



HAP SENG PLANTATIONS HOLDINGS BERHAD (769962-K)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED INCOME STATEMENTS (UNAUDITED) FOURTH QUARTER ENDED 31 DECEMBER 2009

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter Ended 31.12.2009 RM'000	Preceding Year Corresponding Quarter Ended 31.12.2008 RM'000	Current Year To date Ended 31.12.2009 RM'000	Preceding Year Corresponding Period Ended * 31.12.2008 RM'000
Revenue	116,839	98,869	373,134	393,605
Operating expenses	(62,647)	(68,431)	(237,095)	(226,501)
Other operating income	466	1,190	1,753	1,913
	-----	-----	-----	-----
Operating profit	54,658	31,628	137,792	169,017
Financing costs	(289)	(759)	(2,656)	(2,743)
	-----	-----	-----	-----
Profit before tax	54,369	30,869	135,136	166,274
Tax expense	(14,186)	(1,534)	(35,039)	(35,452)
	-----	-----	-----	-----
Profit for the period	40,183	29,335	100,097	130,822
	=====	=====	=====	=====
Earnings per share (sen)				
Basic	5.02	3.67	12.51	16.35
	=====	=====	=====	=====
Fully diluted	N/A	N/A	N/A	N/A
	=====	=====	=====	=====

* The preceding year corresponding period was for a period of 11 months from 1 February 2008 to 31 December 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) FOURTH QUARTER ENDED 31 DECEMBER 2009

	As at End of Current Quarter 31.12.2009 RM'000	As at Preceding Financial Year End 31.12.2008 RM'000 (Audited)
Non-current assets		
Property, plant and equipment	225,257	214,677
Biological assets	1,326,461	1,311,124
Prepaid lease payments	349,237	333,793
	-----	-----
	1,900,955	1,859,594
	-----	-----
Current assets		
Inventories	23,670	29,262
Receivables	19,546	13,780
Tax recoverable	9,505	19,576
Cash and cash equivalents	34,565	45,739
	-----	-----
	87,286	108,357
	-----	-----
TOTAL ASSETS	1,988,241	1,967,951
	=====	=====
Equity attributable to equity holders of the Company		
Share capital	800,000	800,000
Reserves	880,058	851,960
	-----	-----
	1,680,058	1,651,960
Less: Treasury shares	(18)	(9)
	-----	-----
TOTAL EQUITY	1,680,040	1,651,951
	-----	-----
Non-current liabilities		
Bank borrowings	55,000	55,334
Deferred tax liabilities	186,418	187,481
	-----	-----
	241,418	242,815
	-----	-----
Current liabilities		
Payables	24,915	33,839
Tax payable	10,034	913
Bank borrowings	31,834	38,433
	-----	-----
	66,783	73,185
	-----	-----
TOTAL LIABILITIES	308,201	316,000
	-----	-----
TOTAL EQUITY AND LIABILITIES	1,988,241	1,967,951
	=====	=====
Net assets per share attributable to ordinary equity holders of the Company (RM)	2.10	2.06
	=====	=====
Based on number of shares net of treasury shares	799,992,000	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) FOURTH QUARTER ENDED 31 DECEMBER 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
At 1 January 2009	800,000	675,578	176,382	(9)	1,651,951
Purchase of treasury shares	-	-	-	(9)	(9)
Profit for the period	-	-	100,097	-	100,097
Dividend	-	-	(71,999)	-	(71,999)
At 31 December 2009	800,000	675,578	204,480	(18)	1,680,040
At 1 February 2008	800,000	675,578	125,560	-	1,601,138
Purchase of treasury shares	-	-	-	(9)	(9)
Profit for the period	-	-	130,822	-	130,822
Dividend	-	-	(80,000)	-	(80,000)
At 31 December 2008	800,000	675,578	176,382	(9)	1,651,951

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 YEAR ENDED 31 DECEMBER 2009

	For Current Year Ended 31.12.2009 RM'000	For Preceding Year Period Ended * 31.12.2008 RM'000
Cash flows from operating activities		
Profit before tax	135,136	166,274
Adjustments for:		
Non-cash items	23,575	21,338
Non-operating items	49	(30)
Net interest expense	2,136	2,246
	-----	-----
Operating profit before working capital changes	160,896	189,828
Net changes in working capital	(9,098)	(32,226)
Net tax paid	(16,910)	(58,876)
Net interest paid	(2,136)	(2,246)
	-----	-----
Net cash generated from operating activities	132,752	96,480
	-----	-----
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	655	402
Purchase of property, plant and equipment	(30,802)	(19,518)
Additions to biological assets	(2,977)	(1,843)
Additions to prepaid lease payments	-	(513)
Acquisition of subsidiaries net of cash acquired	(31,861)	(30,350)
	-----	-----
Net cash used in investing activities	(64,985)	(51,822)
	-----	-----
Cash flows from financing activities		
Net (repayment of) / drawdown from bank borrowings	(6,833)	11,667
Shares repurchased at cost	(9)	(9)
Dividend paid	(71,999)	(80,000)
	-----	-----
Net cash used in financing activities	(78,841)	(68,342)
	-----	-----
Net decrease in cash and cash equivalents	(11,074)	(23,684)
	-----	-----
Cash and cash equivalents at beginning of period	45,639	69,323
	-----	-----
Cash and cash equivalents at end of period	34,565	45,639
	=====	=====

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

Deposits with licensed banks	30,900	40,800
Cash in hand and at bank	3,665	4,939
Bank overdrafts	-	(100)
	-----	-----
	34,565	45,639
	=====	=====

* The preceding year corresponding period was for a period of 11 months from 1 February 2008 to 31 December 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.

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	
October 2009	-	-	-	-	-	-
November 2009	2,000	2.290	2.290	2.3132	4,626.38	-
December 2009	-	-	-	-	-	-
Total	2,000	2.290	2.290	2.3132	4,626.38	-

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 31 December 2009, the Company has 8,000 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 and Payable

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

Cumulative Quarter Ended
31.12.2009 31.12.2008
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:

- | | | |
|---|--------|--------|
| - interim (5.0 sen) under the single tier system approved by the Board of Directors on 26 August 2008 and paid on 23 October 2008 | - | 40,000 |
| - final (5.0 sen) under the single tier system approved by shareholders on 26 May 2009 and paid on 15 June 2009 | 40,000 | - |

Dividend in respect of financial year ending 31 December 2009:

- | | | |
|---|--------|--------|
| - interim (4.0 sen) under the single tier system approved by the Board of Directors on 26 August 2009 and paid on 27 October 2009 | 31,999 | - |
| | ----- | ----- |
| | 71,999 | 80,000 |
| | ===== | ===== |

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 8 February 2010, 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

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

On 20 November 2009, the Company entered into a conditional sale of shares agreement ["SSA"] to acquire the entire issued and paid-up share capital of Pelipikan Plantation Sdn Bhd ["Pelipikan"] comprising 10 ordinary shares of RM1.00 each at a purchase consideration of RM31,685,000.00 on the terms and conditions contained in the SSA ["Proposed Acquisition"]. The Proposed Acquisition was completed on 10 December 2009 with Pelipikan becoming a wholly-owned subsidiary of the Company.

Pelipikan is the registered sub-lessee of 251 parcels of land measuring approximately 3,371 acres (1,364.91 hectares) situated in Kg. Natu, District of Kota Marudu, Sabah ["the said Land"]. Pursuant to the said sub-lease, in consideration of an annual rental of RM1.8 million, Pelipikan is entitled to use the said Land for cultivation of oil palm for a period of 30 years ending 28 February 2039 with an option to renew for another term of 30 years.

The said Land is contiguous with the Group's existing plantation estate situated at Kampung Natu, Kota Marudu, measuring approximately 2,000 acres. Of the total area of 3,371 acres, approximately 1,030 acres of the said Land are planted with oil palm of about 3 years of age and the balance of 2,341 acres is unplanted.

The Proposed Acquisition is part of the Group's strategy to acquire more plantation land around the existing plantation area, which would strengthen the Group's position in the Kota Marudu area, and thereby giving rise to economies of scale.

The above change in the composition of the Group does not have any significant financial effect to the Group in the current financial year.

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 8 February 2010, 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 31.12.2009	As at 31.12.2008
	RM'000	RM'000
Contracted but not provided for in this report	12,774	17,852
Authorised but not contracted for	41,966	35,770
	-----	-----
	54,740	53,622
	=====	=====

15. Related Party Transactions

During the current quarter under review and up to 8 February 2010, the Company and its subsidiaries did not enter into any Related Party Transactions or Recurrent Related Party Transactions of a revenue or trading nature 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 RM116.8 million was 18% higher than the preceding year corresponding quarter whilst Group profit before tax (PBT) and profit after tax (PAT) for the current quarter at RM54.4 million and RM40.2 million were higher than the preceding year corresponding quarter by 76% and 37% respectively.

The Group's performance for the current quarter benefited from higher volume of Crude Palm Oil (CPO) sales and higher average selling price of CPO and Palm Kernel (PK).

During the current quarter, 44,715 tonnes of CPO and 9,755 tonnes of PK were sold as compared to 42,785 tonnes of CPO and 10,092 tonnes of PK in the preceding year corresponding quarter. Average selling price of CPO and PK achieved for the current quarter were RM2,252 and RM1,081 per tonne compared to the preceding year corresponding quarter of RM2,048 and RM760 per tonne respectively.

However, the Group PBT and PAT for the financial year to date at RM135.1 million and RM100.1 million were lower than the preceding year 11-month period by 19% and 23% respectively mainly due to lower fresh fruit bunches production, higher cost of production attributable to higher fertilizer costs affecting the plantation industry and lower average selling price of PK.

Earnings per share (EPS) for the financial year to date at 12.51 sen was 23% lower than the preceding year 11-month period of 16.35 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 RM54.4 million was 76% above the preceding quarter of RM31.0 million mainly attributable to higher sales volume of CPO and PK and lower cost of production which benefitted from declining fertilizer prices.

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

Variances between actual profit and forecast profit are not applicable as the Company has not provided any profit forecast in any public document.

5. Tax Expense

	Individual Quarter Ended		Cumulative Quarter Ended	
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
	RM'000	RM'000	RM'000	RM'000
In respect of current period				
- Income tax	17,467	8,879	35,818	44,513
- deferred tax	(3,565)	(7,261)	(1,063)	(8,987)
	-----	-----	-----	-----
	13,902	1,618	34,755	35,526
	-----	-----	-----	-----
In respect of prior year				
- Income tax	284	61	284	71
- deferred tax	-	(145)	-	(145)
	-----	-----	-----	-----
	284	(84)	284	(74)
	-----	-----	-----	-----
	14,186	1,534	35,039	35,452
	=====	=====	=====	=====

The Group's effective tax rates for the current quarter and year excluding over provision of tax in respect of prior year were marginally above the statutory tax rate due to certain expenses being disallowed for tax purposes. The effective tax rates for the preceding year corresponding quarter and period were lower than the statutory tax rate mainly due to reversal of deferred tax resulting from the reduction in statutory tax rate announced in the Malaysian Budget 2008.

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 8 February 2010.

9. Borrowings and Debt Securities

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

	← As at 31.12.2009 →			← 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	-	18,500	18,500	-	25,000	25,000
- Term loans	-	13,334	13,334	-	13,333	13,333
	-----	-----	-----	-----	-----	-----
	-	31,834	31,834	100	38,333	38,433
Long term - Term loans	-	55,000	55,000	12,000	43,334	55,334
	-----	-----	-----	-----	-----	-----
	-	86,834	86,834	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 8 February 2010, 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 8 February 2010, 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 799,994,000 (31.12.2008: 799,998,000)
- (b) The Company does not have any diluted earnings per share.

13. Dividends

Dividends for the current financial year ended 31 December 2009 are as follows:

- (a) an interim dividend of 4.0 sen (31.12.2008: 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 26 August 2009 and was paid on 27 October 2009;
- (b) The Board of Directors have on even date proposed a final dividend for year ended 31 December 2009 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) Previous year corresponding period
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
 - (iii) Total dividend for the current financial year: 9.0 sen (31.12.2008: 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.

14. Others

The Securities Commission ("SC") had in its approval letter dated 23 July 2007 approving the initial public offering of the Company, required the Company:

- (a) to resolve the issue on the requirement to transfer 30% of Litang Estate (which has a total area of 1,078 hectares)/equity in Hap Seng Plantations (Wecan) Sdn Bhd to natives ["Native Condition"]; and
- (b) to obtain approval for the change of land use for the 13 titles held by Hap Seng Plantations [Ladang Kawa] Sdn. Bhd. in Tawau, Sabah (known as Apas Claremont Estate and Muul Hill Estate) to the use suitable for oil palm plantation ["Land Use Condition"].

On 6 November 2008, the Company fulfilled the Land Use Condition with the receipt of the 13 original land titles for the Apas Claremont Estate and Muul Hill Estate, amended to the use suitable for oil palm plantation.

The Company has up to July 2012 to comply with the Native Condition and is in the process of doing the necessary to satisfy the same.

BY ORDER OF THE BOARD

CHEAH YEE LENG

Secretary

Kuala Lumpur
11 February 2010