HAP SENG CONSOLIDATED BERHAD (26877-W)

NEWS RELEASE

HAP SENG FOCUSES ON DIVERSE CORE BUSINESSES FOR SUSTAINED GROWTH

KUALA LUMPUR, 24 June 2008 – Diversified group Hap Seng Consolidated Berhad (Hap Seng Group) will be leveraging on the strengths and prospects of its core businesses, namely plantation, property holding and development, credit financing, fertilizer trading, automotive as well as quarry and building materials, to further enhance shareholders value.

For its financial year ended 31 January 2008, the Hap Seng Group recorded a significant 602% increase in profit after tax to RM846.9 million from RM120.6 million recorded in the previous financial year. This was achieved on the back of a 30% increase in revenue to RM2.2 billion compared with last year's RM1.7 billion. The results included a gain of RM611.9 million from internal restructuring and the listing of its plantation business, Hap Seng Plantations Holdings Berhad (HSP), in November last year.

Notwithstanding the gain from the listing of HSP and other non-operating items, the Hap Seng Group still achieved a notable 93% rise in profit after tax during the year under review.

Following Hap Seng Consolidated Berhad's Thirty-second Annual General Meeting and Extraordinary General Meeting today, Edward Lee Ming Foo, Group Managing Director, said, "Clearly, the Hap Seng Group's focus on extracting value across our diverse core businesses is bearing fruit."

"Moving forward, we aim to ensure that our core businesses across the board contribute positively to the Group's long term profitability."

According to Lee, prospects for the Plantation Division in the current financial will remain bullish with high crude palm oil price expected to be sustained.

“For our Property Holding and Investment Division, the anticipated launch of D’Alpinia on a ‘Build then Sell’ concept late 2008 is expected to contribute to the Division’s performance in the current financial year. Furthermore, we also expect Menara Hap Seng’s increased occupancy rate, which we foresee will hit 100% by end 2008, to further bolster the Division’s rental yield.”

Meanwhile, the Hap Seng Group’s Credit Financing Division saw the successful incorporation of Hap Seng Consolidated Financial Lease and Rental (China) Co Ltd (HSCFR) in the People’s Republic of China on 29 February 2008. HSCFR, with its paid up capital of USD20 million is expected to provide the Division with a firm foothold to expand its financial leasing business into China.

At the same time, the Group is confident that its Fertilizer Trading Division will continue to benefit from the upward trend in fertilizer prices while its Automotive Division is geared to gaining further market share for its Hap Seng Star Mercedes-Benz marque in Peninsular Malaysia thanks to its growing reputation for operational and service excellence.

For the Group’s Quarry and Building Materials Division, the addition of new quarries as well as the expansion of its building materials and petroleum trading network is expected to contribute positively to the Division’s performance in the foreseeable future.

“Opportunities do arise during challenging times. By focusing on the strengths of our core businesses while bolstering operational and cost efficiencies, the Group is confident of sustaining long term growth that benefits our shareholders and stakeholders,” Lee concluded.

As a result of the Group’s performance in its FY08 financial year, the Board of Directors are recommending a final dividend of 7.0 sen per ordinary share less income tax at 25%, subject to shareholders approval at its Annual General Meeting. This, in addition to the interim dividend of 3.5 sen per share less tax at 26% paid on 26 October 2007, a special interim dividend of 41.0 sen per share less tax at 26% and a tax exempt dividend of 5.0 sen paid on 14 December 2007, will bring the total dividend for the year to 56.5 sen per share.