



# HAP SENG PLANTATIONS HOLDINGS BERHAD (769962-K)

(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED INCOME STATEMENTS (UNAUDITED) FIRST QUARTER ENDED 31 MARCH 2009

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 31.3.2009 RM'000	Preceding Year Corresponding Quarter Ended * 31.3.2008 RM'000	Current Year To date Ended 31.3.2009 RM'000	Preceding Year Corresponding Period Ended * 31.3.2008 RM'000
<b>Revenue</b>	73,252	45,794	73,252	45,794
Operating expenses	(54,078)	(27,806)	(54,078)	(27,806)
Other operating income	452	124	452	124
	-----	-----	-----	-----
<b>Operating profit</b>	19,626	18,112	19,626	18,112
Financing costs	(1,097)	(463)	(1,097)	(463)
	-----	-----	-----	-----
<b>Profit before tax</b>	18,529	17,649	18,529	17,649
Tax expense	(4,622)	(4,477)	(4,622)	(4,477)
	-----	-----	-----	-----
<b>Profit for the period</b>	13,907	13,172	13,907	13,172
	=====	=====	=====	=====
<b>Earnings per share (sen)</b>				
Basic	1.74	1.65	1.74	1.65
	=====	=====	=====	=====
Fully diluted	N/A	N/A	N/A	N/A
	=====	=====	=====	=====

\* The preceding year corresponding quarter was 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 as explained in Part A Note 2.

*The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the financial period ended 31 December 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 2009

	As at End of Current Quarter 31.3.2009 RM'000	As at Preceding Financial Year End 31.12.2008 RM'000 (Audited)
<b>Non-current assets</b>		
Property, plant and equipment	215,237	214,677
Biological assets	1,311,501	1,311,124
Prepaid lease payments	332,778	333,793
	-----	-----
	1,859,516	1,859,594
	-----	-----
<b>Current assets</b>		
Inventories	28,073	29,262
Receivables	14,041	13,780
Tax recoverable	18,352	19,576
Cash and cash equivalents	50,449	45,739
	-----	-----
	110,915	108,357
	-----	-----
<b>TOTAL ASSETS</b>	1,970,431	1,967,951
	=====	=====
<b>Equity attributable to equity holders of the Company</b>		
Share capital	800,000	800,000
Reserves	865,867	851,960
	-----	-----
	1,665,867	1,651,960
Less : Treasury shares	(9)	(9)
	-----	-----
<b>TOTAL EQUITY</b>	1,665,858	1,651,951
	-----	-----
<b>Non-current liabilities</b>		
Bank borrowings	42,667	55,334
Deferred tax liabilities	188,261	187,481
	-----	-----
	230,928	242,815
	-----	-----
<b>Current liabilities</b>		
Payables	28,152	33,839
Tax payable	1,160	913
Bank borrowings	44,333	38,433
	-----	-----
	73,645	73,185
	-----	-----
<b>TOTAL LIABILITIES</b>	304,573	316,000
	-----	-----
<b>TOTAL EQUITY AND LIABILITIES</b>	1,970,431	1,967,951
	=====	=====
<b>Net assets per share attributable to ordinary equity holders of the Company (RM)</b>	2.08	2.06
	=====	=====
Based on number of shares net of treasury shares	799,996,000	799,996,000

The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the financial period ended 31 December 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 2009

	← Attributable to Equity Holders of the Company →				
	Share Capital RM'000	Non- distributable Share Premium RM'000	Distributable Retained Earnings RM'000	Treasury Shares RM'000	Total Equity RM'000
<b>At 1 January 2009</b>	800,000	675,578	176,382	(9)	1,651,951
Profit for the period	-	-	13,907	-	13,907
<b>At 31 March 2009</b>	800,000 =====	675,578 =====	190,289 =====	(9) =====	1,665,858 =====
<b>At 1 February 2008</b>	800,000	675,578	125,560	-	1,601,138
Profit for the period	-	-	13,172	-	13,172
<b>At 31 March 2008</b>	800,000 =====	675,578 =====	138,732 =====	- =====	1,614,310 =====

*The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the financial period ended 31 December 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 2009

	<b>For Current Year Period Ended 31.3.2009 RM'000</b>	<b>For Preceding Year Period Ended * 31.3.2008 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before tax	18,529	17,649
Adjustments for:		
Non-cash items	5,952	3,838
Net interest expense	947	412
	-----	-----
Operating profit before working capital changes	25,428	21,899
Net changes in working capital	(4,759)	(31,829)
Net tax paid	(2,371)	(14,015)
Net interest paid	(947)	(412)
	-----	-----
<b>Net cash generated from/(used in) operating activities</b>	<b>17,351</b>	<b>(24,357)</b>
	-----	-----
<b>Cash flows from investing activities</b>		
Proceeds from disposal of property, plant and equipment	79	-
Purchase of property, plant and equipment	(5,576)	(805)
Additions to biological assets	(377)	(155)
	-----	-----
<b>Net cash used in investing activities</b>	<b>(5,874)</b>	<b>(960)</b>
	-----	-----
<b>Cash flows from financing activities</b>		
Repayment of bank borrowings	(6,667)	(6,667)
	-----	-----
<b>Net cash used in financing activities</b>	<b>(6,667)</b>	<b>(6,667)</b>
	-----	-----
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>4,810</b>	<b>(31,984)</b>
	-----	-----
<b>Cash and cash equivalents at beginning of period</b>	<b>45,639</b>	<b>69,323</b>
	-----	-----
<b>Cash and cash equivalents at end of period</b>	<b>50,449</b>	<b>37,339</b>
	=====	=====

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

Deposits with licensed banks	45,630	28,000
Cash in hand and at bank	4,819	9,339
	-----	-----
	50,449	37,339
	=====	=====

\* The preceding year corresponding period was 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 as explained in Part A Note 2.

The Condensed Consolidated Income Statements should be read in conjunction with the Audited Financial Statements for the financial period ended 31 December 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 December 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 financial period ended 31 December 2008.

#### **2. Comparative Figures**

In the previous financial period, the Company changed its financial year end from 31 January to 31 December to be coterminous with the financial year end of its holding company. Consequently, the financial statements of the previous financial period was for a period of 11 months from 1 February 2008 to 31 December 2008. Resulting from the change, the comparative figures for the first quarter of the previous financial period ended 31 December 2008 was for the 2-month period ended 31 March 2008.

#### **3. Auditors’ Report on Preceding Annual Financial Statements**

The auditors’ report in respect of the financial statements of the Company for the preceding financial period ended 31 December 2008 was not subject to any qualification.

#### **4. 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.

#### **5. 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.

#### **6. 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 periods.

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

##### **(a) Share buy back by the Company**

During the current quarter under review, there was no buyback of shares nor resale or cancellation of treasury shares.

##### **(b) As at 31 March 2009, the Company has 4,000 ordinary shares held as treasury shares and the issued and paid up share capital of the Company remained unchanged at 800,000,000 ordinary shares of RM1.00 each.**

#### **8. Dividends Paid**

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

**9. 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.

**10. 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.

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

There was no material event subsequent to the end of the current quarter under review and up to 22 May 2009, 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.

**12. 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 were no changes in composition of the Group during the quarter under review.

**13. 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 contingent liabilities or contingent assets as at 22 May 2009, 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. Capital Commitments**

The Group has the following capital commitments:

	<b>As at 31.3.2009</b>	<b>As at 31.12.2008</b>
	RM'000	RM'000
Contracted but not provided for in this report	23,777	17,852
Authorised but not contracted for	6,983	35,770
	-----	-----
	30,760	53,622
	=====	=====

**15. Significant Related Party Transactions**

During the current quarter under review and up to 22 May 2009, 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 24 June 2008.

**PART B**

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

**1. Review of Performance**

The Group recorded revenue of RM73.3 million on Crude Palm Oil (CPO) sales volume of 30,145 tonnes and Palm Kernel (PK) sales volume of 6,442 tonnes for the current quarter which were higher than the corresponding quarter of the preceding financial period mainly due to a shorter reporting period of two months for the preceding year corresponding quarter as mentioned in Part A Note 2. In the preceding year corresponding quarter, revenue was RM45.8 million on sales of 13,252 tonnes of CPO and 4,906 tonnes of PK.

Generally, the Group's performance for the current quarter was affected by the seasonal yield pattern of the crops, lower commodity prices and higher cost of production attributable mainly to higher fertilizer costs as well as the adverse weather conditions which have affected deliveries during the current quarter. Average selling price of CPO and PK achieved for the current quarter were RM2,143 and RM812 per tonne compared to the preceding year corresponding quarter of RM2,431 and RM1,995 per tonne respectively.

Overall, the Group's current quarter profit before tax and profit after tax of RM18.5 million and RM13.9 million were higher than the preceding year corresponding quarter by 5% and 6% respectively.

Earnings per share (EPS) for the current quarter at 1.74 sen was 5% higher than the preceding year corresponding quarter of 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 RM18.5 million was 40% lower than the preceding quarter of RM30.9 million mainly attributable to lower Fresh Fruit Bunches production attributable to the seasonal yield trend and changes in cropping pattern, and lower sales volume of CPO and PK due to delay in deliveries resulting from the adverse weather conditions.

**3. Current Year Prospects**

The Group's prospects for the current financial year are expected to be mainly influenced by the movements in the commodity prices, fertilizer costs, seasonal yield trend and changes in cropping pattern.

**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	
	31.3.2009	31.3.2008	31.3.2009	31.3.2008
	RM'000	RM'000	RM'000	RM'000
In respect of current period				
- Income tax	3,842	4,901	3,842	4,901
- deferred tax	780	(424)	780	(424)
	-----	-----	-----	-----
	4,622	4,477	4,622	4,477
	=====	=====	-----	=====

The Group's effective tax rates for the current quarter and preceding year corresponding quarter were 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 neither did it purchase nor 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 22 May 2009.

**9. Borrowings and Debt Securities**

The Group does not have any debt securities. All borrowings are denominated in Ringgit Malaysia as follows:

	← As at 31.3.2009 →			← As at 31.12.2008 →		
	Secured RM'000	Unsecured RM'000	Total RM'000	Secured RM'000	Unsecured RM'000	Total RM'000
Short term - Bank overdrafts	-	-	-	100	-	100
- Revolving credits	-	25,000	25,000	-	25,000	25,000
- Term loans	6,000	13,333	19,333	-	13,333	13,333
	-----	-----	-----	-----	-----	-----
	6,000	38,333	44,333	100	38,333	38,433
Long term - Term loans	6,000	36,667	42,667	12,000	43,334	55,334
	-----	-----	-----	-----	-----	-----
	12,000	75,000	87,000	12,100	81,667	93,767
	=====	=====	=====	=====	=====	=====

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

The Group has no off balance sheet financial instruments as at 22 May 2009 being a date not earlier than 7 days from the date of this report.

**11. Material Litigation**

The Group has no material litigation as at 22 May 2009, 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 the weighted average number of ordinary shares in issue during the period excluding treasury shares held by the Company, of 799,996,000 (31.3.2008: 800,000,000)

(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

26 May 2009