

1st Quarter Ended 31 March 2020 Results

1 June 2020

Scope

1 Group financials

2 Operations review

SECTION 1

Group financials

Consolidated income statement summary

□ The Group's businesses for 1Q20 was affected by:

- The slowing Malaysian economy exacerbated by the COVID-19 pandemic which disrupted global supply chain and negatively affected businesses and consumer sentiments.
- The implementation of the Movement Control Order ("MCO") which commenced on 18 March 2020 shortened the number of operating days of the Group's businesses and negatively impacted operating performances.

□ The Group revenue for 1Q20 at RM1.48 billion was 16% lower than last year with lower revenue from all divisions except for Property Division.

□ However, the Group operating profit at RM296.1 million was marginally higher than last year with higher contribution from Property and Credit Financing Divisions.

(RM' Million)	1Q20	1Q19	Change
Revenue	1,475.0	1,749.8	(16%)
Gross profit ¹	415.2	455.7	(9%)
EBITDA	342.8	348.6	(2%)
Operating profit ²	296.1	294.2	1%
Finance expenses	(63.6)	(56.2)	13%
Profit before tax	234.3	239.3	(2%)
Taxation	(70.7)	(71.0)	-
Profit after tax	163.6	168.3	(3%)
Attributable to MI	3.2	10.3	(69%)
Attributable to shareholders	160.4	158.0	2%
EPS (sen)	6.44	6.35	1%

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

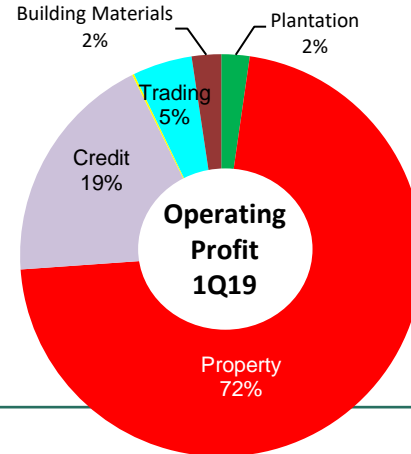
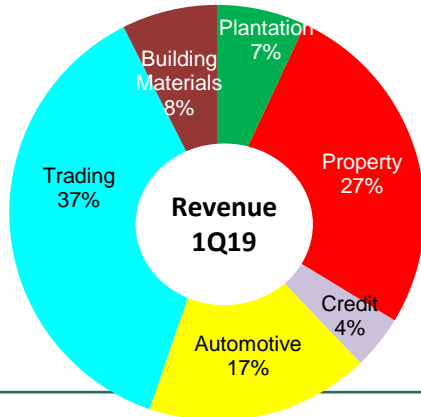
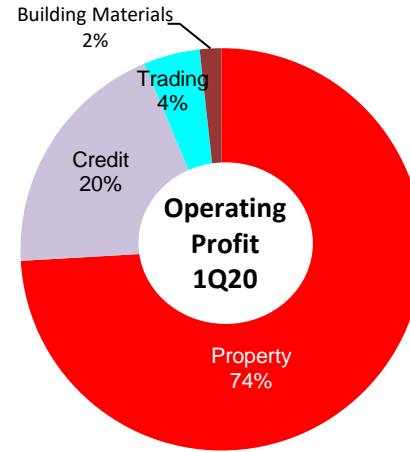
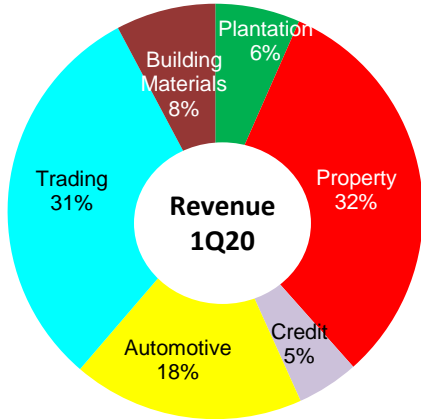
Group segment results

(RM' Million)	REVENUE			OPERATING PROFIT		
	1Q20	1Q19	Change	1Q20	1Q19	Change
Plantation	101.9	126.3	(19%)	(6.3)	7.7	(183%)
Property ¹	490.8	484.4	1%	253.1	241.9	5%
Credit Financing	74.4	76.1	(2%)	67.1	63.6	5%
Automotive	277.8	315.0	(12%)	(10.1)	0.5	(1980%)
Trading	477.2	676.5	(29%)	15.5	16.1	(4%)
Building Materials ²	119.7	134.6	(11%)	5.9	8.0	(25%)
Subtotal	1,541.8	1,812.9	(15%)	325.2	337.8	(4%)
Consolidation adjustments & others	(66.8)	(63.1)		(29.1)	(43.6)	
Group	1,475.0	1,749.8	(16%)	296.1	294.2	1%

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 – 1st Quarter



SECTION 2

Operations review

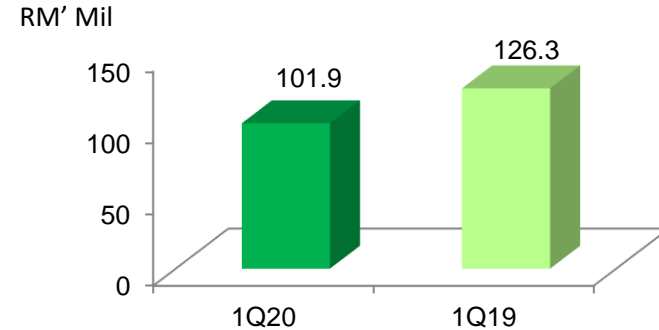
Results affected by lower production and sales volume

- Revenue for 1Q20 was 19% lower than last year with lower sales volume of CPO and PK due to lower production volume, but mitigated by higher average selling prices. Consequently operating loss was recorded for 1Q20.

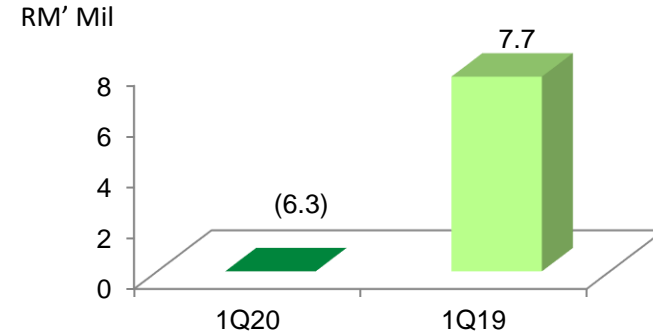
	1Q20	1Q19	Var %
Average Prices			
• CPO	2,814	2,099	34%
• PK	1,702	1,370	24%
Sales Volume			
• CPO	31,120	52,409	(41%)
• PK	7,585	10,805	(30%)

- Production volume of CPO at 30,475 mt was lower by 28% (1Q19: 42,583 mt) and PK at 7,307mt was lower by 31% (1Q19: 10,636mt) in tandem with 30% lower FFB production at 131,980mt (1Q19: 188,889mt) with OER of 21.4% (1Q19: 20.6%).
- FFB production for 1Q20 was affected by seasonal yield trend and changes in cropping pattern, further aggravated by the suspension of operations from 25 March to 9 April 2020 for plantation sector in Tawau, Lahad Datu and Kinabatangan Sabah, in compliance with the MCO.
- The lower FFB production resulted in higher CPO unit production costs at RM2,117/mt (1Q19: RM1,424/mt) net of PK credit of RM424/mt (1Q19: RM348/mt).

1Q Revenue



1Q Operating Profit

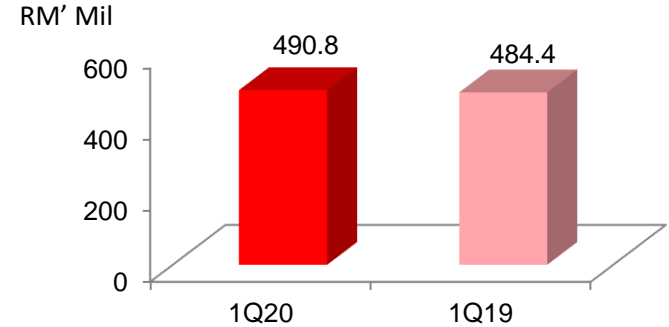


Property Investment and Development

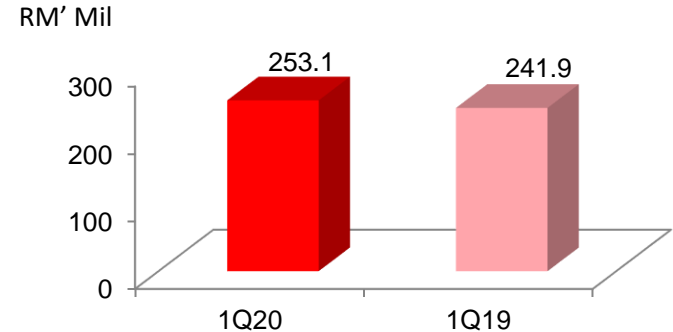
Higher contribution from construction activities, IP and sales of non-strategic properties

- ❑ Revenue and Operating profit for 1Q20 were higher than last year by 1% and 5% respectively with higher contribution from construction activities, investment properties (“IP”) and sales of non-strategic properties.
- ❑ Construction revenue were contributed by the progress completion of the Shah Alam Industrial Hub project which is at its advance stage of completion.
- ❑ The Division’s IP, Menara Hap Seng and Menara Hap Seng 2 in Klang Valley and Plaza Shell in Sabah maintain healthy occupancy and rental yield.
- ❑ Project revenue for 1Q20 was affected by lower number of units sold for projects in both Sabah and Klang Valley.

1Q Revenue



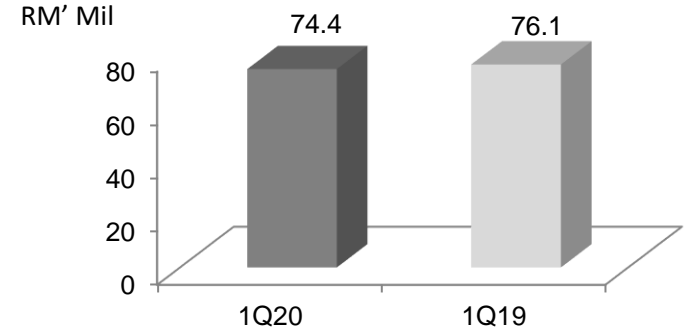
1Q Operating Profit



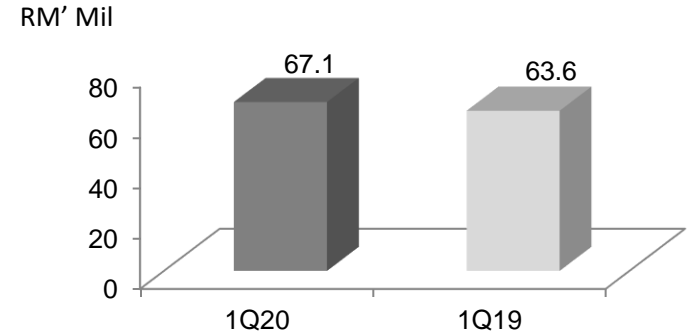
Lower loan base attributed to lower loan disbursements

- ❑ The Division's revenue was 2% lower than last year on the back of lower loan base.
- ❑ Loan base as at end 1Q20 at RM3.87 billion was 4% below last year (1Q19: RM4.02 billion) due to lower loan disbursements.
- ❑ Nonetheless, the Division's operating profit for 1Q20 was above last year by 5%, benefitted from foreign exchange gains in its overseas operations.
- ❑ NPL ratio as at end March was at 1.48% (March 2019: 1.58%, December 2019 : 1.34%)

1Q Revenue



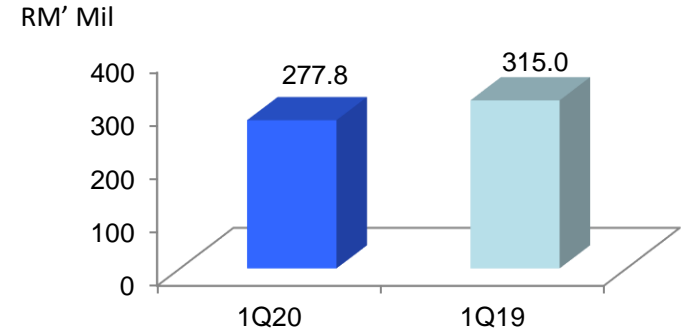
1Q Operating Profit



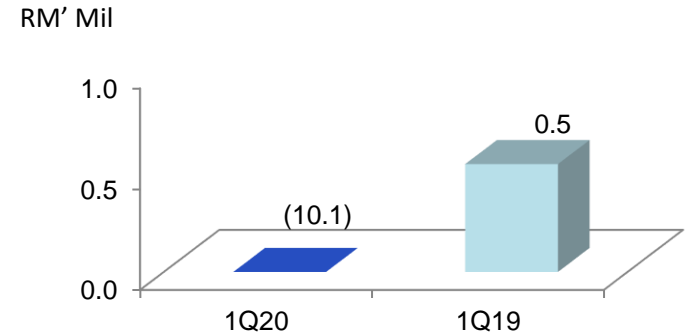
Results affected by lower sales volume and initial costs

- ❑ Revenue for 1Q20 was affected by weak demand and suspension of operations during the MCO period.
- ❑ Sales of passenger vehicles (“PV”) was 9% below last year with lower sales volume by 28%.
- ❑ The after sales segment’s revenue was comparable to last year with 3% increase in throughput.
- ❑ The commercial vehicle (“CV”) wholesale distribution and retail businesses which commenced operations in November 2018 and July 2019 respectively contributed 17% to the Division’s 1Q20 revenue.
- ❑ The PV segment recorded lower margin due to competitive and challenging market environment whilst the CV segment was affected by start-up and dealers’ network development costs.
- ❑ Consequently, operating loss was recorded for 1Q20.

1Q Revenue



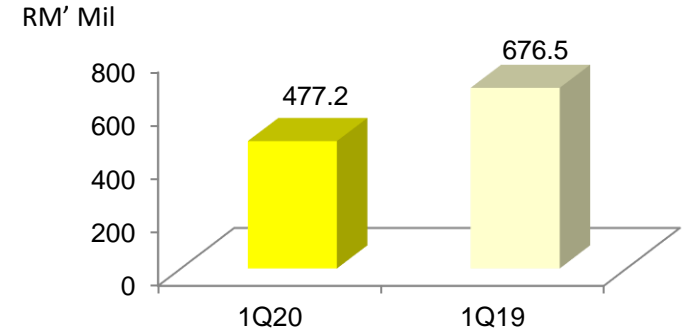
1Q Operating Profit



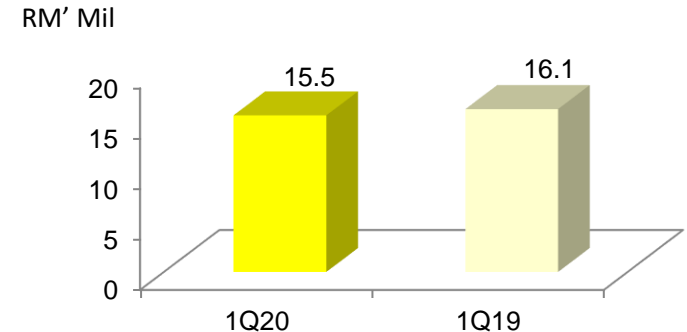
Lower revenue mitigated by lower operating costs and foreign exchange gains

- ❑ The Division comprises the fertilizers trading, general trading, and ceramic tile business under Malaysian Mosaics Sdn Bhd (“MMSB”).
- ❑ The Division’s results for 1Q20 were affected by lower revenue from all its business segments.
- ❑ Fertilizers trading’s revenue at RM327.9 mil was 14% lower than last year mainly due to lower average selling price, affected by competitive pricing but mitigated by higher sales volume achieved.
- ❑ The General trading’s revenue at RM114.2 mil declined by 47% due to weak demand arising from the slowdown in construction sector.
- ❑ MMSB’s revenue at RM35.1 mil was 57% below last year with lower sales volume and lower average selling price achieved.
- ❑ The Division’s operating profit for 1Q20 included share of loss from MMSB’s JVs.
- ❑ The overall operating profit for 1Q20 was mitigated somewhat by lower operating costs and foreign exchange gains from Fertilizers trading business.

1Q Revenue



1Q Operating Profit

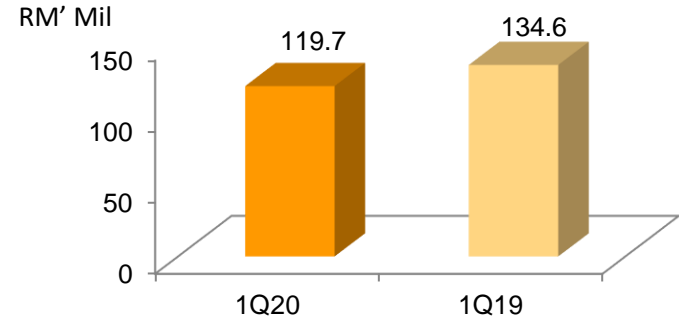


Building Materials

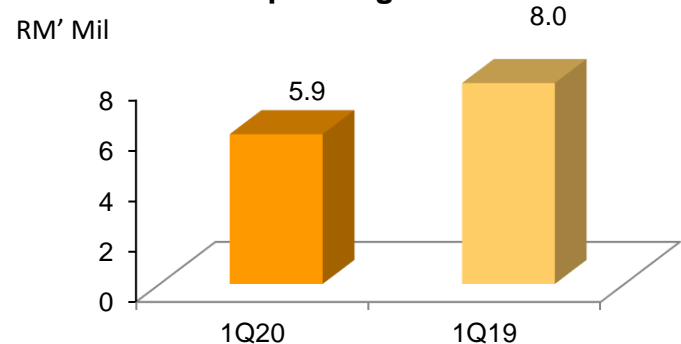
Results affected by competitive pricing & soft market demand

- ❑ The Division comprises the quarry, asphalts and bricks businesses (“QBM”) ; and trading of building materials by Hafary (“Hafary”).
- ❑ Revenue for 1Q20 was affected by lower contribution from QBM and Hafary by 18% and 5% respectively, mainly due to competitive pricing and soft market demand.
- ❑ The QBM businesses were also affected by the shorter number of working days during the period following the commencement of MCO on 18 March 2020.
- ❑ Consequently, the Division’s operating profit for 1Q20 was lower than last year.
- ❑ Operating profit for 1Q20 was also affected by lower contribution from Hafary’s associates and JV results as businesses were adversely affected by the COVID-19 pandemic.

1Q Revenue



1Q Operating Profit





Thank You