



HAP SENG CONSOLIDATED BERHAD

4th Quarter Ended 31th December 2012 Results

28th February 2013



1 Group financials

2 Operations review

SECTION 1

● Group financials





Consolidated income statement summary

- ❑ The Group maintained its performance in the 4th quarter of 2012 registering a stable financial results.
- ❑ Group's revenue for the 4th quarter grew by 16% to RM1.1 billion supported by strong revenue growth in the Property and Automotive Divisions. Revenue growth was also recorded by the Credit Financing and Quarry & Building Materials Divisions.
- ❑ Group EBITDA and operating profit similarly recorded double digit growth of 21% and 18% respectively in the 4th quarter of 2012.
- ❑ Basic EPS grew by 12% in the 4th quarter of 2012 to 5.75 sen.

(RM' Million)	4Q 2012	4Q 2011	Change (%)	YTD 4Q 2012	YTD 4Q 2011	Change (%)
Revenue	1,131.5	974.6	16%	3,958.9	3,628.4	9%
Gross profit ¹	241.2	214.4	12%	908.9	881.0	3%
EBITDA	250.6	206.6	21%	839.1	790.9	6%
Operating profit ^{1, 2}	231.5	195.5	18%	762.9	731.7	4%
Finance expenses	(21.8)	(27.0)	-19%	(94.0)	(97.2)	-3%
Profit before tax	211.2	164.9	28%	677.1	635.0	7%
Taxation	(74.9)	(28.4)	164%	(190.6)	(141.9)	34%
Profit after tax	136.3	136.5	0%	486.5	493.1	-1%
Attributable to MI	13.7	24.8	-45%	63.9	117.5	-46%
Attributable to shareholders	122.6	111.7	10%	422.6	375.6	13%
EPS (sen)	5.75	5.11	12%	19.58	18.85	4%

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		
	4Q 2012	4Q 2011	Change (%)	4Q 2012	4Q 2011	Change (%)	YTD 4Q 2012	YTD 4Q 2011	Change (%)	YTD 4Q 2012	YTD 4Q 2011	Change (%)
Plantation	135.7	161.0	-16%	43.0	72.2	-40%	526.5	654.9	-20%	193.6	342.9	-44%
Property	252.3	99.4	154%	215.2 ¹	85.0 ¹	153%	645.0	341.5	89%	485.1 ¹	221.6 ¹	119%
Automotive	280.9	227.8	23%	(13.6)	4.0	-441%	762.8	811.4	-6%	(7.3)	20.7	-135%
Fertilizers	285.2	312.4	-9%	(14.0)	10.5	-234%	1,321.3	1,178.1	12%	22.8	62.5	-64%
Credit Financing	27.2	26.7	2%	23.1	21.7	6%	111.3	96.9	15%	90.6	79.0	15%
Quarry & Building Materials	152.7	146.9	4%	(15.8)	2.7	-688%	618.5	549.1	13%	(3.7)	17.0	-122%
	1,134.0	974.2	16%	237.9	196.1	21%	3,985.4	3,631.9	10%	781.1	743.7	5%
Consolidation adjustments & others	(2.5)	0.4		(6.4)	(0.6)		(26.5)	(3.5)		(18.2)	(12.0)	
Group	1,131.5	974.6	16%	231.5	195.5	18%	3,958.9	3,628.4	9%	762.9	731.7	4%

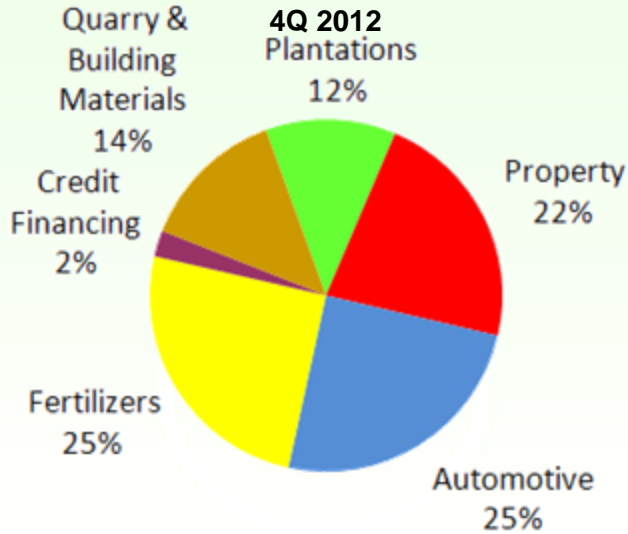
Note:

¹ Includes share of Inverfin's Profit from Menara Citibank

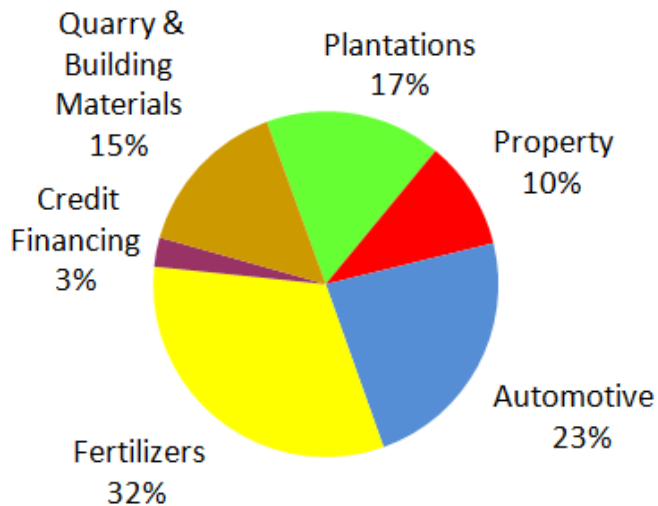


Group segment results

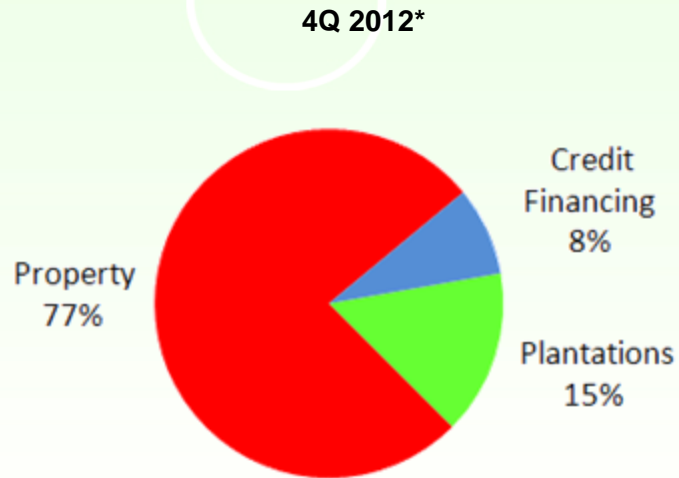
Revenue



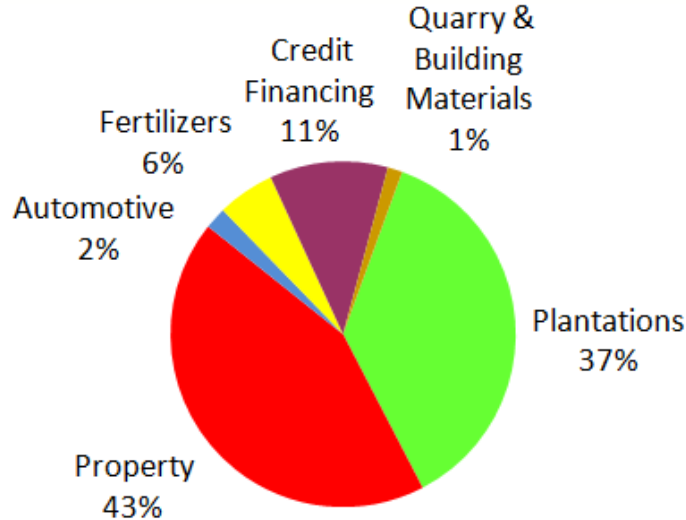
4Q 2011



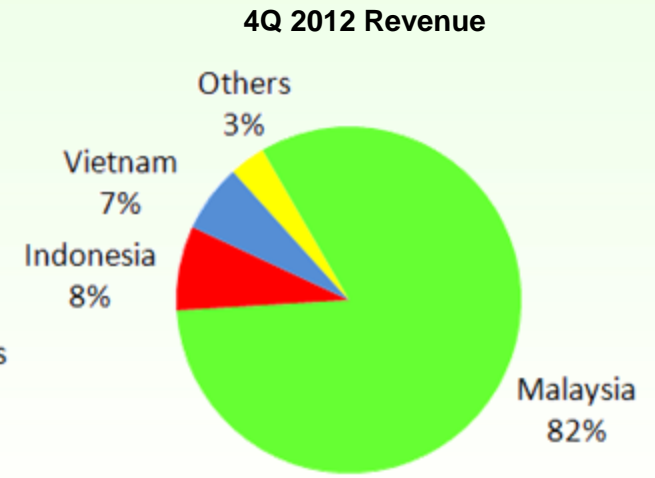
Operating Profit



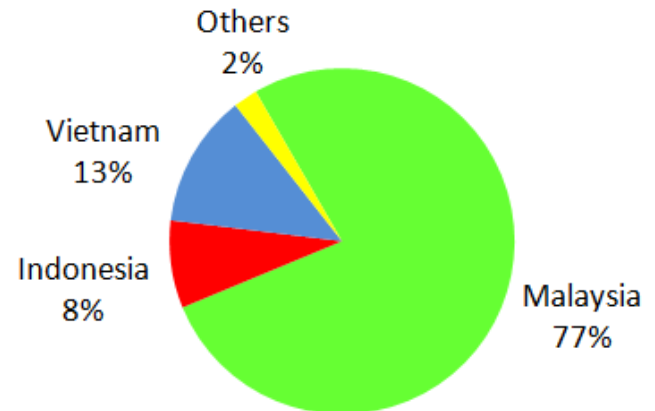
4Q 2011



Geographical Segment



4Q 2011 Revenue



SECTION 2

● Operations review





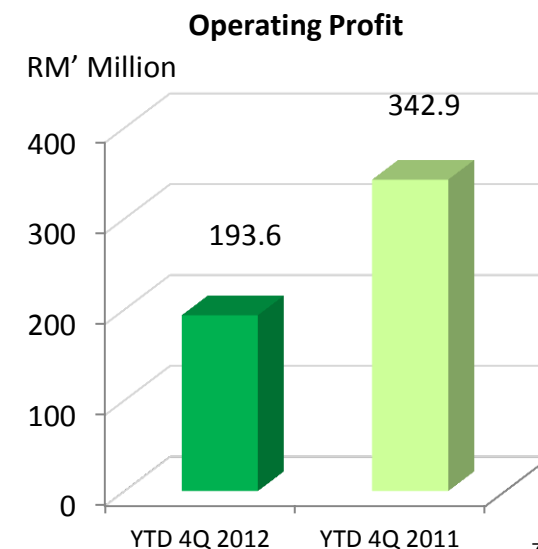
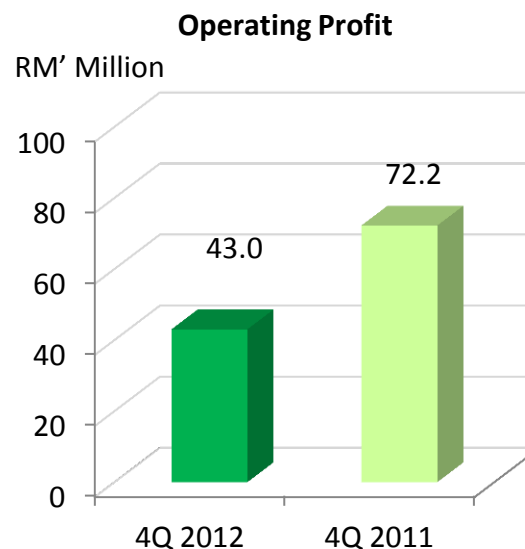
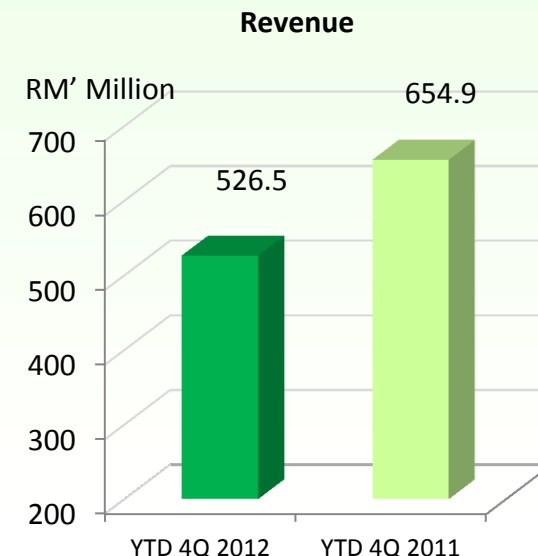
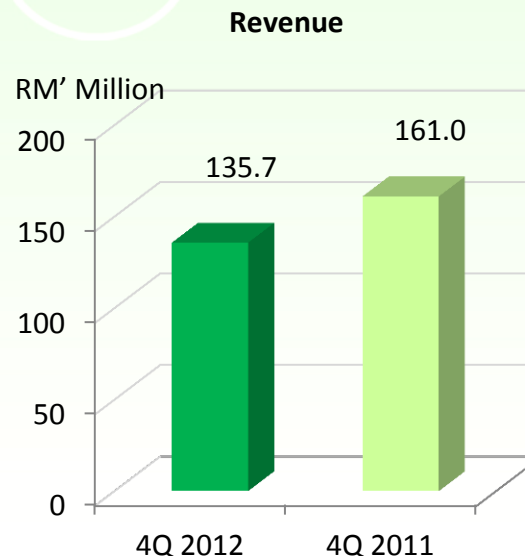
Lower palm oil prices countered by improvements in sales

- ❑ Revenue in the 4th quarter of 2012 was lower by 16% due to:-
 - Lower average price realisation for CPO and PK (CPO: RM2,204/MT vs. RM2,977/MT; PK: RM1,029/MT vs. RM1,634 /MT).

The lower prices was however mitigated by higher sales volume of CPO and PK of 16% and 22% respectively.

- ❑ 4th Quarter operating profit was lower by 40% due to higher replanting expenditure as a result of increase in area replanted (3,518 hectares vs. 2,594 hectares).

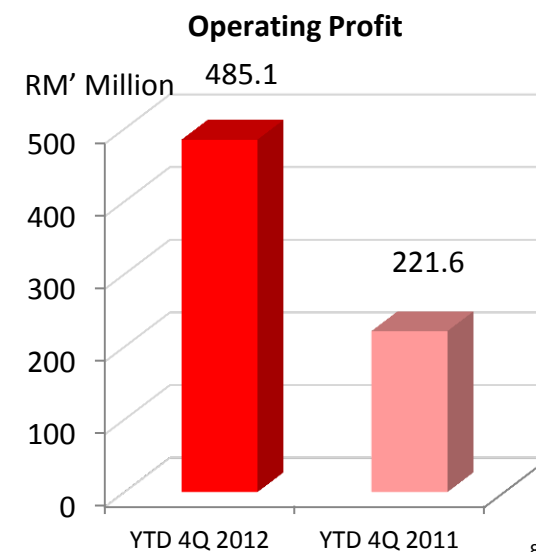
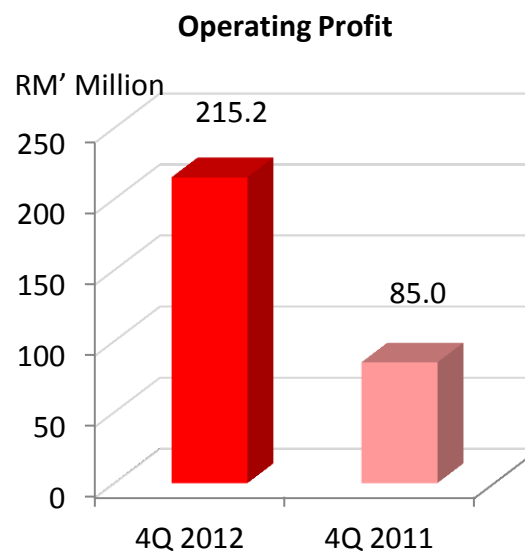
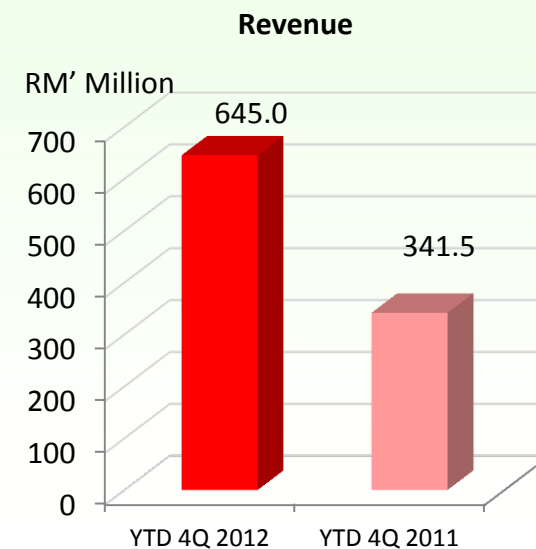
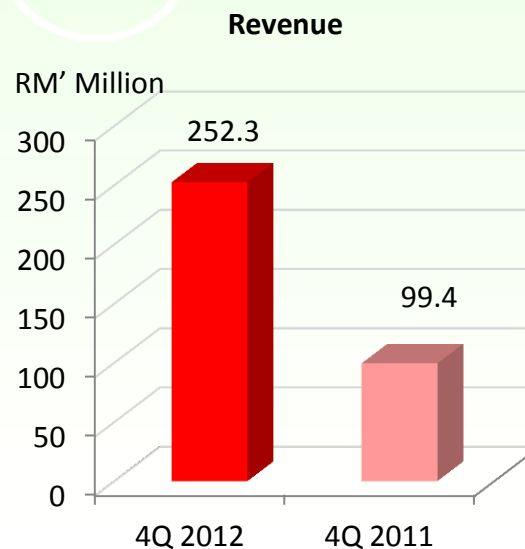
- ❑ Other key performance indicators :
 - Higher FFB yield of 7.24MT per hectare (vs 6.07MT per hectare in 4Q 2011) as the crop production improved in the 4th quarter of 2012.
 - CPO production also improved by 19% to 51,827 MT.
 - YTD OER is higher at 21.29% compared to 20.96% in 2011.





Land sales for redeployment in new projects

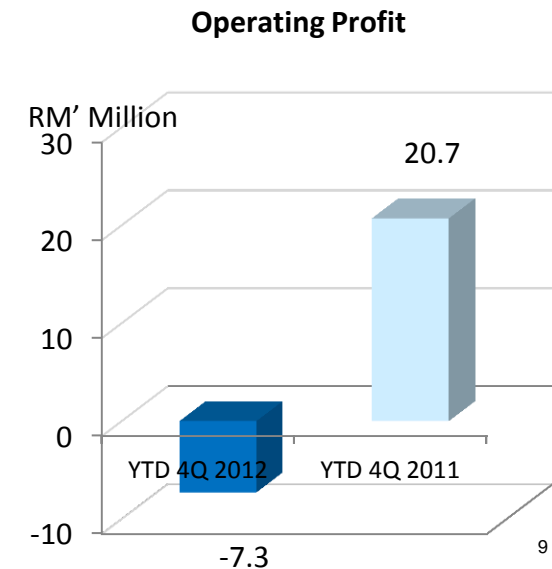
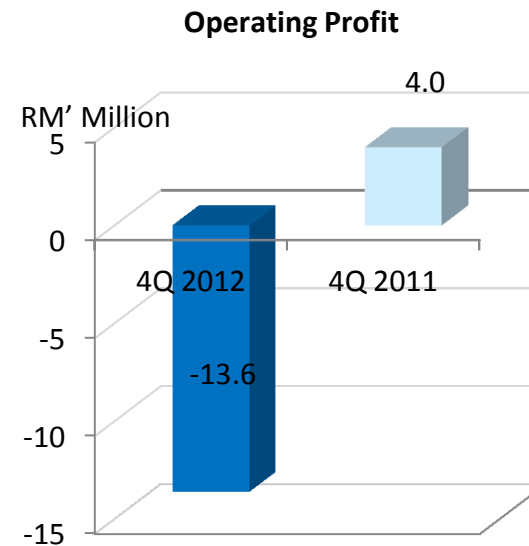
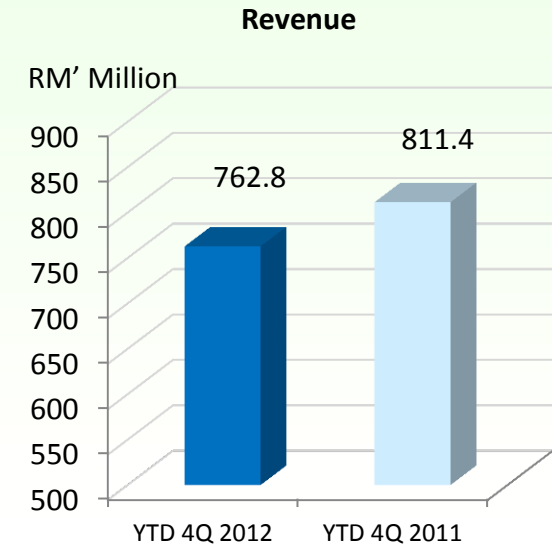
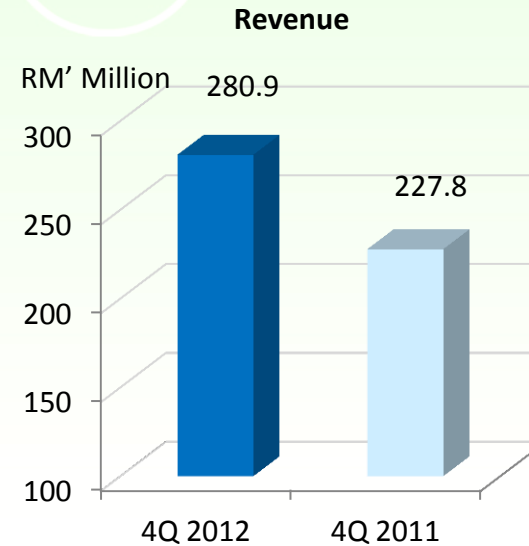
- 4th Quarter revenue and operating profit for 2012 were higher by are up 154% and 153% respectively primarily due to the sale of several parcels of land held for property development.
- Proceeds from the sale of land held for development are earmarked to be redeployed for the acquisition of several premium parcels of land in the Klang Valley.
- Rental revenue from investment properties continued to improve due to higher occupancy and rental rates.
- Construction of Menara Hap Seng 2 and the Horizon Serviced Apartments are currently well in progress.
- The Division is expected to launch several new premium projects in Klang Valley in 2013.





Premium passenger vehicles market share maintained

- ❑ Revenue in the 4th quarter of 2012 increased by 23% mainly from the higher Mercedes-Benz passenger car sales in Malaysia.
- ❑ 4th Quarter Mercedes-Benz passenger car sales in Malaysia increased by 121% over corresponding quarter last year.
- ❑ Operating profits for the quarter declined by RM17.6 million due to the following:-
 - Adverse margins as a result of severe competition in the premium passenger vehicles market; and
 - Adverse contribution from the Vietnamese operations due to the prolonged soft market conditions in Vietnam.



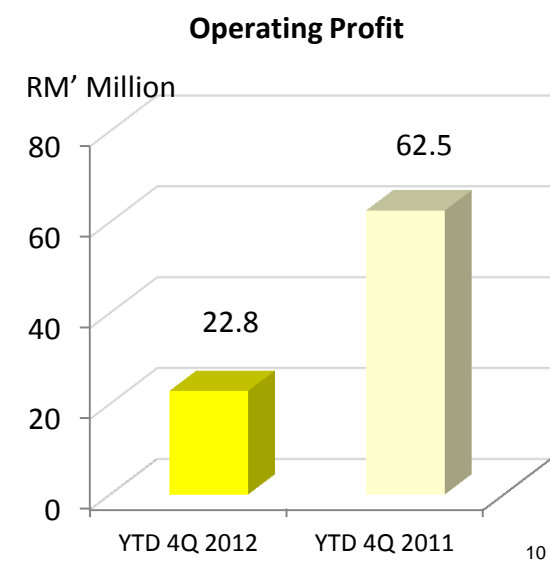
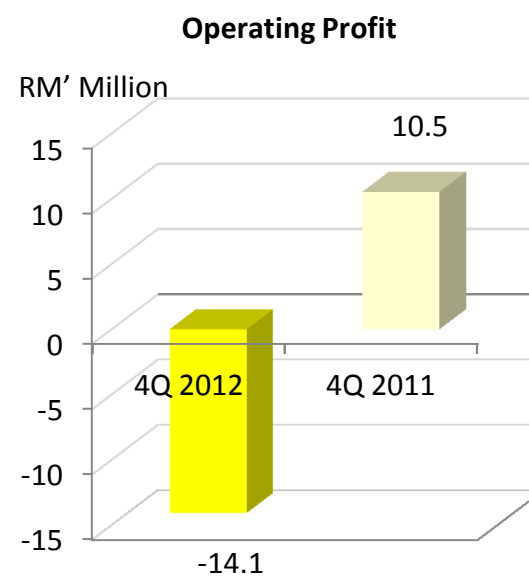
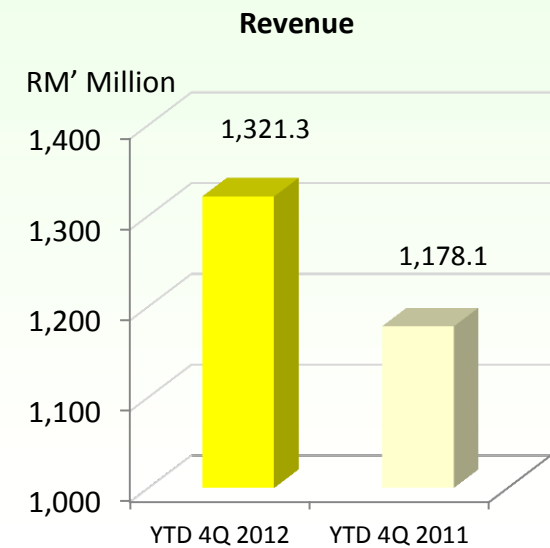
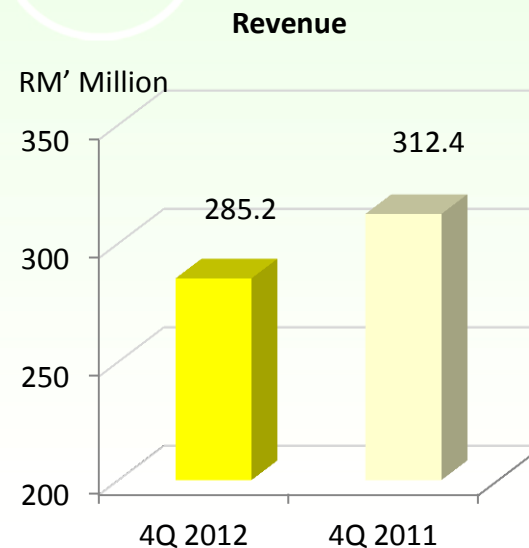


Growth in Malaysia supports challenging Indonesian market

- ❑ Revenue in the 4th quarter of 2012 for the Division dropped by 9% as a result of lower margins and sales volume in both the Malaysian and Indonesian market.

- ❑ Operating profits for the quarter in review also declined by RM24.6 million over corresponding quarter last year mainly due to:
 - Severe competitive environment in Indonesia resulting in adverse margins and contribution; and
 - Foreign exchange translation losses due to the weakening of Indonesian Rupiah against the US Dollar.

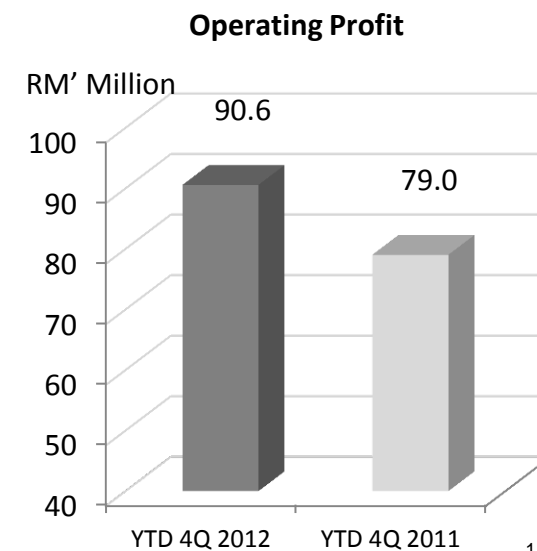
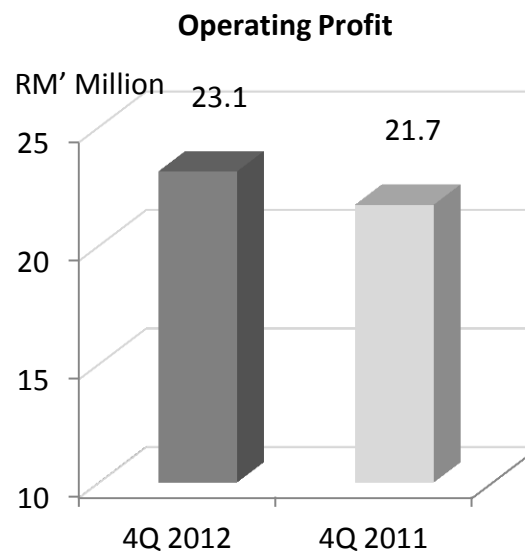
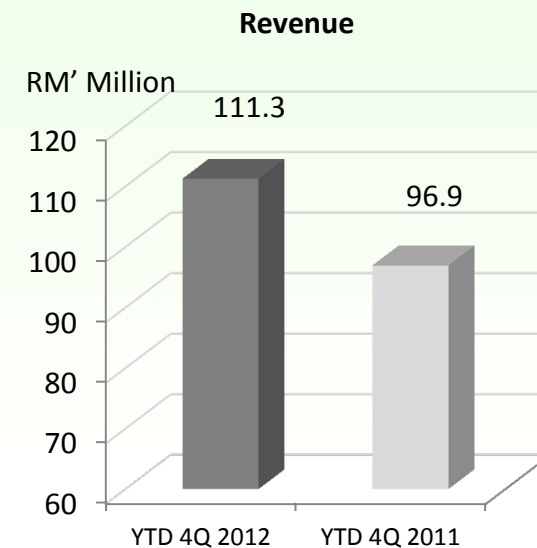
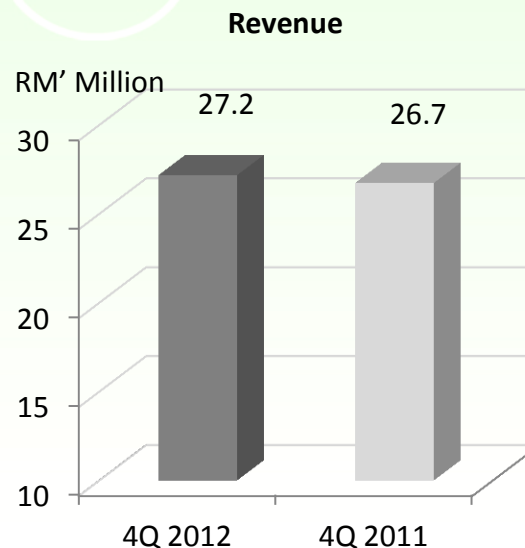
- ❑ Malaysian operations remained strong, despite lower operating profit in the 4th quarter of 2012, by recording a 16% growth in operating profits for the year.





Higher profits attributed to loan portfolio growth and effective NPL management

- Revenue for the quarter in review grew by 2%, supported by growth in its loan portfolio and focus on loan quality.
- As at 31 December 2012, loan base for the Division stood at RM1.51 billion, recoding a growth of 12% over preceding year.
- NPL ratio continued to remain healthy at 0.87%, an improvement over corresponding quarter last year of 1.07%.
- As a result, operating profit for the 4th quarter of 2012 improved by 6%.

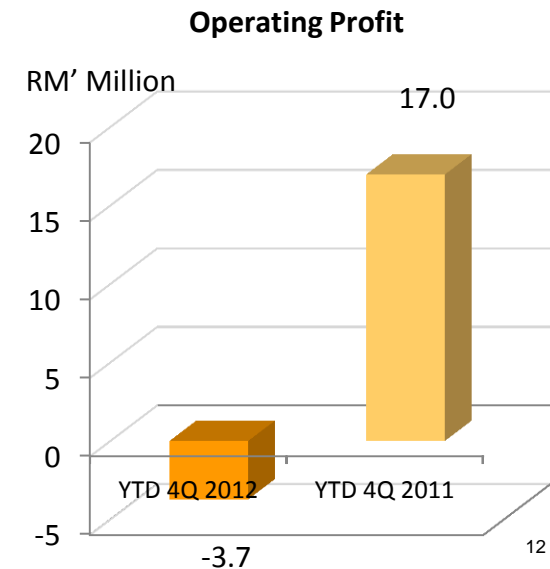
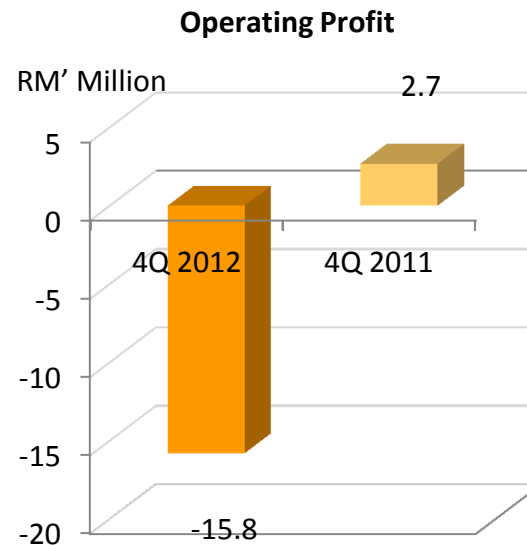
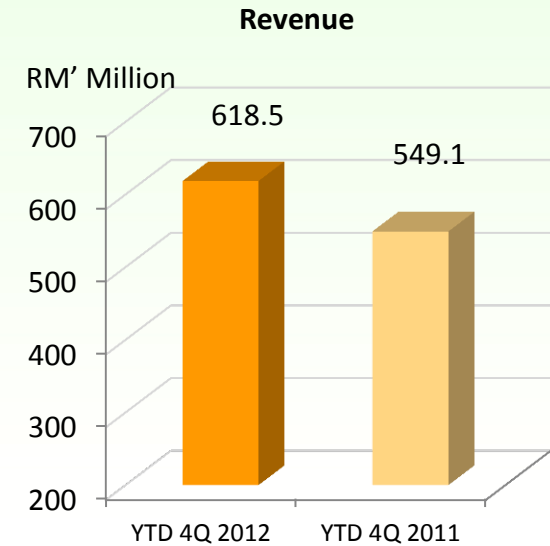
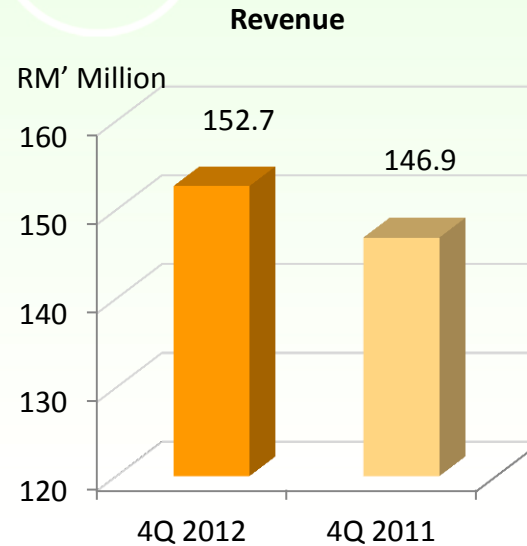




Quarry and Building Materials

Production output and efficiencies growth continues in 4th Quarter

- Revenue for the Division grew by 4% in the 4th quarter of 2012 on the back of continued improvements in production output and efficiencies
 - Aggregate sales volume increased by 22% to 1.9m MT
 - Asphalt sales volume increased by 171% to 107k MT
 - Brick sales volume increased by 88% to 42 million pieces
- However, the Division's operating profits in the 4th quarter of 2012 dropped by RM18.5 million over corresponding quarter last year due to adverse margins in the brick and trading operations due to the competitive environment resulting in losses.
- The Division continues to focus on expanding its operations via new acquisitions of quarries and expansion into new markets.



Thank You

