



QUARTERLY ANNOUNCEMENT
For the second quarter ended 30 June 2022

Summary

- Against the corresponding quarter, the Group's current quarter revenue has improved significantly by 73.6% coming from both Motor Trading and Auto Parts Manufacturing Divisions.
- Contributions from our associates and joint venture entity were also higher at 330% and 121.5% respectively.
- The Group also recognised a further one-off net gain from disposal of the remaining plant and machinery at the alloy wheel plant amounting to RM8.1 million. With the said sale, the Group has fully disposed of all its assets previously classified as held for sale.

Results

| | Quarter ended 30 Jun | | | Year to date ended 30 Jun | | |
|--|--------------------------------|--------------------------------|-------------|---|----------------|-------------|
| | 2022 RM mil | 2021 RM mil | Change % | 2022 RM mil | 2021 RM mil | Change % |
| Revenue | 557.0 | 320.9 | 73.6 | 1,035.5 | 739.2 | 40.1 |
| Profit before tax | 78.9 | 22.8 | 245.9 | 177.4 | 77.9 | 127.9 |
| On going business | 78.9 | 22.8 | 245.9 | 147.0 | 77.9 | 88.8 |
| One-off gains from disposals~ | -- | -- | -- | 30.4 | -- | 100.0 |
| Profit / (loss) for the period | 81.5 | 19.8 | 311.6 | 177.5 | 72.5 | 144.7 |
| Continuing operations | 73.5 | 19.9 | 270.0 | 165.4 | 72.6 | 127.7 |
| Discontinued operation | 8.1 | (0.0) | >100.0 | 12.1 | (0.1) | >100.0 |
| Profit attributable to the equity holders of the Company | 74.1 | 16.6 | 345.4 | 163.3 | 63.7 | 156.6 |
| | Sen | Sen | | Sen | Sen | |
| Basic earnings / (loss) per share | 18.9 | 4.3 | 344.6 | 41.8 | 16.3 | 156.5 |
| Continuing operations | 16.9 | 4.3 | 295.3 | 38.7 | 16.3 | 137.2 |
| Discontinued operation | 2.1 | (0.0) | >100.0 | 3.1 | (0.0) | >100.0 |
| Proposed / Declared dividend per share | 16.0 | 5.0 | 220.0 | 16.0 | 5.0 | 220.0 |
| Interim | 6.0 | 5.0 | 20.0 | 6.0 | 5.0 | 20.0 |
| Special | 10.0 | -- | 100.0 | 10.0 | -- | 100.0 |
| | As at 30 Jun 2022 RM mil | As at 31 Dec 2021 RM mil | | ~ The one-off gains from disposals are net of incidental costs. | | |
| Equity attributable to the equity holders of the Company | 1,999.6 | 1,918.0 | 4.3 | | | |
| | RM | RM | | | | |
| Net assets per share | 5.12 | 4.91 | 4.3 | | | |

Performance of sales by operations

| % Changes * | Q2'22 | Q2'22 | YTD Jun'22 |
|------------------------------------|-------------|-------------|------------------|
| | vs Q1'22 | vs Q2'21 | vs YTD Jun'21 |
| Total Industry Volume (TIV) ** | + 7.3 | + 69.8 | + 33.0 |
| Total Industry Production (TIP) ** | + 6.2 | + 73.9 | + 31.8 |
| Total Group's Vehicles Sales | + 10.5 | + 72.8 | + 29.8 |
| <u>Subsidiaries</u> | | | |
| DMSB : Daihatsu & Hino trucks | - 13.3 | + 16.5 | + 42.0 |
| DMMS : Perodua vehicles | + 9.4 | + 73.8 | + 25.0 |
| FAHB : Volvo & Volkswagen vehicles | + 45.0 | + 120.1 | + 89.5 |
| HASB | - 1.2 | + 80.8 | + 34.9 |
| OMI | + 3.2 | + 85.6 | + 38.5 |
| Service throughputs | + 12.2 | + 40.4 | + 16.8 |
| <u>Joint Venture</u> | | | |
| AHSB | + 18.1 | + 86.0 | + 34.4 |
| <u>Associated companies</u> | | | |
| Perodua vehicles | + 52.8 | + 60.4 | + 27.3 |
| Hino trucks and buses | - 3.5 | + 52.8 | + 21.3 |

Legend

DMSB : Daihatsu (Malaysia) Sdn Bhd
DMMS : DMM Sales Sdn Bhd
FAHB : Federal Auto Holdings Berhad
HASB : Hiroto Acoustics Sdn Bhd
OMI : Oriental Metal Industries (M) Sdn Bhd
AHSB : Autoliv Hiroto 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) 2022 and 2021

QUARTERLY ANNOUNCEMENT
For the second quarter ended 30 June 2022

Group Financial Performance

Second quarter ended 30 June 2022 compared with second quarter ended 30 June 2021

| | Revenue | | | | Profit / (Loss) Before Tax ("PBT") | | | |
|-------------------------------------|--------------------------------------|--------------------------------------|---------|------|--------------------------------------|--------------------------------------|--------|----------|
| | Quarter ended 30-Jun-22 RM'000 | Quarter ended 30-Jun-21 RM'000 | Change | | Quarter ended 30-Jun-22 RM'000 | Quarter ended 30-Jun-21 RM'000 | Change | |
| | | | RM'000 | % | | | RM'000 | % |
| Total From Continuing Operations | 557,018 | 320,878 | 236,140 | 73.6 | 78,932 | 22,821 | 56,111 | 245.9 |
| <u>Business segments:</u> | | | | | | | | |
| Motor Trading | 485,399 | 282,010 | 203,389 | 72.1 | 17,171 | 9,130 | 8,041 | 88.1 |
| Auto Parts Manufacturing | 71,062 | 38,434 | 32,628 | 84.9 | 4,939 | 590 | 4,349 | 737.1 |
| Share of results of a joint venture | | | | | 3,602 | 1,626 | 1,976 | 121.5 |
| Share of results of associates | | | | | 54,344 | 12,639 | 41,705 | 330.0 |
| Others | 557 | 434 | 123 | 28.3 | (1,124) | (1,164) | 40 | 3.4 |
| Total From Discontinued Operation | -- | -- | -- | -- | 8,070 | (49) | 8,119 | 16,569.4 |
| <u>Business segments:</u> | | | | | | | | |
| Auto Parts Manufacturing | -- | -- | -- | -- | (40) | (49) | 9 | 18.4 |
| One-off gains from disposals~ | | | | | 8,110 | -- | 8,110 | 100.0 |

~ The one-off gains from disposals are net of incidental costs.

Group

The Group closed the current quarter with RM557.0 million in revenue, significantly higher than the corresponding quarter in 2021 by RM236.1 million or 73.6%. The improved performance came from both our Motor Trading and Auto Parts Manufacturing Divisions.

The Group PBT likewise closed much higher at RM78.9 million, RM56.1 million or 245.9% higher than the corresponding quarter, boosted by higher vehicle demand ahead of the announcement of the SST exemption status. The corresponding quarter in 2021 was also a low base with the MCO 3.0 full lockdown implemented on 1st June 2021. The quarter's results are also complimented by the much higher share of associates' and joint venture results at 330% and 121.5% respectively.

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. During the quarter, the Group recognised a further one-off net gain from disposal of the remaining plant and machinery at the alloy wheel plant amounting to RM8.1 million. With the said sale, the Group has fully disposed of all its assets previously classified as held for sale.

Motor Trading

The Division closed the quarter with RM485.4 million in revenue, an increase of RM203.4 million or 72.1% against the corresponding quarter coming mainly from increase demand for all our passenger vehicles ahead of the announcement of the SST exemption status, coupled with the low base effect in the corresponding quarter in 2021 with the MCO 3.0 full lockdown implemented on 1st June 2021. The Group's vehicle sales volume was only limited by some supply shortages especially in Perodua and Volvo supplies. The continuous improvement in aftersales revenue also boosted the Division's performance for the quarter.

With the higher revenue, the Division recorded an improved PBT of RM17.2 million, RM8.0 million or 88.1% higher than the corresponding quarter in 2021. Further, better control of vehicle sales and aftersales service margins and effective costs management also contributed significantly to the improved bottom line.

Auto Parts Manufacturing

Our Auto Parts Manufacturing Division registered revenue of RM71.1 million for the quarter under review which is RM32.6 million or 84.9% higher against the corresponding quarter. The increase was coming from higher production volume pulled by the car makers to meet increase demand.

Consequently PBT for the quarter was also higher at RM4.9 million, RM4.3 million or 737.1% as compared to the corresponding quarter.

QUARTERLY ANNOUNCEMENT
For the second quarter ended 30 June 2022

Second quarter ended 30 June 2022 against previous quarter ended 31 March 2022

| | Revenue | | | | Profit / (Loss) Before Tax ("PBT") | | | |
|-------------------------------------|--------------------------------------|--------------------------------------|--------|------|--------------------------------------|--------------------------------------|----------|---------|
| | Quarter ended 30-Jun-22 RM'000 | Quarter ended 31-Mar-22 RM'000 | Change | | Quarter ended 30-Jun-22 RM'000 | Quarter ended 31-Mar-22 RM'000 | Change | |
| | | | RM'000 | % | | | RM'000 | % |
| Total From Continuing Operations | 557,018 | 478,511 | 78,507 | 16.4 | 78,932 | 98,488 | (19,556) | (19.9) |
| <u>Business segments:</u> | | | | | | | | |
| Motor Trading | 485,399 | 408,671 | 76,728 | 18.8 | 17,171 | 10,607 | 6,564 | 61.9 |
| Auto Parts Manufacturing | 71,062 | 69,299 | 1,763 | 2.5 | 4,939 | 4,879 | 60 | 1.2 |
| One-off gains from disposals~ | | | | | -- | 30,407 | (30,407) | (100.0) |
| Share of results of a joint venture | | | | | 3,602 | 3,089 | 513 | 16.6 |
| Share of associates' results | | | | | 54,344 | 50,875 | 3,469 | 6.8 |
| Others | 557 | 541 | 16 | 3.0 | (1,124) | (1,369) | 245 | 17.9 |
| Total From Discontinued Operation | -- | -- | -- | -- | 8,070 | 4,049 | 4,021 | 99.3 |
| <u>Business segments:</u> | | | | | | | | |
| Auto Parts Manufacturing | -- | -- | -- | -- | (40) | 37 | (77) | (208.1) |
| One-off gains from disposals~ | | | | | 8,110 | 4,012 | 4,098 | 102.1 |

~ The one-off gains from disposals are net of incidental costs.

Group

Against preceding quarter, the Group's revenue was RM78.5 million or 16.4% higher as vehicle supply in quarter one was generally lower post-year end and the various challenges faced by some car makers such as semiconductor chips shortages and logistic issues appeared to have eased slightly in the current quarter under review. Vehicle supplies from Perodua, Volvo and Hino have also improved in the current quarter. With the higher revenue, operating PBT for the Group registered an increase of RM10.8 million or 15.9% as compared to the preceding quarter's operating PBT excluding the one-off disposal gain of RM30.4 million.

Similar trend is seen in the Group's share of the joint venture and associates' results with an increase of RM0.5 million or 16.6%, and RM3.5 million or 6.8% respectively, against the preceding quarter.

PROSPECTS

According to the recently released Bank Negara Malaysia's report, the Malaysian economy continues to recover with a stronger growth momentum of 8.9% recorded in Q2 2022, driven mainly by improved domestic demand and strong export performance. This pent-up domestic demand was also reflected in the Total Industry Volume (TIV) of new motor vehicles which grew by 7.3% in Q2 2022 compared to Q1 2022, with a total of 171,545 vehicles registered. The Government's decision of not extending the sales tax exemption for passenger vehicles under the Pemerkasa package, after 30 June 2022, also contributed to the better TIV performance particularly in June 2022.

Similar to the TIV trend, the Group sold a total of 5,966 units vehicles in Q2 2022, 10.5% higher than Q1 2022 whilst service throughput recorded a 12.2% growth in Q2 2022 with a total vehicles serviced at 58,629 units. The Group's manufacturing companies' production volumes also recorded improvement with a growth of 10% compared to Q1 2022 despite facing interrupted pull in from selected makes due to shortage of chips and inconsistent supplies from some of their vendors. Given these challenges, coupled with the material price increase and the appreciation of the US dollar, we remain cautiously optimistic of the Group's performance in the coming quarters, which will be driven mainly by the current high unfulfilled orders and the sales push by the industry players towards a TIV beyond 630,000 units this year.

The Group will continue to manage cost through process improvement and cost rationalisation exercises to remain competitive, especially under the current economic environment. With the higher target volume set in the second half of the year particularly by Perodua, the impact of lower margins from the escalation of material price and unfavourable US dollar, is expected to be cushioned. In addition, we will continue to focus on improving our revenue contribution mainly from the aftersales operations through cross-selling programs and the Body and Paint business.

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the six months ended 30 June 2022 - unaudited

| | | Current Quarter Ended 30/06/2022 RM'000 | Comparative Quarter Ended 30/06/2021 RM'000 | 6 months Cumulative To Date 30/06/2022 RM'000 | (Unaudited) Comparative 6 months Cumulative To Date 30/06/2021 RM'000 |
|--|------|---|---|---|---|
| | Note | | | | |
| Continuing operations | | | | | |
| Revenue | 14 | 557,018 | 320,878 | 1,035,529 | 739,185 |
| Cost of sales | | <u>(511,144)</u> | <u>(292,663)</u> | <u>(949,592)</u> | <u>(675,327)</u> |
| Gross profit | | 45,874 | 28,215 | 85,937 | 63,858 |
| Other income | | 12,471 | 12,112 | 53,573 | 18,976 |
| Administrative and other expenses | | (22,546) | (21,141) | (45,852) | (43,530) |
| Selling and marketing expenses | | (15,594) | (11,426) | (29,948) | (24,634) |
| Finance costs | | (197) | (101) | (346) | (201) |
| Interest income | | 978 | 897 | 2,146 | 1,826 |
| Share of results of a joint venture, net of tax | | 3,602 | 1,626 | 6,691 | 5,754 |
| Share of results of associates, net of tax | | <u>54,344</u> | <u>12,639</u> | <u>105,219</u> | <u>55,810</u> |
| Profit before tax | 14 | <u>78,932</u> | <u>22,821</u> | <u>177,420</u> | <u>77,859</u> |
| Income tax expense | 18 | <u>(5,473)</u> | <u>(2,965)</u> | <u>(12,062)</u> | <u>(5,250)</u> |
| Profit from continuing operations | | <u>73,459</u> | <u>19,856</u> | <u>165,358</u> | <u>72,609</u> |
| Discontinued operation | | | | | |
| Results from discontinued operation, net of tax | | <u>8,070</u> | <u>(49)</u> | <u>12,119</u> | <u>(84)</u> |
| Profit for the period | | <u>81,529</u> | <u>19,807</u> | <u>177,477</u> | <u>72,525</u> |
| Profit for the period attributable to: | | | | | |
| Equity holders of the Company from: | | | | | |
| - Continuing operations | | 65,986 | 16,677 | 151,221 | 63,744 |
| - Discontinued operation | | <u>8,070</u> | <u>(49)</u> | <u>12,119</u> | <u>(84)</u> |
| | | <u>74,056</u> | <u>16,628</u> | <u>163,340</u> | <u>63,660</u> |
| Non-controlling interests from: | | | | | |
| - Continuing operations | | 7,473 | 3,179 | 14,137 | 8,865 |
| - Discontinued operation | | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> |
| | | <u>7,473</u> | <u>3,179</u> | <u>14,137</u> | <u>8,865</u> |
| Profit for the period | | <u>81,529</u> | <u>19,807</u> | <u>177,477</u> | <u>72,525</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 2022 - unaudited

| | Current Quarter Ended 30/06/2022 RM'000 | Comparative Quarter Ended 30/06/2021 RM'000 | 6 months Cumulative To Date 30/06/2022 RM'000 | (Unaudited) Comparative 6 months Cumulative To Date 30/06/2021 RM'000 |
|--|---|---|---|---|
| Note | | | | |
| Profit for the period | 81,529 | 19,807 | 177,477 | 72,525 |
| 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 | 348 | 93 | 414 | 79 |
| Share of foreign currency translation reserve of foreign operations of associates | 7 | 1 | 12 | (10) |
| Net gain / (loss) on cash flow hedges and revaluation of an associate | -- | 433 | -- | 47 |
| Other comprehensive income / (loss) for the period, net of tax | 355 | 527 | 426 | 116 |
| Total comprehensive income for the period | <u>81,884</u> | <u>20,334</u> | <u>177,903</u> | <u>72,641</u> |
| Total comprehensive income attributable to: | | | | |
| Equity holders of the Company from: | | | | |
| - Continuing operations | 66,312 | 17,153 | 151,611 | 63,849 |
| - Discontinued operation | 8,070 | (49) | 12,119 | (84) |
| | <u>74,382</u> | <u>17,104</u> | <u>163,730</u> | <u>63,765</u> |
| Non-controlling interests from: | | | | |
| - Continuing operations | 7,502 | 3,230 | 14,173 | 8,876 |
| - Discontinued operation | -- | -- | -- | -- |
| | <u>7,502</u> | <u>3,230</u> | <u>14,173</u> | <u>8,876</u> |
| Total comprehensive income for the period | <u>81,884</u> | <u>20,334</u> | <u>177,903</u> | <u>72,641</u> |
| Earnings / (loss) per ordinary share | sen | sen | sen | sen |
| Basic and diluted from: | | | | |
| - Continuing operations | 16.88 | 4.27 | 38.69 | 16.31 |
| - Discontinued operation | 2.06 | (0.01) | 3.10 | (0.02) |
| | <u>18.94</u> | <u>4.26</u> | <u>41.79</u> | <u>16.29</u> |
| 23 | | | | |

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

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
As at 30 June 2022 - unaudited

| | Note | As at end of Current Quarter 30/06/2022 RM'000 | (Audited) As at preceding Financial Year Ended 31/12/2021 RM'000 |
|--|------|---|--|
| ASSETS | | | |
| Non-Current Assets | | | |
| Property, plant & equipment | | 178,247 | 181,269 |
| Right-of-use assets | | 4,276 | 2,165 |
| Investment properties | | 90,588 | 91,483 |
| Prepaid land lease payments | | 39,213 | 30,735 |
| Investment in a joint venture | | 78,878 | 82,387 |
| Investment in associates | | 1,522,165 | 1,416,521 |
| Other investments | | 2,280 | 2,280 |
| Deferred tax assets | | 1,878 | 1,878 |
| Goodwill on consolidation | | 1,104 | 1,104 |
| Total Non-Current Assets | | <u>1,918,629</u> | <u>1,809,822</u> |
| Current Assets | | | |
| Inventories | | 100,892 | 93,548 |
| Trade & other receivables and prepaid expenses | | 175,636 | 160,598 |
| Tax recoverable | | 4,953 | 5,484 |
| Cash and bank balances | | 245,814 | 260,940 |
| | | 527,295 | 520,570 |
| Assets classified as held for sale | | -- | 30,645 |
| Total Current Assets | | <u>527,295</u> | <u>551,215</u> |
| TOTAL ASSETS | 14 | <u>2,445,924</u> | <u>2,361,037</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 2022 - unaudited

| | | As at end of Current Quarter 30/06/2022 RM'000 | (Audited) As at preceding Financial Year Ended 31/12/2021 RM'000 |
|---|------|---|--|
| | Note | | |
| <u>EQUITY AND LIABILITIES</u> | | | |
| Capital and Reserves | | | |
| Share capital | | 391,651 | 391,651 |
| Reserves | | <u>1,607,982</u> | <u>1,526,338</u> |
| Equity attributable to the equity holders of the Company | | 1,999,633 | 1,917,989 |
| Non-controlling interests | | <u>275,094</u> | <u>270,273</u> |
| Total Equity | | <u>2,274,727</u> | <u>2,188,262</u> |
| Non-Current Liabilities | | | |
| Deferred tax liabilities | | 5,046 | 5,046 |
| Provision for retirement benefits | | 2,758 | 2,609 |
| Lease liabilities - non-current portion | | <u>1,496</u> | <u>709</u> |
| Total Non-Current Liabilities | | <u>9,300</u> | <u>8,364</u> |
| Current Liabilities | | | |
| Short term borrowings | 20 | 22,157 | 23,326 |
| Trade & other payables and accrued expenses | | 133,466 | 137,986 |
| Amount owing to holding company | | 50 | 61 |
| Lease liabilities - current portion | | 2,723 | 1,456 |
| Tax liabilities | | <u>3,501</u> | <u>1,582</u> |
| Total Current Liabilities | | <u>161,897</u> | <u>164,411</u> |
| Total Liabilities | 14 | <u>171,197</u> | <u>172,775</u> |
| TOTAL EQUITY AND LIABILITIES | | <u>2,445,924</u> | <u>2,361,037</u> |
| Net assets per share (RM) | | 5.12 | 4.91 |

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 2022 - 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 | | | | |
| 6 months ended 30 June 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 | -- | -- | -- | -- | (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 |
| At 30 June 2021 | 391,651 | 3,049 | -- | 756 | 1,435,383 | 1,830,839 | 277,054 | 2,107,893 |
| 6 months ended 30 June 2022 - unaudited | | | | | | | | |
| At 1 January 2022 | 391,651 | 2,995 | -- | (58) | 1,523,401 | 1,917,989 | 270,273 | 2,188,262 |
| Dividends distributed to owners of the Company | -- | -- | -- | -- | (82,086) | (82,086) | -- | (82,086) |
| Dividends paid to non-controlling interests of subsidiaries | -- | -- | -- | -- | -- | -- | (9,337) | (9,337) |
| Liquidation of a subsidiary | -- | -- | -- | -- | -- | -- | (15) | (15) |
| Profit for the period | -- | -- | -- | -- | 163,340 | 163,340 | 14,137 | 177,477 |
| Other comprehensive income for the period | -- | 379 | -- | 11 | -- | 390 | 36 | 426 |
| Total comprehensive income | -- | 379 | -- | 11 | 163,340 | 163,730 | 14,173 | 177,903 |
| At 30 June 2022 | 391,651 | 3,374 | -- | (47) | 1,604,655 | 1,999,633 | 275,094 | 2,274,727 |

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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the six months ended 30 June 2022 - unaudited

| | 6 months ended 30/06/2022 | (Unaudited) 6 months ended 30/06/2021 |
|---|------------------------------|---|
| Note | RM'000 | RM'000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before tax from : | | |
| - <i>Continuing operations</i> | 177,420 | 77,859 |
| - <i>Discontinued operation</i> | <u>12,119</u> | <u>(84)</u> |
| | 189,539 | 77,775 |
| Adjustments for : | | |
| Share of results of associates | (105,219) | (55,810) |
| Share of results of a joint venture | (6,691) | (5,754) |
| Depreciation and amortisation | 9,288 | 8,663 |
| Finance costs | 346 | 201 |
| Gain on disposal of assets classified as held for sale | (44,771) | -- |
| Other non-cash items | <u>(2,052)</u> | <u>(1,799)</u> |
| Operating profit before working capital changes | 40,440 | 23,276 |
| Changes in working capital | | |
| (Increase) / Decrease in trade & other receivables | (15,229) | 78,099 |
| (Increase) / Decrease in inventories | (7,456) | (36,609) |
| Increase / (Decrease) in trade & other payables | (4,523) | (18,524) |
| Net changes in other current assets & liabilities | 138 | 18 |
| Income tax refunded | 1,057 | 2,275 |
| Income tax paid | <u>(10,668)</u> | <u>(6,871)</u> |
| Net cash from / (used in) operating activities | <u>3,759</u> | <u>41,664</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Dividends received from a joint venture | 10,200 | 10,200 |
| Interest income | 2,146 | 1,826 |
| Purchase of property, plant & equipment | (3,600) | (2,818) |
| Purchase of prepaid land lease payments | (8,712) | -- |
| Proceeds from disposal of property, plant & equipment | 213 | 31 |
| Proceeds from disposal of assets classified as held for sale | <u>75,417</u> | <u>--</u> |
| Net cash from / (used in) investing activities | <u>75,664</u> | <u>9,239</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Dividends paid | (82,086) | (58,633) |
| Dividends paid to non-controlling interests of subsidiaries | (9,337) | (8,808) |
| Distribution of surplus on liquidation of a subsidiary | (15) | -- |
| Finance costs paid | (346) | (201) |
| Bank borrowings | (101) | (407) |
| Lease payables | <u>(1,596)</u> | <u>(1,100)</u> |
| Net cash from / (used in) financing activities | <u>(93,481)</u> | <u>(69,149)</u> |
| NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS | (14,058) | (18,246) |
| CASH AND CASH EQUIVALENTS AT 1 JANUARY | <u>256,603</u> | <u>264,958</u> |
| CASH AND CASH EQUIVALENTS AT 30 JUNE | <u>242,545</u> | <u>246,712</u> |
| Cash and cash equivalents comprise : | | |
| Cash and bank balances | 245,814 | 247,827 |
| Bank overdrafts | <u>(3,269)</u> | <u>(1,115)</u> |
| | <u>242,545</u> | <u>246,712</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 2021.

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 2021, except for the adoption of the following new amendments to Malaysian Financial Reporting Standards ("MFRSs") issued by the Malaysian Accounting Standards Board ("MASB") that :

Effective for annual periods beginning on or after 1 January 2022

Amendments to:

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

The adoption of these amendments to MFRS did not result in significant change on the accounting policies of the Group and has no significant effect on the financial performance or position of the Group.

At the date of authorisation for issue of this unaudited interim financial statements, the new MFRSs and amendments to MFRSs which were in issue but not yet effective and not early adopted by the Group are as listed below :

Effective for annual 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 |
| MFRS 101 | Classification of Liabilities as Current or Non-current |
| MFRS 101 | Disclosure of Accounting Policies |
| MFRS 108 | Defination of Accounting Estimates |
| MFRS 112 | Deferred Tax related to Assets and Llabilities arising from a Single Transaction |
| MFRS 17 | Initial Application of MFRS 17 and MFRS 9 - Comparative Information |

Standards and Amendments effective date deferred to a date to be announced by MASB

Amendments to:

| | |
|----------------------|---|
| MFRS 10 and MRFS 128 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture |
|----------------------|---|

The adoption of these Standards and Amendments will have no material impact on the financial statements of the Group in the period of initial application.

3. Independent Auditors' Report of Preceding Annual Fianncial 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 2021 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 2021.

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 30/06/2022 | |
|--|-----------------------------|----------------------------|
| | Number of Shares '000 | Share Capital RM'000 |
| Ordinary shares As at 1 January 2022 / 30 June 2022 | 390,887 | 391,651 |

8. Dividends paid

A final single tier dividend of 6.0 sen per ordinary share amounting to approximately RM23,453,259 for the financial year ended 31 December 2021 was approved by the shareholders of the Company at the 27th Annual General Meeting held on 1 June 2022 and paid on 30 June 2022.

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 2022 is as follows :

| | RM'000 |
|---------------------------------|--------|
| Approved and contracted for | -- |
| Approved and not contracted for | 7,697 |

12. Significant related party transactions

During the period ended 30 June 2022, the Group and the Company had the following transactions with related parties:

| | 30/06/2022 RM'000 |
|--|----------------------|
| Group | |
| Purchases from a subsidiary of Perusahaan Otomobil Kedua Sdn. Bhd. ("Perodua") | 487,294 |
| Sales to Perodua, its subsidiaries and associates | 17,882 |
| Purchases from Daihatsu Motor Co., Ltd | 958 |
| Purchases from Hino Motors Sales (Malaysia) Sdn. Bhd. | 15,059 |
| Company | |
| Gross dividends from: | |
| - subsidiaries | 38,492 |
| Management fees from subsidiaries | 118 |
| Interest income on advances to subsidiaries | 689 |

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 2022

| | Motor | Auto Parts Manufacturing | | All others | Group |
|--|-----------|--------------------------|--------------|------------|-----------|
| | Trading | Continuing | Discontinued | | |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenues from external customers | 894,070 | 140,361 | -- | 1,098 | 1,035,529 |
| Results for reportable segments | 26,906 | 40,024 | 12,119 | (3,220) | 75,829 |
| Share of results of a jointly venture | -- | 6,691 | -- | -- | 6,691 |
| Share of results of associates | 101,770 | 3,449 | -- | -- | 105,219 |
| Interest income | 1,094 | 325 | -- | 727 | 2,146 |
| Finance costs | (222) | (124) | -- | -- | (346) |
| Profit/(loss) before tax for reportable segment | 129,548 | 50,365 | 12,119 | (2,493) | 189,539 |
| Depreciation and amortisation | (5,367) | (3,072) | -- | (849) | (9,288) |
| Other significant non-cash items | | | | | |
| - Gain on disposal of property, plant and equipment | 186 | 24 | -- | -- | 210 |
| - Gain on disposal of assets classified as held for sale | -- | 31,374 | 13,397 | -- | 44,771 |
| - Allowance for slow-moving inventories | (113) | -- | -- | -- | (113) |
| - Allowance for expected credit losses | (191) | -- | -- | -- | (191) |
| Capital expenditure | 611 | 11,701 | -- | -- | 12,312 |
| Segment assets | 516,648 | 174,666 | 14,622 | 138,945 | 844,881 |
| Jointly controlled entity | -- | 55,979 | -- | 22,899 | 78,878 |
| Investment in associates | 1,456,798 | 65,367 | -- | -- | 1,522,165 |
| Segment liabilities | (116,136) | (49,834) | (1,069) | (4,158) | (171,197) |

Period ended 30 June 2021

| | Motor | Auto Parts Manufacturing | | All others | Group |
|---|-----------|--------------------------|--------------|------------|-----------|
| | Trading | Continuing | Discontinued | | |
| | RM'000 | RM'000 | 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 joint 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) |

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 30/06/2022 RM'000 | Period ended 30/06/2021 RM'000 |
|--|--------------------------------------|--------------------------------------|
| <u>Revenues</u> | | |
| Total revenues for Group's reportable segments | 1,034,431 | 738,320 |
| All others | 1,098 | 865 |
| Elimination of discontinued operation | -- | -- |
| Revenue, as reported | <u>1,035,529</u> | <u>739,185</u> |
| <u>Profit or loss</u> | | |
| Total profit / (loss) for Group's reportable segments, including finance costs and interest income | 80,122 | 19,336 |
| All others | (2,493) | (3,125) |
| Share of results of jointly controlled entity | 6,691 | 5,754 |
| Share of results of associates | 105,219 | 55,810 |
| Elimination of discontinued operation | (12,119) | 84 |
| Profit before tax, as reported | <u>177,420</u> | <u>77,859</u> |
| <u>Assets</u> | | |
| Total assets for Group's reportable segments | 705,936 | 656,802 |
| All others | 138,945 | 111,698 |
| Jointly controlled entity | 78,878 | 77,045 |
| Investment in associates | 1,522,165 | 1,391,500 |
| Total assets, as reported | <u>2,445,924</u> | <u>2,237,045</u> |
| <u>Liabilities</u> | | |
| Total liabilities for Group's reportable segments | 167,039 | 122,350 |
| All others | 4,158 | 6,802 |
| Total liabilities, as reported | <u>171,197</u> | <u>129,152</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 2021.

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 | |
|-----------------------------------|----------------------|----------------------|--------------------------------|----------------------|
| | 30/06/2022 RM'000 | 30/06/2021 RM'000 | 30/06/2022 RM'000 | 30/06/2021 RM'000 |
| Revenue | - | - | - | - |
| Cost of sales | - | - | - | - |
| Gross loss | - | - | - | - |
| Other income | 9,160 | 2 | 13,484 | 20 |
| Administrative and other expenses | (1,090) | (51) | (1,365) | (104) |
| Interest income | - | - | - | - |
| Loss before tax | 8,070 | (49) | 12,119 | (84) |
| Income tax expense | - | - | - | - |
| Loss from discontinued operation | <u>8,070</u> | <u>(49)</u> | <u>12,119</u> | <u>(84)</u> |

Net cash flows of discontinued operation:

| | | |
|--|---------------|-------------|
| Net cash from / (used in) operating activities | (1,000) | (91) |
| Net cash from investing activities | 14,652 | - |
| Net cash from financing activities | - | - |
| Net increase / (decrease) in cash and cash equivalents | <u>13,652</u> | <u>(91)</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 30/06/2022 RM'000 | Year to date 30/06/2022 RM'000 |
|---|---|--------------------------------------|
| Current year's provision | 5,473 | 9,233 |
| Add : Effect of real property gains tax | -- | 2,829 |
| Add : Under/(Over) provision in prior years | -- | -- |
| | <u>5,473</u> | <u>12,062</u> |
| Deferred taxation | -- | -- |
| Income tax expense | <u><u>5,473</u></u> | <u><u>12,062</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 30/06/2022 % | Year to date 30/06/2022 % |
|--|------------------------------------|---------------------------------|
| Statutory income tax rate in Malaysia | 24.0 | 24.0 |
| Adjustment for tax applicable to share of results of associates | (16.5) | (14.2) |
| Adjustment for tax applicable to share of results of a joint venture | (1.1) | (0.9) |
| Expenses not deductible for tax purpose / (Income not subject to tax) | 0.6 | (2.1) |
| | <u>7.0</u> | <u>6.8</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 | 22,157 | -- |
| Unsecured | -- | -- |
| Total | <u><u>22,157</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 first interim single tier dividend of 6.0 sen per ordinary share amounting to approximately RM23,453,259 and a special single tier dividend of 10.0 sen per ordinary share amounting to approximately RM39,088,765 for the current financial year ending 31 December 2022.

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

23. Earnings per ordinary share (EPS)

| | Quarter ended | | Year to date 6 months ended | |
|--|---------------|------------|--------------------------------|------------|
| | 30/06/2022 | 30/06/2021 | 30/06/2022 | 30/06/2021 |
| 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 | 65,986 | 16,677 | 151,221 | 63,744 |
| - Discontinued operation | 8,070 | (49) | 12,119 | (84) |
| | 74,056 | 16,628 | 163,340 | 63,660 |
| 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 | 16.88 | 4.27 | 38.69 | 16.31 |
| - Discontinued operation | 2.06 | (0.01) | 3.10 | (0.02) |
| | 18.94 | 4.26 | 41.79 | 16.29 |

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 | |
|---|---------------|------------|--------------------------------|------------|
| | 30/06/2022 | 30/06/2021 | 30/06/2022 | 30/06/2021 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| a) Interest income | 978 | 897 | 2,146 | 1,826 |
| b) Interest expense | (197) | (101) | (346) | (201) |
| c) Depreciation and amortisation | (4,753) | (4,332) | (9,288) | (8,663) |
| d) Gain on disposal of property, plant and equipment | 22 | 10 | 210 | 25 |
| e) Gain on disposal of assets classified as held for sale | 9,154 | -- | 44,771 | -- |
| f) Allowance for slow-moving inventories | (10) | -- | (113) | (52) |
| g) Allowance for expected credit loss | (50) | -- | (191) | -- |
| h) Realised gain / (loss) on foreign exchange | (8) | 1 | (7) | 18 |

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 2022.

25. Authorised for issue

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

BY ORDER OF THE BOARD
MBM RESOURCES BERHAD

WONG PEIR CHYUN
COMPANY SECRETARY
KUALA LUMPUR
DATED : 25 AUGUST 2022

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 2022 can be downloaded from the internet at
www.bursamalaysia.com or www.mbmr.com.my