



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
INTERIM REPORT FOR THE SECOND QUARTER
AND FINANCIAL PERIOD ENDED 31 MARCH 2023**

	(Unaudited) INDIVIDUAL QUARTER Current Year Quarter 31.03.2023 RM'000	(Unaudited) Preceding Year Corresponding Quarter 31.03.2022 RM'000	(Unaudited) CUMULATIVE QUARTER Current Year-to-Date 31.03.2023 RM'000	(Unaudited) Preceding Year-to-Date 31.03.2022 RM'000
Revenue	255,636	247,970	477,146	452,238
Cost of sales	(192,943)	(168,948)	(366,002)	(306,124)
Gross profit	62,693	79,022	111,144	146,114
Other income	8,345	5,416	7,656	10,864
Sales and marketing expenses	(4,364)	(4,345)	(8,826)	(8,632)
Administrative expenses	(25,995)	(21,364)	(43,760)	(39,446)
Other expenses	(3,479)	(4,633)	(10,731)	(7,159)
Profit from operations	37,200	54,096	55,483	101,741
Share of results of associates	2,409	1,062	2,879	1,281
Interest expenses	(4,897)	(4,920)	(10,271)	(10,094)
Profit before tax	34,712	50,238	48,091	92,928
Tax expense	(7,259)	(12,276)	(12,076)	(23,443)
Profit for the period	27,453	37,962	36,015	69,485
Other comprehensive income				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Foreign exchange translation differences	11,616	1,298	(6,466)	857
Other comprehensive income for the period	11,616	1,298	(6,466)	857
Total comprehensive income for the period	39,069	39,260	29,549	70,342
Profit attributable to:				
Owners of the parent	25,057	33,767	34,235	65,083
Non-controlling interests	2,396	4,195	1,780	4,402
	27,453	37,962	36,015	69,485
Total comprehensive income attributable to:				
Owners of the parent	36,191	35,033	28,101	65,937
Non-controlling interests	2,878	4,227	1,448	4,405
	39,069	39,260	29,549	70,342
Earnings per share				
Basic Earnings per ordinary share (sen)	4.34	5.85	5.93	11.27
Proposed/Declared Dividend per share (sen)	-	-	4.00	3.50

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 2022 and the accompanying explanatory notes attached to the interim Financial Report.



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
INTERIM FINANCIAL REPORT AS AT 31 MARCH 2023**

	(Unaudited) 31.03.2023	(Audited) 30.09.2022
<i>Assets</i>	RM'000	RM'000
Property, plant and equipment	378,743	395,407
Right-of-use asset	17,283	17,444
Intangible assets	69,442	62,442
Prepaid lease payments	38,366	39,334
Investment properties	367,376	367,376
Investment in associates	25,214	25,935
Other investment	1,124	776
Land held for property development	877,686	878,683
Deferred tax assets	25,256	31,473
Receivables, deposits and prepayments	30,792	27,296
Total Non-Current Assets	1,831,282	1,846,166
Property development costs	457,421	474,365
Inventories	126,573	151,282
Contract assets	361,918	305,449
Contract cost assets	30,189	28,237
Biological assets	6,162	5,917
Receivables, deposits and prepayments	203,877	203,463
Current tax assets	20,890	12,382
Cash, bank balances, term deposits and short-term placements	294,260	391,251
	1,501,290	1,572,346
Non-current assets classified as held for sale	-	346
Total Current Assets	1,501,290	1,572,692
TOTAL ASSETS	3,332,572	3,418,858
<i>Equity</i>		
Share capital	654,459	654,459
Treasury shares	(11,112)	(11,112)
Translation reserve	1,507	7,641
Revaluation reserve	27,359	27,359
Retained earnings	1,140,332	1,129,194
Equity attributable to owners of the parent	1,812,545	1,807,541
Non-Controlling Interests	106,951	132,803
Total Equity	1,919,496	1,940,344
<i>Liabilities</i>		
Deferred tax liabilities	52,512	53,851
Provisions	15,747	15,706
Payables and accruals	292,444	292,444
Lease liability	18,764	18,902
Loans and borrowings	106,043	102,957
Total Non-Current Liabilities	485,510	483,860
Provisions	20,587	20,587
Contract liabilities	9,099	6,071
Payables and accruals	653,136	664,152
Lease liability	482	482
Loans and borrowings	239,782	298,342
Current tax liabilities	4,480	5,020
Total Current Liabilities	927,566	994,654
Total Liabilities	1,413,076	1,478,514
TOTAL EQUITY AND LIABILITIES	3,332,572	3,418,858
Net Assets per share attributable to shareholders of the Company (RM)*	3.14	3.13

* 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 2022 and the accompanying explanatory notes attached to the interim Financial Report.



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
INTERIM REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2023**

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 March 2023								
At 1.10.2022 (audited)	654,459	(11,112)	7,641	27,359	1,129,194	1,807,541	132,803	1,940,344
Total comprehensive income for the period	-	-	(6,134)	-	34,235	28,101	1,448	29,549
Transactions with owners								
Dividend paid to non-controlling interests	-	-	-	-	-	-	(22,050)	(22,050)
Redeemable preference shares redeem to non-controlling interests	-	-	-	-	-	-	(5,250)	(5,250)
Dividends	-	-	-	-	(23,097)	(23,097)	-	(23,097)
At 31.03.2023 (unaudited)	654,459	(11,112)	1,507	27,359	1,140,332	1,812,545	106,951	1,919,496
Financial period ended 31 March 2022								
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	-	-	854	-	65,083	65,937	4,405	70,342
Transactions with owners								
Dividends	-	-	-	-	(20,210)	(20,210)	-	(20,210)
Issuance of shares by subsidiary to non-controlling shareholder	-	-	-	-	-	-	125	125
Non-controlling interests in respect of subsidiary acquired	-	-	-	-	-	-	50	50
At 31.03.2022 (unaudited)	654,459	(11,112)	176	27,359	1,080,914	1,751,796	143,282	1,895,078

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 2022 and the accompanying explanatory notes attached to the interim Financial Report.



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
INTERIM REPORT FOR THE SECOND QUARTER
AND FINANCIAL PERIOD ENDED 31 MARCH 2023**

	(Unaudited) 31.03.2023 RM'000	(Unaudited) 31.03.2022 RM'000
Cash Flows From/(Used In) Operating Activities		
Profit before tax	48,091	92,928
Adjustments for non-cash items	28,517	22,904
Operating profit before changes in working capital	<u>76,608</u>	<u>115,832</u>
Change in property development costs	23,139	9,516
Change in inventories	24,709	(4,494)
Change in contract assets	(56,470)	(20,897)
Change in contract cost assets	(1,952)	(1,432)
Change in receivables, deposits and prepayments	(3,854)	25,457
Change in contract liabilities	3,028	5,229
Change in payables and accruals	<u>(11,940)</u>	<u>(44,490)</u>
Cash generated from operations	53,268	84,721
Interest received	2,732	1,788
Interest paid	(9,834)	(9,664)
Tax paid	(16,106)	(39,432)
Retirement benefits obligations paid	(828)	(1,180)
Net cash from operating activities	<u>29,232</u>	<u>36,233</u>
Cash Flows From/(Used In) Investing Activities		
Acquisition of subsidiaries, net of cash acquired	-	23
Acquisition of other investment	(72)	(1,507)
Acquisition of property, plant and equipment	(10,953)	(6,239)
Acquisition of non-controlling interests in subsidiaries	-	(1)
Additions to intangible assets	(6,420)	-
Additions to land held for property development	(5,371)	(23,306)
Withdrawal of deposits with licensed banks	1,249	7,489
Proceeds from disposal of other investment	115	1,219
Subscription of shares in associates	-	(12,049)
Proceeds from disposal of property, plant and equipment	450	184
Dividend received	4	1
Proceeds from capital reduction in an associate	3,600	-
Deposit and consideration paid for the acquisition and joint venture of development lands	-	(15,000)
Proceeds from disposal of non-current assets classified as held for sale	367	1,730
Net cash used in investing activities	<u>(17,031)</u>	<u>(47,456)</u>
Cash Flows From/(Used In) Financing Activities		
Dividend paid	(23,097)	(20,210)
Dividend paid to non-controlling interests	(22,050)	-
Net repayment of bank borrowings	(55,769)	(73,772)
Payments of hire purchase liabilities	(588)	(152)
Payments of lease liability	(575)	-
Proceeds from issuance of shares by a subsidiary to non-controlling shareholders	-	125
Redemption of redeemable preference shares by subsidiary to non-controlling shareholders	(5,250)	-
Net cash used in financing activities	<u>(107,329)</u>	<u>(94,009)</u>
Net decrease in cash and cash equivalents	<u>(95,128)</u>	<u>(105,232)</u>
Effect of exchange rate fluctuations	(613)	(63)
Cash and cash equivalents at beginning of the period	<u>389,960</u>	<u>412,111</u>
Cash and cash equivalents at end of the period	<u>294,219</u>	<u>306,816</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 2022 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 2022.

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 2022 (“Annual Report 2022”) as well as amendments to MFRSs that take effects on annual financial year commencing on or after 1 October 2022. Adoption of amendments to MFRSs are as follows:

Amendments to MFRS 3	Reference to the Conceptual Framework
Amendments to MFRS 116	Property, Plant and Equipment – Proceeds Before Intended Use
Amendments to MFRS 137	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to MFRSs	Annual Improvements to MFRS Standards 2018 - 2020

The adoption of the abovementioned Amendments to MFRSs did not have any significant effect on this interim financial statement of the Group.

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 ¹
Amendments to MFRS 4	Extension of Temporary Exemption from Applying MFRS 9 ¹
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback ³
Amendments to MFRS 17	Insurance Contracts ¹
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 – Comparative Information ¹
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current ²
Amendments to MFRS 101	Disclosure of Accounting Policies ¹
Amendments to MFRS 101	Non-current Liabilities with Covenants ²
Amendments to MFRS 108	Definition of Accounting Estimates ¹
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ¹

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

² Effective for annual periods beginning on or after 1 January 2024.

³ 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. The adoption of these Standards and amendments may have an impact on the financial statements of the Group in the period of initial application. However, it is not practicable to provide a reasonable estimate of these effect from the adoption of the said MFRSs and amendments to MFRSs until the Group undertake a detailed review.

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 2022 in their report dated 22 December 2022.

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 March 2023 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 March 2023, there is no repurchase of treasury share.

A7. DIVIDEND PAID

A first interim single tier dividend of 4.0 sen per ordinary share in respect of financial year ended 30 September 2022 amounting to RM23,096,635 was declared on 29 November 2022 and paid on 6 January 2023.

A8. OPERATING SEGMENTS

(a) Segment Analysis – Business Segments

Financial period ended 31 March 2023

	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	253,444	161,978	16,464	42,990	862	-	1,408		477,146
Inter-segment revenue	-	6,166	1,363	-	-	98,314	-	(105,843)	-
Total segment revenue	253,444	168,144	17,827	42,990	862	98,314	1,408	(105,843)	477,146
Results									
Operating result [#]	30,484	13,069	6,227	1,219	838	9,834	555	(9,528)	52,698
Interest expense*	(12,955)	(1,735)	(543)	(9)	-	(6,133)	(786)	11,890	(10,271)
Interest income**	3,621	354	40	60	231	813	10	(2,344)	2,785
Share of results of associates	2,880	-	-	(1)	-	-	-	-	2,879
Segment result	24,030	11,688	5,724	1,269	1,069	4,514	(221)	18	48,091
Tax expense									(12,076)
Profit for the period									36,015
Assets									
Segment assets	2,187,369	489,594	416,300	42,014	40,437	37,771	47,727	-	3,261,212
Investment in associates	25,168	-	-	46	-	-	-	-	25,214
Deferred tax assets									25,256
Current tax assets									20,890
Total assets									3,332,572
Liabilities									
Segment liabilities	1,050,849	55,542	30,665	13,553	2,720	201,659	1,096	-	1,356,084
Deferred tax liabilities									52,512
Current tax liabilities									4,480
Total liabilities									1,413,076
Other segment information									
Depreciation and amortisation	659	16,735	1,250	16	515	25	46	-	19,246
Additions to non-current assets other than financial instruments and deferred tax assets	12,417	10,756	418	126	3	-	-	-	23,720
* Included inter-company interest expense	7,341	1,633	55	9	-	2,066	786	(11,890)	-
** Included inter-company interest income	(1,927)	-	-	-	-	(417)	-	2,344	-
# Included unrealised foreign exchange losses	-	4,107	-	-	-	-	-	-	4,107
# Included realised foreign exchange losses	-	239	2	-	21	2	-	-	264

Note: The construction division has been combined with property development division to form a reportable segment as major part of its revenue is derived from internal property development projects.

A8. OPERATING SEGMENTS (continued)
(a) Segment Analysis – Business Segments (continued)

Financial period ended 31 March 2022

	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	222,568	169,759	13,986	41,218	3,177	-	1,530	-	452,238
Inter-segment revenue	-	7,835	1,281	22	-	34,282	-	(43,420)	-
Total segment revenue	<u>222,568</u>	<u>177,594</u>	<u>15,267</u>	<u>41,240</u>	<u>3,177</u>	<u>34,282</u>	<u>1,530</u>	<u>(43,420)</u>	<u>452,238</u>
Results									
Operating result [#]	27,779	62,584	4,530	1,469	1,346	16,073	748	(14,599)	99,930
Interest expense*	(16,741)	(3,302)	(535)	(4)	-	(11,556)	(1,226)	23,270	(10,094)
Interest income**	2,585	386	22	26	139	7,315	9	(8,671)	1,811
Share of results of associates	1,283	-	-	(2)	-	-	-	-	1,281
Segment result	<u>14,906</u>	<u>59,668</u>	<u>4,017</u>	<u>1,489</u>	<u>1,485</u>	<u>11,832</u>	<u>(469)</u>	<u>-</u>	<u>92,928</u>
Tax expense									(23,443)
Profit for the period									<u>69,485</u>
Assets									
Segment assets	2,243,404	516,877	393,640	35,494	40,655	12,636	47,952	-	3,290,658
Investment in associates	25,768		-	47				-	25,815
Deferred tax assets									32,247
Current tax assets									11,621
Total assets									<u>3,360,341</u>
Liabilities									
Segment liabilities	1,048,320	97,251	33,564	9,560	3,331	208,903	1,156	-	1,402,085
Deferred tax liabilities									53,667
Current tax liabilities									9,511
Total liabilities									<u>1,465,263</u>
Other segment information									
Depreciation and amortisation	568	16,937	1,360	15	297	39	65		19,281
Additions to non-current assets other than financial instruments and deferred tax assets	8,444	5,665	177	2	-	-	-	-	14,288
* Included inter-company interest expense	10,950	2,345	74	4	-	8,671	1,226	(23,270)	-
** Included inter-company interest income	(1,515)	-	-	-	-	(7,156)	-	8,671	-
# Included unrealised foreign exchange losses	-	373	-	-	-	10	-	-	383
# Included realised foreign exchange (gains)/losses	-	(591)	(3)	-	98	20	-	-	(476)

Note: The construction division has been combined with property development division to form a reportable segment as major part of its revenue is derived from internal property development projects.

A8. OPERATING SEGMENTS (continued)
 (b) Segment Analysis – Geographical Segments

	Revenue		Non-current assets	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
Malaysia	314,306	279,302	1,376,963	1,358,723
The Peoples' Republic of China	862	3,177	19,474	20,999
Republic of Indonesia	161,978	169,759	352,459	363,381
	<u>477,146</u>	<u>452,238</u>	<u>1,748,896</u>	<u>1,743,103</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 18 May 2023, 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 2022 recorded a decrease of approximately RM27.1 million. Total credit facilities granted to subsidiaries with corporate guarantees issued by the Company to the lenders and utilised by subsidiaries as at 18 May 2023 was approximately RM753.7 million and RM319.1 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 (“EOT 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 (“EOT 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 EOT number 5 (“EOT 5”), or period from 10 June 2020 to 17 October 2021 together with the above mentioned EOT 2, EOT 3 and EOT 4.

On 13 March 2023, SKSB has handed over vacant possession of the KTM Komuter Station to PAK. SKSB will submit EOT number 6 in due course.

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 3, EOT 4 and EOT 5 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 31.03.2023 RM'000
Approved, contracted but not provided for:	
- Property, plant and equipment for plantation division	15,666
Approved but not contracted and not provided for:	
- Property, plant and equipment for plantation division	<u>22,168</u>
	<u><u>37,834</u></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
	31.03.2023 RM'000	31.03.2022 RM'000	RM'000	31.03.2023 RM'000	31.03.2022 RM'000	RM'000
Revenue	255,636	247,970	7,666	477,146	452,238	24,908
Operating profit	35,796	53,471	(17,675)	51,987	99,931	(47,944)
Profit before interest and tax	38,205	54,533	(16,328)	54,866	101,212	(46,346)
Profit before tax	34,712	50,238	(15,526)	48,091	92,928	(44,837)
Profit after tax	27,453	37,962	(10,509)	36,015	69,485	(33,470)
Profit attributable to ordinary equity holders of the Parent	25,057	33,767	(8,710)	34,235	65,083	(30,848)

(i) Second quarter ended 31 March 2023

The Group recorded higher revenue of RM255.6 million for the current quarter as compared to the preceding year corresponding quarter of RM248.0 million but lower profit before tax of RM34.7 million for the current quarter as compared to the preceding year corresponding quarter of RM50.2 million mainly due to lower gross profit from the plantation division. The plantation division recorded lower sales of palm kernel (“PK”) which resulted from lower average selling prices of RM1,562 per MT with PK sales volume of 3,445MT (preceding year corresponding quarter: RM3,331 per MT with PK sales volume of 3,786MT) and higher average production cost. The lower sales from PK were mitigated by higher sales of crude palm oil (“CPO”) with average selling price of CPO for the current quarter of RM3,445 per MT with CPO sales volume of 22,109MT as compared to the preceding year corresponding quarter of RM4,358 per MT with CPO sales volume of 16,244MT. The global inflationary pressure, energy price shock, rise in interest rates and Russia-Ukraine conflict also impacted the cost of production and resulted in the increase in energy and fertiliser costs.

(ii) Financial year-to-date (“YTD”) ended 31 March 2023 by Segments

Property and construction

The division recorded higher revenue and profit before tax of RM253.4 million and RM24.0 million for the current YTD as compared to the preceding YTD of RM222.6 million and RM14.9 million respectively mainly due to higher profit recognition from ongoing projects namely, Nexus @ Kajang Station, MKH Boulevard II, MIRAI Residences and TR2 Residence @ Jalan Tun Razak.

As at 31.3.2023, the Group has locked-in unbilled sales value of RM938.6 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 (RM118.3 million), MKH Boulevard II (RM10.3 million), Nexus @ Kajang Station (RM43.3 million), Kajang East Avenue 1 shops (RM6.7 million), MIRAI Residences @ Kajang 2 Precinct 1 (RM243.9 million), Nexus @ Taman Pertama (RM99.6 million), TR2 Residence @ Jalan Tun Razak (RM296.7 million), Akina @ Kajang 2 Precinct 3 phase 1 (RM93.3 million) and Kajang East Avenue 2 shops (RM26.5 million).

Plantation

The division recorded lower revenue and profit before tax of RM162.0 million and RM11.7 million for the current YTD as compared to the preceding YTD of RM169.8 million and RM59.7 million respectively.

The lower profit before tax mainly due to inclusion of unrealised foreign exchange losses of RM4.1 million in the current YTD as compared to the preceding YTD unrealised foreign exchange gains of RM0.4 million. The unrealised foreign exchange losses were mainly due to weakening of Indonesia Rupiah (“IDR”) against its Ringgit Malaysia (“RM”) borrowings.

Excluding unrealised foreign exchange losses/gains, this division recorded profit before tax of RM15.8 million for the current YTD as compared to the preceding YTD of RM59.3 million. The decrease in revenue and profit before tax excluding unrealised foreign exchange losses/gains was mainly due to lower sales of PK which resulted from lower average selling prices of RM1,619 per MT with PK sales volume of 7,922MT (preceding YTD: RM2,872 per MT with PK sales volume of 7,286MT) and higher average production cost. The lower sales from PK were mitigated by higher sales of CPO. The global inflationary pressure, energy price shock, rise in interest rates and Russia-Ukraine conflict also impacted the cost of production and resulted in the increase in energy and fertiliser costs.

Palm oil plantation’s production key indicators:

As at 31 March 2023	Q1	Q2	YTD 2023
Total land area (hectares) ⁽¹⁾			18,205
Planted area (hectares)			17,009
Mature area (hectares)			17,009
Fresh Fruit Bunches produced by (MT)			
Own estates	105,446	88,933	194,379
External	5,608	4,076	9,684
	111,054	93,009	204,063
Crude Palm Oil (MT)	20,434	18,598	39,032
Palm Kernel (MT)	3,826	3,269	7,095
Average CPO price/MT	3,394	3,445	3,420
Average PK price/MT	1,663	1,562	1,619

⁽¹⁾ The land area has decreased by 182.8 hectares, which earmarked for transfer in the form of Hak Guna Usaha to Koperasi Perkebunan Sawit Seguntung Jaya, Puan Cepak Village. The transfer of the plantation land area was to fulfill the obligation of PT Maju Kalimantan Hadapan (“PTMKH”), a subsidiary of the Company under the Plasma Programme, whereby PTMKH is obligated to amongst others, provide the plantation facilities and assist in the management of the plantation land.

As at 30 September 2022	Q1	Q2	Q3	Q4	Year 2022
Total land area (hectares)					18,388
Planted area (hectares)					17,175
Mature area (hectares)					17,175
Fresh Fruit Bunches produced by (MT)					
Own estates	91,646	90,561	100,543	100,002	382,752
External	5,501	4,904	5,616	6,188	22,210
	97,147	95,465	106,159	106,190	404,962
Crude Palm Oil (MT)	18,315	17,716	19,709	19,202	74,942
Palm Kernel (MT)	3,913	3,815	4,254	4,263	16,245
CPO average price RM/MT	4,001	4,358	4,544	2,804	3,847
PK average price RM/MT	2,376	3,331	3,154	1,584	2,627

Hotel and property investment

This division recorded increase in revenue of RM16.5 million and profit before tax of RM5.7 million for the current YTD as compared to the preceding YTD of RM14.0 million and profit before tax of RM4.0 million following the resumption of economic activities.

Trading

Despite the increase in revenue of RM43.0 million for the current YTD as compared to the preceding YTD of RM41.2 million, the division recorded marginal decrease in profit before tax of RM1.3 million for the current YTD as compared to the preceding YTD of RM1.5 million mainly due to lower product mixed of high profit margin building materials and approximately 71% of sales were mainly derived from the Group's development projects.

Manufacturing

The division recorded lower of revenue and profit before tax of RM0.9 million and RM1.1 million in the current YTD as compared to the preceding YTD of RM3.2 million and RM1.5 million respectively mainly due to slow down in furniture sales orders from existing customers following the Russia-Ukraine conflicts.

Investment holding

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

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

	Current Quarter 31.03.2023 RM'000	Immediate Preceding Quarter 31.12.2022 RM'000	Changes RM'000
Revenue	255,636	221,510	34,126
Operating profit	35,796	16,703	19,093
Profit before interest and tax	38,205	17,173	21,032
Profit before tax	34,712	13,379	21,333
Profit after tax	27,453	8,562	18,891
Profit attributable to ordinary equity holders of the parent	25,057	9,178	15,879

The Group recorded higher revenue and profit before tax of RM255.6 million and RM34.7 million for the current quarter as compared to the preceding quarter of RM221.5 million and RM13.4 million respectively due to inclusion of unrealised foreign exchange gains of RM5.0 million in the current quarter as compared to unrealised foreign exchange losses of RM9.2 million in the preceding quarter.

Excluding unrealised foreign exchange gains/losses, the Group recorded profit before tax of RM29.7 million for the current quarter as compared to the preceding quarter of RM22.6 million. The increase in profit before tax excluding unrealised foreign exchange gains/losses was mainly due to higher profit recognition from ongoing projects namely, Nexus @ Kajang Station, MKH Boulevard II and MIRAI Residences.

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

This is not applicable to the Group.

B4. CURRENT YEAR PROSPECTS

The Group's three (3) business segments in Malaysia comprising property development and construction, trading, 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 2023 ("FY2023") is expected to expand at a more moderate pace amid a challenging business environment. Bank Negara Malaysia ("BNM") has raised the overnight policy rate ("OPR") on 3 May 2023 from 2.75% to current OPR at 3.00%, which is back to pre-crisis levels. While this will increase borrowing costs and impact consumer spending sentiment for the purchase of big-ticket items, we expect the continued recovery in the Malaysian economy and labour market to drive growth in the property sector.

As at 31.3.2023, the Group achieved take up rates for the launched development projects as follows:

- 47% for Nexus @ Taman Pertama (507 units of apartments) with GDV of approximately RM256.5 million which was launched in November 2020;
- 74% for MIRAI Residences @ Kajang 2 Precinct 1 (phase 1 & 2 totaling 1,496 units of apartments) with GDV of approximately RM473.8 million which was launched in September 2020 and in February 2021;
- 100% for Iris @ Hillpark Shah Alam (241 units of double-storey terrace) with GDV of approximately RM127.1 million which was launched in September 2021;
- 67% for TR2 Residence @ Jalan Tun Razak (Block A & B totaling 918 units of apartments) with GDV of approximately RM507.6 million which was launched in November 2021 and in June 2022; and
- 54% for Akina @ Kajang 2 Precinct 3 with GDV of approximately RM198.5 million which was launched in September 2022.
- 58% for Kajang East Avenue 2 landed retail shops with GDV of approximately RM45.4 million which was launched in March 2023.

The Group's remaining planned launches in FY2023 comprising of landed residential development known as Akina @ Kajang 2 Precinct 3 phase 2 and Kajang East Precinct 1 phase 3B (final phase) with a total estimated GDV of approximately RM140.2 million will be phased according to prevailing market sentiments.

B4. CURRENT YEAR PROSPECTS (CONT'D)

Property development and construction, and trading segments: (cont'd)

The Group will continue to leverage on its available properties from the ongoing development projects with sales value of approximately RM674.4 million and monetise its inventories totaling RM72.5 million through virtual/digital marketing, rolling out more competitive rebates and timely completion of ongoing development projects.

The Group's unbilled sales of RM938.6 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 71% 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:

Our retail properties namely Plaza Metro Kajang and Metro Point Complex, and RHR hotel continue to record better performances through increased business activities as people adapt to 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 2022.

Our 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 55% for the current YTD (YTD 2022: 52%) and continue to be supported by domestic business travelers and agencies.

Plantation segment:

Our plantation segment in Indonesia is operating as usual albeit with enhanced biosecurity measures against COVID-19.

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 mechanisation of FFB collection and the use of software apps to track FFB evacuation from fields to the mill. The meteorological department forecasted weather to begin normalising from March onwards, after which our FFB production would likely increase.

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 March 2023, this division recorded unrealised foreign exchange gains of RM5.0 million as compared to the immediate preceding quarter of unrealised foreign exchange losses of RM9.2 million based on exchange rate of USD1:IDR15,062 and RM1:IDR3,407 as at 31 March 2023 due to the strengthening of the Indonesia Rupiah ("IDR") against RM and USD. The exchange rates movement is analysed as below:

As at 31.3.2023, USD1: IDR15,062 and RM1; IDR3,407

As at 31.12.2022, USD1: IDR15,731 and RM1: IDR3,556

As at 30.9.2022, USD1: IDR15,247 and RM1: IDR3,281

As at 30.6.2022, USD1: IDR14,848 and RM1: IDR3,374

B4. CURRENT YEAR PROSPECTS (CONT'D)

Plantation segment: (cont'd)

The crude palm oil (“CPO”) prices remain well supported due to good demand and tighter supply with current CPO price trading at approximately RM3,200/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 RM3,445 per MT as compared to the immediate preceding quarter of RM3,394 per MT. For the 3rd quarter ending 30 June 2023, we are expecting an average CPO price at a range of between RM3,200 to RM3,500 per MT. We expect the CPO price to continue to be well supported as there are several international meteorological organisations that are predicting El-Nino dry weather effect by the second half of 2023 which may result in tighter global CPO supply. 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 2023.

B5. (i) PROFIT BEFORE TAX FROM CONTINUING OPERATIONS

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

	Current Quarter 31.03.2023 RM'000	Financial year-to-date 31.03.2023 RM'000
Amortisation of prepaid lease payments	(381)	(760)
Depreciation of right-of-use asset	(81)	(162)
Depreciation of property, plant and equipment	(9,104)	(18,324)
Interest expenses - loan and borrowings	(4,385)	(9,560)
- lease liability	(369)	(444)
- non-controlling interests	(143)	(267)
<i>Other expenses</i>		
Property, plant and equipment written off	(33)	(33)
Net loss on foreign exchange - realised	(170)	(264)
Net loss on foreign exchange - unrealised	5,046	(4,107)
<i>Other income</i>		
Bad debts recovered	15	17
Changes in fair value of biological assets	273	413
Interest income	1,404	2,785
Reversal of impairment loss on other receivables	6	6
Fair value gain arising from other investment	-	391
Gain on disposal of property, plant and equipment	36	126
Gain on disposal of other investment	8	8
Dividend income from other investment	1	4

(ii) CASH AND CASH EQUIVALENTS

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

	(Unaudited) 31.03.2023 RM'000	(Unaudited) 31.03.2022 RM'000
Cash and bank balances	141,253	142,546
Cash held under housing development accounts	50,363	136,487
Cash held under sinking fund accounts	6	4
Deposits with licensed banks	4,214	10,687
Short term funds	98,424	32,106
Bank overdrafts	-	(7,067)
	<u>294,260</u>	<u>314,763</u>
Less: Non short term and highly liquid fixed deposits	-	(6,657)
Less: Deposits and bank balances pledged for credit facilities	(41)	(1,290)
	<u><u>294,219</u></u>	<u><u>306,816</u></u>

B6. TAX EXPENSE

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.03.2023 RM'000	Preceding Year Corresponding Quarter 31.03.2022 RM'000	Current Year-to-Date 31.03.2023 RM'000	Preceding Year-to-Date 31.03.2022 RM'000
Current tax				
- Current financial year	5,573	11,623	8,769	22,661
- Prior financial year	(1,710)	-	(1,710)	-
Deferred tax				
- Current financial year	3,299	653	5,017	782
- Prior financial year	97	-	-	-
	<u>7,259</u>	<u>12,276</u>	<u>12,076</u>	<u>23,443</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. CORPORATE PROPOSALS

On 29 March 2023, the Company has proposed to list MKH Oil Palm (East Kalimantan) Berhad ("MKH Oil Palm"), a wholly-owned subsidiary of the Company, on the Main Market of Bursa Malaysia Securities Berhad "Proposed Listing". Subsequently on 30 March 2023, MKH Oil Palm has submitted an application in relation to the Proposed Listing to Securities Commission.

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 March 2023						
<u>Secured</u>						
<u>Denominated in RM</u>						
Term loans	-	32,013	-	3,947	-	35,960
Revolving credits	-	72,444	-	92,273	-	164,717
<u>Unsecured</u>						
<u>Denominated in USD</u>						
Term loans	-	-	500	2,222	500	2,222
<u>Denominated in RM</u>						
Revolving credits	-	-	-	140,800	-	140,800
<u>Finance lease liabilities</u>						
<u>Denominated in RM</u>	-	1,586	-	540	-	2,126
Total		106,043		239,782		345,825

	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 March 2022						
<u>Secured</u>						
<u>Denominated in USD</u>						
Term loans	-	-	-	-	-	-
Revolving credits	-	-	6,320	26,571	6,320	26,571
<u>Denominated in RM</u>						
Term loans	-	30,233	-	30,173	-	60,406
Revolving credits	-	88,444	-	128,834	-	217,278
Bank overdraft	-	-	-	-	-	-
<u>Unsecured</u>						
<u>Denominated in USD</u>						
Term loans	1,060	4,457	-	-	1,060	4,457
Revolving credits	-	-	250	1,052	250	1,052
<u>Denominated in RM</u>						
Revolving credits	-	-	-	146,200	-	146,200
Bank overdraft	-	-	-	7,067	-	7,067
<u>Finance lease liabilities</u>						
<u>Denominated in RM</u>	-	625	-	353	-	978
Total		123,759		340,250		464,009

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 4.0 sen per ordinary share on 29 November 2022 for the financial year ended 30 September 2022 amounting to RM23,096,635 was declared on 29 November 2022 and paid on 6 January 2023.

B11. EARNINGS PER SHARE (“EPS”)

	Current Year Quarter 31.03.2023 (unaudited)	Preceding Year Corresponding Quarter 31.03.2022 (unaudited)	Current Year-to-Date 31.03.2023 (unaudited)	Preceding Year-to-Date 31.03.2022 (unaudited)
BASIC EPS				
Profit attributable to Owners of the parent (RM'000)	25,057	33,767	34,235	65,083
Weighted average number of ordinary shares ('000)				
At 1 October 2022/2021	586,548	586,548	586,548	586,548
Treasury shares	(9,132)	(9,132)	(9,132)	(9,132)
At 31 March 2023/2022	577,416	577,416	577,416	577,416
BASIC EPS (sen)	4.34	5.85	5.93	11.27

B12. 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 29 May 2023.