

MHC Plantations Bhd (4060-V)
Condensed Consolidated Statement of Comprehensive Income
For The Financial Period Ended 31 December 2010

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31 Dec 2010	Preceding Year Corresponding Quarter 31 Dec 2009	Current Year To Date 31 Dec 2010	Preceding Year Corresponding Period 31 Dec 2009
	RM' 000	RM'000	RM' 000	RM' 000
Revenue	8,115	5,980	27,337	23,293
Cost of sales	(2,795)	(2,397)	(9,940)	(10,207)
Gross profit	5,320	3,583	17,397	13,086
Other income	77	273	272	451
Administrative expenses	(1,245)	(1,179)	(4,141)	(3,743)
Operating profit	4,152	2,677	13,528	9,794
Finance costs	(299)	(214)	(977)	(844)
Share of profits in associates, net of tax	3,263	10,049	15,773	14,109
Profit before tax	7,116	12,512	28,324	23,059
Income tax expense	(1,249)	(711)	(3,604)	(2,426)
Profit net of tax	5,867	11,801	24,720	20,633
Other comprehensive income				
Net gain on available-for-sale financial assets				
- Gain on fair value changes	65	-	65	-
Total comprehensive income for the period	5,932	11,801	24,785	20,633
Profit attributable to:				
Owners of the parent	5,840	11,776	24,631	20,550
Minority interest	27	25	89	83
	5,867	11,801	24,720	20,633
Total comprehensive income attributable to:				
Owners of the parent	5,905	11,776	24,696	20,550
Minority interests	27	25	89	83
	5,932	11,801	24,785	20,633
Weighted average number of shares in issue	84,233	84,233	84,233	84,233
Earnings per share in sen	6.93	13.98	29.24	24.40

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 31 December 2010

	As at 31 December 2010 RM'000	As at 31 December 2009 RM'000 - restated
ASSETS		
Non-current assets		
Property, plant and equipment	37,907	35,136
Investment property	4,056	646
Biological assets	16,536	16,536
Investment in associates	189,940	171,298
Investment securities	456	3,364
Goodwill on consolidation	16,929	16,929
	<u>265,824</u>	<u>243,909</u>
Current assets		
Inventories	456	741
Trade and other receivables	4,775	2,310
Short term investments	4,788	5,003
Fixed deposits with licensed banks	456	1,649
Cash and bank balances	2,577	1,884
	<u>13,052</u>	<u>11,587</u>
TOTAL ASSETS	<u>278,876</u>	<u>255,496</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	84,233	84,233
Reserves	161,918	139,090
	<u>246,151</u>	<u>223,323</u>
Minority interest	1,368	1,525
Total equity	<u>247,519</u>	<u>224,848</u>

Condensed Consolidated Statement of Financial Position at at 31 December 2010 (Contd.)

	As at	As at
	31 December 2010	31 December 2009
	RM'000	RM'000
		- restated
EQUITY AND LIABILITIES (CONTD.)		
Non-current liabilities		
Hire purchase payables	159	303
Borrowings	15,050	17,250
Deferred tax liabilities	3,072	2,919
	<u>18,281</u>	<u>20,472</u>
Current liabilities		
Payables	1,857	1,502
Hire purchase payables	216	194
Borrowings	10,200	7,800
Taxation	803	680
	<u>13,076</u>	<u>10,176</u>
Total liabilities	<u>31,357</u>	<u>30,648</u>
TOTAL EQUITY AND LIABILITIES	<u>278,876</u>	<u>255,496</u>
Net Tangible Asset Per Share (RM)	<u>2.72</u>	<u>2.45</u>
Net Asset Per Share (RM)	<u>2.92</u>	<u>2.65</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)

**Condensed Consolidated Statements of Changes in Equity
For The Financial Period Ended 31 December 2010**

	Attributable to the equity holders of the parent										Minority Interest	Total Equity
	Non-distributable					Distributable						
	Share Capital RM' 000	Share Premium RM' 000	Capital Reserve RM' 000	Revaluation Reserve RM' 000	Fair value adjustment reserve RM'000	Capital Reserve RM' 000	Retained Profits RM' 000	Total	RM' 000	RM' 000		
Opening balance 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	-	-	-	-	-	-	20,550	20,550	83	20,633		
Transactions with owners:												
Dividends	-	-	-	-	-	-	(1,895)	(1,895)	-	(1,895)		
Dividend paid to minority shareholders of subsidiaries	-	-	-	-	-	-	-	-	(16)	(16)		
Total transactions with owners	-	-	-	-	-	-	(1,895)	(1,895)	(16)	(1,911)		
Closing balance at 31 December 2009	84,233	8,213	5,737	557	-	5,198	119,385	223,323	1,525	224,848		
Opening balance at 1 Jan 2010	84,233	8,213	5,737	557	-	5,198	119,385	223,323	1,525	224,848		
Effects of adopting FRS 139	-	-	-	-	136	-	(109)	27	-	27		
Total comprehensive income for the period	84,233	8,213	5,737	557	136	5,198	119,276	223,350	1,525	224,875		
Transactions with owners:	-	-	-	-	65	-	24,631	24,696	89	24,785		
Dividends	-	-	-	-	-	-	(1,895)	(1,895)	-	(1,895)		
Dividend paid to minority shareholders of subsidiaries	-	-	-	-	-	-	-	-	(246)	(246)		
Total transactions with owners	-	-	-	-	-	-	-	-	(246)	(246)		
Closing balance at 31 December 2010	84,233	8,213	5,737	557	201	5,198	142,012	246,151	1,368	247,519		

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 Financial Period Ended 31 December 2010**

	2010	2009
	RM' 000	RM' 000
Net cash flows from operating activities	8,478	7,233
Net cash used in investing activities	(7,060)	(3,360)
Net cash (used in)/from financing activities	(2,140)	858
Net (decrease)/increase in Cash and Cash Equivalents	<u>(722)</u>	<u>4,731</u>
Cash and Cash Equivalents at Beginning	8,122	3,391
Cash and Cash Equivalents at End	<u><u>7,400</u></u>	<u><u>8,122</u></u>
Fixed deposits with licensed banks	456	1,649
Short term investments	4,788	5,003
Cash and bank balances	<u>2,577</u>	<u>1,884</u>
	<u>7,821</u>	<u>8,536</u>
Less : Fixed deposits pledged	<u>(421)</u>	<u>(414)</u>
	<u><u>7,400</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 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	18,342	35,136
Prepaid land lease payments	18,342	(18,342)	-

b) **FRS 101 Presentation of Financial Statements (Revised)**

The revised FRS 101 introduces changes in the presentation and disclosures of financial statements. The revised Standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented as a single line. The Standard also introduces the statement of comprehensive income, with all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Group and the Company have elected to present this statement as one single statement.

In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the classification of items in the financial statements.

The revised FRS 101 was adopted retrospectively by the Group and the Company.

c) **FRS 139 Financial Instruments: Recognition and Measurement**

FRS 139 establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. The Group and the Company have adopted FRS 139 prospectively on 1 January 2010 in accordance with the transitional provisions. The effects arising from the adoption of this Standard has been accounted for by adjusting the opening balance of retained earnings as at 1 January 2010. Comparatives are not restated. The details of the changes in accounting policies and the effects arising from the adoption of FRS 139 are discussed below:

Equity instruments

Prior to 1 January 2010, the Group classified its investments in equity instruments which were held for non-trading purposes as non-current investments. Such investments were carried at cost less impairment losses. Upon the adoption of FRS 139, these investments, except for those whose fair value

cannot be reliably measured, are designated at 1 January 2010 as available-for-sale financial assets and accordingly are stated at their fair values as at that date amounting to RM200,890. The adjustments to their previous carrying amounts are recognised as adjustments to the opening balance of retained earnings as at 1 January 2010. Investments in equity instruments whose fair value cannot be reliably measured amounting to RM3,190,187 at 1 January 2010 continued to be carried at cost less impairment losses.

The following are effects arising from the above changes in accounting policies:

	As at 31 Dec 2010 RM' 000	As at 1 Jan 2010 RM' 000
<i><u>Statements of financial position</u></i>		
Investment in securities (non-current)		
- available-for-sale financial assets	65	27
Retained earnings	-	(109)
Other reserves - fair value adjustment reserve	<u>65</u>	<u>136</u>

Statements of comprehensive income

	Increase 2010 RM' 000
Other comprehensive income for the year, net of tax	<u>65</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 31 December 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 31 December 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 31 December 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. 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.

The fair values of the identifiable assets and liabilities of BGSB as at the date of acquisition were:

	RM
Cash and cash equivalents, representing net identified asset	2
Consideration settled in cash	<u>(2)</u>
Net cash outflow on acquisition	<u>-</u>

From the date of acquisition, BGSB has contributed a net loss of RM3,632 to the Group's profit net of tax.

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

13. Capital commitments

	RM'000
Capital expenditure	
Approved and contracted for	<u>10,092</u>

14. Subsequent event

On 9 February 2011, the Company acquired the entire issued and paid up share capital of Citarasa Lestari Sdn. Bhd. (CLSB) comprising 2 ordinary shares of RM1 each for a total consideration of RM2, resulting in CLSB becoming a wholly-owned subsidiary of the Company. The intended principal activity of CLSB is investment holding.

MHC Plantations Bhd. (4060-V)
Information required by BMSB Listing Requirements

1. Review of performance

The Group's revenue for the current quarter ended 31 December 2010 and the cumulative quarter ended 31 December 2010 improved by 36% and 17% respectively from the preceding year quarter ended 31 December 2009 and the preceding year cumulative quarter ended 31 December 2009 mainly due to higher prices of Fresh Fruit Bunches ("FFB").

Profit before tax for the current quarter is lower than the preceding year quarter as there was recognition of negative goodwill of RM7.94 million which arose from the acquisition of additional shares in an associate in the preceding year quarter. Profit before tax for the current cumulative quarter is higher than the preceding year cumulative quarter mainly due to higher FFB prices and contribution from the associated companies.

2. Variation of results against preceding quarter

The profitability for the current quarter is lower than the immediate preceding quarter as there was recognition of negative goodwill of RM6.23 million which arose from the acquisition of additional shares in an associate in the immediate preceding quarter.

3. Current year prospects

Barring any unforeseen circumstances, the Board is confident that the Group's prospects do remain satisfactory in view of 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 31 Dec 2010 RM' 000	Preceding Year Corresponding Quarter 31 Dec 2009 RM'000	Current Year To Date 31 Dec 2010 RM' 000	Preceding Year Corresponding Period 31 Dec 2009 RM' 000
Current tax:				
Malaysian income tax	1,300	690	3,331	2,441
Deferred tax	(51)	21	153	(44)
	<hr/> 1,249	<hr/> 711	<hr/> 3,484	<hr/> 2,397
Under provision of Malaysian income tax in prior years	-	-	120	29
	<hr/> 1,249	<hr/> 711	<hr/> 3,604	<hr/> 2,426

The effective tax rate for the current quarter and the cumulative quarter ended 31 December 2010 was higher than the statutory tax rate principally due to certain expenses were disallowed for tax purposes.

6. Unquoted investments and properties

There were no sales of unquoted investments and properties 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 <u>233,994</u>
At carrying value	RM <u>265,864</u>
Market value	RM <u>265,864</u>

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	8,000
Term loan	2,200

	<u>10,200</u>
 <u>Non-current - Secured</u>	 <u>RM'000</u>
Term loan	<u>15,050</u>
 Total borrowings	 <u>25,250</u>

10. Disclosure of derivatives

There were no outstanding derivatives (including financial instruments designated as hedging instruments) as at 31 December 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 31 December 2010 (31 December 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. Realised and unrealised profits or losses

	Current Year To Date 31 Dec 2010 RM' 000	Immediate Preceding Quarter 30 Sep 2010 RM' 000
Total retained profits of the Company and its subsidiaries		
- Realised	97,202	93,931
- Unrealised	(3,305)	(3,127)
	<hr/> 93,897	<hr/> 90,804
Total retained profits of associates		
- Realised	75,456	72,973
- Unrealised	(16,835)	(16,832)
Less: Consolidation adjustments	(10,506)	(10,664)
	<hr/>	<hr/>
Total group retained profits as per consolidation accounts	142,012	136,281

15. 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 25 February 2011.