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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME INTERIM REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 30 SEPTEMBER 2019

	(Unaudited) INDIVIDUAL QUARTER Current Year Quarter 30.09.2019 RM'000	(Restated) (Unaudited) INDIVIDUAL QUARTER Preceding Year Corresponding Quarter 30.09.2018 RM'000	(Unaudited) CUMULATIVE QUARTER Current Year-to-Date 30.09.2019 RM'000	(Restated) CUMULATIVE QUARTER Preceding Year-to-Date 30.09.2018 RM'000
Revenue	**307,133**	333,490	**1,121,657**	1,081,701
Cost of sales	**(215,433)**	(235,295)	**(807,247)**	(733,530)
Gross profit	**91,700**	98,195	**314,410**	348,171
Other income	**5,372**	6,112	**37,338**	19,674
Sales and marketing expenses	**(313)**	(15,526)	**(34,654)**	(50,364)
Administrative expenses	**(25,469)**	(22,731)	**(91,623)**	(89,659)
Other expenses	**(20,091)**	(26,348)	**(24,912)**	(65,634)
Profit from operations	**51,199**	39,702	**200,559**	162,188
Share of results of associates	**(2,025)**	(11)	**(885)**	361
Interest expenses	**(10,508)**	(11,030)	**(40,390)**	(34,249)
Profit before tax	**38,666**	28,661	**159,284**	128,300
Tax expense	**(25,561)**	(17,700)	**(61,673)**	(51,619)
Profit for the financial year	**13,105**	10,961	**97,611**	76,681
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss:				
Foreign exchange translation differences	**(214)**	(933)	**2,233**	(3,139)
Changes in tax rate relating to surplus arising from revaluation of land and buildings	**-**	(132)	**-**	(132)
	(214)	(1,065)	**2,233**	(3,271)
Items that will not reclassified subsequently to profit or loss:				
Remeasurement gains on defined benefit plans	**4,091**	2,201	**4,091**	2,201
Income tax relating to components of other comprehensive income	**(1,023)**	(505)	**(1,023)**	(505)
	3,068	1,696	**3,068**	1,696
Other comprehensive income for the year	**2,854**	631	**5,301**	(1,575)
Total comprehensive income for the year	**15,959**	11,592	**102,912**	75,106
Profit attributable to:				
Owners of the parent	**10,154**	7,490	**82,712**	70,928
Non-controlling interests	**2,951**	3,471	**14,899**	5,753
	13,105	10,961	**97,611**	76,681
Total comprehensive income attributable to:				
Owners of the parent	**12,804**	7,863	**88,034**	68,984
Non-controlling interests	**3,155**	3,729	**14,878**	6,122
	15,959	11,592	**102,912**	75,106
Earnings per share				
Basic Earnings per ordinary share (sen)	**1.73**	1.29	**14.10**	12.18
Proposed/Declared Dividend per share (sen)	**-**	-	**3.50**	**5.00**

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 2018 and the accompanying explanatory notes attached to the interim Financial Report.

MKH BERHAD **(Company No. 50948-T)**
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
INTERIM FINANCIAL REPORT AS AT 30 SEPTEMBER 2019

	(Unaudited)	(Restated)
	30.09.2019	30.09.2018
Assets	**RM'000**	RM'000
Property, plant and equipment	**449,259**	436,253
Intangible assets	**30,449**	26,354
Prepaid lease payments	**43,397**	44,676
Investment properties	**312,440**	318,620
Investment in associates	**14,990**	14,250
Land held for property development	**873,950**	866,759
Deferred tax assets	**43,668**	49,603
Tax recoverable	**1,148**	1,082
Receivables, deposits and prepayments	**34,515**	31,355
Total Non-Current Assets	**1,803,816**	1,788,952
Property development costs	**416,740**	466,714
Inventories	**193,832**	273,585
Biological assets	**5,182**	6,027
Accrued billings	**281,298**	198,705
Receivables, deposits and prepayments	**229,730**	263,860
Current tax assets	**19,007**	19,886
Cash, bank balances, term deposits and fixed income funds	**405,156**	227,726
	1,550,945	1,456,503
Non-current assets classified as held for sale	**1,544**	-
Total Current Assets	**1,552,489**	1,456,503
TOTAL ASSETS	**3,356,305**	3,245,455
Equity		
Share capital	**654,459**	654,459
Treasury shares	**(9,637)**	(5,438)
Translation reserve	**(4,375)**	(6,815)
Revaluation reserve	**23,402**	23,402
Retained earnings	**952,388**	887,063
Equity attributable to owners of the parent	**1,616,237**	1,552,671
Non-Controlling Interests	**71,072**	56,069
Total Equity	**1,687,309**	1,608,740
Liabilities		
Deferred tax liabilities	**60,927**	64,124
Provisions	**14,561**	8,733
Loans and borrowings - long-term	**306,808**	350,491
Payables, deposits received and accruals	**309,712**	289,307
Total Non-Current Liabilities	**692,008**	712,655
Provisions	**20,183**	20,183
Progress billings	**2,141**	-
Payables, deposits received and accruals	**565,689**	573,304
Loans and borrowings - short-term	**377,957**	322,265
Current tax liabilities	**11,018**	8,308
Total Current Liabilities	**976,988**	924,060
Total Liabilities	**1,668,996**	1,636,715
TOTAL EQUITY AND LIABILITIES	**3,356,305**	3,245,455
Net Assets per share attributable to shareholders of the Company (RM)*	**2.79**	2.67

* 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 2018 and the accompanying explanatory notes attached to the interim Financial Report.

MKH BERHAD **(Company No. 50948-T)**
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
INTERIM REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 30 SEPTEMBER 2019

	< ---- Attributable to owners of the parent ---- >								
			< ---- Non-distributable ---- >			Distributable			
Group	**Share Capital RM'000**	**Treasury Shares RM'000**	**Warrant Reserve RM'000**	**Translation Reserve RM'000**	**Revaluation Reserve RM'000**	**Retained Earnings RM'000**	**Total RM'000**	**Non-Controlling Interests RM'000**	**Total Equity RM'000**
Financial year ended 30 September 2019									
At 1.10.2018 (restated)	**654,459**	**(5,438)**	**-**	**(6,815)**	**23,402**	**887,063**	**1,552,671**	**56,069**	**1,608,740**
Total comprehensive income for the year	**-**	**-**	**-**	**2,440**	**-**	**85,594**	**88,034**	**14,878**	**102,912**
Transactions with owners									
Issuance of shares by subsidiaries to non-controlling shareholder	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**125**	**125**
Share buy back	**-**	**(4,199)**	**-**	**-**	**-**	**-**	**(4,199)**	**-**	**(4,199)**
Dividends	**-**	**-**	**-**	**-**	**-**	**(20,269)**	**(20,269)**	**-**	**(20,269)**
At 30.09.2019 (unaudited)	**654,459**	**(9,637)**	**-**	**(4,375)**	**23,402**	**952,388**	**1,616,237**	**71,072**	**1,687,309**
Financial year ended 30 September 2018									
At 1.10.2017 (restated)	**613,315**	**-**	**4,761**	**(3,429)**	**23,534**	**843,577**	**1,481,758**	**31,174**	**1,512,932**
Total comprehensive income for the year	**-**	**-**	**-**	**(3,386)**	**(132)**	**72,502**	**68,984**	**6,122**	**75,106**
Transactions with owners									
Issuance of shares pursuant to warrants	**41,144**	**-**	**(4,492)**	**-**	**-**	**-**	**36,652**	**-**	**36,652**
Issuance of shares by subsidiaries to non-controlling shareholder	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**22,648**	**22,648**
Warrants expired	**-**	**-**	**(269)**	**-**	**-**	**269**	**-**	**-**	**-**
Share buy back	**-**	**(5,438)**	**-**	**-**	**-**	**-**	**(5,438)**	**-**	**(5,438)**
Dividend paid to non-controlling shareholders	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(3,875)**	**(3,875)**
Dividends	**-**	**-**	**-**	**-**	**-**	**(29,285)**	**(29,285)**	**-**	**(29,285)**
At 30.09.2018 (restated)	**654,459**	**(5,438)**	**-**	**(6,815)**	**23,402**	**887,063**	**1,552,671**	**56,069**	**1,608,740**

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 2018 and the accompanying explanatory notes attached to the interim Financial Report.

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS INTERIM REPORT FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 30 SEPTEMBER 2019

	(Unaudited) 30.09.2019 RM'000	(Restated) 30.09.2018 RM'000
Cash Flows From/(Used In) Operating Activities		
Profit before tax	159,284	128,300
Adjustments for non-cash items	81,052	109,056
Operating profit before changes in working capital	240,336	237,356
Change in property development costs	99,417	45,321
Change in inventories	98,119	36,130
Change in accrued billings in respect of property development	(80,452)	(47,018)
Change in receivables, deposits and prepayments	26,663	(42,204)
Change in payables and accruals	(41,146)	(28,579)
Cash generated from operations	342,937	201,006
Interest paid	(39,244)	(38,037)
Interest received	6,204	5,451
Tax paid	(65,995)	(71,440)
Tax refund	9,259	1,134
Retirement benefits obligations paid	(786)	(1,032)
Net cash from operating activities	252,375	97,082
Cash Flows From/(Used In) Investing Activities		
Additions to land held for property development	(30,901)	(47,740)
Acquisition of property, plant and equipment	(27,028)	(21,349)
Additions to intangible assets	(3,796)	(4,972)
Acquisition of investment in an associate	(5,000)	-
Proceeds from disposal of property, plant and equipment	126	145
Withdrawal/(Placement) of deposits with licensed banks	4,480	(5,458)
Proceeds from redemption of redeemable preference shares	3,375	-
Proceeds from disposal of non-current assets classified as held for sale	-	11,083
Proceeds from disposal of an associate	-	2,000
Net cash used in investing activities	(58,744)	(66,291)
Cash Flows From/(Used In) Financing Activities		
Dividend paid	(20,269)	(29,285)
Dividend paid to non-controlling shareholders	-	(3,875)
Shares buy back	(4,199)	(5,438)
Net drawdown/(repayment) of bank borrowings	11,770	(92,189)
Payments of finance lease liabilities	(735)	(938)
Proceeds from issuance of shares by a subsidiary to non-controlling shareholders	125	22,649
Proceeds from issuance of shares	-	36,652
Net cash used in financing activities	(13,308)	(72,424)
Net increase/(decrease) in cash and cash equivalents	180,323	(41,633)
Effect of exchange rate fluctuations	(918)	(3,003)
Cash and cash equivalents at beginning of the year	194,661	239,297
Cash and cash equivalents at end of the year	374,066	194,661

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 2018 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 2018, which have been prepared in accordance with Financial Reporting Standards ("FRS") and the Companies Act 2016.

The adoption of the MFRS framework is on 1 October 2018 and the interim financial statements of the Group for the period ended 31 December 2018 are the first set of interim financial statements prepared in accordance with the MFRS Framework issued by the Malaysian Accounting Standard Board ("MASB").

At the transition date, the Group reviewed its accounting policies and considered the transitional opportunities under MFRS 1 *First-time adoption of Malaysian Financial Reporting Standards*.

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 2018 ("Annual Report 2018") as well as those new and revised standards that take effects on annual financial period commencing on or after 1 October 2018. Adoption of new and revised Standards, Amendments and IC Interpretation are as follows:

MFRS 9	Financial Instruments (IFRS 9 issued by IASB in July 2014)
MFRS 15	Revenue from Contracts with Customers (and the related Clarification)
Amendments to MFRS 2	Classification and Measurement of Share-based Payment Transaction
Amendments to MFRS 4	Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts
Amendments to MFRS 140	Transfer of Investment Property
IC Interpretation 22	Foreign Currency Transactions and Advance Consideration
Amendments to MFRSs	Annual Improvements to MFRSs 2014 - 2016 cycle

The adoption of the abovementioned Standards, Amendments and IC Interpretation did not have any significant effect on this interim financial statement of the Group, except for the adoption of the following accounting standards:

MFRS 15 ***Revenue from Contracts with Customers***

MFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. MFRS 15 will supersede the current revenue recognition guidance including MFRS 118 Revenue, MFRS 111 *Construction Contracts* and the related interpretation when it becomes effective.

A1. BASIS OF PREPARATION (continued)

CHANGES IN ACCOUNTING POLICIES (continued)

MFRS 15 *Revenue from Contracts with Customers* (continued)

The core principle of MFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition.

Step 1 : Identify the contract(s) with a customer
Step 2 : Identify the performance obligations in the contract
Step 3 : Determine the transaction price
Step 4 : Allocate the transaction price to the performance obligations in the contract
Step 5 : Recognise revenue when (or as) the entity satisfies a performance obligation

Under MFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in MFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by MFRS 15.

In June 2016, the MASB issued Clarifications to MFRS 15 in relation to the identification of performance obligations, principal versus agent considerations, as well as licensing application guidance.

The directors have specifically considered MFRS 15's guidance on contract modification arising from variation orders, identifying performance obligations, and the assessment of whether there is a significant financing component in the contracts, particularly taking into account the reason for the difference in timing between the transfer of control of service to the customer and the timing of the related payments.

MFRS 9 *Financial Instruments*

MFRS 9 (IFRS 9 issued by International Accounting Standard Board ("IASB") in November 2009) introduced new requirements for the classification and measurement of financial assets. MFRS 9 (IFRS 9 issued by IASB in October 2010) includes requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013, the new requirements for general hedge accounting was issued by MASB. Another revised version of MFRS 9 was issued by MASB - MFRS 9 (IFRS 9 issued by IASB in July 2014) mainly to include (a) impairment requirements for financial assets and (b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' ("FVTOCI") measurement category for certain simple debt instruments.

Key requirements of MFRS 9:

All recognised financial assets that are within the scope of MFRS 139 *Financial Instruments: Recognition and Measurement* are required to be subsequently measured at amortised cost or at fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods.

A1. BASIS OF PREPARATION (continued)

CHANGES IN ACCOUNTING POLICIES (continued)

MFRS 9 ***Financial Instruments*** (continued)

Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at fair values at the end of subsequent accounting periods. In addition, under MFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of equity instruments (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

With regard to the measurement of financial liabilities designated as fair value through profit or loss, MFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effect of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Under MFRS 139, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

In relation to the impairment of financial assets, MFRS 9 requires an expected credit loss model, as opposed to an incurred loss model under MFRS 139. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at end of each reporting period to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

MFRS 141 ***Agriculture***

MFRS 141 prescribes the accounting treatment, financial statement presentation and disclosures related to agricultural activity. It requires measurement of fair value less costs to sell, from initial recognition of biological assets up to the point of harvest.

On 2 September 2014, the amendments to MFRS 116 *Property, Plant and Equipment* and MFRS 141 *Agriculture: Bearer Plants* introduce a new category of biological assets i.e. bearer plants. A bearer plant is a living plant that is used in the production and supply of agricultural produce, is expected to bear produce for more than one period, and has remote likelihood of being sold as agriculture produce. Bearer plants are accounted for under MFRS 116 as an item of property, plant and equipment. Agricultural produce growing on bearer plants continue to be measured at fair value less costs to sell under MFRS 141, with fair value changes recognised in profit or loss as the produce grows.

The Group's bearer plants consist of oil palm trees which the cost includes development expenditure and the plantation infrastructure from land clearing to the point of harvesting. Any replanting costs incurred are capitalised. These costs are currently in biological assets accounts and are measured at cost less accumulated amortisation based on estimated productive years of the plantation of 20 years from the date of maturity. Upon adoption of MFRS framework, the net carrying amount of the biological assets accounts will be reclassified to bearer plants as part of the Group's property, plant and equipment.

A1. BASIS OF PREPARATION (continued)

CHANGES IN ACCOUNTING POLICIES (continued)

MFRS 141 *Agriculture* (continued)

Produce growing on bearer plants of the Group comprise fresh fruit bunches ("FFB") prior to harvest. The valuation to be adopted by the Group considers the present value of the net cash flows expected to be generated from the sale of FFB. To arrive at the fair value of FFB, the management has considered the quantity of the unripe FFB on bearer plant prior to harvest when there is formation of oil content and the quantity will be based on yield per harvest per metric tonne. The estimated ripe FFB is based on actual oil extraction rate and kernel extraction rate of the unripe FFB from the laboratory tests. Cost to sell includes the costs in producing the FFB which are direct costs from the upkeep, harvesting cost and transportation cost.

The effects to the financial statements from the adoption of MFRS framework are as follows:

	As previously stated RM'000	**Effect of adoption of MFRS framework RM'000**	**As restated RM'000**
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2018			
Non-current assets			
Property, plant and equipment	192,936	243,317	436,253
Biological assets	243,317	(243,317)	-
Current assets			
Biological assets	-	6,027	6,027
Equity			
Translation reserve	(6,241)	(574)	(6,815)
Retained earnings	880,820	6,243	887,063
Non-Controlling Interests	55,712	357	56,069
STATEMENT OF CHANGES IN EQUITY AT 1.10.2017			
Retained earnings	838,813	4,764	843,577
Non-Controlling Interests	30,826	348	31,174
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR PERIOD ENDED 30 SEPTEMBER 2018			
Other income	18,073	1,601	19,674
STATEMENT OF CASH FLOWS FOR PERIOD ENDED 30 SEPTEMBER 2018			
Profit before tax	126,699	1,601	128,300
Adjustments for non-cash items	110,657	(1,601)	109,056

A1. BASIS OF PREPARATION (continued)

MASB announcement relating to IFRS Interpretations Committee Agenda Decision on Borrowing Costs

An Agenda Decision on IAS 23 Borrowing Costs is issued by the IFRS Interpretations Committee (Interpretations Committee) in March 2019 states that borrowing costs would not be capitalised when the borrowings relate to the construction of a residential multi-unit real estate development for which revenue is recognised over time. The effective date is applicable to the financial statements of annual periods beginning on or after 1 July 2020. However, the Group as a transitioning entity adopted the MFRS Framework effective from 1 October 2018 and the Group is opted to early adopt this Agenda Decision after the MASB announcement was made. Based on the preliminary assessment made by the directors, the adoption of this Agenda Decision will have no material impact on the financial statements of the Group in the period of initial application.

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

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

MFRSs	Amendments to References to the Conceptual Framework in MFRS Standards[2]
MFRS 16	Leases[1]
MFRS 17	Insurance Contracts[3]
Amendments to MFRS 3	Definition of a Business[2]
Amendments to MFRS 9	Prepayments Features with Negative Compensation[1]
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 101 and MFRS 108	Definition of Material[2]
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement[1]
Amendments to MFRS 128	Long Term Interest in Associates and Joint Venture[1]
IC Interpretation 23	Uncertainty Over Income Tax Treatments[1]
Amendments to MFRSs Annual Improvements to MFRSs 2015 - 2017 cycle[1]	

[1] Effective for annual periods beginning on or after 1 January 2019, with earlier application permitted.
[2] Effective for annual periods beginning on or after 1 January 2020, with earlier application permitted
[3] Effective for annual period beginning on or after 1 January 2021
[4] Effective date deferred to a date to be announced by MASB

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

A2. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors have expressed an unqualified opinion on the Company's statutory financial statements for the financial year ended 30 September 2018 in their report dated 28 December 2018.

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

During the financial year, the Company repurchased 3,475,000 of its issued ordinary shares from the open market at an average price of RM1.20 per share. The total consideration paid for the repurchase including transaction costs was RM4,199,140 and this was financed by internally generated funds. Total treasury shares repurchased as at 30 September 2019 is 7,513,600 ordinary shares, representing a cumulative 1.28% of total paid up share capital in accordance with Section 127 of the Companies Act 2016. Since the end of the current quarter ended 30 September 2019, 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 2018 amounting to RM20,268,891 was declared on 30 November 2018 and paid on 10 January 2019.

A8. OPERATING SEGMENTS

(a) Segment Analysis – Business Segments

Financial year ended 30 September 2019

	Property development & construction RM'000	Plantation RM'000	Hotel & property investment RM'000	Trading RM'000	Manu-facturing RM'000	Investment holding RM'000	Non-reportable segment RM'000	Eliminations RM'000	Consolidated RM'000
Revenue									
Total external revenue	775,923	229,763	31,192	72,999	9,287	-	2,493	-	1,121,657
Inter-segment revenue	-	6,516	1,748	479	-	101,157	-	(109,900)	-
Total segment revenue	775,923	236,279	32,940	73,478	9,287	101,157	2,493	(109,900)	1,121,657
Results									
Operating result#	161,548	24,599	3,743	2,193	2,926	39,083	476	(40,946)	193,622
Interest expense*	(47,450)	(18,095)	(1,971)	(3)	-	(33,849)	(3,933)	64,911	(40,390)
Interest income**	9,028	340	13	66	435	21,007	13	(23,965)	6,937
Share of results of associates	(885)	-	-	-	-	-	-	-	(885)
Segment result	122,241	6,844	1,785	2,256	3,361	26,241	(3,444)	-	159,284
Tax expense									(61,673)
Profit for the period									97,611
Assets									
Segment assets	2,281,918	508,972	365,470	27,321	29,114	21,741	42,956	-	3,277,492
Investment in associates	14,990	-	-	-	-	-	-	-	14,990
Deferred tax assets									43,668
Tax recoverable									1,148
Current tax assets									19,007
Total assets									3,356,305
Liabilities									
Segment liabilities	1,079,303	253,474	40,179	6,485	3,292	213,189	1,129	-	1,597,051
Deferred tax liabilities									60,927
Current tax liabilities									11,018
Total liabilities									1,668,996
Other segment information									
Depreciation and amortisation	1,171	31,604	2,876	45	733	377	1,416	-	38,222
Additions to non-current assets other than financial instruments and deferred tax assets	80,721	23,009	3,006	10	183	-	-	-	106,929
* Included inter-company interest expense	30,419	6,330	203	-	-	24,026	3,933	(64,911)	-
** Included inter-company interest income	(3,162)	-	-	-	-	(20,803)	-	23,965	-
# Included unrealised foreign exchange (gains)/losses	-	(14,009)	-	-	-	42	-	-	(13,967)
# Included realised foreign exchange (gains)/losses	-	(4,157)	-	-	(71)	207	-	-	(4,021)

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

A8. OPERATING SEGMENTS (continued)

(a) Segment Analysis – Business Segments (continued)

Financial year ended 30 September 2018 (Restated)

	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	702,687	263,197	32,957	72,886	7,582	-	2,392	-	1,081,701
Inter-segment revenue	10,377	5,735	1,804	111	-	100,044	-	(118,071)	-
Total segment revenue	713,064	268,932	34,761	72,997	7,582	100,044	2,392	(118,071)	1,081,701
Results									
Operating result#	109,558	33,112	13,885	2,844	506	37,231	507	(41,599)	156,044
Interest expense*	(42,618)	(21,815)	(2,180)	(4)	-	(29,715)	(2,915)	64,998	(34,249)
Interest income**	9,265	731	56	90	298	19,095	8	(23,399)	6,144
Share of results of associates	361	-	-	-	-	-	-	-	361
Segment result	76,566	12,028	11,761	2,930	804	26,611	(2,400)	-	128,300
Tax expense									(51,619)
Profit for the period									76,681
Assets									
Segment assets	2,161,051	492,956	371,819	32,064	33,019	28,577	41,148	-	3,160,634
Investment in associates	14,250	-	-	-	-	-	-	-	14,250
Deferred tax assets									49,603
Tax recoverable									1,082
Current tax assets									19,886
Total assets									3,245,455
Liabilities									
Segment liabilities	1,073,523	266,356	47,917	11,444	3,433	160,513	1,097	-	1,564,283
Deferred tax liabilities									64,124
Current tax liabilities									8,308
Total liabilities									1,636,715
Other segment information									
Depreciation and amortisation	1,319	30,807	2,445	46	741	428	129	-	35,915
Additions to non-current assets other than financial instruments and deferred tax assets	56,465	18,881	1,696	93	177	-	1	-	77,313
* Included inter-company interest expense	28,241	10,337	117	-	-	23,388	2,915	(64,998)	-
** Included inter-company interest income	(5,012)	-	-	-	-	(18,386)	-	23,398	-
# Included unrealised foreign exchange losses	-	36,441	-	-	-	-	-	-	36,441
# Included realised foreign exchange losses	2	3,542	-	-	161	245	-	-	3,950

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

A8. OPERATING SEGMENTS (continued)

(b) Segment Analysis – Geographical Segments

	Revenue		**Non-current assets**	
	30.09.2019	**30.09.2018**	**30.09.2019**	**30.09.2018**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Continuing operations				
Malaysia	879,288	810,922	1,269,872	1,266,250
The Peoples' Republic of China	9,287	7,582	18,612	19,737
Republic of Indonesia	233,082	263,197	421,011	406,675
	1,121,657	1,081,701	1,709,495	1,692,662

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 26 October 2018, Perkasa Bernas (M) Sdn Bhd ("PBSB"), a wholly-owned subsidiary of the Company has acquired 4 ordinary shares representing 40% of the equity interest of Daksina Harta Sdn Bhd ("DHSB"), for a cash consideration of RM5,000,000. The Group has on 9 November completed the acquisition. As a result, DHSB became an associate of PBSB and the Company;

(b) On 19 December 2018, the Company acquired 1 share representing 100% of the equity interest of Nexus Starship Sdn Bhd ("NSSB"), for a cash consideration of RM1. As a result, NSSB became a wholly-owned subsidiary of the Company;

(c) On 20 December 2018, NSSB, a wholly-owned subsidiary of the Company acquired 1 ordinary shares representing 100% of the equity interest of Quantum Density Sdn Bhd ("QDSB"), for a cash consideration of RM1. Subsequently, on 26 December 2018, NSSB entered into a Subscription and Shareholders' Agreement ("SSA") with Usaha Nusantara Sdn Bhd for the subscription of shares in QDSB. Upon completion of the SSA, QDSB will become a 50.0004% owned subsidiary of NSSB and the Company; and

(d) On 28 June 2019, Metro Emart Sdn Bhd ("MESB"), a wholly-owned subsidiary of the Company has acquired 1 ordinary share each representing 100% of the equity interest of Hexapace Sdn Bhd ("HPSB"), Europixel Sdn Bhd ("EPSB") and Mercu Jasakita Sdn Bhd ("MJSB"), for total cash consideration of RM3. As a result, HPSB, EPSB and MJSB became wholly-owned subsidiaries of MESB and the Company.

A12. CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS

(a) As at 18 November 2019, 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 2018 recorded a decrease of approximately RM19.8 million. Total credit facilities granted to subsidiaries with corporate guarantees issued by the Company to the lenders and utilised by subsidiaries as at 18 November 2019 was approximately RM916.1 million and RM626.5 million respectively.

(b) On 18 April 2016, PT Maju Kalimantan Hadapan ("PTMKH"), a subsidiary of the Company, received a tax assessment letter from the Indonesia's Director General of Tax ("DGT") for the year of assessment 2012, to restrict the claims on net realised and unrealised foreign exchange losses. The details are as follows:

Year of Assessment 2012	IDR million	RM million
Net realised and unrealised foreign exchange losses claimed	97,700	30.7
Less: Net realised and unrealised foreign exchange losses allowed by DGT	(7,414)	(2.3)
Net realised and unrealised foreign exchange losses disallowed by DGT	90,286	28.4
Potential tax payable due to over-recognition of deferred tax assets based on applicable corporate income tax rate of 25%	22,571	7.1

On 6 August 2018, PTMKH received official verdict letter from the DGT for year of assessment 2012's tax appeal. The entire net realised and unrealised foreign exchange losses of IDR90,286 million, equivalent to RM28.4 million is allowable to claim as expenses in the tax return submitted by PT MKH.

(c) On 29 August 2017, PTMKH received tax assessment letter from DGT for the year of assessment 2013, to restrict the claims on net realised and unrealised foreign exchange losses. The details are as follows:

Year of Assessment 2013	IDR million	RM million
Net realised and unrealised foreign exchange losses claimed	188,875	59.3
Less: Net realised and unrealised foreign exchange losses allowed by DGT	(44,405)	(13.9)
Net realised and unrealised foreign exchange losses disallowed by DGT	144,470	45.4
Potential tax payable due to over-recognition of deferred tax assets based on applicable corporate income tax rate of 25%	36,118	11.3

On 27 November 2017, PTMKH filed an objection letter in reply to tax assessment letter for the year of assessment 2013. The objection letter has been rejected by tax appeal office in Balikpapan, Indonesia. On 19 December 2018, PTMKH filed an appeal to tax court in Jakarta, Indonesia.

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 for both years of assessment 2012 and 2013. Accordingly, PTMKH has not made any adjustments in respect of the tax assessments in the financial statements.

(d) 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 in and disputed 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").

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 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. Based on EOT 2, the potential LAD as at 30 September 2019 will be approximately RM4.4 million.

A13. CAPITAL COMMITMENTS

The capital commitment of the Group is as follows:

	As at 30.09.2019 RM'000
Approved, contracted but not provided for:	
- Intangible asset for property development division	29,571
Approved but not contracted and not provided for:	
- Property, plant and equipment for plantation division	4,864
	34,435

A14. RELATED PARTY TRANSACTIONS

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

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

B1. REVIEW OF PERFORMANCE OF THE GROUP FOR:

	INDIVIDUAL QUARTER			CUMULATIVE QUARTER		
	Current Year Quarter 30.09.2019 RM'000	Preceding Year Corresponding Quarter 30.09.2018 RM'000	Changes RM'000	Current Year-to-Date 30.09.2019 RM'000	Preceding Year-to-Date 30.09.2018 RM'000	Changes RM'000
Revenue	307,133	333,490	(26,357)	1,121,657	1,081,701	39,956
Operating profit	48,385	38,031	10,354	193,622	156,737	36,885
Profit before interest and tax	46,360	38,020	8,340	192,737	157,098	35,639
Profit before tax	38,666	28,661	10,005	159,284	128,300	30,984
Profit after tax	13,105	10,961	2,144	97,611	76,681	20,930
Profit attributable to ordinary equity holders of the Parent	10,154	7,490	2,664	82,712	70,928	11,784

(i) Fourth quarter ended 30 September 2019

Despite the lower revenue of RM307.1 million in the current quarter as compared to the preceding year corresponding quarter of RM333.5 million, the Group achieved higher profit before tax of RM38.7 million in the current quarter as compared to the preceding year corresponding quarter of RM28.7 million.

The increase in the Group’s profit before tax by 34.8% was mainly due to higher contribution from property and construction division following the adoption of MFRS 15 Revenue from Contracts with Customers (“MFRS 15”) which resulted in progressively charged out of legal fees and sales commission expenses to income statement instead of charged out as and when incurred previously and lower unrealised foreign exchange losses of RM1.0 million in the current quarter as compared to the preceding year correspondence quarter of RM8.8 million.

Excluding the unrealised foreign exchange losses, the Group’s adjusted profit before tax only increase by 5.9% to RM39.7 million in the current quarter as compared to the preceding year correspondence quarter of RM37.5 million. The lower adjusted profit tax was mainly due to inclusion of loss on changes in fair value of investment properties totaling RM6.2 million and impairment loss on trade and other receivables totaling RM5.2 million as disclosed under paragraph B5.

(ii) Financial year ended 30 September 2019 by Segments

Property and construction

This division recorded higher revenue and profit before tax of RM775.9 million and RM122.2 million for the current year as compared to the preceding year of RM702.7 million and RM76.6 million respectively was mainly due to recognition of revenue and profit from newly launched and ongoing projects as mentioned in the following paragraph, handing over vacant possession of The Palm in Hill Park Shah Alam and Saville @ D’Lake Puchong in the current quarter and adoption of MFRS 15 as mentioned under paragraph B1(i) above.

As at 30.09.2019, the Group has locked-in unbilled sales value of RM1.1 billion 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 projects namely Hill Park Shah Alam (RM69.7 million), Kajang 2 Precinct 2 (RM41.9 million), Hillpark Residence (RM33.6 million), TR Residence (RM218.7 million), Inspirasi @ Mont Kiara (RM318.6 million), Kajang East Precinct 1 (RM116.9 million), MKH Boulevard II (RM93.8 million), NEXUS @ Kajang Station (RM219.1 million) and Bandar Teknologi Kajang (RM2.9 million).

Plantation

This division recorded lower revenue and profit before tax of RM229.8 million and RM6.8 million for the current year as compared to the preceding year of RM263.2 million and RM12.0 million respectively.

Excluding unrealised foreign exchange gains of RM14.0 million in the current year and unrealised foreign exchange losses of RM36.4 million in the preceding year, this division recorded loss before tax of RM7.2 million in the current year as compared to profit before tax of RM48.4 million in the preceding year due to lower average selling price for crude palm oil of RM1,856 per MT in the current year as compared to the preceding year of RM2,163 per MT and higher average production cost incurred as a result of lower production of fresh fruits bunches.

Palm oil plantation’s production key indicators:

As at 30 September 2019	**Q1**	**Q2**	**Q3**	**Q4**	**Year 2019**
Total land area (hectares)					18,388
Planted area (hectares)					16,408
Mature area (hectares)					15,623
Fresh Fruit Bunches produced by (MT)					
Own estates	115,029	107,053	120,751	116,389	459,222
External	4,281	4,325	3,726	5,390	17,722
	119,310	111,378	124,477	121,779	476,944
Crude Palm Oil (MT)	21,751	24,503	27,101	26,366	99,721
Palm Kernel (MT)	3,972	4,448	5,187	5,292	18,899
CPO average price RM/MT	1,879	1,777	1,870	1,876	1,856
PK average price RM/MT	1,293	1,254	982	972	1,102

As at 30 September 2018	**Q1**	**Q2**	**Q3**	**Q4**	**Year 2018**
Total land area (hectares)					18,388
Planted area (hectares)					16,408
Mature area (hectares)					15,623
Fresh Fruit Bunches produced by (MT)					
Own estates	88,194	117,094	141,809	117,677	464,774
External	3,039	2,963	3,689	4,194	13,885
	91,233	120,057	145,498	121,871	478,659
Crude Palm Oil (MT)	20,169	26,309	30,699	24,215	101,392
Palm Kernel (MT)	3,952	4,986	5,844	4,827	19,609
CPO average price RM/MT	2,449	2,210	2,173	1,872	2,163
PK average price RM/MT	2,352	1,987	1,627	1,455	1,771

Hotel and property investment
This division recorded lower revenue and profit before tax of RM31.2 million and RM1.8 million for the current year as compared to the preceding year of RM33.0 million and RM11.8 million respectively mainly due to inclusion of loss on changes in fair value of investment properties totaling RM6.2 million in the current year as compared to the preceding year of RM317,000, absence of gain on disposal of an associate of RM2.0 million in the current year, reduction in average rental rates for certain tenants in order to sustain the occupancy rates and the newly refurbished 3-star hotel namely RHR Hotel @ Kajang has yet to achieve its breakeven occupancy rates.

Trading
This division recorded lower revenue and profit before tax of RM73.0 million and RM2.3 million for the current year as compared to the preceding year of RM72.9 million and RM2.9 million respectively mainly due to higher product mixed of low profit margin building materials and inclusion of impairment loss on trade receivables totaling RM551,000.

Manufacturing
This division achieved higher revenue and profit before tax of RM9.3 million and RM3.4 million for the current year as compared to the preceding year of RM7.6 million and RM0.8 million respectively. The increase in profit before tax is mainly due to higher rental from the land and factory buildings and improvement in manufacturing's gross profit margin as a result of better production efficiencies in term of maximizing the usage of production floor space for its manufacturing activities.

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

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

	Current Quarter 30.09.2019 RM'000	**Immediate Preceding Quarter 31.03.2019 RM'000**	**Changes RM'000**
Revenue	307,133	266,772	40,361
Operating profit	48,385	57,381	(8,996)
Profit before interest and tax	46,360	57,338	(10,978)
Profit before tax	38,666	45,107	(6,441)
Profit after tax	13,105	31,006	(17,901)
Profit attributable to ordinary equity holders of the parent	10,154	24,149	(13,995)

Despite the higher revenue of RM307.1 million in the current quarter as compared to the preceding quarter of RM266.8 million, the Group recorded lower profit before tax of RM38.7 million as compared to the preceding quarter of RM45.1 million mainly due to inclusion of loss on changes in fair value of investment properties totaling RM6.2 million and impairment loss on trade and other receivables totaling RM5.2 million in the current quarter and as disclosed under paragraph B5.

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

This is not applicable to the Group.

B4. CURRENT YEAR PROSPECTS

The Board of Directors expect the Group to achieve satisfactory results for the financial year ending 30 September 2020 arising from the following three (3) major segments:

- Property and construction segment - ongoing property development projects that have been launched with total unbilled sales of RM1.1 billion. Moving forward, the Klang Valley residential market is expected to remain challenging but the Group is well positioned as most of its properties are in the affordable segment whereby the demand continue to be strong.

- Plantation segment – crude palm oil (CPO) prices have been rebounded strongly from its low of and is currently trading above RM2,600 per MT (active month) at the Malaysia Derivatives Exchange which augurs well for the Plantation Division. The CPO price is expected to be well supported following the expected tightness in CPO supply in 2020 and adoption of B20 and B30 biodiesel mandate in Malaysia and Indonesia respectively which further contribute to the increase in the demand for CPO. We would 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.

- Property Investment segment – rental yield from this division is expected at average of approximately 5% per annum based on fair value as at 30 September 2019.

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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 30.09.2019 RM'000	**Financial year-to-date 30.09.2019 RM'000**
Amortisation of prepaid lease payments	(378)	(1,513)
Depreciation of property, plant and equipment	(8,761)	(36,709)
Interest expenses	(10,508)	(40,390)
Other expenses		
Changes in fair value of investment properties	(6,180)	(6,180)
Impairment loss on :		
- Trade and loan receivables	(665)	(743)
- Other receivables	(4,531)	(4,531)
Property, plant and equipment written off	(12)	(64)
Loss arising from changes in biological assets	(1,914)	(1,171)
Inventories written down	-	(21)
Other income		
Net gain/(loss) on foreign exchange:		
- realised	1,678	4,021
- unrealised	(990)	13,967
Interest income	2,814	6,937
Reversal of impairment loss on:		
- Trade and loan receivables	99	251
- Other receivables	12	24
Gain on disposal of property, plant and equipment	1	112
Gain arising from derivative financial assets	5	9

(ii) CASH AND CASH EQUIVALENTS

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

	(Unaudited) 30.09.2019 RM'000	**(Audited) 30.09.2018 RM'000**
Cash and bank balances	128,378	106,693
Cash held under housing development accounts	241,678	78,207
Cash held under sinking fund accounts	10	5
Deposits with licensed banks	10,325	12,611
Short term funds	24,765	30,209
Bank overdrafts	(7,294)	(4,789)
	397,862	222,936
Less: Non short term and highly liquid fixed deposits	(8,113)	(10,105)
Less: Deposits and bank balances pledged for credit facilities	(15,683)	(18,170)
	374,066	194,661

B6. TAX EXPENSE

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.09.2019 RM'000	Preceding Year Corresponding Quarter 30.09.2018 RM'000	Current Year-to-Date 30.09.2019 RM'000	Preceding Year-to-Date 30.09.2018 RM'000
Current tax				
- Current financial year	18,413	23,771	55,486	60,465
- Prior financial year	2,389	1,161	4,773	1,674
Deferred tax				
- Current financial year	4,774	(7,211)	1,170	(10,255)
- Prior financial year	(15)	(21)	244	(265)
	25,561	17,700	61,673	51,619

The effective tax rate applicable to the Group for the financial year-to-date is higher than the statutory rate of taxation as certain expenses were disallowed for tax purposes and non-recognition of certain tax benefits from unabsorbed tax losses incurred prior to launch of projects.

B7. STATUS OF CORPORATE PROPOSALS ANNOUNCED

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

The utilisation of right issue proceeds as at 30 September 2019 are as follows:

	Proposed Utilisation RM'000	Actual Utilisation RM'000	Deviation RM'000	Intended Time Frame
Infrastructure and property development	37,190	28,736	8,454	Within 30 months ^
Payment of land owners' entitlements	20,000	20,000	-	Completed
Construction of KTM Komuter station	21,400	6,055	15,345	Within 30 months #
Working capital	372	372	-	Completed
Estimated expenses for the rights with bonus issue	1,600	1,600	-	Completed
	80,562	56,763	23,799	

^ *Construction works completed and pending finalisation of claims.*

Construction works in progress.

The time frame has been extended for another 18 months period from 1 June 2018 until 30 November 2019 (1st revised time frame).

The Board has resolved to extend further the time frame for the utilisation of the proceeds raised from the rights with bonus issue for another 10 months period from 30 November 2019 (1st revised time frame) up to 30 September 2020.

B8. GROUP BORROWINGS AND DEBT SECURITIES

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

As at 30 September 2019	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 USD						
Term loans	17,580	93,376	10,760	24,730	28,340	118,106
Revolving credits	-	-	13,500	56,448	13,500	56,448
Denominated in RM						
Term loans	-	59,214	-	12,433	-	71,647
Revolving credits	-	153,523	-	113,000	-	266,523
Bank overdraft	-	-	-	3,315	-	3,315
Unsecured						
Denominated in USD						
Term loans			4,000	16,725	4,000	16,725
Revolving credits	-	-	1,000	4,181	1,000	4,181
Denominated in RM						
Revolving credits	-	-	-	142,610	-	142,610
Bank overdraft	-	-	-	3,979	-	3,979
Finance lease liabilities						
Denominated in RM	-	695	-	536	-	1,231
Total		306,808		377,957		684,765

As at 30 September 2018	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 USD						
Term loans	33,140	137,183	7,960	32,813	41,100	169,996
Revolving credits	-	-	12,614	52,351	12,614	52,351
Denominated in RM						
Term loans	-	54,537	-	39,028	-	93,565
Revolving credits	-	157,816	-	100,453	-	258,269
Bank overdraft	-	-	-	3,187	-	3,187
Unsecured						
Denominated in RM						
Revolving credits	-	-	-	92,100	-	92,100
Bank overdraft	-	-	-	1,602	-	1,602
Finance lease liabilities						
Denominated in RM	-	955	-	731	-	1,686
Total		350,491		322,265		672,756

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 27 November 2019 for the financial year ended 30 September 2019 and will be payable on 3 January 2020 to shareholders whose name appear on the Company's Record of Depositors on 18 December 2019.

B11. EARNINGS PER SHARE ("EPS")

	Current Year Quarter 30.09.2019 (unaudited)	Preceding Year Corresponding Quarter 30.09.2018 (restated) (unaudited)	Current Year-to-Date 30.09.2019 (unaudited)	Preceding Year-to-Date 30.09.2018 (restated) (audited)
BASIC EPS				
Profit attributable to Owners of the parent (RM'000)	**10,154**	7,490	**82,712**	70,928
Weighted average number of ordinary shares ('000)				
At 1 October 2018/2017	**586,548**	562,902	**586,548**	562,902
Effect of exercise of warrants	**-**	19,270	**-**	19,270
At 30 September 2019/2018	**586,548**	582,172	**586,548**	582,172
BASIC EPS (sen)	**1.73**	1.29	**14.10**	12.18

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 27 November 2019.