MHC Plantations Bhd (4060-V)
Condensed Consolidated Statement of Comprehensive Income (Unaudited)
For The First Quarter Ended 31 March 2015

	Current quarter 3 months ended		Cumalative quarter 3 months ended	
	31.3.2015	31.3.2014 (Restated)	31.3.2015	31.3.2014 (Restated)
	RM' 000	RM'000	RM' 000	RM' 000
Revenue	60,228	74,457	60,228	74,457
Cost of sales	(52,460)	(60,320)	(52,460)	(60,320)
Gross profit	7,768	14,137	7,768	14,137
Other income	2,333	1,623	2,333	1,623
Administrative expenses	(2,844)	(2,692)	(2,844)	(2,692)
Other operating expenses	(1,254)	(1,562)	(1,254)	(1,562)
Operating profit	6,003	11,506	6,003	11,506
Finance costs	(1,995)	(723)	(1,995)	(723)
Profit before tax	4,008	10,783	4,008	10,783
Income tax expense	(792)	(2,753)	(792)	(2,753)
Profit net of tax	3,216	8,030	3,216	8,030
Other comprehensive income				
Available-for-sale financial assets:				
Exchange difference on translation of foreign operations	8	(1)	8	(1)
Total comprehensive income for the period	3,224	8,029	3,224	8,029
Profit attributable to:				
Owners of the parent	1,469	4,739	1,469	4,739
Non-controlling interests	1,747	3,291	1,747	3,291
	3,216	8,030	3,216	8,030
Total comprehensive income attributable to:				
Owners of the parent	1,477	4,738	1,477	4,738
Non-controlling interests	1,747	3,291	1,747	3,291
	3,224	8,029	3,224	8,029
Weighted average number of shares in issue	196,544	196,544	196,544	196,544
Earnings per share in sen				
- Basic	0.75	2.41	0.75	2.41
- Diluted	0.58	1.88	0.58	1.88

The interim financial report should be read in conjunction with the audited financial statements for the year ended 31 December 2014.

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

Condensed Consolidated Statement of Financial Position (Unaudited)
as at 31 March 2015

	As at 31.3.2015 RM'000	As at 31.12.2014 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	468,118	468,161
Investment properties	48,062	48,062
Biological assets	460,557	460,125
Land use rights	13,497	13,542
Deferred tax assets	3,871	4,195
Investment securities	490	490
Trade and other receivables	108,380	108,184
Goodwill on consolidation	109,017	109,017
	1,211,992	1,211,776
Current assets		
Inventories	24,577	22,516
Trade and other receivables	23,874	24,517
Tax recoverable	4,041	3,889
Short term investments	11,709	12,025
Fixed deposits with licensed banks	7,387	10,825
Cash and bank balances	14,511	17,072
	86,099	90,844
TOTAL ASSETS	1,298,091	1,302,620
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	196,544	196,544
Reserves	217,634	216,157
	414,178	412,701
Non-controlling interests	517,433	515,686
Total equity	931,611	928,387

Condensed Consolidated Statement of Financial Position (Unaudited)
as at 31 March 2015 (Contd.)

	As at 31.3.2015 RM'000	As at 31.12.2014 RM'000
EQUITY AND LIABILITIES (CONTD.)		
Non-current liabilities		
Lease rental payable	267	267
Hire purchase payables	894	739
Borrowings	85,938	89,926
Deferred tax liabilities	165,218	165,950
	252,317	256,882
Current liabilities		
Payables	29,990	36,232
Hire purchase payables	1,041	969
Borrowings	82,850	80,150
Taxation	282	-
	114,163	117,351
Total liabilities	366,480	374,233
TOTAL EQUITY AND LIABILITIES	1,298,091	1,302,620
Net Tangible Asset Per Share (RM)	1.55	1.55
Net Asset Per Share (RM)	2.11	2.10

The interim financial report should be read in conjunction with the audited financial statements for the year ended 31 December 2014.

MHC Plantations Bhd (4060-V)

Condensed Consolidated Statements of Changes in Equity (Unaudited)
For The First Quarter Ended 31 March 2015

	I-----------Equity attributable to owners of the Company						-----------I		Non-controlling Interests	Total Equity
		Non-distrbutable				Distributable				
	Share Capital RM' 000	Capital Reserve RM' 000	Revaluation Reserve RM' 000	Fair value adjustment reserve RM'000	Foreign currency translation reserve RM'000	Capital Reserve RM' 000	Retained Profits RM' 000	Total RM' 000	RM' 000	RM' 000
Opening balance at 1 Jan 2014 (Restated)	196,544	5,737	789	80	(62)	8	201,521	404,617	507,529	912,146
Total comprehensive income for the period	-	-	-	-	(1)	-	4,739	4,738	3,291	8,029
Closing balance at 31 March 2014	196,544	5,737	789	80	(63)	8	206,260	409,355	510,820	920,175
Opening balance at 1 Jan 2015	196,544	5,737	789	64	(58)	8	209,617	412,701	515,686	928,387
Total comprehensive income for the period	-	-	-	-	8	-	1,469	1,477	1,747	3,224
Closing balance at 31 March 2015	196,544	5,737	789	64	(50)	8	211,086	414,178	517,433	931,611

The interim financial report should be read in conjunction with the audited financial statements for the year ended 31 December 2014.

MHC Plantations Bhd (4060-V)
Condensed Consolidated Statement of Cash Flows (Unaudited)
For The First Quarter Ended 31 March 2015

	3 months ended	
	31.3.2015	**31.3.2014**
	RM' 000	**RM' 000**
		(Restated)
Operating activities		
Profit before taxation	4,008	10,783
Adjustments for:		
Depreciation and amortisation	4,157	3,944
Interest expense	1,995	723
(Gain)/Loss on disposal of property, plant and equipment	(567)	-
Property, plant and equipment written off	3	16
Unrealised (gain)/loss on foreign exchange	(59)	(2)
Interest income	(1,411)	(1,203)
Dividend income	-	(35)
Total adjustments	4,120	3,443
Operating cash flows before changes in working capital	8,128	14,226
Changes in working capital:		
Inventories	(2,043)	(5,787)
Receivables	1,713	(2,872)
Payables	(6,225)	(2,159)
Total changes in working capital	(6,555)	(10,818)
Cash generated from operations	1,572	3,408
Interest received	191	174
Interest paid	(1,995)	(723)
Tax paid	(1,071)	(1,911)
Net cash flows (used in)/from operating activities	(1,303)	948
Investing activities		
Dividend received	-	35
Proceeds from disposal of property, plant and equipment	644	-
Additions to biological assets	(432)	(658)
Net redemption/(investment in) of short term investments	316	(648)
Purchase of property, plant and equipment	(3,698)	(4,668)
Net cash flows (used in)/from investing activities	(3,170)	(5,939)
Financing activities		
Drawdown of revolving credit	2,700	1,500
Repayment of term loan	(3,988)	(1,487)
Repayment of hire purchase obligations	(240)	(425)
cash equivalents	1	3
Net cash flows (used in)/from financing activities	(1,526)	(409)
Net increase in cash and cash equivalents	(5,999)	(5,400)
Cash and cash equivalents as at 1 January	27,287	29,393
Cash and cash equivalents as at 31 March	21,288	23,993

Cash and cash equivalents :

Fixed deposits with licensed banks	7,387	8,066
Cash and bank balances	14,511	16,527
	21,898	24,593
Less : Fixed deposits pledged	(610)	(600)
	21,288	23,993

The interim financial report should be read in conjunction with the audited financial statements for the year ended 31 December 2014.

Notes to the condensed consolidated interim financial statements

1. Basis of preparation

   The condensed consolidated interim financial statements for the period ended 31 March 2015 have been prepared in compliance with Financial Reporting Standards ("FRS") 134 *Interim Financial Reporting* and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Report should be read in conjunction with the audited financial statements of the Group for the year ended 31 December 2014.

   The accounting policies used in the preparation of condensed consolidated interim financial statements are consistent with those previously adopted in the audited financial statements of the Group for the year ended 31 December 2014. 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 2014.

2. Changes in accounting policies

   The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements for the year ended 31 December 2014, except for the adoption of the following new/revised FRSs and amendments to FRSs:

   Effective for financial periods beginning on or after 1 July 2014:
   - Amendments to FRS 119: Defined Benefit Plans: Employee Contributions
   - Annual Improvements to FRSs 2010 – 2012 Cycle
   - Annual Improvements to FRSs 2011 – 2013 Cycle

   Effective for financial periods beginning on or after 1 January 2016:
   - Amendments to FRS 11: Accounting for Acquisition of Interest in Joint Operations
   - Amendments to FRS 116 and FRS 138: Clarification of Acceptable Methods of Depreciation and Amortisation
   - Amendments to FRS 10 and FRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
   - Amendments to FRS 127: Equity Method in Separate Financial Statements
   - Amendments to FRS 101: Disclosure Initiative
   - Amendments to FRS 10, FRS 12 and FRS 18: Investment Entitles: Applying the Consolidation Exception
   - Annual Improvements to FRSs 2012 – 2014 Cycle
   - FRS 14: Regulatory Deferral Accounts

   Effective for financial periods beginning on or after 1 January 2018:
   - FRS 9: Financial Instruments

   The adoption of the above revised FRSs, IC Interpretation and Amendments do not have any significant financial impact on the Group.

2. Changes in accounting policies (Contd.)

Malaysian Financial Reporting Standards

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer (herein called 'Transitioning Entities') which will be allowed to defer adoption of the new MFRS Framework for one year. On 30 June 2012, MASB has given an option to Transitioning Entities to defer the adoption of the MFRS Framework for another year. Therefore, the MFRS Framework will be applicable to Transitioning Entities with effect from the annual period beginning on 1 January 2014.

In light of the development and the revisions of the project timelines by the IASB, the Board has decided to extend the transitions period for another year, ie. the adoption of the MFRS Framework by all Transitioning Entities with effect from annual periods beginning on or after 1 January 2015.

On 2 September 2014, MASB announced that Transitioning Entities shall be required to apply the MFRS Framework for annual periods beginning on or after 1 January 2017.

The Group falls within the scope definition of Transitioning Entities and accordingly, the Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2017. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained earnings.

The Group expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 December 2017.

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 March 2015.

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 March 2015.

8. Dividend paid

No interim dividend has been paid during the current quarter ended 31 March 2015.

9. Segment information

The Group has three reportable segments, as described below, which are the Group's strategies business units. The strategic business units offer different products and are managed separately because they require different technology and marketing strategies. The following summary describes the operations in each of the Group's reportable segments:

a. Plantation - Cultivation of oil palm
b. Oil Mill - Milling and sales of oil palm products
c. Power Plant – Power Generation and sales of biomass by-products

Information about reportable segments

	Results for 3 months ended 31 March							
	Plantation		Oil Mill		Power Plant		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue	2,936	5,217	53,472	65,332	3,205	2,629	59,613	73,178
Inter-segment revenue	13,361	18,720	-	-	476	240	13,837	18,960
Segment profit	4,355	11,088	1,414	583	(694)	73	5,075	11,744

9. Segment information (Contd.)

Segment profit is reconciled to consolidated profit before tax as follows:	**3 months ended 31.03.2015 (Unaudited) RM'000**	**3 months ended 31.03.2014 (Unaudited) RM'000**
Segment profit	5,075	11,744
Other non-reportable segments	(20)	535
Amortisation of group land cost	(1,066)	(1,160)
Elimination of inter-segment profits	(107)	(268)
Unallocated corporate income	283	-
Unallocated corporate expenses	(157)	(68)
Consolidated profit before tax	4,008	10,783

10. Changes in the composition of the Group

There were no changes in the composition of the Group during the current quarter ended 31 March 2015.

11. Contingent Assets and Liabilities

There were no contingent assets and contingent liabilities at the end of this quarter and as at the date of this report.

12. Capital commitments

	RM'000
Capital expenditure	
Approved and contracted for	4,656
Approved but not contracted for	31,409
	36,065

13. Subsequent event

There were no material subsequent events to the end of the current quarter.

Information required by BMSB Listing Requirements

1. Review of performance

   Current Quarter vs. Previous Year Corresponding Quarter

   For this quarter under review, the Group recorded a revenue of RM60.23 million, which is a decrease of RM14.23 million as compared to the preceding year corresponding quarter mainly due to lower CPO and PK prices by 14% and 9% respectively and lower CPO and PK sales volume by 7% and 5% respectively despite an increase in supply of electricity totalling RM 2.10 million.

   The Group reported a profit before tax of RM 4.00 million for this quarter under review, which is a decrease of 63% from the preceding year corresponding quarter mainly due to lower CPO and PK prices by 14% and 9% respectively, lower CPO and PK sales volume by 7% and 5% respectively and a 19% decrease in FFB production.

   Performance of the respective operating business segments for this quarter under review as compared to the previous corresponding quarter is analysed as follows:

   (i) Plantation – The decrease in profit before tax by RM 6.73 million (61%) from RM 11.09 million to RM 4.36 million was mainly due to a lower FFB prices and production by 18% and 19% respectively.

   (ii) Oil Mill – The increase in profit before tax by RM 0.83 million (143%) from RM 0.58 million to RM 1.41 million was due to higher oil extraction rate despite lower CPO and PK prices by 14% and 9% respectively and lower CPO and PK sales volume by 7% and 5% respectively.

   (iii) Power Plant – The increase in loss before tax by RM 0.77 million (1,050%) from a profit before tax of RM 0.07 million to a loss before tax of RM 0.70 million was due to higher operating cost incurred as a result of the initial commencement of the supply of electricity. The 12MW Biomass Power Plant generated and exported 9,338,230 kW in this current quarter.

2. Variation of results against preceding quarter

   Profit before tax in this quarter under review is higher at RM 4.00 million as compared to RM 3.07 million in the immediate preceding quarter due to a provision for doubtful debts of RM 2 million and a gain of RM 1.10 million from fair value adjustment of investment properties in the immediate preceding quarter despite 31% decrease in FFB production because of seasonal factor.

3. Current year prospects

   Barring any unforeseen circumstances, the Board is optimistic on the Group's prospects following the commissioning of its 12MW Biomass Power Plant and in view that palm oil prices have stabilized to around RM2,200 per MT .

4. Profit forecast

Not applicable as there was no profit forecast published.

5. Profit before taxation

This is arrived at after crediting/ (charging):

	Current quarter 3 months ended		Cumulative quarter 3 months ended	
	31.3.2015 RM'000	31.3.2014 RM'000	31.3.2015 RM'000	31.3.2014 RM'000
Gain on disposal of plant and equipment	567	-	567	-
Interest income	1,411	1,203	1,411	1,203
Interest expense	1,995	723	1,995	723
Depreciation and amortisation	4,157	3,944	4,157	3,944
Dividend	-	35	-	35
Realised loss on foreign exchange	155	13	155	13
Unrealised gain on foreign exchange	59	2	59	2
Property, plant and equipment written off	3	16	3	16

Save as disclosed above, the other items as required under Appendix 9B, Part A (16) of the Bursa Listing Requirements are not applicable.

6. Income tax expense

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

	Current quarter 3 months ended		Cumulative quarter 3 months ended	
	31.3.2015 RM'000	31.3.2014 RM'000	31.3.2015 RM'000	31.3.2014 RM'000
Malaysian income tax	1,422	2,244	1,422	2,244
Deferred tax	(630)	509	(630)	509
	792	2,753	792	2,753

The Group's effective tax rate for the current quarter 31 March 2015 was lower than the statutory tax rate of 25% principally due to certain provision in previous year were allowed to deduct in this quarter.

7. Corporate proposal

The Proposed Disposal and the Proposed Subscription of Cash Nexus (M) Sdn. Bhd. have been approved by shareholders at an Extraordinary General Meeting on 18 March 2015.

8. Borrowings

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

Current - Secured	RM'000
Revolving credit	66,900
Term loan	15,950
	82,850
Non-current - Secured	RM'000
Term loan	85,938
Total borrowings	168,788

9. Disclosure of derivatives

The Group did not enter into any derivative contact and accordingly there were no outstanding derivatives (including financial instruments designated as hedging instruments) as at 31 March 2015.

10. Changes in material litigation

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

11. Dividend payable

No interim ordinary dividend has been declared for the financial period ended 31 March 2015 (31 March 2014: Nil).

12. Basic earnings per share

(a) Basic

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 196,543,970 (2013 – 196,543,970) in issue during the financial period.

	RM'000	RM'000	RM'000	RM'000
Profit attributable to the owners of the Company	1,469	4,739	1,469	4,739
Weighted average number of ordinary shares in issue	196,544	196,544	196,544	196,544
Basic earnings per share (sen)	0.75	2.41	0.75	2.41

(b) Diluted

Diluted earnings per share is calculated by dividing the profit for the year, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year after adjustment for the effects of dilutive potential ordinary shares, calculated as follows:

	3 months ended		3 months ended	
	31.3.2015	31.3.2014	31.3.2015	31.3.2014
	RM'000	RM'000	RM'000	RM'000
Profit attributable to the owners of the Company	1,469	4,739	1,469	4,739
Number of ordinary shares for basic earnings per share computation	196,544	196,544	196,544	196,544
Effect of dilution				
- on assumption that all warrants are exercised	56,155	56,155	56,155	56,155
Number of ordinary shares for diluted earnings per share computation	252,699	252,699	252,699	252,699
Diluted earnings per share	0.58	1.88	0.58	1.88

13. Breakdown of retained profits into realised and unrealised

The breakdown of the retained profits of the Group into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	As at 31.3. 2015 RM' 000	**As at 31.12.2014 RM' 000**
Total retained profits of the Company and its subsidiaries		
- Realised	170,827	168,339
- Unrealised	7,104	7,263
	177,931	175,602
Consolidation adjustments	33,155	34,015
Total group retained profits as per consolidation accounts	211,086	209,617

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 7 May 2015.