



HAP SENG CONSOLIDATED BERHAD

First Quarter Ended 31st March 2011 Results

6 May 2011

Scope



1 Group financials

2 Operations review

SECTION 1

● Group financials





Consolidated income statement summary

- Group posted strong financial performance in 1st quarter 2011 over preceding year corresponding quarter
- Group's revenue, gross profit and operating profit increased by 28%, 39% and 84% respectively
- Revenue improved on the back of increased contributions across all 6 divisions
- EBITDA and operating profit almost doubled in 1st quarter 2011 driven mainly by strong performance across all divisions except quarry and building materials division which was impacted by start-up losses
- 108% increase in PATMI demonstrates the Group's strong financial performance in 1st quarter 2011

(RMm)	1 Qtr FY11	1 Qtr FY10	Change (%)
Revenue	751	587	28%
Gross profit ¹	191	137	39%
EBITDA	181	101	79%
Operating profit ^{1,2}	165	90	84%
Finance expense	(20)	(15)	29%
Profit before tax	145	74	96%
Taxation	(36)	(17)	117%
Profit after tax	109	57	90%
Attributable to MI	27	18	51%
Attributable to shareholders	82	39	108%
EPS (sen)	15	7	108%

Note:

1 Includes share of Inverfin's PBIT from Menara Citibank

2 Includes interest income

Group segment results



(RMm)	Revenue			Gross Profit			Operating Profit		
	1 Qtr FY11	1 Qtr FY10	Change (%)	1 Qtr FY11	1 Qtr FY10	Change (%)	1 Qtr FY11	1 Qtr FY10	Change (%)
Plantations	144	101	42%	93	61	52%	78	50	55%
Property	53	51	4%	23 ¹	22 ¹	9%	50 ¹	19 ¹	168%
Automotive	174	102	70%	14	9	59%	6	2	187%
Fertilizers	242	214	13%	21	13	60%	15	7	102%
Credit Financing	21	15	44%	21	13	59%	17	12	50%
Quarry and Building Materials	121	109	11%	16	17	(7%)	5	6	(23%)
	755	592	28%	188	135	39%	171	96	78%
Consolidation adjustments and others	(4)	(5)	-	3	2	-	(6)	(6)	-
Group	751	587	28%	191	137	39%	165	90	84%

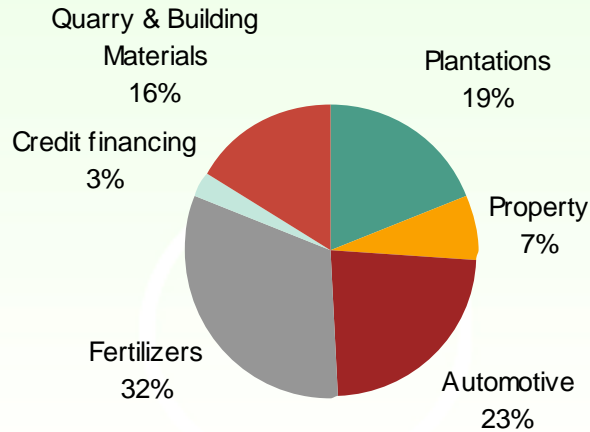
Note:

¹ Includes share of Inverfin's PBIT from Menara Citibank

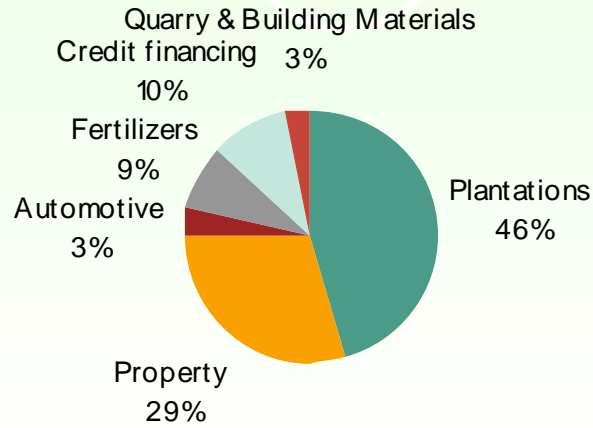


Group segment results

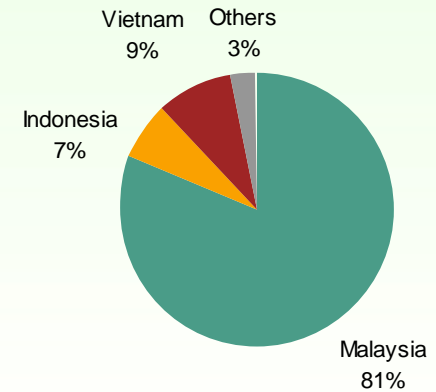
1 Qtr FY11 Revenue



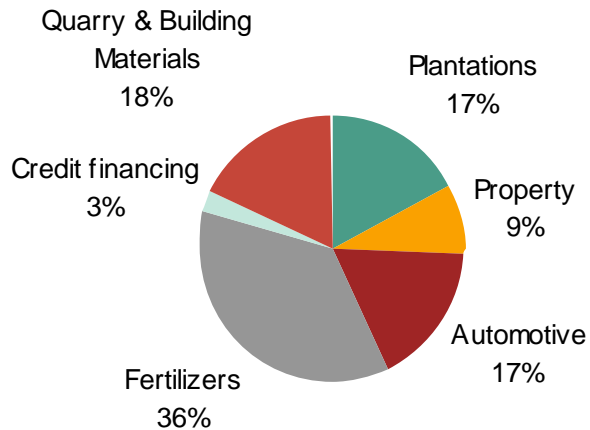
1 Qtr FY11 Operating Profit



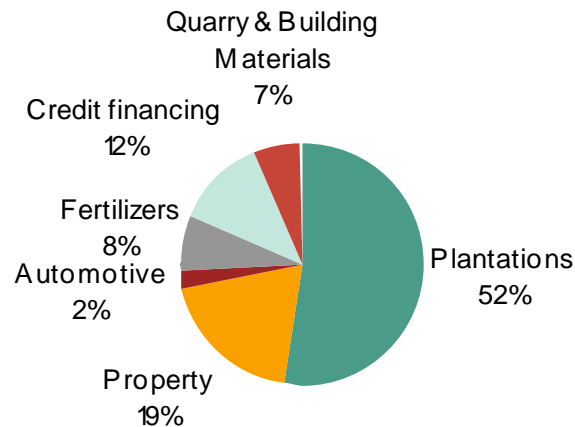
1 Qtr FY11 Geographical Segment



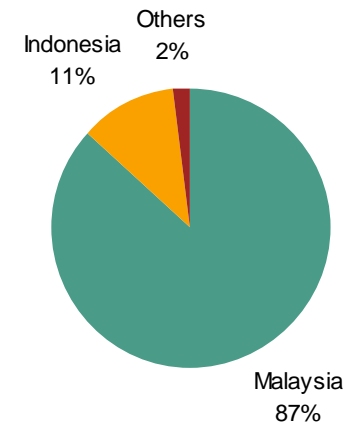
1 Qtr FY10 Revenue



1 Qtr FY10 Operating Profit



1 Qtr FY10 Geographical Segment



SECTION 2

Operations review





Strong CPO price offset inclement weather

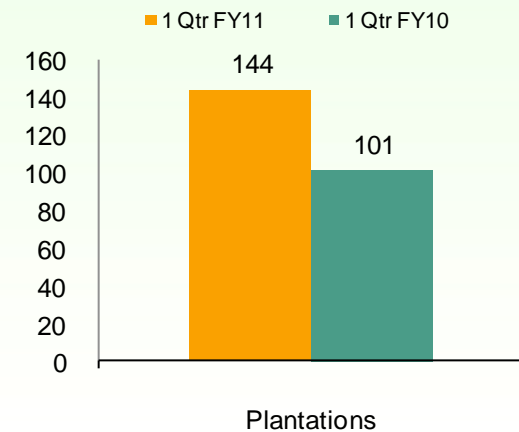
Financial review

- Revenue in 1st Qtr 2011 increased by 42% due to higher average prices of CPO and PK despite lower CPO sales volume
 - CPO and PK average prices in 1st Qtr 2011 were RM3,542/MT and RM2,907/MT respectively vs RM2,476/MT and RM1,359/MT respectively in 1st Qtr 2010
 - CPO sales volume reported 7% decrease at 31,831MT while PK sales volume was marginally higher at 8,048MT vs 1st Qtr 2010 volume of 34,402MT and 8,037MT respectively
- Operating profit surged 55% to RM78m in 1st Qtr 2011
- Higher FFB yield per hectare of 5.33MT vs 5.12MT compensated for lower OER of 20.08% vs 22.08% caused by adverse weather affecting fruit quality which caused lower CPO production in 1st Qtr 2011 at 34,945MT, 2% lower than 1st Qtr 2010 of 35,555MT

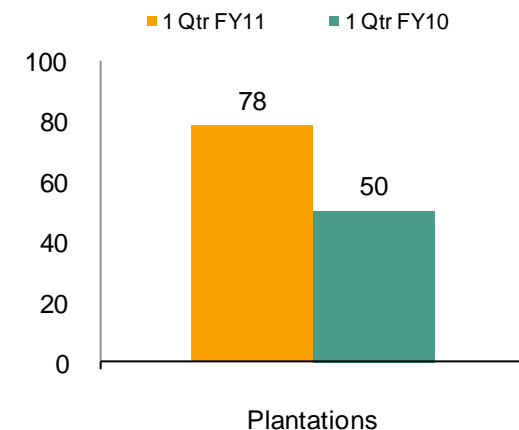
Key developments

- New planting and replanting exercise were higher at 1,809 ha and 2,594 ha respectively in 1st Qtr 2011 vs 1,558 ha and 1,540 ha respectively in 1st Qtr 2010

Revenue (RMm)



Operating Profit (RMm)





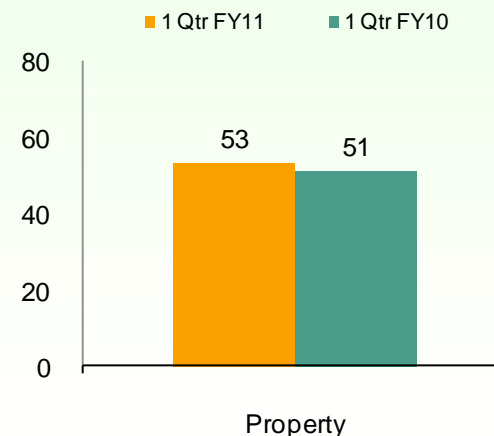
Gain from sale of investment property boosted profitability

Financial review

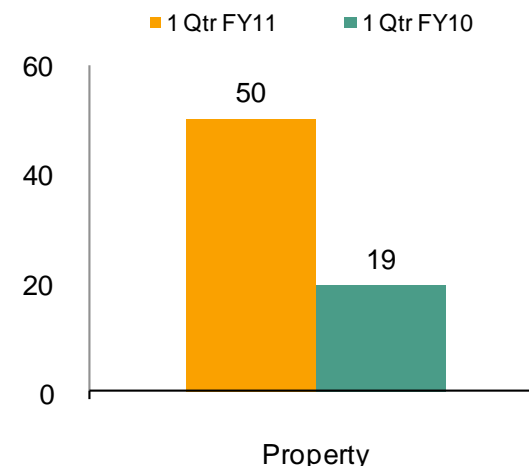
- Revenue and operating profit for property segment increased by 4% to RM53m and 168% to RM50m respectively compared to preceding year corresponding quarter. The increased revenue and operating profit were largely driven by:
 - Project sales of RM43m, which were 6% higher mainly due to higher sales recognition from several development projects
 - Higher operating profit were mainly due to gain on sale of investment properties and also sales of higher margin properties sold during the quarter from:
 - Super link, link bungalows and commercial shops in D' Alpinia, Puchong
 - Semi detached in Bandar Sri Perdana, Lahad Datu
 - Bungalows in Kingfisher Sulaman, Kota Kinabalu
 - Commercial shops in Kingfisher Sulaman, Kota Kinabalu

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

Revenue (RMm)



Operating Profit (RMm) ¹





Improved performance contributed by new Vietnam dealership

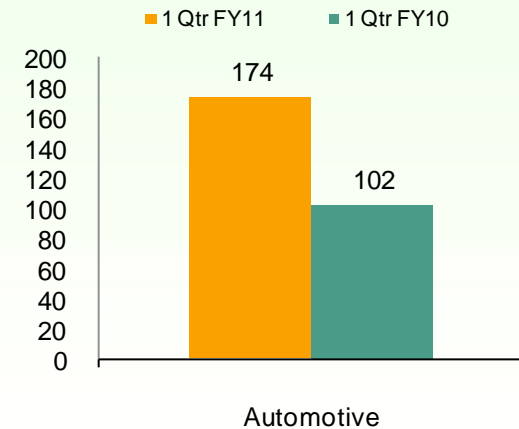
Financial review

- Automotive revenue rose 70% in 1st Qtr 2011 to RM174m due to higher contribution from Vietnam Star, the acquisition which was completed in September 2010
- Operating profit rose 187% in 1st Qtr 2011 to RM6m due to higher margin contribution from Malaysia and also contribution from Vietnam

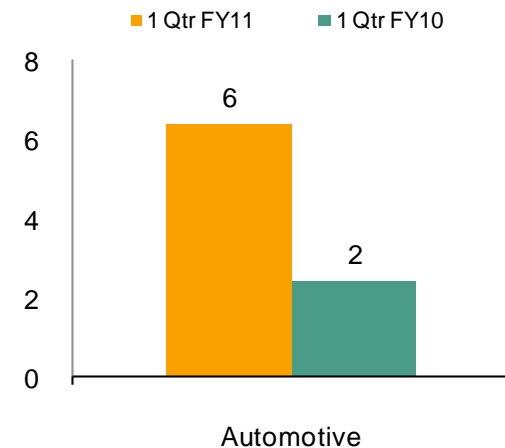
Key developments

- Construction of Kinrara workshop expansion project underway

Revenue (RMm)



Operating Profit (RMm)



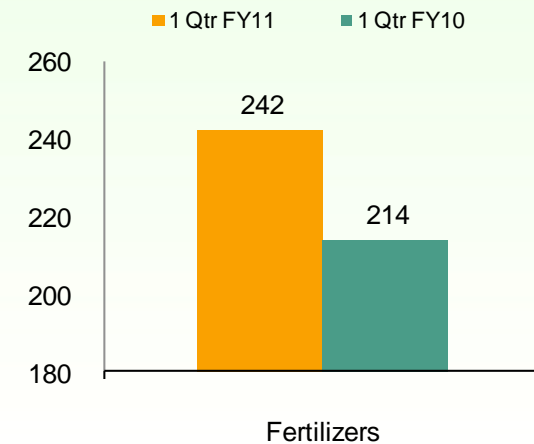


Improved performance attributable to higher sales volume and improved selling price

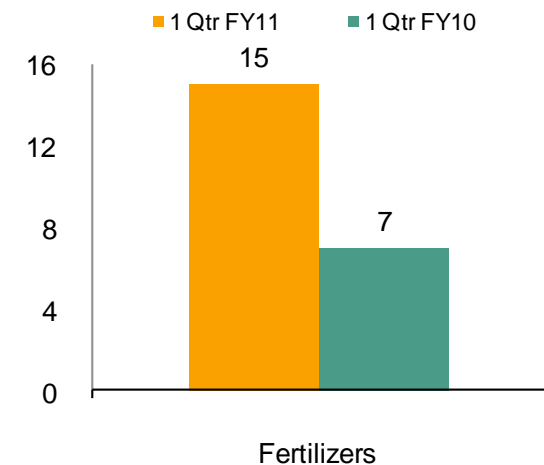
Financial review

- Total revenue increased by 13% to RM242m driven by higher sales volume and improved selling price due to strong fertilizer demand and continued high palm oil prices
- Operating profit more than doubled to RM15m driven by higher selling price and favourable profit margin

Revenue (RMm)



Operating Profit (RMm)





Credit financing

Improved performance attributable to higher loan growth and significant reduction in NPL

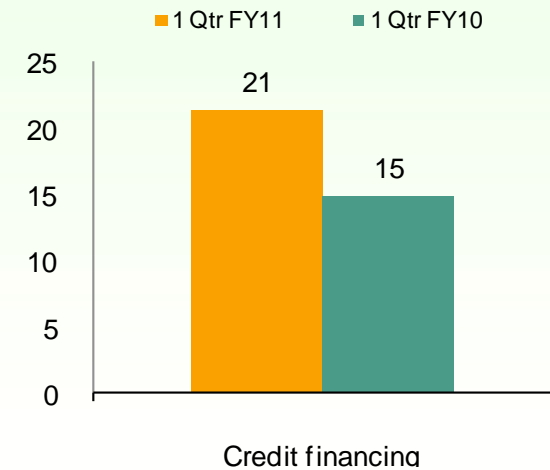
Financial review

- Revenue and operating profit registered 44% and 50% increase to RM21m and RM17m respectively due to:
 - Regularisation of NPL accounts
 - Increase in loan base by 26% from RM952m in 1st Qtr 2010 to RM1.2b in 1st Qtr 2011
 - Higher loans disbursed in 1st Qtr 2011 of RM236m compared to RM117m in 1st Qtr 2010, a 102% increase
- Gross NPL improved from 9.02% in 1st Qtr 2010 to 1.85% in 1st Qtr 2011

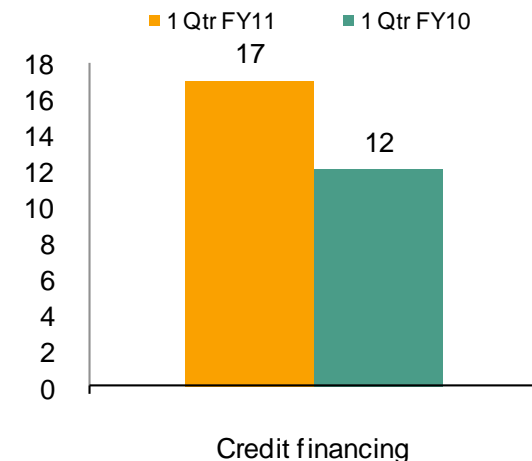
Key developments

- Loan sector remained robust with increased inquiries for equipment and machinery financing
- Business conditions continue to be favourable and stable

Revenue (RMm)



Operating Profit (RMm)





Quarry and Building Materials

Sales growing with profitability impacted by start-up cost

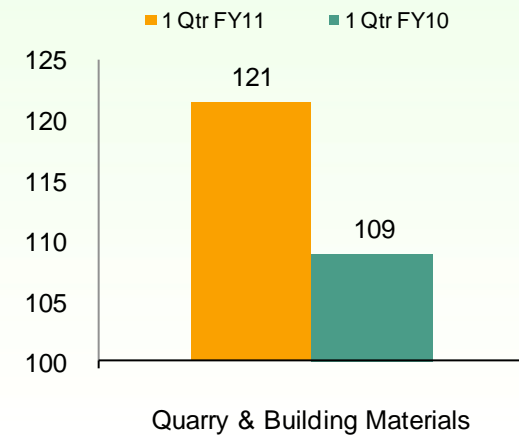
Financial review

- Revenue increased by 11% to RM121m compared to 1st Qtr 2010, reflecting new sites that have come on stream
- Operating profit fell 23% to RM5m due to start-up cost at the new KK brick factory, whilst fine tuning of operations is undertaken to ramp up production volume towards design capacity

Key developments

- Projects commissioned in 1st Qtr 2011:
 - Asphalt plant in Ulu Choh, Johor
- Projects start-ups in 1st Qtr 2011:
 - Merdukasa quarry in Pahang
 - Ulu Choh quarry in Johor
 - Sedenak brick factory in Johor
- Expanded existing sites:
 - Upgrading brick factory capacity in Tawau, Sabah

Revenue (RMm)



Operating Profit (RMm)

