



**QUARTERLY ANNOUNCEMENT**  
**For the fourth quarter ended 31 December 2020**

**Summary**

- Against the corresponding quarter, the Group's current quarter revenue improved by 14.3%, contributed mainly by the sales tax exemptions which boosted higher vehicle sales and manufacturing volume.
- Contributions from our joint venture entity and associates were also higher by 83.1% and 50.6% respectively.
- As a result, profit before tax for the quarter increased to RM96.5 million.
- The Board declared an interim dividend of 6.0 sen per share.

**Results**

	Quarter ended 31 Dec			Year to date ended 31 Dec		
	2020 RM mil	2019 RM mil	Change %	2020 RM mil	2019 RM mil	Change %
Revenue	563.4	492.8	14.3	1,796.5	2,085.2	(13.8)
Profit before tax	96.5	47.3	104.0	204.5	268.3	(23.8)
<i>On going business</i>	96.5	47.3	104.0	204.5	231.6	(11.7)
<i>One-off gains from disposals</i>	--	--	--	--	36.7	(100.0)
Profit / (loss) for the period	81.1	46.3	75.0	181.9	249.2	(27.0)
<i>Continuing operations</i>	88.6	44.9	97.5	189.8	257.3	(26.3)
<i>Discontinued operation</i>	(7.5)	1.5	(609.0)	(7.9)	(8.1)	3.0
Profit attributable to equity holders of the Company	70.9	44.2	60.3	157.9	223.7	(29.4)
	Sen	Sen		Sen	Sen	
Basic earnings / (loss) per share	18.1	11.3	60.2	40.4	57.2	(29.4)
<i>Continuing operations</i>	20.1	10.9	83.4	42.4	59.3	(28.5)
<i>Discontinued operation</i>	(1.9)	0.4	(605.3)	(2.0)	(2.1)	3.4
	As at 31 Dec 2020 RM mil	As at 31 Dec 2019 RM mil				
Equity attributable to the equity holders of the Company	1,825.0	1,748.9	4.4			
	RM	RM				
Net assets per share	4.67	4.47	4.4			
	Interim 2020 Sen	Interim 2019 Sen		YTD 2020 Sen	YTD 2019 Sen	
Dividend per share	6.0	7.0	(14.3)	11.0	13.0	(15.4)

**Performance of sales by operations**

% Changes *	Q4'20 vs Q3'20	Q4'20 vs Q4'19	YTD Dec'20 vs YTD Dec'19
<b>Total Industry Volume (TIV) **</b>	+ 12.7	+ 16.5	- 12.4
<b>Total Industry Production (TIP) **</b>	+ 13.0	+ 16.3	- 15.1
<b>Total Group's Vehicles Sales</b>	- 8.9	+ 4.0	- 9.8
<b><u>Subsidiaries</u></b>			
DMSB : Daihatsu & Hino trucks	- 14.6	+ 24.9	- 5.1
DMMS : Perodua vehicles	- 7.0	+ 4.8	- 8.9
FAHB : Volvo & Volkswagen vehicles	- 29.3	- 24.6	- 25.7
HASB	+ 50.4	+ 38.4	- 11.9
OMI	+ 32.4	+ 21.2	- 14.1
Service throughputs	- 12.3	- 9.8	- 13.6
<b><u>Joint Venture</u></b>			
AHSB	+ 27.0	+ 43.4	+ 0.1
<b><u>Associated companies</u></b>			
Perodua vehicles	+ 1.2	+ 19.5	- 8.4
Hino trucks and buses	- 26.7	- 25.5	- 31.9

**Legend**

DMSB : Daihatsu (Malaysia) Sdn Bhd  
DMMS : DMM Sales Sdn Bhd  
FAHB : Federal Auto Holdings Berhad  
HASB : Hirotao Acoustics Sdn Bhd  
OMI : Oriental Metal Industries (M) Sdn Bhd  
AHSB : Autoliv Hirotao Sdn Bhd

\* All changes based on vehicle unit sales, except for HASB, OMI and AHSB which are based on sales values

\*\* Source : Malaysian Automotive Association (MAA) 2020 and 2019

**QUARTERLY ANNOUNCEMENT**  
**For the fourth quarter ended 31 December 2020**

**Group Financial Performance**

**Fourth quarter ended 31 December 2020 compared with fourth quarter ended 31 December 2019**

	Revenue				Profit / (Loss) Before Tax ("PBT")			
	Quarter ended 31-Dec-20	Quarter ended 31-Dec-19	Change		Quarter ended 31-Dec-20	Quarter ended 31-Dec-19	Change	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Total From Continuing Operations	563,416	492,809	70,607	14.3	96,498	47,294	49,204	104.0
<b><u>Business segments:</u></b>								
Motor Trading	491,905	434,952	56,953	13.1	18,190	(1,139)	19,329	1,697.0
Auto Parts Manufacturing	71,135	57,418	13,717	23.9	7,851	2,652	5,199	196.0
Share of results of a joint venture					6,025	3,291	2,734	83.1
Share of results of associates					65,816	43,709	22,107	50.6
Others	376	439	(63)	(14.4)	(1,384)	(1,219)	(165)	(13.5)
<b><u>Discontinued Operation:</u></b>								
<b><u>Business segments:</u></b>								
Auto Parts Manufacturing	--	(6)	6	--	(7,498)	1,473	(8,971)	(609.0)

**Group**

For current quarter, the Group continued its impressive performance with revenue from Continuing Operations higher by RM70.6 million or 14.3% against the corresponding quarter in 2019 to close at RM563.4 million. The higher revenue and volume were contributed by both the Motor Trading and Auto Parts Manufacturing Divisions. With the higher revenue, the Group doubled its PBT with an increase of RM49.2 million or 104.0% against the corresponding quarter in 2019 to achieve an impressive quarter PBT of RM96.5 million.

The Group's share of results in its joint venture likewise improved significantly with RM2.7 million or 83.1% increase in profit against the corresponding quarter to close at RM6.0 million for the quarter.

The share of associates' results similarly showed higher performance to close at a profit of RM65.8 million against the corresponding quarter, with an increase of RM22.1 million or 50.6%.

Included in Others are the Group's investment holding revenue and costs.

Since June 2019, the Group's alloy wheel plant has been reclassified as Discontinued Operation.

**Motor Trading**

The Division's top line performance for the current quarter increased by RM56.9 million or 13.1% as compared to the corresponding quarter in 2019 riding on strong consumer demand in anticipation of the sales tax exemption ending at the end of the year. Vehicle sales volume for all our brands were generally higher especially for our commercial vehicle Daihatsu Granmax which continued to enjoy high demand from the booming e-commerce logistic service industry with volume increased by 44.3% against the corresponding quarter in 2019. Volume for our Perodua and Volvo vehicle sales were also higher than the corresponding quarter, limited only by the stock supply we received during the quarter. Our performance was also boosted by various initiatives to increase aftersales volume and margins which led to improvements on both fronts.

With the high volumes achieved for the quarter, complemented further by the cost reduction measures carried out since the last Movement Control Order (MCO), the Division's PBT increased significantly by RM19.3 million to close at RM18.2 million against the corresponding quarter in 2019. The loss of RM1.1 million recorded in the corresponding quarter in 2019 was due to a one-off costs write-off of RM9.5 million.

**Auto Parts Manufacturing**

Our Auto Parts Manufacturing Division also turned in an impressive performance with revenue increased by RM13.7 million or 23.9% to close at RM71.1 million against the corresponding quarter, arising mainly from increased demand from carmakers for all the products within the Division. Concerted efforts and planning at our plants also helped to ensure there were no interruption to our production lines.

Consequently, the Division's PBT for the quarter increased three-fold to close at RM7.8 million, an increase of RM5.2 million, or 196.0% higher than the corresponding quarter in 2019.

**QUARTERLY ANNOUNCEMENT**  
**For the fourth quarter ended 31 December 2020**

**Fourth quarter ended 31 December 2020 against previous quarter ended 30 September 2020**

	Revenue				Profit / (Loss) Before Tax ("PBT")			
	Quarter ended 31-Dec-20 RM'000	Quarter ended 30-Sep-20 RM'000	Change		Quarter ended 31-Dec-20 RM'000	Quarter ended 30-Sep-20 RM'000	Change	
			RM'000	%			RM'000	%
Total From Continuing Operations	563,416	600,447	(37,031)	(6.2)	96,498	79,601	16,897	(21.2)
<u>Business segments:</u>								
Motor Trading	491,905	547,431	(55,526)	(10.1)	18,190	17,339	851	4.9
Auto Parts Manufacturing	71,135	52,576	18,559	35.3	7,851	4,011	3,840	95.7
Share of results of a joint venture					6,025	4,445	1,580	35.5
Share of associates' results					65,816	55,396	10,420	18.8
Others	376	440	(64)	(14.5)	(1,384)	(1,590)	206	13.0
Discontinued Operation:								
<u>Business segments:</u>								
Auto Parts Manufacturing	--	--	--	--	(7,498)	(90)	(7,408)	(8,231.1)

**Group**

Against the preceding quarter, the Group maintained its strong sales momentum and achieved top line performance of RM563.4 million although slightly short of the preceding quarter's revenue by RM37.0 million or 6.2%, limited mainly by stock supply.

Despite the limited stock supply, the Group closed the year with a remarkable profit of RM96.5 million, a further increase of RM16.9 million, or 21.2% against the preceding quarter, with improvements coming from all fronts.

The Group's share of the joint venture's results similarly reported a profit of RM6.0 million, an increase of RM1.6 million or 35.5% from the preceding quarter.

Likewise for the Group's share of its associates results which closed at a PBT of RM65.8 million, an increase of RM10.4 million or 18.8% against the preceding quarter.

**PROSPECTS**

With the extension of the sales tax exemptions for passenger vehicles until 30 June 2021 under the Penjana stimulus package and the positive customer response seen in the second half of 2020, the Group is looking forward to sustain buying interest in both our passenger and commercial vehicles in 2021. The Group however, is also mindful of the challenges and uncertainties coming from the unabatedly high Covid-19 cases within the country and globally which will certainly be the key risk factor undermining the Group's performance in the near term, although we are diligently practicing Covid-19 measures and procedures at all our outlets and premises to minimise the risk.

Nevertheless, we are cautiously optimistic with the orders we have in hand and the continuous interest in both the passenger and commercial vehicle brands we carry in the Group. Further, the Group will continue to focus on delivering good customer experience at all our touch points and engaging with relevant stakeholders for sales, aftersales and our manufacturing activities. We will also continue with our Transformation Programme aimed at improving overall performance and enhance the cost control measures introduced earlier to mitigate negative impacts from the various MCOs. We expect all these measures will continue to drive up our performance moving forward.

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**For the twelve months ended 31 December 2020 - unaudited**

		Current Quarter Ended 31/12/2020 RM'000	Comparative Quarter Ended 31/12/2019 RM'000	12 months Cumulative To Date 31/12/2020 RM'000	(Audited) Comparative 12 months Cumulative To Date 31/12/2019 RM'000
	Note				
<b>Continuing operations</b>					
Revenue	14	563,416	492,809	1,796,499	2,085,241
Cost of sales		<u>(515,605)</u>	<u>(460,748)</u>	<u>(1,650,430)</u>	<u>(1,932,553)</u>
Gross profit		47,811	32,061	146,069	152,688
Other income		14,132	16,472	42,179	84,034
Administrative and other expenses		(23,100)	(25,184)	(85,354)	(94,026)
Selling and marketing expenses		(14,523)	(23,992)	(59,007)	(79,530)
Finance costs		(123)	(504)	(1,029)	(2,098)
Interest income		460	1,441	4,215	4,530
Share of results of a joint venture, net of tax		6,025	3,291	12,669	11,874
Share of results of associates, net of tax		<u>65,816</u>	<u>43,709</u>	<u>144,804</u>	<u>190,818</u>
<b>Profit before tax</b>	14	96,498	47,294	204,546	268,290
Income tax expense	18	<u>(7,913)</u>	<u>(2,433)</u>	<u>(14,784)</u>	<u>(10,943)</u>
<b>Profit from continuing operations</b>		<u>88,585</u>	<u>44,861</u>	<u>189,762</u>	<u>257,347</u>
<b>Discontinued operation</b>					
Results from discontinued operation, net of tax		<u>(7,498)</u>	<u>1,473</u>	<u>(7,876)</u>	<u>(8,119)</u>
<b>Profit for the period</b>		<u>81,087</u>	<u>46,334</u>	<u>181,886</u>	<u>249,228</u>
<b>Profit / (loss) for the period attributable to:</b>					
Equity holders of the Company from:					
- Continuing operations		78,399	42,744	165,799	231,793
- Discontinued operation		<u>(7,498)</u>	<u>1,473</u>	<u>(7,876)</u>	<u>(8,119)</u>
		<u>70,901</u>	<u>44,217</u>	<u>157,923</u>	<u>223,674</u>
Non-controlling interests from:					
- Continuing operations		10,186	2,117	23,963	25,554
- Discontinued operation		<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
		<u>10,186</u>	<u>2,117</u>	<u>23,963</u>	<u>25,554</u>
<b>Profit for the period</b>		<u>81,087</u>	<u>46,334</u>	<u>181,886</u>	<u>249,228</u>

The notes on pages 10 to 16 are an integral part of these condensed consolidated financial statements.

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (cont'd)**  
**For the twelve months ended 31 December 2020 - unaudited**

	Current Quarter Ended 31/12/2020 RM'000	Comparative Quarter Ended 31/12/2019 RM'000	12 months Cumulative To Date 31/12/2020 RM'000	(Audited) Comparative 12 months Cumulative To Date 31/12/2019 RM'000
<b>Profit for the period</b>	81,087	46,334	181,886	249,228
<b>Other comprehensive income / (loss), net of tax</b> <i>Item that will not be reclassified subsequently to profit or loss:</i>				
Share of revaluation surplus from fair value adjustments of assets in an associate	231	1,042	331	3,862
Share of foreign currency translation reserve of foreign operations of associates	(12)	994	(12)	994
Net gain / (loss) on cash flow hedges and revaluation of an associate	(69)	(24)	4	10
<b>Other comprehensive income for the period, net of tax</b>	150	2,012	323	4,866
<b>Total comprehensive income for the period</b>	<u>81,237</u>	<u>48,346</u>	<u>182,209</u>	<u>254,094</u>
<b>Total comprehensive income / (loss) attributable to:</b>				
Equity holders of the Company from:				
- <i>Continuing operations</i>	78,535	44,741	166,091	236,367
- <i>Discontinued operation</i>	(7,498)	1,473	(7,876)	(8,119)
	<u>71,037</u>	<u>46,214</u>	<u>158,215</u>	<u>228,248</u>
Non-controlling interests from:				
- <i>Continuing operations</i>	10,200	2,132	23,994	25,846
- <i>Discontinued operation</i>	--	--	--	--
	<u>10,200</u>	<u>2,132</u>	<u>23,994</u>	<u>25,846</u>
<b>Total comprehensive income for the period</b>	<u>81,237</u>	<u>48,346</u>	<u>182,209</u>	<u>254,094</u>
<b>Earnings / (loss) per ordinary share</b>	sen	sen	sen	sen
Basic from:				
- <i>Continuing operations</i>	20.06	10.94	42.42	59.30
- <i>Discontinued operation</i>	(1.92)	0.38	(2.01)	(2.08)
	<u>18.14</u>	<u>11.32</u>	<u>40.41</u>	<u>57.22</u>
	23			
Diluted from:				
- <i>Continuing operations</i>	20.06	10.94	42.42	59.30
- <i>Discontinued operation</i>	(1.92)	0.38	(2.01)	(2.08)
	<u>18.14</u>	<u>11.32</u>	<u>40.41</u>	<u>57.22</u>
	23			

The notes on pages 10 to 16 are an integral part of these condensed consolidated financial statements.

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**As at 31 December 2020 - unaudited**

	Note	As at end of Current Quarter 31/12/2020 RM'000	(Audited) As at preceding Financial Year Ended 31/12/2019 RM'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant & equipment		220,222	232,547
Right-of-use assets		3,652	3,200
Investment properties		58,669	56,260
Prepaid land lease payments		31,214	31,685
Investment in a joint venture		71,291	68,822
Investment in associates		1,333,875	1,223,614
Available-for-sale financial asset		1,862	1,862
Deferred tax assets		1,971	2,190
Goodwill on consolidation		1,104	1,104
Total Non-Current Assets		<u>1,723,860</u>	<u>1,621,284</u>
<b>Current Assets</b>			
Inventories		56,626	107,754
Trade & other receivables and prepaid expenses		169,487	140,332
Amount owing by a joint venture		10,200	15,300
Tax recoverable		5,749	5,077
Cash and bank balances		265,909	265,592
		507,971	534,055
Assets classified as held for sale		<u>30,645</u>	<u>38,295</u>
Total Current Assets		<u>538,616</u>	<u>572,350</u>
<b>TOTAL ASSETS</b>	14	<u><b>2,262,476</b></u>	<u><b>2,193,634</b></u>

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**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (cont'd)**

**As at 31 December 2020 - unaudited**

	Note	As at end of Current Quarter 31/12/2020 RM'000	(Audited) As at preceding Financial Year Ended 31/12/2019 RM'000
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Capital and Reserves</b>			
Share capital		391,651	391,651
Reserves		<u>1,433,364</u>	<u>1,357,235</u>
Equity attributable to the equity holders of the Company		1,825,015	1,748,886
Non-controlling interests		<u>277,554</u>	<u>263,709</u>
Total Equity		<u>2,102,569</u>	<u>2,012,595</u>
<b>Non-Current Liabilities</b>			
Long term borrowings	20	134	18,834
Deferred tax liabilities		4,699	4,886
Provision for retirement benefits		2,794	2,632
Lease liabilities - non-current portion		<u>1,791</u>	<u>1,539</u>
Total Non-Current Liabilities		<u>9,418</u>	<u>27,891</u>
<b>Current Liabilities</b>			
Provision for liabilities		--	268
Short term borrowings	20	6,863	17,060
Trade & other payables and accrued expenses		139,445	132,977
Amount owing to holding company		36	36
Lease liabilities - current portion		2,187	1,735
Tax liabilities		<u>1,958</u>	<u>1,072</u>
Total Current Liabilities		<u>150,489</u>	<u>153,148</u>
Total Liabilities	14	<u>159,907</u>	<u>181,039</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>2,262,476</u></u>	<u><u>2,193,634</u></u>
<b>Net assets per share (RM)</b>		<b>4.67</b>	<b>4.47</b>

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**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**For the twelve months ended 31 December 2020 - unaudited**

Note	/----- Non-distributable reserve -----/					Distributable reserve - Retained earnings RM'000	Attributable to the equity holders of the Company RM'000	Non-controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Fair value reserve RM'000	Hedging reserve RM'000	Foreign currency translation reserve RM'000	Equity-settled employee benefits reserve RM'000				
<b>12 months ended 31 December 2019 - audited</b>									
<b>At 1 January 2019</b>	391,651	--	(40)	--	347	1,187,313	1,579,271	249,239	1,828,510
Dividends distributed to owners of the Company	--	--	--	--	--	(58,633)	(58,633)	--	(58,633)
Dividends paid to non-controlling interests of subsidiaries	--	--	--	--	--	--	--	(11,376)	(11,376)
Profit for the period	--	--	--	--	--	223,674	223,674	25,554	249,228
Other comprehensive income for the period	--	3,569	9	996	--	--	4,574	292	4,866
Total comprehensive income	--	3,569	9	996	--	223,674	228,248	25,846	254,094
Long-Term Incentive Plan ("LTIP"): Recognition of share-based payments	--	--	--	--	(347)	347	--	--	--
<b>At 31 December 2019</b>	<b>391,651</b>	<b>3,569</b>	<b>(31)</b>	<b>996</b>	<b>--</b>	<b>1,352,701</b>	<b>1,748,886</b>	<b>263,709</b>	<b>2,012,595</b>
<b>12 months ended 31 December 2020 - unaudited</b>									
<b>At 1 January 2020</b>	391,651	3,569	(31)	996	--	1,352,701	1,748,886	263,709	2,012,595
Dividends distributed to owners of the Company	--	--	--	--	--	(82,086)	(82,086)	--	(82,086)
Dividends paid to non-controlling interests of subsidiaries	--	--	--	--	--	--	--	(10,149)	(10,149)
Profit for the period	--	--	--	--	--	157,923	157,923	23,963	181,886
Other comprehensive income for the period	--	299	(11)	4	--	--	292	31	323
Total comprehensive income	--	299	(11)	4	--	157,923	158,215	23,994	182,209
Long-Term Incentive Plan ("LTIP"): Recognition of share-based payments	--	--	--	--	--	--	--	--	--
<b>At 31 December 2020</b>	<b>391,651</b>	<b>3,868</b>	<b>(42)</b>	<b>1,000</b>	<b>--</b>	<b>1,428,538</b>	<b>1,825,015</b>	<b>277,554</b>	<b>2,102,569</b>

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**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**For the twelve months ended 31 December 2020 - unaudited**

	2020	(Audited) 2019
	12 months ended	12 months ended
	31/12/2020	31/12/2019
Note	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax from :		
- <i>Continuing operations</i>	204,546	268,290
- <i>Discontinued operation</i>	<u>(7,876)</u>	<u>(8,119)</u>
	196,670	260,171
Adjustments for :		
Share of results of associates	(144,804)	(190,818)
Share of results of a joint venture	(12,669)	(11,874)
Depreciation and amortisation	17,395	19,039
Finance costs from :		
- <i>Continuing operations</i>	1,029	2,098
- <i>Discontinued operation</i>	--	2,849
Gain on disposal of investment in associates	--	(24,761)
Gain on disposal of assets classified as held for sale	--	(11,928)
Other non-cash items	<u>3,925</u>	<u>(3,471)</u>
Operating profit before working capital changes	61,546	41,305
Changes in working capital		
(Increase) / Decrease in trade & other receivables	(29,273)	(7,562)
(Increase) / Decrease in inventories	50,616	(4,607)
Increase / (Decrease) in trade & other payables	6,467	11,437
Net changes in other current assets & liabilities	(106)	(1,290)
Income tax refunded	30	7,388
Income tax paid	<u>(14,569)</u>	<u>(13,145)</u>
Net cash from / (used in) operating activities	<u>74,711</u>	<u>33,526</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Dividends received from associates	34,866	130,390
Dividends received from a joint venture	15,300	10,200
Interest income	4,215	4,598
Purchase of property, plant & equipment	(4,440)	(11,966)
Purchase of investment properties	--	(2,708)
Proceeds from disposal of property, plant & equipment	255	1,007
Proceeds from disposal of investment property	--	2,662
Proceeds from disposal of investment in associates	--	74,375
Proceeds from disposal of assets classified as held for sale	<u>--</u>	<u>13,250</u>
Net cash from / (used in) investing activities	<u>50,196</u>	<u>221,808</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid	(82,086)	(58,633)
Dividends paid to non-controlling interests of subsidiaries	(10,149)	(11,376)
Finance costs paid	(1,029)	(4,947)
Bank borrowings	(28,221)	(106,496)
Finance lease payables	--	(1,510)
Hire-purchase payables	--	(15)
Lease payables	<u>(2,430)</u>	<u>(2,576)</u>
Net cash from / (used in) financing activities	<u>(123,915)</u>	<u>(185,553)</u>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	992	69,781
<b>CASH AND CASH EQUIVALENTS AT 1 JANUARY</b>	<u>258,847</u>	<u>189,066</u>
<b>CASH AND CASH EQUIVALENTS AT 31 DECEMBER</b>	<u>259,839</u>	<u>258,847</u>
Cash and cash equivalents comprise :		
Cash and bank balances	265,909	265,592
Bank overdrafts	<u>(6,070)</u>	<u>(6,745)</u>
	<u>259,839</u>	<u>258,847</u>

The notes on pages 10 to 16 are an integral part of these condensed consolidated financial statements.

**Notes to the condensed consolidated interim financial statements**

**1. Basis of preparation**

These unaudited condensed consolidated interim financial statements have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRS"), MFRS134: Interim Financial Reporting and the requirements of the Malaysian Companies Act, 2016 and comply with applicable disclosure provisions under Paragraph 9.22 of the Listing Requirements of the Bursa Malaysia Securities Berhad .

They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2019.

**2. Significant accounting policies**

The accounting policies and method of computation applied by the Group in these unaudited condensed consolidated interim financial statements are consistent with those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2019, except for the adoption of the following MFRSs, amendments to MFRSs and IC Interpretations during the current financial period :

**Effective for financial periods beginning on or after 1 January 2020**

Amendments to:

MFRSs	Amendments to References to the Conceptual Framework in MFRS Standards
MFRS 3	Definition of a Business
MFRS 9, MFRS 139 and MFRS 7	Interest Rate Benchmark Reform
MFRS 101 and MFRS 108	Definition of Material

The initial adoption of the above new and revised MFRSs, amendments to MFRSs and IC interpretations did not result in significant changes in the accounting policies of the Group and do not have any significant effect on the financial statements of the Group.

At the date of authorisation of this unaudited interim financial statements, the following MFRSs and amendments to MFRSs have been issued by the MASB but are not yet effective and have not been adopted by the Group :

**Effective for financial periods beginning on or after 1 January 2021**

MFRS 17	Insurance Contracts
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**Effective for financial periods beginning on or after 1 January 2022**

Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
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**MFRSs, Interpretations and amendments effective for a date yet to be confirmed**

Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
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The adoption of these MFRSs or amendments to MFRSs are not expected to have any material financial impact on the financial statements of the Group in the period of initial application.

**3. Independent Auditors' Report of Preceding Annual Financial Statements**

The independent auditors' report on the financial statements of the Group and of the Company as at and for the year ended 31 December 2019 was not qualified.

**4. Seasonal and cyclical factors**

The main activities of the Group are in motor trading and manufacturing of automotive components and are therefore dependent on the economy of the country.

**5. Exceptional items**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows for the financial period under review.

**6. Estimates**

In preparing the condensed interim financial statements, the critical judgements made by management in applying the Group's accounting policies and the key estimation made were consistent with those applied in the financial statements of the Group for the year ended 31 December 2019.

**7. Debt and equity securities**

There were no issuances and repayment of debt securities, share buy-backs, share cancellation, shares held as treasury shares and resale of treasury shares for the financial period under review.

The issued share capital of the Group and the Company during the financial period was as follows:

	Period ended 31/12/2020	
	Number of Shares '000	Share Capital RM'000
Ordinary shares		
As at 1 January 2020 / 31 December 2020	390,887	391,651

**Notes to the condensed consolidated interim financial statements (cont'd)**

**7. Debt and equity securities (cont'd)**

The Long-Term Incentive Plan ("LTIP") of the Company is governed by the by-laws approved by the shareholders at an Extraordinary General Meeting held on 19 November 2014. The LTIP was implemented on 26 September 2016 and will be in force for a period of 10 years from the effective date.

The LTIP comprises of two schemes, namely, the Performance Share Plan ("PSP") and Restricted Share Plan ("RSP").

There are no outstanding shares under the PSP and RSP during the financial period.

**8. Dividends paid**

No dividends were paid during the financial quarter under review.

**9. Subsequent material events**

There were no material subsequent events to be disclosed as at the date of this report.

**10. Changes in composition of the Group**

There were no material changes in the composition of the Group during for the current quarter under review.

**11. Capital commitments**

The amount of commitments in respect of the acquisition of property, plant and equipments not provided for in the interim financial statements as at 31 December 2020 is as follows :

	<u>RM'000</u>
Approved and contracted for	--
Approved and not contracted for	<u>6,997</u>

**12. Significant related party transactions**

During the period ended 31 December 2020, the Group and the Company had the following transactions with related parties:

	Period ended 31/12/2020 <u>RM'000</u>
<b><u>Group</u></b>	
Purchases from a subsidiary of Perusahaan Otomobil Kedua Sdn. Bhd. ("Perodua")	1,071,121
Sales to a subsidiary of Perodua	67
Sales to an associate of Perodua	27,522
Purchases from Hino Motors Sales (Malaysia) Sdn. Bhd.	<u>19,171</u>
<b><u>Company</u></b>	
Gross dividends from:	
- subsidiaries	47,521
- associates	26,221
Management fees from subsidiaries	423
Interest income on advances to subsidiaries	<u>3,625</u>

**13. Contingent liabilities or assets**

The Group does not have any significant contingent liabilities or assets which upon due or enforceable, may have a material impact on the results of the Group.

**14. Operating segments**

The Group's reportable segments offer different products and services and are managed separately due to different trading nature and marketing strategies. Most of the businesses were acquired as individual units and the management at the time of acquisition remained.

Information reported to the Group's chief operating decision makers for the purposes of resource allocation and assessment of segment performance is more specifically focused on the business segments as follows:

- (i) Motor Trading : Marketing and distribution of motor vehicles, spare parts and provision of related services.
- (ii) Auto Parts Manufacturing : Manufacturing of automotive parts and components, steel and alloy wheels and discs, noise, vibration and harshness ("NVH") products and provision of tyre assembly services.
- (iii) Property Development (non-core) : Development of Menara MBMR.
- (iv) All others : Investment holding, corporate headquarters and other dormant companies.

Notes to the condensed consolidated interim financial statements (cont'd)

14. Operating segments (cont'd)

Period ended 31 December 2020

	Motor Trading	Auto Parts Manufacturing		Property Development	All others	Group
	RM'000	Continuing RM'000	Discontinued RM'000	RM'000	RM'000	RM'000
Revenues from external customers	1,616,312	178,632	--	--	1,555	1,796,499
Results for reportable segments	39,642	11,343	(7,876)	(86)	(7,012)	36,011
Share of results of a jointly venture	--	12,669	--	--	--	12,669
Share of results of associates	143,487	1,317	--	--	--	144,804
Interest income	2,047	314	--	21	1,833	4,215
Finance costs	(103)	(331)	--	--	(595)	(1,029)
Profit/(loss) before tax for reportable segment	185,073	25,312	(7,876)	(65)	(5,774)	196,670
Depreciation and amortisation	(10,770)	(4,110)	--	(1)	(2,514)	(17,395)
Other significant non-cash items						
-Property, plant and equipment written off	(81)	(2)	--	--	--	(83)
- Allowance for expected credit loss	(119)	--	--	--	--	(119)
- Allowance for slow-moving inventories	(512)	--	--	--	--	(512)
- Impairment loss on assets classified as held for sale	--	--	(7,567)	--	--	(7,567)
Capital expenditure	2,717	1,719	--	--	4	4,440
Segment assets	536,001	147,461	19,510	2,656	151,682	857,310
Jointly controlled entity	--	48,392	--	--	22,899	71,291
Investment in associates	1,269,800	64,075	--	--	--	1,333,875
Segment liabilities	(106,046)	(46,590)	(73)	(1,087)	(6,111)	(159,907)

Period ended 31 December 2019

	Motor Trading	Auto Parts Manufacturing		Property Development	All others	Group
	RM'000	Continuing RM'000	Discontinued RM'000	RM'000	RM'000	RM'000
Revenues from external customers	1,876,060	207,155	25,598	--	2,026	2,110,839
Results for reportable segments	47,794	20,510	(5,338)	(112)	(5,026)	57,828
Share of results of a joint venture	--	11,874	--	--	--	11,874
Share of results of associates	186,998	3,820	--	--	--	190,818
Interest income	2,893	340	68	1	1,296	4,598
Finance costs	(497)	(401)	(2,849)	--	(1,200)	(4,947)
Profit/(loss) before tax for reportable segment	237,188	36,143	(8,119)	(111)	(4,930)	260,171
Depreciation and amortisation	(10,770)	(4,821)	(732)	(1)	(2,715)	(19,039)
Other significant non-cash items						
- Impairment loss on other investment	--	--	--	--	(74)	(74)
- Impairment loss on property, plant and equipment	(1,322)	--	--	--	--	(1,322)
- Reversal of impairment loss on property, plant and equipment	--	--	515	--	--	515
- Allowance for expected credit losses	(863)	--	--	--	--	(863)
- Allowance for expected credit losses no longer required	1,386	16	163	--	--	1,565
- Allowance for slow moving inventories	(888)	(430)	--	--	--	(1,318)
- Allowance for slow moving inventories no longer required	502	--	202	--	--	704
- Inventories written down	(149)	(44)	(456)	--	--	(649)
Capital expenditure	6,658	5,301	--	--	2,715	14,674
Segment assets	541,342	144,758	26,298	2,739	186,061	901,198
Jointly controlled entity	--	45,923	--	--	22,899	68,822
Investment in associates	1,158,193	65,421	--	--	--	1,223,614
Segment liabilities	(105,522)	(43,685)	(307)	(1,105)	(30,420)	(181,039)

Notes to the condensed consolidated interim financial statements (cont'd)

14. Operating segments (cont'd)

Reconciliations of reportable operating segment revenues,  
profit or loss, assets and liabilities

	Period ended 31/12/2020 RM'000	Period ended 31/12/2019 RM'000
<u>Revenues</u>		
Total revenues for Group's reportable segments	1,794,944	2,108,813
All others	1,555	2,026
Elimination of discontinued operation	--	(25,598)
Revenue, as reported	<u>1,796,499</u>	<u>2,085,241</u>
<u>Profit or loss</u>		
Total profit / (loss) for Group's reportable segments, including finance costs and interest income	44,971	62,409
All others	(5,774)	(4,930)
Share of results of jointly controlled entity	12,669	11,874
Share of results of associates	144,804	190,818
Elimination of discontinued operation	7,876	8,119
Profit before tax, as reported	<u>204,546</u>	<u>268,290</u>
<u>Assets</u>		
Total assets for Group's reportable segments	705,628	715,137
All others	151,682	186,061
Jointly controlled entity	71,291	68,822
Investment in associates	1,333,875	1,223,614
Total assets, as reported	<u>2,262,476</u>	<u>2,193,634</u>
<u>Liabilities</u>		
Total liabilities for Group's reportable segments	153,796	150,619
All others	6,111	30,420
Total liabilities, as reported	<u>159,907</u>	<u>181,039</u>

The Group evaluates performance of these operating segments based on their respective profit or loss. The Group accounts for intersegment sales and transfers as if the sales or transfers were to third parties, i.e. at arm's length transactions.

The commentary on segment results is furnished in the Main Section on pages 2 of the announcement.

The accounting policies and method of computation of the operating segments are consistent with those described in the summary of significant accounting policies in the recent audited financial statement for the year ended 31 December 2019.

The results of the Group's indirect wholly owned subsidiary, OMI Alloy (M) Sdn Bhd ("OMIA"), had been classified as "Discontinued Operation" on 30 June 2019 due to the cessation of its alloy wheel plant's operation. The property, plant and equipment of OMIA has since been presented as "Assets classified as held for sale".

Results of discontinued operation:

	Quarter ended		Year to date 12 months ended	
	31/12/2020 RM'000	31/12/2019 RM'000	31/12/2020 RM'000	31/12/2019 RM'000
Revenue	-	-	-	25,598
Cost of sales	-	-	-	(29,691)
Gross loss	-	-	-	(4,093)
Other income	124	-	165	59
Administrative and other expenses	(7,622)	1,580	(8,041)	(1,304)
Finance costs	-	(175)	-	(2,849)
Interest income	-	68	-	68
Loss before tax	(7,498)	1,473	(7,876)	(8,119)
Income tax expense	-	-	-	-
Loss from discontinued operation	<u>(7,498)</u>	<u>1,473</u>	<u>(7,876)</u>	<u>(8,119)</u>
<u>Net cash flows of discontinued operation:</u>				
Net cash from / (used in) operating activities			135	(2,342)
Net cash from / (used in) investing activities			-	93
Net cash used in financing activities			-	(103,471)
Net decrease in cash and cash equivalents			<u>135</u>	<u>(105,720)</u>

**Notes to the condensed consolidated interim financial statements (cont'd)**

**15. Review of Group performance**

The review of performance by operations is furnished in the Main Section on pages 1 to 3 of the announcement.

**16. Current year prospects**

The overview of current year prospects is furnished in the Main Section on pages 1 to 3 of the announcement.

**17. Variance from profit forecast or profit guarantee**

The Group did not issue any profit forecast or profit guarantee for the year.

**18. Income tax expense**

	Current Quarter 31/12/2020 RM'000	Year to date 31/12/2020 RM'000
Current year's provision	7,900	14,803
Add : Under/(Over) provision in prior years	<u>(19)</u>	<u>(51)</u>
	7,881	14,752
Deferred taxation	<u>32</u>	<u>32</u>
Income tax expense	<u><u>7,913</u></u>	<u><u>14,784</u></u>

A reconciliation of the statutory income tax rate at 24% to the effective income tax rate of the Group for the current quarter and for the year-to-date are as follows :

	Current Quarter 31/12/2020 %	Year to date 31/12/2020 %
Statutory income tax rate in Malaysia	24.0	24.0
Adjustment for tax applicable to share of results of associates	(16.4)	(17.0)
Adjustment for tax applicable to share of results of a joint venture	(1.5)	(1.5)
Expenses not deductible for tax purpose / (Income not subject to tax)	2.1	1.7
	<u>8.2</u>	<u>7.2</u>

**19. Corporate proposals**

There were no corporate proposals made or undertaken by the Group and the Company during the current quarter.

**20. Group borrowings and debt securities**

	Short Term Borrowings RM'000	Long Term Borrowings RM'000
Denominated in Malaysian Currency (RM)		
Secured	6,863	134
Unsecured	<u>--</u>	<u>--</u>
Total	<u><u>6,863</u></u>	<u><u>134</u></u>

**21. Material litigations**

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

**22. Dividend**

The Board is pleased to declare a second interim single tier dividend of 6.0 sen per ordinary share amounting to approximately RM23,453,259 for the current financial year ended 31 December 2020.

Notes to the condensed consolidated interim financial statements (cont'd)

23. Earnings per ordinary share (EPS)

	Quarter ended		Year to date 12 months ended	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
<b>Basic earnings / (loss) per ordinary share</b>	RM'000	RM'000	RM'000	RM'000
Profit attributable to equity holders of the Company:				
- Continuing operations	78,399	42,744	165,799	231,793
- Discontinued operation	(7,498)	1,473	(7,876)	(8,119)
	70,901	44,217	157,923	223,674
Number of ordinary shares in issue	'000	'000	'000	'000
	390,887	390,887	390,887	390,887
<b>Basic earnings / (loss) per share (sen):</b>				
- Continuing operations	20.06	10.94	42.42	59.30
- Discontinued operation	(1.92)	0.38	(2.01)	(2.08)
	18.14	11.32	40.41	57.22
<b>Diluted earnings / (loss) per share (sen):</b>				
- Continuing operations	20.06	10.94	42.42	59.30
- Discontinued operation	(1.92)	0.38	(2.01)	(2.08)
	18.14	11.32	40.41	57.22

The diluted earnings / (loss) per share of the Company is equal to the basic earnings / (loss) per share as the Company does not have any dilutive ordinary shares in issue.

24. Items to disclose in the Statement of Comprehensive Income

	Quarter ended		Year to date 12 months ended	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	RM'000	RM'000	RM'000	RM'000
a) Interest income	460	1,441	4,215	4,530
b) Interest expense	(123)	(1,697)	(1,029)	(4,947)
c) Depreciation and amortisation	(8,876)	(9,143)	(17,395)	(19,039)
d) Allowance for slow-moving inventories	(128)	157	(512)	(816)
e) Inventories written down	--	(193)	--	(193)
f) Allowance for expected credit loss	292	539	(119)	539
g) Bad debts written off	--	(80)	--	(80)
h) Impairment Loss on other investments	--	(74)	--	(74)
i) Impairment Loss on property, plant and equipment	--	(1,322)	--	(1,322)
j) Property, plant and equipment written off	(39)	--	(83)	(96)
k) Gain on disposal of property, plant and equipment	104	42	142	35
l) Gain on disposal of investment properties	--	--	--	1,320
m) Gain on disposal of investment in associates	--	--	--	24,761
n) Gain on disposal of assets classified as held for sale	--	--	--	11,928
o) Realised gain / (loss) on foreign exchange	(3)	62	37	(49)

Other than the items above which have been included in the Condensed Consolidated Statement of Profit or Loss, there were no impairment of assets, provisions for and write off of receivable and inventories, gain or loss on derivatives, disposal of quoted or unquoted investments or properties, and other exceptional items for the current financial period ended 31 December 2020.

25. Authorised for issue

These unaudited condensed consolidated interim financial statements were approved by the Board of Directors on 25 February 2021.

BY ORDER OF THE BOARD  
MBM RESOURCES BERHAD

WONG PEIR CHYUN  
COMPANY SECRETARY  
KUALA LUMPUR  
DATED : 25 FEBRUARY 2021