plant and equipment	174,546	163,292
Intangible assets	4,758	4,931
Biological assets	222,926	217,596
Prepaid lease payments	27,443	28,226
Investment properties	273,782	263,605
Investment in associated companies	8,894	26,652
Land held for property development	480,409	434,758
Deferred tax assets	19,795	29,948
Receivables, deposits and prepayments	4,408	4,483
Total Non-Current Assets	1,216,961	1,173,491
Property development costs	320,867	277,745
Inventories	28,199	42,231
Accrued billings	88,543	125,039
Receivables, deposits and prepayments	171,040	117,799
Current tax assets	4,712	834
Cash and cash equivalents	206,220	122,138
Non-current assets classified as held for sale	-	1,249
Total Current Assets	819,581	687,035
TOTAL ASSETS	2,036,542	1,860,526
<i>Equity</i>		
Share capital	419,393	349,253
Share premium	-	13,915
Warrant reserve	8,012	8,080
Translation reserve	(1,663)	(3,100)
Revaluation reserve	9,030	9,030
Retained earnings	573,304	576,154
Equity attributable to Equity holders of the Company	1,008,076	953,332
Non-Controlling Interest	18,663	2,594
Total Equity	1,026,739	955,926
<i>Liabilities</i>		
Deferred tax liabilities	47,376	49,699
Provisions	2,889	3,102
Loans and borrowings - long-term	468,830	414,772
Payables, deposits received and accruals	102,156	92,806
Total Non-Current Liabilities	621,251	560,379
Provisions	16,773	17,918
Progress billings	32,414	8,067
Payables, deposits received and accruals	166,615	201,804
Loans and borrowings - short-term	159,541	107,165
Current tax liabilities	13,209	9,267
Total Current Liabilities	388,552	344,221
Total Liabilities	1,009,803	904,600
TOTAL EQUITY AND LIABILITIES	2,036,542	1,860,526
Net Assets per share attributable to shareholders of the Company (RM)	2.40	2.27*

The preceding year's net assets per share has been adjusted to effect the Bonus Issue of 69,898,293 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 2013 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 THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 JUNE 2014**

< ----- Attributable to owners of the parent ----- >

< ----- Non-distributable ----- > Distributable

Group	Share Capital RM'000	Share Premium RM'000	Warrant Reserve RM'000	Translation Reserve RM'000	Revaluation Reserve RM'000	Retained Earnings RM'000	Total RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
Financial period ended 30 June 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	-	-	-	1,437	-	79,089	80,526	10,469	90,995
Transactions with owners									
Issuance of shares pursuant to									
- Bonus issue	69,898	(14,153)	-	-	-	(55,745)	-	-	-
- Warrants	242	371	(68)	-	-	-	545	-	545
Share issue expenses	-	(133)	-	-	-	-	(133)	-	(133)
Issuance of shares by a subsidiary to non-controlling interest	-	-	-	-	-	-	-	5,600	5,600
Dividends	-	-	-	-	-	(26,194)	(26,194)	-	(26,194)
At 30.06.2014 (unaudited)	419,393	-	8,012	(1,663)	9,030	573,304	1,008,076	18,663	1,026,739
Financial period ended 30 June 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	-	-	-	1,341	-	79,200	80,541	3,400	83,941
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
- Warrants ^	-	-	-	-	-	-	-	-	-
Share issue expenses	-	(1,290)	-	-	-	-	(1,290)	-	(1,290)
Non-controlling interest in respect of subsidiary acquired	-	-	-	-	-	-	-	21,894	21,894
Dividends	-	-	-	-	-	(13,097)	(13,097)	-	(13,097)
At 30.06.2013 (unaudited)	349,252	13,914	8,080	(15,112)	9,030	550,960	916,124	23,522	939,646

^ 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 2013 and the accompanying explanatory notes attached to the interim Financial Report.



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
INTERIM REPORT FOR THE THIRD QUARTER
AND FINANCIAL PERIOD ENDED 30 JUNE 2014**

	(Unaudited) 30.06.2014 RM'000	(Unaudited) 30.06.2013 RM'000
Cash Flows From Operating Activities		
Profit before taxation	121,075	109,212
Adjustments for non-cash items	40,920	7,884
Operating profit before changes in working capital	<u>161,995</u>	<u>117,096</u>
Change in property development costs	5,756	16,602
Change in inventories	13,832	2,246
Change in amount due to customers on contracts	-	(146)
Change in receivables, deposits and prepayments	(16,592)	(28,228)
Change in payables and accruals	(3,285)	(1,112)
Cash generated from operations	<u>161,706</u>	<u>106,458</u>
Interest paid	(26,235)	(19,765)
Interest received	1,845	1,479
Tax paid	(24,789)	(19,778)
Tax refund	1,232	271
Net cash from operating activities	<u>113,759</u>	<u>68,665</u>
Cash Flows From Investing Activities		
Acquisition of a subsidiary company, net of cash acquired	13	(21,930)
Additions to investment property	(2,075)	(13,283)
Additions to land held for property development	(98,580)	(42,925)
Acquisition of property, plant and equipment	(22,055)	(17,728)
Additions to biological assets	(12,872)	(18,423)
Subscription of shares in an associate	(600)	(800)
Dividend received	20,700	30,015
Proceeds from disposal of property, plant and equipment	83	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	1,249	-
Net cash used in investing activities	<u>(114,132)</u>	<u>(80,130)</u>
Cash Flows From Financing Activities		
Proceeds from issuance of shares	413	52,388
Dividend paid	(26,194)	(13,097)
Net drawdown/(repayment) of bank borrowings	104,120	19,493
Payments of finance lease liabilities	(1,705)	(1,126)
Proceeds from issuance of shares by a subsidiary to minority shareholder	5,600	-
Share issue expenses	-	(1,290)
Net cash from financing activities	<u>82,234</u>	<u>56,368</u>
Net increase in cash and cash equivalents	<u>81,861</u>	<u>44,903</u>
Effect of exchange rate fluctuations	(206)	80
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>200,286</u></u>	<u><u>122,511</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
-----------	---

Amendments to IC Int

IC Int 2	Members’ Shares in Co-operative Entities & Similar Instruments
----------	--

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
FRS 14	Regulatory Deferral Accounts	1 January 2016
<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 11	Joint Arrangements	1 January 2016
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 and 1 January 2016
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 241,463 ordinary shares of RM1/- each pursuant to the exercised of 241,463 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 30 June 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	386,605	116,383	25,672	44,049	9,336	-	891	-	582,936
Inter-segment revenue	18,202	-	-	881	-	28,695	-	(47,778)	-
Total segment revenue	404,807	116,383	25,672	44,930	9,336	28,695	891	(47,778)	582,936
Results									
Operating result [#]	84,158	34,483	14,673	3,196	564	11,869	(182)	(12,772)	135,989
Interest expense*	(12,584)	(13,139)	(2,229)	-	-	(7,237)	(61)	16,149	(19,101)
Interest income**	2,033	165	43	-	104	2,876	1	(3,377)	1,845
Share of profits of associates	2,956	-	(614)	-	-	-	-	-	2,342
Segment result	76,563	21,509	11,873	3,196	668	7,508	(242)	-	121,075
Tax expense									(31,533)
Profit for the period									89,542
Assets									
Segment assets	1,166,208	427,610	317,729	22,021	22,641	30,234	16,698	-	2,003,141
Investment in associated companies	8,270	-	624	-	-	-	-	-	8,894
Deferred tax assets									19,795
Current tax assets									4,712
Total assets									2,036,542
Liabilities									
Segment liabilities	473,031	295,851	65,183	7,891	2,156	103,908	1,198	-	949,218
Deferred tax liabilities									47,376
Current tax liabilities									13,209
Total liabilities									1,009,803
Other segment information									
Depreciation and amortisation	838	11,335	1,167	14	310	15	96	-	13,775
Additions to non-current assets other than financial instruments and deferred tax assets	100,385	34,160	3,711	38	47	-	8	-	138,349
* Included inter-company interest expense	6,657	4,860	-	-	-	3,493	61	(15,071)	-
** Included inter-company interest income	(561)	-	-	-	-	(2,816)	-	3,377	-
# Included unrealised foreign exchange loss	-	12,480	-	-	-	-	-	-	12,480
# Included realised foreign exchange loss/(gain)	-	1,457	-	-	(31)	211	-	-	1,637

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 30 June 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	309,267	76,138	24,528	51,360	7,528	-	1,618	-	470,439
Inter-segment revenue	-	-	-	32	-	32,778	-	(32,810)	-
Total segment revenue	<u>309,267</u>	<u>76,138</u>	<u>24,528</u>	<u>51,392</u>	<u>7,528</u>	<u>32,778</u>	<u>1,618</u>	<u>(32,810)</u>	<u>470,439</u>
Results									
Operating result [#]	77,354	20,274	12,969	3,443	(32)	16,694	554	(19,606)	111,650
Interest expense*	(10,743)	(8,652)	(1,730)	-	-	(9,538)	(94)	15,256	(15,501)
Interest income**	2,760	76	20	-	178	3,487	6	(4,015)	2,512
Share of profits of associates	10,751	-	(200)	-	-	-	-	-	10,551
Segment result	<u>80,122</u>	<u>11,698</u>	<u>11,059</u>	<u>3,443</u>	<u>146</u>	<u>10,643</u>	<u>466</u>	<u>(8,365)^</u>	<u>109,212</u>
Tax expense									<u>(26,618)</u>
Profit for the period									<u><u>82,594</u></u>
Assets									
Segment assets	820,039	425,366	291,260	23,569	22,064	19,331	27,057	(8,365)^	1,620,321
Investment in associated companies	26,157	-	732	-	-	-	-	-	26,889
Deferred tax assets									23,471
Current tax assets									<u>2,548</u>
Total assets									<u><u>1,673,229</u></u>
Liabilities									
Segment liabilities	316,402	214,932	61,128	11,251	2,073	78,496	1,125	-	685,407
Deferred tax liabilities									34,923
Current tax liabilities									<u>13,253</u>
Total liabilities									<u><u>733,583</u></u>
Other segment information									
Depreciation and amortisation	835	7,895	1,037	13	312	16	97	-	10,205
Additions to non-current assets other than financial instruments and deferred tax assets	<u>43,557</u>	<u>35,195</u>	<u>13,984</u>	<u>-</u>	<u>19</u>	<u>-</u>	<u>4</u>	<u>(8,365)^</u>	<u>84,394</u>
* Included inter-company interest expense	(3,604)	(7,443)	-	-	-	(4,115)	(94)	15,256	-
** Included inter-company interest income	566	-	-	-	-	3,444	5	(4,015)	-
# Included unrealised foreign exchange loss/(gain)	-	-	-	-	-	-	-	-	-
# Included realised foreign exchange loss	-	-	-	-	-	-	-	-	-
^ Inter-company interest elimination 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)
 (b) Segment Analysis – Geographical Segments

	Revenue		Non-current assets	
	30.06.2014	30.06.2013	30.06.2014	30.06.2013
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
Malaysia	457,217	386,773	806,553	641,109
The Peoples' Republic of China	9,336	7,528	12,058	12,408
Republic of Indonesia	116,383	76,138	367,629	386,203
	<u>582,936</u>	<u>470,439</u>	<u>1,186,240</u>	<u>1,039,720</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 24 July 2014, the Company has acquired 2 ordinary shares of RM1/- each representing the entire and paid-up share capital of Danau Saujana Sdn Bhd (“DSSB”), for a cash consideration of RM2. As a result, DSSB became a wholly-owned subsidiary of the Company; and
- (ii) On 8 August 2014, the Company has acquired 2 ordinary shares of RM1/- each representing the entire and paid-up share capital of Pelangi Binaraya Sdn Bhd (“PBSB”) and Suria Villa Sdn Bhd (“SVSB”) respectively, for a total cash consideration of RM4. As a result, PBSB and SVSB 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 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. On 21 April 2014, GWSB subscribed for additional 649,998 ordinary shares of RM1/- each representing 65% of the total allotment of 999,998 ordinary shares for a total cash consideration of RM649,998. Consequently, AMSB became a 65% owned subsidiary of GWSB and the Company.

A12. CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS

As at 18 August 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 RM65.1 million. Total credit facilities granted to subsidiaries with corporate guarantees issued by the Company to the lenders and utilised by subsidiaries as at 18 August 2014 was approximately RM1.0 billion and RM602.1 million respectively.

A13. CAPITAL COMMITMENTS

The capital commitment of the Group is as follows:

	As at 30.06.2014 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	5,000
	<u>8,200</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 30.06.2014 RM'000	Financial Year-to-Date 30.06.2014 RM'000
Sales of development properties to:		
- Directors of the Company	-	4,053
- Person connected to a Director of the Company	377	377
- Corporation in which a Director of the Company has interest	-	7,380
- Other key management personnel of the Group	632	1,697
	<u>1,009</u>	<u>13,507</u>

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

B1. REVIEW OF PERFORMANCE OF THE GROUP FOR:

(i) Third quarter ended 30 June 2014

The Group recorded higher revenue for the current quarter of RM212.3 million as compared to the preceding year corresponding quarter of RM185.4 million. The increase in the Group's revenue by 15% 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 Group recorded lower profit before tax for the current quarter of RM21.1 million as compared to the preceding year correspondence quarter of RM44.3 million due to inclusion of unrealised foreign exchange losses of RM21.9 million ("Foreign Exchange losses") in the current quarter as compared to unrealised foreign exchange gains of RM1.5 million ("Foreign Exchange gains") in preceding year corresponding quarter from the Plantation division's United States Dollar ("USD") and Malaysian Ringgit ("RM") borrowings as a result of the Indonesian Rupiah has weaken against the USD and the RM respectively. The profit before tax excluding the unrealised Foreign Exchange losses and unrealised Foreign Exchange gains was marginally higher at RM43.0 million for the current quarter as compared to the preceding year corresponding quarter of RM42.8 million.

(ii) Current year-to-date (YTD) ended 30 June 2014 by Segments

Property and construction

This division recorded higher revenue of RM386.6 million for the current YTD as compared to preceding YTD of RM309.3 million. The increase in revenue 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, Kajang East and MKH Avenue I, which still at preliminary stage of development. Despite the higher revenue for the current YTD, this division's profit before tax was decreased to RM76.6 million for current YTD as compared to preceding YTD of RM80.1 million mainly due to lower share of profit of an associate upon completion and handing over vacant possession of Areca Residence in the preceding year.

As at 30.6.2014, the Group has locked-in unbilled sales value of RM690.1 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 RM116.4 million and RM21.5 million for the current YTD as compared to the preceding YTD of RM76.1 million and RM11.7 million. The division's current YTD profit included unrealised foreign exchange losses totaling RM12.5 million (foreign exchange losses in 2013: RM nil). The unrealised foreign exchange losses was mainly due to weakening of the Rupiah against the USD and the RM for its USD and RM borrowings. The profit before tax excluding the unrealised foreign exchange losses for the current YTD amounted to RM34.0 million was 191% higher than the preceding year profit before tax of RM11.7 million.

Hotel and property investment

This division recorded higher revenue and profit before tax of RM25.7 million and RM11.9 million for the current YTD as compared to the preceding YTD of RM24.5 million and RM11.1 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

This division recorded lower revenue and profit before tax of RM44.0 million and RM3.2 million for the current YTD as compared to the preceding YTD of RM51.4 million and RM3.4 million respectively.

Manufacturing

This division recorded higher revenue and profit before tax of RM9.3 million and RM668,000 for the current YTD as compared to the preceding YTD of RM7.5 million and RM146,000 respectively.

Investment holding

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

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

	Current Quarter	Immediate Preceding Quarter
	30.06.2014	31.03.2014
	RM'000	RM'000
Profit before tax	<u>21,082</u>	<u>74,993</u>

The profit before tax for the current quarter of RM21.1 million was lower as compared to the preceding quarter of RM75.0 million was mainly due to inclusion of unrealised foreign exchange losses totaling RM21.9 million and unrealised foreign exchange gains totaling RM29.4 million respectively. The current quarter's profit before tax excluding unrealised foreign exchange losses amounted to RM43.0 million was lower than immediate preceding quarter's profit before tax excluding foreign exchange gains of RM45.6 million was mainly due to absent in gain on transfer from property development costs to investment properties for the current quarter as compared to the immediate preceding quarter of RM1.8 million and lower share of profit of associates for the current quarter of RM214,000 as compared to the immediate preceding quarter of RM1.1 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 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 30.06.2014 RM'000	Financial year-to-date 30.06.2014 RM'000
Amortization of prepaid lease payments	(191)	(583)
Amortization of biological assets	(2,268)	(6,103)
Depreciation of property, plant and equipment	(2,562)	(7,089)
Bad debts written off	-	(33)
Interest expense	(7,168)	(19,101)
Net gain/(loss) on foreign exchange:		
- realised	(1,292)	(1,637)
- unrealised	(21,948)	(12,480)
Interest income	667	1,842
Reversal of impairment loss on:		
- receivables	5	107
Bad debts recovered	61	102

(ii) CASH AND CASH EQUIVALENTS

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

	(Unaudited) 30.06.2014 RM'000	(Unaudited) 30.06.2013 RM'000
Cash and bank balances	108,905	51,340
Cash held under housing development accounts	64,671	65,714
Deposits with licensed banks	32,646	11,605
Short term funds	-	1,112
Bank overdrafts	(5,936)	(7,260)

B6. TAX EXPENSE

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

	Current Quarter 30.06.2014 RM'000	Financial Year-to-Date 30.06.2014 RM'000
Current taxation		
- income taxation	10,330	23,835
- deferred taxation	(4,022)	7,893
	<u>6,308</u>	<u>31,728</u>
Under provision in prior year	(167)	(195)
	<u><u>6,141</u></u>	<u><u>31,533</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 30.06.2014 RM'000
Short-term - unsecured	45,123
Short-term - secured	114,418
Long-term - unsecured	3,000
Long-term - secured	465,830
	<u>628,371</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	272,263
	<u>85,000</u>	<u>272,263</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 third quarter ended 30 June 2014.

B12. EARNINGS PER SHARE (“EPS”)

	Current Year	Preceding Year	Current	Preceding
	Quarter	Corresponding	Year-to-Date	Year-to-Date
	30.06.2014	30.06.2013	30.06.2014	30.06.2013
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
BASIC EPS				
Profit attributable to Owners of the parent (RM'000)	11,606	32,318	79,089	79,200
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	101	-	101	-
At 31 March 2014/2013	419,252	411,961	419,252	411,961
BASIC EPS (sen)	2.77	7.84	18.86	19.23
DILUTED EPS				
Profit attributable to Owners of the parent (RM'000)	11,606	32,318	79,089	79,200
Adjusted weighted average number of ordinary shares in issue and issuable ('000)				
Weighted average number of ordinary shares ('000)	419,252	411,961	419,252	411,961
Effect of dilution: warrants ('000)	3,841	-	13,419	-
At 31 March 2014/2013	423,093	411,961	432,671	411,961
DILUTED EPS (sen)	2.74	7.84	18.28	19.23

* The EPS has been adjusted to effect the Bonus Issue of 69,898,293 new ordinary shares which was completed on 20 May 2014.

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 30.06.2014 RM'000	(Audited) As at 30.09.2013 RM'000
Total retained earnings of its subsidiaries		
- realised	601,432	598,600
- unrealised	90,425	73,372
	<u>691,857</u>	<u>671,972</u>
Total share of retained earnings from an associate		
- realised	5,044	23,402
	<u>696,901</u>	<u>695,374</u>
Less: Consolidation adjustments	(123,597)	(119,220)
Total retained earnings of the Group	<u><u>573,304</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 August 2014.