

MHC Plantations Bhd (4060-V)

Condensed Consolidated Statement of Comprehensive Income
For The Period Ended 30 September 2010

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30 Sep 2010	Preceding Year Corresponding Quarter 30 Sep 2009	Current Year To Date 30 Sep 2010	Preceding Year Corresponding Period 30 Sep 2009
	RM' 000	RM'000	RM' 000	RM' 000
Revenue	7,824	6,192	19,222	17,313
Cost of sales	(2,602)	(2,921)	(7,145)	(7,810)
Gross profit	5,222	3,271	12,077	9,503
Other income	63	62	195	178
Administrative expenses	(834)	(965)	(2,896)	(2,564)
Operating profit	4,451	2,368	9,376	7,117
Finance costs	(239)	(200)	(678)	(630)
Share of profits in associated companies, net of tax	9,529	1,166	12,510	4,060
Profit before tax	13,741	3,334	21,208	10,547
Income tax expense	(1,123)	(635)	(2,355)	(1,715)
Total profit and comprehensive income for the period	12,618	2,699	18,853	8,832
Attributable to				
Equity holders of the parent	12,592	2,675	18,791	8,774
Minority interest	26	24	62	58
	12,618	2,699	18,853	8,832
Weighted average number of shares in issue	84,233,130	84,233,130	84,233,130	84,233,130
Earnings per share in sen	14.95	3.18	22.31	10.42

The interim financial report should be read in conjunction with the audited financial statements for the year ended 31 December 2009.

MHC Plantations Bhd (4060-V)
(Incorporated in Malaysia)

Condensed Consolidated Statement of Financial Position at at 30 September 2010

	As at 30 September 2010 RM'000	As at 31 December 2009 RM'000 - restated
ASSETS		
Non-current assets		
Property, plant and equipment	25,597	23,148
Investment property	4,060	646
Prepaid land lease payments	11,834	11,988
Biological assets	16,536	16,536
Associated companies	187,460	171,298
Other investments	364	3,364
Goodwill on consolidation	16,929	16,929
	262,780	243,909
Current assets		
Inventories	714	741
Trade and other receivables	5,769	2,310
Short term investments	2,583	5,003
Fixed deposits with licensed banks	449	1,649
Cash and bank balances	1,774	1,884
	11,289	11,587
TOTAL ASSETS	274,069	255,496
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	84,233	84,233
Reserves	155,986	139,090
	240,219	223,323
Minority interest	1,545	1,525
Total equity	241,764	224,848

Condensed Consolidated Statement of Financial Position at at 30 September 2010 (Contd.)

	As at 30 September 2010 RM'000	As at 31 December 2009 RM'000 - restated
EQUITY AND LIABILITIES (CONTD.)		
Non-current liabilities		
Hire purchase payables	240	303
Borrowings	15,600	17,250
Deferred tax liabilities	3,123	2,919
	<u>18,963</u>	<u>20,472</u>
Current liabilities		
Payables	1,313	1,502
Hire purchase payables	169	194
Borrowings	11,500	7,800
Taxation	360	680
	<u>13,342</u>	<u>10,176</u>
Total liabilities	<u>32,305</u>	<u>30,648</u>
TOTAL EQUITY AND LIABILITIES	<u>274,069</u>	<u>255,496</u>
Net Tangible Asset Per Share (RM)	2.65	2.45
Net Asset Per Share (RM)	2.85	2.65

The interim financial report should be read in conjunction with the audited financial statements for the year ended 31 December 2009.

MHC Plantations Bhd (4060-V)

Condensed Consolidated Statements of Changes in Equity
For The Period Ended 30 September 2010

	Attributable to the equity holders of the parent										Total Equity	
	Share Capital RM' 000	Share Premium RM' 000	Non-distributable			Distributable			Total	Minority Interest RM' 000		Total Equity RM' 000
			Capital Reserve RM' 000	Revaluation Reserve RM' 000	Capital Reserve RM' 000	Retained Profits RM' 000						
As at 1 Jan 2009	84,233	8,213	5,737	557	5,198	100,730	204,668	1,458	206,126			
Total comprehensive income for the period	-	-	-	-	-	8,774	8,774	58	8,832			
Dividends	-	-	-	-	-	(1,895)	(1,895)	-	(1,895)			
Dividend paid to minority shareholders of a subsidiary company	-	-	-	-	-	-	-	(16)	(16)			
As at 30 September 2009	84,233	8,213	5,737	557	5,198	107,609	211,547	1,500	213,047			
As at 1 Jan 2010	84,233	8,213	5,737	557	5,198	119,385	223,323	1,525	224,848			
Total comprehensive income for the period	-	-	-	-	-	18,791	18,791	62	18,853			
Dividends	-	-	-	-	-	(1,895)	(1,895)	-	(1,895)			
Dividend paid to minority shareholders of a subsidiary company	-	-	-	-	-	-	-	(42)	(42)			
As at 30 September 2010	84,233	8,213	5,737	557	5,198	136,281	240,219	1,545	241,764			

The interim financial report should be read in conjunction with the audited financial statements for the year ended 31 December 2009.

MHC Plantations Bhd (4060-V)

**Condensed Consolidated Statement of Cash Flows
For The Period Ended 30 September 2010**

	2010	2009
	RM' 000	RM' 000
Net cash generated from operating activities	69	7,233
Net cash used in investing activities	(3,751)	(3,360)
Net cash (used in)/generating from financing activities	(48)	858
Net (decrease)/increase in Cash and Cash Equivalents	<u>(3,730)</u>	<u>4,731</u>
Cash and Cash Equivalents at Beginning	8,122	3,391
Cash and Cash Equivalents at End	<u><u>4,392</u></u>	<u><u>8,122</u></u>
Fixed deposits with licensed banks	449	1,649
Short term investments	2,583	5,003
Cash and bank balances	1,774	1,884
	<u>4,806</u>	<u>8,536</u>
Less : Fixed deposits pledged	<u>(414)</u>	<u>(414)</u>
	<u><u>4,392</u></u>	<u><u>8,122</u></u>

The interim financial report should be read in conjunction with the audited financial statements for the year ended 31 December 2009.

MHC Plantations Bhd. (4060-V)

Notes to the Interim Financial Report

1. Basis of preparation

The interim report has been prepared in compliance with FRS 134 *Interim Financial Reporting* and Listing Requirements of Bursa Securities and it should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2009.

The accounting policies used in the preparation of interim financial report are consistent with those previously adopted in the audited financial statements of the Group for the year ended 31 December 2009. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to the understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2009.

2. Changes in accounting policies

The accounting policies and methods of computation adopted by the Group in these interim financial statements are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2009 except for the adoption of the following FRSs effective for the annual periods beginning on or after 1 July 2009 which are relevant to its operations:

FRS 4 Insurance Contracts
FRS 7 Financial Instruments: Disclosures
FRS 8 Operating Segments
FRS 101 Presentation of Financial Statements (revised)
FRS 123 Borrowing Costs
FRS 127 Consolidated and Separate Financial Statements (amended)
FRS 139 Financial Instruments: Recognition and Measurement
Amendments to FRS 1: First-time Adoption of Financial Reporting and Standards and
FRS 127: Consolidated and Separate Financial Statements: Cost of an Investment in a
Subsidiary, Jointly Controlled Entity or Associate
Amendments to FRS 2 Share-based Payment: Vesting Conditions and Cancellations
Amendments to FRS 2 Share-based Payment
Amendments to FRS 5 Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 132 Financial Instruments: Presentation
Amendments to FRS 138 Intangible Assets
Amendments to FRS 139 and FRS 7 Financial Instruments: Recognition and
Measurement and Financial Instruments:
Amendments to FRSs 'Improvements to FRSs (2009)'

Other than the implications as discussed below, the adoption of the above standards, amendments and interpretations do not have any material impact on the financial statements of the Group:

a) FRS 117 Leases

The Group has adopted the amendments to FRS117. The Group has reassessed and determined that all leasehold land of the Group which are in substance finance leases and has reclassified the leasehold land to property, plant and equipment. The change in accounting policy has been made retrospectively in accordance with the transitional provisions of the amendment.

The reclassification does not affect the basic earnings per ordinary share for the current and prior periods.

The following comparative figures have been restated following the adoption of the amendments to FRS117:

Restatement of comparatives

	Previously stated RM'000	Increase/ (Decrease) RM'000	Restated RM'000
At 31 December 2009			
Property, plant and equipment	16,794	6,354	23,148
Prepaid land lease payments	<u>18,342</u>	<u>(6,354)</u>	<u>11,988</u>

3. Auditors' report

The auditor's report on the preceding annual financial statements was not qualified.

4. Seasonal and cyclical factors

The business of the Group is cyclical in nature and the third quarter is normally the peak production season.

5. Unusual items

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial period ended 30 September 2010.

6. Changes in estimates

There were no changes in estimates that have had a material effect in the current quarter results.

7. Equity and debt securities

There were no issuance, cancellation, resale, repurchase and repayment of equity or debt securities during the financial period ended 30 September 2010.

8. Dividend paid

Dividends paid on 27 May 2010 were declared on 29 April 2010, in respect of the year ended 31 December 2009 being a final dividend of 3% less 25% taxation on 84,233,130 ordinary shares, amounting to RM1,895,243.

No dividend was paid out during the current quarter ended 30 September 2010.

9. Segment information

Segment information is not presented as the Group operates solely in Malaysia and the combined revenues, profit or loss and assets employed of business segments other than the plantation segment represent less than 10% of the Group's combined revenues, profit or loss and assets employed respectively.

10. Property, plant and equipment

The valuations of land and buildings have been brought forward and without amendment from the previous annual report.

11. Subsequent event

There was no material event subsequent to the end of the reporting quarter.

12. Changes in the composition of the Group

The Company had on 29 September 2010 acquired the entire issued and paid up share capital of Bisikan Gemilang Sdn. Bhd. comprising 2 ordinary shares of RM1/- each for a total consideration of RM2/- , resulting in Bisikan Gemilang Sdn. Bhd. becoming a wholly-owned subsidiary of the Company.

13. There was no outstanding contingent liability as at end of this quarter and as at the date of this report.

14. Capital commitments

	RM'000
Capital expenditure	
Approved and contracted for	3,781
Approved but not contracted for	<u>141</u>
	<u>3,922</u>

MHC Plantations Bhd. (4060-V)

Information required by BMSB Listing Requirements

1. Review of performance

The Group's revenue for the current quarter ended 30 September 2010 and the cumulative quarter ended 30 September 2010 improved by 26% and 11% respectively from the preceding year quarter ended 30 September 2009 and the preceding year cumulative quarter ended 30 September 2009 mainly due to higher prices of Fresh Fruit Bunches ("FFB").

Profit before tax for the current quarter and the current cumulative quarter are higher than the preceding year quarter and the preceding year cumulative quarter mainly due to higher FFB prices and contribution from the associated companies. Included in the share of profits in the associated companies is an amount of RM6.23 million in respect of the recognition of negative goodwill arising from the purchase of additional investment in an associated company during the current quarter.

2. Variation of results against preceding quarter

The profitability for the current quarter is higher than the immediate preceding quarter mainly due to higher FFB prices and contribution from the associated companies.

3. Current year prospects

Barring any unforeseen circumstances, the Board is confident that the Group's prospects do remain satisfactory in view of the favourable palm oil prices.

4. Profit forecast

Not applicable as there was no profit forecast published.

5. Income tax expense

Taxation is provided at the prevailing statutory rate based on the operating profit for the quarter as follows.

	Current Year Quarter 30 Sep 2010 RM' 000	Preceding Year Corresponding Quarter 30 Sep 2009 RM'000	Current Year To Date 30 Sep 2010 RM' 000	Preceding Year Corresponding Period 30 Sep 2009 RM' 000
Current tax:				
Malaysian income tax	946	648	2,031	1,751
Deferred tax	82	(43)	204	(66)
	1,028	605	2,235	1,685
Under/(Over) provision of Malaysian income tax in prior years	95	30	120	30
	1,123	635	2,355	1,715

The effective tax rate for the current quarter and the cumulative quarter ended 30 September 2010 was in line with the statutory tax rate of 25%.

6. Unquoted investments and properties

There were no sales of unquoted investments and properties except for the disposal of unquoted investment amounting to RM3 million during the current quarter.

7. Quoted investments

a) There was no acquisition or disposal of quoted investments during the reporting quarter.

b) Investment in quoted investments as at end of reporting quarter.

At cost RM 233,994

At carrying value RM 173,994

Market value RM 233,341

8. Corporate proposal

There is no corporate proposal announced since the end of the previous reporting quarter and as at the date of this report.

9. Borrowings

The total borrowings incurred by the Group and outstanding as at end of the current quarter are as follows

<u>Current - Secured</u>	<u>RM'000</u>
Revolving credit	9,300
Term loan	2,200
	<u>11,500</u>
<u>Non-current - Secured</u>	<u>RM'000</u>
Term loan	<u>15,600</u>
Total borrowings	<u>27,100</u>

10. Disclosure of derivatives

There were no outstanding derivatives (including financial instruments designated as hedging instruments) as at 30 September 2010.

11. Changes in material litigation

There was no pending material litigation as at end of this quarter and as at the date of this report.

12. Dividend payable

No interim ordinary dividend has been declared for the financial period ended 30 September 2010 (30 September 2009: Nil).

13. Basic earnings per share

Basic earnings per share amounts are calculated by dividing profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares of 84,233,130 (2009 – 84,233,130) in issue during the period.

14. Authorisation for issue

The interim financial statements were authorized for issue by the Board of Directors in accordance with a resolution of the directors on 28 October 2010.