



HAP SENG PLANTATIONS HOLDINGS BERHAD (769962-K)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) FOR THE SECOND QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2010

	Quarter ended		Year-to-date ended	
	30.6.2010	30.6.2009	30.6.2010	30.6.2009
	RM'000	RM'000	RM'000	RM'000
Revenue	100,824	92,675	202,225	165,927
Operating expenses	(51,921)	(61,114)	(104,587)	(115,192)
Other operating income	521	330	1,419	782
	-----	-----	-----	-----
Operating profit	49,424	31,891	99,057	51,517
Financing costs	(483)	(607)	(1,103)	(1,704)
	-----	-----	-----	-----
Profit before tax	48,941	31,284	97,954	49,813
Tax expense	(12,607)	(8,402)	(25,145)	(13,024)
	-----	-----	-----	-----
Profit for the period representing total comprehensive income for the period	36,334	22,882	72,809	36,789
	=====	=====	=====	=====
Earnings per share (sen)				
Basic	4.54	2.86	9.10	4.60
	=====	=====	=====	=====
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 30 JUNE 2010

	As at 30.6.2010	As at 31.12.2009
	RM'000	RM'000
		<i>(Audited)</i>
Non-current assets		
Property, plant and equipment	224,010	225,257
Biological assets	1,329,058	1,326,461
Prepaid lease payments	347,044	349,237
	-----	-----
	1,900,112	1,900,955
	-----	-----
Current assets		
Inventories	28,141	23,670
Receivables	8,985	19,546
Tax recoverable	6,011	9,505
Cash and cash equivalents	62,361	34,565
	-----	-----
	105,498	87,286
	-----	-----
TOTAL ASSETS	2,005,610	1,988,241
	=====	=====
Equity attributable to owners of the Company		
Share capital	800,000	800,000
Reserves	912,867	880,058
	-----	-----
	1,712,867	1,680,058
Less : Treasury shares	(23)	(18)
	-----	-----
TOTAL EQUITY	1,712,844	1,680,040
	-----	-----
Non-current liabilities		
Bank borrowings	35,000	55,000
Deferred tax liabilities	188,085	186,418
	-----	-----
	223,085	241,418
	-----	-----
Current liabilities		
Payables	36,423	24,915
Tax payable	14,091	10,034
Bank borrowings	19,167	31,834
	-----	-----
	69,681	66,783
	-----	-----
TOTAL LIABILITIES	292,766	308,201
	-----	-----
TOTAL EQUITY AND LIABILITIES	2,005,610	1,988,241
	=====	=====
Net assets per share (RM)	2.14	2.10
	=====	=====
Based on number of shares net of treasury shares	799,990,000	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 30 JUNE 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	
At 1 January 2010	800,000	675,578	204,480	(18)	1,680,040
Total comprehensive income for the period	-	-	72,809	-	72,809
Purchase of treasury shares	-	-	-	(5)	(5)
Dividends to owners of the Company	-	-	(40,000)	-	(40,000)
At 30 June 2010	800,000	675,578	237,289	(23)	1,712,844
At 1 January 2009	800,000	675,578	176,382	(9)	1,651,951
Total comprehensive income for the period	-	-	36,789	-	36,789
Purchase of treasury shares	-	-	-	(5)	(5)
Dividends to owners of the Company	-	-	(40,000)	-	(40,000)
At 30 June 2009	800,000	675,578	173,171	(14)	1,648,735

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 30 JUNE 2010

	Year-to-date ended	
	30.6.2010	30.6.2009
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	97,954	49,813
Adjustments for:		
Non-cash items	11,991	11,923
Non-operating items	(52)	25
Net interest expense	628	1,344
	-----	-----
Operating profit before working capital changes	110,521	63,105
Net changes in working capital	17,598	8,977
Net tax paid	(15,927)	(4,738)
Net interest paid	(628)	(1,344)
	-----	-----
Net cash generated from operating activities	111,564	66,000
	-----	-----
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	68	396
Purchase of property, plant and equipment	(8,567)	(12,315)
Additions to biological assets	(2,597)	(1,053)
	-----	-----
Net cash used in investing activities	(11,096)	(12,972)
	-----	-----
Cash flows from financing activities		
Repayment of bank borrowings	(32,667)	(12,667)
Shares repurchased at cost	(5)	(5)
Dividends paid	(40,000)	(40,000)
	-----	-----
Net cash used in financing activities	(72,672)	(52,672)
	-----	-----
Net increase in cash and cash equivalents	27,796	356
	-----	-----
Cash and cash equivalents at beginning of period	34,565	45,639
	-----	-----
Cash and cash equivalents at end of period	62,361	45,995
	=====	=====

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	53,688	43,527
Cash in hand and at bank	8,673	2,468
	-----	-----
	62,361	45,995
	=====	=====

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 re-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 or 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 or 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 or 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 interim periods of the current financial year or changes in estimates of amounts reported in prior financial years.

6. 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 2010	-	-	-	-	-	-
May 2010	2,000	2.200	2.200	2.2232	4,446.32	-
June 2010	-	-	-	-	-	-
Total	2,000	2.200	2.200	2.2232	4,446.32	-

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 2010, the Company has 10,000 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

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

	Cumulative Quarter Ended	
	30.6.2010	30.6.2009
	RM'000	RM'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
Dividend in respect of financial year ended 31 December 2009:		
- final (5.0 sen) under the single tier system approved by shareholders on 26 May 2010 and paid on 8 June 2010	40,000	-
	-----	-----
	40,000	40,000
	=====	=====

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 20 August 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 20 August 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:

	As at 30.6.2010	As at 31.12.2009
	RM'000	RM'000
Contracted but not provided for in this report	24,777	12,774
Authorised but not contracted for	15,650	41,966
	-----	-----
	40,427	54,740
	=====	=====

14. Significant Related Party Transactions

During the current quarter under review and up to 20 August 2010, 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 or exceeded by 10% the estimated value in the shareholders' mandate obtained on 26 May 2009 and which has expired on 26 May 2010.

At the extraordinary general meeting on 26 May 2010, the Company obtained a renewed shareholders' mandate for RRPT and from the date thereof up to 20 August 2010, 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 2010.

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 RM100.8 million was 9% higher than the preceding year corresponding quarter with higher sales volume of Crude Palm Oil (CPO) and higher average selling prices of CPO and Palm Kernel (PK). Group profit before tax ["PBT"] and profit after tax ["PAT"] for the current quarter at RM48.9 million and RM36.3 million were higher than the preceding year corresponding quarter by 56% and 59% respectively.

During the current quarter, 34,235 tonnes of CPO and 6,871 tonnes of PK were sold as compared to 32,050 tonnes of CPO and 7,373 tonnes of PK in the preceding year corresponding quarter. Average selling price of CPO and PK realised for the current quarter were RM2,499 and RM1,455 per tonne which were higher than the preceding year corresponding quarter of RM2,468 and RM1,089 per tonne respectively.

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

Overall, the Group PBT and PAT for the current financial year-to-date at RM98.0 million and RM72.8 million were higher than the preceding year corresponding period by 97% and 98% respectively.

Basic earnings per share for the current financial year-to-date at 9.10 sen was 98% above the preceding year corresponding period of 4.60 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 RM48.9 million approximates that of the preceding quarter of RM49.0 million. Higher average selling prices were recorded in the current quarter but were offset by lower sales volume of CPO sold.

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	
	30.6.2010	30.6.2009	30.6.2010	30.6.2009
	RM'000	RM'000	RM'000	RM'000
In respect of current period				
- Income tax	12,263	7,459	23,478	11,301
- deferred tax	344	943	1,667	1,723
	-----	-----	-----	-----
	12,607	8,402	25,145	13,024
	=====	=====	=====	=====

The Group's effective tax rates for the current quarter and year to date 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 higher than the statutory tax rate also due to certain expenses disallowed for tax purposes.

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 6 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 20 August 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:

	As at 30.6.2010	As at 31.12.2009
	RM'000	RM'000
Short term - Revolving credits	-	18,500
- Term loans	19,167	13,334
	-----	-----
	19,167	31,834
Long term - Term loans	35,000	55,000
	-----	-----
	54,167	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 20 August 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 799,991,000 (2009: 799,995,000)

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

14. Dividends

- (a) The Board of Directors approved the following interim dividend for the financial year ending 31 December 2010:
- | | |
|--|--|
| (i) Amount per ordinary share of RM1.00 each
- Interim Dividend | 6.0 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 | 4.0 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 | 6.0 sen (2009: 4.0 sen) per ordinary share under the single tier system which is tax exempt in the hands of the shareholders |
- (b) The dividend will be payable on 20 September 2010; and
- (c) In respect of deposited securities, entitlement to the dividend will be determined on the basis of the record of depositors as at 13 September 2010.

NOTICE OF INTERIM DIVIDEND PAYMENT AND ENTITLEMENT DATE

NOTICE IS HEREBY GIVEN that an interim dividend of 6.0 sen per ordinary share of RM1.00 each under the single-tier system which is tax exempt in the hands of the shareholders pursuant to paragraph 12B of Schedule 6 of the Income Tax Act, 1967 in respect of the financial year ending 31 December 2010 will be payable on 20 September 2010 to the shareholders whose names appear on the Company's Record of Depositors at the close of business on 13 September 2010. A depositor shall qualify for entitlement to the dividend only in respect of:-

- (a) shares transferred into the depositor's securities account before 4.00 p.m. on 13 September 2010 in respect of transfers; and
- (b) shares bought on the Bursa Malaysia Securities Berhad ["Bursa Securities"] on a cum entitlement basis according to the Rules of the Bursa Securities.

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
25 August 2010