HAP SENG

Creating
Value
Together







4th Quarter Ended 31 December 2022 Results

24th February 2023

Scope

SECTION 1

Group Financials

Consolidated income statement summary

- The Group's 4Q22 revenue and operating profit at RM1.79b and RM228.7m were below last year by 3% and 58% respectively with lower contribution from Plantation, Property and Credit Financing Divisions.
- Consequently, the Group's PBT and PAT for 4Q22 at RM185m and RM122.4m were both 64% lower than last year.
- The Group's FY2022 revenue at RM7.1b was higher than last year by 18% with higher contribution from Plantation, Automotive, Trading and Building Materials Divisions. However, the Group's FY2022 operating profit at RM1.07b was lower than last year by 33% mainly due to lower land sales from Property Division.
- The Group's FY2022 PBT at RM1.33b was lower than last year by 8%, whilst PAT at RM1.06b was 6% higher than last year due to lower tax expense attributable to capital gain not subjected to tax.
- Consequently, the Group's FY2022 EPS at 38.18 sen was 6% higher than last year.

(RM' Million)	4Q22	4Q21	Change	FY 2022	FY 2021	Change
Revenue	1,791.0	1,839.3	(3%)	7,110.5	6,012.8	18%
Gross profit [1]	417.8	715.8	(42%)	1,640.0	2,187.0	(25%)
EBITDA	266.0	590.5	(55%)	1,235.8	1,790.4	(31%)
Operating profit [2]	228.7	548.8	(58%)	1,070.3	1,608.6	(33%)
Finance expenses	(31.1)	(42.3)	27%	(155.9)	(176.1)	11%
Profit before tax	185.0	514.5	(64%)	1,330.5	1,449.9	(8%)
Taxation	(62.6)	(178.9)	65%	(267.6)	(444.6)	40%
Profit after tax	122.4	335.6	(64%)	1,062.9	1,005.3	6%
Attributable to shareholders	98.0	300.5	(67%)	950.7	900.4	6%
Attributable to MI	24.4	35.1	(30%)	112.2	104.9	7%
EPS (sen)	3.94	12.07	(67%)	38.18	36.17	6%

Note:

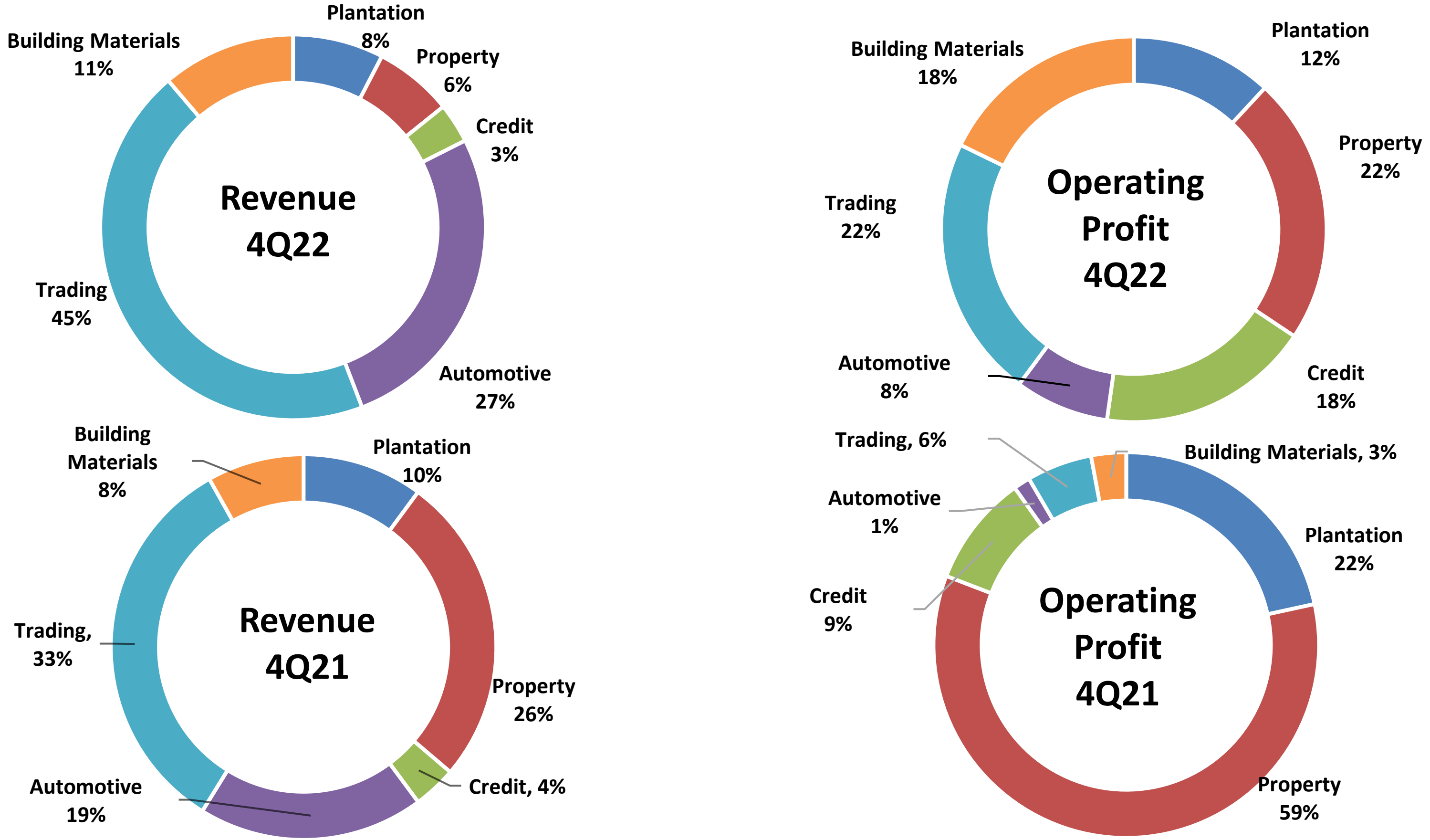
1. *Includes share of Inverfin and Sunrise Strategy's PBIT*
2. *Includes Interest Income, Share of Inverfin and Sunrise Strategy's PBIT by Property Division and share of associate and JV's PAT by Hafary.*

Group segment results

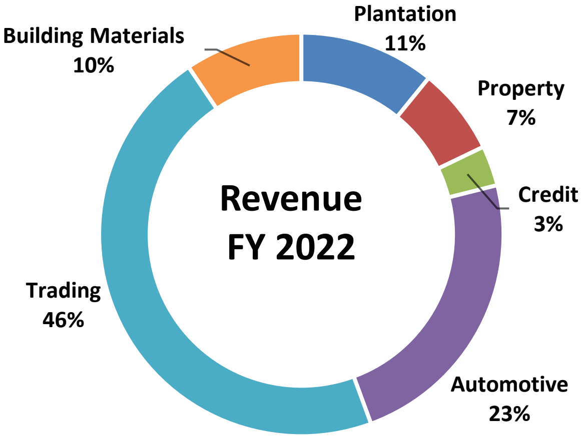
(RM' Million)	REVENUE			OPERATING PROFIT			REVENUE			OPERATING PROFIT		
	4Q22	4Q21	Change	4Q22	4Q21	Change	FY 2022	FY 2021	Change	FY 2022	FY 2021	Change
Plantation	143.6	194.8	(26%)	28.5	118.7	(76%)	814.6	670.9	21%	266.9	292.6	(9%)
Property [1]	124.1	502.1	(75%)	53.8	325.9	(83%)	523.9	1,538.5	(66%)	176.7	998.7	(82%)
Credit Financing	62.8	69.9	(10%)	42.8	51.4	(17%)	241.7	288.1	(16%)	194.5	211.2	(8%)
Automotive	500.3	364.6	37%	18.9	7.7	147%	1,748.7	1,206.0	45%	66.9	8.0	740%
Trading	839.3	636.1	32%	52.9	30.2	75%	3,463.8	2,027.8	71%	297.0	97.2	206%
Building Materials [2]	210.9	156.4	35%	42.6	16.1	164%	706.0	543.2	30%	144.8	62.1	133%
Subtotal	1,881.0	1,923.9	(2%)	239.5	550.0	(56%)	7,498.7	6,274.5	20%	1,146.8	1,669.8	(31%)
Consolidation adjustments & others	(90.0)	(84.6)		(10.8)	(1.2)		(388.2)	(261.7)		(76.5)	(61.2)	
Group	1,791.0	1,839.3	(3%)	228.7	548.8	(58%)	7,110.5	6,012.8	18%	1,070.3	1,608.6	(33%)

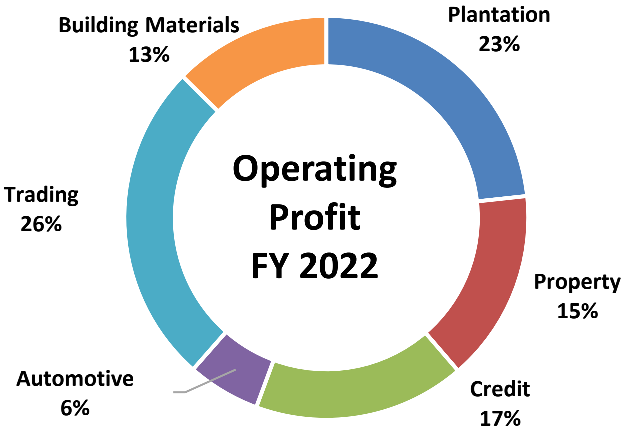
Note:
1. *Includes share of Inverfin and Sunrise Strategy's PBIT*
2. *Includes share of associate and JV's results by Hafary*

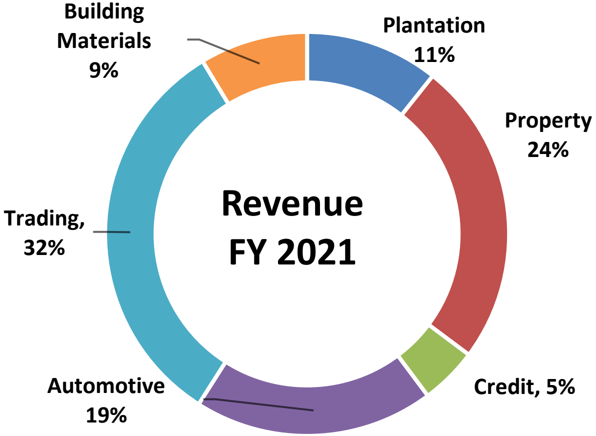
Group segment results – 4th Quarter

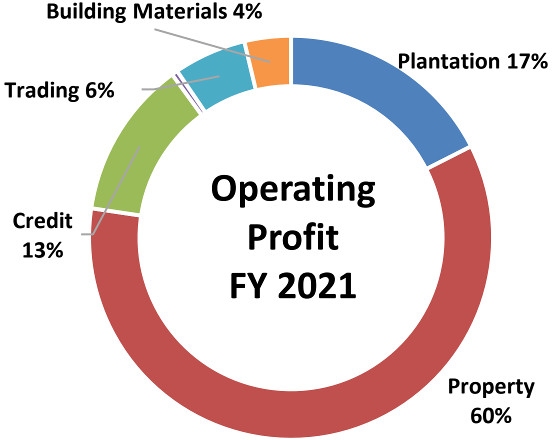


Group segment results – Full Year









SECTION 2

Operations Review

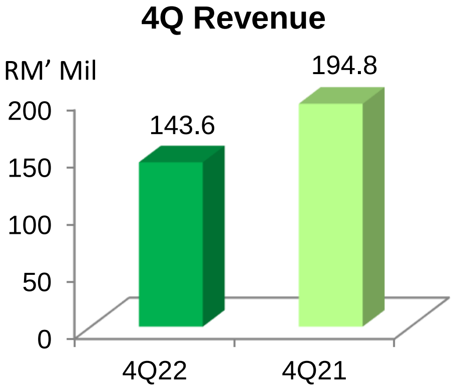
Plantations

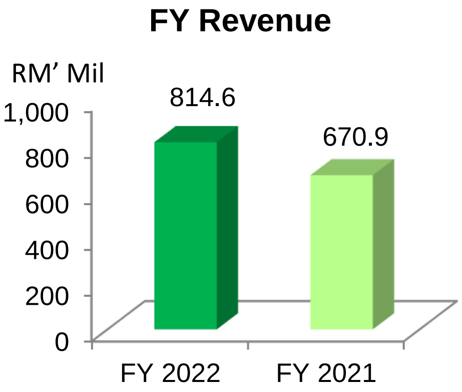
Higher FY2022 average selling price dampened by costs increases

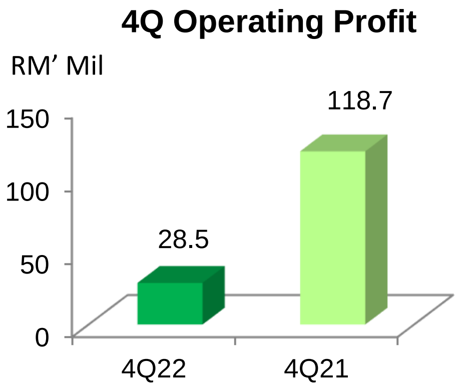
- 4Q22 Revenue was 26% lower than last year, dampened by lower average selling prices of all palm products and lower sales volume of CPO. However, FY2022 Revenue was 21% above last year with higher average selling prices of all palm products.
- 4Q22 and FY2022 CPO sales volume were lower than last year by 3% and 1% respectively due to timing of deliveries

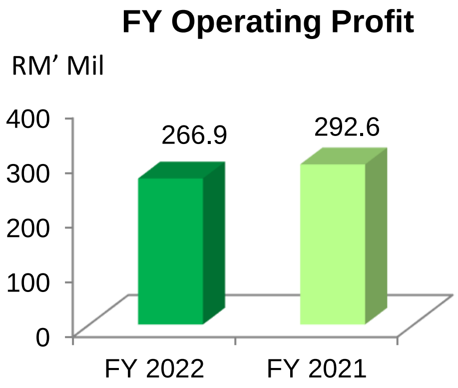
	4Q22	4Q21	FY 2022	FY 2021
Average Prices • CPO • PK	 4,019 2,245	 5,103 3,762	 5,530 3,278	 4,432 2,952
Sales Volume • CPO • PK	 30,066 8,708	 30,972 8,430	 126,846 29,398	 127,726 30,307
Production Vol. • FFB • CPO • PK	 177,161 40,543 8,647	 164,965 36,641 8,328	 583,943 130,510 29,450	 593,279 133,284 30,286

- 4Q22 and FY2022 Operating profit were 76% and 9% lower than last year respectively, dampened by higher production costs due to higher fertilizer and diesel costs, increase in minimum wage, and loss from fair value adjustments.
- FY2022 Production costs of CPO was at RM2,559/mt (FY 2021: RM1,844/mt) due to lower production volume and the aforementioned costs increases.
- .FY2022 CPO production volume was lower than last year due to lower FFB production and lower FFB purchased.





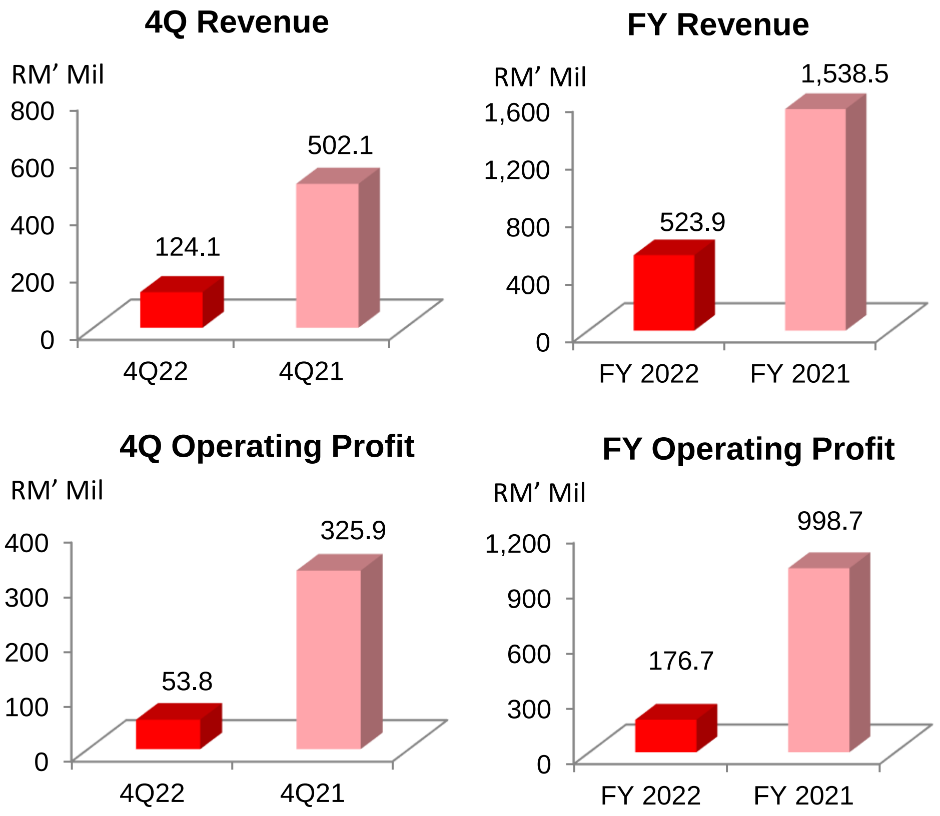




Property Investment and Development

Improvements in property sales and rental dampened by lower land sales

- The Division's 4Q22 and FY2022 Revenue and Operating Profit were lower than last year mainly due to lower sales of land.
- FY2022 revenue from its property development segment was higher than last year by 6% due to higher units of completed project stock sold despite lower units sold for 4Q22.
- The investment properties segments registered 9% and 8% higher rental revenue for 4Q22 and FY2022 respectively with stable occupancy rates and rental yield from its major investment properties in Kuala Lumpur City Centre, Kota Kinabalu and Labuan.
- The Division's hospitality segment has commenced operations in October 2022 with the opening of its first 5-star hotel, Hyatt Centric in Kota Kinabalu.

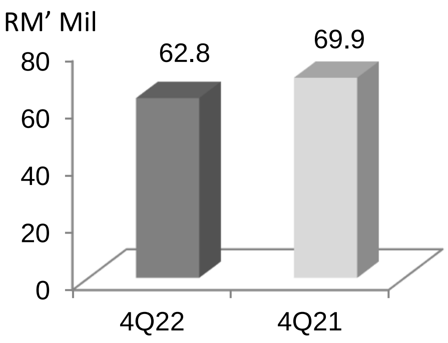


Credit Financing

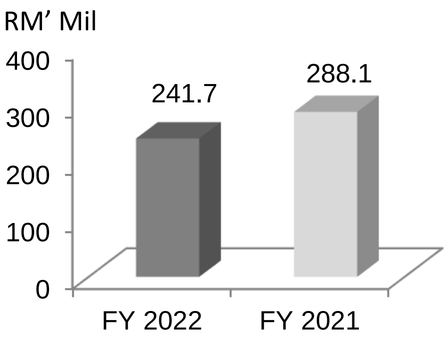
Lower loan base with cautious lending practices

- The Division's 4Q22 and FY2022 revenue and operating profit were lower than last year mainly due to lower loan base.
- The Division's loan base of RM2.85 billion as at end 4Q22 was lower by 20% (4Q21: RM3.54 billion) due to early loan redemptions and lower loan disbursements as the division continue to consolidate its business operations.
- NPL ratio as at end 4Q22 was higher at 2.10% (4Q21: 1.99%).
- FY2022 Operating profit were mitigated by lower provision for loan impairments.

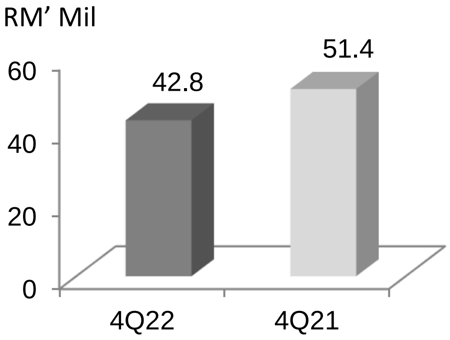
4Q Revenue



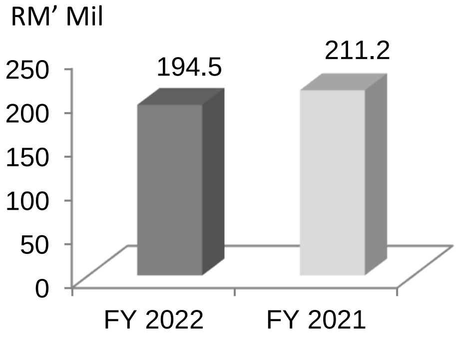
FY Revenue



4Q Operating Profit



FY Operating Profit

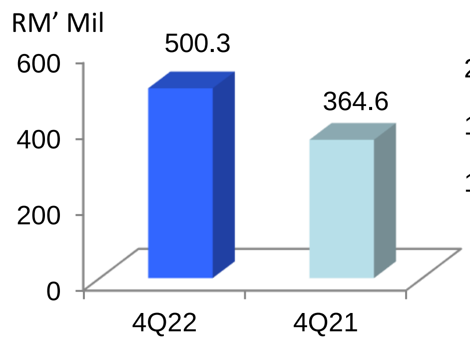


Automotive

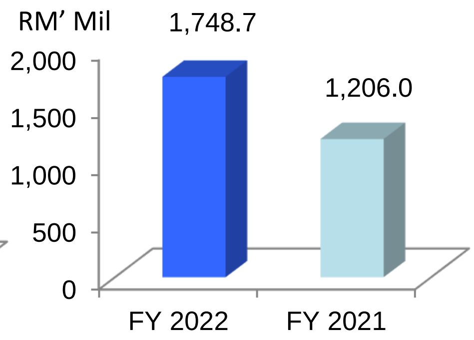
Improved FY2022 results from both PV and CV segments

- The Division registered higher 4Q22 revenue with higher contribution from passenger vehicles ("PV"). The higher FY2022 revenue were attributed to both PV and commercial vehicles ("CV") segments.
- The PV segment's 4Q22 and FY2022 revenue were 52% higher than last year respectively , supported by:
    - ✓ Higher 4Q22 and FY2022 sales volume by 36% and 46% respectively, boosted by backlog deliveries of stocks from the principal and fulfilment of orders received prior to the expiry of the sales tax exemption.
    - ✓ Higher 4Q22 and FY2022 revenue from the aftersales segment by 9% and 26% respectively with 19% increase in FY2022 throughput.
- The CV segment's FY2022 revenue was 19% higher than last year with higher sales volume and higher average selling price, despite lower revenue for 4Q22 due to lower sales volume.
- Consequently, the Division's 4Q22 and FY2022 operating profit were significantly higher than last year.

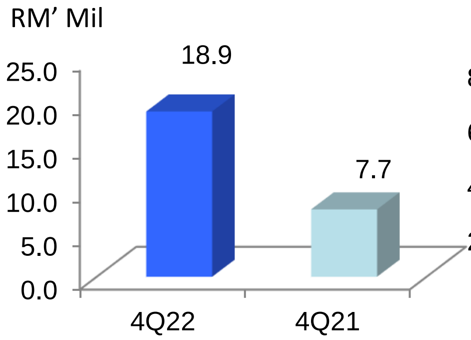
4Q Revenue



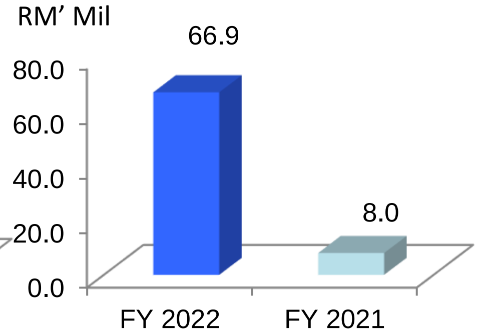
FY Revenue



4Q Operating Profit



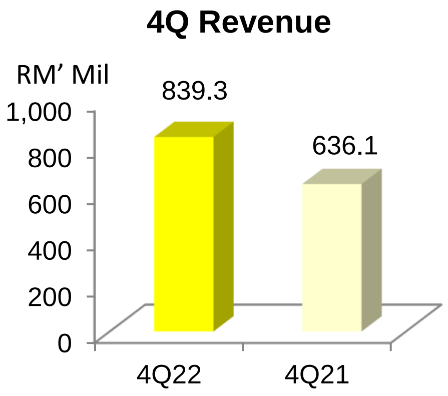
FY Operating Profit

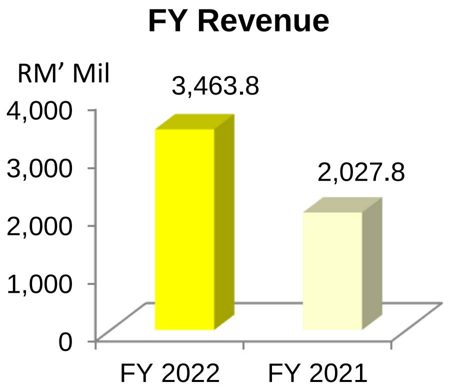


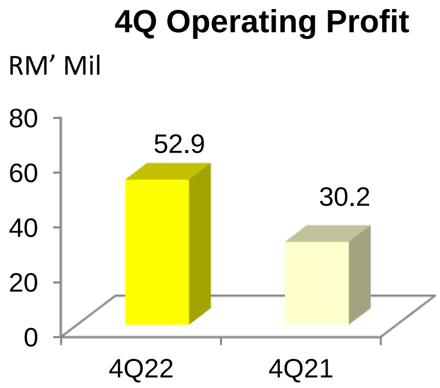
Trading

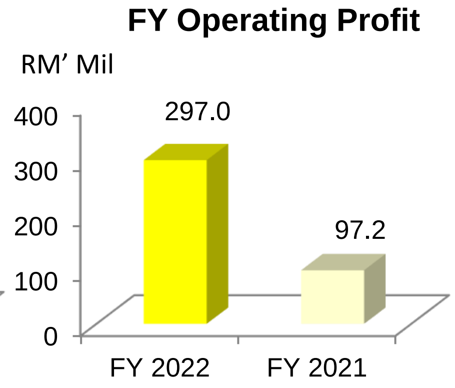
Improved results from all businesses

- The Division comprises the fertilizers trading ("FT"), general trading ("GT"), and ceramic tiles business under Malaysian Mosaics Sdn Bhd ("MMSB").
- Division's 4Q22 and FY2022 revenue were 32% and 71% above last year respectively with higher revenue from all its businesses.
- FT's 4Q22 and FY2022 revenue were 36% and 81% higher than last year respectively attributable to higher average selling prices despite lower sales volume. Fertilizer prices remain elevated as global supply of fertilizers particularly potash and phosphates, were affected by the pro-longed geopolitical tension in Europe, and the export restrictions on phosphates imposed by China.
- 4Q22 and FY2022 Revenue from GT segment increased by 24% and 45% respectively while MMSB's revenue were 17% and 37% above last year respectively as activities in the property development and construction sectors normalize towards the pre COVID-19 pandemic level.
- Consequently, the Division's 4Q22 and FY2022 operating profit were 75% and 206% above last year respectively.







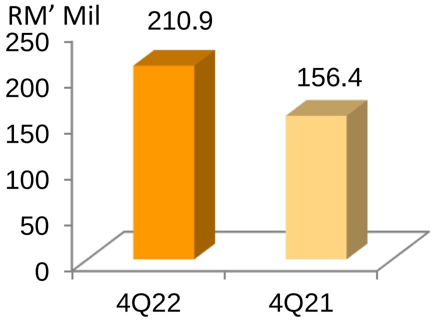


Building Materials

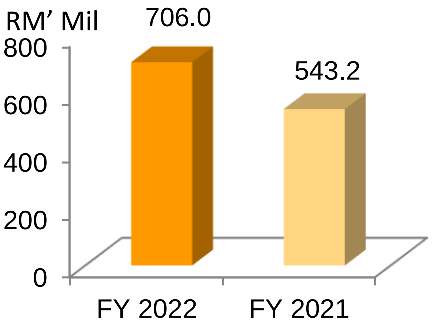
Results supported by the increase in construction activities in Malaysia and Singapore

- The Division comprises the quarry, asphalts and bricks businesses ("QBM"); and trading of building materials by Hafary ("Hafary").
- The Division's 4Q22 and FY2022 Revenue were 35% and 30% higher than last year respectively with higher contribution from Hafary for 4Q22 and from both business segments for FY2022.
- QBM's FY2022 revenue was higher than last year by 7% mainly from higher average selling prices and higher sales of aggregates which benefitted from the increase in activities in the Malaysian construction sector.
- Hafary's 4Q22 and FY2022 revenue grew by 53% and 39% above last year respectively with higher sales from both its project and general sectors, benefitted from the increase in construction and renovation activities in Singapore.
- Consequently, the Division's 4Q22 and FY2022 operating profit were 164% and 133% above last year respectively.

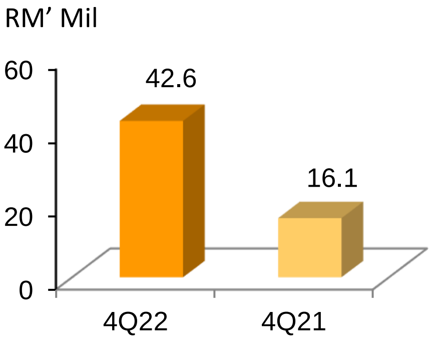
4Q Revenue



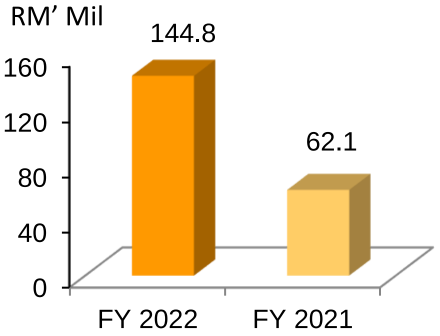
FY Revenue



4Q Operating Profit



FY Operating Profit



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