



## 2<sup>nd</sup> Quarter Ended 30 June 2016 Results

26 August 2016

# Scope



1 Group financials

2 Operations review

## SECTION 1

### ● Group financials





# Consolidated income statement summary

- The Group's revenue for the current quarter rose 13% to RM1.2 billion with higher revenue from all Divisions except for Automotive Division whilst the Group's YTD revenue at RM2.3 billion was 5% above previous year corresponding period with higher revenue from Plantation, Fertilizers Trading, Credit Financing and Building Materials Divisions.
- The Group's operating profit for the quarter at RM176.3 million was 41% above last year with higher contributions from Plantation, Property and Credit Financing Divisions whilst the Group's YTD operating profit benefitted from higher profits from Property, Automotive, Credit Financing and Building Materials Divisions.

(RM' Million)	2Q16	2Q15	Change	YTD 2016	YTD 2015	Change
Revenue	1,216.8	1,074.1	13%	2,268.3	2,154.7	5%
Gross profit <sup>1</sup>	279.4	216.6	29%	512.9	488.7	5%
EBITDA	205.3	148.8	38%	451.9	363.0	25%
Operating profit <sup>2</sup>	176.3	125.2	41%	397.6	321.3	24%
Finance expenses	(32.2)	(33.3)	-3%	(66.0)	(57.4)	15%
Profit before tax	640.5	601.6	6%	826.8	771.0	7%
Taxation	(37.1)	(29.8)	24%	(75.1)	(75.9)	-1%
Profit after tax	603.4	571.8	6%	751.7	695.1	8%
Attributable to MI	15.7	14.8	6%	23.8	27.2	-12%
Attributable to shareholders	587.7	557.0	6%	727.9	667.9	9%
EPS (sen)	25.44	25.91	-2%	32.46	31.12	4%

Note:

1. Includes share of Inverfin's PBIT
2. Includes Interest Income, Share of Inverfin's PBIT by Property Division and share of associate and JV's PAT by Hafary



# Group segment results

(RM' Million)	REVENUE			OPERATING PROFIT			REVENUE			OPERATING PROFIT		
	2Q16	2Q15	Change	2Q16	2Q15	Change	YTD 2016	YTD 2015	Change	YTD 2016	YTD 2015	Change
Plantation	110.6	98.1	13%	28.7	23.8	21%	214.7	211.9	1%	52.3	53.6	- 2%
Property	189.2	114.8	65%	90.2 <sup>1</sup>	35.7 <sup>1</sup>	>100%	371.3	403.5	-8%	169.9 <sup>1</sup>	163.0 <sup>1</sup>	4%
Automotive	299.0	330.8	-10%	7.2	8.0	-10%	527.3	541.8	-3%	13.9	11.2	24%
Fertilizer Trading	287.9	236.1	22%	11.3	15.7	-28%	572.6	465.7	23%	17.7	21.8	-19%
Credit Financing	45.3	43.9	3%	37.8	36.1	5%	88.8	82.7	7%	74.1	65.8	13%
Building Materials	311.8	271.0	15%	13.4 <sup>2</sup>	20.3 <sup>2</sup>	-34%	548.3	490.4	12%	111.9 <sup>2</sup>	31.4 <sup>2</sup>	>100%
Subtotal	1,243.8	1,094.7	14%	188.6	139.6	35%	2,323.0	2,196.0	6%	439.8	346.8	27%
Consolidation adjustments & others	- 27.0	- 20.6		-12.3	-14.4		- 54.7	- 41.3		- 42.2	- 25.5	
Group	1,216.8	1,074.1	13%	176.3	125.2	41%	2,268.3	2,154.7	5%	397.6	321.3	24%

Note:

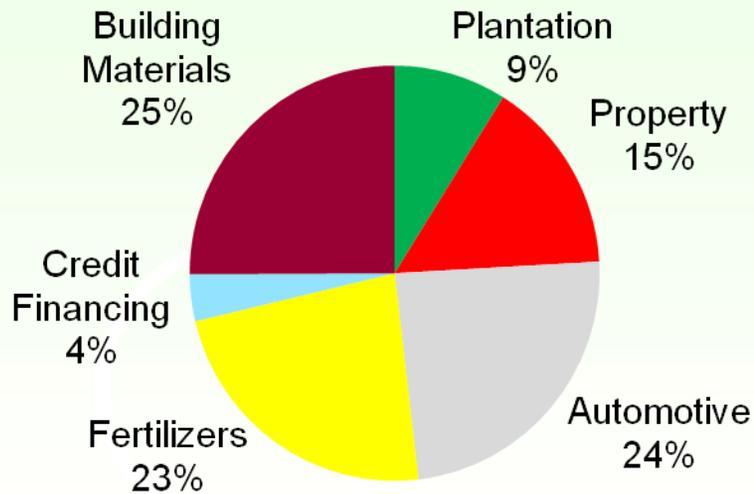
1. Includes share of Inverfin's PBIT from Menara Citibank
2. Includes share of associate and JV's results by Hafary



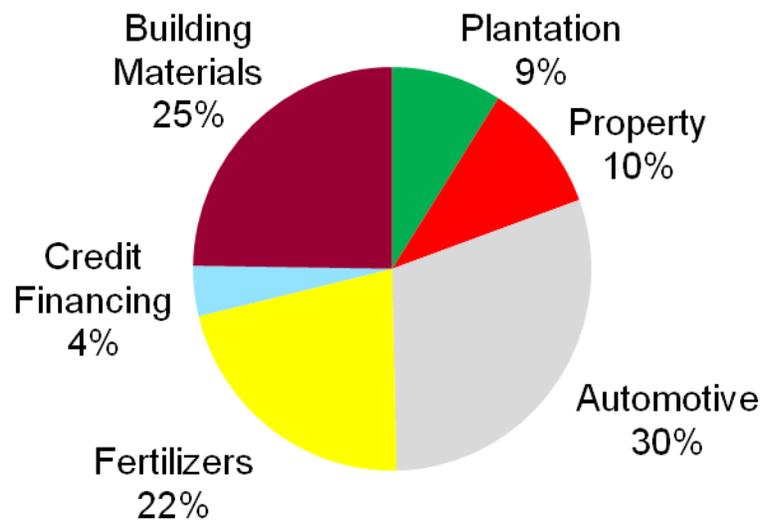
# Group segment results

## Revenue

2Q16

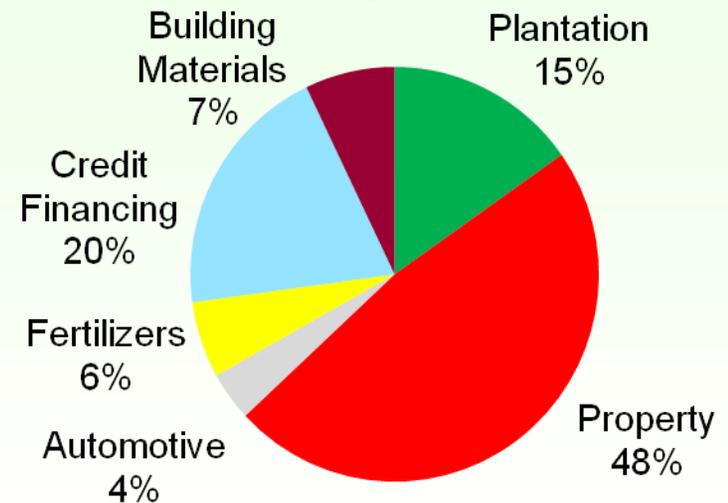


2Q15

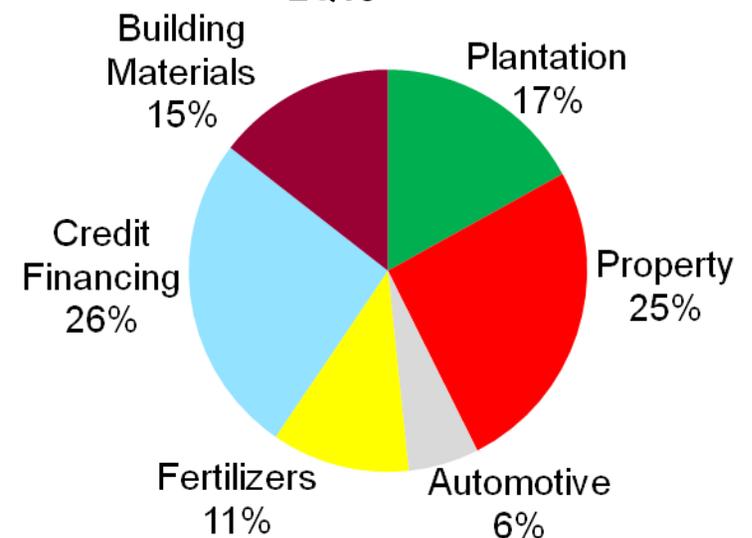


## Operating Profit\*

2Q16



2Q15

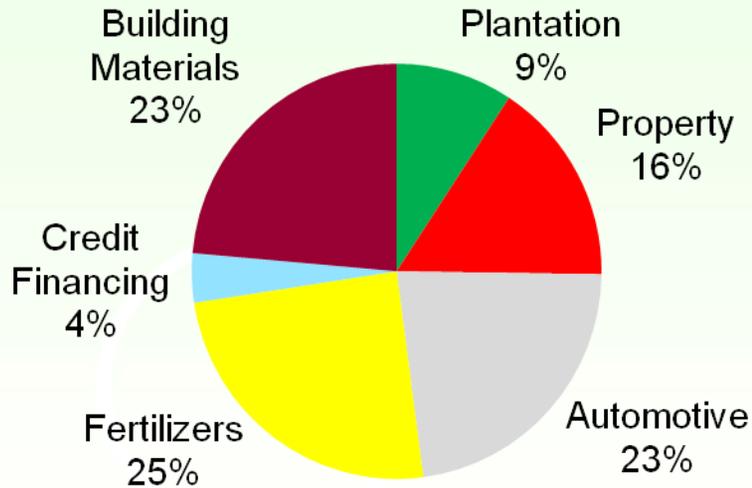




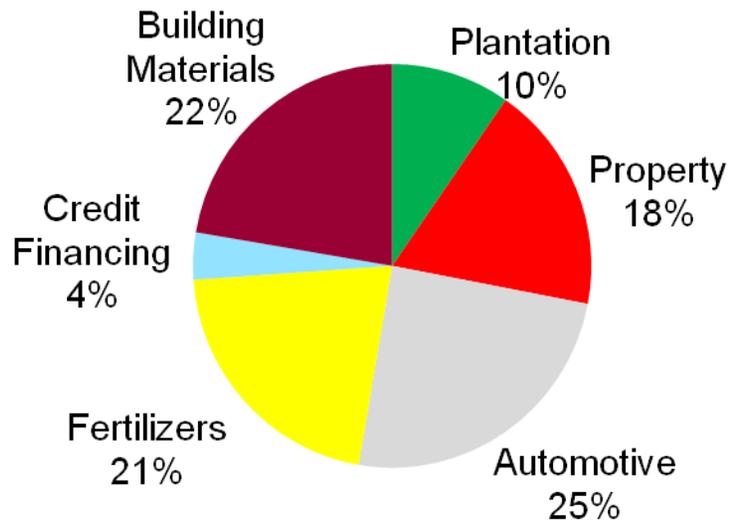
# Group segment results

## Revenue

YTD 2016

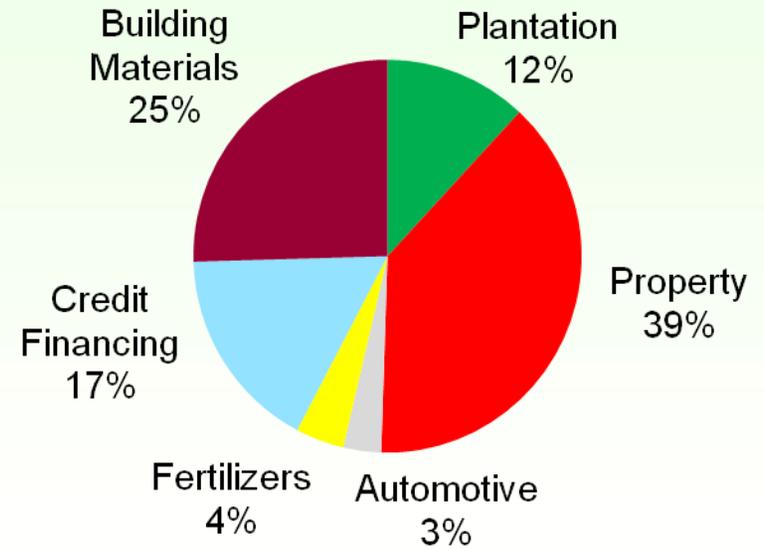


YTD 2015

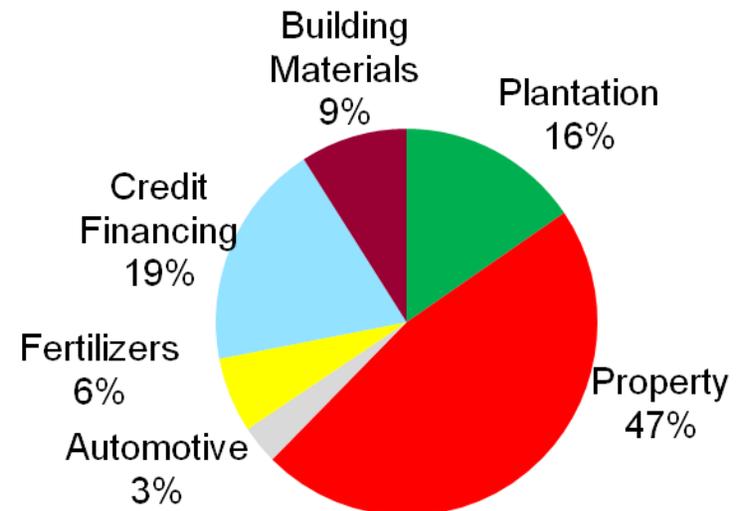


## Operating Profit\*

YTD 2016



YTD 2015



## SECTION 2

### ● Operations review

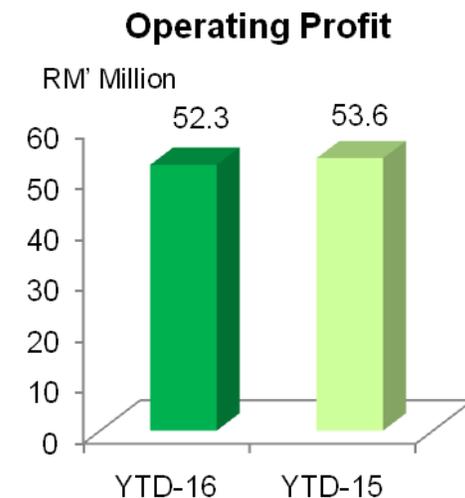
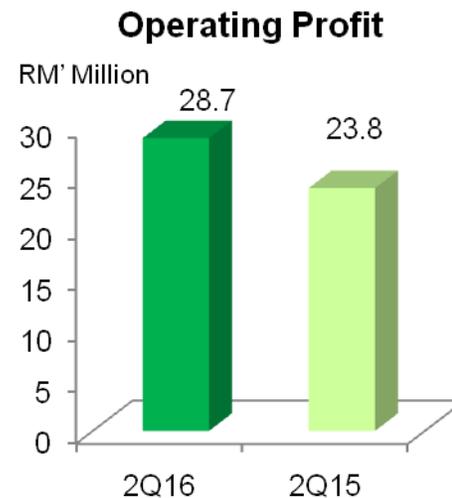
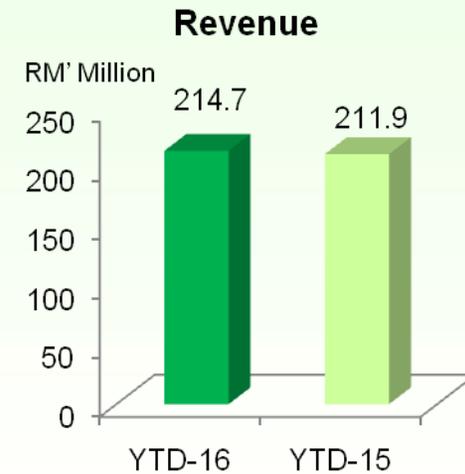
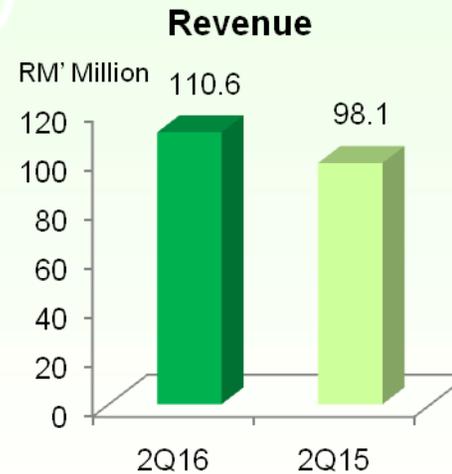




# Plantation

## Higher price realization for 2Q16 and YTD

- ❑ Division's results for the current quarter benefitted mainly from higher price realization of CPO and PK but offset somewhat by lower CPO sales volume.
  - CPO and PK price realizations were higher at RM2,661/mt (2Q15: RM2,180/mt) and RM2,411/mt (2Q15 : RM1,534/mt) respectively but CPO sales volume was 11% lower than last year at 32,928mt due to timing of deliveries whilst the PK sales volume was better than last year at 8,523mt (+4%) due to better FFB production in current quarter.
- ❑ Revenue for YTD was higher than last year with higher price realization of CPO and PK, partly offset by lower CPO and PK sales volume.
  - CPO and PK price realizations were higher at RM2,510/mt (YTD-15: RM2,199/mt) and RM2,239/mt (YTD-15 : RM1,672/mt) respectively.
  - CPO sales volume at 69,969mt was 12% lower than last year whilst PK sales volume at 15,501mt was 8% lower than last year mainly due to lower YTD FFB production volume and timing of CPO deliveries.
- ❑ The lower operating profit for YTD was mainly due to the lower sales volume of CPO and PK, higher replanting costs and higher unit production costs.
- ❑ Unit production costs for YTD was at RM1,376/mt (YTD-15: RM1,231/mt) mainly due to lower CPO production volume arising from lower FFB yield at 8.91mt/ha (YTD-15:9.78mt/ha) and lower OER at 21.46% (YTD-15: 22.12%).

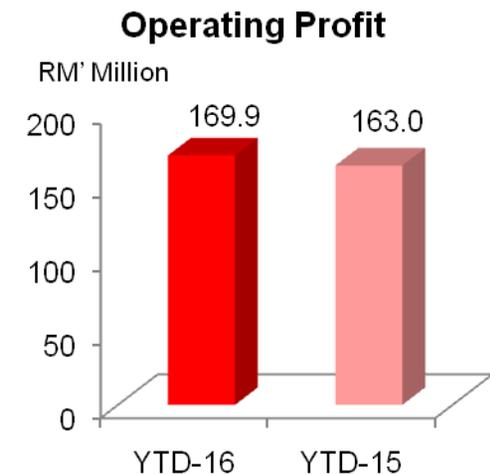
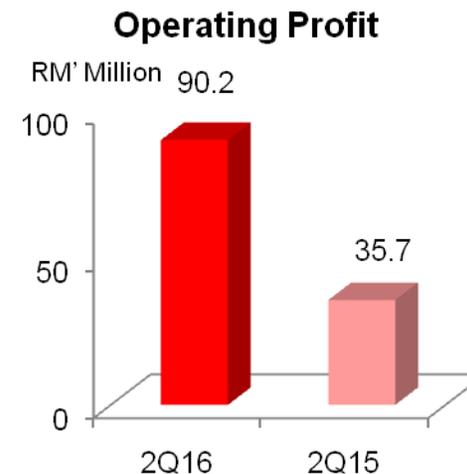
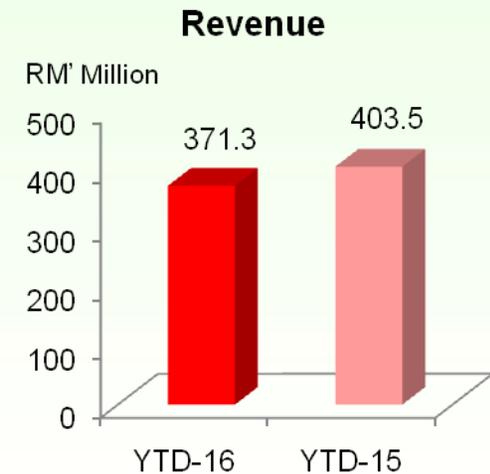
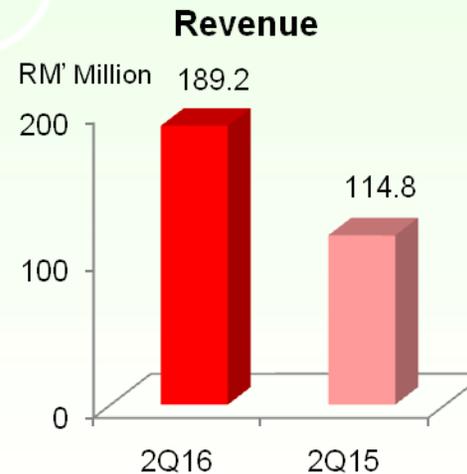




# Property

## Higher contributions from investment properties mitigated shortfall from projects

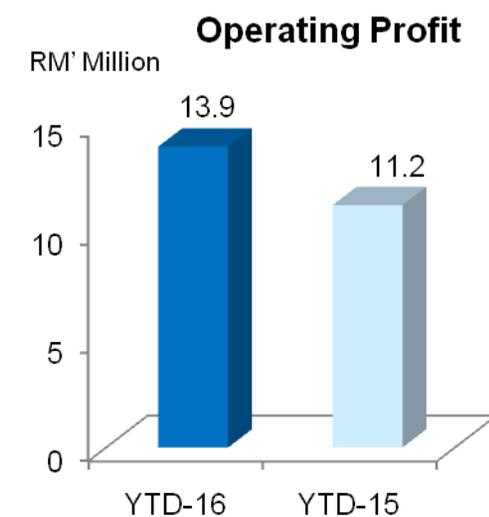
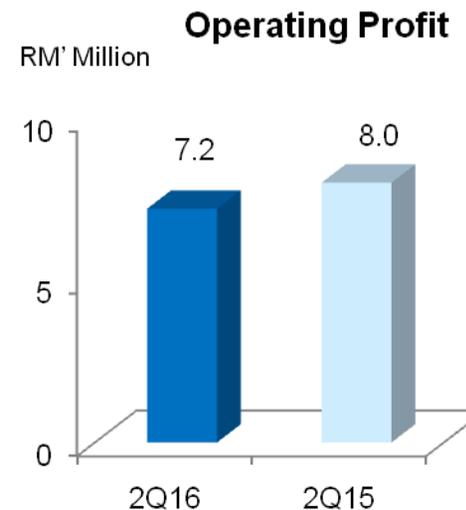
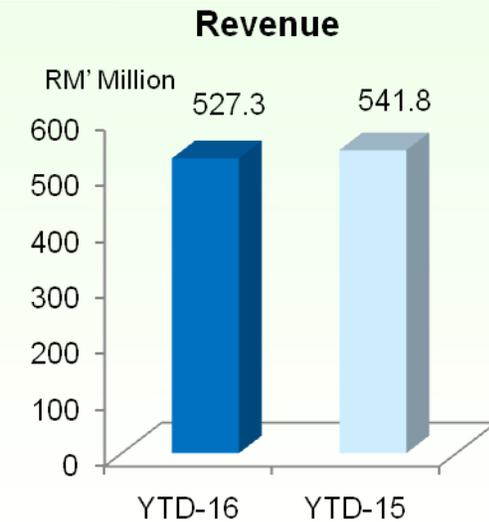
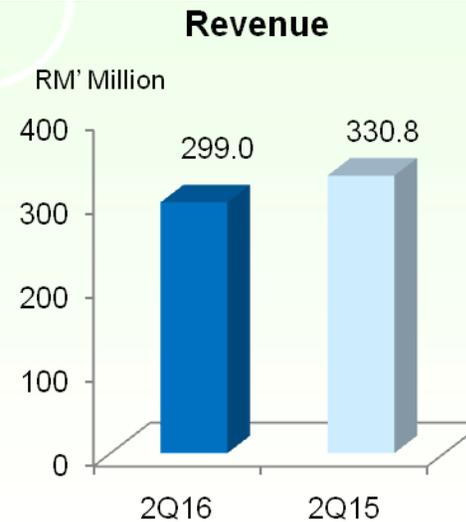
- ❑ The Division's revenue and operating profits for the current quarter benefitted from higher contributions from project sales and investment properties and sale of certain non-strategic properties.
- ❑ Increase in the investment properties' contributions were mainly due to higher occupancy rate for Menara Hap Seng 2 and Plaza Shell Kota Kinabalu whilst Menara Hap Seng and Menara Citibank continued to enjoy good occupancy and rental rates.
- ❑ However, the current YTD results were affected by lower contributions from projects sales.
- ❑ New development projects planned for launches in 2016 include mixed development in Balakong, affordable apartments and landed properties in Sabah.





## Double digit growth for aftersales segment

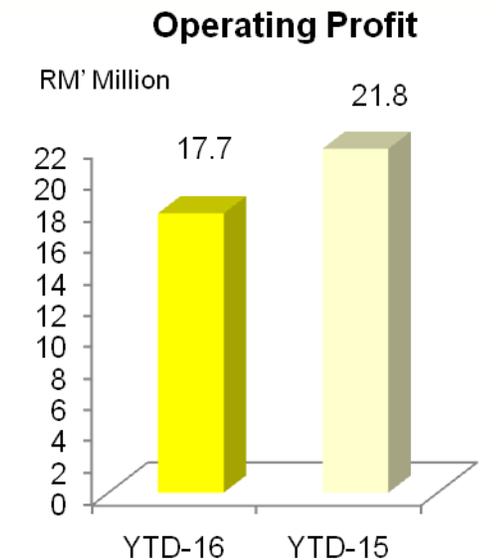
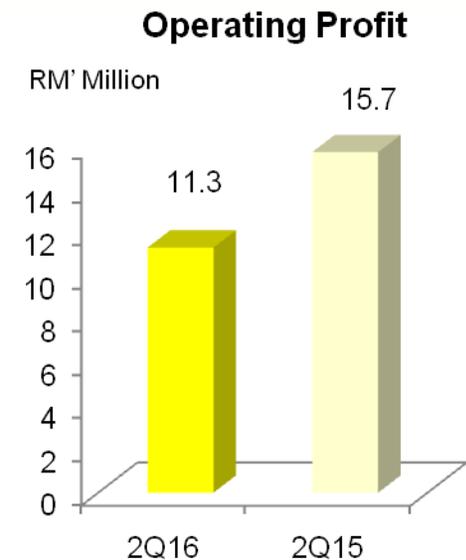
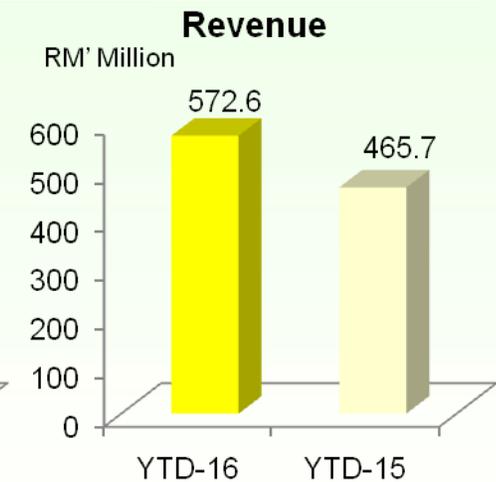
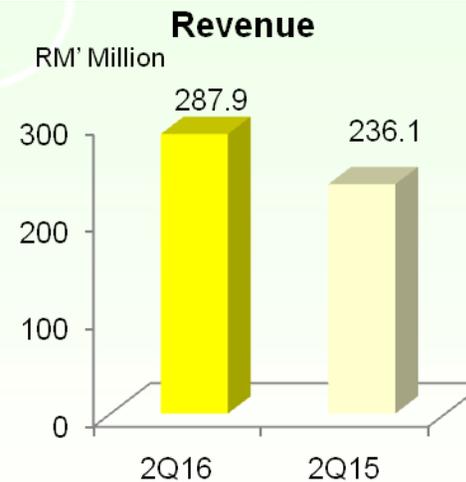
- ❑ The sales volume of Mercedes-Benz passenger vehicles for the current YTD was higher by 14% as compared to the corresponding period last year.
- ❑ However, lower revenue were recorded for the current quarter and YTD as previous year corresponding period benefitted from sales of higher end models.
- ❑ After sales segment recorded revenue growth of 34% for the current quarter and 35% for YTD as compared to the previous year corresponding period on the back of higher throughput, mitigating the lower revenue and profit contributions from passenger vehicles.
- ❑ Order book remains strong particularly for the C-Class, E-Class, S-Class and GLC models.





## Higher sales volume mitigated compressed margin

- ❑ The Division's revenue for the current quarter at RM287.9 million and YTD at RM572.6 million were 22% and 23% above the previous year corresponding period respectively with both the Malaysian and Indonesian operations achieving higher YTD sales volume and average selling price.
- ❑ The Division operating profits for the current quarter and YTD were affected by lower margin from the Malaysian operations. Nonetheless, both the Malaysian and Indonesian operations remained profitable in the current quarter and YTD.

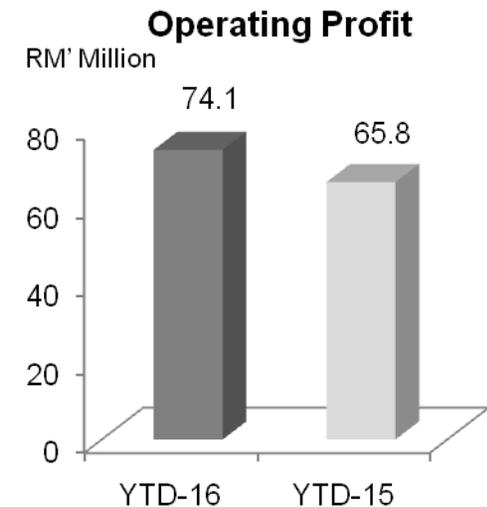
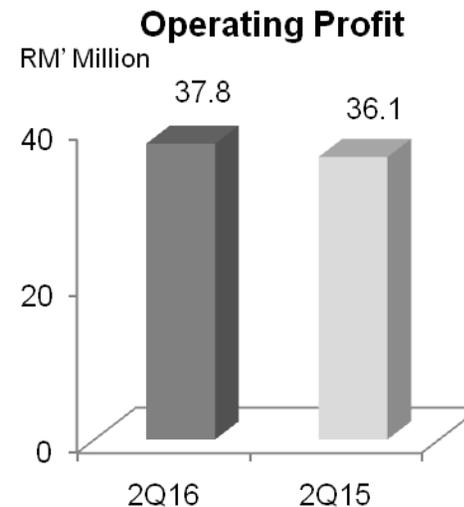
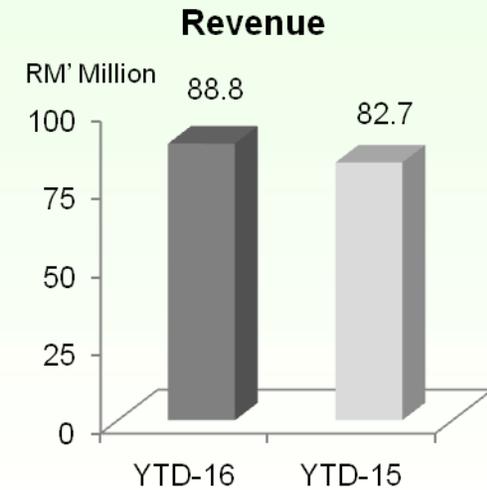
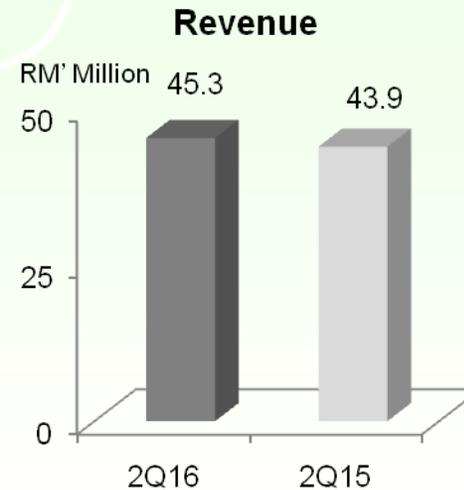




# Credit financing

## Stable earnings and loan base growth

- ❑ The revenue and operating profit for previous year corresponding period included the results from Hap Seng Capital Pte Ltd (“HSCPL”) which has since been disposed off effective June 2015.
- ❑ The Malaysian operations recorded revenue growth of 14% for the quarter and 16% for YTD with operating profit growth of 18% and 23% respectively on the back of higher loan base.
- ❑ As at end of June 2016, loan base was at RM2.19 billion, 9% higher than corresponding period loan base of RM2 billion.
- ❑ West Malaysia accounted for 84% of the total loans whilst East Malaysia accounted for 16%.
- ❑ NPL ratio was at 2.10% as at end of June 2016 as compared to 1.32% a year ago.

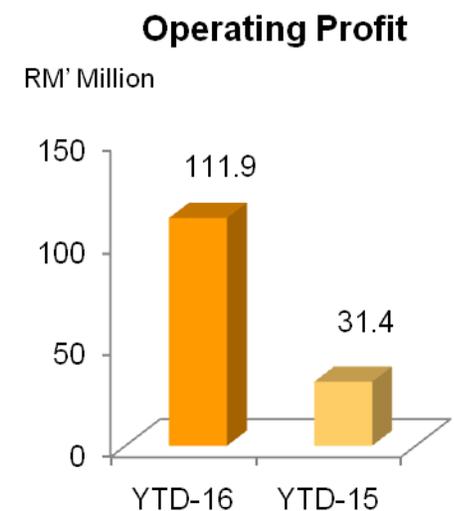
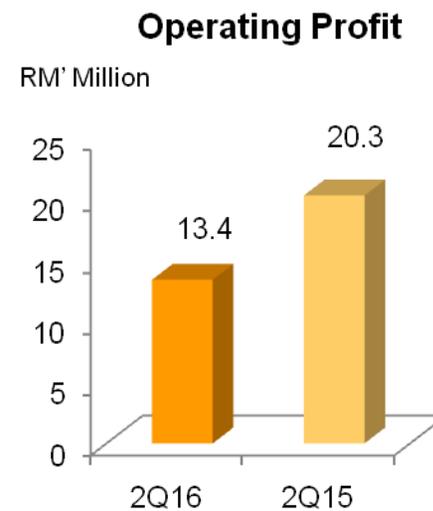
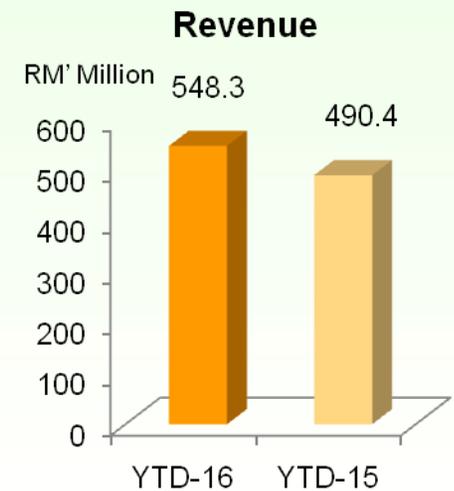
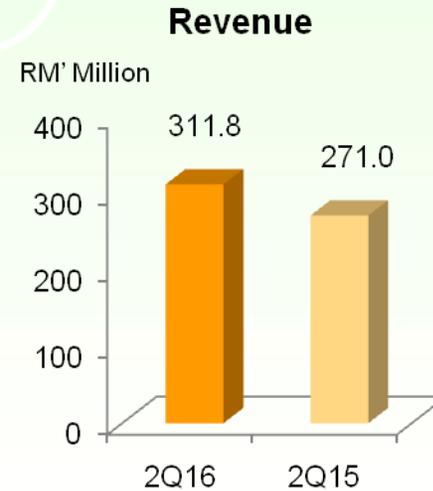




# Building Materials

## Revenue boosted by MMSB's results and better results from Trading segment.

- ❑ The Division recorded higher revenue by 15% for the current quarter and 12% for YTD as compared to the previous year corresponding period, benefitting from higher contributions from the trading of building materials in Malaysia and the inclusion of MMSB results upon the completion of MMSB acquisition at the end of May 2016.
- ❑ However, the Division's operating profit for the current quarter was affected by lower revenue from Singapore operations and lower revenue with compressed margin at the quarry, asphalts and bricks operations.
- ❑ Nonetheless, higher operating profit was recorded for the current YTD, benefitting from the gain on disposal of certain parcels of land.



# Thank You

