



QUARTERLY ANNOUNCEMENT
For the fourth quarter ended 31 December 2022

Summary

- Against the corresponding quarter in 2021, the Group's current quarter and full year revenue has improved by 16.5% and 51.0% respectively, coming from higher volume in both Motor Trading and Auto Parts Manufacturing Divisions.
- Our associate Perodua achieved exceptional performance with a 48.2% increase in 2022 sales volume against 2021. Contributions from our associates for current quarter however was lower at RM48.4 million mainly due to a significant one-off investment tax savings recognised in fourth quarter of 2021.
- PBT for the quarter closed at RM73.9 million. For the full financial year, the Group recorded its highest performance ever at RM325.3 million.

Results

	Quarter ended 31 Dec			Year to date ended 31 Dec		
	2022 RM mil	2021 RM mil	Change %	2022 RM mil	2021 RM mil	Change %
Revenue	651.4	558.9	16.5	2,308.1	1,528.7	51.0
Profit before tax	73.9	137.1	(46.1)	325.3	210.8	54.3
On going business	73.9	137.1	(46.1)	294.9	210.8	39.9
One-off gains from disposals~	--	--	--	30.4	--	100.0
Profit / (loss) for the period	65.0	128.0	(49.2)	311.2	195.5	59.2
Continuing operations	64.7	128.1	(49.5)	298.3	195.7	52.4
Discontinued operation	0.3	(0.0)	800.0	13.0	(0.2)	8,203.8
Profit attributable to the equity holders of the Company	57.4	112.8	(49.1)	281.6	171.2	64.4
	Sen	Sen		Sen	Sen	
Basic earnings / (loss) per share	14.7	28.9	(49.1)	72.0	43.8	64.5
Continuing operations	14.6	28.9	(49.4)	68.7	43.8	56.7
Discontinued operation	0.1	(0.0)	800.0	3.3	(0.0)	8,400.0
Proposed / Declared dividend per share	21.0	15.0	40.0	37.0	26.0	42.3
Interim	6.0	5.0	20.0	12.0	10.0	20.0
Special	15.0	10.0	50.0	25.0	10.0	150.0
Final	--	--	--	--	6.0	(100.0)
	As at 31 Dec 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	2,055.7	1,918.0	7.2			
	RM	RM				
Net assets per share	5.26	4.91	7.2			

Performance of sales by operations

% Changes *	Q4'22	Q4'22	YTD Dec'22
	vs Q3'22	vs Q4'21	vs YTD Dec'21
Total Industry Volume (TIV) **	+ 9.9	+ 7.3	+ 41.6
Total Industry Production (TIP) **	+ 1.4	+ 8.9	+ 45.8
Total Group's Vehicles Sales	+ 9.7	+ 20.4	+ 49.7
Subsidiaries			
DMSB : Daihatsu & Hino trucks	+ 3.9	- 34.7	+ 2.3
DMMS : Perodua vehicles	+ 10.2	+ 27.6	+ 53.5
FAHB : Volvo & Volkswagen vehicles	+ 6.9	+ 8.2	+ 61.4
HASB	- 10.1	- 4.8	+ 41.1
OMI	- 7.7	+ 12.8	+ 55.0
Service throughputs	+ 2.0	+ 6.1	+ 22.7
Joint Venture			
AHSB	+ 2.2	+ 20.4	+ 58.6
Associated companies			
Perodua vehicles	+ 22.0	+ 18.0	+ 47.1
Hino trucks and buses	- 13.3	- 22.2	+ 20.9

Legend

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

* All changes based on vehicle unit invoiced 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 fourth quarter ended 31 December 2022

Group Financial Performance

Fourth quarter ended 31 December 2022 compared with fourth quarter ended 31 December 2021

	Revenue				Profit / (Loss) Before Tax ("PBT")			
	Quarter ended 31-Dec-22 RM'000	Quarter ended 31-Dec-21 RM'000	Change		Quarter ended 31-Dec-22 RM'000	Quarter ended 31-Dec-21 RM'000	Change	
			RM'000	%			RM'000	%
Total From Continuing Operations	651,401	558,921	92,480	16.5	73,915	137,131	(63,216)	(46.1)
<u>Business segments:</u>								
Motor Trading	566,620	482,019	84,601	17.6	19,725	23,692	(3,967)	(16.7)
Auto Parts Manufacturing	84,200	76,357	7,843	10.3	3,046	6,442	(3,396)	(52.7)
Share of results of a joint venture					4,217	5,021	(804)	(16.0)
Share of results of associates					48,413	103,183	(54,770)	(53.1)
Others	581	545	36	6.6	(1,486)	(1,207)	(279)	(23.1)
Total From Discontinued Operation	--	--	--	--	291	(35)	326	931.4
<u>Business segments:</u>								
Auto Parts Manufacturing	--	--	--	--	291	(35)	326	931.4

Group

The Group closed the current quarter with RM651.4 million in revenue, higher than the corresponding quarter in 2021 by RM92.5 million or 16.5%. The higher revenue came from both our Motor Trading and Auto Parts Manufacturing Divisions.

The Group PBT however closed lower at RM73.9 million by RM63.2 million or 46.1% despite having continuously high volume and better operating performance mainly attributed to two reasons. One being higher operating costs in the current quarter and a significant tax savings that was recognised by our associate Perodua in fourth quarter of 2021, thus resulted in the comparably lower share of associates' results by RM54.8 million or 53.1% in the current quarter. Operationally, Perodua achieved its best performance with a 48.2% increase in 2022 sales volume to 282,019 units against 190,291 units in 2021. Secondly, our operating units also experienced higher operating costs such as rising raw material costs, the revision of minimum wage to RM1,500 per month and higher rewards to our employees in tandem with the Group's exceptional full year performance which gave us the highest profit ever recorded, have all contributed to the slightly lower results against the corresponding quarter in 2021.

The share of results in joint venture was also lower by RM0.8 million or 16% to close at RM4.2 million for the same reason stated above. Revenue for the quarter and the year was higher than the corresponding quarter by 20% and 59% respectively, and our share of the full year results of the joint venture was also higher by 44% against the preceding year.

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

Motor Trading

The Division closed the quarter with RM566.6 million in revenue, an increase of RM84.6 million or 17.6% against the corresponding quarter coming mainly from high vehicle sales volume as the carmakers ramped up production to fulfil the large number of bookings before the close of the year. With vehicle supply issues mostly under control, the Group's vehicle supply from Perodua increase by 27.6% against the corresponding quarter, whilst vehicle supplies of Volvo, Volkswagen and Daihatsu have seen improvements as well. The Group's aftersales revenue and margins likewise continue its upward trend with service throughputs volume increase by 6.1% against the corresponding quarter.

Despite the higher revenue, the Division recorded lower PBT of RM19.7 million, RM4.0 million or 16.7% lower than the corresponding quarter in 2021 mainly due to the aforesaid higher operating costs, coupled with a reversal of overprovision of certain operating expenses in the fourth quarter of 2021.

Auto Parts Manufacturing

Our Auto Parts Manufacturing Division registered revenue of RM84.2 million for the quarter under review which is RM7.8 million or 10.3% higher than the corresponding quarter. The increase was coming from higher production volume pulled by all the car makers to fulfil outstanding bookings.

PBT for the quarter was however closed at RM3.0 million, RM3.4 million or 52.7% lower as compared to the corresponding quarter. Aside from the aforesaid higher operating costs especially increase in raw material costs, higher USD rates against MYR also impacted the Division's performance although a substantial amount of those direct costs increase was recoverable from the customers.

QUARTERLY ANNOUNCEMENT
For the fourth quarter ended 31 December 2022

12 months year to date ended 31 December 2022 against previous year to date ended 31 December 2021

	Revenue				Profit / (Loss) Before Tax ("PBT")			
	Year to date ended 31-Dec-22 RM'000	Year to date ended 31-Dec-21 RM'000	Change		Year to date ended 31-Dec-22 RM'000	Year to date ended 31-Dec-21 RM'000	Change	
			RM'000	%			RM'000	%
Total From Continuing Operations	2,308,096	1,528,664	779,432	51.0	325,285	210,832	114,453	54.3
Business segments:								
Motor Trading	1,989,746	1,319,859	669,887	50.8	64,338	42,322	22,016	52.0
Auto Parts Manufacturing	316,108	206,611	109,497	53.0	19,083	10,463	8,620	82.4
One-off gains from disposals~					30,407	--	30,407	100.0
Share of results of a joint venture					15,978	11,096	4,882	44.0
Share of associates' results					200,351	152,791	47,560	31.1
Others	2,242	2,194	48	2.2	(4,872)	(5,840)	968	16.6
Total From Discontinued Operation	--	--	--	--	12,970	(154)	13,124	8,522.1
Business segments:								
Auto Parts Manufacturing	--	--	--	--	848	(154)	1,002	650.6
One-off gains from disposals~					12,122	--	12,122	100.0

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

Group

For the 12-month period ended 31 December 2022, the Group achieved RM2,308 million in revenue, significantly higher than the corresponding period in 2021 by RM779.4 million or 51.0%. Both our Motor Trading and Auto Parts Manufacturing Divisions achieved record-high revenue riding on among others, the sales tax exemption, higher vehicle supplies, improved operating conditions and production demand. The corresponding period in 2021 was also not a comparable year with the MCO 3.0 full lockdown implemented from 1st June 2021 to mid-August 2021.

In line with the revenue, PBT for the Group increased significantly by RM114.5 million or 54.3% to closed at RM325.3 million, achieving the highest PBT in the Group's history.

The share of results in joint venture similarly was higher than the corresponding period by RM4.9 million or 44% to close at RM16.0 million given the high production demand from carmakers. The same trend is seen in our share of the associates' results of RM200.4 million, a significant RM47.6 million or 31.1% increase against the corresponding period with Perodua contributing to 94% of the associates' profits. For the full year, Perodua achieved its best performance with a 48.2% increase in 2022 sales volume to 282,019 units against 190,291 units in 2021.

Motor Trading

Given the record high Total Industry Volume (TIV) of 720,658 units for 2022, the Division also achieved a 49.7% increase in the total Group vehicle sales volume and closed the year with RM1,989.7 million in revenue, an increase of RM669.9 million or 50.8% against the corresponding year.

With the high volume, the Division recorded an equally impressive PBT of RM64.3million, RM22.0 million or 52.0% higher than the corresponding period, breaking past record as the highest profit ever achieved by the Division.

Auto Parts Manufacturing

Our Auto Parts Manufacturing Division likewise registered revenue of RM316.1 million for the period under review which is RM109.5 million or 53.0% higher than the corresponding period.

Despite rising operating costs, the Division managed to close the period with PBT of RM19.1 million, RM8.6 million or 82.4% higher as compared to the corresponding period.

QUARTERLY ANNOUNCEMENT
For the fourth quarter ended 31 December 2022

Fourth quarter ended 31 December 2022 against previous quarter ended 30 September 2022

	Revenue				Profit / (Loss) Before Tax ("PBT")			
	Quarter ended 31-Dec-22 RM'000	Quarter ended 30-Sep-22 RM'000	Change		Quarter ended 31-Dec-22 RM'000	Quarter ended 30-Sep-22 RM'000	Change	
			RM'000	%			RM'000	%
Total From Continuing Operations	651,401	621,166	30,235	4.9	73,915	73,950	(35)	(0.0)
<u>Business segments:</u>								
Motor Trading	566,620	529,056	37,564	7.1	19,725	16,835	2,890	17.2
Auto Parts Manufacturing	84,200	91,547	(7,347)	(8.0)	3,046	6,219	(3,173)	(51.0)
Share of results of a joint venture					4,217	5,070	(853)	(16.8)
Share of associates' results					48,413	46,719	1,694	3.6
Others	581	563	18	3.2	(1,486)	(893)	(593)	(66.4)
Total From Discontinued Operation	--	--	--	--	291	560	(269)	(48.0)
<u>Business segments:</u>								
Auto Parts Manufacturing	--	--	--	--	291	560	(269)	(48.0)

Group

Against the preceding quarter, the Group's revenue was also higher at RM651.4 million, RM30.2 million or 4.9% higher for the same reasons highlighted earlier.

Operating PBT for the Group was almost comparable to the preceding quarter's operating PBT at RM73.9 million coming from slight shortfall in Auto Parts Manufacturing Division and lower share of our joint venture entity's results but compensated by higher performance in Motor Trading Division.

The Group's share of the Associates' results for both quarters were comparable with an increase of RM1.7 million or 3.6% to close at RM48.4 million.

Motor Trading

Against the preceding quarter, the Division's revenue was higher by RM37.6 million or 7.1% driven mainly by higher vehicle sales volume especially with improved supply from Perodua, Volvo, and higher aftersales. Both our Daihatsu and Volkswagen supply and sales volume have also been consistent.

Operating PBT was higher by RM2.9 million or 17.2% to close at RM19.7 million as the profits derived from the higher volume in the current quarter was able to offset the higher operating costs.

Auto Parts Manufacturing

Against the preceding quarter, the Division's revenue was slightly lower by RM7.3 million or 8.0% mainly due to more scheduled shutdowns by the carmakers in the current quarter. PBT was also lower by RM3.2 million or 51.0% coming from the slightly lower production volume and the earlier mentioned higher operating costs.

PROSPECTS

As reported by the Malaysian Automotive Association (MAA), the automotive industry rebounded strongly in 2022 to achieve a new record high Total Industry Volume (TIV) of 720,658 units, a growth of 42% from previous year. This historic TIV record was achieved at the back of pent-up demand from the Penjana's sales tax exemption period, and the Government's decision to allow purchasers who placed their bookings during the period to register their new vehicles by 31 March 2023.

The Group posted its highest ever unaudited operating Profit Before Tax in 2022 mainly on the back of a 46% increase in the manufacturing sales volume, improved vehicle sales volume of 26,287 units and higher service throughput of 234,314 units.

The Malaysian economy is expected to moderate in 2023 on the tail of high inflation rate and increased costs of borrowing, negatively affecting consumer demand. Despite the more challenging environment, the Group remains cautiously optimistic on the outlook for 2023. The market will be driven by the rush to deliver the backlog orders before the end of March 2023, the introduction of new models and the sale of recently launched electric vehicles. In addition, the Group will continue to mitigate rising operating costs through improvement in process efficiency and productivity.

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the twelve months ended 31 December 2022 - unaudited

		Current Quarter Ended 31/12/2022 RM'000	Comparative Quarter Ended 31/12/2021 RM'000	12 months Cumulative To Date 31/12/2022 RM'000	(Audited) Comparative 12 months Cumulative To Date 31/12/2021 RM'000
	Note				
Continuing operations					
Revenue	14	651,401	558,921	2,308,096	1,528,664
Cost of sales		<u>(600,273)</u>	<u>(509,659)</u>	<u>(2,118,006)</u>	<u>(1,392,276)</u>
Gross profit		51,128	49,262	190,090	136,388
Other income		17,484	12,762	80,752	37,176
Administrative and other expenses		(28,235)	(19,957)	(99,040)	(82,613)
Selling and marketing expenses		(20,048)	(13,893)	(66,935)	(47,153)
Finance costs		(110)	(235)	(641)	(537)
Interest income		1,066	988	4,730	3,684
Share of results of a joint venture, net of tax		4,217	5,021	15,978	11,096
Share of results of associates, net of tax		<u>48,413</u>	<u>103,183</u>	<u>200,351</u>	<u>152,791</u>
Profit before tax	14	73,915	137,131	325,285	210,832
Income tax expense	18	<u>(9,184)</u>	<u>(9,046)</u>	<u>(27,027)</u>	<u>(15,181)</u>
Profit from continuing operations		<u>64,731</u>	<u>128,085</u>	<u>298,258</u>	<u>195,651</u>
Discontinued operation					
Results from discontinued operation, net of tax		<u>287</u>	<u>(41)</u>	<u>12,966</u>	<u>(160)</u>
Profit for the period		<u>65,018</u>	<u>128,044</u>	<u>311,224</u>	<u>195,491</u>
Profit / (loss) for the period attributable to:					
Equity holders of the Company from:					
- Continuing operations		57,125	112,855	268,588	171,383
- Discontinued operation		<u>287</u>	<u>(41)</u>	<u>12,966</u>	<u>(160)</u>
		<u>57,412</u>	<u>112,814</u>	<u>281,554</u>	<u>171,223</u>
Non-controlling interests from:					
- Continuing operations		7,606	15,230	29,670	24,268
- Discontinued operation		<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
		<u>7,606</u>	<u>15,230</u>	<u>29,670</u>	<u>24,268</u>
Profit for the period		<u>65,018</u>	<u>128,044</u>	<u>311,224</u>	<u>195,491</u>

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

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (cont'd)
For the twelve months ended 31 December 2022 - unaudited

	Current Quarter Ended 31/12/2022 RM'000	Comparative Quarter Ended 31/12/2021 RM'000	12 months Cumulative To Date 31/12/2022 RM'000	(Audited) Comparative 12 months Cumulative To Date 31/12/2021 RM'000
Profit for the period	65,018	128,044	311,224	195,491
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	197	141	843	20
Share of foreign currency translation reserve of foreign operations of associates	(18)	(821)	(8)	(823)
Net gain / (loss) on cash flow hedges and revaluation of an associate	--	--	--	47
Other comprehensive income / (loss) for the period, net of tax	179	(680)	835	(756)
Total comprehensive income / (loss) for the period	65,197	127,364	312,059	194,735
Total comprehensive income / (loss) attributable to:				
Equity holders of the Company from:				
- Continuing operations	57,286	112,161	269,347	170,620
- Discontinued operation	287	(41)	12,966	(160)
	57,573	112,120	282,313	170,460
Non-controlling interests from:				
- Continuing operations	7,624	15,244	29,746	24,275
- Discontinued operation	--	--	--	--
	7,624	15,244	29,746	24,275
Total comprehensive income / (loss) for the period	65,197	127,364	312,059	194,735
Earnings / (loss) per ordinary share				
Basic and diluted from:				
- Continuing operations	14.61	28.87	68.71	43.84
- Discontinued operation	0.07	(0.01)	3.32	(0.04)
23	14.68	28.86	72.03	43.80

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 2022 - unaudited

	Note	As at end of Current Quarter 31/12/2022 RM'000	(Audited) As at preceding Financial Year Ended 31/12/2021 RM'000
ASSETS			
Non-Current Assets			
Property, plant & equipment		174,456	181,269
Right-of-use assets		2,730	2,165
Investment properties		69,564	91,483
Prepaid land lease payments		38,905	30,735
Investment in a joint venture		88,165	82,387
Investment in associates		1,527,561	1,416,521
Other investments		2,280	2,280
Deferred tax assets		2,233	1,878
Goodwill on consolidation		1,104	1,104
Total Non-Current Assets		<u>1,906,998</u>	<u>1,809,822</u>
Current Assets			
Inventories		115,598	93,548
Trade & other receivables and prepaid expenses		199,241	160,598
Tax recoverable		1,314	5,484
Cash and bank balances		282,687	260,940
		598,840	520,570
Assets classified as held for sale		20,128	30,645
Total Current Assets		<u>618,968</u>	<u>551,215</u>
TOTAL ASSETS	14	<u><u>2,525,966</u></u>	<u><u>2,361,037</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 2022 - unaudited

		As at end of Current Quarter 31/12/2022 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>1,664,023</u>	<u>1,526,338</u>
Equity attributable to the equity holders of the Company		2,055,674	1,917,989
Non-controlling interests		<u>287,148</u>	<u>270,273</u>
Total Equity		<u>2,342,822</u>	<u>2,188,262</u>
Non-Current Liabilities			
Deferred tax liabilities		4,315	5,046
Provision for retirement benefits		2,112	2,609
Lease liabilities - non-current portion		<u>689</u>	<u>709</u>
Total Non-Current Liabilities		<u>7,116</u>	<u>8,364</u>
Current Liabilities			
Short term borrowings	20	--	23,326
Trade & other payables and accrued expenses		169,450	137,986
Amount owing to holding company		34	61
Lease liabilities - current portion		1,972	1,456
Tax liabilities		<u>4,572</u>	<u>1,582</u>
Total Current Liabilities		<u>176,028</u>	<u>164,411</u>
Total Liabilities	14	<u>183,144</u>	<u>172,775</u>
TOTAL EQUITY AND LIABILITIES		<u>2,525,966</u>	<u>2,361,037</u>
Net assets per share (RM)		5.26	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 twelve months ended 31 December 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				
12 months ended 31 December 2021 - audited								
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	--	--	--	--	--	--	(30,988)	(30,988)
Profit for the period	--	--	--	--	171,223	171,223	24,268	195,491
Other comprehensive income for the period	--	18	42	(823)	--	(763)	7	(756)
Total comprehensive income	--	18	42	(823)	171,223	170,460	24,275	194,735
At 31 December 2021	391,651	2,995	--	(58)	1,523,401	1,917,989	270,273	2,188,262
12 months ended 31 December 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	--	--	--	--	(144,628)	(144,628)	--	(144,628)
Dividends paid to non-controlling interests of subsidiaries	--	--	--	--	--	--	(12,856)	(12,856)
Liquidation of a subsidiary	--	--	--	--	--	--	(15)	(15)
Profit for the period	--	--	--	--	281,554	281,554	29,670	311,224
Other comprehensive income for the period	--	766	--	(7)	--	759	76	835
Total comprehensive income	--	766	--	(7)	281,554	282,313	29,746	312,059
At 31 December 2022	391,651	3,761	--	(65)	1,660,327	2,055,674	287,148	2,342,822

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 2022 - unaudited

	12 months ended 31/12/2022	(Audited) 12 months ended 31/12/2021
Note	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax from :		
- <i>Continuing operations</i>	325,285	210,832
- <i>Discontinued operation</i>	12,970	(154)
	<u>338,255</u>	<u>210,678</u>
Adjustments for :		
Share of results of associates	(200,351)	(152,791)
Share of results of a joint venture	(15,978)	(11,096)
Depreciation and amortisation	18,382	17,465
Finance costs	641	537
Gain on disposal of assets classified as held for sale	(44,771)	--
Other non-cash items	621	(612)
Other non-operating items	<u>(5,059)</u>	<u>(3,771)</u>
Operating profit before working capital changes	91,740	60,410
Changes in working capital		
(Increase) / Decrease in trade & other receivables	(38,800)	(2,886)
(Increase) / Decrease in inventories	(22,495)	(36,875)
Increase / (Decrease) in trade & other payables	31,461	5,191
Net changes in other current assets & liabilities	(524)	(160)
Income tax refunded	1,081	2,280
Income tax paid	<u>(22,034)</u>	<u>(18,634)</u>
Net cash from / (used in) operating activities	<u>40,429</u>	<u>9,326</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends received from associates	90,146	71,088
Dividends received from a joint venture	10,200	10,200
Interest income	4,730	3,639
Purchase of property, plant & equipment	(6,304)	(8,956)
Purchase of investment properties	--	(10)
Purchase of prepaid land lease payments	(8,712)	--
Proceeds from disposal of property, plant & equipment	461	125
Proceeds from disposal of assets classified as held for sale	<u>75,417</u>	<u>--</u>
Net cash from / (used in) investing activities	<u>165,938</u>	<u>76,086</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid	(144,628)	(78,178)
Dividends paid to non-controlling interests of subsidiaries	(12,856)	(30,988)
Distribution of surplus on liquidation of a subsidiary	(15)	--
Finance costs paid	(641)	(537)
Bank borrowings	(18,989)	18,061
Lease payables	<u>(3,154)</u>	<u>(2,126)</u>
Net cash from / (used in) financing activities	<u>(180,283)</u>	<u>(93,768)</u>
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	26,084	(8,356)
CASH AND CASH EQUIVALENTS AT 1 JANUARY	<u>256,603</u>	<u>264,958</u>
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	<u>282,687</u>	<u>256,602</u>
Cash and cash equivalents comprise :		
Cash and bank balances	282,687	260,940
Bank overdrafts	<u>--</u>	<u>(4,338)</u>
	<u>282,687</u>	<u>256,602</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 Fiancial 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 31/12/2022	
	Number of Shares '000	Share Capital RM'000
Ordinary shares As at 1 January 2022 / 31 December 2022	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 2022 is as follows :

	<u>RM'000</u>
Approved and contracted for	4,241
Approved and not contracted for	<u>6,919</u>

12. Significant related party transactions

During the period ended 31 December 2022, the Group and the Company had the following transactions with related parties:

	<u>31/12/2022</u> RM'000
<u>Group</u>	
Purchases from a subsidiary of Perusahaan Otomobil Kedua Sdn. Bhd. ("Perodua")	1,188,717
Sales to Perodua, its subsidiaries and associates	37,397
Purchases from Daihatsu Motor Co., Ltd	1,729
Purchases from Hino Motors Sales (Malaysia) Sdn. Bhd.	<u>36,605</u>
<u>Company</u>	
Gross dividends from:	
- subsidiaries	62,702
- associates	70,806
Management fees from subsidiaries	235
Interest income on advances to subsidiaries	<u>689</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 2022

	Motor Trading	Auto Parts Manufacturing		All others	Group
	RM'000	Continuing RM'000	Discontinued RM'000	RM'000	RM'000
Revenues from external customers	1,989,746	316,108	--	2,242	2,308,096
Results for reportable segments	62,301	48,648	12,970	(6,082)	117,837
Share of results of a jointly venture	--	15,978	--	--	15,978
Share of results of associates	192,225	8,126	--	--	200,351
Interest income	2,378	1,142	--	1,210	4,730
Finance costs	(341)	(300)	--	--	(641)
Profit/(loss) before tax for reportable segment	256,563	73,594	12,970	(4,872)	338,255
Depreciation and amortisation	(10,250)	(6,433)	--	(1,699)	(18,382)
Other significant non-cash items					
- Property, plant and equipment written off	(19)	--	--	--	(19)
- Inventories written off	--	(146)	--	--	(146)
- Allowance for slow-moving inventories	(299)	--	--	--	(299)
- Allowance for expected credit losses	(112)	--	--	(45)	(157)
Capital expenditure	1,762	13,240	--	14	15,016
Segment assets	540,887	189,847	1,311	178,195	910,240
Jointly controlled entity	--	65,266	--	22,899	88,165
Investment in associates	1,461,101	66,460	--	--	1,527,561
Segment liabilities	(116,262)	(61,006)	(112)	(5,764)	(183,144)

Period ended 31 December 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	1,319,859	206,611	--	2,194	1,528,664
Results for reportable segments	40,405	10,412	(160)	(7,019)	43,638
Share of results of a joint venture	--	11,096	--	--	11,096
Share of results of associates	150,481	2,310	--	--	152,791
Interest income	2,188	317	6	1,179	3,690
Finance costs	(271)	(266)	--	--	(537)
Profit/(loss) before tax for reportable segment	192,803	23,869	(154)	(5,840)	210,678
Depreciation and amortisation	(10,198)	(4,912)	--	(2,355)	(17,465)
Other significant non-cash items					
- Fair value gain on other investment	418	--	--	--	418
- Property, plant and equipment written off	(116)	--	--	--	(116)
- Allowance for slow moving inventories	(405)	(128)	--	--	(533)
- Allowance for slow moving inventories no longer required	1,063	--	--	--	1,063
- Allowance for expected credit losses	(263)	--	--	--	(263)
- Allowance for expected credit losses no longer required	43	--	--	--	43
Capital expenditure	5,690	3,231	--	45	8,966
Segment assets	520,063	164,160	2,277	175,629	862,129
Jointly controlled entity	--	59,488	--	22,899	82,387
Investment in associates	1,354,657	61,864	--	--	1,416,521
Segment liabilities	(112,028)	(53,874)	(51)	(6,822)	(172,775)

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 31/12/2022 RM'000	Period ended 31/12/2021 RM'000
<u>Revenues</u>		
Total revenues for Group's reportable segments	2,305,854	1,526,470
All others	2,242	2,194
Elimination of discontinued operation	--	--
Revenue, as reported	<u>2,308,096</u>	<u>1,528,664</u>
<u>Profit or loss</u>		
Total profit / (loss) for Group's reportable segments, including finance costs and interest income	126,798	52,631
All others	(4,872)	(5,840)
Share of results of jointly controlled entity	15,978	11,096
Share of results of associates	200,351	152,791
Elimination of discontinued operation	(12,970)	154
Profit before tax, as reported	<u>325,285</u>	<u>210,832</u>
<u>Assets</u>		
Total assets for Group's reportable segments	732,045	686,500
All others	178,195	175,629
Jointly controlled entity	88,165	82,387
Investment in associates	1,527,561	1,416,521
Total assets, as reported	<u>2,525,966</u>	<u>2,361,037</u>
<u>Liabilities</u>		
Total liabilities for Group's reportable segments	177,380	165,953
All others	5,764	6,822
Total liabilities, as reported	<u>183,144</u>	<u>172,775</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	
	31/12/2022	31/12/2021	12 months ended	
	RM'000	RM'000	31/12/2022	31/12/2021
	RM'000	RM'000	RM'000	RM'000
Revenue	-	-	-	-
Cost of sales	-	-	-	-
Gross loss	-	-	-	-
Other income	291	3	14,141	24
Administrative and other expenses	-	(44)	(1,171)	(184)
Interest income	-	6	-	6
Profit / (loss) before tax	291	(35)	12,970	(154)
Income tax expense	(4)	(6)	(4)	(6)
Profit / (loss) from discontinued operation	<u>287</u>	<u>(41)</u>	<u>12,966</u>	<u>(160)</u>

Net cash flows of discontinued operation:

Net cash from / (used in) operating activities	(637)	(226)
Net cash from investing activities	14,652	6
Net cash from financing activities	-	-
Net increase / (decrease) in cash and cash equivalents	<u>14,015</u>	<u>(220)</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 31/12/2022 RM'000	Year to date 31/12/2022 RM'000
Current year's provision	10,643	25,657
Add : Effect of real property gains tax	--	2,829
Add : Under/(Over) provision in prior years	<u>(373)</u>	<u>(373)</u>
	10,270	28,113
Deferred taxation	<u>(1,086)</u>	<u>(1,086)</u>
Income tax expense	<u><u>9,184</u></u>	<u><u>27,027</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 31/12/2022 %	Year to date 31/12/2022 %
Statutory income tax rate in Malaysia	24.0	24.0
Adjustment for tax applicable to share of results of associates	(15.7)	(14.8)
Adjustment for tax applicable to share of results of a joint venture	(1.4)	(1.2)
Expenses not deductible for tax purpose / (Income not subject to tax)	5.5	0.3
	<u>12.4</u>	<u>8.3</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	--	--
Unsecured	<u>--</u>	<u>--</u>
Total	<u><u>--</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 6.0 sen per ordinary share amounting to approximately RM23,453,259 and a special single tier dividend of 15.0 sen per ordinary share amounting to approximately RM58,633,148 for the current financial year ended 31 December 2022.

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

23. Earnings per ordinary share (EPS)

	Quarter ended		Year to date 12 months ended	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
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	57,125	112,855	268,588	171,383
- Discontinued operation	287	(41)	12,966	(160)
	57,412	112,814	281,554	171,223
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	14.61	28.87	68.71	43.84
- Discontinued operation	0.07	(0.01)	3.32	(0.04)
	14.68	28.86	72.03	43.80

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	
	31/12/2022	31/12/2021	31/12/2022	31/12/2021
	RM'000	RM'000	RM'000	RM'000
a) Interest income	1,066	988	4,730	3,684
b) Interest expense	(110)	(235)	(641)	(537)
c) Depreciation and amortisation	(4,438)	(4,306)	(18,382)	(17,465)
d) Property, plant and equipment written off	(19)	(100)	(19)	(116)
e) Gain on disposal of property, plant and equipment	102	(13)	327	35
f) Fair value gain on other investment	--	418	--	418
g) Gain on disposal of assets classified as held for sale	--	--	44,771	--
h) Inventories written off	(146)	--	(146)	--
i) Allowance for slow-moving inventories	(169)	(118)	(299)	(533)
j) Allowance for slow-moving inventories no longer required	--	1,063	--	1,063
k) Allowance for expected credit loss	34	(373)	(157)	(263)
l) Allowance for expected credit loss no longer required	--	--	--	43
m) Realised gain / (loss) on foreign exchange	(30)	(59)	(51)	(41)

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 2022.

25. Authorised for issue

These unaudited condensed consolidated interim financial statements were approved by the Board of Directors on 20 February 2023.

BY ORDER OF THE BOARD
MBM RESOURCES BERHAD

WONG PEIR CHYUN
COMPANY SECRETARY
KUALA LUMPUR
DATED : 20 FEBRUARY 2023