



# HAP SENG PLANTATIONS HOLDINGS BERHAD (769962-K)

(Incorporated in Malaysia)

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) FOR THE FIRST QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2010

	Quarter ended		Year-to-date ended	
	31.3.2010	31.3.2009	31.3.2010	31.3.2009
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	101,401	73,252	101,401	73,252
Operating expenses	(52,666)	(54,078)	(52,666)	(54,078)
Other operating income	898	452	898	452
	-----	-----	-----	-----
<b>Operating profit</b>	49,633	19,626	49,633	19,626
Financing costs	(620)	(1,097)	(620)	(1,097)
	-----	-----	-----	-----
<b>Profit before tax</b>	49,013	18,529	49,013	18,529
Tax expense	(12,538)	(4,622)	(12,538)	(4,622)
	-----	-----	-----	-----
<b>Profit for the period representing total comprehensive income for the period</b>	36,475	13,907	36,475	13,907
	=====	=====	=====	=====
<b>Earnings per share (sen)</b>				
Basic	4.56	1.74	4.56	1.74
	=====	=====	=====	=====
Fully diluted	N/A	N/A	N/A	N/A
	=====	=====	=====	=====

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2009 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 FINANCIAL POSITION (UNAUDITED) AS AT 31 MARCH 2010

	<b>As at 31.3.2010</b>	<b>As at 31.12.2009</b>
	RM'000	RM'000
		<i>(Audited)</i>
<b>Non-current assets</b>		
Property, plant and equipment	223,038	225,257
Biological assets	1,327,312	1,326,461
Prepaid lease payments	348,139	349,237
	-----	-----
	1,898,489	1,900,955
	-----	-----
<b>Current assets</b>		
Inventories	24,547	23,670
Receivables	14,784	19,546
Tax recoverable	7,823	9,505
Cash and cash equivalents	76,468	34,565
	-----	-----
	123,622	87,286
	-----	-----
<b>TOTAL ASSETS</b>	2,022,111	1,988,241
	=====	=====
<b>Equity attributable to owners of the Company</b>		
Share capital	800,000	800,000
Reserves	916,533	880,058
	-----	-----
	1,716,533	1,680,058
Less : Treasury shares	(18)	(18)
	-----	-----
<b>TOTAL EQUITY</b>	1,716,515	1,680,040
	-----	-----
<b>Non-current liabilities</b>		
Bank borrowings	53,750	55,000
Deferred tax liabilities	187,741	186,418
	-----	-----
	241,491	241,418
	-----	-----
<b>Current liabilities</b>		
Payables	31,255	24,915
Tax payable	11,183	10,034
Bank borrowings	21,667	31,834
	-----	-----
	64,105	66,783
	-----	-----
<b>TOTAL LIABILITIES</b>	305,596	308,201
	-----	-----
<b>TOTAL EQUITY AND LIABILITIES</b>	2,022,111	1,988,241
	=====	=====
<b>Net assets per share (RM)</b>	2.15	2.10
	=====	=====
Based on number of shares net of treasury shares	799,992,000	799,992,000

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2009 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) FOR YEAR-TO-DATE ENDED 31 MARCH 2010

	←————— Attributable to Owners of the Company —————→				→
	Share Capital RM'000	Non- distributable Share Premium RM'000	Distributable Retained Earnings RM'000	Treasury Shares RM'000	
<b>At 1 January 2010</b>	800,000	675,578	204,480	(18)	1,680,040
Total comprehensive income for the period	-	-	36,475	-	36,475
<b>At 31 March 2010</b>	800,000 =====	675,578 =====	240,955 =====	(18) =====	1,716,515 =====
<b>At 1 January 2009</b>	800,000	675,578	176,382	(9)	1,651,951
Total comprehensive income for the period	-	-	13,907	-	13,907
<b>At 31 March 2009</b>	800,000 =====	675,578 =====	190,289 =====	(9) =====	1,665,858 =====

*The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2009 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 CASH FLOWS (UNAUDITED) FOR YEAR-TO-DATE ENDED 31 MARCH 2010

	Year-to-date ended	
	31.3.2010	31.3.2009
	RM'000	RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	49,013	18,529
Adjustments for:		
Non-cash items	5,971	5,952
Non-operating items	(32)	-
Net interest expense	425	947
	-----	-----
Operating profit before working capital changes	55,377	25,428
Net changes in working capital	10,225	(4,759)
Net tax paid	(8,384)	(2,371)
Net interest paid	(425)	(947)
	-----	-----
<b>Net cash generated from operating activities</b>	56,793	17,351
	-----	-----
<b>Cash flows from investing activities</b>		
Proceeds from disposal of property, plant and equipment	40	79
Purchase of property, plant and equipment	(2,662)	(5,576)
Additions to biological assets	(851)	(377)
	-----	-----
<b>Net cash used in investing activities</b>	(3,473)	(5,874)
	-----	-----
<b>Cash flows from financing activities</b>		
Repayment of bank borrowings	(11,417)	(6,667)
	-----	-----
<b>Net cash used in financing activities</b>	(11,417)	(6,667)
	-----	-----
<b>Net increase in cash and cash equivalents</b>	41,903	4,810
	-----	-----
<b>Cash and cash equivalents at beginning of period</b>	34,565	45,639
	-----	-----
<b>Cash and cash equivalents at end of period</b>	76,468	50,449
	=====	=====

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

Deposits with licensed banks	72,233	45,630
Cash in hand and at bank	4,235	4,819
	-----	-----
	76,468	50,449
	=====	=====

*The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2009 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

These interim financial statements have 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 year ended 31 December 2009.

#### 2. Significant Accounting Policies

The accounting policies and presentation adopted by the Group in these interim financial statements are consistent with those adopted in the audited financial statements for the year ended 31 December 2009, except for the changes arising from the adoption of new/revised Financial Reporting Standards (FRSs), Amendments to FRSs and IC Interpretations that are effective for financial period beginning on or after 1 July 2009 and 1 January 2010 as follows:

##### FRS effective for financial periods beginning on or after 1 July 2009

- FRS 8, Operating Segment \*

##### FRSs, Amendments to FRSs and IC Interpretations effective for financial periods beginning on or after 1 January 2010

- FRS 4, Insurance Contracts \*
- FRS 7, Financial Instruments: Disclosures
- FRS 101, Presentation of Financial Statements (revised)
- FRS 123, Borrowing Costs (revised)
- FRS 139, Financial Instruments: Recognition and Measurement
- Amendments to FRS 1, First-time Adoption of Financial Reporting Standards and FRS 127, Consolidated and Separate Financial Statements: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
- Amendments to FRS 2, Share-based Payment: Vesting Conditions and Cancellations \*
- Amendments to FRS 132, Financial Instruments: Presentation
- Amendments to FRS 139, Financial Instruments: Recognition and Measurement, FRS 7, Financial Instruments: Disclosures and IC Interpretation 9, Reassessment of Embedded Derivatives
- Amendments to FRS 139, Financial Instruments: Recognition and Measurement
- FRSs contained in the document entitled "Improvements to FRS (2009)"
- IC Interpretation 9, Reassessment of Embedded Derivatives
- IC Interpretation 10, Interim Financial Reporting and Impairment
- IC Interpretation 11, FRS 2 – Group and Treasury Share Transactions
- IC Interpretation 13, Customer Loyalty Programmes \*
- IC Interpretation 14, FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction \*

\* These FRSs, IC Interpretations and amendments are not applicable to the Group

The principal effects of changes in accounting policies, presentation resulting from the adoption of the new/revised FRSs, Amendment to FRSs and IC Interpretations are as follows:

##### (a) **FRS 101, Presentation of Financial Statements (revised)**

The revised FRS 101 requires all owner changes in equity to be presented in the statement of changes in equity, separately from non-owner changes in equity. All non-owner changes in equity (i.e comprehensive income) are required to be presented in one statement of comprehensive income or in two statements (i.e a separate income statement and a statement of comprehensive income) and presented as a single line labelled as total comprehensive income in the statement of changes in equity.

The Group has adopted the one statement of comprehensive income. Comparative information has been presented to be in conformity with this revised FRS.

The adoption of this FRS has no impact on the financial position and results of the Group as it affects presentation of the financial statements only.

2. **Significant Accounting Policies (Cont'd)**

(b) **FRS 139, Financial Instruments: Recognition and Measurement and Amendments to FRS 139, Financial Instruments: Recognition and Measurement**

FRS 139 sets out the new requirements for the recognition and measurement of financial instruments. Financial instruments are recognised initially at fair value plus, in the case of financial assets or liabilities not at fair value through profit and loss, transaction costs that are directly attributable to the acquisition or issue of the financial assets or financial liabilities. The Group determines the classification of its financial instruments at initial recognition.

(i) **Financial assets**

Financial assets are classified as financial assets at fair value through profit and loss, held-to-maturity investments, loans and receivables and available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

The Group's financial assets include trade and other receivables and cash and cash equivalents which are categorise as loans and receivables.

All the Group's financial assets are measured at amortised cost using the effective interest method.

(ii) **Financial liabilities**

Financial liabilities are classified as financial liabilities at fair value through profit and loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

The Group's financial liabilities include trade and other payables and bank borrowings.

All the Group's financial liabilities are measured at amortised cost using the effective interest method.

The initial application of the new/revised FRSs, Amendment to FRSs and IC Interpretations has no material impact to the financial statements of the Group.

3. **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.

4. **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.

5. **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 years.

6. **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 2010, 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.

**7. Dividends Paid**

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

**8. Segment Information**

No segment 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.

**9. 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.

**10. 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 May 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.

**11. 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.

**12. Changes in Contingent Liabilities or Contingent Assets since the End of the Last Annual Reporting Period**

Since the end of the last annual reporting period, the Group has no contingent liabilities or contingent assets as at 21 May 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.

**13. Capital Commitments**

The Group has the following capital commitments:

	<b>As at</b> <b>31.3.2010</b>	<b>As at</b> <b>31.12.2009</b>
	RM'000	RM'000
Contracted but not provided for in this report	17,877	12,774
Authorised but not contracted for	27,293	41,966
	-----	-----
	45,170	54,740
	=====	=====

**14. Significant Related Party Transactions**

During the current quarter under review and up to 21 May 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 Listing Requirements of Bursa Malaysia Securities Berhad**

**1. Review of Performance**

Revenue for the current quarter under review at RM101.4 million was 38% higher than the preceding year corresponding quarter with higher sales volume and higher average selling prices of Crude Palm Oil (CPO) and Palm Kernel (PK).

During the current quarter, 34,402 tonnes of CPO and 8,037 tonnes of PK were sold as compared to 30,145 tonnes of CPO and 6,442 tonnes of PK in the preceding year corresponding quarter. Generally, the Group benefited from better fresh fruit bunches (FFB) yield and oil extraction rate attributable to seasonal cropping pattern and changes in weather conditions. In the preceding year corresponding quarter extremely wet conditions were experienced in the Group's plantations.

Average selling price of CPO and PK achieved for the current quarter were RM2,476 and RM1,359 per tonne compared to the preceding year corresponding quarter of RM2,143 and RM812 per tonne respectively.

Production costs for the current quarter were significantly lower than the preceding year corresponding quarter mainly due to lower fertilizers prices.

Consequently, the Group's current quarter profit before tax and profit after tax of RM49.0 million and RM36.5 million were higher than the preceding year corresponding quarter by 165% and 162% respectively.

Earnings per share (EPS) for the current quarter at 4.56 sen was 162% higher than the preceding year corresponding quarter of 1.74 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 RM49.0 million was 10% lower than the preceding quarter of RM54.4 million mainly attributable to lower sales volume of CPO and PK due to lower FFB production resulting from the dry weather conditions in the early part of the year.

**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**

	Quarter ended		Year-to-date ended	
	31.3.2010 RM'000	31.3.2009 RM'000	31.3.2010 RM'000	31.3.2009 RM'000
In respect of current period				
- Income tax	11,215	3,842	11,215	3,842
- deferred tax	1,323	780	1,323	780
	-----	-----	-----	-----
	12,538	4,622	12,538	4,622
	=====	=====	=====	=====

The Group's effective tax rates for the current quarter was marginally above the statutory tax rate due to certain expenses being disallowed for tax purposes. The effective tax rate for the preceding year corresponding 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 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 21 May 2010.

**9. Borrowings and Debt Securities**

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

	<b>As at 31.3.2010</b>	<b>As at 31.12.2009</b>
	RM'000	RM'000
Short term - Revolving credits	15,000	18,500
- Term loans	6,667	13,334
	-----	-----
	21,667	31,834
Long term - Term loans	53,750	55,000
	-----	-----
	75,417	86,834
	=====	=====

**10. Derivatives**

The Group did not enter into any derivative contract and accordingly there was no outstanding derivative as at the end of the current quarter under review.

**11. Gains/Losses arising from Fair Value Changes of Financial Liabilities**

There was no gain/loss arising from fair value changes of financial liabilities for the current quarter under review as all the Group's financial liabilities are measured at amortised cost.

**12. Material Litigation**

The Group has no material litigation as at 21 May 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.

**13. Earnings Per Share**

(a) The basic earnings per share is calculated by dividing the profit for the period attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period excluding treasury shares held by the Company, of 799,992,000 (2009: 799,996,000)

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

14. **Dividends**

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

15. **Auditors' Report on Preceding Annual Financial Statements**

The auditors' report in respect of the financial statements of the Company for the preceding financial year ended 31 December 2009 was not subject to any qualification.

**BY ORDER OF THE BOARD**

**CHEAH YEE LENG**

Secretary

Kuala Lumpur

26 May 2010