



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
INTERIM REPORT FOR THE FIRST QUARTER
AND FINANCIAL PERIOD ENDED 31 DECEMBER 2020**

	(Unaudited) INDIVIDUAL QUARTER		(Unaudited) CUMULATIVE QUARTER	
	Current Year Quarter 31.12.2020 RM'000	Preceding Year Corresponding Quarter 31.12.2019 RM'000	Current Year-to-Date 31.12.2020 RM'000	Preceding Year-to-Date 31.12.2019 RM'000
Revenue	227,458	242,488	227,458	242,488
Cost of sales	(157,412)	(171,287)	(157,412)	(171,287)
Gross profit	70,046	71,201	70,046	71,201
Other income	13,168	7,914	13,168	7,914
Sales and marketing expenses	(4,284)	(2,817)	(4,284)	(2,817)
Administrative expenses	(19,589)	(18,897)	(19,589)	(18,897)
Other expenses	(2,602)	(3,227)	(2,602)	(3,227)
Profit from operations	56,739	54,174	56,739	54,174
Share of results of associates	(91)	(2,420)	(91)	(2,420)
Interest expenses	(6,005)	(7,810)	(6,005)	(7,810)
Profit before tax	50,643	43,944	50,643	43,944
Tax expense	(13,031)	(13,040)	(13,031)	(13,040)
Profit for the period	37,612	30,904	37,612	30,904
Other comprehensive income				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Foreign exchange translation differences	1,732	227	1,732	227
Other comprehensive income for the period	1,732	227	1,732	227
Total comprehensive income for the period	39,344	31,131	39,344	31,131
Profit attributable to:				
Owners of the parent	30,353	26,678	30,353	26,678
Non-controlling interests	7,259	4,226	7,259	4,226
	37,612	30,904	37,612	30,904
Total comprehensive income attributable to:				
Owners of the parent	32,097	26,906	32,097	26,906
Non-controlling interests	7,247	4,225	7,247	4,225
	39,344	31,131	39,344	31,131
Earnings per share				
Basic Earnings per ordinary share (sen)	5.26	4.61	5.26	4.61
Proposed/Declared Dividend per share (sen)	3.00	4.00	3.00	4.00

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 2020 and the accompanying explanatory notes attached to the interim Financial Report.



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
INTERIM FINANCIAL REPORT AS AT 31 DECEMBER 2020**

	(Unaudited) 31.12.2020	(Audited) 30.09.2020
	RM'000	RM'000
<i>Assets</i>		
Property, plant and equipment	411,572	409,047
Right-of-use asset	18,008	18,088
Intangible assets	52,406	50,669
Prepaid lease payments	41,487	41,722
Investment properties	349,256	349,256
Investment in associates	9,886	9,977
Other investment	40	132
Land held for property development	908,859	903,716
Deferred tax assets	43,602	44,080
Receivables, deposits and prepayments	42,737	41,555
Total Non-Current Assets	1,877,853	1,868,242
Property development costs	396,005	394,962
Inventories	127,461	137,144
Contract assets	364,812	345,871
Biological assets	5,122	4,233
Receivables, deposits and prepayments	204,588	213,546
Current tax assets	7,326	11,650
Cash, bank balances, term deposits and fixed income funds	351,282	374,654
	1,456,596	1,482,060
Non-current assets classified as held for sale	4,534	4,534
Total Current Assets	1,461,130	1,486,594
TOTAL ASSETS	3,338,983	3,354,836
<i>Equity</i>		
Share capital	654,459	654,459
Treasury shares	(11,112)	(11,112)
Translation reserve	(7,035)	(8,779)
Revaluation reserve	27,359	27,359
Retained earnings	1,001,035	970,682
Equity attributable to owners of the parent	1,664,706	1,632,609
Non-Controlling Interests	99,058	91,811
Total Equity	1,763,764	1,724,420
<i>Liabilities</i>		
Deferred tax liabilities	61,092	60,977
Provisions	17,575	16,655
Payables and accruals	346,484	348,607
Lease liability	18,369	18,283
Loans and borrowings	275,585	256,226
Total Non-Current Liabilities	719,105	700,748
Provisions	20,587	20,587
Payables and accruals	494,195	522,034
Lease liability	458	458
Loans and borrowings	332,542	377,548
Current tax liabilities	8,332	9,041
Total Current Liabilities	856,114	929,668
Total Liabilities	1,575,219	1,630,416
TOTAL EQUITY AND LIABILITIES	3,338,983	3,354,836
Net Assets per share attributable to shareholders of the Company (RM)*	2.88	2.83

* Net assets per share is calculated by dividing the total equity attributable to owners of the parent by the number of ordinary shares in issue, net of treasury shares at the reporting date.

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 2020 and the accompanying explanatory notes attached to the interim Financial Report.



MKH BERHAD (Registration No. 197901006663 (50948-T))
(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
INTERIM REPORT FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 DECEMBER 2020**

	< ----- Attributable to owners of the parent ----- >						Non- Controlling Interests RM'000	Total Equity RM'000
	----- Non-distributable -----			Distributable				
Group	Share Capital RM'000	Treasury Shares RM'000	Translation Reserve RM'000	Revaluation Reserve RM'000	Retained Earnings RM'000	Total RM'000		
Financial period ended 31 December 2020								
At 1.10.2020 (audited)	654,459	(11,112)	(8,779)	27,359	970,682	1,632,609	91,811	1,724,420
Total comprehensive income for the period	-	-	1,744	-	30,353	32,097	7,247	39,344
At 31.12.2020 (unaudited)	<u>654,459</u>	<u>(11,112)</u>	<u>(7,035)</u>	<u>27,359</u>	<u>1,001,035</u>	<u>1,664,706</u>	<u>99,058</u>	<u>1,763,764</u>
Financial period ended 31 December 2019								
At 1.10.2019 (audited)	654,459	(9,637)	(4,551)	23,402	952,213	1,615,886	71,249	1,687,135
Total comprehensive income for the period	-	-	228	-	26,678	26,906	4,225	31,131
Transactions with owners								
Dividend paid to non-controlling interests	-	-	-	-	-	-	(1,800)	(1,800)
At 31.12.2019 (unaudited)	<u>654,459</u>	<u>(9,637)</u>	<u>(4,323)</u>	<u>23,402</u>	<u>978,891</u>	<u>1,642,792</u>	<u>73,674</u>	<u>1,716,466</u>

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 2020 and the accompanying explanatory notes attached to the interim Financial Report.



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
INTERIM REPORT FOR THE FIRST QUARTER
AND FINANCIAL PERIOD ENDED 31 DECEMBER 2020**

	(Unaudited) 31.12.2020 RM'000	(Unaudited) 31.12.2019 RM'000
Cash Flows From/(Used In) Operating Activities		
Profit before tax	50,643	43,944
Adjustments for non-cash items	5,931	15,599
Operating profit before changes in working capital	<u>56,574</u>	<u>59,543</u>
Change in property development costs	(1,043)	5,876
Change in inventories	9,504	1,139
Change in contract assets	(18,941)	25,240
Change in receivables, deposits and prepayments	7,797	26,106
Change in payables and accruals	(30,522)	(24,331)
Cash generated from operations	<u>23,369</u>	<u>93,573</u>
Interest received	779	2,541
Interest paid	(5,260)	(7,810)
Tax paid	(10,315)	(13,572)
Tax refunded	1,150	2,507
Retirement benefits obligations paid	(918)	(687)
Net cash from operating activities	8,805	76,552
Cash Flows From/(Used In) Investing Activities		
Acquisition of other investment	(30)	-
Acquisition of property, plant and equipment	(2,768)	(2,263)
Additions to intangible assets	(1,614)	(5,347)
Additions to land held for property development	(5,143)	(10,066)
Withdrawal of deposits with licensed banks	382	716
Proceeds from disposal of other investment	185	-
Proceeds from disposal of property, plant and equipment	2	18
Net cash used in investing activities	(8,986)	(16,942)
Cash Flows From/(Used In) Financing Activities		
Dividend paid to non-controlling interests	-	(1,800)
Net repayment of bank borrowings	(21,937)	(29,414)
Payments of hire purchase liabilities	(94)	(160)
Net cash used in financing activities	(22,031)	(31,374)
Net (decrease)/increase in cash and cash equivalents	(22,212)	28,236
Effect of exchange rate fluctuations	25	(3,591)
Cash and cash equivalents at beginning of the period	359,500	374,066
Cash and cash equivalents at end of the period	337,313	398,711

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 2020 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 Malaysian Financial Reporting Standards (“MFRS”) 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 2020.

CHANGES IN ACCOUNTING POLICIES

The accounting policies and methods of computation adopted by the Group in this interim financial statements are consistent with those adopted for the annual financial statements for the financial year ended 30 September 2020 (“Annual Report 2020”) as well as those new and revised standards that take effects on annual financial year commencing on or after 1 October 2020. Adoption of new and revised Standards, Amendments and IC Interpretation are as follows:

MFRSs	Amendments to Reference to the Conceptual Framework in MFRS Standards
Amendments to MFRS 3	Definition of a Business
Amendments to MFRS 101 and MFRS 108	Definition of Material
Amendments to MFRS 9, MFRS 139 and MFRS 7	Interest Rate Benchmark Reform

The adoption of the abovementioned Standards, Amendments and IC Interpretation did not have any significant effect on this interim financial statement of the Group, except as disclosed below.

New and revised Standards and Amendments that are issued, but not yet effective and have not been early adopted

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

MFRS 17	Insurance Contracts ⁴
Amendments to MFRS 3	Reference to the Conceptual Framework ³
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁵
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current ⁴
Amendments to MFRS 16	Covid-19 – Related Rent Concessions ¹
Amendments to MFRS 9, MFRS 139 and MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform – Phase 2 ²
Amendments to MFRS 116	Property, Plant and Equipment – Proceeds Before Intended Use ³
Amendments to MFRS 137	Onerous Contracts – Cost of Fulfilling a Contract ³
Amendments to MFRS 4	Extension of Temporary Exemption from Applying MFRS 9 ⁴
Amendments to MFRSs	Annual Improvements to MFRS 2018 – 2020 Cycle ³

- ¹ Effective for annual periods beginning on or after 1 June 2020.
- ² Effective for annual periods beginning on or after 1 January 2021.
- ³ Effective for annual periods beginning on or after 1 January 2022.
- ⁴ Effective for annual periods beginning on or after 1 January 2023.
- ⁵ Effective date deferred to a date to be announced by MASB.

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.

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 2020 in their report dated 30 December 2020.

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.

Treasury Shares

There is no purchase of treasury shares during the current quarter and the financial year-to-date. Total treasury shares repurchased cumulatively as at 31 December 2020 is 9,132,300 ordinary shares, representing a cumulative 1.56% of total paid up share capital in accordance with Section 127 of the Companies Act 2016. Since the end of the current quarter ended 31 December 2020, there is no repurchase of treasury share.

A7. DIVIDEND PAID

A first interim single tier dividend of 3.0 sen per ordinary share in respect of financial year ended 30 September 2020 amounting to RM17,322,476 was declared on 27 November 2020 and paid on 8 January 2021.

A8. OPERATING SEGMENTS

(a) Segment Analysis – Business Segments

Financial period ended 31 December 2020

	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	120,608	71,934	6,444	25,288	2,565	-	619		227,458
Inter-segment revenue	-	2,242	620	73	-	83,882	-	(86,817)	-
Total segment revenue	120,608	74,176	7,064	25,361	2,565	83,882	619	(86,817)	227,458
Results									
Operating result [#]	19,888	31,898	2,103	1,071	901	7,763	306	(7,970)	55,960
Interest expense*	(8,561)	(2,027)	(312)	(2)	-	(6,102)	(1,106)	12,105	(6,005)
Interest income**	1,067	102	-	14	34	3,692	5	(4,135)	779
Share of results of associates	(91)	-	-	-	-	-	-	-	(91)
Segment result	12,303	29,973	1,791	1,083	935	5,353	(795)	-	50,643
Tax expense									(13,031)
Profit for the period									37,612
Assets									
Segment assets	2,251,711	479,167	398,876	37,135	34,980	26,979	49,321	-	3,278,169
Investment in associates	9,886		-					-	9,886
Deferred tax assets									43,602
Current tax assets									7,326
Total assets									3,338,983
Liabilities									
Segment liabilities	1,071,146	155,521	36,346	13,812	3,464	224,425	1,081	-	1,505,795
Deferred tax liabilities									61,092
Current tax liabilities									8,332
Total liabilities									1,575,219
Other segment information									
Depreciation and amortisation	314	8,415	724	11	165	20	33	-	9,682
Additions to non-current assets other than financial instruments and deferred tax assets	6,772	2,544	210	-	-	-	-	-	9,526
* Included inter-company interest expense	5,570	1,215	51	2	-	4,161	1,106	(12,105)	-
** Included inter-company interest income	(469)	-	-	-	-	(3,666)	-	4,135	-
# Included unrealised foreign exchange gains	-	(9,810)	-	-	-	(208)	-	-	(10,018)
# Included realised foreign exchange (gains)/losses	-	(231)	-	-	181	10	-	-	(40)

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 31 December 2019

	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	161,066	53,265	7,401	18,114	1,984	-	658	-	242,488
Inter-segment revenue	-	1,356	643	-	-	56,659	-	(58,658)	-
Total segment revenue	<u>161,066</u>	<u>54,621</u>	<u>8,044</u>	<u>18,114</u>	<u>1,984</u>	<u>56,659</u>	<u>658</u>	<u>(58,658)</u>	<u>242,488</u>
Results									
Operating result [#]	34,734	13,150	2,457	514	589	10,664	235	(10,710)	51,633
Interest expense*	(10,542)	(3,632)	(447)	(2)	-	(8,887)	(1,235)	16,935	(7,810)
Interest income**	2,646	117	-	45	64	5,891	3	(6,225)	2,541
Share of results of associates	(2,420)	-	-	-	-	-	-	-	(2,420)
Segment result	<u>24,418</u>	<u>9,635</u>	<u>2,010</u>	<u>557</u>	<u>653</u>	<u>7,668</u>	<u>(997)</u>	<u>-</u>	<u>43,944</u>
Tax expense									(13,040)
Profit for the period									<u>30,904</u>
Assets									
Segment assets	2,223,497	513,183	365,410	23,694	29,661	50,217	44,346	-	3,250,008
Investment in associates	12,570	-	-	-	-	-	-	-	12,570
Deferred tax assets									41,920
Tax recoverable									1,148
Current tax assets									<u>17,321</u>
Total assets									<u>3,322,967</u>
Liabilities									
Segment liabilities	1,028,580	242,707	39,093	6,171	3,329	216,035	1,135	-	1,537,050
Deferred tax liabilities									59,968
Current tax liabilities									<u>9,483</u>
Total liabilities									<u>1,606,501</u>
Other segment information									
Depreciation and amortisation	266	7,838	744	11	179	78	762	-	9,878
Additions to non-current assets other than financial instruments and deferred tax assets	15,464	1,949	156	-	5	-	102	-	17,676
* Included inter-company interest expense	7,778	1,574	71	1	-	6,276	1,235	(16,935)	-
** Included inter-company interest income	(747)	-	-	-	-	(5,478)	-	6,225	-
# Included unrealised foreign exchange gains	-	(3,041)	-	-	-	(107)	-	-	(3,148)
# Included realised foreign exchange losses	-	157	-	-	9	95	-	-	261

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	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
Malaysia	152,959	187,239	1,378,248	1,284,460
The Peoples' Republic of China	2,565	1,984	20,067	18,398
Republic of Indonesia	71,934	53,265	383,273	412,906
	<u>227,458</u>	<u>242,488</u>	<u>1,781,588</u>	<u>1,715,764</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.

A11. CHANGES IN THE COMPOSITION OF THE GROUP

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

A12. CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS

(a) As at 17 February 2021, 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 2020 recorded a decrease of approximately RM3.1 million. Total credit facilities granted to subsidiaries with corporate guarantees issued by the Company to the lenders and utilised by subsidiaries as at 17 February 2021 was approximately RM846.4 million and RM558.4 million respectively.

(b) On 11 January 2019, the recipient of KTM Komuter Station, Perbadanan Aset Keretapi (“PAK”) has issued a certificate of non-completion (“CNC”) to Srijang Kemajuan Sdn Bhd (“SKSB”), a 99.99% owned subsidiary of the Company and stating that SKSB has failed to complete the construction of KTM Komuter Station (“Construction Works”) by 10 December 2016 and therefore PAK is entitled to impose liquidated ascertained damages (“LAD”) pursuant to the Development cum Lease Agreement (“DCLA”) dated 12 October 2012 entered between PAK and SKSB. The LAD will be calculated daily at a rate of RM4,438.36 from the revised completion date on 10 December 2016 (extension of time number 1) until the completion of the Construction Works.

A12. CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS (CONT'D)

On 28 February 2019, SKSB has written to dispute the validity of the CNC on the grounds that SKSB had on 10 January 2017 submitted extension of time (“EOT”) number 2 of which PAK has yet to assess SKSB’s application for EOT number 2 and on the same day, SKSB submitted EOT number 3 in view of the delay by relevant authorities in approving the change of building design and use of building materials.

On 19 August 2019, PAK granted SKSB’s EOT number 2, for a period of up to 8 January 2017 (“EOT 2”).

On 13 January 2020, SKSB has written to appeal for the EOT 2 to be extended to 30 December 2017 instead of 8 January 2017.

On 15 June 2020, SKSB submitted EOT number 4, for period from 11 April 2020 to 1 July 2020 together with the above mentioned EOT 2 (period from 11 December 2016 to 30 December 2017) and EOT 3 (period from 31 December 2017 to 10 April 2020).

Based on legal opinion obtained, the directors of SKSB are of the opinion that SKSB’s LAD could not be estimated until and unless PAK has completed the assessment of EOT number 3 as the date by which SKSB is required to complete the Construction Works remains uncertain.

In view of the uncertainty, there is no revised completion date from which the LAD could be computed and PAK’s right to impose LAD pursuant to DCLA cannot be triggered. Accordingly, SKSB has not made any provision in the financial statements and only disclosed as contingent liabilities.

A13. CAPITAL COMMITMENTS

The capital commitment of the Group is as follows:

	As at 31.12.2020 RM'000
Approved, contracted but not provided for:	
- Intangible asset for property development division	14,939
Approved but not contracted and not provided for:	
- Property, plant and equipment for plantation division	9,835
	<u>24,774</u>

A14. RELATED PARTY TRANSACTIONS

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

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

B1. REVIEW OF PERFORMANCE OF THE GROUP FOR:

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	Current Year Quarter	Preceding Year Corresponding Quarter	Changes	Current Year-to-Date	Preceding Year-to-Date	Changes
	31.12.2020 RM'000	31.12.2019 RM'000	RM'000	31.12.2020 RM'000	31.12.2019 RM'000	RM'000
Revenue	227,458	242,488	(15,030)	227,458	242,488	(15,030)
Operating profit	55,960	51,633	4,327	55,215	51,633	3,582
Profit before interest and tax	55,869	49,213	6,656	55,124	49,213	5,911
Profit before tax	50,643	43,944	6,699	50,643	43,944	6,699
Profit after tax	37,612	30,904	6,708	37,612	30,904	6,708
Profit attributable to ordinary equity holders of the Parent	30,353	26,678	3,675	30,353	26,678	3,675

(i) First quarter ended 31 December 2020

Despite the lower revenue of RM227.5 million in the current quarter as compared to the preceding year corresponding quarter of RM242.5 million, the Group achieved higher profit before tax of RM50.6 million in the current quarter as compared to the preceding year correspondence quarter of RM43.9 million

The increase in the Group's profit before tax by 15.3% was mainly due to inclusion of unrealised foreign exchange gains of RM10.0 million in the current quarter as compared to RM3.1 million in the preceding year correspondence quarter.

Excluding unrealised foreign exchange gains, the Group's profit before tax was lower by 0.5% to RM40.6 million in the current quarter as compared to the preceding year correspondence quarter of RM40.8 million mainly due lower revenue and profit recognition from the Group's ongoing property development projects and absence of handing over vacant possession of development projects in the current quarter as compared to the preceding year correspondence quarter's handing over vacant possession of The Palm (phase 1B) @ Hill Park Shah Alam.

The lower contribution from property development and construction division was mitigated by the higher contribution from plantation division as a result of higher average selling price of crude palm oil ("CPO") in the current quarter as compared to the preceding year correspondence quarter.

The performance commentary by Segments as follows:

Property and construction

The division recorded lower revenue and profit before tax of RM120.6 million and RM12.3 million for the current quarter as compared to the preceding year correspondence quarter of RM161.1 million and RM24.4 million respectively mainly due to the above-mentioned reasons. The newly launched property development projects namely, MIRAI Residences @ Kajang 2 and Nexus @ Taman Pertama still at the preliminary stage of development.

As at 31.12.2020, the Group has locked-in unbilled sales value of RM962.7 million from which attributed sales revenue and profits will be recognised progressively as their development percentage of completion progresses and were mainly contributed from the ongoing development projects namely Hill Park Shah Alam (RM58.5 million), Kajang 2 Precinct 2 (RM17.0 million), TR Residence (RM31.4 million), Inspirasi @ Mont Kiara (RM219.5 million), Kajang East Precinct 1 (RM51.5 million), MKH Boulevard II (RM92.1 million), NEXUS @ Kajang Station (RM272.1 million), Bandar Teknologi Kajang shop (RM2.2 million), Hillpark 3 Phase 1B Shop (RM0.8 million), Kajang East Avenue Shop (RM3.7 million), MIRAI Residences @ Kajang 2 (RM181.8 million) and Nexus @ Taman Pertama (RM32.1 million).

Plantation

The division recorded higher revenue and profit before tax of RM71.9 million and RM30.0 million for the current quarter as compared to the preceding correspondence quarter of RM53.3 million and RM9.6 million respectively.

The profit before tax included unrealised foreign exchange gains of RM9.8 million in the current quarter as compared to the preceding correspondence quarter of RM3.0 million. The unrealised foreign exchange gains were mainly due to strengthening of Indonesia Rupiah (“IDR”) against its United States Dollar (“USD”) and Ringgit Malaysia (“RM”) borrowings.

Excluding unrealised foreign exchange gains, this division recorded profit before tax of RM20.2 million for the current quarter as compared to the preceding correspondence quarter of RM6.6 million. The significant increase in revenue and profit before tax excluding unrealised foreign exchange gains was mainly due to higher average selling price of CPO as disclosed below.

Palm oil plantation’s production key indicators:

As at 31 December 2020	Q1	YTD 2021
Total land area (hectares)		18,388
Planted area (hectares)		16,408
Mature area (hectares)		16,081
Fresh Fruit Bunches produced by (MT)		
Own estates	107,006	107,006
External	5,165	5,165
	112,171	112,171
Crude Palm Oil (MT)	22,682	22,682
Palm Kernel (MT)	4,339	4,339
Average CPO price/MT	2,656	2,656
Average PK price/MT	1,258	1,258

As at 30 September 2020	Q1	Q2	Q3	Q4	Year 2020
Total land area (hectares)					18,388
Planted area (hectares)					16,408
Mature area (hectares)					16,081
Fresh Fruit Bunches produced by (MT)					
Own estates	114,780	131,386	131,426	99,566	477,158
External	5,165	5,055	5,893	4,486	20,599
	119,945	136,441	137,319	104,052	497,757
Crude Palm Oil (MT)	25,112	26,950	27,023	20,926	100,010
Palm Kernel (MT)	4,932	5,351	5,463	4,584	20,331
CPO average price RM/MT	2,069	2,493	2,054	2,256	2,227
PK average price RM/MT	998	1,344	1,153	1,096	1,141

Hotel and property investment

This division recorded lower revenue of RM6.4 million and profit before tax of RM1.8 million for the current quarter as compared to the preceding year correspondence quarter of RM7.4 million and profit before tax of RM2.0 million mainly due to reduction in average rental rates for certain tenants in order to sustain the occupancy rates and the newly refurbished 3-star hotel namely RHR Hotel @ Kajang has yet to achieve its breakeven occupancy rates. This division's performance was impacted by the COVID-19 pandemic.

Trading

This division recorded higher revenue and profit before tax of RM25.3 million and RM1.1 million for the current quarter as compared to the preceding year correspondence quarter of RM18.1 million and RM0.6 million respectively as approximately 66% of sales were mainly derived from the Group's development projects.

Manufacturing

This division recorded higher revenue and profit before tax of RM2.6 million and RM0.9 million for the current quarter as compared to the preceding year correspondence quarter of RM2.0 million and RM0.7 million respectively mainly due to higher gross profit margin achieved from the sales of furniture.

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.

(ii) Financial year-to-date ended 31 December 2020 by Segments

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

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

	Current Quarter 31.12.2020 RM'000	Immediate Preceding Quarter 30.9.2020 RM'000	Changes RM'000
Revenue	227,458	288,406	(60,948)
Operating profit	55,960	36,577	19,383
Profit before interest and tax	55,869	37,266	18,603
Profit before tax	50,643	13,361	37,282
Profit after tax	37,612	866	36,746
Profit attributable to ordinary equity holders of the parent	30,353	(6,476)	36,829

Despite the lower revenue of RM227.5 million in the current quarter as compared to the preceding quarter of RM288.4 million, the Group recorded higher profit before tax of RM50.6 million as compared to the preceding quarter of RM13.4 million mainly due to inclusion of unrealised foreign exchange gains of RM10.0 million in current quarter as compared to unrealised foreign exchange losses of RM15.0 in the preceding quarter.

Excluding the unrealised exchange gains/losses, the adjusted profit before tax was increase to RM40.6 million in the current quarter as compared to the preceding quarter of RM28.4 million due to absence on changes in fair value losses of investment properties totaling RM12.2 million, fair value losses from transfer of inventories to investment properties totaling RM5.2 million and unwinding of discount on landowners' entitlements totaling RM18.2 million (correctively refer as Adjustments). The lower contribution of revenue and profits from property and construction division was mainly due to no handing over vacant possession of projects in the current quarter as compared to a handling over vacant possession of Hillpark Residence in the preceding quarter. The lower contribution of revenue and profits from property and construction division was mitigated by an increase in contribution from plantation division and absence of the Adjustments.

B3. VARIANCE OF ACTUAL PROFIT FROM PROFIT FORECAST AND PROFIT GUARANTEE

This is not applicable to the Group.

B4. CURRENT YEAR PROSPECTS

The COVID-19 pandemic continues to impact the economy and businesses in Malaysia and globally. The Group's three (3) business segments in Malaysia included the property development and construction and trading, and hotel and property investment remained resilient amid the current challenging business environment.

Property development and construction, and trading segments:

The outlook for property development and construction, and trading segment for the financial year ending 30 September 2021 ("FY2021") remain challenging but we anticipate the latest Home Ownership Campaign ("HOC") introduced in Budget 2021 by Government on the new exemptions on stamp duty for memorandum of transfer and loan agreement might improve the property market sentiment. The Group achieved good take up rate of 75% and 77% respectively for the newly launched Hillpark Aspirasi @ Hillpark Shah Alam with GDV of RM40.0 million and MIRAI Residences @ Kajang 2 Precinct 1 phase 1 with GDV of RM236.0 million in September 2020 and will continue to roll out MIRAI Residences @ Kajang 2 Precinct 1 phase 2 with GDV of RM254.4 million in FY2021. The Group achieved take up rate of 12% for the newly launched Nexus @ Taman Pertama with GDV of RM263.7 million in November 2020.

The Group's remaining planned launches in FY2021 comprising of the transit-oriented high-rise residential development known as TR2 Residence @ Jalan Tun Razak, and the landed residential development known as Iris @ Hillpark Shah Alam and Kajang 2 Precinct 3 with a total estimated GDV of RM782.2 million will be phased according to prevailing market sentiments.

The Group will continue to leverage on its available properties from the ongoing development projects with sales value of approximately RM680.6 million and monetize its inventories totaling RM97.0 million through digital marketing, rolling out more competitive rebates and timely completion of ongoing development projects.

The Group's unbilled sales of RM962.7 million would be able to sustain this division for the next two (2) years and the above new planned transit-oriented development launches which are strategically located in Kuala Lumpur, Cheras and Kajang will further strengthen the Group's future unbilled sales.

For the trading division, approximately 66% of the sales of building materials are contributed from the Group's development projects and it will continue to supply building materials to the Group's ongoing and future development projects.

Hotel and property investment segment:

The COVID-19 pandemic continues to impact the tourism industry and the retail real estate market. Our newly refurbished 3-star hotel namely RHR Hotel @ Kajang features 102 guest rooms, 1 ballroom, 2 meeting rooms, and 1 cafe is expecting to prolong its breakeven occupancy rates until the full recovery of the tourism activities and consumer sentiments.

Our Plaza Metro Kajang and Metro Point Complex were also impacted. As a caring and responsible corporate citizen, our Group extended support to our tenants during this difficult period and we will continue to review the rental rebates for eligible tenants to ease their financial burdens. Rental yield from this division is expected to be lower averaging from 3% to 4% based on fair value as at 30 September 2020.

B4. CURRENT YEAR PROSPECTS (CONT'D)

Hotel and property investment segment (Cont'd):

This segment has also benefited from the stimulus packages announced by the Government from time to time such as wage subsidy programme and electricity bill discounts.

The retail activities have since picked up after the MCO which augurs well for this division amid the challenges in the retail sector.

Plantation segment:

Our plantation segment in Indonesia was operating as usual albeit with enhanced biosecurity measures; which included educating our workers and socialization works at nearby villages with regards to COVID-19 prevention, social distancing, cleanliness, sanitization, quarantine procedures, and implementation of controlled entry and exit at our plantation checkpoints. The above initiatives had enabled our plantation division to carry out its day-to-day operations smoothly without any COVID-19 cases todate.

Our plantation management had also successfully pursued for our healthcare frontliners to be included in the initial batch of COVID-19 vaccination programme, so that they could be better protected in discharging their duties. Given our plantation's success in combating the pandemic todate, our management was invited into the authorities' think-tank to advice on district implementations, with minimal impact from the movement control implemented by the Indonesian Government.

Further, the region had been experiencing relatively heavier rainfall due to the La Nina occurrence. However, the plantation production had been stable as production efficiency was complimented with our on-going mechanization of fresh fruit bunches ("FFB") collection and the use of software apps to track FFB evacuation from fields to the mill.

This division is exposed to foreign exchange risk on its United States Dollar ("USD") and Ringgit Malaysia ("RM") denominated loans. For the current quarter ended 31 December 2020, this division recorded unrealised foreign exchange gains of RM9.8 million as compared to the preceding quarter of unrealised foreign exchange losses of RM15.0 million based on exchange rate of USD1:IDR14,105 and RM1:IDR3,492 as at 31 December 2020 due to the strengthening of the Indonesia Rupiah ("IDR") against USD and RM. The exchange rates movement is analysed as below:

As at 31.12.2020, USD:IDR14,105 and RM1:IDR3,492

As at 30.9.2020, USD:IDR14,918 and RM1:IDR3,590

As at 30.6.2020, USD1:IDR14,302 and RM1:IDR3,340

As at 31.3.2020, USD1:IDR16,367 and RM1:IDR3,791

As at 31.12.2019, USD1:IDR13,901 and RM1:IDR3,397

The crude palm oil ("CPO") prices remain well supported due to good demand and tighter supply with current CPO price trading at approximately RM2,840/MT (net of export levy and duty) in Indonesia which augurs well for the Plantation Division. For the current quarter, the average CPO price achieved was at RM2,656 per MT as compared to the immediate preceding quarter of RM2,256 per MT. For the 2nd quarter ending 31 March 2021, we are expecting an average CPO price at a range of between RM2,650 to RM2,800 per MT. We will continue to focus on the estate management to further increase the production efficiencies including oil extraction rate and maximising the utilisation of the CPO mill to further capitalise on the higher CPO price.

Given the above, the Board of Directors expect the Group to achieve satisfactory results for the financial year ending 30 September 2021.

B5. (i) PROFIT BEFORE TAX FROM CONTINUING OPERATIONS

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

	Current Quarter 31.12.2020 RM'000	Financial year-to-date 31.12.2020 RM'000
Amortisation of prepaid lease payments	(378)	(378)
Depreciation of right-of-use asset	(81)	(81)
Depreciation of property, plant and equipment	(9,223)	(9,223)
Interest expenses - loan and borrowings	(5,260)	(5,260)
- lease liability	(86)	(86)
- unwinding of discount	(659)	(659)
<i>Other expenses</i>		
Property, plant and equipment written off	(2)	(2)
<i>Other income</i>		
Net gain on foreign exchange		
- realised	40	40
- unrealised	10,018	10,018
Interest income	779	779
Reversal of impairment loss on trade and loan receivables	33	33
Gain arising from changes in biological assets	787	787
Gain on disposal of property, plant and equipment	2	2
Gain on disposal of other investment	63	63
	<u>337,313</u>	<u>398,711</u>

(ii) CASH AND CASH EQUIVALENTS

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

	(Unaudited) 31.12.2020 RM'000	(Unaudited) 31.12.2019 RM'000
Cash and bank balances	109,933	149,751
Cash held under housing development accounts	203,823	227,036
Cash held under sinking fund accounts	2	10
Deposits with licensed banks	1,562	9,545
Short term funds	35,962	41,676
Bank overdrafts	(400)	(6,226)
	<u>350,882</u>	<u>421,792</u>
Less: Non short term and highly liquid fixed deposits	-	(7,334)
Less: Deposits and bank balances pledged for credit facilities	(13,569)	(15,747)
	<u>337,313</u>	<u>398,711</u>

B6. TAX EXPENSE

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.12.2020 RM'000	Preceding Year Corresponding Quarter 31.12.2019 RM'000	Current Year-to-Date 31.12.2020 RM'000	Preceding Year-to-Date 31.12.2019 RM'000
Current tax				
- Current financial year	12,541	10,967	12,541	10,967
- Prior financial year	14	734	14	734
Deferred tax				
- Current financial year	473	1,511	473	1,511
- Prior financial year	3	(172)	3	(172)
	<u>13,031</u>	<u>13,040</u>	<u>13,031</u>	<u>13,040</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, non-recognition of certain tax benefits from unabsorbed tax losses and other temporary difference incurred prior to launch of projects.

B7. STATUS OF CORPORATE PROPOSALS ANNOUNCED

On 1 June 2017, the Company has completed the renounceable rights issue of 42,625,187 new ordinary shares on the basis of one (1) rights share for every ten (10) existing MKH Shares held and bonus issue of 85,250,374 new ordinary shares on the basis of two (2) bonus shares for every one (1) rights share subscribed for at an issue price of RM1.89 for each rights share.

The utilisation of right issue proceeds as at 31 December 2020 are as follows:

	Proposed Utilisation RM'000	Actual Utilisation RM'000	Deviation RM'000	
Infrastructure and property development	37,190	37,190	-	Completed
Payment of land owners' entitlements	20,000	20,000	-	Completed
Construction of KTM Komuter station	21,400	21,400	-	Completed
Working capital	372	372	-	Completed
Estimated expenses for the rights with bonus issue	1,600	1,600	-	Completed
	<u>80,562</u>	<u>80,562</u>	-	

B8. GROUP BORROWINGS AND DEBT SECURITIES

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

	Long term		Short term		Total borrowings	
	Foreign currency 000	RM Equivalent RM'000	Foreign currency 000	RM Equivalent RM'000	Foreign currency 000	RM Equivalent RM'000
As at 31 December 2020						
<u>Secured</u>						
<u>Denominated in USD</u>						
Term loans	11,600	46,720	3,290	13,121	14,890	59,841
Revolving credits	-	-	8,500	34,289	8,500	34,289
<u>Denominated in RM</u>						
Term loans	-	61,273	-	13,264	-	74,537
Revolving credits	-	146,707	-	102,389	-	249,096
Bank overdraft	-	-	-	400	-	400
<u>Unsecured</u>						
<u>Denominated in USD</u>						
Term loans	5,000	20,170	-	-	5,000	20,170
Revolving credits	-	-	1,375	5,539	1,375	5,539
<u>Denominated in RM</u>						
Revolving credits	-	-	-	163,200	-	163,200
<u>Finance lease liabilities</u>						
<u>Denominated in RM</u>	-	715	-	340	-	1,055
Total		275,585		332,542		608,127

	Long term		Short term		Total borrowings	
	Foreign currency 000	RM Equivalent RM'000	Foreign currency 000	RM Equivalent RM'000	Foreign currency 000	RM Equivalent RM'000
As at 31 December 2019						
<u>Secured</u>						
<u>Denominated in USD</u>						
Term loans	19,690	80,351	5,960	24,441	25,650	104,792
Revolving credits	-	-	15,000	61,512	15,000	61,512
<u>Denominated in RM</u>						
Term loans	-	48,457	-	1,538	-	49,995
Revolving credits	-	140,944	-	118,000	-	258,944
Bank overdraft	-	-	-	4,418	-	4,418
<u>Unsecured</u>						
<u>Denominated in USD</u>						
Term loans	-	-	3,200	13,123	3,200	13,123
Revolving credits	-	-	2,100	8,603	2,100	8,603
<u>Denominated in RM</u>						
Revolving credits	-	-	-	143,000	-	143,000
Bank overdraft	-	-	-	1,808	-	1,808
<u>Finance lease liabilities</u>						
<u>Denominated in RM</u>	-	626	-	446	-	1,072
Total		270,378		376,889		647,267

B9. MATERIAL LITIGATION

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

B10. DIVIDEND

The Board of Directors has approved a first interim single tier dividend of 3.0 sen per ordinary share on 27 November 2020 for the financial year ended 30 September 2020 amounting to RM17,322,476 was declared on 27 November 2020 and paid on 8 January 2021.

B11. EARNINGS PER SHARE (“EPS”)

	Current Year	Preceding Year	Current	Preceding
	Quarter	Corresponding	Year-to-Date	Year-to-Date
	31.12.2020	Quarter	31.12.2020	31.12.2019
		(restated)		(restated)
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
BASIC EPS				
Profit attributable to Owners of the parent (RM'000)	30,353	26,678	30,353	26,678
Weighted average number of ordinary shares ('000)				
At 1 October 2020/2019	586,548	586,548	586,548	586,548
Treasury shares	(9,132)	(7,514)	(9,132)	(7,514)
At 31 December 2020/2019	577,416	579,034	577,416	579,034
BASIC EPS (sen)	5.26	4.61	5.26	4.61

B13. AUTHORISATION FOR ISSUE

The interim Financial Report were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 26 February 2021.