



# HAP SENG PLANTATIONS HOLDINGS BERHAD (769962-K)

*(Incorporated in Malaysia)*

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) FOR THE THIRD QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2011

	Quarter ended		Year-to-date ended	
	30.9.2011 RM'000	30.9.2010 RM'000	30.9.2011 RM'000	30.9.2010 RM'000
<b>Revenue</b>	167,403	114,095	493,850	316,320
Operating expenses	(79,923)	(60,871)	(229,193)	(165,458)
Other operating income	1,186	507	3,857	1,926
	-----	-----	-----	-----
<b>Operating profit</b>	88,666	53,731	268,514	152,788
Financing costs	-	(300)	(558)	(1,403)
	-----	-----	-----	-----
<b>Profit before tax</b>	88,666	53,431	267,956	151,385
Tax expense	(22,431)	(11,769)	(68,053)	(36,914)
	-----	-----	-----	-----
<b>Profit for the period representing total comprehensive income for the period</b>	66,235	41,662	199,903	114,471
	=====	=====	=====	=====
<b>Earnings per share (sen)</b>				
Basic	8.28	5.21	24.99	14.31
	=====	=====	=====	=====
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 SEPTEMBER 2011

	<b>As at 30.9.2011</b>	<b>As at 31.12.2010</b>
	RM'000	RM'000
		<i>(Audited)</i>
<b>Non-current assets</b>		
Property, plant and equipment	570,625	576,940
Biological assets	1,336,236	1,331,982
	-----	-----
	1,906,861	1,908,922
	-----	-----
<b>Current assets</b>		
Inventories	34,643	17,523
Receivables	21,238	26,686
Tax recoverable	58	7,957
Cash and cash equivalents	111,035	58,699
	-----	-----
	166,974	110,865
	-----	-----
<b>TOTAL ASSETS</b>	2,073,835	2,019,787
	=====	=====
<b>Equity attributable to owners of the Company</b>		
Share capital	800,000	800,000
Reserves	1,025,075	961,170
	-----	-----
	1,825,075	1,761,170
Less: Treasury shares	(34)	(29)
	-----	-----
<b>TOTAL EQUITY</b>	1,825,041	1,761,141
	-----	-----
<b>Non-current liabilities</b>		
Bank borrowings	-	17,500
Deferred tax liabilities	189,702	190,000
	-----	-----
	189,702	207,500
	-----	-----
<b>Current liabilities</b>		
Payables	36,922	29,417
Tax payable	22,170	4,229
Bank borrowings	-	17,500
	-----	-----
	59,092	51,146
	-----	-----
<b>TOTAL LIABILITIES</b>	248,794	258,646
	-----	-----
<b>TOTAL EQUITY AND LIABILITIES</b>	2,073,835	2,019,787
	=====	=====
<b>Net assets per share (RM)</b>	2.28	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 SEPTEMBER 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
<b>At 1 January 2011</b>	800,000	675,578	285,592	(29)	1,761,141
Total comprehensive income for the period	-	-	199,903	-	199,903
Purchase of treasury shares	-	-	-	(5)	(5)
Dividends	-	-	(135,998)	-	(135,998)
<b>At 30 September 2011</b>	800,000 =====	675,578 =====	349,497 =====	(34) =====	1,825,041 =====
<b>At 1 January 2010</b>	800,000	675,578	204,480	(18)	1,680,040
Total comprehensive income for the period	-	-	114,471	-	114,471
Purchase of treasury shares	-	-	-	(5)	(5)
Dividends	-	-	(87,999)	-	(87,999)
<b>At 30 September 2010</b>	800,000 =====	675,578 =====	230,952 =====	(23) =====	1,706,507 =====

*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 SEPTEMBER 2011

	<b>Year-to-date ended</b>	
	<b>30.9.2011</b>	<b>30.9.2010</b>
	RM'000	RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	267,956	151,385
Adjustments for:		
Non-cash items	19,462	18,467
Non-operating items	(32)	(40)
Net interest (income)/expense	(1,577)	767
	-----	-----
Operating profit before working capital changes	285,809	170,579
Net changes in working capital	(4,167)	14,551
Net tax paid	(42,511)	(33,286)
Net interest received/(paid)	1,577	(767)
	-----	-----
<b>Net cash generated from operating activities</b>	240,708	151,077
	-----	-----
<b>Cash flows from investing activities</b>		
Proceeds from disposal of property, plant and equipment	231	353
Purchase of property, plant and equipment	(13,346)	(18,519)
Additions to biological assets	(4,254)	(4,059)
	-----	-----
<b>Net cash used in investing activities</b>	(17,369)	(22,225)
	-----	-----
<b>Cash flows from financing activities</b>		
Net repayment of bank borrowings	(35,000)	(51,834)
Shares repurchased at cost	(5)	(5)
Dividends paid to shareholders	(135,998)	(87,999)
	-----	-----
<b>Net cash used in financing activities</b>	(171,003)	(139,838)
	-----	-----
<b>Net increase/(decrease) in cash and cash equivalents</b>	52,336	(10,986)
	-----	-----
<b>Cash and cash equivalents at beginning of period</b>	58,699	34,565
	-----	-----
<b>Cash and cash equivalents at end of period</b>	111,035	23,579
	=====	=====

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	91,714	-
Cash in hand and at bank	19,321	23,579
	-----	-----
	111,035	23,579
	=====	=====

*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 interim period.



**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. Issues, Cancellations, Repurchases, Resale and Repayments of Debt and Equity Securities**

Share buyback by the Company

During the current quarter, there was no buyback of shares nor resale or cancellation of treasury shares. Accordingly only 2,000 shares were bought back and retained as treasury shares during the interim period.

As at 30 September 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:

	<b>Cumulative Quarter Ended</b>	
	<b>30.9.2011</b>	<b>30.9.2010</b>
	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:		
- interim (6.0 sen) under the single tier system approved by the Board of Directors on 25 August 2010 and paid on 20 September 2010	-	47,999
- final (7.0 sen) under the single tier system approved by shareholders on 6 June 2011 and paid on 23 June 2011	55,999	-
Dividend in respect of financial year ended 31 December 2011:		
- interim (10.0 sen) under the single tier system approved by the Board of Directors on 23 August 2011 and paid on 27 September 2011	79,999	
	-----	-----
	135,998	87,999
	=====	=====

**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. Effect of Changes in the Composition of the Group during the Interim Period, including Business Combinations, Obtaining or Losing Control of Subsidiaries and Long-term Investments, Restructuring and Discontinued Operations**

There were no changes in composition of the Group during the interim period.

**10. Significant Events and Transactions**

There were no events or transactions that are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period.

**11. Events After the Interim Period**

There were no events after the interim period and up to 21 November 2011 that have not been reflected in the financial statements for the interim period.



**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 the end of the interim period 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>As at</b>
	<b>30.9.2011</b>	<b>31.12.2010</b>
	RM'000	RM'000
Contracted but not provided for in this report	25,620	10,985
Authorised but not contracted for	41,223	70,604
	-----	-----
	66,843	81,589
	=====	=====

**14. Significant Related Party Transactions**

During the interim period, 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 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 6 June 2011 respectively.

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**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 RM167.4 million was 47% higher than the preceding year corresponding quarter. Consequently, Group profit before tax ["PBT"] and profit after tax ["PAT"] for the current quarter at RM88.7 million and RM66.2 million were higher than the preceding year corresponding quarter by 66% and 59% respectively.

The better results as compared to the preceding year corresponding quarter was due to higher average selling price of Crude Palm Oil (CPO) and Palm Kernel (PK) for the current quarter of RM3,117 and RM1,828 per tonne which were higher than the preceding year corresponding quarter of RM2,487 and RM1,575 per tonne respectively. In addition, the Group also benefitted from higher CPO sales volume for the current quarter of 46,102 tonnes which were 22% 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 from surrounding estates.

Overall, the Group PBT and PAT for the current financial year to date at RM268.0 million and RM199.9 million were higher than the preceding year corresponding period by 77% and 75% respectively.

Basic earnings per share for the current financial year to date at 24.99 sen was 75% above the preceding year corresponding quarter of 14.31 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 RM88.7 million was 13% lower than the preceding quarter of RM102.2 million mainly due to lower average selling price of CPO and PK which were lower by 8% and 27% respectively resulting from the decline in commodities prices.

**3. Current Year Prospects**

With a strong year to date performance, the overall results of the Group for the current financial year are expected to be better than the previous year.

**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	
	30.9.2011	30.9.2010	30.9.2011	30.9.2010
	RM'000	RM'000	RM'000	RM'000
In respect of current period				
- Income tax	23,641	12,920	68,203	36,398
- deferred tax	(1,257)	584	(298)	2,251
	-----	-----	-----	-----
	22,384	13,504	67,905	38,649
In respect of current period				
- Income tax	47	(1,735)	148	(1,735)
	-----	-----	-----	-----
	22,431	11,769	68,053	36,914
	=====	=====	=====	=====

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 21 November 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:

	<b>As at 30.9.2011</b>	<b>As at 31.12.2010</b>
	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)**

	<b>As at 30.9.2011</b>	<b>As at 31.12.2010</b>
	RM'000	RM'000
		<i>(Audited)</i>
Total retained profits of the Company and its subsidiaries:		
- Realised	746,208	682,955
- Unrealised	(129,200)	(128,951)
	-----	-----
	617,008	554,004
Less: Consolidation adjustments	(267,511)	(268,412)
	-----	-----
Total group retained profits as per consolidated financial statements	349,497	285,592
	=====	=====



**13. Material Litigation**

The Group has no material litigation as at 21 November 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**

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  
25 November 2011