



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
INTERIM REPORT FOR THE SECOND QUARTER
AND FINANCIAL PERIOD ENDED 31 MARCH 2024**

	(Unaudited) INDIVIDUAL QUARTER		(Unaudited) CUMULATIVE QUARTER	
	Current Year Quarter 31.03.2024 RM'000	Preceding Year Corresponding Quarter 31.03.2023 RM'000	Current Year-to-Date 31.03.2024 RM'000	Preceding Year-to-Date 31.03.2023 RM'000
Revenue	267,082	255,636	570,537	477,146
Cost of sales	(193,846)	(192,943)	(423,669)	(366,002)
Gross profit	73,236	62,693	146,868	111,144
Other income	4,797	3,469	8,308	7,656
Sales and marketing expenses	(4,395)	(4,364)	(9,225)	(8,826)
Administrative expenses	(26,852)	(25,995)	(48,117)	(43,760)
Other expenses	(7,352)	1,397	(13,573)	(10,731)
Profit from operations	39,434	37,200	84,261	55,483
Share of results of associates	(528)	2,409	382	2,879
Interest expenses	(5,676)	(4,897)	(11,202)	(10,271)
Profit before tax	33,230	34,712	73,441	48,091
Tax expense	(7,844)	(7,259)	(20,424)	(12,076)
Profit for the period	25,386	27,453	53,017	36,015
Other comprehensive income				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Foreign exchange translation differences	(16)	11,616	(9,112)	(6,466)
Other comprehensive income for the period	(16)	11,616	(9,112)	(6,466)
Total comprehensive income for the period	25,370	39,069	43,905	29,549
Profit attributable to:				
Owners of the parent	20,740	25,057	44,367	34,235
Non-controlling interests	4,646	2,396	8,650	1,780
	25,386	27,453	53,017	36,015
Total comprehensive income attributable to:				
Owners of the parent	20,930	36,191	35,296	28,101
Non-controlling interests	4,440	2,878	8,609	1,448
	25,370	39,069	43,905	29,549
Earnings per share				
Basic Earnings per ordinary share (sen)	3.59	4.34	7.68	5.93
Proposed/Declared Dividend per share (sen)	-	-	4.00	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 2023 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 2024**

	(Unaudited) 31.03.2024	(Audited) 30.09.2023
<i>Assets</i>	RM'000	RM'000
Property, plant and equipment	372,478	381,024
Right-of-use asset	16,961	17,122
Intangible assets	79,205	68,885
Prepaid lease payments	36,942	37,758
Investment properties	375,521	375,369
Investment in associates	26,011	25,630
Other investment	732	756
Land held for property development	879,903	869,633
Deferred tax assets	18,516	24,229
Receivables, deposits and prepayments	48,731	38,724
Total Non-Current Assets	1,855,000	1,839,130
Property development costs	369,706	382,274
Inventories	103,873	111,171
Contract assets	269,819	323,630
Contract cost assets	20,764	26,617
Biological assets	7,343	6,231
Receivables, deposits and prepayments	321,715	229,122
Current tax assets	14,448	15,015
Cash, bank balances, term deposits and short-term placements	424,050	365,786
Total Current Assets	1,531,718	1,459,846
TOTAL ASSETS	3,386,718	3,298,976
<i>Equity</i>		
Share capital	654,459	654,459
Treasury shares	(11,138)	(11,112)
Translation reserve	2,683	9,353
Revaluation reserve	27,337	27,359
Retained earnings	1,194,247	1,180,627
Equity attributable to owners of the parent	1,867,588	1,860,686
Non-Controlling Interests	110,415	89,567
Total Equity	1,978,003	1,950,253
<i>Liabilities</i>		
Deferred tax liabilities	46,620	50,046
Provisions	19,444	18,785
Payables and accruals	276,341	276,341
Lease liability	19,379	19,222
Loans and borrowings	101,348	74,066
Total Non-Current Liabilities	463,132	438,460
Provisions	21,904	21,904
Contract liabilities	23,836	5,498
Payables and accruals	549,899	593,638
Lease liability	461	461
Loans and borrowings	341,642	285,544
Current tax liabilities	7,841	3,218
Total Current Liabilities	945,583	910,263
Total Liabilities	1,408,715	1,348,723
TOTAL EQUITY AND LIABILITIES	3,386,718	3,298,976
Net Assets per share attributable to shareholders of the Company (RM)*	3.23	3.22

* 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 2023 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 SECOND QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2024**

	< ----- Attributable to owners of the parent ----- >							Non-Controlling Interests	Total Equity
	< -----Non-distributable ----- >			Distributable					
Group	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	
Financial period ended 31 March 2024									
At 1.10.2023 (audited)	654,459	(11,112)	9,353	27,359	1,180,627	1,860,686	89,567	1,950,253	
Total comprehensive income for the period	-	-	(9,071)	-	44,367	35,296	8,609	43,905	
Transactions with owners									
Changes of ownership interests in subsidiaries	-	-	2,401	(22)	(7,650)	(5,271)	5,271	-	
Dividends	-	-	-	-	(23,097)	(23,097)	-	(23,097)	
Issuance of shares by subsidiary to non-controlling shareholder	-	-	-	-	-	-	2,979	2,979	
Share buy back	-	(26)	-	-	-	(26)	-	(26)	
Non-controlling interest in respect of subsidiary acquired	-	-	-	-	-	-	3,989	3,989	
At 31.03.2024 (unaudited)	654,459	(11,138)	2,683	27,337	1,194,247	1,867,588	110,415	1,978,003	
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)	
Changes of ownership interests in subsidiaries	-	-	-	-	-	-	(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	

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 2023 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 2024**

	(Unaudited) 31.03.2024 RM'000	(Unaudited) 31.03.2023 RM'000
Cash Flows From/(Used In) Operating Activities		
Profit before tax	73,441	48,091
Adjustments for non-cash items	27,910	28,517
Operating profit before changes in working capital	<u>101,351</u>	<u>76,608</u>
Change in property development costs	13,508	23,139
Change in inventories	7,281	24,709
Change in contract assets	53,811	(56,470)
Change in contract cost assets	5,854	(1,952)
Change in receivables, deposits and prepayments	(57,562)	(3,854)
Change in contract liabilities	18,338	3,028
Change in payables and accruals	<u>(44,498)</u>	<u>(11,940)</u>
Cash generated from operations	98,083	53,268
Interest received	3,630	2,732
Interest paid	(10,758)	(9,834)
Tax paid	(16,561)	(16,106)
Tax refunded	3,572	-
Retirement benefits obligations paid	<u>(758)</u>	<u>(828)</u>
Net cash from operating activities	<u>77,208</u>	<u>29,232</u>
Cash Flows From/(Used In) Investing Activities		
Acquisition of subsidiaries, net of cash acquired	(16,997)	-
Acquisition of other investment	(61)	(72)
Acquisition of property, plant and equipment	(16,062)	(10,953)
Additions to intangible assets	-	(6,420)
Additions to land held for property development	(10,270)	(5,371)
Withdrawal of deposits with licensed banks	43	1,249
Proceeds from disposal of other investment	141	115
Proceeds from disposal of property, plant and equipment	-	450
Dividend received	5	4
Proceeds from capital reduction in an associate	-	3,600
Consideration paid for joint venture of development land	(35,006)	-
Proceeds from disposal of non-current assets classified as held for sale	-	367
Net cash used in investing activities	<u>(78,207)</u>	<u>(17,031)</u>
Cash Flows From/(Used In) Financing Activities		
Dividend paid	(23,097)	(23,097)
Dividend paid to non-controlling interests	-	(22,050)
Net drawdown/(repayment) of bank borrowings	93,067	(55,769)
Payments of hire purchase liabilities	(356)	(588)
Payments of lease liability	(288)	(575)
Share buy back	(26)	-
Redemption of preference shares	-	(5,250)
Net cash from/(used in) financing activities	<u>69,300</u>	<u>(107,329)</u>
Net increase/(decrease) in cash and cash equivalents	<u>68,301</u>	<u>(95,128)</u>
Effect of exchange rate fluctuations	(586)	(613)
Cash and cash equivalents at beginning of the period	<u>349,908</u>	<u>389,960</u>
Cash and cash equivalents at end of the period	<u>417,623</u>	<u>294,219</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 2023 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 2023.

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 2023 (“Annual Report 2023”) as well as amendments to MFRSs that take effects on annual financial year commencing on or after 1 October 2023. Adoption of amendments to MFRSs are as follows:

MFRS 17	Insurance Contracts
Amendments to MFRS 17	Insurance Contracts
Amendments to MFRS 17	Initial Application of MFRS 17 and MFRS 9 – Comparative Information
Amendments to MFRS 101	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to MFRS 112	International Tax Reform – Pillar Two Model Rules

The adoption of these new and amendments to MFRSs did not result in significant changes in the accounting policies of the Group and has no significant effect on the financial performance or position of the Group.

Amendments to MFRS 101 Disclosure of Accounting Policies

The Group has adopted Amendments to MFRS 101 Presentation of Financial Statements and MFRS Practice Statement 2 – Disclosure of Accounting Policies from 1 January 2023. The amendments require the disclosure of ‘material’, rather than ‘significant’ account policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Although the amendments did not result in any changes to the Group’s accounting policies, it impacted the accounting policy information disclosed in the financial statements.

Amendments to MFRS 112 International Tax Reform – Pillar Two Model Rules

The Amendments to MFRS 112 apply to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organisation for Economic Co-operation and Development (“OECD”), including tax law that implements qualified domestic minimum top-up taxes described in those rules. Such tax law, and the income taxes arising from it, are hereafter referred to as “Pillar Two Legislation” and “Pillar Two Income Taxes”.

The Group has applied the temporary exception from accounting for deferred taxes arising from Pillar Two Model Rules, as provided in the International Tax Reform – Pillar Two Model Rules (Amendments to MFRS 112 Income Taxes) issued on 2 June 2023. Accordingly, the Group neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two Income Taxes.

Amendments to Malaysian Financial Reporting Standards in issue but not yet effective

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:

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 ¹
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current ¹
Amendments to MFRS 101	Non-current Liabilities with Covenants ¹
Amendments to MFRS 107 and MFRS 7	Supplier Financing Arrangements ¹
Amendments to MFRS 121	Lack of Exchangeability ²

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

² Effective for annual periods beginning on or after 1 January 2025.

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 2023 in their report dated 22 December 2023.

A3. SEASONAL OR CYCLICAL FACTORS

The Group's plantation operation is affected by fresh fruit bunches ("FFB") production which may be affected by cropping patterns, weather conditions and fluctuating commodity prices.

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

During the financial period, the Company repurchased 20,000 of its issued ordinary shares from the open market at an average price of RM1.30 per share. The total consideration paid for the repurchase including transaction costs was RM26,190 and this was financed by internally generated funds. Total treasury shares repurchased cumulatively as at 31 March 2024 is 9,152,300 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 2024, 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 2023 amounting to RM23,096,635 was declared on 29 November 2023 and paid on 10 January 2024.

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A8. OPERATING SEGMENTS

(a) Segment Analysis – Business Segments

Financial period ended 31 March 2024

	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	326,261	168,350	17,375	56,025	418	-	2,108	-	570,537
Inter-segment revenue	-	3,721	1,491	9	-	23,264	-	(28,485)	-
Total segment revenue	326,261	172,071	18,866	56,034	418	23,264	2,108	(28,485)	570,537
Results									
Operating result [#]	42,148	33,321	5,913	1,300	216	7,388	1,311	(10,967)	80,630
Interest expense*	(14,828)	(1,351)	(496)	(19)	-	(7,725)	(1,220)	14,437	(11,202)
Interest income**	4,784	956	195	164	132	843	27	(3,470)	3,631
Share of results of associates	371	-	-	11	-	-	-	-	382
Segment result	32,475	32,926	5,612	1,456	348	506	118	-	73,441
Tax expense									(20,424)
Profit for the period									53,017
Assets									
Segment assets	2,226,195	521,250	423,892	45,226	35,946	10,539	64,695	-	3,327,743
Investment in associates	25,929	-	-	82				-	26,011
Deferred tax assets									18,516
Current tax assets									14,448
Total assets									3,386,718
Liabilities									
Segment liabilities	973,779	46,921	43,189	13,184	1,769	275,218	194	-	1,354,254
Deferred tax liabilities									46,620
Current tax liabilities									7,841
Total liabilities									1,408,715
Other segment information									
Depreciation and amortisation	906	17,799	1,134	3	394	77	36	-	20,349
Additions to non-current assets other than financial instruments and deferred tax assets	10,479	15,719	241	-	-	-	-	-	26,439
* Included inter-company interest expense	8,997	1,296	23	19	-	2,881	1,221	(14,437)	-
** Included inter-company interest income	(2,686)	-	(16)	-	-	(768)	-	3,470	-
# Included unrealised foreign exchange losses	-	727	-	-	-	-	-	-	727
# Included realised foreign exchange losses/(gains)	-	800	(1)	-	(81)	-	32	-	750

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 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)
(b) Segment Analysis – Geographical Segments

	Revenue		Non-current assets	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
Malaysia	401,141	314,306	1,354,391	1,376,963
The Peoples' Republic of China	1,046	862	21,982	19,474
Republic of Indonesia	168,350	161,978	384,637	352,459
	<u>570,537</u>	<u>477,146</u>	<u>1,761,010</u>	<u>1,748,896</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, except for:

- (a) On 7 December 2023, Intra Tegas (M) Sdn Bhd (“ITSB”), a wholly-owned subsidiary of the Company has completed the acquisition of 6,000,000 ordinary shares representing 60% of equity of Knowledge Builder Sdn Bhd (“KBSB”) for a cash consideration of RM17,000,000. As a result, KBSB become a 60% owned subsidiary of ITSB and the Company; and
- (b) On 29 December 2023, MKH Oil Palm (East Kalimantan) Berhad (“MKHOP”), 93.9% owned subsidiary of the Company has acquired 1 ordinary share representing 100% of equity interest of Hala Maju Sdn Bhd (“HMSB”) for a cash consideration of RM1. As a result, HMSB become a 100% owned subsidiary of MKHOP and the Company.

A12. CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS

- (a) As at 14 May 2024, 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 2023 recorded an increase of approximately RM59.5 million. Total credit facilities granted to subsidiaries with corporate guarantees issued by the Company to the lenders and utilised by subsidiaries as at 14 May 2024 was approximately RM561.6 million and RM375.6 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.

On 10 November 2023, SKSB submitted EOT number 6 (“EOT 6”) to apply extension of time until 13 March 2023.

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, EOT 5 and EOT 6 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 31.03.2024 RM'000
Approved, contracted but not provided for:	
- Property, plant and equipment for plantation division	3,399
Approved but not contracted and not provided for:	
- Property, plant and equipment for plantation division	19,970
	<u>23,369</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
	31.03.2024 RM'000	31.03.2023 RM'000	RM'000	31.03.2024 RM'000	31.03.2023 RM'000	RM'000
Revenue	267,082	255,636	11,446	570,537	477,146	93,391
Operating profit	37,560	35,795	1,765	80,630	52,698	27,932
Profit before interest and tax	37,032	38,204	(1,172)	81,012	55,577	25,435
Profit before tax	33,230	34,712	(1,482)	73,441	48,091	25,350
Profit after tax	25,386	27,453	(2,067)	53,017	36,015	17,002
Profit attributable to ordinary equity holders of the Parent	20,740	25,057	(4,317)	44,367	34,235	10,132

(i) Second quarter ended 31 March 2024

The Group recorded higher revenue of RM267.1 million for the current quarter as compared to the preceding year corresponding quarter of RM255.6 million but lower profit before tax of RM33.2 million for the current quarter as compared to the preceding year corresponding quarter of RM34.7 million due to lower unrealised foreign exchange gains of RM0.8 million for the current quarter as compared to the preceding year corresponding quarter of RM5.0 million.

Excluding unrealised foreign exchange gains, the Group recorded profit before tax of RM32.4 million for the current quarter as compared to the preceding year corresponding quarter of RM29.7 million. The increase in profit before tax excluding unrealised foreign exchange gains was mainly due higher gross profit from plantation division as a result of higher average oil extraction rates (“OER”) achieved for the current quarter as compared to the preceding year correspondence quarter.

(ii) Financial year-to-date (“YTD”) ended 31 March 2024 by Segments

Property and construction

The division recorded higher revenue of RM326.3 million and profit before tax of RM32.5 million for the current YTD as compared to the preceding YTD of RM253.4 million and RM24.0 million respectively due to higher profit recognition from ongoing development projects, namely MIRAI Residences @ Kajang 2 Precinct 1, Akina @ Kajang 2 Precinct 3 phase 1 and other ongoing development projects.

As at 31.3.2024, the Group has locked-in unbilled sales value of RM611.5 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 (RM22.1 million), Nexus @ Kajang Station (RM2.9 million), MIRAI Residences @ Kajang 2 Precinct 1 (RM72.6 million), Nexus @ Taman Pertama (RM85.5 million), TR2 Residence @ Jalan Tun Razak (RM343.6 million), Akina @ Kajang 2 Precinct 3 phase 1 (RM40.7 million), Kajang East Avenue 2 shops (RM28.7 million) and Akina @ Kajang 2 Precinct 3 phase 2 (RM15.4 million).

Plantation

The division recorded higher revenue of RM168.4 million and profit before tax of RM32.9 million for the current YTD as compared to the preceding YTD of RM162.0 million and RM11.7 million respectively due to lower unrealised foreign exchange losses of RM0.7 million for the current YTD as compared to the preceding YTD of RM4.1 million.

Excluding unrealised foreign exchange losses, this division recorded profit before tax of RM33.6 million for the current YTD as compared to the preceding YTD of RM15.8 million. The increase in revenue and profit before tax excluding unrealised foreign exchange losses was mainly due to higher CPO sales volume of 46,035MT in current YTD as compared to the preceding YTD of 43,612MT, driven by higher OER of 21.8% in the current YTD as compared to the preceding YTD of 19.1%.

Palm oil plantation's production key indicators:

As at 31 March 2024	Q1	Q2	YTD 2024
Total land area (hectares)			18,205
Planted area (hectares)			17,009
Mature area (hectares)			17,009
Fresh Fruit Bunches produced by (MT)			
Own estates	100,011	98,494	198,505
External	6,137	4,716	10,853
	106,148	103,210	209,358
Crude Palm Oil (MT)	23,053	22,721	45,774
Palm Kernel (MT)	4,342	4,122	8,464
Average CPO price/MT	3,284	3,441	3,363
Average PK price/MT	1,487	1,582	1,534

As at 30 September 2023	Q1	Q2	Q3	Q4	Year 2023
Total land area (hectares)					18,205
Planted area (hectares)					17,009
Mature area (hectares)					17,009
Fresh Fruit Bunches produced by (MT)					
Own estates	105,446	88,933	107,645	108,206	410,230
External	5,608	4,076	6,367	7,000	23,051
	111,054	93,009	114,012	115,206	433,281
Crude Palm Oil (MT)	20,434	18,598	24,349	25,636	89,017
Palm Kernel (MT)	3,826	3,269	4,632	5,159	16,886
CPO average price RM/MT	3,394	3,445	3,252	3,311	3,348
PK average price RM/MT	1,663	1,562	1,705	1,436	1,589

Hotel and property investment

The division recorded revenue of RM17.4 million and profit before tax of RM5.6 million for the current YTD as compared to the preceding YTD revenue of RM16.5 million and profit before tax of RM5.7 million following the resumption of economic activities.

Trading

The division recorded increase in revenue of RM56.0 million and profit before tax of RM1.5 million for the current YTD as compared to the preceding YTD of RM43.0 million and RM1.3 million respectively due to higher product mixed of high profit margin building materials and approximately 74% of sales were mainly derived from the Group's development projects.

Manufacturing

The division recorded lower revenue of RM0.4 million and profit before tax of RM0.3 million for the current YTD as compared to the preceding year correspondence quarter of RM0.9 million and RM1.1 million respectively 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 31.03.2024 RM'000	Immediate Preceding Quarter 31.12.2023 RM'000	Changes RM'000
Revenue	267,082	303,455	(36,373)
Operating profit	37,560	43,070	(5,510)
Profit before interest and tax	37,032	43,980	(6,948)
Profit before tax	33,230	40,211	(6,981)
Profit after tax	25,386	27,631	(2,245)
Profit attributable to ordinary equity holders of the parent	20,740	23,627	(2,887)

The Group recorded lower revenue and profit before tax of RM267.1 million and RM33.2 million for the current quarter as compared to the preceding quarter of RM303.5 million and RM40.2 million respectively due to lower revenue and profit recognition from the ongoing development projects by the property and construction division following handing over vacant possession of Nexus @ Kajang Station and Iris @ Hillpark Shah Alam 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 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 2024 ("FY2024") is expected to expand at a more moderate pace with Bank Negara Malaysia's overnight policy rate ("OPR") remain unchanged at 3.0%. Malaysia's GDP growth normalised to 3.7% in 2023 after a strong 8.7% GDP growth in 2022. The Malaysian economy is expected to remain resilient in 2024 albeit at a more moderate pace supported by tourism, tech upcycle, construction activities and domestic consumption.

As at 31.3.2024, the Group achieved take up rates for the launched development projects as follows:

- 52% for Nexus @ Taman Pertama (507 units of apartments) with GDV of approximately RM256.8 million which was launched in November 2020;
- 88% for MIRAI Residences @ Kajang 2 Precinct 1 (phase 1 & 2 totaling 1,496 units of apartments) with GDV of approximately RM471.2 million which was launched in September 2020 and in February 2021;
- 88% for TR2 Residence @ Jalan Tun Razak (Block A & B totaling 918 units of apartments) with GDV of approximately RM507.0 million which was launched in November 2021 and in June 2022; and
- 72% for Akina @ Kajang 2 Precinct 3 phase 1 (276 units double-storey terrace) with GDV of approximately RM198.8 million which was launched in September 2022.
- 92% for Kajang East Avenue 2 (32 units retail shops) with GDV of approximately RM46.2 million which was launched in March 2023.
- 17% for Akina @ Kajang 2 Precinct 3 phase 2 (171 units double-storey terrace) with GDV of approximately RM128.9 million which was launched in July 2023.

The Group's revised planned launches in FY2024 comprising of high rise service apartments and retail commercial shops development known as Naluri Residence in Mahkota Cheras and landed retail shops development known as Kajang 2 Precinct 3 phase 4 double-storey shops with a total estimated GDV of approximately RM520.0 million.

The Group will continue to leverage on its available properties from the ongoing development projects with sales value of approximately RM478.1 million and monetise its inventories totaling RM64.5 million through virtual/digital marketing, rolling out more competitive rebates and timely completion of ongoing development projects.

B4. CURRENT YEAR PROSPECTS (CONT'D)

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

The Group's unbilled sales of RM611.5 million and the above upcoming launches which are strategically located in Cheras and Kajang will further strengthen the Group's future unbilled sales.

For the trading division, approximately 74% 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.

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 53% and continue to be supported by domestic business travelers and agencies.

Plantation segment:

Our plantation segment will be well supported due to good demand for CPO with current CPO price trading at approximately RM3,600/MT (net of export levy and duty) in Indonesia. The CPO price is well supported as there are several international meteorological organisations that are predicting El-Nino dry weather effect till coming September 2024 which may result in tighter global CPO supply. The Group continuously takes proactive steps such as enhancing our water management system, fine tuning the harvesting Standard Operating Procedures to suit the weather, complimented with our on-going mechanisation of FFB collection and the use of software apps to track FFB evacuation from fields to the mill to further increase the production efficiency including oil extraction rate and maximising the utilisation of the CPO mill to 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 2024.

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 31.03.2024 RM'000	Financial year-to-date 31.03.2024 RM'000
Amortisation of prepaid lease payments	(381)	(762)
Amortisation of intangible assets	(295)	(590)
Depreciation of right-of-use asset	(80)	(161)
Depreciation of property, plant and equipment	(9,410)	(18,836)
Interest expenses - loan and borrowings	(5,173)	(10,192)
- lease liability	(222)	(444)
- non-controlling interests	(281)	(566)
Other expenses		
Property, plant and equipment written off	(76)	(97)
Net loss on foreign exchange - realised	(688)	(750)
Net loss on foreign exchange - unrealised	769	(727)
Other income		
Changes in fair value of biological assets	1,384	1,243
Fair value gain arising from other investment	-	2
Interest income - bank balances, term deposits and short-term placements	1,874	3,631
Reversal of impairment loss on trade receivables	329	400
Fair value gain arising from other investment	49	51
Gain on disposal of other investment	-	6
Dividend income from other investment	3	5
	<u>3</u>	<u>5</u>

(ii) CASH AND CASH EQUIVALENTS

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

	(Unaudited) 31.03.2024 RM'000	(Unaudited) 31.03.2023 RM'000
Cash and bank balances	166,616	141,253
Cash held under housing development accounts	202,818	50,363
Cash held under sinking fund accounts	-	6
Deposits with licensed banks	705	4,214
Short term funds	53,911	98,424
Bank overdrafts	-	-
	<u>424,050</u>	<u>294,260</u>
Less: Non short term and highly liquid fixed deposits	(6,427)	-
Less: Deposits and bank balances pledged for credit facilities	-	(41)
	<u>417,623</u>	<u>294,219</u>

B6. TAX EXPENSE

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year 31.03.2024 RM'000	Preceding Year Corresponding Quarter 31.03.2023 RM'000	Current Year-to-Date 31.03.2024 RM'000	Preceding Year-to-Date 31.03.2023 RM'000
Current tax				
- Current financial year	8,336	5,573	17,681	8,769
- Prior financial year	(2)	(1,710)	498	(1,710)
Deferred tax				
- Current financial year	(490)	3,299	2,245	5,017
- Prior financial year	-	97	-	-
	<u>7,844</u>	<u>7,259</u>	<u>20,424</u>	<u>12,076</u>

The effective tax rate applicable to the Group for the financial year 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

On 29 March 2024, MKH Oil Palm (East Kalimantan) Berhad (“MKHOP”), a wholly-owned subsidiary of the Company issued its Prospectus in relation to the initial public offering (“IPO”) comprising the public issue of 220,000,000 new ordinary shares in the MKHOP and an offer for sale of 30,707,700 existing ordinary shares in the MKHOP at an issue price of RM0.62 per ordinary share in conjunction with the listing and quotation of the entire enlarged issued share capital of the MKHOP on the Main Market of Bursa Securities. MKHOP was successfully listed on 30 April 2024.

B8. UTILISATION OF PROCEEDS FROM PUBLIC ISSUE

The expected gross proceeds from the Public Issue amounting to RM136.4 million is planned to be utilised in the following manner:

Utilisation of proceeds	Proposed Utilisation RM'000	%	Estimated timeframe for utilisation⁽¹⁾
Expansion of land banks for oil palm plantation	42,000	30.8	Within 24 months
Capital expenditures for existing plantation lands	10,000	7.3	Within 18 months
Setup of palm kernel crushing facility	9,000	6.6	Within 12 months
Refurnishment and/or upkeep of existing palm oil mill	12,000	8.9	Within 24 months
Capital expenditures for refurbishment and construction of workers/staff housing quarters	10,000	7.3	Within 24 months
Capital expenditures to expand coverage of electricity supply	10,000	7.3	Within 24 months
Repayment of loan due to a related party	30,000	22	Within 6 months
Working capital	3,420	2.5	Within 12 months
Estimated listing expenses	9,980	7.3	Immediate
	<u>136,400</u>	<u>100</u>	

Note:

(1) From the date of Listing

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 2024						
<u>Secured</u>						
<u>Denominated in RM</u>						
Term loans	-	11,042	-	21,821	-	32,863
Bridging loans	-	10,985	-	-	-	10,985
Revolving credits	-	77,514	-	123,010	-	200,524
Bank overdraft	-	-	-	-	-	-
<u>Denominated in RM</u>						
Revolving credits	-	-	-	196,100	-	196,100
<u>Finance lease liabilities</u>						
<u>Denominated in RM</u>	-	1,807	-	711	-	2,518
Total		101,348		341,642		442,990

B8. GROUP BORROWINGS AND DEBT SECURITIES (CONT'D)

As at 31 March 2023	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
Secured						
Denominated in RM						
Term loans	-	32,013	-	3,947	-	35,960
Revolving credits	-	72,444	-	92,273	-	164,717
Unsecured						
Denominated in USD						
Term loans	-	-	500	2,222	500	2,222
Denominated in RM						
Revolving credits	-	-	-	140,800	-	140,800
Finance lease liabilities						
Denominated in RM	-	1,586	-	540	-	2,126
Total		106,043		239,782		345,825

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 2023 for the financial year ended 30 September 2023 amounting to RM23,096,635 was declared on 29 November 2023 and paid on 10 January 2024.

B11. EARNINGS PER SHARE (“EPS”)

	Current Year Quarter 31.03.2024 (unaudited)	Preceding Year Corresponding Quarter 31.03.2023 (unaudited)	Current Year-to-Date 31.03.2024 (unaudited)	Preceding Year-to-Date 31.03.2023 (unaudited)
BASIC EPS				
Profit attributable to Owners of the parent (RM'000)	20,740	25,057	44,367	34,235
Weighted average number of ordinary shares ('000)				
At 1 October 2023/2022	586,548	586,548	586,548	586,548
Treasury shares	(9,152)	(9,132)	(9,152)	(9,132)
At 31 March 2024/2023	577,396	577,416	577,396	577,416
BASIC EPS (sen)	3.59	4.34	7.68	5.93

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 24 May 2024.