HAP SENG CONSOLIDATED BERHAD

2nd Quarter Ended 30th June 2012 Results

30th August 2012

Scope

1 Group financials

2 Operations review

SECTION 1

Group financials

Consolidated income statement summary

- The Group maintained a satisfactory financial performance for 2Q 2012
- Group's revenue growth was marginally higher in 2Q 2012 with 4 divisions (Property, Fertilizers Trading, Credit Financing and Quarry & Building Materials) recording double digit revenue growth.
- Group EBITDA and operating profit down marginally over last year's 2Q by 4% and 8% respectively mainly due to lower contribution from Plantation Division. Property and Credit Financing recorded growth
- Plantations and Property Division remains to be the 2 largest contributors of operating profit accounting for 24.1% and 49.6% respectively

(RM' Million)	2Q 2012	2Q 2011	Change (%)	YTD 1H 2012	YTD 1H 2011	Change (%)
Revenue	962.5	958.5	0%	1,813.0	1,709.9	6%
Gross profit [1]	240.1	256.5	-6%	436.7	447.5	-2%
EBITDA	200.9	209.8	-4%	379.8	390.7	-3%
Operating profit [1, 2]	177.8	193.9	-8%	340.4	358.8	-5%
Finance expenses	(23.8)	(22.6)	5%	(50.1)	(42.1)	19%
Profit before tax	159.5	171.1	-7%	297.7	316.1	-6%
Taxation	(42.3)	(45.3)	-7%	(74.7)	(81.1)	-8%
Profit after tax	117.2	125.8	-7%	223.0	235.0	-5%
Attributable to MI	14.3	35.3	-59%	34.0	62.3	-45%
Attributable to shareholders	102.9	90.5	14%	189.0	172.7	9%
EPS (sen)	4.74	4.82	-2%	8.69	9.35	-7%

Note:
1 Includes share of Inverfin's PBIT from Menara Citibank
2 Includes interest income

Group segment results

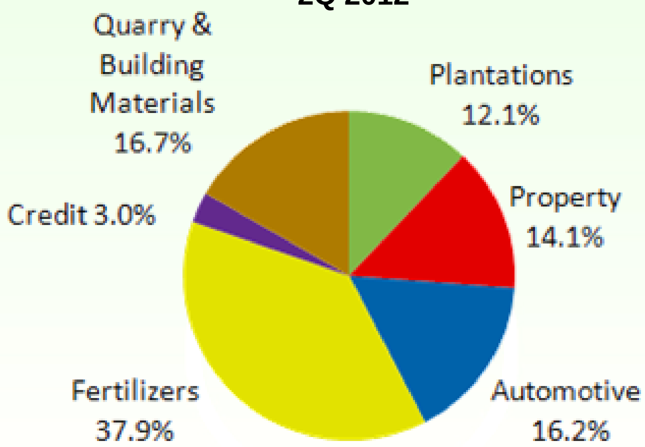
(RM' Million)	REVENUE			OPERATING PROFIT			REVENUE			OPERATING PROFIT		
	2Q 2012	2Q 2011	Change (%)	2Q 2012	2Q 2011	Change (%)	1H 2012	1H 2011	Change (%)	1H 2012	1H 2011	Change (%)
Plantations	117.5	182.4	-36%	43.9	103.2	-57%	241.5	326.4	-26%	102.7	181.3	-43%
Property	136.6	113.9	20%	90.4 [1]	38.3 [1]	136%	231.7	166.9	39%	150.9 [1]	88.5 [1]	71%
Automotive	156.5	197.0	-21%	1.3	6.4	-79%	305.6	371.3	-18%	7.1	12.3	-42%
Fertilizers	366.9	299.8	22%	18.0	22.9	-21%	687.2	541.2	27%	32.9	38.2	-14%
Credit Financing	29.2	23.4	24%	23.6	18.7	26%	56.2	44.9	25%	44.5	36.2	23%
Quarry & Building Materials	162.1	140.1	16%	5.1	7.3	-30%	305.3	261.5	17%	8.9	12.1	-27%
	968.8	**956.6**	**1%**	**182.3**	**196.8**	**-7%**	**1,827.5**	**1,712.2**	**7%**	**347.0**	**368.6**	**-6%**
Consolidation adjustments & others	(6.3)	1.9		(4.5)	(2.9)		(14.5)	(2.3)		(6.6)	(9.8)	
Group	**962.5**	**958.5**	**0%**	**177.8**	**193.9**	**-8%**	**1,813.0**	**1,709.9**	**6%**	**340.4**	**358.8**	**-5%**

Note:
1 Includes share of Inverfin's PBIT from Menara Citibank

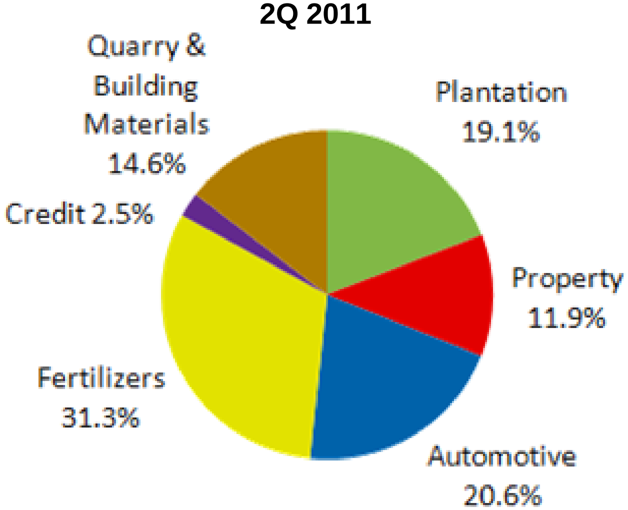
Group segment results

Revenue

2Q 2012

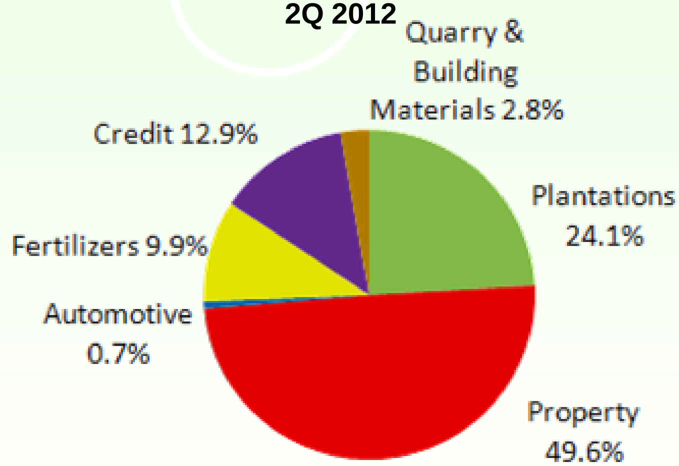


2Q 2011

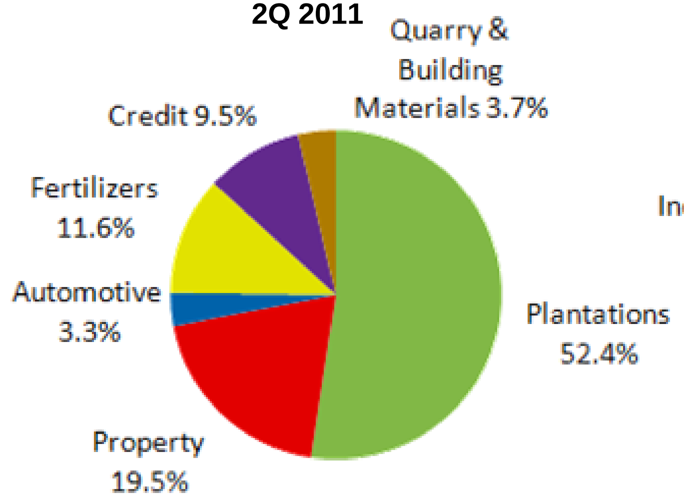


Operating Profit

2Q 2012

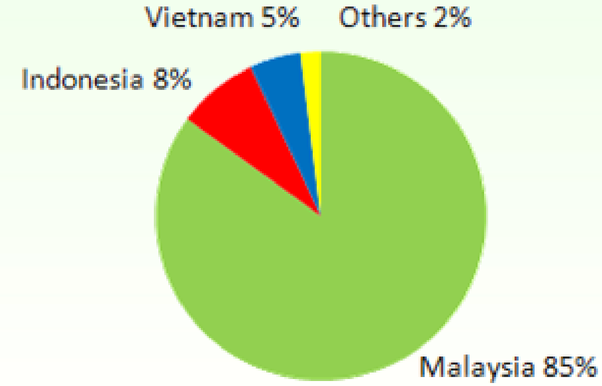


2Q 2011

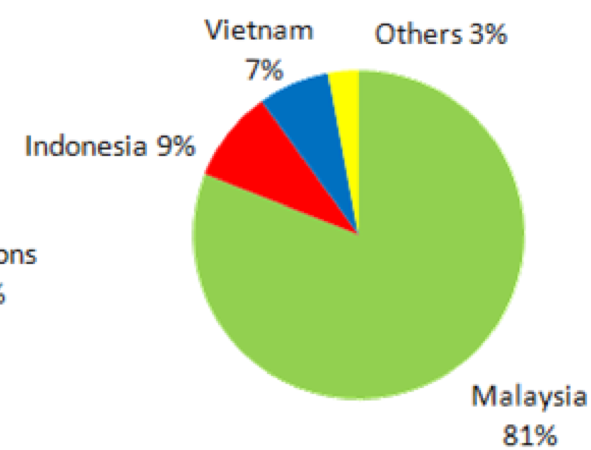


Geographical Segment

2Q 2012 Revenue



2Q 2011 Revenue



SECTION 2

Operations review

Plantations

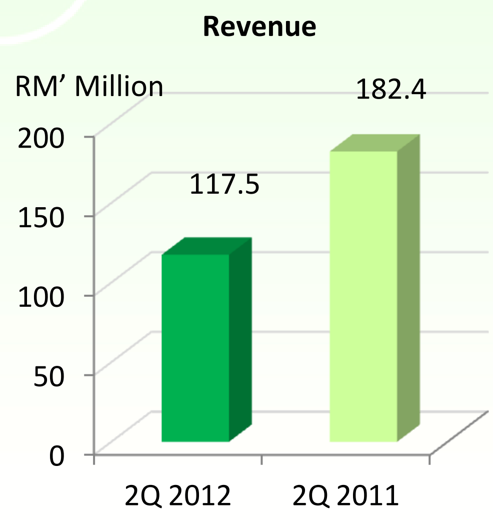
Adverse weather patterns affecting the industry dampens revenue

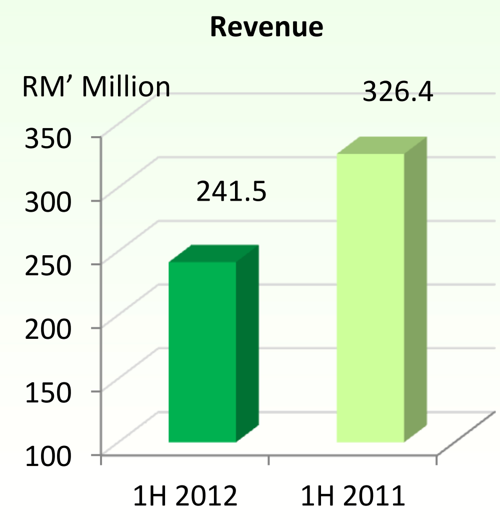
- Revenue in the 2nd quarter is lower by 36% as a result of the following:-
  - Lower total overall sales volume (46,786 MT vs 66,274 MT)
  - Softening in prices for CPO, PK and FFB (CPO: RM3,208 /MT vs. RM3,372 /MT; PK: RM1,852 /MT vs. RM2,497 /MT; FFB: RM659 /MT vs. RM724 /MT)

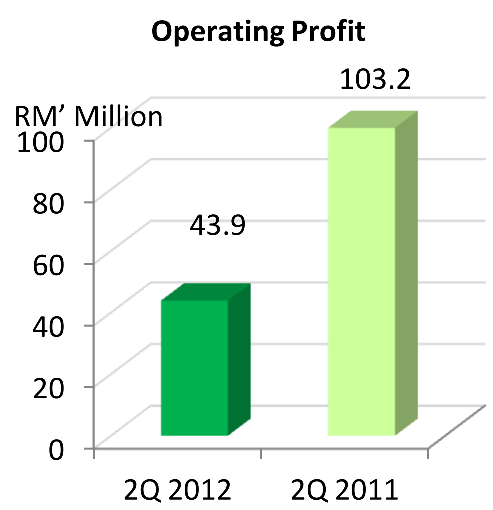
- Operating profit also dropped by 57% due to:-
  - Higher production cost (RM1,692 /MT vs RM1,078 /MT) due to higher manuring cost (as a result of higher fertilizer prices), higher harvesting cost (as a result of increase in labour rates) and increase in replanting cost.

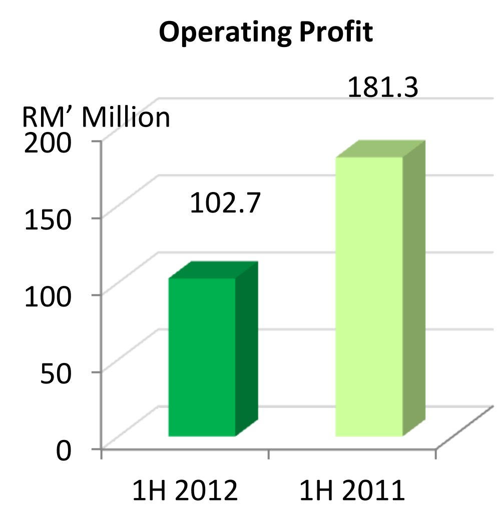
- Other key performance indicators :
  - FFB yield of 4.37 MT per hectare (vs 6.43 MT per hectare in 2Q 2011) due to adverse weather conditions in the first half of 2012, coupled by seasonal yield trend and cropping patterns affected by tree stress.
  - Lower CPO production by 32% to 30,688 MT due to lower FFB yield.
  - OER improved to 21.32% against 20.61% in 2Q 2011

- The Division continues to focus on improving yield by using superior planting materials in its replanting programme.





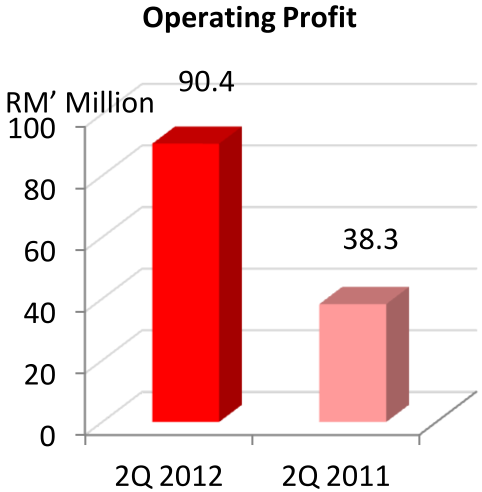


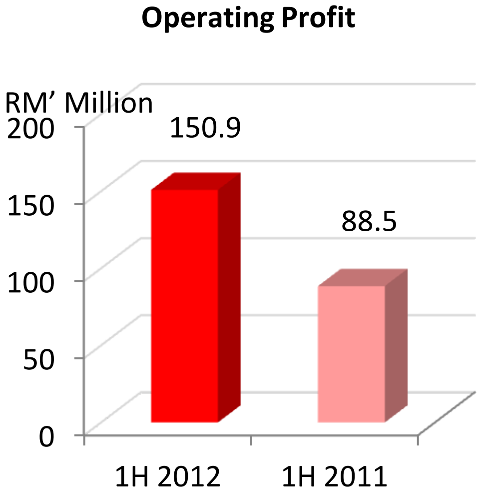


Property

Continued focus on sales of existing ongoing projects

- Revenue and operating profit are up 20% and 136% respectively mainly contributed by the sale of 2 plots of land held for property development in East Malaysia
- The construction of Menara Hap Seng 2 is in progress and is expected to be completed on schedule with the retail podium expected to be completed by late 2012/ early 2013. The Division has begun negotiations with potential tenants for the retail podium and office tower.
- Construction of the Horizon Residence Serviced Apartments has commenced and soft launch for pre-registered purchasers has commenced in August 2012. GDV is estimated to be RM355 million (335 units)
- Future project with a GDV of RM156 million in the pipeline in 2012
  - Bandar Sri Indah Residential Development (Phase 5A & 5B)
  - Palm Heights Residential (Phase 3) & Commercial (Phase 2) Development

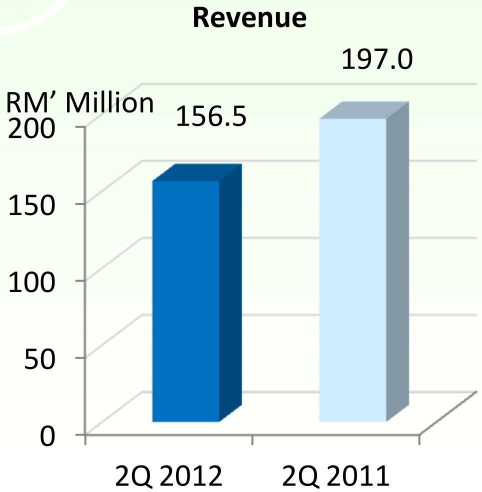


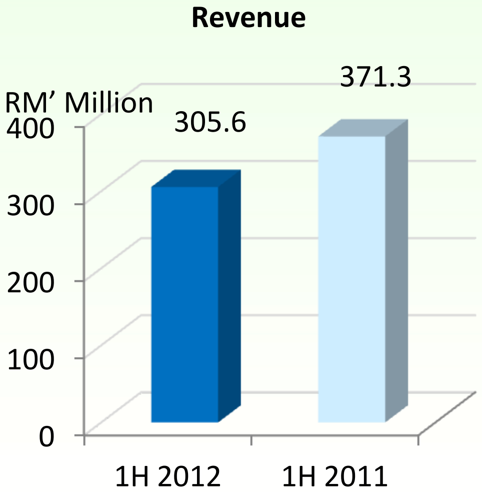


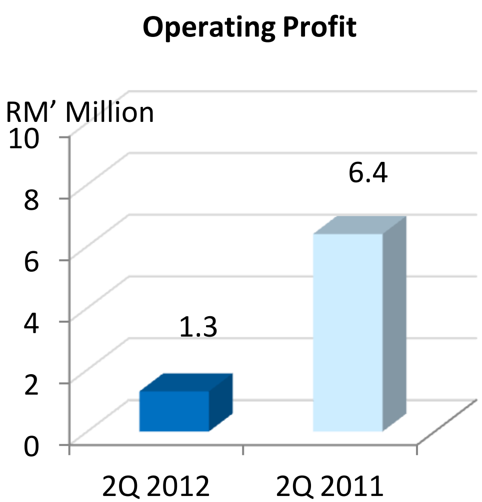
Automotive

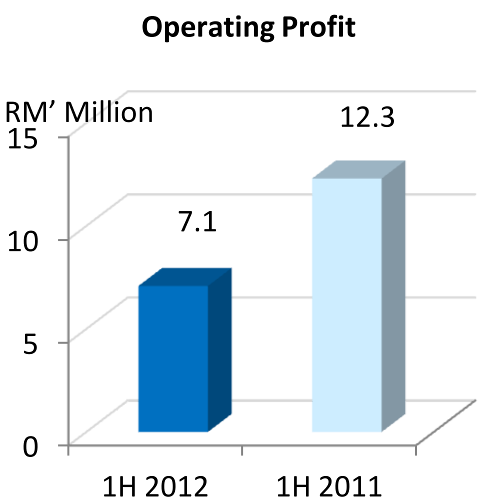
Soft Vietnam market dampens overall performance

- Revenue dipped by 21% due to the weak Vietnam automotive market. The Division has also shifted its focus from the commercial vehicle market to further concentrate on the Mercedes-Benz passenger market. As a result, the Malaysian passenger car operations remains strong with Mercedes-Benz passenger car sales volume up by 19% over same quarter last year.
- Continuous improvements was also recorded for throughputs, productivity and efficiency rates in its Kinrara Service Centre, the largest after-sales service centre for Mercedes-Benz in South East Asia.
- Operating profit for 2Q 2012 dropped by RM5.1 million as a result of the slow Vietnam market.
- Expansion of the Vietnam branch network through the opening of its flagship Autohaus 600 in Ho Chi Minh City in Q2 2012
- The division is leveraging on the vast network of the Group to grow its business and market reach.





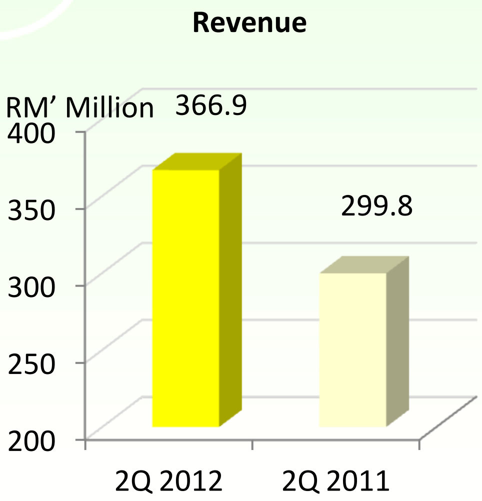


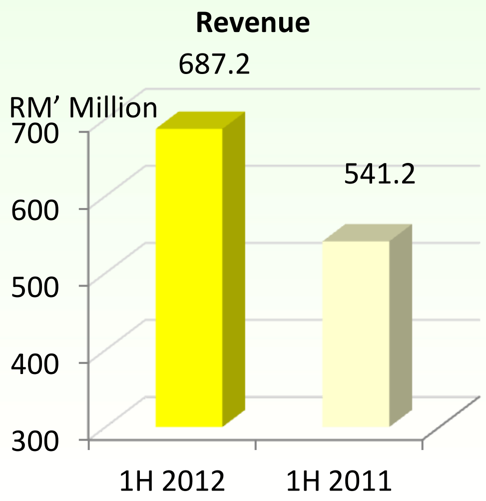


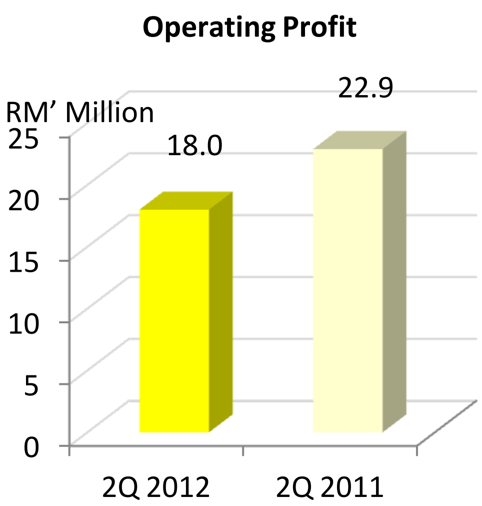
Fertilizers

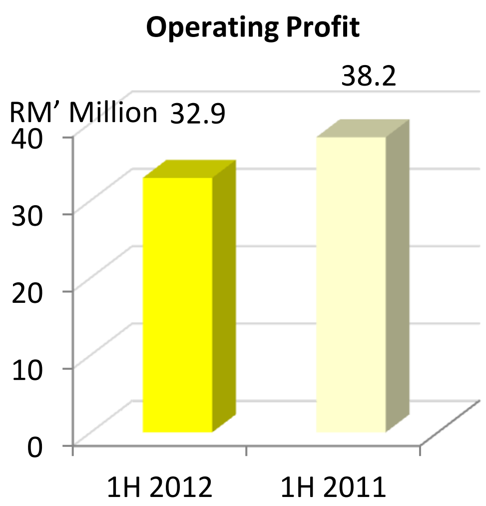
Strong performance in Malaysian operations sustaining the division

- Revenue for the quarter in review increased by 22% over the same quarter last year supported by higher sales volume and higher average selling price in Malaysia.
- The Indonesian fertilizer market continues to remain challenging with prices of fertilizer softening due to stock dumping by competitors, resulting in lower margins. The Indonesian operations was also impacted by adverse currency translation.
- This impacted the overall operating profit by RM4.9 million despite the growth in the Malaysian operations.









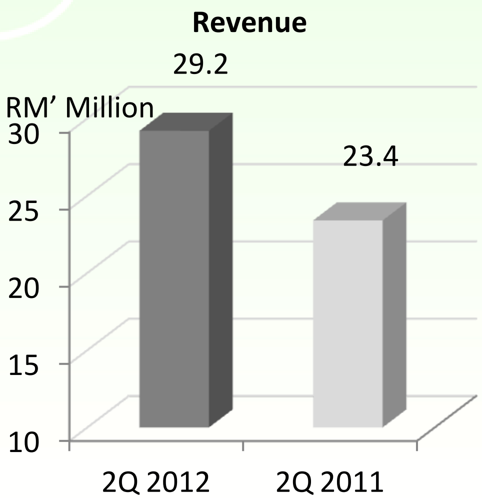
Credit Financing

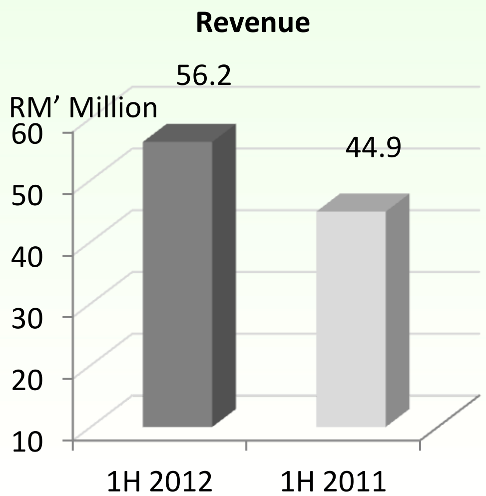
Continued growth supported by higher Loan Base and improved NPL ratio

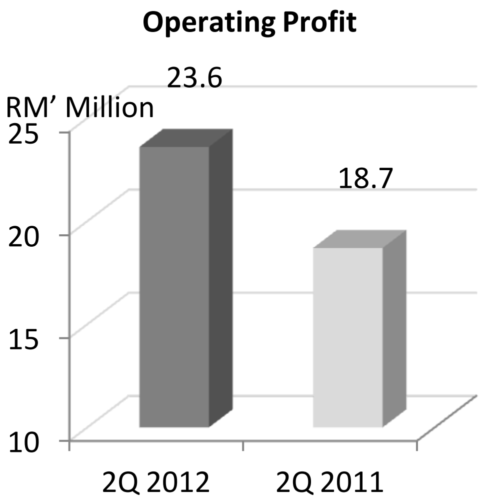
- Revenue and operating profit for the quarter continues to grow by 24% and 25% respectively. This is driven primarily by a 17% increase in loan base to RM1.5 billion.

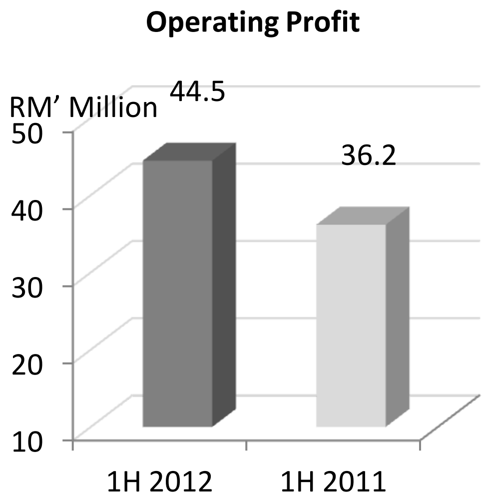
- Continue to improve NPL ratio to 0.73% from 0.75% in 1Q 2012 (1.61% in 2Q 2011) due to:-
  - Continuous efforts in the prudent selection and underwriting of loans
  - Strong monitoring and recovery of NPLs

- The Division continues to retain existing quality customers in spite of the move by commercial banks to enter the SME market. Moving forward, the division will continue to focus on its pre-selected loan sectors which continues to be resilient and robust.









Quarry and Building Materials

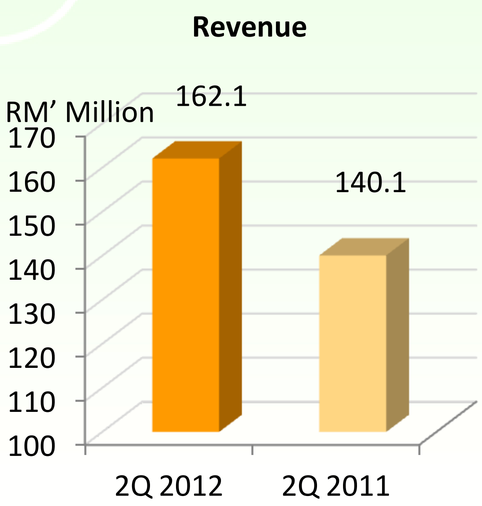
Quarter-on-quarter improvement in sales volume dampened by tighter margins

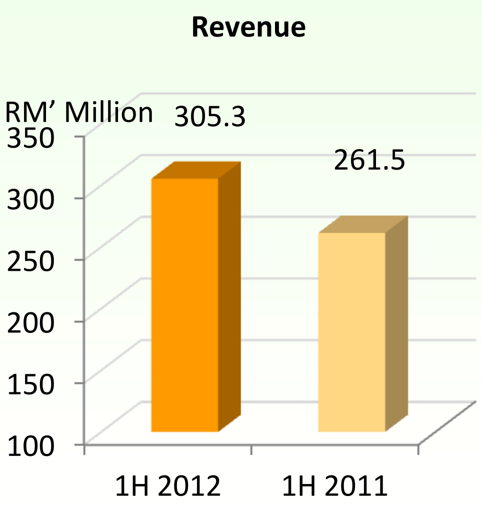
- Revenue in the 2nd quarter grew by 16% as a result of the following:-
  - Aggregate sales volume up by 32%, to 1.7m MT and
  - Asphalt sales volume up by 30% to 67k MT.

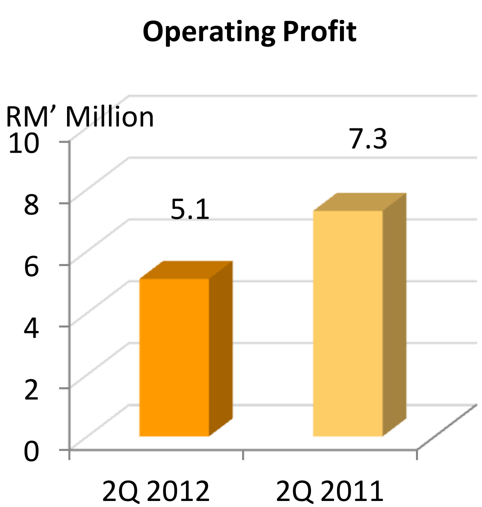
- Bricks sales volume increased by 7% over last quarter to 25.4m pcs, but was 24% lower than 2Q 2011.

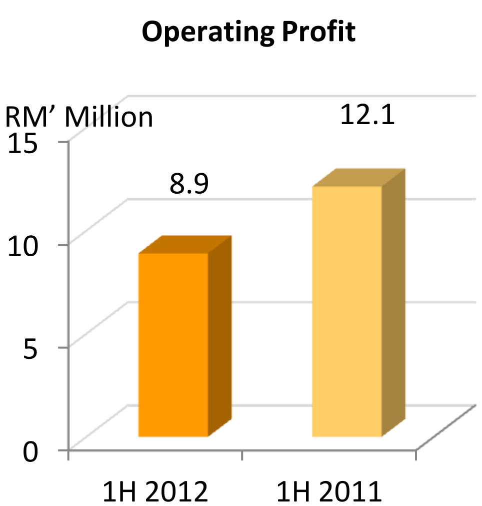
- Operating profit declined by RM2.2 million due to overall tighter margins, particularly from building materials trading and higher production cost in certain new plants which have yet to reach its optimum production level.

- Division continues to expand its operations with the following projects:-
  - Acquisition of a new brick factory and the commissioning of the Kuantan brick factory in Q3
  - Commissioning of a new crushing plant in Bukit Jerus in Q3
  - Expanding sales reach in Singapore for the trading of aggregates









Thank You

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