



3rd Quarter Ended 30 September 2016 Results

25 November 2016

Scope



1 Group financials

2 Operations review

SECTION 1

● Group financials





Consolidated income statement summary

- The Group recorded revenue of RM1.4 billion for the current quarter with operating profit of RM287.9 million, higher than the corresponding period last year by 22% and 15% respectively.
- The Group's YTD revenue at RM3.68 billion was 11% above the corresponding period last year whilst the Group's YTD operating profit at RM685.5 million was above the corresponding period last year by 20%.
- The Group's results for the current quarter and YTD benefitted from higher contributions from most Divisions.

(RM' Million)	3Q16	3Q15	Change	YTD 2016	YTD 2015	Change
Revenue	1,414.5	1,156.8	22%	3,682.9	3,311.4	11%
Gross profit ¹	414.3	318.2	30%	941.4	817.4	15%
EBITDA	318.8	274.9	16%	770.7	637.9	21%
Operating profit ²	287.9	251.2	15%	685.5	572.5	20%
Finance expenses	(31.3)	(26.1)	20%	(97.3)	(83.5)	17%
Profit before tax	258.5	228.3	13%	1,085.3	999.4	9%
Taxation	(67.1)	(50.1)	34%	(142.1)	(126.0)	13%
Profit after tax	191.4	178.2	7%	943.2	873.4	8%
Attributable to MI	24.8	15.1	64%	48.7	42.4	15%
Attributable to shareholders	166.6	163.1	2%	894.5	831.0	8%
EPS (sen)	6.73	7.58	-11%	38.55	38.69	-

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

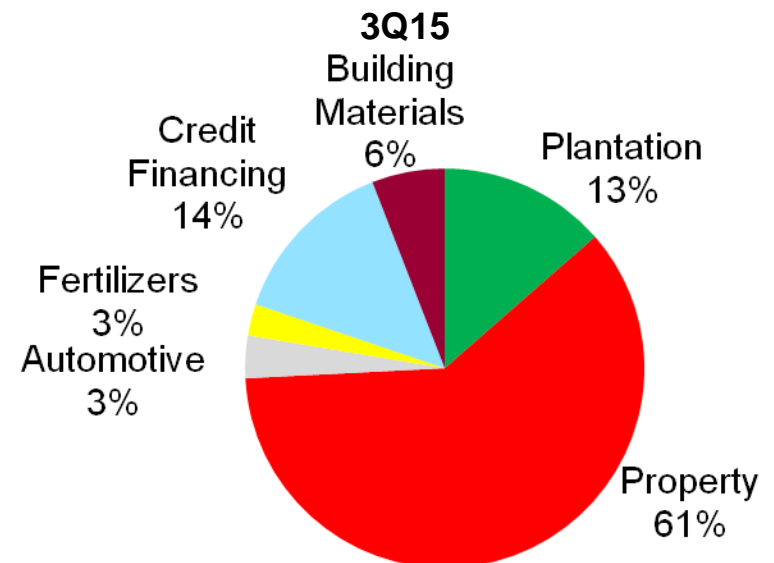
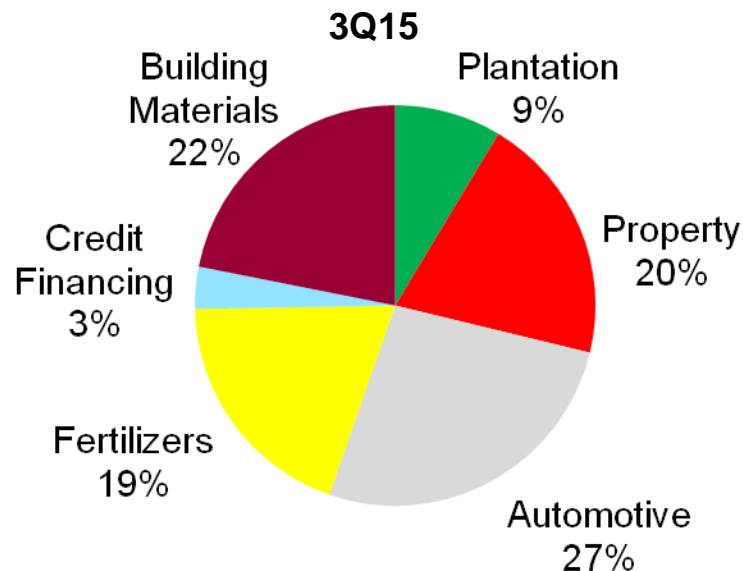
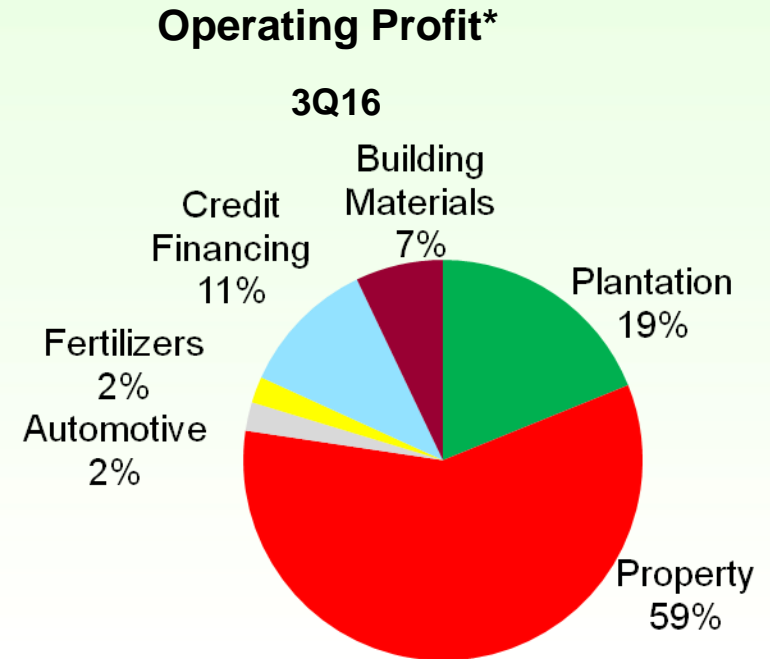
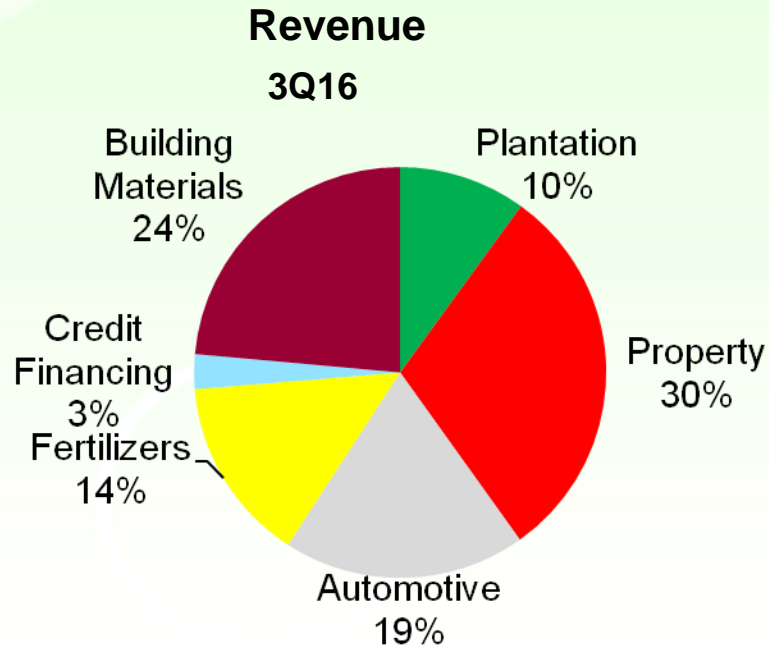
(RM' Million)	REVENUE			OPERATING PROFIT			REVENUE			OPERATING PROFIT		
	3Q16	3Q15	Change	3Q16	3Q15	Change	YTD 2016	YTD 2015	Change	YTD 2016	YTD 2015	Change
Plantation	160.2	102.8	56%	57.6	30.8	87%	374.9	314.7	19%	109.9	84.4	30%
Property	482.2	240.6	100%	178.6 ¹	137.9 ¹	30%	852.9	644.1	32%	348.5 ¹	300.9 ¹	16%
Automotive	305.4	316.9	-4%	7.1	7.8	-10%	832.7	858.7	-3%	21.0	19.0	10%
Fertilizer Trading	232.6	231.4	1%	6.5	5.8	11%	805.2	697.1	16%	24.2	27.6	-12%
Credit Financing	43.7	40.4	8%	33.9	31.6	7%	132.5	123.1	8%	108.0	97.5	11%
Building Materials	377.4	261.1	45%	21.6 ²	13.4 ²	61%	925.7	751.5	23%	133.5 ²	44.9 ²	>100%
Subtotal	1,601.5	1,193.2	34%	305.3	227.3	34%	3,923.9	3,389.2	16%	745.1	574.3	30%
Consolidation adjustments & others	-187.0	-36.4		-17.4	23.9		-241.0	-77.8		-59.6	-1.8	
Group	1,414.5	1,156.8	22%	287.9	251.2	15%	3,682.9	3,311.4	11%	685.5	572.5	11%

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

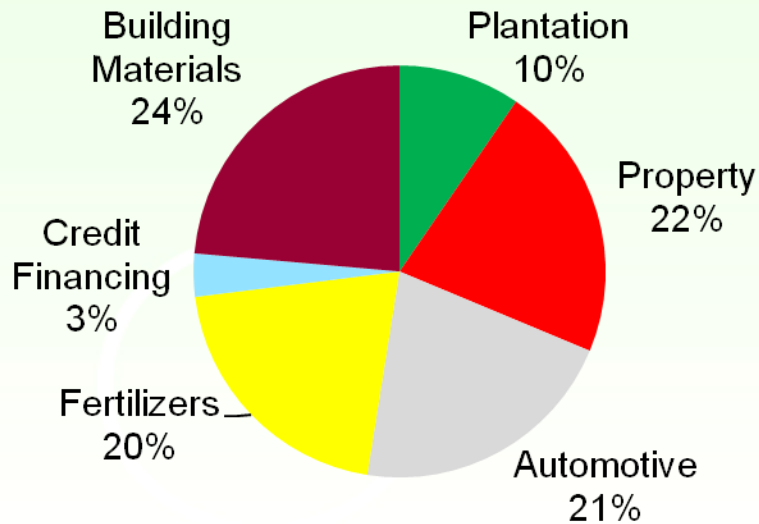


Group segment results

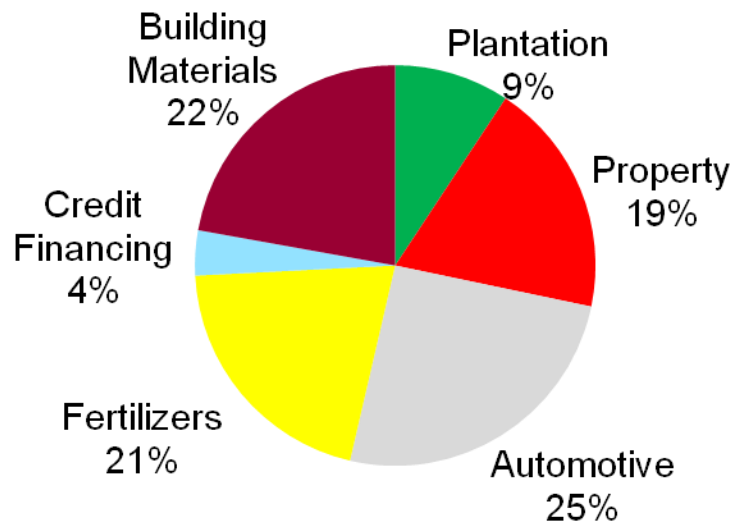


Revenue

YTD 2016

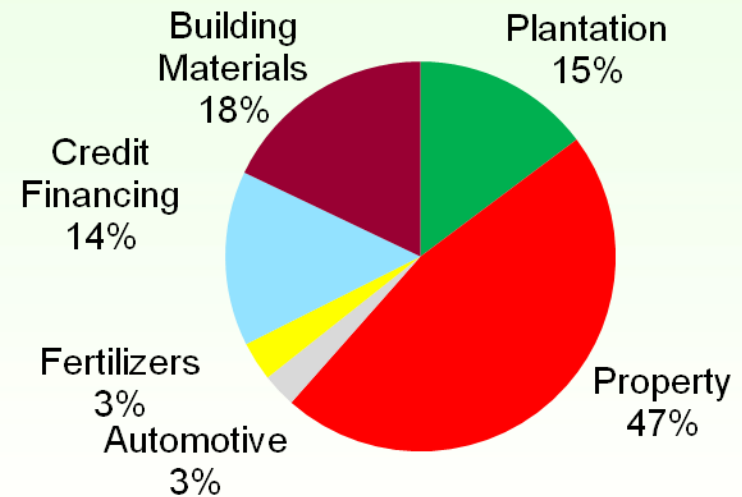


YTD 2015

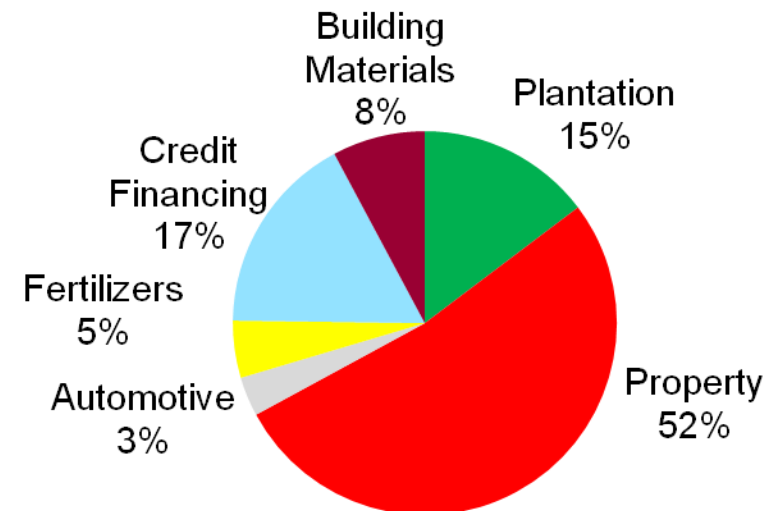


Operating Profit*

YTD 2016



YTD 2015



SECTION 2

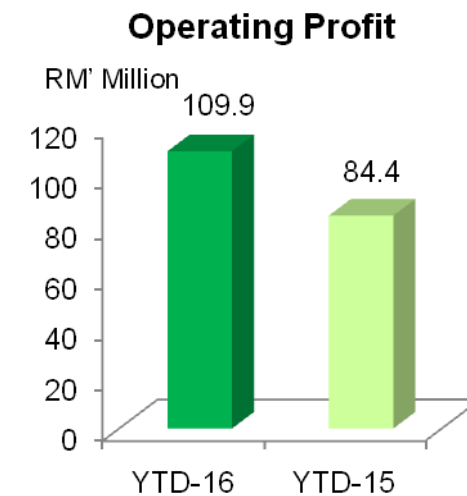
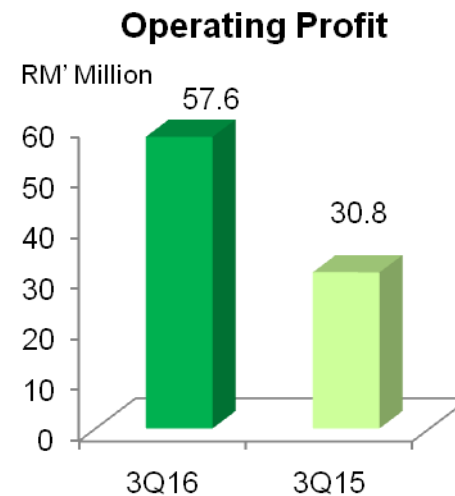
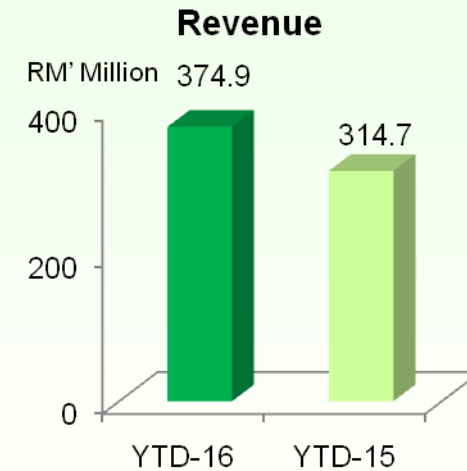
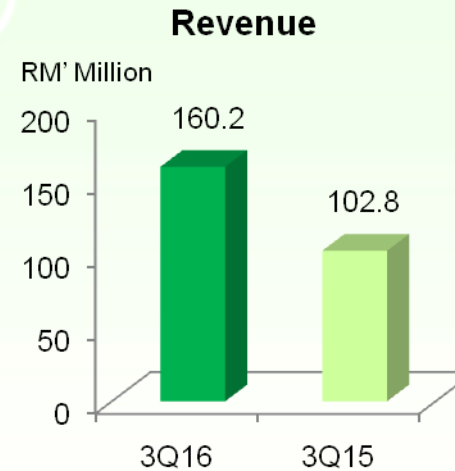
● Operations review





3Q16 results supported by higher sales volume and selling price

- ❑ Division's revenue and operating profit for the current quarter were 56% and 87% above the corresponding period last year whilst the YTD revenue and operating profit were 19% and 30% higher than the corresponding period last year.
- ❑ The current quarter results benefitted from higher average selling price realization and higher sales volume of CPO and PK.
 - ✓ Average selling price of CPO was at RM2,644/mt (3Q15: RM2,086/mt) whilst PK was at RM2,669/mt (3Q15: RM1,379/mt)
 - ✓ Sales volume of CPO at 49,127mt was higher by 20% whilst PK sales volume at 10,339mt was 12% above last year.
- ❑ The YTD results benefitted mainly from favourable selling price, partly dampened by lower CPO and PK sales volume.
 - ✓ Average selling price of CPO was at RM2,565/mt (YTD 2015: RM2,160/mt) whilst PK was at RM2,411/mt (YTD 2015: RM1,568/mt)
 - ✓ Sales volume of CPO at 119,096mt and PK at 25,840mt were both lower by 1% as compared to the corresponding period last year, affected by lower FFB production in the first quarter of this year.
- ❑ Unit production costs of CPO for the current quarter was at RM1,077/mt (3Q15: RM1,123/mt) whilst the YTD cost was at RM1,256/mt (YTD 2015: RM1,191/mt). The cost increase for the YTD was mainly due to lower CPO production volume arising from lower FFB yield at 14.88mt/ha (YTD 2015:15.45mt/ha) and lower OER at 21.47% (YTD 2015: 22.05%).

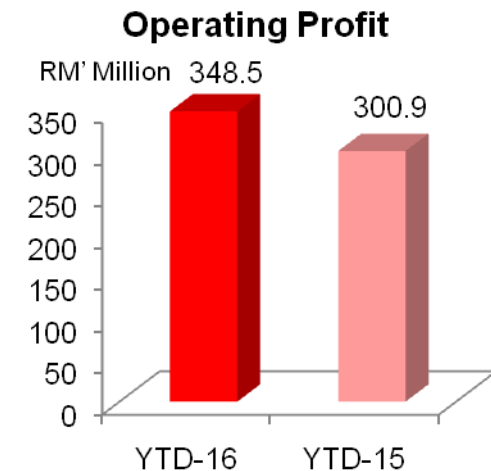
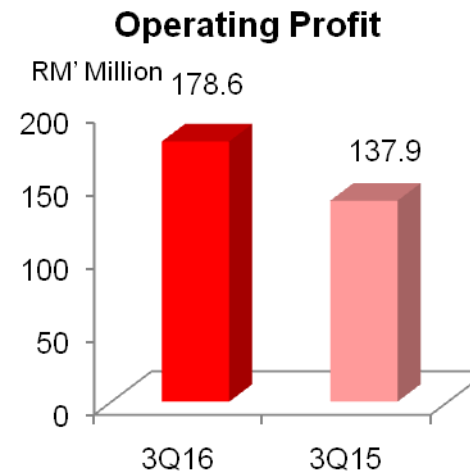
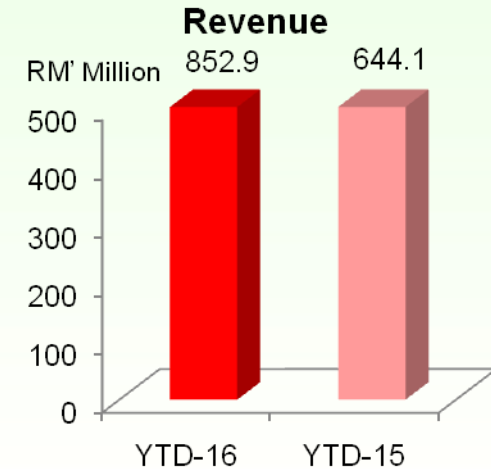
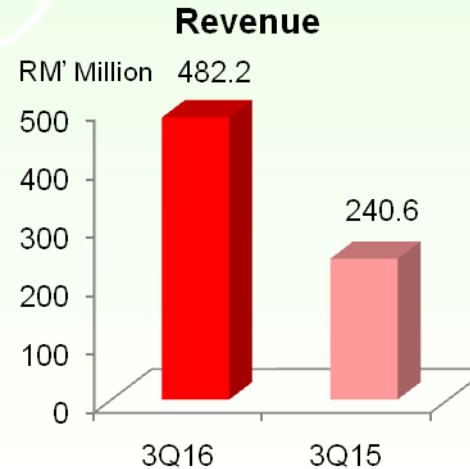




Property

Higher contributions from investment properties and property development

- ❑ The Division's revenue and operating profits for the current quarter and YTD benefitted from higher contributions from property development and investment properties and the disposal of certain non-strategic properties.
- ❑ Both the West Malaysia and East Malaysia operations recorded higher revenue from project development, benefitting mainly from Nadi Bangsar, Aria and D'Alpinia projects in the West Malaysia, Bandar Sri Indah, Ria Heights, Palm Heights and the Kingfisher projects in Sabah.
- ❑ 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.
- ❑ New development projects planned for launches in 2016 include mixed development in Balakong, affordable apartments and landed properties in Sabah.

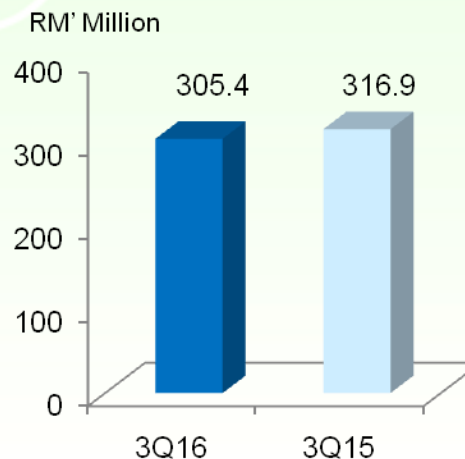




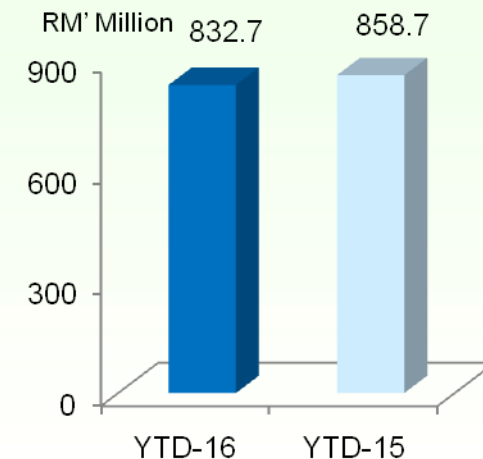
Aftersales segment continued to perform well

- ❑ The Division's revenue for the current quarter and YTD were lower than the corresponding period last year by 4% and 3% respectively, mainly due to vehicles sales mix variance with higher sales of lower-priced models in current year and the disposal of the commercial vehicle operations in May 2016.
- ❑ However, the after sales segment recorded revenue growth of 36% for the current quarter and 31% for YTD as compared to the previous year corresponding period, with higher throughput and improved margin, mitigating the lower revenue and profit contributions from passenger vehicles.
- ❑ Order book remains strong particularly for the C-Class, E-Class and GLC models.

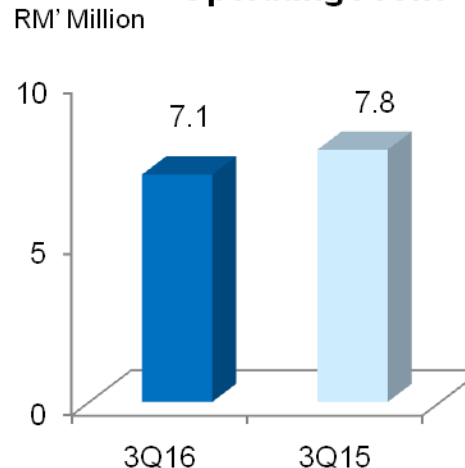
Revenue



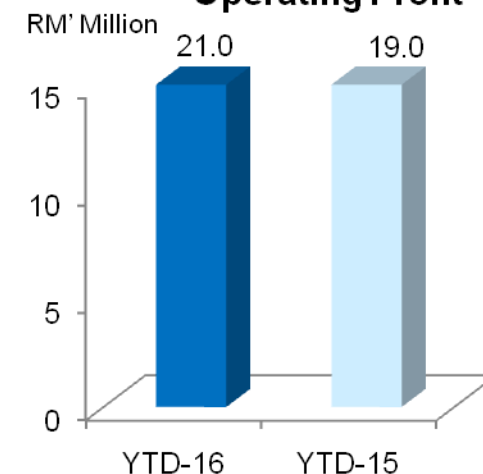
Revenue



Operating Profit



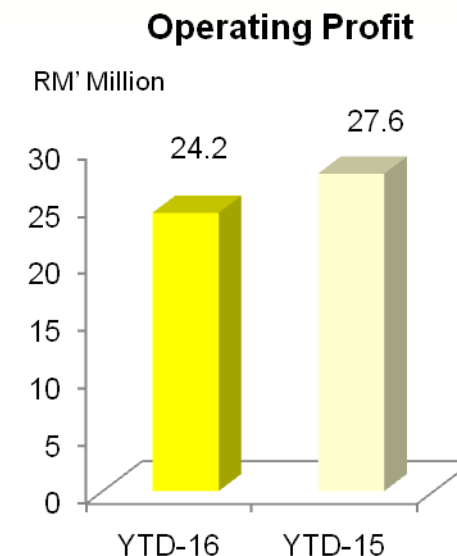
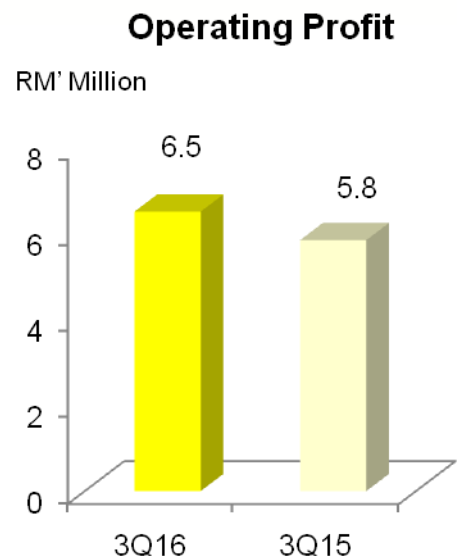
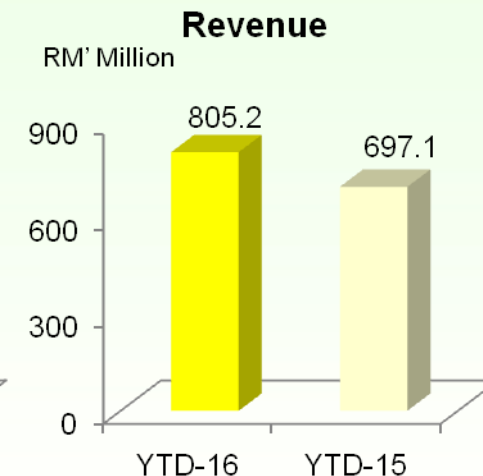
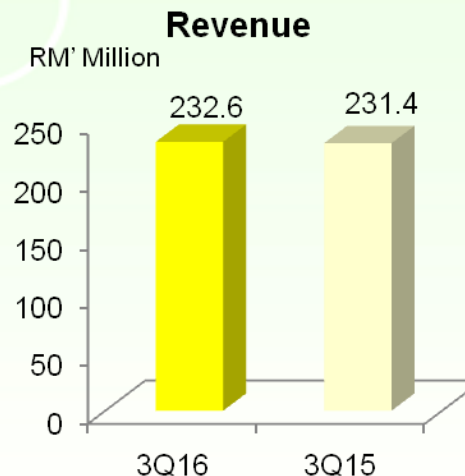
Operating Profit





Malaysian and Indonesian operations remained profitable

- ❑ The Division's revenue for the current quarter was marginally higher than the corresponding period last year. Sales volume was higher for both the Malaysian operations but overall revenue for the current quarter was affected by lower average selling price in both the Malaysian and Indonesian operations.
- ❑ Nonetheless operating profit was 11% above last year with higher profit contribution from both the Malaysian and Indonesian operations, benefitted from better average margin.
- ❑ The Division's YTD revenue benefitted from higher sales volume from both the Malaysian and Indonesian operations, dampened somewhat by lower average selling price in the Malaysian operations.
- ❑ Operating profit for the current YTD were affected by lower average margin. Nonetheless, both the Malaysian and Indonesian operations remained profitable.

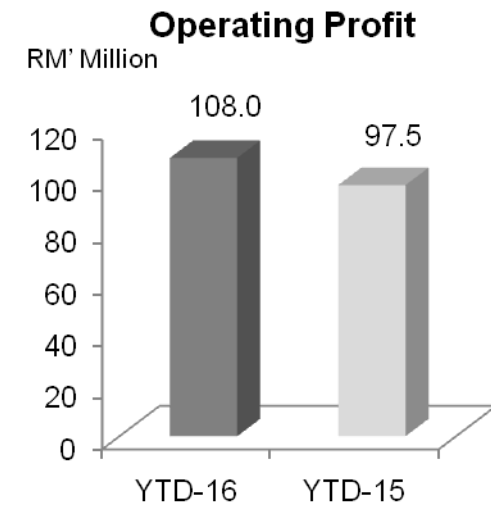
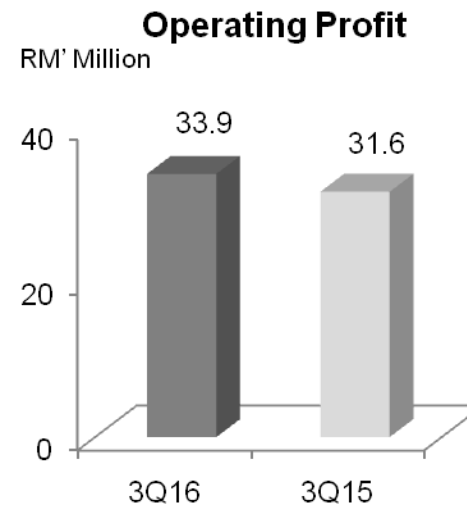
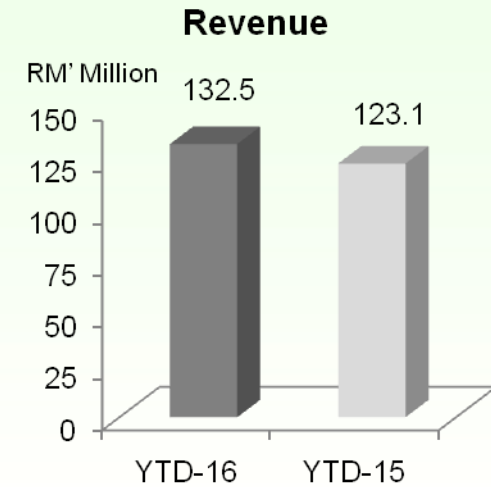
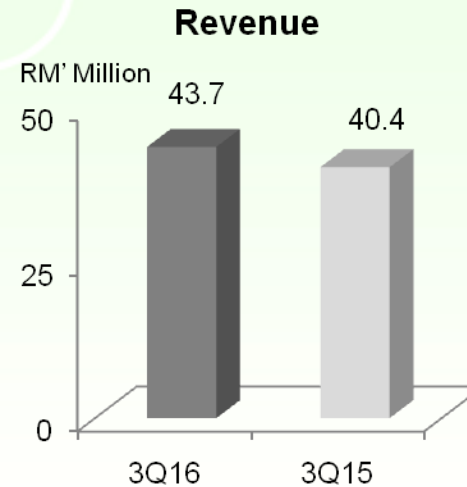




Credit financing

Stable earnings and prudent loan base growth

- ❑ The Division continues to record good results on the back of higher loan base.
- ❑ Revenue for the current quarter was up by 8% with 7% increase in operating profit whilst the YTD revenue and operating profit were above the corresponding period last year by 8% and 11% respectively.
- ❑ Last year's YTD revenue and operating profit included the results from Hap Seng Capital Pte Ltd ("HSCPL") which has since been disposed off effective June 2015.
- ❑ As at end of September 2016, loan base was at RM2.15 billion, 3% higher than corresponding period loan base of RM2.08 billion.
- ❑ West Malaysia accounted for 81% of the total loans whilst East Malaysia accounted for 19%.
- ❑ NPL ratio was at 2.15% as at end of September 2016 as compared to 0.94% a year ago.

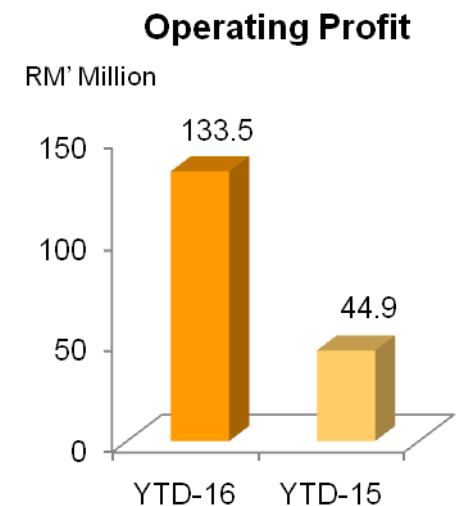
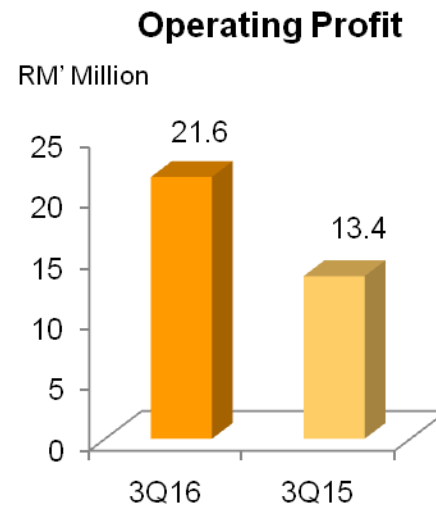
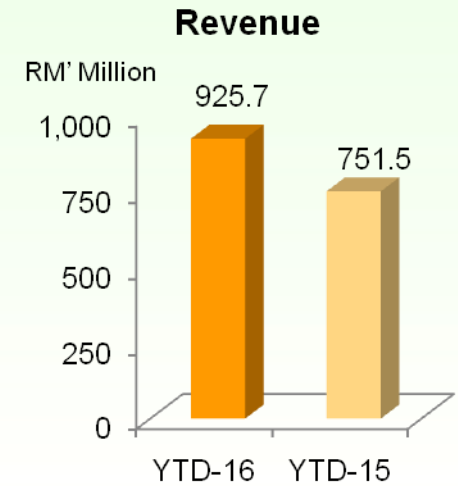
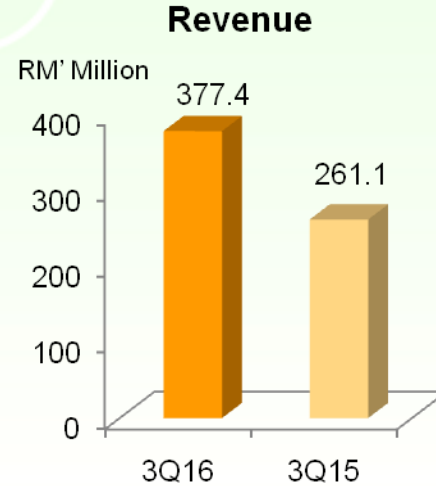




Building Materials

Results supported by MMSB and better results from building materials trading business in Malaysia.

- ❑ The Division's results for the quarter and YTD benefitted from higher sales recorded by the building materials trading business in Malaysia and the inclusion of MMSB results upon the completion of MMSB acquisition at the end of May 2016.
- ❑ However, results were dampened by lower revenue and compressed margin for the quarry, asphalts and bricks businesses.



Thank You



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