



HAP SENG PLANTATIONS HOLDINGS BERHAD ^(769962-K)

(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) FOR THE FOURTH QUARTER AND YEAR-TO-DATE ENDED 31 DECEMBER 2011

	Quarter ended		Year-to-date ended	
	31.12.2011 RM'000	31.12.2010 RM'000	31.12.2011 RM'000	31.12.2010 RM'000
Revenue	161,016	157,434	654,866	473,754
Operating expenses	(90,463)	(82,781)	(319,656)	(248,239)
Other operating income	964	644	4,818	2,570
	-----	-----	-----	-----
Operating profit	71,517	75,297	340,028	228,085
Financing costs	-	(306)	(555)	(1,709)
	-----	-----	-----	-----
Profit before tax	71,517	74,991	339,473	226,376
Tax expense	(18,452)	(20,351)	(86,505)	(57,265)
	-----	-----	-----	-----
Profit for the period representing total comprehensive income for the period	53,065	54,640	252,968	169,111
	=====	=====	=====	=====
Earnings per share (sen)				
Basic	6.63	6.83	31.62	21.14
	=====	=====	=====	=====
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 DECEMBER 2011

	As at 31.12.2011	As at 31.12.2010
	RM'000	RM'000
		<i>(Audited)</i>
Non-current assets		
Property, plant and equipment	571,468	576,940
Biological assets	1,338,433	1,331,982
	-----	-----
	1,909,901	1,908,922
	-----	-----
Current assets		
Inventories	28,150	17,523
Receivables	30,244	26,686
Tax recoverable	267	7,957
Cash and cash equivalents	146,175	58,699
	-----	-----
	204,836	110,865
	-----	-----
TOTAL ASSETS	2,114,737	2,019,787
	=====	=====
Equity attributable to owners of the Company		
Share capital	800,000	800,000
Reserves	1,078,140	961,170
	-----	-----
	1,878,140	1,761,170
Less: Treasury shares	(48)	(29)
	-----	-----
TOTAL EQUITY	1,878,092	1,761,141
	-----	-----
Non-current liabilities		
Bank borrowings	-	17,500
Deferred tax liabilities	190,115	190,000
	-----	-----
	190,115	207,500
	-----	-----
Current liabilities		
Payables	35,733	29,417
Tax payable	10,797	4,229
Bank borrowings	-	17,500
	-----	-----
	46,530	51,146
	-----	-----
TOTAL LIABILITIES	236,645	258,646
	-----	-----
TOTAL EQUITY AND LIABILITIES	2,114,737	2,019,787
	=====	=====
Net assets per share (RM)	2.35	2.20
	=====	=====
Based on number of shares net of treasury shares	799,981,000	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 DECEMBER 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	-	-	252,968	-	252,968
Purchase of treasury shares	-	-	-	(19)	(19)
Dividends	-	-	(135,998)	-	(135,998)
At 31 December 2011	800,000 =====	675,578 =====	402,562 =====	(48) =====	1,878,092 =====
At 1 January 2010	800,000	675,578	204,480	(18)	1,680,040
Total comprehensive income for the period	-	-	169,111	-	169,111
Purchase of treasury shares	-	-	-	(11)	(11)
Dividends	-	-	(87,999)	-	(87,999)
At 31 December 2010	800,000 =====	675,578 =====	285,592 =====	(29) =====	1,761,141 =====

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 DECEMBER 2011

	Year-to-date ended	
	31.12.2011	31.12.2010
	RM'000	RM'000
Cash flows from operating activities		
Profit before tax	339,473	226,376
Adjustments for:		
Non-cash items	26,085	25,489
Non-operating items	(17)	(40)
Net interest (income)/expense	(2,410)	949
	-----	-----
Operating profit before working capital changes	363,131	252,774
Net changes in working capital	(7,869)	3,509
Net tax paid	(72,132)	(57,940)
Net interest received/(paid)	2,410	(949)
	-----	-----
Net cash generated from operating activities	285,540	197,394
	-----	-----
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	444	353
Purchase of property, plant and equipment	(21,040)	(27,917)
Additions to biological assets	(6,451)	(5,852)
	-----	-----
Net cash used in investing activities	(27,047)	(33,416)
	-----	-----
Cash flows from financing activities		
Net repayment of bank borrowings	(35,000)	(51,834)
Shares repurchased at cost	(19)	(11)
Dividends paid to shareholders	(135,998)	(87,999)
	-----	-----
Net cash used in financing activities	(171,017)	(139,844)
	-----	-----
Net increase in cash and cash equivalents	87,476	24,134
	-----	-----
Cash and cash equivalents at beginning of period	58,699	34,565
	-----	-----
Cash and cash equivalents at end of period	146,175	58,699
	=====	=====

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	136,402	51,490
Cash in hand and at bank	9,773	7,209
	-----	-----
	146,175	58,699
	=====	=====

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

(a) The monthly breakdown of shares bought back during the quarter under review are as follows:

Month	No of shares Repurchased	Purchase price per share		Average cost Per share	Total cost
		Lowest	Highest		
		RM	RM	RM	RM
October 2011	-	-	-	-	-
November 2011	5,000	2.710	2.730	2.7379	13,689.62
December 2011	-	-	-	-	-
Total	5,000	2.710	2.730	2.7379	13,689.62

During the current quarter under review, 5,000 shares were bought back and there was no resale or cancellation of treasury shares. Accordingly a total of 7,000 shares were bought back and retained as treasury shares during the current financial year.

(b) As at 31 December 2011, the Company has 19,000 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 year is as follows:

	Cumulative Quarter Ended	
	31.12.2011	31.12.2010
	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:		
- 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 current financial year.



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 end of the financial year

There were no events after the current financial year and up to 10 February 2012 that have not been reflected in the financial statements for the current financial year.

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:

	As at 31.12.2011 RM'000	As at 31.12.2010 RM'000
Contracted but not provided for in this report	19,366	10,985
Authorised but not contracted for	68,818	70,604
	-----	-----
	88,184	81,589
	=====	=====

14. Significant related party transactions

During the current financial year, 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 RM161.0 million was 2% higher than the preceding year corresponding quarter. Group profit before tax ["PBT"] and profit after tax ["PAT"] for the current quarter at RM71.5 million and RM53.1 million were lower than the preceding year corresponding quarter by 5% and 3% respectively mainly due to higher production costs.

In the current quarter, the Group recorded higher CPO sales with marginally higher sales volume of 46,238 tonnes and higher CPO average selling price realisation at RM2,977 per tonne as compared to the preceding year corresponding quarter of RM2,843 per tonne. However, the benefit from higher CPO sales were reduced by lower PK sales arising from lower PK average selling price realisation for the current quarter at RM1,634 per tonne as compared to the preceding year corresponding quarter of RM2,029 per tonne whilst sales volume of PK at 9,645 tonnes was marginally above that of the preceding year corresponding quarter.

Production costs were higher due to higher harvesting costs and estate overheads mainly attributable to increase in labour rates and related staff welfare expenses.

Nevertheless, Group PBT and PAT for the current financial year at RM339.5 million and RM253.0 million were both higher than the preceding year corresponding period by 50% due to the strong performance in the earlier three quarters.

In line with the better performance for the full year, basic earnings per share for the current financial year at 31.62 sen was also 50% above the preceding year of 21.14 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 RM71.5 million was 19% lower than the preceding quarter of RM88.7 million mainly due to lower average selling price realisation of CPO and PK which were lower by 4% and 11% respectively.

3. Current year prospects

The Group's prospects for the financial year ending 31 December 2012 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. Profit for the period

	Quarter ended		Year-to-date ended	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
	RM'000	RM'000	RM'000	RM'000
Profit for the period is arrived at after crediting/(charging):				
Interest income	830	124	2,965	760
Interest expense	-	(306)	(555)	(1,709)
Depreciation and amortisation	(6,609)	(6,287)	(26,031)	(24,401)
Gain/(loss) on disposal of property, plant and equipment	(15)	-	17	40
Property, plant and equipment written off	(14)	(735)	(54)	(757)
Biological assets written off	-	-	-	(331)

Save as disclosed above, the other items as required under Appendix 9B, Part A(16) of the Bursa Listing Requirements are not applicable.

6. **Tax expense**

	Quarter ended		Year-to-date ended	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
	RM'000	RM'000	RM'000	RM'000
In respect of current period				
- income tax	18,039	19,023	86,242	55,421
- deferred tax	413	334	115	2,585
	-----	-----	-----	-----
	18,452	19,357	86,357	58,006
In respect of prior year				
- income tax	-	(3)	148	(1,738)
- deferred tax	-	997	-	997
	-----	-----	-----	-----
	-	994	148	(741)
	-----	-----	-----	-----
	18,452	20,351	86,505	57,265
	=====	=====	=====	=====

The Group's effective tax rate for the current quarter and year excluding under/(over) provision of tax in respect of prior year 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 year were also marginally higher than the statutory tax rate due to the same reason.

7. **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 10 February 2012.

8. **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 31.12.2011	As at 31.12.2010
	RM'000	RM'000
<u>Term loans - Unsecured</u>		
Current	-	17,500
Non-current	-	17,500
	-----	-----
	-	35,000
	=====	=====

9. **Material litigation**

The Group has no material litigation as at 10 February 2012, 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.

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 financial year.

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	As at
	31.12.2011	31.12.2010
	RM'000	RM'000
		(Audited)
Total retained profits of the Company and its subsidiaries:		
- Realised	800,423	682,955
- Unrealised	(129,804)	(128,951)
	-----	-----
	670,619	554,004
Less: Consolidation adjustments	(268,057)	(268,412)
	-----	-----
Total group retained profits as per consolidated financial statements	402,562	285,592
	=====	=====

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 as follows:

	Quarter Ended		Year-to-date ended	
	31.12.2011	31.12.2010	31.12.2011	31.12.2010
Profit attributable to owners of the Company (RM'000)	53,065	54,640	252,968	169,111
	=====	=====	=====	=====
Weighted average number of ordinary shares in issue ('000)	799,984	799,989	799,986	799,990
	=====	=====	=====	=====
Basic EPS (sen)	6.63	6.83	31.62	21.14
	=====	=====	=====	=====

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

14. Dividends

Dividends for the current financial year ended 31 December 2011 are as follows:

- (a) an interim dividend of 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. The said interim dividend was approved by the Board of Directors on 23 August 2011 and paid on 27 September 2011;
- (b) The Board of Directors have on even date approved the following second interim dividend for year ended 31 December 2011:

- | | |
|--|--|
| (i) Amount per ordinary share of RM1.00 each
- Second 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
- Final Dividend | 7.0 sen per ordinary share under the single tier system which is tax exempt in the hands of the shareholders |
| (iii) Total dividend for the current financial year:
Amount per ordinary share of RM1.00 each | 20.0 sen (2010: 13.0 sen) per ordinary share under the single tier system which is tax exempt in the hands of the shareholders |

* This second interim dividend is approved in lieu of final dividend for the financial year ended 31 December 2011.

- (c) This dividend will be payable on 12 March 2012; and
- (d) In respect of deposited securities, entitlement to the dividend will be determined on the basis of the record of depositors as at 29 February 2012.



14. **Dividends (continued)**

NOTICE OF SECOND INTERIM DIVIDEND PAYMENT AND ENTITLEMENT DATE

NOTICE IS HEREBY GIVEN that a second 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 ended 31 December 2011 will be payable in cash on 12 March 2012 to the shareholders whose names appear on the Company's Record of Depositors at the close of business on 29 February 2012. 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 29 February 2012 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 2010 was not subject to any qualification.

16. **Others**

The Securities Commission ("SC") had in its approval letter dated 23 July 2007 approving the initial public offering of the Company, required the Company:

- (a) to resolve the issue on the requirement to transfer 30% of Litang Estate (which has a total area of 1,078 hectares)/equity in Hap Seng Plantations (Wecan) Sdn Bhd to natives ["Native Condition"]; and
- (b) to obtain approval for the change of land use for the 13 titles held by Hap Seng Plantations [Ladang Kawa] Sdn. Bhd. in Tawau, Sabah (known as Apas Claremont Estate and Muul Hill Estate) to the use suitable for oil palm plantation ["Land Use Condition"].

On 6 November 2008, the Company fulfilled the Land Use Condition with the receipt of the 13 original land titles for the Apas Claremont Estate and Muul Hill Estate, amended to the use suitable for oil palm plantation.

The Company has up to July 2012 to comply with the Native Condition and is in the process of doing the necessary to satisfy the same.

BY ORDER OF THE BOARD

CHEAH YEE LENG

Secretary

Kuala Lumpur
14 February 2012