



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
INTERIM REPORT FOR THE FOURTH QUARTER
AND FINANCIAL YEAR ENDED 30 SEPTEMBER 2016**

	(Unaudited) INDIVIDUAL QUARTER Current Year Quarter 30.09.2016 RM'000	(Unaudited) Preceding Year Corresponding Quarter 30.09.2015 RM'000	(Unaudited) CUMULATIVE QUARTER Current Year-to-Date 30.09.2016 RM'000	(Audited) Preceding Year-to-Date 30.09.2015 RM'000
Revenue	404,422	348,706	1,275,113	1,041,898
Cost of sales	(278,328)	(244,887)	(847,555)	(717,133)
Gross profit	126,094	103,819	427,558	324,765
Other income	15,826	18,326	82,582	24,756
Sales and marketing expenses	(15,693)	(15,089)	(46,583)	(39,968)
Administrative expenses	(18,070)	(20,656)	(82,097)	(77,502)
Other expenses	(4,971)	(24,230)	(20,509)	(44,995)
Profit from operations	103,186	62,170	360,951	187,056
Share of results of associates	(425)	(115)	(999)	68
Interest expenses	(22,774)	(22,670)	(51,868)	(49,810)
Profit before tax	79,987	39,385	308,084	137,314
Tax expense	(30,130)	(14,766)	(94,027)	(40,684)
Profit for the year	49,857	24,619	214,057	96,630
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Remeasurement gains on defined benefit plans	-	1,995	-	1,995
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Foreign exchange translation differences	694	620	(2,811)	3,255
Revaluation surplus on land & buildings	-	14,534	-	14,534
Income tax relating to components of other comprehensive income	-	(2,861)	-	(2,861)
Other comprehensive income for the year	694	12,293	(2,811)	14,928
Total comprehensive income for the year	50,551	38,907	211,246	113,553

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
INTERIM REPORT FOR THE FOURTH QUARTER
AND FINANCIAL YEAR ENDED 30 SEPTEMBER 2016**
(continued)

	(Unaudited) INDIVIDUAL QUARTER Current Year Quarter 30.09.2016 RM'000	(Unaudited) Preceding Year Corresponding Quarter 30.09.2015 RM'000	(Unaudited) CUMULATIVE QUARTER Current Year-to-Date 30.09.2016 RM'000	(Audited) Preceding Year-to-Date 30.09.2015 RM'000
Profit attributable to:				
Owners of the parent	50,423	25,042	205,087	86,961
Non-controlling interests	(566)	(423)	8,970	9,669
	49,857	24,619	214,057	96,630
Total comprehensive income attributable to:				
Owners of the parent	51,179	39,139	202,344	103,674
Non-controlling interests	(628)	(232)	8,902	9,879
	50,551	38,907	211,246	113,553
Earnings per share				
Basic Earnings per ordinary share (sen)	12.02	5.97	48.90	20.73
Diluted Earnings per ordinary share (sen)	11.94	5.95	47.95	20.27
Proposed/Declared Dividend per share (sen)	-	-	7.00	8.00

The condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Audited Financial Report for the financial year ended 30 September 2015 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 2016**

	(Unaudited) 30.09.2016	(Audited) 30.09.2015
<i>Assets</i>	RM'000	RM'000
Property, plant and equipment	217,909	210,990
Intangible assets	14,048	5,355
Biological assets	323,633	247,070
Prepaid lease payments	27,165	27,913
Investment properties	308,457	308,457
Investment in associates	13,955	12,504
Land held for property development	1,027,750	553,239
Deferred tax assets	26,894	34,737
Receivables, deposits and prepayments	11,108	2,624
Total Non-Current Assets	1,970,919	1,402,889
Property development costs	415,349	437,955
Inventories	93,512	68,668
Accrued billings	225,779	181,014
Receivables, deposits and prepayments	222,855	235,711
Current tax assets	7,612	3,311
Cash, bank balances, term deposits and fixed income funds	301,321	269,074
Non-current assets classified as held for sale	7,482	-
Total Current Assets	1,273,910	1,195,733
TOTAL ASSETS	3,244,829	2,598,622
<i>Equity</i>		
Share capital	419,444	419,407
Share premium	57	16
Warrant reserve	8,001	8,009
Translation reserve	(504)	2,239
Revaluation reserve	23,534	23,534
Retained earnings	827,175	651,448
Equity attributable to owners of the parent	1,277,707	1,104,653
Non-Controlling Interests	34,183	21,879
Total Equity	1,311,890	1,126,532
<i>Liabilities</i>		
Deferred tax liabilities	63,201	47,355
Provisions	8,062	6,311
Loans and borrowings - long-term	572,867	514,447
Payables, deposits received and accruals	416,749	136,507
Total Non-Current Liabilities	1,060,879	704,620
Provisions	19,596	19,596
Progress billings	6,596	65,235
Payables, deposits received and accruals	553,957	377,372
Loans and borrowings - short-term	264,303	286,938
Current tax liabilities	27,608	18,329
Total Current Liabilities	872,060	767,470
Total Liabilities	1,932,939	1,472,090
TOTAL EQUITY AND LIABILITIES	3,244,829	2,598,622
Net Assets per share attributable to shareholders of the Company (RM)	3.05	2.63

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 2015 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 FOURTH QUARTER AND FINANCIAL YEAR ENDED 30 SEPTEMBER 2016**

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 year ended 30 September 2016									
At 1.10.2015 (audited)	419,407	16	8,009	2,239	23,534	651,448	1,104,653	21,879	1,126,532
Total comprehensive income for the year	-	-	-	(2,743)	-	205,087	202,344	8,902	211,246
Transactions with owners									
Issuance of shares pursuant to warrants	37	41	(8)	-	-	-	70	-	70
Issurance of shares by subsidiaries to non-controlling shareholders	-	-	-	-	-	-	-	482	482
Effect of acquisition of a subsidiary	-	-	-	-	-	-	-	6,920	6,920
Dividend paid to non-controlling shareholders	-	-	-	-	-	-	-	(4,000)	(4,000)
Dividends	-	-	-	-	-	(29,360)	(29,360)	-	(29,360)
At 30.09.2016 (unaudited)	419,444	57	8,001	(504)	23,534	827,175	1,277,707	34,183	1,311,890
Financial year ended 30 September 2015									
At 1.10.2014 (audited)	419,394	1	8,012	(1,146)	12,100	596,144	1,034,505	23,162	1,057,667
Total comprehensive income for the year	-	-	-	3,385	11,434	88,855	103,674	9,879	113,553
Transactions with owners									
Issuance of shares pursuant to warrants	13	15	(3)	-	-	-	25	-	25
Issurance of shares by subsidiaries to non-controlling shareholders	-	-	-	-	-	-	-	38	38
Dividend paid to non-controlling shareholder	-	-	-	-	-	-	-	(11,200)	(11,200)
Dividends	-	-	-	-	-	(33,551)	(33,551)	-	(33,551)
At 30.09.2015 (audited)	419,407	16	8,009	2,239	23,534	651,448	1,104,653	21,879	1,126,532

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 2015 and the accompanying explanatory notes attached to the interim Financial Report.



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
INTERIM REPORT FOR THE FOURTH QUARTER
AND FINANCIAL YEAR ENDED 30 SEPTEMBER 2016**

	(Unaudited) 30.09.2016 RM'000	(Audited) 30.09.2015 RM'000
Cash Flows From/(Used In) Operating Activities		
Profit before tax	308,084	137,314
Adjustments for non-cash items	41,128	100,840
Operating profit before changes in working capital	<u>349,212</u>	<u>238,154</u>
Change in property development costs	15,828	(47,761)
Change in inventories	36,067	29,668
Change in accrued billings in respect of property development	(103,405)	(20,661)
Change in receivables, deposits and prepayments	(29,352)	(79,300)
Change in payables and accruals	65,180	136,682
Cash generated from operations	<u>333,530</u>	<u>256,782</u>
Interest paid	(48,941)	(39,473)
Interest received	5,805	4,683
Tax paid	(78,600)	(49,491)
Tax refunded	2,203	2,223
Retirement benefits obligations paid	(614)	(309)
Net cash from operating activities	<u>213,383</u>	<u>174,415</u>
Cash Flows From/(Used In) Investing Activities		
Acquisition of subsidiaries, net of cash acquired	(4,128)	-
Additions to land held for property development	(90,330)	(145,643)
Acquisition of property, plant and equipment	(16,193)	(17,913)
Additions to biological assets	(4,594)	(5,278)
Subscription of shares in an associate	(2,450)	-
Withdrawal of deposits with licensed banks	10,695	(6,613)
Proceeds from disposal of property, plant and equipment	132	740
Proceeds from disposal of land held for property development	-	605
Net cash used in investing activities	<u>(106,868)</u>	<u>(174,102)</u>
Cash Flows From/(Used In) Financing Activities		
Dividend paid	(29,360)	(33,552)
Dividend paid to non-controlling shareholders	(4,000)	(11,200)
Net (repayment)/drawdown of bank borrowings	(25,932)	88,955
Payments of finance lease liabilities	(1,241)	(1,734)
Proceeds from issuance of shares by a subsidiary to non-controlling shareholders	482	38
Proceeds from issuance of shares pursuant to warrants	70	26
Net cash (used in)/from financing activities	<u>(59,981)</u>	<u>42,533</u>
Net increase in cash and cash equivalents	<u>46,534</u>	<u>42,846</u>
Effect of exchange rate fluctuations	(3,046)	7,709
Cash and cash equivalents at beginning of the year	<u>226,160</u>	<u>175,605</u>
Cash and cash equivalents at end of the year	<u>269,648</u>	<u>226,160</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 2015 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 2015.

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 2015 (“Annual Report 2015”).

New and revised Financial Reporting Standards (“FRS”) and amendments to FRSs that are issued, but not yet effective and have not been early adopted

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

FRS 9	Financial Instruments (IFRS 9 issued by IASB in July 2014) ²
FRS 14	Regulatory Deferral Accounts ¹
Amendments to FRS 10, FRS 12 and FRS 128	Investment Entities: Applying the Consolidation Exception ¹
Amendments to FRS 10 and FRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
Amendments to FRS 11	Accounting for Acquisitions of Interests in Joint Operations ¹
Amendments to FRS 101	Disclosure Initiative ¹
Amendments to FRS 107	Disclosure Initiative ³
Amendments to FRS 112	Recognition of Deferred Tax Assets for Unrealised Losses ³
Amendments to FRS 116 and FRS 138	Clarification of Acceptable Methods of Depreciation and Amortisation ¹
Amendments to FRS 127	Equity Method in Separate Financial Statements ¹
Annual Improvements to FRSs 2012 - 2014 cycle ¹	

¹ Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.

² Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.

³ Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.

⁴ Effective date deferred to a date to be determined and announced, with earlier application still permitted.

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

A1. BASIS OF PREPARATION (continued)

Malaysian Financial Reporting Standards

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

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

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

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

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

A2. AUDITORS’ REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors have expressed an unqualified opinion on the Company’s statutory financial statements for the financial year ended 30 September 2015 in their report dated 5 January 2016.

A3. SEASONAL OR CYCLICAL FACTORS

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

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

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

A5. CHANGES IN ESTIMATES

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

A6. ISSUANCE AND REPAYMENT OF DEBT AND EQUITY SECURITIES

There were no issuance, cancellations, repurchases, resale and repayment of debt and equity securities in the current quarter and the financial year-to-date except issuance of 36,700 ordinary shares of RM1/- each pursuant to the exercised of 36,700 warrants at an exercise price of RM1.89 per ordinary share.

A7. DIVIDEND PAID

A first interim single tier dividend of 7.0 sen per ordinary share in respect of financial year ended 30 September 2015 amounting to RM29,359,770 was declared on 27 November 2015 and paid on 31 December 2015.

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A8. OPERATING SEGMENTS

(a) Segment Analysis – Business Segments

Financial year ended 30 September 2016

	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	940,842	206,329	39,058	71,840	16,063	-	981	-	1,275,113
Inter-segment revenue	-	-	682	118	-	129,475	-	(130,275)	-
Total segment revenue	<u>940,842</u>	<u>206,329</u>	<u>39,740</u>	<u>71,958</u>	<u>16,063</u>	<u>129,475</u>	<u>981</u>	<u>(130,275)</u>	<u>1,275,113</u>
Results									
Operating result [#]	244,025	88,739	20,375	5,346	1,864	33,535	(1,677)	(37,067)	355,140
Interest expense*	(52,502)	(25,242)	(2,648)	-	-	(25,806)	(210)	54,540	(51,868)
Interest income**	10,792	761	42	79	208	11,394	8	(17,473)	5,811
Share of results of associates	(437)	-	(562)	-	-	-	-	-	(999)
Segment result	<u>201,878</u>	<u>64,258</u>	<u>17,207</u>	<u>5,425</u>	<u>2,072</u>	<u>19,123</u>	<u>(1,879)</u>	<u>-</u>	<u>308,084</u>
Tax expense									<u>(94,027)</u>
Profit for the year									<u><u>214,057</u></u>
Assets									
Segment assets	2,168,920	563,719	359,886	27,563	33,695	21,119	21,466	-	3,196,368
Investment in associates	14,136	-	(181)	-	-	-	-	-	13,955
Deferred tax assets									26,894
Current tax assets									<u>7,612</u>
Total assets									<u><u>3,244,829</u></u>
Liabilities									
Segment liabilities	1,263,039	367,135	54,750	10,124	4,715	141,275	1,092	-	1,842,130
Deferred tax liabilities									63,201
Current tax liabilities									<u>27,608</u>
Total liabilities									<u><u>1,932,939</u></u>
Other segment information									
Depreciation and amortisation	1,244	28,838	2,417	15	611	20	253	-	33,398
Additions to non-current assets other than financial instruments and deferred tax assets	<u>402,617</u>	<u>8,719</u>	<u>4,378</u>	<u>7</u>	<u>5,501</u>	<u>-</u>	<u>37</u>	<u>-</u>	<u>421,259</u>
* Included inter-company interest expense	25,005	11,437	-	-	-	17,888	210	(54,540)	-
** Included inter-company interest income	(6,185)	-	-	-	-	(11,288)	-	17,473	-
# Included inter-company management expense/(income)	15,981	3,730	2,035	577	-	(22,494)	171	-	-
# Included unrealised foreign exchange gains	-	(39,386)	-	-	-	28	-	-	(39,358)
# Included realised foreign exchange losses/(gains)	6	(3,297)	-	-	(88)	899	1	-	(2,479)

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 2015

	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	720,948	209,538	34,793	65,012	10,438	-	1,169	-	1,041,898
Inter-segment revenue	-	-	608	64	-	88,275	-	(88,947)	-
Total segment revenue	<u>720,948</u>	<u>209,538</u>	<u>35,401</u>	<u>65,076</u>	<u>10,438</u>	<u>88,275</u>	<u>1,169</u>	<u>(88,947)</u>	<u>1,041,898</u>
Results									
Operating result	153,697	(3,766)	25,261	5,601	795	32,897	(482)	(31,775)	182,228
Interest expense	(44,018)	(27,144)	(3,065)	-	-	(20,060)	(130)	44,607	(49,810)
Interest income	7,101	1,749	45	-	39	8,724	2	(12,832)	4,828
Share of results of associates	577	-	(509)	-	-	-	-	-	68
Segment result	<u>117,357</u>	<u>(29,161)</u>	<u>21,732</u>	<u>5,601</u>	<u>834</u>	<u>21,561</u>	<u>(610)</u>	<u>-</u>	<u>137,314</u>
Tax expense									(40,684)
Profit for the year									<u>96,630</u>
Assets									
Segment assets	1,617,212	476,495	355,498	25,321	33,059	19,453	21,032	-	2,548,070
Investment in associates	12,123	-	381	-	-	-	-	-	12,504
Deferred tax assets									34,737
Current tax assets									3,311
Total assets									<u>2,598,622</u>
Liabilities									
Segment liabilities	811,808	370,219	63,392	9,830	2,507	147,531	1,119	-	1,406,406
Deferred tax liabilities									47,355
Current tax liabilities									18,329
Total liabilities									<u>1,472,090</u>
Other segment information									
Depreciation and amortisation	808	23,248	1,915	17	475	17	129	-	26,609
Additions to non-current assets other than financial instruments and deferred tax assets	<u>147,512</u>	<u>18,804</u>	<u>4,843</u>	<u>24</u>	<u>753</u>	<u>-</u>	<u>11</u>	<u>-</u>	<u>171,947</u>
* Included inter-company interest expense	19,756	11,410	-	-	-	13,311	130	(44,607)	-
** Included inter-company interest income	(4,162)	-	-	-	-	(8,670)	-	12,832	-
# Included inter-company management expense/(income)	14,917	5,158	2,611	650	-	(23,545)	209	-	-
# Included unrealised foreign exchange losses	-	37,026	-	-	-	-	(339)	-	36,687
# Included realised foreign exchange losses/(gains)	-	618	-	1	(134)	(3,537)	-	-	(3,052)

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	
	30.09.2016	30.09.2015	30.09.2016	30.09.2015
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
Malaysia	1,052,721	821,922	1,404,608	919,979
The Peoples' Republic of China	16,063	10,438	21,710	18,813
Republic of Indonesia	206,329	209,538	492,644	414,232
	<u>1,275,113</u>	<u>1,041,898</u>	<u>1,918,962</u>	<u>1,353,024</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 except for on 7 October 2016, the Company has incorporated a wholly-owned subsidiary company known as MKH Land (Aust) Pty Ltd in Australia with issued and paid up share capital of AUD100 comprising 100 shares of AUD1/- each.

A11. CHANGES IN THE COMPOSITION OF THE GROUP

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

- (i) On 17 December 2015, Kajang Resources Corporation Sdn Bhd (“KRC”), a wholly owned subsidiary of the Company subscribed for 49 new ordinary shares of RM1/- each, representing 49% equity interest in PanaHome MKH Malaysia Sdn Bhd (“PanaHome MKH”), a company incorporated in Malaysia. Consequently, PanaHome MKH became an associated company of KRC and the Company;
- (ii) On 4 February 2016, Amona Metro Development Sdn Bhd (“AMDSB”), a subsidiary of Gabung Wajib Sdn Bhd (“GWSB”), which is a 60% owned subsidiary of the Company, has acquired 84,002 ordinary shares of RM1/- each representing 84% equity interest in Temara Pekeliling Sdn Bhd (“TPSB”), for a cash consideration of RM5,000,000. As a result, TPSB became 84% owned subsidiary of AMDSB and 50.4% owned subsidiary of GWSB and the Company;
- (iii) On 10 June 2016, MKH Plantation Sdn Bhd (formerly known as Global Retreat (MM2H) Sdn Bhd) (“MPSB”), a wholly owned subsidiary of the Company entered into a conditional Sale and Purchase Agreement to acquire 6,975 ordinary shares of Rp1,000,000 each equivalent to 75% equity interest in PT Sawit Prima Sakti (“PTSPS”), for a cash consideration of RM15,000,000; and
- (iv) On 16 June 2016, the Company has acquired 2 ordinary shares of RM1/- each representing 100% equity interest in Metro Emart Sdn Bhd (“MESB”), for a cash consideration of RM2. As a result, MESB became 100% owned subsidiary of the Company.

A12. CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS

As at 16 November 2016, 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 2015 recorded an increase of approximately RM85.2 million. Total credit facilities granted to subsidiaries with corporate guarantees issued by the Company to the lenders and utilised by subsidiaries as at 16 November 2016 was approximately RM1.1 billion and RM841.1 million respectively.

A13. CAPITAL COMMITMENTS

The capital commitment of the Group is as follows:

	As at 30.09.2016 RM'000
Approved, contracted but not provided for:	
- Intangible asset for property development division	28,030
- Investment property for hotel and property investment division	2,150
Approved but not contracted and not provided for:	
- Property, plant and equipment for plantation division	3,320
	<u>33,500</u>

A14. RELATED PARTY TRANSACTIONS

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

	Current Quarter 30.09.2016 RM'000	Financial Year-to-Date 30.09.2016 RM'000
Sales of development properties to:		
-Person connected to a Director of the Company	-	674
-Other key management personnel of the Group	-	1,659
	<u>-</u>	<u>2,333</u>

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 2016

The Group recorded higher revenue and profit before tax for the current quarter of RM404.4 million and RM80.0 million as compared to the preceding year correspondence quarter of RM348.7 million and RM39.4 million respectively. The increase in the Group's revenue by 16.0% and profit before tax by 103.0% was mainly contributed by the property and construction division from its on-going and new development projects and the plantation division has turnaround from a loss before tax of RM31.1 million (included unrealised foreign exchange losses of RM17.7 million) in the preceding year correspondence quarter to a profit before tax of RM12.7 million (included unrealised foreign exchange gains of RM7.4 million). The unrealised foreign exchange gains for the current quarter as compared to the preceding year correspondence quarter were mainly due to strengthening of Indonesia Rupiah against the United States Dollar borrowings.

(ii) Financial year ended 30 September 2016 by Segments

Property and construction

The division recorded higher revenue and profit before tax of RM940.8 million and RM201.9 million for the current year as compared to the preceding year of RM720.9 million and RM117.4 million respectively following the higher revenue and profit recognition from the ongoing projects, namely Hill Park Shah Alam, Pelangi Heights, Kajang East, MKH Avenue, MKH Boulevard, Saville @ Kajang, Pelangi Semenyih (built then sell), Saville @ Cheras, Hillpark Home 3 and a new project, namely Saville @ D'Lake Puchong and a project grant from government of RM11.7 million.

As at 30 September 2016, the Group has locked-in unbilled sales value of RM827.5 million from which attributed sales revenue and profits will be recognised progressively as their development percentage of completion progresses.

Plantation

The division recorded a marginal decrease in revenue of RM206.3 million for the current year as compared to the preceding year of RM209.5 million, mainly due to lower crude palm oil ("CPO") sales volume of 87,200 metric tonnes ("MT") in current year as compared to 96,100 MT in the preceding year. The lower CPO sales were mitigated by higher palm kernel sales volume of 16,600MT in the current year as compared to 12,800MT in the preceding year. Nevertheless, this division recorded profit before tax of RM64.3 million in current year as compared to loss before tax of RM29.2 million in preceding year, mainly due to inclusion of unrealised foreign exchange gains of RM39.4 million in the current year as compared to the unrealised foreign exchange losses of RM37.0 million in the preceding year.

Excluding the unrealised foreign exchange gains/losses, this division recorded higher profit before tax of RM24.8 million in the current year as compared to the preceding year of RM7.8 million mainly due to effective cost control measures taken particularly on the application of fertilizer and lower interest expenses incurred following the early loan principal repayment.

Palm oil plantation's production: key indicators for financial year ended 30 September 2016:

	Q1	Q2	Q3	Q4	Year 2016
Fresh Fruit Bunches (MT)	116,408	91,161	79,368	70,737	357,674
Crude Palm Oil (MT)	25,121	23,855	19,534	16,842	85,352
Palm Kernel (MT)	4,247	4,455	3,773	3,138	15,613
CPO average price/MT	1,703	1,954	2,290	2,310	2,056

Palm oil plantation's production: key indicators for financial year ended 30 September 2015:

	Q1	Q2	Q3	Q4	Year 2015
Fresh Fruit Bunches (MT)	100,477	77,506	100,260	91,420	369,663
Crude Palm Oil (MT)	22,301	16,146	22,511	20,074	81,032
Palm Kernel (MT)	3,606	2,559	3,497	3,245	12,907
CPO average price/MT	2,042	2,238	2,067	1,773	2,014

Hotel and property investment

Despite the increase in revenue of RM39.1 million in the current year as compared to the preceding year of RM34.8 million, this division recorder lower profit before tax of RM17.2 million in the current year as compared to the preceding year of RM21.7 million mainly due to absent of change in fair value gain of investment properties of RM10.2 million in the preceding year. The reduction in profit before tax was mitigated by the recognition of lease income from certain long term leased investment properties in accordance with FRS 117 Leases amounted to RM4.6 million.

Trading

Despite the higher revenue of RM71.8 million in the current year as compared to the preceding year of RM65.0 million, this division profit before tax of RM5.4 million in the current year was marginally lower as compared to the preceding year of RM5.6 million mainly due competitive pricing strategy imposed to certain customers.

Manufacturing

This division recorded higher revenue and profit before tax of RM16.1 million and RM2.1 million for the current year as compared to the preceding year of RM10.4 million and RM0.8 million respectively mainly due to increase in sales orders as a result of improvement in product quality and manage to secure new customers and commencement of rental income following the completion of new factory building for rental purposes.

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

	4th Quarter ended 30.09.2016 RM'000	3rd Quarter ended 30.06.2016 RM'000
Profit before tax	<u>79,987</u>	<u>62,638</u>

The profit before tax for the current quarter of RM80.0 million was higher compared to the preceding quarter of RM62.6 million. Excluding unrealised foreign exchange gains, the profit before tax of RM72.6 million in the current quarter was higher as compared to the preceding quarter of RM57.7 million mainly due higher profit contribution from property and construction division.

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 2017 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 (excluding unrealised foreign exchange gains/losses) from the plantation as more palms are entering into maturity stage with higher yield couple with the anticipation in the increase in CPO and palm kernel prices.

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B5. (i) PROFIT BEFORE TAX

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

	Current Quarter 30.09.2016 RM'000	Financial year-to-date 30.09.2016 RM'000
Amortisation of prepaid lease payments	(211)	(820)
Amortisation of biological assets	(3,926)	(14,011)
Depreciation of property, plant and equipment	(4,905)	(18,567)
Property, plant and equipment written off	-	(23)
Impairment loss on receivables	(206)	(300)
Land held for property development costs written off	-	(184)
Interest expense	(22,774)	(51,868)
Deposits written off	-	(1,514)
Biological assets written off	(1,575)	(1,575)
Reversal of impairment loss on receivables	8	69
Net gain on foreign exchange:		
- realised	2,244	2,479
- unrealised	7,427	39,358
Interest income	1,428	5,811
Gain on bargain purchase on acquisition of subsidiary	244	4,896
	<u>244</u>	<u>4,896</u>

(ii) CASH AND CASH EQUIVALENTS

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

	(Unaudited) 30.09.2016 RM'000	(Audited) 30.09.2015 RM'000
Cash and bank balances	106,670	87,679
Cash held under housing development accounts	158,400	137,306
Cash held under sinking fund accounts	16	15
Deposits with licensed banks	14,240	37,362
Short term funds	21,995	6,712
Bank overdrafts	(15,999)	(16,546)
	<u>285,322</u>	<u>252,528</u>
Less: Non short term and highly liquid fixed deposits	(5,575)	(16,687)
Less: Deposits and bank balances pledged for credit facilities	(10,099)	(9,681)
	<u>269,648</u>	<u>226,160</u>

B6. TAX EXPENSE

The taxation of the Group comprises of the following: -

	Current Quarter 30.09.2016 RM'000	Financial Year-to-Date 30.09.2016 RM'000
Current taxation		
- income taxation	31,006	83,060
- deferred taxation	(918)	12,496
	<u>30,088</u>	<u>95,556</u>
Under provision in prior year	42	(1,529)
	<u>30,130</u>	<u>94,027</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 and derecognition of certain deferred tax assets amounting to RM10.7 million until the Group has definite plans to launch these development projects.

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 are as follows: -

	As at 30.09.2016 RM'000
Short-term - unsecured	54,350
Short-term - secured	209,953
Long-term - secured	572,867
	<u>837,170</u>

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

	Denominated in United States Dollar USD'000	Denominated in Ringgit Malaysia RM'000
Long-term - secured	74,500	307,805
	<u>74,500</u>	<u>307,805</u>

B10. MATERIAL LITIGATION

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

B11. DIVIDEND

The Board of Directors has approved a first interim single tier dividend of 7.0 sen per ordinary share of RM1/- each on 25 November 2016 for the financial year ended 30 September 2016 and will be payable on 30 December 2016 to shareholders whose name appear on the Company's Record of Depositors on 16 December 2016.

B12. EARNINGS PER SHARE ("EPS")

	Current Year Quarter 30.09.2016 (unaudited)	Preceding Year Corresponding Quarter 30.09.2015 (unaudited)	Current Year-to-Date 30.09.2016 (unaudited)	Preceding Year-to-Date 30.09.2015 (audited)
BASIC EPS				
Profit attributable to Owners of the parent (RM'000)	50,423	25,042	205,087	86,961
Weighted average number of ordinary shares ('000)				
At 1 October 2015/2014	419,407	419,394	419,407	419,394
Effect of exercise of warrants ('000)	20	11	20	11
At 30 Sept 2016/2015	419,427	419,405	419,427	419,405
BASIC EPS (sen)	12.02	5.97	48.90	20.73
DILUTED EPS				
Profit attributable to Owners of the parent (RM'000)	50,423	25,042	205,087	86,961
Adjusted weighted average number of ordinary shares in issue and issuable ('000)				
Weighted average number of ordinary shares ('000)	419,427	419,405	419,427	419,405
Adjustment for warrants ('000)	2,753	1,374	8,324	9,670
At 30 Sept 2016/2015	422,180	420,779	427,751	429,075
DILUTED EPS (sen)	11.94	5.95	47.95	20.27

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 30.09.2016 RM'000	(Audited) As at 30.09.2015 RM'000
Total retained earnings of its subsidiaries		
- realised	815,579	666,257
- unrealised	162,988	116,184
	<u>978,567</u>	<u>782,441</u>
Total share of retained earnings from an associate		
- realised	7,255	8,254
	<u>985,822</u>	<u>790,695</u>
Less: Consolidation adjustments	(158,647)	(139,247)
Total retained earnings of the Group	<u><u>827,175</u></u>	<u><u>651,448</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 25 November 2016.