HAP SENG CONSOLIDATED BERHAD

3rd Quarter Ended 30th September 2013 Results

27th November 2013

Scope

1. Group financials
2. Operations review

SECTION 1

Group financials

HAP SENG CONSOLIDATED BERHAD

Consolidated income statement summary

- Group's revenue for 3Q 2013 and YTD were impacted by the following factors:
  - Lower Plantations' revenue due to lower average selling prices for CPO & PK
  - 3Q2012 benefitted from gain on disposal of certain non strategic properties and fair value adjustments.
  - Disposal of Hap Seng Star Vietnam
  - Lower average selling prices for fertilizers and lower fertilizers sales volume in Indonesian market
- Profit attributable to shareholders in 3Q 2013 included the gains from disposal of Aceford Food Industries whilst the YTD profit included gains from disposal of Lei Shing Hong Singapore (LSHS) and Hap Seng Star Vietnam (HSSV).

(RM' Million)	3Q 2013	3Q 2012	Change (%)	YTD 2013	YTD 2012	Change (%)
Revenue	829.5	1,014.4	-18%	2,453.4	2,827.4	-13%
Gross profit [1]	166.9	231.0	-28%	426.3	667.7	-36%
EBITDA	87.2	208.6	-58%	273.8	588.5	-53%
Operating profit [1, 2]	70.0	190.9	-63%	214.1	531.3	-60%
Finance expenses	(21.7)	(22.1)	-2%	(60.7)	(72.2)	-16%
Profit before tax	180.4	168.2	7%	574.4	465.9	23%
Taxation	(24.2)	(41.0)	-41%	(100.8)	(115.7)	-13%
Profit after tax	156.2	127.2	23%	473.6	350.2	35%
Attributable to MI	15.0	16.2	-7%	28.0	50.2	-44%
Attributable to shareholders	141.2	111.0	27%	445.6	300.0	49%
EPS (sen)	7.02	5.15	36%	21.54	13.84	56%

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

Group segment results

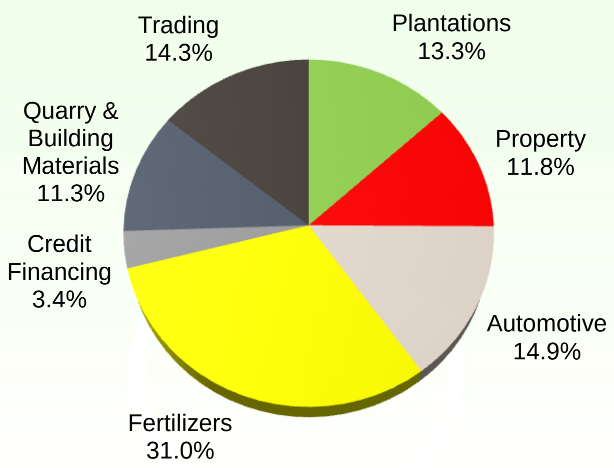
(RM' Million)	REVENUE			OPERATING PROFIT			REVENUE			OPERATING PROFIT		
	3Q 2013	3Q 2012	Change (%)	3Q 2013	3Q 2012	Change (%)	YTD 2013	YTD 2012	Change (%)	YTD 2013	YTD 2012	Change (%)
Plantations	115.2	149.3	-23%	41.9	47.8	-12%	300.5	390.8	-23%	81.5	150.6	-46%
Property	102.0	161.0	-37%	31.2[1]	119.0[1]	-74%	242.5	392.7	-38%	93.1[1]	269.9[1]	-66%
Automotive	129.4	176.2	-27%	1.4	-0.8	>100%	449.4	481.8	-7%	-17.3	6.3	>-100%
Fertilizers	268.7	348.9	-23%	-9.7	3.9	>-100%	896.1	1,036.2	-14%	9.7	36.8	-74%
Credit Financing	29.7	27.9	6%	23.9	23.0	4%	84.8	84.1	1%	67.6	67.5	-
Quarry & Building Materials	97.5	81.2	20%	6.0	7.9	-24%	264.0	212.0	25%	14.1	20.9	-33%
Trading	123.5	105.5	17%	2.8	-4.4	>100%	308.9	332.1	-7%	4.1	-9.1	>100%
	866.0	1,050.0	-18%	97.5	196.4	-50%	2,546.2	2,929.7	-13%	252.8	542.9	-53%
Consolidation adjustments & others	-36.5	-35.6		-27.5	-5.5		-92.8	-102.3		-38.7	-11.6	
Group	829.5	1,014.4	-18%	70.0	190.9	-63%	2,453.4	2,827.4	-13%	214.1	531.3	-60%

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

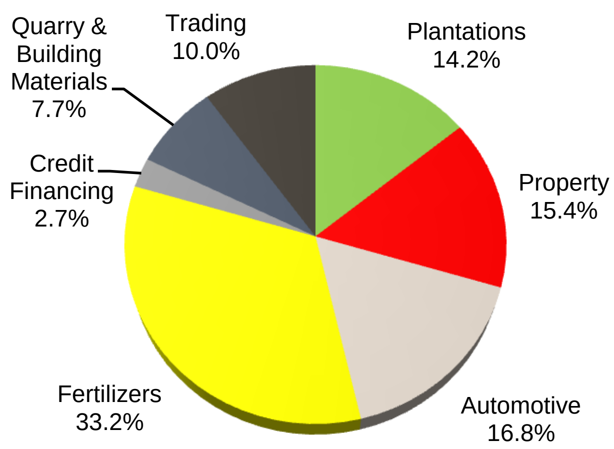
Group segment results

Revenue

3Q 2013

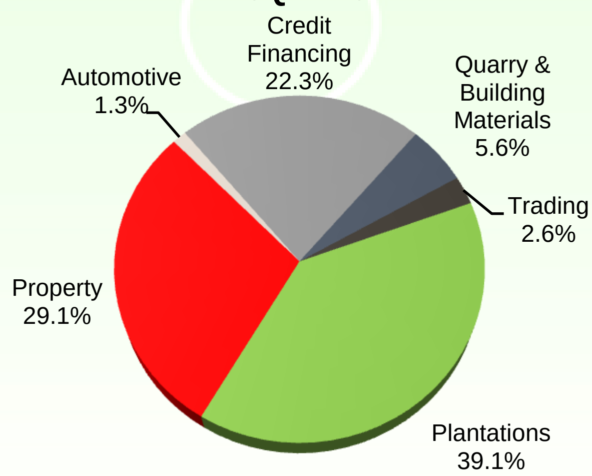


3Q 2012

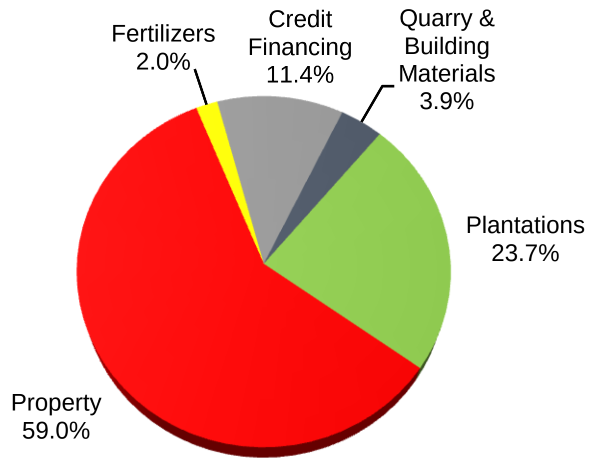


Operating Profit *

3Q 2013

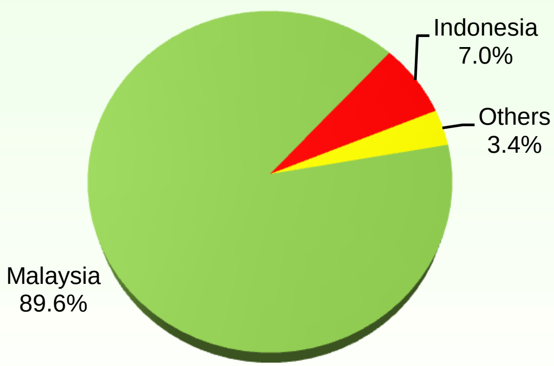


3Q 2012

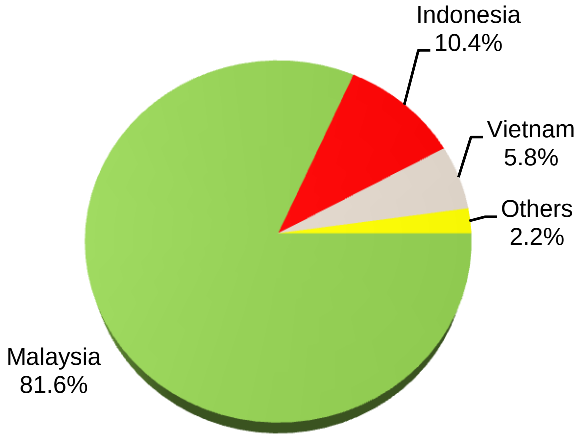


Geographical Segment

3Q 2013 Revenue



3Q 2012 Revenue



** Include divisions with Operating Profits only.*

SECTION 2

Operations review

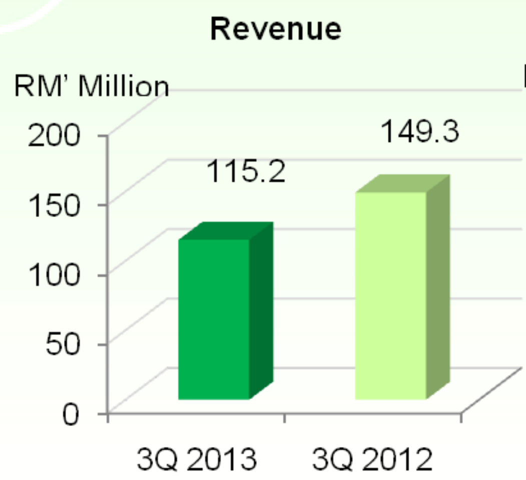
Plantations

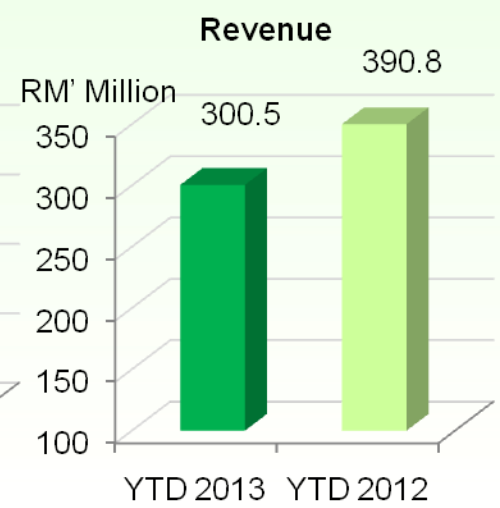
Performance impacted by low selling prices

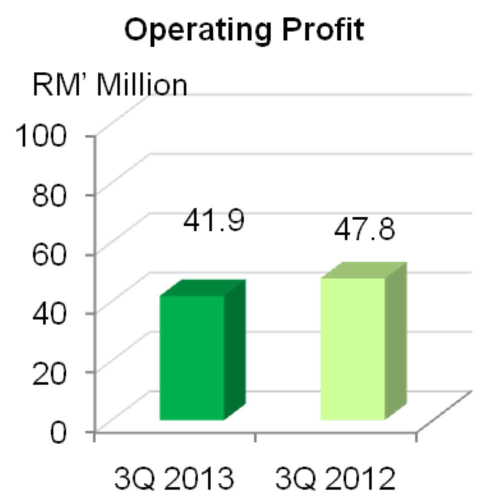
- Revenue for 3Q 2013 and YTD declined by 23%, attributable to the following factors:-
  - Lower average price realisation for CPO and PK

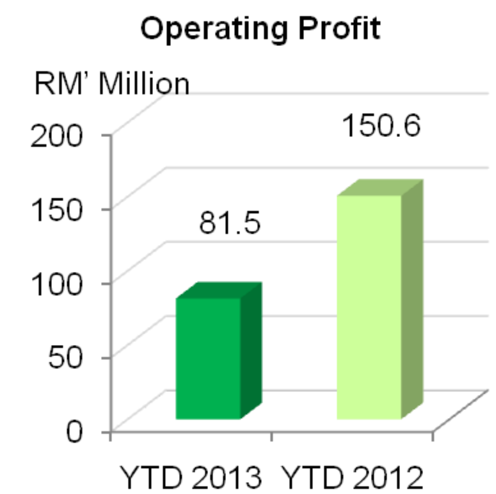
    CPO - 3Q 2013 :RM2,340 /MT vs. RM2,923 /MT; YTD: RM2,289/MT vs RM3,081/MT

    PK - 3Q 2013 :RM1,271 /MT vs. RM1,470 /MT; YTD:RM1,181/MT vs RM1,736/MT
- As a result, operating profit dropped by 12% in 3Q 2013 and 46% for YTD.
  - Production cost of CPO (after PK credit and excluding replanting cost) in 3Q 2013 at RM1,088/MT was lower vs last year's RM1,255/MT whilst YTD production cost at RM1,260/MT was in line with last year. Cost increases were mitigated by higher FFB yield.
- Other key performance indicators:
  - Better FFB yield of 6.17 MT/ha in 3Q 2013 and 15.70 MT/ha for YTD (3Q 2012 : 5.34 MT/ha, YTD 2012:14.63 MT/ha)
  - Better YTD oil extraction rate (OER) of 21.40% against 21.28% last year





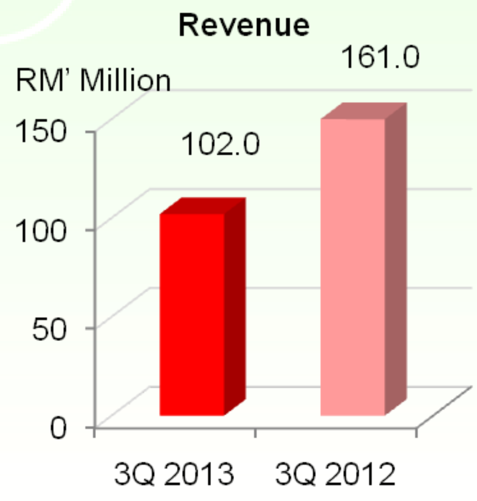


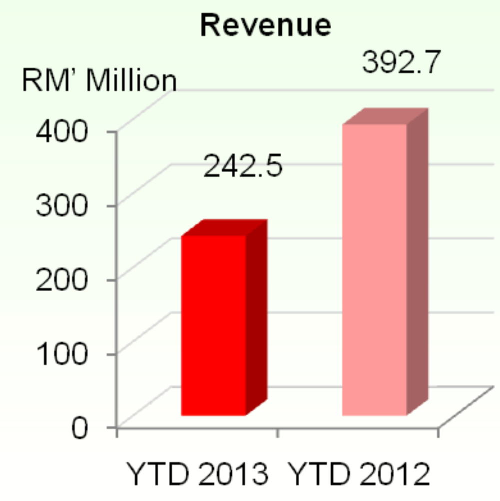


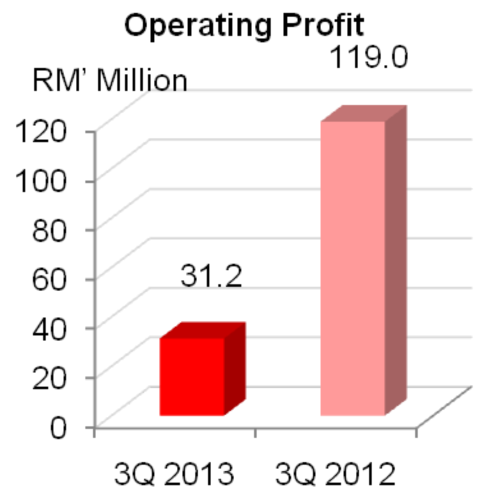
Property

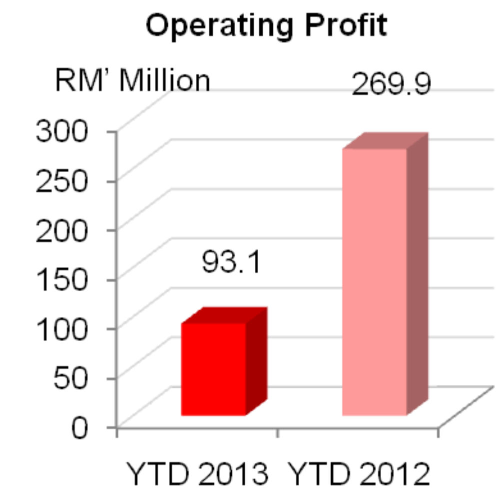
Performance supported by project sales growth

- Revenue for 3Q 2013 and YTD were lower than last year as last year benefitted from the disposal of certain non-strategic properties.
  - Normalized 3Q 2013 revenue registered 36% growth whilst YTD normalized revenue grew by 32%, driven by higher project sales.
- Normalized operating profit in 3Q 2013 was higher by 8%. However, YTD normalized operating profit was lower by 18% due to higher marketing expenses.
- Rental revenue from investment property continued to be stable with high occupancy rate and stable rental rates.
- New launches in 3Q 2013
  - Soft launch of Nadi Bangsar on 26 August 2013 with GDV of RM393 mil (416 units).





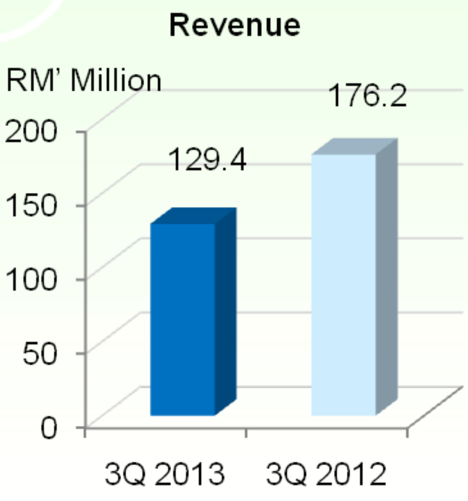


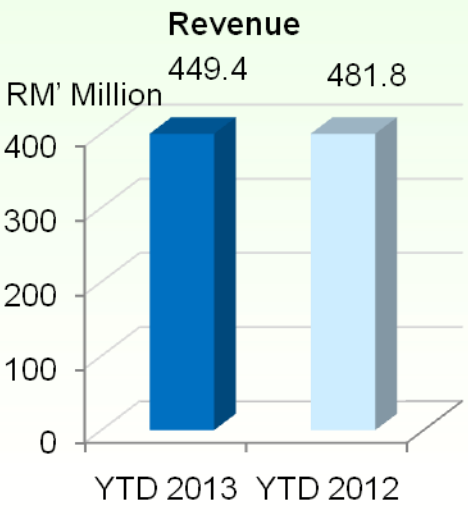


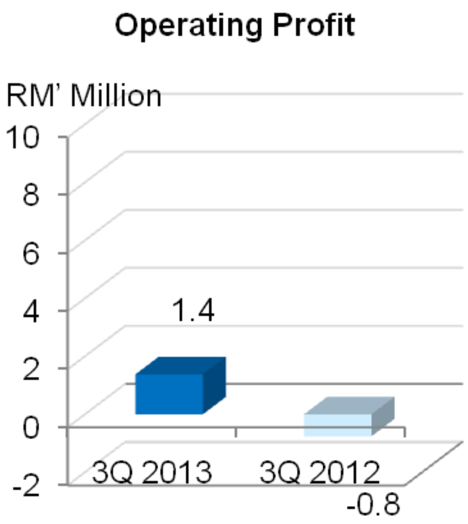
Automotive

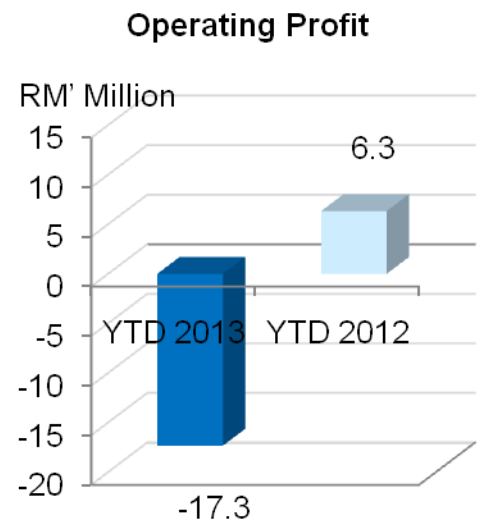
Division continues on an expansion mode to support customer base

- Revenue for 3Q 2013 and YTD were lower than the corresponding period last year mainly due to the disposal of Hap Seng Star Vietnam (HSSV).
- Revenue for the Malaysian operations grew by 10% for 3Q 2013 and 11% for YTD due to higher sales volume for passenger vehicles, driven by the demand for the new A-class and higher sales for the E-class.
- The Division's operating profit for 3Q 2013 was better than last year as last year included losses from HSSV.
- YTD operating profit was impacted by lower average gross profit margin as passenger vehicles were sold at very competitive prices by Hap Seng Star in the early part of the year to capture market share.







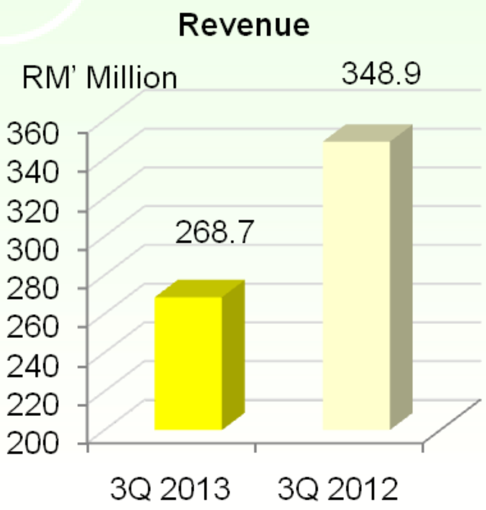


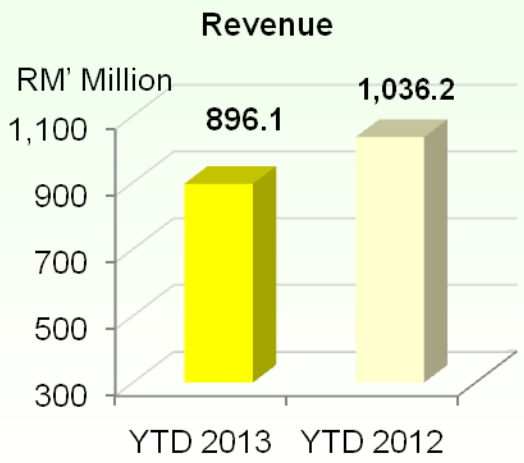
Fertilizers

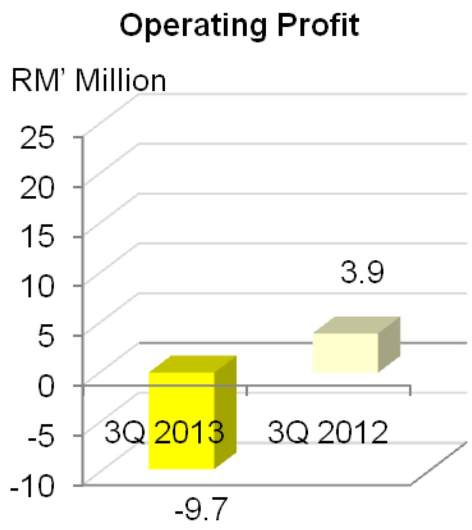
Results impacted by lower selling prices

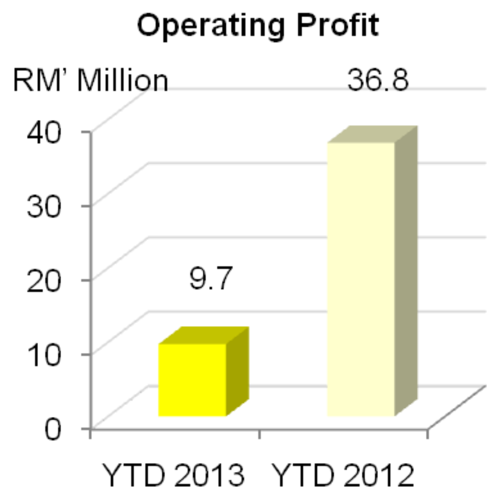
- Revenue for 3Q 2013 and YTD were lower than the corresponding period last year, affected by lower sales volume in the Indonesian market and lower selling prices in both the Malaysian and Indonesian markets due to the competitive market conditions and the adverse situation in the global potash market.

- Operating profit was also impacted by weak IDR which resulted in foreign exchange loss





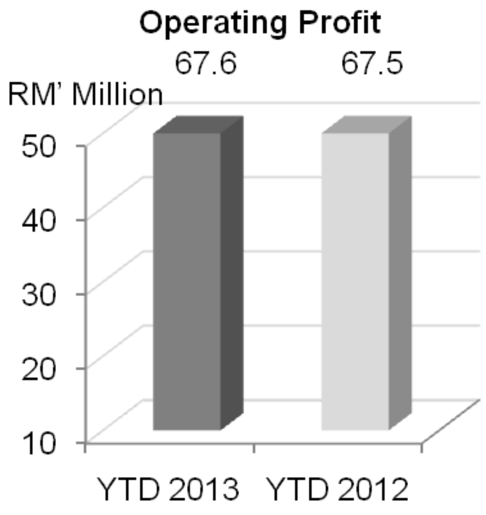




Credit financing

Stable performance backed by robust credit risk management

- Revenue for 3Q 2013 grew by 6% over last year, however YTD revenue growth was marginal. Revenue from increase in loan base was partly offset by lower average effective yield and margin.
- Better revenue resulted in higher operating profit accordingly for 3Q 2013 and YTD.
- Loan base as of 3Q 2013 was at RM1.55 billion as compared to RM1.44 billion last year.
  - Peninsular Malaysia contributes 81.5% of total loans followed by East Malaysia of 18.5%.
  - Loan composition remains stable with Industrial Hire Purchase at 69% of the total loan base and the balance comprising term loan.
- NPL was marginally higher but remains well managed with NPL ratio for the quarter at 0.88% (last year : 0.72%).

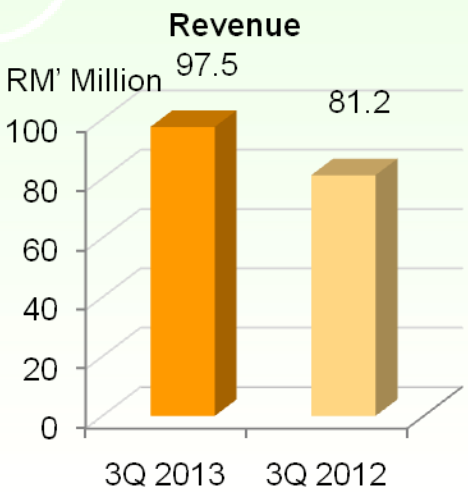


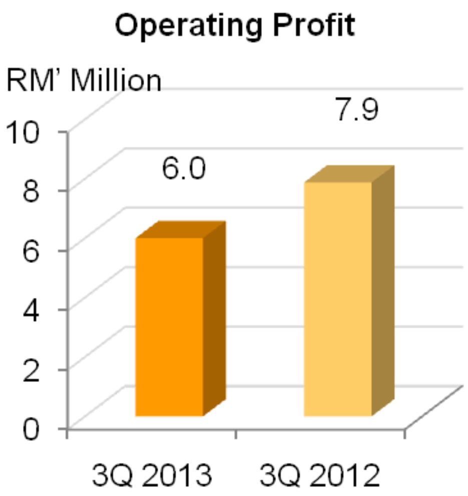
Quarry and Building Materials

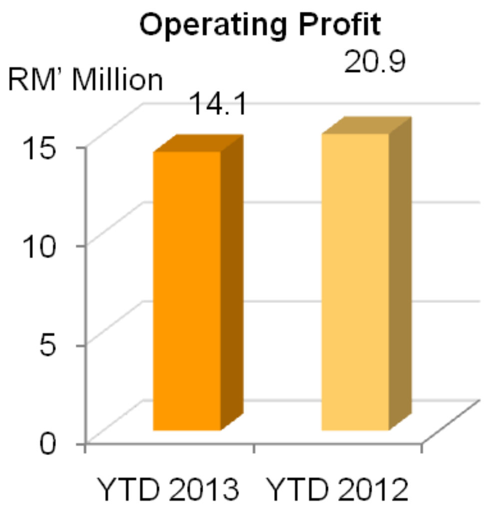
Strong revenue growth but profit dampened by lower margin from Quarry

- The Division registered double digit growth in its sales for 3Q 2013 and YTD as compared to the corresponding period last year. All three products , aggregates, asphalts and bricks recorded higher sales during the period:-
  - Aggregates sales increased by 21% to RM61.6 million in 3Q 2013 and 20% to RM171.2 mil for YTD, mainly due to higher average selling prices and higher sales volume.
  - Asphalt sales increased by 29% in 3Q 2013 and 47% for YTD, driven by both higher sales volume and higher average selling prices
  - Bricks sales grew by 6% during the quarter and 22% for YTD, mainly due to higher sales volume.

- Operating profit in 3Q 2013 and YTD were impacted by:
  - Lower average gross margin for sales of aggregates due to generally higher production costs arising from lower production volume.





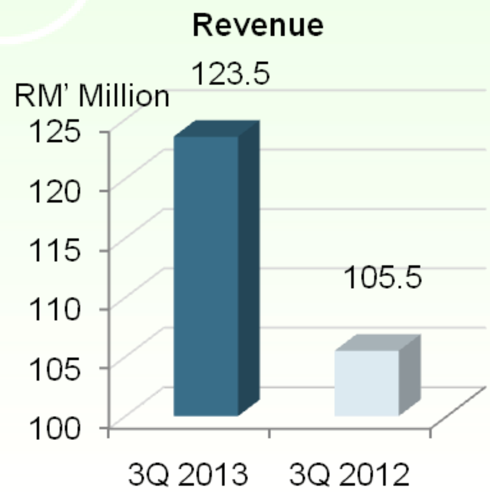


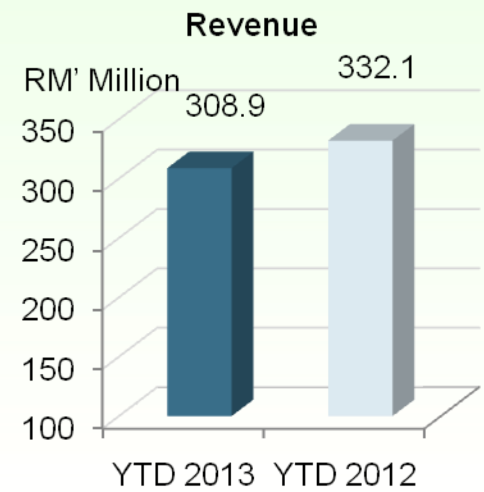
Improvement in sales resulted in operating profit improvement

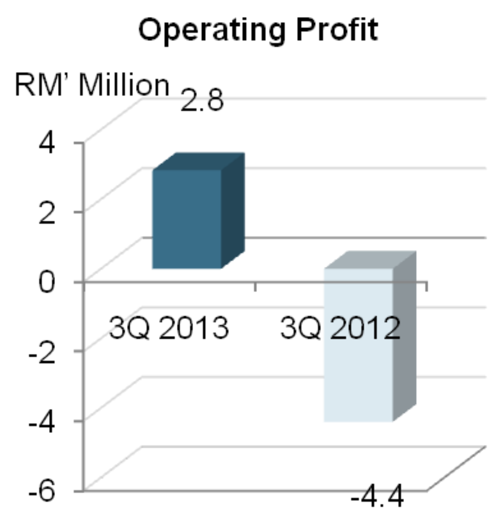
- Revenue for 3Q 2013 was 17% higher over last year, driven by:
  - Building materials sales, excluding MML tiles (+189%)
  - Petroleum sales (+ 27%)

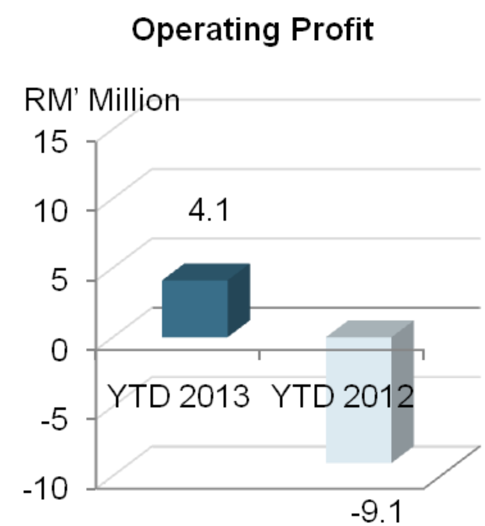
- YTD revenue was impacted by the discontinuation of MML tiles distributorship effective October last year and disposal of Aceford Food Industries in August 2013. Excluding these, YTD revenue grew by 42% over last year, supported by strong growth for :
  - Building materials sales (+ 72%)
  - Petroleum sales (+ 6%)

- Better operating profit for 3Q 2013 and YTD, benefitted from higher sales for building materials and petroleum and lower expenses.









Thank You