



HAP SENG PLANTATIONS HOLDINGS BERHAD (769962-K)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENTS (UNAUDITED) FOURTH QUARTER ENDED 31 JANUARY 2008

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 31.1.2008 RM'000	Preceding Year Corresponding Quarter Ended 31.1.2007 RM'000	Current Year To date Ended 31.1.2008 RM'000	Preceding Year Corresponding Period 31.1.2007 RM'000
Revenue	135,647	-	216,588	-
Operating expenses	(61,973)	-	(95,116)	-
Other operating income	850	-	1,349	-
	-----	-----	-----	-----
Operating profit	74,524	-	122,821	-
Financing costs	(1,035)	-	(2,837)	-
Other non-operating item - Negative goodwill	-	-	77,318	-
	-----	-----	-----	-----
Profit before tax	73,489	-	197,302	-
Tax expense	(19,489)	-	(31,742)	-
	-----	-----	-----	-----
Profit for the period	54,000	-	165,560	-
	=====	=====	=====	=====
Earnings per share (sen)				
Basic	13.65	-	41.86	-
	=====	=====	=====	=====
Fully diluted	N/A	-	N/A	-
	=====	=====	=====	=====

(The cumulative quarter results of the Group are in respect of the post acquisition results of the Group from the completion date of the Acquisitions on 7 September 2007 to 31 January 2008)

*The Condensed Consolidated Income Statements
should be read in conjunction with the accompanying explanatory notes attached to the Interim Financial Statements*



HAP SENG PLANTATIONS HOLDINGS BERHAD (769962-K)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED) FOURTH QUARTER ENDED 31 JANUARY 2008

	As at End of Current Quarter 31.1.2008 RM'000	As at Preceding Financial Year End 31.1.2007 RM'000
Non-current assets		
Property, plant and equipment	213,241	-
Biological assets	1,279,727	-
Prepaid lease payments	323,377	-
	-----	-----
	1,816,345	-
	-----	-----
Current assets		
Inventories	21,331	-
Receivables	22,566	-
Tax recoverable	10,370	-
Cash and cash equivalents	69,323	-
	-----	-----
	123,590	-
	-----	-----
TOTAL ASSETS	1,939,935	-
	=====	=====
Equity attributable to equity holders of the Company		
Share capital	800,000	-
Reserves	801,138	-
	-----	-----
TOTAL EQUITY	1,601,138	-
	-----	-----
Non-current liabilities		
Bank borrowings	56,667	-
Deferred tax liabilities	195,878	-
	-----	-----
	252,545	-
	-----	-----
Current liabilities		
Payables	66,920	-
Tax payable	5,999	-
Bank borrowings	13,333	-
	-----	-----
	86,252	-
	-----	-----
TOTAL LIABILITIES	338,797	-
	-----	-----
TOTAL EQUITY AND LIABILITIES	1,939,935	-
	=====	=====
Net assets per share attributable to ordinary equity holders of the Company (RM)	2.00	-
	=====	=====
Number of ordinary shares	800,000,000	-

*The Condensed Consolidated Balance Sheets
should be read in conjunction with the accompanying explanatory notes attached to the Interim Financial Statements*



HAP SENG PLANTATIONS HOLDINGS BERHAD (769962-K)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOURTH QUARTER ENDED 31 JANUARY 2008

	← Attributable to Equity Holders of the Parent →			
	Share Capital RM'000	Non- distributable Share Premium RM'000	Distributable Retained Earnings RM'000	Total Equity RM'000
At 18 April 2007 (date of incorporation)	#	-	-	#
Issue of shares upon acquisition of subsidiaries	750,000	600,001	-	1,350,001
Public Issue	50,000	82,500	-	132,500
Listing expenses	-	(6,923)	-	(6,923)
Profit for the period	-	-	165,560	165,560
Dividends	-	-	(40,000)	(40,000)
At 31 January 2008	----- 800,000 =====	----- 675,578 =====	----- 125,560 =====	----- 1,601,138 =====

Denote 2 ordinary shares of RM1.00 each.

*The Condensed Consolidated Statements of Changes in Equity
should be read in conjunction with the accompanying explanatory notes attached to the Interim Financial Statements*



HAP SENG PLANTATIONS HOLDINGS BERHAD (769962-K)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS (UNAUDITED) FOR YEAR ENDED 31 JANUARY 2008

	For Current Year Ended 31.1.2008 RM'000	For Preceding Year Ended 31.1.2007 RM'000
Cash flows from operating activities		
Profit before tax	197,302	-
Adjustments for:		
Non-cash items	9,126	-
Non-operating items	(77,318)	-
Net interest expense	2,009	-
	-----	-----
Operating profit before working capital changes	131,119	-
Net changes in working capital	38,633	-
Net tax paid	(41,885)	-
Net interest paid	(2,009)	-
	-----	-----
Net cash generated from operating activities	125,858	-
	-----	-----
Cash flows from investing activities		
Purchase of property, plant and equipment	(17,925)	-
Additions to biological assets	(293)	-
Additions to prepaid lease payments	(158)	-
Net cash flow on acquisition of subsidiaries	(73,736)	-
	-----	-----
Net cash used in investing activities	(92,112)	-
	-----	-----
Cash flows from financing activities		
Net repayment of bank borrowings	(50,000)	-
Proceeds from public issue net of listing expenses	125,577	-
Dividends paid to shareholders	(40,000)	-
	-----	-----
Net cash generated from financing activities	35,577	-
	-----	-----
Net increase in cash and cash equivalents	69,323	-
Cash and cash equivalents at beginning of period	-	-
	-----	-----
Cash and cash equivalents at end of period	69,323	-
	=====	=====

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

Deposits with licensed banks	63,900	-
Cash in hand and at bank	5,423	-
	-----	-----
	69,323	-
	=====	=====

*The Condensed Consolidated Cash Flow Statements
should be read in conjunction with the accompanying explanatory notes attached to the Interim Financial Statements*

PART A

Explanatory Notes Pursuant to Financial Reporting Standard (FRS) 134₂₀₀₄ “Interim Financial Reporting”

1. Basis of Preparation

This is the first interim financial report prepared in accordance with the requirements of FRS 134₂₀₀₄ “Interim Financial Reporting” and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad [“Bursa Securities”].

The cumulative quarter results of the Group are in respect of the post acquisition results of the Group from the completion date of the Acquisitions on 7 September 2007 referred to in Note 9 of Part A below.

2. Changes in Accounting Policies

The accounting policies and presentation adopted for the interim financial report have been consistently applied throughout the period and are in accordance with the applicable approved accounting standards for entities other than private entities issued by the Malaysian Accounting Standards Board, accounting principles generally accepted in Malaysia and the provisions of the Companies Act, 1965.

3. Comparatives Figures

The Company was incorporated on 18 April 2007 under the name of Hap Seng Plantations Holdings Sdn Bhd. Subsequently, on 3 May 2007, the Company was converted to a public limited company under its current name. The Company obtained the Securities Commission approval in respect of its Initial Public Offering [“IPO”] on 23 July 2007 and was successfully listed on the Main Board of Bursa Malaysia Securities Berhad on 16 November 2007.

Accordingly, this is the first financial year in which interim financial reports are prepared by the Company in compliance with the Listing Requirements of Bursa Securities and consequently, there are no comparatives figures presented in this report.

4. Auditors’ Report on Preceding Annual Financial Statements

There was no preceding year audited financial statements prepared as the Company was incorporated on 18 April 2007.

5. Comments on the Seasonality or Cyclicity of Operations

The seasonal or cyclical factors affecting the results of the operations of the Group which comprise the cultivation of oil palm and processing of fresh fruit bunches are 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 Item

The other non-operating item was in respect of the negative goodwill of RM77.3 million in the previous quarter which represents the excess of the fair values of the net identifiable assets acquired over the cost of acquisitions as at the completion date of the acquisitions of the entire equity interests in Jeroco Plantations Sdn Bhd [“Jeroco”] and Hap Seng Plantations (River Estates) Sdn Bhd [“River Estates”]. In accordance with FRS 3 “Business Combination”, the negative goodwill is recognised immediately in the income statement.

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 interim periods of the current financial year. There were also no changes in estimates of amounts reported in prior financial years as this is the first financial year in which interim financial reports are prepared by the Company.

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

(a) On 16 May 2007, the Company entered into the following two (2) conditional share sale agreements ["SSAs"] to acquire the entire equity interests in Jeroco and River Estates, collectively referred to as the "Acquisitions":-

- (i) a conditional share sale agreement with Hap Seng Consolidated Berhad ["HSCB"] together with the other two vendors, namely Innoprise Corporation Sdn. Bhd. ["Innoprise"] and Kowa Company Limited ["Kowa"] pursuant to which HSCB, Innoprise and Kowa agreed to dispose of their respective 66.07%, 30.00% and 3.93% equity interest in Jeroco to the Company for a total purchase consideration of RM550.25 million to be satisfied by the issuance of 275,127,000 new ordinary shares of RM1.00 each in the Company ["HSP Shares"] at an issue price of RM1.80 per HSP Share credited as fully paid-up and a cash consideration of RM55.02 million; and
- (ii) a conditional share sale agreement with HSCB pursuant to which HSCB agreed to dispose of its entire 100% equity interest in River Estates to the Company for a purchase consideration of RM949.75 million to be satisfied by the issuance of 474,872,998 new HSP Shares at an issue price of RM1.80 per HSP Share credited as fully paid up and a cash consideration of RM94.98 million.

The above Acquisitions were completed on 7 September 2007 and Jeroco and River Estates became subsidiaries of the Company. The Company became a 87.55% owned subsidiary of HSCB, the immediate holding company and Gek Poh Holdings Sdn Bhd became the ultimate holding company of the Company.

Upon the completion of the Acquisitions, the Company issued and paid up share capital was increased from RM2.00 to RM750,000,000 comprising 750,000,000 ordinary shares of RM1.00 each. Simultaneous with the completion of the Acquisitions, HSCB acquired the two (2) subscribers' shares in the Company at par value.

The Acquisitions were in conjunction with and were an integral part of listing of and quotation for the Company's entire issued and paid up share capital on the Main Board of Bursa Securities.

(b) On 22 October 2007, the Company has issued a Prospectus in conjunction with the Listing involving the following:

- (i) public issue of 50,000,000 new ordinary shares of RM1.00 each in the Company ["Public Issue"]; and
- (ii) offer for sale of up to 250,000,000 ordinary shares of RM1.00 each in the Company by HSCB ["Offer for Sale"]

(c) On 12 November 2007, the Company completed its public issue of 50,000,000 ordinary shares of RM1.00 each thereby increasing its issued and paid-up share capital from 750,000,000 ordinary shares of RM1.00 each to 800,000,000 ordinary shares of RM1.00 each.

(d) On 16 November 2007, the Company's entire enlarged issued and paid-up share capital comprising 800,000,000 ordinary shares of RM1.00 each was admitted to the Official List of Bursa Malaysia Securities Berhad ["Bursa Securities"] and listed on the Main Board of Bursa Securities.

Upon listing, the Company was a 50.84% owned subsidiary of Hap Seng Consolidated Berhad (HSCB) which was subsequently increased to 51.55% on 8 January 2008 when HSCB acquired 5,660,090 ordinary shares of RM1.00 each in the Company through Direct Business Transaction.

10. Dividends Paid

An interim dividend of 5.0 sen per ordinary share under the single tier system which is tax exempt in the hands of the shareholders amounting to RM40 million was paid on 30 January 2008.

11. Segment Revenue and Segment Result

No segmental financial information has been prepared as the Group is primarily engaged in the cultivation of oil palm and processing of fresh fruit bunches carried out in Malaysia.

12. Valuation of Property, Plant and Equipment

The Property Plant and Equipment of the Group are carried at cost less accumulated depreciation and there was no revaluation of property, plant and equipment at the end of the reporting period.

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

There are no material events subsequent to the end of the current quarter under review and up to 26 March 2008, being the last practicable date from the date of the issue of this report which is 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

There was no change in the composition of the Group during the Interim Period.

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

The Group has no material contingent liabilities as at 26 March 2008, 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.

16. Capital Commitments

The Group has the following capital commitments:

	As at 31.1.2008 RM'000
Contracted but not provided for in this report	9,294
Authorised but not contracted for	29,942

	39,236
	=====

17. Significant Related Party Transactions

During the current quarter under review and up to 26 March 2008, the Company and its subsidiaries did not enter into any Significant Related Party Transactions nor Recurrent Related Party Transactions except as follows;

Nature of Transactions	Transacting Parties	Amount RM'000
<u>Revenue</u>		
Plantation management fee income	Hap Seng Consolidated Berhad and its other subsidiaries ["HSCB Group"]	40
Agricultural assessment fee income	HSCB Group	2
<u>Expenditure</u>		
Purchase of diesel, petrol and lubricants	HSCB Group	6,593
Purchase of fertilisers and chemicals	HSCB Group	14,776
Purchase of vehicles and spare parts	HSCB Group	308
Contract expenses	HSCB Group	4,235
Rental expenses	HSCB Group	36
Management fees	HSCB Group	1,050

The Directors are of the opinion that the above transactions have been entered on an arm's length basis and on normal commercial terms which are not more favourable to the related parties than those generally available to third parties.

PART B

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

1. Review of Performance

The Company was incorporated on 18 April 2007 whilst the Group was formed upon completion of the acquisitions of Jeroco and River Estates on 7 September 2007 ("Completion Date"). The operating results of the Group for the cumulative quarter were from the Completion Date to 31 January 2008.

For the current quarter under review, the Group recorded revenue of RM135.6 million on Crude Palm Oil (CPO) sales volume of 48,423 tonnes and Palm Kernel (PK) sales volume of 10,196 tonnes. Average selling price of CPO and PK achieved was RM2,289 and RM1,739 per tonne respectively.

The Group's Profit before tax and Profit after tax before non-operating item for the year was RM120.0 million and RM88.2 million respectively. Including the other non-operating item, Group's Profit before Tax and Profit after tax was RM197.3 million and RM165.6 million respectively.

Earnings per share (EPS) attributable to the shareholders of the Company was 41.86 sen.

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

Group profit before tax and other non-operating item for the current quarter at RM73.5 million was 58% higher than the preceding quarter of RM46.5 million. This was mainly attributable to 2 months reporting in the preceding quarter (from Completion Date on 7 September 2007 to 31 October 2007) and higher average selling prices and sales volume for CPO and PK in the current quarter.

3. Current Year Prospects

The Board of Directors is optimistic about the Group's current year prospects in view of the current positive outlook of the palm oil industry.

4. Variances Between Actual Profit and Forecast Profit

The Group's profit after tax for the financial year ended 31 January 2008 is 8.7% higher than the post acquisition profit forecast as set out in its prospectus dated 22 October 2007. This was mainly attributable to higher average selling prices for CPO and PK.

	Actual Profit RM'000	Post Acquisition Profit Forecast RM'000	Variance
Profit after tax and negative goodwill	165,560 =====	152,287 =====	8.7%

5. Tax Expense

	Individual Quarter Ended		Cumulative Quarter Ended	
	31.1.2008	31.1.2007	31.1.2008	31.1.2007
	RM'000	RM'000	RM'000	RM'000
In respect of current period				
- Income tax	15,078	-	27,813	-
- deferred tax	3,880	-	3,694	-
	-----	-----	-----	-----
	18,958	-	31,507	-
	-----	-----	-----	-----
In respect of prior period				
- Income tax	589	-	293	-
- deferred tax	(58)	-	(58)	-
	-----	-----	-----	-----
	531	-	235	-
	-----	-----	-----	-----
	19,489	-	31,742	-
	=====	=====	=====	=====

The Group's effective tax rate for the current quarter excluding under provision of tax in respect of prior year was in line with the statutory tax rate whilst the effective tax rate for the year was lower than the statutory tax rate due to the non-taxable negative goodwill arising from the acquisition of subsidiaries. Excluding the negative goodwill, the Group's effective tax rate for the year was close to the statutory tax rate.

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.

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

The Group does not have any investments in quoted securities and nor did it purchase or dispose of any quoted securities for the current quarter and financial year to date.

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 26 March 2008.

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
	31.1.2008
	RM'000
Term loans - Short term	13,333
- Long term	56,667

	70,000
	=====

10. Financial Instruments with Off Balance Sheet Risk

The Group has no off balance sheet financial instruments as at 26 March 2008 being a date not earlier than 7 days from the date of this report.

11. Material Litigation

The Group has no material contingent liabilities as at 26 March 2008, 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.

12. Earnings Per Share

- (a) The basic earnings per share is calculated by dividing the profit for the period attributable to equity holders of the Company by weighted average number of 395,502,000 ordinary shares in issue during the period commencing from date of incorporation.

	Current Quarter	Cumulative Quarter
Basic earnings per share	13.65 sen	41.86 sen
Basic earnings per share (excluding other non-operating item)	13.65 sen	22.31 sen

- (b) The proforma basic earnings per share based on the issued share capital of 800,000,000 ordinary shares as at 31 January 2008 for the current quarter and period under review (from 7 September 2007 to 31 January 2008) are as follows:

	Current Quarter	Cumulative Quarter
Basic earnings per share	6.75 sen	20.70 sen
Basic earnings per share (excluding other non-operating item)	6.75 sen	11.03 sen

- (c) The Company does not have any diluted earnings per share.

13. Dividends

- (a) Dividend paid for year ended 31 January 2008

an interim dividend of 5.0 sen per ordinary share under the single tier system which is tax exempt in the hands of the shareholders was approved by the Board of Directors on 8 January 2008 and was paid on 30 January 2008;

- (b) The Board of Directors have on even date proposed a final dividend for year ended 31 January 2008 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	5.0 sen per ordinary share under the single tier system which is tax exempt in the hands of the shareholders
(ii) Total dividend for the current financial year:	10.0 sen per ordinary share under the single tier system which is tax exempt in the hands of the shareholders

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

BY ORDER OF THE BOARD

CHEAH YEE LENG

Secretary

Kuala Lumpur
31 March 2008