

MHC Plantations Bhd (4060-V)
Condensed Consolidated Statement of Comprehensive Income (Unaudited)
For The First Quarter Ended 31 March 2025

	Current quarter 3 months ended		Cumulative quarter 3 months ended	
	31.3.2025 (Unaudited) RM' 000	31.3.2024 (Unaudited) RM'000	31.3.2025 (Unaudited) RM' 000	31.3.2024 (Unaudited) RM' 000
Revenue	119,122	103,986	119,122	103,986
Cost of sales	(104,047)	(97,617)	(104,047)	(97,617)
Gross profit	15,075	6,369	15,075	6,369
Other income	6,357	4,579	6,357	4,579
Administrative expenses	(3,753)	(3,418)	(3,753)	(3,418)
Other operating expenses	(370)	(276)	(370)	(276)
Operating profit	17,309	7,254	17,309	7,254
Finance costs	(587)	(575)	(587)	(575)
Profit/(Loss) before tax	16,722	6,679	16,722	6,679
Income tax expense	(4,546)	(2,157)	(4,546)	(2,157)
Profit/(Loss) after tax	12,176	4,522	12,176	4,522
Other comprehensive income				
Exchange difference on translation of foreign operations	1	(15)	1	(15)
Total comprehensive income for the period	12,177	4,507	12,177	4,507
Profit/(Loss) attributable to:				
Owners of the parent	9,871	3,460	9,871	3,460
Non-controlling interests	2,305	1,062	2,305	1,062
	12,176	4,522	12,176	4,522
Total comprehensive income attributable to:				
Owners of the parent	9,871	3,455	9,871	3,455
Non-controlling interests	2,306	1,052	2,306	1,052
	12,177	4,507	12,177	4,507
Weighted average number of shares in issue	196,544	196,544	196,544	196,544
Earnings per share in sen				
- Basic	5.02	1.76	5.02	1.76

The interim financial report should be read in conjunction with the audited financial statements for the year ended 31 December 2024.

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

Condensed Consolidated Statement of Financial Position
as at 31 March 2025

	As at 31.3.2025 (Unaudited) RM'000	As at 31.12.2024 (Audited) RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	475,412	474,351
Investment properties	45,264	45,264
Deferred tax assets	3,101	3,079
Investment in securities	234	234
Goodwill on consolidation	43,867	43,867
	<u>567,878</u>	<u>566,795</u>
Current assets		
Inventories	26,497	24,657
Biological assets	5,811	5,811
Trade and other receivables	22,088	23,061
Tax recoverable	1,878	1,207
Short term investments	56,661	46,282
Fixed deposits with licensed banks	44,359	27,832
Cash and bank balances	37,074	88,195
	<u>194,368</u>	<u>217,045</u>
TOTAL ASSETS	<u>762,246</u>	<u>783,840</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	196,544	196,544
Reserves	151,050	141,178
	<u>347,594</u>	<u>337,722</u>
Non-controlling interests	298,342	296,036
Total equity	<u>645,936</u>	<u>633,758</u>

**Condensed Consolidated Statement of Financial Position
as at 31 March 2025 (Contd.)**

	As at 31.3.2025 (Unaudited) RM'000	As at 31.12.2024 (Audited) RM'000
EQUITY AND LIABILITIES (CONTD.)		
Non-current liabilities		
Loans and borrowings	9,284	10,159
Deferred tax liabilities	48,183	48,785
Lease liabilities	8,361	6,807
	<u>65,828</u>	<u>65,751</u>
Current liabilities		
Trade and other payables	31,870	37,675
Loans and borrowings	7,350	36,850
Lease liabilities	4,078	4,113
Taxation	7,184	5,693
	<u>50,482</u>	<u>84,331</u>
Total liabilities	<u>116,310</u>	<u>150,082</u>
TOTAL EQUITY AND LIABILITIES	<u>762,246</u>	<u>783,840</u>
 Net Tangible Asset Per Share (RM)	 <u>1.55</u>	 <u>1.50</u>
Net Asset Per Share (RM)	<u>1.77</u>	<u>1.72</u>

The interim financial report should be read in conjunction with the audited financial statements for the year ended 31 December 2024.

MHC Plantations Bhd (4060-V)
Condensed Consolidated Statements of Changes in Equity (Unaudited)
For The First Quarter Ended 31 March 2025

	Non-Distributable						Distributable				
	Share Capital RM' 000	Capital Reserve RM' 000	Other 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	Non-controlling Interests RM' 000	Total Equity RM' 000
Opening balance at 1 Jan 2024	196,544	5,737	(32,670)	789	(91)	(284)	8	150,834	320,867	292,159	613,026
Total comprehensive income for the period	-	-	-	-	-	(5)	-	3,460	3,455	1,052	4,507
Closing balance at 31 March 2024	<u>196,544</u>	<u>5,737</u>	<u>(32,670)</u>	<u>789</u>	<u>(91)</u>	<u>(289)</u>	<u>8</u>	<u>154,294</u>	<u>324,322</u>	<u>293,211</u>	<u>617,533</u>
Opening balance at 1 Jan 2025	196,544	5,737	(32,670)	789	(109)	(330)	8	167,753	337,722	296,036	633,758
Total comprehensive income for the period	-	-	-	-	-	1	-	9,871	9,872	2,306	12,178
Closing balance at 31 March 2025	<u>196,544</u>	<u>5,737</u>	<u>(32,670)</u>	<u>789</u>	<u>(109)</u>	<u>(329)</u>	<u>8</u>	<u>177,624</u>	<u>347,594</u>	<u>298,342</u>	<u>645,936</u>

**The interim financial report should be read in conjunction with the
audited financial statements for the year ended 31 December 2024.**

MHC Plantations Bhd (4060-V)
Condensed Consolidated Statement of Cash Flows (Unaudited)
For The First Quarter Ended 31 March 2025

	3 months ended	
	31.3.2025	31.3.2024
	(Unaudited)	(Unaudited)
	RM' 000	RM' 000
Operating activities		
Profit before taxation	16,722	6,679
Adjustments for:		
Depreciation and amortisation	7,928	7,861
Reversal of allowance for expected credit losses	-	(36)
Interest expense	587	575
(Gain)/Loss on disposal of property, plant and equipment	9	-
Property, plant and equipment written off	12	95
Interest income	(886)	(672)
Dividend income	(1)	(1)
Total adjustments	7,649	7,821
Operating cash flows before changes in working capital	24,371	14,500
Changes in working capital:		
Inventories	(1,840)	(5,546)
Receivables	331	(1,429)
Payables	(5,169)	(965)
Total changes in working capital	(6,678)	(7,941)
Cash generated from operations	17,693	6,560
Interest received	886	672
Interest paid	(587)	(575)
Tax paid	(4,349)	(3,450)
Net cash flows from/(used in) operating activities	13,643	3,208
Investing activities		
Dividend received	1	1
Proceeds from disposal of property, plant and equipment	16	-
Purchase of property, plant and equipment	(4,949)	(6,067)
Net change in short term investments	(10,379)	455
Net cash flows (used in)/from investing activities	(15,311)	(5,611)
Financing activities		
Drawdown of revolving credit	-	2,500
Repayment of revolving credit	(28,500)	-
Repayment of term loan	(1,875)	(1,875)
Repayment of lease liabilities	(3,894)	(689)
Net cash flows from/(used in) financing activities	(34,269)	(64)
Net increase/(decrease) in cash and cash equivalents	(35,937)	(2,467)
Effect on exchange rate changes on cash and cash equivalents	6	(27)
Cash and cash equivalents as at 1 January	112,721	73,728
Cash and cash equivalents as at 31 March	76,790	71,234
Cash and cash equivalents :		
Fixed deposits with licensed banks	44,359	41,773
Cash and bank balances	37,074	33,170
	81,433	74,943
Less : Fixed deposits pledged	(4,643)	(3,709)
	76,790	71,234

The interim financial report should be read in conjunction with the audited financial statements for the year ended 31 December 2024.

Notes to the condensed consolidated interim financial statements

1. Basis of preparation

The condensed consolidated interim financial statements for the financial period ended 31 March 2025 have been prepared in compliance with Malaysian Financial Reporting Standards (“MFRS”) 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 financial year ended 31 December 2024.

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 2024. 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 2024.

2. Significant accounting policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2024, except for the adoption of new MFRS, amendments to published standards and IC Interpretations: -

- a) the Group has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):

Amendments to MFRSs	Effective Date
• Amendments to MFRS 121: Lack of Exchangeability	1 January 2025

The initial application of the above MFRSs did not have any significant impacts on the financial statements.

- b) The Group has not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by MASB but are not yet effective for the current financial period:

Amendments to MFRSs	Effective Date
• Annual Improvements to MFRS Accounting Standards - Volume 11	1 Jan 2026
• Contracts Referencing Nature-dependent Electricity (Amendments to MFRS 9 and MFRS 7)	1 Jan 2026
• Amendments to MFRS 9 and MFRS 7: Classification and Measurement of Financial Instrument	1 Jan 2026
• Amendments to MFRS 18: Presentation and Disclosure in Financial Statements	1 Jan 2027
• Amendments to MFRS 19: Subsidiaries without Public Accountability (Disclosures)	1 Jan 2027
• Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

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 2025.

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 2025.

8. Dividend paid

No dividend has been paid during the current quarter ended 31 March 2025.

9. Segment information

The Group has three reportable segments, as described below, which are the Group's strategic 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

9. Segment information (Cont'd)

Information about reportable segments

		Results for 3 months ended 31 March							
		Plantation		Oil Mill		Power Plant		Total	
		2025	2024	2025	2024	2025	2024	2025	2024
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
External revenue		3,391	3,799	104,192	59,339	11,320	9,244	118,903	72,382
Inter-segment revenue		26,530	19,808	-	-	-	-	26,530	19,808
Segment profit/(loss)		11,779	6,250	2,345	486	2,808	834	16,932	7,570

Segment profit is reconciled to consolidated profit before tax as follows:	3 months ended 31.3.2025 (Unaudited)	3 months ended 31.3.2024 (Unaudited)
	RM'000	RM'000
Segment profit	16,932	7,570
Other non-reportable segments	122	260
Amortisation of group land cost	(631)	(631)
Elimination of inter-segment profits	14	33
Unallocated corporate (expenses)/income	285	(553)
Consolidated profit/(loss) before tax	<u>16,722</u>	<u>6,679</u>

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 2025.

11. Contingent Assets and Liabilities

There were no changes in other contingent liabilities or contingent assets since the last annual statement of financial position as at 31 December 2024.

12. Capital commitments

	RM'000
Capital expenditure:	
Approved and contracted for	20,623
Approved but not contracted for	<u>33,854</u>
	<u>54,477</u>

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

Financial review for current quarter and financial year to date

		Individual Period			
		(First Quarter)			
		Current year Quarter	Preceding Year Corresponding Quarter	Changes (%)	
		31.3.2025	31.3.2024		
		(Unaudited)	(Unaudited)		
		RM'000	RM'000		
Revenue		119,122	103,986	15%	
Operating profit		17,309	7,254	139%	
Profit before tax		16,722	6,679	150%	
Profit after tax		12,176	4,522	169%	
Profit attributable to ordinary equity holders of the Parent		9,871	3,460	185%	
Operational Statistics					
Production:					
FFB	(mt)	32,239	31,877	1%	
CPO	(mt)	18,296	21,235	-14%	
PK	(mt)	4,968	5,348	-7%	
Average selling price:					
FFB	(RM/mt)	928	741	25%	
CPO	(RM/mt)	4,767	3,912	22%	
PK	(RM/mt)	3,014	2,194	37%	
Quantity sold:					
CPO	(mt)	18,146	20,126	-10%	
PK	(mt)	5,868	5,468	7%	
Oil Extraction Rate (%)		17.96	18.50	-3%	
Electricity Export(MWh)		13,573	12,190	11%	

1. Review of performance (Cont'd)

Current Quarter vs. Previous Year Corresponding Quarter

The Group's revenue grew by 15% to RM119.12 million, mainly due to higher average selling prices of CPO and PK. Profit before tax (PBT) increased substantially to RM16.72 million, marking a 150% year-over-year (YoY) rise. This was primarily attributed to better margins in the plantation, oil mill, and power plant segments.

Performance by business segment for the quarter, compared to the corresponding period last year, is presented below:

- (i) Plantation – Profit increased significantly by 88%, from RM6.25 million to RM11.78 million, underpinned by a 25% rise in the average FFB selling price with a marginal increase in FFB yields of 1%.
- (ii) Oil Mill – Profit rose sharply by 380%, from RM0.49 million to RM2.35 million, largely due to stronger contribution from downstream activities.
- (iii) Power Plant – Profit increased by 239%, from RM0.83 million to RM2.81 million, supported by improved plant efficiency and stronger contributions from non-power-generating activities. The construction of the new boiler and turbine remains on track for completion in Q3 FY25 and is expected to deliver additional operational performance. Plans for the refurbishment of the existing biomass boiler and turbine are also underway.

2. Financial review for current quarter compared with immediate preceding quarter

			Current quarter 31.3.2025 (Unaudited) RM'000	Immediate Preceding Quarter 31.12.2024 (Unaudited) RM'000	Changes (%)	
Revenue			119,122	145,807	-18.3%	
Operating profit			17,309	22,597	-23%	
Profit before tax			16,722	21,898	-24%	
Profit/(Loss) after tax			12,176	14,173	-14%	
Profit attributable to ordinary equity holders of the Parent			9,871	8,326	19%	
Operational Statistics						
Production:						
FFB	(mt)		32,239	45,342	-29%	
CPO	(mt)		18,296	22,407	-18%	
PK	(mt)		4,968	5,888	-16%	
Average selling price:						
FFB	(RM/mt)		928	951	-2%	
CPO	(RM/mt)		4,767	4,756	0%	
PK	(RM/mt)		3,014	3,408	-12%	
Quantity sold:						
CPO	(mt)		18,146	22,508	-19%	
PK	(mt)		5,868	6,212	-6%	
Oil Extraction Rate (%)			17.96	18.77	-4%	
Electricity Export(MWh)			13,573	16,133	-16%	

The Group recorded a PBT of RM16.72 million, representing a 24% decrease quarter over quarter. The drop in PBT was mainly due to a 29% drop in FFB yields.

3. Commentary on prospects

The Group anticipates that CPO prices may soften in the near term due to geopolitical uncertainties, recently imposed U.S. tariffs and expectations of a seasonal rebound in FFB yields.

Going forward, the Group anticipates that rising production costs and labor shortages will continue to pose challenges for the industry.

To stay competitive, the Group will focus on:

- 1) Implementing additional cost-saving initiatives across all segments.
- 2) Enhancing FFB yields through consistent process improvements, replanting activities and mechanisation.
- 3) Identifying synergistic opportunities to diversify earnings.

These strategies are expected to position the Group to sustain satisfactory profitability levels throughout the 2025 financial year.

4. Profit forecast

Not applicable as there was no profit forecast published.

5. Profit/(Loss) before taxation

This is arrived at after crediting/ (charging):

		Current quarter		Cumulative quarter	
		3 months ended		3 months ended	
		31.3.2025	31.3.2024	31.3.2025	31.3.2024
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		RM'000	RM'000	RM'000	RM'000
Gain/(Loss) on disposal of plant and equipment		(9)	-	(9)	-
Reversal of allowance for expected credit losses		-	36	-	36
Interest income		886	672	886	672
Interest expense		(587)	(575)	(587)	(575)
Depreciation and amortisation		(7,928)	(7,861)	(7,928)	(7,861)
Dividend		1	1	1	1
Property, plant and equipment written off		(12)	(95)	(12)	(95)

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		Cumulative quarter	
		3 months ended		3 months ended	
		31.3.2025	31.3.2024	31.3.2025	31.3.2024
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		RM'000	RM'000	RM'000	RM'000
Current tax:					
-Malaysian income tax		5,417	2,137	5,417	2,137
-Under/(over) provision of tax		-	251	-	251
		5,417	2,388	5,417	2,388
Deferred tax					
- relating to origination and reversal of temporary differences		(1,063)	(231)	(1,063)	(231)
- under/(over) provision of tax		192		192	
		(871)	(231)	(871)	(231)
Total income tax expense		4,546	2,157	4,546	2,157

The Group's effective tax rate for current quarter was higher than the statutory tax rate of 24% due to the non-recognition of deferred tax asset arising from losses in certain subsidiaries.

7. Corporate proposal

There was no corporate proposal for the current quarter under review.

8. Borrowings

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

		As at			
		31.3.2025	31.12.2024		
		(Unaudited)	(Audited)		
		RM'000	RM'000		
Short term borrowings					
Secured:					
Term loans		1,100	7,150		
Short term revolving credits		6,150	29,600		
Unsecured:					
Short term revolving credits		100	100		
		7,350	36,850		
Long term borrowings					
Secured:					
Term loans		9,284	10,159		
Total borrowings					
Secured:					
Term loans		10,384	17,309		
Short term revolving credits		6,150	29,600		
Unsecured:					
Short term revolving credits		100	100		
		16,634	47,009		

9. Trade and Other Receivables

			As at	
			31.3.2025	31.12.2024
			(Unaudited)	(Audited)
			RM'000	RM'000
Current				
Trade receivables:				
- Non-related parties			14,405	16,452
Less: Allowance for doubtful debts			(37)	(92)
			14,368	16,360
Other receivables, net			7,720	6,701
			22,088	23,061

The credit period of trade receivables is generally for a period of one month.

The ageing analysis of trade receivables is as follows:

			As at	
			31.3.2025	31.12.2024
			(Unaudited)	(Audited)
			RM'000	RM'000
Neither past due nor impaired			14,220	16,234
1 - 30 days past due not impaired			27	70
31 - 60 days past due not impaired			118	19
61 - 90 days past due not impaired			-	36
More than 90 days past due not impaired			40	93
			185	218
Impaired			(37)	(92)
			14,368	16,360

10. Disclosure of derivatives

The Group did not enter into any derivative contract and accordingly, there were no outstanding derivatives (including financial instruments designated as hedging instruments) as at 31 March 2025.

11. Changes in material litigation

There are no pending material litigations as at the date of this report.

12. Dividend payable

On 28 March 2025, the Board approved the following single-tier dividend:

- (i) A single-tier interim dividend of 3.0 sen per ordinary share totalling RM5,896,319 in respect for the financial year ending 31 December 2025 and payable on 7 May 2025; and
- (ii) A single-tier special dividend of 6.0 sen per ordinary share totalling RM11,792,638 in respect for the financial year ended 31 December 2024 and payable on 7 May 2025.

13. 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 (2018 – 196,543,970) in issue during the financial period.

		Current quarter		Cumulative quarter	
		3 months ended		3 months ended	
		31.3.2025	31.3.2024	31.3.2025	31.3.2024
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		RM'000	RM'000	RM'000	RM'000
Profit/(Loss) attributable to the owners of the Company		9,871	3,460	9,871	3,460
Weighted average number of ordinary shares in issue		196,544	196,544	196,544	196,544
Basic earnings per share (sen)		5.02	1.76	5.02	1.76

b) Diluted

The Group has no potential ordinary shares in issue as at balance sheet date and therefore, diluted earnings per share have not been presented.

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 22 May 2025.