



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
INTERIM REPORT FOR THE FIRST QUARTER
AND FINANCIAL PERIOD ENDED 31 DECEMBER 2021**

	(Unaudited) INDIVIDUAL QUARTER Current Year Quarter 31.12.2021 RM'000	(Unaudited) Corresponding Quarter 31.12.2020 RM'000	(Unaudited) CUMULATIVE QUARTER Current Year-to-Date 31.12.2021 RM'000	(Unaudited) Preceding Year-to-Date 31.12.2020 RM'000
Revenue	204,268	227,458	204,268	227,458
Cost of sales	(137,176)	(157,412)	(137,176)	(157,412)
Gross profit	67,092	70,046	67,092	70,046
Other income	5,448	13,168	5,448	13,168
Sales and marketing expenses	(4,287)	(4,284)	(4,287)	(4,284)
Administrative expenses	(18,082)	(19,589)	(18,082)	(19,589)
Other expenses	(2,526)	(2,602)	(2,526)	(2,602)
Profit from operations	47,645	56,739	47,645	56,739
Share of results of associates	219	(91)	219	(91)
Interest expenses	(5,174)	(6,005)	(5,174)	(6,005)
Profit before tax	42,690	50,643	42,690	50,643
Tax expense	(11,167)	(13,031)	(11,167)	(13,031)
Profit for the period	31,523	37,612	31,523	37,612
Other comprehensive income				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Foreign exchange translation differences	(441)	1,732	(441)	1,732
Other comprehensive income for the period	(441)	1,732	(441)	1,732
Total comprehensive income for the period	31,082	39,344	31,082	39,344
Profit attributable to:				
Owners of the parent	31,316	30,353	31,316	30,353
Non-controlling interests	207	7,259	207	7,259
	31,523	37,612	31,523	37,612
Total comprehensive income attributable to:				
Owners of the parent	30,904	32,097	30,904	32,097
Non-controlling interests	178	7,247	178	7,247
	31,082	39,344	31,082	39,344
Earnings per share				
Basic Earnings per ordinary share (sen)	5.42	5.26	5.42	5.26
Proposed/Declared Dividend per share (sen)	3.50	3.00	3.50	3.00

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 2021 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 2021**

	(Unaudited) 31.12.2021	(Audited) 30.09.2021
<i>Assets</i>	RM'000	RM'000
Property, plant and equipment	394,419	401,054
Right-of-use asset	17,686	17,766
Intangible assets	57,372	60,073
Prepaid lease payments	40,276	40,641
Investment properties	344,241	344,241
Investment in associates	24,753	12,485
Other investment	562	356
Land held for property development	887,623	883,037
Deferred tax assets	35,141	35,551
Receivables, deposits and prepayments	36,951	36,777
Total Non-Current Assets	1,839,024	1,831,981
Property development costs	535,418	539,809
Inventories	164,682	161,771
Contract assets	273,494	285,494
Biological assets	8,219	6,177
Receivables, deposits and prepayments	198,529	196,069
Current tax assets	14,328	9,896
Cash, bank balances, term deposits and fixed income funds	371,432	427,547
	1,566,102	1,626,763
Non-current assets classified as held for sale	346	737
Total Current Assets	1,566,448	1,627,500
TOTAL ASSETS	3,405,472	3,459,481
<i>Equity</i>		
Share capital	654,459	654,459
Treasury shares	(11,112)	(11,112)
Translation reserve	(1,090)	(678)
Revaluation reserve	27,359	27,359
Retained earnings	1,067,357	1,036,041
Equity attributable to owners of the parent	1,736,973	1,706,069
Non-Controlling Interests	138,931	138,702
Total Equity	1,875,904	1,844,771
<i>Liabilities</i>		
Deferred tax liabilities	55,855	56,123
Provisions	15,691	15,211
Payables and accruals	395,715	395,713
Lease liability	18,683	18,593
Loans and borrowings	148,465	175,879
Total Non-Current Liabilities	634,409	661,519
Provisions	20,587	20,587
Contract liabilities	20,603	15,374
Payables and accruals	491,717	538,251
Lease liability	618	493
Loans and borrowings	336,628	353,930
Current tax liabilities	25,006	24,556
Total Current Liabilities	895,159	953,191
Total Liabilities	1,529,568	1,614,710
TOTAL EQUITY AND LIABILITIES	3,405,472	3,459,481
Net Assets per share attributable to shareholders of the Company (RM)*	3.01	2.95

* 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 2021 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 2021**

Group	Attributable to owners of the parent ----- >						Non-Controlling Interests	Total Equity
	< -----Non-distributable ----- >			Distributable				
	Share Capital	Treasury Shares	Translation Reserve	Revaluation Reserve	Retained Earnings	Total	RM'000	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		RM'000
Financial period ended 31 December 2021								
At 1.10.2021 (audited)	654,459	(11,112)	(678)	27,359	1,036,041	1,706,069	138,702	1,844,771
Total comprehensive income for the period	-	-	(412)	-	31,316	30,904	178	31,082
Transactions with owners								
Non-controlling interests in respect of subsidiary acquired	-	-	-	-	-	-	51	51
At 31.12.2021 (unaudited)	654,459	(11,112)	(1,090)	27,359	1,067,357	1,736,973	138,931	1,875,904
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)	654,459	(11,112)	(7,035)	27,359	1,001,035	1,664,706	99,058	1,763,764

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 2021 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 2021**

	(Unaudited) 31.12.2021 RM'000	(Unaudited) 31.12.2020 RM'000
Cash Flows From/(Used In) Operating Activities		
Profit before tax	42,690	50,643
Adjustments for non-cash items	11,065	5,931
Operating profit before changes in working capital	<u>53,755</u>	<u>56,574</u>
Change in property development costs	4,391	(1,043)
Change in inventories	(2,911)	9,504
Change in contract assets	17,229	(18,941)
Change in receivables, deposits and prepayments	(2,629)	7,797
Change in payables and accruals	(45,169)	(30,522)
Cash generated from operations	<u>24,666</u>	<u>23,369</u>
Interest received	1,174	779
Interest paid	(4,958)	(5,260)
Tax paid	(15,020)	(10,315)
Tax refunded	-	1,150
Retirement benefits obligations paid	(397)	(918)
Net cash from operating activities	<u>5,465</u>	<u>8,805</u>
Cash Flows From/(Used In) Investing Activities		
Acquisition of subsidiaries, net of cash acquired	23	-
Acquisition of other investment	(1,383)	(30)
Acquisition of property, plant and equipment	(2,475)	(2,768)
Additions to intangible assets	-	(1,614)
Additions to land held for property development	(4,586)	(5,143)
Withdrawal of deposits with licensed banks	62	382
Proceeds from disposal of other investment	1,218	185
Subscription of shares in associates	(12,049)	-
Proceeds from disposal of property, plant and equipment	3	2
Dividend received	12	-
Proceeds from disposal of non-current assets classified as held for sale	1,713	-
Net cash used in investing activities	<u>(17,462)</u>	<u>(8,986)</u>
Cash Flows From/(Used In) Financing Activities		
Net repayment of bank borrowings	(44,186)	(21,937)
Payments of hire purchase liabilities	(75)	(94)
Net cash used in financing activities	<u>(44,261)</u>	<u>(22,031)</u>
Net decrease in cash and cash equivalents	<u>(56,258)</u>	<u>(22,212)</u>
Effect of exchange rate fluctuations	176	25
Cash and cash equivalents at beginning of the period	<u>412,111</u>	<u>359,500</u>
Cash and cash equivalents at end of the period	<u>356,029</u>	<u>337,313</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 2021 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 2021.

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 2021 (“Annual Report 2021”) as well as amendments to MFRSs that take effects on annual financial year commencing on or after 1 October 2021. Adoption of amendments to MFRSs are as follows:

Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform – Phase 2
Amendments to MFRS 16	Covid-19 – Related Rent Concessions beyond 30 June 2021

The adoption of the abovementioned Amendments to MFRSs 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 has 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 ³
Amendments to MFRS 3	Reference to the Conceptual Framework ¹
Amendments to MFRS 4	Extension of Temporary Exemption from Applying MFRS 9 ²
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁴
Amendments to MFRS 17	Insurance Contracts ³
Amendments to MFRS 101	Disclosure of Accounting Policies ³
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current ³
Amendments to MFRS 108	Definition of Accounting Estimates ³
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ³
Amendments to MFRS 116	Property, Plant and Equipment – Proceeds Before Intended Use ¹
Amendments to MFRS 137	Onerous Contracts – Cost of Fulfilling a Contract ¹
Amendments to MFRSs	Annual Improvements to MFRS 2018 – 2020 Cycle ¹

¹ Effective for annual periods beginning on or after 1 January 2022.

² Effective immediately for annual periods beginning before 1 January 2023.

³ Effective for annual periods beginning on or after 1 January 2023.

⁴ 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 and Amendments 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 2021 in their report dated 29 December 2021.

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 2021 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 2021, there is no repurchase of treasury share.

A7. DIVIDEND PAID

A first interim single tier dividend of 3.5 sen per ordinary share in respect of financial year ended 30 September 2021 amounting to RM20,209,552 was declared on 29 November 2021 and paid on 7 January 2022.

A8. OPERATING SEGMENTS

(a) Segment Analysis – Business Segments

Financial period ended 31 December 2021

	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	88,505	86,351	6,572	19,913	2,097	-	830		204,268
Inter-segment revenue	-	4,197	632	16	-	20,554	-	(25,399)	-
Total segment revenue	88,505	90,548	7,204	19,929	2,097	20,554	830	(25,399)	204,268
Results									
Operating result [#]	7,015	32,398	2,183	1,592	901	7,374	411	(5,414)	46,460
Interest expense*	(6,603)	(1,584)	(278)	(2)	-	(5,730)	(704)	9,727	(5,174)
Interest income**	1,476	227	11	15	68	3,696	5	(4,313)	1,185
Share of results of associates	219	-	-	-	-	-	-	-	219
Segment result	2,107	31,041	1,916	1,605	969	5,340	(288)	-	42,690
Tax expense									(11,167)
Profit for the period									31,523
Assets									
Segment assets	2,274,306	521,619	393,229	35,089	39,832	11,535	55,640	-	3,331,250
Investment in associates	24,704		-	49				-	24,753
Deferred tax assets									35,141
Current tax assets									14,328
Total assets									3,405,472
Liabilities									
Segment liabilities	1,094,502	110,885	34,528	8,821	3,498	195,360	1,113	-	1,448,707
Deferred tax liabilities									55,855
Current tax liabilities									25,006
Total liabilities									1,529,568
Other segment information									
Depreciation and amortisation	272	8,565	685	10	174	21	33		9,760
Additions to non-current assets other than financial instruments and deferred tax assets	2,182	2,150	44	2	-	-	-	-	4,378
* Included inter-company interest expense	3,527	1,143	40	2	-	4,313	702	(9,727)	-
** Included inter-company interest income	(744)	-	-	-	-	(3,569)	-	4,313	-
# Included unrealised foreign exchange gains	-	(171)	-	-	-	(12)	-	-	(183)
# Included realised foreign exchange (gains)/losses	-	(46)	(3)	-	51	7	-	-	9

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 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)
(b) Segment Analysis – Geographical Segments

	Revenue		Non-current assets	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
Malaysia	115,820	152,959	1,353,355	1,378,248
The Peoples' Republic of China	2,097	2,565	20,756	20,067
Republic of Indonesia	86,351	71,934	367,506	383,273
	<u>204,268</u>	<u>227,458</u>	<u>1,741,617</u>	<u>1,781,588</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 for on 16 February 2022, MKH Oil Palm (East Kalimantan) Sdn Bhd (Formerly known as MKH Global Plantation Sdn Bhd (“MKHOP”)), a wholly owned subsidiary of the Company has acquired 1 ordinary share representing 100% of equity interest of Restu Mesra Sdn Bhd (“RMSB”) for a cash consideration of RM1. As a result, RMSB become a 100% owned subsidiary of MKHOP and 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 for on 3 November 2021, the Company acquired 300,000 shares representing 60% of the equity interest of Juda Universe Sdn Bhd (“JUDA”), for a cash consideration of RM300,000. As a result, JUDA became a 60% owned subsidiary of the Company.

A12. CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS

(a) As at 16 February 2022, 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 2021 recorded a decrease of approximately RM65.5 million. Total credit facilities granted to subsidiaries with corporate guarantees issued by the Company to the lenders and utilised by subsidiaries as at 16 February 2022 was approximately RM773.5 million and RM438.9 million respectively.

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

- (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.

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).

On 23 November 2021, SKSB submitted number 5, or period from 10 June 2020 to 17 October 2021 together with the above mentioned EOT 2, EOT 3 and EOT 4.

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.

- (c) On 4 January 2021, PT Maju Kalimantan Hadapan (“PTMKH”), a subsidiary of the Company, received a tax assessment letter from Indonesia’s Director General of Tax (“DGT”) for the year of assessment 2019, to restrict the claim on management fee incurred by PTMKH amounted to IDR21,855 million, equivalent to RM6.37 million. Based on applicable corporate tax of 25%, the restricted amount of the management fee will result in additional tax liability of IDR5,464 million, equivalent to RM1.59 million in the financial statements of the Group and PTMKH. The management fee was charged by MKH Resources Sdn Bhd, a subsidiary of the Company, in respect of management services rendered to PTMKH.

On 1 April 2021, PTMKH filed an objection letter in reply to above tax assessment letter. On 24 December 2021, the objection letter has been rejected by tax appeal office in Balikpapan, Indonesia. PTMKH will further proceed the appeal to tax court in Jakarta, Indonesia.

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

Based on consultation with the local tax experts, the directors of PTMKH are of the opinion that PTMKH has a valid defense against DGT's assessment. Accordingly, PTMKH has not made any adjustments in respect of the tax assessment in the financial statements of the Group and PTMKH.

A13. CAPITAL COMMITMENTS

The capital commitment of the Group is as follows:

	As at 31.12.2021 RM'000
Approved, contracted but not provided for:	
- Intangible asset for property development division	10,355
Approved but not contracted and not provided for:	
- Property, plant and equipment for plantation division	20,936
	<u>31,291</u>

A14. RELATED PARTY TRANSACTIONS

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

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

B1. REVIEW OF PERFORMANCE OF THE GROUP FOR:

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	Current Year Quarter	Preceding Year Corresponding Quarter	Changes	Current Year-to-Date	Preceding Year-to-Date	Changes
	31.12.2021	31.12.2020		31.12.2021	31.12.2020	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	204,268	227,458	(23,190)	204,268	227,458	(23,190)
Operating profit	46,460	55,960	(9,500)	46,245	55,960	(9,715)
Profit before interest and tax	46,679	55,869	(9,190)	46,464	55,869	(9,405)
Profit before tax	42,690	50,643	(7,953)	42,690	50,643	(7,953)
Profit after tax	31,523	37,612	(6,089)	31,523	37,612	(6,089)
Profit attributable to ordinary equity holders of the Parent	31,316	30,353	963	31,316	30,353	963

(i) First quarter ended 31 December 2021

The Group recorded lower revenue and profit before tax of RM204.3 million and RM42.7 million in the current quarter as compared to the preceding year corresponding quarter of RM227.5 million and RM50.6 million respectively mainly due to lower revenue and gross profit from the property development and construction division following the completion of high profit margin property development projects namely, Kajang East Precinct 1 (phase 2 & 4) and TR Residence, the newly launched property development projects namely MIRAI Residences @ Kajang 2 Precinct 1, Nexus @ Taman Pertama (launched in November 2020), Iris @ Hillpark Shah Alam (launched in September 2021) and TR2 Residence @ Jalan Tun Razak (launched in November 2021) still at the preliminary stage of development. The lower revenue and gross profit from the property development and construction division was mitigated by the plantation division's higher revenue and gross profit as a result of higher average selling price of crude palm oil ("CPO") in the current quarter of RM4,001 per MT as compared to the preceding year corresponding quarter of RM2,656 per MT.

The performance commentary by Segments as follows:

Property and construction

The division recorded lower revenue and profit before tax of RM88.5 million and RM2.1 million for the current quarter as compared to the preceding year correspondence quarter of RM120.6 million and RM12.3 million respectively mainly due to reasons as mentioned in the above paragraph.

As at 31.12.2021, the Group has locked-in unbilled sales value of RM921.6 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 (RM109.0 million), Inspirasi @ Mont Kiara (RM67.4 million), Kajang East Precinct 1 (phase 1 & 3A) (RM12.8 million), MKH Boulevard II (RM72.9 million), Nexus @ Kajang Station (RM221.7 million), Bandar Teknologi Kajang shop (RM1.5 million), Hillpark 3 Phase 1B Shop (RM1.5 million), Kajang East Avenue Shop (RM14.5 million), MIRAI Residences @ Kajang 2 Precinct 1 (RM286.7 million), Nexus @ Taman Pertama (RM111.4 million) and TR2 Residence @ Jalan Tun Razak (RM22.2 million).

Plantation

The division recorded higher revenue and profit before tax of RM86.4 million and RM31.0 million for the current quarter as compared to the preceding correspondence quarter of RM71.9 million and RM30.0 million respectively.

The profit before tax included unrealised foreign exchange gains of RM0.2 million in the current quarter as compared to the preceding correspondence quarter of RM9.8 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 RM30.8 million for the current quarter as compared to the preceding correspondence quarter of RM20.2 million. The 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 2021	Q1	YTD 2022
Total land area (hectares)		18,388
Planted area (hectares)		16,408
Mature area (hectares)		16,081
Fresh Fruit Bunches produced by (MT)		
Own estates	91,646	91,646
External	5,501	5,501
	97,147	97,147
Crude Palm Oil (MT)	18,315	18,315
Palm Kernel (MT)	3,913	3,913
Average CPO price/MT	4,001	4,001
Average PK price/MT	2,376	2,376

As at 30 September 2021	Q1	Q2	Q3	Q4	Year 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	107,620	115,654	110,704	440,984
External	5,359	5,377	4,497	4,942	20,175
	112,365	112,997	120,151	115,646	461,159
Crude Palm Oil (MT)	22,682	21,446	23,497	21,812	89,438
Palm Kernel (MT)	4,339	4,021	4,836	4,766	17,963
CPO average price RM/MT	2,656	2,747	3,096	3,321	2,945
PK average price RM/MT	1,258	1,729	1,944	1,731	1,681

Hotel and property investment

This division recorded slight increase in revenue of RM6.6 million and profit before tax of RM1.9 million for the current quarter as compared to the preceding year correspondence quarter of RM6.4 million and profit before tax of RM1.8 million mainly due to increase in revenue and lower gross loss position from the hotel division with average occupancy rate of 50% in the current quarter as compared to 20% in the preceding year correspondence quarter.

Trading

Despite the lower revenue of RM19.9 million in the current quarter as compared to the preceding year correspondence quarter of RM25.3 million, this division recorded higher profit before tax of RM1.6 million in the current quarter as compared to the preceding year correspondence quarter of RM1.1 million respectively mainly due to higher product mixed of high profit margin building materials and approximately 73% of sales were mainly derived from the Group's development projects.

Manufacturing

Despite the lower revenue of RM2.1 million in the current quarter as compared to the preceding year correspondence quarter of RM2.6 million, this division maintained profit before tax of RM0.9 million in the current quarter and the preceding year correspondence quarter.

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.

(ii) Financial year-to-date ended 31 December 2021 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 31.12.2021 RM'000	Immediate Preceding Quarter 30.9.2021 RM'000	Changes RM'000
Revenue	204,268	217,948	(13,680)
Operating profit	46,460	43,013	3,447
Profit before interest and tax	46,679	42,886	3,793
Profit before tax	42,690	29,008	13,682
Profit after tax	31,523	13,053	18,470
Profit attributable to ordinary equity holders of the parent	31,316	8,118	23,198

Despite the lower revenue of RM204.3 million in the current quarter as compared to the preceding quarter of RM217.9 million, the Group recorded higher profit before tax of RM42.7 million as compared to the preceding quarter of RM29.0 million mainly due to absence of changes in fair value losses of investment properties totaling RM5.0 million, absence of interest expense from unwinding of discount on landowners' entitlements of RM6.0 million and absence of development expenditure expensed off of RM3.4 million in the current quarter.

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

This is not applicable to the Group.

B4. CURRENT YEAR PROSPECTS

The prolonged 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, 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 2022 ("FY2022") remain challenging as the Covid-19 pandemic continue to impact on the businesses and consumer spending sentiment and the tighter end financing for potential purchasers by the banks. Nevertheless, with the booster Covid-19 vaccination for adults as well as vaccination for 5 to 11 years old being rolled out, we expect the property market sentiment to improve as Malaysia gradually move towards the endemic phase. The Malaysia Government announced in the Budget 2022 that it will provides guarantees of up to RM2 billion to banks through the Housing Credit Guarantee Scheme to provide gig workers, small entrepreneurs and farmers access to financing to purchase houses and reduce the current Real Property Gains Tax rate from 5% to 0% for individual who disposes property in the sixth year or thereafter. We anticipate this Budget 2022 will further improve the property market sentiment.

As at 31.12.2021, the Group achieved take up rates for the newly launched development projects as follows:

- 43% for Nexus @ Taman Pertama (507 units of apartments) with GDV of approximately RM261.0 million which was launched in November 2020;
- 64% for MIRAI Residences @ Kajang 2 Precinct 1 (phase 1 & 2 totaling 1,496 units of apartments) with GDV of approximately RM481.3 million which was launched in September 2020 & February 2021; and
- 47% for Iris @ Hillpark Shah Alam (241 units of double-storey terrace) with GDV of approximately RM125.2 million which was launched in September 2021.
- 9% for TR2 Residence @ Jalan Tun Razak (Block A – 454 units of apartments) with GDV of approximately RM246.3 million which was launched in November 2021 and balance 464 units (Block B) with GDV of approximately RM259.9 million will be opened by September 2022.

The Group's planned launches in FY2022 comprising of the high-rise development known as MIRAI 2 Residences @ Kajang 2 Precinct 2 phase 1, the landed residential development known as Zenia @ Hillpark Shah Alam and Akina @ Kajang 2 Precinct 3 with a total estimated GDV of approximately RM435.9 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 RM874.1 million and monetize its inventories totaling RM111.4 million through virtual/digital marketing, rolling out more competitive rebates and timely completion of ongoing development projects.

B4. CURRENT YEAR PROSPECTS (CONT'D)

The Group's unbilled sales of RM921.6 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 73% 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 has achieved average occupancy rate of 50% for the current quarter and is expecting to maintain the same level of occupancy rate in coming quarters due to the spike of COVID-19 Omicron variant cases which is more transmissible but generally less severe.

Our Plaza Metro Kajang and Metro Point Complex retail activities remain supported and is expected to improve as Malaysia gradually move towards the endemic phase of Covid-19. Rental yield from this division is expected to average between 3% to 4% based on fair value as at 30 September 2021.

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 FMCO which augurs well for this division.

Plantation segment:

Our plantation segment in Indonesia is operating as usual albeit with enhanced biosecurity measures; which included educating our workers with regards to COVID-19 prevention procedures such as 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 to date.

Our plantation's healthcare frontliners have also received the COVID-19 vaccination so that they could be better protected in discharging their duties. Given our plantation's success in combating the pandemic to date, our management was invited into the authorities' think-tank to also advice on the district's anti COVID-19 initiative. Our plantation division continue to operate well with minimal impact from the movement control implemented by the Indonesian Government.

As with other commercial crops, prolong drier or wetter weather will result in lower crop production. The Kalimantan region in Indonesia including at our plantation has been experiencing relatively heavier rainfall resulting in lower fresh fruit bunches ("FFB") production. Our plantation division continuously take proactive steps such as enhancing our water management system and also fine tuning the harvesting Standard Operating Procedures to mitigate the effect of higher average rain fall complimented with our on-going mechanization of FFB collection and the use of software apps to track FFB evacuation from fields to the mill. We expect the weather to improve in the coming months and as the weather normalise, the production of FFB will increase.

B4. CURRENT YEAR PROSPECTS (CONT'D)

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 2021, this division recorded unrealised foreign exchange gains of RM0.2 million as compared to the immediate preceding quarter of unrealised foreign exchange gains of RM2.5 million based on exchange rate of USD1:IDR14,269 and RM1:IDR3,416 as at 31 December 2021 due to the strengthening of the Indonesia Rupiah (“IDR”) against USD and RM. The exchange rates movement is analysed as below:

As at 31.12.2021, USD1: IDR14,269 and RM1: IDR3,416
As at 30.9.2021, USD1: IDR14,307 and RM1: IDR3,419
As at 30.6.2021, USD1: IDR14,496 and RM1: IDR3,493
As at 31.3.2021, USD1: IDR14,572 and RM1: IDR3,508
As at 31.12.2020, USD1:IDR14,105 and RM1:IDR3,492

The crude palm oil (“CPO”) prices remain well supported due to good demand and tighter supply with current CPO price trading at approximately RM4,400/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 RM4,001 per MT as compared to the immediate preceding quarter of RM3,321 per MT. For the 2nd quarter ending 31 March 2022, we are expecting an average CPO price at a range of between RM4,000 to RM4,400 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 2022.

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 31.12.2021 RM'000	Financial year-to-date 31.12.2021 RM'000
Amortisation of prepaid lease payments	(381)	(381)
Depreciation of right-of-use asset	(81)	(81)
Depreciation of property, plant and equipment	(9,298)	(9,298)
Interest expenses - loan and borrowings	(4,959)	(4,959)
- lease liability	(215)	(215)
<i>Other expenses</i>		
Property, plant and equipment written off	(2)	(2)
Net loss on foreign exchange - realised	(9)	(9)
<i>Other income</i>		
Changes in fair value of biological assets	2,070	2,070
Net gain on foreign exchange - unrealised	183	183
Interest income	1,185	1,185
Fair value gain arising from other investment	36	36
Gain on disposal of property, plant and equipment	3	3
Gain on disposal of other investment	6	6
Dividend income from other investment	12	12

(ii) **CASH AND CASH EQUIVALENTS**

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

	(Unaudited) 31.12.2021 RM'000	(Unaudited) 31.12.2020 RM'000
Cash and bank balances	139,446	109,933
Cash held under housing development accounts	187,406	203,823
Cash held under sinking fund accounts	4	2
Deposits with licensed banks	11,165	1,562
Short term funds	33,411	35,962
Bank overdrafts	(30)	(400)
	<u>371,402</u>	<u>350,882</u>
Less: Non short term and highly liquid fixed deposits	(3,886)	-
Less: Deposits and bank balances pledged for credit facilities	(11,487)	(13,569)
	<u><u>356,029</u></u>	<u><u>337,313</u></u>

B6. TAX EXPENSE

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.12.2021 RM'000	Preceding Year Corresponding Quarter 31.12.2020 RM'000	Current Year-to-Date 31.12.2021 RM'000	Preceding Year-to-Date 31.12.2020 RM'000
Current tax				
- Current financial year	11,038	12,541	11,038	12,541
- Prior financial year	-	14	-	14
Deferred tax				
- Current financial year	129	473	129	473
- Prior financial year	-	3	-	3
	<u>11,167</u>	<u>13,031</u>	<u>11,167</u>	<u>13,031</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. GROUP BORROWINGS AND DEBT SECURITIES

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

As at 31 December 2021	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
<u>Secured</u>						
<u>Denominated in USD</u>						
Term loans	-	-	2,400	9,769	2,400	9,769
Revolving credits	-	-	6,320	26,333	6,320	26,333
<u>Denominated in RM</u>						
Term loans	-	43,511	-	28,045	-	71,556
Revolving credits	-	92,444	-	128,084	-	220,528
Bank overdraft	-	-	-	30	-	30
<u>Unsecured</u>						
<u>Denominated in USD</u>						
Term loans	2,900	12,083	840	3,500	3,740	15,583
Revolving credits	-	-	475	1,978	475	1,978
<u>Denominated in RM</u>						
Revolving credits	-	-	-	138,600	-	138,600
<u>Finance lease liabilities</u>						
<u>Denominated in RM</u>	-	427	-	289	-	716
Total		148,465		336,628		485,093

As at 31 December 2020	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
<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
Bank overdraft	-	-	-	-	-	-
<u>Finance lease liabilities</u>						
<u>Denominated in RM</u>	-	715	-	340	-	1,055
Total		275,585		332,542		608,127

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 3.5 sen per ordinary share on 29 November 2021 for the financial year ended 30 September 2021 amounting to RM20,209,552 was declared on 29 November 2021 and paid on 7 January 2022.

B11. EARNINGS PER SHARE (“EPS”)

	Current Year Quarter 31.12.2021 (unaudited)	Preceding Year Corresponding Quarter 31.12.2020 (restated) (unaudited)	Current Year-to-Date 31.12.2021 (unaudited)	Preceding Year-to-Date 31.12.2020 (restated) (unaudited)
BASIC EPS				
Profit attributable to Owners of the parent (RM'000)	31,316	30,353	31,316	30,353
Weighted average number of ordinary shares ('000)				
At 1 October 2021/2020	586,548	586,548	586,548	586,548
Treasury shares	(9,132)	(9,132)	(9,132)	(9,132)
At 31 December 2021/2020	577,416	577,416	577,416	577,416
BASIC EPS (sen)	5.42	5.26	5.42	5.26

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 25 February 2022.