



QUARTERLY ANNOUNCEMENT
For the third quarter ended 30 September 2021

Summary

- Against the corresponding quarter, the Group's current quarter revenue reduced by 61.1% mainly due to the full lockdown measures implemented since June 2021.
- Contributions from our joint venture entity and associates were also lower by 92.8% and 111.2% respectively.
- As a result, the Group closed the quarter with a loss before tax of RM4.2 million.

Results

	Quarter ended 30 Sep			Year to date ended 30 Sep		
	2021 RM mil	2020 RM mil	Change %	2021 RM mil	2020 RM mil	Change %
Revenue	230.6	600.4	(61.6)	969.7	1,233.1	(21.4)
Profit / (loss) before tax	(4.2)	79.6	105.2	73.7	108.0	(31.8)
Profit / (loss) for the period	(5.1)	74.9	106.8	67.4	100.8	(33.1)
Continuing operations	(5.0)	75.0	106.7	67.6	101.2	(33.2)
Discontinued operation	(0.0)	(0.1)	61.1	(0.1)	(0.4)	68.5
Profit / (loss) attributable to equity holders of the Company	(5.3)	65.0	108.1	58.4	87.0	(32.9)
	Sen	Sen		Sen	Sen	
Basic earnings / (loss) per share	(1.3)	16.6	108.1	14.9	22.3	(32.9)
Continuing operations	(1.3)	16.7	108.0	15.0	22.4	(33.1)
Discontinued operation	(0.0)	(0.0)	50.0	(0.0)	(0.1)	70.0
	As at 30 Sep 2021 RM mil	As at 31 Dec 2020 RM mil				
Equity attributable to the equity holders of the Company	1,805.9	1,825.7	(1.1)			
	RM	RM				
Net assets per share	4.62	4.67	(1.1)			
	Interim 2021 Sen	Interim 2020 Sen		YTD 2021 Sen	YTD 2020 Sen	
Dividend per share	--	--	--	5.0	5.0	--

Performance of sales by operations

% Changes *	Q3'21 vs Q2'21	Q3'21 vs Q3'20	YTD Sep'21 vs YTD Sep'20
	Total Industry Volume (TIV) **	- 36.4	- 58.2
Total Industry Production (TIP) **	- 33.4	- 58.1	- 3.8
Total Group's Vehicles Sales	- 32.8	- 72.9	- 36.7
Subsidiaries			
DMSB : Daihatsu & Hino trucks	+ 24.4	- 43.2	- 21.9
DMMS : Perodua vehicles	- 39.7	- 76.4	- 38.5
FAHB : Volvo & Volkswagen vehicles	- 18.3	- 58.3	- 25.4
HASB	- 28.0	- 52.1	+ 10.9
OMI	- 25.5	- 44.6	+ 23.1
Service throughputs	- 10.4	- 36.8	- 3.8
Joint Venture			
AHSB	- 38.7	- 59.6	+ 3.9
Associated companies			
Perodua vehicles	- 50.9	- 72.1	- 18.9
Hino trucks and buses	- 19.0	- 33.2	+ 20.8

Legend

DMSB : Daihatsu (Malaysia) Sdn Bhd
DMMS : DMM Sales Sdn Bhd
FAHB : Federal Auto Holdings Berhad
HASB : Hirotako Acoustics Sdn Bhd
OMI : Oriental Metal Industries (M) Sdn Bhd
AHSB : Autoliv Hirotako 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 third quarter ended 30 September 2021

Group Financial Performance

Third quarter ended 30 September 2021 compared with third quarter ended 30 September 2020

	Revenue				Profit / (Loss) Before Tax ("PBT")			
	Quarter ended 30-Sep-21 RM'000	Quarter ended 30-Sep-20 RM'000	Change		Quarter ended 30-Sep-21 RM'000	Quarter ended 30-Sep-20 RM'000	Change	
			RM'000	%			RM'000	%
Total From Continuing Operations	230,558	600,447	(369,889)	(61.6)	(4,158)	79,601	(83,759)	(105.2)
<u>Business segments:</u>								
Motor Trading	201,602	547,431	(345,829)	(63.2)	4,579	17,339	(12,760)	(73.6)
Auto Parts Manufacturing	28,497	52,576	(24,079)	(45.8)	(1,348)	4,011	(5,359)	(133.6)
Share of results of a joint venture					321	4,445	(4,124)	(92.8)
Share of results of associates					(6,202)	55,396	(61,598)	(111.2)
Others	459	440	19	4.3	(1,508)	(1,590)	82	5.2
<u>Discontinued Operation:</u>								
<u>Business segments:</u>								
Auto Parts Manufacturing	--	--	--	--	(35)	(90)	55	61.1

Group

Malaysia was placed under total lockdown ("FMCO") since 1st June 2021 which was extended and subsequently transition into the various phases of National Recovery Plan ("NRP"). With the FMCO and NRP, our vehicle showrooms were closed from July to mid-August 2021, and subsequently reopened in stages in conformity with the required vaccination rates of the States where the showrooms were located. Our Manufacturing Division was also closed during the same period and resumed operation by mid-August 2021.

Under this challenging operating environment, the Group's registered revenue from Continuing Operations of RM230.6 million, a reduction of RM369.9 million or 61.6% against the corresponding quarter. Revenue from the corresponding quarter in 2020 were comprised of three full months operation after MCO 1.0 with high pent-up demand riding on the first sales tax exemption (SST) on vehicle sales. With the significant reduction in revenue, the Group recorded a loss before tax of RM4.2 million.

The Group's share of results in its joint venture was also lower by RM4.1 million or 92.8% against the corresponding quarter to close at RM0.3 million profit for the quarter.

The share of associates' results similarly recorded a loss of RM6.2 million versus PBT of RM55.4 million in the corresponding quarter.

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

With the aforesaid operating limitations, the Division closed the quarter with revenue of RM201.6 million, a reduction of RM345.8 million or 63.2% as compared to the corresponding quarter in 2020. Consequently, the Division recorded PBT of RM4.6 million, RM12.8 million or 73.6% reduction against the corresponding quarter in 2020.

Aside from vehicle showrooms being closed for almost two months, vehicle supplies upon reopening were also limited given the various challenges faced by OEMs and suppliers at the production plants. Our workshops were operating with 60% capacity during this period although with numerous efforts, we managed to achieve our targeted throughput volume for the quarter. On the

Auto Parts Manufacturing

In line with the FMCO and NRP requirements, our manufacturing plants were able to resume operation by mid-August 2021. Under this challenging operating environment, our Auto Parts Manufacturing Division closed the quarter with revenue of RM28.5 million, RM24.08 million or 45.8% lower against the corresponding quarter.

The Division registered a loss of RM1.35 million for the quarter, a reduction of RM5.36 million or 133.6% against the corresponding quarter in 2020.

QUARTERLY ANNOUNCEMENT
For the third quarter ended 30 September 2021

Third quarter ended 30 September 2021 against previous quarter ended 30 June 2021

	Revenue				Profit / (Loss) Before Tax ("PBT")			
	Quarter ended 30-Sep-21 RM'000	Quarter ended 30-Jun-21 RM'000	Change		Quarter ended 30-Sep-21 RM'000	Quarter ended 30-Jun-21 RM'000	Change	
			RM'000	%			RM'000	%
Total From Continuing Operations	230,558	320,878	(90,320)	(28.1)	(4,158)	22,821	(26,979)	(118.2)
<u>Business segments:</u>								
Motor Trading	201,602	282,010	(80,408)	(28.5)	4,579	9,130	(4,551)	(49.8)
Auto Parts Manufacturing	28,497	38,434	(9,937)	(25.9)	(1,348)	590	(1,938)	(328.5)
Share of results of a joint venture					321	1,626	(1,305)	(80.3)
Share of associates' results					(6,202)	12,639	(18,841)	(149.1)
Others	459	434	25	5.8	(1,508)	(1,164)	(344)	(29.6)
Discontinued Operation:								
<u>Business segments:</u>								
Auto Parts Manufacturing	--	--	--	--	(35)	(49)	14	28.6

Group

With the extended business closure in the current quarter and varying degrees of operating limitations, the Group achieved revenue of RM230.6 million, 28.1% or RM90.3 million lower than the preceding quarter. Whilst the Group enjoyed high volume in April and May prior to the full lockdown in June, the volume in September 2021 was mainly limited by supply shortages.

With the much lower revenue, the Group recorded a loss before tax of RM4.2 million, RM27.0 million or 118.2% lower than the preceding quarter.

The Group's share of the joint venture's results similarly reported lower profit of RM0.3 million, a drop of RM1.3 million or 80.3% from the preceding quarter.

Likewise for the Group's share of its associates results which closed at a loss of RM6.2 million, a decrease of RM18.8 million or 149.1% against the preceding quarter.

PROSPECTS

The Malaysian economy contracted by 4.5% in the 3rd quarter of 2021 as reported by Bank Negara Malaysia recently, mainly due to the intermittent and prolonged Enhanced Movement Control Order ("EMCO") lockdowns. Most industries remained shut during the period June until mid-August 2021 affecting a major duration of the 3rd quarter of 2021. The automotive industry was not spared either and coupled with the supply chain disruption immediately after the re-opening of most industries in mid-August 2021, the financial results of the Group took a dip despite registering good results in the earlier quarters.

With the opening of the economy and the relatively high vaccination rate among the adults in Malaysia, the outlook for the 4th quarter of 2021 seems to be better. For the Group, more than 99% of our employees have been fully vaccinated. While challenges from the Covid 19 pandemic will continue coupled with the slight disruption to the supply chain, we are cautiously optimistic that our 4th quarter results will be much better. This will be further boosted with the Group's strong order bank and supported by the year-end promotion campaign from the Principals. The recent 2022 National Budget announcement has also given a positive hope to the automotive industry with the further extension of the SST exemption and the various incentives for the introduction of Electric Vehicles (EV) in Malaysia.

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the nine months ended 30 September 2021 - unaudited

		Current Quarter Ended 30/09/2021 RM'000	Comparative Quarter Ended 30/09/2020 RM'000	9 months Cumulative To Date 30/09/2021 RM'000	(Unaudited) Comparative 9 months Cumulative To Date 30/09/2020 RM'000
	Note				
Continuing operations					
Revenue	14	230,558	600,447	969,743	1,233,083
Cost of sales		<u>(207,290)</u>	<u>(552,212)</u>	<u>(882,617)</u>	<u>(1,134,825)</u>
Gross profit		23,268	48,235	87,126	98,258
Other income		5,438	10,944	24,414	28,047
Administrative and other expenses		(19,126)	(21,203)	(62,656)	(62,254)
Selling and marketing expenses		(8,626)	(18,852)	(33,260)	(44,484)
Finance costs		(101)	(225)	(302)	(906)
Interest income		870	861	2,696	3,755
Share of results of a joint venture, net of tax		321	4,445	6,075	6,644
Share of results of associates, net of tax		<u>(6,202)</u>	<u>55,396</u>	<u>49,608</u>	<u>78,988</u>
Profit / (loss) before tax	14	<u>(4,158)</u>	<u>79,601</u>	<u>73,701</u>	<u>108,048</u>
Income tax expense	18	<u>(885)</u>	<u>(4,639)</u>	<u>(6,135)</u>	<u>(6,871)</u>
Profit / (loss) from continuing operations		<u>(5,043)</u>	<u>74,962</u>	<u>67,566</u>	<u>101,177</u>
Discontinued operation					
Results from discontinued operation, net of tax		<u>(35)</u>	<u>(90)</u>	<u>(119)</u>	<u>(378)</u>
Profit / (loss) for the period		<u>(5,078)</u>	<u>74,872</u>	<u>67,447</u>	<u>100,799</u>
Profit / (loss) for the period attributable to:					
Equity holders of the Company from:					
- Continuing operations		(5,216)	65,069	58,528	87,400
- Discontinued operation		<u>(35)</u>	<u>(90)</u>	<u>(119)</u>	<u>(378)</u>
		<u>(5,251)</u>	<u>64,979</u>	<u>58,409</u>	<u>87,022</u>
Non-controlling interests from:					
- Continuing operations		173	9,893	9,038	13,777
- Discontinued operation		<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
		<u>173</u>	<u>9,893</u>	<u>9,038</u>	<u>13,777</u>
Profit / (loss) for the period		<u>(5,078)</u>	<u>74,872</u>	<u>67,447</u>	<u>100,799</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 nine months ended 30 September 2021 - unaudited

	Current Quarter Ended 30/09/2021 RM'000	Comparative Quarter Ended 30/09/2020 RM'000	9 months Cumulative To Date 30/09/2021 RM'000	(Unaudited) Comparative 9 months Cumulative To Date 30/09/2020 RM'000
Profit / (loss) for the period	(5,078)	74,872	67,447	100,799
Other comprehensive income / (loss), net of tax				
<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	(200)	213	(121)	100
Share of foreign currency translation reserve of foreign operations of associates	8	--	(2)	--
Net gain / (loss) on cash flow hedges and revaluation of an associate	--	(18)	47	73
Other comprehensive income / (loss) for the period, net of tax	<u>(192)</u>	<u>195</u>	<u>(76)</u>	<u>173</u>
Total comprehensive income / (loss) for the period	<u><u>(5,270)</u></u>	<u><u>75,067</u></u>	<u><u>67,371</u></u>	<u><u>100,972</u></u>
Total comprehensive income / (loss) attributable to:				
Equity holders of the Company from:				
- Continuing operations	(5,390)	65,245	58,459	87,556
- Discontinued operation	(35)	(90)	(119)	(378)
	<u>(5,425)</u>	<u>65,155</u>	<u>58,340</u>	<u>87,178</u>
Non-controlling interests from:				
- Continuing operations	155	9,912	9,031	13,794
- Discontinued operation	--	--	--	--
	<u>155</u>	<u>9,912</u>	<u>9,031</u>	<u>13,794</u>
Total comprehensive income / (loss) for the period	<u><u>(5,270)</u></u>	<u><u>75,067</u></u>	<u><u>67,371</u></u>	<u><u>100,972</u></u>
Earnings / (loss) per ordinary share				
Basic and diluted from:				
- Continuing operations	(1.33)	16.65	14.97	22.36
- Discontinued operation	(0.01)	(0.02)	(0.03)	(0.10)
23	<u>(1.34)</u>	<u>16.63</u>	<u>14.94</u>	<u>22.26</u>

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CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at 30 September 2021 - unaudited

	Note	As at end of Current Quarter 30/09/2021 RM'000	(Audited) As at preceding Financial Year Ended 31/12/2020 RM'000
ASSETS			
Non-Current Assets			
Property, plant & equipment		209,816	214,179
Right-of-use assets		2,704	3,869
Investment properties		63,243	64,684
Prepaid land lease payments		30,854	31,210
Investment in a joint venture		77,366	71,291
Investment in associates		1,330,574	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>1,719,879</u>	<u>1,726,129</u>
Current Assets			
Inventories		131,799	56,143
Trade & other receivables and prepaid expenses		113,006	157,881
Amount owing by a joint venture		--	10,200
Tax recoverable		5,750	3,922
Cash and bank balances		222,254	271,028
		472,809	499,174
Assets classified as held for sale		<u>30,645</u>	<u>30,645</u>
Total Current Assets		<u>503,454</u>	<u>529,819</u>
TOTAL ASSETS	14	<u>2,223,333</u>	<u>2,255,948</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 September 2021 - unaudited

	Note	As at end of Current Quarter 30/09/2021 RM'000	(Audited) As at preceding Financial Year Ended 31/12/2020 RM'000
<u>EQUITY AND LIABILITIES</u>			
Capital and Reserves			
Share capital		391,651	391,651
Reserves		<u>1,414,218</u>	<u>1,434,056</u>
Equity attributable to the equity holders of the Company		1,805,869	1,825,707
Non-controlling interests		<u>277,205</u>	<u>276,986</u>
Total Equity		<u>2,083,074</u>	<u>2,102,693</u>
Non-Current Liabilities			
Long term borrowings	20	33	134
Deferred tax liabilities		4,578	4,578
Provision for retirement benefits		2,616	2,794
Lease liabilities - non-current portion		<u>963</u>	<u>1,766</u>
Total Non-Current Liabilities		<u>8,190</u>	<u>9,272</u>
Current Liabilities			
Short term borrowings	20	23,765	6,863
Trade & other payables and accrued expenses		104,498	132,795
Amount owing to holding company		12	36
Lease liabilities - current portion		1,780	2,156
Tax liabilities		<u>2,014</u>	<u>2,133</u>
Total Current Liabilities		<u>132,069</u>	<u>143,983</u>
Total Liabilities	14	<u>140,259</u>	<u>153,255</u>
TOTAL EQUITY AND LIABILITIES		<u>2,223,333</u>	<u>2,255,948</u>
Net assets per share (RM)		4.62	4.67

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 nine months ended 30 September 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				
9 months ended 30 September 2020 - unaudited								
At 1 January 2020	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	--	--	--	--	--	--	(9,125)	(9,125)
Profit for the period	--	--	--	--	87,022	87,022	13,777	100,799
Other comprehensive income for the period	--	90	66	--	--	156	17	173
Total comprehensive income	--	90	66	--	87,022	87,178	13,794	100,972
At 30 September 2020	391,651	3,659	35	996	1,357,637	1,753,978	268,378	2,022,356
9 months ended 30 September 2021 - unaudited								
At 1 January 2021	391,651	2,977	(42)	765	1,430,356	1,825,707	276,986	2,102,693
Dividends distributed to owners of the Company	--	--	--	--	(78,178)	(78,178)	--	(78,178)
Dividends paid to non-controlling interests of subsidiaries	--	--	--	--	--	--	(8,812)	(8,812)
Profit for the period	--	--	--	--	58,409	58,409	9,038	67,447
Other comprehensive income for the period	--	(110)	42	(1)	--	(69)	(7)	(76)
Total comprehensive income	--	(110)	42	(1)	58,409	58,340	9,031	67,371
At 30 September 2021	391,651	2,867	--	764	1,410,587	1,805,869	277,205	2,083,074

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 nine months ended 30 September 2021 - unaudited

	9 months ended 30/09/2021 RM'000	(Unaudited) 9 months ended 30/09/2020 RM'000
	Note	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax from :		
- <i>Continuing operations</i>	73,701	108,048
- <i>Discontinued operation</i>	(119)	(378)
	<u>73,582</u>	<u>107,670</u>
Adjustments for :		
Share of results of associates	(49,608)	(78,988)
Share of results of a joint venture	(6,075)	(6,644)
Depreciation and amortisation	13,159	13,047
Finance costs from :		
- <i>Continuing operations</i>	302	906
- <i>Discontinued operation</i>	--	--
Other non-cash items	(2,466)	(3,364)
Operating profit before working capital changes	28,894	32,627
Changes in working capital		
(Increase) / Decrease in trade & other receivables	45,028	(36,759)
(Increase) / Decrease in inventories	(76,070)	12,544
Increase / (Decrease) in trade & other payables	(28,297)	(2,783)
Net changes in other current assets & liabilities	(201)	(60)
Income tax refunded	2,275	3
Income tax paid	(10,357)	(10,896)
Net cash from / (used in) operating activities	<u>(38,728)</u>	<u>(5,324)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends received from associates	54,532	16,666
Dividends received from a joint venture	10,200	15,300
Interest income	2,696	3,755
Purchase of property, plant & equipment	(5,439)	(3,154)
Proceeds from disposal of property, plant & equipment	98	151
Net cash from / (used in) investing activities	<u>62,087</u>	<u>32,718</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(78,178)	(82,086)
Dividends paid to non-controlling interests of subsidiaries	(8,812)	(9,125)
Finance costs paid	(302)	(906)
Bank borrowings	18,521	(21,465)
Lease payables	(1,642)	(1,937)
Net cash from / (used in) financing activities	<u>(70,413)</u>	<u>(115,519)</u>
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	(47,054)	(88,125)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	<u>264,958</u>	<u>258,860</u>
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	<u>217,904</u>	<u>170,735</u>
Cash and cash equivalents comprise :		
Cash and bank balances	222,254	176,720
Bank overdrafts	(4,350)	(5,985)
	<u>217,904</u>	<u>170,735</u>

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 30/09/2021	
	Number of Shares '000	Share Capital RM'000
Ordinary shares As at 1 January 2021 / 30 September 2021	390,887	391,651

8. Dividends paid

A first interim single tier dividend of 5.0 sen per share on 390,887,653 ordinary shares amounting to RM19,544,383 in respect of the financial year ending 31 December 2021 was paid on 29 September 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 September 2021 is as follows :

	<u>RM'000</u>
Approved and contracted for	--
Approved and not contracted for	<u>4,966</u>

12. Significant related party transactions

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

	<u>30/09/2021</u> <u>RM'000</u>
<u>Group</u>	
Purchases from a subsidiary of Perusahaan Otomobil Kedua Sdn. Bhd. ("Perodua")	476,927
Sales to Perodua, its subsidiaries and associates	15,642
Purchases from Daihatsu Motor Co., Ltd	994
Purchases from Hino Motors Sales (Malaysia) Sdn. Bhd.	<u>9,633</u>
<u>Company</u>	
Gross dividends from:	
- subsidiaries	24,026
- associates	41,961
Management fees from subsidiaries	159
Interest income on advances to subsidiaries	<u>2,124</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 September 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	838,165	130,254	--	1,324	969,743
Results for reportable segments	17,332	3,726	(119)	(5,434)	15,505
Share of results of a jointly venture	--	6,075	--	--	6,075
Share of results of associates	50,259	(651)	--	--	49,608
Interest income	1,399	496	--	801	2,696
Finance costs	(101)	(201)	--	--	(302)
Profit/(loss) before tax for reportable segment	68,889	9,445	(119)	(4,633)	73,582
Depreciation and amortisation	(7,626)	(3,642)	--	(1,891)	(13,159)
Other significant non-cash items					
- Property, plant and equipment written off	(16)	--	--	--	(16)
- Allowance for slow-moving inventories	(415)	--	--	--	(415)
- Allowance for doubtful debts no longer required	153	--	--	--	153
Capital expenditure	2,517	2,877	--	45	5,439
Segment assets	534,161	124,796	19,737	136,699	815,393
Jointly controlled entity	--	54,467	--	22,899	77,366
Investment in associates	1,270,850	59,724	--	--	1,330,574
Segment liabilities	(100,034)	(33,449)	(74)	(6,702)	(140,259)

Period ended 30 September 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	1,124,407	107,497	--	1,179	1,233,083
Results for reportable segments	21,573	3,481	(378)	(5,487)	19,189
Share of results of a joint venture	--	6,644	--	--	6,644
Share of results of associates	79,603	(615)	--	--	78,988
Interest income	1,905	245	--	1,605	3,755
Finance costs	(82)	(251)	--	(573)	(906)
Profit/(loss) before tax for reportable segment	102,999	9,504	(378)	(4,455)	107,670
Depreciation and amortisation	(8,208)	(2,952)	--	(1,887)	(13,047)
Other significant non-cash items					
- Property, plant and equipment written off	(42)	(2)	--	--	(44)
- Allowance for slow moving inventories	(384)	--	--	--	(384)
Capital expenditure	2,155	995	--	4	3,154
Segment assets	540,357	123,128	27,043	125,440	815,968
Jointly controlled entity	--	52,567	--	22,899	75,466
Investment in associates	1,223,966	62,143	--	--	1,286,109
Segment liabilities	(104,378)	(36,801)	(92)	(13,916)	(155,187)

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 30/09/2021 RM'000	Period ended 30/09/2020 RM'000
<u>Revenues</u>		
Total revenues for Group's reportable segments	968,419	1,231,904
All others	1,324	1,179
Elimination of discontinued operation	--	--
Revenue, as reported	<u>969,743</u>	<u>1,233,083</u>
<u>Profit or loss</u>		
Total profit / (loss) for Group's reportable segments, including finance costs and interest income	22,532	26,493
All others	(4,633)	(4,455)
Share of results of jointly controlled entity	6,075	6,644
Share of results of associates	49,608	78,988
Elimination of discontinued operation	119	378
Profit before tax, as reported	<u>73,701</u>	<u>108,048</u>
<u>Assets</u>		
Total assets for Group's reportable segments	678,694	690,528
All others	136,699	125,440
Jointly controlled entity	77,366	75,466
Investment in associates	1,330,574	1,286,109
Total assets, as reported	<u>2,223,333</u>	<u>2,177,543</u>
<u>Liabilities</u>		
Total liabilities for Group's reportable segments	133,557	141,271
All others	6,702	13,916
Total liabilities, as reported	<u>140,259</u>	<u>155,187</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 9 months ended	
	30/09/2021 RM'000	30/09/2020 RM'000	30/09/2021 RM'000	30/09/2020 RM'000
Revenue	-	-	-	-
Cost of sales	-	-	-	-
Gross loss	-	-	-	-
Other income	1	2	21	41
Administrative and other expenses	(36)	(92)	(140)	(419)
Interest income	-	-	-	-
Loss before tax	(35)	(90)	(119)	(378)
Income tax expense	-	-	-	-
Loss from discontinued operation	<u>(35)</u>	<u>(90)</u>	<u>(119)</u>	<u>(378)</u>

Net cash flows of discontinued operation:

Net cash from / (used in) operating activities	(123)	72
Net cash from / (used in) investing activities	-	-
Net cash used in financing activities	-	-
Net decrease in cash and cash equivalents	<u>(123)</u>	<u>72</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 30/09/2021 RM'000	Year to date 30/09/2021 RM'000
Current year's provision	1,025	6,275
Add : Under/(Over) provision in prior years	<u>(140)</u>	<u>(140)</u>
	885	6,135
Deferred taxation	<u>--</u>	<u>--</u>
Income tax expense	<u><u>885</u></u>	<u><u>6,135</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 30/09/2021 %	Year to date 30/09/2021 %
Statutory income tax rate in Malaysia	24.0	24.0
Adjustment for tax applicable to share of results of associates	(35.8)	(16.2)
Adjustment for tax applicable to share of results of a joint venture	1.9	(2.0)
Expenses not deductible for tax purpose / (Income not subject to tax)	<u>(11.3)</u>	<u>2.5</u>
	<u><u>(21.2)</u></u>	<u><u>8.3</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	23,765	33
Unsecured	<u>--</u>	<u>--</u>
Total	<u><u>23,765</u></u>	<u><u>33</u></u>

21. Material litigations

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

22. Dividend

The Board did not declare any dividend for the current quarter.

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

23. Earnings per ordinary share (EPS)

	Quarter ended		Year to date 9 months ended	
	30/09/2021	30/09/2020	30/09/2021	30/09/2020
Basic and diluted earnings / (loss) per share	RM'000	RM'000	RM'000	RM'000
Profit / (loss) attributable to owners of the Company:				
- Continuing operations	(5,216)	65,069	58,528	87,400
- Discontinued operation	(35)	(90)	(119)	(378)
	(5,251)	64,979	58,409	87,022
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	(1.33)	16.65	14.97	22.36
- Discontinued operation	(0.01)	(0.02)	(0.03)	(0.10)
	(1.34)	16.63	14.94	22.26

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 9 months ended	
	30/09/2021	30/09/2020	30/09/2021	30/09/2020
	RM'000	RM'000	RM'000	RM'000
a) Interest income	870	861	2,696	3,755
b) Interest expense	(101)	(225)	(302)	(906)
c) Depreciation and amortisation	(4,496)	(4,528)	(13,159)	(13,047)
d) Allowance for slow-moving inventories	(363)	--	(415)	(384)
e) Allowance for expected credit loss no longer required	153	--	153	--
f) Property, plant and equipment written off	(16)	(4)	(16)	(44)
g) Gain on disposal of property, plant and equipment	23	(66)	48	38
h) Realised gain / (loss) on foreign exchange	(59)	2	(41)	40

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 September 2021.

25. Authorised for issue

These unaudited condensed consolidated interim financial statements were approved by the Board of Directors on 24 November 2021.

BY ORDER OF THE BOARD
 MBM RESOURCES BERHAD

WONG PEIR CHYUN
 COMPANY SECRETARY
 KUALA LUMPUR
 DATED : 24 NOVEMBER 2021