



HAP SENG PLANTATIONS HOLDINGS BERHAD (769962-K)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENTS (UNAUDITED) SECOND QUARTER ENDED 30 JUNE 2009

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 30.6.2009 RM'000	Preceding Year Corresponding Quarter Ended 30.6.2008 RM'000	Current Year To date Ended 30.6.2009 RM'000	Preceding Year Corresponding Period Ended * 30.6.2008 RM'000
Revenue	92,675	123,433	165,927	169,227
Operating expenses	(61,114)	(67,369)	(115,192)	(95,175)
Other operating income	330	443	782	567
	-----	-----	-----	-----
Operating profit	31,891	56,507	51,517	74,619
Financing costs	(607)	(774)	(1,704)	(1,237)
	-----	-----	-----	-----
Profit before tax	31,284	55,733	49,813	73,382
Tax expense	(8,402)	(14,400)	(13,024)	(18,877)
	-----	-----	-----	-----
Profit for the period	22,882	41,333	36,789	54,505
	=====	=====	=====	=====
Earnings per share (sen)				
Basic	2.86	5.17	4.60	6.81
	=====	=====	=====	=====
Fully diluted	N/A	N/A	N/A	N/A
	=====	=====	=====	=====

* The preceding year corresponding period was for a period of 5 months from 1 February 2008 to 30 June 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) SECOND QUARTER ENDED 30 JUNE 2009

	As at End of Current Quarter 30.6.2009 RM'000	As at Preceding Financial Year End 31.12.2008 RM'000 (Audited)
Non-current assets		
Property, plant and equipment	216,677	214,677
Biological assets	1,312,177	1,311,124
Prepaid lease payments	331,764	333,793
	-----	-----
	1,860,618	1,859,594
	-----	-----
Current assets		
Inventories	24,684	29,262
Receivables	13,134	13,780
Tax recoverable	14,614	19,576
Cash and cash equivalents	45,995	45,739
	-----	-----
	98,427	108,357
	-----	-----
TOTAL ASSETS	1,959,045	1,967,951
	=====	=====
Equity attributable to equity holders of the Company		
Share capital	800,000	800,000
Reserves	848,749	851,960
	-----	-----
	1,648,749	1,651,960
Less: Treasury shares	(14)	(9)
	-----	-----
TOTAL EQUITY	1,648,735	1,651,951
	-----	-----
Non-current liabilities		
Bank borrowings	36,667	55,334
Deferred tax liabilities	189,204	187,481
	-----	-----
	225,871	242,815
	-----	-----
Current liabilities		
Payables	37,592	33,839
Tax payable	2,514	913
Bank borrowings	44,333	38,433
	-----	-----
	84,439	73,185
	-----	-----
TOTAL LIABILITIES	310,310	316,000
	-----	-----
TOTAL EQUITY AND LIABILITIES	1,959,045	1,967,951
	=====	=====
Net assets per share attributable to ordinary equity holders of the Company (RM)	2.06	2.06
	=====	=====
Based on number of shares net of treasury shares	799,994,000	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) SECOND QUARTER ENDED 30 JUNE 2009

	← Attributable to Equity Holders of the Company →				Total Equity RM'000
	Share Capital RM'000	Non- distributable Share Premium RM'000	Distributable Retained Earnings RM'000	Treasury Shares RM'000	
At 1 January 2009	800,000	675,578	176,382	(9)	1,651,951
Purchase of treasury shares	-	-	-	(5)	(5)
Profit for the period	-	-	36,789	-	36,789
Dividend	-	-	(40,000)	-	(40,000)
At 30 June 2009	800,000 =====	675,578 =====	173,171 =====	(14) =====	1,648,735 =====
At 1 February 2008	800,000	675,578	125,560	-	1,601,138
Purchase of treasury shares	-	-	-	(6)	(6)
Profit for the period	-	-	54,505	-	54,505
Dividend	-	-	(40,000)	-	(40,000)
At 30 June 2008	800,000 =====	675,578 =====	140,065 =====	(6) =====	1,615,637 =====

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 30 JUNE 2009

	For Current Year Period Ended 30.6.2009 RM'000	For Preceding Year Period Ended * 30.6.2008 RM'000
Cash flows from operating activities		
Profit before tax	49,813	73,382
Adjustments for:		
Non-cash items	11,923	9,592
Non-operating items	25	-
Net interest expense	1,344	928
	-----	-----
Operating profit before working capital changes	63,105	83,902
Net changes in working capital	8,977	(68,887)
Net tax paid	(4,738)	(29,693)
Net interest paid	(1,344)	(928)
	-----	-----
Net cash generated from/(used in) operating activities	66,000	(15,606)
	-----	-----
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	396	-
Purchase of property, plant and equipment	(12,315)	(5,024)
Additions to biological assets	(1,053)	(460)
	-----	-----
Net cash used in investing activities	(12,972)	(5,484)
	-----	-----
Cash flows from financing activities		
Repayment of bank borrowings	(12,667)	(6,667)
Shares repurchased at cost	(5)	(6)
Dividend paid	(40,000)	-
	-----	-----
Net cash used in financing activities	(52,672)	(6,673)
	-----	-----
Net increase/(decrease) in cash and cash equivalents	356	(27,763)
	-----	-----
Cash and cash equivalents at beginning of period	45,639	69,323
	-----	-----
Cash and cash equivalents at end of period	45,995	41,560
	=====	=====

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

Deposits with licensed banks	43,527	39,576
Cash in hand and at bank	2,468	1,984
	-----	-----
	45,995	41,560
	=====	=====

* The preceding year corresponding period was for a period of 5 months from 1 February 2008 to 30 June 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 Main Market 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 were for a period of 11 months from 1 February 2008 to 31 December 2008. Resulting from the change, the comparative figures for the second quarter of the previous financial period ended 31 December 2008 were for a period of 5 months ended 30 June 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

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 interim period of the current financial year or changes in estimates of amounts reported in prior financial years.

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

Share buy back by the Company

- (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		Average cost Per share	Total cost	No of shares Cancelled
		Lowest	Highest			
		RM	RM	RM	RM	
April 2009	-	-	-	-	-	-
May 2009	2,000	2.270	2.270	2.2932	4,586.37	-
June 2009	-	-	-	-	-	-
Total	2,000	2.270	2.270	2.2932	4,586.37	-

During the current quarter under review, 2,000 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) As at 30 June 2009, the Company has 6,000 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

The total dividend paid out of shareholders' equity for the ordinary shares during the period is as follows:

	Cumulative Quarter Ended	
	30.6.2009	30.6.2008
	RM'000	RM'000
Dividend in respect of financial period ended 31 January 2008:		
- final (5.0 sen) under the single tier system approved by shareholders on 24 June 2008 and paid on 11 July 2008	-	40,000
Dividend in respect of financial period ended 31 December 2008:		
- final (5.0 sen) under the single tier system approved by shareholders on 26 May 2009 and paid on 15 June 2009	40,000	-
	-----	-----
	40,000	40,000
	=====	=====

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 21 August 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 21 August 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:

	As at 30.6.2009	As at 31.12.2008
	RM'000	RM'000
Contracted but not provided for in this report	25,432	17,852
Authorised but not contracted for	4,558	35,770
	-----	-----
	29,990	53,622
	=====	=====

15. Related Party Transactions

During the current quarter under review and up to 21 August 2009, the Company and its subsidiaries did not enter into any Related Party Transactions ["RPT"] or Recurrent Related Party Transactions of a revenue or trading nature ["RRPT"] that were not included in the shareholders' mandate obtained on 24 June 2008 and which has expired on 26 May 2009.

At the extraordinary general meeting on 26 May 2009, the Company obtained a renewed shareholders' mandate for RRPT and from the date thereof up to 21 August 2009, the Company and its subsidiaries did not enter into any RPT or RRPT that were not included or exceeded by 10% the estimated value in the shareholders' mandate obtained on 26 May 2009.

PART B

Explanatory Notes Pursuant to paragraph 9.22 of the Main Market Listing Requirements of Bursa Securities

1. Review of Performance

Revenue for the current quarter under review at RM92.7 million was 25% lower than the preceding year corresponding quarter whilst Group profit before tax (PBT) and profit after tax (PAT) for the current quarter at RM31.3 million and RM22.9 million were lower than the preceding year corresponding quarter by 44% and 45% respectively.

Generally, the Group's performance for the current quarter was affected by lower production output due to changes in seasonal yield trend and weather conditions, lower average selling price of CPO and Palm Kernel (PK) and higher cost of production mainly attributable to higher fertilizer costs affecting the plantation industry.

During the current quarter, 32,050 tonnes of CPO and 7,373 tonnes of PK were sold as compared to 40,762 tonnes of CPO and 5,857 tonnes of PK in the preceding year corresponding quarter. Average selling price of CPO and PK achieved for the current quarter were RM2,468 and RM1,089 per tonne compared to the preceding year corresponding quarter of RM2,573 and RM1,931 per tonne respectively.

Overall, the Group PBT and PAT for the financial year to date at RM49.8 million and RM36.8 million were lower than the preceding year 5-month period by 32% and 33% respectively.

Earnings per share (EPS) for the financial year to date at 4.60 sen was 32% lower than the preceding year 5-month period of 6.81 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 RM31.3 million was 69% higher than the preceding quarter of RM18.5 million mainly attributable to higher average selling prices and higher sales volume of CPO and PK.

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	
	30.6.2009	30.6.2008	30.6.2009	30.6.2008
	RM'000	RM'000	RM'000	RM'000
In respect of current period				
- Income tax	7,459	15,036	11,301	19,937
- deferred tax	943	(636)	1,723	(1,060)
	-----	-----	-----	-----
	8,402	14,400	13,024	18,877
	=====	=====	=====	=====

The Group's effective tax rates for the current quarter and year to date were higher than statutory tax rate mainly due to certain expenses being disallowed for tax purposes. The effective tax rates for the preceding year corresponding quarter and period were 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 during 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 neither did it purchase nor dispose of any quoted securities during the current quarter and financial year to date except for shares bought back by the Company as disclosed in Note 7 of Part A.

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 21 August 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 30.6.2009 →			← 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	-	36,667	36,667	12,000	43,334	55,334
	-----	-----	-----	-----	-----	-----
	6,000	75,000	81,000	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 21 August 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 21 August 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 799,995,000 (30.6.2008: 799,999,000)

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

13. **Dividends**

(a) The Board of Directors approved the following interim dividend for the financial year ending 31 December 2009:

- | | |
|--|--|
| (i) Amount per ordinary share of RM1.00 each
- Interim Dividend | 4.0 sen per ordinary share under the single tier system which is tax exempt in the hands of the shareholders |
| (ii) Previous year corresponding period
Amount per ordinary share of RM1.00 each
- Interim Dividend | 5.0 sen per ordinary share under the single tier system which is tax exempt in the hands of the shareholders |
| (iii) Total dividend approved to date for the current financial year
Amount per ordinary share of RM1.00 each | 4.0 sen (2008: 5.0 sen) per ordinary share under the single tier system which is tax exempt in the hands of the shareholders |

(b) The entitlement and payment date will be announced at a later date.

BY ORDER OF THE BOARD

CHEAH YEE LENG

Secretary

Kuala Lumpur
26 August 2009