



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 2011

	Quarter ended		Year-to-date ended	
	31.3.2011	31.3.2010	31.3.2011	31.3.2010
	RM'000	RM'000	RM'000	RM'000
Revenue	144,051	101,401	144,051	101,401
Operating expenses	(67,929)	(52,666)	(67,929)	(52,666)
Other operating income	1,190	898	1,190	898
	-----	-----	-----	-----
Operating profit	77,312	49,633	77,312	49,633
Financing costs	(259)	(620)	(259)	(620)
	-----	-----	-----	-----
Profit before tax	77,053	49,013	77,053	49,013
Tax expense	(19,296)	(12,538)	(19,296)	(12,538)
	-----	-----	-----	-----
Profit for the period representing total comprehensive income for the period	57,757	36,475	57,757	36,475
	=====	=====	=====	=====
Earnings per share (sen)				
Basic	7.22	4.56	7.22	4.56
	=====	=====	=====	=====
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 2010 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 2011

	As at 31.3.2011	As at 31.12.2010
	RM'000	RM'000
		<i>(Audited)</i>
Non-current assets		
Property, plant and equipment	573,316	576,940
Biological assets	1,333,096	1,331,982
	-----	-----
	1,906,412	1,908,922
	-----	-----
Current assets		
Inventories	24,427	17,523
Receivables	25,224	26,686
Tax recoverable	6,133	7,957
Cash and cash equivalents	120,424	58,699
	-----	-----
	176,208	110,865
	-----	-----
TOTAL ASSETS	2,082,620	2,019,787
	=====	=====
Equity attributable to owners of the Company		
Share capital	800,000	800,000
Reserves	1,018,927	961,170
	-----	-----
	1,818,927	1,761,170
Less: Treasury shares	(29)	(29)
	-----	-----
TOTAL EQUITY	1,818,898	1,761,141
	-----	-----
Non-current liabilities		
Bank borrowings	17,500	17,500
Deferred tax liabilities	191,268	190,000
	-----	-----
	208,768	207,500
	-----	-----
Current liabilities		
Payables	32,799	29,417
Tax payable	4,655	4,229
Bank borrowings	17,500	17,500
	-----	-----
	54,954	51,146
	-----	-----
TOTAL LIABILITIES	263,722	258,646
	-----	-----
TOTAL EQUITY AND LIABILITIES	2,082,620	2,019,787
	=====	=====
Net assets per share (RM)	2.27	2.20
	=====	=====
Based on number of shares net of treasury shares	799,988,000	799,988,000

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2010 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 2011

	← 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	Total Equity RM'000
At 1 January 2011	800,000	675,578	285,592	(29)	1,761,141
Total comprehensive income for the period	-	-	57,757	-	57,757
At 31 March 2011	800,000	675,578	343,349	(29)	1,818,898
At 1 January 2010	800,000	675,578	204,480	(18)	1,680,040
Total comprehensive income for the period	-	-	36,475	-	36,475
At 31 March 2010	800,000	675,578	240,955	(18)	1,716,515

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 2010 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 2011

	Year-to-date ended	
	31.3.2011 RM'000	31.3.2010 RM'000
Cash flows from operating activities		
Profit before tax	77,053	49,013
Adjustments for:		
Non-cash items	6,424	5,971
Non-operating items	-	(32)
Net interest (income)/expense	(60)	425
	-----	-----
Operating profit before working capital changes	83,417	55,377
Net changes in working capital	(2,060)	10,225
Net tax paid	(15,778)	(8,384)
Net interest received/(paid)	60	(425)
	-----	-----
Net cash generated from operating activities	65,639	56,793
	-----	-----
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	-	40
Purchase of property, plant and equipment	(2,800)	(2,662)
Additions to biological assets	(1,114)	(851)
	-----	-----
Net cash used in investing activities	(3,914)	(3,473)
	-----	-----
Cash flows from financing activities		
Net repayment of bank borrowings	-	(11,417)
	-----	-----
Net cash used in financing activities	-	(11,417)
	-----	-----
Net increase in cash and cash equivalents	61,725	41,903
	-----	-----
Cash and cash equivalents at beginning of period	58,699	34,565
	-----	-----
Cash and cash equivalents at end of period	120,424	76,468
	=====	=====

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	95,192	72,233
Cash in hand and at bank	25,232	4,235
	-----	-----
	120,424	76,468
	=====	=====

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2010 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 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 2010.

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 2010, except for the changes arising from the adoption of revised Financial Reporting Standards (FRSs), IC Interpretations and Amendments that are effective for financial period beginning on or after 1 March 2010, 1 July 2010 and 1 January 2011 as follows:

Amendments effective for financial periods beginning on or after 1 March 2010

- Amendments to FRS 132, Financial Instruments: Presentation – Classification of Rights Issues

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

- FRS 1, First-time Adoption of Financial Reporting Standards (revised)*
- FRS 3, Business Combinations (revised)
- FRS 127, Consolidated and Separate Financial Statements (revised)
- IC Interpretation 12, Service Concession Agreements*
- IC Interpretation 16, Hedges of a Net Investment in a Foreign Operation*
- IC Interpretation 17, Distributions of Non-cash Assets to Owners*
- Amendments to FRS 2, Share-based Payment*
- Amendments to FRS 5, Non-current Assets Held for Sale and Discontinued Operations*
- Amendments to FRS 138, Intangible Assets*
- Amendments to IC Interpretation 9, Reassessment of Embedded Derivatives*

FRSs, IC Interpretations and Amendments effective for financial periods beginning on or after 1 January 2011

- IC Interpretation 4, Determining whether an Arrangement contains a Lease
- IC Interpretation 18, Transfers of Assets from Customers*
- Amendments to FRS 1, First-time Adoption of Financial Reporting Standards*
 - Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
 - Additional Exemptions for First-time Adopters
- Amendments to FRS 2, Group Cash-settled Share Based Payment Transactions*
- Amendments to FRS 7, Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments
- Improvements to FRSs (2010)

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

The adoption of the above revised FRSs, IC Interpretation and Amendments do not have any significant financial impact on 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 2011, the Company has 12,000 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 3 May 2011, 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 3 May 2011, 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	As at
	31.3.2011	31.12.2010
	RM'000	RM'000
Contracted but not provided for in this report	24,595	10,985
Authorised but not contracted for	52,541	70,604
	-----	-----
	77,136	81,589
	=====	=====

14. Significant Related Party Transactions

During the current quarter under review and up to 3 May 2011, 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 had not been included or exceeded by 10% the estimated value which had been mandated by the shareholders during the extraordinary general meeting held on 26 May 2010.

PART B

Explanatory Notes Pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

1. Review of Performance

Revenue for the current quarter under review at RM144.1 million was 42% higher than the preceding year corresponding quarter. In tandem with the higher revenue, Group profit before tax ["PBT"] and profit after tax ["PAT"] for the current quarter at RM77.1 million and RM57.8 million were higher than the preceding year corresponding quarter by 57% and 58% respectively.

The significantly better performance in the current quarter was mainly attributable to higher average selling prices but mitigated somewhat by lower sales volume. Average selling price of Crude Palm Oil (CPO) and Palm Kernel (PK) realised for the current quarter were RM3,542 and RM2,907 per tonne which were higher than the preceding year corresponding quarter of RM2,476 and RM1,359 per tonne respectively. CPO sales volume at 31,831 tonnes was lower than the preceding year corresponding quarter by 7% whilst PK sales volume at 8,048 tonnes was marginally higher than the preceding year corresponding quarter. The lower CPO sales volume for the current quarter under review was generally affected by seasonal cropping pattern and relatively wet weather conditions as well as lower mature area due to higher replanting undertaken during the period.

Basic earnings per share for the current quarter at 7.22 sen was 58% above the preceding year corresponding quarter of 4.56 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 RM77.1 million was 3% higher than the preceding quarter of RM75.0 million mainly attributable to higher average selling price of CPO and PK at RM3,542 and RM2,907 per tonne as compared to the preceding quarter of RM2,843 and RM2,029 per tonne respectively although sales volume was lower by 31% as compared to the preceding quarter of 45,803 tonnes.

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	
	31.3.2011	31.3.2010	31.3.2011	31.3.2010
	RM'000	RM'000	RM'000	RM'000
In respect of current period				
- Income tax	18,028	11,215	18,028	11,215
- deferred tax	1,268	1,323	1,268	1,323
	-----	-----	-----	-----
	19,296	12,538	19,296	12,538
	=====	=====	=====	=====

The Group's effective tax rate for the current quarter was in line with the statutory tax rate. The effective tax rate for the preceding year corresponding quarter was marginally higher than the statutory tax rate due to certain expenses being 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 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 3 May 2011.

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 31.3.2011	As at 31.12.2010
	RM'000	RM'000
<u>Term loans - Unsecured</u>		
Current	17,500	17,500
Non-current	17,500	17,500
	-----	-----
	35,000	35,000
	=====	=====

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. Disclosure of Realised and Unrealised Profits (Unaudited)

	As at 31.3.2011
	RM'000
Total retained profits of the Company and its subsidiaries:	
- Realised	742,710
- Unrealised	(130,402)

	612,308
Less: Consolidation adjustments	(268,959)

Total group retained profits as per consolidated financial statements	343,349
	=====

13. Material Litigation

The Group has no material litigation as at 3 May 2011, 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. 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 799,988,000 (2010: 799,992,000)

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

15. Dividends

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

16. 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 2010 was not subject to any qualification.

BY ORDER OF THE BOARD

CHEAH YEE LENG

Secretary

Kuala Lumpur

6 May 2011