



## QUARTERLY ANNOUNCEMENT

For the fourth quarter ended 31 December 2021

### Summary

- The Group's operation recovered strongly in the current quarter achieving revenue of RM562.2 million coming from the Group's strong order bank, improved throughputs and manufacturing volume.
- Contributions from our joint venture entity was lower by 16.7% while associates were higher by 48.7%.
- As a result, profit before tax for the quarter increased to RM133.7 million.
- With the strong recovery, the Board declared an interim dividend of 5.0 sen per share and a special dividend of 10.0 sen per share.

### Results

	Quarter ended 31 Dec			Year to date ended 31 Dec		
	2021 RM mil	2020 RM mil	Change %	2021 RM mil	2020 RM mil	Change %
Revenue	562.2	560.4	0.3	1,531.9	1,793.5	(14.6)
Profit before tax	133.7	98.5	(35.8)	207.5	206.5	0.5
Profit / (loss) for the period	124.3	81.6	(52.3)	191.7	182.4	5.1
Continuing operations	124.3	89.1	(39.6)	191.9	190.2	0.9
Discontinued operation	(0.0)	(7.5)	99.5	(0.2)	(7.9)	98.0
Profit attributable to the equity holders of the Company	109.5	71.9	(52.2)	167.9	159.0	5.6
	Sen	Sen		Sen	Sen	
Basic earnings / (loss) per share	28.0	18.4	(52.3)	43.0	40.7	5.6
Continuing operations	28.0	20.3	(37.9)	43.0	42.7	0.7
Discontinued operation	(0.0)	(1.9)	99.5	(0.0)	(2.0)	98.0
Proposed / Declared dividend per share	15.0	6.0	150.0	20.0	20.0	--
Interim	5.0	6.0	(16.7)	10.0	11.0	(9.1)
Special	10.0	--	100.0	10.0	--	100.0
Final	--	--	--	--	9.0	(100.0)
	As at 31 Dec 2021 RM mil	As at 31 Dec 2020 RM mil				
Equity attributable to the equity holders of the Company	1,915.5	1,825.7	4.9			
	RM	RM				
Net assets per share	4.90	4.67	4.9			

### Performance of sales by operations

% Changes *	Q4'21	Q4'21	YTD Dec'21
	vs Q3'21	vs Q4'20	vs YTD Dec'20
<u>Total Industry Volume (TIV) **</u>	+ 172.5	+ 1.1	- 3.9
<u>Total Industry Production (TIP) **</u>	+ 183.3	+ 4.9	- 0.7
<u>Total Group's Vehicles Sales</u>	+ 183.7	- 15.5	- 30.2
<u>Subsidiaries</u>			
DMSB : Daihatsu & Hino trucks	+ 77.8	+ 18.2	- 8.8
DMMS : Perodua vehicles	+ 210.2	- 21.1	- 33.1
FAHB : Volvo & Volkswagen vehicles	+ 95.9	+ 15.6	- 14.2
HASB	+ 174.1	- 12.7	+ 0.9
OMI	+ 166.9	+ 12.4	+ 18.9
Service throughputs	+ 57.1	+ 13.2	+ 0.9
<u>Joint Venture</u>			
AHSB	+ 225.1	+ 3.4	+ 3.7
<u>Associated companies</u>			
Perodua vehicles	+ 262.1	- 0.0	- 12.6
Hino trucks and buses	+ 157.1	+ 134.0	+ 48.1

#### 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 fourth quarter ended 31 December 2021**

**Group Financial Performance**

**Fourth quarter ended 31 December 2021 compared with fourth quarter ended 31 December 2020**

	Revenue				Profit / (Loss) Before Tax ("PBT")			
	Quarter ended 31-Dec-21	Quarter ended 31-Dec-20	Change		Quarter ended 31-Dec-21	Quarter ended 31-Dec-20	Change	
	RM'000	RM'000	RM'000	%	RM'000	RM'000	RM'000	%
Total From Continuing Operations	562,185	560,416	1,769	0.3	133,749	98,459	35,290	35.8
<u>Business segments:</u>								
Motor Trading	485,283	489,159	(3,876)	(0.8)	23,197	18,130	5,067	27.9
Auto Parts Manufacturing	76,357	70,737	5,620	7.9	6,442	7,859	(1,417)	(18.0)
Share of results of a joint venture					5,021	6,025	(1,004)	(16.7)
Share of results of associates					100,891	67,862	33,029	48.7
Others	545	520	25	4.8	(1,802)	(1,417)	(385)	(27.2)
Discontinued Operation:								
<u>Business segments:</u>								
Auto Parts Manufacturing	--	--	--	--	(35)	(7,498)	7,463	99.5

**Group**

For the current quarter, the Group rebounded strongly from the varying degrees of lockdowns in the last quarter and closed the quarter with revenue of RM562.2 million which is better than the corresponding quarter in 2020 by RM1.8 million or 0.3%. The improved performance came from collective efforts by both our Motor Trading and Auto Parts Manufacturing Divisions despite current quarter still being a very challenging quarter with the unabated COVID cases, rising material costs and supply chain disruptions, etc.

With the recovered revenue, the Group reported significantly higher PBT of RM133.7 million, RM35.3 million or 35.8% higher than the corresponding quarter, complemented by much higher contribution from the associates.

The Group's share of results in its joint venture was however marginally lower by RM1.0 million or 16.7% against the corresponding quarter to close at RM5.0 million PBT for the quarter mainly due to the aforesaid challenges.

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

**Motor Trading**

The Division's vehicle volume recovered strongly in the current quarter to contribute to the impressive revenue of RM485.3 million, although still marginally lower than the corresponding quarter in 2020 by RM3.9 million or 0.8%. The demand on our Perodua, Volvo and Volkswagen vehicles, as well as the commercial vehicles Daihatsu Granmax and Hino remained strong although the sales volume is still affected by some stock supply shortages. Attractive year-end promotional campaign from the Principals helped to boost the volume as well.

With the strong demand, the Division recorded an improved PBT of RM23.2 million, RM5.1 million or 27.9% higher than the corresponding quarter in 2020. The strong profit also came from normalised operating conditions at the showrooms and service centres, improved throughput volume, margins and effective costs management.

**Auto Parts Manufacturing**

With the normalised operating conditions at our manufacturing plants, the Division closed the quarter with revenue of RM76.4 million, RM5.6 million or 7.9% higher against the corresponding quarter.

The Division registered a profit of RM5.0 million for the quarter, a marked improvement from the preceding quarter although still short of the corresponding quarter in 2020 by RM1.4 million or 18.0% mainly due to the aforesaid challenges that still have an impact on labour supply, material costs and therefore margins.

**QUARTERLY ANNOUNCEMENT**

**For the fourth quarter ended 31 December 2021**

**Fourth quarter ended 31 December 2021 against previous quarter ended 30 September 2021**

	Revenue				Profit / (Loss) Before Tax ("PBT")			
	Quarter ended 31-Dec-21 RM'000	Quarter ended 30-Sep-21 RM'000	Change		Quarter ended 31-Dec-21 RM'000	Quarter ended 30-Sep-21 RM'000	Change	
			RM'000	%			RM'000	%
Total From Continuing Operations	562,185	230,558	331,627	143.8	133,749	(4,158)	137,907	3,316.7
<u>Business segments:</u>								
Motor Trading	485,283	201,602	283,681	140.7	23,197	4,579	18,618	406.6
Auto Parts Manufacturing	76,357	28,497	47,860	167.9	6,442	(1,348)	7,790	577.9
Share of results of a joint venture					5,021	321	4,700	1,464.2
Share of associates' results					100,891	(6,202)	107,093	1,726.7
Others	545	459	86	18.7	(1,802)	(1,508)	(294)	(19.5)
Discontinued Operation:								
<u>Business segments:</u>								
Auto Parts Manufacturing	--	--	--	--	(35)	(35)	--	--

**Group**

With the normalised operating conditions in the current quarter, the Group's business activities improved significantly achieving revenue of RM562.2 million, an increase of RM331.6 million or 143.8% against the preceding quarter. PBT for the Group likewise registered RM133.7 million profit, with an impressive increase of RM137.9 million or 3,316.7% as compared to the third quarter of 2021.

Similar recovery is seen in the Group's share of the joint venture's results of RM5.0 million, an increase of RM4.7 million or 1,464.2% against the preceding quarter.

Likewise for the Group's share of its associates results which closed at a profit of RM100.9 million for the quarter, an increase of RM107.1 million or 1,726.7% against the preceding quarter.

**PROSPECTS**

As reported by the Ministry of Finance recently, Malaysia's economy rebounded by 3.6% in the 4th quarter of 2021, driven by higher external demand and private investment. Overall, 2021 revealed a recovery momentum with a growth of 3.1% compared to a decline of 5.6% in 2020. This improvement was reflected in the automotive industry with the Total Industry Volume (TIV) registering the highest quarterly sales of 190,037 units in the 4th quarter of 2021, accounting for 37% of the annual TIV. Consistent to the TIV sales, the Group managed to recover after a minor setback in the preceding quarter posting a strong result in the 4th quarter.

With the economy now fully opened and recovery momentum on track, which is bolstered further by the roll out of booster doses, the outlook for 2022 is forecasted to be better. Growth will be driven mainly by an expansionary fiscal policy as tabled in the National Budget 2022, normalisation in economic activities and continued strong external demand. The automotive industry, on the other hand, is expected to encounter cost challenges from increase in raw material prices and logistic expenses, as well as intermittent disruption in the supply chain due to Covid 19. Nonetheless, we remain cautiously optimistic that our results for 2022 will be overall better given the continued strong demand for vehicles supported by favourable interest rates, continuation of sales tax exemption until 30 June 2022, and introduction of new models including electric vehicles (EV) at more competitive prices.

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**For the twelve months ended 31 December 2021 - unaudited**

		Current Quarter Ended 31/12/2021 RM'000	Comparative Quarter Ended 31/12/2020 RM'000	12 months Cumulative To Date 31/12/2021 RM'000	(Audited) Comparative 12 months Cumulative To Date 31/12/2020 RM'000
	Note				
<b>Continuing operations</b>					
Revenue	14	562,185	560,416	1,531,928	1,793,499
Cost of sales		(512,892)	(513,967)	(1,395,509)	(1,648,792)
Gross profit		49,293	46,449	136,419	144,707
Other income		12,481	15,145	36,895	43,192
Administrative and other expenses		(20,971)	(22,887)	(83,627)	(85,141)
Selling and marketing expenses		(13,530)	(14,316)	(46,790)	(58,800)
Finance costs		(162)	(271)	(464)	(1,177)
Interest income		726	452	3,422	4,207
Share of results of a joint venture, net of tax		5,021	6,025	11,096	12,669
Share of results of associates, net of tax		100,891	67,862	150,499	146,850
<b>Profit before tax</b>	14	133,749	98,459	207,450	206,507
Income tax expense	18	(9,456)	(9,402)	(15,591)	(16,273)
<b>Profit from continuing operations</b>		124,293	89,057	191,859	190,234
<b>Discontinued operation</b>					
Results from discontinued operation, net of tax		(41)	(7,498)	(160)	(7,876)
<b>Profit for the period</b>		124,252	81,559	191,699	182,358
<b>Profit for the period attributable to:</b>					
Equity holders of the Company from:					
- Continuing operations		109,557	79,439	168,085	166,839
- Discontinued operation		(41)	(7,498)	(160)	(7,876)
		109,516	71,941	167,925	158,963
Non-controlling interests from:					
- Continuing operations		14,736	9,618	23,774	23,395
- Discontinued operation		--	--	--	--
		14,736	9,618	23,774	23,395
<b>Profit for the period</b>		124,252	81,559	191,699	182,358

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 2021 - unaudited**

	Current Quarter Ended 31/12/2021 RM'000	Comparative Quarter Ended 31/12/2020 RM'000	12 months Cumulative To Date 31/12/2021 RM'000	(Audited) Comparative 12 months Cumulative To Date 31/12/2020 RM'000
Note				
<b>Profit for the period</b>	124,252	81,559	191,699	182,358
<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	141	116	20	216
Share of foreign currency translation reserve of foreign operations of associates	(1)	(229)	(3)	(229)
Net gain / (loss) on cash flow hedges and revaluation of an associate	--	(85)	47	(12)
<b>Other comprehensive income / (loss) for the period, net of tax</b>	140	(198)	64	(25)
<b>Total comprehensive income for the period</b>	<u>124,392</u>	<u>81,361</u>	<u>191,763</u>	<u>182,333</u>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company from:				
- Continuing operations	109,684	79,227	168,143	166,783
- Discontinued operation	(41)	(7,498)	(160)	(7,876)
	<u>109,643</u>	<u>71,729</u>	<u>167,983</u>	<u>158,907</u>
Non-controlling interests from:				
- Continuing operations	14,749	9,632	23,780	23,426
- Discontinued operation	--	--	--	--
	<u>14,749</u>	<u>9,632</u>	<u>23,780</u>	<u>23,426</u>
<b>Total comprehensive income for the period</b>	<u>124,392</u>	<u>81,361</u>	<u>191,763</u>	<u>182,333</u>
<b>Earnings / (loss) per ordinary share</b>	sen	sen	sen	sen
Basic and diluted from:				
- Continuing operations	28.03	20.32	43.00	42.68
- Discontinued operation	(0.01)	(1.92)	(0.04)	(2.01)
	<u>28.02</u>	<u>18.40</u>	<u>42.96</u>	<u>40.67</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 31 December 2021 - unaudited**

	Note	As at end of Current Quarter 31/12/2021 RM'000	(Audited) As at preceding Financial Year Ended 31/12/2020 RM'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant & equipment		181,372	214,179
Right-of-use assets		2,165	3,869
Investment properties		91,309	64,684
Prepaid land lease payments		30,735	31,210
Investment in a joint venture		82,387	71,291
Investment in associates		1,415,050	1,335,574
Available-for-sale financial asset		2,280	1,862
Deferred tax assets		1,854	2,356
Goodwill on consolidation		1,104	1,104
Total Non-Current Assets		<u>1,808,256</u>	<u>1,726,129</u>
<b>Current Assets</b>			
Inventories		92,261	56,143
Trade & other receivables and prepaid expenses		164,632	157,881
Amount owing by a joint venture		--	10,200
Tax recoverable		5,114	3,922
Cash and bank balances		<u>260,732</u>	<u>271,028</u>
		522,739	499,174
Assets classified as held for sale		<u>30,645</u>	<u>30,645</u>
Total Current Assets		<u>553,384</u>	<u>529,819</u>
<b>TOTAL ASSETS</b>	14	<u><u>2,361,640</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 31 December 2021 - unaudited**

	Note	As at end of Current Quarter 31/12/2021 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>1,523,861</u>	<u>1,434,056</u>
Equity attributable to the equity holders of the Company		1,915,512	1,825,707
Non-controlling interests		<u>269,779</u>	<u>276,986</u>
Total Equity		<u>2,185,291</u>	<u>2,102,693</u>
<b>Non-Current Liabilities</b>			
Long term borrowings	20	--	134
Deferred tax liabilities		5,142	4,578
Provision for retirement benefits		2,609	2,794
Lease liabilities - non-current portion		<u>609</u>	<u>1,766</u>
Total Non-Current Liabilities		<u>8,360</u>	<u>9,272</u>
<b>Current Liabilities</b>			
Short term borrowings	20	23,326	6,863
Trade & other payables and accrued expenses		141,544	132,795
Amount owing to holding company		61	36
Lease liabilities - current portion		1,555	2,156
Tax liabilities		<u>1,503</u>	<u>2,133</u>
Total Current Liabilities		<u>167,989</u>	<u>143,983</u>
Total Liabilities	14	<u>176,349</u>	<u>153,255</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>2,361,640</b></u>	<u><b>2,255,948</b></u>
<b>Net assets per share (RM)</b>		<b>4.90</b>	<b>4.67</b>

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**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**For the twelve months ended 31 December 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>12 months ended 31 December 2020 - audited</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	--	--	--	--	158,963	158,963	23,395	182,358
Other comprehensive income for the period	--	186	(11)	(231)	--	(56)	31	(25)
Total comprehensive income	--	186	(11)	(231)	158,963	158,907	23,426	182,333
Transfer upon the disposal of assets designated at FVOCI in an associate	--	(778)	--	--	778	--	--	--
<b>At 31 December 2020</b>	<b>391,651</b>	<b>2,977</b>	<b>(42)</b>	<b>765</b>	<b>1,430,356</b>	<b>1,825,707</b>	<b>276,986</b>	<b>2,102,693</b>
<b>12 months ended 31 December 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	--	--	--	--	(78,178)	(78,178)	--	(78,178)
Dividends paid to non-controlling interests of subsidiaries	--	--	--	--	--	--	(30,987)	(30,987)
Profit for the period	--	--	--	--	167,925	167,925	23,774	191,699
Other comprehensive income for the period	--	18	42	(2)	--	58	6	64
Total comprehensive income	--	18	42	(2)	167,925	167,983	23,780	191,763
<b>At 31 December 2021</b>	<b>391,651</b>	<b>2,995</b>	<b>--</b>	<b>763</b>	<b>1,520,103</b>	<b>1,915,512</b>	<b>269,779</b>	<b>2,185,291</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 twelve months ended 31 December 2021 - unaudited**

	12 months ended 31/12/2021	(Audited) 12 months ended 31/12/2020
Note	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax from :		
- <i>Continuing operations</i>	207,450	206,507
- <i>Discontinued operation</i>	(154)	(7,876)
	<u>207,296</u>	<u>198,631</u>
Adjustments for :		
Share of results of associates	(150,499)	(146,850)
Share of results of a joint venture	(11,096)	(12,669)
Depreciation and amortisation	17,677	17,156
Impairment losses on assets classified as held for sale	--	7,570
Finance costs	464	1,177
Other non-cash items	(4,151)	(3,637)
Operating profit before working capital changes	59,691	61,378
Changes in working capital		
(Increase) / Decrease in trade & other receivables	(6,615)	(17,428)
(Increase) / Decrease in inventories	(35,968)	50,746
Increase / (Decrease) in trade & other payables	8,748	(182)
Net changes in other current assets & liabilities	(160)	(106)
Income tax refunded	2,275	30
Income tax paid	(18,627)	(14,561)
Net cash from / (used in) operating activities	<u>9,344</u>	<u>79,877</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Dividends received from associates	71,087	34,865
Dividends received from a joint venture	10,200	15,300
Interest income	3,422	4,211
Purchase of property, plant & equipment	(8,967)	(4,653)
Proceeds from disposal of property, plant & equipment	134	422
Proceeds from disposal of assets classified as held for sale	--	83
Net cash from / (used in) investing activities	<u>75,876</u>	<u>50,228</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid	(78,178)	(82,086)
Dividends paid to non-controlling interests of subsidiaries	(30,987)	(10,149)
Finance costs paid	(464)	(1,177)
Bank borrowings	18,061	(28,222)
Lease payables	(2,216)	(2,360)
Net cash from / (used in) financing activities	<u>(93,784)</u>	<u>(123,994)</u>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(8,564)	6,111
<b>CASH AND CASH EQUIVALENTS AT 1 JANUARY</b>	<u>264,958</u>	<u>258,847</u>
<b>CASH AND CASH EQUIVALENTS AT 31 DECEMBER</b>	<u>256,394</u>	<u>264,958</u>
Cash and cash equivalents comprise :		
Cash and bank balances	260,732	271,028
Bank overdrafts	(4,338)	(6,070)
	<u>256,394</u>	<u>264,958</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
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The adoption of these MFRSs or amendments to MFRSs are not expected to have any material financial impact on the

### 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 31/12/2021	
	Number of Shares '000	Share Capital RM'000
Ordinary shares As at 1 January 2021 / 31 December 2021	390,887	391,651

**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 2021 is as follows :

	<u>RM'000</u>
Approved and contracted for	--
Approved and not contracted for	<u>2,962</u>

**12. Significant related party transactions**

During the period ended 31 December 2021, the Group and the Company had the following transactions with related parties:

	<u>31/12/2021</u> RM'000
<b><u>Group</u></b>	
Purchases from a subsidiary of Perusahaan Otomobil Kedua Sdn. Bhd. ("Perodua")	751,665
Sales to Perodua, its subsidiaries and associates	25,168
Purchases from Daihatsu Motor Co., Ltd	1,323
Purchases from Hino Motors Sales (Malaysia) Sdn. Bhd.	<u>22,099</u>
<b><u>Company</u></b>	
Gross dividends from:	
- subsidiaries	47,573
- associates	55,205
Management fees from subsidiaries	224
Interest income on advances to subsidiaries	<u>2,840</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 31 December 2021**

	Motor Trading RM'000	Auto Parts Manufacturing Continuing RM'000	Discontinued RM'000	All others RM'000	Group RM'000
Revenues from external customers	1,323,448	206,611	--	1,869	1,531,928
Results for reportable segments	40,048	10,411	(154)	(7,562)	42,743
Share of results of a jointly venture	--	11,096	--	--	11,096
Share of results of associates	148,214	2,285	--	--	150,499
Interest income	1,977	318	--	1,127	3,422
Finance costs	(198)	(266)	--	--	(464)
Profit/(loss) before tax for reportable segment	190,041	23,844	(154)	(6,435)	207,296
Depreciation and amortisation	(10,198)	(4,956)	--	(2,523)	(17,677)
Other significant non-cash items					
- Property, plant and equipment written off	(18)	--	--	--	(18)
- Allowance for expected credit losses	(213)	--	--	--	(213)
- Allowance for expected credit losses no longer required	349	--	--	--	349
- Allowance for slow-moving inventories	(201)	--	--	--	(201)
- Allowance for slow moving inventories no longer required	478	--	--	--	478
- Inventories written down	--	(127)	--	--	(127)
Capital expenditure	5,690	3,232	--	45	8,967
Segment assets	522,392	164,074	2,278	175,459	864,203
Jointly controlled entity	--	59,488	--	22,899	82,387
Investment in associates	1,352,391	62,659	--	--	1,415,050
Segment liabilities	(114,930)	(54,121)	(51)	(7,247)	(176,349)

**Period ended 31 December 2020**

	Motor Trading RM'000	Auto Parts Manufacturing Continuing RM'000	Discontinued RM'000	All others RM'000	Group RM'000
Revenues from external customers	1,613,350	178,234	--	1,915	1,793,499
Results for reportable segments	39,736	11,352	(7,880)	(7,130)	36,078
Share of results of a joint venture	--	12,669	--	--	12,669
Share of results of associates	146,154	696	--	--	146,850
Interest income	2,044	310	4	1,853	4,211
Finance costs	(254)	(328)	--	(595)	(1,177)
Profit/(loss) before tax for reportable segment	187,680	24,699	(7,876)	(5,872)	198,631
Depreciation and amortisation	(10,507)	(4,134)	--	(2,515)	(17,156)
Other significant non-cash items					
- Impairment loss on assets classified as held for sale	--	--	(7,570)	--	(7,570)
- Property, plant and equipment written off	(82)	(2)	--	--	(84)
- Allowance for expected credit losses	(528)	--	--	--	(528)
- Allowance for expected credit losses no longer required	651	--	--	--	651
- Allowance for slow moving inventories	(869)	--	--	--	(869)
- Allowance for slow moving inventories no longer required	211	11	--	--	222
- Inventories written down	(219)	--	--	--	(219)
Capital expenditure	2,854	1,795	--	4	4,653
Segment assets	527,289	147,618	19,879	154,297	849,083
Jointly controlled entity	--	48,392	--	22,899	71,291
Investment in associates	1,272,467	63,107	--	--	1,335,574
Segment liabilities	(99,098)	(46,919)	(48)	(7,190)	(153,255)

**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 31/12/2021 RM'000	Period ended 31/12/2020 RM'000
<u>Revenues</u>		
Total revenues for Group's reportable segments	1,530,059	1,791,584
All others	1,869	1,915
Elimination of discontinued operation	--	--
Revenue, as reported	<u>1,531,928</u>	<u>1,793,499</u>
<u>Profit or loss</u>		
Total profit / (loss) for Group's reportable segments, including finance costs and interest income	52,136	44,984
All others	(6,435)	(5,872)
Share of results of jointly controlled entity	11,096	12,669
Share of results of associates	150,499	146,850
Elimination of discontinued operation	154	7,876
Profit before tax, as reported	<u>207,450</u>	<u>206,507</u>
<u>Assets</u>		
Total assets for Group's reportable segments	688,744	694,786
All others	175,459	154,297
Jointly controlled entity	82,387	71,291
Investment in associates	1,415,050	1,335,574
Total assets, as reported	<u>2,361,640</u>	<u>2,255,948</u>
<u>Liabilities</u>		
Total liabilities for Group's reportable segments	169,102	146,065
All others	7,247	7,190
Total liabilities, as reported	<u>176,349</u>	<u>153,255</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	
	31/12/2021 RM'000	31/12/2020 RM'000	31/12/2021 RM'000	31/12/2020 RM'000
Revenue	-	-	-	-
Cost of sales	-	-	-	-
Gross loss	-	-	-	-
Other income	9	124	30	165
Administrative and other expenses	(44)	(7,626)	(184)	(8,045)
Interest income	-	4	-	4
Loss before tax	(35)	(7,498)	(154)	(7,876)
Income tax expense	(6)	-	(6)	-
Loss from discontinued operation	<u>(41)</u>	<u>(7,498)</u>	<u>(160)</u>	<u>(7,876)</u>
<u>Net cash flows of discontinued operation:</u>				
Net cash from / (used in) operating activities			(154)	48
Net cash from investing activities			-	87
Net cash from financing activities			-	-
Net Increase / (decrease) in cash and cash equivalents			<u>(154)</u>	<u>135</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 31/12/2021 RM'000	Year to date 31/12/2021 RM'000
Current year's provision	8,517	14,792
Add : Under/(Over) provision in prior years	<u>(123)</u>	<u>(263)</u>
	8,394	14,529
Deferred taxation	<u>1,068</u>	<u>1,068</u>
Income tax expense	<u><u>9,462</u></u>	<u><u>15,597</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 31/12/2021 %	Year to date 31/12/2021 %
Statutory income tax rate in Malaysia	24.0	24.0
Adjustment for tax applicable to share of results of associates	(18.1)	(17.4)
Adjustment for tax applicable to share of results of a joint venture	(0.9)	(1.3)
Expenses not deductible for tax purpose / (Income not subject to tax)	2.1	2.2
	<u>7.1</u>	<u>7.5</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	23,326	--
Unsecured	<u>--</u>	<u>--</u>
Total	<u><u>23,326</u></u>	<u><u>--</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 5.0 sen per ordinary share amounting to approximately RM19,544,383 and a special single tier dividend of 10.0 sen per ordinary share amounting to approximately RM39,088,765 for the current financial year ended 31 December 2021.

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

**23. Earnings per ordinary share (EPS)**

	Quarter ended		Year to date 12 months ended	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
<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	109,557	79,439	168,085	166,839
- Discontinued operation	(41)	(7,498)	(160)	(7,876)
	109,516	71,941	167,925	158,963
Number of ordinary shares in issue	'000 390,887	'000 390,887	'000 390,887	'000 390,887
Basic and diluted earnings / (loss) per share (sen):				
- Continuing operations	28.03	20.32	43.00	42.68
- Discontinued operation	(0.01)	(1.92)	(0.04)	(2.01)
	28.02	18.40	42.96	40.67

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 12 months ended	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	RM'000	RM'000	RM'000	RM'000
a) Interest income	726	452	3,422	4,207
b) Interest expense	(162)	(271)	(464)	(1,177)
c) Depreciation and amortisation	(4,518)	(4,109)	(17,677)	(17,156)
d) Impairment loss on assets classified as held for sale	--	(7,570)	--	(7,570)
e) Property, plant and equipment written off	(2)	(40)	(18)	(84)
f) Allowance for slow-moving inventories	--	(485)	(201)	(869)
g) Allowance for slow-moving inventories no longer required	478	222	478	222
h) Inventories written down	(127)	(219)	(127)	(219)
i) Allowance for expected credit loss	(213)	(528)	(213)	(528)
j) Allowance for expected credit loss no longer required	196	651	349	651
k) Gain on disposal of property, plant and equipment	23	(66)	48	38
l) 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 31 December 2021.

**25. Authorised for issue**

These unaudited condensed consolidated interim financial statements were approved by the Board of Directors on 25 February 2022.

**BY ORDER OF THE BOARD  
MBM RESOURCES BERHAD**

**WONG PEIR CHYUN  
COMPANY SECRETARY  
KUALA LUMPUR  
DATED : 25 FEBRUARY 2022**