



**QUARTERLY ANNOUNCEMENT**  
**For the second quarter ended 30 June 2021**

**Summary**

- Against the corresponding quarter, the Group's current quarter revenue improved by 24.1% due to higher revenue from both Motor Trading and Auto Parts Manufacturing Divisions.
- Contributions from our joint venture entity and associates were also higher by 1,709.9% and 366.5% respectively.
- As a result, profit before tax for the quarter increased to RM22.8 million.
- The Board declared an interim dividend of 5.0 sen per share.

**Results**

	Quarter ended 30 Jun			Year to date ended 30 Jun		
	2021 RM mil	2020 RM mil	Change %	2021 RM mil	2020 RM mil	Change %
Revenue	320.9	258.6	24.1	739.2	632.6	16.8
Profit before tax	22.8	(2.8)	909.3	77.9	28.4	173.7
Profit / (loss) for the period	19.8	(4.3)	555.6	72.5	25.9	179.7
<i>Continuing operations</i>	19.9	(4.2)	568.4	72.6	26.2	177.0
<i>Discontinued operation</i>	(0.0)	(0.1)	54.6	(0.1)	(0.3)	70.8
Profit attributable to equity holders of the Company	16.6	(5.2)	420.6	63.7	22.0	188.8
	Sen	Sen		Sen	Sen	
Basic earnings / (loss) per share	4.3	(1.3)	420.3	16.3	5.6	188.8
<i>Continuing operations</i>	4.3	(1.3)	428.5	16.3	5.7	185.6
<i>Discontinued operation</i>	(0.0)	(0.0)	66.7	(0.0)	(0.1)	71.4
	As at 30 Jun 2021 RM mil	As at 31 Dec 2020 RM mil				
Equity attributable to the equity holders of the Company	1,830.8	1,825.7	0.3			
	RM	RM				
Net assets per share	4.68	4.67	0.3			
	Interim 2021 Sen	Interim 2020 Sen		YTD 2021 Sen	YTD 2020 Sen	
Dividend per share	5.0	5.0	--	5.0	5.0	--

**Performance of sales by operations**

% Changes *	Q2'21 vs Q1'21	Q2'21 vs Q2'20	YTD Jun'21 vs YTD Jun'20
	<b>Total Industry Volume (TIV) **</b>	- 21.4	+ 60.6
<b>Total Industry Production (TIP) **</b>	- 36.0	+ 63.5	+ 45.3
<b>Total Group's Vehicles Sales</b>	- 34.8	- 9.6	- 2.0
<b>Subsidiaries</b>			
DMSB : Daihatsu & Hino trucks	+ 30.4	+ 26.2	+ 6.3
DMMS : Perodua vehicles	- 39.8	- 15.2	- 3.3
FAHB : Volvo & Volkswagen vehicles	+ 3.9	+ 55.8	+ 11.2
HASB	- 41.1	+ 74.5	+ 70.8
OMI	- 39.0	+ 133.2	+ 88.0
Service throughputs	- 21.4	+ 45.5	+ 21.0
<b>Joint Venture</b>			
AHSB	- 35.7	+ 97.4	+ 66.6
<b>Associated companies</b>			
Perodua vehicles	- 29.4	+ 60.9	+ 32.4
Hino trucks and buses	- 36.1	+ 72.6	+ 62.3

**Legend**

DMSB : Daihatsu (Malaysia) Sdn Bhd  
DMMS : DMM Sales Sdn Bhd  
FAHB : Federal Auto Holdings Berhad  
HASB : Hirota Acoustics Sdn Bhd  
OMI : Oriental Metal Industries (M) Sdn Bhd  
AHSB : Autoliv Hirota 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) 2021 and 2020

**QUARTERLY ANNOUNCEMENT**  
**For the second quarter ended 30 June 2021**

**Group Financial Performance**

**Second quarter ended 30 June 2021 compared with second quarter ended 30 June 2020**

	Revenue				Profit / (Loss) Before Tax ("PBT")			
	Quarter ended 30-Jun-21	Quarter ended 30-Jun-20	Change		Quarter ended 30-Jun-21	Quarter ended 30-Jun-20	Change	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Total From Continuing Operations	320,878	258,596	62,282	24.1	22,821	(2,820)	25,641	909.3
<u>Business segments:</u>								
Motor Trading	282,010	241,048	40,962	17.0	9,130	4,956	4,174	84.2
Auto Parts Manufacturing	38,434	17,281	21,153	122.4	590	(1,524)	2,114	138.7
Share of results of a joint venture					1,626	(101)	1,727	1,709.9
Share of results of associates					12,639	(4,742)	17,381	366.5
Others	434	267	167	62.5	(1,164)	(1,409)	245	17.4
Discontinued Operation:								
<u>Business segments:</u>								
Auto Parts Manufacturing	--	--	--	--	(49)	(108)	59	54.6

**Group**

Against the corresponding quarter, the Group's revenue from Continuing Operations was higher by RM62.3 million or 24.1% to close at RM320.9 million. The higher revenue were contributed by both the Motor Trading and Auto Parts Manufacturing Divisions. With the higher revenue, the Group's PBT likewise reported a profit of RM22.4 million, against a loss before tax ("LBT") of RM2.8 million in the corresponding quarter, a significant improvement of RM25.2 million.

The Group's share of results in its joint venture was also higher by RM1.7 million against a minimal loss in the corresponding quarter to close at RM1.6 million profit for the quarter.

The share of associates' results similarly showed higher performance to close at a profit of RM12.6 million versus an LBT of RM 4.7 million in the corresponding quarter, an improvement of RM17.4 million.

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 closed the quarter with revenue of RM282.0 million, increased by RM41.0 million or 17.0% as compared to the corresponding quarter in 2020 despite the closure of our showrooms and manufacturing plants for the entire month of June 2021 due to the announcement of the Full Movement Control Order ("FMCO"). Our workshops were also operating with 60% capacity.

This higher volume was achieved with higher demand in Apr and May 2021 on the back of continuous consumer interest in the brands we carried in the Group, aided by the presence of the sales tax exemption (SST). Aside from the strong demand in the Perodua Ativa and Volvo XC40 Recharge that was launched last quarter, we saw interest in the new Volvo S90 Recharge launched in April 2021 as well. As for our commercial segment, demand for the Daihatsu Granmax remained steady coming mainly from the e-commerce logistic industry.

With the higher vehicles and aftersales revenue and margins, the Division achieved higher PBT of RM9.1 million, an increase of RM4.2 million or 84.2% against the corresponding quarter in 2020.

**Auto Parts Manufacturing**

Production demand for our Auto Parts Manufacturing Division were more impressive leading to an increase of RM21.1 million or 122.4% to close at a revenue of RM38.4 million against the corresponding quarter. The higher revenue came mainly from higher consumer demand due to SST.

Consequently, despite not operating for the full month of June due to FMCO, the Division's PBT for the quarter increased by RM2.1 million or 138.7% against the corresponding quarter in 2020 to close at RM0.6 million.

**QUARTERLY ANNOUNCEMENT**  
**For the second quarter ended 30 June 2021**

**Second quarter ended 30 June 2021 against previous quarter ended 31 March 2021**

	Revenue				Profit / (Loss) Before Tax ("PBT")			
	Quarter ended 30-Jun-21 RM'000	Quarter ended 31-Mar-21 RM'000	Change		Quarter ended 30-Jun-21 RM'000	Quarter ended 31-Mar-21 RM'000	Change	
			RM'000	%			RM'000	%
Total From Continuing Operations	320,878	418,307	(97,429)	(23.3)	22,821	55,038	(32,217)	(58.5)
<u>Business segments:</u>								
Motor Trading	282,010	354,553	(72,543)	(20.5)	9,130	4,921	4,209	85.5
Auto Parts Manufacturing	38,434	63,323	(24,889)	(39.3)	590	4,779	(4,189)	(87.7)
Share of results of a joint venture					1,626	4,128	(2,502)	(60.6)
Share of associates' results					12,639	43,171	(30,532)	(70.7)
Others	434	431	3	0.7	(1,164)	(1,961)	797	40.6
Discontinued Operation:								
<u>Business segments:</u>								
Auto Parts Manufacturing	--	--	--	--	(49)	(35)	(14)	(40.0)

**Group**

Despite having only two months of full operation in the current quarter as compared to the three operating months in the preceding quarter, the drop in the Group's revenue was less severe at 23.3% or RM97.4 million to close at RM320.9 million due to higher demand in the months of April and May. Other factors such as limited vehicle supplies, global chips shortage and the continuous COVID-19 operating environment also have some downside effect to the volume although partially compensated by higher aftersales revenue.

With the lower revenue, PBT therefore closed at RM22.8 million, lower by RM32.2 million or 58.5% as compared to the preceding quarter.

The Group's share of the joint venture's results similarly reported lower profit of RM1.6 million, a drop of RM2.5 million or 87.7% from the preceding quarter.

Likewise for the Group's share of its associates results which closed at RM12.6 million, an decrease of RM30.5 million or 70.7% against the preceding quarter.

**PROSPECTS**

The prolonged Enhanced Movement Control Order ("EMCO") lockdown has put tremendous pressure on the entire automotive supply chain. Under these unprecedented times, we remain focused on business resiliency enhancement and prudent cost management in mitigating the impact. As the nation's economic recovery remain uncertain with the third wave of COVID-19 pandemic continues to cloud the business environment, any further extension of EMCO lockdowns would raise concerns and compromise the Group's performance.

We welcomed the recent Government's announcement to open selected economic sectors gradually including the automotive sector. We are hopeful that more sectors will be allowed to operate soon, and the country's economy can get back on track quickly. The Group had also undertaken all efforts to achieve at least 80% of our employees fully vaccinated, in preparing for the opening of our operations, and to protect not just our employees but also our customers and business partners. As of now, our manufacturing division is operational at full capacity and our retail outlets are fully opened nationwide.

Moving forward, we are confident that growth in revenue will be achieved at the back of a strong carried over order bank and further boosted by the tax holiday extension until end of the year. The increase in on-demand delivery service, fueled by the rise of e-commerce business model is also expected to contribute positively. Based on the aforementioned, the Group remains cautiously optimistic for a better performance in the second half of the year despite the challenging operational environment.

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**For the six months ended 30 June 2021 - unaudited**

		Current Quarter Ended 30/06/2021 RM'000	Comparative Quarter Ended 30/06/2020 RM'000	6 months Cumulative To Date 30/06/2021 RM'000	(Unaudited) Comparative 6 months Cumulative To Date 30/06/2020 RM'000
	Note				
<b>Continuing operations</b>					
Revenue	14	320,878	258,596	739,185	632,636
Cost of sales		<u>(292,663)</u>	<u>(238,793)</u>	<u>(675,327)</u>	<u>(582,613)</u>
Gross profit		28,215	19,803	63,858	50,023
Other income		12,112	9,867	18,976	17,103
Administrative and other expenses		(21,141)	(17,576)	(43,530)	(41,051)
Selling and marketing expenses		(11,426)	(11,030)	(24,634)	(25,632)
Finance costs		(101)	(324)	(201)	(681)
Interest income		897	1,283	1,826	2,894
Share of results of a joint venture, net of tax		1,626	(101)	5,754	2,199
Share of results of associates, net of tax		<u>12,639</u>	<u>(4,742)</u>	<u>55,810</u>	<u>23,592</u>
<b>Profit / (loss) before tax</b>	14	22,821	(2,820)	77,859	28,447
Income tax expense	18	<u>(2,965)</u>	<u>(1,419)</u>	<u>(5,250)</u>	<u>(2,232)</u>
<b>Profit / (loss) from continuing operations</b>		<u>19,856</u>	<u>(4,239)</u>	<u>72,609</u>	<u>26,215</u>
<b>Discontinued operation</b>					
Results from discontinued operation, net of tax		<u>(49)</u>	<u>(108)</u>	<u>(84)</u>	<u>(288)</u>
<b>Profit / (loss) for the period</b>		<u>19,807</u>	<u>(4,347)</u>	<u>72,525</u>	<u>25,927</u>
<b>Profit / (loss) for the period attributable to:</b>					
Equity holders of the Company from:					
- Continuing operations		16,677	(5,078)	63,744	22,331
- Discontinued operation		<u>(49)</u>	<u>(108)</u>	<u>(84)</u>	<u>(288)</u>
		<u>16,628</u>	<u>(5,186)</u>	<u>63,660</u>	<u>22,043</u>
Non-controlling interests from:					
- Continuing operations		3,179	839	8,865	3,884
- Discontinued operation		<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
		<u>3,179</u>	<u>839</u>	<u>8,865</u>	<u>3,884</u>
<b>Profit / (loss) for the period</b>		<u>19,807</u>	<u>(4,347)</u>	<u>72,525</u>	<u>25,927</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 six months ended 30 June 2021 - unaudited**

	Current Quarter Ended 30/06/2021 RM'000	Comparative Quarter Ended 30/06/2020 RM'000	6 months Cumulative To Date 30/06/2021 RM'000	(Unaudited) Comparative 6 months Cumulative To Date 30/06/2020 RM'000
<b>Profit for the period</b>	19,807	(4,347)	72,525	25,927
<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	93	(243)	79	(113)
Share of foreign currency translation reserve of foreign operations of associates	1	--	(10)	--
Net gain / (loss) on cash flow hedges and revaluation of an associate	433	57	47	91
<b>Other comprehensive income for the period, net of tax</b>	527	(186)	116	(22)
<b>Total comprehensive income for the period</b>	<u>20,334</u>	<u>(4,533)</u>	<u>72,641</u>	<u>25,905</u>
<b>Total comprehensive income / (loss) attributable to:</b>				
Equity holders of the Company from:				
- <i>Continuing operations</i>	17,153	(5,246)	63,849	22,311
- <i>Discontinued operation</i>	(49)	(108)	(84)	(288)
	<u>17,104</u>	<u>(5,354)</u>	<u>63,765</u>	<u>22,023</u>
Non-controlling interests from:				
- <i>Continuing operations</i>	3,230	821	8,876	3,882
- <i>Discontinued operation</i>	--	--	--	--
	<u>3,230</u>	<u>821</u>	<u>8,876</u>	<u>3,882</u>
<b>Total comprehensive income for the period</b>	<u>20,334</u>	<u>(4,533)</u>	<u>72,641</u>	<u>25,905</u>
<b>Earnings / (loss) per ordinary share</b>	sen	sen	sen	sen
Basic and diluted from:				
- <i>Continuing operations</i>	4.27	(1.30)	16.31	5.71
- <i>Discontinued operation</i>	(0.01)	(0.03)	(0.02)	(0.07)
	<u>4.26</u>	<u>(1.33)</u>	<u>16.29</u>	<u>5.64</u>

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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 30 June 2021 - unaudited**

	Note	As at end of Current Quarter 30/06/2021 RM'000	(Unaudited) As at preceding Financial Year Ended 31/12/2020 RM'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant & equipment		210,617	214,179
Right-of-use assets		3,239	3,869
Investment properties		63,724	64,684
Prepaid land lease payments		30,973	31,210
Investment in a joint venture		77,045	71,291
Investment in associates		1,391,500	1,335,574
Available-for-sale financial asset		1,862	1,862
Deferred tax assets		2,356	2,356
Goodwill on consolidation		1,104	1,104
Total Non-Current Assets		<u>1,782,420</u>	<u>1,726,129</u>
<b>Current Assets</b>			
Inventories		92,700	56,143
Trade & other receivables and prepaid expenses		79,782	157,881
Amount owing by a joint venture		--	10,200
Tax recoverable		3,671	3,922
Cash and bank balances		<u>247,827</u>	<u>271,028</u>
		423,980	499,174
Assets classified as held for sale		<u>30,645</u>	<u>30,645</u>
Total Current Assets		<u>454,625</u>	<u>529,819</u>
<b>TOTAL ASSETS</b>	14	<u><u>2,237,045</u></u>	<u><u>2,255,948</u></u>

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

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

**As at 30 June 2021 - unaudited**

	Note	As at end of Current Quarter 30/06/2021 RM'000	(Audited) As at preceding Financial Year Ended 31/12/2020 RM'000
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Capital and Reserves</b>			
Share capital		391,651	391,651
Reserves		<u>1,439,188</u>	<u>1,434,056</u>
Equity attributable to the equity holders of the Company		1,830,839	1,825,707
Non-controlling interests		<u>277,054</u>	<u>276,986</u>
Total Equity		<u>2,107,893</u>	<u>2,102,693</u>
<b>Non-Current Liabilities</b>			
Long term borrowings	20	67	134
Deferred tax liabilities		4,578	4,578
Provision for retirement benefits		2,796	2,794
Lease liabilities - non-current portion		<u>1,240</u>	<u>1,766</u>
Total Non-Current Liabilities		<u>8,681</u>	<u>9,272</u>
<b>Current Liabilities</b>			
Short term borrowings	20	1,568	6,863
Trade & other payables and accrued expenses		114,271	132,795
Amount owing to holding company		52	36
Lease liabilities - current portion		2,044	2,156
Tax liabilities		<u>2,536</u>	<u>2,133</u>
Total Current Liabilities		<u>120,471</u>	<u>143,983</u>
Total Liabilities	14	<u>129,152</u>	<u>153,255</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>2,237,045</u></u>	<u><u>2,255,948</u></u>
<b>Net assets per share (RM)</b>		<b>4.68</b>	<b>4.67</b>

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

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**For the six months ended 30 June 2021 - 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				
<b>6 months ended 30 June 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	--	--	--	--	(27,362)	(27,362)	--	(27,362)
Dividends paid to non-controlling interests of subsidiaries	--	--	--	--	--	--	(9,121)	(9,121)
Profit for the period	--	--	--	--	22,043	22,043	3,884	25,927
Other comprehensive income for the period	--	(102)	82	--	--	(20)	(2)	(22)
Total comprehensive income	--	(102)	82	--	22,043	22,023	3,882	25,905
<b>At 30 June 2020</b>	<b>391,651</b>	<b>3,467</b>	<b>51</b>	<b>996</b>	<b>1,347,382</b>	<b>1,743,547</b>	<b>258,470</b>	<b>2,002,017</b>
<b>6 months ended 30 June 2021 - unaudited</b>								
<b>At 1 January 2021</b>	391,651	2,977	(42)	765	1,430,356	1,825,707	276,986	2,102,693
Dividends distributed to owners of the Company	--	--	--	--	(58,633)	(58,633)	--	(58,633)
Dividends paid to non-controlling interests of subsidiaries	--	--	--	--	--	--	(8,808)	(8,808)
Profit for the period	--	--	--	--	63,660	63,660	8,865	72,525
Other comprehensive income for the period	--	72	42	(9)	--	105	11	116
Total comprehensive income	--	72	42	(9)	63,660	63,765	8,876	72,641
<b>At 30 June 2021</b>	<b>391,651</b>	<b>3,049</b>	<b>--</b>	<b>756</b>	<b>1,435,383</b>	<b>1,830,839</b>	<b>277,054</b>	<b>2,107,893</b>

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



**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**For the six months ended 30 June 2021 - unaudited**

	6 months ended 30/06/2021 RM'000	(Unaudited) 6 months ended 30/06/2020 RM'000
	Note	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax from :		
- <i>Continuing operations</i>	77,859	28,447
- <i>Discontinued operation</i>	(84)	(288)
	<u>77,775</u>	<u>28,159</u>
Adjustments for :		
Share of results of associates	(55,810)	(23,592)
Share of results of a joint venture	(5,754)	(2,199)
Depreciation and amortisation	8,663	8,519
Finance costs from :		
- <i>Continuing operations</i>	201	681
- <i>Discontinued operation</i>	--	--
Other non-cash items	<u>(1,799)</u>	<u>(2,958)</u>
Operating profit before working capital changes	23,276	8,610
Changes in working capital		
(Increase) / Decrease in trade & other receivables	78,099	(5,165)
(Increase) / Decrease in inventories	(36,609)	(4,710)
Increase / (Decrease) in trade & other payables	(18,524)	(31,960)
Net changes in other current assets & liabilities	18	(134)
Income tax refunded	2,275	3
Income tax paid	<u>(6,871)</u>	<u>(7,940)</u>
Net cash from / (used in) operating activities	<u>41,664</u>	<u>(41,296)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Dividends received from a joint venture	10,200	15,300
Interest income	1,826	2,894
Purchase of property, plant & equipment	(2,818)	(1,828)
Proceeds from disposal of property, plant & equipment	<u>31</u>	<u>215</u>
Net cash from / (used in) investing activities	<u>9,239</u>	<u>16,581</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid	(58,633)	(27,362)
Dividends paid to non-controlling interests of subsidiaries	(8,808)	(9,121)
Finance costs paid	(201)	(681)
Bank borrowings	(407)	(7,304)
Lease payables	<u>(1,100)</u>	<u>(1,003)</u>
Net cash from / (used in) financing activities	<u>(69,149)</u>	<u>(45,471)</u>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(18,246)</b>	<b>(70,186)</b>
<b>CASH AND CASH EQUIVALENTS AT 1 JANUARY</b>	<b>264,958</b>	<b>258,860</b>
<b>CASH AND CASH EQUIVALENTS AT 30 JUNE</b>	<b>246,712</b>	<b>188,674</b>
Cash and cash equivalents comprise :		
Cash and bank balances	247,827	194,315
Bank overdrafts	<u>(1,115)</u>	<u>(5,641)</u>
	<u>246,712</u>	<u>188,674</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 2020.

### 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 2020, 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 2021

Amendments to:

MFRS 9, MFRS 129, MFRS 7, MFRS 4 and MFRS 16      Interest Rate Benchmark Reform - Phase 2

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 April 2021

Amendments to MFRS 16      COVID-19-Related Rent Concessions beyond 30 June 2021

#### Effective for financial periods beginning on or after 1 January 2022

Amendments to MFRSs      Annual Improvements to MFRS Standards 2018 - 2020  
Amendments to MFRS 3      Reference to Conceptual Framework  
Amendments to MFRS 116      Property, Plant and Equipment - Proceeds before intended Use  
Amendments to MFRS 137      Onerous Contracts - Costs of Fulfilling a Contract

#### Effective for financial periods beginning on or after 1 January 2023

MFRS 17      Insurance Contracts  
Amendments to MFRS 4      Extension of the Temporary Exemption from Applying MFRS 9  
Amendments to MFRS 101      Classification of Liabilities as Current or Non-current  
Amendments to MFRS 101      Disclosure of Accounting Policies  
Amendments to MFRS 108      Definition of Accounting Estimates

#### 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

### 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 2020 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 2020.

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

**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 30/06/2021	
	Number of Shares '000	Share Capital RM'000
Ordinary shares As at 1 January 2021 / 30 June 2021	390,887	391,651

**8. Dividends paid**

A final single tier dividend of 9.0 sen per ordinary share amounting to approximately RM35,179,889 for the financial year ended 31 December 2020 was approved by the shareholders of the Company at the 27th Annual General Meeting held on 1 June 2021 and paid on 30 June 2021.

**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 30 June 2021 is as follows :

	<u>RM'000</u>
Approved and contracted for	--
Approved and not contracted for	<u>9,747</u>

**12. Significant related party transactions**

During the period ended 30 June 2021, the Group and the Company had the following transactions with related parties:

	<u>30/06/2021</u> RM'000
<b><u>Group</u></b>	
Purchases from a subsidiary of Perusahaan Otomobil Kedua Sdn. Bhd. ("Perodua")	390,875
Sales to Perodua, its subsidiaries and associates	12,471
Purchases from Daihatsu Motor Co., Ltd	751
Purchases from Hino Motors Sales (Malaysia) Sdn. Bhd.	<u>7,145</u>
<b><u>Company</u></b>	
Gross dividends from:	
- subsidiaries	19,831
- associates	--
Management fees from subsidiaries	101
Interest income on advances to subsidiaries	<u>1,408</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 information reported to the Group's chief operating decision makers for the purposes of resource allocation and assessment of segment performance is 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) 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 30 June 2021**

	Motor Trading	Auto Parts Manufacturing		All others	Group
	RM'000	Continuing RM'000	Discontinued RM'000	RM'000	RM'000
Revenues from external customers	636,563	101,757	--	865	739,185
Results for reportable segments	13,074	5,318	(84)	(3,722)	14,586
Share of results of a jointly venture	--	5,754	--	--	5,754
Share of results of associates	54,357	1,453	--	--	55,810
Interest income	1,039	190	--	597	1,826
Finance costs	(62)	(139)	--	--	(201)
Profit/(loss) before tax for reportable segment	68,408	12,576	(84)	(3,125)	77,775
Depreciation and amortisation	(5,053)	(2,352)	--	(1,258)	(8,663)
Other significant non-cash items					
- Gain on disposal of property, plant and equipment	25	--	--	--	25
- Allowance for slow-moving inventories	(52)	--	--	--	(52)
Capital expenditure	1,060	1,752	--	6	2,818
Segment assets	517,548	119,854	19,400	111,698	768,500
Jointly controlled entity	--	54,146	--	22,899	77,045
Investment in associates	1,326,941	64,559	--	--	1,391,500
Segment liabilities	(97,122)	(25,147)	(81)	(6,802)	(129,152)

**Period ended 30 June 2020**

	Motor Trading	Auto Parts Manufacturing		All others	Group
	RM'000	Continuing RM'000	Discontinued RM'000	RM'000	RM'000
Revenues from external customers	576,976	54,921	--	739	632,636
Results for reportable segments	4,646	(528)	(288)	(3,675)	155
Share of results of a joint venture	--	2,199	--	--	2,199
Share of results of associates	26,152	(2,560)	--	--	23,592
Interest income	1,466	166	--	1,262	2,894
Finance costs	(55)	(174)	--	(452)	(681)
Profit/(loss) before tax for reportable segment	32,209	(897)	(288)	(2,865)	28,159
Depreciation and amortisation	(5,435)	(1,826)	--	(1,258)	(8,519)
Other significant non-cash items					
- Gain on disposal of property, plant and equipment	73	31	--	--	104
Capital expenditure	1,149	675	--	4	1,828
Segment assets	505,381	113,931	27,252	178,072	824,636
Jointly controlled entity	--	48,122	--	22,899	71,021
Investment in associates	1,184,323	62,860	--	--	1,247,183
Segment liabilities	(85,218)	(27,170)	(371)	(28,064)	(140,823)

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 30/06/2021 RM'000	Period ended 30/06/2020 RM'000
<u>Revenues</u>		
Total revenues for Group's reportable segments	738,320	631,897
All others	865	739
Elimination of discontinued operation	--	--
Revenue, as reported	<u>739,185</u>	<u>632,636</u>
<u>Profit or loss</u>		
Total profit / (loss) for Group's reportable segments, including finance costs and interest income	19,336	5,233
All others	(3,125)	(2,865)
Share of results of jointly controlled entity	5,754	2,199
Share of results of associates	55,810	23,592
Elimination of discontinued operation	84	288
Profit before tax, as reported	<u>77,859</u>	<u>28,447</u>
<u>Assets</u>		
Total assets for Group's reportable segments	656,802	646,564
All others	111,698	178,072
Jointly controlled entity	77,045	71,021
Investment in associates	1,391,500	1,247,183
Total assets, as reported	<u>2,237,045</u>	<u>2,142,840</u>
<u>Liabilities</u>		
Total liabilities for Group's reportable segments	122,350	112,759
All others	6,802	28,064
Total liabilities, as reported	<u>129,152</u>	<u>140,823</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 2020.

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 6 months ended	
	30/06/2021 RM'000	30/06/2020 RM'000	30/06/2021 RM'000	30/06/2020 RM'000
Revenue	-	-	-	-
Cost of sales	-	-	-	-
Gross loss	-	-	-	-
Other income	2	-	20	39
Administrative and other expenses	(51)	(108)	(104)	(327)
Interest income	-	-	-	-
Loss before tax	(49)	(108)	(84)	(288)
Income tax expense	-	-	-	-
Loss from discontinued operation	<u>(49)</u>	<u>(108)</u>	<u>(84)</u>	<u>(288)</u>

Net cash flows of discontinued operation:

Net cash from / (used in) operating activities	(91)	115
Net cash from / (used in) investing activities	-	-
Net cash used in financing activities	-	-
Net decrease in cash and cash equivalents	<u>(91)</u>	<u>115</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 30/06/2021 RM'000	Year to date 30/06/2021 RM'000
Current year's provision	2,965	5,250
Add : Under/(Over) provision in prior years	--	--
	<u>2,965</u>	<u>5,250</u>
Deferred taxation	--	--
Income tax expense	<u><u>2,965</u></u>	<u><u>5,250</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 30/06/2021 %	Year to date 30/06/2021 %
Statutory income tax rate in Malaysia	24.0	24.0
Adjustment for tax applicable to share of results of associates	(13.3)	(17.2)
Adjustment for tax applicable to share of results of a joint venture	(1.7)	(1.8)
Expenses not deductible for tax purpose / (Income not subject to tax)	4.0	1.7
	<u><u>13.0</u></u>	<u><u>6.7</u></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	1,568	67
Unsecured	--	--
Total	<u><u>1,568</u></u>	<u><u>67</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 first interim single tier dividend of 5.0 sen per ordinary share amounting to approximately RM19,544,383 for the current financial year ending 31 December 2021.

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

23. Earnings per ordinary share (EPS)

	Quarter ended		Year to date 6 months ended	
	30/06/2021	30/06/2020	30/06/2021	30/06/2020
<b>Basic and diluted earnings / (loss) per share</b>	RM'000	RM'000	RM'000	RM'000
Profit / (loss) attributable to owners of the Company:				
- Continuing operations	16,677	(5,078)	63,744	22,331
- Discontinued operation	(49)	(108)	(84)	(288)
	16,628	(5,186)	63,660	22,043
Number of ordinary shares in issue	'000	'000	'000	'000
	390,887	390,887	390,887	390,887
Basic and diluted earnings / (loss) per share (sen):				
- Continuing operations	4.27	(1.30)	16.31	5.71
- Discontinued operation	(0.01)	(0.03)	(0.02)	(0.07)
	4.26	(1.33)	16.29	5.64

The basic and diluted earnings / (loss) per share are the same as the Company has no dilutive ordinary shares.

24. Items to disclose in the Statement of Comprehensive Income

	Quarter ended		Year to date 6 months ended	
	30/06/2021	30/06/2020	30/06/2021	30/06/2020
	RM'000	RM'000	RM'000	RM'000
a) Interest income	897	1,283	1,826	2,894
b) Interest expense	(101)	(324)	(201)	(681)
c) Depreciation and amortisation	(4,332)	(4,218)	(8,663)	(8,519)
d) Allowance for slow-moving inventories	--	--	(52)	--
e) Property, plant and equipment written off	--	(40)	--	(40)
f) Gain on disposal of property, plant and equipment	10	--	25	104
g) Realised gain / (loss) on foreign exchange	1	49	18	38

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 30 June 2021.

25. Authorised for issue

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

BY ORDER OF THE BOARD  
MBM RESOURCES BERHAD

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

For further information, please contact Ms Annie Chin, Group Chief Financial Officer at Tel : +603-2273 8803  
Our Quarterly Announcement for the second quarter ended 30 June 2021 can be downloaded from the internet at  
[www.bursamalaysia.com](http://www.bursamalaysia.com) or [www.mbm.com.my](http://www.mbm.com.my)