HAP SENG CONSOLIDATED BERHAD

(Company Number: 26877-W)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENTS (UNAUDITED)
FOURTH QUARTER ENDED 31 JANUARY 2007

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 31.1.2007	**Preceding Year Corresponding Quarter Ended 31.1.2006**	**Current Year To date Ended 31.1.2007**	**Preceding Year Corresponding Period 31.1.2006**
	RM'000	RM'000	RM'000	RM'000
		(Restated)		*(Restated)*
Revenue	424,644	360,695	1,730,835	1,459,458
Operating expenses	(375,315)	(315,680)	(1,555,249)	(1,295,320)
Other operating income	15,690	4,774	27,440	10,835
Operating profit	65,019	49,789	203,026	174,973
Financing costs	(14,926)	(10,044)	(52,214)	(35,704)
Other non-operating items	-	273	-	273
Share of profit of associates	297	40	928	289
Profit before taxation	50,390	40,058	151,740	139,831
Tax expense	(3,605)	(11,694)	(31,162)	(39,029)
Profit for the period	46,785	28,364	120,578	100,802
Attributable to:				
Equity holders of the parent	40,968	22,811	106,156	87,147
Minority interests	5,817	5,553	14,422	13,655
Profit for the period	46,785	28,364	120,578	100,802
Earnings per share (sen)				
Basic	6.96	3.87	18.03	14.78
Fully diluted *	6.96	3.87	18.03	14.78

** As the diluted earnings per share exceed the basic earnings per share, the anti-dilutive effect is ignored.*

The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2006 and the accompanying explanatory notes attached to the Interim Financial Statements

HAP SENG CONSOLIDATED BERHAD
(Company Number: 26877-W)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)
FOURTH QUARTER ENDED 31 JANUARY 2007

	As at End of Current Quarter 31.1.2007 RM'000	**As at Preceding Financial Year End 31.1.2006** RM'000 *(Restated)*
Non-current assets		
Property, plant and equipment	893,682	830,807
Investment properties	301,136	302,595
Investment in associates	73,725	73,174
Other investments	23,089	23,154
Land held for property development	305,364	305,988
Long term receivables	505,083	362,590
Goodwill on consolidation	31	(14,019)
Deferred tax assets	6,637	3,379
	2,108,747	1,887,668
Current assets		
Inventories	472,884	410,362
Property development costs	154,397	106,334
Receivables	559,331	406,951
Cash and cash equivalents	56,817	43,815
	1,243,429	967,462
TOTAL ASSETS	3,352,176	2,855,130
Equity attributable to equity holders of the parent		
Share capital	622,660	622,660
Reserves	979,207	891,917
	1,601,867	1,514,577
Less : Treasury shares	(73,804)	(74,023)
	1,528,063	1,440,554
Minority interests	163,887	153,351
TOTAL EQUITY	1,691,950	1,593,905
Non-current liabilities		
Bank borrowings	337,950	419,950
Deferred tax liabilities	161,573	170,594
Others	4,080	1,966
	503,603	592,510
Current liabilities		
Payables	192,909	186,566
Bank borrowings	955,451	478,226
Taxation	8,263	3,923
	1,156,623	668,715
TOTAL LIABILITIES	1,660,226	1,261,225
TOTAL EQUITY AND LIABILITIES	3,352,176	2,855,130
Net assets per share attributable to ordinary equity holders of the parent (RM)	2.59	2.45
Based on number of shares net of treasury shares	588,955,400	588,855,600

The Condensed Consolidated Balance Sheets should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2006 and the accompanying explanatory notes attached to the Interim Financial Statements

HAP SENG CONSOLIDATED BERHAD
(Company Number: 26877-W)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOURTH QUARTER ENDED 31 JANUARY 2007

	Attributable to Equity Holders of the Parent					Minority Interests	Total Equity
	Share Capital RM'000	**Non-distributable Reserves** RM'000	**Distributable Reserves** RM'000	**Treasury Shares** RM'000	**Total** RM'000	RM'000	RM'000
At 1 February 2006							
- As previously reported	622,660	48,963	845,596	(74,023)	1,443,196	153,351	1,596,547
- Prior year adjustment:							
Effects of adopting FRS 140	-	-	(2,642)	-	(2,642)	-	(2,642)
- As restated	622,660	48,963	842,954	(74,023)	1,440,554	153,351	1,593,905
Effects of adopting:							
- FRS 3	-	-	14,050	-	14,050	-	14,050
- FRS 140	-	-	(123)	-	(123)	-	(123)
	622,660	48,963	856,881	(74,023)	1,454,481	153,351	1,607,832
Exercise of ESOS	100	104	-	-	204	-	204
Cancellation of treasury shares	(100)	(4)	(115)	219	-	-	-
Translation differences	-	(2,891)	-	-	(2,891)	-	(2,891)
Reserves realised upon disposal	-	(6,358)	6,358	-	-	-	-
Profit for the period	-	-	106,156	-	106,156	14,422	120,578
Dividends	-	-	(29,887)	-	(29,887)	(3,886)	(33,773)
At 31 January 2007	622,660	39,814	939,393	(73,804)	1,528,063	163,887	1,691,950
At 1 February 2005							
- As previously reported	622,660	49,288	786,784	(71,363)	1,387,369	143,553	1,530,922
- Prior year adjustment:							
Effects of adopting FRS 140	-	-	(1,263)	-	(1,263)	-	(1,263)
- As restated	622,660	49,288	785,521	(71,363)	1,386,106	143,553	1,529,659
Exercise of ESOS	2	3	-	-	5	-	5
Cancellation of treasury shares	(2)	(1)	(2)	5	-	-	-
Purchase of treasury shares	-	-	-	(2,665)	(2,665)	-	(2,665)
Translation differences	-	(327)	-	-	(327)	-	(327)
Profit for the period							
- As previously stated	-	-	88,526	-	88,526	13,655	102,181
- Effects of adopting FRS 140	-	-	(1,379)	-	(1,379)	-	(1,379)
- As restated	-	-	87,147	-	87,147	13,655	100,802
Dividends	-	-	(29,712)	-	(29,712)	(3,857)	(33,569)
At 31 January 2006 *(Restated)*	622,660	48,963	842,954	(74,023)	1,440,554	153,351	1,593,905

The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements for the year ended 31 January 2006 and the accompanying explanatory notes attached to the Interim Financial Statements

HAP SENG CONSOLIDATED BERHAD
(Company Number: 26877-W)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS (UNAUDITED)
FOR YEAR ENDED 31 JANUARY 2007

	For Current Year Ended 31.1.2007 RM'000	For Preceding Year Ended 31.1.2006 RM'000 *(Restated)*
Cash flows from operating activities		
Profit before taxation	151,740	139,831
Adjustments for:		
Non-cash items	32,514	28,811
Non-operating items	(4,662)	(1,631)
Dividend income	(398)	(329)
Net interest expense	50,309	34,854
Operating profit before working capital changes	229,503	201,536
Net changes in working capital	(350,052)	(123,096)
Net tax paid	(46,624)	(59,675)
Net interest paid	(50,309)	(34,854)
Land held for property development	(43,315)	(61,049)
Net cash used in operating activities	(260,797)	(77,138)
Cash flows from investing activities		
Dividends received from associate/other investment	775	2,915
Proceeds from disposal of other investment	10	-
Proceeds from disposal of investment properties	-	2,079
Proceeds from disposal of property, plant and equipment	8,497	4,924
Purchase of property, plant and equipment	(89,631)	(59,365)
Redevelopment/refurbishment/purchase of investment properties	(7,050)	(19,614)
Net cash used in investing activities	(87,399)	(69,061)
Cash flows from financing activities		
Dividends paid to shareholders of the Company and minority interests	(33,773)	(33,569)
Proceeds from bank borrowings	363,702	221,427
Issue of shares pursuant to ESOS exercised	204	5
Shares repurchased at cost	-	(2,665)
Net cash generated from financing activities	330,133	185,198
Net (decrease)/increase in cash and cash equivalents	(18,063)	38,999
Effects on exchange rate changes	(458)	(146)
Cash and cash equivalents at beginning of period	36,738	(2,115)
Cash and cash equivalents at end of period	18,217	36,738

For purposes of Cash Flow Statements, cash and cash equivalents are presented net of bank overdrafts and comprise the following:

Deposits with licensed banks	8,799	7,660
Cash in hand and at bank	48,018	36,155
Bank overdrafts	(38,600)	(7,077)
	18,217	36,738

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 January 2006 and the accompanying explanatory notes attached to the Interim Financial Statements

PART A

Explanatory Notes Pursuant to Financial Reporting Standard (FRS) 134_{2004} "Interim Financial Reporting"

1. **Basis of Preparation**

This interim financial report has been prepared in accordance with the requirements of FRS 134_{2004} "Interim Financial Reporting" and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad, and should be read in conjunction with the Group's audited financial statements for the year ended 31 January 2006.

2. **Changes in Accounting Policies**

The accounting policies and presentation adopted for the interim financial report are consistent with those adopted for the audited financial statements for the year ended 31 January 2006 except for the changes in accounting policies which are expected to be reflected in the financial statements for year ending 31 January 2007 in compliance with applicable Financial Reporting Standards (FRS) adopted by the Malaysian Accounting Standards Board (MASB) that are effective for financial period beginning 1 January 2006 which are as follows:

FRS 2	Share–based Payment
FRS 3	Business Combinations
FRS 5	Non-current Assets Held for Sale and Discontinued Operations
FRS 101	Presentation of Financial Statements
RFS 102	Inventories
FRS 108	Accounting Policies, Changes in estimates and Errors
FRS 110	Events After the Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 127	Consolidated and Separate Financial Statements
FRS 128	Investments in Associates
FRS 131	Interests in Joint Ventures
FRS 132	Financial Instruments: Disclosure and Presentation
FRS 133	Earnings Per Share
FRS 136	Impairment of Assets
FRS 138	Intangible Assets
FRS 140	Investment Property

The adoption of FRSs 5, 102, 108, 110, 116, 121, 127, 128, 131, 132, 133 and 138 do not have significant financial impact on the Group. The principal effects of the changes in accounting policies resulting from the adoption of the other new/revised FRSs are as follows:

(a) **FRS 2: Share-based Payment**

The Company operates an equity-settled, share-based compensation plan for the employees of the Group under the Hap Seng Consolidated Berhad's Employees' Share Option Scheme (ESOS).

This FRS requires an entity to recognise share-based payments in its financial statements, including transactions with employees or other parties to be settled in cash, other assets, or equity instruments of the entity. Prior to 1 January 2006, no compensation expense was recognised in the Income Statement for share options granted. With the adoption of FRS 2, the compensation expense relating to share options is recognised in the Income Statement over the vesting periods of the grants with a corresponding increase in equity. The total amount to be recognised as compensation expense is determined by reference to the fair value of the share options at the date of the grant and the number of share options to be vested by the vesting date. At every balance sheet date, the Group revises its estimates of the number of share options that are expected to be vested by the vesting date. Any revision of this estimate is included in the Income Statement and a corresponding adjustment to equity over the remaining vesting periods.

Under the transitional provisions of FRS 2, all share options granted after 31 December 2004 and had not yet vested on 1 January 2006 must apply this FRS retrospectively.

All share options were granted by the Company prior to 31 December 2004 and have been fully vested prior to 1 January 2006. For the current quarter, no share option under the ESOS is granted to employees of the Group. Accordingly, the Group does not have any adjustments arising from the adoption of FRS 2.

2. **Changes in Accounting Policies** (Cont'd)

(b) **FRS 3: Business Combinations and FRS 136: Impairment of Assets**

In prior periods, goodwill and negative goodwill were amortised on a straight-line basis over the estimated useful life of 25 years.

The adoption of FRS 3: Business Combinations and FRS 136: Impairment of Assets have resulted in the Group ceasing annual amortisation of goodwill. Goodwill carried at cost less accumulated impairment losses, is now tested for impairment annually, or more frequently if events or changes in circumstances indicate that it may be impaired. Impairment losses are recognised in the Income Statement when the carrying amount of the cash generating unit to which the goodwill has been allocated exceeds the recoverable amount. In accordance with the transitional provisions of FRS 3, the cumulative amortisation as at 1 February 2006 has been offset against the cost of goodwill and the carrying amount of goodwill as at 1 February 2006 of RM31,000 ceased to be amortised.

Also in accordance with FRS 3, any of the excess of the Group's interest in the fair value of the acquirees' identifiable assets, liabilities and contingent liabilities over cost of acquisitions (previously referred to as "negative goodwill"), is now recognised immediately in the Income Statement. The Group has negative goodwill of RM14,050,000 as at 1 February 2006. In accordance with the transitional provisions of FRS 3, the negative goodwill was derecognised with a corresponding increase in the opening balance of retained earnings as at 1 February 2006.

The change in policy in respect of goodwill and negative goodwill have been applied prospectively and as such there is no restatement of comparative amounts whilst the Group's profit for the current quarter and year to date were reduced by RM153,000 and RM612,000 respectively resulting from cessation of annual amortisation of goodwill and negative goodwill.

(c) **FRS 101: Presentation of Financial Statements**

The adoption of the revised FRS 101 has affected the presentation of minority interest, share of profit of associates and other disclosures. In the Consolidated Balance Sheet, minority interests are now presented within total equity. In the Consolidated Income Statement, minority interests are presented as an allocation of the total profit and loss for the period between the minority interests and the equity holders of the parent. A similar requirement is also applicable to the Statement of Changes in Equity. FRS 101 also requires disclosure on the face of the Statement of Changes in Equity, total recognised income and expenses for the period, showing separately the amounts attributable to equity holders of the parent and to minority interest. Share of profit of associates is now presented net of tax and minority interests (if any) in the Condensed Income Statements.

The presentation of the Group's financial statements for the current period is based on the revised requirements of FRS 101, with the comparatives restated to conform with the current period's presentation as summarised in Note 3 below.

2. **Changes in Accounting Policies** (Cont'd)

(d) **FRS 140: Investment Property**

The adoption of this new FRS has resulted in a change in accounting policy for investment properties. Investment properties that were stated at cost less impairment losses in prior periods are now stated at fair value based on open-market value determined by independent professional valuers. Gains or losses arising from changes in fair values of investment properties are recognised in the Income Statement in the period in which they arise.

In accordance with the transitional provisions of FRS 140, this change in accounting policy is applied prospectively and the comparatives figures as at 31 January 2006 are not restated. Instead, the changes have been accounted for by restating the opening balances in the balance sheet as at 1 February 2006 as follows:

	Increase/(decrease) **As at 1.2.2006** RM'000
Investment properties	3,179
Retained profits	(123)
Deferred tax liabilities	3,302
	=======

In accordance with FRS 140, investment properties which are significantly occupied by the Group have been reclassified to property, plant and equipment and accordingly are depreciated over their estimated useful lives. The effect of such reclassifications have been applied retrospectively to the comparatives as summarised in Note 3 below.

3. **Comparatives**

The following comparatives have been restated due to the adoption of new and revised FRSs which have retrospective impact on the preceding periods financial statements:

(a) **Condensed Consolidated Income Statement**

	Individual Quarter Ended 31.1.2006				**Cumulative Quarter Ended 31.1.2006**			
		Adoption of				**Adoption of**		
	As previously reported RM'000	**FRS 101 Note 2(c)** RM'000	**FRS 140 Note 2(d)** RM'000	**As restated** RM'000	**As previously reported** RM'000 *(Audited)*	**FRS 101 Note 2(c)** RM'000	**FRS 140 Note 2(d)** RM'000	**As restated** RM'000
Operating expenses	(315,331)	-	(349)	(315,680)	(1,293,925)	-	(1,395)	(1,295,320)
Other operating income	4,774	-	-	4,774	10,835	-	-	10,835
Operating profit	50,138	-	(349)	49,789	176,368	-	(1,395)	174,973
Share of profit of associates	(140)	180	-	40	1,244	(955)	-	289
Profit before taxation	40,227	180	(349)	40,058	142,181	(955)	(1,395)	139,831
Tax expense	(11,518)	(180)	4	(11,694)	(40,000)	955	16	(39,029)
Profit for the period	28,709	-	(345)	28,364	102,181	-	(1,379)	100,802
Profit for the period attributable to equity holders of the parent	23,156	-	(345)	22,811	88,526	-	(1,379)	87,147
Earnings per share (sen)								
- Basic	3.93	-	(0.06)	3.87	15.02	-	(0.24)	14.78
- Fully diluted	3.93	-	(0.06)	3.87	15.02	-	(0.24)	14.78

3. **Comparatives** (Cont'd)

(b) **Condensed Consolidated Balance Sheet**

	As at 31.1.2006		
	As previously reported RM'000 *(Audited)*	**Adoption of FRS 140 Note 2(d)** RM'000	**As restated** RM'000
Property, plant and equipment	729,748	101,059	830,807
Investment properties	406,329	(103,734)	302,595
Reserves	894,559	(2,642)	891,917
Deferred tax liabilities	170,627	(33)	170,594

(c) **Condensed Consolidated Statement of Changes in Equity**

	As previously reported RM'000 *(Audited)*	**Adoption of FRS 140 Note 2(d)** RM'000	**As restated** RM'000
Distributable reserves at 1 February 2005	786,784	(1,263)	785,521
Distributable reserves at 31 January 2006	845,596	(2,642)	842,954

(d) **Condensed Consolidated Cash Flow Statement**

	Year ended 31.1.2006			
		Adoption of		
	As previously reported RM'000 *(Audited)*	**FRS 101 Note 2(c)** RM'000	**FRS 140 Note 2(d)** RM'000	**As Restated** RM'000
Profit before taxation	142,181	(955)	(1,395)	139,831
Non-cash items	27,416	-	1,395	28,811
Non-operating items	(2,586)	955	-	(1,631)

4. **Auditors' Report on Preceding Annual Financial Statements**

The auditors' report in respect of the financial statements of the Company for the preceding financial year ended 31 January 2006 was not subject to any qualification.

5. **Comments on the Seasonality or Cyclicality of Operations**

The seasonal or cyclical factors affecting the results of the operations of the Group are as follows:

(a) The performance of the Group's Quarry and Building Materials Division were influenced by a slow down in construction activity in the first and third quarter attributable to the timing of seasonal festive periods and wet weather conditions.

(b) The Group's Plantation Division performance was influenced by general climatic conditions, age profile of oil palms and the cyclical nature of annual production.

6. **Nature and amount of items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size or incidence.**

Save for the information disclosed in this interim financial report, there were no unusual items affecting assets, liabilities, equity, net income or cash flow during the current quarter.

7. **Other Non-Operating Items**

Other non-operating items in the preceding year were in respect of reversal of provision for closure costs of RM5.546 million and impairment loss on investment in an associated company of RM5.273 million.

8. **Nature and amount of changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years**

There were no changes in estimates of amounts reported in prior financial years except for the restatement of comparatives due to the adoption of new and revised FRSs as disclosed in Note 3 above.

9. **Issuances, Cancellations, Repurchases, Resale and Repayments of Debt and Equity**

(a) The monthly breakdown of shares bought back and treasury shares cancelled during the quarter under review are as follows:-

Month	No of shares Purchased	Purchase price per share Lowest	Highest	Average cost Per share	Total cost	No of shares Cancelled
	RM	RM	RM	RM	RM	
November 2006	-	-	-	-	-	-
December 2006	100	2.2200	2.2200	2.3509	235.09	-
January 2007	-	-	-	-	-	-
Total	100	2.2200	2.2200	2.3509	235.09	-

During the current quarter under review, 100 shares were bought back and there was no resale or cancellation of treasury shares. All the shares bought back were retained as treasury shares.

(b) The Company has an Employees' Share Option Scheme ["ESOS"] which will expire on 12 September 2007 pursuant to the shareholders' approval at an Extraordinary General Meeting ["EGM"] held on 4 December 2000. During the current quarter under review, there was no issuance of share pursuant to the ESOS.

(c) As at 31 January 2007, the Company has 33,704,600 ordinary shares held as treasury shares after a cumulative cancellation of 2,949,000 shares. Simultaneous with the aforementioned cancellation of treasury shares, as at 31 January 2007, the Company had allotted and issued a cumulative total of 2,949,000 new ordinary shares of RM1.00 each pursuant to the ESOS. Consequently, the issued and paid up share capital of the Company remained unchanged at 622,660,000 ordinary shares of RM1.00 each. As at 31 January 2007, options granted to subscribe for 4,395,000 ordinary shares of RM1.00 each pursuant to the ESOS remained unexercised.

10. **Dividends Paid**

The total dividends paid out of the shareholders' equity for the ordinary shares are as follows:

	Cumulative Quarter Ended	
	31.1.2007	**31.1.2006**
	RM'000	RM'000
Dividend paid in respect of financial year ended 31 January 2005:		
- final (3.5 sen less tax) paid on 18 July 2005	-	14,866
Dividend paid in respect of financial year ended 31 January 2006:		
- interim (3.5 sen less tax) paid on 28 October 2005	-	14,846
- final (3.5 sen less tax) paid on 15 August 2006	14,839	-
Dividend paid in respect of financial year ended 31 January 2007:		
- interim (3.5 sen less tax) paid on 31 October 2006	15,048	-
	-----------	----------
	29,887	29,712
	=======	=======

11. **Segment Revenue and Segment Result**

	Trading RM'000	Financing RM'000	Agricultural RM'000	Property RM'000	Investment Holding RM'000	Eliminations RM'000	Consolidated RM'000
Year Ended 31 January 2007							
Revenue							
External revenue	1,243,905	50,963	278,885	156,684	398	-	1,730,835
Inter-segment revenue	65,780	-	-	8,662	-	(74,442)	-
Total revenue	1,309,685	50,963	278,885	165,346	398	(74,442)	1,730,835
Result							
Operating profit	25,483	34,159	124,880	37,961	(5,644)	(13,813)	203,026
Year Ended 31 January 2006							
Revenue							
External revenue	1,002,247	34,299	278,103	144,480	329	-	1,459,458
Inter-segment revenue	48,229	-	-	5,961	-	(54,190)	-
Total revenue	1,050,476	34,299	278,103	150,441	329	(54,190)	1,459,458
Result							
Operating profit	17,928	20,751	125,243	38,302	(17,403)	(9,848)	174,973

12. **Valuation of Property, Plant and Equipment**

The valuation of property, plant and equipment have been brought forward, without amendment from the previous audited financial statements.

13. **Material Events Subsequent to the End of the Interim Period**

There were no material event subsequent to the end of the current quarter and up to 23 March 2007, being the last practicable date from the date of the issue of this report which are expected to have an operational or financial impact on the Group.

14. **Effect of Changes in the Composition of the Group during the Interim Period, including Business Combinations, Acquisition or Disposal of Subsidiaries and Long–term Investments, Restructuring and Discontinuing Operations**

During the quarter under review, the changes in composition of the Group are as follows:

a) On 14 December 2006, the Company acquired from its wholly-owned subsidiary, Si Khiong Industries Sdn Bhd, the entire issued and paid-up share capital of Rebuild Truck Sdn Bhd comprising 2 ordinary shares of RM1.00 each for a cash consideration of RM2.00. The aforementioned re-organisation was announced by the Company on even date.

b) On 30 January 2007, the Company announced that its wholly-owned subsidiary, Euro-Asia Food & Beverage (Bermuda) Limited, a company principally involved in investment holding, had on even date been placed under members' voluntary liquidation.

The above changes in the composition of the Group do not have any significant financial effect on the Group.

15. **Changes in Contingent Liabilities or Contingent Assets since the Last Annual Balance Sheet Date**

Since the last annual balance sheet date, the Group has no material contingent liabilities as at 23 March 2007, being the last practicable date from the date of the issue of this report which are expected to have an operational or financial impact on the Group.

The contingent liabilities of the Company as at the end of the current quarter are as follows:

	As at 31.1.2007	**As at 31.1.2006**
	RM'000	RM'000
Guarantees to and contingencies relating to borrowings of subsidiaries in respect of balances outstanding	1,143,256	748,176
	========	========

16. **Capital Commitments**

The Group has the following capital commitments:

	As at 31.1.2007	**As at 31.1.2006**
	RM'000	RM'000
Contracted but not provided for in this report	76,038	23,269
Authorised but not contracted for	64,386	116,222
	-------------	-------------
	140,424	139,491
	=========	=========

17. **Significant Related Party Transactions**

During the current quarter under review and up to 23 March 2007, the Company and its subsidiaries did not enter into any Significant Related Party Transactions nor Recurrent Related Party Transactions that were not included in the Shareholders' mandate obtained on 26 July 2006.

PART B

Explanatory Notes Pursuant to paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad

1. **Review of Performance**

Revenue for the current quarter ended 31 January 2007 at RM424.6 million was 18% higher than the preceding year corresponding quarter attributable to the better sales performances of all Divisions within the Group other than Plantation Division which was affected by lower Fresh Fruit Bunches (FFB) production due to replanting. Group Operating Profit for the current quarter at RM65 million was 31% higher than the preceding year corresponding quarter mainly due to improved contributions from Property, Quarry and Building Materials and Credit Financing Divisions.

For the full year, revenue was 19% higher than the preceding year. In tandem with this, Group Operating Profit for the year was 16% higher than the preceding year with significant improvement in Automotive, Quarry and Building Materials and Credit Financing Divisions.

Plantation Division's operating profit was in line with the preceding year corresponding quarter results. The higher replanting costs and lower FFB production attributable to lower mature area due to replanting was mitigated by improved Crude Palm Oil (CPO) average price of RM1,549 (2005/2006: RM1,353).

The Automotive Division continued to benefit from firmer heavy duty truck and spare parts sales in East Malaysia and higher market share in the Mercedes Benz passenger car market in Klang Valley. Credit Financing Division's Loan Portfolio was further expanded whilst the Quarry and Building Materials Division improvements in its quarries' operation have contributed positively to the Division's improved performance. Sasco Fertilizer Trading Division continued to operate in very competitive market conditions and achieved higher sales volume in the East Malaysian and Indonesian market. Property Division results benefited from the higher progress work done to date after a slow third quarter due to the festive holidays.

Financing costs were higher due to comparatively higher interest rates and growth in assets employed in the Property, Credit Financing, Sasco Fertilizer Trading, Automotive and Quarry and Building Materials Divisions.

Overall, profit before taxation (PBT) for the current quarter at RM50.4 million was 26% higher than the preceding year corresponding quarter whilst the full year PBT at RM151.7 million was 8.5% higher than the preceding year. Profit after taxation (PAT) for the current quarter at RM46.8 million was 65% higher than the preceding year corresponding quarter whilst the full year PAT at RM120.6 million was 20% higher than the preceding year. The Group's after tax results benefited from the reduction in statutory tax rates announced in the Malaysian Budget 2007 on 1 September 2006 which have resulted in lower effective tax rates due to reversal of deferred taxation.

Basic earnings per share for the year attributable to shareholders at 18.03 sen was 22% higher than the preceding year corresponding period of 14.78 sen.

2. **Comments on Material Changes in the Profit Before Taxation for the Quarter Reported as Compared with the Preceding Quarter**

Group profit before taxation for the current quarter at RM50.4 million was 10% higher than the preceding quarter of RM46 million. Improved performance was recorded at the Property Division from higher progress work done and Plantation Division which benefited from higher CPO average price and sales volume but mitigated by the performance of Sasco Fertilizer Trading which was impacted by the competitive market conditions and the strengthening of the Ringgit.

3. **Current Year Prospects**

The Group anticipates ongoing competitive trading conditions in the various market sectors in which it presently operates. Overall, the Operating Profit of the Group is likely to be mainly influenced by Crude Palm Oil price realisations.

4. **Variances Between Actual Profit and Forecast Profit**

Any variances between actual profit and forecast profit is not applicable as the Company has not provided any profit forecast in any public document.

5. **Tax Expense**

	Individual Quarter Ended		Cumulative Quarter Ended	
	31.1.2007	**31.1.2006**	**31.1.2007**	**31.1.2006**
	RM'000	RM'000	RM'000	RM'000
In respect of current period				
- Income tax	15,781	16,081	45,920	44,787
- deferred tax	(16,546)	(1,365)	(16,912)	(1,164)
	(765)	14,716	29,008	43,623
In respect of prior year				
- Income tax	3,002	886	744	(715)
- deferred tax	1,368	(3,868)	1,368	(3,868)
	4,370	(2,982)	2,112	(4,583)
Real property gains tax				
- current period	-	-	6	-
- prior period	-	(40)	36	(11)
	-	(40)	42	(11)
	3,605	11,694	31,162	39,029

In the Malaysian Budget 2007 announced on 1 September 2006, the statutory tax rate for year of assessment 2007 and 2008 have been reduced to 27% and 26% respectively. Resulting from the reduction in statutory tax rates, the deferred taxation of the group has been adjusted accordingly in the current quarter. Consequently, the Group's effective tax rate for the current quarter and year excluding over provision of tax in respect of prior year and real property gains tax were substantially lower than the statutory tax rate of 27%.

The Group's effective tax rate for the preceding year corresponding quarter and year were higher than the statutory tax rate of 28% due to certain expenses being disallowed for tax purposes.

6. **Profits/(Losses) on sale of unquoted investments and/or properties respectively for the current quarter and financial year to date**

There was no disposal of unquoted investment for the current quarter and financial year to date except for the disposal of the Company's entire shareholding of 64,600 shares in Vox Emas Comunications Sdn Bhd for cash consideration of RM10,000 which has resulted in a gain on disposal of RM9,999 to the Group in the first quarter.

Sale of properties was in respect of those that were sold in the ordinary course of business and were included in the revenue of the Group.

7. **Purchase or disposal of quoted securities other than securities in existing subsidiaries and associated companies for the current quarter and financial year-to-date**

(a) The Company and the Group did not purchase or dispose of any quoted securities for the current quarter and financial year to date except for the shares bought back by the Company as disclosed in Note 9(a) of Part A above.

(b) The Group's total investments in quoted shares (excluding existing subsidiaries and associated companies) are as follows:-

	As at 31.1.2007 RM'000	**As at 31.1.2006** RM'000
(i) At cost	37,998	37,998
(ii) At book value	23,089	23,089
(iii) At market value	30,501	24,823
	=======	=======

8. **Status of Corporate Proposals Announced But Not Completed Not Earlier than Seven (7) Days from the Date of this Report**

There was no corporate proposal announced but not completed as at 23 March 2007.

9. **Borrowings and Debt Securities**

The Group does not have any debt securities. The Group borrowings are all unsecured and denominated in Ringgit as follows:

		As at 31.1.2007 RM'000	**As at 31.1.2006** RM'000
Short term	- Bankers acceptances	347,301	266,949
	- Bank overdrafts	38,600	7,077
	- Revolving credits	487,550	204,200
	- Term loans	82,000	-
		-------------	-------------
		955,451	478,226
Long term	- Term loans	337,950	419,950
		-------------	-------------
		1,293,401	898,176
		=========	=========

10. **Financial Instruments with Off Balance Sheet Risk**

The Group entered into forward foreign exchange contracts where appropriate to limit its exposure on receivables and payables, and on cash flows generated from anticipated transactions denominated in foreign currencies. The fair value of forward foreign currency contracts is the estimated amount in which the Group would expect to pay on the termination of the outstanding position arising from such contracts. The fair value of such contracts is determined by reference to the spot rate on that date. The settlement date of these contracts range between 1 and 6 months.

The contracted amount and fair value of financial instruments not recognised in the balance sheet as at 23 March 2007 being a date not earlier than 7 days from the date of this report are:

	Contracted Amount RM'000	**Fair Value** RM'000
Forward foreign exchange contracts	39,278	39,451
	========	========

The Group has no significant concentrations of credit and market risks in relation to the above off balance sheet financial instruments as the forward foreign exchange contracts are entered into with reputable financial institutions and are not used for speculative purposes.

11. **Provision of Financial Assistance**

Money lending operations

(i) The Group moneylending operations is undertaken by the Company's wholly owned subsidiary, Hap Seng Credit Sdn Bhd ["HSC"] in the ordinary course of its business as a licensed moneylender. The aggregate amount of outstanding loans as at 31 January 2007 given by HSC are as follows:

		Secured	**Unsecured**	**Total**
		RM'000	RM'000	RM'000
(a)	To companies	711,923	-	711,923
(b)	To individuals	54,061	-	54,061
(c)	To companies within the listed issuer group	-	-	-
(d)	To related parties	-	-	-
		765,984	-	765,984

(ii) The total borrowings of HSC in term of:

		As at 31.1.2007
		RM'000
(a)	Loans given by companies within the Group to HSC	-
(b)	Borrowings which are secured by companies within the Group in favour of HSC	-
(c)	Bank borrowings *	426,600
		426,600

* *These are unsecured bank borrowings by HSC which are guaranteed by the Company.*

(iii) The aggregate amount of loans in default for 3 months or more are as follows:-

		RM'000
(a)	Balance as at 1.2.2006	43,313
(b)	Loans classified as in default during the financial year	56,749
(c)	Loans reclassified as performing during the financial year	(25,509)
(d)	Amount recovered	(16,997)
(e)	Amount written off	-
(f)	Loans converted to securities	-
(g)	Balance as at 31.1.2007	57,556
(h)	Ratio of net loans in default to net loans	7.51%

11. **Provision of Financial Assistance (Cont'd)**

Money lending operations (Cont'd)

(iv) The top 5 loans are as follows:-

Ranking	Type of Facility	Limit RM'000	Outstanding Principal Amount RM'000	Security Provided (Yes/No)	Value of Security RM'000	Related Party (Yes/No)	Term of Repayment (month)
1st	Term Loan	27,552	25,906	Yes	39,846	No	60 – 180
2nd	Term Loan	21,169	18,645	Yes	16,085	No	36 – 60
	Hire Purchase	1,493	1,191	Yes	1,158	No	48 – 60
		22,662	19,836		17,243		
3rd	Term Loan	42,000	14,840	Yes	19,360	No	60
	Hire Purchase	478	361	Yes	685	No	36
		42,478	15,201		20,045		
4th	Term Loan	17,240	11,538	Yes	20,499	No	6 – 180
	Hire Purchase	3,739	3,499	Yes	3,436	No	36 – 84
		20,979	15,037		23,935		
5th	Term Loan	17,197	13,584	Yes	24,060	No	60 – 120
	Hire Purchase	344	234	Yes	270	No	36 – 60
		17,541	13,818		24,330		

12. **Material Litigation**

Except for the following, there were no changes in material litigation since the last annual balance sheet date:-

On 24 October 2002, the Company was served with a Writ of Summons ["said Writ"] in the High Court in Sabah and Sarawak at Kota Kinabalu ["Tongod Suit"] wherein the Company was named as the first defendant, Asiatic Development Berhad as the second defendant, Tanjung Bahagia Sdn Bhd as the third defendant, Director of Department of Lands and Surveys, Sabah as the fourth defendant and the Government of the State of Sabah as the fifth defendant. The Tongod Suit was instituted by certain natives of Sabah claiming Native Customary Rights over all that parcel of land held under Title No. CL095330724 situated in Sungai Tongod, District of Kinabatangan, Sandakan ["the Tongod Land"] or part thereof. The Company had on 9 May 2002 completed its disposal of the Tongod Land to Tanjung Bahagia Sdn Bhd, the wholly-owned subsidiary of Asiatic Development Berhad.

The Company has filed its Statement of Defence and an application to strike out the said Writ on 11 February 2003 ["Striking Out Application"].

As announced on 13 June 2003, the learned Deputy Registrar dismissed the Company's Striking Out Application with costs. The Company is appealing against the said decision and the Court had adjourned its original hearing date of 15 April 2005 on the same to another date to be fixed.

The Plaintiffs had earlier filed an application for injunction restraining the second and third defendants from carrying out, inter alia, planting activities on the Tongod Land or part thereof. During the hearing held on 5 July 2004 on the said injunction application, the defendants had raised a preliminary objection to the Court's jurisdiction to determine Native Customary Rights. The Court has yet to fix a new date for decision on the said preliminary objection.

The Company's Solicitors are of the opinion that the Plaintiffs' claim to Native Customary Rights against the alienated land after the issuance of the title is unlikely to succeed.

13. **Earnings Per Share**

(a) The basic earnings per share is calculated by dividing the profit for the period attributable to equity holders of the parent by weighted average number of ordinary shares in issue during the period, excluding treasury shares held by the Company.

(b) The diluted earnings per share is calculated by dividing the profit for the period attributable to equity holders of the parent by the by weighted average number of ordinary shares in issue during the period, adjusted for the dilutive effects of potential ordinary shares, i,e. share options granted pursuant to the Employees' Share Option Scheme ["ESOS"].

	Individual Quarter Ended		**Cumulative Quarter Ended**	
	31.1.2007	**31.1.2006**	**31.1.2007**	**31.1.2006**
Profit for the period attributable to equity holders of the parent (RM'000)	40,968	22,811	106,156	87,147
Basic earnings per share (sen)	6.96	3.87	18.03	14.78
Diluted earnings per share * (sen)	6.96	3.87	18.03	14.78
Based on weighted average number of ordinary shares ('000):				
- for Basic earnings per share	588,906	589,516	588,906	589,516
Adjustment for share options	(509)	(364)	(509)	(364)
- for Diluted earnings per share	588,397	589,152	588,397	589,152

* As the diluted earnings per share exceed the basic earnings per share, the anti-dilutive effect is ignored.

14. **Dividends**

(a) Dividend paid for year ended 31 January 2007

an interim dividend of 3.5 sen (2006: 3.5 sen) per ordinary share less income tax of 27% (2006: 28%) which was approved by the Board of Directors on 27 September 2006 had been paid on 31 October 2006;

(b) The Board of Directors have on even date proposed a final dividend for year ended 31 January 2007 which is subject to the approval of shareholders at the forthcoming Annual General Meeting of the Company as follows:

(i) Amount per ordinary share of RM1.00 each - Final Dividend	3.5 sen less income tax at 26%
(ii) Previous corresponding period: Amount per ordinary share of RM1.00 each - Final Dividend	3.5 sen less income tax at 28%
(iii) Total dividend for the current financial year:	7.0 sen comprising an interim dividend of 3.5 sen per ordinary share less income tax at 27% and proposed final dividend of 3.5 sen per ordinary share less income tax at 26%. (2006: 7.0 sen per ordinary share less income tax of 28%)

[c] The entitlement and payment date will be announced at a later date.

BY ORDER OF THE BOARD

LEE WEE YONG
CHEAH YEE LENG
Secretaries

Petaling Jaya
28 March 2007