



HAP SENG CONSOLIDATED BERHAD

1st Quarter Ended 31st March 2012 Results

29th May 2012

Scope



1 Group financials

2 Operations review

SECTION 1

● Group financials





Consolidated income statement summary

- ❑ The Group registered a satisfactory financial performance for 1Q 2012
- ❑ Group's revenue increased by 13% in 1Q 2012 with double digit growth recorded by 4 divisions (Property, Fertilizers, Credit Financing and Quarry & Building Materials)
- ❑ Group EBITDA and operating profit remains flat over last year's 1Q with Property and Credit Financing Division both showing strong double digit EBITDA growth of 19% each
- ❑ Plantations and Property Division are the largest 2 contributors of operating profit accounting for 35.7% and 36.8% respectively

| (RM' Million) | 1Q 2012 | 1Q 2011 | Change (%) |
|----------------------------------|---------|---------|------------|
| Revenue | 850.6 | 751.3 | 13% |
| Gross profit ¹ | 196.6 | 190.9 | 3% |
| EBITDA | 179.0 | 180.8 | -1% |
| Operating profit ^{1, 2} | 162.5 | 164.8 | -1% |
| Finance expenses | (26.3) | (19.4) | 35% |
| Profit before tax | 138.2 | 145.0 | -5% |
| Taxation | (32.4) | (35.8) | -9% |
| Profit after tax | 105.8 | 109.2 | -3% |
| Attributable to MI | 19.6 | 27.0 | -27% |
| Attributable to shareholders | 86.2 | 82.2 | 5% |
| EPS (sen) | 3.95 | 4.53 | -13% |

Note:

¹ Includes share of Inverfin's PBIT from Menara Citibank

² Includes interest income



Group segment results

| (RM' Million) | REVENUE | | | OPERATING PROFIT | | |
|------------------------------------|--------------|--------------|------------|-------------------|-------------------|------------|
| | 1Q 2012 | 1Q 2011 | Change (%) | 1Q 2012 | 1Q 2011 | Change (%) |
| Plantations | 124.0 | 144.0 | -14% | 58.8 | 78.0 | -25% |
| Property | 95.1 | 53.0 | 80% | 60.5 ¹ | 50.2 ¹ | 21% |
| Automotive | 149.1 | 174.2 | -14% | 5.7 | 5.8 | -2% |
| Fertilizers | 320.3 | 241.5 | 33% | 14.9 | 15.3 | -3% |
| Credit Financing | 27.0 | 21.4 | 26% | 20.9 | 17.5 | 20% |
| Quarry & Building Materials | 143.2 | 121.4 | 18% | 3.8 | 4.9 | -21% |
| | 858.7 | 755.5 | 14% | 164.6 | 171.7 | -4% |
| Consolidation adjustments & others | (8.1) | (4.2) | | (2.1) | (6.9) | |
| Group | 850.6 | 751.3 | 13% | 162.5 | 164.8 | -1% |

Note:

¹ Includes share of Inverfin's PBIT from Menara Citibank

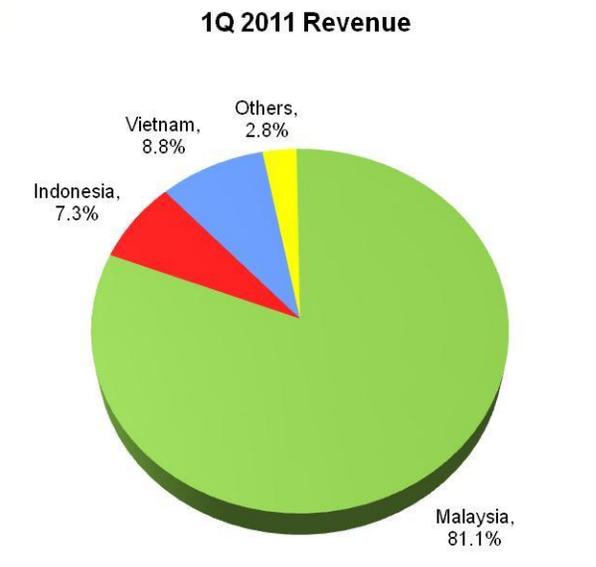
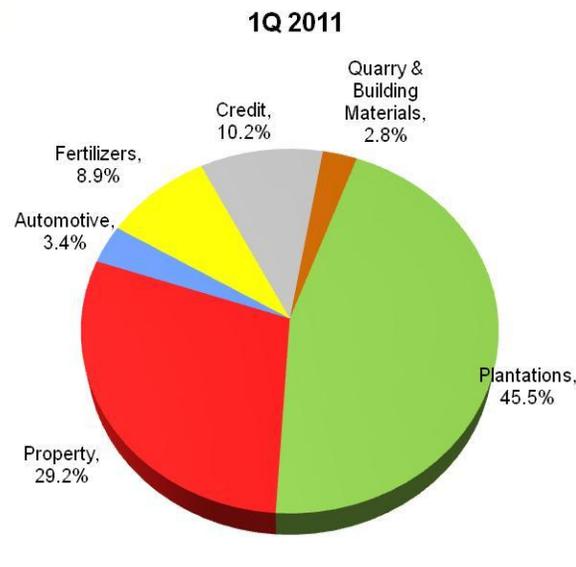
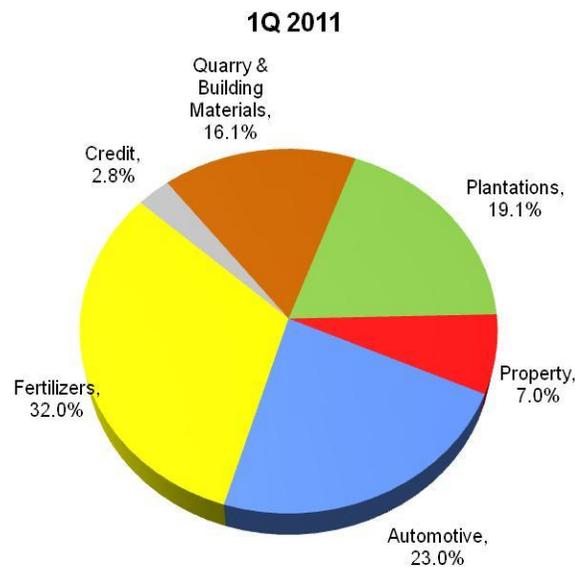
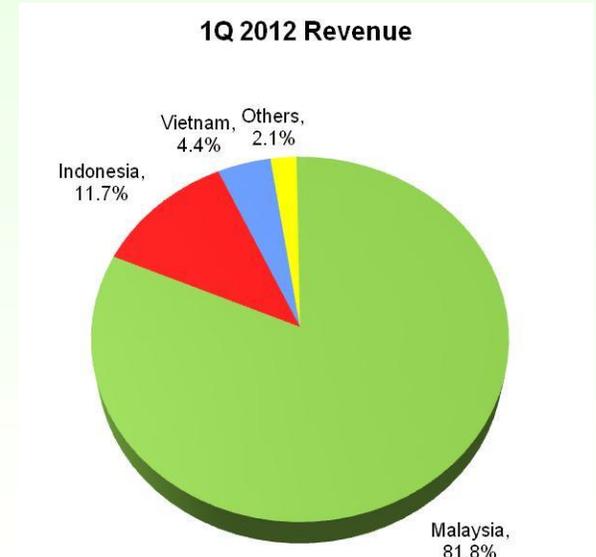
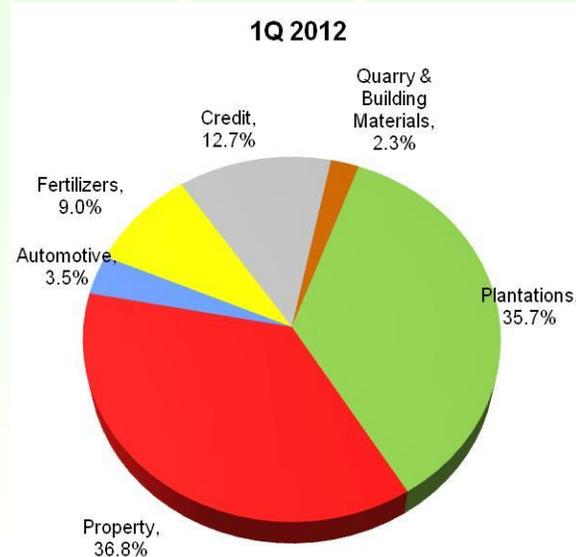
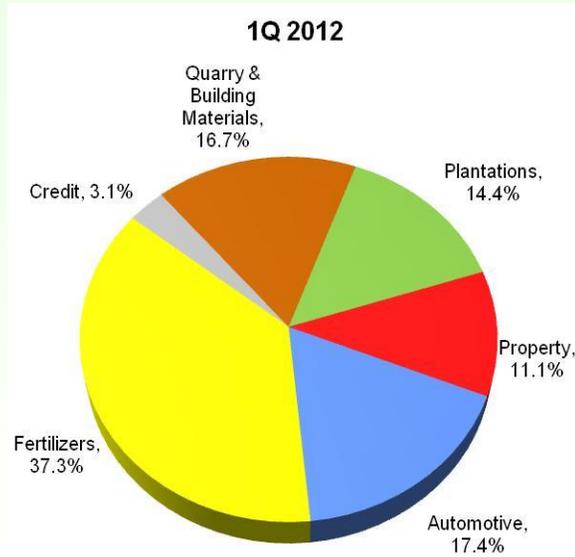


Group segment results

Revenue

Operating Profit

Geographical Segment



SECTION 2

Operations review

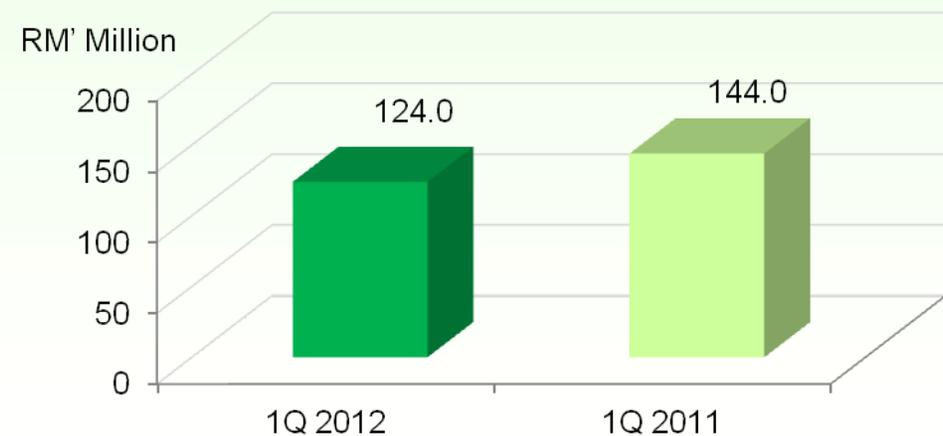




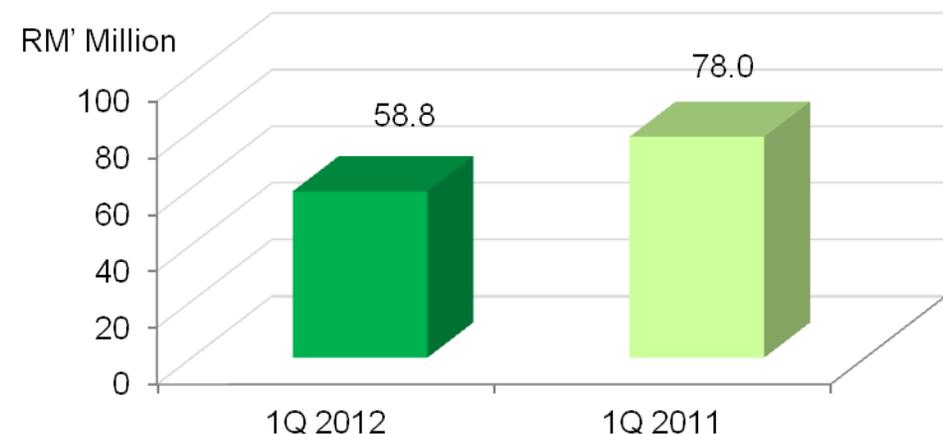
Sales volume improvement dampened by softening CPO prices

- ❑ 1st Quarter revenue dipped by 14% on the back of the following:-
 - marginally higher total overall sales volume (50,477 MT vs 49,487 MT)
 - Softening in prices for CPO, PK and FFB (CPO: RM3,133 /MT vs. RM3,542 /MT; PK: RM1,908 /MT vs. RM2,907 /MT; FFB: RM652 /MT vs. RM820 /MT)
- ❑ Consequently, operating profit also dropped by 25% due to:-
 - Higher production cost (RM1,525 /MT vs RM1,339 /MT) due to higher manuring cost (as a result of higher fertilizer prices) and higher harvesting cost (as a result of increase in labour rates)
- ❑ Other key performance indicators :
 - FFB yield of 4.91 MT per hectare (vs 5.33 MT per hectare in 1Q 2011) due to seasonal yield trend and cropping patterns
 - Lower CPO production by 6% to 33,010 MT due to lower FFB yield.
 - OER improved to 20.60% against 20.08% in 1Q 2011
- ❑ Various initiative currently being implemented to improve efficiency and control costs
 - Received Best CPO Quality 2011 Award from IOI Edible Oil

Revenue



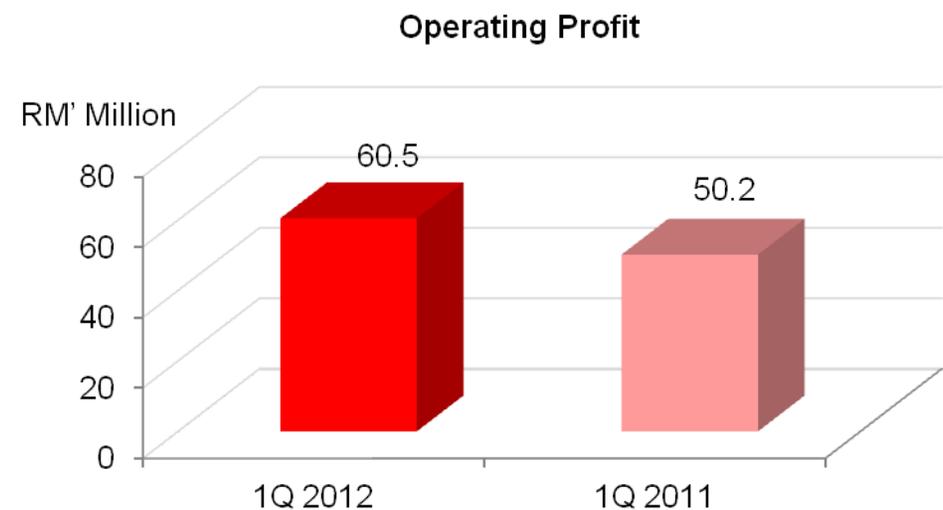
Operating Profit





Continued focus on sales of existing ongoing project

- ❑ Revenue and operating profit are up 80% and 21% respectively mainly contributed by the sale of a plot of land held for property development in Peninsula Malaysia
- ❑ Current major developments / launches
 - Construction of Menara Hap Seng 2 on schedule
 - Launch of Horizon Serviced Apartments scheduled in 2Q 2012
- ❑ Future project with a GDV of RM217 million in the pipeline in 2012
 - D'Alpinia Business Park
 - Bandar Sri Indah Residential units
 - Palm Heights Residential & Commercial units





Focus on excellent service and network to compliment sales

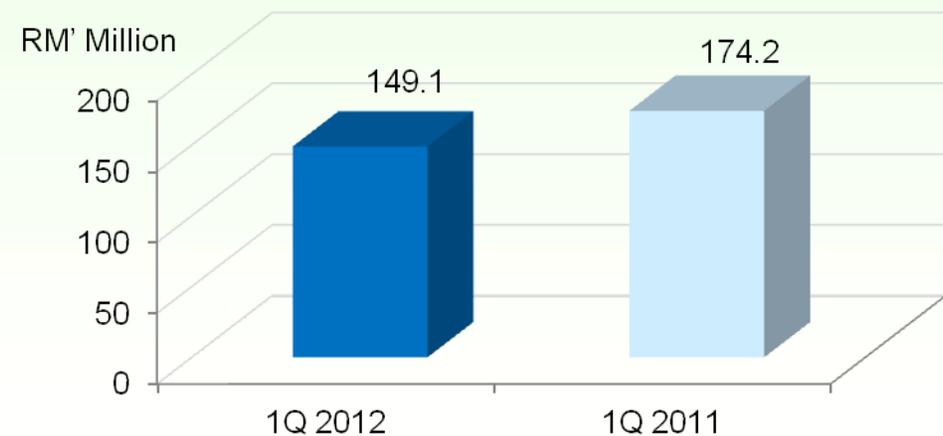
- ❑ Revenue dipped by 14% due to close proximity of festive season in January 2012 which dampen sales for the month. Overall sales for February and March 2012 picked up significantly recording higher sales than corresponding months of 2011
 - Malaysian operations recorded higher vehicle and parts sales
 - Vietnam market is still soft

- ❑ Operating profit for 1Q 2012 was relatively flat compared to 1Q 2011.

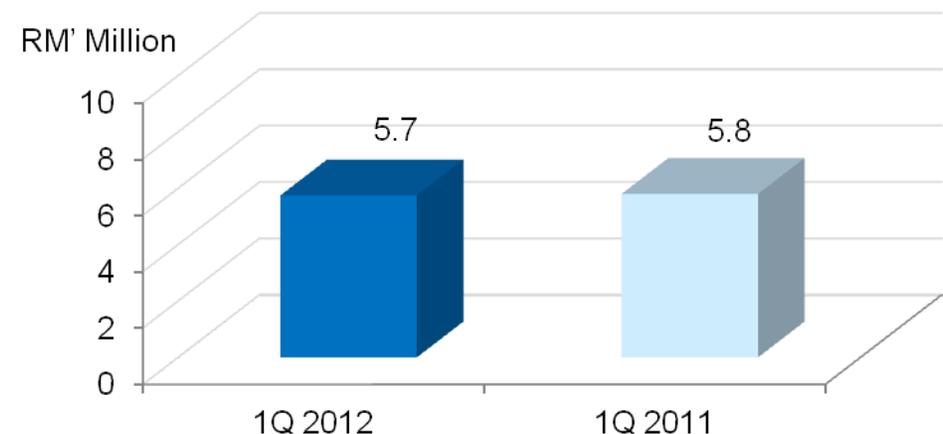
- ❑ Focused on providing excellent after-sales service
 - Awarded top 2 Service Excellence Award 2011 by Mercedes-Benz Malaysia
 - Kinrara Service Centre expansion was completed in 1Q 2012 recording its highest throughput in March 2012

- ❑ Expansion of Malaysia and Vietnam branch network in the pipeline
 - New Autohaus in Vietnam completed for launch in Q2 2012
 - Exploring opportunities in the region

Revenue



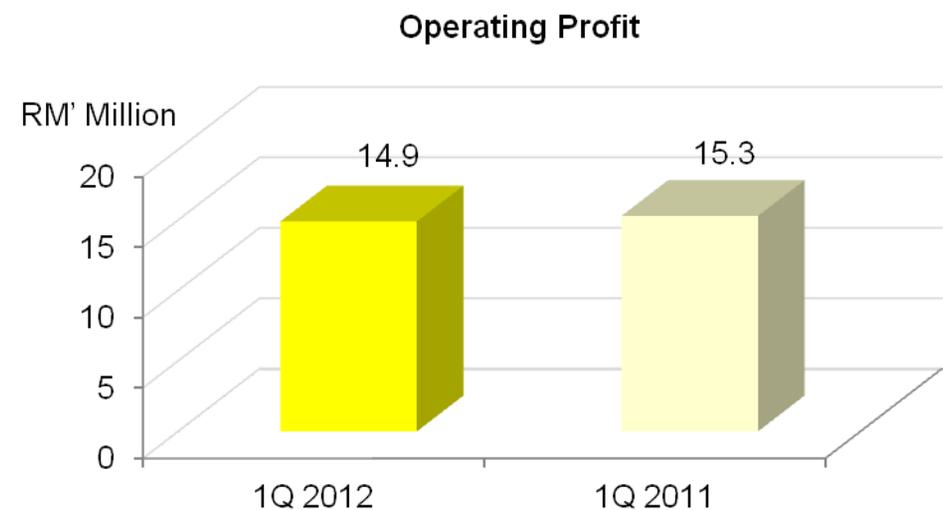
Operating Profit





Stable demand supported by higher selling price

- ❑ 1Q Revenue increased by 33% over the same period last year supported by higher sales volume and higher average selling price
- ❑ Operating profit remains relatively flat, dropping only 3% mainly impacted by the low margins due to the competitive environment in Indonesia

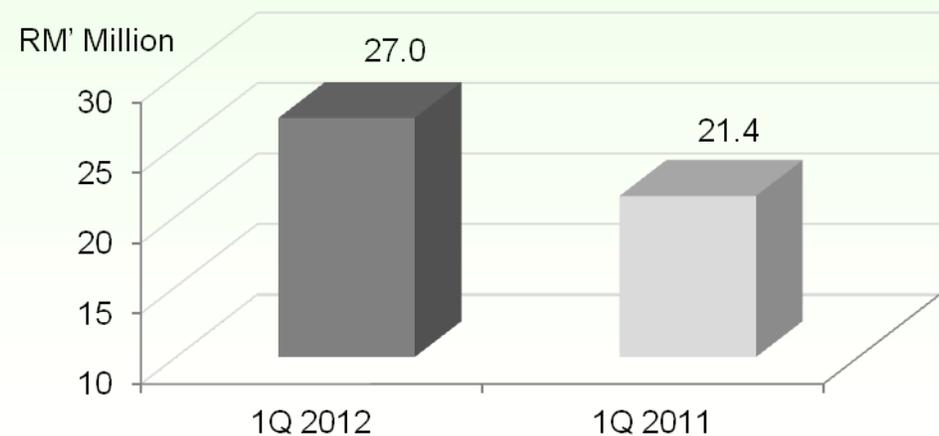




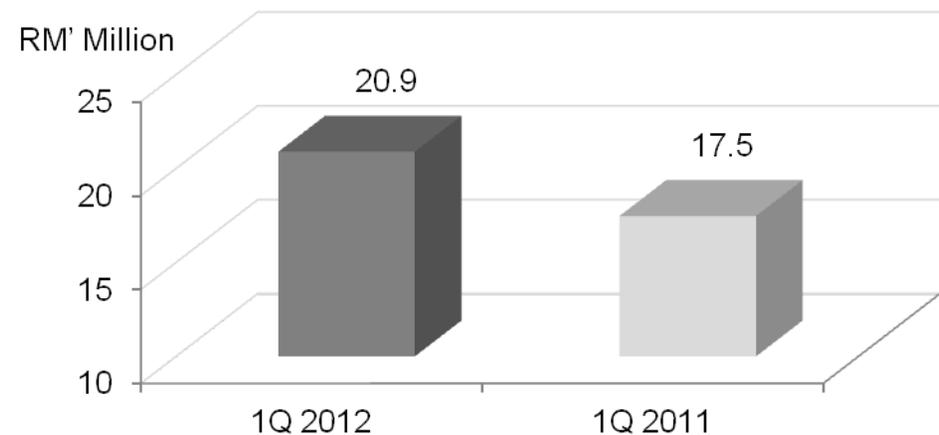
Growing loan base supported by prudent loan selection and improvement in NPL ratio

- ❑ Revenue and operating profit for the quarter has grown by 26% and 20% respectively on the back of higher loan base of RM1.5 billion compared to RM1.2 billion for 1Q 2011
- ❑ Continue to improve NPL ratio to 0.75% from 1.07% in 4Q 2011 (1.85% in 1Q 2011) due to:-
 - Prudent selection and underwriting of loans
 - High quality of loan assets
 - Strong monitoring and recovery of NPLs
- ❑ The Division will continue to be selective of the asset quality of its loans and continue its focus on collection and recovery of NPLs

Revenue



Operating Profit



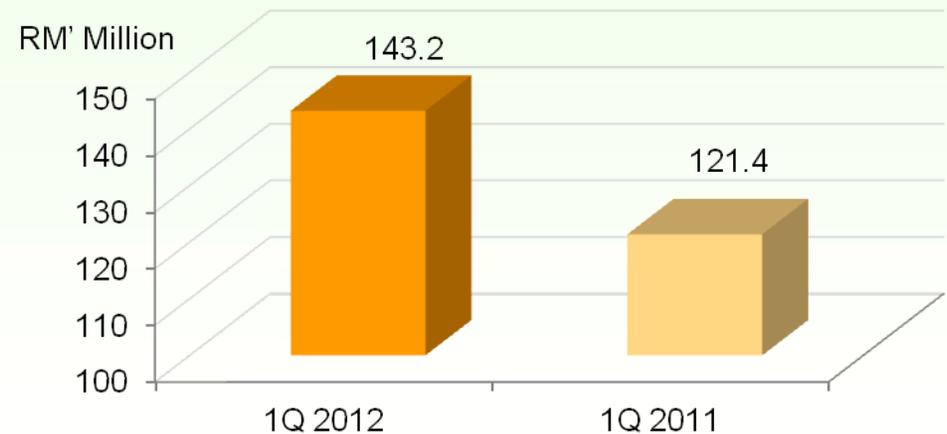


Quarry and Building Materials

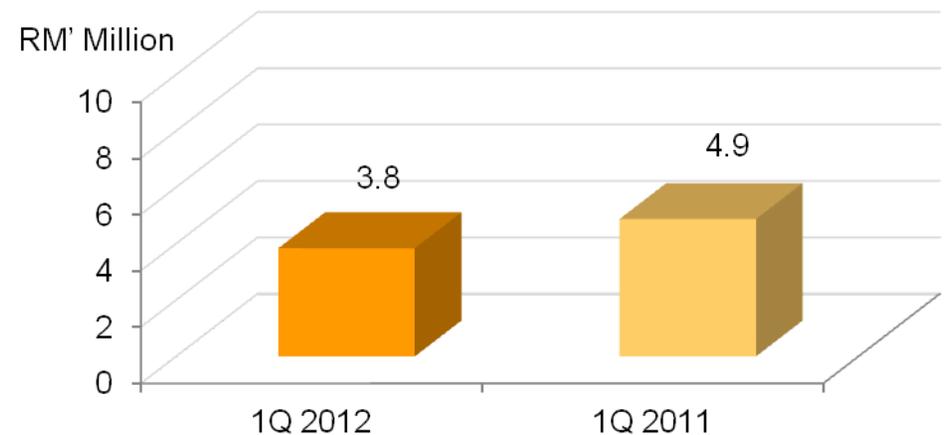
Improved sales volume contributed by start up of new projects

- ❑ Revenue for the quarter grew by 18% on the back of the following:-
 - Aggregate sales volume up by 61%, to 1.7m MT
 - Asphalt sales volume up by 14% to 33k MT; and
 - Bricks sales volume up by 12% to 23.8m pcs
- ❑ Operating profit declined by RM1 million due to lower margins from building material trading
- ❑ Division continues to focus on moving towards more environmentally friendly operations
 - Continuous move towards biomass for its operations
 - Explore eco friendly building materials
- ❑ Capacity expansion project underway at Ulu Choh quarry
 - Target to increase capacity by 30% by 4Q 2012

Revenue



Operating Profit



Thank You



HAP SENG CONSOLIDATED BERHAD