



DRB-HICOM BERHAD

Registration No. 199001011860 (203430-W)
(Incorporated in Malaysia)

Interim Financial Report for the Financial Period
Ended 31 March 2024

INTERIM FINANCIAL REPORT ON UNAUDITED CONSOLIDATED RESULTS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024

The Board of Directors is pleased to announce the unaudited consolidated financial results of DRB-HICOM Group (“the Group”) for the financial quarter/period ended 31 March 2024.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Financial Quarter 3 Months Ended		Financial Period 3 Months Ended	
		31.03.2024 RM'000	31.03.2023 RM'000	31.03.2024 RM'000	31.03.2023 RM'000
Revenue		4,332,917	4,103,571	4,332,917	4,103,571
Cost of sales and operating expenses		(4,156,599)	(3,951,098)	(4,156,599)	(3,951,098)
Other income		97,677	103,262	97,677	103,262
Other expenses		(28,145)	(41,322)	(28,145)	(41,322)
Profit from operations		245,850	214,413	245,850	214,413
Finance costs		(128,543)	(127,437)	(128,543)	(127,437)
Share of results of joint ventures (net of tax)		22,904	35,551	22,904	35,551
Share of results of associated companies (net of tax)		70,551	78,239	70,551	78,239
PROFIT BEFORE TAXATION	14	210,762	200,766	210,762	200,766
Taxation	19	(61,913)	(42,195)	(61,913)	(42,195)
NET PROFIT FOR THE FINANCIAL QUARTER/PERIOD		148,849	158,571	148,849	158,571
OTHER COMPREHENSIVE INCOME					
<u>Item that will not be reclassified subsequently to profit or loss:</u>					
Net gain/(loss) on fair value changes of equity instruments: financial assets at fair value through other comprehensive income		4,571	(748)	4,571	(748)
<u>Items that will be reclassified subsequently to profit or loss:</u>					
Net gain on fair value changes of investment securities: financial assets at fair value through other comprehensive income		9,725	31,003	9,725	31,003
Currency translation differences of foreign operations		1,555	362	1,555	362
Share of other comprehensive loss of a joint venture		(511)	-	(511)	-

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)

	Note	Financial Quarter 3 Months Ended		Financial Period 3 Months Ended	
		31.03.2024 RM'000	31.03.2023 RM'000	31.03.2024 RM'000	31.03.2023 RM'000
OTHER COMPREHENSIVE INCOME (continued)					
<u>Reclassification adjustments:</u>					
Transfer of realised gain on fair value changes of investment securities: financial assets at fair value through other comprehensive income upon disposal		(9,283)	(1,489)	(9,283)	(1,489)
OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL QUARTER/PERIOD (NET OF TAX)		6,057	29,128	6,057	29,128
TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL QUARTER/PERIOD		154,906	187,699	154,906	187,699
Net profit for the financial quarter/period attributable to:					
Owners of the Company		91,538	107,907	91,538	107,907
Holders of Perpetual Sukuk		9,256	5,825	9,256	5,825
Non-controlling Interests		48,055	44,839	48,055	44,839
		148,849	158,571	148,849	158,571
Total comprehensive income for the financial quarter/period attributable to:					
Owners of the Company		95,375	128,490	95,375	128,490
Holders of Perpetual Sukuk		9,256	5,825	9,256	5,825
Non-controlling Interests		50,275	53,384	50,275	53,384
		154,906	187,699	154,906	187,699
Basic and diluted earnings per share (sen):	25	4.73	5.58	4.73	5.58

The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the Annual Audited Financial Statements for the financial year ended 31 December 2023 and the explanatory notes attached to the interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 31.03.2024 RM'000	As at 31.12.2023 RM'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment		5,095,563	5,230,596
Investment properties		448,586	447,676
Inventories		2,111,007	2,111,755
Joint ventures		594,300	593,299
Associated companies		1,078,588	987,521
Intangible assets		1,864,592	1,959,925
Deferred tax assets		335,830	332,879
Investment securities: financial assets at fair value through profit or loss			
- Banking		145,417	131,849
- Non-banking		6,379	6,379
Investment securities: financial assets at fair value through other comprehensive income			
- Banking		4,866,106	4,968,173
- Non-banking		68,956	68,956
Investment securities: financial assets at amortised cost			
- Banking		118,521	116,871
Trade and other receivables		1,678,265	1,706,447
Other assets		2,459	2,559
Banking related assets			
- Financing of customers		22,922,798	21,871,373
- Statutory deposit with Bank Negara Malaysia		600,809	583,809
		41,938,176	41,120,067
CURRENT ASSETS			
Inventories		2,172,798	2,427,374
Trade and other receivables		2,556,304	2,617,105
Investment securities: financial assets at fair value through profit or loss			
- Banking		5,161	5,112
- Non-banking		7,539	8,475
Investment securities: financial assets at fair value through other comprehensive income			
- Banking		1,575,218	1,434,039
Banking related assets			
- Cash and short-term funds		2,407,377	3,039,191
- Financing of customers		5,805,331	5,898,078
Bank balances and cash deposits		2,265,078	2,024,476
Derivative assets	22(a)	12,172	15,417
Sub-total		16,806,978	17,469,267
Assets related to disposal group held for sale		171,664	-
		16,978,642	17,469,267
TOTAL ASSETS		58,916,818	58,589,334

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

	Note	As at 31.03.2024 RM'000	As at 31.12.2023 RM'000
EQUITY AND LIABILITIES			
EQUITY			
Share capital		1,740,302	1,740,302
Reserves		5,946,590	5,862,297
Equity attributable to Owners of the Company		7,686,892	7,602,599
Perpetual Sukuk		895,792	905,196
Redeemable Convertible Cumulative Preference Shares		669,266	669,266
Non-controlling Interests		1,489,971	1,440,018
TOTAL EQUITY		10,741,921	10,617,079
NON-CURRENT LIABILITIES			
Deferred income		2,839	2,864
Trade and other payables		21,809	23,635
Lease liabilities		208,569	195,037
Long-term borrowings	21(c)	5,732,610	5,762,727
Redeemable Convertible Cumulative Preference Shares		780,712	769,181
Post-employment benefit obligations		3,129	3,238
Provision for liabilities and charges		213,109	213,535
Deferred tax liabilities		226,430	225,084
Banking related liabilities			
- Deposits from customers		995,248	1,116,172
- Deposits and placements of banks and other financial institutions		358,244	345,416
- Recourse obligation on financing sold to Cagamas		1,051,838	1,058,745
		9,594,537	9,715,634
CURRENT LIABILITIES			
Deferred income		3,973	4,024
Trade and other payables		4,950,738	4,817,219
Lease liabilities		88,239	91,426
Provision for liabilities and charges		229,904	234,610
Post-employment benefit obligations		284	232
Bank borrowings			
- Bank overdrafts	21(a)	880	1,093
- Others	21(b)	1,448,818	1,435,759
Banking related liabilities			
- Deposits from customers		31,342,930	31,452,047
- Deposits and placements of banks and other financial institutions		447,150	184,218
- Bills and acceptances payable		11,566	13,773
Derivative liabilities	22(a)	2,672	22,220
Sub-total		38,527,154	38,256,621
Liabilities related to disposal group held for sale		53,206	-
		38,580,360	38,256,621
TOTAL LIABILITIES		48,174,897	47,972,255
TOTAL EQUITY AND LIABILITIES		58,916,818	58,589,334
NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY * (RM)		3.98	3.93

* Based on 1,933,237,051 ordinary shares in issue.

The Condensed Consolidated Statement of Financial Position should be read in conjunction with the Annual Audited Financial Statements for the financial year ended 31 December 2023 and the explanatory notes attached to the interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital		Non-distributable				Retained Earnings RM'000	Equity attributable to Owners of the Company RM'000	Perpetual Sukuk RM'000	Redeemable Convertible Cumulative Preference Shares ("RCCPS") RM'000	Non- controlling Interests RM'000	Total RM'000
	Number of Shares '000	Monetary Value RM'000	Merger Reserve RM'000	Currency Translation Differences RM'000	Fair Value through Other Comprehensive Income ("FVOCI") Reserve RM'000	Other Reserves RM'000						
At 1 January 2024	1,933,237	1,740,302	1,214,085	6,520	(1,054)	277,853	4,364,893	7,602,599	905,196	669,266	1,440,018	10,617,079
Net profit for the financial period	-	-	-	-	-	-	91,538	91,538	9,256	-	48,055	148,849
Other comprehensive income/(loss) for the financial period, net of tax	-	-	-	839	3,509	(511)	-	3,837	-	-	2,220	6,057
Total comprehensive income for the financial period	-	-	-	839	3,509	(511)	91,538	95,375	9,256	-	50,275	154,906
Transfer of fair value changes recognised for equity instrument (elected as FVOCI) upon derecognition	-	-	-	-	343	-	(343)	-	-	-	-	-
Transfer of a subsidiary company's reserves	-	-	-	-	-	519	(519)	-	-	-	-	-
Effect of disposal of a subsidiary company	-	-	-	-	-	(1,224)	1,224	-	-	-	(322)	(322)
<u>Transaction with Owners</u>												
Distribution to holders of Perpetual Sukuk	-	-	-	-	-	-	(11,082)	(11,082)	(18,660)	-	-	(29,742)
At 31 March 2024	1,933,237	1,740,302	1,214,085	7,359	2,798	276,637	4,445,711	7,686,892	895,792	669,266	1,489,971	10,741,921

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

	Share Capital		Non-distributable				Retained Earnings RM'000	Equity attributable to Owners of the Company RM'000	Perpetual Sukuk RM'000	RCCPS RM'000	Non-controlling Interests RM'000	Total RM'000
	Number of Shares '000	Monetary Value RM'000	Merger Reserve RM'000	Currency Translation Differences RM'000	FVOCI Reserve RM'000	Other Reserves RM'000						
At 1 January 2023	1,933,237	1,740,302	1,214,085	4,600	(32,606)	238,309	4,201,025	7,365,715	354,020	669,266	1,299,400	9,688,401
Net profit for the financial period	-	-	-	-	-	-	107,907	107,907	5,825	-	44,839	158,571
Other comprehensive income for the financial period, net of tax	-	-	-	447	20,136	-	-	20,583	-	-	8,545	29,128
Total comprehensive income for the financial period	-	-	-	447	20,136	-	107,907	128,490	5,825	-	53,384	187,699
Transfer of a subsidiary company's reserves	-	-	-	-	-	(2,780)	2,780	-	-	-	-	-
<u>Transaction with Owners</u>												
Distribution to holders of Perpetual Sukuk	-	-	-	-	-	-	-	-	(11,974)	-	-	(11,974)
At 31 March 2023	1,933,237	1,740,302	1,214,085	5,047	(12,470)	235,529	4,311,712	7,494,205	347,871	669,266	1,352,784	9,864,126

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Audited Financial Statements for the financial year ended 31 December 2023 and the explanatory notes attached to the interim financial report.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Financial Period 3 Months Ended 31.03.2024 RM'000	Financial Period 3 Months Ended 31.03.2023 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the financial period	148,849	158,571
Adjustments:		
- Amortisation of intangible assets	117,167	62,641
- Depreciation of property, plant and equipment	172,189	174,045
- Finance costs	128,543	127,437
- Taxation	61,913	42,195
- Share of results of joint ventures (net of tax)	(22,904)	(35,551)
- Share of results of associated companies (net of tax)	(70,551)	(78,239)
- Others	(14,079)	23,426
Operating profit before working capital changes	521,127	474,525
Changes in working capital:		
Net increase in banking related assets	(1,006,883)	(830,804)
Net increase banking related liabilities	43,512	1,990,495
Net decrease/(increase) in assets	250,052	(200,687)
Net increase in liabilities	172,303	493,445
Net cash (used)/generated in operations	(19,889)	1,926,974
Interest received	13,000	11,391
Tax paid, net of refund	(36,560)	(39,141)
Finance costs paid	(33,309)	(42,272)
Provision for liabilities and charges paid	(5,337)	(92,872)
Post-employment benefit obligations paid	(100)	(416)
Net cash (outflow)/inflow from operating activities	(82,195)	1,763,664
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of investment securities	-	(6,000)
(Acquisition)/redemption of investment securities by a banking subsidiary company (net)	(28,795)	150,522
Movement in fixed deposits placement with maturity profile more than 3 months	(99,386)	4,000
Net cash outflow from disposal of a subsidiary company	(459)	-
Proceeds from disposal of property, plant and equipment	440	194
Proceeds from redemption of fund investments	1,000	7,000
Purchases of property, plant and equipment/intangible assets	(162,917)	(477,130)
Net cash outflow from investing activities	(290,117)	(321,414)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

	Financial Period 3 Months Ended 31.03.2024 RM'000	Financial Period 3 Months Ended 31.03.2023 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Distribution to holders of Perpetual Sukuk	(29,742)	(11,973)
Finance costs paid	(61,497)	(71,913)
Movement in bank balances and fixed deposits held as security/maintained as sinking fund	(4,269)	(33,363)
Payment of the principal portion of lease liabilities	(28,171)	(27,438)
Proceeds from bank borrowings	614,294	1,295,847
Repayment of bank borrowings	(591,625)	(1,516,758)
Repayment of principal for recourse obligation on financing sold to Cagamas	(6,863)	(7,772)
Net cash outflow from financing activities	(107,873)	(373,370)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(480,185)	1,068,880
Effects of foreign currency translation	809	429
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE FINANCIAL PERIOD	4,650,314	3,005,741
CASH AND CASH EQUIVALENTS AS AT END OF THE FINANCIAL PERIOD	4,170,938	4,075,050
Cash and cash equivalents as at end of the financial period comprise the following:		
Bank balances and cash deposits	2,265,078	2,236,754
Banking related assets - cash and short-term funds	2,407,377	2,299,789
Bank overdrafts	(880)	(3,288)
	4,671,575	4,533,255
Less: Bank balances and fixed deposits held as security/sinking fund	(295,295)	(443,531)
Less: Fixed deposits with maturity profile of more than 3 months	(192,229)	(470)
Less: Bank balances in respect of Automotive Development Fund liabilities	(3,668)	(3,872)
Less: Collections held by a postal subsidiary company on behalf of third parties	(17,338)	(10,452)
Add: Cash and cash equivalents attributable to the disposal group held for sale	7,893	120
	4,170,938	4,075,050

The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the Annual Audited Financial Statements for the financial year ended 31 December 2023 and the explanatory notes attached to the interim financial report.

EXPLANATORY NOTES TO THE INTERIM FINANCIAL REPORT

1. BASIS OF PREPARATION

The interim financial report is unaudited and has been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”) 134 *Interim Financial Reporting* and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad. This interim financial report should be read in conjunction with the Group’s annual audited financial statements for the financial year ended 31 December 2023 and all the financial information is presented in RM and has been rounded to the nearest thousand unless otherwise stated.

2. CHANGES IN ACCOUNTING POLICIES

The accounting policies and methods of computation adopted for the interim financial report are consistent with those adopted for the annual audited financial statements for the financial year ended 31 December 2023, except for the adoption of the following amendments to standards which are applicable to the Group with effect from 1 January 2024:

Amendments to MFRS 16	Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
Amendments to MFRS 101	Non-current Liabilities with Covenants
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements

The adoption and application of the above amendments did not have any material impact on the financial statements of the Group.

3. SEASONALITY OR CYCLICALITY OF OPERATIONS

The businesses of the Group were not materially affected by any seasonal or cyclical fluctuations during the financial period ended 31 March 2024.

4. ITEMS OF UNUSUAL NATURE, SIZE OR INCIDENCE

There was no material item of an unusual nature, size or incidence affecting the assets, liabilities, equity, net income or cash flows during the financial period ended 31 March 2024.

5. CHANGES IN ESTIMATES

There was no material change in the estimate of amounts reported in prior financial years that has a material effect on this interim financial report.

6. ISSUANCE OR REPAYMENT OF DEBT AND EQUITY SECURITIES

There was no issuance or repayment of debt securities, share buy-backs, share cancellations, shares held as treasury shares, and resale of treasury shares for the financial period ended 31 March 2024.

7. PROPOSED DIVIDEND

The Directors recommend the payment of a final dividend of 2.5 sen per share amounting to RM48,330,926 in respect of the financial year ended 31 December 2023, subject to the approval of shareholders at the forthcoming Annual General Meeting of DRB-HICOM Berhad to be held on 28 May 2024.

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8. SEGMENTAL INFORMATION

The information on each of the Group's business segments for the financial period ended 31 March 2024 is as follows:

	Automotive	Aerospace and Defence	Postal	Banking	Services	Properties	Investment Holding and Others	Group
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue								
Total revenue	3,052,231	187,786	295,801	517,646	251,027	79,090	6,294	4,389,875
Inter-segment revenue	(4,480)	-	(4,572)	(7,233)	(34,379)	-	(6,294)	(56,958)
External revenue	3,047,751	187,786	291,229	510,413	216,648	79,090	-	4,332,917
Results								
Segment profit/(loss)	118,040	11,963	(21,023)	81,324	22,631	36,213	1,039	250,187
Unallocated expenses								(19,650)
Interest income on short-term deposits	8,296	1,356	277	-	359	1,369	3,656	15,313
Finance costs	(38,138)	(1,498)	(3,388)	(20,829)	(2,948)	(14,309)	(47,433)	(128,543)
Share of results of joint ventures (net of tax)	22,904	-	-	-	-	-	-	22,904
Share of results of associated companies (net of tax)	70,581	-	-	-	(30)	-	-	70,551
Profit before taxation								210,762
Taxation	(25,664)	(5,997)	(279)	(16,432)	(6,423)	(6,764)	(354)	(61,913)
Net profit for the financial period								148,849
Attributable to:								
Owners of the Company								91,538
Holder of Perpetual Sukuk								9,256
Non-controlling Interests								48,055

9. PROPERTY, PLANT AND EQUIPMENT

There is no revaluation of property, plant and equipment brought forward from the previous annual audited financial statements as the Group does not adopt a revaluation policy on its property, plant and equipment.

10. SUBSEQUENT EVENT

Other than the event below, there has not arisen in the interval between the end of this reporting period and the date of this announcement, any item, transaction or event of a material and unusual nature that would likely affect substantially the results of the operations of the Group.

On 21 May 2024, Pos Logistics Berhad (“PLB”), an indirect 53.50% owned subsidiary company of the Group, entered into a Share Sale and Purchase Agreement (“SPA”) in relation to the disposal of its entire equity interest in PNSL Berhad to SWA Shipping Sdn. Bhd. for an indicative total consideration of RM123.20 million.

Efforts to the disposal have commenced before the end of the reporting period and the disposal is expected to be completed within the next four months from the date of the SPA.

11. CHANGES IN THE COMPOSITION OF THE GROUP DURING THE FINANCIAL PERIOD ENDED 31 MARCH 2024

Save as disclosed below, there is no change in the composition of the Group during the current period under review.

- (a) On 3 January 2024, Suzuki Motorcycle Malaysia Sdn. Bhd. (“SMM”), an indirect 29% owned dormant associated company of the Group, was wound up. As a result, SMM ceased to be an indirect 29% owned associated company of the Group.
- (b) On 6 February 2024, Comtrac Sdn. Bhd. (“Comtrac”), an indirect wholly-owned subsidiary company of the Group, completed the transfer of 1,750,000 ordinary shares and 276,940 redeemable preference shares representing 35% equity interest in Glenmarie Cove Development Sdn. Bhd. (“GCD”) to HICOM Berhad, an indirect wholly-owned subsidiary company of the Group, via an internal re-organisation. As a result, GCD became a wholly-owned subsidiary company of HICOM Berhad.
- (c) On 28 February 2024, HICOM Holdings Berhad, a wholly-owned subsidiary company of the Group, completed the disposal of 9,000,000 ordinary shares and 147,910 preference shares in Comtrac to Ng Tet Min for a cash consideration of RM2. As a result, Comtrac ceased to be an indirect wholly-owned subsidiary company of the Group.

12. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There has been no material change in contingent liabilities or contingent assets from what was reported in the last annual audited financial statements.

13. COMMITMENTS AND CONTINGENT LIABILITIES OF BANK MUAMALAT MALAYSIA BERHAD

Risk Weighted Exposures of Bank Muamalat Malaysia Berhad are as follows:

	As at 31.03.2024		
	Principal Amount RM'000	Credit Equivalent Amount RM'000	Total Risk Weighted Amount RM'000
Contingent liabilities			
Direct credit substitutes	619,104	619,104	606,493
Trade-related contingencies	94,021	18,804	494
Transaction-related contingencies	409,256	204,628	191,504
Commitments			
Credit extension commitment:			
- Maturity within one year	1,237,608	247,522	196,402
- Maturity exceeding one year	1,228,356	614,178	345,308
Other miscellaneous commitments & contingencies	60,535	-	-
Islamic derivative financial Instruments			
Foreign exchange related contracts	2,125,621	42,553	28,820
	5,774,501	1,746,789	1,369,021

No material loss is anticipated as these amounts arose in Bank Muamalat Malaysia Berhad's business, where it makes various commitments and incurs certain contingent liabilities with legal recourse to its customers.

14. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting) the following:

	Financial Quarter/Period 3 Months Ended	
	31.03.2024 RM'000	31.03.2023 RM'000
Allowance for financing of customers (net of write-back/recovered)	26,684	19,137
Amortisation of intangible assets	117,167	62,641
Depreciation of property, plant and equipment	172,189	174,045
Finance costs	128,543	127,437
Impairment loss of property, plant and equipment (net)	-	833
Unrealised foreign exchange differences (net)	1,782	(9,051)
Write-down/(write-back) of inventories (net)	2,325	(1,134)
Write-off of property, plant and equipment	336	36
Interest income on short-term deposits	(15,313)	(12,678)
(Gain)/loss on disposal of (net):		
- investment securities	(7,423)	(1,488)
- property, plant and equipment	173	(71)
- a subsidiary company	(87)	-
(Gain)/loss on fair value adjustment of investment securities (net)	(1,034)	1,143
Marked to market gain on derivatives (net)	(16,303)	(20,952)
(Write-back of allowance)/allowance for expected credit losses (net)	(3,769)	2,289

15. REVIEW OF PERFORMANCE

15.1 Revenue

	Group Business Sectors	Financial Quarter/Period 3 Months Ended		Variance	
		31.03.2024 RM'000	31.03.2023 RM'000	RM'000	% +/-
(i)	Automotive	3,047,751	3,024,360	23,391	0.8
(ii)	Aerospace and Defence	187,786	168,628	19,158	11.4
(iii)	Postal	291,229	278,406	12,823	4.6
(iv)	Banking	510,413	379,294	131,119	34.6
(v)	Services	216,648	204,373	12,275	6.0
(vi)	Properties	79,090	48,510	30,580	63.0
	Total	4,332,917	4,103,571	229,346	5.6

For the current quarter ended 31 March 2024, the Group's revenue increased by 5.6% to RM4.33 billion compared with RM4.10 billion in the corresponding quarter ended 31 March 2023.

(i) Automotive Sector

The Automotive sector's revenue slightly increased by 0.8% to RM3.05 billion, mainly due to higher sales volume from manufacturing and engineering companies during the current quarter.

(ii) Aerospace and Defence Sector

The Aerospace and Defence sector recorded higher revenue, mainly due to increased product deliveries of single-aisle and certain aircraft parts. This was partially offset by lower delivery of defence products.

(iii) Postal Sector

The Postal sector recorded higher revenue by 4.6%, primarily contributed by the mail business from a project with a government agency.

15. REVIEW OF PERFORMANCE (continued)

15.1 Revenue (continued)

(iv) Banking Sector

The Banking sector achieved higher revenue due to increased financing income, driven by a rise in financing volume linked to sustainable growth and an expanding customer base. This was coupled with an increase in the Overnight Policy Rate (“OPR”) to 3.00% from 2.75% in the corresponding quarter.

(v) Services Sector

The Services sector recorded higher revenue, mainly contributed by the in-flight catering business with a higher number of meals prepared, and the ground handling business, which is in line with the rising number of flights.

(vi) Properties Sector

The Properties sector recorded higher revenue, primarily due to increased revenue from property development projects, partially offset by lower revenue from construction projects.

15.2 Profit Before Tax

The Group registered a pre-tax profit of RM210.76 million for the current quarter ended 31 March 2024, compared with a pre-tax profit of RM200.77 million in the corresponding quarter ended 31 March 2023. The higher result for the current quarter was mainly contributed by higher profit from the Properties and Banking sectors.

16. COMPARISON WITH THE PRECEDING QUARTER’S RESULTS

The Group recorded a pre-tax profit of RM210.76 million in the current quarter ended 31 March 2024, compared with a pre-tax profit of RM45.67 million in the preceding quarter ended 31 December 2023. The increase was mainly contributed by better performance from the Automotive and Services sectors and lower losses from the Postal sector.

17. PROSPECTS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2024

The Malaysian economy is forecast to expand by 4% to 5% in 2024 (2023: 3.7%). The Government has embarked on several strategies to stimulate growth and prosperity which will involve the rationalisation of subsidies and the reduction of fiscal deficit. Bank Negara Malaysia has maintained the Overnight Policy Rate (“OPR”) at 3% since last May, indicating that the monetary policy stance remains conducive to achieving sustainable economic growth. Nevertheless, escalating geopolitical conflicts, unpredictable fluctuations in global commodity prices and heightened volatility in financial markets continue to pose challenges to the economy.

In the first quarter of the year, the Total Industry Volume (“TIV”) recorded a positive growth of 5% to 202,245 units from 192,615 units in the same period last year. This momentum continued after the exceptionally high TIV in 2023, primarily due to the influx of new foreign brands into the market and the general recovery of the economy post-pandemic. However, for 2024, the Malaysian Automotive Association (“MAA”) anticipates a lower TIV compared to 2023.

As for the national carmaker, PROTON’s top sales were largely attributed to the Proton Saga, followed by the Proton S70 sedan and the X-series SUV line-up. The company has further demonstrated its commitment to expanding Research & Development (“R&D”) capabilities by deepening its collaboration with its existing partner, Zhejiang Geely Holding Ltd (“Geely”). Hence, a new R&D centre has been set up in China to enhance cross-border collaboration, facilitate knowledge transfer, as well as to build up competencies not only in Malaysia, but also in the ASEAN region. Meanwhile, Honda Malaysia has announced a sales target of 95,000 units for 2024, an increase from 80,027 units in 2023. As for other marques within the Group, the launch of new models would hinge primarily on market sentiment and prevailing economic conditions.

The Group’s Banking sector continues to progress on its digital transformation journey, further bolstering capabilities with the aim to enhance customer experience. The Postal sector remains steadfast in executing its ongoing transformation strategies to further improve margin-led businesses while aligning with Environmental, Social, and Governance (“ESG”) aspirations. Other sectors under the Group, namely Aerospace and Defence, Services and Properties continue to maintain a proactive approach to cost management in ensuring resilience against prevailing market risks.

The Group maintains a satisfactory outlook for the financial year ending 31 December 2024.

18. PROFIT FORECAST OR PROFIT GUARANTEE

The Group has not issued any profit forecast or profit guarantee for the current financial period in a public document.

19. TAXATION

Taxation comprises the following:

	Financial Quarter/Period 3 Months Ended	
	31.03.2024 RM'000	31.03.2023 RM'000
Current taxation	64,531	29,701
Deferred taxation	(2,618)	12,494
Total	61,913	42,195

For the financial period ended 31 March 2024, the taxation charge arose mainly from certain profit-making subsidiary companies and certain expenses which were not deductible for income tax purposes.

20. STATUS OF CORPORATE PROPOSALS

Save as disclosed in Note 10, the Group has no corporate proposal announced that is not completed as at the date of this report.

21. BORROWINGS

Total Group borrowings are as follows:

	As at 31.03.2024 RM'000
Short-Term Borrowings	
(a) Bank overdrafts	
- Secured	880
(b) Others	
<u>Secured</u>	
Bankers acceptances	23,580
Revolving credits	88,242
Short-term loans	41,570
Hire purchase - portion repayable within 12 months	22,851
Long-term loans - portion repayable within 12 months	18,369
Long-term loans under Islamic financing - portion repayable within 12 months	711,238
Sub-total	905,850
<u>Unsecured</u>	
Bankers acceptances	411,025
Revolving credits	122,300
Long-term loans under Islamic financing - portion repayable within 12 months	9,643
Sub-total	542,968
Total	1,448,818
(c) Long-Term Borrowings	
<u>Secured</u>	
Hire purchase	68,076
- portion repayable within 12 months	(22,851)
	45,225
Long-term loans	314,640
- portion repayable within 12 months	(18,369)
	296,271

21. BORROWINGS (continued)

Total Group borrowings are as follows: (continued)

	As at 31.03.2024 RM'000
(c) Long-Term Borrowings (continued)	
<u>Secured</u> (continued)	
Long-term loans under Islamic financing - portion repayable within 12 months	5,303,448 (711,238)
	4,592,210
<u>Unsecured</u>	
Long-term loans under Islamic financing - portion repayable within 12 months	808,547 (9,643)
	798,904
Total	5,732,610
Grand Total	7,182,308

- (d) The above borrowings are denominated in Ringgit Malaysia ("RM"). Included in the liabilities related to the disposal group held for sale are borrowing liabilities, which includes foreign currency borrowings translated to their RM equivalent as disclosed below:

	Short-Term			Long-Term			Total		
	Foreign currency	Foreign '000	RM '000	Foreign currency	Foreign '000	RM '000	Foreign currency	Foreign '000	RM '000
As at 31 March 2024									
Secured									
Short-term loans	USD	1,066	5,031	-	-	-	USD	1,066	5,031
Term loans under Islamic financing	USD	4,180	19,729	USD	2,766	13,055	USD	6,946	32,784
Total			24,760			13,055			37,815

22. OUTSTANDING DERIVATIVES

- (a) Derivatives outstanding as at 31 March 2024 consist mainly of currency forward foreign exchange contracts, currency swaps foreign exchange contracts and share put option, which are measured at their fair values together with their corresponding contract/notional amounts as below:

	Contract/ Notional Value RM'000	Fair value	
		Assets RM'000	Liabilities RM'000
Currency forward foreign exchange contracts	1,285,000	6,532	1,470
Currency swaps foreign exchange contracts	894,920	4,014	1,202
Share put option	1,626	1,626	-
	2,181,546	12,172	2,672

There is no significant change for the financial derivatives in respect of the following since the last financial year ended 31 December 2023:

- (i) the credit risk, market risk and liquidity risk associated with these financial derivatives;
 - (ii) the cash requirements of the financial derivatives; and
 - (iii) the policy in place for mitigating or controlling the risks associated with these financial derivatives.
- (b) Disclosure of gain arising from fair value changes of financial derivatives

During the financial period ended 31 March 2024, the Group recognised a total net gain of RM16.30 million arising from the fair value changes on the currency forward foreign exchange contracts, currency swaps foreign exchange contracts and share put option, which are marked to market as at 31 March 2024.

23. MATERIAL LITIGATION

There is no material litigation as at the date of this report.

24. DIVIDEND

No interim dividend has been declared in the financial period ended 31 March 2024.

25. EARNINGS PER SHARE

The basic and diluted earnings per share is calculated by dividing the Group's net profit attributable to Owners of the Company by the number of ordinary shares in issue during the financial quarter/period:

	Financial Quarter/Period 3 Months Ended	
	31.03.2024	31.03.2023
Net profit attributable to Owners of the Company (RM'000)	91,538	107,907
Number of ordinary shares in issue ('000)	1,933,237	1,933,237
Basic and diluted earnings per share (sen)	4.73	5.58

26. AUDIT REPORT OF THE PRECEDING ANNUAL FINANCIAL STATEMENTS

The audit report of the Group's preceding audited annual financial statements was not subject to any qualification.

BY ORDER OF THE BOARD

SABARINA LAILA BINTI MOHD HASHIM
SSM PC No.: 201908001661
LS No.: 0004324
Company Secretary

Shah Alam
23 May 2024