

HAP SENG CONSOLIDATED BERHAD

3rd Quarter Ended 30th September 2012 Results

29th November 2012



1 Group financials

2 Operations review

SECTION 1

● Group financials





Consolidated income statement summary

- ❑ The Group remains resilient in the 3rd quarter of 2012 in light of the challenging business and economic environment.
- ❑ Group's revenue for the 3rd quarter improved by 7% to RM1 billion on the back of continuous growth from the Property, Fertilizers Trading, Credit Financing and Quarry & Building Materials Divisions.
- ❑ Group EBITDA and operating profit registered an improvement of 8% each from strong growth from Property and Quarry & Building Materials Divisions.
- ❑ Plantation and Property Divisions continue to be the 2 largest contributors to operating profit accounting for 24.4% and 60.7% respectively

(RM' Million)	3Q 2012	3Q 2011	Change (%)	YTD 3Q 2012	YTD 3Q 2011	Change (%)
Revenue	1,014.4	943.9	7%	2,827.4	2,653.7	7%
Gross profit ¹	231.0	219.1	5%	667.7	666.6	0%
EBITDA	208.6	193.7	8%	588.5	584.4	1%
Operating profit ^{1, 2}	191.0	177.3	8%	531.3	536.1	-1%
Finance expenses	(22.1)	(28.1)	-21%	(72.2)	(70.2)	3%
Profit before tax	168.2	153.9	9%	465.9	470.1	-1%
Taxation	(41.0)	(32.3)	27%	(115.7)	(113.5)	2%
Profit after tax	127.2	121.6	5%	350.2	356.6	-2%
Attributable to MI	16.2	30.5	-47%	50.2	92.8	-46%
Attributable to shareholders	111.0	91.1	22%	300.0	263.8	14%
EPS (sen)	5.15	4.37	18%	13.84	13.68	1%

Note:

¹ Includes share of Inverfin's profit from Menara Citibank

² Includes interest income



Group segment results

(RM' Million)	REVENUE			OPERATING PROFIT			REVENUE			OPERATING PROFIT		
	3Q 2012	3Q 2011	Change (%)	3Q 2012	3Q 2011	Change (%)	YTD 3Q 2012	YTD 3Q 2011	Change (%)	YTD 3Q 2012	YTD 3Q 2011	Change (%)
Plantation	149.3	167.4	-11%	47.9	89.4	-46%	390.8	493.8	-21%	150.6	270.7	-44%
Property	161.0	75.2	114%	119.0 ¹	48.1 ¹	147%	392.7	242.1	62%	269.9 ¹	136.6 ¹	98%
Automotive	176.3	212.2	-17%	(0.8)	4.4	-117%	481.8	583.5	-17%	6.3	16.7	-62%
Fertilizers	348.9	324.5	8%	3.9	13.7	-71%	1,036.2	865.7	20%	36.8	51.9	-29%
Credit Financing	27.9	25.3	10%	23.0	21.1	9%	84.1	70.2	20%	67.5	57.3	18%
Quarry & Building Materials	160.5	140.8	14%	3.2	2.2	48%	465.8	402.3	16%	12.1	14.3	-16%
	1,023.9	945.4	8%	196.2	178.9	10%	2,851.4	2,657.6	7%	543.2	547.5	-1%
Consolidation adjustments & others	(9.5)	(1.5)		(5.2)	(1.6)		(24.0)	(3.9)		(11.9)	(11.4)	
Group	1,014.4	943.9	7%	191.0	177.3	8%	2,827.4	2,653.7	7%	531.3	536.1	-1%

Note:

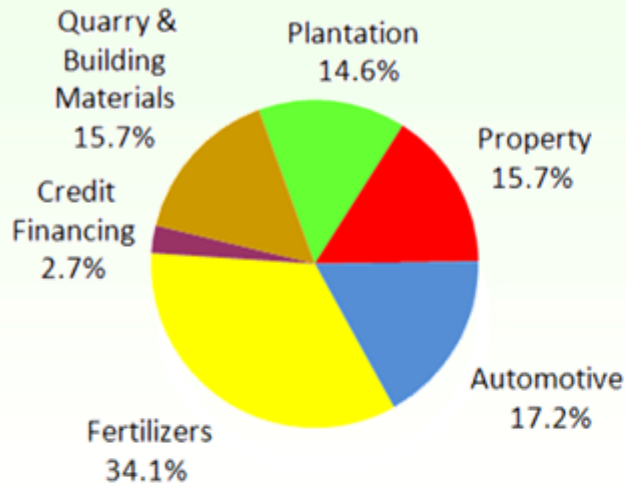
¹ Includes share of Inverfin's Profit from Menara Citibank



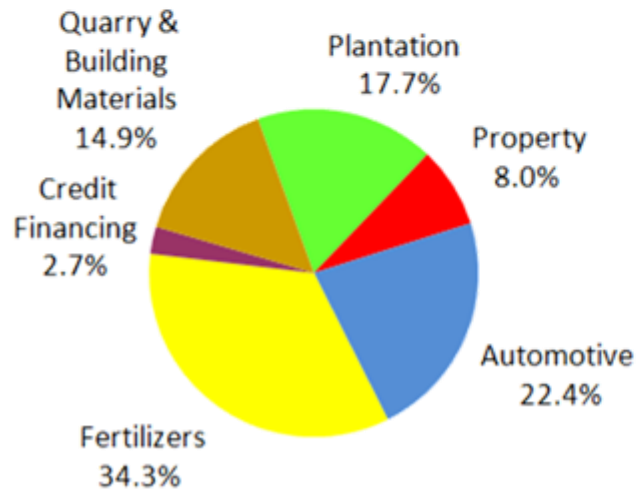
Group segment results

Revenue

3Q 2012

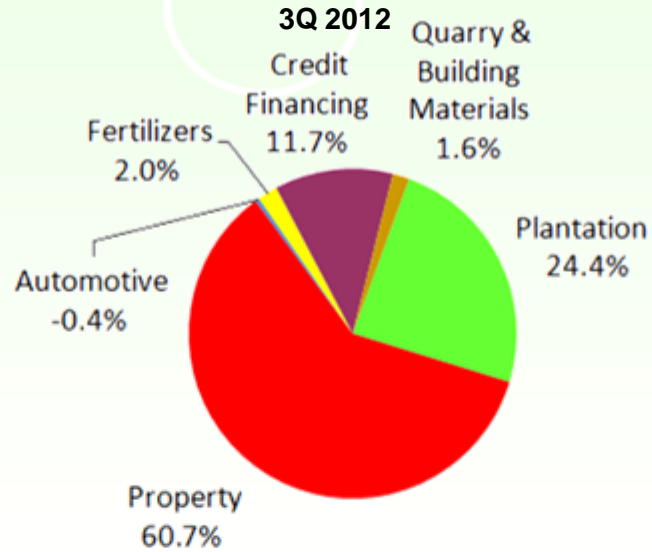


3Q 2011

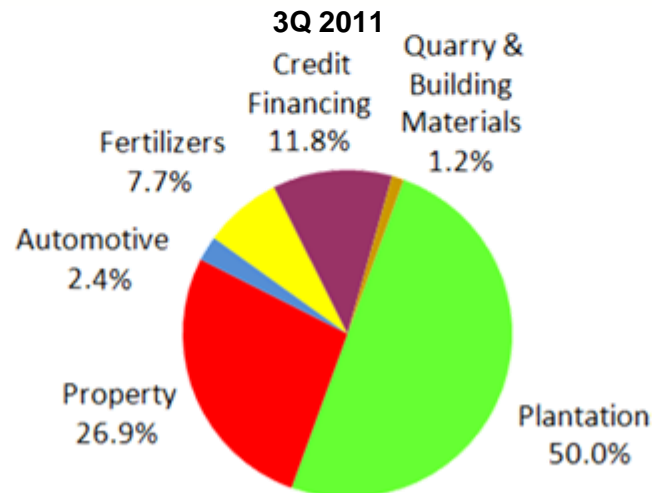


Operating Profit

3Q 2012

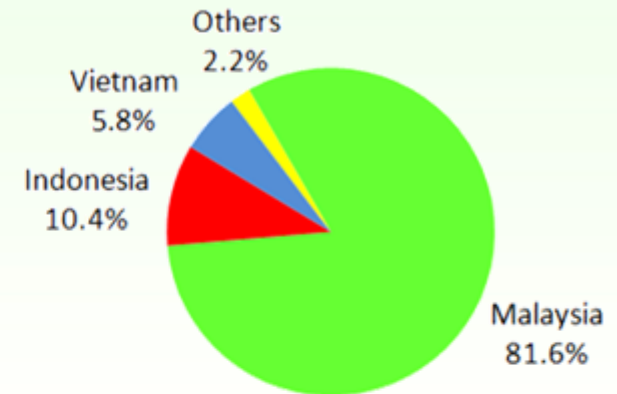


3Q 2011

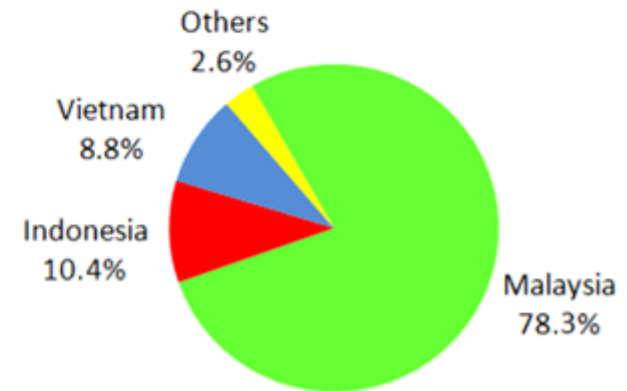


Geographical Segment

3Q 2012 Revenue



3Q 2011 Revenue



SECTION 2

● Operations review



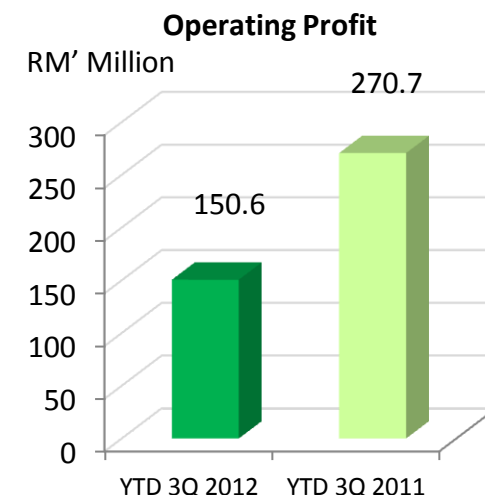
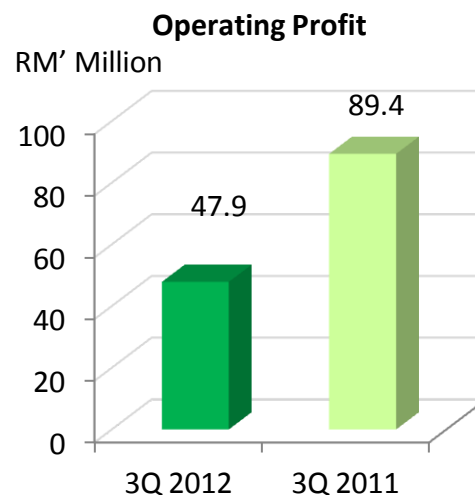
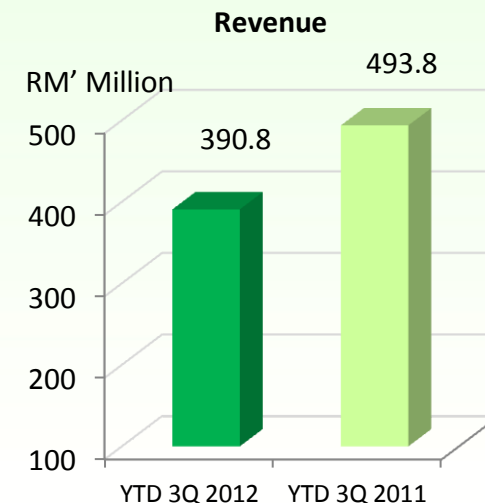
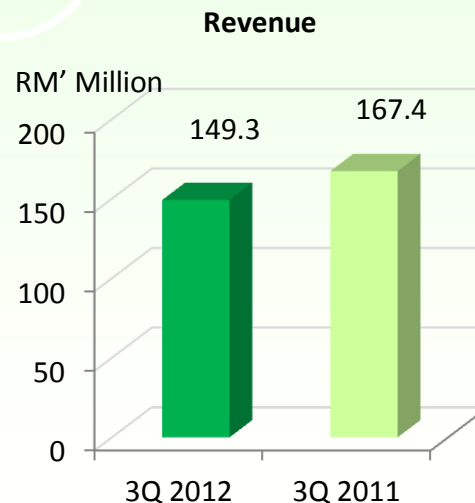


Plantation industry affected by dampened palm oil prices and lower production

- ❑ 3rd Quarter revenue was lower by 11% as a result of the following:-
 - Lower sales volume of CPO and PK by 24% and 10% respectively
 - Lower average price realisation for CPO and PK (CPO: RM2,923 /MT vs. RM3,117 /MT; PK: RM1,470 /MT vs. RM1,828 /MT)

- ❑ Operating profit for the quarter was lower by 46% due to:-
 - Higher production cost (RM1,748 /MT vs RM1,454 /MT) due to higher labour cost and fertilizer prices
 - Increase in replanting expenditure as a result of increase in area replanted (3,518 hectares vs. 2,594 hectares)

- ❑ Other key performance indicators :
 - FFB yield of 5.34MT per hectare (vs 5.96MT per hectare in 3Q 2011) continued to be affected by seasonal yield trend and cropping patterns due to tree stress.
 - As a result, CPO production is lower by 12% to 39,070 MT
 - YTD OER is higher at 21.28% (vs. 20.91% in YTD 2011)





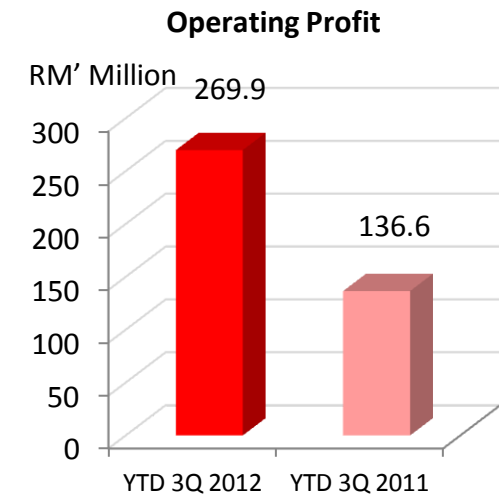
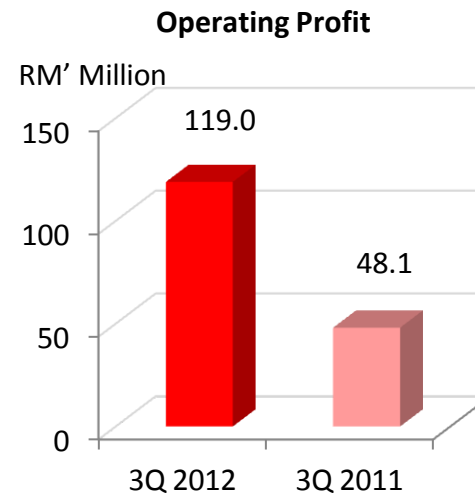
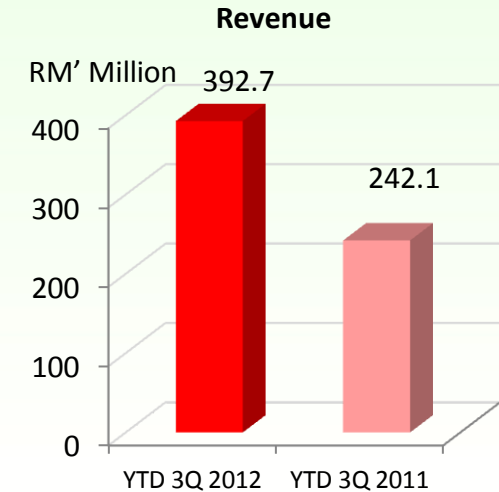
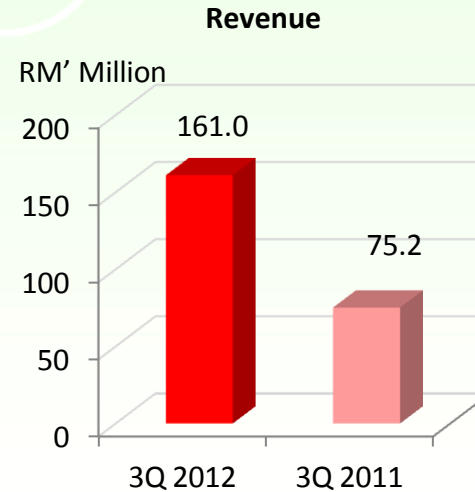
Land sales and improvement in project sales boost revenue

- ❑ Revenue and operating profit are up 114% and 147% respectively due to the following:-
 - Sale of land held for property development in East Malaysia
 - Higher contributions from project sales and work completion on project developments in both East and West Malaysia

- ❑ Rental revenue from investment properties have also improved due to higher occupancy and rental rates

- ❑ 2012 expected to close with a total GDV launched of RM511 million, including RM355 million for Horizon Residence.

- ❑ GDV under planning for launch from 2013 onwards amounts to RM2.85 billion





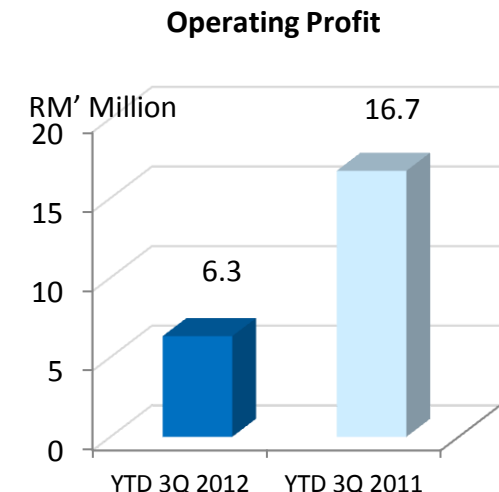
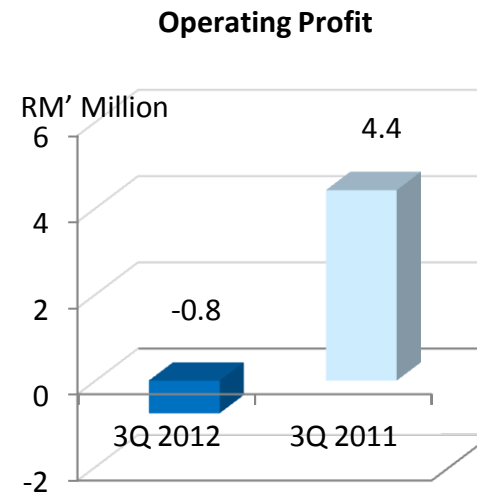
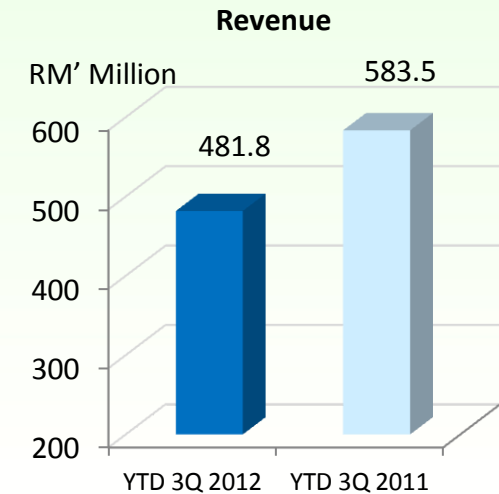
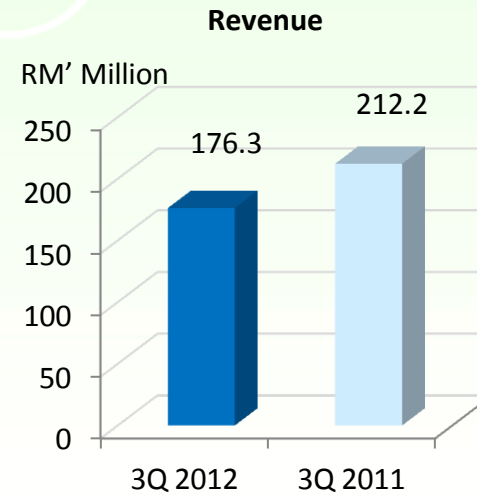
Vietnam market remains challenging affecting overall performance

- ❑ 3rd Quarter revenue for the Division was lower by 17% as a result of the following:-
 - Passenger car sales for the quarter due affected by the soft market conditions in Vietnam.
 - However, passenger car sales volume to date for Malaysia remains 7% higher than corresponding year to date last year.

- ❑ As a result, an operating loss was recorded for the quarter

- ❑ On going focus on service excellence – Hap Seng Star secured 1st place in 2 categories (Certified Diagnosis Technician and Certified System Technician) and 8 runners-up position in the recent Mercedes-Benz Malaysia Skills Competition

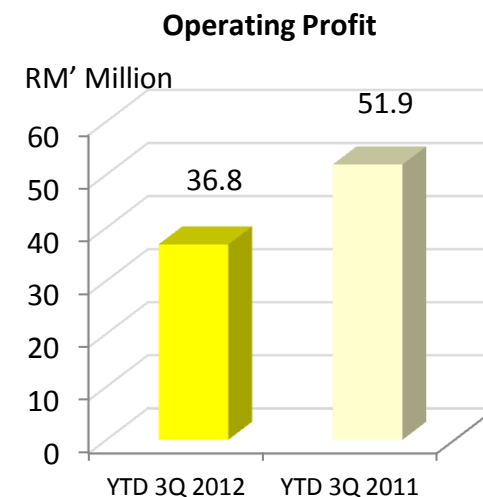
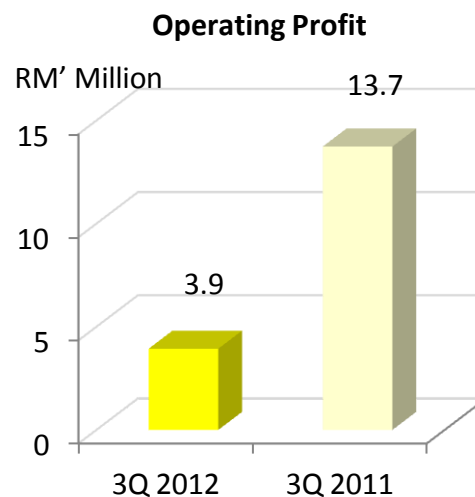
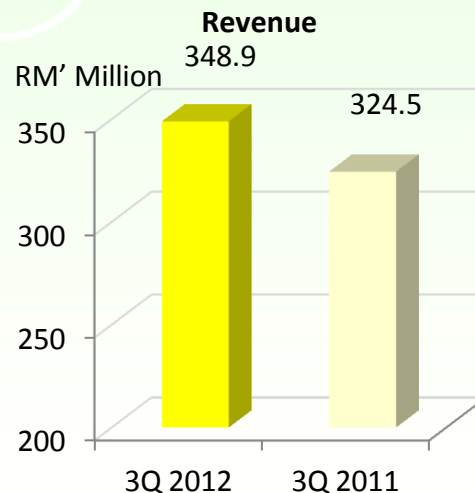
- ❑ The division is embarking on an intensive sales and marketing campaign to gain market share





Higher selling price dampened by challenging Indonesian market

- ❑ 3rd Quarter revenue for the Division improved by 8% to RM348.9 million primarily supported by higher average selling price for the Division
- ❑ Severe competitive environment experienced in Indonesia persisted in the 3rd quarter resulting in adverse margins recorded for the Indonesian operation
- ❑ The Division also recorded foreign currency translation losses due to the weakening of Indonesian Rupiah against US Dollar.
- ❑ As a result, operating profit for the quarter in review declined to RM3.9 million

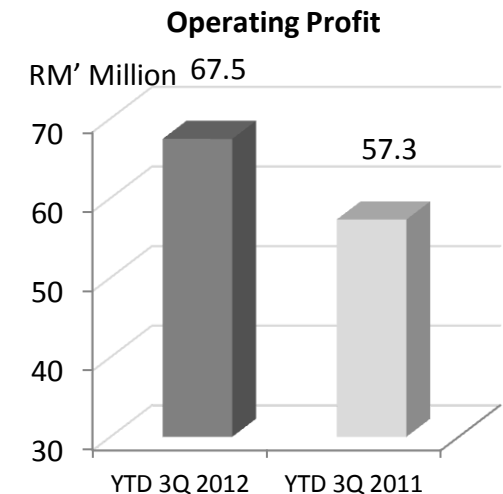
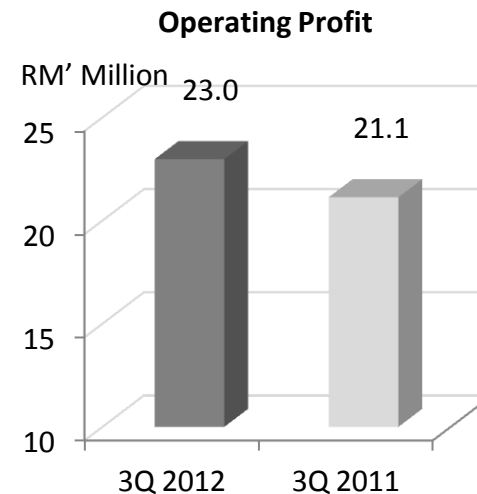
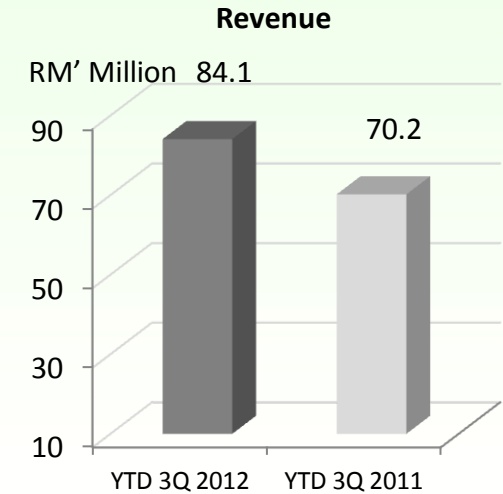
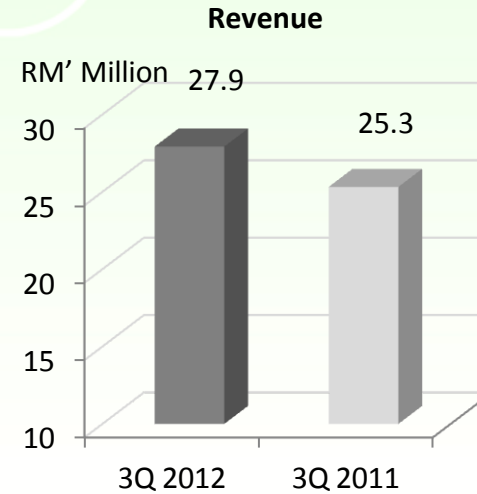




Credit Financing

Continued growth in loan base and improvements in NPL ratio attributed to higher profits

- Revenue for the 3rd quarter grew by 10% on the back of and improvement in average loan base. As at end of 3rd quarter, loan base for the Division stood at RM1.44 billion (vs. RM1.42 billion as at Q3 2011).
- NPL ratio continues to improve in the 3rd quarter from 0.73% in the 2nd quarter to 0.72%. This was also an improvement from the corresponding quarter last year of 1.1%.
- Consequently, operating profit for the quarter in review improved by 9%
- The Division continues to focus primarily on its pre-selected loan sectors and remains prudent in underwriting new loans.

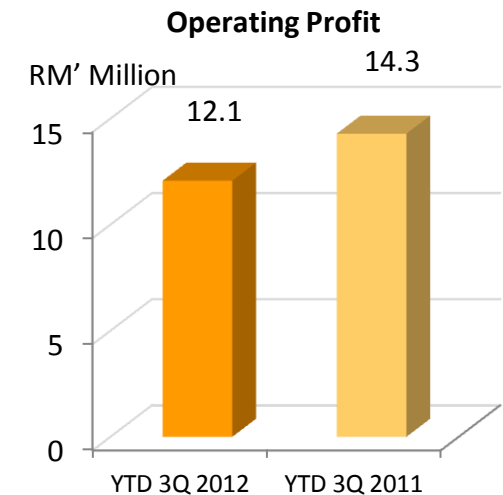
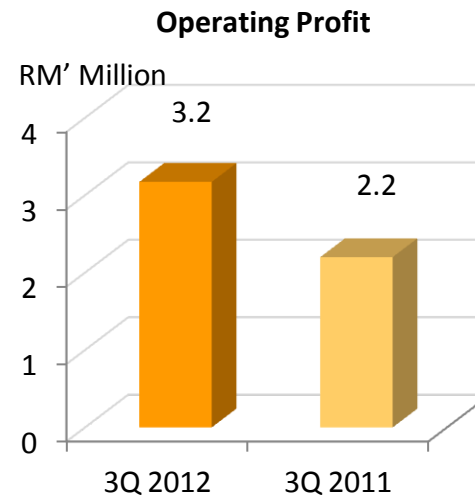
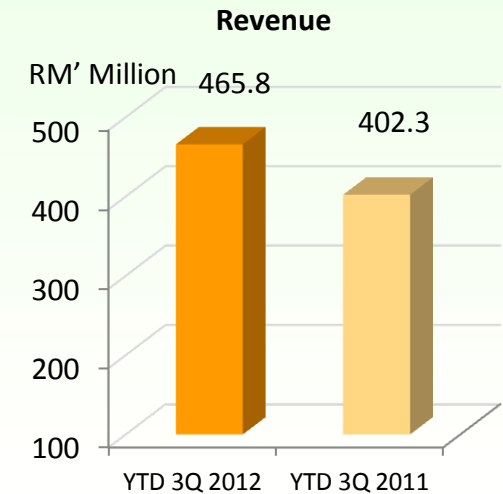
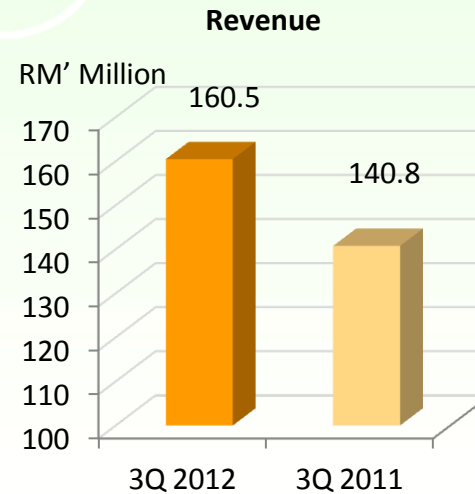




Quarry and Building Materials

Profit growth supported by improvement in sales volume and production efficiencies

- 3rd Quarter revenue for the Division grew by 14% to RM160.5 million on the back of improved production and efficiencies
 - Aggregate sales volume increased by 29% to 1.8m MT
 - Asphalt sales volume increased by 144% to 94k MT
 - Brick sales volume increased by 8% to 36.6 million pieces
- Consequently, the Division's operating profits for the quarter in review improved by 48% to RM3.2 million
- The Division also received an Industry Excellence Award from the Institute of Quarry Malaysia (IQM)
- The Division continues to focus on expanding its operations :-
 - Kuantan brick factory to commence operation and sales in Q4
 - Potential acquisition of new quarries in East and West Malaysia



Thank You



HAP SENG CONSOLIDATED BERHAD