



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

	(Unaudited) INDIVIDUAL QUARTER		(Unaudited) CUMULATIVE QUARTER	
	Current Year Quarter 31.03.2021 RM'000	Preceding Year Corresponding Quarter 31.03.2020 RM'000	Current Year-to-Date 31.03.2021 RM'000	Preceding Year-to-Date 31.03.2020 RM'000
Revenue	264,680	243,280	492,138	485,768
Cost of sales	(187,555)	(153,071)	(344,967)	(324,358)
Gross profit	77,125	90,209	147,171	161,410
Other income	2,813	3,956	15,981	11,870
Sales and marketing expenses	(4,203)	(5,857)	(8,487)	(8,674)
Administrative expenses	(27,705)	(22,684)	(47,294)	(41,581)
Other expenses	(3,325)	(44,245)	(5,927)	(47,472)
Profit from operations	44,705	21,379	101,444	75,553
Share of results of associates	(2,152)	(2,591)	(2,243)	(5,011)
Interest expenses	(5,808)	(10,228)	(11,813)	(18,038)
Profit before tax	36,745	8,560	87,388	52,504
Tax expense	(13,799)	(5,553)	(26,830)	(18,593)
Profit for the period	22,946	3,007	60,558	33,911
Other comprehensive income				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Foreign exchange translation differences	1,717	(9,182)	3,449	(8,955)
Other comprehensive income/(loss) for the period	1,717	(9,182)	3,449	(8,955)
Total comprehensive income/(loss) for the period	24,663	(6,175)	64,007	24,956
Profit/(loss) attributable to:				
Owners of the parent	16,387	(9,755)	46,740	16,923
Non-controlling interests	6,559	12,762	13,818	16,988
	22,946	3,007	60,558	33,911
Total comprehensive income/(loss) attributable to:				
Owners of the parent	18,046	(18,824)	50,143	8,082
Non-controlling interests	6,617	12,649	13,864	16,874
	24,663	(6,175)	64,007	24,956
Basic Earnings/(Losses) per ordinary share (sen)	2.84	(1.69)	8.09	2.93
Proposed/Declared Dividend per share (sen)	-	-	3.00	4.00

The condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Audited Financial Report for the financial year ended 30 September 2020 and the accompanying explanatory notes attached to the interim Financial Report.



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
INTERIM FINANCIAL REPORT AS AT 31 MARCH 2021**

	(Unaudited) 31.03.2021 RM'000	(Audited) 30.09.2020 RM'000
<i>Assets</i>		
Property, plant and equipment	405,034	409,047
Right-of-use asset	17,927	18,088
Intangible assets	53,921	50,669
Prepaid lease payments	41,190	41,722
Investment properties	349,256	349,256
Investment in associates	12,633	9,977
Other investment	98	132
Land held for property development	885,411	903,716
Deferred tax assets	40,521	44,080
Receivables, deposits and prepayments	46,123	41,555
Total Non-Current Assets	1,852,114	1,868,242
Property development costs	433,135	394,962
Inventories	117,347	137,144
Contract assets	376,847	345,871
Biological assets	7,792	4,233
Receivables, deposits and prepayments	208,869	213,546
Current tax assets	5,000	11,650
Cash, bank balances, term deposits and fixed income funds	386,181	374,654
	1,535,171	1,482,060
Non-current assets classified as held for sale	1,247	4,534
Total Current Assets	1,536,418	1,486,594
TOTAL ASSETS	3,388,532	3,354,836
<i>Equity</i>		
Share capital	654,459	654,459
Treasury shares	(11,112)	(11,112)
Translation reserve	(5,376)	(8,779)
Revaluation reserve	27,359	27,359
Retained earnings	1,000,100	970,682
Equity attributable to owners of the parent	1,665,430	1,632,609
Non-Controlling Interests	129,974	91,811
Total Equity	1,795,404	1,724,420
<i>Liabilities</i>		
Deferred tax liabilities	60,676	60,977
Provisions	18,462	16,655
Payables and accruals	346,511	348,607
Lease liability	18,456	18,283
Loans and borrowings	258,767	256,226
Total Non-Current Liabilities	702,872	700,748
Provisions	20,587	20,587
Contract liabilities	3,516	-
Payables and accruals	492,571	522,034
Lease liability	458	458
Loans and borrowings	356,673	377,548
Current tax liabilities	16,451	9,041
Total Current Liabilities	890,256	929,668
Total Liabilities	1,593,128	1,630,416
TOTAL EQUITY AND LIABILITIES	3,388,532	3,354,836
Net Assets per share attributable to shareholders of the Company (RM)*	2.88	2.83

* Net assets per share is calculated by dividing the total equity attributable to owners of the parent by the number of ordinary shares in issue, net of treasury shares at the reporting date.
The condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Report for the financial year ended 30 September 2020 and the accompanying explanatory notes attached to the interim Financial Report.



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
INTERIM REPORT FOR THE SECOND QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2021**

Group	< ----- Attributable to owners of the parent ----- >							
	< ----- Non-distributable ----- >							
	Share Capital RM'000	Treasury Shares 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 period ended 31 March 2021								
At 1.10.2020 (audited)	654,459	(11,112)	(8,779)	27,359	970,682	1,632,609	91,811	1,724,420
Total comprehensive income for the period	-	-	3,403	-	46,740	50,143	13,864	64,007
Transactions with owners								
Issuance of shares by subsidiary to non-controlling interests	-	-	-	-	-	-	24,299	24,299
Dividends	-	-	-	-	(17,322)	(17,322)	-	(17,322)
At 31.03.2021 (unaudited)	654,459	(11,112)	(5,376)	27,359	1,000,100	1,665,430	129,974	1,795,404
Financial period ended 31 March 2020								
At 1.10.2019 (audited)	654,459	(9,637)	(4,551)	23,402	952,213	1,615,886	71,249	1,687,135
Total comprehensive income/(loss) for the period	-	-	(8,841)	-	16,923	8,082	16,874	24,956
Transactions with owners								
Share buy back	-	(1,475)	-	-	-	(1,475)	-	(1,475)
Dividend paid to non-controlling interests	-	-	-	-	-	-	(4,050)	(4,050)
Dividends	-	-	-	-	(23,161)	(23,161)	-	(23,161)
At 31.03.2020 (unaudited)	654,459	(11,112)	(13,392)	23,402	945,975	1,599,332	84,073	1,683,405

The condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Audited Financial Report for the financial year ended 30 September 2020 and the accompanying explanatory notes attached to the interim Financial Report.



**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
INTERIM REPORT FOR THE SECOND QUARTER
AND FINANCIAL PERIOD ENDED 31 MARCH 2021**

	(Unaudited) 31.03.2021 RM'000	(Unaudited) 31.03.2020 RM'000
Cash Flows From/(Used In) Operating Activities		
Profit before tax	87,388	52,504
Adjustments for non-cash items	29,482	75,645
Operating profit before changes in working capital	<u>116,870</u>	<u>128,149</u>
Change in property development costs	4,138	32,190
Change in inventories	19,618	11,564
Change in contract assets	(27,461)	28,650
Change in receivables, deposits and prepayments	240	7,346
Change in payables and accruals	(31,366)	(97,692)
Cash generated from operations	<u>82,039</u>	<u>110,207</u>
Interest received	1,455	4,571
Interest paid	(10,250)	(17,324)
Tax paid	(17,140)	(21,224)
Tax refunded	1,150	2,464
Retirement benefits obligations paid	(1,383)	(1,439)
Net cash from operating activities	<u>55,871</u>	<u>77,255</u>
Cash Flows From/(Used In) Investing Activities		
Acquisition of other investment	(52)	-
Acquisition of property, plant and equipment	(6,040)	(5,506)
Additions to intangible assets	(3,147)	(8,886)
Additions to land held for property development	(24,007)	(29,899)
Withdrawal/(placement) of deposits with licensed banks	109	(464)
Proceeds from disposal of other investment	185	-
Subscription of shares in an associate	(4,900)	(100)
Proceeds from disposal of property, plant and equipment	3	18
Proceeds from disposal of non-current assets classified as held for sale	6,573	-
Net cash used in investing activities	<u>(31,276)</u>	<u>(44,837)</u>
Cash Flows From/(Used In) Financing Activities		
Dividend paid	(17,322)	(23,161)
Dividend paid to non-controlling interests	-	(4,050)
Shares buy back	-	(1,475)
Net repayment of bank borrowings	(20,276)	(16,021)
Payments of hire purchase liabilities	(188)	(304)
Payment of lease liability	(250)	-
Proceeds from issuance of shares by a subsidiary to non-controlling shareholders	24,299	-
Net cash used in financing activities	<u>(13,737)</u>	<u>(45,011)</u>
Net increase/(decrease) in cash and cash equivalents	<u>10,858</u>	<u>(12,593)</u>
Effect of exchange rate fluctuations	182	(3,426)
Cash and cash equivalents at beginning of the period	<u>359,500</u>	<u>374,066</u>
Cash and cash equivalents at end of the period	<u>370,540</u>	<u>358,047</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 2020 and the accompanying explanatory notes attached to the interim Financial Report.



EXPLANATORY NOTES

A1. BASIS OF PREPARATION

The quarterly financial statements have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134 – Interim Financial Reporting and Appendix 9B of the Bursa Malaysia Securities Berhad Listing Requirements, and should be read in conjunction with MKH Berhad’s audited financial statements for the financial year ended 30 September 2020.

CHANGES IN ACCOUNTING POLICIES

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

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

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

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

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

MFRS 17	Insurance Contracts ⁵
Amendments to MFRS 3	Reference to the Conceptual Framework ⁴
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁶
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current ⁵
Amendments to MFRS 16	Covid-19 – Related Rent Concessions ¹
Amendments to MFRS 16	Covid-19 - Related Rent Concessions beyond 30 June 2021 ³
Amendments to MFRS 9, MFRS 139 and MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform – Phase 2 ²
Amendments to MFRS 116	Property, Plant and Equipment – Proceeds Before Intended Use ⁴
Amendments to MFRS 137	Onerous Contracts – Cost of Fulfilling a Contract ⁴
Amendments to MFRS 4	Extension of Temporary Exemption from Applying MFRS 9 ⁵
Amendments to MFRS 101	Disclosure of Accounting Policies ⁵
Amendments to MFRS 108	Definition of Accounting Estimates ⁵
Amendments to MFRSs	Annual Improvements to MFRS 2018 – 2020 Cycle ⁴

- ¹ Effective for annual periods beginning on or after 1 June 2020.
- ² Effective for annual periods beginning on or after 1 January 2021.
- ³ Effective for annual periods beginning on or after 1 April 2021.
- ⁴ Effective for annual periods beginning on or after 1 January 2022.
- ⁵ Effective for annual periods beginning on or after 1 January 2023.
- ⁶ Effective date deferred to a date to be announced by MASB.

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

A2. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors have expressed an unqualified opinion on the Company's statutory financial statements for the financial year ended 30 September 2020 in their report dated 30 December 2020.

A3. SEASONAL OR CYCLICAL FACTORS

The Group's operations were not materially affected by seasonal or cyclical factors other than the general effects of the prevailing economic conditions.

A4. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter and the financial year-to-date.

A5. CHANGES IN ESTIMATES

There were no material changes in estimates that have had material effect in the current quarter and the financial year-to-date.

A6. ISSUANCE AND REPAYMENT OF DEBT AND EQUITY SECURITIES

There were no issuance, cancellations, repurchases, resale and repayment of debt and equity securities in the current quarter and the financial year-to-date.

Treasury Shares

There is no purchase of treasury shares during the current quarter and the financial year-to-date. Total treasury shares repurchased cumulatively as at 31 March 2021 is 9,132,300 ordinary shares, representing a cumulative 1.56% of total paid up share capital in accordance with Section 127 of the Companies Act 2016. Since the end of the current quarter ended 31 March 2021, there is no repurchase of treasury share.

A7. DIVIDEND PAID

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

A8. OPERATING SEGMENTS

(a) Segment Analysis – Business Segments

Financial period ended 31 March 2021

	Property development & construction RM'000	Plantation RM'000	Hotel & property investment RM'000	Trading RM'000	Manu- facturing RM'000	Investment holding RM'000	Non-reportable segment RM'000	Eliminations RM'000	Consolidated RM'000
Revenue									
Total external revenue	289,000	136,973	12,529	47,649	4,658	-	1,329	-	492,138
Inter-segment revenue	-	4,723	1,246	78	-	99,519	-	(105,566)	-
Total segment revenue	<u>289,000</u>	<u>141,696</u>	<u>13,775</u>	<u>47,727</u>	<u>4,658</u>	<u>99,519</u>	<u>1,329</u>	<u>(105,566)</u>	<u>492,138</u>
Results									
Operating result [#]	49,950	43,405	3,579	1,672	1,682	14,983	524	(15,807)	99,988
Interest expense*	(16,897)	(4,131)	(603)	(4)	-	(13,468)	(2,150)	25,440	(11,813)
Interest income**	3,008	239	-	18	69	7,718	36	(9,633)	1,455
Share of results of associates	(2,243)	-	-	-	-	-	-	-	(2,243)
Segment result	<u>33,818</u>	<u>39,513</u>	<u>2,976</u>	<u>1,686</u>	<u>1,751</u>	<u>9,233</u>	<u>(1,590)</u>	<u>-</u>	<u>87,387</u>
Tax expense									(26,830)
Profit for the period									<u>60,557</u>
Assets									
Segment assets	2,308,851	490,917	398,657	37,840	36,021	6,160	51,932	-	3,330,378
Investment in associates	12,633	-	-	-	-	-	-	-	12,633
Deferred tax assets									40,521
Current tax assets									5,000
Total assets									<u>3,388,532</u>
Liabilities									
Segment liabilities	1,072,043	149,081	35,370	17,322	2,935	238,142	1,108	-	1,516,001
Deferred tax liabilities									60,676
Current tax liabilities									16,451
Total liabilities									<u>1,593,128</u>
Other segment information									
Depreciation and amortisation	619	16,858	1,428	21	330	40	65	-	19,361
Additions to non-current assets other than financial instruments and deferred tax assets	<u>27,192</u>	<u>5,783</u>	<u>215</u>	<u>4</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,194</u>
* Included inter-company interest expense	11,080	2,413	95	4	-	9,699	2,150	(25,441)	-
** Included inter-company interest income	(1,952)	-	-	-	-	(7,681)	-	9,633	-
# Included unrealised foreign exchange gains	-	(4,855)	-	-	-	(29)	-	-	(4,884)
# Included realised foreign exchange (gains)/losses	-	(1,466)	5	-	187	13	-	-	(1,261)

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

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

Financial year ended 31 March 2020

	Property development & construction RM'000	Plantation RM'000	Hotel & property investment RM'000	Trading RM'000	Manu- facturing RM'000	Investment holding RM'000	Non-reportable segment RM'000	Eliminations RM'000	Consolidated RM'000
Revenue									
Total external revenue	306,316	129,133	13,608	32,615	2,843	-	1,253	-	485,768
Inter-segment revenue	-	4,656	1,739	25	-	82,526	-	(88,946)	-
Total segment revenue	<u>306,316</u>	<u>133,789</u>	<u>15,347</u>	<u>32,640</u>	<u>2,843</u>	<u>82,526</u>	<u>1,253</u>	<u>(88,946)</u>	<u>485,768</u>
Results									
Operating result [#]	66,657	(733)	3,501	565	776	20,729	294	(20,808)	70,981
Interest expense*	(22,562)	(7,414)	(868)	(3)	-	(18,001)	(2,575)	33,385	(18,038)
Interest income**	5,187	232	-	77	148	11,497	8	(12,577)	4,572
Share of results of associates	(5,011)	-	-	-	-	-	-	-	(5,011)
Segment result	<u>44,271</u>	<u>(7,915)</u>	<u>2,633</u>	<u>639</u>	<u>924</u>	<u>14,225</u>	<u>(2,273)</u>	<u>-</u>	<u>52,504</u>
Tax expense									(18,593)
Profit for the period									<u>33,911</u>
Assets									
Segment assets	2,253,312	473,296	363,918	17,778	30,698	11,118	44,230	-	3,194,350
Investment in associates	10,079	-	-	-	-	-	-	-	10,079
Deferred tax assets									42,115
Tax recoverable									1,024
Current tax assets									18,948
Total assets									<u>3,266,516</u>
Liabilities									
Segment liabilities	1,001,813	218,890	38,141	3,222	3,598	247,715	1,063	-	1,514,442
Deferred tax liabilities									56,896
Current tax liabilities									11,773
Total liabilities									<u>1,583,111</u>
Other segment information									
Depreciation and amortisation	491	15,294	1,492	22	360	156	1,391	-	19,206
Additions to non-current assets other than financial instruments and deferred tax assets	38,845	5,128	210	-	5	-	102	-	44,290
* Included inter-company interest expense	14,830	3,175	141	2	-	12,662	2,575	(33,385)	-
** Included inter-company interest income	(1,526)	-	-	-	-	(11,051)	-	12,577	-
# Included unrealised foreign exchange losses	-	38,583	-	-	-	141	-	-	38,724
# Included realised foreign exchange losses	-	337	-	-	76	19	-	-	432

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	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
	RM'000	RM'000	RM'000	RM'000
Continuing operations				
Malaysia	350,507	187,239	1,355,288	1,284,460
The Peoples' Republic of China	4,658	1,984	20,541	18,398
Republic of Indonesia	136,973	53,265	376,910	412,906
	<u>492,138</u>	<u>242,488</u>	<u>1,752,739</u>	<u>1,715,764</u>

The non-current assets do not include financial instruments and deferred tax assets.

A9. VALUATION OF PROPERTY, PLANT AND EQUIPMENT

The valuations of property, plant and equipment have been brought forward without any amendments from the previous audited financial statements.

A10. MATERIAL EVENT SUBSEQUENT TO THE END OF THE INTERIM PERIOD

There were no material events subsequent to the end of the current quarter under review that have not been reflected in the financial statements.

A11. CHANGES IN THE COMPOSITION OF THE GROUP

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

A12. CHANGES IN CONTINGENT LIABILITIES OR CONTINGENT ASSETS

(a) As at 18 May 2021, the latest practicable date which is not earlier than 7 days from the date of issuance of this interim Financial Report, the net changes in the contingent liabilities of the Company to financial institutions and suppliers for banking and trade credit facilities granted to subsidiary companies since the preceding financial year ended 30 September 2020 recorded a decrease of approximately RM27.1 million. Total credit facilities granted to subsidiaries with corporate guarantees issued by the Company to the lenders and utilised by subsidiaries as at 18 May 2021 was approximately RM840.6 million and RM534.4 million respectively.

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

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

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

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

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

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

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

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

A13. CAPITAL COMMITMENTS

The capital commitment of the Group is as follows:

	As at 31.03.2021 RM'000
Approved, contracted but not provided for:	
- Intangible asset for property development division	13,631
Approved but not contracted and not provided for:	
- Property, plant and equipment for plantation division	9,473
	<u>23,104</u>

A14. RELATED PARTY TRANSACTIONS

There were no related party transactions in the current quarter and the financial year-to-date except for the following:

	Current Quarter 31.03.2021 RM'000	Financial Year-to-Date 31.03.2021 RM'000
Sales of land to a Director of the Company	1,730	1,730
Sales of development properties to other key management personnel of the Group	534	534
	<u>2,264</u>	<u>2,264</u>

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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
	31.03.2021 RM'000	31.03.2020 RM'000	RM'000	31.03.2021 RM'000	31.03.2020 RM'000	RM'000
Revenue	264,680	243,280	21,400	492,138	485,768	6,370
Operating profit	44,029	19,349	24,680	98,425	70,982	27,443
Profit before interest and tax	41,877	16,758	25,119	96,182	65,971	30,211
Profit before tax	36,745	8,560	28,185	87,388	52,504	34,884
Profit after tax	22,946	3,007	19,939	60,558	33,911	26,647
Profit attributable to ordinary equity holders of the Parent	16,387	-9,755	26,142	46,740	16,923	29,817

(i) Second quarter ended 31 March 2021

The Group achieved higher revenue and profit before tax of RM264.7 million and RM36.7 million for the current quarter as compared to the preceding year correspondence quarter of RM243.3 million and RM8.6 million respectively.

The increase in the Group's profit before tax by 326.7% was mainly due to lower unrealised foreign exchange losses of RM5.1 million in the current quarter as compared to RM41.9 million in the preceding year correspondence quarter.

Excluding unrealised foreign exchange losses, the Group's profit before tax was lower by 17.2% to RM41.8 million in the current quarter as compared to the preceding year correspondence quarter of RM50.5 million mainly due to lower gross profit from plantation division as a result of lower crude palm oil ("CPO") sales volume of 21,500 metric tonnes ("MT") in the current quarter as compared to 28,200 MT in the preceding year correspondence quarter. The lower sales volume due to lower production of fresh fruit bunches was mitigated by higher average selling price of CPO at RM2,747 per MT in the current quarter as compared to RM2,493 per MT in the preceding year correspondence quarter.

(ii) Financial year-to-date ("YTD") ended 31 March 2021 by Segments

Property and construction

The division recorded lower revenue and profit before tax of RM289.0 million and RM33.8 million for the current YTD as compared to the preceding YTD of RM306.3 million and RM44.3 million respectively mainly due to delay in handing over vacant possession of Kajang East Precinct 1 (phase 2 & 4) in the current YTD as compared to the preceding YTD's handing over vacant possession of The Palm (phase 1B) @ Hill Park Shah Alam. The newly launched property development projects namely, MIRAI Residences @ Kajang 2 and Nexus @ Taman Pertama still at the preliminary stage of development.

As at 31.03.2021, the Group has locked-in unbilled sales value of RM846.1 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 (RM56.6 million), Kajang 2 Precinct 2 (RM2.3 million), TR Residence (RM17.3 million), Inspirasi @ Mont Kiara (RM158.0 million), Kajang East Precinct 1 (RM33.4 million), MKH Boulevard II (RM85.9 million), NEXUS @ Kajang Station (RM255.2 million), Bandar Teknologi Kajang shop (RM1.6 million), Hillpark 3 Phase 1B Shop (RM1.0 million), Kajang East Avenue Shop (RM9.0 million), MIRAI Residences @ Kajang 2 (RM187.0 million) and Nexus @ Taman Pertama (RM38.8 million).

Plantation

The division recorded higher revenue and profit before tax of RM137.0 million and RM39.5 million for the current YTD as compared to the preceding YTD of RM129.1 million and loss before tax of RM7.9 million respectively.

The profit before tax included unrealised foreign exchange gains of RM4.9 million in the current YTD as compared to the preceding YTD unrealised foreign exchange losses of RM38.6 million. The unrealised foreign exchange gains/losses were mainly due to strengthening/weakening of Indonesia Rupiah (“IDR”) against its United States Dollar (“USD”) and Ringgit Malaysia (“RM”) borrowings.

Excluding unrealised foreign exchange gains/losses, this division recorded profit before tax of RM34.6 million for the current YTD as compared to the preceding YTD of RM30.7 million. The increase in revenue and profit before tax excluding unrealised foreign exchange gains/losses was mainly due to higher average selling price of CPO as disclosed below.

Palm oil plantation’s production key indicators:

As at 31 March 2021	Q1	Q2	YTD 2021
Total land area (hectares)			18,388
Planted area (hectares)			16,408
Mature area (hectares)			16,081
Fresh Fruit Bunches produced by (MT)			
Own estates	107,006	107,620	214,626
External	5,359	5,377	10,736
	112,365	112,997	225,362
Crude Palm Oil (MT)	22,682	21,446	44,129
Palm Kernel (MT)	4,339	4,021	8,361
Average CPO price/MT	2,656	2,747	2,698
Average PK price/MT	1,258	1,729	1,466

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

Hotel and property investment

This division recorded lower revenue of RM12.5 million in the current YTD as compared to the preceding YTD of RM13.6 million mainly due to reduction in average rental rates for certain tenants in order to sustain the occupancy rates and the newly refurbished 3-star hotel namely RHR Hotel @ Kajang has yet to achieve its breakeven occupancy rates. This division achieved slight increase in profit before tax of RM3.0 million in the current YTD as compared to the preceding YTD of RM2.6 million mainly due to lower interest expenses.

The hotel division's performance will continue to be impacted by the recent announcement of Movement Control Order ("MCO") 3.0 as some of the rooms and seminar packages sales will be rescheduled after MCO 3.0 is uplifted.

Trading

This division recorded higher revenue and profit before tax of RM47.6 million and RM1.7 million for the current YTD as compared to the preceding YTD of RM32.6 million and RM0.6 million respectively as approximately 67% of sales were mainly derived from the Group's development projects.

Manufacturing

This division recorded higher revenue and profit before tax of RM4.7 million and RM1.8 million for the current YTD as compared to the preceding YTD of RM2.8 million and RM0.9 million (2QFY2020: manufacturing of furniture operation was closed from 18 January 2020 to 2 March 2020 following imposition of lockdown by the China Government to curb the spread of COVID-19) mainly due to higher gross profit margin achieved from the sales of furniture.

Investment holding

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

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

	Current Quarter 31.03.2021 RM'000	Immediate Preceding Quarter 31.12.2020 RM'000	Changes RM'000
Revenue	264,680	227,458	37,222
Operating profit	44,029	55,960	(11,931)
Profit before interest and tax	41,877	55,869	(13,992)
Profit before tax	36,745	50,643	(13,898)
Profit after tax	22,946	37,612	(14,666)
Profit attributable to ordinary equity holders of the parent	16,387	30,353	(13,966)

Despite the higher revenue of RM264.7 million in the current quarter as compared to the preceding quarter of RM227.5 million, the Group recorded lower profit before tax of RM36.7 million as compared to the preceding quarter of RM50.6 million mainly due to inclusion of unrealised foreign exchange losses of RM5.1 million in the current quarter as compared to unrealised foreign exchange gains of RM10.0 million in the preceding quarter.

Excluding the unrealised foreign exchange losses/gains, the adjusted profit before tax recorded a slight increase to RM41.8 million in the current quarter as compared to the preceding quarter of RM40.6 million mainly due to higher revenue and profit from the property development and construction division. The lower revenue and profit from the plantation division in the current quarter as compared to the preceding quarter was mainly due to lower CPO sales volume of 21,500MT (1QFY2021: 25,000MT) despite higher average selling price of CPO of RM2,747 per MT (1QFY2021: RM2,656 per MT) in the current quarter.

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

This is not applicable to the Group.

B4. CURRENT YEAR PROSPECTS

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

Property development and construction, and trading segments:

The outlook for property development and construction, and trading segment for the financial year ending 30 September 2021 ("FY2021") remain challenging but with the launching of Malaysia National COVID-19 Immunization Programme in February 2021, we anticipate it will improve the property market sentiment.

B4. CURRENT YEAR PROSPECTS (CONT'D)

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

As at 31.3.2021, the Group achieved take up rates for the newly launched development projects as follows:

- 73% for Hillpark Aspirasi @ Hillpark Shah Alam (88 units single-storey shops) with GDV of approximately RM40.8 million which was launched in September 2020;
- 75% for MIRAI Residences @ Kajang 2 Precinct 1 phase 1 (748 units of apartments) with GDV of approximately RM236.2 million which was launched in September 2020;
- 15% for Nexus @ Taman Pertama (507 units of apartments) with GDV of approximately RM264.1 million which was launched in November 2020; and
- 8% for MIRAI Residences @ Kajang 2 Precinct 1 phase 2 (748 units of apartments) with GDV of approximately RM245.6 million which was launched in February 2021.

The Group's remaining planned launches in FY2021 comprising of the transit-oriented high-rise residential development known as TR2 Residence @ Jalan Tun Razak, and the landed residential development known as Iris @ Hillpark Shah Alam and Kajang 2 Precinct 3 with a total estimated GDV of approximately RM863.6 million will be phased according to prevailing market sentiments.

The Group will continue to leverage on its available properties from the ongoing development projects with sales value of approximately RM961.0 million and monetize its inventories totaling RM88.2 million through digital marketing, rolling out more competitive rebates and timely completion of ongoing development projects.

The Group's unbilled sales of RM846.1 million would be able to sustain this division for the next two (2) years and the above new planned transit-oriented development launches which are strategically located in Kuala Lumpur, Cheras and Kajang will further strengthen the Group's future unbilled sales.

For the trading division, approximately 67% of the sales of building materials are contributed from the Group's development projects and it will continue to supply building materials to the Group's ongoing and future development projects.

Hotel and property investment segment:

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

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

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

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

B4. CURRENT YEAR PROSPECTS (CONT'D)

Plantation segment:

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

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

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

This division is exposed to foreign exchange risk on its United States Dollar ("USD") and Ringgit Malaysia ("RM") denominated loans. For the current quarter ended 31 March 2021, this division recorded unrealised foreign exchange losses of RM5.0 million as compared to the preceding quarter of unrealised foreign exchange gains of RM9.8 million based on exchange rate of USD1:IDR14,572 and RM1:IDR3,508 as at 31 March 2021 due to the weakening of the Indonesia Rupiah ("IDR") against USD and RM. The exchange rates movement is analysed as below:

As at 31.3.2020, USD: IDR14,572 and RM1: IDR3,508
As at 31.12.2020, USD:IDR14,105 and RM1:IDR3,492
As at 30.9.2020, USD:IDR14,918 and RM1:IDR3,590
As at 30.6.2020, USD1:IDR14,302 and RM1:IDR3,340
As at 31.3.2020, USD1:IDR16,367 and RM1:IDR3,791

The IDR has since stabilized and strengthen against the USD and RM with an exchange rate of USD1: IDR14,284 and RM1: IDR3,458 as at 18 May 2021.

The crude palm oil ("CPO") prices remain well supported due to good demand and tighter supply with current CPO price trading at approximately RM3,300/MT (net of export levy and duty) in Indonesia which augurs well for the Plantation Division. For the current quarter, the average CPO price achieved was at RM2,747 per MT as compared to the immediate preceding quarter of RM2,656 per MT. For the 3rd quarter ending 30 June 2021, we are expecting an average CPO price at a range of between RM3,100 to RM3,300 per MT. We will continue to focus on the estate management to further increase the production efficiencies including oil extraction rate and maximising the utilisation of the CPO mill to further capitalise on the higher CPO price.

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

B5. (i) PROFIT BEFORE TAX FROM CONTINUING OPERATIONS

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

	Current Quarter 31.03.2021 RM'000	Financial year-to-date 31.03.2021 RM'000
Amortisation of prepaid lease payments	(378)	(756)
Depreciation of right-of-use asset	(80)	(161)
Depreciation of property, plant and equipment	(9,221)	(18,444)
Interest expenses - loan and borrowings	(4,989)	(10,249)
- lease liability	(337)	(423)
- unwinding of discount	(482)	(1,141)
<i>Other expenses</i>		
Property, plant and equipment written off	(67)	(69)
<i>Other income</i>		
Net (loss)/gain on foreign exchange		
- realised	1,221	1,261
- unrealised	(5,134)	4,884
Interest income	676	1,455
Reversal of impairment loss on trade and loan receivables	20	53
Gain arising from changes in biological assets	2,683	3,470
Gain on disposal of property, plant and equipment	(4)	(2)
Gain on disposal of other investment	35	98
	<u>370,540</u>	<u>358,047</u>

(ii) CASH AND CASH EQUIVALENTS

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

	(Unaudited) 31.03.2021 RM'000	(Unaudited) 31.03.2020 RM'000
Cash and bank balances	111,140	118,899
Cash held under housing development accounts	232,557	254,308
Cash held under sinking fund accounts	2	11
Deposits with licensed banks	10,808	10,527
Short term funds	31,674	22,710
Bank overdrafts	(1,799)	(23,775)
	<u>384,382</u>	<u>382,680</u>
Less: Non short term and highly liquid fixed deposits	-	(8,315)
Less: Deposits and bank balances pledged for credit facilities	(13,842)	(16,318)
	<u>370,540</u>	<u>358,047</u>

B6. TAX EXPENSE

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.03.2021 RM'000	Preceding Year Corresponding Quarter 31.03.2020 RM'000	Current Year-to-Date 31.03.2021 RM'000	Preceding Year-to-Date 31.03.2020 RM'000
Current tax				
- Current financial year	11,196	8,483	23,737	19,450
- Prior financial year	(1)	-	13	734
Deferred tax				
- Current financial year	2,609	(2,930)	3,082	(1,419)
- Prior financial year	(5)	-	(2)	(172)
	<u>13,799</u>	<u>5,553</u>	<u>26,830</u>	<u>18,593</u>

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

B7. GROUP BORROWINGS AND DEBT SECURITIES

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

	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 2021						
<u>Secured</u>						
<u>Denominated in USD</u>						
Term loans	6,800	28,166	4,800	19,784	11,600	47,950
Revolving credits	-	-	8,500	35,301	8,500	35,301
<u>Denominated in RM</u>						
Term loans	-	59,486	-	10,900	-	70,386
Revolving credits	-	149,707	-	115,589	-	265,296
Bank overdraft	-	-	-	1,799	-	1,799
<u>Unsecured</u>						
<u>Denominated in USD</u>						
Term loans	5,000	20,765	-	-	5,000	20,765
Revolving credits	-	-	1,150	4,783	1,150	4,783
<u>Denominated in RM</u>						
Revolving credits	-	-	-	168,200	-	168,200
<u>Finance lease liabilities</u>						
<u>Denominated in RM</u>	-	643	-	317	-	960
Total		258,767		356,673		615,440

B7. GROUP BORROWINGS AND DEBT SECURITIES (CONT'D)

As at 31 March 2020	Long term		Short term		Total borrowings	
	Foreign currency 000	RM Equivalent RM'000	Foreign currency 000	RM Equivalent RM'000	Foreign currency 000	RM Equivalent RM'000
<u>Secured</u>						
<u>Denominated in USD</u>						
Term loans	17,000	72,826	5,960	25,655	22,960	98,481
Revolving credits	-	-	12,500	53,807	12,500	53,807
<u>Denominated in RM</u>						
Term loans	-	46,235	-	1,538	-	47,773
Revolving credits	-	147,556	-	131,000	-	278,556
Bank overdraft	-	-	-	18,605	-	18,605
<u>Unsecured</u>						
<u>Denominated in USD</u>						
Term loans	-	-	4,000	17,218	4,000	17,218
Revolving credits	-	-	3,000	12,931	3,000	12,931
<u>Denominated in RM</u>						
Revolving credits	-	-	-	160,700	-	160,700
Bank overdraft	-	-	-	5,170	-	5,170
<u>Finance lease liabilities</u>						
<u>Denominated in RM</u>	-	554	-	373	-	927
Total		267,171		426,997		694,168

B8. MATERIAL LITIGATION

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

B9. DIVIDEND

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

B10. EARNINGS PER SHARE (“EPS”)

	Current Year	Preceding Year	Current	Preceding
	Quarter	Corresponding	Year-to-Date	Year-to-Date
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
		(restated)		(restated)
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
BASIC EPS				
Profit/(Loss) attributable to Owners of the parent (RM'000)	16,387	(9,755)	46,740	16,923
Weighted average number of ordinary shares ('000)				
At 1 October 2020/2019	586,548	586,548	586,548	586,548
Treasury shares	(9,132)	(9,132)	(9,132)	(9,132)
At 31 March 2021/2020	577,416	577,416	577,416	577,416
BASIC EPS/(LPS) (sen)	2.84	(1.69)	8.09	2.93

B11. 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 28 May 2021.