



HAP SENG PLANTATIONS HOLDINGS BERHAD (769962-K)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENTS (UNAUDITED) FIRST QUARTER ENDED 31 MARCH 2008

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended * 31.3.2008 RM'000	Preceding Year Corresponding Quarter Ended ** 30.4.2007 RM'000	Current Year To date Ended * 31.3.2008 RM'000	Preceding Year Corresponding Period ** 30.4.2007 RM'000
Revenue	45,794	-	45,794	-
Operating expenses	(27,806)	-	(27,806)	-
Other operating income	124	-	124	-
Operating profit	18,112	-	18,112	-
Financing costs	(463)	-	(463)	-
Profit before tax	17,649	-	17,649	-
Tax expense	(4,477)	-	(4,477)	-
Profit for the period	13,172	-	13,172	-
Earnings per share (sen)				
Basic	1.65	-	1.65	-
Fully diluted	N/A	-	N/A	-

* The current quarter is for a period of 2 months from 1 February 2008 to 31 March 2008, arising from the change in financial year end from 31 January 2009 to 31 December 2008.

** There are no comparative figures as the first interim financial report prepared by the Company subsequent to its incorporation on 18 April 2007 and listing on Bursa Malaysia Securities Berhad on 16 November 2007, was for the quarter ended 31 October 2007.

The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the financial period ended 31 January 2008 and 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) FIRST QUARTER ENDED 31 MARCH 2008

	As at End of Current Quarter 31.3.2008	As at Preceding Financial Year End 31.1.2008
	RM'000	RM'000
Non-current assets		
Property, plant and equipment	210,859	213,241
Biological assets	1,279,882	1,279,727
Prepaid lease payments	322,726	323,377
	-----	-----
	1,813,467	1,816,345
	-----	-----
Current assets		
Inventories	27,089	21,331
Receivables	13,637	22,566
Tax recoverable	15,058	10,370
Cash and cash equivalents	37,339	69,323
	-----	-----
	93,123	123,590
	-----	-----
TOTAL ASSETS	1,906,590	1,939,935
	=====	=====
Equity attributable to equity holders of the Company		
Share capital	800,000	800,000
Reserves	814,310	801,138
	-----	-----
TOTAL EQUITY	1,614,310	1,601,138
	-----	-----
Non-current liabilities		
Bank borrowings	50,000	56,667
Deferred tax liabilities	195,454	195,878
	-----	-----
	245,454	252,545
	-----	-----
Current liabilities		
Payables	31,920	66,920
Tax payable	1,573	5,999
Bank borrowings	13,333	13,333
	-----	-----
	46,826	86,252
	-----	-----
TOTAL LIABILITIES	292,280	338,797
	-----	-----
TOTAL EQUITY AND LIABILITIES	1,906,590	1,939,935
	=====	=====
Net assets per share attributable to ordinary equity holders of the Company (RM)	2.02	2.00
	=====	=====
Number of ordinary shares	800,000,000	800,000,000

The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the financial period ended 31 January 2008 and 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) FIRST QUARTER ENDED 31 MARCH 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 1 February 2008	800,000	675,578	125,560	1,601,138
Profit for the period	-	-	13,172	13,172
At 31 March 2008	800,000	675,578	138,732	1,614,310

There are no comparative figures as the first interim financial report prepared by the Company subsequent to its incorporation on 18 April 2007 and listing on Bursa Malaysia Securities Berhad on 16 November 2007, was for the quarter ended 31 October 2007.

The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the financial period ended 31 January 2008 and 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 PERIOD ENDED 31 MARCH 2008

	For Current Year Period Ended 31.3.2008 RM'000	For Preceding Year Period Ended ** 30.4.2007 RM'000
Cash flows from operating activities		
Profit before tax	17,649	-
Adjustments for:		
Non-cash items	3,838	-
Net interest expense	412	-
	-----	-----
Operating profit before working capital changes	21,899	-
Net changes in working capital	(31,829)	-
Net tax paid	(14,015)	-
Net interest paid	(412)	-
	-----	-----
Net cash used in operating activities	(24,357)	-
	-----	-----
Cash flows from investing activities		
Purchase of property, plant and equipment	(805)	-
Additions to biological assets	(155)	-
	-----	-----
Net cash used in investing activities	(960)	-
	-----	-----
Cash flows from financing activities		
Net repayment of bank borrowings	(6,667)	-
	-----	-----
Net cash used in financing activities	(6,667)	-
	-----	-----
Net decrease in cash and cash equivalents	(31,984)	-
	-----	-----
Cash and cash equivalents at beginning of period	69,323	-
	-----	-----
Cash and cash equivalents at end of period	37,339	-
	=====	=====

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

Deposits with licensed banks	28,000	-
Cash in hand and at bank	9,339	-
	-----	-----
	37,339	-
	=====	=====

** There are no comparative figures as the first interim financial report prepared by the Company subsequent to its incorporation on 18 April 2007 and listing on Bursa Malaysia Securities Berhad on 16 November 2007, was for the quarter ended 31 October 2007.

The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the financial period ended 31 January 2008 and the accompanying explanatory notes attached to the Interim Financial Statements

PART A

Explanatory Notes Pursuant to Financial Reporting Standard (FRS) 134 “Interim Financial Reporting”

1. Basis of Preparation

This interim financial report has been prepared in accordance with the requirements of FRS 134 “Interim Financial Reporting” and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad [“Bursa Securities”], and should be read in conjunction with the Group’s audited financial statements for the financial period ended 31 January 2008.

The significant accounting policies and presentation adopted for the interim financial report are consistent with those adopted for the audited financial statements for the period from 18 April 2007 (date of incorporation) to 31 January 2008 except for the adoption of the following revised FRSs which are effective for financial period beginning on or after 1 July 2007:

FRS 107 Cash Flows Statements
FRS 112 Income Taxes
FRS 118 Revenue
FRS 134 Interim Financial Reporting
FRS 137 Provisions, Contingent Liabilities and Contingent Assets

The adoption of the above revised FRSs do not have any significant financial impact on the Group.

2. Change in Financial Year End

On 8 January 2008, the Company announced the change of its financial year end from 31 January 2009 to 31 December 2008 to be coterminous with the financial year end of its holding company. Consequently, the financial statements of the current financial period will be for a period of 11 months from 1 February 2008 to 31 December 2008. The first interim financial report for current financial period ended 31 December 2008 will be for the two months ended 31 March 2008 and thereafter the subsequent interim financial reports will be for the quarter ending 30 June 2008, 30 September 2008 and 31 December 2008 respectively.

3. Comparatives Figures

There are no comparative figures presented in this report for income statements, statement of changes in equity and cash flow statements.

The Company was incorporated on 18 April 2007 and was listed on the Main Board of Bursa Securities on 16 November 2007. The Group’s first interim financial report that was prepared in compliance with the Listing Requirements of Bursa Securities was for the quarter ended 31 October 2007.

4. Auditors’ Report on Preceding Annual Financial Statements

The auditors’ report in respect of the financial statements of the Company for the preceding financial period from 18 April 2007 (date of incorporation) to 31 January 2008 was not subject to any qualification.

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 under review.

7. 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 year.

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

There was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities during the current quarter under review.

9. Dividends Paid

There was no dividend paid out of shareholders' equity for the ordinary shares during the current quarter under review.

10. 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.

11. 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.

12. 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 20 May 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.

13. 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.

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

The Group has no contingent liabilities or contingent assets as at 20 May 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.

15. Capital Commitments

The Group has the following capital commitments:

	As at 31.3.2008	As at 31.1.2008
	RM'000	RM'000
Contracted but not provided for in this report	9,356	9,294
Authorised but not contracted for	20,471	29,942
	-----	-----
	29,827	39,236
	=====	=====

16. Significant Related Party Transactions

During the current quarter under review and up to 20 May 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"]	28
<u>Expenditure</u>		
Purchase of diesel, petrol and lubricants	HSCB Group	5,271
Purchase of fertilisers and chemicals	HSCB Group	10,103
Purchase and servicing of vehicles and purchase of spare parts	HSCB Group	1,257
Contract expenses on earth work and road maintenance	HSCB Group	379
Purchase of building materials	HSCB Group	239
Rental expenses	HSCB Group	19
Management fees	HSCB Group	840

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.

The above transactions have been announced by the Company on 20 May 2008.

PART B

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

1. Review of Performance

Resulting from the change in financial year end as mentioned in Part A Note 2, the current quarter results was for the two months period ended 31 March 2008.

For the current period under review, the Group recorded revenue of RM45.8 million on Crude Palm Oil (CPO) sales volume of 13,252 tonnes and Palm Kernel (PK) sales volume of 4,906 tonnes. Average selling price of CPO and PK achieved were RM2,431 and RM1,995 per tonne respectively.

Generally, Group's revenue was affected by lower CPO sales volume due to lower production of Fresh Fruit Bunches (FFB) attributable to the seasonal yield trend and changes in cropping pattern as well as delay in deliveries of CPO resulting from the wet weather conditions during the period under review. Consequent to the delay in deliveries of CPO, closing stock of CPO as at 31 March 2008 has increased by approximately 8,000 tonnes as compared to 31 January 2008.

Overall, the Group's Profit before tax and Profit after tax for the current period was RM17.6 million and RM13.2 million respectively.

Earnings per share (EPS) attributable to the shareholders of the Company for the current period was 1.65 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 for the current quarter at RM17.6 million was 76% lower than the preceding quarter of RM73.5 million. The lower results were mainly attributable to only two months reporting in the current quarter, lower FFB production attributable to the seasonal yield trend and changes in cropping pattern, and lower CPO sales volume due to delay in deliveries resulting from the adverse weather conditions.

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

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	
	31.3.2008	30.4.2007	31.3.2008	30.4.2007
	RM'000	RM'000	RM'000	RM'000
In respect of current period				
- Income tax	4,901	-	4,901	-
- deferred tax	(424)		(424)	
	-----	-----	-----	-----
	4,477	-	4,477	-
	=====	=====	=====	=====

The Group's effective tax rate for the current quarter was in line with 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 during the current quarter under review.

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 during the current quarter under review.

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 20 May 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 31.3.2008	As at 31.1.2008
	RM'000	RM'000
Term loans - Short term	13,333	13,333
- Long term	50,000	56,667
	-----	-----
	63,333	70,000
	=====	=====

10. Financial Instruments with Off Balance Sheet Risk

The Group has no off balance sheet financial instruments as at 20 May 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 20 May 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 ordinary shares in issue during the period.

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

13. Dividends

The Directors do not recommend any interim dividend for the period under review.

BY ORDER OF THE BOARD

CHEAH YEE LENG

Secretary

Kuala Lumpur
21 May 2008