



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 2011

| | Quarter ended | | Year-to-date ended | |
|---|---------------------|---------------------|---------------------|---------------------|
| | 30.6.2011 RM'000 | 30.6.2010 RM'000 | 30.6.2011 RM'000 | 30.6.2010 RM'000 |
| Revenue | 182,396 | 100,824 | 326,447 | 202,225 |
| Operating expenses | (81,341) | (51,921) | (149,270) | (104,587) |
| Other operating income | 1,481 | 521 | 2,671 | 1,419 |
| | ----- | ----- | ----- | ----- |
| Operating profit | 102,536 | 49,424 | 179,848 | 99,057 |
| Financing costs | (299) | (483) | (558) | (1,103) |
| | ----- | ----- | ----- | ----- |
| Profit before tax | 102,237 | 48,941 | 179,290 | 97,954 |
| Tax expense | (26,326) | (12,607) | (45,622) | (25,145) |
| | ----- | ----- | ----- | ----- |
| Profit for the period representing total comprehensive income for the period | 75,911 | 36,334 | 133,668 | 72,809 |
| | ===== | ===== | ===== | ===== |
| Earnings per share (sen) | | | | |
| Basic | 9.49 | 4.54 | 16.71 | 9.10 |
| | ===== | ===== | ===== | ===== |
| 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 30 JUNE 2011

| | As at 30.6.2011 | As at 31.12.2010 |
|---|----------------------------|-----------------------------|
| | RM'000 | RM'000 |
| | | <i>(Audited)</i> |
| Non-current assets | | |
| Property, plant and equipment | 571,613 | 576,940 |
| Biological assets | 1,334,479 | 1,331,982 |
| | ----- | ----- |
| | 1,906,092 | 1,908,922 |
| | ----- | ----- |
| Current assets | | |
| Inventories | 30,265 | 17,523 |
| Receivables | 25,317 | 26,686 |
| Tax recoverable | 58 | 7,957 |
| Cash and cash equivalents | 116,456 | 58,699 |
| | ----- | ----- |
| | 172,096 | 110,865 |
| | ----- | ----- |
| TOTAL ASSETS | 2,078,188 | 2,019,787 |
| | ===== | ===== |
| Equity attributable to owners of the Company | | |
| Share capital | 800,000 | 800,000 |
| Reserves | 1,038,839 | 961,170 |
| | ----- | ----- |
| | 1,838,839 | 1,761,170 |
| Less: Treasury shares | (34) | (29) |
| | ----- | ----- |
| TOTAL EQUITY | 1,838,805 | 1,761,141 |
| | ----- | ----- |
| Non-current liabilities | | |
| Bank borrowings | - | 17,500 |
| Deferred tax liabilities | 190,959 | 190,000 |
| | ----- | ----- |
| | 190,959 | 207,500 |
| | ----- | ----- |
| Current liabilities | | |
| Payables | 34,544 | 29,417 |
| Tax payable | 13,880 | 4,229 |
| Bank borrowings | - | 17,500 |
| | ----- | ----- |
| | 48,424 | 51,146 |
| | ----- | ----- |
| TOTAL LIABILITIES | 239,383 | 258,646 |
| | ----- | ----- |
| TOTAL EQUITY AND LIABILITIES | 2,078,188 | 2,019,787 |
| | ===== | ===== |
| Net assets per share (RM) | 2.30 | 2.20 |
| | ===== | ===== |
| Based on number of shares net of treasury shares | 799,986,000 | 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 30 JUNE 2011

| | ← Attributable to Owners 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 2011 | 800,000 | 675,578 | 285,592 | (29) | 1,761,141 |
| Total comprehensive income for the period | - | - | 133,668 | - | 133,668 |
| Purchase of treasury shares | - | - | - | (5) | (5) |
| Dividends | - | - | (55,999) | - | (55,999) |
| At 30 June 2011 | 800,000 | 675,578 | 363,261 | (34) | 1,838,805 |
| 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 | - | - | (40,000) | - | (40,000) |
| At 30 June 2010 | 800,000 | 675,578 | 237,289 | (23) | 1,712,844 |

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 30 JUNE 2011

| | Year-to-date ended | |
|---|---------------------------|------------------|
| | 30.6.2011 | 30.6.2010 |
| | RM'000 | RM'000 |
| Cash flows from operating activities | | |
| Profit before tax | 179,290 | 97,954 |
| Adjustments for: | | |
| Non-cash items | 12,946 | 11,991 |
| Non-operating items | (66) | (52) |
| Net interest (income)/expense | (618) | 628 |
| | ----- | ----- |
| Operating profit before working capital changes | 191,552 | 110,521 |
| Net changes in working capital | (6,246) | 17,598 |
| Net tax paid | (27,113) | (15,927) |
| Net interest received/(paid) | 618 | (628) |
| | ----- | ----- |
| Net cash generated from operating activities | 158,811 | 111,564 |
| | ----- | ----- |
| Cash flows from investing activities | | |
| Proceeds from disposal of property, plant and equipment | 66 | 68 |
| Purchase of property, plant and equipment | (7,619) | (8,567) |
| Additions to biological assets | (2,497) | (2,597) |
| | ----- | ----- |
| Net cash used in investing activities | (10,050) | (11,096) |
| | ----- | ----- |
| Cash flows from financing activities | | |
| Net repayment of bank borrowings | (35,000) | (32,667) |
| Shares repurchased at cost | (5) | (5) |
| Dividends paid to shareholders | (55,999) | (40,000) |
| | ----- | ----- |
| Net cash used in financing activities | (91,004) | (72,672) |
| | ----- | ----- |
| Net increase in cash and cash equivalents | 57,757 | 27,796 |
| | ----- | ----- |
| Cash and cash equivalents at beginning of period | 58,699 | 34,565 |
| | ----- | ----- |
| Cash and cash equivalents at end of period | 116,456 | 62,361 |
| | ===== | ===== |

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 | 101,437 | 53,688 |
| Cash in hand and at bank | 15,019 | 8,673 |
| | ----- | ----- |
| | 116,456 | 62,361 |
| | ===== | ===== |

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 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

(a) Share buyback by the Company

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 2011 | - | - | - | - | - | - |
| May 2011 | 2,000 | 2.670 | 2.670 | 2.6938 | 5,387.61 | - |
| June 2011 | - | - | - | - | - | - |
| Total | 2,000 | 2.670 | 2.670 | 2.6938 | 5,387.61 | - |

During the current quarter under review, 2,000 shares were bought back and there was no resale or cancellation of treasury shares. All shares bought back were retained as treasury shares.

(b) As at 30 June 2011, the Company has 14,000 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 | |
|---|---------------------------------|------------------|
| | 30.6.2011 | 30.6.2010 |
| | RM'000 | RM'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 |
| Dividend in respect of financial year ended 31 December 2010: | | |
| - final (7.0 sen) under the single tier system approved by shareholders on 6 June 2011 and paid on 23 June 2011 | 55,999 | - |
| | ----- | ----- |
| | 55,999 | 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 19 August 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 19 August 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 30.6.2011 | As at 31.12.2010 |
|--|----------------------------|-----------------------------|
| | RM'000 | RM'000 |
| Contracted but not provided for in this report | 25,374 | 10,985 |
| Authorised but not contracted for | 46,794 | 70,604 |
| | ----- | ----- |
| | 72,168 | 81,589 |
| | ===== | ===== |

14. Significant Related Party Transactions

During the current quarter under review and up to 19 August 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 and has expired on 6 June 2011.

As at the extraordinary general meeting on 6 June 2011, the Company obtained a renewed shareholders' mandate for RRPT and from the date thereof up to 19 August 2011, the Company and its subsidiaries did not enter into any RPT or RRPT that were not included or exceeded by 10% the estimated value which had been mandated by the shareholders on 6 June 2011.

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 RM182.4 million was 81% 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 RM102.2 million and RM75.9 million were both higher than the preceding year corresponding quarter by 109%.

The Group benefitted from the strong commodity prices and achieved average selling price of Crude Palm Oil (CPO) and Palm Kernel (PK) for the current quarter of RM3,372 and RM2,497 per tonne which were higher than the preceding year corresponding quarter of RM2,499 and RM1,455 per tonne respectively. In addition, the better performance was also contributed by higher CPO and PK sales volume for the current quarter of 43,728 tonnes and 10,466 tonnes which were 28% and 52% respectively higher than the preceding year corresponding quarter attributable to higher CPO production with higher Fresh Fruit Bunches (FFB) yield resulting from the changes in cropping pattern and increase in the purchase of FFB.

Overall, the Group PBT and PAT for the current financial year to date at RM179.3 million and RM133.7 million were higher than the preceding year corresponding period by 83% and 84% respectively.

Basic earnings per share for the current financial year to date at 16.71 sen was 84% above the preceding year corresponding quarter of 9.10 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 RM102.2 million was 33% higher than the preceding quarter of RM77.1 million mainly attributable to higher sales volume of CPO and PK which were 37% and 30% respectively above the preceding quarter inspite of lower average selling price of CPO and PK which were lower by 5% and 14% respectively.

3. Current Year Prospects

The Group's prospects for the second half of 2011 are generally to be likely influenced by the fluctuation in commodities prices affected by the looming global economic uncertainty. However, the overall results of the Group for the current financial year is expected to be better than the previous year with a strong first half performance as well as higher seasonal yield trend of FFB expected.

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 | |
|------------------------------|---------------|-----------|--------------------|-----------|
| | 30.6.2011 | 30.6.2010 | 30.6.2011 | 30.6.2010 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| In respect of current period | | | | |
| - Income tax | 26,534 | 12,263 | 44,562 | 23,478 |
| - deferred tax | (309) | 344 | 959 | 1,667 |
| | ----- | ----- | ----- | ----- |
| | 26,225 | 12,607 | 45,521 | 25,145 |
| In respect of current period | | | | |
| - Income tax | 101 | - | 101 | - |
| | ----- | ----- | ----- | ----- |
| | 26,326 | 12,607 | 45,622 | 25,145 |
| | ===== | ===== | ===== | ===== |

The Group's effective tax rate 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 rate for the preceding year corresponding quarter and period were also marginally higher than the statutory tax rate due to the same reason.



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 and/or properties 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 19 August 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 30.6.2011 | As at 31.12.2010 |
|-------------------------------|----------------------------|-----------------------------|
| | RM'000 | RM'000 |
| <u>Term loans - Unsecured</u> | | |
| Current | - | 17,500 |
| Non-current | - | 17,500 |
| | ----- | ----- |
| | - | 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 30.6.2011 |
|---|----------------------------|
| | RM'000 |
| Total retained profits of the Company and its subsidiaries: | |
| - Realised | 760,499 |
| - Unrealised | (130,275) |
| | ----- |
| | 630,224 |
| Less: Consolidation adjustments | (266,963) |
| | ----- |
| Total group retained profits as per consolidated financial statements | 363,261 |
| | ===== |

13. Material Litigation

The Group has no material litigation as at 19 August 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 799,987,000 (2010: 799,991,000)
- (b) The Company does not have any diluted earnings per share.

15. Dividends

- (a) The Board of Directors approved the following interim dividend for the financial year ending 31 December 2011:
- | | |
|--|---|
| (i) Amount per ordinary share of RM1.00 each - Interim Dividend | 10.0 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 | 6.0 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 | 10.0 sen (2010: 6.0 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 27 September 2011; and
- (c) In respect of deposited securities, entitlement to the dividend will be determined on the basis of the record of depositors as at 12 September 2011.

NOTICE OF INTERIM DIVIDEND PAYMENT AND ENTITLEMENT DATE

NOTICE IS HEREBY GIVEN that an interim dividend of 10.0 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 2011 will be payable on 27 September 2011 to the shareholders whose names appear on the Company's Record of Depositors at the close of business on 12 September 2011. 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 12 September 2011 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.

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
23 August 2011