



HAP SENG CONSOLIDATED BERHAD

4th Quarter Ended 31st December 2011 Results

14th February 2012

Scope



1 Group financials

2 Operations review

SECTION 1

● Group financials





Consolidated income statement summary

- ❑ The Group have registered a satisfactory financial performance in 4Q 2011 against 2010's corresponding quarter.
- ❑ Group's revenue rose 20% in 4Q 2011 to RM975m with four divisions (Fertilizer, Credit Financing, Automotive and Quarry & Building Materials) delivering strong double-digit growth in revenue (ranging from 14 to 46%).
- ❑ Group EBITDA of RM208m and operating profit of RM196m grew by 2% and 4% respectively in 4Q 2011 as compared to RM204m and RM188m respectively, in the same quarter last year.
- ❑ Three divisions registered increase in their operating profits in 4Q 2011 notably with Credit Financing showing a double-digit jump.
- ❑ The Property Division is the largest profit contributor, accounting for 43% of the Group's operating profit in 4Q 2011.
- ❑ Basic EPS was 5.11 sen in 4Q 2011 as compared to 5.69 sen in the corresponding quarter last year.

(RM'million)	4Q 2011	4Q 2010	Change (%)	YTD 4Q 2011	YTD 4Q 2010	Change (%)
Revenue	975	811	20%	3,628	2,789	30%
Gross profit ¹	214	213	1%	881	648	36%
EBITDA	208	204	2%	793	531	49%
Operating profit ^{1,2}	196	188	4%	732	473	55%
Finance expense	(27)	(18)	58%	(97)	(66)	49%
Profit before tax	165	172	-4%	635	504	26%
Taxation	(29)	(41)	-30%	(142)	(95)	49%
Profit after tax	136	131	4%	493	409	21%
Attributable to MI	25	28	-11%	118	86	37%
Attributable to shareholders	112	103	8%	376	323	16%
EPS (sen)	5.11	5.69	-10%	18.85	17.82	6%

Note:

1 Includes share of Inverfin's PBIT from Menara Citibank

2 Includes interest income



Group segment results

(RM'million)	REVENUE			OPERATING PROFIT			REVENUE			OPERATING PROFIT		
	4Q 2011	4Q 2010	Change (%)	4Q 2011	4Q 2010	Change (%)	YTD 4Q 2011	YTD 4Q 2010	Change (%)	YTD 4Q 2011	YTD 4Q 2010	Change (%)
Plantations	161	158	2%	72	76	-5%	655	474	38%	343	231	48%
Property	99	111	-10%	85 ¹	80 ¹	6%	342	294	16%	222 ¹	136 ¹	63%
Automotive	228	191	19%	4	4	1%	811	592	37%	21	13	54%
Fertilizers	312	214	46%	11	12	-17%	1,178	894	32%	62	29	118%
Credit Financing	27	20	34%	22	13	67%	97	75	30%	79	59	35%
Quarry and Building Materials	147	129	14%	3	7	-60%	549	481	14%	17	22	-23%
	974	823	18%	197	192	3%	3,632	2,810	29%	744	490	52%
Consolidation adjustments and others	0.4	(12)	-	(1)	(4)		(4)	(21)	-	(12)	(17)	
GROUP	975	811	20%	196	188	4%	3,628	2,789	30%	732	473	55%

Note:

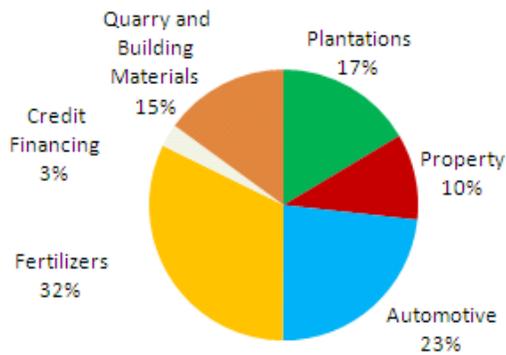
¹ Includes share of Inverfin's PBIT from Menara Citibank



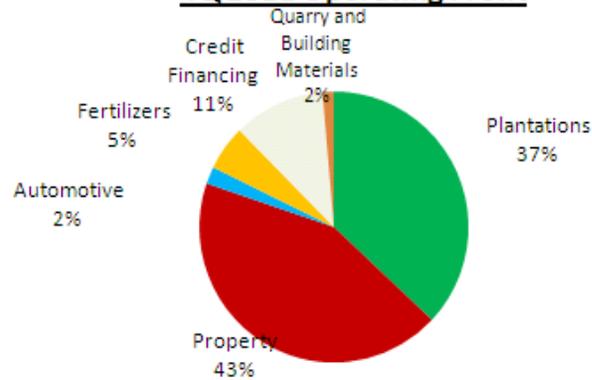
Group segment results

CURRENT QUARTER :

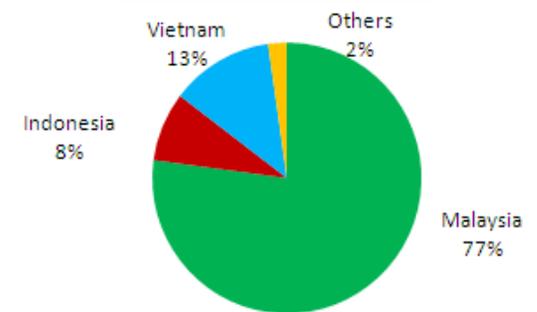
4Q 2011 Revenue



4Q 2011 Operating Profit

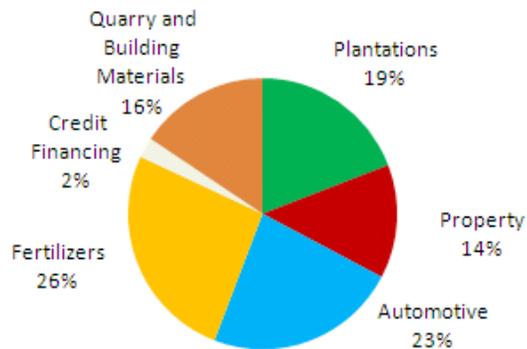


4Q 2011 Revenue - Geographical segment

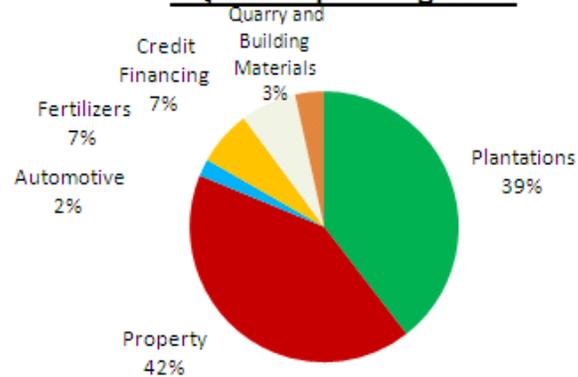


CORRESPONDING QUARTER LAST YEAR :

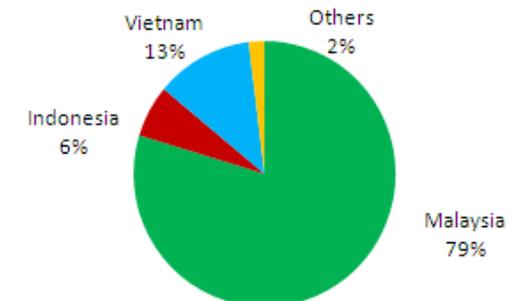
4Q 2010 Revenue



4Q 2010 Operating Profit



4Q 2010 Revenue - Geographical segment



SECTION 2

● Operations review





Plantations

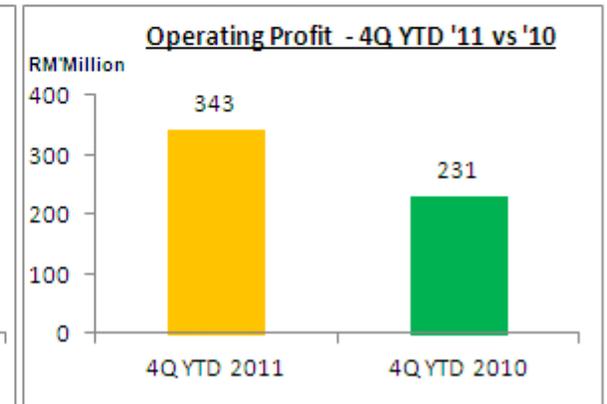
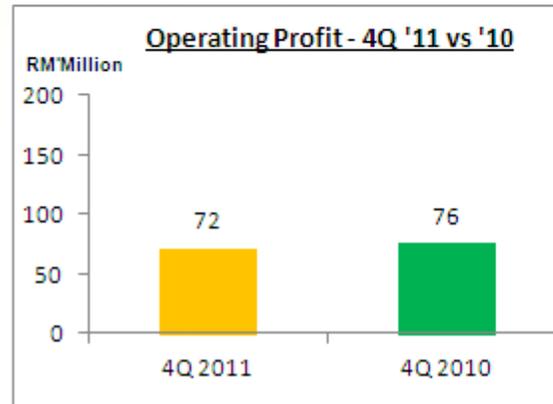
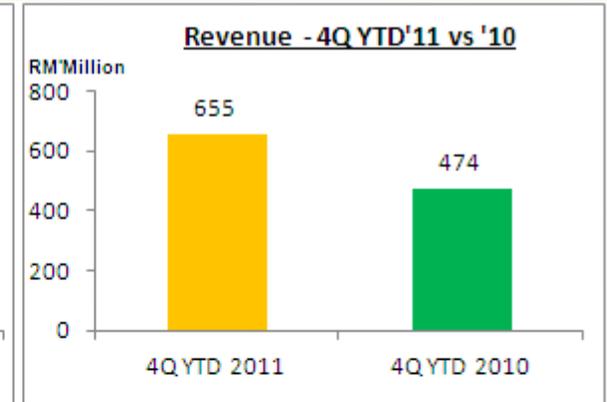
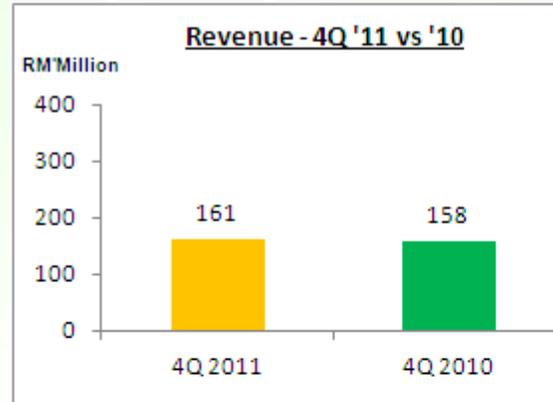
Stable CPO price sustains profitability with improvement on efficiency

- ❑ Revenue in the quarter under review increased by 2% to RM161m attributed by the following :-
 - better CPO selling prices (RM2,977 /MT vs RM2,843 /MT). However, PK selling prices was lower (RM1,634 /MT vs RM2,029 /MT)
 - Marginally higher CPO sales volume (46,238MT vs 45,803MT)

- ❑ Achieved operating profit of RM72m, it was 5% lower than the same quarter in 2010 attributed to higher production costs.

- ❑ Some of division's key performance indicators :
 - higher FFB yield of 6.07 MT per hectare in 4Q 2011 (vs 5.85 MT per hectare in 4Q 2010)
 - higher CPO production by 5% to 43,719 MT.
 - OER improved slightly to 21.13% for 4Q 2011 (against 21.07%).

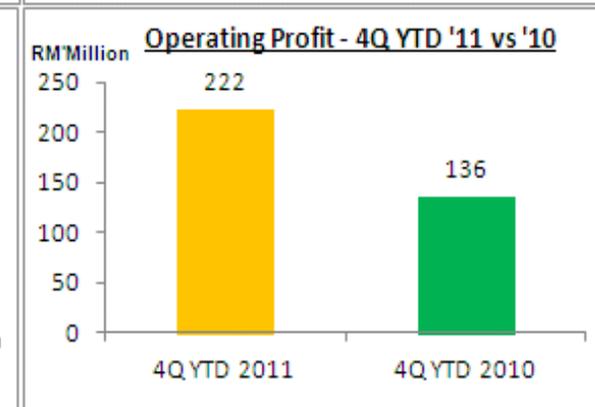
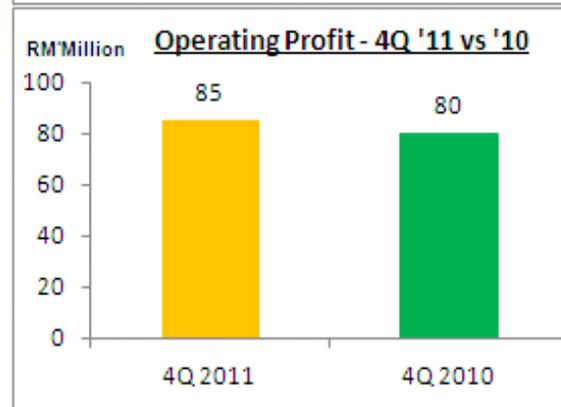
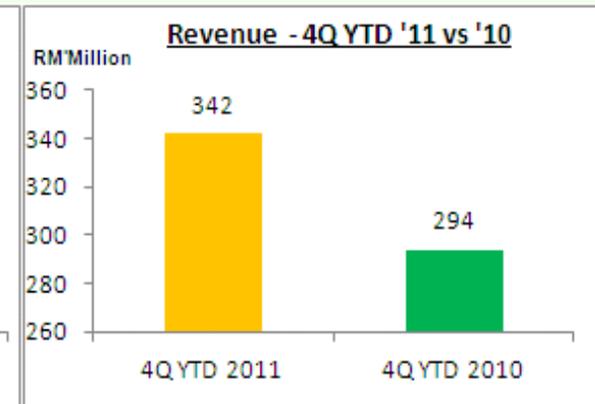
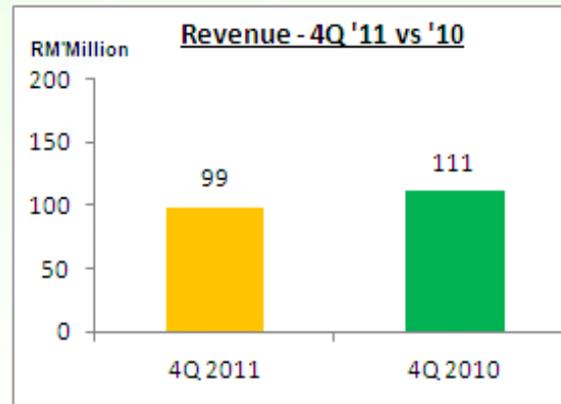
- ❑ The division's mechanization programme is currently on-going at various stages of implementation.





Leveraging on sales from earlier residential projects launches

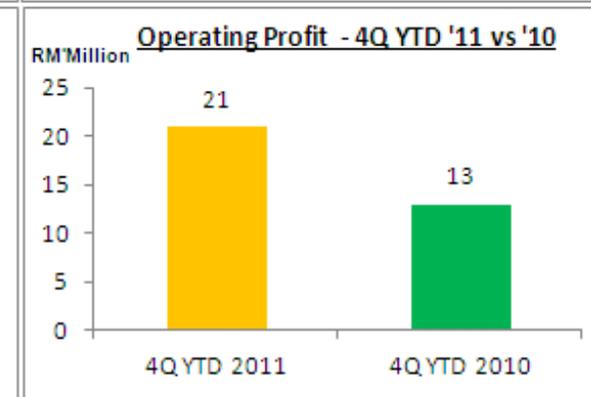
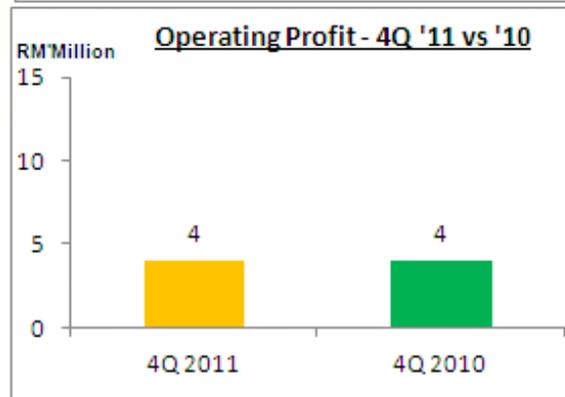
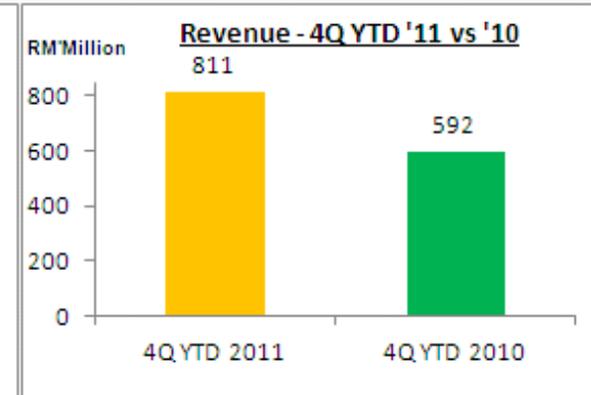
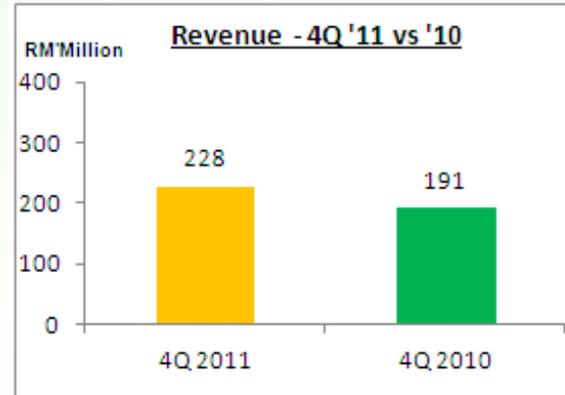
- ❑ Registered a revenue of RM 99m in 4Q 2011 while operating profit rose by 6% to RM85m. Revenue was marginally lower due to the timing of completion of its existing projects in East Malaysia.
- ❑ The construction of Menara Hap Seng 2 is progressing well with the super-structure parcel having commenced work in 4Q 2011.
- ❑ Ground breaking of Jalan Tun Razak Serviced Apartments project. The piling and basement work parcels have commenced in December 2011.





Resilient sales with aggressive business expansion plans in the pipeline

- ▣ Revenue increased by 19% in 4Q 2011 to RM228m with steady demand for Mercedes-Benz passenger cars and consistent after sales throughput.
- ▣ Operating profit recorded was RM4m, similar to the corresponding quarter last year.
- ▣ Kinrara Service Centre expansion is scheduled for completion in 1Q 2012. Once operational will be the largest Mercedes-Benz after-sales service centre in South East Asia.
- ▣ The construction of a new Autohaus for Vietnam Star in District 7, Ho Chi Minh City is on schedule and building construction is expected to be completed by 1Q 2012.



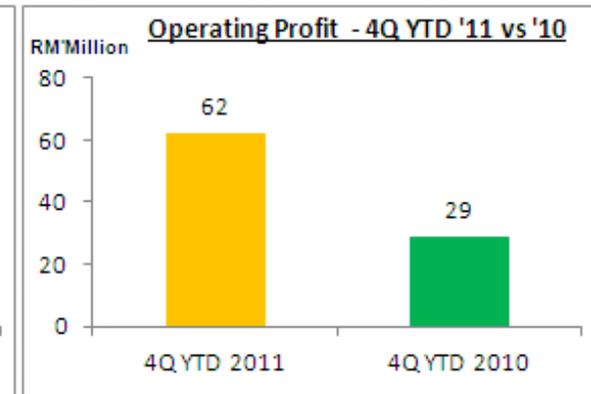
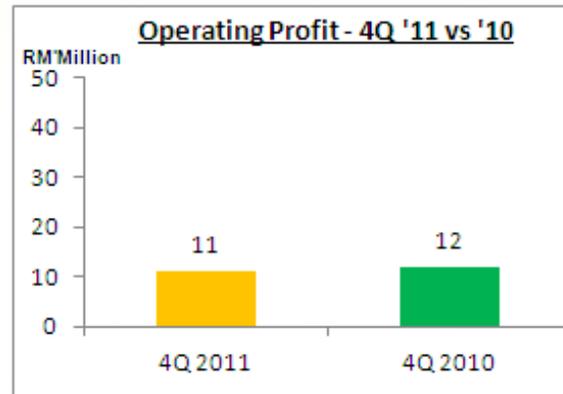
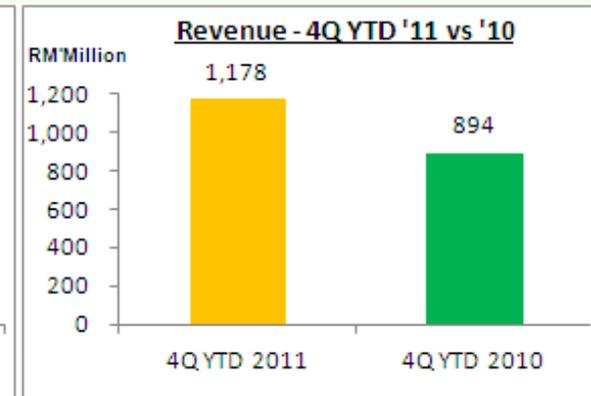
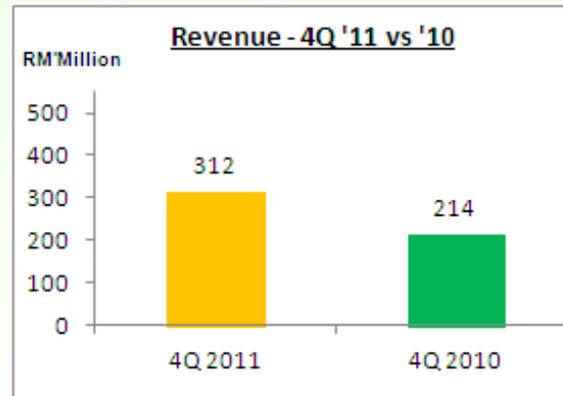


Demand remained strong as prices continue to recover

Revenue achieved in 4Q 2011 was RM312m, an increase of 46% compared to RM214m in the corresponding quarter of 2010, driven by higher sales volume and stable selling prices.

Operating profit reduced by 17% to RM11m, impacted by higher warehousing and insurance expenses.

The current inventory is at optimal level in anticipation of supply tightness in 1H 2012.

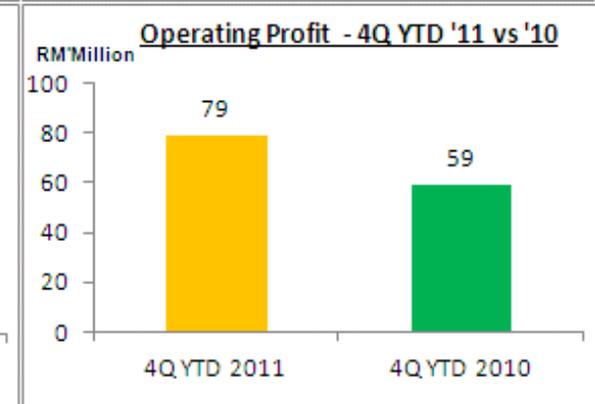
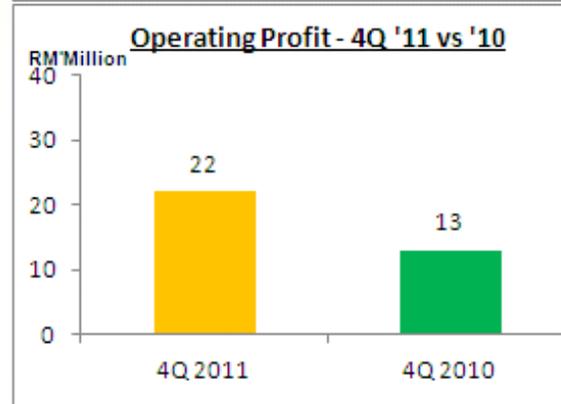
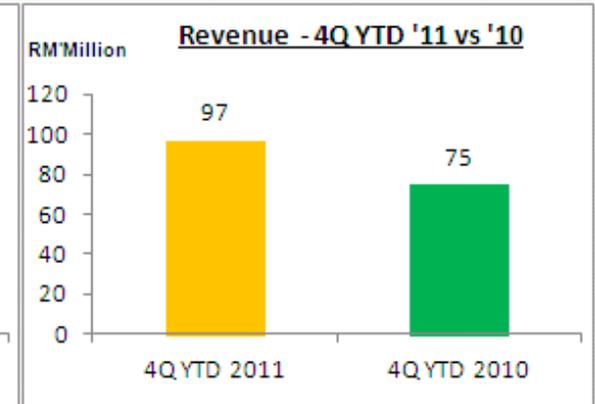
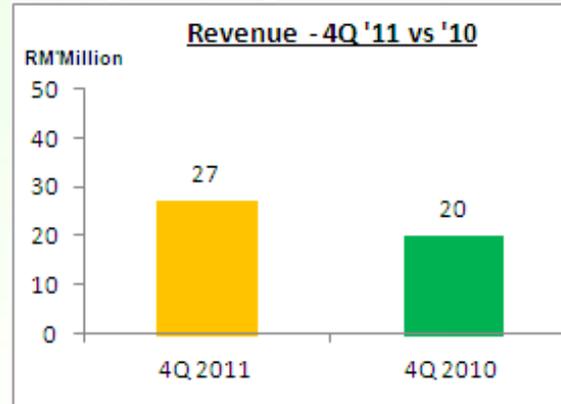




Credit financing

Strong revenue growth and continued improvement on NPL ratio

- Revenue and operating profit in 4Q 2011 increased by 34% and 67% to RM27m and RM22m respectively, driven by an increase in loan base by 24% from RM1.09b in 4Q 2010 to RM1.35b in the quarter under review
- NPL ratio improved significantly from 3.07% to 1.07% , attributed to strong recovery of NPLs and quality loan assets. This is a testament to the stable performance of the pre-selected loan sectors.
- This Division sustained a consistent level of applications for financing from pre-selected loan sectors .





Quarry and Building Materials

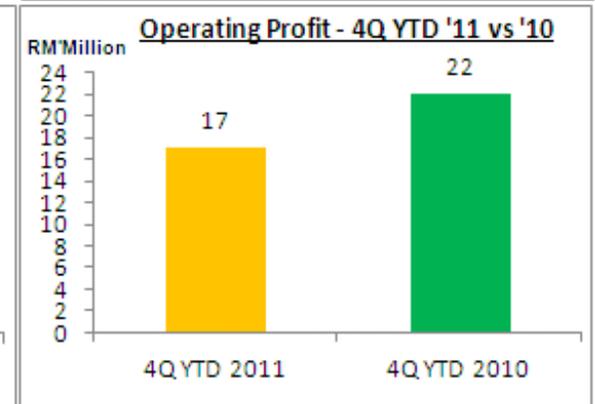
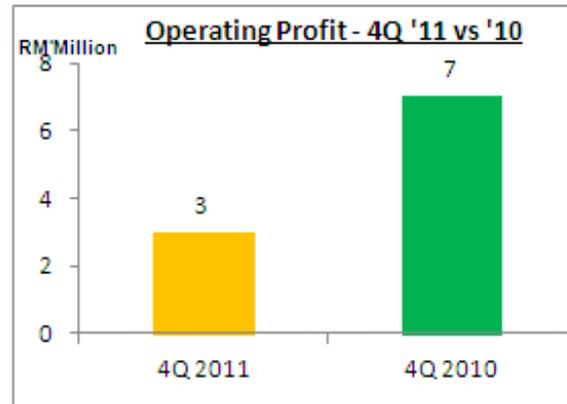
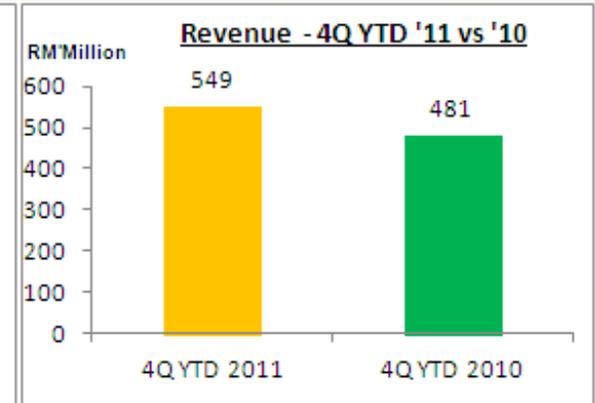
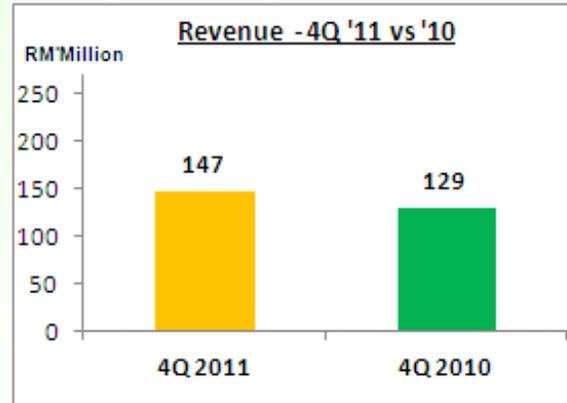
Sales trend improving with additional investments for production facility upgrade

Revenue increased by 14% to RM147m compared to RM129m in 4Q 2010. This was attributable to higher sales volume of aggregates YTD, 5.3m MT vs 3.6m MT), bricks (110m pcs vs 50m pcs) and asphalt (159K MT vs 87K MT).

Operating profit was RM3m (compared to RM7m in the corresponding quarter) mainly impacted by additional direct / indirect expenses associated with new project start-ups still in their gestation period.

- Upgrading projects implemented in 4Q 2011 incl. :-
 - New crusher plant at Kukusan Quarry, Sabah
 - Solid fuel system at Sedenak Brick Factory, Johor

As part of our Environment and Corporate Social Responsibility programme, state-of-the-art "Foam Dust Suppression" systems were implemented at 6 of our quarries.



Thank You



HAP SENG CONSOLIDATED BERHAD